

**MINUTES OF THE 316th MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

EIERA Office

425 Madison Street, Second Floor

Jefferson City, Missouri

November 20, 2014

10:00 a.m.

EIERA MEMBERS:

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

EIERA STAFF:

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

LEGAL COUNSEL:

David Brown
Lewis, Rice & Fingersh, L.C. (phone participant)

**OTHER
PARTICIPANTS:**

Dennis Lloyd
Columbia Capital Management, LLC

Larry Richardson
Wells Fargo Securities

Kelly Schwartze
Williams-Keepers, LLC

(AGENDA ITEM #1) CALL TO ORDER

Chair Dalton called the 316th 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 315th meeting (September 3, 2014) of the Authority.

MOTION: Motion was made by Mr. Doyle and seconded by Ms. DeFreece to approve the minutes of the 315th meeting of the Environmental Improvement and Energy Resources Authority. By roll call vote, Mr. Doyle, Mr. Cherry, Ms. DeFreece and Chair Dalton all voted in favor. Motion carried.

(AGENDA ITEM #3) PRESENTATION OF FISCAL YEAR 2014 AUTHORITY AUDIT

Ms. Massey provided the Board with an audit summary and reminded them that copies of the audit report had previously been e-mailed to them. She was pleased that there were no significant findings. Ms. Massey called upon Ms. Schwartze, Audit Manager, from Williams-Keepers LLC, to present the audit results.

Ms. Schwartze explained four different reports were issued as part of the audit: the opinion on the financial statements, a separate Market Development report, an audit communications letter to the Board and a management letter. Ms. Schwartze stated that the Authority received an unqualified audit with no material findings.

Chair Dalton requested additional time for the Board to review the Audit and asked the Members to bring questions, if any, to the next meeting.

Ms. Schwartze noted that a new standard, GASB 68, requires all government entities to record their net pension obligations on their financial statements; as such, a new liability will be shown on future audits.

Chair Dalton thanked Ms. Schwartze for the audit and presentation.

(AGENDA ITEM #4) STATE REVOLVING FUND PROGRAM UPDATE

Mr. Boland reported to the Board that he and Ms. Massey recently attended the Council of Infrastructure Financing Authorities (CIFA) Conference in Portland, OR. There was a lot of discussion with the EPA regarding several new changes to the State Revolving Fund (SRF) programs that were passed in the 2014 Water Resources Reform and Development Act (WRRDA) and how states will be implementing them. Staff will be working with the Missouri Department of Natural Resources (MDNR) to monitor how those changes are going to affect the SRF Program.

Ms. Massey explained to the Board that there were three parts to the CIFA meeting: a Members meeting, a Training Conference on SRF issues, and a State/EPA Workgroup where states discuss issues directly with the EPA. Ms. Massey noted that Mr. Richardson and Mr. Lloyd attended the conference and called upon them for their impression of it.

Ms. Massey also noted that Mr. Boland was unanimously elected to the CIFA Board.

Mr. Boland noted that staff has offered assistance to MDNR to update the SRF IUP document. Ms. Patterson will be leading this effort. The first meeting was held on November 19, 2014.

Mr. Boland added that staff would be working on a new-money bond sale for MDNR as they are in need of state match to be able to draw their federal SRF capitalization grants. Staff is putting together a relatively aggressive schedule with Mr. Lloyd and Mr. Richardson because MDNR would like to have money by the end of January, 2015. Mr. Boland suggested that a telephone meeting with the Board in early January might be necessary for preliminary approvals.

(AGENDA ITEM #5) OTHER FINANCINGS

(AGENDA ITEM #5A) HENRY COUNTY WATER COMPANY SERIES 2014A

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

Mr. Boland explained that in 2004, the Henry County Water Company refunded the outstanding Series 1996 bonds by issuing \$11,815,000 through the Authority. To realize further interest savings, the Henry County Water Company once again requested that the Authority sell private activity bonds to refund the outstanding balance of \$8,775,000 remaining in the 2004 Series. The estimated present value savings was approximately \$664,500. The underwriters for this transaction were Edward D. Jones & Co. and Piper Jaffrey & Co.

(AGENDA ITEM #6) PROJECT UPDATES

Water Quality Fee Study

Ms. Massey reminded the Board that staff was working with MDNR and the University of North Carolina (UNC) on the Water Quality Fee Study. She stated the Authority received UNC's revenue and expense model in-house this week for review. This will be followed by training for MDNR staff on how to input items and how to change the input functions of that model. There will also be communications training on how to discuss the model with their stakeholders.

Missouri Comprehensive Statewide Energy Plan

Ms. Massey explained to the Board that she had been spending a lot of time working to develop Missouri's first Comprehensive Statewide Energy Plan since the Authority did one approximately 22 years ago. Ms. Massey stated that she was a part of a steering committee that was appointed to travel all over the state during October listening to presentations and taking public testimony. The committee has now divided into work groups that are looking into various facets of what could go into a state energy plan.

Ms. Massey found the work interesting and added that the issues tied nicely to the Authority's business and strategic planning efforts.

Chair Dalton expressed that he was glad to see Ms. Massey's involvement in the energy business as we are not only environmental improvement, but also energy resources.

Assessing Wastewater Infrastructure Needs (AWIN)

Ms. Tipton reported that the project with Wichita State University (WSU) to analyze affordability infrastructure needs for communities in Missouri was moving along nicely. WSU has submitted to the Authority the Phase II report, which outlines the data sets that are believed to be predictive of population change in Missouri. The decision-making tool is nearly complete. This will be supplemented with a survey that they have developed where, beyond using the predictive data, we will be able to go out and ask communities if there are things that we are not looking at that might influence population change in their communities.

(AGENDA ITEM #7) BROWNFIELDS REVOLVING LOAN FUND

(AGENDA ITEM #7A) PROGRAM UPDATE

Ms. Tipton reminded the Board that they had previously received project updates in their packet, but there were a few updates she wanted to point out. Staff recently received a subgrant application from the Tower Grove Neighborhoods Community Development Corporation for property that is not quite ready for eligibility determination. The application will be reviewed for funding consideration once final soil testing results are obtained so that the full extent of contamination can be determined.

Ms. Tipton stated that she had been working with another developer from St. Louis for a large loan amount that looked very promising. The Authority will

also receive a grant request from the City of Boonville for part of the Kemper Military Academy.

Ms. Tipton stated that Remains, Inc., has been progressing nicely, but has been delayed until spring. She was very happy to report that MDNR would be sending a certificate of completion for the former Alliance Medical Warehouse site in Russellville.

(AGENDA ITEM #7B) AUTHORIZATION TO EXTEND THE ENVIRONMENTAL SERVICES CONSULTANT CONTRACT WITH SEAGULL ENVIRONMENTAL TECHNOLOGIES, INC.

Ms. Tipton stated that staff recommends the Authority approve renewal for one additional two-year term with Seagull Environmental Technologies, Inc., for environmental services to the Authority as allowed in the existing agreement. Seagull Environmental has provided excellent service to the program when needed.

Chair Dalton asked if there was a motion.

MOTION: Motion was made by Mr. Cherry and seconded by Mr. Doyle to extend the Environmental Services Consultant Contract with Seagull Environmental Technologies, Inc., for one additional two-year term. By roll call vote, Mr. Doyle, Mr. Cherry, Ms. DeFreece and Chair Dalton all voted in favor. Motion carried.

(AGENDA ITEM #8B) CONSIDERATION OF THE FUNDING RECOMMENDATION FOR THE ST. LOUIS COMPOSTING, INC., PROJECT AND AUTHORIZING THE DIRECTOR OR HER DESIGNEE TO ENTER INTO AN AGREEMENT ON BEHALF OF THE AUTHORITY

Ms. Tipton reported that St. Louis Composting, Inc., requested \$250,000 to purchase equipment costing \$440,000 that will enable the company to separate expired or recalled food from its packaging, allowing it to compost the organic fraction and recycle the packaging. The equipment, which uses relatively new

technology currently not found in Missouri, will also separate disposable tableware from collected food service waste. St. Louis Composting anticipates creating five new full-time employee positions and diverting an additional 6,500 tons from the waste stream annually with this project.

Ms. Tipton stated that the Missouri Market Development Program Steering Committee recommends funding this project in the amount of \$220,000, not to exceed 50 percent of the cost of the equipment. This is the highest amount for which the project is eligible under program's eligibility criteria. This funding recommendation was unanimous.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. DeFreece to authorize the director or her designee to negotiate and enter into an agreement on behalf of the Authority with St. Louis Composting, Inc., for an amount of \$220,000, not to exceed 50 percent of the cost of the equipment. By roll call vote, Mr. Cherry, Ms. DeFreece, Mr. Doyle and Chair Dalton all voted in favor.

(AGENDA ITEM #8C) CONSIDERATION OF THE FUNDING RECOMMENDATION FOR THE DMR PLASTICS, INC., PROJECT AND AUTHORIZING THE DIRECTOR OR HER DESIGNEE TO ENTER INTO AN AGREEMENT ON BEHALF OF THE AUTHORITY

Ms. Tipton reported that DMR Plastics, Inc., requested \$100,000 to purchase equipment costing \$170,000 that will enable the company to wash and dry previously unrecovered contaminated plastics so that they can be ground and sold for manufacturing feedstock. The addition of a wash line will enable the company to meet a growing customer need as businesses continue to identify means by which to reduce production costs. DMR Plastics anticipates adding six new full-time employees and diverting an additional 1,500 tons annually with this project.

Ms. Tipton stated that the Missouri Market Development Program Steering Committee recommends funding this project in the amount of \$100,000, not to exceed 66 percent of the cost of the equipment. This funding recommendation was unanimous.

MOTION: Motion was made by Ms. DeFreece and seconded by Mr. Cherry to authorize the director or her designee to negotiate and enter into an agreement on behalf of the Authority with DMR Plastics, Inc., for an amount of \$100,000, not to exceed 66 percent of the cost of the equipment. By roll call vote, Mr. Doyle, Ms. DeFreece, Mr. Cherry and Chair Dalton all voted in favor.

(AGENDA ITEM #8D) AUTHORIZATION FOR THE DIRECTOR OR HER DESIGNEE TO NEGOTIATE AND ENTER INTO AN AGREEMENT WITH BRIDGING THE GAP, INC., FOR THE DEVELOPMENT OF A WEB-BASED MISSOURI RECYCLED PRODUCTS DIRECTORY

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

Our longtime partner in several projects to promote the use of recovered materials, Bridging the Gap, has proposed to build, test and launch a Web-based version of the directory for us. This would allow vendors to upload product descriptions and pictures for posting (upon our review and approval),

and provide the ability for users to access and search the directory online and via mobile devices.

Ms. Tipton stated that the cost of development and production of the website is \$7,500. Staff believes it makes sense to budget an additional \$500 for tweaks we might desire as the new directory is put in use. The agreement with Bridging the Gap would be for one year at an amount not to exceed \$8,000 for these services. Additional costs will be Web hosting fees (approximately \$10/month) and domain name renewals (approximately \$30/year), which will be paid by the Authority directly and not as part of the Bridging the Gap agreement. The cost of developing and maintaining the Web site would come from the program's business initiatives budget category.

MOTION: Motion was made by Mr. Cherry and seconded by Mr. Doyle to negotiate and enter into a one-year agreement with Bridging the Gap, Inc., for a Web-based Missouri Recycled Products Directory in an amount not to exceed \$8,000. By roll call vote, Mr. Cherry, Mr. Doyle, Ms. DeFreece and Chair Dalton all voted in favor.

(AGENDA ITEM #8E) OTHER

Chair Dalton asked how much the audit shows we have in MMDP and how much the Authority had authorized to date.

Ms. Massey explained that the Authority expended \$328,000 today, and we had approximately \$400,000 in funds we could award for new projects. She said there are often old projects that do not draw everything, or we find other amounts that we know we are not going to need for other purposes, such as travel or business initiatives. Should we get additional projects, with the Board's

approval, we can then shift those funds into the project category. Ms. Massey stated that after the meeting, staff would send the Board a detailed report on previous years obligated funds, their current balance, as well as the Fiscal Year 2015 monies and obligations.

(AGENDA ITEM #9) REVIEW OF STRATEGIC MEASURES

Ms. Patterson gave an update on strategic measures for first quarter Fiscal Year 2015, the Communications Plan and the EIERA Web site. She stated by tracking and paying closer to attention to the increases in the number of client referrals, partner interest and the number of contacts generating results, we have made good progress in these areas. Moving forward, this will be important to the Authority as we look for ways to increase revenue and build business relationships with our partners. On diversification of revenue, we are better in terms of our distribution between SRF and Market Development and, to a lesser extent, the Brownfields revenues than we were in Fiscal Year 2013 and Fiscal Year 2014.

Ms. Patterson explained that staff improved on two internal processes. Also, our previous update for the Board indicated we moved two strategic plan measures under our Communications Plan to be addressed. These measures were building awareness of EIERA's value and expansion of the Web site. She said we have begun to implement the Communications Plan and have taken the initial steps to generally identify and refine key contacts and strategies as we determine the best ways to build awareness of our value.

Ms. Patterson noted that updating and expanding the EIERA Web site is a work in progress. She invited the Board to visit the new Board Members page and thanked them for their help in updating their information.

(AGENDA ITEM #10) SELECTION OF AUTHORITY CPA

Ms. Massey reminded the Board that the Authority's accountant, Carolyn Thompson with Thompson & Thompson, is retiring effective July 1, 2015. Ms. Massey stated that at its July 2014 meeting, the Board approved an RFP that was posted on accountant venues online and sent directly to a number of firms.

Ms. Massey explained that a pre-bid conference was held. Proposals were due by the end of August, but we only received one proposal from Winfrey Certified Public Accountants, PC, Columbia, MO. Ms. Massey stated that after looking at the firm's qualifications, experience, education and certifications, they were qualified to do the work. Staff is recommending that the Authority negotiate and enter into an agreement with the Winfrey firm to provide accounting services for two years with a two-year extension clause, as well as a 30-day termination clause.

Chair Dalton asked how Winfrey's proposal amount compared with the amount the Authority currently pays.

Ms. Massey stated that Winfrey's fixed cost is lower than we are currently paying, but we do know there will be additional hourly fees, especially in the beginning of the contract as they learn our business.

Ms. Massey stated that the Authority's legal counsel was comfortable to award this agreement based on the efforts that had been made. Ms. Massey deferred to Mr. Brown for comment.

Mr. Brown stated there is no minimum required number of proposals, and there was no need to rebid.

Chair Dalton asked if there was a motion.

MOTION: Motion was made by Ms. DeFreece and seconded by Mr. Cherry to authorize the Director or her designee, to negotiate and enter into a contract with Winfrey Certified Public Accountants, PC, to provide accounting services for two years with a two-year extension clause, as well as a 30-day termination clause. By roll call vote, Ms. DeFreece, Mr. Cherry, Mr. Doyle and Chair Dalton all voted in favor. Motion carried.

(AGENDA ITEM #11) OTHER BUSINESS

(AGENDA ITEM #11A) OPPORTUNITY FOR PUBLIC COMMENT

There were no comments.

(AGENDA ITEM #11B) NEXT MEETING DATE

Ms. Massey stated if the Authority does a transaction in January, we will need an issuance resolution from the Board, but we are not firm on the time yet. The 2015 meetings could be scheduled quarterly if the Board agreed. Ms. Eichelberger will find available dates and will forward the 2015 schedule in the near future.

(AGENDA ITEM #11C) OTHER

Ms. Massey reminded the Board that it was time for her performance review.

Chair Dalton asked Ms. DeFreece and Mr. Cherry to perform the review.

Ms. DeFreece and Mr. Cherry agreed.

(AGENDA ITEM #14) 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, Ms. DeFreece, Mr. Doyle, Mr. Cherry and Chair Dalton all voted in favor. Motion carried.




