

**MINUTES OF THE 326TH MEETING OF THE  
STATE ENVIRONMENTAL IMPROVEMENT  
AND ENERGY RESOURCES AUTHORITY**

**EIERA Office**

**425 Madison Street, Second Floor**

**Jefferson City, Missouri**

**September 15, 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  
Mary Vaughan, Administration and Project Manager  
Genny Eichelberger, Office Support Assistant

**LEGAL COUNSEL:**

David Brown (phone participant)  
Lewis Rice LLC

**OTHER  
PARTICIPANTS:**

Eric Cowan  
Bank of America Merrill Lynch

Marty Miller  
Eric Crawford  
Department of Natural Resources

Jean Matzeder  
Hardwick Law Firm, LLC

Peter Phillips  
St. Louis Development Corporation

Larry Richardson  
Wells Fargo Securities

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

Chair Dalton called the 326<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 325<sup>th</sup> meeting (May 12, 2016) of the Authority and the 325<sup>th</sup> closed meeting (May 12, 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 325<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 325<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) PROGRAM UPDATE**

Mr. Boland reported to the Board that the Missouri Department of Natural Resources (MDNR) Financial Assistance Center (FAC) recently conducted a process review and retreat to improve its overall operations. He said that he and Ms. Massey participated for part of the efficiency review process. The FAC

is working with Ms. Patterson on the Intended Use Plans to make them more readable and a better marketing tool.

Ms. Massey said that the FAC was pleased with the results and has requested Ms. Patterson's assistance on a marketing plan for the State Revolving Fund Program.

**(AGENDA ITEM #3B) CONSIDERATION AND APPROVAL OF RESOLUTION APPROVING SENIOR MANAGING UNDERWRITER(S) AND CO-MANAGING UNDERWRITER(S) IN CONNECTION WITH THE STATE REVOLVING FUND PROGRAM AND AUTHORIZING THE AUTHORITY TO NEGOTIATE AND ENTER INTO AN AGREEMENT(S) IN CONNECTION THEREWITH**

Mr. Boland reminded the Board that during the 324<sup>th</sup> Board meeting on March 30, 2016, Authority Staff was given the approval to release a Request for Proposals (RFP) seeking underwriter services for the State Revolving Fund Program (SRF).

The RFP was advertised for three days in the Bond Buyer, a national industry trade newspaper that is published daily. Five firms submitted proposals.

Mr. Boland stated that the review team consisted of Authority Staff, MDNR's FAC, and Columbia Capital Management. He reviewed the criteria for selection and noted the strengths of various firms as noted in the staff recommendation memo. He then advised the Board that staff recommended Bank of America Merrill Lynch, Jefferies LLC and Wells Fargo Securities as Senior Managing Underwriters and Ramirez & Co., Inc., and FTN Financial Capital Markets as Co-Managing Underwriters.

Discussion ensued.

Chair Dalton asked if there was a motion.

**MOTION:** Motion was made by Mr. Cherry and seconded by Ms. DeFreece to Adopt a Resolution Approving Bank of America Merrill Lynch, Jefferies LLC and Wells Fargo Securities to serve as alternating Book-Running Senior Managing Underwriters and Ramirez & Co., Inc., and FTN Financial Capital Markets as Co-Managing Underwriters in Connection with the State Revolving Fund Program and Authorizing the Director or her designee to Negotiate and Enter into Agreements in Connection Therewith. By voice vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

(Said Resolution 16-03 is attached hereto and made a part of these minutes as "Exhibit A.")

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

Ms. Massey called upon Mr. Crawford for further comment.

Mr. Crawford stated that the Drinking Water Intended Use Plan had been converted over to the new format and was consistent with the Clean Water Intended Use Plan format. He thanked Ms. Patterson for her assistance and for a job well done. He announced that Doug Garnett would be providing more hours to FAC due to a recent decrease in staff size.

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

**(AGENDA ITEM #4A) PROGRAM UPDATE**

Ms. Massey reminded the Board that at the May Meeting, the Authority authorized the redemption of the remaining Energy Efficiency bonds and called upon Ms. Matzeder with the Hardwick Law Firm, LLC, Bond Counsel for the program, for comment.

Ms. Matzeder provided a brief summary of the process to the Board and

noted that the 2006 Energy Efficiency Bond Series had been successfully redeemed and was no longer outstanding.

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

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

Ms. Tipton reported to the Board that she had recently attended the National Resources Recycling Conference and the MORA Conference that were held in St. Louis. There were current MMDP participants on the panels. Ms. Tipton noted that the Program is making a substantial impact in Missouri.

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

Ms. Tipton stated that Enginuity, LLC requested \$250,000 to purchase equipment costing \$500,737 that will enable the company to produce off-road diesel fuel and carbon products from a variety of organic wastes. She noted that their application was very well done and that their due diligence was good. She said that Enginuity, LLC, a successful past program participant, produces products that are carried by Menards, Ace Hardware, and other national chains.

Ms. Tipton stated that with this project, Enginuity intends to accept organic waste from multiple sources, but a large supplier will be Grisham Farms, another past successful program participant. Enginuity has received letters of intent to purchase "biochar" from Wright County who will apply it to roads in winter weather and from several nurseries and landscapers that will use it as a

soil amendment. The off-road diesel will be sold to area farmers and businesses that have operations where it can be used.

Ms. Tipton stated that the Missouri Market Development Program Steering Committee, which includes staff from the MDNR, Missouri Department of Economic Development, and the Authority, recommended funding this project in the amount of \$250,000 not to exceed 50% of the cost of the equipment. The Steering Committee also recommends that the project be required to divert enough materials (10,000 tons) and create enough jobs (11) to meet Program funding level eligibility requirements rather than the anticipated numbers. Five committee members voted for this funding recommendation and one member voted against it.

Ms. DeFreece asked why one person opposed the funding recommendation.

Ms. Tipton stated that the person did not understand the process and technology being used.

**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 Enginuity, LLC for an amount up to \$250,000, not to exceed 50 percent of the cost of the equipment. By roll call vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

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

Ms. Tipton reported that EPC, Inc., an Information Asset Disposal (IAD) company and a past program participant, requested \$250,000 to purchase

equipment costing \$1,638,952 that will increase process capacity at a new electronics remanufacturing and recycling facility.

Ms. Tipton explained that the current manual demanufacturing processes are becoming non-sustainable due to depressed commodity markets, increased labor costs, and increased volume of end-of-life equipment. Automating the e-waste handling process will enable the company to serve its clients in a more economically feasible manner and will also allow the company to grow. EPC, Inc. believes they will increase materials recovered by at least 25%.

EPC, Inc. is the only company in Missouri that is certified by the National Association of Information Destruction standards. EPC, Inc. anticipates diverting an additional 2,000 tons annually from the waste stream and creating four full time employee positions with this project.

Chair Dalton stated that the equipment was expensive and asked if EPC Inc. would finance it.

Ms. Tipton stated that EPC, Inc. would buy the equipment themselves which would make the Authority able to take first position on the lien.

The Missouri Market Development Program Steering Committee reviewed the application and unanimously recommended that the Board approve funding in the amount of \$200,000 not to exceed 50% of the cost of the equipment. This funding recommendation was unanimous.

**MOTION:** Motion was made by Mr. Cherry and seconded by Ms. DeFreece to authorize the director or her designee to negotiate

and enter into an agreement on behalf of the Authority with EPC Inc., for an amount up to \$200,000, not to exceed 50 percent of the cost of the equipment. By roll call vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

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

Ms. Tipton stated that Granuband Macon, LLC requested \$250,000 to purchase equipment costing \$500,000 that will enable the company to manufacture playground tiles and other products at its tire recycling facility in Macon.

The tile manufacturing line would be purchased from an Iowa company with an agreement that the Iowa company will continue to market the tiles. The owner of the Granuband Macon, LLC plant operates similar plants in the Netherlands and believes he can also produce additional products with the acquisition of this line, including a roofing product which has already generated interest in United States markets. Currently, Granuband Macon, LLC receives tires from multiple locations in Missouri.

Granuband Macon, LLC anticipates diverting an additional 800 tons annually from the waste stream, but due to the diversion amount, our scoring system limits the assistance amount to \$100,000. Ten to twelve full time employee positions will be created with this project.

The Missouri Market Development Program Steering Committee reviewed the application and unanimously recommended that the Board approve

funding in the amount of \$100,000 not to exceed 50% of the cost of the equipment. Discussion ensued.

Mr. Cherry recommended that the Board increase the award to \$200,000 as scrap tires continue to be problematic in the waste stream due to updated air regulations. Discussion ensued.

**MOTION:** Motion was made by Mr. Cherry and seconded by Ms. DeFreece to authorize the director or her designee to negotiate and enter into an agreement on behalf of the Authority with Granuband Macon, LLC, for an amount up to \$200,000, not to exceed 50 percent of the cost of the equipment. By roll call vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

**(AGENDA ITEM #5E) CONSIDERATION OF THE FUNDING RECOMMENDATION FOR THE ST. JAMES WINERY, INC., PROJECT AND AUTHORIZING THE DIRECTOR OR HER DESIGNEE TO ENTER INTO AN AGREEMENT ON BEHALF OF THE AUTHORITY**

Ms. Tipton reported that St. James Winery, Inc. requested \$175,500 to purchase equipment costing \$351,000 that will enable the company to make a distilled spirit similar to grappa from grape waste (pomace) left over from wine production. This new product line will be part of a campus-wide shift to using sustainable processes and materials in the production of its beverages.

The project is part of St. James Winery's plan to become the model for sustainability in the wine and craft beverage industry. The St. James Winery campus may ultimately be an end user for pomace produced around the state, or can serve as a model for use of raw materials to other wineries. Other investments in the campus will increase overall energy efficiency, generate

energy, and reduce expense of water management. The new distillery is planned to be LEED Certified.

St. James Winery anticipates diverting 1,000 tons from the waste stream annually and creating twelve new full time jobs with this project.

Ms. Massey directed the Board's attention to the last paragraph of the funding recommendation memorandum and stated that the amount of \$175,000 was incorrect. The correct funding recommendation amount was \$175,500.

The Missouri Market Development Program Steering Committee reviewed the application and unanimously recommended that the Board approve funding in the amount of \$175,500 not to exceed 50% of the cost of the equipment.

**MOTION:** Motion was made by Mr. Cherry and seconded by Ms. DeFreece to authorize the director or her designee to negotiate and enter into an agreement on behalf of the Authority with St. James Winery, Inc., for an amount up to \$175,500, not to exceed 50 percent of the cost of the equipment. By roll call vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

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

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

Ms. Tipton reported to the Board that the MBRLF was awarded \$113,000 in supplemental funding for petroleum projects this year and EPA Region 7 staff thanked the EIARA for work done on the program. The required twenty-percent

match for this award is \$22,600. Staff also presented at the Missouri Brownfields Conference held at the Lake of the Ozarks in July.

Ms. Tipton gave a brief summary of the active projects summarized in the Board materials.

Ms. Tipton noted that interest in the Program continues to build. She had recently given a presentation at the Missouri Municipal League Conference and another in July at the Missouri Waste Control Coalition Conference.

**(AGENDA ITEM #6B) CONSIDERATION OF THE ST. LOUIS LAND REUTILIZATION AUTHORITY REQUEST TO WAIVE AGREEMENT REQUIREMENT TO RETURN EXPENDED FUNDS IF PROPERTY IS SOLD PRIOR TO CLEANUP COMPLETION**

Ms. Tipton reminded the Board of the MBRLF petroleum subgrant for the Land Reutilization Authority of the City of St. Louis to complete remediation at the Wittenberg Warehouse site. She deferred to Peter Phillips representing the St. Louis Development Corporation for a report on the project.

Mr. Phillips thanked the Board for allowing him to report on the project. He explained that the project property is part of a larger, multiple parcel site known as the former Porter Oil site, which was used for bulk petroleum storage and the treatment of hazardous wastes. The Land Reutilization Authority of the City of St. Louis previously received and expended an EPA petroleum Brownfields grant on the site, primarily to remove underground and above ground storage tanks. This cleanup resulted in the receipt of a No Further Action letter from the MoDNR Tanks Section. The site was also enrolled in the MoDNR BVCP to address additional issues on the site. Among these is the collection of storm water in the

basement of the warehouse building, which has become contaminated with waste oil that has been dumped by unknown individuals. The subgrant from the MBRLF was to enable a continuation of the ongoing cleanup and ready the warehouse for demolition so that the property can be redeveloped for commercial/industrial reuse. The Land Reutilization Authority of the City of St. Louis did not have sufficient funds to cover the oily water disposal fee, which was estimated to be \$95,000.

Because the Land Reutilization Authority of the City of St. Louis has removed similar contamination from the site previously, the cost estimate was believed to be sound. A contractor was hired to remove the oily water, but additional tanks on the property complicated the completion of the cleanup. It was determined that the building must be demolished to properly remove the tanks and additional sludge in the basement of the building. Bids received for the revised Remedial Action Plan far exceeded available funds.

As the Land Reutilization Authority sought to identify the necessary amount of funding, a developer offered to purchase the property. Believing that selling the property was the best possible way to get the property cleaned up, the Land Reutilization Authority Board authorized the sale of the property at its meeting earlier this month.

Ms. Tipton stated that the Authority's agreement with the St. Louis Land Reutilization Authority requires them to retain the title to the property until a Certificate of Completion is awarded by the BVCP and requires that any MBRLF

money expended on the project be repaid to the Authority if the property is sold ahead of receiving the Certificate. The project has spent \$56,636.01 of the \$95,000 award.

Mr. Phillips requested that the Authority waive this agreement provision.

Ms. Tipton stated that both parties to this agreement are public entities with limited access to funds. Waiving the agreement requirement would enable the St. Louis Land Reutilization Authority to clean up other properties with the money. Returning the funds to the MBRLF would enable the EIERA to clean up other properties with the money. The St. Louis Land Reutilization Authority will require the developer to maintain the property enrollment in the MoDNR/BVCP and its agreement with the developer will enable the St. Louis Land Reutilization Authority to take the property back if it is not cleaned up in a reasonable amount of time.

Ms. Tipton stated that staff recommended waiving the agreement requirement for the St. Louis Land Reutilization Authority to return funds to the MBRLF if the property is sold prior to cleanup completion.

**MOTION:** Motion was made by Mr. Cherry and seconded by Ms. DeFreece to waive the requirement for the St. Louis Land Reutilization Authority to return funds to the MBRLF if the property is sold prior to cleanup completion and for the Director or her designee to negotiate an amendment to the agreement that will ensure repayment of MBRLF funds if cleanup is not completed within a reasonable time. By roll call vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

**(AGENDA ITEM #7) NATURAL RESOURCE DAMAGES PROGRAM**

**(AGENDA ITEM #7A) PROGRAM UPDATE**

Ms. Massey stated that the majority of the recent work on the program has been related to acting as paying agent: holding and dispersing funds used by the state to acquire, protect and restore properties in Southern Missouri.

The Authority also continues to assist Webb City and the Missouri Prairie Foundation land acquisition projects by checking to see if the title transfer and closing costs were correct, and identifying and attempting to remove any cloud on the title which could put the projects in jeopardy on behalf of the Natural Resource Trustees.

Ms. Massey briefly described various other projects staff had been working on, including support for Groundwater Restoration Plan Projects in Kansas City and Springfield. Request for Proposals (RFPs) for the Groundwater Restoration Plan Project will be open until the end of September. Authority staff spent significant time helping to develop the RFPs and coordinating related public meetings and other activities.

Ms. Massey called upon Mr. Miller for further comment.

Mr. Miller emphasized that the NRD staff has been tasked with several different areas and that the EIERA's assistance was appreciated.

**(AGENDA ITEM #7B) RATIFICATION OF MEMORANDUM OF UNDERSTANDING WITH THE MISSOURI DEPARTMENT OF NATURAL RESOURCES AS AMENDED**

Ms. Massey reported that last spring MDNR asked EIERA staff to perform work related to funds recovered as a result of damage to state groundwater resources. During the discussions about the type of work to be performed, staff

realized that these funds were from a settlement that was not managed by Joint State and Federal Trustees as other NRD funds held by the EIERA and our related activities have been. After discussions with the MDNR and Authority General Counsels, it was determined that the MOU, as originally written, would allow the Authority to provide services related to State Trustee groundwater recoveries; however, all felt that it would still be best to clarify the agreement in this area.

Ms. Massey explained that between EIERA meetings, this non-material change was made to the NRD Memorandum of Understanding with MDNR.

Ms. Massey called upon Mr. Brown for comment.

Mr. Brown stated that since staff had the Board's approval for the original MOU, he recommended that the MOU, as amended, be ratified as well-even though the changes were not material.

Ms. Massey explained that the first change in the Amendment was the State recoveries issue previously described, and the second change was a technical matter to substitute the word "compensate" for "reimburse".

Ms. Massey stated that staff recommended that the NRD Memorandum of Understanding, as amended, between the Authority and MDNR, be ratified.

Discussion followed.

**MOTION:** Motion was made by Mr. Cherry and seconded by Ms. DeFreece to ratify the Natural Resources Damages Memorandum of Understanding as amended, between the Authority and the Missouri Department of Natural Resources. By roll call vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

**(AGENDA ITEM #8) ELECTION OF OFFICERS**

Mr. Cherry 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 #9) OTHER BUSINESS**

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

Mr. Phillips thanked the Board again for the opportunity to speak with them.

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

Ms. Massey said that the next meeting date could not yet be determined.

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

Ms. Massey called upon Ms. Vaughan to comment on the audit that commenced the previous week.

Ms. Vaughan said that this was her second audit with the Authority and it was her opinion that the new accounting system made this year's audit run much smoother for gathering reports and other items requested by the auditors.

Ms. Massey said that there were no new concerns that were found by staff or the auditors. There was a 2015 SRF Series Issuance Fee calculation error found by the auditors that worked in the Authority's favor. Staff worked with

Bond Counsel and the Trustee Bank to recover income and Internal controls have been put in place to avoid future miscalcuations.

**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.



Laker D. ...

William Andy Dalton