

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

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

- B. Next Meeting Date
- C. Other

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

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

Members to be Present:

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

Staff to be Present:

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

Legal Counsel to be Present:

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

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

**Governor Office Building
200 Madison Street, Room 315
Jefferson City, Missouri
May 20, 2014
10:00 a.m.**

EIERA MEMBERS:

Andy Dalton, Chair
Ryan Doyle, Vice-Chair
Deron Cherry, Treasurer (phone participant)

EIERA STAFF:

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

LEGAL COUNSEL:

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

**OTHER
PARTICIPANTS:**

Eric Crawford
Department of Natural Resources

Chris Ahrens
Shannon Creighton
Gilmore and Bell, P.C.

Martin Ghafoori
Stifel, Nicolaus & Company, Inc.

Tiffany Riemann
Lake Area Industries

Jim Lambert
SCORE

Dennis Lloyd
Kelsi Spurgeon
Columbia Capital Management, LLC

(AGENDA ITEM #1) CALL TO ORDER

Chair Dalton called the 313th meeting of the Environmental Improvement and Energy Resources Authority (the “Authority”) to order at 10:00 AM. Chair Dalton took roll call and asked that the meeting record reflect a quorum was present.

(AGENDA ITEM #2) APPROVAL OF MINUTES

The next order of business was to review and approve the minutes of the 312th meeting (March 20, 2014) of the Authority.

MOTION: Motion was made by Mr. Doyle and seconded by Mr. Cherry to approve the minutes of the 312th meeting of the Environmental Improvement and Energy Resources Authority. By roll call vote, Mr. Cherry, Mr. Doyle and Chair Dalton all voted in favor. Motion carried.

(AGENDA ITEM #3) STATE REVOLVING FUND PROGRAM

Resolution Authorizing the State Environmental Improvement and Energy Resources Authority to Enter Into an Omnibus Supplemental Indenture with Respect to the State Revolving Funds Programs Bonds, and Authorizing the Authority to Take Certain Other Actions in Connection with the Actions Authorized by the Omnibus Supplemental Indenture

Mr. Boland explained that the MDNR continues to receive requests to prepay SRF participant loans. Historically, as each situation arises the Authority has brought a special supplemental indenture to the Board to effect the necessary changes in the affected series of bonds. In order to avoid this piecemeal response to prepayments, Authority Bond Counsel, Gilmore and Bell, proposed an omnibus supplemental indenture (OSI). The OSI amends each of the outstanding series of Authority bonds authorizing the establishment of

accounts and allows the Authority to direct the Trustee about the application of funds as needed when a borrower prepays a loan.

Mr. Ahrens of Gilmore and Bell offered a more detailed explanation of the OSI.

Discussion followed.

MOTION: Motion was made by Mr. Doyle and seconded by Mr. Cherry to Adopt a Resolution Authorizing the State Environmental Improvement and Energy Resources Authority to Enter Into an Omnibus Supplemental Indenture with Respect to the State Revolving Funds Programs Bonds, and Authorizing the Authority to Take Certain Other Actions in Connection with the Actions Authorized by the Omnibus Supplemental Indenture. By roll call vote, Mr. Cherry, Mr. Doyle and Chair Dalton all voted in favor. Motion carried.

(Said Resolution 14-03 is attached hereto and made a part of these minutes as "Exhibit A")

(AGENDA ITEM #4) PROJECT UPDATES

Redemption of Series 2004 Energy Efficiency Leveraged Loan Bonds:

The redemption of the Series 2004 Energy Bonds has taken place and all went well.

Water Quality Fee Study: The study is proceeding as planned. The next deliverable that the Authority will receive from the University of North Carolina will be various fee structures that other states use to fund their water quality programs. Staff will work with MDNR to determine which of those seem feasible for the State of Missouri. Those structures will be modeled to see what the revenue output would be. The project should be completed by fall.

Review of MDNR Affordability Determination Efforts: Mr. Boland reminded the Board that the EIERA Staff had been asked to provide an unbiased evaluation of MDNR's affordability determination process. After discussing the process with MDNR staff and stakeholders and reviewing numerous water quality permits, overall it appears MDNR created a sound process which complies with the statutory requirements. A number of errors were found in the determinations themselves and there was a fair degree of inconsistency between the compliance schedules given to communities with similar affordability determination outcomes. A final report with the Authority's findings and recommendations has been drafted and will be submitted to MDNR soon. Overall, while there is room for improvement, the process is meeting the statutory requirements and MDNR is doing a good job trying to identify and accommodate affordability issues for smaller communities.

Discussion ensued.

Water and Wastewater Infrastructure Affordability Efforts: Since the last Board meeting, an agreement with Wichita State University (WSU) had been fully executed and the first step was to determine which communities would populate the model. Ms. Tipton reminded the Board that the effort was to include small rural communities that are not significantly impacted by urban influence. The Authority and DNR staff agreed to the list that will populate the model, which will include all communities with a population of less than 10,000 but will exclude all in St. Louis, St. Charles, Jackson, Clay and Green Counties.

The preliminary community sustainability model is still on track to be completed by early fall and the project as a whole by the end of the year.

Natural Resource Damage Restoration Projects: Two Scopes of Work are now in place and operating for both the Missouri Prairie Foundation and Webb City projects. The contract between MDNR and the Prairie Foundation has been completed and they have identified the piece of property they wish to purchase, but we have not yet seen a closing schedule. Therefore, it is still unknown when Staff will begin work on the real estate documents. Lewis, Rice and Fingersh prepared a draft conservation easement and staff has been working with MDNR on various terms within the document.

The Webb City project was a little further behind. The contract is near completion within MDNR, but has not been submitted to the community for their signature. Webb City is looking to purchase between 50 to 100 pieces of property which will be done in phases. Phase I will be the highest priority parcels as defined by the Joint Trustees. The second phase will be the next highest priority parcels, etc.

Ms. Massey also noted a milestone: the first Quarterly Progress Report was recently submitted to MDNR. Mr. Rowe had spent a good amount of time creating a tracking system for the Authority's time and costs, so that all financial data would be included in the report as well as the narrative explaining all the services the Authority had performed.

Missouri Brownfields Revolving Loan Fund: The EPA recently announced an opportunity to compete for supplemental brownfield revolving loan money and staff submitted a request for \$500,000 in hazardous substance funds.

Ms. Tipton reminded the Board that they were provided updates on the active projects in their Board Packets. She stated that one project will become inactive as the Carousel Building located in Eldon has received a Certificate of Completion.

Mr. Cherry asked for an update on Remains Inc.

Ms. Tipton stated that Remains, Inc. is making interest payments on its loan from the program and its contractor is finalizing the Remediation Action Plan with BVCP. Signing of the amended agreement to increase the loan size to Remains Inc. has been delayed due to a transfer of property to the company that was incorrectly executed by the St. Louis Land Reutilization Authority.

(AGENDA ITEM #5) MISSOURI MARKET DEVELOPMENT PROGRAM

(AGENDA ITEM #5A) MISSOURI MARKET DEVELOPMENT PROGRAM UPDATE

Ms. Tipton reported that the program had a slow start this fiscal year, but there had recently been several new applications for funding submitted.

(AGENDA ITEM #5B) CONSIDERATION OF THE FUNDING RECOMMENDATION FOR THE ECOTEC SURFACES, LLC, PROJECT AND AUTHORIZING THE DIRECTOR OR HER DESIGNEE TO ENTER INTO AN AGREEMENT ON BEHALF OF THE AUTHORITY

The first financial assistance applicant was EcoTec Surfaces, LLC, located in Kansas City. EcoTec Surfaces requested \$50,000 toward the purchase of equipment costing \$62,000 that would enable the company to increase

production of solid surface counter tops. The product is lightweight, making it attractive for the boating industry, easier on installers, and will save on transportation costs. The company is currently in negotiations with a large convenience store operator for countertop replacement in multiple stores. EcoTec Surfaces, LLC anticipates diverting 272 tons from the waste stream annually and creating 16 new full time jobs with this project.

Ms. Tipton stated that the Missouri Market Development Program (MMDP) Steering Committee unanimously recommends awarding this project \$46,875, not to exceed 75% of the cost of the equipment.

MOTION: Motion was made by Mr. Doyle and seconded by Mr. Cherry to authorize the director or her designee to negotiate and enter into an agreement on behalf of the State Environmental Improvement and Energy Resources Authority with EcoTec Surfaces, LLC for an amount of \$46,875, not to exceed seventy-five percent of the cost of the equipment. By roll call vote, Mr. Cherry, Mr. Doyle and Chair Dalton all voted in favor. Motion carried.

(AGENDA ITEM #5C) CONSIDERATION OF THE FUNDING RECOMMENDATION FOR THE QRS, INC., PROJECT AND AUTHORIZING THE DIRECTOR OR HER DESIGNEE TO ENTER INTO AN AGREEMENT ON BEHALF OF THE AUTHORITY

QRS, Inc., located in St. Louis, requested \$250,000 toward the purchase of equipment costing \$557,000 as part of a \$6,000,000 project. The plant would enable the company to recover post-consumer mixed plastics residuals that material recovery facilities are not targeting or are unable to recover. Ms. Tipton noted that QRS, Inc. has developed technology to recover 85% of the material left in this residual stream, having conducted two years of study with extensive full production trials in Europe. The materials will be sized, sorted, washed,

ground and de-dusted before being packaged for reuse in manufacturing. The marketing of the end product will be performed by St. Josephs Plastics, a successful MMDP participant. QRS, Inc. anticipates diverting 2,080 tons from the waste stream annually and creating up to 30 new full time positions with this project.

The MMDP Steering Committee strongly supports this project. MDNR staff participating in the committee, however, advised that language in the application suggests the business may require a solid waste processing permit. The committee recommends tabling the QRS, Inc. application until DNR has made a determination about whether permits are required.

(AGENDA ITEM #5D) CONSIDERATION OF THE FUNDING RECOMMENDATION FOR THE AVENUE OF LIFE, INC., PROJECT AND AUTHORIZING THE DIRECTOR OR HER DESIGNEE TO ENTER INTO AN AGREEMENT ON BEHALF OF THE AUTHORITY

Avenue of Life, Inc., located in Kansas City, requested \$75,000 toward the purchase of equipment costing \$94,550 that will enable the not-for-profit to recover materials from mattresses and box springs and process them into feedstocks. The mattress recycling initiative is supported by the Mid America Regional Council (MARC) and will be implemented with the collaboration of St. Vincent de Paul of Lane County, Oregon, the leading mattress recycler in the nation. Currently there are no mattress recyclers in the Kansas City area. Avenue of Life, Inc. anticipates diverting 1,677 tons from the waste stream annually and creating seven new full time employee positions with this project.

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

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

(AGENDA ITEM #5E) CONSIDERATION OF THE FUNDING RECOMMENDATION FOR THE EXT INC., PROJECT AND AUTHORIZING THE DIRECTOR OR HER DESIGNEE TO ENTER INTO AN AGREEMENT ON BEHALF OF THE AUTHORITY

EXT, Inc., located in Excelsior Springs, requested \$94,858.67 toward the refurbishment of inoperable equipment that would enable the company to increase recycling capacity and plastic sheet production. EXT, Inc., has been a successful past program participant. By refurbishing inoperable equipment, the company can increase production capacity. The company is one of only a small handful of companies in the United States that recycles plastic material, extrudes sheets and then thermoforms the sheets into finished products. This project will not only substantially increase the company's diversion, but will also enable it to accept materials for which it currently does not have capacity. EXT, Inc. anticipates diverting an additional 609 tons from the waste stream annually and creating 11 new full time employee positions with this project.

The MMDP Steering Committee unanimously recommends awarding this project \$75,000, not to exceed 50% of the cost of the equipment. Discussion ensued.

MOTION: Motion was made by Mr. Cherry and seconded by Mr. Doyle to authorize the director or her designee to negotiate and enter into an agreement on behalf of the State Environmental Improvement and Energy Resources Authority with EXT, Inc., for an amount of \$75,000, not to exceed fifty percent of the cost of the equipment. By roll call vote, Mr. Cherry, Mr. Doyle and Chair Dalton all voted in favor. Motion carried.

(AGENDA ITEM #5F) UPDATE ON LAKE AREA INDUSTRIES PROJECT

Ms. Tipton reminded the Board that in December 2012 the EIERA awarded Lake Area Industries (LAI) \$20,715 towards the purchase of a foam densifier for a project to recover the vast amounts of Styrofoam that remain in nuisance dumpsites throughout the Lake area since the 2008 decision by Ameren UE to require all boat dock foam to be converted to encapsulated floats. Equipment problems have stalled the MMDP project with Lake Area Industries. After much retrofitting of the original machine, including a replacement, it was determined that a more robust and more expensive machine was required. At its September 12, 2013, meeting, the EIERA increased the award to LAI to \$39,000 to cover 75% of the cost of this third machine. The vendor invested a substantial amount of time on this machine also, including a complete rebuild, but it is still not suitable for the operation. In the interim, LAI acquired the services of a volunteer retired engineer who has identified and tested an alternate machine that is capable of processing the foam. The original vendor has refused to refund the purchase price of the inoperable machine. LAI is considering legal steps to sue the vendor for a refund, but obviously this does not help move the project forward in the near future.

Tiffany Riemann, Executive Director for LAI, updated the Board on the status of the project and possible solutions for moving forward. Ms. Riemann deferred to Jim Lambert, a mechanical engineer representing SCORE, for further comment.

Mr. Lambert gave an update of the equipment including the potential purchase of another machine that has been tested and met performance expectations. The new machine would cost approximately \$80,000. Mr. Lambert offered to answer any questions. Discussion ensued regarding the Board's support for this effort and the merits of an additional award to LIA.

MOTION: Motion was made by Chair Dalton and seconded by Mr. Doyle to authorize Staff to explore opportunities for the potential recovery of funds from the earlier project awarded to Lake Area Industries, Inc., and authorizing the director or her designee to negotiate and enter into an agreement on behalf of the State Environmental Improvement and Energy Resources Authority with Lake Area Industries for 75% of the cost of the new machine. By roll call vote, Mr. Cherry, Mr. Doyle and Chair Dalton all voted in favor. Motion carried.

(AGENDA ITEM #6) REVIEW OF FY14 THIRD QUARTER FINANCIALS

Mr. Rowe reported to the Board that the third quarter financials were completed through March 31, 2014, and the Authority is within budget. Heading into the final quarter, two key categories, personnel costs and operating costs, were under budget. The Authority continues to diversify some of our personnel costs through projects such as Natural Resource Damages (NRD), which continues to help improve our other income.

Mr. Rowe stated that he had completed the internal Weatherization audit from 2002 forward and found no issues. He added that procedures were in place and had worked very well to provide an accurate accounting of weatherization funds.

(AGENDA ITEM #7) OTHER BUSINESS

(AGENDA ITEM #7A) OPPORTUNITY FOR PUBLIC COMMENT

There were no comments.

(AGENDA ITEM #7B) NEXT MEETING DATE

Ms. Massey reminded the Board that the next meeting was scheduled for July 10, 2014, at 10:00 a.m. in Jefferson City, Missouri.

(AGENDA ITEM #7C) OTHER

There was no other business to discuss.

(AGENDA ITEM #8) CLOSED MEETING PURSUANT TO Section 610.021 (1) AND (11) RSMO. (AS NEEDED)

MOTION: Motion was made by Mr. Doyle and seconded by Mr. Cherry to close the meeting for the purposes of discussing litigation matters (including confidential or privileged information with the Authority's attorneys), pursuant to Section 610.021 (1) RSMo. By roll call vote, Mr. Cherry, Mr. Doyle and Chair Dalton all voted in favor. Motion carried.

(AGENDA ITEM #9) ADJOURNMENT OF CLOSED MEETING AND RETURN TO OPEN MEETING

(AGENDA ITEM #10) ADJOURNMENT OF OPEN MEETING

There being no further business to come before the Board, Chair Dalton asked for a motion to adjourn.

MOTION: Motion was made by Mr. Cherry and seconded by Mr. Doyle to adjourn the meeting. By roll call vote, Mr. Cherry, Mr. Doyle and Chair Dalton all voted in favor. Motion carried.

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

Agenda Item #5
REGULATORY UPDATE

Issue:

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

Action Needed:

None.

Staff Recommendation:

N/A

Staff Contact:

Joe Boland or Karen Massey

Background:

Post Issuance Compliance

State Revolving Fund

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

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

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

Private Activity Bonds

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

Municipal Advisor Rule

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

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

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

Municipalities Continuing Disclosure Cooperative Initiative (MCDC)

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

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

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

KM:ge

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

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

Issue:

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

Action Needed:

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

Staff Recommendation:

A funding recommendation will be made at the meeting.

Staff Contact:

Kristin Tipton, Development Director

Background:

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

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

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

KT:ge

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

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

Issue:

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

Action Needed:

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

Staff Recommendation:

A funding recommendation will be made at the meeting.

Staff Contact:

Kristin Tipton, Development Director

Background:

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

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

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

KT:ge

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

Agenda Item #7B

MISSOURI BROWNFIELDS REVOLVING LOAN FUND

CONSIDERATION OF THE SPRINGFIELD HABITAT FOR HUMANITY PROJECT REQUEST FOR INCREASE

Issue:

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

Action Needed:

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

Staff recommendation:

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

Staff Contact:

Kristin Tipton, Development Director

Background:

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

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

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

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

KT:ge

Agenda Item #8
ADOPTION OF FISCAL YEAR 2015 BUDGETS

Issue:

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

Action Needed:

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

Staff recommendation:

Staff recommends that the attached budgets be adopted.

Staff Contact:

Karen Massey, Kristin Tipton and Marcus Rowe

Background:

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

Authority

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

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

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

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

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

Market Development

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

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

Brownfields

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

MR:ge

Attachment

**FY 15 Budget Proposed Budget
Authority**

Attachment "A"

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

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

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

FY15 Budget
Brownfields Revolving Loan fund

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

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

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

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

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

Agenda Item #10
ELECTION OF OFFICERS

Issue:

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

Action Needed:

Election of Officers.

Staff Recommendation:

None.

Staff Contact:

Karen Massey

Background:

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

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

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Attachment

Attachment "A"

BYLAWS OF THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

ARTICLE I

Section 1

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

Section 2

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

Section 3

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

ARTICLE II

Section 1

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

Section 2

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

Section 3

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

Section 4

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

Section 5

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

Section 6

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

Section 7

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

Section 8

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

ARTICLE III

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

Section 1

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

Section 2

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

Section 3

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

Section 4

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

Section 5

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

ARTICLE IV

Section 1

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

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

Section 2

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

Section 3

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

Section 4

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

ARTICLE V

Section 1

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

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

Section 2

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

Section 3

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

Section 4

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

Section 5

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

Section 6

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

Section 7

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

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

ARTICLE VI

Section 1

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

Section 2

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

Section 3

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

Section 4

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

ARTICLE VII

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

ARTICLE VIII

Section 1

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

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

Section 2

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

Section 3

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

Section 4

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

Section 5

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

Section 6

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

Section 7

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

Section 8

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

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

Section 9

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

Section 10

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

Section 11

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

ARTICLE IX

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