

**MINUTES OF THE 320th MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

EIERA Office

**425 Madison Street, Second Floor
Jefferson City, Missouri**

July 23, 2015

10:00 a.m.

EIERA MEMBERS:

Andy Dalton, Chair
LaRee DeFreece, Secretary (phone participant)
Deron Cherry, Vice-Chair, 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 LLC

**OTHER
PARTICIPANTS:**

Eric Crawford
Department of Natural Resources

Eric Cowan
Tom Liu
Bank of America Merrill Lynch

Dennis Lloyd
Columbia Capital Management, LLC

(AGENDA ITEM #1) CALL TO ORDER

Chair Dalton called the 320th 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 319th meeting (July 23, 2015) of the Authority and the 319th closed meeting (July 23, 2015) of the Authority.

MOTION: Motion was made by Ms. DeFreece and seconded by Mr. Cherry to approve the minutes of the 319th 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 portion of the 319th 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 noted that it appears that loan pace is picking up because of the increased number of due diligence questionnaires he was receiving for review. The redesigned Intended Use Plan (IUP) was finally approved and on public notice. He thanked Ms. Patterson and Jeff Starr with the Financial

Assistance Center for their work on it. The Drinking Water IUP went on public on notice this morning as well.

Mr. Crawford stated that his staff was working on closing approximately 20 projects, large and small, in the next several months that will provide over \$250 million in project assistance.

(AGENDA ITEM #3B) SELECTION OF BOOK RUNNING SENIOR MANAGING UNDERWRITER FOR POTENTIAL SRF BOND REFUNDING

Ms. Massey reported that this item will be revisited at a later meeting date.

(AGENDA ITEM #3C) TRINITY PLUS GIC TRANSFER TO MASSMUTUAL

The transfer of investment agreements for Series 2000A, 2000B, 2001B and 2003A from Trinity Plus to MassMutual was successfully closed on July 8, 2015. Staff sees this a positive opportunity since MassMutual is a higher rated credit than Trinity Plus. The Authority's counsel and bond counsel have reviewed the documents and found them in good order. The Authority also received a reliance letter from the other party's counsel which verifies that the tax exempt status of all the affected bonds will be maintained.

(AGENDA ITEM #3D) DEFEASANCE OF ARNOLD SRF BONDS

Mr. Boland stated that the City of Arnold was a participant in the 2005C and 2006A State Revolving Fund (SRF) pooled bond issues, the proceeds of which were used to make improvements to their drinking water system. Portions of Series 2005C and 2006A were then refunded through the 2013A Series. In the fall of 2014, the citizens of Arnold voted in favor to sell their system to a private

entity. The city's loan agreements require that the SRF loans must be repaid upon sale of the system.

The amount owed to DNR, which included principal and accrued interest to the first available redemption date, totaled approximately \$6.3 million. To preserve the tax exempt status of the bonds, these funds will be placed in an escrow account and used to defease all allocable bonds for Series 2005C and 2006A, and then the remaining funds will be used to defease Series 2013A bonds.

Discussion ensued.

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 enter into multiple Escrow Deposit Agreements with respect to defeasing certain State Revolving Funds programs bonds, and authorizing the Authority to take certain other actions in connection with the actions authorized by the Escrow Deposit Agreements. By roll call vote, Mr. Cherry, Ms. DeFreece and Chair Dalton all voted in favor. Motion carried.

(Said Resolution 15-04 is attached hereto and made a part of these minutes as "Exhibit A.")

(AGENDA ITEM #3E) DEFEASANCE OF PORTAGEVILLE SRF BONDS

Mr. Boland stated that the City of Portageville was a participant in the 2004C State Revolving Fund (SRF) pooled bond issue, the proceeds of which were used to make improvements to their drinking water system. Portions of Series 2004C were then refunded through Series 2011A and 2013A. On March 2, 2015, the Board of Alderman for the City of Portageville voted in favor of paying off the city's SRF loan early.

The City of Portageville prepaid a major portion of their outstanding State Revolving Fund (SRF) loan allocable to Series 2004C, 2011A and 2013A. To preserve SRF program cashflows, portions of those respective Series must be defeased using the prepayment of \$707,250.00.

MOTION: Motion was made by Ms. DeFreece and seconded by Mr. Cherry to adopt a resolution authorizing the State Environmental Improvement and Energy Resources Authority to enter into multiple Escrow Deposit Agreements with respect to defeasing certain State Revolving Funds programs bonds, and authorizing the Authority to take certain other actions in connection with the actions authorized by the Escrow Deposit Agreement. By roll call vote, Mr. Cherry, Ms. DeFreece and Chair Dalton all voted in favor. Motion carried.

(Said Resolution 15-05 is attached hereto and made a part of these minutes as "Exhibit B.")

(AGENDA ITEM #4) OTHER FINANCINGS

(AGENDA ITEM #4A) TRI-COUNTY WATER AUTHORITY UPDATE

Mr. Boland reported to the Board that bond pricing took place on June 18, with a par amount of the bonds totaling \$30,070,000 resulting with an all-in true interest cost of 4.087%. This pricing structure yielded a premium of \$2,470,963.70. Mr. Boland stated that the Tri-County Water Authority transaction closed on July 8, 2015. This transaction received a rating of Aa3 from Moodys Investment Services.

(AGENDA ITEM #5) MISSOURI MARKET DEVELOPMENT PROGRAM

(AGENDA ITEM #5A) PROGRAM UPDATE

Ms. Tipton reported that she had two project recommendations for the Missouri Market Development Program.

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

Ms. Tipton stated that a past program participant, BFC Composting Company (located in Perryville), requested \$75,000 to purchase a trommel screen costing \$93,000 that will increase production capacity in its existing composting business. The company believes a screen capable of handling at least double the volume it is currently able to process will alleviate a "bottleneck" issue in their operation.

BFC Composting Company anticipates diverting an additional 3,620 tons annually from the waste stream and creating two full time employee positions with this project.

Ms. Tipton stated that the Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, and the Authority, recommends funding this project in the amount of \$69,750 not to exceed 75% of the cost of the equipment. This funding recommendation for this project 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 BFC Composting Company for an amount up to \$69,750, not to exceed 75 percent of the cost of the equipment. By roll call vote, Chair Dalton, Ms. DeFreece and Mr. Cherry all voted in favor. Motion carried.

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

Ms. Tipton stated that Branch Creek, LLC, currently constructing a facility in Rich Hill, requested \$100,000 to purchase equipment costing \$257,835 to produce pellets for smoking and for heating from waste wood.

Ms. Tipton explained that Southern Missouri is home to many timber and wood product industries, and thus a tremendous amount of wood waste, including scrap lumber, shavings, sawdust and nut shells. Branch Creek intends to brand specialty hardwood pellets for smoking and heating and private label smoking pellets for other customers. She said that Branch Creek, LLC, anticipates diverting 550 tons from the waste stream annually and creating two new full time and four new part employee positions with this project.

Ms. DeFreece asked what the company would be diverting from the landfill.

Ms. Tipton explained that many wood product companies in the area have no markets for waste and often resort to burning it, and in many cases that burning is not permitted legally. She said they would be avoiding the disposal, or illegal burning, of a tremendous amount of wood waste.

Discussion ensued.

Ms. Tipton stated that the Missouri Market Development Program Steering Committee, recommends funding this project in the amount of \$100,000 not to

exceed 50% of the cost of the equipment. The funding recommendation for this project 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 Branch Creek, LLC, for an amount up to \$100,000, not to exceed 50 percent of the cost of the equipment. By roll call vote, Chair Dalton, Ms. DeFreece and Mr. Cherry all voted in favor. Motion carried.

(AGENDA ITEM #6) BROWNFIELDS REVOLVING LOAN FUND

(AGENDA ITEM #6A) PROGRAM UPDATE

Ms. Tipton reported that the building demolition was completed at the former ACME Battery site owned by Remains, Inc. The new slab, which will serve as a cap for the contaminated property, will not be poured until early fall to take advantage of better weather and lower cost.

Ms. Tipton reminded the Board that the cost for the Land Reutilization Authority of the City of St. Louis project far exceeds estimates. The project has been delayed as the City attempts to source funds for the project.

The Authority received a Certificate of Completion from MDNR for the former Dycron Plastics site at Rankin Technical College in St. Louis.

The Authority received one bid for the Habitat for Humanity of Springfield project. The cost was approximately twice the estimated amount, but Habitat was able to negotiate for a lower amount and they will enter into a contract with them.

The Authority held a public meeting for the former Kemper Military School Administration building in Boonville. As part of the normal process, staff did a

Section 106 Review with the State Historic Preservation Office. Following a Section 106 review, the State Historic Preservation Office is requiring an MOA between the involved agencies describing the mitigation that will occur after demolition since the building was on the National Historic Register. Ms. Tipton thanked Ms. Patterson for her work on the MOA.

(AGENDA ITEM #6B) CONSIDERATION OF THE FUNDING RECOMMENDATION FOR THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF LEBANON PROJECT AND AUTHORIZING THE DIRECTOR OR HER DESIGNEE TO ENTER INTO AN AGREEMENT ON BEHALF OF THE AUTHORITY

Ms. Tipton stated that the Industrial Development Authority of the City of Lebanon, a Missouri non-profit corporation, has submitted a hazardous substance application to the MBRLF requesting a \$300,000 loan to complete remediation of the former Empire Gas office building on Jefferson Avenue in Lebanon.

Ms. Tipton explained that the property is currently owned by a trust, which has provided access for both environmental assessment and remediation of the property. The Industrial Development Authority has entered into a loan agreement with the Trust to repay the cost of remediation but proposes to secure the loan from the MBRLF with cash held in a separate bank account and subject to an agreement giving control of the account to the MBRLF.

The MBRLF Review Team, consisting of staff from 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 loan of up to \$300,000 for this project with a 3% interest rate and seven year term.

Discussion ensued.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. DeFreece to authorize the funding recommendation for the Industrial Development Authority of the City of Lebanon and for the director or her designee to enter into an agreement on behalf of the Authority for an amount not to exceed \$300,000, with a 3% interest rate and seven year term. By roll call vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

(AGENDA ITEM #6C) CONSIDERATION OF THE FUNDING RECOMMENDATION FOR THE TOWER GROVE NEIGHBORHOODS COMMUNITY DEVELOPMENT CORPORATION PROJECT AND AUTHORIZING THE DIRECTOR OR HER DESIGNEE TO ENTER INTO AN AGREEMENT ON BEHALF OF THE AUTHORITY

The Tower Grove Neighborhoods Community Development Corporation (TGNCDC), a Missouri non-profit corporation, has submitted a hazardous substance application to the MBRLF, requesting a \$160,000 subgrant to complete remediation of a Shaw Boulevard property. TGNCDC shared correspondence with the program from several entities that are interested in the property once it is cleaned.

Although the property includes several contaminants, the primary concern and remediation cost is petroleum, so this project would use funds from the petroleum category. The program currently has approximately \$235,000 in uncommitted petroleum funds.

Staff reviewed the application and found the applicant and site to meet all eligibility criteria for the program. Site and applicant eligibility have been confirmed by EPA.

Discussion ensued.

The MBRLF Review Team reviewed the application and unanimously recommends that the Board approve a subgrant of up to \$160,000 for this project.

MOTION: Motion was made by Ms. DeFreece and seconded by Mr. Cherry to authorize the funding recommendation for the Tower Grove Neighborhoods 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 \$160,000 for this project. By roll call vote, Chair Dalton, Ms. DeFreece and Mr. Cherry all voted in favor. Motion carried.

(AGENDA ITEM #7) REVIEW OF STRATEGIC MEASURES

Ms. Patterson updated the Board on our strategic measures for fiscal year 2016. Ms. Patterson gave a brief summary of the recommended revisions to the Scorecard for fiscal year 2016. There was additional discussion regarding the "Increase Board Involvement" objective, and staff welcomed any thoughts on the measures relating to the Board.

Ms. Patterson explained that staff was finalizing fiscal year 2015 data and would provide a 4th Quarter Scorecard by mid-August. At that time, a fiscal year 2016 Scorecard with updated changes would also be provided.

(AGENDA ITEM #8) CONSIDERATION AND APPROVAL OF FISCAL YEAR 2016 BUDGETS

Authority Budget

Ms. Massey began by thanking Ms. Vaughan for her hard work on the Budgets. She then gave the Board a detailed summary of various expenses, reimbursements, fees, investment and miscellaneous income projections.

Ms. Massey reported that in Fiscal Year 2015 the Authority exceeded revenue projections for the budgeted revenues which were approximately 30 - 35 percent higher than the average of the past three fiscal years. SRF reimbursement funds were higher than projected, reflecting the reimbursement of the Assessing Wastewater Infrastructure Needs (AWIN) study. She also said that the NRD reimbursement exceeded budget, but a portion of that was the environmental consultant fees that are reimbursed through the NRD program. Application Fees were higher due to the Authority receiving three applications, when we budgeted for one. Miscellaneous income reflects the reimbursement the Authority received from the Division of Energy for work on the audit of the 2006 energy bonds.

Staff has completed the reconciliation of expenses attributable to the Missouri Market Program. It came in at approximately \$46,000, and we had budgeted for \$45,000 for the year.

Regarding expenses, Ms. Massey explained that staff costs reflect full staffing throughout the year for the first time in several years. She said the Authority also had additional FA fees due to the new FA needing to recreate the model for the SRF cash flows. This expense was anticipated and should have been reflected in the Fiscal Year 2015 Budget, was necessary and has strengthened the program. The BRLF match transfer out is significantly higher than it has been in previous years due to more activity.

Ms. Massey said that the Fiscal Year 2016 proposed budget conservatively contains \$200,000 for Issuance fees, in which over \$90,000 from the Tri-County Water Authority transaction has already been received. Overall, the proposed budget revenues do not deviate significantly from previous years.

Going into the budget on the expense side, Ms. Massey directed the Board's attention to payroll taxes/fringe and pointed out staff expenses have had an increase in fringe because the health insurance premiums have gone up. Actual staffing levels will be subject to need. Other notable proposed expense items are highlighted in the meeting materials.

A number of questions and discussion followed.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. DeFreece to approve Fiscal Year 2016 Budget for the Authority and increase the BRLF Match Commitment by \$88,394 for a total of \$295,830. By roll call vote, Mr. Cherry, Ms. DeFreece and Chair Dalton all voted in favor. Motion carried.

Market Development

Ms. Tipton stated with the Solid Waste Management Fund revenue line including the current year's allocation of \$800,000 and carry-forward money, there is approximately \$1.6 million available for the Missouri Market Development Program this fiscal year. The FY16 budget is similar to that of FY15 with an increase in the Business Assistance Legal Fees and Expenses category.

Discussion ensued.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. DeFreece to approve the Fiscal Year 2016 Budget for the Missouri Market Development Program. By roll call vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

Brownfields

Ms. Massey asked the Board if they preferred to see the entire grant balance as it is being expended in the current fiscal year, or projections on what we think might be expended during the fiscal year. The Board decided to continue to see the entire grant balance if it is being expended.

Ms. Massey directed the Board's attention to the top table of the Brownfields budget reflects our estimate of the funds remaining in the current grant (both federal funds and Authority match) as well as the anticipated loan repayments for FY16. EPA does not require us to submit a budget for loan repayments. It must be expended before federal and match funds, but can be used for any allowable expenses. The budget document is staff's best estimate of where those funds will be needed, although timing of expenses could require it be deployed in other budget categories. She said staff will not exceed the total proposed budget amounts without prior authorization from the Board.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. DeFreece to approve the Fiscal Year 2016 Brownfields Revolving Loan Fund Budget. By roll call vote, Chair Dalton, Ms. DeFreece and Mr. Cherry all voted in favor. Motion carried.

(AGENDA ITEM #9) AUTHORIZATION TO PURCHASE ACCOUNTING SOFTWARE

Ms. Massey reminded the Board that with the retirement of the Authority's current CPA, new software needed to be acquired. She stated that having it in house, staff will have the ability generate more financial reporting, and going forward, a better bidding process when we have an RFP for accounting services.

Ms. Vaughan directed the Board's attention to the meeting materials and she stated that over the last few months she had narrowed the viable options to Accounting CS (Thompson Reuters) and QuickBooks Premier-NFP.

Ms. Vaughan explained that the reporting capabilities with QuickBooks Premier-NFP are limited without significant customization, and initial set up will be complicated. She said staff's ability to produce reports and track funds will be dependent upon how things are set up on the front end. The Authority's auditor, Williams Keepers, would provide some free training and would be available for other consultation or technical support for a fee, but their hourly fee would outweigh the cost difference of Accounting CS.

Ms. Vaughan reported that staff had viewed an Accounting CS demo, and staff were excited because they are familiar with how this enhanced version of our current CPA's software operates. She expects the data transfer to be relatively straight forward, and the current CPA has agreed to help train staff.

Ms. Massey explained the Authority would have four users, and we qualify for a 30% discount because we are currently using a previous version of the system. She said the automated filing systems and training operation expense are available for additional fees, but this would be considered an operational expense in the budget.

Ms. Massey stated staff recommends approval to purchase Accounting CS and related products. If the Accounting CS software does not perform (there is a 60 day return policy), or there are significant unforeseen costs or IT

problems, staff would like authorization to move forward with purchasing QuickBooks Premier-NFP in place of Accounting CS after consultation with the Treasurer.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. DeFreece to authorize the director, or her designee, to purchase Accounting CS and related products or, should unforeseen issues arise, QuickBooks Premier-NFP. By roll call vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

(AGENDA ITEM #10) ELECTION OF OFFICERS

Chair Dalton stated that his recommendation was to retain the current slate of officers.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. DeFreece to retain the current slate of officers including Chair Dalton as Chair, Ms. DeFreece as Secretary and Mr. Cherry as Vice-Chair, Assistant Secretary and Treasurer. By roll call vote, Chair Dalton, Mr. Cherry and Ms. DeFreece 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

The Board agreed to meet the week of October 19, 2015, and Ms. Massey stated there could be an additional telephone meeting prior to that time.

(AGENDA ITEM #11C) OTHER

AGENDA ITEM #12) 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.

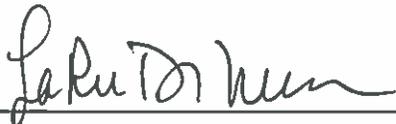
(AGENDA ITEM #13) ADJOURNMENT OF CLOSED MEETING AND RETURN TO OPEN MEETING

(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 Ms. DeFreece to adjourn the meeting. By roll call vote, Chair Dalton, Mr. Cherry and Ms. DeFreece 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 ENTER INTO AN ESCROW DEPOSIT AGREEMENT WITH RESPECT TO DEFEASING CERTAIN STATE REVOLVING FUNDS PROGRAMS BONDS, AND AUTHORIZING THE AUTHORITY TO TAKE CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ACTIONS AUTHORIZED BY THE ESCROW DEPOSIT 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, pursuant to the Act and the SRF Programs, the Authority has issued its Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2005C (the "Series 2005C Bonds"), issued pursuant to the Bond Indenture dated as of November 1, 2005, as amended, between the Authority and UMB Bank, N.A., as trustee (the "Series 2005C Trustee"), and its Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2006A (the "Series 2006A Bonds") pursuant to the Bond Indenture dated as of April 1, 2006, as amended, between the Authority and UMB Bank, N.A., as trustee (the "Series 2006A Trustee"); and

WHEREAS, the Series 2005C Bonds and the Series 2006A Bonds were partially refunded with proceeds of the Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2013A (the "Series 2013A Bonds") issued pursuant to the Bond Indenture dated as of November 1, 2013, as amended, between the Authority and UMB Bank, N.A., as trustee (the "Series 2013A Trustee"); and

WHEREAS, a portion of the Series 2005C Bonds are allocable to the Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2005 (the "2005 Arnold Bonds") of the City of Arnold, Missouri (the "City"); and

WHEREAS, a portion of the Series 2006A Bonds are allocable to the Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2006 (the "2006 Arnold Bonds") of the City; and

WHEREAS, a portion of the Series 2013A Bonds are allocable to the 2005 Arnold Bonds and the 2006 Arnold Bonds; and

WHEREAS, on May 22, 2015, the City redeemed the 2005 Arnold Bonds by the deposit of \$4,377,666.40 with the Series 2005C Trustee and the 2006 Arnold Bonds by the deposit of \$1,891,737.69 with the Series 2006A Trustee, constituting a portion of the proceeds from the sale of the City's sewerage system to Missouri American Water Company (the "Private User"); and

WHEREAS, not defeasing the Series 2005C Bonds, the Series 2006A Bonds and the Series 2013A Bonds allocable to the 2005 Arnold Bonds and the 2006 Arnold Bonds results in private use by the Private User for that portion of the Series 2005C Bonds, the Series 2006A Bonds and the Series 2013A Bonds allocable to the 2005 Arnold Bonds and the 2006 Arnold Bonds;

WHEREAS, private use could, under certain circumstances, adversely affect the exclusion of interest on the Series 2005C Bonds, the Series 2006A Bonds and the Series 2013A Bonds from gross income for federal income tax purposes; and

WHEREAS, the Authority finds that it is necessary and appropriate to cause the defeasance of the Series 2005C Bonds, the Series 2006A Bonds and the Series 2013A Bonds allocable to the City, either in whole or in part; and

WHEREAS, the proceeds received from the redemption of the 2005 Arnold Bonds and the 2006 Arnold Bonds are not sufficient to redeem in full the Series 2005C Bonds, the Series 2006A Bonds and the Series 2013A Bonds allocable to the City;

WHEREAS, the Authority further finds and determines that it is necessary and desirable that the Authority enter into certain documents and take certain other actions in connection with the Authority's entry into the documents 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. Authorization of Escrow Deposit Agreement. The Authority is hereby authorized to enter into one or more Escrow Deposit Agreements with UMB Bank, N.A. (the "Escrow Agreements"), in substantially the form presented and reviewed by the Authority at this meeting (a copy of which Escrow Agreement 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 the Escrow Agreements, such officers' signatures thereon being conclusive evidence of their approval thereof.

Section 2. Execution of Escrow Agreements. The Chairman or the Vice Chairman is hereby authorized and directed to execute and deliver the Escrow Agreements for and on behalf of and as the act and deed of the Authority.

Section 3. 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 other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution, including amendment of any federal tax certificate, to carry out, comply with and perform the duties of the Authority with respect to the Escrow Agreements, and to

negotiate with the Missouri Department of Natural Resources (the "Department") with respect to obtaining funds not to exceed \$100,000 to avoid any private use related to the sale of the City's system with respect to the Series 2005C Bonds, the Series 2006A Bonds and the Series 2013A Bonds allocable to the City. Should funds not be provided by the Department, the Escrow Agreements will provide for the defeasance of the maximum principal amounts of the Series 2005C Bonds, the Series 2006A Bonds and the Series 2013A Bonds allocable to the City as determined in the reasonable judgment of the Director.

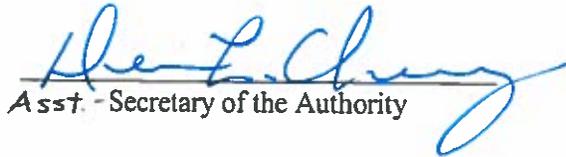
Section 4. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Authority.

ADOPTED this 23rd day of July, 2015.


Chairman of the Authority

(Seal)

ATTEST:


Asst. - Secretary of the Authority

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

RESOLUTION AUTHORIZING THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY TO ENTER INTO AN ESCROW DEPOSIT AGREEMENT WITH RESPECT TO DEFEASING CERTAIN STATE REVOLVING FUNDS PROGRAMS BONDS, AND AUTHORIZING THE AUTHORITY TO TAKE CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ACTIONS AUTHORIZED BY THE ESCROW DEPOSIT 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, pursuant to the Act and the SRF Programs, the Authority has issued its Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2004C (the "Series 2004C Bonds"), issued pursuant to the Bond Indenture dated as of November 1, 2004, as amended, between the Authority and UMB Bank, N.A., as trustee (the "Series 2004C Trustee"); and

WHEREAS, the Series 2004C Bonds were partially refunded with proceeds of the Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2011A (the "Series 2011A Bonds") issued pursuant to the Bond Indenture dated as of November 1, 2011, as amended, between the Authority and UMB Bank, N.A., as trustee (the "Series 2011A Trustee"), and the Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2013A (the "Series 2013A Bonds") issued pursuant to the Bond Indenture dated as of November 1, 2013, as amended, between the Authority and UMB Bank, N.A., as trustee (the "Series 2013A Trustee"); and

WHEREAS, a portion of the Series 2004C Bonds are allocable to the Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2004 (the "Portageville Bonds") of the City of Portageville, Missouri (the "City"); and

WHEREAS, a portion of the Series 2011A Bonds and the Series 2013A Bonds are allocable to the Portageville Bonds; and

WHEREAS, on June 1, 2015, the City redeemed a portion of the Portageville Bonds by the deposit of \$707,250.00 with the Series 2004C Trustee; and

WHEREAS, defeasing a portion of the Series 2004C Bonds, the Series 2011A Bonds and the Series 2013A Bonds allocable to the Portageville Bonds may be advantageous for preserving SRF Programs cash flow; and

WHEREAS, the Authority finds that it is necessary and appropriate to cause the defeasance of the Series 2004C Bonds, the Series 2011A Bonds and/or the Series 2013A Bonds allocable to the City, either in whole or in part; and

WHEREAS, the Authority further finds and determines that it is necessary and desirable that the Authority enter into certain documents and take certain other actions in connection with the Authority's entry into the documents 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. Authorization of Escrow Deposit Agreement. The Authority is hereby authorized to enter into the Escrow Deposit Agreement dated as of July 1, 2015, with UMB Bank, N.A. (the "Escrow Agreement"), in substantially the form presented and reviewed by the Authority at this meeting (a copy of which Escrow Agreement 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 the Escrow Agreement, such officers' signatures thereon being conclusive evidence of their approval thereof.

Section 2. Execution of Escrow Agreement. The Chairman or the Vice Chairman is hereby authorized and directed to execute and deliver the Escrow Agreement for and on behalf of and as the act and deed of the Authority.

Section 3. 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 other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution, including amendment of any federal tax certificate, to carry out, comply with and perform the duties of the Authority with respect to the Escrow Agreement. The Escrow Agreement will provide for the defeasance of the appropriate principal amount of the Series 2004C Bonds, the Series 2011A Bonds and the Series 2013A Bonds allocable to the City as determined in the reasonable judgment of the Director.

Section 4. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Authority.

ADOPTED this 23rd day of July, 2015.

(Seal)
ATTEST:


Don L. Chung
Asst. - Secretary of the Authority

William Andy DeLoe
Chairman of the Authority