

**MINUTES OF THE 327th MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

EIERA Office

425 Madison Street, Second Floor

Jefferson City, Missouri

December 7, 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
Genny Eichelberger, Office Support Assistant

LEGAL COUNSEL:

David Brown
Lewis Rice LLC

**OTHER
PARTICIPANTS:**

Eric Cowan
Bank of America Merrill Lynch

Larry Richardson
Wells Fargo Securities

Michael Oldelehr
Williams Keepers, LLC

(AGENDA ITEM #1) CALL TO ORDER

Chair Dalton called the 327th 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 326th meeting (September 15, 2016) of the Authority and the 326th closed meeting (September 15, 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 326th 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 326th 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) PRESENTATION OF FISCAL YEAR 2016 AUTHORITY AUDIT

Chair Dalton reminded the Board that copies of the Audit had previously been mailed to them.

Ms. Massey called upon Mr. Oldelehr from the Authority's auditing firm, Williams Keepers LLC, to present the audit results.

Mr. Oldelehr explained the different audit categories and stated that the Authority received an unqualified audit with no material findings.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. DeFreece to accept the audit results. By roll call vote, Mr. Cherry, Ms. DeFreece and Chair Dalton all voted in favor. Motion carried.

(AGENDA ITEM #4) STATE REVOLVING FUND PROGRAM

(AGENDA ITEM #4A) PROGRAM UPDATE

Mr. Boland reported to the Board that DNR closed on a total of \$184 million in loans during fiscal year 2016: approximately \$128 million through the Clean Water program and \$56 million through the Drinking Water program. He noted that 40 non-SRF grants were provided to communities for engineering assistance. These grants act as seed money to lead small communities to apply to the SRF programs for assistance.

Post Issuance Compliance letters were sent out in October and were due at the end of November. The response was better this year as 167 out of 245 communities responded to date. Mr. Boland called on Ms. Patterson to report on the SRF Marketing Plan.

Ms. Patterson stated that hundreds of millions of dollars are anticipated to be available through the State Revolving Funds over the next five years. The primary goal of the SRF Marketing Plan is to make communities aware that this money is available to assist with clean water and drinking water infrastructure improvements. The marketing plan summarizes key messages, target audiences, a number of tools to use as well as an implementation schedule and suggested options to measure progress. After reviewing the plan, DNR's Financial Assistance Center identified two immediate priorities: simplifying the

information on the DNR/FAC web site and regional office visits to better acquaint field staff with the SRF programs. Ms. Patterson is currently finalizing the plan and will provide a copy to the Board once completed.

Chair Dalton thanked Ms. Patterson for her work on the plan.

(AGENDA ITEM #5) OTHER FINANCINGS

(AGENDA ITEM #5A) MISSOURI AMERICAN WATER REDEMPTION

Mr. Boland stated that Missouri American Water Company notified the Authority in November of its intention to redeem the remaining balance of their Series 2006 bonds. The outstanding balance is \$57,480,000. Section 3.01 of the bond indenture allows for the optional redemption of the bonds on or after December 1, 2016. Mr. Boland said that he and Mr. Brown were working with bond counsel, Bryan Cave, and that this redemption requires no formal action from the Board. Mr. Boland called upon Mr. Brown for further comment.

Mr. Brown stated that this obligation was going away so it was important that the documents were properly drafted. The redemption is scheduled to be completed December 19, 2016.

(AGENDA ITEM #6) MISSOURI MARKET DEVELOPMENT PROGRAM

(AGENDA ITEM #6A) PROGRAM UPDATE

Ms. Tipton reported to the Board that there is a lot of interest and demand in the program and that she currently had two applications on her desk.

Also, she stated that one of the projects from 2016 anticipates that they will only use half of their funding, which will free up money for other projects.

(AGENDA ITEM #7) BROWNFIELDS REVOLVING LOAN FUND

(AGENDA ITEM #7A) PROGRAM UPDATE

Ms. Tipton reported to the Board that Remains Inc. was paying down their loan, with interest, and that the company was preparing for Phase III of their business expansion.

Ms. Tipton reminded the Board about the drainage problem with the Habitat for Humanity of Springfield, Missouri Inc., property. She said that staff recently learned that the railroad had given the City permission for cleanup and that the Missouri Department of Natural Resources (MDNR) should be sending a certificate of completion letter in a couple of months.

Ms. Tipton anticipates having two project recommendations for the next Board meeting.

(AGENDA ITEM #8) REVIEW OF STRATEGIC MEASURES

Ms. Patterson reported to the Board that EIERA staff had finalized the FY16 Scorecard after our audit was completed. The Scorecard data showed it had been a very good year for the Authority. Ms. Patterson recommended that three measures be deleted from the FY18 Scorecard: "Client satisfaction ratings improved" as this happens informally now, "Survey targeted groups" because the Authority does not have the resources to do a scientifically valid survey and "Identify, implement efficiencies" as this is difficult to measure.

Mr. Cherry asked if staff performed exit interviews with clients.

Ms. Patterson said staff performed exit interviews and looked for trends.

Ms. Massey noted that even though difficult to measure, the items were still important to the Authority and that, even if the measures were dropped from the scorecard, staff would continue to perform exit interviews and make program improvements as needed.

Chair Dalton asked if the Authority was setting expectations too high, or too low, since the last scorecard.

Ms. Patterson stated that staff would look at the targets and goals and provide the Board with information on the process.

(AGENDA ITEM #9) REVIEW OF FY17 FIRST QUARTER FINANCIALS

Ms. Massey reminded the Board that they had previously received the first quarter financials. Revenues and Expenditures were where staff expected them to be for the Authority Fund.

Ms. Massey noted that for the Missouri Market Development Program, projects have not yet withdrawn all funds, so the revenues are lagging.

Discussion followed.

(AGENDA ITEM #10) OTHER BUSINESS

(AGENDA ITEM #10A) OPPORTUNITY FOR PUBLIC COMMENT

There were no comments.

(AGENDA ITEM #10B) NEXT MEETING DATE

The Board agreed to meet for a short meeting in January 2017.

(AGENDA ITEM #10C) OTHER

Chair Dalton asked if any appointments had been made to fill the Authority's two vacant Board Member positions.

Ms. Massey stated that to her knowledge there had been no action on filling the positions.

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.



LaRue DeFreece

William Andy DeFreece
Chairman