

**MINUTES OF THE 312<sup>th</sup> MEETING OF THE  
STATE ENVIRONMENTAL IMPROVEMENT  
AND ENERGY RESOURCES AUTHORITY  
Hawthorn Bank, Hawthorn Room  
3600 Amazonas Drive  
Jefferson City, Missouri  
March 20, 2014  
10:00 a.m.**

**EIERA MEMBERS:** Andy Dalton, Chair  
Deron Cherry, Treasurer (phone participant)  
LaRee DeFreece, Secretary (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:** Doug Garrett  
Department of Natural Resources

Larry Richardson  
Wells Fargo Securities

Arthur Staub  
Craig Hrinkevich  
Wells Fargo Securities (phone participants)

**(AGENDA ITEM #1) CALL TO ORDER**

Chair Dalton called the 312<sup>th</sup> 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 310<sup>th</sup> meeting (January 22, 2014) and 311<sup>th</sup> meeting (February 11, 2014) of the Authority.

**MOTION:** Motion was made by Mr. Cherry and seconded by Ms. DeFreece to approve the minutes of the 310<sup>th</sup> meeting of the Environmental Improvement and Energy Resources Authority. By roll call vote, Mr. Cherry, Ms. DeFreece and Chair Dalton all voted in favor. Motion carried.

**MOTION:** Motion was made by Mr. Cherry and seconded by Ms. DeFreece to approve the minutes of the 311<sup>th</sup> meeting of the Environmental Improvement and Energy Resources Authority. By roll call vote, Mr. Cherry, Ms. DeFreece and Chair Dalton all voted in favor. Motion carried.

**(AGENDA ITEM #3) ENERGY REDEMPTION UPDATE**

Ms. Massey reported that the rating agency, Moodys Investment Services, wanted to perform a credit review of the Series 2006 Energy bonds to determine if the redemption of the 2004 Series would have any impact on the remaining 2006 bonds. As part of the review, they looked at the two largest borrowers that had been in the pool. The reviews of the two school districts were completed last week and Staff should have a surveillance report on the credit by the end of the week.

Ms. Massey explained that following the results of the review, the redemption would move forward with the Trustee Bank providing notice to the

bondholders that the bonds are being called. The redemption will take place no less than 30 days following bondholder notice. Ms. Massey said that the Authority had authorized the request in January, 2014, and there was no action to be taken at this time.

**(AGENDA ITEM #4) PROJECT UPDATES**

Water Quality Fee Study: The University of North Carolina (UNC) and EIERA Staff met with the Missouri Department of Natural Resources (MDNR) on March 4-6 to discuss and gather information necessary to complete the study. The UNC is also researching other state programs to see how they charge for similar activities. The final product will be a revenue requirements model designed to illustrate who pays what for each type of permit and the cost associated with each. This model will assist MDNR and their stakeholders in designing the best permit fee structure to be recommended to the Clean Water Commission.

Water and Wastewater Infrastructure Affordability Efforts: Mr. Rowe stated that the EIERA had been asked to take an unbiased look at the department's affordability determination process. The Missouri Public Utility Alliance (MPUA) had some questions as to how MDNR was performing their affordability assessments on certain small communities. The EIERA was asked to look at the data from a list of those communities provided by MPUA and a list of random communities to see if affordability criteria have been applied in a consistent way. Staff will then submit a final report to DNR summarizing their findings.

Ms. Massey explained that the other part of the affordability effort involves our contract with Wichita State University (WSU). A signed contract should be received by next week and they will start their work on developing a model that will predict whether a community should, or shouldn't, be able to afford water infrastructure improvements. Ms. Massey noted that when the Assessing Water Infrastructure Needs contract is received, the project will be handed over to Ms. Tipton as the Project Manager.

Natural Resource Damages: The EI ERA has worked with MDNR and the U.S. Department of the Interior to develop a contract under which the Missouri Prairie Foundation (MPF) would purchase mine-scarred land for habitat restoration purposes. The MPF will acquire the land, restore it, and then maintain it in a prairie state for a certain number of years. That contract is awaiting final MDNR approval. The EI ERA will be assisting MDNR in contract drafting and real estate transaction facilitation. Staff is working with Lewis, Rice & Fingersh, L.C. on those efforts. Lewis, Rice & Fingersh, L.C. is currently working on a conservation easement to be held by MDNR that will be placed on each of these tracts of land.

Ms. Massey stated that the Authority has also completed a scope of work for doing a very similar project with Webb City, MDNR and the U.S. Department of the Interior. That scope of work is also at MDNR awaiting their approval.

Chair Dalton asked who currently had ownership of the tracts of land and if the lands would be sold to the MPF or to MDNR.

Ms. Massey stated that the tracts of land were owned by private individuals that will be willing sellers, and the land will be purchased by the MPF.

Weatherization: Ms. Massey stated that Mr. Rowe had been working on the EIERA's Weatherization Program accounting to make sure that all of our records reconciled with the Division of Energy's records. Ms. Massey noted that Staff appreciated all of Mr. Rowe's efforts on this project.

Fort Leonard Wood: Ms. Tipton reported that she attended the Society of American Military Engineers (SAME) meeting in Fort Leonard Wood. A number of World War II era buildings are being removed and the footprint of the base is going to be decreased substantially. SAME invited several interested parties, including individuals from the local base. The EIERA made several good contacts and could possibly be involved in a project involving the re-purposing of used building materials at the base since the project is so large. Discussion ensued.

**(AGENDA ITEM #5) SELECTION OF FINANCIAL ADVISOR**

Ms. Massey reminded the Board that, as authorized at the Authority's January 22, 2014 meeting, the RFP for Financial Advisor was released on January 24. The RFP was advertised electronically in the State as well as in the Bond Buyer. The Authority received three quality proposals, but had expected to receive proposals from two other firms as well. Ms. Massey stated that she spoke with the two firms after the deadline had passed. One firm had a potential conflict that another client was not willing to wave and the second firm had just

signed a large client and didn't feel they could serve both of us adequately at this point. The three firms that responded were Sycamore Advisors, Lamont Financial Services Corporation and Columbia Capital Municipal Advisors. All three firms demonstrated various strengths and Ms. Massey summarized what was considered during the evaluations.

Columbia Capital Municipal Advisors was scored higher by all evaluators than the other proposers on the evaluation tool approved by the board, although Lamont Financial Services Corporation scored only two points lower than Columbia Capital Municipal Advisors. Based upon the scores and references, Staff recommends that Columbia Capital Municipal Advisors be the Authority's Financial Advisor.

Chair Dalton asked about the length of the contract. Ms. Massey said the RFP stated the length of the contract would be a three-year contract with the potential to extend it for two additional years. However, the Authority would have the ability to terminate for any reason on thirty days' notice.

Chair Dalton asked if there was a motion.

**MOTION:** Motion was made by Mr. Cherry and seconded by Ms. DeFreece to Approve Columbia Capital Municipal Advisors to serve as Financial Advisor to the Authority and authorized the Director or her designee to negotiate and enter into an agreement therewith on behalf of the Authority. By roll call vote, Mr. Cherry, Ms. DeFreece and Chair Dalton all voted in favor. Motion carried.

**(AGENDA ITEM #6) BROWNFIELDS REVOLVING LOAN FUND**

**(AGENDA ITEM #6A) PROGRAM UPDATE**

There was no program update to report.

**(AGENDA ITEM #6B) CONSIDERATION AND APPROVAL OF THE FUNDING RECOMMENDATION FOR THE REMAINS, INC. PROJECT AND AUTHORIZATION FOR THE DIRECTOR OR HER DESIGNEE TO ENTER INTO AN AGREEMENT ON BEHALF OF THE AUTHORITY**

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

Remains, Inc. submitted updated financial information which has been reviewed by staff and by Kathleen Barney, a former bank lender now employed by the Missouri Development Finance Board. Ms. Barney prepared a document showing Remains' financial ratios which are typically used by lenders when considering loans. All in all, Ms. Barney thought this looked like a reasonable risk for a loan.

Ms. Tipton stated that the MBRLF Review Team, consisting of representatives from the Authority, MDNR and the Missouri Department of Economic Development unanimously recommends that the Authority increase the loan amount to Remains, Inc. from \$350,000 to \$630,000, keeping the same terms as previously negotiated. Discussion ensued.

**MOTION:** Motion was made by Mr. Cherry and seconded by Ms. DeFreece to authorize the funding recommendation for the Remains, Inc. Project and for the director or her designee to enter into an amended agreement on behalf of the Authority. By roll call vote, Mr.

Cherry, Ms. DeFreece, Mr. Doyle and Chair Dalton all voted in favor.  
Motion carried.

**(AGENDA ITEM #6C) OTHER**

No other Brownfields business was discussed.

**(AGENDA ITEM #7) STRATEGIC MEASURES DISCUSSION**

Ms. Massey reported that it had been approximately one year since Staff began measuring items for use in the Scorecard and felt it is time to look at those measures with the Board as well as our current performance in relation to the measures and potential adjustments. Staff asked for the Board's thoughts regarding the effectiveness of each.

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

**(AGENDA ITEM #8) OTHER BUSINESS**

**(AGENDA ITEM #8A) OPPORTUNITY FOR PUBLIC COMMENT**

Doug Garrett with the Missouri Department of Natural Resources gave a brief summary of the SRF kickoff of the Small Community Engineering Assistance Grant Program earlier this year, which has been well received by small communities.

Chair Dalton thanked Mr. Garrett for attending the meeting and giving the Board the update.

**(AGENDA ITEM #8B) NEXT MEETING DATE**

Chair Dalton asked if there was a date set for the next Board Meeting.

Ms. Massey explained to the next Board that the next meeting was scheduled for May 8, Truman Day. Staff recommends the Board change the meeting to Tuesday, May 20, 2014. All Board Members agreed to change the meeting date.

**(AGENDA ITEM #8C) OTHER**

There was no other business to discuss.

**(AGENDA ITEM #9) 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 Ms. DeFreece to adjourn the meeting. By roll call vote, Chair Dalton, Ms. DeFreece and Mr. Cherry all voted in favor. Motion carried.

  
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