

**MINUTES OF THE 329th MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

EIERA Office

425 Madison Street, Second Floor

Jefferson City, Missouri

August 29, 2017

1:00 p.m.

EIERA MEMBERS:

Andy Dalton, Chair
LaRee DeFreece, Secretary
Deron Cherry, Vice-Chair, Treasurer

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
Lewis Rice LLC

**OTHER
PARTICIPANTS:**

Eric Cowan
Bank of America Merrill Lynch

Larry Richardson
Wells Fargo Securities

Joe Britt
FTN Financial Capital Markets

Aimee Davenport
Stinson Leonard Street, LLP

Patrick Platter (telephone participant)
Neale & Newman, LLP

(AGENDA ITEM #1) CALL TO ORDER

Chair Dalton called the 329th meeting of the Environmental Improvement and Energy Resources Authority (the "Authority") to order at 1:00 PM. 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 328th meeting (January 20, 2017) of the Authority and the 328th closed meeting (January 20, 2017) 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 328th meeting of the Environmental Improvement and Energy Resources Authority. By voice 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 328th 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) RULEMAKING

(AGENDA ITEM #3A) UPDATE ON EXECUTIVE ORDER 17-03 RELATING TO RULEMAKING REVIEW

Ms. Massey explained to the Board that Rulemaking had been moved from the ninth to the third order of business on the Amended Agenda.

Ms. Massey stated that since the last Board meeting, staff has received additional guidelines regarding Governor Greiten's Executive Order 17-03 relating to state regulations.

The review of existing rules is to be completed and a report submitted to the Governor's Office by May 31, 2018. The review is to include a 60 day public comment period and at least two public hearings. Criteria were outlined in the meeting materials previously provided. Some of those criteria included, a robust review process, public meetings, reaching out to our unique stakeholders and partners asking for comments on the Authority's rules.

Each agency has developed an action plan preliminarily identifying stakeholders to be engaged, staff assigned to the reviews and setting forth timetables for public meetings and hearings. DNR and the Authority have agreed to coordinate activities, to the extent possible, to avoid duplication of work and confusion by our mutual stakeholders.

Ms. Massey stated that next month, staff plans to reach out to stakeholders and communities and will encourage them to submit comments on-line.

Additionally, staff has begun the task of reviewing our rules to identify unnecessary mandates. Public meetings and hearings on the EIERA rules will be scheduled this fall to be completed by December. Ms. Massey stated that once the review is completed, staff will prepare a report for the Board's approval prior to submission.

(AGENDA ITEM #3B) UPDATE ON PACE RULEMAKING

Ms. Massey explained that on July 12, a Petition for Rulemaking relating to the PACE Act was received. The Petition asked the Authority to promulgate

rules in four areas. Statute requires that a Response be filed to such petitions within 60 days which expires on Sunday, September 10. The PACE Act authorizes the EI ERA to promulgate rules in specific, limited areas.

Unrelated to the Petition, staff plans to start a formal stakeholder involvement process later in the month to gather information relating to the need for PACE rules in the statutorily allowed areas. This process, required under the Authority Rulemaking Policy, would allow comment on the need for rules in writing and in person. Based on the information received, the Board should be in a position to make an evidence/data based decision on whether rules are needed.

(AGENDA ITEM #3C) CONSIDERATION AND RATIFICATION OF ENGAGEMENT OF LEGAL SERVICES PROVIDER FOR THE PACE RULEMAKING PETITION

Ms. Massey stated that upon review of the PACE Rulemaking Petition, staff asked Lewis Rice, General Counsel, to determine whether the Authority was authorized to promulgate the rules being requested.

During a meeting with the Petitioner on Friday, July 28, staff learned of a potential conflict of interest involving Lewis Rice and the Petitioner. The following week, a conflict check run by Lewis Rice did not identify any legal conflicts of interest which would prohibit them from representing the Authority in this matter; however, the potential conflict does create an appearance issue that might lead one to question the advice being offered. Lewis Rice themselves raised this possibility and suggested that the Authority retain other counsel in this matter to avoid any appearance of impropriety.

Considering the limited scope of the representation and the short response time allowed on the Petition, staff concluded that procuring a law firm through an RFP process was not legally required, cost effective or achievable under the deadline. In discussions with the Chair it was decided to look at other firms that understand the Authority, with which we have relationships and that have the type of practice which deal in matters similar to this issue (all of which would help control costs).

Multiple firms were contacted. All firms considered or contacted either had conflicts, the attorneys familiar with the Authority were unavailable or had a similar appearance issue as Lewis Rice. It appeared that the St. Louis and Kansas City firms meeting our criteria would have similar conflict issues due to the nature of their businesses. After further discussions with the Chair, it was decided to approach a Springfield firm with experience applicable, although not directly tied to, the Authority. It was the Authority's hope that in Springfield, the conflicts found elsewhere would not exist.

The firm of Neale & Newman, L.L.P., was contacted. They are a top-rated firm with an excellent reputation and a well-rounded practice including handling matters related to municipal and administrative actions. Both the Chair and the Director have had dealings with the firm and its attorneys and feel they could represent the Authority competently and effectively. The firm did not identify any legal conflicts or appearance issues.

After determining that the fees proposed were reasonable, the Director retained the services of Neale & Newman to provide a legal opinion related to the statutory authority of the EIERA to promulgate the rules requested in the Petition.

Ms. Massey stated that staff recommends that the Board ratify the Director's engagement of Neale & Newman.

MOTION: Motion was made by Ms. DeFreece and seconded by Mr. Cherry to Ratify the Director's engagement of Neale & Newman, L.L.P., Legal Services Provider, for the PACE Rulemaking Petition on behalf of the Authority. By voice vote, Chair Dalton, Ms. DeFreece and Mr. Cherry all voted in favor. Motion carried.

(AGENDA ITEM #3D) CONSIDERATION OF AND APPROVAL TO FILE PACE RULEMAKING PETITION RESPONSE

Ms. Massey distributed to the Board a copy of a Petition for Rulemaking relating to the Property Assessment Clean Energy (PACE) Act that the Authority received on July 12, 2017. However, since this action item was put on the agenda, the Petitioner has withdrawn the Petition for Rulemaking.

Ms. Massey gave a summary of the Petition and the four areas in which it sought regulations. She also summarized the legal opinion and the grounds upon which it concluded that the Authority does not have the legal authority to promulgate the regulations contained in the petition.

Discussion ensued regarding Rulemaking Petition process.

Chair Dalton called upon Patrick Platter, representing Neale & Newman, L.L.P, for further comment.

Mr. Platter agreed with the summary expressed by Ms. Massey.

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

Mr. Platter thanked the Board for allowing him to attend the meeting and stated that he appreciated working with the Authority.

Ms. Massey stated that there was no action needed at this time, except to notify the Joint Committee on Administrative Rules and the Commission of Administration that the petition had been withdrawn.

(AGENDA ITEM #4) STATE REVOLVING FUND PROGRAM

(AGENDA ITEM #4A) PROGRAM UPDATE

Chair Dalton called upon Mr. Boland to give an update on the SRF Program.

Mr. Boland stated that the Intended Use Plans for Clean Water and Drinking Water are being developed and should be posted this week. In FY16, the department closed on eight Clean Water loans totaling \$109,015,000 which provided interest savings of \$33,139,973 to borrowers. Four Drinking Water loans closed for a total of \$11,224,000, creating \$3,568,181 in interest savings.

Post Issuance Compliance letters will be sent to all borrowers in September or October. They are asked to return the completed checklist by November 15, 2017.

The Authority has not received many due diligence documents for upcoming loans since May.

Discussions on nutrient trading have picked up again. This is driven partly by a new lake nutrient criteria rule that is in development by the department. One of the strategies outlined in the 2014 Nutrient Loss Reduction Strategy was to create a nutrient trading platform to help permittees comply with any new standard. The Authority remains engaged in the discussions.

(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 that she had three project recommendations and one special recommendation for the Missouri Market Development Program.

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

Ms. Tipton stated that Cedar Valley Components requested \$75,000 to purchase a second manufacturing line to expand their current production of "I-Blocks" (truss reinforcement) from reclaimed lumber.

Cedar Valley Components manufactures a variety of wood products, including the I-Block which is made from waste ends generated at mills that produce lumber for retail sale. The product is a ready-to-use component for trim-able floor truss markets. The 16" panel is inserted into any standard open wood or metal web floor truss and allows for on-site customization, which saves time and reduces errors while exceeding typical residential loading.

Cedar Valley Components anticipates diverting 431 tons annually and creating five new full time jobs with this project.

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 \$50,000 not to exceed 50% of the cost of the equipment, the largest amount for which the project is eligible. Since the project is eligible only for \$50,000, the Steering Committee is not recommending an award of the full amount requested. 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 Cedar Valley Components for an amount up to \$50,000 not to exceed 50 percent of the cost of the equipment. By voice vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

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

Ms. Tipton stated that Coon Mfg., Inc. requested \$60,075 to purchase a new pulverizing system to increase and more accurately produce material for use in rotational molding applications.

Coon Mfg. (a successful past program participant) has been in operation since 1965, but started manufacturing products from recycled plastics in 1988, at first making only plastic sheets for the agricultural industry. With urging from the EIARA, Coon Mfg. expanded in 1992 to begin molding a variety of products from

recovered # 2 plastics (high density polyethylene). Today, the company typically runs three eight-hour shifts with fourteen employees and produces boat docks, septic tanks, hunting blinds and many custom products.

The company's current pulverizing system is experiencing frequent down time and is old enough that parts are difficult to locate. A new system will not only be able to run longer, but would allow for processing increased volume, necessary for the company to keep pace with new custom product orders. The new system will enable the company to process an additional 386 tons of plastics each year.

Coon Mfg., Inc. anticipates diverting 386 tons annually and creating two new full time jobs with this project.

The Missouri Market Development Program Steering Committee recommends funding this project in the amount of \$60,075 not to exceed 50% of the cost of the equipment. This funding recommendation 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 Coon Manufacturing for an amount up to \$60,075 not to exceed 50 percent of the cost of the equipment. By voice vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

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

Ms. Tipton stated that Lumber Logs, LLC requested \$27,746 to purchase a sawmill costing that will enable the company to mill lumber from logs recovered from tree removers and land clearing operations in the St. Louis area.

The business was founded in 2004 to divert local logs from the landfill and takes the majority of the logs it obtains to local mills where they are converted to low grade wood products such as pallets. Lumber Logs, LLC has also used local sawyers to mill some of the logs into lumber that the company retails. While the retail lumber side of the business is key to making the economics of picking up local logs work, sawing the lumber on site would allow the business to grow in the most efficient and effective manner.

Lumber Logs, LLC offers free log pickup in the St. Louis area. Trees are removed daily for land clearance, storm damage, homeowner decisions or other reasons, and the free pickup offered by Lumber Logs, LLC is a cost savings over landfilling to municipalities, golf course, cemeteries and home owners. The company currently retains one full-time employee and operates on a lot where they sort logs and retail lumber, most of which cannot be found at a typical lumber shop.

Lumber Logs, LLC anticipates diverting 4,800 tons annually and creating no new jobs with this project.

The Missouri Market Development Program Steering Committee recommends funding this project in the amount of \$27,746 not to exceed 75% of the cost of the equipment. This funding recommendation 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 Lumber Logs, LLC, for an amount up to \$27,746 not to exceed 75 percent of the cost of the equipment. By voice vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

(AGENDA ITEM #5E) CONSIDERATION OF THE ST. LOUIS BUILDING MATERIAL REUSE PROJECT REQUEST

Ms. Tipton reported that the Missouri Market Development Program, MDNR's Solid Waste Management Program, EPA Region 7 and the St. Louis-Jefferson Solid Waste Management District were working together to develop a program to maximize the use of building materials from the demolition of 1,000 St. Louis buildings over the next five years as a result of consent decree between the St. Louis Metropolitan Sewer District (MSD) and the EPA.

MSD's agreement with the EPA, signed in 2012, is the most expensive in the continental U.S. It commits the district to spending \$4.7 billion in engineering projects over 23 years to cut down on sewer overflow. As part of this agreement, MSD will provide \$13.5 million to take down unsound buildings in the city. Once vacant, the lots can be converted to rain gardens or simply open ground that will soak up rain before it can even get to the storm water systems and sewer.

EPA has proposed that a consulting firm be hired to manage the development of an area materials reuse plan. This would include identifying the structures that are best candidates for deconstruction, researching existing markets and market opportunities for materials, providing contractor procurement assistance to the city, and also providing deconstruction training for contractors new to the process.

Staff believes that this type of work is very much in line with the technical assistance the program offered in previous years and also believes that an

established process in St. Louis could be used as a model for other areas of the state. MSD has already demolished eleven homes this year and hopes to take down at least 200 in this first year. Staff is asking for a commitment of funds up to an amount to support the initiative at this time, so that we can be ready to go once bids for the work are obtained. It is anticipated that the project cost will be split between the four groups involved.

Mr. Boland stated that MDNR was already committed.

Ms. Massey stated that with her experience working with EPA, Mr. Boland with MSD and Ms. Tipton with development, staff's work experience encompass the entire project.

Ms. Tipton stated she could foresee the project closing the EIERA loop by including the Brownfields Revolving Loan Fund at some point.

Ms. Tipton explained that the funding for this initiative would be drawn from the Business Initiatives budget category which was \$50,000 for FY2017. To date, the Authority had not used any funds from this budget category.

Chair Dalton asked if there was a motion.

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 St. Louis Building Material Reuse project for an amount up to \$50,000. By voice 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

(AGENDA ITEM #6B) AUTHORIZATION TO INCREASE THE AWARD AMOUNT TO BOONSLICK COMMUNITY DEVELOPMENT CORPORATION AND AUTHORIZING THE DIRECTOR OR HER DESIGNEE TO AMEND THE AGREEMENT ON BEHALF OF THE AUTHORITY

Ms. Tipton explained to the Board that at the January meeting of the Authority, the Boonslick Community Development Corporation was awarded a subgrant up to \$100,000 to remediate asbestos-containing materials in the "K Barracks" building located on the former Kemper Military School campus in Boonville.

At the time the project was considered, the award amount seemed reasonable to cover the cleanup costs based on program experience with similar projects in similar sized structures. However, the cleanup costs for the project are more than three times the project award amount.

The Analysis of Brownfield Cleanup Alternatives subsequently prepared by the Authority's environmental consultant conservatively estimates actual cleanup costs to be \$348,125. The primary reason the cost is projected to be significantly more than original believed is because of the presence of asbestos containing textured ceiling material throughout the building. Additional testing was done on this material to make certain that it did indeed meet the threshold for requiring treatment as a hazardous material.

Boonville is a small community with a population of just over 8,000. The City has invested a significant amount of funds to redevelop the former military school campus in the center of town and this effort is slowly succeeding, with a regional YMCA and the State Fair Community College occupying buildings. If

the Authority increases the subgrant award to the maximum amount (\$200,000) allowed by EPA, the community will be better able to move forward with continued redevelopment plans.

The MBRLF Review Team, consisting of staff from MDNR's Brownfield Voluntary Cleanup Program, the Department of Economic Development's Business and Community Services Program and the Authority, unanimously recommends that the Board increase the subgrant up to \$200,000 for this project.

Discussion ensued.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. DeFreece to authorize a subgrant increase from \$100,000 to \$200,000 for the Boonslick Community Development Corporation project and for the director or her designee to enter into a subgrant on behalf of the Authority. By voice vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

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

Ms. Tipton reported to the Board that the City of LaGrange, has submitted a hazardous substance application to the MBRLF, requesting a \$207,450 subgrant to complete remediation of the former LaGrange school.

LaGrange, a small community with a population of 932, recently acquired the former LaGrange school, a seriously dilapidated building in the city center. The property is contaminated with lead-based paint and asbestos containing materials.

Because the condition of the building is so poor, the City intends to

demolish it, and is still considering uses for the site. Any redevelopment is likely to include some green space, along with a walking trail that would enable children to access the City ballfield without walking along the highway. Removing the unsafe structure would also improve the appearances of this small town.

An Analysis of Brownfield Cleanup Alternatives (ABCA) has already been performed on the site, through MDNR, and this study estimates asbestos remediation costs to be \$207,450. Materials containing lead-based paint can be disposed of along with demolition materials.

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.

Chair Dalton asked if the property was owned by the school district.

Ms. Tipton stated that the City acquired the property appropriately as they no longer had a school district.

Ms. Tipton stated that the MBRLF Review Team reviewed the application and unanimously recommends that the Board approve a subgrant of up to \$200,000 for this project. The Review Team's recommendation was contingent upon receiving a resolution from the City's council that the balance of funds would be committed to complete the demolition of the building following remediation. A resolution from the City was received ahead of the board meeting.

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 State Environmental Improvement and Energy Resources Authority with the City of LaGrange for an amount of \$200,000. By voice vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

(AGENDA ITEM #6D) CONSIDERATION OF THE FUNDING RECOMMENDATION FOR THE MAYVIEW MO FOUNDATION PROJECT AND AUTHORIZING THE DIRECTOR OR HER DESIGNEE TO ENTER INTO AN AGREEMENT ON BEHALF OF THE AUTHORITY

Ms. Tipton stated that the Mayview MO Foundation, a Missouri non-profit corporation, has submitted a hazardous substance application to the MBRLF, requesting a \$100,000 subgrant to complete remediation of the former Mayview school.

The Mayview MO Foundation was formed in 2015 with the purpose of revitalizing the small (population 212) community. The organization believes the school property is a valuable resource and is supported by an active alumni group. Since acquiring the building in 2015, the Mayview MO Foundation has already converted the athletic field into an RV park and the old shop building into a mini-storage facility.

The Mayview MO Foundation intends to demolish the 1918 portion of the building, renovate the newer additions and convert it to space that can be used by the community and rented to entrepreneurs to grow their businesses.

An Analysis of Brownfield Cleanup Alternatives (ABCA) has already been performed on the site through MDNR and this document estimates cleanup cost to be \$141,346.

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.

The MBRLF Review Team reviewed the application and unanimously recommends that the Board approve a subgrant of up to \$150,000 for this project. The Review Team recommendation was contingent on receipt of documentation that the foundation had sufficient finances to replace the building roof following remediation or an affidavit from a roofing contractor that the recently completed roof repairs are sufficient enough to protect the interior of the building for at least one year following remediation. A notarized statement from the roofing contractor that indicated the repaired roof should last for two or three years was received ahead of the board meeting.

Discussion ensued.

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 State Environmental Improvement and Energy Resources Authority with the Mayview MO Foundation project for an amount of \$150,000. By voice vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

(AGENDA ITEM #6E) OTHER

(AGENDA ITEM #7) CONSIDERATION AND ADOPTION OF RESOLUTION APPROVING ENVIRONMENTAL SERVICES CONSULTANT SELECTION AND AUTHORIZING THE DIRECTOR OR HER DESIGNEE TO ENTER INTO AN AGREEMENT ON BEHALF OF THE AUTHORITY

Ms. Tipton stated that eleven bids were received for environmental consulting services for the Authority. As described in the meeting materials, the evaluation team (consisting of Authority staff and staff from two MDNR programs) scored Seagull Technologies, Inc., the highest – well above other

proposers. Seagull is the Authority's current environmental consultant and staff is pleased with their performance. Seagull's hourly charges are lower than those of other proposers. It is a Woman Business Enterprise firm.

Staff recommends that Seagull Environmental Technologies, Inc. be awarded the contract for environmental services to the Authority. If at some time in the future it appears that the NRD program will require site restoration services, staff also recommends that a Request for Proposals be issued to select a firm to perform that work.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. DeFreece to Approve a Resolution Authorizing the director or her designee to enter into an Agreement in connection therewith on behalf of the Authority with Seagull Environmental Technologies, Inc. By voice vote, Mr. Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

(AGENDA ITEM #8) LEGISLATIVE/BUDGET UPDATE

Ms. Massey provided a summary of the General Assembly's actions related to the Authority in the State Budget Bill as well as the Governor's veto thereof. The legislature could override the veto at the upcoming Veto Session. The status of the Governor's Task Force on Boards & Commissions was also discussed.

(AGENDA ITEM #9) ACCOUNTING SERVICES

(AGENDA ITEM #9A) CONSIDERATION AND APPROVAL OF PAYROLL SERVICES PROVIDER AND AUTHORIZING THE DIRECTOR OR HER DESIGNEE TO ENTER INTO AN AGREEMENT ON BEHALF OF THE AUTHORITY

Ms. Massey stated that at the time for extension of their agreement, previously authorized by the Board, the Authority's CPA firm, Winfrey Certified

Public Accountants, C.P., proposed a significant fee increase for payroll services.

In discussions with the firm, certain cost saving measures were found; however given the change in services and fee increase, staff felt that other bids for these services should be obtained. Staff has researched alternatives and obtained bids from other payroll service providers.

Options researched included accounting firms, online payroll platforms and local payroll service providers. Two local firms were identified, references checked and services researched. Bids were sought from each for the same services proposed by Winfrey's revised proposal.

Columbia EDP, located in Columbia, has a first year fee of approximately \$740. Smaller employers are satisfied with their performance. One larger employer is not satisfied with certain payroll reports dealing with the Affordable Care Act. These are not reports which the Authority would be using.

AccuPay, located in St. Louis and Jefferson City, had a first year fee of \$1,400. Staff determined that they could handle the work for the Authority. Other Accupay clients were not totally satisfied with Accupay's services, but offered little detail on their concerns.

Winfrey, located in Columbia, had a first year fee of \$2,100. Staff is satisfied with the services currently being provided. Based on their system needs, Winfrey would set up our benefit provider transfers for us for no additional charge. The other firms would not do this.

Based on the cost differential, staff is recommending that the Board select Columbia EDP to provide payroll services commencing with the October payroll should the General Assembly not override the Governor's veto of the Authority's budget item. Ms. Massey also recommended that Winfrey be allowed to continue providing payroll services, at the increased fee initially proposed, until the new payroll system provider (Columbia EDP or the State) is in place.

Chair Dalton asked if there was a motion.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. DeFreece Authorizing the director, or her designee, to enter into an Agreement with Columbia EDP to provide payroll services for the Authority, if necessary, beginning with October payroll. Additionally, staff recommends that Winfrey continue to provide payroll services under their initial proposed fee until the new provider is in place.

(AGENDA ITEM #9B) CONSIDERATION OF EXTENSION AND/OR MODIFICATION TO EXISTING AGREEMENT WITH WINFREY CERTIFIED PUBLIC ACCOUNTANTS, P.C.

Ms. Massey stated that at the time of extension, Winfrey also proposed fee increases beyond the inflationary factors contained in the agreement for other accounting services. While cost savings measures were identified, staff believes that the change in the scope of services goes to the authorization previously given to extend the agreement.

Ms. Massey further explained that the largest increase in non-payroll services was for the preparation of quarterly compilation reports. These reports are drawn directly from the accounting system and contain no assurances from the CPA. It was suggested that Authority staff take over the preparation of

these reports. Our auditors are comfortable with this, but suggested that the CPA look over the reports for the first couple of quarters.

Staff recommends that compilation reports be removed from the CPA agreement, but be extended for two more years in other respects (In addition to the modifications relating to payroll just authorized).

MOTION: Motion was made by Ms. DeFreece and seconded by Mr. Cherry authorizing the director or her designee, to extend and modify the agreement on behalf of the State Environmental Improvement and Energy Resources Authority with Winfrey Certified Public Accountants, PC. By roll call vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

(AGENDA ITEM #10) CONSIDERATION AND APPROVAL OF FISCAL YEAR 2018 BUDGETS

Ms. Massey directed the Board's attention to the previously provided materials pertaining to the FY17 adopted budgets, the anticipated final FY17 expenditures and FY18 proposed budgets. Should the Governor's veto be overridden, changes will be needed and will be brought forth at a later meeting.

Authority: The Authority Budget is similar to that of FY17 and staff does not anticipate significant changes. Bond issuance revenues will be minimal and no significant expense increases are expected.

Chair Dalton asked if the Authority has seen income for MDNR.

Ms. Massey stated that the Authority has received income for services provided to MDNR and that staff was looking into offering more services to the

Financial Assistance Center. She noted that there is unlikely to be much NRD activity.

Ms. Massey deferred to Ms. Vaughan for further comment.

Ms. Vaughan stated that there will be a rent increase in November, 2017, but will then stay the same for the remainder of the year.

Discussion ensued.

Missouri Market Development Program: Budget revenues reflect the FY18 allocation of the Solid Waste Management Fund as well as those monies not expended in previous years. Some expenses have been adjusted, but overall they are not significantly different from FY17.

Ms. Massey called upon Ms. Tipton for comment.

Ms. Tipton directed the Board's attention to the conference entry on the budget and requested that the Board approve up to \$10,000 for hosting a conference or getting guest speakers for conferences. With infrequent meetings, it has become difficult to get Board authorization in a timely manner for some conferences. She requested that staff be given the authorization to award sponsorship funds without Board approval.

Discussion ensued.

Chair Dalton asked if there was a motion regarding sponsorships.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. DeFreece to allow staff to provide sponsorships of up to \$1,000 without Board approval: Sponsorships above that amount would require approval by the Treasurer. By voice vote, Mr. Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

Brownfields Revolving Loan Fund: Ms. Massey reminded the Board that this budget was for all remaining grant funds, not just those anticipated for FY18. An additional \$28,949 is being committed for matching funds for the Brownfields Revolving Loan Fund, bringing the total commitment to \$254,436.

Ms. Massey stated that staff recommends adoption of FY18 Budgets for the Authority, Market Development Program and Brownfields Revolving Loan Fund.

Chair Dalton asked if there was a motion.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. DeFreece to approve Fiscal Year 2018 Budgets for the Authority, Market Development Program and Brownfields Revolving Loan Fund with the BRLF Match Commitment of \$254,436. By voice vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

(AGENDA ITEM #11) MISCELLANEOUS PROJECT UPDATES

Chair Dalton called upon Ms. Massey for a brief update on projects.

Audit: For the Authority's FY17 audit, auditors representing Williams Keepers, LLC, will be on-site beginning September 5, 2017.

Natural Resource Damage Restoration Projects: Work continues with Missouri Prairie Foundation and Webb City with no other purchases for State Parks planned or anticipated.

Ms. Massey deferred to Mr. Boland for additional updates.

SRF: The Authority has been notified of a potential class action settlement, but Mr. Brown determined that the Authority was not an appropriate party to the class.

Multi-Purpose Fund Rule Development: The Authority continues to work with the department on the development of this fund and the underlying rule or process that will govern it. There are three reservoir projects in the state that are interested in the development of this fund; East Locust Creek, Little Otter Creek, and the Tri-State Water Coalition. The purpose of the fund is to assist with the development of adequate water supplies throughout the state.

Weatherization: As authorized previously, staff anticipates that an agreement to provide Weatherization paying agent services for Empire Electric funds will be in place this fall.

(AGENDA ITEM #12) ELECTION OF OFFICERS

Ms. Massey reminded the Board that the Authority By-laws require elections of Officers at first meeting of the Authority held after June 1st each year.

Mr. Cherry stated that his recommendation was to retain the current slate of officers.

Chair Dalton asked if there was a motion.

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 voice vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

(AGENDA ITEM #13) OTHER BUSINESS

(AGENDA ITEM #13A) OPPORTUNITY FOR PUBLIC COMMENT

There were no comments.

(AGENDA ITEM #13B) NEXT MEETING DATE

The next meeting will be held before the end of December, 2017.

(AGENDA ITEM #13C) OTHER

There was no other business to discuss.

AGENDA ITEM #14) 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 voice vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

(AGENDA ITEM #15) ADJOURNMENT OF CLOSED MEETING AND RETURN TO OPEN MEETING

(AGENDA ITEM #16) ADJOURNMENT OF OPEN MEETING

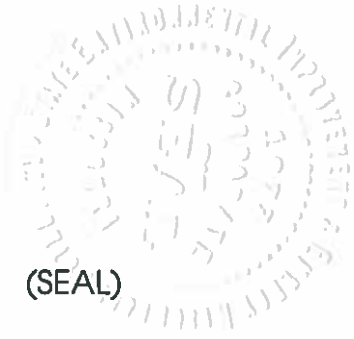
Chair Dalton expressed that he had enjoyed his time on the Board and working with staff.

Ms. Massey, on behalf of staff, thanked Chair Dalton and Board members for a job well done.

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 voice vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

Respectfully submitted,



Milton Andy Wallace
Chairman

Debra R. ...
Secretary