

**317th MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY
EIERA Office
425 Madison Street, Second Floor
Jefferson City, Missouri
January 12, 2015
10:00 a.m.**

Amended Agenda

1. Call to Order
2. Approval of Minutes

Approval of Minutes from the 316th Meeting of the Authority Held November 20, 2014, in Jefferson City, Missouri
3. State Revolving Fund Program
 - A. Resolution Authorizing the State Environmental Improvement and Energy Resources Authority to Issue and Sell Not to Exceed \$40,000,000 Principal Amount of Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) and Approving Other Documents and Authorizing the Authority to Take Certain Other Actions in Connection with the Issuance of Said Bonds
 - B. Other
4. Brownfields Revolving Loan Fund
 - A. Consideration and Approval of the Funding Recommendation for the Boonslick Community Development Corporation Project and Authorization for the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
 - B. Other
5. Fiscal Year 2015 Budget Revision
6. Other Business
 - A. Questions on Fiscal Year 2014 Audit
 - B. Next Meeting Date
 - C. Other
7. Closed Meeting Pursuant to Section 610.021(1), (3) and (11) RSMo. (as needed)
8. Adjournment of Closed Meeting and Return to Open Meeting
9. Adjournment of Open Meeting

State Environmental Improvement and Energy Resources Authority
317th Board Meeting
January 12, 2015

Agenda Item #3A
STATE REVOLVING FUND 2015A BOND ISSUANCE

Issue:

The Department of Natural Resources (DNR) has requested the Authority to sell State Revolving Fund (SRF) Revenue Bonds to provide state match for the Clean Water and Drinking Water State Revolving Loan Fund programs. Bond pricing is scheduled for January 22 with an estimated closing date of February 5, 2015.

Action Needed:

Consideration and approval of the attached resolution authorizing the Authority to issue and sell State Revolving Fund Water Pollution Control and Drinking Water Revenue Bonds (Series 2015A) in a principal amount not to exceed \$40,000,000.

Staff Recommendation:

Staff recommends that the Board approve the resolution authorizing the issuance and sale of the 2015A bonds.

Staff Contact:

Joe Boland

Background:

One of the most important funding components of the SRF programs is the annual capitalization grant received from the U.S. Environmental Protection Agency. There is a separate grant received for the Clean Water SRF and for the Drinking Water SRF. These grants provide funding not just for infrastructure projects, but for some staffing and operations as well.

For each dollar drawn from this grant, the department must provide a twenty percent match. Historically this match was provided through state general obligation bonds or through a direct general revenue appropriation. Due to shrinking state budgets, those options were no longer available and beginning in 2003, state match has been generated through the sale of EIERS SRF revenue bonds. The bonds are considered *state match* because they are repaid with only the loan interest or earnings interest of the SRF program.

Match from all the previous bond sales has now been exhausted and additional match needs to be generated. The department only had sufficient match to cover drinking water program operating expenses through January 2015, making the timing of this sale is critical. The proceeds from this bond sale will be used to provide state matching funds for the 2013 and

2014 Drinking Water SRF capitalization grants and for a portion of the 2014 and, all or part of, three future Clean Water SRF capitalization grants.

This was a very aggressive schedule to meet DNR's deadline. At this stage, bond documents are substantially completed, and information was provided to the rating agencies, Moodys and Fitch, as of December 29, 2014. We are hoping to receive both ratings by Tuesday, January 13, 2015, in order to publish the Preliminary Offering Statement as soon as possible after that to market the bonds.

The Senior managing underwriter for this transaction is Wells Fargo Securities. They will have a representative available at the meeting to answer any questions.

Relevant portions of the Preliminary Official Statement (POS) are also attached to provide additional information on this transaction.

Attachments

JB:ge

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

(STATE OF MISSOURI)

RESOLUTION AUTHORIZING THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY TO ISSUE AND SELL NOT TO EXCEED \$40,000,000 PRINCIPAL AMOUNT OF WATER POLLUTION CONTROL AND DRINKING WATER REVENUE BONDS (STATE REVOLVING FUNDS PROGRAMS); APPROVING THE FORM OF AND AUTHORIZING THE AUTHORITY TO ENTER INTO A BOND INDENTURE, A TAX COMPLIANCE AGREEMENT, A FIRST AMENDMENT TO MASTER PLEDGE AGREEMENT, A PURCHASE CONTRACT IN CONNECTION WITH THE ISSUANCE OF SAID BONDS; APPROVING THE FORM OF AND AUTHORIZING THE AUTHORITY TO EXECUTE AN OFFICIAL STATEMENT RELATING TO SAID BONDS; AND APPROVING CERTAIN OTHER DOCUMENTS AND AUTHORIZING THE AUTHORITY TO TAKE CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS, AND APPROVING THE FORM OF AND AUTHORIZING THE AUTHORITY TO ENTER INTO AN AMENDED AND RESTATED SUPPLEMENTAL DISCLOSURE AGREEMENT.

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, on July 31, 2009, the Authority adopted Resolution 09-2 declaring the intent of the Authority to issue its revenue bonds to finance projects on behalf of the Missouri Department of Natural Resources ("DNR"); and

WHEREAS, Wells Fargo Bank, National Association, doing business as Wells Fargo Securities, as senior book running underwriter (the "Senior Underwriter") has submitted an application (the "Application") to the Authority requesting the Authority to issue bonds of the Authority to reimburse DNR

for costs advanced for the purpose of financing the costs of construction of certain wastewater treatment and sanitary sewerage facilities or drinking water facilities (the "Projects"); and

WHEREAS, the Authority now desires to approve the Application and authorize the issuance, sale and delivery of bonds of the Authority to be known as "Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2015A", in the aggregate principal amount not to exceed \$40,000,000 (the "Bonds"); and

WHEREAS, the Authority further finds and determines that it is necessary and desirable in connection with the issuance and sale of the Bonds that the Authority enter into certain documents and approve certain other documents and take certain other actions in connection with the issuance 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 issuance of its bonds under the Act to provide funds to reimburse DNR for costs incurred to finance the costs of construction of the Projects is in the public interest and within the power and authority vested in the Authority under the Act and will be in furtherance of the objectives and public purposes of the Act, in that the Projects consist of facilities for the reduction or prevention of water pollution, the disposal of solid waste or sewage, or to provide for the furnishing of water facilities, and will provide for the public health, safety and welfare of the residents of the State of Missouri by promoting, developing and assisting in the construction of wastewater treatment, sanitary sewerage, water and water pollution control facilities in the State of Missouri. The Authority hereby approves the Application dated, submitted by the Senior Underwriter, for the issuance and sale of the Bonds and declares the intent of the Authority to issue the Bonds pursuant to the Act and in accordance with the SRF Programs.

Section 2. Authorization of the Bonds. For the purposes of financing the costs of the construction of the Projects pursuant to the SRF Program, the Authority hereby authorizes the issuance and sale, pursuant to Section 260.040 of the Act, of its Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2015A in the aggregate principal amount not to exceed \$40,000,000. The Bonds shall be dated as of the Date of Delivery (as defined in the hereinafter authorized Indenture) and shall be issued as fully registered Bonds without coupons in the denominations of \$5,000 or any integral multiple thereof. Principal on the Bonds shall be payable on the dates and in the principal amounts equal to not less than 80% nor more than 120% of the amounts on a bond year basis as set forth in Schedule 1 attached hereto (unless a greater or lesser principal amount is determined to be in the best interest of the Authority and/or DNR) and shall bear interest at rates not to exceed 6.00% per annum, payable semiannually on each January 1 and July 1, commencing July 1, 2015, as such maturities, principal amounts and interest rates shall be approved by the Chairman or Vice Chairman by the execution of the hereinafter authorized Purchase Contract between the Authority and the Underwriters (within the meaning of the Purchase Contract). The Bonds shall be in such forms, shall have such terms and provisions, and shall be issued, executed and delivered in such manner and subject to such provisions, covenants and agreements, as are set forth in the Indenture. The Bonds shall be issued under and equally and ratably secured both as to principal and interest by the Indenture. The Indenture provides a complete description of the pledged property and revenues constituting the Trust Estate, the nature and extent of the security for the Bonds, a statement of the terms and conditions on which the Bonds are to be issued and secured, the rights, duties,

obligations and immunities of the Authority, the rights, duties, obligations and immunities of the Trustee, and the rights of the holders of the Bonds. Because of the characteristics of the Bonds, the principal amount thereof, the acceptability in the public bond market of similar issues, the prevailing market conditions and the advice of the Underwriters hereinafter referred to that a private sale will result in the most favorable interest rates on the Bonds, the Authority hereby finds that it is in the best interest of the Authority to sell the Bonds at a private sale pursuant to the Purchase Contract.

Section 3. Limited Obligations. The Bonds shall be limited obligations of the Authority payable solely out of the payments, revenues and receipts to be derived by the Authority pursuant to the Master Trust Agreement dated as of November 1, 2010, as amended, (the “2010 Master Trust Agreement”) between the Authority and UMB Bank, N.A., as Master Trustee (the “Master Trustee”), and from certain other moneys pledged under the Indenture, and such payments, revenues and receipts shall be pledged and assigned to the Trustee as security for the payment of the Bonds as provided in the Indenture. The Bonds do not constitute or create an indebtedness, liability or moral obligation of any Participant, the State, any political subdivision thereof, the United States of America or any agency thereof, the United States Environmental Protection Agency (“EPA”), DNR, the Clean Water Commission, or the Safe Drinking Water Commission. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds nor is the State of Missouri or any political subdivision thereof liable on the Bonds. No covenant, stipulation, obligation or agreement contained herein or in the Bonds shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future trustee, officer, member, director, employee or agent of the Authority in his or her individual capacity.

Section 4. Authorization of Authority Documents. The Authority is hereby authorized to enter into the following documents (the “Authority Documents”), in substantially the forms presented and reviewed by the Authority at this meeting (copies of which documents 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 such documents, such officers’ signatures thereon being conclusive evidence of their approval thereof:

- (a) Bond Indenture (the “Indenture”) dated as of the first day of the month in which the Bonds are issued or such other date as approved by the officers of the Authority executing the document (the “Document Date”), between the Authority and UMB Bank, N.A., as trustee (the “Trustee”);
- (b) Purchase Contract to be dated the date of its execution and delivery (the “Purchase Contract”), among the Authority and the Senior Underwriter, and the other underwriters named therein (collectively the “Underwriters”);
- (c) Tax Compliance Agreement dated as of the Document Date (the “Tax Agreement”), among the Authority, DNR, the Trustee and the Master Trustee;
- (d) First Amendment to Master Pledge Agreement dated as of the Document Date (the “First Amendment to Master Pledge”), between the Authority and DNR; and
- (e) Amended and Restated Supplemental Disclosure Agreement dated as of the Document Date (the “Supplemental Disclosure Agreement”), among the Authority, DNR and UMB Bank,

N.A., as Master Trustee and UMB Bank, N.A. and UMB Bank & Trust, N.A. as Indenture Trustees for outstanding series of master trust bonds.

Section 5. Authorization of Letter of Instructions and Investment Agreement. The Chairman or Vice Chairman is hereby authorized and directed to execute letters of instructions or certificates (i) requesting and authorizing the Trustee to authenticate and deliver the Bonds to the Underwriters, (ii) ordering and directing the Trustee as to the deposit of the proceeds of the Bonds, (iii) directing the Trustee as to the application of the proceeds of the Bonds, and (iv) setting forth how proceeds deposited in certain funds and accounts shall be invested and, in connection with said investments, authorizing the purchase of certain securities in accordance with the terms of the Indenture. Certain fees and expenses to be paid out of the proceeds of the Bonds shall be as set forth in Schedule 2 attached hereto. The Trustee is authorized to invest the Funds and Accounts established under the Indenture in accordance with the written directions of the Chairman, the Director or the Deputy Director.

Section 6. Authorization of Preliminary Official Statement and Official Statement. The form and provisions of the Preliminary Official Statement relating to the sale of the Bonds, in the form presented at this meeting, is hereby approved, and the Authority authorizes the use of the Preliminary Official Statement and the information therein in connection with the offering and sale of the Bonds by the Underwriters in accordance with applicable legal requirements. The Authority hereby authorizes and directs the Underwriters to prepare and distribute a final Official Statement in connection with the offering and sale of the Bonds, said Official Statement to be substantially in the form of the Preliminary Official Statement with such changes therein as shall be necessary to complete the Preliminary Official Statement and as shall otherwise be deemed by the Underwriters to be necessary and as shall be authorized by the Chairman or the Vice Chairman, such approval to be conclusively evidenced by the delivery of the Bonds.

Section 7. Execution of Bonds and Documents. The Chairman or the Vice Chairman is hereby authorized and directed to execute the Bonds, manually or by facsimile signature, and to deliver the Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the Authority in the manner provided in the 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. The Secretary or the Assistant Secretary is hereby authorized and directed to attest, manually or by facsimile signature, to the Bonds and the Authority Documents, and to such other documents, certificates and instruments, including any document with respect to the pledge of the Authority's interest in net participant payments to the Master Trustee under the Master Trust Agreement dated as of November 1, 2010, as amended between the Authority and the Master Trustee as may be necessary or desirable in connection with the issuance of the Bonds, and further, as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 8. 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, including applications for the registration of the Bonds under state securities laws, and to carry out, comply with and perform the duties of the Authority with respect to the Bonds and the Authority Documents.

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Section 9. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Authority.

ADOPTED this 12th day of January, 2015.

Chairman of the Authority

(Seal)

ATTEST:

Secretary of the Authority

Attachment "A"

SCHEDULE 1

SERIES 2015A BONDS PRINCIPAL AMORTIZATION

<u>Date</u>	<u>Principal Amount</u>	<u>Date</u>	<u>Principal Amount</u>
1-Jul-15	1,380,000.00	1-Jan-26	835,000.00
1-Jan-16	1,250,000.00	1-Jul-26	790,000.00
1-Jul-16	1,240,000.00	1-Jan-27	750,000.00
1-Jan-17	1,225,000.00	1-Jul-27	705,000.00
1-Jul-17	1,205,000.00	1-Jan-28	665,000.00
1-Jan-18	1,185,000.00	1-Jul-28	620,000.00
1-Jul-18	1,165,000.00	1-Jan-29	575,000.00
1-Jan-19	1,155,000.00	1-Jul-29	530,000.00
1-Jul-19	1,135,000.00	1-Jan-30	485,000.00
1-Jan-20	1,115,000.00	1-Jul-30	430,000.00
1-Jul-20	1,095,000.00	1-Jan-31	380,000.00
1-Jan-21	1,075,000.00	1-Jul-31	330,000.00
1-Jul-21	1,055,000.00	1-Jan-32	280,000.00
1-Jan-22	1,035,000.00	1-Jul-32	235,000.00
1-Jul-22	1,015,000.00	1-Jan-33	185,000.00
1-Jan-23	990,000.00	1-Jul-33	145,000.00
1-Jul-23	965,000.00	1-Jan-34	105,000.00
1-Jan-24	940,000.00	1-Jul-34	70,000.00
1-Jul-24	915,000.00	1-Jan-35	45,000.00
1-Jan-25	890,000.00	1-Jul-35	30,000.00
1-Jul-25	860,000.00	1-Jan-36	25,000.00

Attachment “A”

SCHEDULE 2

COSTS OF ISSUANCE*

Authority Issuance Fee	\$ 92,006.25
Authority Application Fee	2,500.00
Bond Counsel Fee	42,000.00
Underwriters’ Counsel Fee	40,000.00
Financial Advisor Fee	82,500.00
Authority’s Counsel Fee	35,000.00
Trustee Acceptance Fee	4,000.00
Trustee Initial Periodic Fee	8,400.00
Rating Agency Fees	46,150.00
Printing Expenses (POS, OS) and Blue Sky Filing Fees (not to exceed \$500)**	3,000.00
Closing, Clearing and Contingency Expenses**	12,808.25
Underwriters’ Fee and Expenses**	121,635.50
Total Costs of Issuance and Underwriters’ Fee	<u>\$490,000.00</u>

* Amounts are based on an issuance size of \$31,105,000. Authority issuance fee and underwriters’ fee will be adjusted accordingly to reflect actual Bond issue size and participants.

** Expenses shall not exceed the indicated amount and only verified amounts actually paid will be reimbursed.

NEW ISSUE
Book-Entry Only

RATINGS: Moody's: ____
Fitch: ____

See "RATINGS" herein

In the opinion of Gilmore & Bell, P.C., 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 "Code"), (1) the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, except as described in this Official Statement, and is not an item of tax preference for the purposes of the federal alternative minimum tax imposed on individuals and corporations, (2) the interest on the Bonds is exempt from Missouri income taxation by the State of Missouri and (3) the Bonds have not been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See the section herein captioned "TAX MATTERS" and the form of opinion of Bond Counsel attached hereto as Appendix D.



\$34,720,000*
State Environmental Improvement and Energy Resources Authority
(State of Missouri)
Water Pollution Control and Drinking Water Revenue Bonds
(State Revolving Funds Programs)
Series 2015A

Dated: Date of Delivery

Due: January 1 and July 1, as shown on inside cover

The State Environmental Improvement and Energy Resources Authority (the "Authority") is issuing its Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2015A (the "Bonds"), the proceeds of which will reimburse the Missouri Department of Natural Resources ("DNR") for expenditures made by certain governmental entities (each a "Participant" and collectively the "Participants") in connection with the financing of wastewater treatment facilities and drinking water facilities. The Bonds will be issued pursuant to a Bond Indenture dated as of February 1, 2015 (the "Indenture") between the Authority and UMB Bank, N.A., St. Louis, Missouri, as trustee and bond registrar (the "Trustee").

The Bonds are issuable only as fully registered bonds, without coupons, 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. See the section herein captioned "DESCRIPTION OF THE BONDS – Book-Entry Only System." Principal of and redemption premium, if any, on the Bonds is payable to the registered owners of the Bonds at the maturity or redemption date thereof upon the surrender thereof at the principal payment office of the Trustee. Interest on the Bonds is payable semiannually on each January 1 and July 1, commencing on July 1, 2015.

The Bonds are limited obligations of the Authority payable solely from revenues and receipts derived by the Authority consisting of certain moneys transferred to the Trustee by the 2010 Master Trustee (as defined herein) from interest components of Pledged Participant Obligations and Pledged Net Participant Payments (defined herein) available under the 2010 Master Trust Agreement (the "Indenture Receipts") and investment earnings on the Drinking Water Subsidy Fund. See the sections herein captioned "SECURITY AND SOURCES OF PAYMENT OF THE BONDS" and "LIMITED SECURITY PROVIDED BY THE 2010 MASTER TRUST AGREEMENT."

The Bonds do not constitute or create an indebtedness, liability or moral obligation of the Participants, the State of Missouri (the "State"), any political subdivision thereof, the United States of America or any agency thereof, DNR, the Missouri Clean Water Commission or the Missouri Safe Drinking Water Commission. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds nor is the State or any political subdivision thereof liable on the Bonds. The Authority has no taxing power.

The Bonds are subject to redemption prior to maturity as described herein under the section captioned "DESCRIPTION OF THE BONDS – Redemption; Notice of Redemption."

See the inside cover page for maturities, principal amounts, interest rates, prices, yields and CUSIP numbers

This cover page contains information for quick reference only. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued by the Authority and accepted by the Underwriters, subject to prior placement, withdrawal or modification of the offer without notice and subject to the approval of their validity by Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel, and subject to certain other conditions. Certain legal matters will be passed upon for the Authority by its General Counsel, Lewis, Rice & Fingersh, L.C., St. Louis, Missouri. Certain legal matters will be passed upon for the Underwriters by Thompson Coburn LLP, St. Louis, Missouri, and the Hardwick Law Firm LLC, Kansas City, Missouri. It is expected that the Bonds will be available for delivery through the facilities of DTC in New York, New York on or about February ____, 2015.

Wells Fargo Securities
Citigroup
Piper Jaffray & Co.

George K. Baum & Company
Siebert Brandford Shank & Co., L.L.C.
The date of this Official Statement is ____, 2015.

BofA Merrill Lynch
J.P. Morgan
Stifel

* Preliminary, subject to change.

\$34,720,000*
**State Environmental Improvement and Energy
Resources Authority (State of Missouri)
Water Pollution Control and Drinking Water Revenue Bonds
(State Revolving Funds Programs)
Series 2015A**

**Maturity Schedule
Base CUSIP: 60636P**

<u>Maturity</u>	<u>Amount*</u> \$	<u>Interest Rate</u> %	<u>Yield</u> %	<u>Price</u> %	<u>CUSIP Numbers¹</u>
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¹ CUSIP numbers shown above have been assigned by an organization not affiliated with the Authority. The Authority was not responsible for the selection of CUSIP numbers nor does it make any representation as to the correctness of such numbers on the Bonds or as indicated herein.

* Preliminary, subject to change.

State Environmental Improvement and Energy Resources Authority

William "Andy" Dalton, Chairman

Ryan Doyle, Vice Chairman

Deron L. Cherry, Treasurer

LaRee DeFreece, Secretary

Karen L. Massey, Director

Department of Natural Resources

Sara Parker Pauley, Director

Leanne Tippett-Mosby, Director – Division of Environmental Quality

John Madras, Director – Water Protection Program

Eric Crawford, Director – Financial Assistance Center

Clean Water Commission

Ben A. "Todd" Parnell III, Chair

Dennis Wood, Vice Chair

Buddy Bennett, Commissioner

John Cowherd, Commissioner

Samuel D. Leake, Commissioner

Ashley McCarty, Commissioner

Wallis Warren, Commissioner

Safe Drinking Water Commission

Elizabeth Grove, Chair

Bruce Manning, Vice Chair

Susan E. Hazelwood, Commissioner

Charli Jo Ledgerwood, Commissioner

Rodger Owens, Commissioner

Curtis Skouby, Commissioner

Susan McCray Armstrong, Commissioner

D. Scott Bockenkamp, Commissioner

Advisors and Consultants

Financial Advisor to the Authority

Columbia Capital Management, LLC

Overland Park, Kansas

Counsel to the Authority

Lewis, Rice & Fingersh, L.C.

St. Louis, Missouri

Bond Counsel

Gilmore & Bell, P.C.

Kansas City, Missouri

Co-Underwriters' Counsel

Thompson Coburn LLP

St. Louis, Missouri

Hardwick Law Firm LLC

Kansas City, Missouri

REGARDING USE OF THIS OFFICIAL STATEMENT

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON THE EXEMPTION CONTAINED IN SECTION 3(a)(2) OF SUCH ACT. THE INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT.

The information set forth herein has been obtained from the Authority and other sources which are deemed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Authority. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

No dealer, broker, salesperson or any other person has been authorized by the Authority to give any information or make any representations, other than those contained in this Official Statement, in connection with the offering of the Bonds, and if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any state in which it is unlawful for such person to make such offer, solicitation or sale. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor the sale of any of the Bonds hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Authority, the Programs or the other matters described herein since the date hereof.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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. INCLUDED IN SUCH RISKS AND UNCERTAINTIES ARE (i) THOSE RELATING TO THE POSSIBLE INVALIDITY OF THE UNDERLYING ASSUMPTIONS AND ESTIMATES, (ii) POSSIBLE CHANGES OR DEVELOPMENTS IN SOCIAL, ECONOMIC, BUSINESS, INDUSTRY, MARKET, LEGAL AND REGULATORY CIRCUMSTANCES, AND (iii) CONDITIONS AND ACTIONS TAKEN OR OMITTED TO BE TAKEN BY THIRD PARTIES, INCLUDING CUSTOMERS, SUPPLIERS, BUSINESS PARTNERS AND COMPETITORS, AND LEGISLATIVE, JUDICIAL AND OTHER GOVERNMENTAL AUTHORITIES AND OFFICIALS. ASSUMPTIONS RELATED TO THE FOREGOING INVOLVE JUDGMENTS WITH RESPECT TO, AMONG OTHER THINGS, FUTURE ECONOMIC, COMPETITIVE, AND MARKET CONDITIONS AND FUTURE BUSINESS DECISIONS, ALL OF WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT ACCURATELY. FOR THESE REASONS, THERE CAN BE NO ASSURANCE THAT THE FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT WILL PROVE TO BE ACCURATE.

UNDUE RELIANCE SHOULD NOT BE PLACED ON FORWARD-LOOKING STATEMENTS. ALL FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT ARE BASED ON INFORMATION AVAILABLE TO THE AUTHORITY ON THE DATE HEREOF, AND THE AUTHORITY ASSUMES NO OBLIGATION TO UPDATE ANY SUCH FORWARD-LOOKING STATEMENTS IF OR WHEN THE EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR OR FAIL TO OCCUR, OTHER THAN AS INDICATED UNDER THE CAPTION "CONTINUING DISCLOSURE."

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OFFICIAL STATEMENT

\$34,720,000*

**State Environmental Improvement and Energy
Resources Authority (State of Missouri)
Water Pollution Control and Drinking Water Revenue Bonds
(State Revolving Funds Programs)
Series 2015A**

INTRODUCTION

The following introductory information 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 and appendices, should be considered in its entirety. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

The purpose of this Official Statement is to set forth certain information concerning (1) the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State of Missouri (the "**Authority**"), and the \$34,720,000* principal amount of Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs), Series 2015A (the "**Bonds**"), to be issued by the Authority, (2) the Clean Water SRF Program, (3) the Drinking Water SRF Program, and (4) the source of repayment and security for the Bonds. See the sections herein captioned "**DESCRIPTION OF THE BONDS**" and "**SECURITY AND SOURCES OF PAYMENT OF THE BONDS**."

Authorization of and Purpose of the Bonds

The Authority is authorized pursuant to Sections 260.005 through 260.125, and Appendix B(1), of the Revised Statutes of Missouri, as amended (the "**Act**"), and the resolution adopted by the Authority on January 2, 2015, to issue the Bonds under a Bond Indenture dated as of February 1, 2015 (the "**Indenture**") by and between the Authority and UMB Bank, N.A., St. Louis, Missouri, as trustee and bond registrar (the "**Trustee**" and "**Bond Registrar**"). Capitalized terms used in this Official Statement and not otherwise defined herein shall have the meanings listed in **Appendix B** to this Official Statement. See the sections herein captioned "**THE AUTHORITY**" and "**DESCRIPTION OF THE BONDS**."

The proceeds of the Bonds will be used to reimburse the Missouri Department of Natural Resources ("**DNR**") for a portion of its expenditures made prior to the issuance of the Bonds in connection with the financing of publicly owned wastewater treatment facilities or publicly owned drinking water treatment facilities of certain Clean Water Participants and Drinking Water Participants. See the section herein captioned "**SECURITY AND SOURCES OF PAYMENT OF THE BONDS**."

State Revolving Funds Programs

Direct Loan Programs. In cooperation with the Clean Water Commission of the State of Missouri (the "**Clean Water Commission**") and the Safe Drinking Water Commission of the State of

* Preliminary, subject to change.

Missouri (the "**Drinking Water Commission**"), DNR has developed and implemented the State of Missouri Direct Loan Program to provide financial assistance to Missouri governmental entities to finance publicly owned wastewater treatment facilities (the "**Clean Water SRF Direct Loan Program**") and to provide financial assistance to Missouri governmental entities and other eligible entities to finance publicly and privately owned drinking water treatment facilities (the "**Drinking Water SRF Direct Loan Program**") and collectively, the "**SRF Direct Loan Programs**"). Pursuant to the Clean Water SRF Direct Loan Program, DNR has provided financial assistance to the Clean Water Participants to finance improvements to Clean Water Participants' wastewater treatment facilities. Pursuant to the Drinking Water SRF Direct Loan Program, DNR has provided financial assistance to the Drinking Water Participants to finance improvements to Drinking Water Participants' drinking water facilities.

Leveraged Loan Programs. The Federal Water Quality Act of 1987, which amended the Clean Water Act of 1972 (as amended, the "**Federal Clean Water Act**"), provides for the establishment of state loan programs, the funds of which are used to provide financial assistance to various instrumentalities of the state in connection with the construction of publicly owned systems for transportation, collection, storage, treatment, recycling and reclamation of municipal sewage and certain other water pollution control projects. By resolutions adopted in 1988, 1998 and 2009, the Authority agreed to cooperate with DNR to implement the program contemplated by the Federal Clean Water Act and issue its bonds in connection with the Missouri Leveraged State Water Pollution Control Revolving Fund Program (the "**Clean Water SRF Leveraged Program**") and collectively with the Clean Water SRF Direct Loan Program, the "**Clean Water SRF Program**"). For further information on the Clean Water SRF Program, see the section herein captioned "**STATE REVOLVING FUNDS PROGRAMS.**"

The Federal Safe Drinking Water Amendments of 1996, which amended the Safe Drinking Water Act (as amended, the "**Federal Drinking Water Act**"), provides for the establishment of state loan programs, the funds of which are used to provide financial assistance to various community water systems (including for-profit companies) and nonprofit non-community water systems in connection with the construction of drinking water projects. By resolutions adopted in 1998 and 2009, the Authority agreed to cooperate with DNR to implement the program contemplated by the Federal Drinking Water Act, and issue its bonds in connection with the Missouri Leveraged State Drinking Water Revolving Fund Program (the "**Drinking Water SRF Leveraged Program**") and collectively with the Drinking Water SRF Direct Loan Program, the "**Drinking Water SRF Program**"). The Clean Water SRF Program and the Drinking Water SRF Program are referred to herein collectively as the "**State Revolving Funds Programs**" or the "**Programs**"). For further information on the Programs, see the section here captioned "**STATE REVOLVING FUNDS PROGRAMS.**"

Program Bonds

All bonds issued by the Authority under the Programs are referred to herein as "**Program Bonds.**"

Prior to November 2010, each series of Program Bonds (the "**2004 Master Trust Bonds**") was issued under a separate indenture secured by the trust estate created under the applicable indentures executed in connection with each series of bonds, and, with the exception of a 1995 series of bonds issued by the Authority to finance a project for the City of Branson, were further secured by the Amended and Restated Master Trust Agreement dated as of March 1, 2004, as amended by the First Amendment to Master Trust Agreement dated as of November 1, 2009, and the Second Amendment to Master Trust Agreement dated as of November 1, 2010 (collectively, the "**2004 Master Trust Agreement**") between the Authority and UMB Bank, N.A., as master trustee (the "**2004 Master Trustee**").

To better meet the needs of DNR and the State Revolving Fund Program Participants resulting from the development of the SRF Direct Loan Programs, the Authority implemented a new master trust agreement, the Master Trust Agreement dated as of November 1, 2010, as amended by the First Amendment to Master Trust Agreement dated as of November 1, 2011 (collectively, the “**2010 Master Trust Agreement**”) between the Authority and UMB Bank, N.A., as Master Trustee (the “**2010 Master Trustee**”). The 2010 Master Trust Agreement provides flexibility for the issuance of future Program Bonds secured by excess loan repayments, reserve funds, or a combination of both, on a series by series basis. The Authority has issued three series of bonds secured by the 2010 Master Trust Agreement: (1) \$65,920,000 Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2010B (the “**Series 2010B Bonds**”), (2) \$106,830,000 Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2011A (the “**Series 2011A Refunding Bonds**”), and (3) \$101,535,000 Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2013A (the “**Series 2013A Refunding Bonds**”). The Authority anticipates that future series of Program Bonds will be issued under the 2010 Master Trust Agreement. Program Bonds (other than State Match Portions) secured by the 2010 Master Trust Agreement are hereinafter referred to as “**2010 Master Trust Bonds.**” Collectively, the 2004 Master Trust Agreement and the 2010 Master Trust Agreement are referred to herein as the “**Master Trust Agreements.**” The Program Bonds, or designated portions of Program Bonds, at any time outstanding and secured by a Master Trust Agreement are referred to herein as “**Master Trust Bonds.**”

The Series 2010B Bonds consisted of a “**State Match Portion**” and a “**Leveraged Portion.**” The State Match Portion represents the amount of State matching funds contributed by the State under the Federal Clean Water Act and the Federal Drinking Water Act in an amount at least equal to the applicable percentage of the amount of federal funds payable pursuant to the applicable federal capitalization grants to the State for the Clean Water SRF Program and the Drinking Water SRF Program. The significance of separating the Series 2010B Bonds into the two components was to account for the fact that the State Match Portion of the Series 2010B Bonds is not included within the definition of “**2010 Master Trust Bonds**” but is secured, on a parity basis with the State Match Portions of future series of Program Bonds secured under the 2010 Master Trust Agreement, and a priority basis with respect to the Leveraged Portion of each prior series of Program Bonds secured by the 2010 Master Trust Agreement, by the interest components of the Pledged Participant Obligations and the Pledged Net Participant Payments. The Bonds differ from the Series 2010B Bonds in that all of the Bonds have been designated as “**State Match Portion**” and, therefore, are not 2010 Master Trust Bonds. The Bonds are secured, on a parity basis with the State Match Portion of the Series 2010B Bonds, by a first priority lien on the interest components of the Pledged Participant Obligations and the Pledged Net Participant Payments. The Bonds are not secured by principal payments on Pledged Participant Obligations and the principal component of Pledged Net Participant Payments. See the sections herein captioned “**SECURITY AND SOURCES OF PAYMENT OF THE BONDS — The Indenture**” and “**STATE REVOLVING FUNDS PROGRAMS.**”

Security for the Bonds

The Indenture. The Bonds are limited obligations of the Authority, payable solely from and secured exclusively by (a) all moneys received by the Trustee (the “**Indenture Receipts**”) from UMB Bank, N.A., St. Louis, Missouri, in its capacity as the 2010 Master Trustee, pursuant to the 2010 Master Trust Agreement (Indenture Receipts only constitute the interest payments on Pledged Participant Obligations and the interest component of Pledged Net Participant Payments); and (b) all cash, moneys, securities and investments held by the Trustee in the funds and accounts as provided in the Indenture, including the Drinking Water Subsidy Fund. The Bonds are not 2010 Master Trust Bonds. See the section herein captioned “**SECURITY AND SOURCES OF PAYMENT OF THE BONDS.**”

The Bonds do not constitute or create an indebtedness, liability or moral obligation of the Participants, the State of Missouri (the "State"), any political subdivision thereof, the United States of America or any agency thereof, DNR, the Clean Water Commission or the Drinking Water Commission. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds nor is the State or any political subdivision thereof liable on the Bonds. The Authority has no taxing power.

Pledge Agreement. In conjunction with a loan from DNR under the Clean Water SRF Direct Loan Program or the Drinking Water SRF Direct Loan Program, each Clean Water Participant and each Drinking Water Participant, respectively, issues a bond to DNR, evidencing each Participant's obligation to repay the loan from DNR (each a "Participant Obligation" and, collectively, the "Participant Obligations"). The Authority and DNR entered into the Master Pledge Agreement dated as of November 1, 2010 (as amended by the First Amendment to Master Pledge Agreement dated as of February 1, 2015, the "Pledge Agreement") in connection with the issuance of the Series 2010B Bonds and the delivery of the 2010 Master Trust Agreement. Under the Pledge Agreement, DNR granted, assigned and transferred to the Authority a security interest in all of its rights, title and interest in and to the principal and interest payments (the "Repayments") on certain of its Participant Obligations to the Authority (the "Pledged Participant Obligations") as security for the payment of the principal of, premium, if any, and interest on the Series 2010B Bonds, the Series 2011A Refunding Bonds, the Series 2013A Refunding Bonds and future Authority bonds to be secured under the 2010 Master Trust Agreement as more fully discussed below under the section captioned "**SECURITY AND SOURCES OF PAYMENT OF THE BONDS.**" Pursuant to the Pledge Agreement, DNR will pledge additional Participant Obligations in connection with the issuance of the Bonds. The Bonds are not secured by the principal components of the Repayments or Pledged Net Participant Payments as further described herein. See the sections herein captioned "**SECURITY AND SOURCES OF PAYMENT OF THE BONDS**" and "**LIMITED SECURITY PROVIDED BY THE 2010 MASTER TRUST AGREEMENT.**"

DNR covenants under the Pledge Agreement to direct the paying agents for the Pledged Participant Obligations to transfer the Repayments to the 2010 Master Trustee under the 2010 Master Trust Agreement for deposit to the Repayment Fund no later than each Interest Payment Date. The Bonds are secured only by the interest components for the Pledged Participant Obligations and the Pledged Net Participant Payments on deposit in the Repayment Fund. See the section herein captioned "**SECURITY AND SOURCES OF PAYMENT OF THE BONDS — Pledge Agreement.**"

2010 Master Trust Agreement. Monies sent to the 2010 Master Trustee under the 2010 Master Trust Agreement include (1) Repayments on the Pledged Participant Obligations pursuant to the Pledge Agreement and (2) the principal and interest payments on Participant bonds or other repayment obligations received by the Authority from bond trustees for series partially refunded by the Series 2011A Refunding Bonds and the Series 2013A Refunding Bonds (collectively, the "Refunding Bonds") after payment of the debt service on the original bonds that remained outstanding after issuance of the Refunding Bonds (the "Remaining Original Bonds") and refunding bonds issued in 2001, 2004 and 2010 which partially refunded the original bonds (such remaining payments are referred to herein as the "Pledged Net Participant Payments"). The Pledged Net Participant Payments have been pledged by the Authority to the 2010 Master Trustee pursuant to the Authority Master Pledge Agreement dated as of November 1, 2011 (the "Authority Pledge Agreement"), subject in all respects to prior pledges by the Authority in connection with its refunding bonds issued in 2001, 2004 and 2010, which partially refunded portions of certain series of prior Program Bonds (collectively, the "Original Bonds") issued under the 2004 Master Trust Agreement. See the section captioned "**SECURITY AND SOURCES OF PAYMENT OF THE BONDS.**"

Subject to the prior lien of State Match Portions (including the Bonds) on the interest components, the Repayments on the Pledged Participant Obligations and Pledged Net Participant Payments are pledged as security for the payment of the principal of, premium, if any, and interest on the 2010 Master Trust Bonds and any future 2010 Master Trust Bonds, on a parity basis. **The Bonds are secured only by the interest components of the Pledged Participant Obligations and Pledged Net Participant Payments.** See the section herein captioned **"SECURITY AND SOURCES OF PAYMENT OF THE BONDS."**

The 2010 Master Trust Agreement contains conditions that must be satisfied for future series of bonds or State Match Portions to be secured by the 2010 Master Trust Agreement. Any future series of 2010 Master Trust Bonds and State Match Portion, if applicable, will be secured by the 2010 Master Trust Agreement to the extent provided in the Authority's bond indenture authorizing such series of 2010 Master Trust Bonds. See **"LIMITED SECURITY PROVIDED BY THE 2010 MASTER TRUST AGREEMENT"** herein.

Other Information

There follows in this Official Statement brief descriptions of the Bonds, certain of the Bond documents, the Programs and the Authority. **Appendix A** to this Official Statement is in two parts. Part 1 provides a list of all Pledged Participant Obligations. Part 2 includes information on the Material Master Trust Participant, as defined in the section herein captioned **"CONTINUING DISCLOSURE."**

Appendix B contains a summary of the 2010 Master Trust Agreement. **Appendix C** contains a summary of certain provisions of the Indenture. Set forth in **Appendix D** is the proposed form of the opinion which is anticipated to be rendered by Bond Counsel at the time of delivery of the Bonds.

Such descriptions, information and summaries provided herein do not purport to be comprehensive or definitive. All references herein to any documents are qualified by the terms of such documents in their entirety. Until the issuance and delivery of the Bonds, copies of the documents described herein may be obtained from Wells Fargo Securities, as representative of the underwriters of the Bonds. After delivery of the Bonds, copies of the documents summarized in **Appendix B**, **Appendix C** and **Appendix D** will be available for inspection at the principal corporate trust office of the Trustee.

DESCRIPTION OF THE BONDS

General Description

The Bonds will be issued as fully registered bonds in the denominations of \$5,000 or any integral multiple of \$5,000 (**"Authorized Denominations"**). The Bonds will be dated the date of initial issuance and delivery of the Bonds (the **"Bond Issuance Date"**), will mature on the dates and in the principal amounts and will bear interest at the interest rates per annum set forth on the inside cover hereof. Each Bond shall bear interest from the Bond Issuance Date or from the most recent date to which interest has been paid or duly provided for, payable semiannually on each January 1 and July 1, commencing July 1, 2015 (each an **"Interest Payment Date"**). Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

The principal of and redemption premium, if any, and interest on the Bonds shall be payable in any currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts, and, except as otherwise provided in the Indenture,

such principal and redemption premium, if any, shall be payable by check or draft at the principal payment office of the Trustee or at the office of any duly appointed alternate Paying Agent, upon presentation and surrender of such Bonds. Payment of the interest on any Bond shall be made to the person appearing on the Bond Register as the Bondholder thereof as of the commencement of business of the Trustee on the Record Date for such Interest Payment Date, and shall be paid by check or draft of the Trustee mailed to such Bondholder at such Bondholder's address as it appears on the Bond Register or at such other address as is furnished to the Trustee in writing by such Bondholder. Notwithstanding the foregoing, the principal of and redemption premium, if any, and interest on the Bonds is payable by electronic transfer in immediately available federal funds pursuant to instructions from any Bondholder of \$500,000 or more in aggregate principal amount of Bonds as of the commencement of business of the Trustee on the Record Date for a particular Interest Payment Date. Any such instructions for electronic transfer shall be in writing, signed by such Bondholder and given by such Bondholder to the Trustee not less than fifteen days prior to the applicable Record Date and shall include the name of the bank (which shall be in the continental United States), its address, its ABA routing number and the name, number and contact name related to such Bondholder's account at such bank to which the payment is to be credited and shall acknowledge that an electronic transfer fee is payable. Electronic transfers will be made to such electronic transfer address for which instructions were properly given irrespective of any transfer or exchange of the Bonds subsequent to such Record Date and prior to such Interest Payment Date. Unless the Bonds are in book-entry form, no principal of or redemption premium, if any, on the Bonds is payable unless the Bondholder thereof shall have surrendered such Bonds at the principal payment office of the Trustee. All checks, drafts or, at the best efforts of the Trustee, electronic transfers for the payment of the principal of or redemption premium, if any, and interest on the Bonds shall include or have enclosed therewith the CUSIP number and appropriate payment amount for each CUSIP number. If the Authority shall default in payment of interest due on an Interest Payment Date, such defaulted interest shall be payable to the persons in whose names the Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by the Trustee as Bond Registrar, which special record date shall not be less than ten (10) days preceding the date of payment of such defaulted interest.

Redemption; Notice of Redemption

The Bonds maturing on _____ are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of the Indenture at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, on the dates and in the principal amounts as follows:

<u>Redemption Date</u>	<u>Principal Amount</u>
------------------------	-------------------------

†Maturity

The Bonds maturing on and after _____ are subject to redemption in whole or in part on any date, at the option of the Authority, on and after _____ at the redemption price of ____% of the principal amount redeemed, plus accrued interest thereon to the redemption date. Bonds to be redeemed pursuant to the optional redemption provisions above shall be selected from the maturities and in the principal amounts as shall be determined by the Authority.

The Trustee shall select the Bonds, or portions thereof, to be redeemed from each maturity in such manner as it shall in its discretion determine.

Unless waived by any Bondholder of Bonds to be redeemed, official notice of any redemption of Bonds shall be given by the Bond Registrar on behalf of the Authority by mailing a copy of an official redemption notice by first class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date fixed for redemption to the Bondholder of the Bond or Bonds to be redeemed at the address shown on the Bond Register; provided, however, that failure to give such notice by mail as aforesaid to any Bondowner or any defect therein as to any particular Bond shall not affect the validity of any proceedings for the redemption of any other Bonds. All official notices of redemption shall be dated and shall state (1) the redemption date, (2) the redemption price, (3) the CUSIP number (provided, however, that such notice may contain a disclaimer as to the accuracy of such numbers), (4) if less than all Outstanding Bonds are to be redeemed, the identification and the respective principal amounts of the Bonds to be redeemed, (5) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and (6) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal payment office of the Trustee.

In addition to the foregoing notice, further notice shall be given by the Trustee on behalf of the Authority as set out in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

The Trustee shall rescind such notice of the optional redemption of Bonds in accordance with the Indenture in the event moneys available solely for such optional redemption in accordance with the requirements of the Indenture and sufficient to pay the Bonds called for optional redemption and accrued interest thereon to the redemption date and the redemption premium, if any, shall not have been deposited with the Trustee by the close of business of the fifth Business Day next preceding such optional redemption date.

Upon the happening of the above conditions, and notice having been given as provided in the Indenture, the Bonds or the portions of the principal amount of Bonds thus called for redemption shall cease to bear interest on the specified redemption date, provided moneys sufficient for the payment of the redemption price are on deposit at the place of payment at the time, and shall no longer be entitled to the protection, benefit or security of the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture.

Non-Presentation of Bonds; Unclaimed Moneys

In the event any Bonds shall not be presented for payment when the principal thereof becomes due, if funds sufficient to pay such Bonds shall be held by the Trustee for the benefit of the holder or holders thereof, all liability of the Authority to the holder or holders thereof for the payment of such Bonds shall forthwith cease, determine and be completely discharged and thereupon it shall be the duty of the Trustee to hold such funds without liability for interest thereon, for the benefit of the holder or holders of such Bonds, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under the Indenture or on, or with respect to, such Bonds. All moneys which the Trustee shall have withdrawn from the Debt Service Fund or shall have received from any other source and set aside for the purpose of paying any of the Bonds secured by the Indenture shall be held in trust for the respective holders of such Bonds, but any moneys which shall be so set aside or deposited by the Trustee and which shall remain unclaimed by the holders of such Bonds for a period of one year after the date on which such Bonds shall have become due and payable shall be paid to the Authority; provided, however,

that the Trustee, before making any such payment shall send a letter to the last known address for such Bondholders that said moneys have not been claimed and that after a date named therein any unclaimed balance of said moneys then remaining will be returned to the Authority and thereafter the holders of such Bonds shall look only to the Authority for payment and then only to the extent of the amount so received without any interest thereon, and the Trustee shall have no responsibility with respect to such moneys.

Mutilated, Lost, Stolen or Destroyed Bonds

If any Outstanding Bond, whether temporary or definitive, is mutilated, lost, stolen or destroyed, the Authority may execute and, upon its request, the Trustee may authenticate a new Bond of the same principal amount and series and of like tenor as the mutilated, lost, stolen or destroyed Bond; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Authority and the Trustee evidence of the ownership thereof and of such loss, theft or destruction in form satisfactory to the Authority and the Trustee, together with an indemnity satisfactory to them. In the event any such Bond shall have matured or been called for redemption, instead of issuing a substitute Bond the Authority may authorize the payment of the same. The Authority and the Trustee may charge the holder or owner of such Bond with their reasonable fees and expenses in this connection. Any Bond issued under the provisions of this paragraph in lieu of any Bond alleged to be destroyed, lost or stolen shall constitute an original contractual obligation on the part of the Authority, whether or not the Bond so alleged to be destroyed, lost or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of the Indenture together with all other Bonds in substitution for which such Bonds were issued.

Exchange and Transfer of Bonds

As long as any of the Bonds remain Outstanding, the exchange of Bonds shall be permitted at the principal payment office of the Trustee.

Any Bond or Bonds, upon surrender thereof at the principal payment office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his legal representative duly authorized in writing, may, at the option of the owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same series of any other Authorized Denominations.

In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Authority shall execute and the Trustee shall deliver Bonds in accordance with the provisions of the Indenture. For every such exchange or transfer of Bonds, whether temporary or definitive, the Authority or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

Book-Entry System

General. The Bonds are available in book-entry only form. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds. Ownership interests in the Bonds will be available to purchasers only through a book-entry system (the "**Book-Entry System**") maintained by The Depository Trust Company ("**DTC**"), New York, New York. The following information in this section concerning DTC and DTC's Book-Entry System has been obtained from sources the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each principal maturity of the Bonds each in the aggregate principal amount of such principal maturity of the Bonds, and will be deposited with the Trustee as DTC's Fast Agent.

DTC and its Participants. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Ownership Interests. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

Transfers. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to

Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Voting. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of Principal, Redemption Price and Interest. Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Discontinuation of Book-Entry System. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfer through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

SOURCES AND USES OF FUNDS

The following sets forth the expected sources and uses of funds, excluding accrued interest, if any, relating to the issuance of the Bonds:

Sources of Funds

Par amount of Bonds	\$34,720,000.00*
Plus net original issue premium	
Transfer from Master Trust Bonds Expense Fund ¹	
Equity from Drinking Water Revolving Fund ²	
Total	

Uses of Funds

Deposit to Bond Proceeds Fund	
Deposit to Drinking Water Subsidy Fund ²	
Costs of Issuance (including Underwriters' fee and expenses) ³	

Total

¹ Held by 2010 Master Trustee under the 2010 Master Trust Agreement.

² Funded from Drinking Water Revolving Fund Equity.

³ Funded from Master Trust Bonds Expense Fund transfer.

* Preliminary, subject to change.

SECURITY AND SOURCES OF PAYMENT OF THE BONDS

The Indenture

Limited Obligations The Bonds are limited obligations of the Authority payable solely from (1) the Indenture Receipts, consisting of interest components of Pledged Participant Obligations and Pledged Net Participant Payments which are pledged to or available for the payment of the Bonds; and (b) all cash, moneys, securities and investments held by the Trustee in the funds and accounts as provided in the Indenture, including the Drinking Water Subsidy Fund.

The Bonds do not constitute or create an indebtedness, liability or moral obligation of the Participants, the State, any political subdivision thereof, the United States of America or any agency thereof, DNR, the Clean Water Commission or the Drinking Water Commission. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds nor is the State or any political subdivision thereof liable on the Bonds. The Authority has no taxing power.

Indenture Receipts Transferred from the 2010 Master Trustee. The 2010 Master Trust Agreement established a Repayment Fund consisting of a Clean Water Principal Account, a Clean Water Interest Account, a Drinking Water Principal Account and a Drinking Water Interest Account. Only monies on deposit in the Clean Water Interest Account and the Drinking Water Interest Account of the Repayment Fund are available for the payment of the Bonds and, on a parity basis, the payment of the State Match Portion of the Series 2010B Bonds. No later than each Interest Payment Date or other date on which debt service is due on the Bonds, the 2010 Master Trustee will transfer amounts on deposit in the Clean Water Interest Account and the Drinking Water Interest Account of the Repayment Fund to the Trustee for deposit to the account of the Debt Service Fund for payment of debt service on the Bonds.

State Environmental Improvement and Energy Resources Authority
317th Board Meeting
January 12, 2015

Agenda Item #4A
MISSOURI BROWNFIELDS REVOLVING LOAN FUND
CONSIDERATION OF THE BOONSLICK COMMUNITY DEVELOPMENT CORPORATION PROJECT

Issue:

The Boonslick Community Development Corporation, a Missouri non-profit corporation has submitted a hazardous substance application to the MBRLF, requesting an \$85,000 subgrant to complete remediation of a building on the former Kemper Military Academy.

Action Needed:

Consideration of the funding recommendation for the Boonslick Community Development Corporation 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 \$100,000 for this project.

Staff Contact:

Kristin Tipton, Development Director

Background:

The Boonslick Community Development Corporation submitted a subgrant application to the program requesting funds to remediate lead-based paint and asbestos-containing materials in the administration building located on the former Kemper Military Academy Campus in Boonville.

The administration building is a vacant building, originally part of the seven building, forty-six acre Kemper Military School Campus. The school occupied the property from 1844 until 2001 and in 2002, the City of Boonville acquired the property and has been working at redeveloping it. The Boonslick Heartland YMCA now occupies the former campus field house and State Fair Community College is leasing one building with plans for another as a satellite campus.

In 2012-2013, the City undertook an evaluation of the remaining vacant buildings. The administration building was determined to be in the worst condition and described as a dangerous building by an engineering firm. Redevelopment of the building is cost prohibitive and its presence hampers the City's marketing efforts for the rest of the property. The building has attracted trespassers and has been subject to vandalism despite the City's efforts to prevent access to the building.

The Boonslick Community Development Corporation intends to demolish the administration building following the remediation that would be funded by this request, and convert the area to usable green space at a cost of approximately \$400,000. Once completed, this project will improve the condition of the entire area, making the area safer and more aesthetically pleasing for current and future tenants of the remaining campus buildings.

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 \$100,000 for this project.

KT:ge

State Environmental Improvement and Energy Resources Authority
317th Board Meeting
January 12, 2015

Agenda Item #5
AMENDMENT TO FISCAL YEAR 2015 BUDGET

Issue:

Based on FY14 final numbers and the first half of Fiscal Year 2015 revisions to the MMDP budget categories for EIERA Salary/Fringe and EIERA Expenses, as well as corresponding amendments to the Authority budget revenues, are needed.

Action Needed:

Consideration of amendments to the MMDP budget deleting the EIERA Expense and EIERA Staff/Fringe lines (\$12,000 and \$33,000 respectively) and replacing them with an EIERA expense line of \$45,000, as well as matching changes to the corresponding Authority Revenue categories.

Staff Recommendation:

Staff recommends approving the budget amendments.

Staff Contact:

Karen Massey

Background:

Each year staff performs a reconciliation of actual EIERA staff costs and expenses related to MMDP to the amounts received by the Authority from the MMDP to cover such costs. Most years, the Authority receives less than its overall costs attributable to the MMDP; however the gap has narrowed significantly over the past three years.

In FY14 the actual Authority costs for staff and expenses attributable to the MMDP program almost exactly matched the amount of MMDP funds received by the Authority for those purposes. However, while the total costs equaled the amount received, in the individual budget categories Authority expenses exceeded the amount received and the Authority staff costs were less than the amount received. This trend is continuing in FY15; however, with some of our recent staffing changes, we aren't able to predict how it will play out for the rest of the year.

In order address this trend, as well as address fluctuations in staff make-up, we would like to combine the EIERA Staff/Fringe and EIERA Expense categories in the MMDP and Authority FY15 budgets. The overall amounts would not change and we will continue to track costs and

perform a yearly reconciliation. Below you will find the Revenue portion of the Authority budget and Administrative Expense portion of the FY15 MMDP budget showing the changes from what you adopted in July. As you will see, two items in each budget are being deleted and replaced with another which is noted in red.

AUTHORITY BUDGET (partial)

REVENUES/REIMBURSEMENTS

EIERA Exp (MMDP)	\$ 12,000
EIERA Staff Support (MMDP)	\$ 33,000
MMDP Reimbursement	\$ 45,000
SRF Reimbursement	\$150,000
NRD Reimbursement	\$ 15,000
Application Fees	\$ 2,500
Issuance fees	\$150,000
Investment Income	\$ 12,000
Misc. Income	\$ 200
<hr/>	
TOTAL REVENUES	\$ 374,700

MMDP BUDGET (partial)

EXPENSES

Administrative

Program Salary/Fringe	\$ 80,000
Travel	\$ 1,000
Legal Expenses & Fees	\$ 5,000
Accounting Fees	\$ 1,800
Membership Fees	\$ 2,000
Conference/Registration Fees	\$ 1,200
EIERA Salary & Fringe	\$ 33,000
Direct Costs	\$ 1,200
EIERA Expenses	\$ 12,000
EIERA Costs	\$ 45,000
Training	\$ 400
<hr/>	
Total Administrative	\$ 137,600

KM:ge

**318th MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY
EIERA Office
425 Madison Street, Second Floor
Jefferson City, Missouri
March 18, 2015
10:00 a.m.**

1. Call to Order
2. Approval of Minutes

Approval of Minutes from the 317th Meeting of the Authority Held January 12, 2015, in Jefferson City, Missouri
3. State Revolving Fund Program
 - A. 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 2015 Bonds
 - B. Review of the 2015A Transaction
 - C. Other
4. Water and Wastewater Infrastructure Affordability Project Update and Request to Extend the Wichita State University Agreement
5. Missouri Market Development Program
 - A. Program Update
 - B. Consideration of the Funding Recommendation for the Foam Products Corporation 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 Liquid Soap Products, LTD, Project and Authorizing the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
 - D. Missouri Recycled Products Directory Update
 - E. Other
6. Brownfields Revolving Loan Fund
 - A. Program Update
 - B. Other
7. Natural Resource Damages Program Update
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

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 Mary Vaughan, 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
318th Board Meeting
March 18, 2015

Agenda Item #3A
STATE REVOLVING FUND
CONSENT FOR THE CITY OF SPRINGFIELD TO ISSUE SERIES 2015 BONDS

Issue:

The City of Springfield is requesting consent from the Authority to issue its Special Obligation Bonds in an amount not to exceed \$46,000,000 in order to continue making improvements to their wastewater system.

Action Needed:

Consideration and approval of the attached resolution providing consent to the City of Springfield to issue not to exceed \$46,000,000 of its Special Obligation Bonds.

Staff Recommendation:

Staff recommends that the Board approve the resolution providing consent to the City of Springfield to issue Series 2015 bonds.

Staff Contact:

Joe Boland

Background:

The City of Springfield has been a participant in the State Revolving Fund (SRF) program several times over the years to fund improvements to its wastewater collection and treatment system over the years. This was typically done via Special Obligation Bonds under the Authority's Annually Appropriated Debt Policy. It has also issued bonds on its own outside the SRF program. Language in the SRF loan documents as well as the city's bond ordinances requires prior written consent from the Authority and the Department of Natural Resources in order to issue any additional bonds outside the program.

The City is preparing to issue approximately \$46,000,000 of additional Special Obligation Bonds in the Spring of 2015 to further upgrade their wastewater system. In order to do so, the city has requested that both the Authority and DNR provide formally consent for the non-SRF issue. At the time this memo was drafted, the Authority and DNR staff were awaiting rate modeling data from the city. Once we have verified that adequate coverage remains for the outstanding SRF bonds, we will recommend approval of a resolution providing consent for the City to issue the bonds. If the rate modeling data being constructed by the city's consulting engineer is not completed prior to the Board meeting, staff may request the Board's approval contingent upon receiving the data after the Board meeting and it satisfying our coverage requirements.

Attachments

JB:ge

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
2015 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 and September 22, 1998 (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 \$46,000,000 of its Special Obligation Bonds (Sewer System Improvements Project), Series 2015 (the "Series 2015 Bonds"); and

WHEREAS, each City ordinance authorizing each series of Prior Bonds prohibits the City from issuing the Series 2015 Bonds without the prior written consent of the Authority and the Missouri Department of Natural Resources; and

WHEREAS, the Authority has determined to consent to the City's issuance of the 2015

Bonds.

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 2015 Bonds.

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 18th day of March, 2015.

Chairman of the Authority

(Seal)
ATTEST:

Secretary of the Authority

State Environmental Improvement and Energy Resources Authority
318th Board Meeting
March 18, 2015

Agenda Item #4

**WATER AND WASTEWATER INFRASTRUCTURE AFFORDABILITY PROJECT UPDATE AND REQUEST TO
EXTEND THE WICHITA STATE UNIVERSITY AGREEMENT**

Issue:

The project with Wichita State University is nearly complete, however staff would like to extend the Agreement in case changes are needed to the tools developed.

Action Needed:

Authorization to extend the agreement with Wichita State University.

Staff Recommendation:

Staff recommends extending the contract with Wichita State University for one additional year.

Staff Contact:

Kristin Tipton, Development Director

Background:

The project with Wichita State University regarding the Missouri AWIN model is substantially complete. The project, to develop a tool that would help DNR determine the ability of rural communities to pay for necessary water and wastewater infrastructure, is predicated on the concept, supported by research, that population change is the single most highest predictor of whether or not a community is sustainable.

The project resulted in four products as follows:

- Predictive Factors Report: This report summarizes the procedures used to identify significant factors that predict rural population change in Missouri for use in the decision-making tool.
- Decision Making Tool: This is the tool that provides the ability to look at the analysis of weighted scores for each of the 745 rural Missouri communities individually.
- Categorical Summary: This document provides a global summary of rural community sustainability in Missouri based on the overall decision making scores generated by the tool.

- Validation Report: This report presents validity evidence of the ability of the tool to predict population change in Missouri and should be useful to explain the statistical process and validity of the tool to those who might question the process as it is implemented.

Wichita State University also prepared a Supplemental Survey Instrument that MDNR may choose to use in order to gain information from communities about additional factors, not accounted for in the Decision Making Tool, that might predict population change.

DNR staff has been involved in the review process as each project component was rolled out and has expressed satisfaction with the project. They are planning on having Wichita State present the tool to the Department's Ad Hoc Affordability Stakeholder group in March and are developing plans for implementing use of the tool.

Although the project will be considered complete upon receipt of a package of all final documents, staff recommends extending the contract with Wichita State, which expired January 31, 2015, for one additional year in case changes to the Decision Making Tool are required once MDNR has some experience using it.

KT:ge

State Environmental Improvement and Energy Resources Authority
318th Board Meeting
March 18, 2015

Agenda Item #5B
MISSOURI MARKET DEVELOPMENT PROGRAM
FUNDING RECOMMENDATION FOR FOAM PRODUCTS CORPORATION

Issue:

Foam Products Corporation requested \$47,500 to purchase two small foam densifiers costing \$92,000 that will enable the company to expand its foam recycling operation to the construction industry.

Action Needed:

Consideration of the funding recommendations for the Foam Products Corporation project.

Staff Recommendation:

Staff recommends funding this project in the amount of \$44,447 not to exceed 60% of the cost of the equipment.

Staff Contact:

Kristin Tipton, Development Director

Background:

Foam Products Corporation (located in Maryland Heights) requested \$47,500 to purchase two small foam densifiers costing \$92,000 that will enable the company to expand its foam recycling operation to the construction industry. Foam Products Corporation is a family owned business started in 1962 that is a leading fabricator and distributor of commercial and industrial foam insulation and packaging products. The company began recycling a variety of foam products with the purchase of a small densifier funded by the Program in 2012. This new project would enable Foam Products Corporation to expand their existing recycling operation by targeting foam generated in the construction industry, serving both as a drop-off site and by offering foam pick-up services in the eastern half of the state.

Foam is a problematic waste stream as it has a lot of volume with little weight. As construction markets recover, growth in insulation and carpet underlayment sales is increasing the amount of the material in the waste stream. Foam Products Corporation anticipates creating three new full-time employee positions and diverting 50 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 \$44,447, not to exceed 60% of the cost of the equipment. This funding recommendation was unanimous. The amount recommended differs from the amount requested because this amount is all that remained in the Program's Direct Financial Assistance budget category if the other project presented at the meeting is approved.

KT:ge

State Environmental Improvement and Energy Resources Authority
318th Board Meeting
March 18, 2015

Agenda Item #5C
MISSOURI MARKET DEVELOPMENT PROGRAM
FUNDING RECOMMENDATION FOR LIQUID SOAP PRODUCTS, LTD

Issue:

Liquid Soap Products, LTD requested \$250,000 to purchase a shred/drain/wash/bag line that will enable the company to shred soap bottles and collect both the soap and plastics for recycling.

Action Needed:

Consideration of the funding recommendations for the Liquid Soap Products, LTD project.

Staff Recommendation:

Staff recommends funding this project in the amount of \$250,000 not to exceed 50% of the cost of the equipment.

Staff Contact:

Kristin Tipton, Development Director

Background:

Liquid Soap Products, LTD (located in Grain Valley and Kansas City) requested \$250,000 to purchase a shred/drain/wash/bag line that will enable the company to shred soap bottles and collect both the soap and plastics for recycling. Liquid Soap Products has been operating for twenty-five years, collecting waste soap from soap manufacturers and brokers and reformulating it for resale. Soaps collected and processed include dish soaps, shampoos, body washes and conditioners. These soaps are primarily waste products from companies that have "zero tolerance" for error in their product and may be slight variations in color, aroma, or labeling that are unacceptable. The companies that produce these soaps do not want the products to go back into the market in the current form and require that they are reformulated before they can be used.

Liquid Soap Products is currently sorting and separating the products manually, recovering both product and packaging. After reformulation, the end product is sold either as a reformulated soap product or in bulk to brokers who then sell to soap manufacturers. While this project will more than double the volume of waste soap Liquid Soap Products can process, the new equipment will also enable the company to shred and clean plastic containers for

recycling. Currently, plastic recycling companies in the area will not accept the high-residual soap contaminated plastics.

Liquid Soap Products anticipates creating five new full time employee positions and diverting 5,000 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 \$250,000 not to exceed 50% of the cost of the equipment. This funding recommendation was unanimous.

KT:ge

State Environmental Improvement and Energy Resources Authority
318th Board Meeting
March 18, 2015

Agenda Item #5D
RECYCLED PRODUCTS DIRECTORY UPDATE

Issue:

Update on the development of the web-based recycled products directory.

Action Needed:

None.

Staff Recommendation:

None.

Staff Contact:

Kristin Tipton, Development Director

Background:

Staff has been working Bridging the Gap's web designer to develop our new web-based Missouri Recycled Products Directory. I hope to be able to provide a preview of how the site will look and operate during the meeting.

The overall concept is that vendors will be able to post and manage their own listings, which will be reviewed by us before they appear on the site. We will have "back door" control of the site from which we can do some re-design if necessary and edit or remove postings. Links to vendors' own web pages or email will enable a user to purchase items if desired. At the current state of development, we are happy with how it appears the site will function, but of course things may change once it is populated.

When the web designer began working on the project, he suggested that there were a couple of "plug ins" that could work together to make the site function as an e-commerce site rather than simply a directory. In his suggested scenario, users would be able to place items in a "shopping cart" and pay for them via Paypal. As the site owner, the EI ERA would need to act as sort of a "middle man," transferring Paypal funds from our account to the vendor.

The concept of providing an e-commerce site has some appeal. The ability to purchase items immediately and directly through our site may help increase the sales of recycled-content products. Small businesses with limited ability to manage their own commerce sites may find such a site operated by us to be particularly worthwhile. Staff are most intrigued, however, by the idea that we could charge a commission for products sold on our site. While it is unknown

how many vendors will use our site or how many of those would encourage purchases from our site rather than directing users to their own sites, it is possible that an e-commerce type site could generate some revenue in the future.

While Paypal has layers of user protection, there are still questions and concerns about what our standing would be if vendors failed to deliver items purchased. Much research would need to be done before staff would be ready to make a recommendation as to whether or not moving from a directory site to an e-commerce site is the best course of action. We would like to have some discussion during the meeting to gauge members' thoughts about exploring this possibility.

KT:ge

State Environmental Improvement and Energy Resources Authority
318th Board Meeting
March 18, 2015

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:

Project updates are as follows:

- Soil borings were completed at the Remains, Inc. site to determine if the subsoil will support the planned cap. Building demo has been delayed until early spring, after the structural engineer makes recommendations. Remains, Inc. also continues to make interest payments on loan draws.
- MDNR approved 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 bidding for the work is planned to be completed by the end of March.
- MDNR has verbally agreed that the former Dycron Plastics site at Ranken Technical College is eligible for a Certificate of Completion, which will be issued once the BVCP receives payment on its final invoice.
- MDNR issued a Certificate of Completion for the former Alliance Medical Warehouse site in Russellville. Though there were many unknowns about this site that caused staff to be apprehensive that a Certificate of Completion could be earned, the project actually finished approximately \$12,000 under the awarded amount.

- The additional assessment required by the BVCP for the site owned by Habitat for Humanity of Springfield, Missouri, Inc. is complete. Once the Remedial Action Plan is approved, we will be able to bid for a cleanup contractor.
- The Analysis of Brownfield Cleanup Alternatives is complete for the former Kemper Military School Administration building owned by the Boonslick Community Development Corporation. This will be posted for public comment and a public meeting for the cleanup will be held in the next thirty days.
- SMI/SNF Landlord, LLC continues to repay its loan from the program as scheduled.

KT:ge

State Environmental Improvement and Energy Resources Authority
318th Board Meeting
March 18, 2015

Agenda Item #7
NATURAL RESOURCE DAMAGES PROGRAM UPDATE

Issue:

Update on the Natural Resources Damages and Restoration (NRD) Program

Action Needed:

None.

Staff Recommendation:

None.

Staff Contact:

Karen Massey, Connie Patterson or Mary Vaughan

Background:

A number of environmental statutes impose liability on a party responsible for injuries to natural resources resulting from environmental contamination. The State of Missouri, both on its own and in conjunction with various federal agencies, has recovered damages from a number of responsible parties. The State's designated Trustee responsible for these funds is the Director of the Missouri Department of Natural Resources (MDNR). The State Trustee, jointly with Federal Trustees when applicable, is responsible for following statutory requirements relating to the recovery and use of those funds. Generally, the funds are to be used to restore, replace or acquire the equivalent of the injured natural resources.

As you will recall, during the summer of 2013 the Board authorized staff to negotiate and enter into a Memorandum of Understanding (MOU) with MDNR setting forth the framework and general terms under which the Authority staff could provide services relating to the NRD Program. The MOU provided examples of services, but allowed the EIERA Director to negotiate and enter into specific Project Work Plans with MDNR which could also include other services within the statutory authority of the EIERA. Staff has entered into three Project Work Plans with MDNR: two for projects in southwest Missouri and another in Iron County, Missouri. A fourth Project Work Plan is in the process of being developed.

Each Project Work Plan is somewhat different, but currently we are generally providing three categories of service:

1. Contract Drafting Assistance: EIERA staff and General Counsel have helped MDNR staff draft project agreements between the Trustees and project participants.

2. Real Estate Transaction Facilitation: EI ERA staff, General Counsel and/or Environmental Consultant have:
 - a. Drafted a Conservation Easement form which will be tailored for each specific real estate acquisition and placed upon the property;
 - b. Performed Phase I Environmental Assessments on property to be acquired;
 - c. Reviewed real estate purchase contracts, deeds, title commitments and a variety of other documents related to the acquisition of real estate;
 - d. Worked with the project participants, their consultants and title insurance companies to remove exceptions from title commitments or correct errors in the documents described above that could diminish the NRD value of the project.
 - e. We will also be gathering and providing final copies of all real estate documents to MDNR for the Trustees' official record of the project.
3. Paying Agent Services: The EI ERA is also holding certain project related Trustee funds and, in a similar manner to the Weatherization Program, will transfer those funds to the appropriate party as directed by MDNR. To date, funds disbursed have been used to acquire property to be restored.

The specific projects the EI ERA staff is working on are discussed below. It should be noted that these projects have been solicited and selected by the applicable Trustee(s). We are only providing the services in our Project Work Plans and are not involved otherwise in the administration or oversight of the project and do not have a contractual relationship with the project participant.

Missouri Prairie Foundation (MPF) has an agreement to receive \$750,000 to acquire then assess land in the area of Jasper and Newton Counties (an area with significant natural resource injuries due to past lead, cadmium and zinc mining activities) and to enhance and conserve the ecological and environmental services that those lands provide. Their goal is to acquire lands that will provide ecological connectivity (e.g. adjacent to other prairie remnants or restored prairie) to increase the magnitude of the environmental and ecological impact. Phase 2 of this project will involve the actual restoration of lands acquired. MPF is currently in negotiations to purchase their first real estate for the project. EI ERA staff has provided contract drafting assistance and developed the form of the conservation easement which will be placed on each parcel. We will also be performing real estate acquisition facilitation and paying agent services for the project.

Webb City has a \$3 million agreement to acquire land in and around Webb City. This area is in the heart of the Oronogo-Duenweg Mining Belt Superfund Site in Jasper County. Properties identified for potential acquisition include upland habitat (prairie) and wetlands. The goal is to acquire lands that will be the basis of a trail system between Webb City, Carterville and Oronogo. The lands involved have either been remediated or are in the process of remediation through the Superfund Process. While the lead, cadmium and zinc contamination is removed or encapsulated as part of the remediation, the resulting landscape is still not optimally suited to provide environmental or ecological benefit. Restoration of these lands will enhance the environmental benefit provided by the landscape and be provided in a separate project. To date, Webb City has acquired one parcel and has two others scheduled to close on March 20. Three additional parcels are under contract. There could be as many as 30 parcels acquired; however, that number will be limited by the

funds available and the number of landowners willing to sell. The services provided by EIERA staff are the same as those for MPF, although we are currently providing real estate and paying agent services on this project.

The Iron County project involves the purchase of a very large parcel of property which will be restored, protected in perpetuity and held by a public entity. The entity is currently in negotiations to acquire the property, which is why we are not providing more detailed information here. The parcel will serve as compensation for the injury to natural resources due to the release of hazardous materials (primarily lead) by American Smelting and Refining Company LLC (ASARCO) at the Glover smelter also in Iron County and the Sweetwater mine and mill complex in Reynolds County. The parcel includes dry igneous woodland-glade areas found in St. Francois Mountain knobs and basins, similar to the resources lost due to mining activities in the area. The project includes acquisition, restoration and monitoring activities. The EIERA is providing only paying agent services on this project.

Staff members working on these projects are very excited by this work and are looking forward to discussing it and its' impacts with you. During the meeting we hope to provide a short visual presentation relating to the Webb City project.

KM:ge

State Environmental Improvement and Energy Resources Authority
318th Board Meeting
March 18, 2015

Agenda Item #8
STRATEGIC MEASURES UPDATE

Issue:

We would like to review with the Board our strategic measures for second quarter FY15 as well as provide updates on 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 second quarter FY15. A copy of the 12/31/14 Scorecard is attached for your convenience.

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

Increase number of EIERA client referrals

- With 37 referrals, we have surpassed our FY15 target (> 33).

Partner interest in working with the EIERA

- With nine interested partners, we have surpassed our FY15 target (eight).

Number of contacts generating results

- At 9 percent, we have almost achieved our FY15 target (10 percent).

Applications for Financing

- Halfway through our fiscal year, we have three applications for funding; this reflects 20 percent progress toward our target of 15. It may be time to consider a new measure because counting the number of applications for financing does not capture all we do. We have had a very productive first two quarters in FY15. We have completed one Private Activity Bond deal this year and anticipate another inquiry coming in, which is promising. If the Board approves two new project proposals, all of the Market Development dollars will be committed. And, if the Brownfields applications currently

working through the process are completed, we will not have the money to fund all of them. In addition, we have been doing some very exciting work in our new Natural Resource Damages service line that is not currently captured in this measure.

Total Authority Revenues

- Our total authority revenues are slightly more than \$208,000, which is 26 percent of the way toward our target of \$800,000. We anticipate an increase of approximately \$93,000 in third quarter FY15 from our SRF application and issuance fees.

Diversification of revenue

- At 34 percent, we are closing in on our FY15 diversification target (< or = 33 percent). We continue to trend toward a more equitable distribution among SRF, Market Development and, to a lesser extent, Brownfields revenues in FY15 relative to FY14 and FY13. However, this may change at the end of third quarter FY15 due to the SRF bond-related fees.

Client Dollars Saved, Total Dollar Amount of Projects Funded

- At the end of the second quarter, we are about 43 percent of the way toward our goals for these two important measures. We will continue to focus on these areas as we move into third quarter FY15.

Number of Environmental Impacts

- Second quarter FY15 is the first time we measured this objective. At the Sept. 3 Board meeting, we defined 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 and FY14. As of Dec. 31, 2014, the Board has approved five projects.

It is important to note that our internal processes – timely and error-free critical documents and the efficient use of staff time - continued to track in a positive direction.

To complement our strategic planning, we continue to generally identify and refine key contacts and strategies in our Communications Plan to build awareness of EIERA's value.

In addition, we are updating and expanding the EIERA Web site. A redesign with the state's Information Technology Services Division is in the early stages. At the same time, we are working with ITSD staff on measuring some new analytics for our Web site, such as which pages are getting the most traffic and what percentage of visitors to our site are new or returning. This will help us determine what types of information and materials are of most interest and use to our online visitors.

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

Thank you.

CP:ge

Attachment

**319th MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY
EIERA Office
425 Madison Street, Second Floor
Jefferson City, Missouri
May 12, 2015
10:00 a.m.**

1. Call to Order
2. Approval of Minutes

Approval of Minutes from the 318th Meeting of the Authority Held March 18, 2015, in Jefferson City, Missouri
3. State Revolving Fund Program
 - A. Update
 - B. Transfer of Trinity Plus GIC Obligations
 - C. Other
4. Other Financings
 - A. Consideration of a Resolution Authorizing the State Environmental Improvement and Energy Resources Authority to Issue Water Facilities Refunding Revenue Bonds on Behalf of the Tri-County Water Authority
5. Brownfields Revolving Loan Fund
 - A. Program Update
 - B. Authorization to Amend the Funding Agreement with Remains, Inc.
 - C. Other
6. Other Business
 - A. Opportunity for Public Comment (Limit of Four Minutes per Individual)
 - B. Next Meeting Date
 - C. Other
7. Closed Meeting Pursuant to Section 610.021(1), (3) and (11) RSMo. (as needed)
8. Adjournment of Closed Meeting and Return to Open Meeting
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, any confidential or privileged communications with its attorneys and the negotiation of items of a contract),

State Environmental Improvement and Energy Resources Authority
319th Board Meeting
May 12, 2015

Agenda Item #3B
TRANSFER OF TRINITY PLUS GIC OBLIGATIONS

Issue:

Trinity Plus Funding, one of our SRF guaranteed investment contract (GIC) providers, wants to wind down its GIC business and would like consent to the transfer of the SRF GICs issued by Trinity Plus to another investment provider, Massachusetts Mutual Life Insurance Company (MassMutual).

Action Needed:

Authorization for the Director, or her designee, to instruct SRF Trustee UMB Bank to amend the Trinity GICs to transfer to MassMutual if this is determined to be in the best interest of the SRF program bonds.

Staff Recommendation:

Staff recommends that the authorization be given.

Staff Contact:

Karen Massey or Joe Boland

Background:

Trinity Plus Funding, owned by General Electric Capital Corporation (GECC), is the GIC provider on four SRF deals (2000A, 2000B, 2001B and 2003A). GECC is the guarantor of each of these investment agreements. Our SRF Bond Trustee, UMB Bank, is a party to the GICs and acts upon the direction of the Authority. The Authority itself is not a party to the agreement.

As part of the recent decision by General Electric Company, GECC's parent company, to reduce the size of its financial services businesses, an agreement has been reached with MassMutual to transfer qualifying GICs to MassMutual. In turn, Trinity and GECC would be released from all obligations relating to the agreements. Our GICs, along with those of more than 50 other issuers, may be transferred. For the transfers to be effective, holders of at least 70 percent of the outstanding principal balance of all Trinity GICs must agree to the transfer, unless this requirement is waived by GECC and MassMutual.

The proposed amendments and background information were just received and have not been fully vetted by the EI ERA staff and our team of finance professionals (General Counsel, Bond Counsel, Financial Advisor and Bond Trustee); however, the team's initial review indicates that this may be an opportunity worth pursuing because MassMutual's credit rating is

higher than that of GECC, and, because GECC is exiting the GIC business, it may become difficult to obtain information and other services from the company in the future.

Staff and our finance professionals are reviewing the amendment, existing investment agreement and related documents in detail; reviewing the financial position of MassMutual; participating in discussions with Moody's Investor Services and Fitch Ratings; and performing other tasks to determine the potential impact to the SRF program bonds if the transfer were to take place. While we expect to have a more developed sense of the opportunity by the Board meeting next week, we don't believe we will have a full picture of the situation by then. Nor are we sure we will have reached a decision as to the impact on the Authority's bonds and the SRF Program by Trinity's June 2 deadline. We have asked Trinity for an extension of the deadline, but we do not know if, or when, it will be granted.

Given the difficulties in scheduling a late May or June EIERA meeting, staff is requesting that the Director be given the authority to direct the Bond Trustee to enter into the GIC amendment if, after review and consultation with EIERA's General Counsel and Financial Advisor as well as the SRF Program Bond Counsel and Trustee, the transfer appears to be in the best interest of the SRF program bonds.

KLM:ge

State Environmental Improvement and Energy Resources Authority
319th Board Meeting
May 12, 2015

Agenda Item #4A
TRI-COUNTY WATER AUTHORITY
WATER FACILITIES REVENUE BONDS SERIES 2015

Issue:

The Tri-County Water Authority, Independence, Missouri, has requested the Environmental Improvement and Energy Resources Authority to issue an amount not-to-exceed \$32,000,000 in tax-exempt Water Facilities Revenue Bonds.

Action Needed:

Consideration and adoption of a resolution authorizing the Environmental Improvement and Energy Resources Authority to issue Water Facilities Revenue Bonds on behalf of the Tri-County Water Authority.

Staff Recommendation:

Staff recommends the approval of the resolution authorizing the issuance of not-to-exceed \$32,000,000 in Water Facilities Revenue Bonds on behalf of the Tri-County Water Authority.

Staff Contact:

Joe Boland, Deputy Director

Background:

Tri-County Water Authority is a nonprofit Missouri corporation that was organized on January 11, 1991, for the purpose of providing wholesale potable water to public water supply districts, municipalities and other governmental entities. Their principal offices are located in Independence, Missouri. Tri-County was formed in an effort to establish a regional water system that would afford more local input into the development and administration of future water supplies.

Tri-County provides potable water to 15 participating members through wholesale contracts. They are responsible for the construction, operation and maintenance of all water wells, the water treatment plant, pump stations, tanks, and transmission lines to each participating member. It provides management of the utility, engineering and construction of capital facilities, operation and maintenance of the system.

They have been a past participant of the Drinking Water State Revolving Fund (DWSRF) program in Series 2001C, 2005A and 2005C. They have also issued private activity bonds directly through EIERA in 2010.

The EIERA transaction will primarily be used to fund the acquisition of easements needed to install 160,000 linear feet of 16" water mains throughout their service area. This project also includes the construction of 3 booster pump stations between Grain Valley and Grandview, Mo. A more detailed description of the project can be found on page 7 of the Preliminary Official Statement (POS). Preliminary schedules indicate that they intend to close on our Bonds in June, 2015.

The Tax Equity and Fiscal Responsibility Act (TEFRA) requires that the issuer hold a public hearing to provide information regarding the project and to seek public input. After this hearing takes place, the results will be summarized and provided to the Governor's Office along with a Certificate of Approval for his signature. Once these approvals are obtained, the deal can be priced.

Separate from our transaction, Tri-County is also seeking approximately \$33 million through the Department of Natural Resources' DWSRF program, for the installation of up to four new vertical wells and the construction of two water treatment processes at the existing plant. The DNR loan is anticipated to close sometime in the fall of 2015.

The resolution and a portion of the draft POS is included for your information and review.

JB:ge

Attachments

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

RESOLUTION AUTHORIZING THE ISSUANCE OF WATER FACILITIES REVENUE BONDS (TRI-COUNTY WATER AUTHORITY PROJECT) SERIES 2015 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$32,000,000; APPROVING THE FORM OF AND AUTHORIZING THE AUTHORITY TO ENTER INTO CERTAIN AGREEMENTS 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 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, and Appendix B(1) Revised Statutes of Missouri, as amended (the "**Act**"), to issue bonds and/or notes (the "revenue obligations") 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 refunding 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 Tri-County Water Authority, a Missouri not-for-profit corporation (the "**Corporation**") submitted an Application dated April 23, 2015 (the "**Application**") requesting that the Authority issue its bonds ("**Series 2015 Bonds**"), to be used to provide funds to (i) finance the Corporation's acquisition, construction, extension and improvement of its facilities for the furnishing of water for community purposes (the "**Project**"), and (ii) pay the costs of issuance of the Series 2015 Bonds.

WHEREAS, the Series 2015 Bonds will be issued under the Indenture of Trust (the "Indenture") between the Authority and UMB Bank, N.A. (the "**Trustee**"); and

WHEREAS, in consideration of the issuance of the Series 2015 Bonds, the Corporation, pursuant to the terms of the Loan Agreement (the "**Loan Agreement**") between the Authority and

the Corporation, 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 2015 Bonds; and

WHEREAS, it is proposed that the Series 2015 Bonds be sold pursuant to the terms of a Bond Purchase Agreement (the “**Purchase Agreement**”), by and among the Authority, the Corporation and Piper Jaffray & Co. (the “**Underwriter**”); 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 2015 Bonds and implementation of this Resolution.

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

Section 1. Pursuant to the Act, the Authority does hereby approve the Application and authorizes the financing of the Project and the financing of certain costs related to the issuance of the Series 2015 Bonds in accordance with the Indenture and the Loan Agreement and does hereby determine that such refunding and such financing is in furtherance of the public purposes set forth in the Act.

Section 2. To provide for the financing costs described herein and in the Indenture, the Authority does hereby authorize the issuance of revenue bonds of the Authority under the Act to be designated “Water Facilities Revenue Bonds (Tri-County Water Authority Project) Series 2015” in an aggregate principal amount (including any original issue discount) not to exceed \$32,000,000. Due to the characteristics of the Series 2015 Bonds, the principal amount thereof, the acceptability in the public market of similar issues and the prevailing market conditions, the Authority hereby finds and determines that it is in the best interest of the Authority to sell the Series 2015 Bonds to the Underwriter in a private sale.

Section 3. The Series 2015 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 2015 Bonds shall not constitute or create an indebtedness, liability or moral obligation of the State of Missouri or any political subdivision thereof within the meaning of the Constitution or statute of the State of Missouri 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 of Missouri or any political subdivision thereof. The issuance of the Series 2015 Bonds shall not directly or indirectly obligate the State of Missouri or any political subdivision thereof to provide any funds for their payment. Neither the State of Missouri nor any political subdivision thereof 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 of Missouri or any political subdivision thereof.

Section 4. The Series 2015 Bonds shall be executed on behalf of the Authority by the

manual or facsimile signature of its Chairman or Vice Chairman and attested by the manual or facsimile signature of its Secretary. The official seal of the Authority shall be impressed or a facsimile shall be imprinted on the Series 2015 Bonds. If any of the officers who have signed or sealed any of the Series 2015 Bonds shall cease to be such officers of the Authority before the Series 2015 Bonds so signed and sealed shall have been actually authenticated by the Trustee or delivered by the Authority, such Series 2015 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 2015 Bonds had not ceased to be such officer or officers of the Authority; and also any such Series 2015 Bonds may be signed and sealed on behalf of the Authority by those persons who, at the actual date of execution of such Series 2015 Bonds, shall be the proper officers of the Authority, although at the nominal date of such Series 2015 Bonds any such person shall not have been such officers of the Authority. The Series 2015 Bonds shall mature no later than the year 2040, subject to earlier redemption as in said 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 2015 Bonds shall accrue and be payable from their dated date all in accordance with the provisions of the Indenture at such rates per annum not to exceed a true interest cost of 4.25%.

Section 5. 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 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 2015 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. Form of Indenture of Trust (attached hereto as Exhibit A)
2. Form of Loan Agreement (attached hereto as Exhibit B)
3. Form of Deed of Trust, Mortgage and Security Agreement (attached hereto as Exhibit C)
4. Form of Purchase Agreement (attached hereto as Exhibit D)
5. Form of Preliminary Official Statement (attached hereto as Exhibit E)
6. Form of Tax Compliance Agreement (attached hereto as Exhibit F)

Section 6. The distribution by the Underwriter of the Preliminary Official Statement relating to the Series 2015 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 Underwriter of a final Official Statement (in substantially the same form as the Preliminary Official Statement but with appropriate modifications to reflect the final terms of the Series 2015 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 Underwriter 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 Underwriter to comply with the requirements of said Rule.

Section 7. 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 8. The Director or Deputy Director of the Authority is hereby authorized to conduct a public hearing with respect to the issuance of the Series 2015 Bonds to finance the Project and to cause notice of such hearing to be published in accordance with the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended. The obligation of the Authority to proceed with the final issuance of the Bonds shall be subject to receipt of public approval for such issuance as required under said Section 147(f).

Section 9. The Corporation has agreed to pay all costs of issuance of the Series 2015 Bonds (including, but not limited to, any issuance and legal fees due the Authority) without reimbursement from the Authority or any other source; provided, however, the Authority agrees to pay Authority legal counsel fees not to exceed Ten Thousand Dollars (\$10,000).

Section 10. Prior to issuance, the Series 2015 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 11. The Chairman, Vice Chairman and Secretary are 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 2015 Bonds and the execution and/or delivery of the Loan Agreement, the Indenture, the Deed of Trust, Mortgage and Security Agreement, the Purchase Agreement, the final Official Statement, and other agreements and instruments (including, but not limited to financing statements and the Tax Compliance Agreement) and to carry out the intent and purposes of this Resolution, including the preamble hereto.

Section 12. 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 13. 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 14. Capitalized terms used herein and not otherwise defined shall have the

meanings assigned to them in the Indenture.

Adopted by the State Environmental Improvement and Energy Resources Authority this
12th day of May, 2015.

STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY

By _____
Chairman

ATTEST:

Secretary

[SEAL]

Attachment “A”

**G&B Draft
POS v2
May 4, 2015**

NEW ISSUE
Book-Entry Only

RATING: Moody's: "[Aa2]"
See "BOND RATING."

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Series 2015 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal 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 Series 2015 Bonds have not been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Code. Interest on the Series 2015 Bonds is exempt from income taxation by the State of Missouri. See "TAX MATTERS."

\$30,000,000*

State Environmental Improvement and Energy Resources Authority
(State of Missouri)
Water Facilities Revenue Bonds
(Tri-County Water Authority Project)
Series 2015

Dated: Date of Delivery

Due: April 1, as shown below

The Series 2015 Bonds are issuable only as fully registered bonds, without coupons, in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Principal of the Series 2015 Bonds will be payable on each April 1 in the years shown below. Interest on the Series 2015 Bonds will be payable on each April 1 and October 1, beginning on October 1, 2015.

The Series 2015 Bonds are subject to redemption prior to maturity as described herein.

The Series 2015 Bonds are subject to certain risks. See "BONDOWNERS' RISKS."

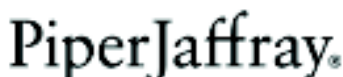
The Series 2015 Bonds and the interest thereon are limited obligations of the Authority payable solely out of certain payments received under the Loan Agreement described herein between the Authority and Tri-County Water Authority (the "Corporation") and other funds held under the Indenture described herein. The Corporation's obligations under the Loan Agreement are subordinate to its obligations related to the Outstanding Senior Bonds (defined herein). **The Series 2015 Bonds do not constitute a debt or liability of the State of Missouri or any political subdivision thereof, and neither the State of Missouri nor any political subdivision thereof shall be liable on the Series 2015 Bonds. The issuance of the Series 2015 Bonds shall not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. The general faith and credit of the State of Missouri and the Authority are not pledged to the payment of the principal of, premium, if any, or interest on the Series 2015 Bonds. The Authority is not obligated to pay the principal of, premium, if any, or interest on the Series 2015 Bonds, except from the revenues and receipts pledged therefor under the Indenture. The Authority has no taxing power.**

MATURITY SCHEDULE

<u>Maturity</u> <u>April 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>CUSIP</u>	<u>Maturity</u> <u>April 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>CUSIP</u>
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(Plus accrued interest, if any)

The Series 2015 Bonds are being offered by the Underwriter when, as and if issued by the Authority and accepted by the Underwriter, subject to the approval of legality thereof by Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Authority by Lewis Rice LLC, St. Louis, Missouri, and for the Corporation by Crouch, Spangler & Douglas, Harrisonville, Missouri. Certain legal matters relating to this Official Statement will be passed upon by Gilmore & Bell, P.C., Kansas City, Missouri. It is expected that the Series 2015 Bonds will be available for delivery at The Depository Trust Company on or about June __, 2015.



The date of this Official Statement is June __, 2015.

* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment without notice. These securities may not be offered for sale nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the Authority, the Corporation, or the Underwriter to give any information or to make any representations, 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. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of fact. The information set forth herein has been obtained from the Authority, the Corporation, and other sources believed to be reliable, but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Authority or the Underwriter. The information and expressions of opinion contained 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 Authority or the Corporation since the date hereof.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2015 BONDS, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2015 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES 2015 BONDS HAVE NOT BEEN REGISTERED WITH THE UNITED STATES 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, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE CORPORATION AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE 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.

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OFFICIAL STATEMENT

\$30,000,000*

**State Environmental and Energy Resources Authority
(State of Missouri)
Water Facilities Revenue Bonds
(Tri-County Water Authority Project)
Series 2015**

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement and the documents summarized or described herein. The offering of Series 2015 Bonds to potential investors is made only by means of the entire Official Statement.

General

This Official Statement, including the cover page, is provided for the purpose of setting forth information relating to (i) the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State of Missouri (the “**Authority**”), (ii) the sale of the Authority’s Water Facilities Revenue Bonds (Tri-County Water Authority Project) Series 2015 in the aggregate principal amount of \$30,000,000* (the “**Series 2015 Bonds**”), (iii) Tri-County Water Authority, a Missouri nonprofit corporation (the “**Corporation**”), and the Participating Members described below, and (iv) the Corporation’s acquisition, construction, extension and improvement of the Corporation’s facilities for the furnishing of water for community purposes (the “**Project**”).

The Authority

The Authority is a body corporate and politic and a governmental instrumentality of the State of Missouri duly organized and existing under the Constitution and laws of the State of Missouri, particularly, Sections 260.005 through 260.125, inclusive, of the Revised Statutes of Missouri, as amended, and Appendix B(1) thereto (the “**Act**”). The Authority is authorized under the Act to issue and secure the Series 2015 Bonds as herein described.

The Corporation and the Participating Members

Tri-County Water Authority is a Missouri nonprofit corporation that provides potable water to various public water supply districts and municipalities that have entered into wholesale purchase contracts with the Corporation. The 15 public water supply districts and municipalities that are members of the Corporation and have entered into water purchase contracts with the Corporation are referred to collectively as the “**Participating Members**” and individually as a “**Participating Member**.”

The Corporation owns, operates and maintains four vertical wells and one horizontal collector well and the surrounding 330-acre well field, a 10.5-million-gallon-per-day (GPD) water treatment plant, transmission lines, pump stations, and storage tanks to serve its Participating Members. In 2012, the Corporation purchased 500 acres to serve as a well field. See “**PLAN OF FINANCING**” for a discussion of the planned improvements to the recently-acquired property.

* Preliminary; subject to change.

The Participating Members presently consist of nine public water supply districts and six municipalities, each of which has entered into a water purchase contract (the “*Water Purchase Contracts*”) to purchase wholesale water from the Corporation for resale to each Participating Member’s water customers.

The Series 2015 Bonds

The Series 2015 Bonds are being issued pursuant to the Act and an Indenture of Trust dated as of June 1, 2015 (the “*Indenture*”), between the Authority and UMB Bank, N.A., Kansas City, Missouri, as trustee (the “*Trustee*”), for the purpose of providing funds to make a loan to the Corporation, pursuant to a Loan Agreement dated as of June 1, 2015 (the “*Loan Agreement*”), between the Authority and the Corporation. The Series 2015 Bond proceeds will be used, together with other available funds of the Corporation, to provide funds to (1) finance the Project and (2) pay the costs of issuance of the Series 2015 Bonds. A description of the Series 2015 Bonds is contained in this Official Statement under “**THE SERIES 2015 BONDS.**” All references to the Series 2015 Bonds are qualified in their entirety by the definitive forms thereof and the provisions with respect thereto included in the Indenture and the Loan Agreement. A description of the estimated sources and uses of the proceeds of the Series 2015 Bonds is contained in this Official Statement under “**PLAN OF FINANCE.**” A detailed description of the Project is contained in this Official Statement under “**PLAN OF FINANCE – The Project.**”

The Indenture provides for the future issuance of additional bonds (“*Additional Bonds*”) which, if issued, would rank on a parity with the Series 2015 Bonds and any other bonds then outstanding under the Indenture. See “**ADDITIONAL BONDS, ADDITIONAL NOTES AND ADDITIONAL OBLIGATIONS.**” The Series 2015 Bonds and any future Additional Bonds issued under the Indenture are referred to collectively as the “*Bonds.*”

Security for the Series 2015 Bonds

The Series 2015 Bonds and the interest thereon are special, limited obligations of the Authority, payable by the Authority solely from certain payments to be made by the Corporation under the Loan Agreement and certain other funds held by the Trustee under the Indenture and not from any other fund or source of the Authority. The Series 2015 Bonds are secured by the Indenture and the Loan Agreement and the Mortgage described herein. The Corporation’s obligation to repay the loan made to it under the Loan Agreement is evidenced by the Series 2015 Note. Payments under the Loan Agreement and the Series 2015 Note are designed to be sufficient, together with other funds available for such purpose, to pay when due the principal of, premium, if any, and interest on the Series 2015 Bonds. The revenues of the Corporation that will be used to make payments under the Loan Agreement and the Series 2015 Note are derived from rates and charges received by the Corporation from the sale of wholesale water by the Corporation to its Participating Members. The Corporation’s obligations under the Loan Agreement and the Series 2015 Note are subordinate to its obligations under the loan agreement and the note related to the Outstanding Senior Bonds (defined below).

To secure payment and performance of its duties and obligations under the Loan Agreement and the Series 2015 Note, the Corporation will convey a mortgage in certain real estate constituting the water treatment plant, storage facilities and transmission system owned by the Corporation (the “*Real Property*”) and a security interest in certain personal property (the “*Personal Property*”) pursuant to a Deed of Trust, Mortgage and Security Agreement dated as of June 1, 2015 (the “*Mortgage*”), from the Corporation to the Mortgage Trustee named therein for the benefit of the Authority and its assigns. The Real Property subject to the Mortgage consists of the Corporation’s treatment plant and corporate offices, the well fields and wells and certain water storage facilities, including the new 500-acre well field and the improvements to be constructed thereon with the proceeds of the SRF Loan (defined below). The Corporation’s other storage facilities and water transmission lines are not subject to the Mortgage. Pursuant to the Indenture, the Authority will assign to the Trustee, for the benefit and security of the registered owners of the Series 2015 Bonds, substantially all

of the rights of the Authority in the Loan Agreement, the Series 2015 Note and the Mortgage, including all Loan Payments payable thereunder. The Mortgage also secures the Corporation's obligations with respect to the Outstanding Bonds, subject to the priority of the Outstanding Senior Bonds discussed below.

The Series 2015 Bonds will not constitute a debt or liability of the Authority, the State or of any political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and will not constitute a pledge of the faith and credit of the State or of any political subdivision thereof, including the Authority. The issuance of the Series 2015 Bonds will not, directly, indirectly, or contingently, obligate 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 "SECURITY FOR THE SERIES 2015 BONDS."

Outstanding Obligations

The Corporation is presently obligated to make payments on the following bonds and notes:

- State Environmental Improvement and Energy Resources Authority Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs – Master Trust), Series 2001C (the "**Series 2001C Bonds**") and the related promissory note dated November 1, 2001 from the Corporation to the Authority in the original principal amount of \$2,370,000, of which \$1,050,000 was outstanding at December 31, 2014.
- State Environmental Improvement and Energy Resources Authority Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs), Series 2005A (the "**Series 2005A Bonds**") and the related promissory note dated May 1, 2005 from the Corporation to the Authority in the original principal amount of \$23,000,000, of which \$15,095,000 was outstanding at December 31, 2014.
- State Environmental Improvement and Energy Resources Authority Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs), Series 2005C (the "**Series 2005C Bonds**") and the related promissory note dated November 30, 2005 from the Corporation to the Authority in the original principal amount of \$17,625,000, of which \$11,830,000 was outstanding at December 31, 2014.
- State Environmental Improvement and Energy Resources Authority Water Facilities Refunding Revenue Bonds (Tri-County Water Authority Project), Series 2010 (the "**Series 2010 Bonds**") and the related promissory note dated June 1, 2010 from the Corporation to the Authority in the original principal amount of \$10,525,000, of which \$7,660,000 was outstanding at December 31, 2014.

The Series 2001C Bonds, Series 2005A Bonds and the Series 2005C Bonds are referred to as the "**Outstanding Parity Bonds**" and the Series 2010 Bonds are referred to in this Official Statement as the "**Outstanding Senior Bonds**" (together with the Outstanding Parity Bonds, the "**Outstanding Bonds**").

The Outstanding Senior Bonds are senior and prior to the Series 2015 Bonds and the Outstanding Parity Bonds, so that if at any time the Corporation is in default in paying either interest on or principal of the Outstanding Senior Bonds or if the Corporation is in default in making any other payments under the provisions thereof, the Corporation is not required nor permitted to make payments of either principal or interest on the Series 2015 Bonds or the Outstanding Parity Bonds until said default or defaults are cured. See "**SECURITY FOR THE SERIES 2015 BONDS – Outstanding Senior Bonds.**"

The Outstanding Parity Bonds are secured by a reserve fund established by the Missouri Department of Natural Resources (the "**Outstanding Parity Bonds Reserve Fund**"), in the amount of \$20,695,004 as of December 31, 2014. The Outstanding Parity Bonds Reserve Fund and the earnings thereon are security solely

for the payment of the Outstanding Parity Bonds. The earnings on the Outstanding Parity Bonds Reserve Fund are intended to provide a subsidy to the Corporation equal to approximately 70% of the interest expense on the Outstanding Parity Bonds. The Outstanding Parity Bonds Reserve Fund is reduced annually as the principal amount of the Outstanding Parity Bonds is paid by the Corporation. The reductions in the reserve are returned to the Missouri Department of Natural Resources, which initially deposited the amounts in that reserve fund.

Financial Statements

Audited financial statements of the Corporation as of and for the years ended December 31, 2013 and 2014, are included as *Appendix A* to this Official Statement. The financial statements have been audited by Troutt, Beeman & Co., P.C., Harrisonville, Missouri, independent certified public accountants, to the extent and for the periods indicated in their report, which is also included in *Appendix A*. The financial statements of the Corporation were prepared in conformity with the accounting practices utilized by the water utility industry, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America applicable to nonprofit organizations.

Certain unaudited summary financial information for the four Participating Members who were the largest purchasers of water from the Corporation in 2014 is included under “**THE PARTICIPATING MEMBERS - Summary Financial Data.**” The audited financial statements of each of those Participating Members for their most recent fiscal year end are available from the Corporation upon the request of any prospective purchaser of the Series 2015 Bonds in the initial offering thereof.

Continuing Disclosure

The Corporation will undertake to provide certain annual financial information and notices of the occurrence of certain material events. A description of this undertaking is set forth in this Official Statement under “**CONTINUING DISCLOSURE.**”

Bondowners’ Risks

Payment of the principal of and interest on the Series 2015 Bonds is dependent upon revenues to be derived from the operations of the Corporation. Certain risks are inherent in the production of such revenues. See “**RISK FACTORS**” for a discussion of certain risks.

Definitions and Summaries of Legal Documents

Definitions of certain words and terms used in this Official Statement are set forth in *Appendix B* of this Official Statement. Summaries of the Indenture, the Loan Agreement and the Mortgage are included in this Official Statement in *Appendix B*. 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 the office of Piper Jaffray & Co. (the “*Underwriter*”), at 11635 Rosewood Street, Leawood, Kansas 66211 (913) 345-3393, or will be provided to any prospective purchaser requesting the same.

THE AUTHORITY

General

The Authority is a body corporate and politic and a governmental instrumentality of the State of Missouri organized and existing under the laws of the State. Pursuant to the Act, the Authority is authorized to issue the Series 2015 Bonds and to provide for the security of the Series 2015 Bonds as herein described. To accomplish such actions the Authority is authorized to enter into the Indenture and the Loan Agreement and the Mortgage.

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 the 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, and to issue bonds or notes to pay the costs of such facilities. 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</u>
William "Andy" Dalton	Chairman	January 22, 2012 ¹
Deron L. Cherry	Treasurer	January 22, 2007 ¹
LaRee DeFreece	Secretary	January 1, 2011 ¹

¹ Members continue to serve until reappointed or replaced as provided by Missouri law.

There are currently two vacancies on the Authority.

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

Other Indebtedness of the Authority

The Authority has previously sold and delivered other bonds and notes secured by instruments separate and apart from those securing the Series 2015 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 Series 2015 Bonds are issued and the owners of the Series 2015 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 other entities 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 Series 2015 Bonds.

PLAN OF FINANCE

General

The Authority will loan the proceeds of the Series 2015 Bonds to the Corporation pursuant to the Loan Agreement. The Corporation will use the proceeds of the Series 2015 Bonds, together with other available funds of the Corporation, including the proceeds of the SRF Loan (defined below), to (1) finance the Project and (2) pay the costs of issuance of the Series 2015 Bonds. Concurrently with the issuance and sale of the Series 2015 Bonds, the Corporation will issue and deliver to the Trustee its Series 2015 Note, which will bear interest at a rate and contain other payment terms and conditions equivalent to those contained in the Series 2015 Bonds. It is intended that the Corporation's payments required under the Series 2015 Note and under the Loan Agreement will be sufficient to pay when due the principal of and interest on, and to redeem or pay at maturity, the Series 2015 Bonds. The Authority's interest in the Series 2015 Note and the Loan Agreement will be pledged and assigned to the Trustee under the Indenture pursuant to which the Series 2015 Bonds will be issued, subject to certain rights of indemnification and payments solely for the benefit of the Authority. The Authority's interest in the Series 2015 Note and the Loan Agreement so assigned will constitute security for the payment of the Series 2015 Bonds and the interest and the redemption premium, if any, thereon.

All payments by the Corporation on the Series 2015 Note of principal, interest and the premium, if any, are required to be made prior to or on the dates when the corresponding payments are required to be made on the Series 2015 Bonds.

The Project

The Project will consist of (1) the construction of up to four vertical wells on the recently-acquired 500-acre well field, (2) the construction of two water treatment process trains with a combined capacity of approximately 10 million gallons per day at the existing treatment plant site, (3) and the installation of approximately 160,000 linear feet of 16-inch water main from Grain Valley to Grandview and (4) the construction of four booster pump stations. The construction of the four vertical wells and the water treatment process trains will be financed with the proceeds of an approximately \$33 million loan from Missouri Department of Natural Resources State Revolving Fund (the “*SRF Loan*”). Proceeds of the Series 2015 Bonds will be used to pay costs associated with the installation of water main to Grandview and the construction of the Booster Pump stations, both of which are designed to allow the Corporation to serve Jackson PWSD #1 pursuant to its Water Purchase Contract entered into in March 2015. Upon completion of the Project, the Corporation expects to have capacity of approximately 60 million gallons per day.

Estimated Sources and Uses of Funds

The following sets forth the estimated sources and uses of the proceeds of the Series 2015 Bonds and:

Sources of Funds:

Series 2015 Bond proceeds	\$30,000,000.00*
Plus original issue premium	

Total

Uses of Funds:

Deposit to Project Fund
Costs of issuance ⁽¹⁾

Total

⁽¹⁾ Includes the Underwriter’s discount and other costs of issuance of the Series 2015 Bonds.

* Preliminary; subject to change.

THE SERIES 2015 BONDS

The following is a summary of certain terms and provisions of the Series 2015 Bonds. Reference is hereby made to the Series 2015 Bonds and the provisions with respect thereto in the Indenture and the Loan Agreement for the detailed terms and provisions thereof.

General Terms

The Series 2015 Bonds are dated the date of delivery, will bear interest from the date thereof or from the most recent interest payment date to which interest has been paid at the rates per annum set forth on the cover page, payable semiannually on April 1 and October 1 of each year, beginning on October 1, 2015, and will mature on April 1, in the years and in the principal amounts shown on the cover page. The Series 2015 Bonds are being issued as fully registered bonds in the denominations of \$5,000 and any integral multiple thereof and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. Purchases of beneficial interests in the Series 2015 Bonds will be made in book-entry only form (as described below under “**Book-Entry-Only System**”), in the denomination of \$5,000 or any integral multiple thereof. Purchasers of the Series 2015 Bonds will not receive certificates representing their interests in the Series 2015 Bonds purchased.

The principal of and redemption premium, if any, on the Series 2015 Bonds are payable at the principal corporate trust office of the Trustee. The interest on the Series 2015 Bonds is payable (a) by check or draft mailed by the Trustee to the persons who are the registered owners of the Series 2015 Bonds as of the close of business on the 15th day of the month preceding the respective interest payment dates, as shown on the bond registration books maintained by the Trustee, or (b) at the expense of the registered owner, by electronic transfer of immediately available funds at the written request of any registered owner of \$500,000 or more in aggregate principal amount of Series 2015 Bonds, if such written notice specifying the wire transfer instructions is provided to the Trustee not less than 10 days prior to the Record Date. If the specified date for any payment on the Series 2015 Bonds is a date other than a business day, such payment may be made on the next business day without additional interest and with the same force and effect as if made on the specified date for such payments.

So long as any of the Series 2015 Bonds are in book-entry form, the principal, redemption premium, if any, and interest on such Series 2015 Bonds are payable by check or draft mailed, or wire transfer, to Cede & Co. as registered owner thereof and will be redistributed by DTC and the Participants as described below under “**Book-Entry-Only System.**”

Book-Entry-Only System

The Depository Trust Company (“**DTC**”), New York, NY, will act as securities depository for the Series 2015 Bonds. The Series 2015 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2015 Bond certificate will be issued for each maturity of the Series 2015 Bonds, each in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post-

trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts.

This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2015 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2015 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2015 Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2015 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2015 Bonds, except in the event that use of the book-entry system for the Series 2015 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2015 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2015 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2015 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2015 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2015 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2015 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2015 Bond documents. For example, Beneficial Owners of Series 2015 Bonds may wish to ascertain that the nominee holding the Series 2015 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2015 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2015 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures.

Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2015 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal, and interest payments on the Series 2015 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2015 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2015 Bond certificates are required to be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the Authority, the Corporation and the Underwriter take no responsibility for the accuracy thereof, and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Redemption Prior to Maturity

Optional Redemption. The Series 2015 Bonds maturing on April 1, 20__ and thereafter may be redeemed at the option of the Authority, upon instructions from the Corporation, on or after April 1, 20__, in whole or in part at any time, at a redemption price equal to 100% of the principal amount of the Series 2015 Bonds called for redemption, plus accrued interest to the redemption date.

Extraordinary Optional Redemption. The Series 2015 Bonds are subject to redemption and payment prior to the stated maturity thereof, at the option of the Authority, upon written direction from the Corporation, in whole or in part at any time, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the redemption date, without premium, upon the occurrence of any of the following events:

- (1) all or a substantial portion of the Facility is damaged or destroyed by fire or other casualty, or title to, or the temporary use of, all or a substantial portion of such Facility is condemned or taken for any public or quasi-public use by any authority exercising the power of eminent domain (other than a Participating Member) or title thereto is found to be deficient, to such extent that in the determination of the Corporation (A) the Facility cannot be reasonably restored or replaced to the condition thereof preceding such event, or (B) the Corporation is thereby prevented from carrying on its normal operations of such Facility, or (C) the cost of restoration or replacement thereof would exceed the Net Proceeds of any casualty insurance, title insurance or condemnation awards with respect thereto; or

(2) as a result of any changes in the Constitution of the State of Missouri or the Constitution of the United States of America or of legislative or administrative action (whether state or federal) or by final direction, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Corporation in good faith, the Indenture, the Loan Agreement or the Mortgage becomes void or unenforceable or impossible of performance; or

(3) if (A) the Corporation determines in good faith that continued operation of the Facility, or any substantial part thereof, is not financially feasible or is otherwise disadvantageous to the Corporation; (B) as a result thereof, the Corporation sells, leases or otherwise disposes of to a person or entity unrelated to the Corporation, or changes or allows a change in the use of, all of such Facility or any substantial part thereof; and (C) there is delivered to the Authority and the Trustee an opinion of Bond Counsel addressed to the Authority and the Trustee to the effect that, unless the Series 2015 Bonds or a specified part thereof are redeemed and retired either prior to or concurrently with such sale, lease or other disposition, or change in use, or on a subsequent date prior to maturity, Bond Counsel is unable to render an unqualified opinion that such sale, lease or other disposition, or change in use, of all or such Facility will not adversely affect the excludability from gross income, for federal and Missouri income tax purposes, of the interest on the Series 2015 Bonds.

Selection of Bonds to be Redeemed

The Series 2015 Bonds will be redeemed only in principal amounts equal to \$5,000 or any integral multiple thereof and such that any Bond redeemed in part shall, after such redemption, be in an Authorized Denomination of the Series 2015 Bonds. When less than all of the Outstanding Bonds of any series are to be redeemed and paid prior to maturity, such Bonds shall be redeemed from the maturities selected by the Corporation and Bonds of less than a full maturity are to be selected by the Trustee in principal amounts in such equitable manner as the Trustee may determine, such that any Bond redeemed in part shall, after such redemption, be in an Authorized Denomination of the Series 2015 Bonds. The Trustee may, for purposes of selecting Bonds for redemption, treat all registered Bonds of the same maturity held by or for the benefit of an Owner as one Bond owned by such Owner and, upon such redemption and without charge to the Owner thereof, shall exchange a new Bond or Bonds for the unredeemed portion of the principal amount of all such Bonds in an amount equal to such Authorized Denominations as such Owner may direct.

If any Bond selected for redemption is to be redeemed only in part, then upon notice of intention to redeem such Bond, the Owner of such fully registered Bond or his attorney or legal representative shall forthwith present and surrender such Bond to the Trustee (1) for payment of the redemption price (including the premium, if any, and interest to the date fixed for redemption) of the principal amount called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such fully registered Bond in an amount equal to any Authorized Denomination of the Series 2015 Bonds. If the Owner of any such fully registered Bond shall fail to present such Bond to the trustee for payment and exchange as aforesaid, said Bond shall, nevertheless, become due and payable on the redemption date to the extent of the principal amount called for redemption (and to that extent only).

Notice and Effect of Call for Redemption

Unless waived by any Owner of Bonds to be redeemed, official notice of redemption will be given by the Trustee on behalf of the Authority by mailing a redemption notice by first class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to each Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register as of the date of the notice. Official notice of redemption having been given as aforesaid, the Series 2015 Bonds or portions of Bonds so to be redeemed shall, notwithstanding any defect in such notice or the failure of any Owner to receive same, on the redemption

date, become due and payable at the redemption price therein specified, and from and after such date (unless the Authority defaults in the payment of the redemption price), such Bonds or portion of Bonds shall cease to bear interest.

So long as DTC is effecting book-entry transfers of the Series 2015 Bonds, the Trustee will provide the notices specified above to DTC. It is expected that DTC will, in turn, notify the DTC Participants and that the DTC Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of DTC or a DTC Participant, or failure on the part of a nominee of a Beneficial Owner of a Series 2015 Bond (having been mailed notice from the Trustee, a DTC Participant or otherwise) to notify the Beneficial Owner of the Series 2015 Bond so affected, shall not affect the validity of the redemption of such Series 2015 Bond.

Registration, Transfer and Exchange

The Series 2015 Bonds will be issued in fully registered form in denominations of \$5,000 and any integral multiple thereof. The Series 2015 Bonds will be issued in fully registered form, and each Series 2015 Bond will be registered in the name of the owner thereof on the registration books maintained by the Trustee. The Series 2015 Bonds are transferable by the registered holder thereof or by such holder's attorney duly authorized in writing upon presentation thereof at the principal corporate trust office of the Trustee. Any Series 2015 Bond may be exchanged at the principal corporate trust office of the Trustee for a like aggregate principal amount of Series 2015 Bonds of the same maturity of other authorized denominations. The Trustee and the Authority may charge a fee covering taxes and other governmental charges in connection with any exchange, change in registration or transfer of any Series 2015 Bond. The Trustee shall not be required to register the transfer of or exchange any Series 2015 Bond that has been called or selected for call for redemption or during the period of fifteen days next preceding the first mailing of notice of redemption. The foregoing provisions for the registration, transfer and exchange of the Series 2015 Bonds will not be applicable to purchasers of the Series 2015 Bonds so long as the Series 2015 Bonds are subject to the DTC or other book-entry only system.

ADDITIONAL BONDS, ADDITIONAL NOTES AND ADDITIONAL OBLIGATIONS

The Authority may, at any time upon compliance with certain terms and conditions set forth in the Indenture and the Loan Agreement, issue Additional Bonds for certain purposes permitted under the Indenture. Pursuant to the Indenture, the Authority may at some time in the future issue Additional Bonds on a parity with the Bonds in order to provide for any Additional Project, refinancing outstanding mortgages or advances issued by the Corporation including Additional Obligations, repaying any series of Bonds if prepaid in full, obtaining funds for advance refunding the Bonds of any series outstanding regardless of whether such Bonds may be prepaid in full, or any other purpose permitted under the Act. Additional Bonds shall be equally and ratably secured by the Indenture on a parity with the Series 2015 Bonds. Concurrently with the issuance of any such Additional Bonds, the Corporation shall deliver to the Authority an Additional Note obligating the Corporation to make payments of principal and interest thereon in amounts and at times sufficient to provide for the timely payment of the principal of, premium, if any, and interest on such Additional Bonds. Any such Additional Note will be secured on a parity basis with the Note and any other Additional Notes. See **“DEFINITIONS AND SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS – SUMMARY OF THE INDENTURE – Authorization of Additional Bonds”** and **“DEFINITIONS AND SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS – SUMMARY OF THE LOAN AGREEMENT – Conditions to Issuance of Additional Notes”** in *Appendix B*.

The Corporation may also incur Additional Indebtedness and, in some circumstances, pledge property of the Corporation to secure the repayment thereof. The Loan Agreement limits the amount of the Additional Indebtedness which the Corporation may incur. See **“DEFINITIONS AND SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS – SUMMARY OF THE LOAN AGREEMENT – Restrictions on Incurrence of Additional Indebtedness”** in *Appendix B*.

The Corporation may incur Indebtedness secured on a parity with the Notes, which may be issued to any Person including Persons other than the Authority (“**Additional Obligations**”) under certain conditions provided in the Loan Agreement. Such Additional Obligations shall have a security interest in all of the Corporation’s Unrestricted Receivables, Revenues and the Water Purchase Contracts, and a mortgage lien on and security interest in the Mortgaged Property under the Mortgage, standing on a parity with the security interest granted to the Authority by the Loan Agreement and the mortgage lien and security interest granted by the Mortgage. See “**DEFINITIONS AND SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS – SUMMARY OF THE LOAN AGREEMENT – Additional Obligations**” in *Appendix B*.

SECURITY FOR THE SERIES 2015 BONDS

General

The Series 2015 Bonds are limited obligations of the Authority payable solely from the revenues of the Authority derived from payments by the Corporation under the Loan Agreement and from other moneys, if any, held by the Trustee under the Indenture. The Authority has assigned to the Trustee for the benefit of the Bondowners the Authority’s rights under the Loan Agreement (but excluding the Authority’s rights to payment of fees and expenses and indemnification, and any payment to be made to meet the rebate requirements of the Internal Revenue Code of 1986, as amended) and the Series 2015 Note evidencing the loan from the Authority to the Corporation. The loan is secured by a mortgage of, a security interest in and a pledge of the Mortgaged Property.

The Series 2015 Bonds shall never constitute a debt or liability of the State of Missouri or of any political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and will not constitute a pledge of the full faith and credit of the State but shall be payable solely from the funds provided for in the Loan Agreement and in the Indenture. The issuance of the Series 2015 Bonds will not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. The State will not in any event be liable for the payment of the principal of, premium, if any, or interest on the Series 2015 Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Authority. No breach by the Authority of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State or any charge upon its general credit or its taxing power.

Mortgage and Assignment of Unrestricted Receivables and Water Purchase Contracts

A mortgage on the Real Property and a security interest in the Personal Property (with certain exceptions as described in the Mortgage), will be granted by the Corporation to the Authority to secure the payment of the Series 2015 Note and the performance of the Corporation’s obligations under the Loan Agreement. Pursuant to the Loan Agreement, the Corporation has granted to the Authority a security interest in all Unrestricted Receivables of the Corporation and all of its rights under the Water Purchase Contracts presently in effect or hereafter executed. See “**THE WATER PURCHASE CONTRACTS.**” So long as the Corporation makes when due and payable all Loan Payments and Additional Payments under the Loan Agreement and all payments of principal of, premium, if any, and interest on the Additional Obligations, the Corporation will be entitled to utilize its Unrestricted Receivables and the revenues and receipts from the Water Purchase Contracts for its proper corporate purposes. See “**DEFINITIONS AND SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS – Definitions – Unrestricted Receivables**” and “**Revenues**” in *Appendix B*.

Outstanding Senior Bonds

The Outstanding Senior Bonds are currently outstanding in the principal amount of \$6,950,000. The Series 2015 Bonds and the Outstanding Parity Bonds are junior and subordinate to the Outstanding Senior Bonds, so that if at any time the Corporation is in default in paying either interest on or principal of the Outstanding Senior Bonds or if the Corporation is in default in making any other payments under the provisions thereof, the Corporation is not required nor permitted to make payments of either principal or interest on the Series 2015 Bonds or the Outstanding Parity Bonds until said default or defaults be cured.

In the event of any liquidation, dissolution or winding up of the Corporation or of any execution, sale, receivership, insolvency, bankruptcy, liquidation, readjustment, reorganization, or other similar proceeding relative to the Corporation or its property, all principal and interest owing on all Outstanding Senior Bonds shall first be paid in full before any payment is made upon the Series 2015 Bonds or the Outstanding Parity Bonds, provided, however, that, except for the Unrestricted Receivables and Revenues, this sentence shall not apply to payments made on the Series 2015 Bonds or the Outstanding Parity Bonds from the proceeds of collateral specifically securing the Series 2015 Bonds or the Outstanding Parity Bonds; and in any such event any payment or distribution of any kind or character from sources other than the proceeds of collateral specifically securing the Series 2015 Bonds or the Outstanding Parity Bonds, except for the Unrestricted Receivables and Revenues whether in cash, property or securities (other than in securities, including equity securities, or other evidences of indebtedness, the payment of which is subordinated to the payment of all superior indebtedness which may at the time be outstanding) which shall be made upon or in respect of the Series 2015 Bonds or the Outstanding Parity Bonds shall be paid over to the holders of the Outstanding Senior Bonds, pro rata, for application in payment thereof unless and until such Outstanding Senior Bonds shall have been paid or satisfied in full.

In the event that the Series 2015 Bonds or the Outstanding Parity Bonds are declared or become due and payable because of the occurrence of any event of default pursuant to the terms of the Outstanding Parity Bonds (or pursuant to the terms of the Outstanding Senior Bonds, as appropriate) or otherwise than at the option of the Corporation, under circumstances when the foregoing clause (1) shall not be applicable, the holders of the Series 2015 Bonds and the Outstanding Parity Bonds shall be entitled to payments only after there shall first have been paid in full all Outstanding Senior Bonds at the time such Series 2015 Bonds or the Outstanding Parity Bonds so become due and payable because of any such event, or payment shall have been provided for in a manner satisfactory to the holders of such Outstanding Senior Bonds, provided, however, that, except for the Unrestricted Receivables and Revenues, this sentence shall not apply to payments made on the Outstanding Parity Bonds from the proceeds of collateral specifically securing the Outstanding Parity Bonds.

Rate Covenant

The Corporation has covenanted and agreed that it will, prior to the close of each Fiscal Year, set rates and charges for use of its facilities such that the Net Revenues Available for Debt Service of the Corporation will not be less than the sum of **1.10** times the Average Annual Debt Service on the Series 2015 Bonds, any Additional Bonds and any Additional Obligations (the "**Rate Covenant Requirement**"). If the Net Revenues Available for Debt Service, as calculated at the end of any Fiscal Year, is less than the Rate Covenant Requirement, the Corporation covenants to retain a Consultant to make recommendations to increase the annual Debt Service coverage for subsequent Fiscal Years to at least the Rate Covenant Requirement. So long as the Corporation shall retain a Consultant and the Corporation shall follow such Consultant's recommendations and so long as the Average Annual Debt Service coverage is in no event less than **1.00** times the Average Annual Debt Service with respect to the Series 2015 Bonds, any Additional Notes, and any Additional Obligations, this covenant shall be deemed to have been complied with for such Fiscal Year and no Event of Default shall have occurred under the Loan Agreement even if the Average Annual Debt Service coverage is below the Rate Covenant Requirement.

State Environmental Improvement and Energy Resources Authority
319th Board Meeting
May 12, 2015

Agenda Item #5A
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:

In April, the EPA announced an opportunity for RLFs to request supplemental funding. One of the eligibility requirements is that the current RLF grant has \$400,000 or less uncommitted. At present the MBRLF has approximately \$244,000 in petroleum and \$366,000 in hazardous substance, which exceeds that amount. However, we have recently received a loan application for \$300,000 in hazardous substance funds and a petroleum subgrant application for a yet undetermined amount. Given the likelihood that we will be below the threshold in the near future, staff submitted a request for \$500,000 in hazardous substance supplemental funds.

Project Updates are as follows:

- The contractor performing work at the former ACME Battery site began preparations for building demo scheduled to occur in May. Remains, Inc. also continues to make interest payments on loan draws.
- The Land Reutilization Authority of the City of St. Louis is planning to re-bid work on the Wittenberg Warehouse, part of the former Porter Oil site, because the previously selected contractor was unable to provide materials to complete the work. A new award is anticipated by the end of May.
- MDNR issued a Certificate of Completion for the former Dycron Plastics site at Ranken Technical College.

- An Analysis of Brownfield Cleanup Alternatives was completed and a public meeting conducted for the project with the Boonslick Community Development Corporation to remediate asbestos containing materials and lead based paint in the administration building on the former Kemper Military School. This project may be delayed somewhat as the State Historic Preservation Office is requiring some additional steps as the building will ultimately be demolished.
- MDNR approved the Remedial Action Plan for the site owned by Habitat for Humanity of Springfield, Missouri, Inc. and staff completed the bid package that was advertised May 1.
- SMI/SNF Landlord, LLC continues to repay its loan from the program as scheduled.

KT:ge

State Environmental Improvement and Energy Resources Authority
319th Board Meeting
May 12, 2015

Agenda Item #5B
MISSOURI BROWNFIELDS REVOLVING LOAN FUND
CONSIDERATION AND AUTHORIZATION TO AMEND THE AGREEMENT WITH REMAINS, INC.

Issue:

The completion of cleanup contemplated for April 1, 2015 in the agreement with Remains, Inc. did not occur, creating a loan repayment schedule that is not desirable to the company or the MBRLF.

Action Needed:

Consideration and authorization of an amendment to the agreement with Remains, Inc.

Staff Recommendation:

Amending the agreement with Remains, Inc. to suspend principal payments until November 1, 2015.

Staff Contact:

Kristin Tipton, Development Director

Background:

The agreement with Remains, Inc. includes loan repayment terms of monthly interest payments from October 1, 2012 and 84 monthly principal payments on the outstanding balance as of April 1, 2015 from April 1, 2015 through March 1, 2022. These terms were negotiated to allow for principal payments to begin once the property was cleaned and in use, generating income for the business.

There was a significant delay in starting the cleanup, in large part due to obtaining MDNR approval for a Remedial Action Plan for this heavily contaminated property. This approval was obtained almost a year after the September 26, 2012 agreement date. When the work required in the Remedial Action Plan was bid, the cleanup cost was dramatically more than that anticipated and in March of 2014, the EIERA approved an increase in the loan amount from \$350,000 to \$630,000.

The multiple phased cleanup began in the spring of 2014, but weather forced the contractor to stop work for the winter. It is now anticipated that the cleanup will be complete late this spring and Remains will be able to construct the new building to expand business operations by late fall.

Remains has made on-time monthly interest payments on the loan balance since their first draw, and will have made one principal payment by the time of the May 12 board meeting. As of April

1, 2015, the outstanding balance on the loan was \$202,236.26, which represents the cleanup funds drawn to date.

Based on the original cleanup schedule, the contract contemplated that all cleanup funds would have been expended prior to April 1, 2015, with the principal amortization fixed at that time. With the project delays, under the existing contract language Remains would be required to pay interest and 1/84th of the \$202,236.26 amount monthly until March 1, 2022, at which point they would pay any remaining principal on the \$630,000 loan.

Staff proposes amending the agreement to continue interest payments and suspend principal payments until November 1, 2015 at which time Remains should be generating income from its expanded business operations. Beginning November 1, Remains would make principal payments of 1/84th the outstanding amount (which should include all cleanup draws for the project) until the loan is repaid on September 1, 2022 with a final payment of all remaining principal and interest.

Staff has recently performed a credit check on Remains, Inc. which confirms the company's report that there have been no significant changes to the company's debt position since last spring when documents were reviewed in contemplation of the award amount increase. The company has acquired a new line of credit, as expected, which they intend to use to construct the new building and then roll into a loan, which can only be secured after a cleanup Certificate of Completion is achieved.

KT:ge

**320th MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY
EIERA Office
425 Madison Street, Second Floor
Jefferson City, Missouri
July 23, 2015
10:00 a.m.**

1. Call to Order
2. Approval of Minutes

Approval of Minutes from the 319th Meeting of the Authority held May 12, 2015, in Jefferson City, Missouri
3. State Revolving Fund Program
 - A. Update
 - B. Selection of Book Running Senior Managing Underwriter for Potential SRF Bond Refunding
 - C. Trinity Plus GIC Transfer to MassMutual
 - D. Defeasance of Arnold SRF Bonds
 - E. Defeasance of Portageville SRF Bonds
 - F. Other
4. Other Financings
 - A. Tri-County Water Authority Update
5. Missouri Market Development Program
 - A. Program Update
 - B. Consideration of the Funding Recommendation for the BFC Composting Company 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 Branch Creek, LLC, Project and Authorizing the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
 - D. Other
6. Brownfields Revolving Loan Fund
 - A. Program Update
 - B. Consideration of the Funding Recommendation for the Industrial Development Authority of the City of Lebanon 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 Tower Grove Neighborhoods Community Development Corporation Project and Authorizing

- the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
- D. Other
7. Review of Strategic Measures
 8. Consideration and Approval of Fiscal Year 2016 Budgets
 9. Authorization to Purchase Accounting Software
 10. Election of Officers
 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 LaRee DeFreece, Secretary Deron Cherry, Vice-Chair, Assistant Secretary, Treasurer
Staff to be Present:	Karen Massey, Director Joe Boland, Deputy Director Kristin Allan Tipton, Development Director Connie Patterson, Project Specialist Mary Vaughan, 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
320th Board Meeting
July 23, 2015

Agenda Item #3D
DEFEASANCE OF THE CITY OF ARNOLD'S SRF BONDS AND ESTABLISHMENT OF ESCROW DEPOSIT AGREEMENT

Issue:

Due to the sale of the City of Arnold's drinking water system to a private entity, State Revolving Fund (SRF) bonds allocable to the city that originally funded the system from Series 2005C and 2006A must be defeased to protect the tax-exempt status of the remaining Authority bonds of those series.

Action Needed:

Approval of a resolution authorizing the Authority to enter into an Escrow Deposit Agreement with UMB Bank to defease the city's allocable portion of bonds in Series 2005C and 2006A.

Staff Recommendation:

Staff recommends that the Board approve a resolution authorizing the Authority to enter into an Escrow Deposit Agreement necessary to defease SRF bonds allocable to the City of Arnold from Series 2005C and 2006A.

Staff Contact:

Joe Boland

Background:

The City of Arnold was a participant in the 2005C and 2006A State Revolving Fund (SRF) pooled bond issues, the proceeds of which were used to make improvements to their drinking water system. Portions of Series 2005C and 2006A were then refunded through the 2013A Series. Subsequently, in the fall of 2014, the citizens of Arnold voted in favor to sell their system to Missouri American Water Company.

Department of Natural Resources' (DNR) loan documents require that upon the sale of the system the loans must be repaid in full. On May 22, 2015, the sale of Arnold's drinking water system to Missouri American was finalized. The amount owed to DNR, which included principal and accrued interest to the first available redemption date, totaled \$6,270,826.26. This amount was deposited with the Trustee Bank, UMB, on the same day.

These funds will be placed in an escrow account and used to defease all allocable bonds for Series 2005C and 2006A, and then the remaining funds will be used to defease Series 2013A bonds.

Attached is the Resolution authorizing the Authority to enter into an Escrow Deposit Agreement which directs the Trustee on how to manage the funds received from the City of Arnold SRF bonds. The Escrow Deposit Agreement is attached for your review.

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 ESCROW DEPOSIT AGREEMENT WITH RESPECT TO DEFEASING CERTAIN STATE REVOLVING FUNDS PROGRAMS BONDS, AND AUTHORIZING THE AUTHORITY TO TAKE CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ACTIONS AUTHORIZED BY THE ESCROW DEPOSIT AGREEMENT

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, pursuant to the Act and the SRF Programs, the Authority has issued its Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2005C (the "Series 2005C Bonds"), issued pursuant to the Bond Indenture dated as of November 1, 2005, as amended, between the Authority and UMB Bank, N.A., as trustee (the "Series 2005C Trustee"), and its Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2006A (the "Series 2006A Bonds") pursuant to the Bond Indenture dated as of April 1, 2006, as amended, between the Authority and UMB Bank, N.A., as trustee (the "Series 2006A Trustee"); and

WHEREAS, the Series 2005C Bonds and the Series 2006A Bonds were partially refunded with proceeds of the Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2013A (the "Series 2013A Bonds") issued pursuant to the Bond Indenture dated as of November 1, 2013, as amended, between the Authority and UMB Bank, N.A., as trustee (the "Series 2013A Trustee"); and

WHEREAS, a portion of the Series 2005C Bonds are allocable to the Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2005 (the "2005 Arnold Bonds") of the City of Arnold, Missouri (the "City"); and

WHEREAS, a portion of the Series 2006A Bonds are allocable to the Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2006 (the "2006 Arnold Bonds") of the City; and

WHEREAS, a portion of the Series 2013A Bonds are allocable to the 2005 Arnold Bonds and the 2006 Arnold Bonds; and

WHEREAS, on May 22, 2015, the City redeemed the 2005 Arnold Bonds by the deposit of \$4,377,666.40 with the Series 2005C Trustee and the 2006 Arnold Bonds by the deposit of \$1,891,737.69 with the Series 2006A Trustee, constituting a portion of the proceeds from the sale of the City's sewerage system to Missouri American Water Company (the "Private User"); and

WHEREAS, not defeasing the Series 2005C Bonds, the Series 2006A Bonds and the Series 2013A Bonds allocable to the 2005 Arnold Bonds and the 2006 Arnold Bonds results in private use by the Private User for that portion of the Series 2005C Bonds, the Series 2006A Bonds and the Series 2013A Bonds allocable to the 2005 Arnold Bonds and the 2006 Arnold Bonds;

WHEREAS, private use could, under certain circumstances, adversely affect the exclusion of interest on the Series 2005C Bonds, the Series 2006A Bonds and the Series 2013A Bonds from gross income for federal income tax purposes; and

WHEREAS, the Authority finds that it is necessary and appropriate to cause the defeasance of the Series 2005C Bonds, the Series 2006A Bonds and the Series 2013A Bonds allocable to the City, either in whole or in part; and

WHEREAS, the proceeds received from the redemption of the 2005 Arnold Bonds and the 2006 Arnold Bonds are not sufficient to redeem in full the Series 2005C Bonds, the Series 2006A Bonds and the Series 2013A Bonds allocable to the City;

WHEREAS, the Authority further finds and determines that it is necessary and desirable that the Authority enter 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 Escrow Deposit Agreement. The Authority is hereby authorized to enter into the Escrow Deposit Agreement dated as of July 1, 2015, with UMB Bank, N.A. (the "Escrow Agreement"), in substantially the form presented and reviewed by the Authority at this meeting (a copy of which Escrow Agreement 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 Escrow Agreement, such officers' signatures thereon being conclusive evidence of their approval thereof.

Section 2. Execution of Escrow Agreement. The Chairman or the Vice Chairman is hereby authorized and directed to execute and deliver the Escrow Agreement 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, to carry out, comply with and perform the duties of the Authority with respect to the Escrow Agreement, and to negotiate

with the Missouri Department of Natural Resources (the “Department”) with respect to obtaining funds not to exceed \$100,000 to fully defease the Series 2005C Bonds, the Series 2006A Bonds and the Series 2013A Bonds allocable to the City. Should funds not be provided by the Department, the Escrow Agreement will provide for the defeasance of the maximum principal amount of the Series 2005C Bonds, the Series 2006A Bonds and the Series 2013A Bonds allocable to the City as determined in the reasonable judgment of the Director.

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

ADOPTED this 23rd day of July, 2015.

Chairman of the Authority

(Seal)
ATTEST:

Secretary of the Authority

ESCROW DEPOSIT AGREEMENT

Dated as of July 1, 2015

Between

STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY

And

UMB BANK, N.A.,
As Escrow Agent

Relating to

The Defeasance, Payment and Discharge of
Certain Outstanding Revenue Bonds

ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT dated as of July 1, 2015 (this “Agreement”), is 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”), and **UMB BANK, N.A.**, a national banking association with a corporate trust office in St. Louis, Missouri, acting as escrow agent hereunder (the “Escrow Agent”).

RECITALS

1. The Authority has issued the following series of its bonds (collectively, the “Original Bonds”) under the Missouri Leveraged State Water Pollution Control Revolving Fund Program and the Missouri Leveraged State Drinking Water Revolving Fund Program, as applicable:

A. Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2005C (the “Series 2005C Bonds”), issued pursuant to the Bond Indenture dated as of November 1, 2005, as amended, by and between the Authority and UMB Bank, N.A., as trustee (the “Series 2005C Trustee”);

B. Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2006A (the “Series 2006A Bonds”), issued pursuant to the Bond Indenture dated as of April 1, 2006, as amended, by and between the Authority and UMB Bank, N.A., as trustee (the “Series 2006A Trustee”); and

C. Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2013A (the “Series 2013A Bonds”), issued pursuant to the Bond Indenture dated as of November 1, 2013, as amended, by and between the Authority and UMB Bank, N.A., as trustee (the “Series 2013A Trustee”).

2. Pursuant to each of the above Bond Indentures as amended (each an “Original Bonds Indenture,” collectively, the “Original Bonds Indentures”), the Authority has heretofore duly authorized and issued the above referenced series of bonds (the “Original Bonds”), to finance or refinance projects pursuant to the Missouri Leveraged State Water Pollution Control Revolving Fund Program and the Missouri Leveraged State Drinking Water Revolving Fund Program.

3. A portion of the Series 2005C Bonds are allocable to the Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2005 (the “2005 Arnold Bonds”) of the City of Arnold, Missouri (the “City”). A portion of the Series 2006A Bonds are allocable to the Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2006 (the “2006 Arnold Bonds”) of the City. The Series 2005C Bonds and the Series 2006A Bonds were partially refunded with proceeds of the above-described Series 2013A Bonds. On May 22, 2015, the City redeemed the 2005 Arnold Bonds by the deposit of \$4,377,666.40 with the Series 2005C Trustee and the 2006 Arnold Bonds by the deposit of \$1,891,737.69 with the Series 2006A Trustee (collectively, the “Arnold Defeasance Funds”).

4. The Authority desires to provide for the defeasance of the Original Bonds in part, the “Cash Defeased Bonds” as further described on **Schedule 1**.

5. The Cash Defeased Bonds will mature (or will be subject to redemption prior to maturity) and will have interest payable in the amounts and at the times shown on **Schedule 2**.

6. With the Arnold Defeasance Funds [**together with other available funds of the Authority**], the Authority intends to provide for the defeasance and payment of the principal of, redemption premium, and interest on the Cash Defeased Bonds through the purchase of the securities described in **Schedule 3** (collectively, the “Escrowed Securities”) and the deposit of the Escrowed Securities and cash with the Escrow Agent pursuant to this Agreement.

7. The Escrow Agent is, by this Agreement, appointed by the Original Bonds Trustees, and is acting, as master escrow deposit agent for the Cash Defeased Bonds under this Agreement.

AGREEMENT:

1. Definitions. In addition to words and terms defined in the Recitals, the following words and terms used in this Agreement shall have the following meanings:

“**Bond Counsel**” means Gilmore & Bell, P.C. or other attorney or firm of attorneys with a nationally recognized standing in the field of municipal bond financing approved by the Authority and acceptable to the Trustee.

“**Bond Payment Date**” means any date on which any principal of, redemption premium, or interest on any of the Cash Defeased Bonds is due and payable.

“**Cash Defeased Bonds**” means the Original Bonds defeased with the Arnold Defeasance Funds, as described in **Schedule 1**.

“**Code**” means the Internal Revenue Code of 1986, as amended, and the regulations and rulings promulgated thereunder or under the corresponding section of the Internal Revenue Code of 1954, as amended, or any subsequently enacted internal revenue law of the United States of America.

“**Escrow Fund**” means the fund by that name as defined in **Section 3**.

“**Escrowed Securities**” means the direct non-callable obligations of the United States of America listed on **Schedule 3** and any Substitute Escrowed Securities, as allocated to a Series of Bonds.

“**Paying Agent**” means the respective paying agent for each Series of Bonds under the applicable Original Bonds Indenture, and any successor or successors at the time acting as paying agent for any Series of Bonds.

“**Series of Bonds**” means the applicable Series of Bonds.

“**Substitute Escrowed Securities**” means direct non-callable obligations of the United States of America which have been acquired by the Escrow Agent and substituted for Escrowed Securities in accordance with **Section 8**.

2. Receipt of Original Bonds Indentures. The Escrow Agent hereby acknowledges receipt of a copy of each Original Bonds Indenture, and reference herein to or citation herein of any provisions of said documents shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if they were fully set forth herein.

3. Creation of Escrow Fund. There is hereby created and established with the Escrow Agent a special and irrevocable separate trust fund to be held in the custody of the Escrow Agent and

designated as the “Escrow Fund – City of Arnold, Missouri Defeasance – State Environmental Improvement and Energy Resources Authority” (the “Escrow Fund”).

4. Verification of Certified Public Accountants. _____, has verified the mathematical accuracy of the mathematical computations of Columbia Capital Management, LLC, that demonstrate that the maturing Escrowed Securities held in the Escrow Fund, and interest to accrue thereon, together with the cash held therein, without consideration of any reinvestment thereof (except as provided in **Section 5**), will be sufficient to pay all principal of, redemption premium, if any, and interest on the Cash Defeased Bonds on the respective Bond Payment Dates.

5. Deposits to the Escrow Fund; Purchase of Escrowed Securities. Concurrently with the execution and delivery of this Agreement, the Escrow Agent acknowledges receipt and deposit into the Escrow Fund of the Arnold Defeasance Funds in the amount of \$_____ and [**other available funds of the Authority in the amount of \$_____ (totaling the sum of \$_____)**], and shall apply such amounts in the Escrow Fund to pay the purchase price of the Escrowed Securities, described in **Schedule 3**, of \$_____, leaving an initial cash balance of \$_____ in the Escrow Fund.

6. Creation of Liens. The escrow created hereby shall be irrevocable. The holders of each Series of Bonds are hereby given an express lien on and security interest in the applicable Escrowed Securities and cash in the Escrow Fund and the applicable earnings thereon until used and applied in accordance with this Agreement, such lien and security interest for the Cash Defeased Bonds being in accordance with the debt service requirements of the Cash Defeased Bonds as shown on **Schedule 2**. The matured principal of and earnings on the applicable Escrowed Securities and the cash in the Escrow Fund allocable to the applicable Series of Bonds are hereby pledged and assigned and shall be applied solely for the payment of the principal of, redemption premium, if any, and interest on such Series of Bonds.

7. Application of Cash and Escrowed Securities in the Escrow Fund.

(a) Except as otherwise expressly provided in this **Section 7** and **Section 8**, the Escrow Agent shall have no power or duty to invest any money held hereunder or to sell transfer or otherwise dispose of any Escrowed Securities; provided however, at the written request of the Authority any cash held by the Escrow Agent shall be invested in a forward purchase contract, the terms of which are approved by the Authority and consented to by the Escrow Agent (which consent shall not be unreasonably withheld and which consent may be conditioned upon a determination that such forward purchase contract does not materially increase the duties and responsibilities of the Escrow Agent), provided the Escrow Agent, the Original Bonds Trustees and the Authority shall receive an Opinion of Bond Counsel that the investment of cash pursuant to the forward purchase contract is permitted pursuant to the terms of this Agreement and would not adversely affect the exclusion of interest on the Cash Defeased Bonds from gross income for federal income tax purposes under then existing law.

(b) On or prior to each Bond Payment Date, the Escrow Agent shall withdraw from the Escrow Fund an amount equal to the principal of, redemption premium, and interest on the Cash Defeased Bonds becoming due and payable on such Bond Payment Date, as set forth in **Schedule 2**, and shall forward such amount to the respective offices of the Paying Agents, so that immediately available funds in the required amounts will reach each such office of the Paying Agents on or before 12:00 Noon, Central Time, on such Bond Payment Date. In order to make the payments required by this subsection, the Escrow Agent is hereby authorized to present or redeem the Escrowed Securities in accordance with the maturity schedule in **Schedule 3**. The liability of the Escrow Agent to make the payments required by

this subsection with respect to the Cash Defeased Bonds shall be limited to immediately available funds from moneys and Escrowed Securities in the Escrow Fund.

(c) Upon the payment in full of the principal of, redemption premium, if any, and interest on the last of each series of Cash Defeased Bonds, all remaining money and Escrowed Securities in the Escrow Fund with respect to a series of Cash Defeased Bonds as set forth in **Schedule 3-1**, together with any interest thereon, shall be transferred to the applicable Original Bonds Trustee for credit to the applicable Interest Account.

8. Substitute Escrowed Securities.

(a) If any of the Escrowed Securities are not available for delivery on the effective date of this Agreement, the Escrow Agent is directed to accept substitute securities in lieu thereof provided:

(1) the substitute securities are non-callable, direct obligations of the United States of America,

(2) the maturing principal of and interest on such substitute securities (excluding any interest after any optional call date) is equal to or greater than the principal and interest payable on such unavailable Escrowed Securities,

(3) principal of and interest on the substitute securities is payable no later than, and in amounts no less than, the payments on the unavailable Escrowed Securities,

(4) the Escrow Agent, the Original Bonds Trustees and the Authority shall receive from a nationally recognized independent certified public accountant or accounting firm a certification, satisfactory in form and substance to the Authority and the Escrow Agent, to the effect that after such substitution, the principal of and interest payable on the Escrowed Securities to be held in the Escrow Fund after giving effect to the substitution (including Substitute Escrowed Securities to be acquired), together with any other money to be held in the Escrow Fund after such transaction, will be sufficient to pay all remaining principal of, redemption premium, if any, and interest on the Cash Defeased Bonds pursuant to **Schedule 2**, and

(5) the Authority and Bond Counsel approve such substitution in writing.

(b) At the written request of the Authority, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power from time to time to sell, transfer, request the redemption of or otherwise dispose of any of the Escrowed Securities and to substitute for the Escrowed Securities so redeemed or otherwise disposed of solely cash or non-callable direct obligations of the United States of America (the "Substitute Escrowed Securities"). The Escrow Agent shall purchase such Substitute Escrowed Securities with the proceeds derived from any such sale, transfer, disposition or redemption of the Escrowed Securities together with any other funds available for such purpose. The substitution may be effected only if:

(1) the substitution of the Substitute Escrowed Securities for the original Escrowed Securities occurs simultaneously;

(2) the Escrow Agent, the Original Bonds Trustees and the Authority shall receive from a nationally recognized independent certified public accountant or accounting firm a certification, satisfactory in form and substance to the Authority and the Escrow Agent, to the

effect that after such substitution, the principal of and interest payable on the Escrowed Securities to be held in the Escrow Fund after giving affect to the substitution (including Substitute Escrowed Securities to be acquired), together with any other money to be held in the Escrow Fund after such transaction, will be sufficient to pay all remaining principal of, redemption premium, if any, and interest on the Cash Defeased Bonds pursuant to **Schedule 2-1**; and

(3) the Escrow Agent, the Original Bonds Trustees and the Authority shall receive an Opinion of Bond Counsel to the effect that such substitution is permitted pursuant to the terms of this Agreement and would not cause the interest on the Cash Defeased Bonds to become included in gross income for purposes of federal income taxation under then existing law.

If any such substitution results in cash held in the Escrow Fund in excess of the cash required for the certification of an independent certified public accountant referred to in this subsection (b) (as evidenced by such certification), the Escrow Agent shall, at the written request of the Authority, withdraw such excess from the Escrow Fund and pay such excess to the applicable Original Bonds Trustee for credit to the applicable Interest Account; provided that, in the Opinion of Bond Counsel, such withdrawal and application will not be contrary to State law and will not cause the interest on the Cash Defeased Bonds to become included in gross income for purposes of federal income taxation.

9. Redemption of Cash Defeased Bonds. The Authority has directed each Original Bonds Trustee to mail, as soon as practicable and in the manner provided in the Original Bonds Indentures, notice that the Cash Defeased Bonds are deemed to have been paid within the meaning of the Original Bonds Indentures, in substantially the forms set forth in the Exhibits to this Agreement, with such changes as the applicable Original Bonds Trustee deems appropriate, and to mail by first-class mail at least 30 and not more than 60 days prior to the redemption date to the owner of any Cash Defeased Bonds designated for redemption notice of the redemption of the Cash Defeased Bonds as required under the Original Bonds Indentures.

10. Reports of the Escrow Agent. As long as any Series of Bonds, together with the interest thereon, have not been paid in full, the Escrow Agent shall, at least 15 days prior to each Bond Payment Date, determine the amount of money which will be available in the Escrow Fund to pay the principal of, redemption premium, if any, and interest on the applicable Series of Bonds on the next Bond Payment Date and certify in writing to the Authority and the respective Original Bonds Trustee (a) the amount so determined, and (b) a list of the money and Escrowed Securities held by it in the applicable account of the Escrow Fund on the date of such certification, including all money held by it which was received as interest or profit from Escrowed Securities.

11. Liability of Escrow Agent.

(a) The Escrow Agent shall not be liable for any loss resulting from any investment, sale, transfer or other disposition made pursuant to this Agreement in compliance with the provisions hereof, other than as a result of the Escrow Agent's negligence or willful misconduct. The Escrow Agent shall have no lien whatsoever on any of the money or Escrowed Securities on deposit in the Escrow Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement or otherwise.

(b) The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of the Escrowed Securities and money to pay the Cash Defeased Bonds. So long as the Escrow Agent applies the Escrowed Securities and money as provided herein, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Cash Defeased Bonds caused by such

calculations. Notwithstanding the foregoing, the Escrow Agent shall not be relieved of liability arising from and proximate to its failure to comply fully with the terms of this Agreement.

(c) If the Escrow Agent fails to account for any of the Escrowed Securities or money received by it, said Escrowed Securities or money shall be and remain the property of the Authority in trust for the holders of the Cash Defeased Bonds, and, if for any reason such Escrowed Securities or money are not applied as herein provided, the assets of the Escrow Agent shall be impressed with a trust for the amount thereof until the required application shall be made.

(d) The Escrow Agent may rely and shall be protected in acting upon or refraining from acting upon in good faith any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, verification, order, bond, debenture or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(e) The Escrow Agent undertakes to perform such duties and only such duties as are specifically set forth in this Agreement.

12. Fees and Costs of the Escrow Agent.

(a) The aggregate amount of the costs, fees, and expenses of the Escrow Agent in connection with the creation of the escrow described in and created by this Agreement and in carrying out any of the duties, terms or provisions of this Agreement is a one-time fee in the amount of \$_____, which amount shall be paid upon delivery of an invoice to the Authority.

(b) Notwithstanding paragraph (a), the Escrow Agent shall be entitled to reimbursement from the Authority, pursuant to the limitations of **Section 7.2** of the Original Bonds Indentures, of reasonable extraordinary out-of-pocket, legal or other expenses incurred in carrying out the duties, terms or provisions of this Agreement. Claims for such reimbursement may be made under the terms of the applicable Original Bonds Indenture from moneys available thereunder after payment in full of the applicable Series of Bonds. In no event shall such reimbursement be made from funds held by the Escrow Agent pursuant to this Agreement.

13. Resignation or Removal of Escrow Agent; Successor Escrow Agent.

(a) The Escrow Agent at the time acting hereunder may at any time resign and be discharged from its duties and responsibilities hereby created by giving written notice by registered or certified mail to the Original Bonds Trustees and the Authority and by first class mail, postage prepaid, to all of the registered owners of the Cash Defeased Bonds then outstanding not less than 60 days prior to the date when the resignation is to take effect. Such resignation shall take effect immediately upon the acceptance of the Original Bonds Trustees and the Authority of the resignation, the appointment of a successor Escrow Agent (which may be a temporary Escrow Agent) by the Original Bonds Trustees, the acceptance of such successor Escrow Agent of the terms, covenants and conditions of this Agreement, the transfer of the Escrow Fund, including the money and Escrowed Securities held therein, to such successor Escrow Agent and the completion of any other actions required for the principal of and interest on the Escrowed Securities to be made payable to such successor Escrow Agent rather than the resigning Escrow Agent.

(b) The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent, the Original Bonds Trustees and the Authority and signed by the owners of a majority in principal amount of the Cash Defeased Bonds then outstanding; provided that written notice thereof is mailed on or before the date of such removal by first-class mail,

postage prepaid, to all registered owners of such Cash Defeased Bonds, who are not parties to such instruments. The Escrow Agent may also be removed by the Original Bonds Trustees and the Authority if the Escrow Agent fails to make timely payment on any Bond Payment Date to any Paying Agent of the amounts required to be paid by it on such Bond Payment Date under **Section 7(b)**; provided that written notice thereof is mailed on or before the date of such removal by registered or certified mail, postage prepaid, to the Paying Agents and by first-class mail, postage prepaid to all registered owners of the Cash Defeased Bonds, who are not parties to such instruments. Any removal pursuant to this paragraph shall become effective upon the appointment of a successor Escrow Agent (which may be a temporary successor Escrow Agent) by the Original Bonds Trustees and the Authority, the acceptance of such successor Escrow Agent of the terms, covenants and conditions of this Agreement, the transfer of the Escrow Fund, including the money and Escrowed Securities held therein, to such successor Escrow Agent and the completion of any other actions required for the principal of and interest on the Escrowed Securities to be made payable to such successor Escrow Agent rather than the Escrow Agent being removed.

(c) If the Escrow Agent shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Escrow Agent shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, the Original Bonds Trustees and the Authority shall appoint a temporary Escrow Agent to fill such vacancy until a successor Escrow Agent shall be appointed by the Original Bonds Trustees and the Authority in the manner above provided, and any such temporary Escrow Agent so appointed by the Authority shall immediately and without further act be superseded by the successor Escrow Agent so appointed.

(d) If no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made by the Original Bonds Trustees and the Authority pursuant to the foregoing provisions of this Section within 60 days after written notice of resignation of the Escrow Agent has been given to the Authority, the holder of any of the Cash Defeased Bonds or any retiring Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent.

(e) Every successor Escrow Agent appointed pursuant to the provisions of this Section shall be a trust company or bank located in the State, organized and doing business under the laws of the United States of America or of the State, subject to supervision or examination by federal or State regulatory authority and having, or be wholly owned by an entity having, a reported capital and surplus of not less than \$75,000,000, if there be such an institution willing, qualified and able to accept the obligations under this Agreement upon reasonable and customary terms.

(f) Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the Original Bonds Trustees and the Authority an instrument in writing accepting such appointment hereunder, and thereupon such successor Escrow Agent without any further act, deed or conveyance shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor, but such predecessor shall, nevertheless, on the written request of such successor Escrow Agent or the Original Bonds Trustees or the Authority, execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trusts of such predecessor hereunder, and every predecessor Escrow Agent shall deliver all securities and money held by it to its successor. Should any transfer, assignment or instrument in writing from the Original Bonds Trustees or the Authority be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instruments in

writing shall, on request, be executed, acknowledged and delivered by the Original Bonds Trustees or the Authority.

(g) Any corporation into which the Escrow Agent may be merged or with which it may be consolidated or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation resulting from any such merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor Escrow Agent hereunder and vested with all of the title and all the powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

14. Transfers by Escrow Agent to Original Bonds Trustees and Paying Agents. The Escrow Agent hereby agrees to provide funds, but only from cash and Escrowed Securities available in the Escrow Fund, to the Original Bonds Trustees and Paying Agents in accordance with this Agreement at the times and in the amounts required to pay debt service on the Cash Defeased Bonds, as provided on **Schedule 2**.

15. Appointment of Escrow Agent and Acceptance of Terms. Each Original Bonds Trustee, by execution of the Appointment of Escrow Agent set forth at the end of this Agreement, hereby agrees to and accepts the terms and provisions of this Agreement and irrevocably appoints UMB Bank, N.A. as its agent to act in all capacities appropriate and necessary for the defeasance of the Cash Defeased Bonds and as Escrow Agent under this Agreement and in accordance with the Original Bonds Indentures. As agent of the Original Bonds Trustees, the Escrow Agent shall be entitled to all of the rights, protections, immunities and indemnities created in favor of the Original Bonds Trustees by the Original Bonds Indentures.

16. Amendments. This Agreement is made for the benefit of the Authority and the holders from time to time of the Cash Defeased Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Agent and the Authority; provided, however, that the Authority and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Cash Defeased Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and
- (c) to subject to this Agreement additional funds, securities or properties or provide a forward purchase contract; and
- (d) to make any other change which, in the sole judgment of the Escrow Agent, does not materially adversely affect the interests of the holders of the applicable Series of Bonds and which is not inconsistent with the terms of this Agreement.

The Escrow Agent shall be entitled to rely exclusively upon an Opinion of Bond Counsel with respect to compliance with this Section, including the extent, if any, to which any change, modification,

addition or elimination affects the rights of the holders of the Cash Defeased Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

The Escrow Agent shall notify Moody's Investors Service and Fitch, Inc. in writing prior to the execution of any amendment to this Agreement.

17. Termination. This Agreement shall terminate when all transfers required to be made by the Escrow Agent under the provisions hereof shall have been made. The Escrow Agent shall notify Moody's Investors Service and Fitch Ratings in writing prior to the execution of any early termination to this Agreement.

18. Notices. Except as otherwise provided herein, it shall be sufficient service of any notice, request, complaint, demand or other paper required by the Original Bonds Indentures or this Agreement to be given to or filed with the Authority, the Escrow Agent, the Original Bonds Trustees or Moody's Investors Service and Fitch Ratings if the same shall be duly mailed by certified or registered mail addressed:

(a) To the Authority at:

State Environmental Improvement and Energy
Resources Authority
425 Madison Street, Second Floor
Jefferson City, Missouri 65101
Attention: Director

(b) To the Escrow Agent at:

UMB Bank, N.A.
2 South Broadway, Suite 600
St. Louis, Missouri 63102
Attention: Corporate Trust Department

(c) To the Original Bonds Trustees at their respective addresses and by the method set forth in the Original Bonds Indentures.

(d) To the Rating Agencies at:

Moody's Investors Service
7 World Trade Center at 250 Greenwich Street
New York, New York 10007
Attention: Rating Surveillance

and

Fitch Ratings
One State Street Plaza
New York, New York 10004
Attention: Rating Surveillance

19. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Authority or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement. In any such event, and in the event of amendments hereto or, if the Escrow Agent has knowledge, revocation hereof, immediate notice shall be given by the Escrow Agent to the Original Bonds Trustees, the Authority and Moody's Investors Service.

20. Successors and Assigns. All of the covenants, promises and agreements in this Agreement contained by or on behalf of the Authority or the Escrow Agent shall be binding upon and inure to the benefit of their respective successors and assigns whether so expressed or not.

21. Governing Law. This Agreement shall be governed by the applicable law of the State of Missouri.

22. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

23. Electronic Transactions. The parties agree that the transactions described in this Indenture may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers as of the date first above written.

STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY

By _____

UMB BANK, N.A., as Escrow Agent

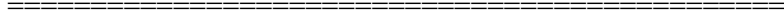
By _____
Vice President

SCHEDULE 1
TO ESCROW DEPOSIT AGREEMENT

CASH DEFEASED BONDS

The Cash Defeased Bonds consist of the outstanding issues of revenue bonds maturing or subject to mandatory sinking fund redemption on the dates and in the principal amounts as follows:

SCHEDULE 2
TO ESCROW DEPOSIT AGREEMENT



ESCROW REQUIREMENT FOR CASH DEFEASED BONDS

CLEAN WATER ESCROW REQUIREMENT

SCHEDULE 3
TO ESCROW DEPOSIT AGREEMENT

SCHEDULE OF ESCROWED SECURITIES
CASH DEFEASED BONDS

CLEAN WATER ESCROW ESCROWED SECURITIES

**APPOINTMENT OF ESCROW AGENT AND ACCEPTANCE OF
TERMS OF ESCROW DEPOSIT AGREEMENT**

The undersigned, as Original Bonds Trustee, hereby agrees to and accepts the terms and provisions of this Escrow Deposit Agreement dated as of July 1, 2015, between the State Environmental Improvement and Energy Resources Authority and UMB Bank, N.A. and irrevocably appoints UMB Bank, N.A. as its agent to act in all capacities appropriate and necessary for the defeasance of the following series of Cash Defeased Bonds and as Escrow Agent under this Escrow Deposit Agreement and in accordance with the Original Bonds Indentures:

Series 2005C Bonds
Series 2006A Bonds
Series 2013A Bonds

UMB BANK, N.A., as Original Bonds Trustee

By: _____
Name: Rebecca A. Dengler
Title: Vice President

State Environmental Improvement and Energy Resources Authority
320th Board Meeting
July 23, 2015

Agenda Item #3E
DEFEASANCE OF THE CITY OF PORTAGEVILLE SRF BONDS AND ESTABLISHMENT OF ESCROW
DEPOSIT AGREEMENT

Issue:

The City of Portageville prepaid a major portion of their outstanding State Revolving Fund (SRF) loan allocable to Series 2004C, 2011A and 2013A. To preserve SRF program cashflows, portions of those respective Series must be defeased using the prepayment of \$707,250.00.

Action Needed:

Approval of a resolution authorizing the Authority to enter into an Escrow Deposit Agreement with UMB Bank to defease the city's allocable portion of bonds in Series 2004C, 2011A and 2013A.

Staff Recommendation:

Staff recommends that the Board approve a resolution authorizing the Authority to enter into an Escrow Deposit Agreement necessary to defease SRF bonds allocable to the City of Portageville from Series 2004C, 2011A and 2013A.

Staff Contact:

Joe Boland

Background:

The City of Portageville was a participant in the 2004C State Revolving Fund (SRF) pooled bond issue, the proceeds of which were used to make improvements to their drinking water system. Portions of Series 2004C were then refunded through Series 2011A and 2013A. On March 2, 2015, the Board of Alderman for the City of Portageville voted in favor of paying off the city's SRF loan early.

Since the principal and interest payments from this loan will no longer be coming in to service the underlying bonds that funded this loan, it makes the most sense to defease the portion of Series 2004C, 2011A and 2013A to ensure there are adequate cashflows to cover those respective series.

The amount of the prepayment totaled \$707,250.00. These funds will be placed in an escrow account and used to defease bonds allocable to Portageville for Series 2004C, 2011A and 2013A.

Attached is the Resolution authorizing the Authority to enter into an Escrow Deposit Agreement which directs the Trustee on how to manage the funds received from the City of Portageville. The Escrow Deposit Agreement is attached for your review.

JB:ge

Attachments

Exhibit "A"

RES. 15-__

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

(STATE OF MISSOURI)

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

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, pursuant to the Act and the SRF Programs, the Authority has issued its Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2004C (the "Series 2004C Bonds"), issued pursuant to the Bond Indenture dated as of November 1, 2004, as amended, between the Authority and UMB Bank, N.A., as trustee (the "Series 2004C Trustee"); and

WHEREAS, the Series 2004C Bonds were partially refunded with proceeds of the Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2011A (the "Series 2011A Bonds") issued pursuant to the Bond Indenture dated as of November 1, 2011, as amended, between the Authority and UMB Bank, N.A., as trustee (the "Series 2011A Trustee"), and the Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2013A (the "Series 2013A Bonds") issued pursuant to the Bond Indenture dated as of November 1, 2013, as amended, between the Authority and UMB Bank, N.A., as trustee (the "Series 2013A Trustee"); and

WHEREAS, a portion of the Series 2004C Bonds are allocable to the Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2004 (the "Portageville Bonds") of the City of Portageville, Missouri (the "City"); and

WHEREAS, a portion of the Series 2011A Bonds and the Series 2013A Bonds are allocable to the Portageville Bonds; and

WHEREAS, on June 1, 2015, the City redeemed a portion of the Portageville Bonds by the deposit of \$707,250.00 with the Series 2004C Trustee; and

WHEREAS, defeasing a portion of the Series 2004C Bonds, the Series 2011A Bonds and the Series 2013A Bonds allocable to the Portageville Bonds may be advantageous for preserving SRF Programs cash flow; and

WHEREAS, the Authority finds that it is necessary and appropriate to cause the defeasance of the Series 2004C Bonds, the Series 2011A Bonds and/or the Series 2013A Bonds allocable to the City, either in whole or in part; and

WHEREAS, the Authority further finds and determines that it is necessary and desirable that the Authority enter 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 Escrow Deposit Agreement. The Authority is hereby authorized to enter into the Escrow Deposit Agreement dated as of July 1, 2015, with UMB Bank, N.A. (the "Escrow Agreement"), in substantially the form presented and reviewed by the Authority at this meeting (a copy of which Escrow Agreement 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 Escrow Agreement, such officers' signatures thereon being conclusive evidence of their approval thereof.

Section 2. Execution of Escrow Agreement. The Chairman or the Vice Chairman is hereby authorized and directed to execute and deliver the Escrow Agreement 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, to carry out, comply with and perform the duties of the Authority with respect to the Escrow Agreement. The Escrow Agreement will provide for the defeasance of the appropriate principal amount of the Series 2004C Bonds, the Series 2011A Bonds and the Series 2013A Bonds allocable to the City as determined in the reasonable judgment of the Director.

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

ADOPTED this 23rd day of July, 2015.

Chairman of the Authority

(Seal)
ATTEST:

Secretary of the Authority

ESCROW DEPOSIT AGREEMENT

Dated as of July 1, 2015

Between

STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY

And

UMB BANK, N.A.,
As Escrow Agent

Relating to

The Defeasance, Payment and Discharge of
Certain Outstanding Series 2004C Bonds,
Series 2011A Bonds and Series 2013A Bonds

ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT dated as of July 1, 2015 (this “Agreement”), is 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”), and **UMB BANK, N.A.**, a national banking association with a corporate trust office in St. Louis, Missouri, acting as escrow agent hereunder (the “Escrow Agent”).

RECITALS

1. The Authority has issued the following series of its bonds (collectively, the “Original Bonds”) under the Missouri Leveraged State Water Pollution Control Revolving Fund Program and the Missouri Leveraged State Drinking Water Revolving Fund Program, as applicable:

A. Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2004C (the “Series 2004C Bonds”), issued pursuant to the Bond Indenture dated as of November 1, 2004, as amended, by and between the Authority and UMB Bank, N.A., as trustee (the “Series 2004C Trustee”);

B. Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2011A (the “Series 2011A Bonds”), issued pursuant to the Bond Indenture dated as of November 1, 2011, as amended, by and between the Authority and UMB Bank, N.A., as trustee (the “Series 2011A Trustee”); and

C. Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2013A (the “Series 2013A Bonds”), issued pursuant to the Bond Indenture dated as of November 1, 2013, as amended, by and between the Authority and UMB Bank, N.A., as trustee (the “Series 2013A Trustee”).

2. Pursuant to each of the above Bond Indentures as amended (each an “Original Bonds Indenture,” collectively, the “Original Bonds Indentures”), the Authority has heretofore duly authorized and issued the above referenced series of bonds (the “Original Bonds”), to finance or refinance projects pursuant to the Missouri Leveraged State Water Pollution Control Revolving Fund Program and the Missouri Leveraged State Drinking Water Revolving Fund Program.

3. A portion of the Series 2004C Bonds are allocable to the Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2004 (the “Portageville Bonds”) of the City of Portageville, Missouri (the “City”). The Series 2004C Bonds were partially refunded with proceeds of the above-described Series 2011A Bonds and the Series 2013A Bonds. On June 1, 2015, the City redeemed a portion of the Portageville Bonds by the deposit of \$707,250.00 with the Series 2004C Trustee (the “Portageville Defeasance Funds”).

4. The Authority desires to provide for the defeasance of the Original Bonds in part, the “Cash Defeased Bonds” as further described on **Schedule 1**.

5. The Cash Defeased Bonds will mature (or will be subject to redemption prior to maturity) and will have interest payable in the amounts and at the times shown on **Schedule 2**.

6. With the Portageville Defeasance Funds [**together with other available funds of the Authority**], the Authority intends to provide for the defeasance and payment of the principal of,

redemption premium, and interest on the Cash Defeased Bonds through the purchase of the securities described in **Schedule 3** (collectively, the “Escrowed Securities”) and the deposit of the Escrowed Securities and cash with the Escrow Agent pursuant to this Agreement.

7. The Escrow Agent is, by this Agreement, appointed by the Original Bonds Trustees, and is acting, as master escrow deposit agent for the Cash Defeased Bonds under this Agreement.

AGREEMENT:

1. Definitions. In addition to words and terms defined in the Recitals, the following words and terms used in this Agreement shall have the following meanings:

“**Bond Counsel**” means Gilmore & Bell, P.C. or other attorney or firm of attorneys with a nationally recognized standing in the field of municipal bond financing approved by the Authority and acceptable to the Trustee.

“**Bond Payment Date**” means any date on which any principal of, redemption premium, or interest on any of the Cash Defeased Bonds is due and payable.

“**Cash Defeased Bonds**” means the Original Bonds defeased with the Portageville Defeasance Funds, as described in **Schedule 1**.

“**Code**” means the Internal Revenue Code of 1986, as amended, and the regulations and rulings promulgated thereunder or under the corresponding section of the Internal Revenue Code of 1954, as amended, or any subsequently enacted internal revenue law of the United States of America.

“**Escrow Fund**” means the fund by that name as defined in **Section 3**.

“**Escrowed Securities**” means the direct non-callable obligations of the United States of America listed on **Schedule 3** and any Substitute Escrowed Securities, as allocated to a Series of Bonds.

“**Paying Agent**” means the respective paying agent for each Series of Bonds under the applicable Original Bonds Indenture, and any successor or successors at the time acting as paying agent for any Series of Bonds.

“**Series of Bonds**” means the applicable Series of Bonds.

“**Substitute Escrowed Securities**” means direct non-callable obligations of the United States of America which have been acquired by the Escrow Agent and substituted for Escrowed Securities in accordance with **Section 8**.

2. Receipt of Original Bonds Indentures. The Escrow Agent hereby acknowledges receipt of a copy of each Original Bonds Indenture, and reference herein to or citation herein of any provisions of said documents shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if they were fully set forth herein.

3. Creation of Escrow Fund. There is hereby created and established with the Escrow Agent a special and irrevocable separate trust fund to be held in the custody of the Escrow Agent and designated as the “Escrow Fund – City of Portageville, Missouri Defeasance – State Environmental Improvement and Energy Resources Authority” (the “Escrow Fund”).

4. Verification of Certified Public Accountants. _____, has verified the mathematical accuracy of the mathematical computations of Columbia Capital Management, LLC, that demonstrate that the maturing Escrowed Securities held in the Escrow Fund, and interest to accrue thereon, together with the cash held therein, without consideration of any reinvestment thereof (except as provided in **Section 5**), will be sufficient to pay all principal of, redemption premium, if any, and interest on the Cash Defeased Bonds on the respective Bond Payment Dates.

5. Deposits to the Escrow Fund; Purchase of Escrowed Securities. Concurrently with the execution and delivery of this Agreement, the Escrow Agent acknowledges receipt and deposit into the Escrow Fund of the Portageville Defeasance Funds in the amount of \$ _____ and [**other available funds of the Authority in the amount of \$ _____ (totaling the sum of \$ _____)**], and shall apply such amounts in the Escrow Fund to pay the purchase price of the Escrowed Securities, described in **Schedule 3**, of \$ _____, leaving an initial cash balance of \$ _____ in the Escrow Fund.

6. Creation of Liens. The escrow created hereby shall be irrevocable. The holders of each Series of Bonds are hereby given an express lien on and security interest in the applicable Escrowed Securities and cash in the Escrow Fund and the applicable earnings thereon until used and applied in accordance with this Agreement, such lien and security interest for the Cash Defeased Bonds being in accordance with the debt service requirements of the Cash Defeased Bonds as shown on **Schedule 2**. The matured principal of and earnings on the applicable Escrowed Securities and the cash in the Escrow Fund allocable to the applicable Series of Bonds are hereby pledged and assigned and shall be applied solely for the payment of the principal of, redemption premium, if any, and interest on such Series of Bonds.

7. Application of Cash and Escrowed Securities in the Escrow Fund.

(a) Except as otherwise expressly provided in this **Section 7** and **Section 8**, the Escrow Agent shall have no power or duty to invest any money held hereunder or to sell transfer or otherwise dispose of any Escrowed Securities; provided however, at the written request of the Authority any cash held by the Escrow Agent shall be invested in a forward purchase contract, the terms of which are approved by the Authority and consented to by the Escrow Agent (which consent shall not be unreasonably withheld and which consent may be conditioned upon a determination that such forward purchase contract does not materially increase the duties and responsibilities of the Escrow Agent), provided the Escrow Agent, the Original Bonds Trustees and the Authority shall receive an Opinion of Bond Counsel that the investment of cash pursuant to the forward purchase contract is permitted pursuant to the terms of this Agreement and would not adversely affect the exclusion of interest on the Cash Defeased Bonds from gross income for federal income tax purposes under then existing law.

(b) On or prior to each Bond Payment Date, the Escrow Agent shall withdraw from the Escrow Fund an amount equal to the principal of, redemption premium, and interest on the Cash Defeased Bonds becoming due and payable on such Bond Payment Date, as set forth in **Schedule 2**, and shall forward such amount to the respective offices of the Paying Agents, so that immediately available funds in the required amounts will reach each such office of the Paying Agents on or before 12:00 Noon, Central Time, on such Bond Payment Date. In order to make the payments required by this subsection, the Escrow Agent is hereby authorized to present or redeem the Escrowed Securities in accordance with the maturity schedule in **Schedule 3**. The liability of the Escrow Agent to make the payments required by this subsection with respect to the Cash Defeased Bonds shall be limited to immediately available funds from moneys and Escrowed Securities in the Escrow Fund.

(c) Upon the payment in full of the principal of, redemption premium, if any, and interest on the last of each series of Cash Defeased Bonds, all remaining money and Escrowed Securities in the

Escrow Fund with respect to a series of Cash Defeased Bonds as set forth in **Schedule 3-1**, together with any interest thereon, shall be transferred to the applicable Original Bonds Trustee for credit to the applicable Interest Account.

8. Substitute Escrowed Securities.

(a) If any of the Escrowed Securities are not available for delivery on the effective date of this Agreement, the Escrow Agent is directed to accept substitute securities in lieu thereof provided:

(1) the substitute securities are non-callable, direct obligations of the United States of America,

(2) the maturing principal of and interest on such substitute securities (excluding any interest after any optional call date) is equal to or greater than the principal and interest payable on such unavailable Escrowed Securities,

(3) principal of and interest on the substitute securities is payable no later than, and in amounts no less than, the payments on the unavailable Escrowed Securities,

(4) the Escrow Agent, the Original Bonds Trustees and the Authority shall receive from a nationally recognized independent certified public accountant or accounting firm a certification, satisfactory in form and substance to the Authority and the Escrow Agent, to the effect that after such substitution, the principal of and interest payable on the Escrowed Securities to be held in the Escrow Fund after giving effect to the substitution (including Substitute Escrowed Securities to be acquired), together with any other money to be held in the Escrow Fund after such transaction, will be sufficient to pay all remaining principal of, redemption premium, if any, and interest on the Cash Defeased Bonds pursuant to **Schedule 2**, and

(5) the Authority and Bond Counsel approve such substitution in writing.

(b) At the written request of the Authority, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power from time to time to sell, transfer, request the redemption of or otherwise dispose of any of the Escrowed Securities and to substitute for the Escrowed Securities so redeemed or otherwise disposed of solely cash or non-callable direct obligations of the United States of America (the "Substitute Escrowed Securities"). The Escrow Agent shall purchase such Substitute Escrowed Securities with the proceeds derived from any such sale, transfer, disposition or redemption of the Escrowed Securities together with any other funds available for such purpose. The substitution may be effected only if:

(1) the substitution of the Substitute Escrowed Securities for the original Escrowed Securities occurs simultaneously;

(2) the Escrow Agent, the Original Bonds Trustees and the Authority shall receive from a nationally recognized independent certified public accountant or accounting firm a certification, satisfactory in form and substance to the Authority and the Escrow Agent, to the effect that after such substitution, the principal of and interest payable on the Escrowed Securities to be held in the Escrow Fund after giving effect to the substitution (including Substitute Escrowed Securities to be acquired), together with any other money to be held in the Escrow Fund after such transaction, will be sufficient to pay all remaining principal of, redemption premium, if any, and interest on the Cash Defeased Bonds pursuant to **Schedule 2-1**; and

(3) the Escrow Agent, the Original Bonds Trustees and the Authority shall receive an Opinion of Bond Counsel to the effect that such substitution is permitted pursuant to the terms of this Agreement and would not cause the interest on the Cash Defeased Bonds to become included in gross income for purposes of federal income taxation under then existing law.

If any such substitution results in cash held in the Escrow Fund in excess of the cash required for the certification of an independent certified public accountant referred to in this subsection (b) (as evidenced by such certification), the Escrow Agent shall, at the written request of the Authority, withdraw such excess from the Escrow Fund and pay such excess to the applicable Original Bonds Trustee for credit to the applicable Interest Account; provided that, in the Opinion of Bond Counsel, such withdrawal and application will not be contrary to State law and will not cause the interest on the Cash Defeased Bonds to become included in gross income for purposes of federal income taxation.

9. Redemption of Cash Defeased Bonds. The Authority has directed each Original Bonds Trustee to mail, as soon as practicable and in the manner provided in the Original Bonds Indentures, notice that the Cash Defeased Bonds are deemed to have been paid within the meaning of the Original Bonds Indentures, in substantially the forms set forth in the Exhibits to this Agreement, with such changes as the applicable Original Bonds Trustee deems appropriate, and to mail by first-class mail at least 30 and not more than 60 days prior to the redemption date to the owner of any Cash Defeased Bonds designated for redemption notice of the redemption of the Cash Defeased Bonds as required under the Original Bonds Indentures.

10. Reports of the Escrow Agent. As long as any Series of Bonds, together with the interest thereon, have not been paid in full, the Escrow Agent shall, at least 15 days prior to each Bond Payment Date, determine the amount of money which will be available in the Escrow Fund to pay the principal of, redemption premium, if any, and interest on the applicable Series of Bonds on the next Bond Payment Date and certify in writing to the Authority and the respective Original Bonds Trustee (a) the amount so determined, and (b) a list of the money and Escrowed Securities held by it in the applicable account of the Escrow Fund on the date of such certification, including all money held by it which was received as interest or profit from Escrowed Securities.

11. Liability of Escrow Agent.

(a) The Escrow Agent shall not be liable for any loss resulting from any investment, sale, transfer or other disposition made pursuant to this Agreement in compliance with the provisions hereof, other than as a result of the Escrow Agent's negligence or willful misconduct. The Escrow Agent shall have no lien whatsoever on any of the money or Escrowed Securities on deposit in the Escrow Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement or otherwise.

(b) The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of the Escrowed Securities and money to pay the Cash Defeased Bonds. So long as the Escrow Agent applies the Escrowed Securities and money as provided herein, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Cash Defeased Bonds caused by such calculations. Notwithstanding the foregoing, the Escrow Agent shall not be relieved of liability arising from and proximate to its failure to comply fully with the terms of this Agreement.

(c) If the Escrow Agent fails to account for any of the Escrowed Securities or money received by it, said Escrowed Securities or money shall be and remain the property of the Authority in trust for the holders of the Cash Defeased Bonds, and, if for any reason such Escrowed Securities or

money are not applied as herein provided, the assets of the Escrow Agent shall be impressed with a trust for the amount thereof until the required application shall be made.

(d) The Escrow Agent may rely and shall be protected in acting upon or refraining from acting upon in good faith any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, verification, order, bond, debenture or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(e) The Escrow Agent undertakes to perform such duties and only such duties as are specifically set forth in this Agreement.

12. Fees and Costs of the Escrow Agent.

(a) The aggregate amount of the costs, fees, and expenses of the Escrow Agent in connection with the creation of the escrow described in and created by this Agreement and in carrying out any of the duties, terms or provisions of this Agreement is a one-time fee in the amount of \$_____, which amount shall be paid upon delivery of an invoice to the Authority.

(b) Notwithstanding paragraph (a), the Escrow Agent shall be entitled to reimbursement from the Authority, pursuant to the limitations of **Section 7.2** of the Original Bonds Indentures, of reasonable extraordinary out-of-pocket, legal or other expenses incurred in carrying out the duties, terms or provisions of this Agreement. Claims for such reimbursement may be made under the terms of the applicable Original Bonds Indenture from moneys available thereunder after payment in full of the applicable Series of Bonds. In no event shall such reimbursement be made from funds held by the Escrow Agent pursuant to this Agreement.

13. Resignation or Removal of Escrow Agent; Successor Escrow Agent.

(a) The Escrow Agent at the time acting hereunder may at any time resign and be discharged from its duties and responsibilities hereby created by giving written notice by registered or certified mail to the Original Bonds Trustees and the Authority and by first class mail, postage prepaid, to all of the registered owners of the Cash Defeased Bonds then outstanding not less than 60 days prior to the date when the resignation is to take effect. Such resignation shall take effect immediately upon the acceptance of the Original Bonds Trustees and the Authority of the resignation, the appointment of a successor Escrow Agent (which may be a temporary Escrow Agent) by the Original Bonds Trustees, the acceptance of such successor Escrow Agent of the terms, covenants and conditions of this Agreement, the transfer of the Escrow Fund, including the money and Escrowed Securities held therein, to such successor Escrow Agent and the completion of any other actions required for the principal of and interest on the Escrowed Securities to be made payable to such successor Escrow Agent rather than the resigning Escrow Agent.

(b) The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent, the Original Bonds Trustees and the Authority and signed by the owners of a majority in principal amount of the Cash Defeased Bonds then outstanding; provided that written notice thereof is mailed on or before the date of such removal by first-class mail, postage prepaid, to all registered owners of such Cash Defeased Bonds, who are not parties to such instruments. The Escrow Agent may also be removed by the Original Bonds Trustees and the Authority if the Escrow Agent fails to make timely payment on any Bond Payment Date to any Paying Agent of the amounts required to be paid by it on such Bond Payment Date under **Section 7(b)**; provided that written notice thereof is mailed on or before the date of such removal by registered or certified mail, postage prepaid, to the Paying Agents and by first-class mail, postage prepaid to all registered owners of the Cash Defeased Bonds, who are not parties to such instruments. Any removal pursuant to this paragraph shall

become effective upon the appointment of a successor Escrow Agent (which may be a temporary successor Escrow Agent) by the Original Bonds Trustees and the Authority, the acceptance of such successor Escrow Agent of the terms, covenants and conditions of this Agreement, the transfer of the Escrow Fund, including the money and Escrowed Securities held therein, to such successor Escrow Agent and the completion of any other actions required for the principal of and interest on the Escrowed Securities to be made payable to such successor Escrow Agent rather than the Escrow Agent being removed.

(c) If the Escrow Agent shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Escrow Agent shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, the Original Bonds Trustees and the Authority shall appoint a temporary Escrow Agent to fill such vacancy until a successor Escrow Agent shall be appointed by the Original Bonds Trustees and the Authority in the manner above provided, and any such temporary Escrow Agent so appointed by the Authority shall immediately and without further act be superseded by the successor Escrow Agent so appointed.

(d) If no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made by the Original Bonds Trustees and the Authority pursuant to the foregoing provisions of this Section within 60 days after written notice of resignation of the Escrow Agent has been given to the Authority, the holder of any of the Cash Defeased Bonds or any retiring Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent.

(e) Every successor Escrow Agent appointed pursuant to the provisions of this Section shall be a trust company or bank located in the State, organized and doing business under the laws of the United States of America or of the State, subject to supervision or examination by federal or State regulatory authority and having, or be wholly owned by an entity having, a reported capital and surplus of not less than \$75,000,000, if there be such an institution willing, qualified and able to accept the obligations under this Agreement upon reasonable and customary terms.

(f) Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the Original Bonds Trustees and the Authority an instrument in writing accepting such appointment hereunder, and thereupon such successor Escrow Agent without any further act, deed or conveyance shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor, but such predecessor shall, nevertheless, on the written request of such successor Escrow Agent or the Original Bonds Trustees or the Authority, execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trusts of such predecessor hereunder, and every predecessor Escrow Agent shall deliver all securities and money held by it to its successor. Should any transfer, assignment or instrument in writing from the Original Bonds Trustees or the Authority be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instruments in writing shall, on request, be executed, acknowledged and delivered by the Original Bonds Trustees or the Authority.

(g) Any corporation into which the Escrow Agent may be merged or with which it may be consolidated or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation resulting from any such merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor Escrow Agent hereunder and vested with all of the title and all the powers, discretions, immunities, privileges and all other matters as was its

predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

14. Transfers by Escrow Agent to Original Bonds Trustees and Paying Agents. The Escrow Agent hereby agrees to provide funds, but only from cash and Escrowed Securities available in the Escrow Fund, to the Original Bonds Trustees and Paying Agents in accordance with this Agreement at the times and in the amounts required to pay debt service on the Cash Defeased Bonds, as provided on **Schedule 2**.

15. Appointment of Escrow Agent and Acceptance of Terms. Each Original Bonds Trustee, by execution of the Appointment of Escrow Agent set forth at the end of this Agreement, hereby agrees to and accepts the terms and provisions of this Agreement and irrevocably appoints UMB Bank, N.A. as its agent to act in all capacities appropriate and necessary for the defeasance of the Cash Defeased Bonds and as Escrow Agent under this Agreement and in accordance with the Original Bonds Indentures. As agent of the Original Bonds Trustees, the Escrow Agent shall be entitled to all of the rights, protections, immunities and indemnities created in favor of the Original Bonds Trustees by the Original Bonds Indentures.

16. Amendments. This Agreement is made for the benefit of the Authority and the holders from time to time of the Cash Defeased Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Agent and the Authority; provided, however, that the Authority and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Cash Defeased Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and
- (c) to subject to this Agreement additional funds, securities or properties or provide a forward purchase contract; and
- (d) to make any other change which, in the sole judgment of the Escrow Agent, does not materially adversely affect the interests of the holders of the applicable Series of Bonds and which is not inconsistent with the terms of this Agreement.

The Escrow Agent shall be entitled to rely exclusively upon an Opinion of Bond Counsel with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Cash Defeased Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

The Escrow Agent shall notify Moody's Investors Service and Fitch, Inc. in writing prior to the execution of any amendment to this Agreement.

17. Termination. This Agreement shall terminate when all transfers required to be made by the Escrow Agent under the provisions hereof shall have been made. The Escrow Agent shall notify Moody's Investors Service and Fitch Ratings in writing prior to the execution of any early termination to this Agreement.

18. Notices. Except as otherwise provided herein, it shall be sufficient service of any notice, request, complaint, demand or other paper required by the Original Bonds Indentures or this Agreement to be given to or filed with the Authority, the Escrow Agent, the Original Bonds Trustees or Moody's Investors Service and Fitch Ratings if the same shall be duly mailed by certified or registered mail addressed:

(a) To the Authority at:

State Environmental Improvement and Energy
Resources Authority
425 Madison Street, Second Floor
Jefferson City, Missouri 65101
Attention: Director

(b) To the Escrow Agent at:

UMB Bank, N.A.
2 South Broadway, Suite 600
St. Louis, Missouri 63102
Attention: Corporate Trust Department

(c) To the Original Bonds Trustees at their respective addresses and by the method set forth in the Original Bonds Indentures.

(d) To the Rating Agencies at:

Moody's Investors Service
7 World Trade Center at 250 Greenwich Street
New York, New York 10007
Attention: Rating Surveillance

and

Fitch Ratings
One State Street Plaza
New York, New York 10004
Attention: Rating Surveillance

19. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Authority or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement. In any such event, and in the event of amendments hereto or, if the Escrow Agent has knowledge, revocation hereof, immediate notice shall be given by the Escrow Agent to the Original Bonds Trustees, the Authority and Moody's Investors Service.

20. Successors and Assigns. All of the covenants, promises and agreements in this Agreement contained by or on behalf of the Authority or the Escrow Agent shall be binding upon and inure to the benefit of their respective successors and assigns whether so expressed or not.

21. Governing Law. This Agreement shall be governed by the applicable law of the State of Missouri.

22. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

23. Electronic Transactions. The parties agree that the transactions described in this Indenture may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers as of the date first above written.

STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY

By _____
_____ Chairman

UMB BANK, N.A., as Escrow Agent

By _____
Vice President

SCHEDULE 1
TO ESCROW DEPOSIT AGREEMENT

CASH DEFEASED BONDS

The Cash Defeased Bonds consist of the outstanding issues of revenue bonds maturing or subject to mandatory sinking fund redemption on the dates and in the principal amounts as follows:

SCHEDULE 2
TO ESCROW DEPOSIT AGREEMENT

=====

ESCROW REQUIREMENT FOR CASH DEFEASED BONDS
DRINKING WATER ESCROW REQUIREMENT

SCHEDULE 3
TO ESCROW DEPOSIT AGREEMENT

SCHEDULE OF ESCROWED SECURITIES
CASH DEFEASED BONDS

DRINKING WATER ESCROW ESCROWED SECURITIES

**APPOINTMENT OF ESCROW AGENT AND ACCEPTANCE OF
TERMS OF ESCROW DEPOSIT AGREEMENT**

The undersigned, as Original Bonds Trustee, hereby agrees to and accepts the terms and provisions of this Escrow Deposit Agreement dated as of July 1, 2015, between the State Environmental Improvement and Energy Resources Authority and UMB Bank, N.A. and irrevocably appoints UMB Bank, N.A. as its agent to act in all capacities appropriate and necessary for the defeasance of the following series of Cash Defeased Bonds and as Escrow Agent under this Escrow Deposit Agreement and in accordance with the Original Bonds Indentures:

Series 2004C Bonds
Series 2006A Bonds
Series 2013A Bonds

UMB BANK, N.A., as Original Bonds Trustee

By: _____
Name: Rebecca A. Dengler
Title: Vice President

State Environmental Improvement and Energy Resources Authority
320th Board Meeting
July 23, 2015

Agenda Item #4A
TRI-COUNTY WATER AUTHORITY
WATER FACILITIES REVENUE BONDS SERIES 2015

Issue:

The Series 2015 Water Facilities Revenue Bonds for Tri-County Water Authority successfully closed on July 8, 2015.

Action Needed:

None.

Staff Recommendation:

None.

Staff Contact:

Joe Boland

Background:

Pricing took place on June 18, with a par amount of the bonds totaling \$30,070,000 at an all-in true interest cost of 4.087%. This pricing structure yielded a premium of \$2,470,963.70. The cost of issuance totaled \$174,950 while the underwriter's discount was \$270,630. This transaction received a rating of Aa3 from Moody's.

Tri-County Water Authority is a nonprofit Missouri corporation that was organized on January 11, 1991, for the purpose of providing wholesale potable water to public water supply districts, municipalities and other governmental entities. Their principal offices are located in Independence, Missouri. Tri-County was formed in an effort to establish a regional water system that would afford more local input into the development and administration of future water supplies.

Tri-County provides potable water to 15 participating members through wholesale contracts. They are responsible for the construction, operation and maintenance of all water wells, the water treatment plant, pump stations, tanks, and transmission lines to each participating member. It provides management of the utility, engineering and construction of capital facilities, operation and maintenance of the system.

It has been a past participant of the Drinking Water State Revolving Fund (DWSRF) program in Series 2001C, 2005A and 2005C. It has also issued private activity bonds directly through EIERA in 2010.

The EIERA transaction will primarily be used to fund the acquisition of easements needed to install 160,000 linear feet of 16" water mains throughout its service area. This project also includes the construction of three booster pump stations between Grain Valley and Grandview, Mo.

Separate from our transaction, Tri-County is also seeking approximately \$33 million through the Department of Natural Resources' DWSRF program for the installation of up to four new vertical wells and the construction of two water treatment processes at the existing plant. The DNR loan is anticipated to close sometime in fall 2015.

JB:ge

State Environmental Improvement and Energy Resources Authority
320th Board Meeting
July 23, 2015

Agenda Item #5B
MISSOURI MARKET DEVELOPMENT PROGRAM
FUNDING RECOMMENDATION FOR BFC COMPOSTING COMPANY

Issue:

BFC Composting Company requested \$75,000 to purchase equipment costing \$93,000 that will increase production capacity in its existing composting operation.

Action Needed:

Consideration of the funding recommendations for the BFC Composting Company project.

Staff Recommendation:

Staff recommends funding this project in the amount of \$69,750 not to exceed 75% of the cost of the equipment.

Staff Contact:

Kristin Tipton

Background:

BFC Composting Company (located in Perryville) requested \$75,000 to purchase a trommel screen costing \$93,000 that will increase production capacity in its existing composting business. The company believes a screen capable of handling at least double the volume it is currently able to process will alleviate a "bottleneck" issue in their operation.

BFC Composting Company, a past program participant, is the only large scale composting operation in the southeast Missouri area and the only large scale composter of meat processing waste in the state. Operating under a parent company, Berkbuegler Fur, the company started composting butcher waste with the help of the program in 2001. Because of the bone meal in the materials used, the resulting product is a specialty compost prized by many gardeners. Since its inception, the company has continued to expand, adding additional types of food waste to its processes and employing five people full time.

A screen is used after recyclables have made their way through the composting process to separate larger source materials from the finer saleable compost. The screen currently used by the company is able to handle only about 40 cubic yards per hour, making this stage of the process very time consuming. With increased availability of materials, BFC Composting plans

to invest in infrastructure to contain both recyclables and finished product. The addition of the screen would significantly enhance the company's ability to accept and process more materials.

BFC Composting Company anticipates diverting an additional 3,620 tons annually from the waste stream and creating two 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, recommends funding this project in the amount of \$69,750 not to exceed 75% of the cost of the equipment. This funding recommendation was unanimous.

KT:ge

State Environmental Improvement and Energy Resources Authority
320th Board Meeting
July 23, 2015

Agenda Item #5C
MISSOURI MARKET DEVELOPMENT PROGRAM
FUNDING RECOMMENDATION FOR BRANCH CREEK, LLC

Issue:

Branch Creek, LLC, is requesting \$100,000 to purchase equipment costing \$257,835 to produce pellets for smoking and for heating from waste wood.

Action Needed:

Consideration of the funding recommendations for the Branch Creek, LLC, project.

Staff Recommendation:

Staff recommends funding this project in the amount of \$100,000 not to exceed 50% of the cost of the equipment.

Staff Contact:

Kristin Tipton

Background:

Branch Creek, LLC, currently constructing a facility in Rich Hill, requested \$100,000 to purchase equipment costing \$257,835 to produce pellets for smoking and for heating from waste wood. The company intends to purchase an existing small pellet business and relocate it to the Vernon County location.

The Branch Creek owners have partnered together for 15 years, operating a farm that focuses on pecan and elderberry production and custom managing additional pecan groves. Branch Creek was an established business with a loyal customer base, but the new owners believe it has significant opportunity for growth through marketing and experience, which the pecan business has given them.

Southern Missouri is home to many timber and wood product industries, and thus a tremendous amount of wood waste, including scrap lumber, shavings, sawdust and shells. Many wood product companies in the area have no markets for waste and often resort to burning it. Branch Creek intends to brand specialty hardwood pellets for smoking and heating and private label smoking pellets for other customers. Overall, 75% of the feedstock Branch Creek will use will be waste, and this will increase to 100% waste materials for the heating pellets. The company is aware of only one other pellet manufacturer in Missouri, located on the opposite side of the state.

Branch Creek, LLC, anticipates diverting 550 tons from the waste stream annually and creating two new full time and four new part 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, recommends funding this project in the amount of \$100,000 not to exceed 50% of the cost of the equipment. This funding recommendation was unanimous.

KT:ge

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

Background:

Project updates are as follows:

- The building demolition was completed at the former ACME Battery site owned by Remains, Inc. The new slab, which will serve as a cap for the contaminated property, will not be poured until early fall to take advantage of better weather and lower cost. The first amendment to the loan agreement for this project should be finalized by the time of the meeting. Remains, Inc., also continues to make interest payments on loan draws.
- The 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, has been delayed as the City attempts to source funds for the project, the cost of which far exceeds estimates.
- MDNR issued a Certificate of Completion for the former Dycron Plastics site at Ranken Technical College.
- Bids for project at the site owned by Habitat for Humanity of Springfield, Missouri, Inc., came in at about twice the estimated cost. Some of this was due to the large volume of water on the site from recent rain and no simple solution for dewatering it. Habitat has been negotiating with the single bidder to determine if costs can be reduced.
- A public meeting was held regarding the Analysis of Brownfield Cleanup Alternatives for the former Kemper Military School Administration building owned by the Boonslick Community

Development Corporation. Following a Section 106 review, the State Historic Preservation Office is requiring an MOA between the involved agencies describing the mitigation that will occur after demolition since the building was on the National Historic Register. Staff are currently working on this.

- SMI/SNF Landlord, LLC, continues to repay its loan from the program as scheduled.

KT:ge

State Environmental Improvement and Energy Resources Authority
320th Board Meeting
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Agenda Item #6B
MISSOURI BROWNFIELDS REVOLVING LOAN FUND
CONSIDERATION OF THE INDUSTRIAL AUTHORITY OF THE CITY OF LEBANON PROJECT

Issue:

The Industrial Authority of the City of Lebanon, a Missouri non-profit corporation, has submitted a hazardous substance application to the MBRLF requesting a \$300,000 loan to complete remediation of the former Empire Gas office building on Jefferson Avenue in Lebanon.

Action Needed:

Consideration of the funding recommendation for the Industrial Authority of the City of Lebanon 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 loan of up to \$300,000 for this project.

Staff Contact:

Kristin Tipton

Background:

The Industrial Authority of the City of Lebanon submitted a loan application to the program requesting funds to remediate asbestos containing materials and other hazardous materials at a property on Jefferson Street in Lebanon.

The property is located southeast of downtown Lebanon, is approximately 11.16 acres and contains a 37,553 square foot office building. The building, formerly an office for Empire Gas, has been vacant since 2007. It is a one-story with a basement and garage that was constructed in 1963, with additions in the 1970s. The building has suffered weather damage multiple times, most recently during a 2012 tornado. The site is bordered by primarily commercial properties.

The property is currently owned by a trust, which has provided access for both environmental assessment and remediation of the property. The Industrial Authority has entered into a loan agreement with the Trust to repay the cost of remediation but proposes to secure the loan from the MBRLF with cash held in a separate bank account and subject to an agreement giving control of the account to the MBRLF.

It is anticipated that an MDNR BVCP approved Remedial Action Plan for the cleanup will require demolition of the building. The Industrial Authority also anticipates that future development of the property will conform with general commercial use. The Industrial Development Authority believes that removing the building and its associated environmental hazards will not only improve safety for local citizens, but will also provide opportunity for economic revitalization by increasing the site's attractiveness to potential leasers as well as improving property value of nearby business developments.

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 loan of up to \$300,000 for this project with a 3% interest rate and seven year term.

KT:ge

State Environmental Improvement and Energy Resources Authority
320th Board Meeting
July 23, 2015

Agenda Item #6C
MISSOURI BROWNFIELDS REVOLVING LOAN FUND
CONSIDERATION OF THE TOWER GROVE NEIGHBORHOODS COMMUNITY DEVELOPMENT
CORPORATION PROJECT

Issue:

The Tower Grove Neighborhoods Community Development Corporation, a Missouri non-profit corporation, has submitted a hazardous substance application to the MBRLF, requesting a \$160,000 subgrant to complete remediation of a Shaw Boulevard property.

Action Needed:

Consideration of the funding recommendation for the Tower Grove Neighborhoods Community Development Corporation 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 \$160,000 for this project.

Staff Contact:

Kristin Tipton

Background:

The Tower Grove Neighborhoods Community Development Corporation (TGNCDC) submitted a subgrant application to the program requesting funds to remediate multiple environmental contaminants on a property located at 4175 Shaw Boulevard in St. Louis.

The site is a partially paved vacant property that contains a 1,670 square foot building built in the 1920s. The property was formerly used as a filling station and repair shop and lies in an area generally characterized as mixed use. Lead-based paint is present on surfaces throughout the structure, and asbestos is present in approximately 500 square feet of floor tile and mastic. Petroleum related soil contamination, including Benzene and Naphthalene, in concentrations above both residential and non-residential criteria in subsurface soils is the primary contaminant of concern.

TGNCDC has a mission to revitalize and stabilize Tower Grove South, Shaw, and Southwest Gardens Neighborhoods. The organization has a strong history of working closely with other neighborhood associations and public officials to redevelop abandoned and vacant properties, including the remediation of former gas stations. Because of the uncertainty of the time it will take to complete remediation, TGNCDC has not been willing to select a developer

until they were certain the site was ready for investment. TGNCDC shared correspondence with the program from several entities that are interested in the property once it is cleaned, the most promising being a local coffee shop owner.

Although the property includes several contaminants, the primary concern and remediation cost is petroleum, so this project would use funds from the petroleum category. The program currently has approximately \$235,000 in uncommitted petroleum funds.

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 \$160,000 for this project.

KT:ge

State Environmental Improvement and Energy Resources Authority
320th Board Meeting
July 23, 2015

Agenda Item #7
REVIEW OF STRATEGIC MEASURES

Issue:

We would like to update the Board on our strategic measures for fiscal year 2016.

Action Needed:

We would like your input and suggestions on recommended changes to our strategic planning Scorecard for fiscal year 2016.

Staff Recommendation:

Staff recommends revisions to the Scorecard for fiscal year 2016 to better reflect progress toward our goals in a consistent manner.

Staff Contact:

Connie Patterson

Background:

As we enter a new fiscal year, we recommend the following revisions to our Scorecard. A copy of the 3/31/15 Scorecard is attached for your convenience.

Build Awareness of EIERA's Value

- Move “# contacts generating results” to the “Build Awareness of EIERA's Value” objective. We believe this better reflects what we hope to accomplish than its current location, “Communications Practices Improved.”

Communications Practices Improved

- Drop “Meeting materials on website by deadline” because this has been addressed, based on measurement trends; meeting materials are now posted on the EIERA website prior to deadlines.
- Because we are moving “# contacts generating results” and dropping “Meeting materials on website by deadline,” we plan to delete the “Communications Practices Improved” objective completely.

Increase Staff Capacity

- We believe the issues behind the measure of “reduce inefficient use of staff time” have been addressed, based on measurement trends. We plan to replace this measure with “identify, implement efficiencies” to reflect changes that improve, streamline or simplify EIERA processes and procedures.

Continuous Quality Improvement

- After considerable discussion, staff decided there is a need for different measures under the "Continuous Quality Improvement" objective. Capturing timeliness and accuracy is necessary, but we need additional discussion to decide how to best capture these important measurements to reflect progress toward our goals.

Increase Board Involvement

- Additional discussion is also needed on this objective. We would like to hear your thoughts on the measures relating to the Board.

We are finalizing our fiscal year 2015 data and will provide our 4th Quarter Scorecard to you by mid-August. At that time, we will also provide a fiscal year 2016 Scorecard, updated with the changes recommended above, for your convenience.

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

Thank you.

CP:ge

Attachment

EIERA Balanced Scorecard

3/31/2015

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	Previous	YTD	Target	Rank	Progress
Client dollars saved	3/31/2015	\$21,451,890	\$25,486,147	\$50,000,000		↓
Total dollar amount of projects funded	3/31/2015	\$48,432,369	\$50,741,526	\$115,000,000		↓
Number of environmental impacts	3/31/2015	5	16	20		↑

Improve Client Satisfaction

		Baseline	YTD	Target	Rank	Progress
Client satisfaction ratings improved	6/30/2015	-	-	-		NA
Increase number of EIERA client referrals	3/31/2015	56	68	> 33		↑

Build Awareness of EIERA's Value

		Previous	YTD	Target	Rank	Progress
Survey targeted groups	6/30/2015	-	-	-		NA
# web hits	3/31/2015	2,892	4,139	6,500		↔
# of applications for financing	3/31/2015	3	5	15		↓

Create Sustainable Funding Model/Enhance Financial Strength

		Previous	YTD	Target	Rank	Progress
Total Authority revenue increased	3/31/2015	\$208,158	\$ 415,948	\$800,000		↓
Diversification of revenues (<33%)	3/31/2015	34%	47%	< or = 33%		↓
Average cost of services	3/31/2015	\$ 64.00	\$ 57.61	< \$75		↑

Financial Accountability Excellence

		Previous	YTD	Target	Rank	Progress
# of significant audit findings	3/31/2015	0	0	0		↑

Enhance Partnerships and Relationships

		Baseline	YTD	Target	Rank	Progress
Partner Interest in working with the EIERA	3/31/2015	14	33	8		↑

Continuous Quality Improvement

		Previous	YTD	Target	Rank	Progress
Timeliness of critical documents by deadline	3/31/2015	100%	98%	95%		↑
% of final critical documents with errors (< 5%)	3/31/2015	1%	1%	5%		↑

Communications Practices improved

		Previous	YTD	Target	Rank	Progress
# contacts generating results	3/31/2015	17%	18%	10%		↑
Meeting materials on website by deadline	3/31/2015	100%	98%	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	3/31/2015	1	-	2		↓

Increase Staff capacity

		Previous	YTD	Target	Rank	Progress
Reduce inefficient use of staff time	3/31/2015	5	11	<16		↑
% of identified knowledge gaps addressed	6/30/2015	75%	0%	50%		NA
% of staff training plans implemented	6/30/2015	-	0%	50%		NA

State Environmental Improvement and Energy Resources Authority
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Agenda Item #8
ADOPTION OF FISCAL YEAR 2016 BUDGETS

Issue:

The Authority needs a budget for Fiscal Year 2016 which began on July 1, 2015.

Action Needed:

Consideration and adoption of FY16 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 Mary Vaughan

Background:

Attached you will find information pertaining to the FY15 adopted budgets, the anticipated final FY15 expenditures and FY16 proposed budgets.

Revised documents will be sent to you prior to the Board Meeting. While the proposed budget numbers are unlikely to be changed, we would like to present the NRD portion of the Authority in a clearer manner. Further analysis of the FY15 actuals will also be provided.

MV:ge

Attachment

**FY16 Proposed Budget
Authority**

Attachment "A"

	FY15 Budget	FY15 Year End Estimated 6/30/15	Variance	FY16 Proposed Budget
Revenues/Reimbursements:				
MMDP Reimbursement	\$ 45,000	\$ 45,000	\$ -	\$ 45,000
SRF Reimbursement	\$ 150,000	\$ 233,310	\$ (83,310)	\$ 160,000
NRD Reimbursement	\$ 15,000	\$ 24,910	\$ (9,910)	\$ 20,000
Application Fees	\$ 2,500	\$ 7,500	\$ (5,000)	\$ 2,500
Issuance fees	\$ 150,000	\$ 109,322	\$ 40,678	\$ 200,000
Investment Income	\$ 12,000	\$ 14,263	\$ (2,263)	\$ 13,000
Misc. Income	\$ 200	\$ 6,634	\$ (6,434)	\$ 200
TOTAL REVENUES	\$ 374,700	\$ 440,939	\$ (66,239)	\$ 440,700
Expenses:				
Personal Services				
Per Diem	\$ 600	\$ 125	\$ 475	\$ 500
Office Salaries	\$ 270,000	\$ 247,246	\$ 22,754	\$ 350,000
Payroll Taxes & Fringe	\$ 100,000	\$ 101,863	\$ (1,863)	\$ 145,000
Travel Expense Staff	\$ 10,000	\$ 8,183	\$ 1,817	\$ 12,000
Travel Expense Board	\$ 1,500	\$ 287	\$ 1,213	\$ 800
Total Personal Services	\$ 382,100	\$ 357,704	\$ 24,396	\$ 508,300
Professional Services				
Legal Fees & Exps (General)	\$ 14,000	\$ 6,590	\$ 7,410	\$ 10,000
Legal Fees & Exps (SRF Misc.)	\$ 12,000	\$ 2,185	\$ 9,815	\$ 5,000
Legal Fees & Exps (Other Projects)	\$ 5,000	\$ 10,542	\$ (5,542)	\$ 12,000
Accounting Fees	\$ 15,000	\$ 11,931	\$ 3,069	\$ 15,000
Audit Fees	\$ 17,500	\$ 16,500	\$ 1,000	\$ 18,000
Misc. Professional Fees	\$ 40,000	\$ 74,588	\$ (34,588)	\$ 50,000
Total Professional Services	\$ 103,500	\$ 122,335	\$ (18,835)	\$ 110,000
Operating Expenses				
Equipment Maintenance	\$ 500	\$ -	\$ 500	\$ 500
Telephone	\$ 2,500	\$ 2,025	\$ 475	\$ 2,500
Office Supplies & Printing	\$ 5,500	\$ 4,931	\$ 569	\$ 5,500
Postage & Shipping	\$ 1,200	\$ 1,140	\$ 60	\$ 1,200
Membership Dues	\$ 4,000	\$ 3,785	\$ 215	\$ 4,000
Conference Registration	\$ 2,000	\$ 1,650	\$ 350	\$ 2,000
Subscriptions	\$ 200	\$ 171	\$ 29	\$ 200
Training	\$ 1,100	\$ 609	\$ 491	\$ 3,000
Board Meeting Expense	\$ 500	\$ 180	\$ 320	\$ 300
Misc & Administrative	\$ 300	\$ 183	\$ 117	\$ 300
Advertising	\$ 2,500	\$ -	\$ 2,500	\$ 2,500
Office Maintenance	\$ 200	\$ -	\$ 200	\$ 200
Rent	\$ 30,000	\$ 30,000	\$ -	\$ 32,000
Insurance	\$ 700	\$ 531	\$ 169	\$ 700
Moving Expense	\$ 1,000	\$ -	\$ 1,000	\$ -
Equipment Purchases	\$ 1,000	\$ 416	\$ 584	\$ 800
Computer Purchases	\$ 2,000	\$ 279	\$ 1,721	\$ 2,000
Computer Software				\$ 6,000
Workers Comp Contingency	\$ 4,500	\$ -	\$ 4,500	\$ 4,500
NRD Direct Costs	\$ -	\$ 4,699	\$ (4,699)	\$ 10,000
Total Operating Expense	\$ 59,700	\$ 50,599	\$ 9,101	\$ 78,200
Project Assistance				
BRLF Match (Transfer Out)	\$ 256,216	\$ 47,533	\$ 208,683	\$ 295,830
Total Project Assistance	\$ 256,216	\$ 47,533	\$ 208,683	\$ 295,830
TOTAL EXPENSES	\$ 801,516	\$ 578,171	\$ 223,345	\$ 992,330
Net Increase (Decrease) in Funds	(\$426,816)	(\$137,233)		(\$551,630)

FY 16 Proposed Budget
Missouri Market Development Program

	FY15	FY15 Year End		FY16
Revenues:	Budget	Estimated 6/30/15	Variance	Proposed Budget
Solid Waste Management Fund	\$ 1,600,000	\$ 1,054,619.77	\$ 545,380.23	\$ 1,600,677
Investment Income	\$ -	\$ 125.40	\$ (125.40)	\$ -
TOTAL REVENUES	\$ 1,600,000	\$ 1,054,745.17	\$ 545,254.83	\$ 1,600,677
Expenses:				
Administrative				
Program Salary/Fringe	\$ 80,000	\$ 67,984.48	\$ 12,015.52	\$ 80,000
Travel	\$ 1,000	\$ 471.55	\$ 528.45	\$ 1,000
Legal Expenses & Fees	\$ 5,000	\$ 1,596.00	\$ 3,404.00	\$ 3,800
Accounting Fees	\$ 1,800	\$ 1,645.00	\$ 155.00	\$ 3,000
Membership Fees	\$ 2,000	\$ 1,300.00	\$ 700.00	\$ 1,500
Conference/Registration Fees	\$ 1,200	\$ 585.00	\$ 615.00	\$ 3,500
EIERA Costs	\$ 45,000	\$ 45,000.00	\$ -	\$ 45,000
Direct Costs	\$ 1,200	\$ 641.86	\$ 558.14	\$ 800
Training	\$ 400	\$ -	\$ 400.00	\$ 400
Total Administrative	\$ 137,600	\$ 119,223.89	\$ 18,376.11	\$ 139,000
Business Assistance				
Legal Expenses & Fees	\$ 20,000	\$ 36,201.50	\$ (16,201.50)	\$ 40,000
Travel	\$ 2,500	\$ 763.90	\$ 1,736.10	\$ 2,500
Promos/Publication Design & Production	\$ 1,000	\$ -	\$ 1,000.00	\$ 500
Miscellaneous Expense	\$ -	\$ -	\$ -	\$ -
Direct Financial Assistance	\$ 937,447	\$ 630,098.50	\$ 307,348.50	\$ 935,719
Direct Financial Assistance-Encumbered	\$ 401,453	\$ 308,298.56	\$ 93,154.44	\$ 382,958
Business Initiatives	\$ 100,000	\$ 3,101.86	\$ 96,898.14	\$ 100,000
Total Business Assistance	\$ 1,462,400	\$ 978,464.32	\$ 483,935.68	\$ 1,461,677
TOTAL EXPENSES	\$ 1,600,000	\$ 1,097,688.21	\$ 502,311.79	\$ 1,600,677

**FY16 Proposed Budget
Brownfields Revolving Loan Fund**

FY16 Revenues:	Estimated Grant Balance	Anticipated Loan Repayments	FY16 Proposed Budget
Federal Reimbursement	\$ 1,478,873	\$ -	\$ 1,478,873
EIERA Match	\$ 295,830	\$ -	\$ 295,830
Loan Repayments	\$ -	\$ 98,591	\$ 98,591
TOTAL REVENUES	\$ 1,774,703	\$ 98,591	\$ 1,873,294
Expenses:			
Office Salaries	\$ 235,732	\$ 49,000	\$ 284,732
Payroll Taxes & Fringe	\$ 87,618	\$ -	\$ 87,618
Travel	\$ 20,859	\$ -	\$ 20,859
Supplies	\$ 1,100	\$ -	\$ 1,100
Contractual	\$ 137,721	\$ -	\$ 137,721
Grant/Loans	\$ 1,291,673	\$ 49,591	\$ 1,341,264
TOTAL EXPENSES	\$ 1,774,703	\$ 98,591	\$ 1,873,294

FY15 ACTUALS

FY15 Revenues:	FY15 Budget	FY15 Year End Estimated 6/30/15
Federal Reimbursement	\$ 1,286,060	\$ 242,609
EIERA Match	\$ 256,216	\$ 47,533
Loan Repayments	\$ 40,896	\$ 44,455
TOTAL REVENUES	\$ 1,583,172	\$ 334,597
Expenses:		
Office Salaries	\$ 200,533	\$ 46,113
Payroll Taxes & Fringe	\$ 77,669	\$ 21,382
Travel	\$ 17,986	\$ 581
Supplies	\$ 1,100	\$ -
Contractual	\$ 144,832	\$ 55,471
Grant/Loans	\$ 1,141,052	\$ 211,048
TOTAL EXPENSES	\$ 1,583,172	\$ 334,597

State Environmental Improvement and Energy Resources Authority
320TH Board Meeting
July 23, 2015

Agenda Item #9
PURCHASE OF ACCOUNTING SOFTWARE FOR THE AUTHORITY

Issue:

With the retirement of our current CPA, we are losing the ability to use her accounting software license, and new software needs to be acquired.

Action Needed:

Authorization for the Director, or her designee, to purchase accounting software and related products.

Staff Recommendation:

Authorization to purchase Accounting CS and related products or, should unforeseen issues arise, QuickBooks Premier-NFP.

Staff Contact:

Karen Massey or Mary Vaughan

Background:

In connection with changing CPA firms, staff has been researching various accounting software options. Six options appeared viable and were researched in detail. The options are summarized below:

Accounting CS (Thompson Reuters)

Positives: Staff is familiar with how this enhanced version of our current CPA's software operates and data transfer should be relatively straight forward. Current CPA can help train staff. It has the capability to handle multiple, related cost centers (fund accounting). Reporting can be customized, and our current reporting formats should transfer automatically. It is likely that certain reports we currently do manually can be generated through this software. There are additional enhancements that can be added on for a fee if desired in the future.

Negatives: The software is designed for accounting firms and will have capabilities that the Authority will not use. The salesman has been a bit short on details and not overly forthcoming. Costs could increase should we determine that other enhancements are needed; however, we believe we have identified the necessary components.

Costs: Software first year is \$3,045 for four users. This includes the 30% discount given because we are currently using a previous version of the system. Software yearly renewal is \$1,043. Unlimited support contract is \$744 per year. Automated filing systems, training and payroll systems are available for additional fees.

QuickBooks Premier-NFP

Positives: Widespread use. Williams Keepers (the Authority's auditor) provides some free training and is available for other consultation or technical support for a fee. Cost is very reasonable. The system is relative easy to learn, and Authority staff has experience using other QuickBooks products.

Negatives: Reporting capabilities are limited without significant customization. There is some concern that the program may not handle our multiple, related cost centers in an easily understandable or flexible fashion. Data transfer will be manual. Initial set up will be complicated, and our ability to produce reports and track funds will be dependent upon how things are set up on the front end. Williams Keepers believes that it can be set up to meet our needs; however, it has not set up a system to handle books as complicated as ours. We will have to pay for the initial set up by Williams Keepers. We will have to export all data to our CPA and import any adjustments made by the CPA. If not done timely and correctly, the data will not be the same in both locations.

Costs: \$1,200 for the system. This is the discounted rate currently being offered by Williams Keepers. Set up and consultation by Williams Keepers is \$160 per hour.

Abila (Prosoft Solutions)

Positives: Geared toward fund accounting and grant tracking. A few staff members at Williams Keepers are familiar with this software, though none are certified. SQL server on the backend can interface with many payroll systems. It is highly rated, however primarily for tax compliance.

Negatives: Maneuverability can be difficult. It is designed for professional accountants with sophisticated IT staff. Troubleshooting and technical support can be difficult. We would be working with Prosoft Solutions, a consulting firm, rather than the software supplier directly. Upfront costs are high. Prices are for single users and will increase for multiple users.

Costs: Software \$3,624 for a single user and executive view capabilities. Implementation and training is \$8,000 for the first year. Annual Support is \$800. Trouble shooting is \$150-\$175 per hour.

Accufund

Positives: Initial review of provided materials indicated that this software may be able to handle fund accounting.

Negatives: Very difficult to find additional information and reviews. Sales staff has not returned calls with pricing or other information. We have heard that this is a small step up from QuickBooks, but not as user friendly.

Financial Edge

Positives: Geared exclusively toward fund accounting. Self-balancing chart of accounts.

Negatives: Significant costs for integration. Several add-ons would need to be purchased to handle our books. Software is primarily used by schools and colleges, does not seem to have moved to other markets. Reviews state that the IT administration of the software is finicky. No local support.

Costs: \$18,000 for a cloud based system including training and implementation/integration. It is possible that a 15% discount may be available (bringing the cost down to \$15,300 for 2 concurrent users). Annual maintenance and support is \$4,188.

Intacct Accounting

After discussions with the sales representative we all agreed that it is geared for large corporations and not a fit for the Authority.

Costs: \$8,000-\$12,000 per year. Implementation/training is \$20,000+.

Based upon our research and consultation with our current and new CPA firms, as well as our auditors and the State's ITSD staff, we recommend that the Authority purchase Accounting CS for four users and enter into a service contract for the software. The total first year cost for the software and service contract would be \$3,789. We have budgeted more than this amount in case there are unforeseen expenses, or we determine that additional enhancements are required. We would propose to work with the Authority Treasurer in making those decisions rather than bringing each individual purchase back to the Board as a whole. Software renewal is currently \$1,043 per year. After the first year we would evaluate whether to enter into another service contract, currently \$744, or pay for service hourly. Unless we determine that different software is needed, in future years these renewals would be treated as an operating cost and addressed through the budget process.

Should the Accounting CS software not perform (there is a 60 day return policy), or we run into significant unforeseen costs or IT problems, staff would like authorization to move forward with purchasing QuickBooks Premier-NFP in place of Accounting CS after consultation with the Treasurer.

KLM:ge

State Environmental Improvement and Energy Resources Authority
320th Board Meeting
July 23, 2015

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 or more offices may be held by the same person. In past years we have found it advantageous to also elect an Assistant Secretary.

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

KM:ge

Attachment

**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 R.S.Mo. 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 R.S.Mo. 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.

**321st MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY
EIERA Office
425 Madison Street, Second Floor
Jefferson City, Missouri
September 8, 2015
11:30 a.m.**

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1. Call to Order
2. Approval of Minutes

Approval of Minutes from the 320th Meeting of the Authority held July 23, 2015, in Jefferson City, Missouri
3. State Revolving Fund Program
 - A. Update
 - B. Selection of Book Running Senior Managing Underwriter for Potential SRF Bond Refunding
 - C. Other
4. Other Business
 - A. Opportunity for Public Comment (Limit of Four Minutes per Individual)
 - B. Next Meeting Date
 - C. Other
5. Closed Meeting Pursuant to Section 610.021 (1), (3) and (11) RSMo. (as needed)
6. Adjournment of Closed Meeting and Return to Open Meeting
7. 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
 LaRee DeFreece, Secretary
 Deron Cherry, Vice-Chair, Treasurer

Staff to be Present: Karen Massey, Director
 Joe Boland, Deputy Director
 Genny Eichelberger, Office Support Assistant

Legal Counsel to be Present: David Brown
 Lewis Rice LLC

State Environmental Improvement and Energy Resources Authority
321st Board Meeting
September 8, 2015

CONFIDENTIAL UNTIL DISCUSSED IN OPEN SESSION

Agenda Item #3B
**RECOMMENDATION FOR BOOK-RUNNING SENIOR MANAGING UNDERWRITER FOR STATE
REVOLVING FUND REFUNDING 2015**

Issue:

Selection of a Book-Running Senior Managing Underwriter for a potential refunding of State Revolving Fund (SRF) Bonds.

Action Needed:

Select the Book-Running Senior Managing Underwriter for a potential refunding of SRF Bonds and authorize the Director or her designee to negotiate and enter into an agreement in connection therewith.

Staff Recommendation:

Staff recommends that the Board select Jefferies LLC to serve as Book-Running Senior Managing Underwriter for the potential SRF refunding subject to preliminary analysis of tax implications by Bond Counsel.

Staff Contact:

Joe Boland

Background:

During the 318th Board meeting on March 18, 2015, Authority Staff was given the approval to release a Request for Proposals (RFP) seeking the services of a book-running senior managing underwriter for a potential refunding of EIERA SRF bonds. Interest rates continue to fluctuate near all-time lows, still making the refunding of certain SRF bonds cost effective.

The Authority's agreements with the current underwriters intentionally do not provide for the program Senior Managers to perform book-running, senior managing services for refunding transactions. The Board has retained the flexibility to award that position to investment firms that bring high value transactions to the Authority or are selected by a competitive process. The designated firm then performs book-running, senior managing services and the existing underwriters perform either co-senior or co-managing services relating to the refunding according to their existing contracts.

Criteria

The Authority reviewed the proposals with three main goals in mind: savings, program simplification and eliminating or mitigating the risk of troubled investment contracts. Proposals were evaluated by looking at the experience of the firm and assigned staff in handling similar transactions; the structure of the transaction and how it demonstrates an understanding of and meets the Authority's needs and goals; and costs. It should be noted that the amount of savings was scrutinized for reasonableness and, as with all professional service solicitations, costs were important, but not the sole consideration.

Refunding transactions for SRF reserve fund programs are uniquely complex on several levels requiring skill sets beyond what is normally required for typical municipal bond transactions. We need a book running senior manager that can meet these complex challenges quickly, efficiently and accurately, while being sensitive to the needs of the Authority, DNR and the rest of the financing team. The selected book-runner should have:

- significant experience sizing and pricing refunding bonds for SRF or other complex pooled financing programs;
- assigned staff with significant SRF experience at all levels;
- a well-rounded knowledge of SRF program requirements, including an understanding of the historic and current structure of the Missouri program, and impacts related to the DNR accounting system;
- demonstrated ability to price and sell bonds at yields comparable to then-current market yields or be sufficiently capitalized to underwrite any unsold balances;
- strong quantitative abilities; and
- proposed costs for providing these services within reasonable norms.

The RFP was sent to all eight underwriters on the current finance team and two other firms that had reached out to the Authority with refunding ideas within the last several months. Proposals were received from 7 of the firms; Bank of America Merrill Lynch, Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Jefferies LLC, Siebert Brandford and Shank, Stern Brothers & Co., and Wells Fargo Securities. Stern Brothers' proposal was not to act as book-running senior, but a solicitation to become one of the co-managers of the transaction. The remaining six proposals were very well written and provided insight to each of the firms' strengths.

The proposals were reviewed by a team composed of staff from the Authority, DNR and Columbia Capital Advisors using the evaluation tool previously approved by the Board. Their responses were collated to determine the selected underwriter. We also requested Bond Counsel to conduct a preliminary review of the tax consequences of the top firms' approaches. This was necessary to verify that the outstanding Authority bonds will maintain their tax-exempt status.

Issuing Taxable Bonds

Our previous refundings were accomplished through a "Senior/Subordinate" model, where a strip of originally issued bonds are left outstanding (Remaining Outstanding Bonds or ROBs) to allow the associated reserve account to remain intact and continue to earn at its higher yield. These ROBs then remain outstanding until maturity.

Four of the firms put forth the idea of issuing taxable bonds to take out these ROBs and then reallocate the underlying reserve fund earnings to the new bonds. This approach relies on a rule change proposed by the Internal Revenue Service (IRS) in 2013. Prior to this change, a taxable refunding of tax-exempt bonds with an overfunded reserve would force a mark-to-market yield valuation on the reserve. Following the rule change, a taxable refunding of tax-exempt bonds allows the reserve fund to be transferred at their calculated present value as opposed to market value. This means that in most cases, there would no longer be a requirement to rebate the higher-yielding earnings from the reserves, thus providing an additional savings opportunity.

This approach was very appealing but required quite a bit of additional analysis and review by Staff and Bond Counsel. In the end, the Authority's Bond Counsel determined that the application of the universal cap and release of proceeds at present value is impermissible because of the financing structure utilized in the original advance refundings.

Although the exact approach suggested by these firms is not permissible (mark-to-present value), there may still be opportunities to "clean up" some of the ROBs using the mark-to-market valuation of the reserves. Many of the outstanding bond issues with ROBs have sufficient accrued negative arbitrage amounts, that valuation of those reserves at fair market value could possibly yield the same results as valuation at present value.

A brief summary of each firm is provided below.

Bank of America Merrill Lynch (BAML)

BAML is one of our co-senior underwriters and was the book runner for the 2011A and 2013A refunding transactions. BAML has been the top ranked underwriting firm in municipal finance having served as senior manager on 984 negotiated financings with a total par amount of \$113 billion since 2012. They also have a strong SRF presence evidenced by senior managing 12 negotiated SRF issues totaling over \$1.6 billion over the same period. Their distribution network includes 16,000 Financial Advisors in 704 offices nationwide (including 10 retail offices in MO). Their institutional efforts are represented by 381 salespersons in 28 offices, including 21 sales people who are exclusively dedicated to selling municipal securities. BAML is well capitalized and has demonstrated its willingness and ability to underwrite unsold bonds if necessary. Their proposal indicated a very good understanding of our program structure and included a good discussion of refunding bonds with a shortened maturity or shorter call period to take advantage of the lower end of the yield curve. They also proposed issuing taxable bonds to refund Remaining Outstanding Bonds (ROBs) from previous refundings.

Citigroup Global Markets (Citi)

Citi is also one of the leading firms in municipal finance having been the number 1 ranked senior manager of negotiated municipal bond transactions for thirteen of the last eighteen years. Citi has also senior managed 10 SRF and pooled transactions totaling over \$1.3 billion since 2013. Citi's municipal sales force is ranked #1 by both Institutional Investor and the Greenwich Associates Survey of municipal investors for the last three consecutive years. Citi is well capitalized with a regulatory net capital of \$6.2 billion, which was \$4.8 billion in excess of the minimum requirement. Citi's approach to refunding is designed to streamline our debt portfolio through a full refunding of our ROBs with taxable bonds in addition to a typical

advance refunding with tax-exempt bonds. They also had an innovative suggestion to use *put* bonds to lower debt service on the refunding bonds even further.

J.P. Morgan Securities

J.P. Morgan is a leading underwriter of municipal debt having underwritten 2,000 negotiated and competitive bond issues for \$190.7 billion in par since 2012, and senior managed \$1.3 billion of SRF bonds since 2013. J.P. Morgan's retail distribution platform has access to over 30,000 registered representatives through a partnership with Charles Schwab and UBS. They also have 16 institutional sales personnel that cover the 500 largest buyers of municipal bonds in the country. The firm is well capitalized and committed over \$1.8 billion of capital for transactions in which J.P. Morgan participated in 2014. Their refunding discussion was straightforward and only discussed a conventional advance refunding of tax-exempt bonds. They also presented the idea of terminating outstanding GICs to apply the proceeds toward redeeming ROBs, but fell short of a full discussion of the realistic tax consequences. J.P. Morgan provided an example of using taxable bonds in a Texas transaction, but did not include the approach of taxables in the Authority's refunding. The fee structure offered by J.P. Morgan was the lowest average takedown suggested by any of the firms.

Jefferies LLC

Jefferies is the largest full-service investment bank in the U.S. Since 2013, they have served as book-running senior manager on \$606.2 million of negotiated SRF and pooled financings. Although one of the smaller firms, they are currently senior managing a \$360 million deal for New York Counties Tobacco Trust and a \$250 million new money SRF transaction for the Texas Water Development Board. According to their proposal, Jefferies operates one of the largest municipal sales, trading and underwriting desks on Wall Street with 35 professionals dedicated to institutions, professional retail accounts and high net worth individuals. For added retail exposure, Jefferies has an agreement with E*TRADE which permits new issue municipal securities to be sold to their retail accounts. They have \$5.5 billion in equity capital and \$837 million in excess net capital. Jefferies' refunding approach was a combination issuing tax-exempt bonds for a conventional advance refunding and taxable bonds to refund all the ROBs left from previous refundings. Due to a proposed change in IRS tax regulations, they argue that the underlying reserve investments for the ROBs can now be transferred to help fund the taxable bonds with no rebate penalty. Regardless of the permissibility of the taxable approach, Jefferies also performed a detailed analysis of all the Authority's Guaranteed Investment Contracts (GIC) and determined which ones would, and would not be terminated upon a refunding. They further demonstrated which GICs had negative arbitrage balances and the savings that could be generated if they were terminated. Jefferies' proposal was very well written and indicated an excellent understanding of our program and its needs. The depth of their research was very apparent in the detailed explanation of options relating to our individual Guaranteed Investment Contracts and whether they could or could not be terminated to provide additional savings for the transaction. This was a very informative proposal. The fee structure offered by Jefferies was the second lowest average takedown suggested by any of the firms.

Siebert Brandford Shank & Co.

Siebert has served as book-running senior manager on two SRF and pooled transactions since 2013 totaling approximately \$266 million in par. In 2014, the firm senior managed more than \$5.1 billion in negotiated municipal issues and ranked 12th as Senior Manager nationwide.

Siebert accesses retail buyers through their affiliation with Muriel Siebert & Co. and retail distribution agreement with Credit Suisse. Institutional distribution is handled through 18 staff located in New York and Oakland CA. Siebert has \$17.9 million in equity capital and \$14.9 million in excess net capital. The firm's refunding approach included issuing both tax-exempt and taxable bonds, however there wasn't discussion on why taxable bonds would be issued. For the tax-exempt portion, Siebert provided a breakdown of current versus advance refunding bonds. They also suggested that we consider a guarantee program for projects that normally fall below DNR's funding line. This would increase the lending capacity of the program with minimal effect on available capital.

Wells Fargo Securities

Wells Fargo is also a co-senior underwriter and was the book runner for our 2010B and 2015A new money transactions. In 2014, Wells was the fifth ranked senior managing underwriter in overall negotiated and competitive transactions nationally and third ranked in Missouri. Wells Fargo has the third largest retail distribution network nationwide consisting of over 15,000 Financial Advisors, including 261 advisors within the state of Missouri. Their institutional sales force consisting of 16 institutional sales professionals focuses on Tier 1 buyers nationwide. They are well capitalized and have indicated a willingness to underwrite unsold bonds if necessary. Wells' proposal provided several interesting refunding scenarios which involved different options for GIC management/termination. As was proposed for our last refunding, they suggest terminating the GICs with make-whole premiums and offsetting termination premium (if received) with negative yield reduction liability to provide the best savings approach for the Authority.

The table below shows a summary of the average scores of each proposal.

Proposal	Average Score	Average Rank
Jefferies LLC	104.25	1.25
Bank of America	102.25	2.0
Citi Global Markets	101.75	2.25
Wells Fargo Securities	97.25	3.5
JP Morgan Securities	89.25	4.25
Siebert Brandford & Shank	71.25	5.25

Recommendation

Staff found all the proposals to be very good. In fact, there is no doubt that each of the firms could accomplish a refunding. However, after due consideration of all the proposals, staff found the proposal from Jefferies LLC, to be the most fitting of our goals. Jefferies' proposal was specifically written for the needs of the Authority which was evidenced by the excellent discussion and detail throughout. Their innovative approach will certainly provide good savings for the Authority and simplify administrative issues for DNR. Therefore, staff recommends that Jefferies LLC be awarded the book running senior managing position for the potential refunding.

If the Board approves the recommendation, we will work to structure a transaction but will continually evaluate it in light of current market conditions. If a decision is made to move

forward with a refunding transaction, we will come to the Board for the appropriate authorizations.

JB:ge

Attachment

RES. 15-__

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

(STATE OF MISSOURI)

RESOLUTION AUTHORIZING THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY TO ISSUE AND SELL NOT TO EXCEED \$150,000,000 PRINCIPAL AMOUNT OF WATER POLLUTION CONTROL AND DRINKING WATER REFUNDING REVENUE BONDS (STATE REVOLVING FUNDS PROGRAMS); APPROVING THE FORM OF AND AUTHORIZING THE AUTHORITY TO ENTER INTO CERTAIN CONTRACTS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS; APPROVING AND AUTHORIZING AN OFFICIAL STATEMENT RELATING TO SAID BONDS; AND APPROVING CERTAIN OTHER DOCUMENTS AND AUTHORIZING CERTAIN OTHER 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, 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, the Authority has issued certain series of its bonds under the SRF Programs, which bonds are collectively referred to as the "Original Bonds" pursuant to Bond Indentures, as amended (each an "Original Indenture" and collectively the "Original Indentures"), between the Authority and UMB Bank,

N.A. and UMB Bank & Trust, N.A., as applicable, as original trustees or as successors and assigns (each an “Original Trustee” and collectively the “Original Trustees”); and

WHEREAS, the proceeds of the Original Bonds are being, or have been, applied to the costs of constructing certain wastewater treatment, sanitary sewerage and water pollution control facilities and drinking water facilities by the participants in the SRF Programs (each a “Participant”); and

WHEREAS, paragraphs f and j of Section 8.1 of each of the Original Indentures authorize the Authority and the Original Trustee to enter into indentures supplemental to the applicable Original Indenture without the consent of, or notice to, any of the holders of the applicable Original Bonds to provide for the refunding or advance refunding of any of the Original Bonds and to make any other change which, in the sole judgment of the Original Trustee, does not materially adversely affect the interests of the owners of any of the applicable Original Bonds outstanding; and

WHEREAS, Section 8.3 of each Original Indenture provides that before the Authority and the Original Trustee enter into a supplemental indenture there shall have been delivered to the Authority, the Original Trustee, the Department of Natural Resources (“DNR”) and the applicable Participants an opinion of Bond Counsel stating that such supplemental indenture is authorized or permitted by the applicable Original 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 Original Bonds from gross income for federal income tax purposes; and

WHEREAS, the Authority has determined to amend the Original Indentures, to issue a series of refunding bonds pursuant to the Act to be designated and in the maximum aggregate principal amount as provided in this Resolution (the “Bonds”) for the hereinafter described purposes, and to authorize certain documents; and

WHEREAS, the Authority further finds and determines that it is necessary and desirable in connection with the issuance and sale of the Bonds that the Authority enter into certain documents and approve certain other documents and take certain other actions in connection with the issuance 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 issuance of its refunding bonds under the Act to provide funds to refinance a portion of the costs of construction of the projects financed with the proceeds of the Original Bonds (the “Projects”) and to consolidate certain outstanding issues is in the public interest and within the power and authority vested in the Authority under the Act and will be in furtherance of the objectives and public purposes of the Act, in that the refinancing of the costs of the Projects will result in additional monies for the SRF Programs, and will provide for the public health, safety and welfare of the residents of the State of Missouri by promoting, developing and assisting in the construction of wastewater treatment, sanitary sewerage and water pollution control and drinking water facilities in the State of Missouri, and will simplify administration of the SRF Programs. The Authority hereby approves the Application Letter dated October 20, 2015, submitted by Jefferies LLC, as senior book running underwriter (the “Senior Underwriter”), for the issuance and sale of

the Bonds and declares the intent of the Authority to issue the Bonds pursuant to the Act and in accordance with the SRF Programs.

Section 2. Authorization of the Bonds. For the foregoing purposes, the Authority hereby authorizes the issuance and sale, pursuant to Section 260.050 of the Act, of its Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) in the aggregate principal amount not to exceed \$150,000,000. The Bonds shall be dated as of the date of delivery of the Bonds and shall be issued as fully registered Bonds, without coupons, in the denominations as are set forth in the hereinafter authorized Indenture. The Bonds shall be in one or more series, shall mature or be subject to mandatory sinking fund redemption on the dates no later than July 1, 2031 and shall bear interest at rates not to exceed 5.50% per annum, payable semiannually on each January 1 and July 1, as such series, maturities, principal amounts and interest rates shall be approved by the Chairman or Vice Chairman by the execution of the Purchase Contract hereinafter referred to between the Authority and the Underwriters (defined below). The Bonds shall be in such forms, shall have such terms and provisions, shall be issued, executed and delivered in such manner and subject to such provisions, covenants and agreements, and shall be equally and ratably secured both as to principal and interest by the Indenture. The Indenture provides a complete description of the pledged property and revenues constituting the Trust Estate, the nature and extent of the security for the Bonds, a statement of the terms and conditions on which the Bonds are to be issued and secured, the rights, duties, obligations and immunities of the Authority, the rights, duties, obligations and immunities of the Trustee, and the rights of the holders of the Bonds. Because of the characteristics of the Bonds, the principal amount thereof, the acceptability in the public bond market of similar issues, the prevailing market conditions and the advice of the Underwriters hereinafter referred to that a private sale will result in the most favorable interest rates on the Bonds, the Authority hereby finds that it is in the best interest of the Authority to sell the Bonds at a private sale pursuant to the Purchase Contract. The issuance of the Bonds is conditioned on achieving a minimum net present value savings from the Original Bonds of two percent (2%) in the aggregate, after payment of all costs of issuance relating to the Bonds.

Section 3. Limited Obligations. The Bonds shall be limited obligations of the Authority payable solely out of the payments, revenues and receipts to be derived by the Authority pursuant to the herein referred to Supplemental Indentures and from certain other moneys pledged under the Indenture, and such payments, revenues and receipts shall be pledged and assigned to the Trustee as security for the payment of the Bonds as provided in the Indenture. The Bonds do not constitute or create an indebtedness, liability or moral obligation of any Participant, the State, any political subdivision thereof, the United States of America or any agency thereof, the United States Environmental Protection Agency (“EPA”), DNR, the Clean Water Commission or the Safe Drinking Water Commission. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds nor is the State of Missouri or any political subdivision thereof liable on the Bonds. No covenant, stipulation, obligation or agreement contained herein or in the Bonds shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future trustee, officer, member, director, employee or agent of the Authority in his or her individual capacity.

Section 4. Authorization of Authority Documents. The Authority is hereby authorized to enter into the following documents (the “Authority Documents”), in substantially the forms presented and reviewed by the Authority at this meeting (copies of which documents 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 such documents, such officers’ signatures thereon being conclusive evidence of their approval thereof:

(a) Bond Indenture (the “Indenture”) dated as of the first day of the month in which the Bonds are issued or such other date as approved by the officers of the Authority executing the document (the “Document Date”), between the Authority and UMB Bank, N.A., as trustee (the “Trustee”);

(b) Purchase Contract to be dated the date of its execution and delivery (the “Purchase Contract”), between the Authority and the Senior Underwriter and the other underwriters named therein (collectively the “Underwriters”);

(c) One or more Escrow Deposit Agreements dated as of the Document Date (collectively, the “Escrow Agreements”) between the Authority and UMB Bank, N.A. as Escrow Agent;

(d) Tax Compliance Agreement dated as of the Document Date, among the Authority, the Trustee and UMB Bank, N.A., as master trustee; and

(e) Supplemental Indentures dated as of the Document Date, with respect to the Original Indentures for which Original Bonds are refunded by the Bonds (in the form of the model supplemental indenture, with appropriate series by series modifications, each a “Supplemental Indenture” and collectively, the “Supplemental Indentures”), between the Authority and the applicable Original Trustees.

Section 5. Authorization of Letter of Instructions and Investment Agreement. The Chairman or Vice Chairman is hereby authorized and directed to execute letters of instructions or certificates (i) requesting and authorizing the Trustee to authenticate and deliver the Bonds to the Underwriters, (ii) ordering and directing the Trustee as to the deposit of the proceeds of the Bonds, (iii) directing the Trustee as to the application of the proceeds of the Bonds, and (iv) setting forth how proceeds deposited in certain funds and accounts shall be invested and, in connection with said investments, authorizing the purchase of certain securities in accordance with the terms of the Indenture. Certain fees and expenses to be paid out of the proceeds of the Bonds shall not exceed 1.5% of the aggregate principal amount of the Bonds. The Trustee is authorized to invest the Funds and Accounts established under the Indenture in accordance with the written directions of the Chairman, the Vice Chairman, the Director or the Deputy Director.

Section 6. Authorization of Preliminary Official Statement and Official Statement. The form and provisions of the Preliminary Official Statement relating to the sale of the Bonds, in the form presented at this meeting, is hereby approved, and the Authority authorizes the use of the Preliminary Official Statement and the information therein in connection with the offering and sale of the Bonds by the Underwriters in accordance with applicable legal requirements. The Authority hereby authorizes and directs the Underwriters to prepare and distribute a final Official Statement in connection with the offering and sale of the Bonds, said Official Statement to be substantially in the form of the Preliminary Official Statement with such changes therein as shall be necessary to complete the Preliminary Official Statement and as shall otherwise be deemed by the Underwriters to be necessary and as shall be authorized by the Chairman or the Vice Chairman, such approval to be conclusively evidenced by the delivery of the Bonds.

Section 7. Execution of Bonds and Documents. The Chairman or the Vice Chairman is hereby authorized and directed to execute the Bonds, manually or by facsimile signature, and to deliver the Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the Authority in the manner provided in the 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. The Secretary or the Assistant Secretary is hereby authorized and directed to attest, manually or by facsimile signature, to the Bonds and the Authority Documents, and to such other documents, certificates and instruments, including any document with respect to the pledge of the Authority's interest in certain reserve investments securing Original Bonds and net participant payments to the Trustee or to the Master Trustee under the Master Trust Agreement dated as of November 1, 2010, as amended between the Authority and the Master Trustee, and any amendment or supplement to the Master Pledge Agreement dated as of November 1, 2010 between the Authority and DNR, or the Amended and Restated Master Trust Agreement dated March 1, 2004, as amended, between the Authority and UMB Bank, N.A., as master trustee, as may be necessary or desirable in connection with the issuance of the Bonds, and further, as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 8. Investment Contracts. The Chairman or the Vice Chairman is hereby authorized and directed to consent to or otherwise facilitate any transfers, assignments or modifications of Investment Agreements (within the meanings of such terms in the Original Indentures) entered into in connection with the issuance of certain of the Original Bonds as may be deemed to be advisable to carry out and comply with the intent of this Resolution.

Section 9. 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, including applications for the registration of the Bonds under state securities laws, and to carry out, comply with and perform the duties of the Authority with respect to the Bonds and the Authority Documents.

[remainder of page left intentionally blank]

Section 9. 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 October, 2015.

Chairman of the Authority

(Seal)

ATTEST:

Secretary of the Authority

**322nd MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY
EIERA Office
425 Madison Street, Second Floor
Jefferson City, Missouri
October 22, 2015
1:30 p.m.**

1. Call to Order
2. Approval of Minutes

Approval of Minutes from the 321st Meeting of the Authority held September 8, 2015, in Jefferson City, Missouri
3. State Revolving Fund Program
 - A. Update
 - B. Resolution Authorizing the State Environmental Improvement and Energy Resources Authority to Issue and Sell Not to Exceed \$150,000,000 Principal Amount of Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) and Approving Other Documents and Authorizing the Authority to Take Certain Other Actions in Connection with the Issuance of Said Bonds
 - C. Other
4. Other Financings
5. Missouri Market Development Program
 - A. Program Update
 - B. Consideration of the Funding Recommendation for the Bryant Plastics, 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 Midwest Organics, 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 Missouri Organic Recycling, Inc., Project and Authorizing the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
 - E. Other
6. Brownfields Revolving Loan Fund
 - A. Program Update
 - B. Other

State Environmental Improvement and Energy Resources Authority
322nd Board Meeting
October 22, 2015

Agenda Item #3B
STATE REVOLVING FUND 2015B REFUNDING

Issue:

The financial markets continue to show favorable rates for our proposed refunding. Staff has been working with the finance team to refine the parameters of the refunding and to draft the necessary documents and schedules. We anticipate a bond closing in late November 2015.

Action Needed:

Consideration and approval of the attached resolution authorizing the Authority to issue and sell not to exceed \$150,000,000 in principal amount of refunding revenue bonds.

Staff Recommendation:

Staff recommends the approval of the resolution authorizing the issuance of not-to-exceed \$150,000,000 in EI ERA SRF Refunding Revenue Bonds.

Staff Contact:

Joe Boland

Background:

At the September 8, 2015, Board meeting, you approved the selection of Jefferies LLC as the Book Running Senior Managing Underwriter for this transaction. Interest rates remain low making the refunding of certain EI ERA SRF bonds very cost effective. In addition to the interest savings from the advance and current refundings, one of the objectives of this transaction was to simplify the overall program. This will involve cash defeasing some of the older series of bonds, transferring Guaranteed Investment Contracts (GICs) to the new series of bonds and possibly terminating other GICs. These extra steps will add to the complexity of the transaction; however, the result will be a more streamlined program under the cash-flow 2010 Master Trust Agreement.

Based on the latest numbers, the proposed par amount to be refunded is approximately \$113,000,000, creating a net present value savings of \$14,000,000. Relevant portions of the Preliminary Official Statement are also attached to provide additional information on this transaction.

JB:ge

Attachments

RES. 15-__

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

(STATE OF MISSOURI)

RESOLUTION AUTHORIZING THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY TO ISSUE AND SELL NOT TO EXCEED \$150,000,000 PRINCIPAL AMOUNT OF WATER POLLUTION CONTROL AND DRINKING WATER REFUNDING REVENUE BONDS (STATE REVOLVING FUNDS PROGRAMS); APPROVING THE FORM OF AND AUTHORIZING THE AUTHORITY TO ENTER INTO CERTAIN CONTRACTS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS; APPROVING AND AUTHORIZING AN OFFICIAL STATEMENT RELATING TO SAID BONDS; AND APPROVING CERTAIN OTHER DOCUMENTS AND AUTHORIZING CERTAIN OTHER 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, 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, the Authority has issued certain series of its bonds under the SRF Programs, which bonds are collectively referred to as the "Original Bonds" pursuant to Bond Indentures, as amended (each an "Original Indenture" and collectively the "Original Indentures"), between the Authority and UMB Bank,

N.A. and UMB Bank & Trust, N.A., as applicable, as original trustees or as successors and assigns (each an “Original Trustee” and collectively the “Original Trustees”); and

WHEREAS, the proceeds of the Original Bonds are being, or have been, applied to the costs of constructing certain wastewater treatment, sanitary sewerage and water pollution control facilities and drinking water facilities by the participants in the SRF Programs (each a “Participant”); and

WHEREAS, paragraphs f and j of Section 8.1 of each of the Original Indentures authorize the Authority and the Original Trustee to enter into indentures supplemental to the applicable Original Indenture without the consent of, or notice to, any of the holders of the applicable Original Bonds to provide for the refunding or advance refunding of any of the Original Bonds and to make any other change which, in the sole judgment of the Original Trustee, does not materially adversely affect the interests of the owners of any of the applicable Original Bonds outstanding; and

WHEREAS, Section 8.3 of each Original Indenture provides that before the Authority and the Original Trustee enter into a supplemental indenture there shall have been delivered to the Authority, the Original Trustee, the Department of Natural Resources (“DNR”) and the applicable Participants an opinion of Bond Counsel stating that such supplemental indenture is authorized or permitted by the applicable Original 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 Original Bonds from gross income for federal income tax purposes; and

WHEREAS, the Authority has determined to amend the Original Indentures, to issue a series of refunding bonds pursuant to the Act to be designated and in the maximum aggregate principal amount as provided in this Resolution (the “Bonds”) for the hereinafter described purposes, and to authorize certain documents; and

WHEREAS, the Authority further finds and determines that it is necessary and desirable in connection with the issuance and sale of the Bonds that the Authority enter into certain documents and approve certain other documents and take certain other actions in connection with the issuance 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 issuance of its refunding bonds under the Act to provide funds to refinance a portion of the costs of construction of the projects financed with the proceeds of the Original Bonds (the “Projects”) and to consolidate certain outstanding issues is in the public interest and within the power and authority vested in the Authority under the Act and will be in furtherance of the objectives and public purposes of the Act, in that the refinancing of the costs of the Projects will result in additional monies for the SRF Programs, and will provide for the public health, safety and welfare of the residents of the State of Missouri by promoting, developing and assisting in the construction of wastewater treatment, sanitary sewerage and water pollution control and drinking water facilities in the State of Missouri, and will simplify administration of the SRF Programs. The Authority hereby approves the Application Letter dated October 20, 2015, submitted by Jefferies LLC, as senior book running underwriter (the “Senior Underwriter”), for the issuance and sale of

the Bonds and declares the intent of the Authority to issue the Bonds pursuant to the Act and in accordance with the SRF Programs.

Section 2. Authorization of the Bonds. For the foregoing purposes, the Authority hereby authorizes the issuance and sale, pursuant to Section 260.050 of the Act, of its Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) in the aggregate principal amount not to exceed \$150,000,000. The Bonds shall be dated as of the date of delivery of the Bonds and shall be issued as fully registered Bonds, without coupons, in the denominations as are set forth in the hereinafter authorized Indenture. The Bonds shall be in one or more series, shall mature or be subject to mandatory sinking fund redemption on the dates no later than July 1, 2031 and shall bear interest at rates not to exceed 5.50% per annum, payable semiannually on each January 1 and July 1, as such series, maturities, principal amounts and interest rates shall be approved by the Chairman or Vice Chairman by the execution of the Purchase Contract hereinafter referred to between the Authority and the Underwriters (defined below). The Bonds shall be in such forms, shall have such terms and provisions, shall be issued, executed and delivered in such manner and subject to such provisions, covenants and agreements, and shall be equally and ratably secured both as to principal and interest by the Indenture. The Indenture provides a complete description of the pledged property and revenues constituting the Trust Estate, the nature and extent of the security for the Bonds, a statement of the terms and conditions on which the Bonds are to be issued and secured, the rights, duties, obligations and immunities of the Authority, the rights, duties, obligations and immunities of the Trustee, and the rights of the holders of the Bonds. Because of the characteristics of the Bonds, the principal amount thereof, the acceptability in the public bond market of similar issues, the prevailing market conditions and the advice of the Underwriters hereinafter referred to that a private sale will result in the most favorable interest rates on the Bonds, the Authority hereby finds that it is in the best interest of the Authority to sell the Bonds at a private sale pursuant to the Purchase Contract. The issuance of the Bonds is conditioned on achieving a minimum net present value savings from the Original Bonds of two percent (2%) in the aggregate, after payment of all costs of issuance relating to the Bonds.

Section 3. Limited Obligations. The Bonds shall be limited obligations of the Authority payable solely out of the payments, revenues and receipts to be derived by the Authority pursuant to the herein referred to Supplemental Indentures and from certain other moneys pledged under the Indenture, and such payments, revenues and receipts shall be pledged and assigned to the Trustee as security for the payment of the Bonds as provided in the Indenture. The Bonds do not constitute or create an indebtedness, liability or moral obligation of any Participant, the State, any political subdivision thereof, the United States of America or any agency thereof, the United States Environmental Protection Agency (“EPA”), DNR, the Clean Water Commission or the Safe Drinking Water Commission. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds nor is the State of Missouri or any political subdivision thereof liable on the Bonds. No covenant, stipulation, obligation or agreement contained herein or in the Bonds shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future trustee, officer, member, director, employee or agent of the Authority in his or her individual capacity.

Section 4. Authorization of Authority Documents. The Authority is hereby authorized to enter into the following documents (the “Authority Documents”), in substantially the forms presented and reviewed by the Authority at this meeting (copies of which documents 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 such documents, such officers’ signatures thereon being conclusive evidence of their approval thereof:

(a) Bond Indenture (the “Indenture”) dated as of the first day of the month in which the Bonds are issued or such other date as approved by the officers of the Authority executing the document (the “Document Date”), between the Authority and UMB Bank, N.A., as trustee (the “Trustee”);

(b) Purchase Contract to be dated the date of its execution and delivery (the “Purchase Contract”), between the Authority and the Senior Underwriter and the other underwriters named therein (collectively the “Underwriters”);

(c) One or more Escrow Deposit Agreements dated as of the Document Date (collectively, the “Escrow Agreements”) between the Authority and UMB Bank, N.A. as Escrow Agent;

(d) Tax Compliance Agreement dated as of the Document Date, among the Authority, the Trustee and UMB Bank, N.A., as master trustee; and

(e) Supplemental Indentures dated as of the Document Date, with respect to the Original Indentures for which Original Bonds are refunded by the Bonds (in the form of the model supplemental indenture, with appropriate series by series modifications, each a “Supplemental Indenture” and collectively, the “Supplemental Indentures”), between the Authority and the applicable Original Trustees.

Section 5. Authorization of Letter of Instructions and Investment Agreement. The Chairman or Vice Chairman is hereby authorized and directed to execute letters of instructions or certificates (i) requesting and authorizing the Trustee to authenticate and deliver the Bonds to the Underwriters, (ii) ordering and directing the Trustee as to the deposit of the proceeds of the Bonds, (iii) directing the Trustee as to the application of the proceeds of the Bonds, and (iv) setting forth how proceeds deposited in certain funds and accounts shall be invested and, in connection with said investments, authorizing the purchase of certain securities in accordance with the terms of the Indenture. Certain fees and expenses to be paid out of the proceeds of the Bonds shall not exceed 1.5% of the aggregate principal amount of the Bonds. The Trustee is authorized to invest the Funds and Accounts established under the Indenture in accordance with the written directions of the Chairman, the Vice Chairman, the Director or the Deputy Director.

Section 6. Authorization of Preliminary Official Statement and Official Statement. The form and provisions of the Preliminary Official Statement relating to the sale of the Bonds, in the form presented at this meeting, is hereby approved, and the Authority authorizes the use of the Preliminary Official Statement and the information therein in connection with the offering and sale of the Bonds by the Underwriters in accordance with applicable legal requirements. The Authority hereby authorizes and directs the Underwriters to prepare and distribute a final Official Statement in connection with the offering and sale of the Bonds, said Official Statement to be substantially in the form of the Preliminary Official Statement with such changes therein as shall be necessary to complete the Preliminary Official Statement and as shall otherwise be deemed by the Underwriters to be necessary and as shall be authorized by the Chairman or the Vice Chairman, such approval to be conclusively evidenced by the delivery of the Bonds.

Section 7. Execution of Bonds and Documents. The Chairman or the Vice Chairman is hereby authorized and directed to execute the Bonds, manually or by facsimile signature, and to deliver the Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the Authority in the manner provided in the 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. The Secretary or the Assistant Secretary is hereby authorized and directed to attest, manually or by facsimile signature, to the Bonds and the Authority Documents, and to such other documents, certificates and instruments, including any document with respect to the pledge of the Authority's interest in certain reserve investments securing Original Bonds and net participant payments to the Trustee or to the Master Trustee under the Master Trust Agreement dated as of November 1, 2010, as amended between the Authority and the Master Trustee, and any amendment or supplement to the Master Pledge Agreement dated as of November 1, 2010 between the Authority and DNR, or the Amended and Restated Master Trust Agreement dated March 1, 2004, as amended, between the Authority and UMB Bank, N.A., as master trustee, as may be necessary or desirable in connection with the issuance of the Bonds, and further, as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 8. Investment Contracts. The Chairman or the Vice Chairman is hereby authorized and directed to consent to or otherwise facilitate any transfers, assignments or modifications of Investment Agreements (within the meanings of such terms in the Original Indentures) entered into in connection with the issuance of certain of the Original Bonds as may be deemed to be advisable to carry out and comply with the intent of this Resolution.

Section 9. 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, including applications for the registration of the Bonds under state securities laws, and to carry out, comply with and perform the duties of the Authority with respect to the Bonds and the Authority Documents.

[remainder of page left intentionally blank]

Section 9. 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 October, 2015.

Chairman of the Authority

(Seal)

ATTEST:

Secretary of the Authority

NEW ISSUE
Book-Entry Only

RATINGS: Moody's: ___
Fitch: ___
See "RATINGS" herein

In the opinion of Gilmore & Bell, P.C., 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 "Code"), (1) the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, except as described in this Official Statement, and is not an item of tax preference for the purposes of the federal alternative minimum tax imposed on individuals and corporations, (2) the interest on the Bonds is exempt from income taxation by the State of Missouri and (3) the Bonds have not been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "TAX MATTERS" herein and the form of opinion of Bond Counsel attached hereto as Appendix E.



\$ _____
State Environmental Improvement and Energy Resources Authority
(State of Missouri)
Water Pollution Control and Drinking Water Refunding Revenue Bonds
(State Revolving Funds Programs)
Series 2015B

Dated: Date of Delivery

Due: January 1 and July 1, as shown on inside cover

The State Environmental Improvement and Energy Resources Authority (the "Authority") is issuing its Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2015B (the "Bonds") pursuant to a Bond Indenture dated as of November 1, 2015 (the "Indenture") between the Authority and UMB Bank, N.A., St. Louis, Missouri, as trustee and bond registrar (the "Trustee"). The Authority has issued certain series of bonds (the "Original Bonds"), the proceeds of which were loaned by the Authority to Missouri governmental entities and nonprofit corporations (the "Participants") in connection with the financing of wastewater treatment and sanitary sewerage facilities and drinking water facilities. Net proceeds of the Bonds and other available funds will be used to refund or defease portions of the Original Bonds and to pay issuance costs, as described herein. Terms not otherwise defined on this cover page have the meanings set forth herein.

The Bonds are issuable only as fully registered bonds, without coupons, 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. See "DESCRIPTION OF THE BONDS – Book-Entry System" herein. Principal of and redemption premium, if any, on the Bonds is payable to the registered owners of the Bonds at the maturity or redemption date thereof upon the surrender thereof at the principal payment office of the Trustee. Interest on the Bonds is payable semiannually on each January 1 and July 1, commencing on July 1, 2016.

The Bonds are limited obligations of the Authority payable solely from revenues and receipts derived by the Authority consisting of moneys transferred to the Trustee by the 2010 Master Trustee from amounts available under the 2010 Master Trust Agreement (the "Indenture Receipts") and certain amounts pledged pursuant to the 2004 Master Trust Agreement. The Bonds are 2010 Master Trust Bonds and are secured on a parity basis by the Pledged Participant Obligations and Pledged Net Participant Payments with all 2010 Master Trust Bonds. See "SECURITY AND SOURCES OF PAYMENT OF THE BONDS" and "SECURITY PROVIDED BY THE MASTER TRUST AGREEMENTS" herein.

The Bonds do not constitute or create an indebtedness, liability or moral obligation of the Participants, the State of Missouri (the "State") or any political subdivision thereof, the United States of America or any agency thereof, the Missouri Department of Natural Resources, the Missouri Clean Water Commission or the Missouri Safe Drinking Water Commission. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds nor is the State or any political subdivision thereof liable on the Bonds. The Authority has no taxing power.

The Bonds are subject to redemption prior to maturity as described under the section captioned "DESCRIPTION OF THE BONDS – Redemption; Notice of Redemption."

See the inside cover page for maturities, principal amounts, interest rates, prices, yields and CUSIP numbers

This cover page contains information for quick reference only. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued by the Authority and accepted by the Underwriters, subject to prior placement, withdrawal or modification of the offer without notice and subject to the approval of their validity by Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel, and subject to certain other conditions. Certain legal matters will be passed upon for the Authority by its General Counsel, Lewis Rice LLC, St. Louis, Missouri. Certain legal matters will be passed upon for the Underwriters by Thompson Coburn LLP, St. Louis, Missouri, and the Hardwick Law Firm LLC, Kansas City, Missouri. Columbia Capital Management, LLC, Overland Park, Kansas, serves as Financial Advisor to the Authority. It is expected that the Bonds will be available for delivery through the facilities of DTC in New York, New York on or about November __, 2015.

Jefferies

[Add Co-Managers]

The date of this Official Statement is November __, 2015.

* Preliminary, subject to change.

Thompson Coburn LLP
DRAFT – OCTOBER 8, 2015

This Preliminary Official Statement and the information contained herein are subject to completion and amendment without notice. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any jurisdiction.

\$ _____
**State Environmental Improvement and Energy
Resources Authority (State of Missouri)
Water Pollution Control and Drinking Water Refunding Revenue Bonds
(State Revolving Funds Programs)
Series 2015B**

**Maturity Schedule
Base CUSIP: 60636P¹**

<u>Maturity</u>	<u>\$ Amount</u>	<u>Interest Rate</u> %	<u>Yield</u> %	<u>Price</u> %	<u>CUSIP Numbers¹</u>
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* Preliminary, subject to change.

¹ CUSIP numbers shown above have been assigned by an organization not affiliated with the Authority. The Authority was not responsible for the selection of CUSIP numbers nor does it make any representation as to the correctness of such numbers on the Bonds or as indicated herein.

State Environmental Improvement and Energy Resources Authority

William "Andy" Dalton, Chairman
Deron L. Cherry, Vice Chairman, Treasurer and Assistant Secretary
LaRee DeFreece, Secretary
Karen L. Massey, Director

Department of Natural Resources

Sara Parker Pauley, Director
Leanne Tippet-Mosby, Director – Division of Environmental Quality
John Madras, Director – Water Protection Program
Eric Crawford, Director – Financial Assistance Center

Clean Water Commission

Ben A. "Todd" Parnell, Chair
Buddy Bennett, Vice Chair
John Cowherd, Commissioner
Samuel D. Leake, Commissioner
Ashley McCarty, Commissioner
Wallis Warren, Commissioner
Dennis Wood, Commissioner

Safe Drinking Water Commission

Elizabeth Grove, Chair
D. Scott Bockenkamp, Vice Chair
Susan McCray Armstrong, Commissioner
Susan E. Hazelwood, Commissioner
Charli Jo Ledgerwood, Commissioner
Bruce Manning, Commissioner
Rodger Owens, Commissioner
Curtis Skouby, Commissioner

Advisors and Consultants

Financial Advisor to the Authority

Columbia Capital Management, LLC
Overland Park, Kansas

Counsel to the Authority

Lewis Rice LLC
St. Louis, Missouri

Bond Counsel

Gilmore & Bell, P.C.
Kansas City, Missouri

Co-Underwriters' Counsel

Thompson Coburn LLP
St. Louis, Missouri

Hardwick Law Firm LLC
Kansas City, Missouri

REGARDING USE OF THIS OFFICIAL STATEMENT

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON THE EXEMPTION CONTAINED IN SECTION 3(a)(2) OF SUCH ACT. THE INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT.

The information set forth herein has been obtained from the Authority and other sources which are deemed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Authority. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

No dealer, broker, salesperson or any other person has been authorized by the Authority to give any information or make any representations, other than those contained in this Official Statement, in connection with the offering of the Bonds, and if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any state in which it is unlawful for such person to make such offer, solicitation or sale. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor the sale of any of the Bonds hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Authority, the Programs (as defined herein) or the other matters described herein since the date hereof.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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. INCLUDED IN SUCH RISKS AND UNCERTAINTIES ARE (i) THOSE RELATING TO THE POSSIBLE INVALIDITY OF THE UNDERLYING ASSUMPTIONS AND ESTIMATES, (ii) POSSIBLE CHANGES OR DEVELOPMENTS IN SOCIAL, ECONOMIC, BUSINESS, INDUSTRY, MARKET, LEGAL OR REGULATORY CIRCUMSTANCES, AND (iii) CONDITIONS AND ACTIONS TAKEN OR OMITTED TO BE TAKEN BY THIRD PARTIES, INCLUDING CUSTOMERS, SUPPLIERS, BUSINESS PARTNERS OR COMPETITORS, OR LEGISLATIVE, JUDICIAL AND OTHER GOVERNMENTAL AUTHORITIES AND OFFICIALS. ASSUMPTIONS RELATED TO THE FOREGOING INVOLVE JUDGMENTS WITH RESPECT TO, AMONG OTHER THINGS, FUTURE ECONOMIC, COMPETITIVE, AND MARKET CONDITIONS AND FUTURE BUSINESS DECISIONS, ALL OF WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT ACCURATELY. FOR THESE REASONS, THERE CAN BE NO ASSURANCE THAT THE FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT WILL PROVE TO BE ACCURATE.

UNDUE RELIANCE SHOULD NOT BE PLACED ON FORWARD-LOOKING STATEMENTS. ALL FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT ARE BASED ON INFORMATION AVAILABLE TO THE AUTHORITY ON THE DATE HEREOF, AND THE AUTHORITY ASSUMES NO OBLIGATION TO UPDATE ANY SUCH FORWARD-LOOKING STATEMENTS IF OR WHEN THE EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR OR FAIL TO OCCUR, OTHER THAN AS INDICATED UNDER THE CAPTION "CONTINUING DISCLOSURE."

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OFFICIAL STATEMENT

§ _____^{*}
**State Environmental Improvement and Energy
Resources Authority (State of Missouri)
Water Pollution Control and Drinking Water Refunding Revenue Bonds
(State Revolving Funds Programs)
Series 2015B**

INTRODUCTION

The following introductory information 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 and appendices, should be considered in its entirety. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

The purpose of this Official Statement is to set forth certain information concerning (1) the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State of Missouri (the "**Authority**"), (2) the \$ _____^{*} principal amount of Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs), Series 2015B (the "**Bonds**"), to be issued by the Authority and (3) the source of repayment and security for the Bonds. See "**DESCRIPTION OF THE BONDS**" and "**SECURITY AND SOURCES OF PAYMENT OF THE BONDS**" herein.

Authorization of and Purpose of the Bonds

The Authority is authorized pursuant to Sections 260.005 through 260.125, and Appendix B(1), of the Revised Statutes of Missouri, as amended (the "**Act**"), and the resolution adopted by the Authority on October 21, 2015, to issue the Bonds under a Bond Indenture dated as of November 1, 2015 (the "**Indenture**") by and between the Authority and UMB Bank, N.A., St. Louis, Missouri, as trustee and bond registrar (the "**Trustee**" and "**Bond Registrar**"). Capitalized terms used in this Official Statement and not otherwise defined herein shall have the meanings listed in **Appendix C** and **Appendix D** to this Official Statement. See "**THE AUTHORITY**" and "**DESCRIPTION OF THE BONDS**" herein.

The Authority has issued certain series of bonds (the "**Original Bonds**"), the proceeds of which were loaned by the Authority to Missouri governmental entities and nonprofit corporations (each a "**Participant**" and collectively, the "**Participants**") in connection with the financing of wastewater treatment and sanitary sewerage facilities (each a "**Clean Water Participant**" and collectively, the "**Clean Water Participants**") and drinking water facilities (each a "**Drinking Water Participant**" and collectively, the "**Drinking Water Participants**"). The loans are evidenced by bonds, promissory notes or other repayment obligations of the Participant (the "**Authority Bond Participant Obligations**"). The Authority previously issued three series of refunding bonds under the 2004 Master Trust Agreement (defined below) that refunded portions of the Original Bonds: The Series 2001B Refunding Bonds, the Series 2004A Refunding Bonds and the Series 2010A Refunding Bonds, which are collectively referred to herein as the "**2004 Master Trust Refunding Bonds**." The remainder of the principal and interest

^{*} Preliminary, subject to change.

payments on Authority Bond Participant Obligations for series partially refunded by the 2004 Master Trust Refunding Bonds after payment of the debt service on the Original Bonds that remained outstanding after issuance of the 2004 Master Trust Refunding Bonds are included in the definition of “**Remaining Original Bonds**” as further discussed below under “**Security for the Bonds**” and “**SECURITY AND SOURCES OF PAYMENT OF THE BONDS.**”

Portions of the Original Bonds [and portions of the Remaining Original Bonds] will be refunded or defeased with the net proceeds of the Bonds (the “**Refunded Bonds**”) and certain funds of the Authority and the Missouri Department of Natural Resources (“**DNR**”) will be used to cash defease portions of the Original Bonds [and portions of the Remaining Original Bonds] (the “**Cash Defeased Bonds**”) and collectively with the Refunded Bonds, the “**Called Bonds**”), as further described in **Appendix B** to this Official Statement. See “**THE REFUNDING PLAN**” and “**SECURITY PROVIDED BY THE MASTER TRUST AGREEMENTS**” herein.

State Revolving Funds Programs

Direct Loan Programs. In cooperation with the Clean Water Commission of the State of Missouri (the “**Clean Water Commission**”) and the Safe Drinking Water Commission of the State of Missouri (the “**Drinking Water Commission**”), DNR developed and implemented the State of Missouri Direct Loan Program to provide financial assistance to Missouri governmental entities to finance publicly owned wastewater treatment facilities (the “**Clean Water SRF Direct Loan Program**”) and to provide financial assistance to Missouri governmental entities and other eligible entities to finance publicly and privately owned drinking water treatment facilities (the “**Drinking Water SRF Direct Loan Program**”) and collectively with the Clean Water SRF Direct Loan Program, the “**SRF Direct Loan Programs**”).

Leveraged Loan Programs. The Federal Water Quality Act of 1987, which amended the Clean Water Act of 1972 (as amended, the “**Federal Clean Water Act**”), provides for the establishment of state loan programs, the funds of which are used to provide financial assistance to various instrumentalities of the state in connection with the construction of publicly owned systems for transportation, collection, storage, treatment, recycling and reclamation of municipal sewage and certain other water pollution control projects. By resolutions adopted in 1988, 1998 and 2009, the Authority agreed to cooperate with DNR to implement the program contemplated by the Federal Clean Water Act and issue its bonds in connection with the Missouri Leveraged State Water Pollution Control Revolving Fund Program (the “**Clean Water SRF Leveraged Program**”) and collectively with the Clean Water SRF Direct Loan Program, the “**Clean Water SRF Program**”). For further information on the Clean Water SRF Program, see “**STATE REVOLVING FUNDS PROGRAMS**” herein.

The Federal Safe Drinking Water Amendments of 1996, which amended the Safe Drinking Water Act (as amended, the “**Federal Drinking Water Act**”), provides for the establishment of state loan programs, the funds of which are used to provide financial assistance to various community water systems (including for-profit companies) and nonprofit non-community water systems in connection with the construction of drinking water projects. By resolutions adopted in 1998 and 2009, the Authority agreed to cooperate with DNR to implement the program contemplated by the Federal Drinking Water Act and issue its bonds in connection with the Missouri Leveraged State Drinking Water Revolving Fund Program (the “**Drinking Water SRF Leveraged Program**”) and collectively with the Drinking Water SRF Direct Loan Program, the “**Drinking Water SRF Program**”). The Clean Water SRF Program and the Drinking Water SRF Program are referred to herein collectively as the “**State Revolving Funds Programs**” or the “**Programs.**” For further information on the Drinking Water SRF Program, see “**STATE REVOLVING FUNDS PROGRAMS**” herein. All bonds issued by the Authority under the Programs are referred to herein as “**Program Bonds.**”

Program Bonds

Prior to November 2010, each series of Program Bonds (the **"2004 Master Trust Bonds"**) was issued under a separate indenture secured by the trust estate created under the applicable indentures executed in connection with each series of bonds (except for one series of bonds issued by the Authority in 1995 to finance a project for the City of Branson) and were further secured by the Amended and Restated Master Trust Agreement dated as of March 1, 2004, as amended by the First Amendment to Master Trust Agreement dated as of November 1, 2009, and the Second Amendment to Master Trust Agreement dated as of November 1, 2010 (collectively, the **"2004 Master Trust Agreement"**) between the Authority and UMB Bank, N.A., as master trustee (the **"2004 Master Trustee"**).

To better meet the needs of DNR and the Participants in the State Revolving Funds Programs resulting from the development of the SRF Direct Loan Programs, the Authority implemented a new master trust agreement, the Master Trust Agreement dated as of November 1, 2010, as amended by the First Amendment to Master Trust Agreement dated as of November 1, 2011 (collectively, the **"2010 Master Trust Agreement"**) between the Authority and UMB Bank, N.A., as Master Trustee (the **"2010 Master Trustee;"** collectively, the 2004 Master Trust Agreement and the 2010 Master Trust Agreement are referred to herein as the **"Master Trust Agreements"**). The 2010 Master Trust Agreement provides flexibility for the issuance of future Program Bonds secured by excess loan repayments, reserve funds, or a combination of both. Prior to the issuance of the Bonds, bonds issued by the Authority under the 2010 Master Trust Agreement are secured by excess loan repayments or portions thereof, as described herein.

The Authority has issued four prior series of bonds under the 2010 Master Trust Agreement: (1) \$65,920,000 Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2010B (the **"Series 2010B Bonds"**), (2) \$106,830,000 Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2011A (the **"Series 2011A Refunding Bonds"**), (3) \$101,535,000 Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2013A (the **"Series 2013A Refunding Bonds"**) and (4) \$29,935,000 Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Program) Series 2015A (the **"Series 2015A Bonds"**). The Bonds will be the fifth series of Program Bonds to be issued under the 2010 Master Trust Agreement. All Program Bonds, or portions thereof, secured by the 2010 Master Trust Agreement are referred to herein as **"2010 Master Trust Bonds."** The Bonds are 2010 Master Trust Bonds, secured on a parity basis with the Leveraged Portion of the Series 2010B Bonds, the Series 2011A Refunding Bonds and the Series 2013A Refunding and all other future 2010 Master Trust Bonds.

Bonds issued under the 2010 Master Trust Agreement may include a **"State Match Portion"** and a **"Leveraged Portion"** if so designated in the bond indenture pursuant to which such bonds are issued. The State Match portion of such series of bonds is not secured by the principal component of the Pledged Participant Obligations (defined herein) or the principal component of the Pledged Net Participant Payments (defined herein) and are not included within the meaning of Master Trust Bonds under the 2010 Master Trust Agreement. The Leveraged Portion of such series of bonds may be secured by the principal component of the Pledged Participant Obligations and the principal component of the Pledged Net Participant Payments if so designated in the applicable bond indenture, and if so designated, are included within the meaning of Master Trust Bonds under the 2010 Master Trust Agreement.

The Series 2010B Bonds consisted of a **"State Match Portion"** and a **"Leveraged Portion."** The State Match Portion represents the amount of State matching funds contributed by the State under the Federal Clean Water Act and the Federal Drinking Water Act in an amount at least equal to the applicable percentage of the amount of federal funds payable pursuant to the applicable federal capitalization grants

to the State for the Clean Water SRF Program and the Drinking Water SRF Program. The Authority designated the Series 2015A Bonds as “**State Match Portion**” only.

The State Match Portion of the Series 2010B Bonds and the Series 2015A Bonds are secured on a parity basis, and will be secured on a parity basis with the State Match Portions of future series of Program Bonds secured under the 2010 Master Trust Agreement, by the interest component of the Pledged Participant Obligations and the interest component of the Pledged Net Participant Payments, and on a priority basis with respect to the Leveraged Portion of each prior series and future series of Program Bonds secured by the 2010 Master Trust Agreement. The State Match Portion of the Series 2010B Bonds and the Series 2015B Bonds are not secured by the principal component of the Pledged Participant Obligations or the principal component of the Pledged Net Participant Payments and, therefore, neither the State Match Portion of the Series 2010B Bonds or the Series 2015A Bonds are 2010 Master Trust Bonds.

The Leveraged Portion of the Series 2010B Bonds, the Series 2011A Refunding Bonds, the Series 2013A Refunding Bonds and the Bonds are secured, on a subordinate basis to the State Match Portion of the Series 2010B Bonds and the Series 2015A Bonds, by the principal component of the Pledged Participant Obligations and the principal component of the Pledged Net Participant Payments and certain amounts pledged under the 2004 Master Trust Agreement, as described below, and are included in the definition of 2010 Master Trust Bonds. See “**SECURITY AND SOURCES OF PAYMENT OF THE BONDS**” and “**SECURITY PROVIDED BY THE MASTER TRUST AGREEMENTS**” herein.

Security for the Bonds

Limited Obligations. The Bonds are limited obligations of the Authority, payable solely from and secured exclusively by receipts derived by the Authority from (1) all moneys transferred by the 2010 Master Trustee to the Trustee under the 2010 Master Trust Agreement (the “**Indenture Receipts**”) and (2) certain amounts pledged under the 2004 Master Trust Agreement. See “**SECURITY AND SOURCES OF PAYMENT OF THE BONDS**” and “**SECURITY PROVIDED BY THE MASTER TRUST AGREEMENTS**” herein.

The Bonds do not constitute or create an indebtedness, liability or moral obligation of the Participants, the State of Missouri (the “**State**”) or any political subdivision thereof, the United States of America or any agency thereof, DNR, the Clean Water Commission or the Drinking Water Commission. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds nor is the State or any political subdivision thereof liable on the Bonds. The Authority has no taxing power.

Pledge Agreement. In conjunction with a loan from DNR under the Clean Water SRF Direct Loan Program or the Drinking Water SRF Direct Loan Program, each Clean Water Participant or Drinking Water Participant, respectively, issues a bond to DNR, evidencing each Participant’s obligation to repay the loan from DNR (each a “**Participant Obligation**” and, collectively, the “**Participant Obligations**”). The Authority and DNR entered into the Master Pledge Agreement dated as of November 1, 2010, as amended by the First Amendment to Master Pledge Agreement dated as of February 1, 2015 (collectively, the “**Pledge Agreement**”), in connection with the issuance of the Series 2010B Bonds and the delivery of the 2010 Master Trust Agreement. Under the Pledge Agreement, DNR granted, assigned and transferred to the Authority a security interest in all of its right, title and interest in and to the principal and interest payments (the “**Repayments**”) on certain of its Participant Obligations (the “**Pledged Participant Obligations**”) as security (subject to the prior lien on the interest component of the Pledged Participant Obligations and the interest component of the Pledged Net Participant Payments securing the State Match Portion of the Series 2010B Bonds and the Series 2015A Bonds) for

the payment of the principal of, premium, if any, and interest on the Leveraged Portion of the Series 2010B Bonds, the Series 2011A Refunding Bonds, the Series 2013A Refunding Bonds, the Bonds and future Program Bonds to be secured under the 2010 Master Trust Agreement, as more fully discussed below under the section captioned **“SECURITY AND SOURCES OF PAYMENT OF THE BONDS.”** DNR covenants under the Pledge Agreement to direct the paying agents for the Pledged Participant Obligations to transfer the Repayments to the 2010 Master Trustee under the 2010 Master Trust Agreement for deposit to the Repayment Fund no later than each Interest Payment Date. See **“SECURITY AND SOURCES OF PAYMENT OF THE BONDS”** and **“SECURITY PROVIDED BY THE MASTER TRUST AGREEMENTS”** herein.

2010 Master Trust Agreement. Monies sent to the 2010 Master Trustee under the 2010 Master Trust Agreement and transferred by the 2010 Master Trustee to the Trustee as Indenture Receipts include (1) Repayments on the Pledged Participant Obligations pursuant to the Pledge Agreement and (2) the remainder of the principal and interest payments on Authority Bond Participant Obligations received by the Authority from bond trustees for Original Bonds partially refunded by the Series 2011A Refunding Bonds, the Series 2013A Refunding Bonds and the Bonds (collectively, the **“Refunding Bonds”**) and the 2004 Master Trust Refunding Bonds after payment of the debt service on the Original Bonds that remained outstanding after issuance of the Refunding Bonds and the 2004 Master Trust Refunding Bonds (the **“Remaining Original Bonds”**) and after payment of debt service on the 2004 Master Trust Refunding Bonds, which partially refunded certain Original Bonds (such remaining payments are referred to herein as the **“Pledged Net Participant Payments”**). The Pledged Net Participant Payments have been pledged by the Authority to the 2010 Master Trustee pursuant to the Authority Master Pledge Agreement dated as of November 1, 2011 (the **“Authority Pledge Agreement”**), subject in all respects to pledges by the Authority in connection with the issuance of the 2004 Master Trust Refunding Bonds to payment of the Remaining Original Bonds allocable to the Series 2004 Refunding Bonds and payment of debt service on the Series 2014 Refunding Bonds. See **“THE REFUNDING PLAN”** and **“SECURITY AND SOURCES OF PAYMENT OF THE BONDS”** herein.

Subject to the prior lien of State Match Portion of the Series 2010B Bonds and the Series 2015A Bonds, and future Program Bonds that include a State Match Portion, on the interest component of the Pledged Participant Obligations and the interest component of the Pledged Net Participant Payments, the Repayments on the Pledged Participant Obligations and the Pledged Net Participant Payments are pledged as security for the payment of the principal of, premium, if any, and interest on the 2010 Master Trust Bonds, including the Bonds, and any future 2010 Master Trust Bonds on a parity basis. See **“SECURITY AND SOURCES OF PAYMENT OF THE BONDS”** herein.

The 2010 Master Trust Agreement contains conditions that must be satisfied for future series of bonds to be secured by the 2010 Master Trust Agreement. All future series of 2010 Master Trust Bonds will be secured by the 2010 Master Trust Agreement to the extent provided in the Authority’s bond indenture authorizing such series of 2010 Master Trust Bonds. See **“SECURITY PROVIDED BY THE MASTER TRUST AGREEMENTS – 2010 Master Trust Agreement”** herein.

Additional Net Pledged Participant Payments. The Bonds will refund a portion of certain series of the Original Bonds, thus creating additional Remaining Original Bonds. As described above, excess amounts available after payment of debt service on the Remaining Original Bonds attributable to the Original Bonds refunded or defeased with the proceeds of the Bonds is anticipated to result in additional Net Pledged Participant Payments available as security for the 2010 Master Trust Bonds, including the Bonds.

Debt Service Reserve Funds and Earnings. It is anticipated that the debt service reserve funds [and guaranteed investment contracts securing the debt service reserve funds] in connection with the

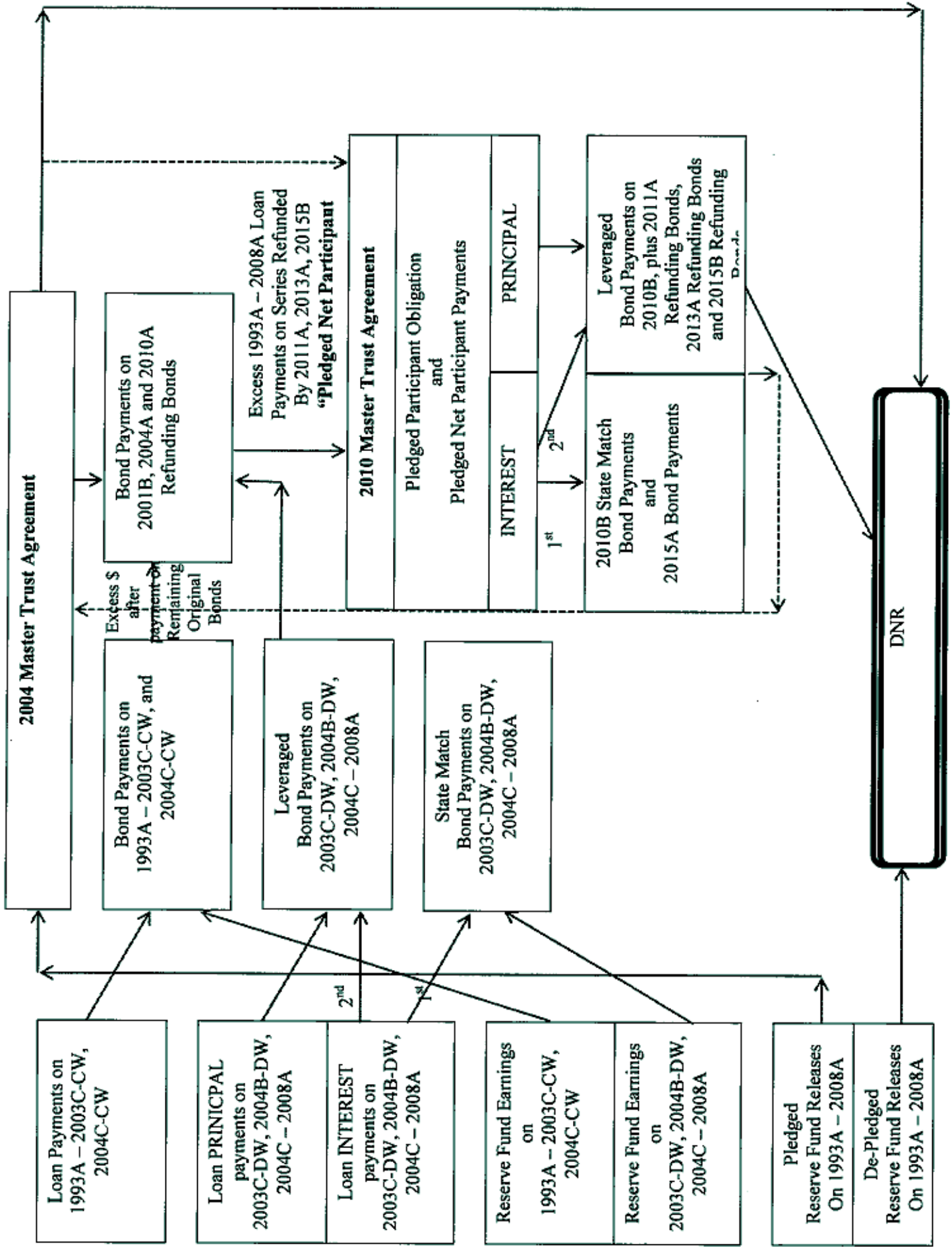
Remaining Original Bonds cash defeased or refunded with a portion of the proceeds of the Bonds will be transferred to the 2010 Master Trustee. Such amounts transferred from the debt service reserve funds, and the interest earnings thereon will provide additional security for the 2010 Master Trust Bonds, including the Bonds. [DISCUSS]

2004 Master Trust Agreement. The Bonds and all other 2010 Master Trust Bonds are further secured by certain amounts available under the 2004 Master Trust Agreement, consisting primarily of certain amounts released from Participants' reserve accounts after payment of debt service on the applicable 2004 Master Trust Bonds. Likewise, Repayments on Pledged Participant Obligations and Pledged Net Participant Payments remaining after payment of debt service on the 2010 Master Trust Bonds are additional security for the 2004 Master Trust Bonds. See "**SECURITY PROVIDED BY THE MASTER TRUST AGREEMENTS – 2004 Master Trust Agreement**" herein.

Flow of Funds Under the Master Trust Agreements

The chart below depicts the flow of funds and priority of sources of revenue under the Master Trust Agreements.

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Other Information

There follows in this Official Statement brief descriptions of the Bonds, certain of the Bond documents, the Programs and the Authority. **Appendix A** to this Official Statement is in three parts. Part 1 provides a list of all Pledged Participant Obligations. Part 2 includes information on the Material Master Trust Participant (see “CONTINUING DISCLOSURE” herein). Part 3 is a listing of the aggregate loan amount for each Participant (each a “2004 Master Trust Participant”) whose obligations are secured by the 2004 Master Trust Agreement (“2004 Master Trust Participant Obligations”).

Appendix B contains a list of the Refunded Bonds and the Cash Defeased Bonds. **Appendix C** contains a summary of the 2010 Master Trust Agreement. **Appendix D** contains a summary of certain provisions of the Indenture. Set forth in **Appendix E** is the proposed form of the opinion which is anticipated to be rendered by Bond Counsel at the time of delivery of the Bonds.

Such descriptions, information and summaries provided herein do not purport to be comprehensive or definitive. All references herein to any documents are qualified by the terms of such documents in their entirety. Until the issuance and delivery of the Bonds, copies of the documents described herein may be obtained from Jefferies LLC, as representative of the underwriters of the Bonds. After delivery of the Bonds, copies of the documents summarized in **Appendix C** and **Appendix D** will be available for inspection at the principal corporate trust office of the Trustee.

DESCRIPTION OF THE BONDS

General Description

The Bonds will be issued as fully registered bonds in the denominations of \$5,000 or any integral multiple of \$5,000 (“Authorized Denominations”). The Bonds will be dated the date of initial issuance and delivery of the Bonds (the “Bond Issuance Date”), will mature on the dates and in the principal amounts and will bear interest at the interest rates per annum set forth on the inside cover hereof. Each Bond shall bear interest from the Bond Issuance Date or from the most recent date to which interest has been paid or duly provided for, payable semiannually on each January 1 and July 1, commencing July 1, 2016 (each an “Interest Payment Date”). Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

The principal of and redemption premium, if any, and interest on the Bonds shall be payable in any currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts, and, except as otherwise provided in the Indenture, such principal and redemption premium, if any, shall be payable by check or draft at the principal payment office of the Trustee or at the office of any duly appointed alternate Paying Agent, upon presentation and surrender of such Bonds. Payment of the interest on any Bond shall be made to the person appearing on the Bond Register as the Bondholder thereof as of the commencement of business of the Trustee on the Record Date for such Interest Payment Date, and shall be paid by check or draft of the Trustee mailed to such Bondholder at such Bondholder’s address as it appears on the Bond Register or at such other address as is furnished to the Trustee in writing by such Bondholder. Notwithstanding the foregoing, the principal of and redemption premium, if any, and interest on the Bonds is payable by electronic transfer in immediately available federal funds pursuant to instructions from any Bondholder of \$500,000 or more in aggregate principal amount of Bonds as of the commencement of business of the Trustee on the Record Date for a particular Interest Payment Date. Any such instructions for electronic transfer shall be in writing, signed by such Bondholder and given by such Bondholder to the Trustee not less than fifteen days prior to the applicable Record Date and shall include the name of the bank (which

shall be in the continental United States), its address, its ABA routing number and the name, number and contact name related to such Bondholder's account at such bank to which the payment is to be credited and shall acknowledge that an electronic transfer fee is payable. Electronic transfers will be made to such electronic transfer address for which instructions were properly given irrespective of any transfer or exchange of the Bonds subsequent to such Record Date and prior to such Interest Payment Date. Unless the Bonds are in book-entry form, no principal of or redemption premium, if any, on the Bonds is payable unless the Bondholder thereof shall have surrendered such Bonds at the principal payment office of the Trustee. All checks, drafts or, at the best efforts of the Trustee, electronic transfers for the payment of the principal of or redemption premium, if any, and interest on the Bonds shall include or have enclosed therewith the CUSIP number and appropriate payment amount for each CUSIP number. If the Authority shall default in payment of interest due on an Interest Payment Date, such defaulted interest shall be payable to the persons in whose names the Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by the Trustee as Bond Registrar, which special record date shall not be less than ten (10) days preceding the date of payment of such defaulted interest.

Redemption; Notice of Redemption

Optional Redemption. The Bonds maturing on and after ____ 1, 20__, are subject to redemption in whole or in part on any date, at the option of the Authority, on and after ____ 1, 20__, at the redemption price of 100% of the principal amount redeemed, plus accrued interest thereon to the redemption date. Bonds to be redeemed pursuant to the optional redemption provisions above shall be selected from the maturities and in the principal amounts as shall be determined by the Authority. The Trustee shall select the Bonds, or portions thereof, to be redeemed from each maturity in such manner as it shall in its discretion determine.

[Special Mandatory Redemption from Pledged Net Participant Payments] [DISCUSS]

Unless waived by any Bondholder of Bonds to be redeemed, official notice of any redemption of Bonds shall be given by the Bond Registrar on behalf of the Authority by mailing a copy of an official redemption notice by first class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date fixed for redemption to the Bondholder of the Bond or Bonds to be redeemed at the address shown on the Bond Register; provided, however, that failure to give such notice by mail as aforesaid to any Bondowner or any defect therein as to any particular Bond shall not affect the validity of any proceedings for the redemption of any other Bonds. All official notices of redemption shall be dated and shall state (1) the redemption date, (2) the redemption price, (3) the CUSIP number (provided, however, that such notice may contain a disclaimer as to the accuracy of such numbers), (4) if less than all Outstanding Bonds are to be redeemed, the identification and the respective principal amounts of the Bonds to be redeemed, (5) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and (6) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal payment office of the Trustee.

In addition to the foregoing notice, further notice shall be given by the Trustee on behalf of the Authority as set out in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

The Trustee shall rescind such notice of the optional redemption of Bonds in accordance with the Indenture in the event moneys available solely for such optional redemption in accordance with the requirements of the Indenture and sufficient to pay the Bonds called for optional redemption and accrued

interest thereon to the redemption date and the redemption premium, if any, shall not have been deposited with the Trustee by the close of business of the fifth Business Day next preceding such optional redemption date.

Upon the happening of the above conditions, and notice having been given as provided in the Indenture, the Bonds or the portions of the principal amount of Bonds thus called for redemption shall cease to bear interest on the specified redemption date, provided moneys sufficient for the payment of the redemption price are on deposit at the place of payment at the time, and shall no longer be entitled to the protection, benefit or security of the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture.

Non-Presentation of Bonds; Unclaimed Moneys

In the event any Bonds shall not be presented for payment when the principal thereof becomes due, if funds sufficient to pay such Bonds shall be held by the Trustee for the benefit of the holder or holders thereof, all liability of the Authority to the holder or holders thereof for the payment of such Bonds shall forthwith cease, determine and be completely discharged and thereupon it shall be the duty of the Trustee to hold such funds without liability for interest thereon, for the benefit of the holder or holders of such Bonds, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under the Indenture or on, or with respect to, such Bonds. All moneys which the Trustee shall have withdrawn from the Debt Service Fund or shall have received from any other source and set aside for the purpose of paying any of the Bonds secured by the Indenture shall be held in trust for the respective holders of such Bonds, but any moneys which shall be so set aside or deposited by the Trustee and which shall remain unclaimed by the holders of such Bonds for a period of one year after the date on which such Bonds shall have become due and payable shall be paid to the Authority; provided, however, that the Trustee, before making any such payment shall send a letter to the last known address for such Bondholders that said moneys have not been claimed and that after a date named therein any unclaimed balance of said moneys then remaining will be returned to the Authority and thereafter the holders of such Bonds shall look only to the Authority for payment and then only to the extent of the amount so received without any interest thereon, and the Trustee shall have no responsibility with respect to such moneys.

Mutilated, Lost, Stolen or Destroyed Bonds

If any Outstanding Bond, whether temporary or definitive, is mutilated, lost, stolen or destroyed, the Authority may execute and, upon its request, the Trustee may authenticate a new Bond of the same principal amount and series and of like tenor as the mutilated, lost, stolen or destroyed Bond; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Authority and the Trustee evidence of the ownership thereof and of such loss, theft or destruction in form satisfactory to the Authority and the Trustee, together with an indemnity satisfactory to them. In the event any such Bond shall have matured or been called for redemption, instead of issuing a substitute Bond the Authority may authorize the payment of the same. The Authority and the Trustee may charge the holder or owner of such Bond with their reasonable fees and expenses in this connection. Any Bond issued under the provisions of this paragraph in lieu of any Bond alleged to be destroyed, lost or stolen shall constitute an original contractual obligation on the part of the Authority, whether or not the Bond so alleged to be destroyed, lost or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of the Indenture together with all other Bonds in substitution for which such Bonds were issued.

Exchange and Transfer of Bonds

As long as any of the Bonds remain Outstanding, the exchange of Bonds shall be permitted at the principal payment office of the Trustee. Any Bond or Bonds, upon surrender thereof at the principal payment office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his legal representative duly authorized in writing, may, at the option of the owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same series of any other Authorized Denominations.

In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Authority shall execute and the Trustee shall deliver Bonds in accordance with the provisions of the Indenture. For every such exchange or transfer of Bonds, whether temporary or definitive, the Authority or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

Book-Entry System

General. The Bonds are available in book-entry only form. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds. Ownership interests in the Bonds will be available to purchasers only through a book-entry system (the “**Book-Entry System**”) maintained by The Depository Trust Company (“**DTC**”), New York, New York. The following information in this section concerning DTC and DTC’s Book-Entry System has been obtained from sources the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each principal maturity of the Bonds, each in the aggregate principal amount of such principal maturity of the Bonds, and will be deposited with the Trustee as DTC’s Fast Agent.

DTC and its Participants. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“**DTCC**”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to

its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Ownership Interests. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

Transfers. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Voting. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of Principal, Redemption Price and Interest. Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by

Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Discontinuation of Book-Entry System. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered. The Authority may decide to discontinue use of the system of book-entry transfer through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

THE REFUNDING PLAN

The Original Bonds

Each series of the Original Bonds was issued pursuant to the 2004 Master Trust Agreement and a bond indenture (individually, an "**Original Indenture**" and collectively, the "**Original Indentures**") between the Authority and the bond trustee named therein (each a "**Refunded Bonds Trustee**" and collectively, the "**Refunded Bonds Trustees**"). The Called Bonds consist of the portions of the series of the Original Bonds as described more fully in Appendix B – "**Summary of the Called Bonds.**"

At the time of issuance of each series of Original Bonds, each Participant issued bonds or delivered its promissory note or other repayment obligations (the "**Authority Bond Participant Obligations**") to evidence its loan repayment obligation to the Authority in an aggregate principal amount and bearing interest at rates sufficient to pay the principal of, premium, if any, and interest on the Original Bonds when due. These Authority Bond Participant Obligations are subsidized by interest earnings on reserve accounts established in connection with the issuance of the Original Bonds (each a "**Reserve Account**" and collectively, the "**Reserve Accounts**"). The Authority Bond Participant Obligations with respect to the series of Original Bonds refunded or defeased with the proceeds of the Refunding Bonds and the 2004 Master Trust Refunding Bonds remain outstanding in their current amounts after the issuance of the Refunding Bonds and the 2004 Master Trust Refunding Bonds, and each such Participant will continue to be obligated to make payments on its Authority Bond Participant Obligations in accordance with the original schedule of principal and interest payments, taking into account the subsidy from the interest earnings on the Reserve Accounts.

The debt service on the Remaining Original Bonds will be paid first, from the earnings on the Reserve Accounts of the applicable Participants as described under the section herein captioned "**SECURITY FOR THE ORIGINAL BONDS,**" and second, from payments on the related Authority Bond Participant Obligations. Subject in all respects to pledges by the Authority in connection with the issuance of the 2004 Master Trust Refunding Bonds to payment of the Remaining Original Bonds allocable to the Series 2004 Refunding Bonds and payment of debt service on the Series 2014 Refunding Bonds, the excess payments of principal and interest on Authority Bond Participant Obligations related to the Original Bond refunded by the Refunding Bonds and the 2004 Master Trust Refunding Bonds after payment of the debt service on the Remaining Original Bonds are Pledged Net Participant Payments, which are pledged by the Authority to, and deposited by the bond trustees for the Original Bonds

refunded by the Refunded Bonds and the 2004 Master Trust Refunding Bonds, respectively, with the 2010 Master Trustee. The Pledged Net Participant Payments will be applied pursuant to the terms of the 2010 Master Trust Agreement and will be available to pay debt service on all 2010 Master Trust Bonds (subject to the prior lien on the interest component of the Pledged Participant Obligations and the interest component of the Pledged Net Participant Payments securing the State Match Portion of the Series 2010B Bonds and the Series 2015A Bonds) including the Bonds, on a parity basis. See “**SECURITY AND SOURCES OF PAYMENT OF THE BONDS**” herein.

Because all interest earnings on the Reserve Accounts of the Participants will be applied only to pay the debt service due on the Remaining Original Bonds, a significant portion of the payments on such Authority Bond Participant Obligations are expected to be Pledged Net Participant Payments. Because the Bonds are being issued to provide refunding savings, upon the issuance of the Bonds, debt service payable on the aggregate of the Remaining Original Bonds and the Bonds will be less than debt service previously payable on the series of Original Bonds not refunded or defeased with the proceeds of the 2004 Master Trust Refunding Bonds and the Refunding Bonds. See “**SECURITY AND SOURCES OF PAYMENT OF THE BONDS**” herein.

The Bonds are not secured by the Reserve Accounts established in connection with the Original Bonds. [However, the Bonds are secured by amounts in the debt service reserve funds [and guaranteed investment contracts securing the debt service reserve funds] in connection with the Remaining Original Bonds cash defeased or refunded with a portion of the proceeds of the Bonds that will be transferred to the Trustee as additional security for the Bonds. See “SECURITY AND SOURCES OF PAYMENT OF THE BONDS – Debt Service Reserve Funds and Earnings” herein.]

Refunding and Defeasance of the Called Bonds

The Authority will use the net proceeds of the Bonds and certain other available funds to refund, defease and pay the principal of, redemption premium, if any, and interest on the Called Bonds in the principal amounts shown in **Appendix B**. The Called Bonds will be redeemed in accordance with the redemption provisions in each of the Original Indentures.

Refunding Bonds. To effect the refunding of the Refunded Bonds, the Authority will enter into an Escrow Deposit Agreement dated as of November 1, 2015 (the “**Refunding Escrow Agreement**”), with UMB Bank N.A., St. Louis, Missouri, as escrow agent (the “**Escrow Agent**”). Pursuant to the Refunding Escrow Agreement, the Authority will deposit a portion of the net proceeds of the Bonds with the Escrow Agent in separate accounts in the Escrow Fund to purchase United States Treasury Obligations (the “**Escrowed Securities**”) and to fund a beginning cash deposit in each account of the Escrow Fund.

The principal amount of the Escrowed Securities, together with interest income thereon, will be payable at such times and in such amounts, together with the moneys held uninvested by the Escrow Agent, to pay, when and as due, all principal of, redemption premium, if any, and interest on the Refunded Bonds on any date on which any principal of, redemption premium, if any, or interest on any of the Refunded Bonds is due. The Refunding Escrow Agreement provides that the Escrowed Securities and the moneys held uninvested by the Escrow Agent are irrevocably pledged to the payment of such Refunded Bonds and the interest thereon and may be applied only to such payment.

Cash Defeased Bonds. To effect the refunding of the Cash Defeased Bonds, the Authority will enter into an Escrow Deposit Agreement dated as of November 1, 2015 (the “**Defeasance Escrow Agreement**”), with UMB Bank N.A., St. Louis, Missouri, as escrow agent (the “**Escrow Agent**”). Pursuant to the Defeasance Escrow Agreement, the Authority will deposit a portion of the net proceeds of

the Bonds and other available funds of the Authority and DNR with the Escrow Agent in separate accounts in the Escrow Fund.

The cash deposited in the accounts in the Escrow Fund will be sufficient to pay, without investment thereof, when and as due, all principal of, redemption premium, if any, and interest on the Cash Defeased Bonds on any date on which any principal of, redemption premium, if any, or interest on any of the Cash Defeased Bonds is due. The Defeasance Escrow Agreement provides that the cash held uninvested by the Escrow Agent is irrevocably pledged to the payment of such Cash Defeased Bonds and the interest thereon and may be applied only to such payment.

SOURCES AND USES OF FUNDS

The following sets forth the expected sources and uses of funds relating to the issuance of the Bonds:

Sources of Funds

Par amount of Bonds	\$
Plus original issue premium	
Authority and DNR Funds	
Total	

Uses of Funds

Deposit to Escrow Fund for Called Bonds	
Costs of Issuance (including Underwriters' discount)	

Total

SECURITY AND SOURCES OF PAYMENT OF THE BONDS

The Indenture

Limited Obligations. The Bonds are limited obligations of the Authority payable solely from (1) the Indenture Receipts, consisting of revenues and receipts derived by the Authority from moneys transferred by the 2010 Master Trustee to the Trustee from amounts available under the 2010 Master Trust Agreement and (2) certain amounts pledged pursuant to the 2004 Master Trust Agreement. See "SECURITY PROVIDED BY THE MASTER TRUST AGREEMENTS" herein.

The Bonds do not constitute or create an indebtedness, liability or moral obligation of the Participants, the State or any political subdivision thereof, the United States of America or any agency thereof, DNR, the Clean Water Commission or the Drinking Water Commission. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds nor is the State or any political subdivision thereof liable on the Bonds. The Authority has no taxing power.

Indenture Receipts Transferred from the 2010 Master Trustee. The 2010 Master Trust Agreement established a Repayment Fund consisting of a Clean Water Principal Account, a Clean Water Interest Account, a Drinking Water Principal Account and a Drinking Water Interest Account. Monies on deposit in the Repayment Fund are pledged and assigned as security for all 2010 Master Trust Bonds, including the Bonds (subject to the prior lien with respect to the interest component of the Pledged

Participant Obligations and the interest component of the Pledged Net Participant Payments securing the State Match Portion of the Series 2010B Bonds and the Series 2015A Bonds). See “- **Master Trust Agreements**” below and “**SECURITY PROVIDED BY THE MASTER TRUST AGREEMENTS**” herein. No later than each Interest Payment Date or other date on which debt service is due on the Bonds, the 2010 Master Trustee will transfer amounts on deposit in the applicable accounts of the Repayment Fund to the Trustee for deposit to the applicable accounts of the Debt Service Fund.

Indenture Receipts received by the Trustee attributable to debt service payments on Pledged Participant Obligations and Pledged Net Participant Payments of Clean Water Participants will be deposited into the Clean Water Account of the Debt Service Fund and applied to pay debt service on the Clean Water Portion and moneys received by the Trustee attributable to debt service payments on Pledged Participant Obligations and Pledged Net Participant Payments of Drinking Water Participants will be deposited into the Drinking Water Account of the Debt Service Fund and applied to pay debt service on the Drinking Water Portion, except as otherwise provided in the 2010 Master Trust Agreement to implement the cross-collateralization of the Clean Water SRF Leveraged Program and the Drinking Water SRF Leveraged Program. See “**SECURITY PROVIDED BY THE MASTER TRUST AGREEMENTS — Master Trust Administration**” herein and **Appendix C — “SUMMARY OF CERTAIN PROVISIONS OF THE 2010 MASTER TRUST AGREEMENT.”**

Pledge Agreement

Pledged Participant Obligations. In conjunction with each loan from DNR made pursuant to the SRF Direct Loan Programs, each Participant issued a Participant Obligation. The Authority and DNR entered into the Pledge Agreement pursuant to which DNR pledged the Repayments on certain Participant Obligations, and thereby designated such Participant Obligations as Pledged Participant Obligations. Under the Pledge Agreement, DNR granted, assigned and transferred to the Authority a security interest in all of its right, title and interest in and to the Repayments as security (subject to the prior lien on the interest component of the Pledged Participant Obligations and the interest component of the Pledged Net Participant Payments securing the State Match Portion of the Series 2010B Bonds and the Series 2015A Bonds) for the payment of the principal of, premium, if any, and interest on the Leveraged Portion of the Series 2010B Bonds, the Series 2011A Refunding Bonds, the Series 2013A Refunding Bonds, the Bonds and future Program Bonds to be secured under the 2010 Master Trust Agreement.

DNR may substitute or add Participant Obligations to the Pledged Participant Obligations by delivering (i) a certificate (a “**Substitution Certificate**”) executed by an Authorized Officer of DNR showing that each of the semiannual principal and interest payments on the substituted Pledged Participant Obligations is at least equal to each of the semiannual principal and interest payments on the replaced Pledged Participant Obligations or (ii) a certificate executed by an Authorized Officer of the Authority (a “**Cash Flow Certificate**”), showing that, after the substitution, expected payments of debt service of the Pledged Participant Obligations (after taking into account the interest portion of the Pledged Participant Obligations allocable to the debt service payment on the State Match Portion of the Series 2010B Bonds, the Series 2015A Bonds and any other State Match Portion of a series of bonds issued under the 2010 Master Trust Agreement), expected earnings on Sinking Funds and other funds available for the payment of debt service are sufficient to timely pay the debt service on the outstanding 2010 Master Trust Bonds and that expected payments of interest on the Pledged Participant Obligations, expected earnings on Sinking Funds and other funds available for the payment of debt service are sufficient to timely pay debt service on the currently outstanding State Match Portion of 2010 Master Trust Bonds. See **Appendix A, Part 1 — “PLEGDED PARTICIPANT OBLIGATIONS”** for a listing of Pledged Participant Obligations as of the date of issuance of the Bonds. See also **Appendix B — “SUMMARY OF CERTAIN PROVISIONS OF THE 2010 MASTER TRUST AGREEMENT.”**

State Environmental Improvement and Energy Resources Authority
322nd Board Meeting
October 22, 2015

Agenda Item #5B
MISSOURI MARKET DEVELOPMENT PROGRAM
FUNDING RECOMMENDATION FOR BRYANT PLASTICS, INC.

Issue:

Bryant Plastics, Inc. requested \$61,875 to purchase equipment costing \$82,500 that will increase production capacity in its existing plastic products production operation.

Action Needed:

Consideration of the funding recommendations for the Bryant Plastics, Inc. project.

Staff Recommendation:

Staff recommends funding this project in the amount of \$61,785 not to exceed 75% of the cost of the equipment.

Staff Contact:

Kristin Tipton

Background:

Bryant Plastics, Inc., located in Gainesville, requested \$61,875 to purchase a new grinder costing \$82,500 that would increase the company's capacity to process waste plastics for the production of additional custom products.

Since 1974, Bryant Plastics has been an innovator in the field of manufacturing poly vinyl chloride (PVC) pipe for use as sewer and water pipe and in an array of custom products. Through projects with the MMDP and MDNR over the years, the company has become a leader in the plastics manufacturing industry for using materials recovered from community recycling centers, commercial recyclers, the construction industry and manufacturers. The company produces pipes, tubes, and rods in custom sizes, colors and perforations along with custom fittings for several industries. It fills requests for custom orders for companies in Missouri, across the United States and around the world.

Bryant Plastics existing grinder was purchased used, with assistance from the MMDP, fifteen years ago and the 25 year old piece of equipment has only half the capacity of the new grinder that would be purchased with this project. Bryant Plastics currently has more market opportunity than current production capacity allows for and has access to abundant scrap material. Presently operating three shifts, Bryant Plastics is getting all the production possible from existing equipment making its high quality products.

A larger capacity grinder will enable Bryant Plastics to manufacture new product line, accept new waste material streams, and significantly increase their annual material diversion, which makes the company eligible to apply for assistance from the program after having received it in the past.

Bryant Plastics anticipates creating two new full time employee positions and diverting 1200 additional 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 \$61,785 not to exceed 75% of the cost of the equipment. This funding recommendation was unanimous.

KT:ge

State Environmental Improvement and Energy Resources Authority
322nd Board Meeting
October 22, 2015

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

Issue:

Midwest Organics, Inc. requested \$250,000 to purchase equipment costing \$678,332 that will increase production capacity in its existing composting operation.

Action Needed:

Consideration of the funding recommendations for the Midwest Organics, Inc. project.

Staff Recommendation:

Staff recommends funding this project in the amount of \$250,000 not to exceed 50% of the cost of the equipment.

Staff Contact:

Kristin Tipton

Background:

Midwest Organics, Inc., a subsidiary of Heartland Equipment and Application, Inc., located in Sikeston, requested \$250,000 to purchase a drum dryer costing \$678,332. The dryer would enable the company to increase production of composted fertilizer made from poultry litter, egg shells, food and other organic waste streams.

Heartland Equipment and Application has been in the poultry litter removal business since 1995, working with companies such as Tyson Foods and Pilgrim's Pride. Midwest Organics, Inc. was formed in 2015 to research and develop products based on an all-natural absorbency material new to the poultry industry and has been producing and field testing products over the past year. The company has recently finished construction of a new composting facility that includes 20,000 square feet under roof.

Midwest Organics fertilizer is a specialty product that has increased water absorption and retention capacity. This means that area farmers cannot only fertilize their crops, but can also decrease reliance on irrigation. The company works with local specialists to provide "prescriptive agriculture" services to area farmers to increase agricultural production. As a result of the litter removal relationships developed by Heartland Application, Midwest Organics now accepts 25-50 tons a week of Tyson's eggshells and waste from the area Pilgrim's Pride cake production facility.

Midwest Organics, Inc. anticipates creating 10 new full time employee positions and diverting 6,000 tons from the waste stream annually with this project. The company anticipates the total project cost will be \$2.2 million. The cost of the project will be covered by income from the parent company business operations and this is supported by financial documents provided with the Midwest Organics application.

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 \$250,000 not to exceed 50% of the cost of the equipment. This funding recommendation was unanimous.

KT:ge

State Environmental Improvement and Energy Resources Authority
322nd Board Meeting
October 22, 2015

Agenda Item #5D
MISSOURI MARKET DEVELOPMENT PROGRAM
FUNDING RECOMMENDATION FOR MISSOURI ORGANIC RECYCLING, INC.

Issue:

Missouri Organic Recycling, Inc. requested \$250,000 to purchase equipment costing \$560,923 that will increase production capacity in its existing composting operation.

Action Needed:

Consideration of the funding recommendations for the Missouri Organic Recycling, Inc. project.

Staff Recommendation:

Staff recommends funding this project in the amount of \$250,000 not to exceed 50% of the cost of the equipment.

Staff Contact:

Kristin Tipton

Background:

Missouri Organic Recycling, Inc., located in Kansas City, requested \$250,000 to purchase a food depackaging system costing \$560,923 to expand their food waste recovery activities associated with their composting operation.

Missouri Organic, a successful past program participant, was the first large scale compost producer in Missouri to incorporate food waste in its products and currently uses material pulled from industrial food production, cafeterias and restaurants, and grocery stores.

There is a tremendous amount of food waste in the region that is still be landfilled because it is primarily product that has been packaged for sale or is too contaminated with packaging to be suitable for composting. Over the past year, Missouri Organic Recycling has conducted a pilot project in which they accepted packaged waste food from Harvesters International and removed packaging by hand. They found packaging contamination to be almost 10% by weight per ton and cost prohibitive to process by hand. By adding a food depackager, Missouri Organic Recycling believes their food waste recovery will immediately increase by at least 20%, enabling them to recover not only packaged food, but also cafeteria waste where the contamination is currently simply too high to use in composting.

The Kansas City Royals, Hy-Vee grocery store in Independence and EARP Distribution, which distributes to approximately 215 McDonald's and Chipotle restaurants in Missouri, have each stated in writing that they could increase the amount of food waste they recycle by 20 percent by adding packaged food waste to what they currently send to Missouri Organic Recycling.

Also, Harvesters International stated in writing that it could increase the food waste it recycles by at least 900 tons per year by adding packaged food waste to what it currently sends to Missouri Organic Recycling.

In a recent press release, the EPA noted that 95% of the 37 million tons of food waste generated by the United States in 2013 was sent to the landfill. Many people in the industry believe that processing packaged food waste is the single largest step needed to increase food waste recovery in the United States. Adding a depackager in the Kansas City area, along with the one currently being installed in St. Louis, will help make Missouri one of the leading states in diverting food waste.

A food depackager will enable Missouri Organic Recycling to accept new waste material streams and significantly increase their annual material diversion, which makes the company eligible to apply for assistance from the program after having received it in the past.

Missouri Organic Recycling, Inc. anticipates creating 3 new full time employee positions and diverting 4,800 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 \$250,000 not to exceed 50% of the cost of the equipment. This funding recommendation was unanimous.

KT:ge

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

Background:

We received notice that our request for \$500,000 in supplemental hazardous substance funding was awarded. Staff has completed application materials and is working with potential applicants to use the money.

Project updates are as follows:

- The first amendment to the loan agreement for this project with Remains, Inc. to remediate the former ACME Battery site has been executed. The new slab, which will serve as a cap for the contaminated property, is scheduled to be poured in October. Remains, Inc., also continues to make interest payments on loan draws.
- The 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, continues to be delayed as the City attempts to source funds for the project, the cost of which far exceeds estimates.
- Habitat for Humanity of Springfield, Missouri, Inc., has entered a contract with a cleanup contractor and work is scheduled to begin in October.
- Bids for the asbestos remediation at the former Kemper Military School Administration building owned by the Boonslick Community Development Corporation were received.
- SMI/SNF Landlord, LLC, continues to repay its loan from the program as scheduled.

- An agreement has been executed for the Shaw Boulevard project with Tower Grove Neighborhoods Community Development Corporation and our environmental consultant has begun working on the Analysis of Brownfield Cleanup Alternatives for the project.
- Staff is working on an agreement for the project with the Lebanon Industrial Development Authority.

KT:ge

State Environmental Improvement and Energy Resources Authority
322nd Board Meeting
October 22, 2015

Agenda Item #7
REVIEW OF STRATEGIC MEASURES

Issue:

We would like to share with the Board an update to our Scorecard for fiscal year 2016.

Action Needed:

None.

Staff Recommendation:

None.

Staff Contact:

Connie Patterson

Background:

As we move into the second quarter of fiscal year 2016, we are updating our Scorecard based on staff input and recommendations. A copy of the current Scorecard is attached for your convenience.

Continuous Quality Improvement

Since the beginning of fiscal year 2016, EIERA staff have had considerable discussion about the need for different measures under the "Continuous Quality Improvement" objective.

Here is how we have decided to move forward:

- Move "Identify, implement efficiencies," currently under Increase Staff Capacity, to Continuous Quality Improvement. The Authority has grown and changed since first implementing its strategic plan in 2013. This change allows us to better capture the intent of this objective and to focus on our service to our external customers.
- Delete "Timeliness of critical documents by deadline" and "Percent of final critical documents with errors (> 5%)," currently under Continuous Quality Improvement. We believe the issues behind these measures have been addressed, based on trends seen in previous Scorecards.
- Develop an updated critical documents list to track our most important projects. This will now be managed outside of our strategic planning process.

- Due to the timing of our decision, we will implement this change beginning in the 2nd Quarter fiscal year 2016 Scorecard.

Our 1st Quarter Scorecard, which we will provide to you in mid-November, will maintain its current look.

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

Thank you.

CP:ge

Attachment

EIERA Balanced Scorecard

6/30/2015

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	Previous	YTD	Target	Rank	Progress
Client dollars saved	6/30/2015	\$25,486,147	\$32,925,515	\$50,000,000		↓
Total dollar amount of projects funded	6/30/2015	\$58,531,490	\$79,098,030	\$115,000,000		↓
Number of environmental impacts	6/30/2015	21	23	20		↑

Improve Client Satisfaction

		Baseline	YTD	Target	Rank	Progress
Client satisfaction ratings improved	9/30/2015	-	-	-		NA
Increase number of EIERA client referrals	6/30/2015	68	80	> 33		↑

Build Awareness of EIERA's Value

		Previous	YTD	Target	Rank	Progress
Survey targeted groups	6/30/2015	-	-	-		NA
# web hits	6/30/2015	4,139	5,546	6,500		↓
# of applications for financing	6/30/2015	5	7	15		↓

Create Sustainable Funding Model/Enhance Financial Strength

		Previous	YTD	Target	Rank	Progress
Total Authority revenue increased	6/30/2015	\$418,447	\$ 642,397	\$800,000		↓
Diversification of revenues (<33%)	6/30/2015	47%	46%	< or = 33%		↓
Average cost of services	6/30/2015	\$ 61.69	\$ 60.82	< \$75		↑

Financial Accountability Excellence

		Previous	YTD	Target	Rank	Progress
# of significant audit findings	6/30/2015	0	0	0		↑

Enhance Partnerships and Relationships

		Baseline	YTD	Target	Rank	Progress
Partner Interest in working with the EIERA	6/30/2015	33	44	8		↑

Continuous Quality Improvement

		Previous	YTD	Target	Rank	Progress
Timeliness of critical documents by deadline	6/30/2015	99%	98%	95%		↑
% of final critical documents with errors (< 5%)	6/30/2015	1%	1%	5%		↑

Communications Practices improved

		Previous	YTD	Target	Rank	Progress
# contacts generating results	6/30/2015	17%	19%	10%		↑
Meeting materials on website by deadline	6/30/2015	100%	98%	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	6/30/2015	1	-	2		↓

Increase Staff capacity

		Previous	YTD	Target	Rank	Progress
Reduce inefficient use of staff time	6/30/2015	11	13	<16		↑
% of identified knowledge gaps addressed	6/30/2015	75%	75%	50%		↑
% of staff training plans implemented	6/30/2015	-	100%	50%		↑

State Environmental Improvement and Energy Resources Authority
322nd Board Meeting
October 22, 2015

Agenda Item #8
PRESENTATION OF FISCAL YEAR 2015 AUTHORITY AUDIT

Issue:

The Fiscal Year 2015 audit is completed and will be presented at the meeting.

Action Needed:

None.

Staff Recommendation:

None.

Staff Contact:

Karen Massey
Mary Vaughan

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 completed in the midst of our transition to new accounting software.

We are currently working with the auditors to finalize the audit and hope to have it in your hands on Wednesday. Mike Oldelehr will be at the meeting Thursday to go over the document with you.

I am pleased with the Audit process and results. As always, I appreciate the learning opportunity the process affords.

JB:ge

**323rd MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY
EIERA Office
425 Madison Street, Second Floor
Jefferson City, Missouri
December 9, 2015
10:00 a.m.**

1. Call to Order

2. Approval of Minutes

Approval of Minutes from the 322nd Meeting of the Authority held October 22, 2015, in Jefferson City, Missouri

3. Tri-County Water Authority

- Consideration and Adoption of Resolution Authorizing the State Environmental Improvement and Energy Resources Authority to Enter Into Certain Supplemental Agreements with the Missouri Department of Natural Resources and Tri-County Water Authority in Connection with the Authority's Outstanding SRF Revenue Bonds Series 2001C, Series 2005A, and Series 2005C

4. Other Business

5. Closed Meeting Pursuant to Section 610.021(1), (3) and (11) RSMo. (as needed)

6. Adjournment of Closed Meeting and Return to Open Meeting

7. 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
LaRee DeFreece, Secretary
Deron Cherry, Vice-Chair, Treasurer

Staff to be Present:

Karen Massey, Director
Joe Boland, Deputy Director
Genny Eichelberger, Office Support Assistant

Legal Counsel to be Present:

David Brown
Lewis Rice LLC

State Environmental Improvement and Energy Resources Authority
323th Board Meeting
December 9, 2015

Agenda Item #3
TRI-COUNTY WATER AUTHORITY
RESOLUTION TO AMEND PRIOR LOAN DOCUMENTS

Issue:

Tri-County Water Authority has requested to amend the rate coverage covenants in their original loan agreements related to SRF bond Series 2001C, 2005A and 2005C in order to conform to the current covenants for rate coverage in other financings.

Action Needed:

Approval of a resolution authorizing the Authority to enter into certain supplemental agreements with the Department of Natural Resources and Tri-County Water Authority in connection with the Authority's outstanding SRF Revenue Bonds Series 2001C, Series 2005A and Series 2005C.

Staff Recommendation:

Staff recommends approving the resolution.

Staff Contact:

Joe Boland

Background:

Tri-County Water Authority is a nonprofit Missouri corporation that was organized on January 11, 1991, for the purpose of providing wholesale potable water to public water supply districts, municipalities and other governmental entities. Their principal offices are located in Independence, Missouri.

Tri-County has been a past participant of the Drinking Water State Revolving Fund (DWSRF) program in Series 2001C, 2005A and 2005C. It has also issued private activity bonds directly through EIERA in 2010 and 2015.

The current rate coverage requirements in Series 2001C, 2005A and 2005C require that annual revenues should be adequate to cover the debt service in the highest two years of their amortization. In more current financings, the rate coverage covenants require revenues adequate to cover the average annual debt service. There have been no issues related to Tri-County meeting their obligations. However, the discrepancy between the two rate covenants creates some administrative challenges and additional costs to Tri-County with little relative return.

This issue was brought to our attention earlier this year but Tri-County did not formally request the changes until recently. It would be desirable to have the amendments in place by the beginning of the year in order for Tri-County to avoid unnecessary consulting fees.

JB:ge

EXHIBIT “A”

RES. 15-__

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

(STATE OF MISSOURI)

RESOLUTION APPROVING THE FORM OF AND AUTHORIZING THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY TO ENTER INTO CERTAIN SUPPLEMENTAL AGREEMENTS WITH THE MISSOURI DEPARTMENT OF NATURAL RESOURCES AND TRI-COUNTY WATER AUTHORITY IN CONNECTION WITH THE AUTHORITY’S OUTSTANDING WATER POLLUTION CONTROL AND DRINKING WATER REVENUE BONDS (STATE REVOLVING FUNDS PROGRAMS – MASTER TRUST) SERIES 2001C, WATER POLLUTION CONTROL AND DRINKING WATER REVENUE BONDS (STATE REVOLVING FUNDS PROGRAMS) SERIES 2005A, WATER POLLUTION CONTROL AND DRINKING WATER REVENUE BONDS (STATE REVOLVING FUNDS PROGRAMS) SERIES 2005C; AND APPROVING CERTAIN OTHER DOCUMENTS AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH.

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

WHEREAS, Tri-County Water Authority, a Missouri nonprofit corporation (the “Corporation”), has borrowed funds to finance the costs of certain water facilities of the Corporation pursuant to three separate but substantially identical Loan Agreements (collectively, the “Original Loan Agreements”) related to the Authority’s (1) Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs – Master Trust) Series 2001C and the related promissory note dated November 1, 2001 from the Corporation to the Authority in the original principal amount of \$2,370,000; (2) Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs), Series 2005A and the related promissory note dated May 1, 2005 from the Corporation to the Authority in the original principal amount of \$23,000,000; and (3) Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs), Series 2005C and the related promissory note dated November 30, 2005 from the Corporation to the Authority in the original principal amount of \$17,625,000; and

WHEREAS, in order to conform the Original Loan Agreements to the current covenants for rate coverage for the Corporation’s conventional financings the Authority finds and determines that it is necessary and desirable to amend the terms of the Original Loan Agreements and to enter into certain documents and take certain other actions in connection therewith 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 Authority Documents. The Authority is hereby authorized to enter into the following documents (the "Authority Documents"), in substantially the forms presented and reviewed by the Authority at this meeting (copies of which documents 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 such documents, such officers' signatures thereon being conclusive evidence of their approval thereof:

(a) First Supplemental Loan Agreement among the Authority, DNR and the Corporation related to the Authority's Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs – Master Trust) Series 2001C;

(b) First Supplemental Loan Agreement among the Authority, DNR and the Corporation related to the Authority's Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2005A; and

(c) First Supplemental Loan Agreement among the Authority, DNR and the Corporation related to the Authority's Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2005C.

Section 2. Execution of Documents. 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. The Secretary or the Assistant Secretary is hereby authorized and directed to attest to the Authority Documents, and to 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. 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 4. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Authority.

ADOPTED this 9th day of December, 2015.

Chairman of the Authority

(Seal)

ATTEST:

Secretary of the Authority

Attachment "A"

FIRST SUPPLEMENTAL LOAN AGREEMENT

Dated as of December 1, 2015

By and Among

STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY,

MISSOURI DEPARTMENT OF NATURAL RESOURCES

and

TRI-COUNTY WATER AUTHORITY

Relating to

STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY

WATER POLLUTION CONTROL AND DRINKING WATER REVENUE BONDS
(STATE REVOLVING FUNDS PROGRAMS – MASTER TRUST)
SERIES 2001C

FIRST SUPPLEMENTAL LOAN AGREEMENT

THIS FIRST SUPPLEMENTAL LOAN AGREEMENT (this “First Supplement”), dated as of December 1, 2015, by and among the STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY, a body corporate and politic and a governmental instrumentality of the State of Missouri (the “Authority”), duly organized and existing under the laws of the State of Missouri, the MISSOURI DEPARTMENT OF NATURAL RESOURCES, a department of the State of Missouri (“DNR”), and TRI-COUNTY WATER AUTHORITY, a nonprofit corporation organized and existing under the laws of the State of Missouri (the “Corporation”).

RECITALS

1. The Authority, DNR and the Corporation have previously entered into a certain Loan Agreement dated as of November 1, 2001 (the “Original Loan Agreement” and, collectively, with this First Supplement, the “Loan Agreement” or the “Agreement”), under which (a) the Authority loaned \$2,370,000 original principal amount of the proceeds of the Authority’s Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs – Master Trust) Series 2001C (the “Bonds”) to the Corporation (the “Loan”) and (b) DNR made a loan to the Corporation in an amount not to exceed \$827,233, in installments, from the Drinking Water Revolving Fund as approved by the Safe Drinking Water Commission of the State of Missouri, an administrative agency of the State of Missouri domiciled within DNR, all for the purposes of providing financing for the Project (as defined in the Original Loan Agreement).

2. The Bonds were issued pursuant to the Bond Indenture dated as of November 1, 2001 (the “Indenture”) by and between the Authority and UMB Bank, N.A., St. Louis, Missouri, as trustee (the “Trustee”).

3. To secure the Bonds, the Authority assigned to the Trustee its right, title and interest in the Note and the Agreement (except for certain rights reserved to the Authority as described in Sections 6.4 and 6.7 of the Original Loan Agreement).

4. Section 7.8 of the Original Loan Agreement and Section 9.1 of the Indenture permit the modification or amendment of the Original Loan Agreement for any change which, in the sole judgment of the Trustee, does not materially adversely affect the interests of the Bondholders, and it is hereby found and determined that this First Supplement will comply in all respects with Section 7.8 of the Original Loan Agreement and Section 9.1 of the Indenture.

5. Capitalized words and terms used in this First Supplement, unless the context requires otherwise, will have the same meanings as set forth in the Original Loan Agreement.

AGREEMENT

Section 1. Rate Covenant. Section 5A.8 of the Original Loan Agreement is hereby amended by deleting the existing Section 5A.8 and inserting the following in substitution thereof:

Section 5A.8. Rate Covenant.

(a) The Corporation covenants and agrees that it will, prior to the close of each Fiscal Year, set rates and charges for the System such that the Net Revenues Available for Debt Service of the Corporation will not be less than the sum of 1.10 times of the amount sufficient to pay Debt Service for the next Fiscal Year calculated with

respect to the Note, the Outstanding Parity Obligations, the Outstanding Senior Obligations and any Additional Obligations. If the Net Revenues Available for Debt Service, as calculated at the end of any Fiscal Year, is less than the rate covenant requirement, the Corporation covenants to retain a Consultant to make recommendations to increase the annual Debt Service coverage for subsequent Fiscal Years to at least the rate covenant requirement. The Corporation agrees that it will follow the recommendations of the Consultant. A copy of the Consultant's report shall be delivered, at the expense of the Corporation, to DNR and the Trustee.

(b) The Corporation will not furnish or permit to be furnished by or from the Project or the Facility any free water or other free service of any kind. The Corporation will levy charges for all water service of any kind furnished at the rates at the time established therefor by the Corporation.

Section 2. Applicability of Original Loan Agreement. Except as otherwise provided in this First Supplement, the provisions of the Original Loan Agreement are hereby ratified, approved and confirmed.

Section 3. Severability of Invalid Provisions. If any agreement provided in this First Supplement is contrary to law, that agreement will be severable from the remaining agreements and will not affect the validity of the other provisions of this First Supplement or the Original Loan Agreement.

Section 4. Execution in Counterparts. This First Supplement may be executed in any number of counterparts, each of which will be regarded for all purposes as one original and constitute one and the same instrument.

Section 5. Applicable Law. This First Supplement will be governed exclusively by the laws of the State.

Section 6. Electronic Transactions. The parties agree that the transaction described herein may be conducted and related documents may be sent, received or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents will be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[Remainder of this page intentionally left blank]

This First Supplemental Loan Agreement is executed as of December 1, 2015.

STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY

(SEAL)
ATTEST:

By _____
Chairman

Secretary

This First Supplemental Loan Agreement is executed as of December 1, 2015.

MISSOURI DEPARTMENT OF NATURAL
RESOURCES

By _____
Department Director

This First Supplemental Loan Agreement is executed as of December 1, 2015.

TRI-COUNTY WATER AUTHORITY

By: _____
President

[SEAL]

ATTEST:

Secretary

Taxpayer Identification No.: 43-1565929

CONSENT OF TRUSTEE

relating to

WATER POLLUTION CONTROL AND DRINKING WATER REVENUE BONDS
(STATE REVOLVING FUNDS PROGRAMS – MASTER TRUST)
SERIES 2001C

The undersigned, UMB Bank, N.A., St. Louis, Missouri (the “Trustee”), as trustee under the Bond Indenture dated as of November 1, 2001 (the “Indenture”) by and between the State Environmental Improvement and Energy Resources Authority and the Trustee, hereby consents, pursuant to Section 9.1 of the Indenture, to the execution and delivery of the First Supplemental Loan Agreement, dated as of December 1, 2015, among the State Environmental Improvement and Energy Resources Authority, the Missouri Department of Natural Resources, and Tri-County Water Authority.

UMB BANK, N.A., as Trustee

By: _____
Title: Vice President

December ____, 2015

State Environmental Improvement and
Energy Resources Authority
Jefferson City, Missouri

UMB Bank, N.A., as trustee
St. Louis, Missouri

Missouri Department of Natural Resources
Jefferson City, Missouri

Tri-County Water Authority
Independence, Missouri

Re: Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs – Master Trust) Series 2001C of the State Environmental Improvement and Energy Resources Authority

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the State Environmental Improvement and Energy Resources Authority (the “Authority”) of the above-captioned bonds (the “Bonds”). The Bonds have been issued pursuant to a Bond Indenture dated as of November 1, 2001 (the “Indenture”), by and between the Authority and UMB Bank, N.A., as trustee (the “Trustee”). Terms not otherwise defined herein shall have the respective meanings as set forth in the Indenture.

Section 9.1 of the Indenture authorizes the Authority, DNR, and the Corporation to enter into supplements to the Loan Agreement to provide for any change which, in the sole judgment of the Trustee, does not materially adversely affect the interests of the Bondholders. Section 9.3 of the Indenture provides that before the Authority, DNR, and the Corporation enter into a supplemental agreement there shall have been delivered to the Authority, the Trustee, DNR and the Corporation an opinion of Bond Counsel stating that such supplemental indenture is authorized or permitted by the 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 Bonds from gross income for federal income tax purposes.

December ____, 2015

Page 2

We have examined the Indenture and the form of the First Supplemental Loan Agreement dated as of December 1, 2015 and such other certificates and proceedings as we deem appropriate in connection with this opinion. Based upon the foregoing, we are of the opinion as of the date hereof as follows:

1. The First Supplemental Loan Agreement is permitted by the Indenture and the Act, complies with their respective terms and will, upon the execution and delivery thereof by the parties thereto, be valid and binding upon the Corporation.

2. The execution and delivery of the First Supplemental Loan Agreement will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

This opinion is limited solely to the matters set forth herein and no other opinion is to be inferred or implied herefrom. This opinion may not be used or relied upon by or published or communicated to any other party for any purpose whatsoever without our prior written approval in each instance.

Very truly yours,

Attachment "B"

FIRST SUPPLEMENTAL LOAN AGREEMENT

Dated as of December 1, 2015

By and Among

STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY,

MISSOURI DEPARTMENT OF NATURAL RESOURCES

and

TRI-COUNTY WATER AUTHORITY

Relating to

STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY

WATER POLLUTION CONTROL AND DRINKING WATER REVENUE BONDS
(STATE REVOLVING FUNDS PROGRAMS)
SERIES 2005A

FIRST SUPPLEMENTAL LOAN AGREEMENT

THIS FIRST SUPPLEMENTAL LOAN AGREEMENT (this “First Supplement”), dated as of December 1, 2015, by and among the STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY, a body corporate and politic and a governmental instrumentality of the State of Missouri (the “Authority”), duly organized and existing under the laws of the State of Missouri, the MISSOURI DEPARTMENT OF NATURAL RESOURCES, a department of the State of Missouri (“DNR”), and TRI-COUNTY WATER AUTHORITY, a nonprofit corporation organized and existing under the laws of the State of Missouri (the “Corporation”).

RECITALS

1. The Authority, DNR and the Corporation have previously entered into a certain Loan Agreement dated as of May 1, 2005 (the “Original Loan Agreement” and, collectively, with this First Supplement, the “Loan Agreement” or the “Agreement”), under which (a) the Authority loaned \$23,000,000 original principal amount of the proceeds of the Authority’s Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2005A (the “Bonds”) to the Corporation (the “Loan”) and (b) DNR made a loan to the Corporation in an amount not to exceed \$17,062,656.98, in installments, from the Drinking Water Revolving Fund as approved by the Safe Drinking Water Commission of the State of Missouri, an administrative agency of the State of Missouri domiciled within DNR, all for the purposes of providing financing for the Project (as defined in the Original Loan Agreement).

2. The Bonds were issued pursuant to the Bond Indenture dated as of May 1, 2005 (the “Indenture”) by and between the Authority and UMB Bank, N.A., St. Louis, Missouri, as trustee (the “Trustee”).

3. To secure the Bonds, the Authority assigned to the Trustee its right, title and interest in the Note and the Agreement (except for certain rights reserved to the Authority as described in Sections 6.4 and 6.7 of the Original Loan Agreement).

4. Section 7.8 of the Original Loan Agreement and Sections 9.1 and 9.2 of the Indenture permit the modification or amendment of the Original Loan Agreement for any change which, in the sole judgment of the Trustee, does not materially adversely affect the interests of the Bondholders, and it is hereby found and determined that this First Supplement will comply in all respects with Section 7.8 of the Original Loan Agreement and Sections 9.1 and 9.2 of the Indenture.

5. Capitalized words and terms used in this First Supplement, unless the context requires otherwise, will have the same meanings as set forth in the Original Loan Agreement.

AGREEMENT

Section 1. Rate Covenant. Section 5A.8 of the Original Loan Agreement is hereby amended by deleting the existing Section 5A.8 and inserting the following in substitution thereof:

Section 5A.8. Rate Covenant.

(a) The Corporation covenants and agrees that it will, prior to the close of each Fiscal Year, set rates and charges for the System such that the Net Revenues Available for Debt Service of the Corporation will not be less than the sum of 1.10 times of the amount sufficient to pay Debt Service for the next Fiscal Year calculated with

respect to the Note, the Series 2001 Note, the Outstanding Senior Obligations and any Additional Obligations. If the Net Revenues Available for Debt Service, as calculated at the end of any Fiscal Year, is less than the rate covenant requirement, the Corporation covenants to retain a Consultant to make recommendations to increase the annual Debt Service coverage for subsequent Fiscal Years to at least the rate covenant requirement. The Corporation agrees that it will follow the recommendations of the Consultant. A copy of the Consultant's report shall be delivered, at the expense of the Corporation, to DNR and the Trustee.

(b) The Corporation will not furnish or permit to be furnished by or from the Project or the Facility any free water or other free service of any kind. The Corporation will levy charges for all water service of any kind furnished at the rates at the time established therefor by the Corporation.

Section 2. Applicability of Original Loan Agreement. Except as otherwise provided in this First Supplement, the provisions of the Original Loan Agreement are hereby ratified, approved and confirmed.

Section 3. Severability of Invalid Provisions. If any agreement provided in this First Supplement is contrary to law, that agreement will be severable from the remaining agreements and will not affect the validity of the other provisions of this First Supplement or the Original Loan Agreement.

Section 4. Execution in Counterparts. This First Supplement may be executed in any number of counterparts, each of which will be regarded for all purposes as one original and constitute one and the same instrument.

Section 5. Applicable Law. This First Supplement will be governed exclusively by the laws of the State.

Section 6. Electronic Transactions. The parties agree that the transaction described herein may be conducted and related documents may be sent, received or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents will be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[Remainder of this page intentionally left blank]

This First Supplemental Loan Agreement is executed as of December 1, 2015.

STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY

(SEAL)
ATTEST:

By _____
Chairman

Secretary

This First Supplemental Loan Agreement is executed as of December 1, 2015.

MISSOURI DEPARTMENT OF NATURAL
RESOURCES

By _____
Department Director

This First Supplemental Loan Agreement is executed as of December 1, 2015.

TRI-COUNTY WATER AUTHORITY

By: _____
President

[SEAL]

ATTEST:

Secretary

Taxpayer Identification No.: 43-1565929

CONSENT OF TRUSTEE

relating to

WATER POLLUTION CONTROL AND DRINKING WATER REVENUE BONDS
(STATE REVOLVING FUNDS PROGRAMS)
SERIES 2005A

The undersigned, UMB Bank, N.A., St. Louis, Missouri (the “Trustee”), as trustee under the Bond Indenture dated as of May 1, 2005 (the “Indenture”) by and between the State Environmental Improvement and Energy Resources Authority and the Trustee, hereby consents, pursuant to Sections 9.1 and 9.2 of the Indenture, to the execution and delivery of the First Supplemental Loan Agreement, dated as of December 1, 2015, among the State Environmental Improvement and Energy Resources Authority, the Missouri Department of Natural Resources, and Tri-County Water Authority.

UMB BANK, N.A., as Trustee

By: _____
Title: Vice President

December ____, 2015

State Environmental Improvement and
Energy Resources Authority
Jefferson City, Missouri

UMB Bank, N.A., as trustee
St. Louis, Missouri

Missouri Department of Natural Resources
Jefferson City, Missouri

Tri-County Water Authority
Independence, Missouri

Re: Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2005A of the State Environmental Improvement and Energy Resources Authority

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the State Environmental Improvement and Energy Resources Authority (the "Authority") of the above-captioned bonds (the "Bonds"). The Bonds have been issued pursuant to a Bond Indenture dated as of May 1, 2005 (the "Indenture"), by and between the Authority and UMB Bank, N.A., as trustee (the "Trustee"). Terms not otherwise defined herein shall have the respective meanings as set forth in the Indenture.

Sections 9.1 and 9.2 of the Indenture authorizes the Authority, DNR, and the Corporation to enter into supplements to the Loan Agreement to provide for any change which, in the sole judgment of the Trustee, does not materially adversely affect the interests of the Bondholders. Section 9.3 of the Indenture provides that before the Authority, DNR, and the Corporation enter into a supplemental agreement there shall have been delivered to the Authority, the Trustee, DNR and the Corporation an opinion of Bond Counsel stating that such supplemental indenture is authorized or permitted by the 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 Bonds from gross income for federal income tax purposes.

We have examined the Indenture and the form of the First Supplemental Loan Agreement dated as of December 1, 2015 and such other certificates and proceedings as we deem appropriate in connection with this opinion. Based upon the foregoing, we are of the opinion as of the date hereof as follows:

December ____, 2015

Page 2

1. The First Supplemental Loan Agreement is permitted by the Indenture and the Act, complies with their respective terms and will, upon the execution and delivery thereof by the parties thereto, be valid and binding upon the Corporation.

2. The execution and delivery of the First Supplemental Loan Agreement will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

This opinion is limited solely to the matters set forth herein and no other opinion is to be inferred or implied herefrom. This opinion may not be used or relied upon by or published or communicated to any other party for any purpose whatsoever without our prior written approval in each instance.

Very truly yours,

Attachment "C"

FIRST SUPPLEMENTAL LOAN AGREEMENT

Dated as of December 1, 2015

By and Among

STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY,
MISSOURI DEPARTMENT OF NATURAL RESOURCES

and

TRI-COUNTY WATER AUTHORITY

Relating to

STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY
WATER POLLUTION CONTROL AND DRINKING WATER REVENUE BONDS
(STATE REVOLVING FUNDS PROGRAMS)
SERIES 2005C

FIRST SUPPLEMENTAL LOAN AGREEMENT

THIS FIRST SUPPLEMENTAL LOAN AGREEMENT (this “First Supplement”), dated as of December 1, 2015, by and among the STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY, a body corporate and politic and a governmental instrumentality of the State of Missouri (the “Authority”), duly organized and existing under the laws of the State of Missouri, the MISSOURI DEPARTMENT OF NATURAL RESOURCES, a department of the State of Missouri (“DNR”), and TRI-COUNTY WATER AUTHORITY, a nonprofit corporation organized and existing under the laws of the State of Missouri (the “Corporation”).

RECITALS

1. The Authority, DNR and the Corporation have previously entered into a certain Loan Agreement dated as of November 1, 2005 (the “Original Loan Agreement” and, collectively, with this First Supplement, the “Loan Agreement” or the “Agreement”), under which (a) the Authority loaned \$17,625,000 original principal amount of the proceeds of the Authority’s Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2005C (the “Bonds”) to the Corporation (the “Loan”) and (b) DNR made a loan to the Corporation in an amount not to exceed \$12,564,586.79, in installments, from the Drinking Water Revolving Fund as approved by the Safe Drinking Water Commission of the State of Missouri, an administrative agency of the State of Missouri domiciled within DNR, all for the purposes of providing financing for the Project (as defined in the Original Loan Agreement).

2. The Bonds were issued pursuant to the Bond Indenture dated as of November 1, 2005 (the “Indenture”) by and between the Authority and UMB Bank, N.A., St. Louis, Missouri, as trustee (the “Trustee”).

3. To secure the Bonds, the Authority assigned to the Trustee its right, title and interest in the Note and the Agreement (except for certain rights reserved to the Authority as described in Sections 6.4 and 6.7 of the Original Loan Agreement).

4. Section 7.8 of the Original Loan Agreement and Sections 9.1 and 9.2 of the Indenture permit the modification or amendment of the Original Loan Agreement for any change which, in the sole judgment of the Trustee, does not materially adversely affect the interests of the Bondholders, and it is hereby found and determined that this First Supplement will comply in all respects with Section 7.8 of the Original Loan Agreement and Sections 9.1 and 9.2 of the Indenture.

5. Capitalized words and terms used in this First Supplement, unless the context requires otherwise, will have the same meanings as set forth in the Original Loan Agreement.

AGREEMENT

Section 1. Rate Covenant. Section 5A.8 of the Original Loan Agreement is hereby amended by deleting the existing Section 5A.8 and inserting the following in substitution thereof:

Section 5A.8. Rate Covenant.

(a) The Corporation covenants and agrees that it will, prior to the close of each Fiscal Year, set rates and charges for the System such that the Net Revenues Available for Debt Service of the Corporation will not be less than the sum of 1.10 times of the amount sufficient to pay Debt Service for the next Fiscal Year calculated with

respect to the Note, the Outstanding Senior Obligations and any Additional Obligations. If the Net Revenues Available for Debt Service, as calculated at the end of any Fiscal Year, is less than the rate covenant requirement, the Corporation covenants to retain a Consultant to make recommendations to increase the annual Debt Service coverage for subsequent Fiscal Years to at least the rate covenant requirement. The Corporation agrees that it will follow the recommendations of the Consultant. A copy of the Consultant's report shall be delivered, at the expense of the Corporation, to DNR and the Trustee.

(b) The Corporation will not furnish or permit to be furnished by or from the Project or the Facility any free water or other free service of any kind. The Corporation will levy charges for all water service of any kind furnished at the rates at the time established therefor by the Corporation.

Section 2. Applicability of Original Loan Agreement. Except as otherwise provided in this First Supplement, the provisions of the Original Loan Agreement are hereby ratified, approved and confirmed.

Section 3. Severability of Invalid Provisions. If any agreement provided in this First Supplement is contrary to law, that agreement will be severable from the remaining agreements and will not affect the validity of the other provisions of this First Supplement or the Original Loan Agreement.

Section 4. Execution in Counterparts. This First Supplement may be executed in any number of counterparts, each of which will be regarded for all purposes as one original and constitute one and the same instrument.

Section 5. Applicable Law. This First Supplement will be governed exclusively by the laws of the State.

Section 6. Electronic Transactions. The parties agree that the transaction described herein may be conducted and related documents may be sent, received or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents will be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[Remainder of this page intentionally left blank]

This First Supplemental Loan Agreement is executed as of December 1, 2015.

STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY

(SEAL)
ATTEST:

By _____
Chairman

Secretary

This First Supplemental Loan Agreement is executed as of December 1, 2015.

MISSOURI DEPARTMENT OF NATURAL
RESOURCES

By _____
Department Director

This First Supplemental Loan Agreement is executed as of December 1, 2015.

TRI-COUNTY WATER AUTHORITY

By: _____
President

[SEAL]

ATTEST:

Secretary

Taxpayer Identification No.: 43-1565929

CONSENT OF TRUSTEE

relating to

WATER POLLUTION CONTROL AND DRINKING WATER REVENUE BONDS
(STATE REVOLVING FUNDS PROGRAMS)
SERIES 2005C

The undersigned, UMB Bank, N.A., St. Louis, Missouri (the “Trustee”), as trustee under the Bond Indenture dated as of November 1, 2005 (the “Indenture”) by and between the State Environmental Improvement and Energy Resources Authority and the Trustee, hereby consents, pursuant to Sections 9.1 and 9.2 of the Indenture, to the execution and delivery of the First Supplemental Loan Agreement, dated as of December 1, 2015, among the State Environmental Improvement and Energy Resources Authority, the Missouri Department of Natural Resources, and Tri-County Water Authority.

UMB BANK, N.A., as Trustee

By: _____
Title: Vice President

December ____, 2015

State Environmental Improvement and
Energy Resources Authority
Jefferson City, Missouri

UMB Bank, N.A., as trustee
St. Louis, Missouri

Missouri Department of Natural Resources
Jefferson City, Missouri

Tri-County Water Authority
Independence, Missouri

Re: Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2005C of the State Environmental Improvement and Energy Resources Authority

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the State Environmental Improvement and Energy Resources Authority (the "Authority") of the above-captioned bonds (the "Bonds"). The Bonds have been issued pursuant to a Bond Indenture dated as of November 1, 2005 (the "Indenture"), by and between the Authority and UMB Bank, N.A., as trustee (the "Trustee"). Terms not otherwise defined herein shall have the respective meanings as set forth in the Indenture.

Sections 9.1 and 9.2 of the Indenture authorizes the Authority, DNR, and the Corporation to enter into supplements to the Loan Agreement to provide for any change which, in the sole judgment of the Trustee, does not materially adversely affect the interests of the Bondholders. Section 9.3 of the Indenture provides that before the Authority, DNR, and the Corporation enter into a supplemental agreement there shall have been delivered to the Authority, the Trustee, DNR and the Corporation an opinion of Bond Counsel stating that such supplemental indenture is authorized or permitted by the 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 Bonds from gross income for federal income tax purposes.

We have examined the Indenture and the form of the First Supplemental Loan Agreement dated as of December 1, 2015 and such other certificates and proceedings as we deem appropriate in connection with this opinion. Based upon the foregoing, we are of the opinion as of the date hereof as follows:

December ____, 2015

Page 2

1. The First Supplemental Loan Agreement is permitted by the Indenture and the Act, complies with their respective terms and will, upon the execution and delivery thereof by the parties thereto, be valid and binding upon the Corporation.

2. The execution and delivery of the First Supplemental Loan Agreement will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

This opinion is limited solely to the matters set forth herein and no other opinion is to be inferred or implied herefrom. This opinion may not be used or relied upon by or published or communicated to any other party for any purpose whatsoever without our prior written approval in each instance.

Very truly yours,