

**MINUTES OF THE 319<sup>th</sup> MEETING OF THE  
STATE ENVIRONMENTAL IMPROVEMENT  
AND ENERGY RESOURCES AUTHORITY**

**EIERA Office**

**425 Madison Street, Second Floor**

**Jefferson City, Missouri**

**May 12, 2015**

**10:00 a.m.**

**EIERA MEMBERS:**

Andy Dalton, 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  
PARTICIPANTS:**

Eric Crawford  
Doug Garrett  
Department of Natural Resources

Eric Cowan  
Bank of America Merrill Lynch

Jack Dillingham  
Piper Jaffray & Co.

John Overstreet  
Tri-County Water Authority

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

Chair Dalton called the 319<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 318<sup>th</sup> meeting (March 18, 2015) of the Authority and the 318<sup>th</sup> closed meeting (March 18, 2015) of the Authority.

**MOTION:** Motion was made by Ms. DeFreece and seconded by Mr. Cherry to approve the minutes of the 318<sup>th</sup> meeting of the Environmental Improvement and Energy Resources Authority. By roll call vote, Chair Dalton, Ms. DeFreece and Mr. Cherry all voted in favor. Motion carried.

**MOTION:** Motion was made by Mr. Cherry and seconded by Ms. DeFreece to approve the minutes of the closed meeting portion of the 318<sup>th</sup> meeting of the Environmental Improvement and Energy Resources Authority. By roll call vote, Mr. Cherry, Chair Dalton and Ms. DeFreece all voted in favor. Motion carried.

**(AGENDA ITEM #3) STATE REVOLVING FUND PROGRAM**

**(AGENDA ITEM #3A) PROGRAM UPDATE**

Mr. Boland stated that the U.S. Environmental Protection Agency's (EPA) Fiscal Year 2014 annual review of the Missouri Clean Water and Drinking Water programs went well. The review consisted of an overview of the managerial, financial, technical and operational activities of the state in administering the SRF programs.

Mr. Boland explained to the Board that the Financial Assistance Center is experiencing significant turnover including several retirements. He noted that Mr. Garrett has announced his retirement and thanked him for his many years of excellent service.

Ms. Massey stated that Mr. Garrett will be missed as he greatly added value to the SRF Program and to the Authority over the years.

Mr. Boland noted there have been redemption requests from Clever, Portageville and Louisiana, but not all of these requests have moved forward. The City of Arnold is selling its system to Missouri American, which requires them to pay off their loans and return any grants they received for construction of the system. He asked Mr. Crawford, representing the Financial Assistance Center, to provide any additional comments.

Mr. Crawford offered a brief summary of the redemption inquiries, staff turnover and effort to fill positions. He also thanked Mr. Garrett for his excellent work in the Financial Assistance Center.

**(AGENDA ITEM #3B) TRANSFER OF TRINITY PLUS GIC OBLIGATIONS**

Ms. Massey reported to the Board that Trinity Plus Funding, one of the Authority's SRF guaranteed investment contract (GIC) providers, wants to wind down its GIC business and would like consent to transfer the SRF GICs issued by Trinity Plus to another investment provider, Massachusetts Mutual Life Insurance Company (MassMutual). Directing the Board's attention to the memo, which contains the details of the transfer, Ms. Massey explained that as part of the

recent decision by General Electric Capital Company, Trinity's parent company, to reduce the size of its financial services businesses, an agreement has been reached with MassMutual to transfer qualifying GICs to MassMutual. Staff recommends authorization for the director, or her designee, to instruct SRF Trustee, UMB Bank, to amend the Trinity GICs to transfer to MassMutual if this is determined to be in the best interest of the SRF program bonds.

Discussion ensued.

**MOTION:** Motion was made by Ms. DeFreece and seconded by Mr. Cherry authorizing the director or her designee to instruct the trustee to enter into an amended agreement if, after consultation with our finance professionals, staff determines it is in the best interest of the program bonds. By roll call vote, Chair Dalton, Ms. DeFreece and Mr. Cherry all voted in favor. Motion carried.

**(AGENDA ITEM #3C) OTHER**

Ms. Massey called upon Ms. Patterson for an update on the Clean Water SRF Fiscal Year 2016 Intended Use Plan (IUP).

Ms. Patterson reported that she has been working with Mr. Crawford, Mr. Garrett and Jeff Starr with the Financial Assistance Center to revise the annual IUP and that the new draft plan is nearly complete. Ms. Patterson thanked Mr. Crawford and his staff for their assistance.

**(AGENDA ITEM #4) OTHER FINANCINGS**

**(AGENDA ITEM #4A) CONSIDERATION OF A RESOLUTION AUTHORIZING THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY TO ISSUE WATER FACILITIES REVENUE BONDS ON BEHALF OF THE TRI-COUNTY WATER AUTHORITY**

Mr. Boland reported to the Board that the Tri-County Water Authority, Independence, Missouri, has requested the Authority to issue an amount not-to-exceed \$32,000,000 in tax-exempt Water Facilities Revenue Bonds. The EIERA transaction will primarily be used to fund the acquisition of easements, transmission lines and pumping stations. He deferred to Mr. Overstreet, representing Tri-County Water Authority, to answer questions.

Mr. Overstreet provided additional background on the Tri-County Water Authority and the need for the Water Facilities Revenue Bonds. He thanked Chair Dalton for the Board's time allowing him to answer questions.

Ms. Massey noted that the Tri-County Water Authority was a nonprofit entity and thanked Mr. Overstreet for attending the meeting.

**MOTION:** Motion was made by Mr. Cherry and seconded by Ms. DeFreece to adopt a resolution authorizing the State Environmental Improvement and Energy Resources Authority to issue water facilities revenue bonds on behalf of the Tri-County Water Authority, Independence, Missouri. By roll call vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

(Said Resolution 15-03 is attached hereto and made a part of these minutes as "Exhibit A")

**(AGENDA ITEM #5) BROWNFIELDS REVOLVING LOAN FUND**

**(AGENDA ITEM #5A) PROGRAM UPDATE**

Ms. Tipton stated in April, the EPA announced an opportunity for RLFs to request supplemental funding. The Authority was not in the eligibility category because we still had a balance that exceeded the maximum amount uncommitted. However, we have recently received a loan application for

\$300,000 in hazardous substance funds, and, given the likelihood that we will be below the threshold in the near future, staff submitted a request for \$500,000 in hazardous substance supplemental funds. Ms. Tipton noted that the EPA regional staff is working with the Authority to help process the application in order to receive the supplemental funds.

Ms. Tipton gave a brief update on the status of the active projects summarized in the Board materials. The Authority received a certificate of completion letter for Ranken Technical College project in St. Louis; the Habitat for Humanity project in Springfield is out to bid; and the State Historic Preservation Office is requiring a Memorandum of Agreement from the Authority for the former Kemper Military School in Boonville as federal dollars will be used to demolish a historic building.

**(AGENDA ITEM #5B) AUTHORIZATION TO AMEND THE FUNDING AGREEMENT WITH REMAINS, INC.**

Ms. Tipton reported that the completion of cleanup contemplated for April 1, 2015, in the agreement with Remains, Inc., did not occur, creating a loan repayment schedule that is not desirable to the company or the MBRLF. There was a significant delay in starting the cleanup, in large part due to obtaining MDNR approval for a Remedial Action Plan for this heavily contaminated property. She added that some of the cleanup had been surprisingly simple and that the project was doing well.

Ms. Tipton explained to the Board that as the current agreement stands, the amortization date was April 1, 2015, and the company would begin paying

principal on the outstanding draw to that date (\$202,236), with a seven-year loan payment schedule and a large balloon payment of the loan balance at the end of the term. Although Remains, Inc., is capable of making principal payments now, the company had anticipated beginning principal payments when it had a new building up, its business operations expanded and generating income. Remains, Inc., would like a suspension of principal payments until cleanup is complete as was contemplated under the original schedule. Staff supports the extension also because the amortization would be based on all, or nearly all, cleanup draws, and, as such, principal would be repaid more quickly than if we waited for the balloon payment.

Ms. Tipton stated staff recommends amending the agreement with Remains, Inc., to suspend principal payments until November 1, 2015, and agreed to update the Board on the status of the loan and payoff schedule in September or October.

**MOTION:** Motion was made by Ms. DeFreece and seconded by Mr. Cherry authorizing the director or her designee on behalf of the Authority to amend the agreement with Remains, Inc., suspending principal payments until November 1, 2015. By roll call vote, Chair Dalton, Ms. DeFreece and Mr. Cherry all voted in favor. Motion carried.

**(AGENDA ITEM #5C) OTHER**

None.

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

**(AGENDA ITEM #6A) OPPORTUNITY FOR PUBLIC COMMENT**

There were no comments.

**(AGENDA ITEM #6B) NEXT MEETING DATE**

The Board agreed to meet on July 23, 2015.

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

Ms. Patterson reported that staff was in the process of analyzing strategic measures for third quarter Fiscal Year 2015 and noted that the scorecard would be sent out by the end of the week.

Ms. Patterson gave a brief update on the NRD program stating that the Hennessey acquisition, a 1,278 acre portion of land that will become part of Taum Sauk Mountain State Park, closed. Three properties in the Webb City area, totaling approximately 173 acres, also closed, and staff continues to work on Phase I for two additional properties.

Ms. Massey reminded the Board that the Authority had an IRS examination of the 2006 Energy Bonds, and a "No Change" letter was received in record time.

Ms. Massey requested an election of officers nominating Mr. Cherry as the Assistant Secretary and Vice-Chair in addition to his present position as Treasurer. This is necessary due to the number of vacancies on the Board.

**MOTION:** Motion was made by Chair Dalton and seconded by Ms. DeFreece to elect Mr. Cherry as Vice-Chair, Assistant Secretary and Treasurer. By roll call vote, Chair Dalton, Ms. DeFreece and Mr. Cherry all voted in favor. Motion carried.

**AGENDA ITEM #7) CLOSED MEETING PURSUANT TO Section 610.021 (1) (3) AND (11) RSMO. (AS NEEDED)**

**MOTION:** Motion was made by Mr. Cherry and seconded by Ms. DeFreece to close the meeting for the purposes of discussing



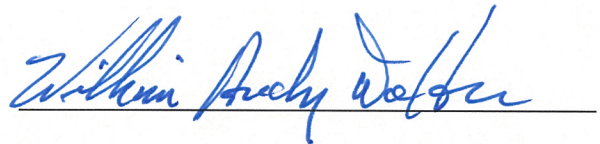
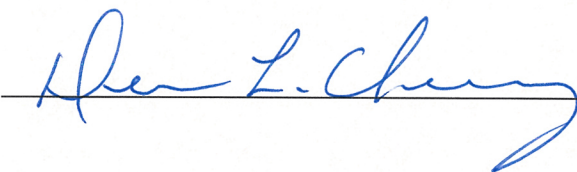
litigation confidential matters including contractual matters with the Authority's attorneys, personnel matters and bid specifications pursuant to Section 610.021 (1), (3) and (11) RSMo. By roll call vote, Mr. Cherry, Ms. DeFreece and Chair Dalton all voted in favor. Motion carried.

**(AGENDA ITEM #8) ADJOURNMENT OF CLOSED MEETING AND RETURN TO OPEN 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 Ms. DeFreece to adjourn the meeting. By roll call vote, Ms. DeFreece, Mr. Mr. Cherry and Chair Dalton all voted in favor. Motion carried.

A handwritten signature in blue ink, reading "William Brady DeFreece", written over a horizontal line.A handwritten signature in blue ink, reading "Glen L. Cherry", written over a horizontal line.

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

RESOLUTION AUTHORIZING THE ISSUANCE OF WATER FACILITIES REVENUE BONDS (TRI-COUNTY WATER AUTHORITY PROJECT) SERIES 2015 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$32,000,000; APPROVING THE FORM OF AND AUTHORIZING THE AUTHORITY TO ENTER INTO CERTAIN AGREEMENTS IN CONNECTION WITH SAID BONDS; APPROVING THE FORM OF AND AUTHORIZING THE AUTHORITY TO EXECUTE AN OFFICIAL STATEMENT RELATING TO SAID BONDS; AND AUTHORIZING THE AUTHORITY TO TAKE CERTAIN OTHER NECESSARY ACTIONS IN CONNECTION WITH THE ISSUANCE 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 Sections 260.005 to 260.125, inclusive, and Appendix B(1) Revised Statutes of Missouri, as amended (the "**Act**"), to issue bonds and/or notes (the "revenue obligations") for paying or financing any part of the cost of any project authorized under the Act to be financed, acquired or constructed for the purpose of developing energy resources or preventing or reducing pollution or the disposal of solid waste or sewage or providing water facilities or resource recovery facilities including expenses incurred in acquiring or constructing any facility including land, disposal areas, incinerators, buildings, fixtures, machinery and equipment relating to any such project, including the cost of demolition and removing any existing structures, interest expenses incurred during the construction of any such project, and any other expenses incurred for the engineering, research, legal consulting and other expenses necessary or incidental to determine the feasibility or practicability of any such project and in carrying out the same and to issue refunding bonds to refund any bonds previously issued and, further, to acquire, construct, reconstruct, enlarge, improve, furnish, equip, maintain, repair, operate, lease, finance and sell or lease such projects to any private person, firm or corporation or to any public body, political subdivision or municipal corporation; and

WHEREAS, the Tri-County Water Authority, a Missouri not-for-profit corporation (the "**Corporation**") submitted an Application dated April 23, 2015 (the "**Application**") requesting that the Authority issue its bonds ("**Series 2015 Bonds**"), to be used to provide funds to (i) finance the Corporation's acquisition, construction, extension and improvement of its facilities for the furnishing of water for community purposes (the "**Project**"), and (ii) pay the costs of issuance of the Series 2015 Bonds.

WHEREAS, the Series 2015 Bonds will be issued under the Indenture of Trust (the "Indenture") between the Authority and UMB Bank, N.A. (the "**Trustee**"); and

WHEREAS, in consideration of the issuance of the Series 2015 Bonds, the Corporation, pursuant to the terms of the Loan Agreement (the "**Loan Agreement**") between the Authority and

the Corporation, will covenant and agree to make payments thereunder in an amount sufficient to provide for the payment of the principal of, premium, if any, and interest on the Series 2015 Bonds; and

WHEREAS, it is proposed that the Series 2015 Bonds be sold pursuant to the terms of a Bond Purchase Agreement (the "**Purchase Agreement**"), by and among the Authority, the Corporation and Piper Jaffray & Co. (the "**Underwriter**"); and

WHEREAS, it is necessary for the Authority to authorize the execution and delivery of other certificates, documents and papers and the performance of the acts necessary or convenient in connection with the issuance and sale of the Series 2015 Bonds and implementation of this Resolution.

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

Section 1. Pursuant to the Act, the Authority does hereby approve the Application and authorizes the financing of the Project and the financing of certain costs related to the issuance of the Series 2015 Bonds in accordance with the Indenture and the Loan Agreement and does hereby determine that such refunding and such financing is in furtherance of the public purposes set forth in the Act.

Section 2. To provide for the financing costs described herein and in the Indenture, the Authority does hereby authorize the issuance of revenue bonds of the Authority under the Act to be designated "Water Facilities Revenue Bonds (Tri-County Water Authority Project) Series 2015" in an aggregate principal amount (including any original issue discount) not to exceed \$32,000,000. Due to the characteristics of the Series 2015 Bonds, the principal amount thereof, the acceptability in the public market of similar issues and the prevailing market conditions, the Authority hereby finds and determines that it is in the best interest of the Authority to sell the Series 2015 Bonds to the Underwriter in a private sale.

Section 3. The Series 2015 Bonds shall be limited obligations of the Authority payable solely out of the payments, revenues and receipts and other amounts received by or on behalf of the Authority pursuant to the Loan Agreement. The Series 2015 Bonds shall not constitute or create an indebtedness, liability or moral obligation of the State of Missouri or any political subdivision thereof within the meaning of the Constitution or statute of the State of Missouri or otherwise and shall never constitute or create a charge against the credit of the Authority or a charge against the credit or the taxing power of the State of Missouri or any political subdivision thereof. The issuance of the Series 2015 Bonds shall not directly or indirectly obligate the State of Missouri or any political subdivision thereof to provide any funds for their payment. Neither the State of Missouri nor any political subdivision thereof shall in any manner be liable for the performance of any agreement or pledge of any kind which may be undertaken by the Authority nor shall any breach thereof by the Authority create any obligation upon the State of Missouri or any political subdivision thereof.

Section 4. The Series 2015 Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of its Chairman or Vice Chairman and attested by the manual or facsimile signature of its Secretary or Assistant Secretary. The official seal of the Authority shall be impressed or a facsimile shall be imprinted on the Series 2015 Bonds. If any of the officers who have signed or sealed any of the Series 2015 Bonds shall cease to be such officers of the Authority before the Series 2015 Bonds so signed and sealed shall have been actually authenticated by the Trustee or delivered by the Authority, such Series 2015 Bonds nevertheless may be authenticated, issued and delivered with the same force and effect as though the person or persons who signed or sealed such Series 2015 Bonds had not ceased to be such officer or officers of the Authority; and also any such Series 2015 Bonds may be signed and sealed on behalf of the Authority by those persons who, at the actual date of execution of such Series 2015 Bonds, shall be the proper officers of the Authority, although at the nominal date of such Series 2015 Bonds any such person shall not have been such officers of the Authority. The Series 2015 Bonds shall mature no later than the year 2040, subject to earlier redemption as in said Indenture provided (or as such provisions may be modified), and have the form, details, call provisions and specifications as set out in the Indenture (or as such provisions may be modified). Interest on the Series 2015 Bonds shall accrue and be payable from their dated date all in accordance with the provisions of the Indenture at such rates per annum not to exceed a true interest cost of 4.25%.

Section 5. The following documents submitted to the Authority at this meeting are hereby approved in substantially the forms so presented, and the Chairman or Vice Chairman of the Authority are hereby authorized to execute the following documents for and on behalf of and as the act and deed of the Authority with such changes therein as shall be approved by the officers of the Authority executing the same (including, but not by way of limitation, any changes in the redemption provisions which may be appropriate to market the Series 2015 Bonds at a favorable rate of interest), such officer's execution of the same representing conclusive evidence of such approval and the Secretary or Assistant Secretary of the Authority is hereby authorized and directed to attest and affix to the following documents the corporate seal of the Authority:

1. Form of Indenture of Trust (attached hereto as Exhibit A)
2. Form of Loan Agreement (attached hereto as Exhibit B)
3. Form of Deed of Trust, Mortgage and Security Agreement (attached hereto as Exhibit C)
4. Form of Purchase Agreement (attached hereto as Exhibit D)
5. Form of Preliminary Official Statement (attached hereto as Exhibit E)
6. Form of Tax Compliance Agreement (attached hereto as Exhibit F)

Section 6. The distribution by the Underwriter of the Preliminary Official Statement relating to the Series 2015 Bonds in substantially the form presented to the Authority at this meeting is hereby in all respects authorized and approved and the proposed use by the Underwriter of a final Official Statement (in substantially the same form as the Preliminary Official Statement but with appropriate modifications to reflect the final terms of the Series 2015 Bonds) is hereby approved. For the purpose of enabling the Underwriter to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the Authority hereby deems the information regarding the Authority contained in the Preliminary Official Statement under the captions "INTRODUCTION - The Authority," "THE AUTHORITY" and "LITIGATION - The

Authority” to be “final” as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1), and the appropriate officers of the Authority are hereby authorized, if requested, to provide the Underwriter a letter of certification to such effect and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Underwriter to comply with the requirements of said Rule.

Section 7. The Authority hereby specifically approves the language contained in the Preliminary Official Statement with respect to establishing a book-entry-only system with The Depository Trust Company (“DTC”). To that end, the Chairman or Vice Chairman of the Authority is hereby authorized to execute and deliver to DTC the Letter of Representation as may be required by DTC to establish said book-entry-only system.

Section 8. The Director or Deputy Director of the Authority is hereby authorized to conduct a public hearing with respect to the issuance of the Series 2015 Bonds to finance the Project and to cause notice of such hearing to be published in accordance with the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended. The obligation of the Authority to proceed with the final issuance of the Bonds shall be subject to receipt of public approval for such issuance as required under said Section 147(f).

Section 9. The Corporation has agreed to pay all costs of issuance of the Series 2015 Bonds (including, but not limited to, any issuance and legal fees due the Authority) without reimbursement from the Authority or any other source; provided, however, the Authority agrees to pay Authority legal counsel fees not to exceed Ten Thousand Dollars (\$10,000).

Section 10. Prior to issuance, the Series 2015 Bonds will be rated by a nationally recognized rating agency at an “investment grade” level, and such rating will be prominently included in the Preliminary Official Statement and Official Statement.

Section 11. The Chairman, Vice Chairman, Secretary and Assistant Secretary are hereby authorized and directed to execute, attest, seal and deliver any and all documents, agreements and certificates and do any and all things deemed necessary to effect the issuance and sale of the Series 2015 Bonds and the execution and/or delivery of the Loan Agreement, the Indenture, the Deed of Trust, Mortgage and Security Agreement, the Purchase Agreement, the final Official Statement, and other agreements and instruments (including, but not limited to financing statements and the Tax Compliance Agreement) and to carry out the intent and purposes of this Resolution, including the preamble hereto.

Section 12. 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 13. The provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

Section 14. Capitalized terms used herein and not otherwise defined shall have the

meanings assigned to them in the Indenture.

Adopted by the State Environmental Improvement and Energy Resources Authority this  
12th day of May, 2015.

STATE ENVIRONMENTAL IMPROVEMENT AND  
ENERGY RESOURCES AUTHORITY

By William Andy Dadda  
Chairman

ATTEST:

Helen L. Chung  
Assistant Secretary

[SEAL]