

**MINUTES OF THE 325TH MEETING OF THE  
STATE ENVIRONMENTAL IMPROVEMENT  
AND ENERGY RESOURCES AUTHORITY**

**EIERA Office**

**425 Madison Street, Second Floor**

**Jefferson City, Missouri**

**May 12, 2016**

**10:15 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  
Genny Eichelberger, Office Support Assistant

**LEGAL COUNSEL:** David Brown (phone participant)  
Lewis Rice LLC

**OTHER  
PARTICIPANTS:** Larry Richardson  
Wells Fargo Securities  
  
Jean Matzeder  
Hardwick Law Firm, LLC  
  
Eric Cowan  
Tom Liu  
Bank of America Merrill Lynch

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

Chair Dalton called the 325<sup>th</sup> meeting of the Environmental Improvement and Energy Resources Authority (the "Authority") to order at 10:15 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 324<sup>th</sup> meeting (March 30, 2016) of the Authority and the 324<sup>th</sup> closed meeting (March 30, 2016) of the Authority.

**MOTION:** Motion was made by Mr. Cherry and seconded by Ms. DeFreece to approve the minutes of the open portion of the 324<sup>th</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.

**MOTION:** Motion was made by Mr. Cherry and seconded by Ms. DeFreece to approve the minutes of the closed portion of the 324<sup>th</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 FUND PROGRAM**

**(AGENDA ITEM #3A) CONSIDERATION AND ADOPTION OF A RESOLUTION APPROVING BOND COUNSEL AND AUTHORIZING THE AUTHORITY TO ENTER INTO AN AGREEMENT THEREWITH**

Ms. Massey reported to the Board that the RFP was advertised for three days in the Bond Buyer, a national industry trade newspaper that is published daily. Only one firm submitted a proposal. The proposer was our current SRF

Bond Counsel, Gilmore and Bell, P.C. In addition to SRF Bond Counsel, Gilmore and Bell, P.C. would be able to assist the Authority on other matters.

Ms. Massey stated that the Proposal was responsive to the RFP and had no significant weaknesses or shortcomings. Both EIERA and MDNR staff are pleased with the service provided by the firm. She noted that fees were reasonable in light of the service provided by the firm and when compared to others.

Discussion ensued.

Chair Dalton asked if there was a motion.

**MOTION:** Motion was made by Mr. Cherry and seconded by Ms. DeFreece to Approve a Resolution Authorizing the State Environmental Improvement and Energy Resources Authority Approving Gilmore & Bell, P.C. to Serve as Bond Counsel in Connection with the State Revolving Fund Programs and Authorizing the Authority to Enter Into an Agreement in Connection Therewith. By roll call vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

(Said Resolution 16-01 is attached hereto and made a part of these minutes as "Exhibit A.")

**(AGENDA ITEM #4) ENERGY EFFICIENCY LEVERAGED LOAN PROGRAM**

**(AGENDA ITEM #4A) CONSIDERATION AND APPROVAL OF A RESOLUTION AUTHORIZING THE AUTHORITY TO REDEEM ALL OF THE ENERGY EFFICIENCY MASTER TRUST REVENUE BONDS SERIES 2006 MATURING IN 2016 AND THEREAFTER; AND APPROVING CERTAIN DOCUMENTS AND AUTHORIZING THE AUTHORITY TO TAKE CERTAIN OTHER ACTIONS IN CONNECTION WITH THE REDEMPTION OF SAID BONDS**

Ms. Massey stated that staff and Authority Counsel have been working with the Energy Efficiency Loan Program Trustee, Bank of New York Mellon Trust

Company, Bond Counsel, Hardwick Law Firm, and Financial Advisor, Columbia Capital, to analyze this opportunity and put together the necessary documents.

Ms. Massey stated that staff recommends approving a resolution authorizing the redemption of the Series 2006 Bonds and other actions necessary in connection with the redemption. She noted that the bonds were the last of the Energy Efficiency Leveraged Loan Program and that they were callable at any time.

**MOTION:** Motion was made by Mr. Cherry and seconded by Ms. DeFreece to Approve a Resolution Authorizing the State Environmental Improvement and Energy Resources Authority to Redeem All of the Energy Efficiency Master Trust Revenue Bonds Series 2006 Maturing in the Year 2016 and Thereafter; and Approving Certain Documents and Authorizing the Authority to Take Certain Other Actions in Connection with the Redemption of Said Bonds. By roll call vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

(Said Resolution 16-02 is attached hereto and made a part of these minutes as "Exhibit A.")

**(AGENDA ITEM #5) MISSOURI MARKET DEVELOPMENT PROGRAM**

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

The next order of business was the Missouri Market Development Program Update.

Ms. Tipton reported to the Board that a successful past project, Alternative Community Training, Inc. (ACT), located in Columbia, Missouri, was possibly going to have to stop operating due to the loss of sheltered workshop funding. The company breaks down VHS videotapes from all over the country and

recycles all the materials. However, the owner found an organization in downtown St. Louis, American Military Veterans Assistance Corporation (AMVAC) that was willing and able to continue this process once the necessary equipment is transferred.

Ms. Tipton also stated that she currently knows of 10 applications being prepared for MMDP funding in various stages of completion.

**(AGENDA ITEM #6) BROWNFIELDS REVOLVING LOAN FUND**

**(AGENDA ITEM #6A) PROGRAM UPDATE**

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

Ms. Tipton reported that the City of Howardville submitted an application to the MBRLF, requesting a \$100,000 subgrant to complete hazardous substance remediation at a former school property.

Ms. Tipton explained that this project has been in process for several years and they had already received a grant from the EPA. However, the project budget exceeded the amount of the EPA grant award.

The school, built in 1958 has a historical significance to the community. It is the only school known to have been built specifically for African-American students after the Supreme Court decision to desegregate in 1954. The school housed and educated African-American students for approximately 10 years.

Ms. Tipton stated that the MBRLF Review Team, consisting of staff from the MoDNR's Brownfield Voluntary Cleanup Program, the Department of Economic

Development's Business and Community Services Program and the Authority, reviewed the application and unanimously recommends that the Board approve a subgrant of up to \$100,000 for this project.

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

**(AGENDA ITEM #7) REVIEW OF STRATEGIC MEASURES**

Ms. Patterson stated that she had pulled together the data this week and reported that it had been a very good fiscal year. She said this was the first time almost all of the targets were met since we started measuring. Our only downward arrows were in the number of applications for financing and the diversification of revenues. Ms. Patterson said the applications measurement may correct itself with pending MMDP and BRLF applications that may come in before the end of Fiscal Year 2016. She also stated we may consider revising our diversification target, which is currently less than or equal to 33 percent. (Our diversification of revenue has averaged 47 percent since Fiscal Year 2014.)

Ms. Patterson noted that the 3<sup>rd</sup> Quarter Fiscal Year 2016 Scorecard would be sent to the Board following the meeting.

**(AGENDA ITEM #8) CONSIDERATION AND APPROVAL OF FISCAL YEAR 2017 BUDGETS**

**Authority Budget**

Ms. Massey called the Board's attention to the proposed budgets provided with the meeting materials and the revised Authority budget subsequently provided. The proposed budget anticipates a very small revenue stream for the Authority due to the low probability of bond issuance activity during the year.

On the expense side, several unique items were budgeted; a new photocopier, FY17 NRD Direct Costs and monthly Ethernet fees which were previously paid by the state.

A number of questions and discussion followed.

**MOTION:** Motion was made by Mr. Cherry and seconded by Ms. DeFreece to approve Fiscal Year 2017 Budget for the Authority and to commit an additional \$91,867 for the matching funds for the BRLF program bringing the total commitment to \$269,261. By roll call vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

**Market Development**

Ms. Tipton stated with the FY17 budget is similar to that of previous years. She directed the Board's attention to an encumbered amount of \$548,000, which was awarded, but not yet billed.

**MOTION:** Motion was made by Mr. Cherry and seconded by Ms. DeFreece to approve the Fiscal Year 2017 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 directed the Board's attention to the top table of the Brownfields budget which reflects an estimate of the funds remaining in the current grant (both federal funds and Authority match) as well as the anticipated loan repayments for FY17.

**MOTION:** Motion was made by Mr. Cherry and seconded by Ms. DeFreece to approve the Fiscal Year 2017 Brownfields Revolving Loan Fund Budget. By roll call vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

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

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

There were no comments.

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

The Board agreed to meet near the end of July 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.



(Seal)

William Rudy Dalton  
Chairman

Lake DeFreece  
Secretary

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

RESOLUTION OF THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY APPROVING GILMORE & BELL, P.C. TO SERVE AS BOND COUNSEL IN CONNECTION WITH THE STATE REVOLVING FUND PROGRAMS AND AUTHORIZING THE AUTHORITY TO ENTER INTO AN AGREEMENT IN CONNECTION THEREWITH.

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, Revised Statutes of Missouri, as amended ("RSMo"), and Appendix B(1) thereto (the "Act"), to finance, acquire, construct and equip certain 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, and to issue revenue bonds and notes for the purpose of providing funds to pay the costs of such projects; 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 from time to time issues 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, the Authority disseminated a Request for Proposals to serve as bond counsel in connection with the SRF Programs dated April 2016 (the "RFP") soliciting the services of qualified legal firms to serve as bond counsel in connection with the SRF Programs and the related direct loan programs (the "Direct Loan Programs") administered by the Missouri Department of Natural Resources ("DNR"), as well as providing legal services for certain issues relating to such programs and other legal services from time to time; and

WHEREAS, after evaluation of the sole proposal received by the Authority in response to the RFP, the Authority has determined, in consultation with DNR, that it is in the best interest of the Authority and the SRF Programs to (i) accept the proposal of Gilmore & Bell, P.C. dated April 28, 2016 (the "Proposal"), (ii) employ Gilmore & Bell, P.C. as bond counsel in connection with the SRF Programs and the Direct Loan Programs and provide related legal services and other legal services from time to time and (iii) enter into a mutually satisfactory agreement with Gilmore & Bell, P.C. setting forth the duties and obligations of the parties.

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

Section 1. The Authority hereby accepts the Proposal and approves Gilmore & Bell, P.C. to serve as bond counsel in connection with the SRF Programs and the Direct Loan Programs and provide related legal services and other legal services from time to time, all subject to negotiation of a mutually-acceptable agreement among the parties.

Section 2. The Authority hereby authorizes its Director or Deputy Director to negotiate and enter into an Agreement with Gilmore & Bell, P.C. said Agreement to be substantially the form attached hereto as Exhibit A.

Section 3. This resolution shall take effect and be in full force immediately after its adoption by the Authority.

ADOPTED this 12th day of May, 2016.

STATE ENVIRONMENTAL IMPROVEMENT  
AND ENERGY RESOURCES AUTHORITY

By:   
Chairman of the Authority

(SEAL)

ATTEST:

  
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 REDEEM ALL OF THE ENERGY EFFICIENCY MASTER TRUST REVENUE BONDS SERIES 2006 MATURING IN THE YEARS 2016 AND THEREAFTER; AND APPROVING CERTAIN DOCUMENTS AND AUTHORIZING THE AUTHORITY TO TAKE CERTAIN OTHER ACTIONS IN CONNECTION WITH THE REDEMPTION 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 Section 260.005 to 260.125, inclusive, Revised Statutes of Missouri, as amended and Appendix B(1) thereto (the "Act"), to finance, acquire, construct and equip certain projects (as defined in the Act) for the purpose of preventing or reducing pollution and disposal of solid waste or sewage and to provide for the furnishing of water facilities and resource recovery facilities and to provide for the development of energy resources of the State, to provide for energy conservation and to provide for energy efficiency projects and increased energy efficiency in the State, and to further such programs the Authority is authorized to acquire and construct, and finance projects and to issue bonds and notes and make loans to pay the cost thereof; and

WHEREAS, the Authority, in cooperation with the Missouri Division of Energy (the "Division of Energy") (formerly a division of the Missouri Department of Natural Resources ("DNR") and currently a division of the Missouri Department of Economic Development), developed a Missouri Energy Efficiency Leveraged Loan Program (the "Energy Leveraged Loan Program") to provide funds to city and county governments, public school districts and other eligible entities to be applied toward energy efficient capital improvements in facilities or buildings owned and operated by such entities; and

WHEREAS, in furtherance of the objectives of the Energy Leveraged Loan Program, the Authority issued its Energy Efficiency Master Trust Revenue Bonds, Series 2006, in the original principal amount of \$14,775,000 (the "Bonds") pursuant to the Bond Indenture dated as of January 1, 2006 (the "Indenture") between the Authority and The Bank of New York Mellon Trust Company, N.A., successor to The Bank of New York Trust Company, N.A., as Bond Trustee (the "Trustee") to (i) purchase loans made by DNR, the proceeds of which were used by eligible public school districts and local governmental entities, to finance the costs of energy conservation projects, authorized under Sections 640.651 *et seq.* of the Revised Statutes of Missouri, as amended, and (ii) pay the costs associated with the issuance of the Bonds; and

WHEREAS, the Division of Energy has indicated that it intends to request the Authority pursuant to a direction letter from the Division of Energy (the "Direction Letter"), to defease and exercise its option to redeem all of the Bonds maturing in September 2016 and thereafter using funds to be provided by the Division of Energy and funds otherwise available under the Indenture and the Amended and Restated Master Trust Agreement dated as of January 1, 2006

(the "Master Trust Agreement") between the Authority and The Bank of New York Mellon Trust Company, N.A., successor to The Bank of New York Trust Company, N.A., as Master Trustee (the "Master Trustee"); and

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

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

Section 1. Findings and Determinations. The Authority hereby finds and determines that the redemption of all of the outstanding Bonds maturing in September 2016 and thereafter (the "Redeemed Bonds") is in the public interest and within the power and authority vested in the Authority under the Act and the Indenture.

Section 2. Authorization of Redemption of the Redeemed Bonds. Upon (i) receipt of the Direction Letter, (ii) confirmation of the Authority's financial advisor with respect to the terms and conditions of the proposed redemption of the Redeemed Bonds that such terms and conditions comply with the Authority's energy bonds program, and (iii) receipt of funds sufficient for such purpose from the Division of Energy in addition to available funds held under the Indenture, the Authority hereby authorizes the redemption of the Redeemed Bonds and further authorizes the Redeemed Bonds to be paid and discharged in accordance with the terms of the Indenture.

Section 3. Authorization of Documents. In connection with the redemption of the Redeemed Bonds, the Chairman, Vice Chairman, Director or Deputy Director of the Authority is hereby authorized and directed to execute letters of instruction, certificates or other documents (i) requesting and authorizing the Trustee to provide notices with respect to the redemption of the Redeemed Bonds to the rating agencies currently providing ratings on the Bonds, to the Municipal Securities Rulemaking Board via its Electronic Municipal Market Access System, and to the holders of record of the Redeemed Bonds, (ii) directing the Trustee as to the deposit of funds to be provided by the Division of Energy for the redemption of the Redeemed Bonds, (iii) directing the Trustee as to the application of the funds to be provided by the Division of Energy for the redemption of the Redeemed Bonds, (iv) effectuating the timely termination of investment instruments held by the Trustee and the Master Trustee, directing the Trustee as to the application of funds held under the Indenture, and directing the Master Trustee as to the application of funds held under the Master Trust Agreement, (v) providing for the discharge or termination of the Indenture and certain other documents entered into in connection with the issuance of the Bonds, and (vi) providing for the discharge or termination of the Master Trust Agreement. The Secretary or Assistant Secretary is hereby authorized and directed to attest to such documents, certificates and instruments, as may be necessary to carry out and comply with the intent of this Resolution.

Section 4. 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, and to carry out, comply with and perform the duties of the Authority with respect to the redemption of the Redeemed Bonds pursuant to the terms of the Indenture. 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.

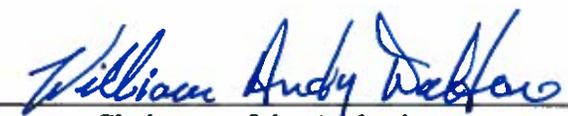
Section 5. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Authority.

ADOPTED this 12th day of May, 2016.

(Seal)

ATTEST:

  
  
Secretary/Assistant Secretary of the Authority

  
Chairman of the Authority