

**MINUTES OF THE 317th MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

EIERA Office

425 Madison Street, Second Floor

Jefferson City, Missouri

January 12, 2015

10:00 a.m.

EIERA MEMBERS:

Andy Dalton, Chair (phone participant)
Ryan Doyle, Vice-Chair (phone participant)
LaRee DeFreece, Secretary (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
Mary Vaughan, Administration and Project Manager
Genny Eichelberger, Office Support Assistant

LEGAL COUNSEL:

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

**OTHER
PARTICIPANT:**

Eric Crawford
Department of Natural Resources

**OTHER PHONE
PARTICIPANTS:**

Dennis Lloyd
Kelsi Spurgeon
Columbia Capital Management, LLC

Larry Richardson
Wells Fargo Securities

Eric Cowan
Bank of America Merrill Lynch

(AGENDA ITEM #1) CALL TO ORDER

Chair Dalton called the 317th 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 316th meeting (November 20, 2014) of the Authority.

MOTION: Motion was made by Mr. Cherry and seconded by Mr. Doyle to approve the minutes of the 316th meeting of the Environmental Improvement and Energy Resources Authority. By roll call vote, Ms. DeFreece, Mr. Cherry, Mr. Doyle and Chair Dalton all voted in favor. Motion carried.

(AGENDA ITEM #3) STATE REVOLVING FUND PROGRAM UPDATE

Resolution Authorizing the State Environmental Improvement and Energy Resources Authority to Issue and Sell Not to Exceed \$40,000,000 Principal Amount of Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) and Approving Other Documents and Authorizing the Authority to Take Certain Other Actions in Connection with the Issuance of Said Bonds

Mr. Boland stated that this transaction will provide state match funding that is necessary for the Department of Natural Resources to draw on federal capitalization grants for the State Revolving Fund (SRF) Program.

Mr. Boland reported that one of the most important funding components of the SRF programs is the annual capitalization grant received from the U.S. Environmental Protection Agency. There is a separate grant received for the

Clean Water SRF and for the Drinking Water SRF. These grants provide funding not just for infrastructure projects, but for some staffing and operations as well.

Chair Dalton asked if the Authority had issued state match bonds in the past.

Mr. Boland said the Authority had issued a new-money transaction similar to this in 2010 that included leveraged bonds as well as state match bonds. This transaction will be limited to state match bonds only.

Chair Dalton asked if the money was used by the Missouri Department of Natural Resources (MDNR) for operations.

Ms. Massey stated that the bonds will be used to reimburse the MDNR for the loans it has already made. MDNR can count the bonds as their state match for which they can draw down their Federal grant, and that is one of the sources from which MDNR pays its administration staffing costs. Ms. Massey added that MDNR also has administrative fees it charges on each loan, and that is the other portion of the funds MDNR uses for operations.

Ms. Massey explained to the Board that the Authority's new Financial Advisor, Columbia Capital Management, LLC, did excellent work in putting numbers together and presenting information to the ratings agencies.

Mr. Brown stated that Lewis, Rice & Fingersh, L.C., reviewed the resolution and the documents relating to this financing, and they are in proper order for the Board's consideration today. Lewis, Rice & Fingersh, L.C., will issue its normal,

standard, legal opinion on behalf of the Authority at closing. Mr. Brown noted that, if approved, the resolution would be number 15-01.

Chair Dalton asked if there was a motion.

MOTION: Motion was made by Ms. DeFreece and seconded by Mr. Cherry to Approve a Resolution Authorizing the State Environmental Improvement and Energy Resources Authority to Issue and Sell Not to Exceed \$40,000,000 Principal Amount of Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) and Approving Other Documents and Authorizing the Authority to Take Certain Other Actions in Connection with the Issuance of Said Bonds. By roll call vote, Mr. Cherry, Mr. Doyle, Ms. DeFreece and Chair Dalton all voted in favor. Motion carried.

(Said Resolution 15-01 is attached hereto and made a part of these minutes as "Exhibit A")

(AGENDA ITEM #4) BROWNFIELDS REVOLVING LOAN FUND

(AGENDA ITEM #4) CONSIDERATION OF THE FUNDING RECOMMENDATION FOR THE BOONSLICK COMMUNITY DEVELOPMENT CORPORATION PROJECT AND AUTHORIZING THE DIRECTOR OR HER DESIGNEE TO ENTER INTO AN AGREEMENT ON BEHALF OF THE AUTHORITY

Ms. Tipton reported that she had a funding recommendation for the Board, the Boonslick Community Development Corporation (BCDC). The BCDC submitted a subgrant application to the program requesting funds to remediate lead-based paint and asbestos-containing materials in the administration building located on the former Kemper Military Academy Campus in Boonville.

A brief discussion of the property followed regarding the evaluation, demolition of the administration building, and conversion to green space at a cost of approximately \$400,000.

Ms. Tipton stated that the MBRLF Review Team, consisting of staff from the 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.

MOTION: Motion was made by Ms. DeFreece and seconded by Mr. Doyle to authorize the funding recommendation for the Boonslick Community Development Corporation and for the director or her designee to enter into a subgrant on behalf of the Authority for an amount not to exceed \$100,000. By roll call vote, Mr. Doyle, Ms. DeFreece, Chair Dalton and Mr. Cherry all voted in favor. Motion carried.

(AGENDA ITEM #5) FISCAL YEAR 2015 BUDGET REVISION

Ms. Massey introduced to the Board the EI ERA's newest staff member, Mary Vaughan, Administration and Project Manager.

Ms. Massey explained to the Board that each year staff performs a reconciliation of actual EI ERA staff costs and expenses related to MMDP to the amounts received by the Authority from the MMDP to cover such costs. Most years, the Authority receives less than its overall costs attributable to the MMDP; however the gap has narrowed significantly over the past three years. She said there is a tendency to go over in expenses and under in staff costs or vice versa. Ms. Massey reminded the Board that the budget amounts they approved for the current fiscal year were \$12,000 for expenses and \$33,000 for staff costs.

Ms. Massey stated in order to address this trend, as well as address fluctuations in staff make-up, staff recommends combining the EI ERA expenses

and salary reimbursement in the MMDP budget and the corresponding Authority Revenue in the Authority budget. She noted that this combination would not change the bottom line amounts.

Chair Dalton asked if there was a motion.

MOTION: Motion was made by Mr. Cherry and seconded by Mr. Doyle to approve the Revised Fiscal Year 2015 Budgets for the Authority and Market Development Program. By roll call vote, Mr. Cherry, Mr. Doyle, Ms. DeFreece and Chair Dalton all voted in favor. Motion carried.

(AGENDA ITEM #6) OTHER BUSINESS

Chair Dalton reminded the Board that there was an Audit presentation at the last meeting, but not everyone had a copy of the Audit. Since everyone has had a chance to review it, he asked if anyone had any questions. There were no questions.

(AGENDA ITEM #6A) OPPORTUNITY FOR PUBLIC COMMENT

There were no comments.

(AGENDA ITEM #6B) NEXT MEETING DATE

Ms. Massey suggested that an in-person Board meeting be held early in the last month of each quarter for 2015, and any other meetings that the Authority may need be a telephonic meeting. After some discussion, the Board agreed that mid-week was a good time to meet, and the next meeting would be Wednesday, March 18, 2015. Ms. Massey said she would send the Board tentative dates for June, September and December meetings. The Board

agreed to hold the meetings in Jefferson City with a possible meeting held in Boonville, Missouri.

(AGENDA ITEM #6C) OTHER

Chair Dalton asked Ms. DeFreece and Mr. Cherry for an update on Ms. Massey's review.

Ms. DeFreece stated they had not completed the review, but would do so before the next meeting.

(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 Mr. Doyle to adjourn the meeting. By roll call vote, Ms. DeFreece, Mr. Cherry, Mr. Doyle and Chair Dalton all voted in favor. Motion carried.

William Andy Dalfoe

Jakub D. D. D.

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

(STATE OF MISSOURI)

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

WHEREAS, the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State of Missouri (the "Authority") is authorized and empowered pursuant to the provisions of Sections 260.005 to 260.125, inclusive, and Appendix B(1), Revised Statutes of Missouri, as amended (the "Act"), to finance, acquire, construct and equip projects (as defined in the Act) for the purpose of preventing or reducing pollution or the disposal of solid waste or sewage and to provide for the furnishing of water facilities, to issue revenue bonds for the purpose of paying costs of such projects, and to refund its outstanding revenue bonds in whole or in part; and

WHEREAS, by resolutions adopted by the Authority on February 23, 1988, September 22, 1998, and July 31, 2009, the Authority has approved the development and implementation of the Missouri Leveraged State Water Pollution Control Revolving Fund Program (the "Clean Water SRF Program") and the Missouri Leveraged State Drinking Water Revolving Fund Program (the "Drinking Water SRF Program" and, collectively with the Clean Water SRF Program, the "SRF Programs") and has stated its intent to issue its bonds or notes to finance projects pursuant to the SRF Programs, said bonds or notes to be payable solely out of the revenues and receipts derived by the Authority in connection with such projects; and

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

WHEREAS, Wells Fargo Bank, National Association, doing business as Wells Fargo Securities, as senior book running underwriter (the "Senior Underwriter") has submitted an application (the "Application") to the Authority requesting the Authority to issue bonds of the Authority to reimburse DNR for costs advanced for the purpose of financing the costs of construction of certain wastewater treatment and sanitary sewerage facilities or drinking water facilities (the "Projects"); and

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

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

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

Section 1. Findings and Determinations. The Authority hereby finds and determines that the issuance of its bonds under the Act to provide funds to reimburse DNR for costs incurred to finance the costs of construction of the Projects is in the public interest and within the power and authority vested in the Authority under the Act and will be in furtherance of the objectives and public purposes of the Act, in that the Projects consist of facilities for the reduction or prevention of water pollution, the disposal of solid waste or sewage, or to provide for the furnishing of water facilities, and will provide for the public health, safety and welfare of the residents of the State of Missouri by promoting, developing and assisting in the construction of wastewater treatment, sanitary sewerage, water and water pollution control facilities in the State of Missouri. The Authority hereby approves the Application dated, submitted by the Senior Underwriter, for the issuance and sale of the Bonds and declares the intent of the Authority to issue the Bonds pursuant to the Act and in accordance with the SRF Programs.

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

issued, executed and delivered in such manner and subject to such provisions, covenants and agreements, as are set forth in the Indenture. The Bonds shall be issued under and equally and ratably secured both as to principal and interest by the Indenture. The Indenture provides a complete description of the pledged property and revenues constituting the Trust Estate, the nature and extent of the security for the Bonds, a statement of the terms and conditions on which the Bonds are to be issued and secured, the rights, duties, obligations and immunities of the Authority, the rights, duties, obligations and immunities of the Trustee, and the rights of the holders of the Bonds. Because of the characteristics of the Bonds, the principal amount thereof, the acceptability in the public bond market of similar issues, the prevailing market conditions and the advice of the Underwriters hereinafter referred to that a private sale will result in the most favorable interest rates on the Bonds, the Authority hereby finds that it is in the best interest of the Authority to sell the Bonds at a private sale pursuant to the Purchase Contract.

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

Section 4. Authorization of Authority Documents. The Authority is hereby authorized to enter into the following documents (the "Authority Documents"), in substantially the forms presented and reviewed by the Authority at this meeting (copies of which documents shall be filed with the records of the Authority), with such final terms and such changes therein as shall be approved by the officers of the Authority executing such documents, such officers' signatures thereon being conclusive evidence of their approval thereof:

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

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

(c) Tax Compliance Agreement dated as of the Document Date (the "Tax Agreement"), among the Authority, DNR, the Trustee and the Master Trustee;

(d) First Amendment to Master Pledge Agreement dated as of the Document Date (the "First Amendment to Master Pledge"), between the Authority and DNR; and

(e) Amended and Restated Supplemental Disclosure Agreement dated as of the Document Date (the "Supplemental Disclosure Agreement"), among the Authority, DNR and UMB Bank, N.A., as Master Trustee and UMB Bank, N.A. and UMB Bank & Trust, N.A. as Indenture Trustees for outstanding series of master trust bonds.

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

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

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

Section 8. Further Authority. The Authority shall, and the members, officers, directors, agents and employees of the Authority are hereby authorized and directed to, take such further action, and execute such

other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution, including applications for the registration of the Bonds under state securities laws, and to carry out, comply with and perform the duties of the Authority with respect to the Bonds and the Authority Documents.

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

ADOPTED this 12th day of January, 2015.


Chairman of the Authority

(Seal)

ATTEST:


Secretary of the Authority

SCHEDULE 1

SERIES 2015A BONDS PRINCIPAL AMORTIZATION

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

SCHEDULE 2

COSTS OF ISSUANCE*

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

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

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