

**MINUTES OF THE 324<sup>th</sup> MEETING OF THE  
STATE ENVIRONMENTAL IMPROVEMENT  
AND ENERGY RESOURCES AUTHORITY**

**EIERA Office**

**425 Madison Street, Second Floor**

**Jefferson City, Missouri**

**March 30, 2016**

**10:00 a.m.**

**EIERA MEMBERS:** Andy Dalton, Chair (phone participant)  
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  
Doug Garrett, Project Specialist  
Genny Eichelberger, Office Support Assistant

**LEGAL COUNSEL:** David Brown  
Lewis Rice LLC

**OTHER  
PARTICIPANTS:** Eric Crawford  
Traci Newberry  
Department of Natural Resources

Guy Nagahama (phone participant)  
Jefferies LLC

Chris Ahrens  
Shannon Creighton  
Gilmore and Bell, P.C.

Larry Richardson  
Wells Fargo Securities

Eric Cowan  
Bank of America Merrill Lynch

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

Chair Dalton called the 324<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 323<sup>rd</sup> meeting (December 9, 2015) of the Authority.

**MOTION:** Motion was made by Mr. Cherry and seconded by Ms. DeFreece to approve the minutes of the 323<sup>rd</sup> meeting of the Environmental Improvement and Energy Resources Authority. By roll call vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

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

**(AGENDA ITEM #3A) REVIEW OF EIERA 2015B SRF REFUNDING**

Mr. Boland reminded the Board that at the October 22, 2015, meeting, they adopted a resolution authorizing the issuance of SRF refunding revenue bonds. The Series 2015B transaction priced on December 8, 2015, and totaled of \$136,105,000. Closing took place December 22, 2015, and produced net present value savings of more than \$15 million which will be credited to DNR's SRF program and be used to capitalize future water and wastewater loans. Mr. Boland asked Mr. Nagahama, representing Jefferies LLC, to provide a summary of the 2015A Transaction.

Mr. Nagahama directed the Board to the summary that was provided in the board meeting packet and presented an overview of the market and the transaction in general.

Mr. Boland and Chair Dalton thanked Mr. Nagahama for his presentation and the professionals for their assistance in making this a successful transaction.

**(AGENDA ITEM #3B) OTHER BUSINESS**

Mr. Boland announced to the Board that Mr. Ahrens, with Gilmore and Bell, P.C., will retire at the end of April. Mr. Boland stated that Mr. Ahrens has added remarkable value to the SRF Program and that he will be greatly missed. Staff agreed.

Chair Dalton expressed the Board's appreciation for his work and a job well done.

**(AGENDA ITEM #4) CONSIDERATION AND APPROVAL OF A RULEMAKING POLICY**

Ms. Massey reported to the Board that Chapter 536.016 of the Revised Statutes of Missouri requires that each state agency shall adopt certain procedures for rulemaking and that the Authority did not have such a policy and was specifically exempted from MDNR's policy.

Ms. Massey explained that staff had drafted an EIERA Rulemaking Policy for the Board's consideration. The policy sets forth a three phase rule making process: Rule Development, Proposed Rulemaking and Final Order of Rulemaking. The Rule Development phase sets forth a process for staff to develop administrative rules for the Board's consideration. Upon approval of

the draft rule language by the Board, the Proposed Rulemaking stage begins. In this stage, the draft rule language is filed with the Secretary of State and the Joint Committee on Administrative Rules and is published in the Missouri Register. Fiscal impact and other analytical documents are filed and a formal public comment period is held which could include a public hearing. At the end of this phase, the Authority develops formal responses to any comments received and approves final rule language.

In the Final Order of Rulemaking stage, final language is filed with the Joint Committee on Administrative Rules and the Secretary of State. The final rule is published in the Missouri Register and Code of State Regulations. The rule becomes effective 30 days after publication.

**MOTION:** Motion was made by Ms. DeFreece and seconded by Mr. Cherry to approve the Rulemaking Policy for the State Environmental Improvement and Energy Resources Authority. By roll call vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

**(AGENDA ITEM #5) ENERGY**

**(AGENDA ITEM #5A) POTENTIAL PACE RULEMAKING**

Ms. Massey reported to the Board that EIERA staff had been approached by the Department of Economic Development's Division of Energy (DE) about the potential need for administrative rules relating to the Property Assessed Clean Energy Program. The DE wants to ensure that energy efficiency projects funded under the pace program are limited to those which decrease energy consumption rather than increase load. Chapter 67.2805 of the Revised Statutes

of Missouri grants the EIERA the power to promulgate rules relating to the PACE program. Specifically, the Authority's rulemaking authority is for clarification to the definitions of energy efficiency and renewable energy improvement.

Ms. Massey stated that DE is willing to share in the costs of the potential rulemaking, and staff recommends that the Director be authorized to enter into a MOU or similar agreement with the Division of Energy relating to a potential rulemaking and to begin the rule development process.

**MOTION:** Motion was made by Mr. Cherry and seconded by Ms. DeFreece to authorize the Director, or her designee, to enter into a Memorandum of Understanding (MOU), or similar agreement, on behalf of the Authority with the Division of Energy relating to a potential PACE rulemaking action; as well as authorization for staff to begin rule development in accordance with the process contained in the EIERA rulemaking policy. By roll call vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

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

Ms. Massey noted that Ms. Patterson assisted her in drafting a letter of support for a grant to fund a collaboration between the Colorado Energy Office, the Missouri Department of Economic Development's Division of Energy and a non-profit energy efficiency entity.

Ms. Massey stated that the proposed project would look at best practices in energy financing and look at ways to advance clean energy projects in Missouri. The ultimate goal of the project is to establish a Green Bank.

**(AGENDA ITEM #6) NATURAL RESOURCE DAMAGES PROGRAM UPDATE**

Ms. Massey reported to the Board that to date, the Authority had received \$14.5 million in NRD funds and sent out \$12 million to purchase 25 parcels. The majority of the work has been in Southwest Missouri with 20 parcels and five parcels in Southeast Missouri for State Parks. She called on Ms. Patterson for further comment about the parcels in Webb City.

Ms. Patterson stated EIERA had assisted on the closing of 20 parcels in Webb City. She explained that the Authority acts as paying agent and completes a title review. The three-part title review consists of the following: 1) ensuring parcel legal descriptions are consistent across title insurance documents and boundary surveys; 2) ensuring all the documents related to title insurance exceptions are in order; and 3) researching special issues, such as mineral rights or environmental concerns found in the Phase 1 Environmental Site Assessments. Ms. Patterson noted that there were issues with every parcel that required research, sometimes extensive.

In addition to ensuring there were no title issues on the properties that would jeopardize the project, and thus looking out for the Trustees' interests, the Authority's goal was to add value and not slow down the real estate transactions. Ms. Patterson completed a summary of the transactions and found that, on average, closing on each parcel in Webb City was completed within seven calendar days of the State Trustee signing the Authorization to Pay.

Chair Dalton asked if all properties had title insurance.

Ms. Massey stated that all properties in Southwest Missouri had title insurance.

**(AGENDA ITEM #7) MID-YEAR BUDGET UPDATE**

Ms. Massey announced that the Board would receive finalized financial statements for the end of December 2015 soon. She then directed the Board's attention to the attachments for the budgets and actual expenses for the first two quarters of FY2016 for the Authority, Brownfields and Market Development. She said that revenues were doing well but would change over the remainder of the fiscal year. Most expense categories are on target with the exception of Miscellaneous and Administrative expenses. Mr. Boland noted that part of the reason for the increase was due to the Authority's Trustee obtaining new cusip numbers for refunding.

Ms. Massey said that staff and the accountant changed the NRD Program accounting and reporting structure to separate it fully from the Authority's reports. In the past, these Agency Funds were separated from the Authority's financials by the Auditors at the end of the fiscal year. The Brownfields Revolving Loan Fund (BRLF) Match was significantly higher due to holding on to loan repayments and spending grant monies, which require match, first. Staff will apply for new grant money in the near future.

**(AGENDA ITEM #8) LEGISLATIVE UPDATE**

Ms. Massey stated that House Bill 2614, if passed, would have a far reaching impact on the Authority. As currently written, among other impacts,

the Authority's debt service would be subject to legislative approval, and could potentially affect the credit ratings of outstanding bonds. It also has the potential to prevent the Authority from issuing any further private activity bonds in the future, and drive up the cost of borrowing for all programs.

Staff has alerted the sponsor to these issues and it appears the legislation will not move forward; however the issue will be closely monitored.

**(AGENDA ITEM #9) OTHER BUSINESS**

Chair Dalton called upon Ms. Tipton for Missouri Market Development Program and Brownfields updates.

Ms. Tipton noted that the budget line item for Direct Assistance looked low because the program has used of the majority of available funds. The Program will receive additional funding at the beginning of the next fiscal year.

Ms. Tipton explained the ACME Battery Plant, a Brownfields Revolving Loan Fund participant, has submitted a completion letter to the Missouri Department of Natural Resources. She added that this will be a significant accomplishment for the program.

**(AGENDA ITEM #9A) OPPORTUNITY FOR PUBLIC COMMENT**

There were no comments.

**(AGENDA ITEM #9B) NEXT MEETING DATE**

The Board agreed to meet in late June 2016 and Ms. Massey stated there could be an additional telephone meeting in May 2016.



**(AGENDA ITEM #9C) OTHER**

There was no other business to discuss.

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

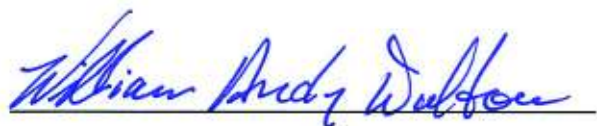
**MOTION:** Motion was made by Mr. Cherry and seconded by Ms. DeFreece to close the meeting for the purposes of discussing litigation confidential matters including contractual matters with the Authority's attorneys, and bid specifications pursuant to Section 610.021 (1) and (11) RSMo. By roll call vote,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

  
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