

**325th MEETING OF THE  
STATE ENVIRONMENTAL IMPROVEMENT  
AND ENERGY RESOURCES AUTHORITY  
EIERA Office  
425 Madison Street, Second Floor  
Jefferson City, Missouri**

**May 12, 2016  
10:15 a.m.**

**Amended Agenda**

1. Call to Order
2. Approval of Minutes  
  
Approval of Minutes from the 324th Meeting of the Authority held March 30, 2016, in Jefferson City, Missouri
3. State Revolving Program
  - A. Consideration and Adoption of a Resolution approving Bond Counsel and Authorizing the Authority to enter into an Agreement Therewith
  - B. Other
4. Energy Efficiency Leveraged Loan Program
  - A. Consideration and Approval of a Resolution Authorizing the Authority to Redeem all of the Energy Efficiency Master Trust Revenue Bonds Series 2006 Maturing in 2016 and Thereafter; and Approving Certain Documents and Authorizing the Authority to take Certain Other Actions in Connection with the Redemption of Said Bonds
5. Missouri Market Development Program
  - A. Program Update
  - B. Other
6. Brownfields Revolving Loan Fund
  - A. Program Update
  - B. Consideration of the Funding Recommendation for the City of Howardville Project and Authorizing the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
  - C. Other
7. Review of Strategic Measures



State Environmental Improvement and Energy Resources Authority  
325<sup>th</sup> Board Meeting  
May 12, 2016

**Agenda Item #4A**

**REDEMPTION OF EIARA ENERGY EFFICIENCY LEVERAGED LOAN PROGRAM BONDS, SERIES 2006**

**Issue:**

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

**Action Needed:**

Consideration and approval of a resolution authorizing the redemption of the Series 2006 Bonds and other actions necessary in connection with the redemption.

**Staff Recommendation:**

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

**Staff Contact:**

Karen Massey

**Background:**

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

The final Series of EELLP Bonds (Series 2005) are currently callable. The EIARA originally issued \$14.775 Million EELLP bonds in 2006, of which \$4.885 Million are outstanding. By redeeming these bonds, the Division of Energy will save interest costs and Trustee fees.

Staff and Authority Counsel have been working with the Bond Trustee (Bank of New York Mellon Trust Company), the original Program Bond Counsel (Hardwick Law Firm) and our Financial Advisor (Columbia Capital) to analyze this opportunity and put together the necessary documents. Attached you will find the Resolution authorizing the Trustee to give

notice of the redemption to bondholders and other interested parties, that funds provided by the Division of Energy be used to redeem the bonds and that other actions be carried out in accordance with the terms of the Bond Indenture. Should you approve this Resolution, applicable notices will be issued on June 28, 2016.

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

Thank you.

KM:ge

Attachment

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

RESOLUTION AUTHORIZING THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY TO REDEEM ALL OF THE ENERGY EFFICIENCY MASTER TRUST REVENUE BONDS SERIES 2006 MATURING IN THE YEARS 2016 AND THEREAFTER; AND APPROVING CERTAIN DOCUMENTS AND AUTHORIZING THE AUTHORITY TO TAKE CERTAIN OTHER ACTIONS IN CONNECTION WITH THE REDEMPTION OF SAID BONDS.

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

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

WHEREAS, in furtherance of the objectives of the Energy Leveraged Loan Program, the Authority issued its Energy Efficiency Master Trust Revenue Bonds, Series 2006, in the original principal amount of \$14,775,000 (the "Bonds") pursuant to the Bond Indenture dated as of January 1, 2006 (the "Indenture") between the Authority and The Bank of New York Mellon Trust Company, N.A., successor to The Bank of New York Trust Company, N.A., as Bond Trustee (the "Trustee") to (i) purchase loans made by DNR, the proceeds of which were used by eligible public school districts and local governmental entities, to finance the costs of energy conservation projects, authorized under Sections 640.651 *et seq.* of the Revised Statutes of Missouri, as amended, and (ii) pay the costs associated with the issuance of the Bonds; and

WHEREAS, the Division of Energy has indicated that it intends to request the Authority pursuant to a direction letter from the Division of Energy (the "Direction Letter"), to defease and exercise its option to redeem all of the Bonds maturing in September 2016 and thereafter using funds to be provided by the Division of Energy and funds otherwise available under the Indenture and the Amended and Restated Master Trust Agreement dated as of January 1, 2006

(the “Master Trust Agreement”) between the Authority and The Bank of New York Mellon Trust Company, N.A., successor to The Bank of New York Trust Company, N.A., as Master Trustee (the “Master Trustee”); and

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

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

Section 1. Findings and Determinations. The Authority hereby finds and determines that the redemption of all of the outstanding Bonds maturing in September 2016 and thereafter (the “Redeemed Bonds”) is in the public interest and within the power and authority vested in the Authority under the Act and the Indenture.

Section 2. Authorization of Redemption of the Redeemed Bonds. Upon (i) receipt of the Direction Letter, (ii) confirmation of the Authority’s financial advisor with respect to the terms and conditions of the proposed redemption of the Redeemed Bonds that such terms and conditions comply with the Authority’s energy bonds program, and (iii) receipt of funds sufficient for such purpose from the Division of Energy in addition to available funds held under the Indenture, the Authority hereby authorizes the redemption of the Redeemed Bonds and further authorizes the Redeemed Bonds to be paid and discharged in accordance with the terms of the Indenture.

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

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

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

ADOPTED this 12th day of May, 2016.

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Chairman of the Authority

(Seal)

ATTEST:

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Secretary/Assistant Secretary of the Authority

State Environmental Improvement and Energy Resources Authority  
325<sup>th</sup> Board Meeting  
May 12, 2016

**Agenda Item #6B**  
**MISSOURI BROWNFIELDS REVOLVING LOAN FUND**  
**CONSIDERATION OF THE CITY OF HOWARDVILLE PROJECT**

**Issue:**

The City of Howardville has submitted a hazardous substance application to the MBRLF, requesting a \$100,000 subgrant to complete remediation of a former school property.

**Action Needed:**

Consideration of the funding recommendation for the City of Howardville 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 City of Howardville submitted a subgrant application to the program requesting funds to complete the remediation of lead-based paint and asbestos-containing materials at the former Howardville school, a three-building complex that sits on 8.2 acres. The City has already received a direct cleanup grant from the EPA for this project, but the selected bid for the project exceeds the amount remaining in that award.

The school has long-standing historical significance to the community, having been built in 1958, after the Supreme Court decision to desegregate in 1954, specifically for African-American students. The school housed, educated and graduated African-American students from 1958 to 1968. Currently, the City is implementing the nomination application for the building to be placed on the National Registry of Historic Places.

Howardville is located in the Bootheel and has a population of 369 in the most recent census. With a median household income of less than \$20,000, the community does not have access to resources to complete a project of this scope. The property is already enrolled in MDNR's Brownfield Voluntary Cleanup Program and a Remedial Action Plan has been prepared.

The City intends to redevelop the property and convert it to a multi-purpose center that would include: a community health center, a community emergency response center, emergency



shelter, a job training center, police department, museum, library and retail space. An alumni group has raised \$10,000 toward redevelopment and the City has applied to other funding sources.

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  
325<sup>th</sup> Board Meeting  
May 12, 2016

**Agenda Item #8**  
**ADOPTION OF FISCAL YEAR 2017 BUDGETS**

**Issue:**

The Authority needs a budget for Fiscal Year 2017 which begins on July 1, 2016.

**Action Needed:**

Consideration and adoption of FY17 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 FY16 adopted budgets, the anticipated final FY16 expenditures and FY17 proposed budgets.

The Authority Budget is similar to that of FY16 with the exception of the projected revenues. We do not anticipate significant Issuance Fee Revenue from the SRF or Private Activity Bonds during the upcoming year. On the expense side, we have included funds to purchase a new photocopier, budgeted the FY17 NRD Direct Costs and included monthly Ethernet fees which were previously paid by the state.

The Market Development Budget revenues reflect the FY17 allocation of the Solid Waste Management Fund as well as those monies not expended in previous years. Anticipated expenses are not significantly different from FY16 although we are decreasing the amount in Business Initiatives and moving those funds into Direct Financial Assistance.

The Brownfields Budget, as in past years, reflects all funds available under the remaining term of the grant rather than what we expect to expend in FY17.

KM:ge

Attachment

**FY17 Proposed Budget  
Authority**

Attachment "A"

	<b>FY16 Budget</b>	<b>FY16 Year End Estimated 6/30/16</b>	<b>Variance</b>	<b>FY17 Proposed Budget</b>
<b>Revenues/Reimbursements:</b>				
MMDP Reimbursement	\$ 45,000	\$ 45,000	\$ -	\$ 45,000
SRF Reimbursement	\$ 160,000	\$ 190,000	\$ (30,000)	\$ 140,000
NRD Reimbursement	\$ 20,000	\$ 45,000	\$ (25,000)	\$ 20,000
Application Fees	\$ 2,500	\$ 2,500	\$ -	\$ 2,500
Issuance fees	\$ 200,000	\$ 223,871	\$ (23,871)	\$ 40,000
Investment Income	\$ 13,000	\$ 13,000	\$ -	\$ 10,000
Misc. Income	\$ 200	\$ -	\$ 200	\$ 200
<b>TOTAL REVENUES</b>	<b>\$ 440,700</b>	<b>\$ 519,371</b>	<b>\$ (78,671)</b>	<b>\$ 257,700</b>

**Expenses:**

**Personal Services**

Per Diem	\$ 500	\$ 100	\$ 400	\$ 500
Office Salaries	\$ 350,000	\$ 285,063	\$ 64,937	\$ 350,000
Payroll Taxes & Fringe	\$ 150,000	\$ 120,650	\$ 29,350	\$ 150,000
Travel Expense Staff	\$ 12,000	\$ 8,287	\$ 3,713	\$ 12,000
Travel Expense Board	\$ 800	\$ 102	\$ 698	\$ 800
<b>Total Personal Services</b>	<b>\$ 513,300</b>	<b>\$ 414,202</b>	<b>\$ 99,098</b>	<b>\$ 513,300</b>

**Professional Services**

Legal Fees & Exps (General)	\$ 10,000	\$ 9,000	\$ 1,000	\$ 10,000
Legal Fees & Exps (SRF Misc.)	\$ 5,000	\$ 3,300	\$ 1,700	\$ 5,000
Legal Fees & Exps (Other Projects)	\$ 12,000	\$ 15,000	\$ (3,000)	\$ 12,000
Accounting Fees	\$ 18,000	\$ 9,000	\$ 9,000	\$ 6,600
Audit Fees	\$ 18,000	\$ 18,613	\$ (613)	\$ 18,500
Misc. Professional Fees	\$ 50,000	\$ 20,000	\$ 30,000	\$ 50,000
<b>Total Professional Services</b>	<b>\$ 113,000</b>	<b>\$ 74,913</b>	<b>\$ 38,087</b>	<b>\$ 102,100</b>

**Operating Expenses**

Equipment Maintenance	\$ 500	\$ -	\$ 500	\$ 500
Telephone & Ethernet	\$ 2,500	\$ 2,025	\$ 475	\$ 8,800
Office Supplies & Printing	\$ 5,500	\$ 4,000	\$ 1,500	\$ 5,500
Postage & Shipping	\$ 1,200	\$ 1,140	\$ 60	\$ 1,200
Membership Dues	\$ 4,000	\$ 3,805	\$ 195	\$ 4,000
Conference Registration	\$ 2,000	\$ 1,650	\$ 350	\$ 2,000
Subscriptions	\$ 200	\$ -	\$ 200	\$ 200
Training	\$ 3,000	\$ 2,500	\$ 500	\$ 3,000
Board Meeting Expense	\$ 300	\$ 350	\$ (50)	\$ 500
Misc & Administrative	\$ 300	\$ 2,134	\$ (1,834)	\$ 300
Advertising	\$ 2,500	\$ -	\$ 2,500	\$ 2,500
Office Maintenance	\$ 200	\$ -	\$ 200	\$ 200
Rent	\$ 32,000	\$ 30,000	\$ 2,000	\$ 32,000
Insurance	\$ 700	\$ 557	\$ 143	\$ 700
Equipment Purchases	\$ 800	\$ -	\$ 800	\$ 5,800
Computer Purchases	\$ 2,000	\$ -	\$ 2,000	\$ 2,000
Computer Software	\$ 6,000	\$ 3,789	\$ 2,211	\$ 2,000
Workers Comp Contingency	\$ 4,500	\$ -	\$ 4,500	\$ 4,500
NRD Direct Costs	\$ -	\$ 9,825	\$ (9,825)	\$ 10,000
<b>Total Operating Expense</b>	<b>\$ 68,200</b>	<b>\$ 61,775</b>	<b>\$ 6,425</b>	<b>\$ 85,700</b>

**Project Assistance**

BRLF Match (Transfer Out)	\$ 295,830	\$ 144,473	\$ 151,357	\$ 295,830
<b>Total Project Assistance</b>	<b>\$ 295,830</b>	<b>\$ 144,473</b>	<b>\$ 151,357</b>	<b>\$ 295,830</b>

<b>TOTAL EXPENSES</b>	<b>\$ 990,330</b>	<b>\$ 695,363</b>	<b>\$ 294,967</b>	<b>\$ 996,930</b>
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**Net Increase (Decrease) in Funds**

**(\$549,630)**

**(\$175,992)**

**(\$739,230)**

**FY 17 Proposed Budget**  
**Missouri Market Development Program**

	FY16 Budget	FY16 Year End Estimated 6/30/16	Variance	FY17 Proposed Budget
<b>Revenues:</b>				
Solid Waste Management Fund	\$ 1,600,677	\$ 772,700	\$ 827,977	\$ 1,627,977
Investment Income	\$ -	\$ 125	\$ (125)	\$ -
<b>TOTAL REVENUES</b>	<b>\$ 1,600,677</b>	<b>\$ 772,825</b>	<b>\$ 827,852</b>	<b>\$ 1,627,977</b>
<b>Expenses:</b>				
<b>Administrative</b>				
Program Salary/Fringe	\$ 80,000	\$ 60,000	\$ 20,000	\$ 80,000
Travel	\$ 1,000	\$ 1,000	\$ -	\$ 1,000
Legal Expenses & Fees	\$ 3,800	\$ 1,000	\$ 2,800	\$ 2,500
Accounting Fees	\$ 3,000	\$ 1,700	\$ 1,300	\$ 2,500
Membership Fees	\$ 1,500	\$ 1,000	\$ 500	\$ 1,500
Conference/Registration Fees	\$ 3,500	\$ 3,300	\$ 200	\$ 3,500
EIERA Costs	\$ 45,000	\$ 45,000	\$ -	\$ 45,000
Direct Costs	\$ 800	\$ 1,700	\$ (900)	\$ 1,000
Training	\$ 400	\$ -	\$ 400	\$ 400
<b>Total Administrative</b>	<b>\$ 139,000</b>	<b>\$ 114,700</b>	<b>\$ 24,300</b>	<b>\$ 137,400</b>
<b>Business Assistance</b>				
Legal Expenses & Fees	\$ 40,000	\$ 18,000	\$ 22,000	\$ 20,000
Travel	\$ 2,500	\$ 2,000	\$ 500	\$ 2,500
Promos/Publication Design & Production	\$ 500	\$ -	\$ 500	\$ 500
Miscellaneous Expense	\$ -	\$ -	\$ -	\$ -
Direct Financial Assistance	\$ 935,719	\$ 300,000	\$ 635,719	\$ 869,577
Direct Financial Assistance-Encumbered	\$ 382,958	\$ 300,000	\$ 82,958	\$ 548,000
Business Initiatives	\$ 100,000	\$ 10,000	\$ 90,000	\$ 50,000
<b>Total Business Assistance</b>	<b>\$ 1,461,677</b>	<b>\$ 630,000</b>	<b>\$ 831,677</b>	<b>\$ 1,490,577</b>
<b>TOTAL EXPENSES</b>	<b>\$ 1,600,677</b>	<b>\$ 744,700</b>	<b>\$ 855,977</b>	<b>\$ 1,627,977</b>

**FY17 Proposed Budget  
Brownfields Revolving Loan Fund**

<b>FY17</b>	<b>Estimated</b>	<b>Anticipated</b>	<b>FY17</b>
<b>Revenues:</b>	<b>Grant Balance</b>	<b>Loan Repayments</b>	<b>Proposed Budget</b>
Federal Reimbursement	\$ 1,338,902	\$ -	\$ 1,338,902
EIERA Match	\$ 269,261	\$ -	\$ 269,261
Loan Repayments	\$ -	\$ 43,570	\$ 43,570
<b>TOTAL REVENUES</b>	<b>\$ 1,608,163</b>	<b>\$ 43,570</b>	<b>\$ 1,651,733</b>
<b>Expenses:</b>			
Office Salaries, Payroll Taxes & Fringe	\$ 307,855	\$ 23,000	\$ 330,855
Travel	\$ 17,623	\$ -	\$ 17,623
Supplies	\$ 1,100	\$ -	\$ 1,100
Contractual	\$ 167,983	\$ -	\$ 167,983
Grant/Loans	\$ 1,113,603	\$ 20,570	\$ 1,134,173
<b>TOTAL EXPENSES</b>	<b>\$ 1,608,164</b>	<b>\$ 43,570</b>	<b>\$ 1,651,734</b>

**FY16 ACTUALS**

<b>FY16</b>	<b>FY16</b>	<b>FY16 Year End</b>
<b>Revenues:</b>	<b>Budget</b>	<b>Estimated 6/30/16</b>
Federal Reimbursement	\$ 1,478,873	\$ 603,932
EIERA Match	\$ 295,830	\$ 118,436
Loan Repayments	\$ 98,591	\$ 72,066
<b>TOTAL REVENUES</b>	<b>\$ 1,873,294</b>	<b>\$ 794,434</b>
<b>Expenses:</b>		
Office Salaries, Payroll Taxes & Fringe	\$ 323,350	\$ 74,146
Travel	\$ 20,859	\$ 2,923
Supplies	\$ 1,100	\$ -
Contractual	\$ 137,721	\$ 29,905
Grant/Loans	\$ 1,291,673	\$ 625,478
<b>TOTAL EXPENSES</b>	<b>\$ 1,774,703</b>	<b>\$ 732,452</b>