

**MINUTES OF THE 318th MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

EIERA Office

425 Madison Street, Second Floor

Jefferson City, Missouri

March 18, 2015

10:00 a.m.

EIERA MEMBERS:

Andy Dalton, Chair
Ryan Doyle, Vice-Chair
LaRee DeFreece, Secretary
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.

**OTHER
PARTICIPANTS:**

Eric Gramlich
Tim Rielly
Department of Natural Resources

Dennis Lloyd
Columbia Capital Management, LLC

Craig Hrinkevich
Wells Fargo Securities

(AGENDA ITEM #1) CALL TO ORDER

Chair Dalton called the 318th 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 317th meeting (January 12, 2015) of the Authority.

MOTION: Motion was made by Ms. DeFreece and seconded by Mr. Doyle to approve the minutes of the 317th 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

(AGENDA ITEM #3A) CONSIDERATION AND APPROVAL OF A RESOLUTION AUTHORIZING THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY TO CONSENT TO THE CITY OF SPRINGFIELD, MISSOURI'S ISSUANCE OF ITS SERIES 2015 BONDS

Mr. Boland reported the City of Springfield is preparing to issue approximately \$46,000,000 of Special Obligation Bonds to fund improvements to its wastewater collection and treatment system. Language in the city's previous SRF loan documents require prior written consent from the Authority and the Missouri Department of Natural Resources (MDNR) in order to issue any additional bonds outside the SRF program.

Since the rate model being constructed by the city's consulting engineer was not completed prior to the Board meeting, staff requested the Board's approval contingent upon receiving the model after the Board meeting and it satisfying our coverage requirements.

Discussion ensued relating to timing of the rate data and risk.

MOTION: Motion was made by Ms. DeFreece and seconded by Mr. Doyle to adopt a Resolution Authorizing the State Environmental Improvement and Energy Resources Authority to consent to the City of Springfield, Missouri's Issuance of its Series 2015 Special Obligation Bonds subject to confirmation from Authority staff that the city's user rates are adequate to cover prior-issued Authority bonds. By roll call vote, Ms. DeFreece, Mr. Doyle, Mr. Cherry and Chair Dalton all voted in favor. Motion carried.

(Said Resolution 15-02 is attached hereto and made a part of these minutes as "Exhibit A")

(AGENDA ITEM #3B) REVIEW OF THE 2015A TRANSACTION

Mr. Boland asked Mr. Craig Hrinkevich, representing Wells Fargo Securities, to provide a summary of the 2015A Transaction.

Mr. Hrinkevich offered a detailed summary of the 2015A Transaction including the major purchasers of the bonds, pricing details and ratings information.

Chair Dalton thanked the finance team for their assistance in making this a successful transaction.

(AGENDA ITEM #3C) OTHER

Mr. Boland explained to the Board that Ms. Patterson is working with the SRF Staff to rework the annual Intended Use Plan (IUP). This effort is to make it more of a marketing document than a technical reporting document.

(AGENDA ITEM #4) WATER AND WASTEWATER INFRASTRUCTURE AFFORDABILITY PROJECT UPDATE AND REQUEST TO EXTEND THE WICHITA STATE UNIVERSITY AGREEMENT

Ms. Tipton stated that the project with Wichita State University is substantially complete. The project was to develop a tool that would help DNR

determine the ability of rural communities to pay for necessary water and wastewater infrastructure predicated on the research showing that population change is the single highest predictor of whether or not a community is sustainable.

Although the project will be considered complete upon receipt of a package of all final documents, staff recommends extending the contract with Wichita State, which expired January 31, 2015, for one additional year in case changes to the Decision-Making Tool are required once MDNR has some experience using it. MDNR is very satisfied with it, and the EIERA should have a final product very soon.

MOTION: Motion was made by Mr. Doyle and seconded by Mr. Cherry to extend the Agreement for one additional year without additional funding with Wichita State University relating to the assessment of the financial capability of communities to address wastewater infrastructure needs. By roll call vote, Mr. Doyle, Ms. DeFreece, Mr. Cherry and Chair Dalton all voted in favor. Motion carried.

(AGENDA ITEM #5) MISSOURI MARKET DEVELOPMENT PROGRAM

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

Ms. Tipton reported to the Board that Foam Products Corporation, located in Maryland Heights, requested \$47,500 to purchase two foam densifiers costing \$92,000. This project would enable Foam Products Corporation to expand their existing recycling operation by targeting foam generated in the construction

industry, serving both as a drop-off site and by offering foam pick-up services in the eastern half of the state.

Foam Products Corporation anticipates creating three new full-time employee positions and diverting 50 tons from the waste stream annually with this project.

The Missouri Market Development Program Steering Committee unanimously recommends funding this project in the amount of \$44,447, not to exceed 60 percent of the cost of the equipment.

Discussion ensued.

MOTION: Motion was made by Mr. Doyle 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 Foam Products Corporation for an amount up to \$44,447, not to exceed 60 percent of the cost of the equipment. By roll call vote, Mr. Doyle, Ms. DeFreece, Mr. Cherry and Chair Dalton all voted in favor. Motion carried.

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

Ms. Tipton reported that Liquid Soap Products, LTD, located in Grain Valley and Kansas City, requested \$250,000 to purchase a shred/drain/wash/bag line that will enable the company to shred soap bottles and collect both the soap and plastics for recycling. Liquid Soap Products has been operating for 25 years, collecting waste soap from soap manufacturers and brokers and reformulating it for resale.

Ms. Tipton explained that Liquid Soap Products is currently sorting and separating the products manually, recovering both product and packaging. While this project will more than double the volume of waste soap Liquid Soap Products can process, the new equipment will also enable the company to shred and clean plastic containers for recycling.

Ms. Tipton noted that Liquid Soap Products anticipates creating five new full-time employee positions and diverting 5,000 tons from the waste stream annually with this project.

The Missouri Market Development Program Steering Committee unanimously recommends funding this project in the amount of \$250,000 not to exceed 50 percent 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 Authority with Liquid Soap Products, LTD, for an amount of \$250,000, not to exceed 50 percent of the cost of the equipment. By roll call vote, Ms. DeFreece, Mr. Doyle, Mr. Cherry and Chair Dalton all voted in favor. Motion carried.

(AGENDA ITEM #5D) MISSOURI RECYCLED PRODUCTS DIRECTORY UPDATE

Ms. Tipton reported to the Board that staff has been working with Bridging the Gap's web designer to develop a new web-based Missouri Recycled Products Directory. She provided a preview of how the site will look and operate.

Ms. Tipton explained that the overall concept is that vendors will be able to post and manage their own listings, which will be reviewed by the EIERA staff before they appear on the site. Links to vendors' own web pages or email will enable a user to purchase items if desired. Missouri vendors will always be on the front page.

Design components could make the site function as an e-commerce site allowing direct purchases rather than simply a directory. Users would pay for items via PayPal. As the site owner, the EIERA would transfer PayPal funds from our account to the vendor. Staff requested guidance on whether to pursue the e-commerce option.

Discussion ensued. The Board agreed that staff should move forward with the directory site, but they would need a full report before implementing an e-commerce site.

(AGENDA ITEM #7) NATURAL RESOURCE DAMAGES (NRD) PROGRAM UPDATE

Ms. Massey introduced Mr. Rielly and Mr. Gramlich, representing the MDNR's NRD Program, and explained to the Board that Ms. Vaughan will be handling the fiscal side of NRD, while Ms. Patterson will be working with real estate transaction facilitation.

Ms. Massey gave a visual presentation relating to the Webb City project and the role of the EIERA.

Mr. Rielly and Mr. Gramlich answered questions and gave a brief summary of the technical/scientific aspects of the program.

Additional discussion revolved around EIERA compensation for these services.

(AGENDA ITEM #6) BROWNFIELDS REVOLVING LOAN FUND

(AGENDA ITEM #6A) PROGRAM UPDATE

Ms. Tipton reported to the Board that MDNR issued a Certificate of Completion for the former Alliance Medical Warehouse site in Russellville which finished approximately \$12,000 under the awarded amount. She also provided brief updates relating to the Remains, Inc., and Kemper Military Academy projects.

(AGENDA ITEM #8) REVIEW OF STRATEGIC MEASURES

Ms. Patterson reviewed the December 31, 2014, Scorecard with the Board noting that halfway through the fiscal year, the Authority has three applications for funding reflecting 20 percent progress toward our target of 15. Given the productivity of the year (MMDP funds fully committed, increased Private Activity bond interest and NRD work) it may be time to consider a new measure because counting the number of applications for financing does not capture all we do.

Ms. Patterson stated that EIERA staff will discuss ways to capture new service lines and anticipates bringing a recommendation to the board for Fiscal Year 2016.

(AGENDA ITEM #9) OTHER BUSINESS

(AGENDA ITEM #9A) OPPORTUNITY FOR PUBLIC COMMENT

There were no comments.

(AGENDA ITEM #9B) NEXT MEETING DATE

There was consensus that the June meeting be rescheduled.

(AGENDA ITEM #9C) OTHER

There was no other business to discuss.

AGENDA ITEM #10) CLOSED MEETING PURSUANT TO Section 610.021 (1) (3) AND (11) RSMO. (AS NEEDED)

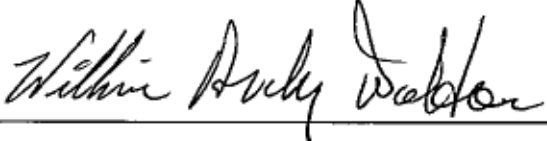
MOTION: Motion was made by Mr. Doyle and seconded by Ms. DeFreece to close the meeting for the purposes of discussing litigation confidential matters including contractual matters with the Authority's attorneys, personnel matters and bid specifications pursuant to Section 610.021 (1), (3) and (11) RSMo. By roll call vote, Mr. Doyle, Mr. Cherry, Ms. DeFreece and Chair Dalton all voted in favor. Motion carried.


(AGENDA ITEM #11) ADJOURNMENT OF CLOSED MEETING AND RETURN TO OPEN MEETING

(AGENDA ITEM #12) 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 Ms. DeFreece and seconded by Mr. Doyle to adjourn the meeting. By roll call vote, Ms. DeFreece, Mr. Mr. Doyle, Mr. Cherry and Chair Dalton all voted in favor. Motion carried.





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

RESOLUTION AUTHORIZING THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY TO CONSENT TO THE CITY OF SPRINGFIELD, MISSOURI'S ISSUANCE OF ITS SERIES 2015 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 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 and September 22, 1998 (the "Program Resolutions"), 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 has stated its intent to issue its bonds to finance projects pursuant to the Clean Water SRF Program and the Drinking Water SRF Program, said bonds to be payable solely out of the revenues and receipts derived by the Authority in connection with such projects; and

WHEREAS, the City of Springfield, Missouri (the "City") has participated in the Clean Water SRF Program, and has issued its Special Obligation Bonds (State Revolving Fund Programs) Series 2002B, Special Obligation Bonds (State Revolving Fund Programs) Series 2005A, Special Obligation Bonds (State Revolving Fund Programs) Series 2007A and Special Obligation Bonds (State of Missouri – Direct Loan Program – ARRA), Series 2010 (the "Prior Bonds") in connection therewith; and

WHEREAS, the City desires to issue not to exceed \$46,000,000 of its Special Obligation Bonds (Sewer System Improvements Project), Series 2015 (the "Series 2015 Bonds"); and

WHEREAS, each City ordinance authorizing each series of Prior Bonds prohibits the City from issuing the Series 2015 Bonds without the prior written consent of the Authority and the Missouri Department of Natural Resources; and

WHEREAS, the Authority has determined to consent to the City's issuance of the 2015

Bonds.

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

Section 1. Consent. The Authority hereby consents to the City's issuance of its Series 2015 Bonds.

Section 2. 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.

Section 3. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Authority.

ADOPTED this 18th day of March, 2015.


Chairman of the Authority

(Seal)
ATTEST:


Secretary of the Authority