

**332nd MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY
EIERA Office
425 Madison Street, Second Floor
Jefferson City, Missouri
June 26, 2018
10:00 a.m.**

1. Call to Order
2. Approval of Minutes

Approval of Minutes from the 331st Meeting of the Authority held March 8, 2018, in Jefferson City, Missouri
3. State Revolving Program
 - A. Program Update
 - B. Consideration and Adoption of Resolution Declaring the Intent of the State Environmental Improvement and Energy Resources Authority to Issue its Revenue Bonds to Finance Facilities on Behalf of the Missouri Department of Natural Resources
 - C. Other
4. Missouri Market Development Program
 - A. Consideration and Adoption of the Targeted Materials List Revision Recommendation
 - B. Consideration and Approval of the MORA Conference Sponsorship Request
 - C. Consideration and Approval of the Funding Recommendation for the EXT, Inc., Project and Authorizing the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
 - D. Consideration and Approval of the Funding Recommendation for the Re-Poly LLC Project and Authorizing the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
 - E. Other
5. Brownfields Revolving Loan Fund
 - A. Consideration and Authorization for the Director or Her Designee to Compete for a New RLF Grant on Behalf of the Authority
 - B. Consideration and Approval of the Funding Recommendation for the Near Southside Employment Coalition Project and Authorization for the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
 - C. Consideration and Approval of the Funding Recommendation for the City of Howardville Project and Authorization for the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority

**MINUTES OF THE 331st MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

EIERA Office

425 Madison Street, Second Floor

Jefferson City, Missouri

March 8, 2018

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
Genny Eichelberger, Office Support Assistant

LEGAL COUNSEL:

David Brown
Lewis Rice LLC

**OTHER
PARTICIPANTS:**

Larry Richardson
Wells Fargo Securities

Hannah Humphrey
Missouri Department of Natural Resources

Jean Matzeder
Hardwick Law Firm, LLC

Joyce Opinsky
Stern Brothers & Company

Charity Garner
Stern Brothers & Company

(AGENDA ITEM #1) CALL TO ORDER

Chair Dalton called the 331st 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 330th meeting (December 14, 2017) of the Authority and the 330th closed meeting (December 14, 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 330th 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 330th 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 #3A) STATE REVOLVING PROGRAM UPDATE

Mr. Boland introduced Hannah Humphrey, the new Financial Assistance Center (FAC) Director, to the Board. He called upon Ms. Humphrey to give an update of FAC’s activities.

Ms. Humphrey reported to the Board that her start date was January 16, 2018. She said that she jumped right into Governor Greitens’ Red Tape Reduction Initiative, reducing eight regulations that were no longer needed.

Ms. Humphrey explained that they are taking two first steps to make the SRF a more attractive source of funding for communities. The first step will be to train staff in customer service and create a project planning program. The second step is to improve the overall process so funds move out the door more quickly.

Ms. Humphrey stated that the FAC has a Marketing Plan that had been prepared by EIERA that they are looking to implement. FAC plans to hold seven workshops around the state to market the program to potential borrowers.

Ms. Humphrey reported that the FAC needed match for the Clean Water SRF and Drinking Water SRF capitalization grants this year. She said that they were working with the Authority on a bond issue and other major projects. They are also working diligently to make the application process easier to use.

(AGENDA ITEM #4) MISSOURI MARKET DEVELOPMENT PROGRAM

(AGENDA ITEM #4A) PROGRAM UPDATE

Ms. Tipton reported that there were no new project recommendations to present to the Board, but more would be coming in the near future.

Ms. Massey explained to the Board that the conversation in the recycling world was turning a corner by highlighting sustainable materials management. Recycling packaging is a topic of interest. Ms. Tipton gave an example of egg carton recycling and said that recyclable plastic containers can sometimes use less energy to produce, making it a better choice than the carton.

Discussion ensued.

(AGENDA ITEM #5) BROWNFIELDS REVOLVING LOAN FUND

(AGENDA ITEM #5A) PROGRAM UPDATE

After a brief description of current and potential projects by Ms. Tipton, Mr. Cherry asked if Howardville wanted another \$100,000.

Ms. Tipton stated that Howardville did request another \$100,000, but their request did not fully address the RAP issue. They are waiting on feedback from the U.S. EPA.

Ms. Tipton stated that, as discussed during the previous Authority meeting, she was meeting with the business manager for the Department of Agriculture to ask if they would like to sit on the MMDP and BRLF review committees.

(AGENDA ITEM #6) RULEMAKING

(AGENDA ITEM #6A) PUBLIC COMMENT ON DRAFT AMENDMENT TO 10 CSR 130.1

Ms. Massey reported to the Board that she had been looking at Governor Greitens' Red Tape Reduction Initiative for the past year. In February 2018, a draft of the rule text was sent to EIERA stakeholders, bond counsel, underwriters' counsel and investment bankers asking for review and comments. Comments were received from two individuals. Neither of the comments suggested any material changes.

Chairman Dalton asked if anyone would like to make a public comment at this time.

Ms. Matzeder, representing Hardwick Law Firm, LLC, suggested that the word "authority" be capitalized in (5) "Authorized representative means with

respect to a corporation that person designated to act on its behalf by written certificate of authority furnished to the authority ...” and that the definition of Authority be reinserted.

Ms. Massey asked Mr. Brown if he was in agreement.

Mr. Brown agreed.

A Small Business Impact Statement will be prepared and submitted to the Small Business Regulatory Fairness Board.

(AGENDA ITEM #6B) CONSIDERATION AND APPROVAL TO FILE PROPOSED RULEMAKING – AMENDMENTS TO 10 CSR 130.1

Ms. Massey stated that should the Board wish to move forward with the rulemaking, a motion will be needed to direct the staff to file the language as is or with any desired revisions, contingent upon no comments from the interagency or small business fairness process that would substantively change the draft language. Additionally, a finding of necessity will need to be made as will a delegation of authority for the director or deputy to sign documents related to the rulemaking.

Chair Dalton stated that the product and work was outstanding and helpful to business. He added that the Board had a competent and reliable EIERA staff they could rely on.

Ms. DeFreece and Mr. Cherry agreed.

Ms. Massey stated that the Governor's Office had seen the rules and they were accepted. Chair Dalton asked if there was a motion.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. DeFreece to direct the staff to file the language as is or with any desired revisions, contingent upon no comments from the interagency or small business fairness process that would substantively change the draft language. Additionally, staff is directed to file a finding of necessity, and the Director or her designee is authorized to sign documents related to the rulemaking. By voice vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

(AGENDA ITEM #6C) UPDATE ON POTENTIAL PACE RULES

Ms. Massey reported to the Board that legislation had been filed which have several consumer protections and clarifications. There were two bills filed, one in the Senate which has had a hearing, and one in the House of Representatives which has not received a hearing. Depending on the outcome of these bills, the Authority may not need to move forward with PACE rules.

Mr. Cherry concurred.

(AGENDA ITEM #7) EXTENTION OF LEGAL SERVICES PROVIDER AGREEMENT

Ms. Massey reminded the Board that the agreement with Lewis Rice LLC was a five year term with an optional two year term. Lewis Rice LLC provides excellent service with reasonable.

Staff recommends that the Board renew the agreement with Lewis Rice LLC for an additional two year term.

MOTION: Motion was made by Ms. DeFreece and seconded by Mr. Cherry to authorize the Director or her designee, to extend the agreement with Lewis Rice LLC for a two year term to provide general counsel services. By roll call vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

(AGENDA ITEM #8) SELECTION OF AUDIT SERVICES PROVIDER

Ms. Massey explained that the Request for Proposals approved at the December 14, 2017, Board Meeting was sent to twelve auditing firms. Firms were both large and small, had previously expressed interest in the business, had state or EPA contracts or were suggested by Missouri Department of Natural Resources' (MDNR) internal auditing staff. Three proposals were received by qualified firms.

Ms. Massey directed the Board's attention to the evaluation tool that had been provided in the meeting materials and gave a brief summary of each firm.

All evaluators felt that Williams-Keepers submitted a good proposal and ranked them number one across the board. The firm talked about their technology and how they could help the Authority. Williams-Keepers is a qualified firm able to perform the required work with reasonable fees and would provide continuity of service.

Staff recommended that the Board select Williams-Keepers to provide auditing services for the next three years with a two-year extension clause.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. DeFreece to authorize the Director or her designee, to negotiate and enter into a contract with Williams-Keepers LLC to provide auditing services for Fiscal Years 2018-2020 with an option to renew for two additional years. By roll call vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

(AGENDA ITEM #9) AMENDMENT TO EIERA AND MMDP BUDGETS

Ms. Massey stated that two expense categories were over budget, or would be in the near future.

Authority Budget

Ms. Massey directed the Board's attention to the NRD Project Direct Costs and the Authority's assistance to MDNR NRD property closings. She explained that Webb City's expenses were for Phase I and II Environmental Assessments with the possibility of an additional one. These requests from MDNR were not expected, so were not included in our original budget estimate. Staff is requesting to increase this line item to \$7,500 to cover the work requested.

MMDP Budget

Ms. Massey stated that the original MMDP Budget estimate was not high enough. The amount the Authority pays to OA ITSD for telecommunication and Ethernet fees has increased more than projected. Staff is requesting to increase this line item to \$5,000.

Chair Dalton asked if there was a motion.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. DeFreece to Amend Fiscal Year 18 Budgets for the Authority and the Market Development Program. By roll call vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

(AGENDA ITEM #10) LEGISLATIVE UPDATE

Ms. Massey reported to the Board that the federal tax reduction bill had passed. Regardless of the federal legislation, the Authority will continue to issue tax-exempt and taxable revenue bonds. However, the bill eliminated advance refundings, the structure of refunding that the Authority had used up to this point to generate savings on older bond debt service. Staff is presently looking at different opportunities. She called upon Mr. Brown for further comment.

Mr. Brown stated that there are discussions about bond workarounds that could function for the Authority.

Regarding the state budget, Ms. Massey reminded the Board of the House Budget Committee's potential action to take out the Authority's dollar. The following Wednesday the Committee will look at the recommendation and decide whether or not to vote out of Committee. Should the Authority no longer be an appropriated agency, the Authority will need to find replacement plans for retirement, life insurance and long term disability.

(AGENDA ITEM #11) OTHER BUSINESS

(AGENDA ITEM #11A) OPPORTUNITY FOR PUBLIC COMMENT

Chairman Dalton asked if anyone would like to make a public comment at this time. No comments were offered.

(AGENDA ITEM #11B) NEXT MEETING DATE

The next meeting will be held before the end of June 30, 2018.

(AGENDA ITEM #11C) OTHER

Ms. Massey reported to the Board that there had been no action on filling vacant Board Member positions.

AGENDA ITEM #12) 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 #13) ADJOURNMENT OF CLOSED MEETING AND RETURN TO OPEN MEETING

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

Respectfully submitted,

Chairman

(SEAL)

Secretary

State Environmental Improvement and Energy Resources Authority
332nd Board Meeting
June 26, 2018

Agenda Item #3B

RESOLUTION DECLARING THE INTENT OF THE AUTHORITY TO ISSUE ITS REVENUE BONDS TO FINANCE FACILITIES ON BEHALF OF THE MISSOURI DEPARTMENT OF NATURAL RESOURCES

Issue:

The Department of Natural Resources has requested the Authority to issue SRF bonds to provide, and/or reimburse DNR for expenditures made with respect to direct loans issued under the SRF programs and to provide state match required to draw on their federal U.S. EPA capitalization grant.

This resolution is required by current tax law to express the Authority's intent to reimburse DNR for loan expenditures from the proceeds of the transaction. This action is not to authorize the actual issuance of the bonds.

Action Needed:

Review and approval of the reimbursement resolution.

Staff Recommendation:

Staff recommends the resolution be approved.

Staff Contact:

Joe Boland

Background:

Under the current SRF program structure, DNR issues loans to each participant when their projects are ready. Construction draws are made from either the U.S. EPA capitalization grant or from recycled loan funds. The Authority will then issue bonds at such time as DNR has expended available capital and needs to replenish its coffers, or needs to generate state match required to draw upon their U.S. EPA capitalization grant. DNR has expended the majority of their remaining state match and has requested that we initiate steps to issue additional state match bonds.

The attached resolution reflects the intent of the Authority to issue its bonds up to an initial amount of \$45 million plus cost of issuance, interest expense and reserves to be used to reimburse DNR for the Clean Water and Drinking Water Program loan expenditures related to the loans identified in Attachment A of the resolution. This amount takes into consideration the anticipated amount of state match needed to draw down the 2018-2020 federal fiscal year capitalization grants. We are currently in discussions with DNR whether to issue enough to cover all three cap grant years or take a more conservative approach and only issue enough for one or two years.

The resolution can be amended in the future, to increase or decrease the amount and amend the list of eligible projects, if such amendment is needed.

Attached you will find the Reimbursement Resolution for Consideration. Staff, as well as members of the finance team, will be present to discuss the resolution should you have any questions.

JB:ge

Attachments

Exhibit "A" to Reimbursement Resolution

Clean Water Loans

Participant	Project	Loan Issuance Date	Interest Rate	Loan Award	Actual Disbursement
Brashear	C295669-01L	2/25/2016	1.13	\$ 486,000.00	\$ 451,215.15
Kirksville	C295250-11	2/22/2016	1.13	\$ 18,000,000.00	\$ 18,000,000.00
Liberty	C295702-01	11/10/2015	1.22	\$ 79,000,000.00	\$ 78,422,996.38
Macon	C295725-01L	11/16/2015	1.24	\$ 826,000.00	\$ 826,000.00
Monett	C295452-02L	10/13/2015	1.23	\$ 1,895,000.00	\$ 1,401,063.97
MSD	C295023-37L	8/18/2015	1.22	\$ 75,000,000.00	\$ 75,000,000.00
Pulaski Co. S.D.	C295320-06	11/12/2015	1.24	\$ 6,894,500.00	\$ 6,894,500.00
Renick	C295806-01L	12/12/2016	1.17	\$ 429,000.00	\$ 424,754.50
Windsor Place	C295721-01L	11/23/2015	1.22	\$ 939,000.00	\$ 924,948.75
				\$ 183,469,500.00	\$ 182,345,478.75

Drinking Water Loans

Participant	Project	Loan Issuance Date	Interest Rate	Loan Award	Actual Disbursement
Audrain Co. PWSD #1	DW291304-02L	9/28/2015	1.23	\$ 164,000.00	\$ 157,697.66
Belton Phase I	DW291314-02	3/27/2014	1.59	\$ 7,039,000.00	\$ 6,758,720.38
Belton Phase II	DW291314-03	9/14/2015	1.28	\$ 2,718,000.00	\$ 2,540,254.13
California	DW291328-01L	10/16/2014	1.40	\$ 1,601,000.00	\$ 1,526,455.35
Lathrop Phase II	DW291195-02L	10/20/2014	1.34	\$ 1,258,000.00	\$ 1,185,726.70
Lathrop Phase II	DW291195-03L	12/1/2016	1.16	\$ 931,000.00	\$ 931,000.00
Platte Co. PWSD #1	DW291335-01L	10/15/2015	1.23	\$ 1,149,000.00	\$ 1,115,837.21
Poplar Bluff	DW291204-03	8/22/2016	0.92	\$ 1,031,000.00	\$ 1,031,000.00
Sunrise Beach Phase 1	DW291219-02L	12/19/2016	1.20	\$ 315,000.00	\$ 286,746.52
				\$ 16,206,000.00	\$ 15,533,437.95

Exhibit "A"

RES. _____

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

RESOLUTION DECLARING THE INTENT OF THE STATE ENVIRONMENTAL
IMPROVEMENT AND ENERGY RESOURCES AUTHORITY TO ISSUE ITS
REVENUE BONDS TO FINANCE FACILITIES ON BEHALF OF THE MISSOURI
DEPARTMENT OF NATURAL RESOURCES

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 pursuant to Sections 260.005 through 260.125, and Appendix B(1) of the Revised Statutes of Missouri, as amended (the "Act"), to finance, acquire, construct and equip projects (as defined in the Act) for the purpose of preventing or reducing pollution, disposing of solid waste or sewage or providing water facilities, and to issue revenue bonds for the purpose of paying costs of such projects; and

WHEREAS, the Federal Water Quality Act of 1987, 33 U.S.C. Section 1381 *et seq.*, and the Federal Safe Drinking Water Act, 42 U.S.C. Section 300f *et seq.*, authorize the Administrator of the United States Environmental Protection Agency to make capitalization grants to states for deposit in state revolving funds to provide assistance for constructing publicly owned wastewater treatment facilities and publicly and privately owned drinking water treatment facilities and for certain other purposes; and

WHEREAS, Section 644.122 of the Revised Statutes of Missouri, as amended, establishes "The Water and Wastewater Loan Fund" in the Treasury of the State, Section 640.107 of the Revised Statutes of Missouri, as amended, establishes the "Drinking Water Revolving Fund" as a subfund within The Water and Wastewater Loan Fund and the Missouri Department of Natural Resources ("DNR") has administratively established "The Water and Wastewater Loan Revolving Fund" in the Treasury of the State; and

WHEREAS, pursuant to 10 CSR 20-4.010, 10 CSR 20-4.040 through 10 CSR 20-4.041 and 10 CSR 20-4.050 of the Code of State Regulations, DNR, in cooperation with the Clean Water Commission of the State of Missouri, has developed and implemented the State of Missouri Direct Loan Program (the "Clean Water SRF Direct Loan Program") to make loans to political subdivisions and other eligible entities of the State of Missouri to finance publicly and privately-owned wastewater treatment facilities; and

WHEREAS, pursuant to 60 CSR 13.020 and 60 CSR 13.030 of the Code of State Regulations, DNR, in cooperation with the Safe Drinking Water Commission of the State of Missouri, has developed and implemented the State of Missouri Direct Loan Program (the "Drinking Water SRF Direct Loan Program") and has stated its intent to make loans to political subdivisions and other eligible entities of the State of Missouri to finance publicly and privately-owned drinking water treatment facilities; and

WHEREAS, by resolutions adopted by the Authority on February 23, 1988, September 22, 1998, July 31, 2009 and October 27, 2010 (the "Program Resolutions"), the Authority has approved the development of the Missouri Leveraged State Water Pollution Control Revolving Fund Program (the "Clean Water SRF Leveraged Program" and, together with the Clean Water SRF Direct Loan Program, the "Clean Water SRF Program") and the Missouri Leveraged State Drinking Water Revolving Fund Program (the "Drinking Water SRF Leveraged Program" and, together with the Drinking Water SRF Direct Loan Program, the "Drinking Water SRF Program") and has stated its general intent to issue its bonds to finance projects pursuant to the Clean Water SRF Program and the Drinking Water SRF Program, said

bonds to be payable solely out of the revenues and receipts derived by the Authority in connection with such projects; and

WHEREAS, DNR has requested that the Authority consider the issuance of revenue bonds to provide moneys to finance and/or reimburse DNR for expenditures made with respect to projects under the Clean Water SRF Program and the Drinking Water SRF Program listed in Exhibit A attached hereto.

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

Section 1. Furtherance of the Act and Program Resolutions. The Authority finds and determines that the issuance of revenue bonds to finance projects is in the furtherance of the purposes set forth in the Act, the Program Resolutions and the Interagency Agreement dated January 31, 1996, among DNR, the Authority and DEQ-WPP (formerly Water Pollution Control Program) (as amended, the "Interagency Agreement").

Section 2. Intent to Issue Bonds. The Authority declares its intent to issue tax-exempt bonds on behalf of DNR to provide, and/or reimburse DNR for expenditures made with respect to the facilities under the Clean Water SRF Program and the Drinking Water SRF Program, the tax-exempt bonds to be issued in one or more series in an amount not to exceed \$45,000,000, plus amounts required for the payment of costs of issuance, interest expense during the funding of the projects, and required reserves for the payment of debt service on the tax-exempt bonds. This Resolution constitutes an official declaration of intent to issue bonds and is adopted pursuant to United States Treasury Regulations Section 1.150-2.

Section 3. No Commitment; Final Actions Required. This Resolution does not constitute a commitment by the Authority to issue bonds. Issuance of bonds is subject to final approval by the Authority of appropriate legal documents relating to the bonds.

Section 4. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Authority.

ADOPTED this 20th day of June, 2018.

Chairman of the Authority

(Seal)

ATTEST:

Secretary of the Authority

State Environmental Improvement and Energy Resources Authority
332nd Board Meeting
June 26, 2018

Agenda Item #4A
MISSOURI MARKET DEVELOPMENT PROGRAM
CONSIDERATION OF PROGRAM TARGET REVISION

Issue:

The Missouri Market Development Program Steering Committee recommends adding tires to the program's financial assistance targeted materials list.

Action Needed:

Consideration of the recommendation to add tires to the MMDP targeted materials list.

Staff recommendation:

Staff recommends that the Board approve the addition of tires to the program's targeted materials list.

Staff Contact:

Kristin Tipton, Development Director

Background:

The MMDP Steering Committee met recently to review the program. This was done in part to educate new committee members, including the new Solid Waste Advisory Board chair, a new Department of Economic Development representative, and the Department of Agriculture representative. The meeting also served as an annual review of the program application, activities, and material targets.

The Steering Committee reviews application with consideration to a broad range of criteria, including the applicant's financial and managerial wherewithal to perform the project, technical viability of the project, and material sources and end markets. In addition, scores are assigned based on the amount of material diverted, jobs created and applicant share of the equipment cost. Additional points are given if an application addresses program targets, which currently include: organics, plastics, construction and demolition waste, and location in a minimally funded solid waste management district.

The Steering Committee affirms that the current targets are still appropriate and in line with other state and national material focuses. In addition, these materials are high percentages of municipal solid waste makeup as described in MDNR's recent Solid Waste Characterization Study, and are frequently easy to separate from other materials.

In recent years, tires are an increasing problem in the solid waste stream. Banned from

Missouri landfills for many years, a large portion of waste tires previously were chipped and used as an energy source in coal burning electricity producing plants. Changes to air regulations made this process no longer attractive to utilities and there are now few end markets for tires in Missouri.

The Steering Committee and staff recommend adding tires to the MMDP targeted materials list.

KT:ge

State Environmental Improvement and Energy Resources Authority
332nd Board Meeting
June 26, 2018

Agenda Item #4B
MISSOURI MARKET DEVELOPMENT PROGRAM
CONSIDERATION OF THE MORA CONFERENCE SPONSORSHIP REQUEST

Issue:

The Missouri Recycling Association (MORA) is requesting a conference sponsorship from the Missouri Market Development Program.

Action Needed:

Consideration of the funding recommendation for MORA conference sponsorship.

Staff recommendation:

Staff recommends that the Board sponsor the MORA conference in the amount of \$2,500.

Staff Contact:

Kristin Tipton, Development Director

Background:

The 2018 Missouri Recycling Association Annual Conference will be at Stony Creek Hotel and Conference Center, Independence, September 11-13. Staff is actively involved in helping to shape the conference agenda around a theme of "Creating Connections."

Staff is requesting approval of a \$2,500 sponsorship for this event. Many of the Missouri Market Development Program's past and current participants will be presenting at, or attending the conference and the conference is a fantastic forum for these businesses to network with others in the industry. Staff feels that participating in the conference is a tremendous opportunity to help program participants share knowledge and grow their businesses.

For the past several years, the Market Development Program has sponsored the conference at the \$2,500 level. This year's event will feature a variety of national speakers and workshops that are very supportive of the Market Development Program mission and staff believes that our sponsorship will enable MORA to continue this work in the best manner possible.

A \$2,500 sponsorship includes registration for two people and an ad in the conference

program. Conference sponsors are also heavily promoted in conference materials.

The sponsorship would be drawn from the MMDP "Sponsorships" budget category which is \$10,000 for FY2018. To date, we have used \$1,000 from this budget category.

KT:ge

State Environmental Improvement and Energy Resources Authority
332nd Board Meeting
June 26, 2018

Agenda Item #4C
MISSOURI MARKET DEVELOPMENT PROGRAM
FUNDING RECOMMENDATION FOR EXT, INC.

Issue:

EXT, Inc. requested \$99,950 to purchase equipment costing \$149,925 that will enable the company to manufacture containers made with recovered plastics.

Action Needed:

Consideration of the funding recommendations for the EXT, Inc. project.

Staff Recommendation:

Staff recommends funding this project in the amount of \$99,950 not to exceed 75% of the cost of the equipment.

Staff Contact:

Kristin Tipton, Development Director

Background:

EXT, Inc., located in Excelsior Springs, requested \$99,950 to purchase equipment costing \$149,925 that will enable the company to manufacture containers made with one-hundred percent recovered plastics.

EXT, Inc., a past program participant, was incorporated in 1974 and currently manufactures a variety of thermoformed plastic products using recovered materials at its 78,000 square foot plant. The proposed project involves the creation of multiple tools which the company would use to manufacture popular sizes of engine and transmission shipping containers made entirely of recycled polyethylene.

EXT's location and manufacturing capability give the company advantages over present suppliers of these types of containers. Existing manufacturers of these types of containers are located in California and the cost of supplying them to the industry in the Midwest continues to rise. EXT believes they can compete both in pricing and by offering credit for end of life scrap and parts since EXT can use this as feedstock for another generation of products.

EXT, Inc. anticipates diverting an additional 500 tons annually from the waste stream and creating twelve full time employee positions with this project.

A business that has previously participated in the program is eligible to apply for additional funding if the new project results in a new product, uses different recovered materials, or increases diversion significantly. This project will enable EXT to produce a new line of products and will increase the company's diversion.

The Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, Missouri Department of Agriculture, Solid Waste Advisory Board, and the Authority, recommends funding this project in the amount of \$99,950 not to exceed 75% of the cost of the equipment. This funding recommendation was unanimous.

KT:ge

State Environmental Improvement and Energy Resources Authority
332nd Board Meeting
June 26, 2018

Agenda Item #4D
MISSOURI MARKET DEVELOPMENT PROGRAM
FUNDING RECOMMENDATION FOR RE-POLY, LLC

Issue:

Re-Poly LLC requested \$250,000 to purchase equipment costing \$500,000 that will enable the company to recover flexible film and convert it to manufacturing feedstock.

Action Needed:

Consideration of the funding recommendations for the Re-Poly LLC project.

Staff Recommendation:

Staff recommends funding this project in the amount of \$250,000 not to exceed 50% of the cost of the equipment.

Staff Contact:

Kristin Tipton, Development Director

Background:

Re-Poly LLC, located in St. Louis, requested \$250,000 to purchase equipment costing \$500,000 that will enable the company to recover flexible film and convert it to manufacturing feedstock.

Re-Poly LLC participated in the program as a start-up company when it was under the ownership of QRS, Inc. The company has been operating since 2014, processing over 5,000,000 tons each month of bulky rigid plastics that would otherwise have been destined for the landfill. There is a strong demand for the regrind plastics among large plastics manufacturers.

Most, if not all multi-layer and postindustrial flexible scrap is now being landfilled or incinerated. Polyolefin flexible packaging that has imbedded barrier material sandwiched between layers is especially difficult to separate. Re-Poly has developed a process to convert this material to a usable commodity, in high demand by Evertrack LLC, a St. Louis company that is manufacturing railroad ties from plastics and fiberglass.

Re-Poly LLC anticipates diverting an additional 10,800 tons annually from the waste stream and creating twelve full time employee positions with this \$1.6 million project.

A business that has previously participated in the program is eligible to apply for additional funding if the new project results in a new product, uses different recovered materials, or increases diversion significantly. This project will enable Re-Poly to produce a new line of products and will increase the company's diversion.

The Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, the Missouri Department of Agriculture, the Solid Waste Advisory Board, and the Authority, recommends funding this project in the amount of \$250,000 not to exceed 50% of the cost of the equipment. This funding recommendation was unanimous.

KT:ge

State Environmental Improvement and Energy Resources Authority
332nd Board Meeting
June 26, 2018

Agenda Item #5A
MISSOURI BROWNFIELDS REVOLVING LOAN FUND
AUTHORIZATION TO APPLY FOR A NEW GRANT

Issue:

The agreement with the EPA for the Missouri Brownfields Revolving Loan Fund is scheduled to expire on September 30, 2019.

Action Needed:

Consideration of the recommendation to authorize staff to apply for a new program at the first available opportunity.

Staff recommendation:

Staff recommends that the Board authorize staff to apply for a new brownfields revolving loan fund at the first available opportunity.

Staff Contact:

Kristin Tipton, Development Director

Background:

The agreement with the EPA for the Missouri Brownfields Revolving Loan Fund is scheduled to expire on September 30, 2019. The program was established on July 5, 2005, with a five year term and the agreement with EPA has been extended six times in conjunction with supplemental awards.

The EPA is not permitted to extend an agreement beyond fifteen years. It is possible that our current agreement could be extended to July 5, 2020, should we have cleanups underway at the scheduled closeout date, but either way, the agreement will be closing within the next two years.

It is permissible to operate two RLFs simultaneously, so if the Authority desires to continue this program without a break, it makes sense to compete for a new program at the earliest opportunity. There is no guidance as to when this might occur, but it is possible that a competition could be announced late summer or early fall of this year.

The program budget currently includes approximately \$226,000 available for hazardous substance awards and \$182,000 available for petroleum awards. Should the authority determine not to pursue a new program, program income funds would still be available for use on brownfield projects, including the closure of existing projects. At present,

approximately \$182,000 of program income funds are available. The loan to Remains, Inc. is scheduled to be repaid in full in September of 2022, so this balance will continue to grow.

Staff feels that this has been a successful program and recommends that the Authority compete for a new RLF at the earliest opportunity.

KT:ge

State Environmental Improvement and Energy Resources Authority
332nd Board Meeting
June 26, 2018

Agenda Item #5B
MISSOURI BROWNFIELDS REVOLVING LOAN FUND
CONSIDERATION OF THE NEAR SOUTHSIDE EMPLOYMENT COALITION PROJECT

Issue:

The Near Southside Employment Coalition, a Missouri not-for-profit corporation, has submitted a petroleum application to the MBRLF, requesting a \$31,700 subgrant to close an underground storage tank on its St. Louis property.

Action Needed:

Consideration of the funding recommendation for the Near Southside Employment Coalition project and authorization for the director or her designee to enter into an agreement on behalf of the Authority.

Staff recommendation:

Staff recommends that the Board approve a subgrant of up to \$100,000 for this project.

Staff Contact:

Kristin Tipton, Development Director

Background:

The Near Southside Employment Coalition (NSEC), a Missouri not-for-profit corporation, has submitted a petroleum application to the MBRLF, requesting a \$31,700 subgrant to implement institutional controls for petroleum contamination on its St. Louis property.

NSEC has owned the property since 2007 and conducts its job placement assistance operation on the site. The property was recently assessed for contamination by MDNR's Brownfield Voluntary Cleanup Program.

The property is a .21 acre site that includes a building with a long history of commercial use. The site operated as a filling station and machine shop from 1936 to 1978. Petroleum related contamination, including benzo(a)pyrene, arsenic, and lead is present on the site.

Once the remediation is complete, the organization intends to repair the building's front façade, repaint the building and improve the associated parking lot and yard. The community will continue to benefit from the agency's services including its use as a safe place in the neighborhood from which parents can collect their children after school.

An Analysis of Brownfield Cleanup Alternatives (ABCA) has already been performed on the site

and this study estimates that implementing institutional controls to close the site will cost \$31,700. The ABCA also indicates that closing the site through conventional excavation and removal techniques regarding the contaminated soil would cost approximately \$82,000. The lower cost alternative was recommended in the ABCA, however this would require the site to be enrolled in MDNR's Long Term Stewardship Program and would also restrict future use of the property. Full closure of the site through removal of the contamination, while more expensive, would ensure that the property was clean for residential use and would not require future monitoring by MDNR.

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, consisting of staff from MDNR's Brownfield Voluntary Cleanup Program, the Department of Economic Development's Business and Community Services Program, the Department of Agriculture, and the Authority, reviewed the application and unanimously recommends that the Board approve a subgrant of up to \$100,000 for this project and that the site be closed via removal of the contamination rather than the use of institutional controls.

KT:ge

State Environmental Improvement and Energy Resources Authority
332nd Board Meeting
June 26, 2018

Agenda Item #5C
MISSOURI BROWNFIELDS REVOLVING LOAN FUND
CONSIDERATION OF THE CITY OF HOWARDVILLE PROJECT REQUEST FOR ADDITIONAL FUNDS

Issue:

Action Needed:

Consideration of the funding recommendation for the City of Howardville project request for additional funding and authorization for the director or her designee to enter into an agreement on behalf of the Authority.

Staff recommendation:

Staff recommends that the Board approve increasing the subgrant award from \$100,000 to up to \$200,000 for this project.

Staff Contact:

Kristin Tipton, Development Director

Background:

At its May 12, 2016, meeting, the Authority awarded \$100,000 to the City of Howardville to complete the remediation of lead-based paint and asbestos-containing materials at the former Howardville school, a three-building complex that sits on 8.2 acres. The City had already received a direct cleanup grant from the EPA for this project, but the selected bid for the project exceeded the amount remaining in that award.

Cleanup work on the site was not completed with the MBRLF award. The City has requested an additional \$100,000 to complete the cleanup.

The school has long-standing historical significance to the community, having been built in 1958, after the Supreme Court decision to desegregate in 1954, specifically for African-American students. The school housed, educated and graduated African-American students from 1958 to 1968. The building was recently added to the National Registry of Historic Places.

Howardville is located in the Bootheel and has a population of 369 in the most recent census. With a median household income of less than \$20,000, the community does not have access to resources to complete a project of this scope. The City intends to redevelop the property and convert it to a multi-purpose center that would include: a community health center, a community emergency response center, emergency shelter, a job training center, police department, museum, library and retail space.

A representative of the City recently advised that due to their frustration with a long stalled project, the city council had voted to withdraw from the BVCP. Staff has also experienced some difficulty in matching the City's funding request with cleanup requirements MDNR advised as remaining to be completed. All committee members agreed that the project was worth completing.

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, the Missouri Department of Agriculture, and the Authority, reviewed the application and unanimously recommends that the Board approve increasing the subgrant from \$100,000 to up to \$200,000 for this project.

The Steering Committee recommends that this increase in award be conditional on the City agreeing to not withdraw the property from MDNR's Brownfield Voluntary Cleanup Program and on receipt of a change order from the current contractor, or other licensed asbestos contractor, detail the nature and extent of contamination remaining to be removed and costs associated with that.

KT:ge

State Environmental Improvement and Energy Resources Authority
332nd Board Meeting
June 26, 2018

Agenda Item #6A
STATUS UPDATE

Issue:

Update on status of the FY19 State Budget's impacts to the EIERA's employee benefit plans.

Action Needed:

Actions necessary are outlined in other agenda items.

Staff Recommendation:

NA

Staff Contact:

Karen Massey

Summary:

No FY19 Appropriation for EIERA resulting in:

- No MOSERS participation effective July 1, 2018, therefore:
 - No loss of accrued retirement benefit, but no additional accumulation.
- No MCHCP healthcare plan participation effective July 1, 2018, unless:
 - The Office of Administration assures MCHCP it will seek a FY19 Supplemental Appropriation and will treat EIERA employees as State employees for insurance purposes in the interim.
 - With these assurances, coverage continues uninterrupted.
- If a FY19 Supplemental Appropriation for EIERA passes, MOSERS will allow retirement plan participation retroactive to July 1, 2018.

Discussion:

The State FY19 Budget passed without an appropriation for the EIERA. As such, the EIERA will not be participating in the State retirement system (MOSERS) effective July 1, 2018. Employees will not lose any retirement benefit they have accrued to date; however, they will not get additional service time or future raises factored into their retirement benefits. They will also not be eligible for life or long term disability insurance or the deferred compensation plan provided through MOSERS.

Missouri Consolidated (MCHCP), the State health insurance provider (health, dental and vision), has determined that without being in MOSERS, EIERA employees are not eligible for health insurance under the State plan. MCHCP is willing to allow EIERA to participate in the

State plan if the Office of Administration provides assurance that it will seek a Supplemental FY19 Appropriation from the General Assembly next session and that OA will treat EIERA employees as State employees for insurance purposes in the meantime.

The Office of Administration has expressed its desire to do so and has discussed the situation with the House Budget Chair who is also supportive. We are now awaiting the final decision on the matter. It appears there is a good degree of optimism that the Office of Administration will be sending a letter to MCHCP with the necessary assurance this week; however, there is no guarantee that any assurance will be forthcoming.

With those assurances, EIERA employees will be able to continue healthcare coverage without interruption. Without, the Authority will need to make other arrangements.

MOSERS has determined that it cannot cover EIERA employees until the Supplemental Appropriation is effective (next April or May). They are willing to allow participation in the plan retroactively to July 1, 2018, if the EIERA will make all retirement contributions it would have made for the fiscal year (July 1, 2018 forward). In that case, benefits-eligible employees will be treated as if they never left the retirement system. The deferred compensation plan, life insurance and long term disability insurance will not be provided retroactively, but will be available from that point forward.

There will be various negative consequences as well as risk to EIERA employees as a result of these actions.

- Those eligible to retire from MOSERS can do so and continue to work for the Authority; however, if they do so and we are placed back in MOSERS retroactively, they must repay all retirement benefits they have collected in the meantime, including taxes that were withheld. If they do not retire and there is no retroactive MOSERS coverage, they have forgone retirement payments they would have received during that period. There are also risks associated with whether retirees opt into healthcare plans offered to retirees which might not be available to them at a later date.
- Those not eligible to retire take the risk that their continued employment at the Authority will not count toward their future employment benefit and lengthen the time until they are eligible to retire and draw benefits.
- Access to affordable healthcare is a concern for all employees.

The impact and risk is different to each employee. They have been encouraged to work with benefits counselors at MOSERS and MCHCP to determine what path makes sense for their situation.

KM:ge

State Environmental Improvement and Energy Resources Authority
332nd Board Meeting
June 26, 2018

Agenda Item #6B
EMPLOYEE RETENTION INCENTIVES

Issue:

Without guaranteed access to the MOSERS Retirement System, how does the EIERA retain its current employees?

Action Needed:

Consideration of an incentive to retain employees.

Recommendation:

Staff recommends that the Authority authorize the Director or her designee to enter into a Retention Agreement with employees.

Staff Contact:

Karen Massey

Background:

As discussed in the status update memo, the Authority will not be able to participate in the MOSERS Retirement System after June 30, 2018; however, if the Authority receives a FY19 appropriation through the Supplemental Appropriation Bill (which should be finally enacted in May, 2019), participation in MOSERS will be retroactively applied to July 1, 2018, as if no break in participation occurred.

Without guaranteed access to a retirement benefit, employees are unlikely to take the financial risk of remaining at the Authority. Given the small number of employees and complex subject matters involved, it is in the Authority's best interest to make efforts to retain its current work force. Options to do so are listed below. Not all options appear to be viable.

1. Provide an alternative qualified (currently tax exempt) retirement package.
 - Tax law limits the number of qualified plans in which an employer can participate during a tax year.
 - During 2018, the Authority has participated in a deferred compensation (457b) plan and a defined benefits plan.
 - During the spring of 2019, the Authority may be placed back into these plans retroactive to July 1, 2018.

- There is no obvious path to provide a qualified plan for employees for the remainder of 2018 that would be allowable under tax law and provide an attractive benefit to employees.
 - A plan could be implemented for 2019 if there is no participation in MOSERS during the calendar year, although there will be no certainty on participation until May, 2019.
2. Provide a monthly taxable payment (bonus) to employees in lieu of a qualified retirement plan.

Examples:

- The payment is a flat dollar amount for the remainder of 2018 and until a retirement plan is provided.
 - At \$500 per employee per month, if it is assumed that a retirement plan is provided in June of 2019 and that all employees continued employment, the cost to the Authority would be \$27,500.
- The payment is a percentage of each employee's salary.
 - If a 10% bonus were provided, assuming current salary and staffing levels, the total cost to the Authority would be \$28,786. The range of bonuses between employees would be \$2,709 to \$9,435.

A payment in lieu of a retirement plan might help incentivize employees to take the financial risk to remain at the Authority. It might not have the same impact toward longer term retention as the Retention Agreement described below.

Please note that if a monthly payment is made to employees and then the Authority receives a Supplemental Appropriation, retirement plan contributions (20.21% of each benefits-eligible employee's monthly compensation since July 1, 2018) will also be made to MOSERS to "catch up."

- In that case, the Authority has incurred additional expenses (payments to the employee and to MOSERS) adding to its strained financial position.
 - It is also possible that MOSERS would consider the bonus as a part of compensation to which the 20.21% contribution rate is also applied.
3. Provide a Retention Agreement Bonus, the payment of which is contingent upon not receiving a Supplemental Appropriation (and therefore not getting back into MOSERS retroactively to July 1). The bonus would increase incrementally if the employee stayed past certain milestone dates. It would not be paid if the employee was fired for cause. It would be payable on June 15, 2019, and would be taxable to the employee.

Examples:

- The bonus could be structured as a flat dollar amount.
 - Employees are each paid \$10,000 if they stayed until June 1, 2019;

- o \$7,500 if they stayed until March 15;
 - o \$5,000 until January 1; and
 - o No bonus if they left prior to January 1, 2019.
 - Cost: \$50,000 if all employees stayed until June 1, 2019.
- The bonus could be tied to what would have been paid to the MOSERS retirement system on employees' behalf.
 - o Employees are each paid 20% of the total compensation they received between July 1, 2018, and May 30, 2019, if they stay until June 1;
 - o 15% if they stayed until March 15;
 - o 10% if they stayed until January 1; and
 - o No bonus if they leave prior to January 1, 2019.
 - Assuming current salary and staffing levels, the total cost to the Authority would be \$57,044. The range of bonuses between employees would be \$5,418 to \$18,869.

The Retention Agreement has both positive and negative aspects.

- Positive
 - o Employees are incentivized to stay when there is a financial risk involved.
 - o No more expensive to the Authority than participation in MOSERS.
 - o Not payable if MOSERS participation is allowed retroactively, therefore no additional expense is incurred.
 - o Does not interfere with participation in a qualified plan for calendar year 2019.
- Negative
 - o Taxable to the employee.
 - o Provides nothing for employees leaving before January 1, 2019, if there is no MOSERS participation.

It appears that a Retention Agreement provides the best opportunity for the Authority to retain its current employees while exposing it to the least financial risk. A draft or form of the proposed Retention Agreement will be provided prior to the meeting. The amount of payment, milestone dates and other terms can be changed as the Board sees fit. While a flat dollar amount would be the easiest to administer, a percentage approximating MOSERS contributions would more closely align with each employee's proportionate risk of remaining at the Authority.

Staff and General Counsel will be at the meeting to answer any questions.

KM:ge

State Environmental Improvement and Energy Resources Authority
332nd Board Meeting
June 26, 2018

Agenda Item #6C
HEALTHCARE BENEFITS

Issue:

How should the Authority provide healthcare coverage to its employees if they are not eligible for MCHCP's State Employee plan after June 30, 2018?

Action Needed:

Consideration and approval of actions related to healthcare coverage for EIERA employees if necessary.

Staff Recommendation:

Staff recommends that should EIERA not be eligible for participation in MCHCP's State Employee plan that a stipend or payment not exceeding the MCHCP COBRA premium described below be provided to benefits-eligible employees (or directly to MCHCP) until such time as a healthcare plan is provided or the Authority decides not to offer a healthcare benefit. Additionally, to authorize the director or her designee to engage an insurance broker to identify healthcare plans for consideration of the Board.

Staff Contact:

Karen Massey

Background:

As discussed in the status update document, the Authority has not yet been told whether it will be eligible to participate in the State's Health Insurance Program (MCHCP) after June 30, 2018. Given the timing, it is not feasible to procure permanent coverage effective July 1, 2018. As such, a two phase plan is recommended.

- Short term:
 - All employees will have access to coverage on July 1 either through COBRA or retiree coverage through MCHCP, or their spouse's plan.
 - It is recommended that the Authority provide a monthly stipend/payment up to the MCHCP COBRA rate for individual coverage, partnership premium with tobacco-free incentive, under the PPO 600 Plan, which is currently \$641 per month. All employees currently are enrolled in the PPO 600 plan.
 - The stipend is not a reimbursement. Some employees will have access to coverage at cheaper rates, others may not.
 - It will be taxable to each employee unless MCHCP can accept payments directly from the EIERA and a cafeteria plan is established by the

Authority. In that case, payment made directly to MCHCP would not be taxable, but those made to employees would.

- It appears that a simple cafeteria plan can be established and maintained with minimal cost and effort.
- Staff and attorneys at Lewis Rice are still exploring certain aspects of these options, but at this time are confident that the taxable payment to all employees is a viable option. Sending the payments to MCHCP and establishing a cafeteria plan still needs further analysis, but appears promising and could have tax advantages to certain employees, without adversely impacting the others.
 - Employees could use the stipend for any purpose unless it is sent directly to MCHCP.
 - The stipend would continue until the Authority provides a healthcare plan for its employees or decides not to do so.
- Long term:
 - Staff is asking for authorization to engage an insurance broker to identify healthcare plans which could meet the Authority's needs.
 - Once options are identified, they will be analyzed and a recommendation brought to the Board for consideration.
 - Factors to be considered will include, among others:
 - Cost to the Authority and employee
 - Type of plan
 - Level of coverage
 - Availability of providers in Jefferson City
 - Comparability to MCHCP coverage
 - Price stability
 - Reputation and reliability of the provider
 - Initial research suggests that there are plans available that will meet the needs of the Authority and its employees in an acceptable price range; however, formal quotes have not been solicited.
 - It is anticipated that this process can be completed in time to have coverage in place August or September 1, 2018.

Staff and General Counsel will be at the meeting to answer any questions.

KM:ge

State Environmental Improvement and Energy Resources Authority
332nd Board Meeting
June 26, 2018

Agenda Item #6D
EMPLOYMENT POLICY AMENDMENTS

Issue:

With the move from being an appropriated entity, certain Authority policies need to be clarified or amended.

Action Needed:

Authorization to amend or clarify the Authority's employment policies.

Staff Recommendation:

Staff recommends that the director or her designee be authorized to work with General Counsel to amend the Authority's employment policies as outlined below.

Staff Contact:

Karen Massey

Background:

Eligibility for State benefit plans are covered by rules related to those plans. As such, the EIERA's policies are silent as to which employees are eligible for insurance or retirement plans. With the possibility that the Authority will no longer be eligible to participate in the State benefit programs, the Authority policies need to be updated to provide guidance in these areas.

To be eligible for State healthcare and retirement benefits, employees must work in permanent, benefits eligible positions on at least a half-time basis (20 hours per week). Although not stated in the Authority's policy, it has also been the practice of the Authority and is consistent with Authority leave accrual policies.

Approval is being sought to amend the Authority's employment policies to clarify, that should the Authority offer insurance or retirement benefits, only employees in permanent positions that work at least half-time are eligible.

Additionally, the policies need to be clarified that if a benefits-eligible, Authority employee moves into a permanent, non-benefits eligible position that their accrued leave will be treated in the same manner as if the employee were leaving the employment of the Authority. This will allow annual leave to be paid off when the employee moves into a position that does not accrue leave.

If approved, these changes will be effective immediately and staff will work with our General Counsel to draft the specific language.

As we work through issues related to MCHCP and MOSERS in the next few months, it is likely that other policy changes or clarifications will be needed.

KM:ge

State Environmental Improvement and Energy Resources Authority
329th Board Meeting
June 26, 2018

Agenda Item #7
ADOPTION OF FISCAL YEAR 2019 BUDGETS

Issue:

The Authority needs a budget for Fiscal Year 2019 which will begin on July 1, 2018.

Action Needed:

Consideration and adoption of FY 19 Budgets for the Authority, Market Development Program and Brownfields Revolving Loan Fund.

Staff recommendation:

Staff recommends that the attached budgets be adopted.

Staff Contact:

Karen Massey, Kristin Tipton and Mary Vaughan

Background:

Attached you will find information pertaining to the FY 18 adopted budgets, the anticipated final FY 18 expenditures and FY 19 proposed budgets.

The budgets before you are based upon the FY 18 expenses and are being presented for approval so we have an operating budget for the fiscal year. Staff anticipates returning to the Board at a later date with a revised budget proposal, should the benefits situation make that necessary.

The Authority Budget is similar to that of FY 18. There will be SRF issuance activity in the fall, increasing issuance fee revenues. On the expense side, costs are generally in line with FY 18 amounts. The budget amount for Computer Software is higher to renew the accounting software licenses and to obtain a support contract. The commitment for matching funds for the Brownfields Revolving Loan Fund totals \$217,442.

The Market Development Budget revenues reflect the FY19 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 FY18.

The Brownfields Budget, as in past years, reflects funds available under the remaining term of the grant rather than what we expect to expend in FY19.

MV: ge

Attachments

FY 19 Proposed Budget

Attachment "A"

Authority

	FY18 Budget	FY18 Year End Preliminary 6/30/18	Variance	FY19 Proposed Budget
Revenues/Reimbursements:				
MMDP Reimbursement	\$ 45,000	\$ 45,000	\$ -	\$ 45,000
SRF Reimbursement	\$ 140,000	\$ 139,338	\$ 662	\$ 140,000
NRD Reimbursement	\$ -	\$ 14,600	\$ (14,600)	\$ 9,500
Application Fees	\$ 2,500	\$ -	\$ 2,500	\$ -
Issuance fees	\$ 40,000	\$ -	\$ 40,000	\$ 60,000
Investment Income	\$ 13,000	\$ 28,488	\$ (15,488)	\$ 18,000
Misc. Income	\$ 200	\$ 21,675	\$ (21,475)	\$ 200
TOTAL REVENUES	\$ 240,700	\$ 249,101	\$ (8,401)	\$ 272,700
Expenses:				
Personal Services				
Per Diem	\$ 500	\$ 225	\$ 275	\$ 500
Office Salaries	\$ 350,000	\$ 252,381	\$ 97,619	\$ 300,000
Payroll Taxes & Fringe	\$ 150,000	\$ 117,319	\$ 32,681	\$ 140,000
Travel Expense Staff	\$ 10,000	\$ 7,201	\$ 2,799	\$ 10,000
Travel Expense Board	\$ 800	\$ 472	\$ 328	\$ 800
Total Personal Services	\$ 511,300	\$ 377,598	\$ 133,702	\$ 451,300
Professional Services				
Legal Fees & Exps (General)	\$ 14,000	\$ 17,095	\$ (3,095)	\$ 20,000
Legal Fees & Exps (SRF Misc.)	\$ 5,000	\$ 4,091	\$ 909	\$ 5,000
Legal Fees & Exps (Other Projects)	\$ 10,000	\$ -	\$ 10,000	\$ 10,000
Accounting Fees	\$ 10,900	\$ 6,024	\$ 4,876	\$ 8,000
Audit Fees	\$ 19,500	\$ 19,000	\$ 500	\$ 18,500
Misc. Professional Fees	\$ 50,000	\$ 22,312	\$ 27,688	\$ 35,000
Total Professional Services	\$ 109,400	\$ 68,522	\$ 40,878	\$ 96,500
Operating Expenses				
Equipment Maintenance	\$ 500	\$ -	\$ 500	\$ 500
Telephone & Ethernet	\$ 8,800	\$ 6,237	\$ 2,563	\$ 7,500
Office Supplies & Printing	\$ 3,500	\$ 1,442	\$ 2,058	\$ 2,500
Postage & Shipping	\$ 1,200	\$ 659	\$ 541	\$ 1,000
Membership Dues	\$ 4,000	\$ 3,360	\$ 640	\$ 4,000
Conference Registration	\$ 2,000	\$ 1,275	\$ 725	\$ 2,000
Subscriptions	\$ 200	\$ -	\$ 200	\$ 200
Training	\$ 3,000	\$ 284	\$ 2,716	\$ 1,500
Board Meeting Expense	\$ 500	\$ 293	\$ 207	\$ 500
Misc & Administrative	\$ 300	\$ 75	\$ 225	\$ 300
Advertising	\$ 2,500	\$ -	\$ 2,500	\$ 2,500
Office Maintenance	\$ 200	\$ -	\$ 200	\$ 200
Rent	\$ 32,000	\$ 31,008	\$ 992	\$ 36,000
Insurance	\$ 700	\$ 599	\$ 101	\$ 700
Equipment Purchases	\$ 1,000	\$ -	\$ 1,000	\$ 1,000
Computer Purchases	\$ 2,000	\$ -	\$ 2,000	\$ 2,000
Computer Software	\$ 2,500	\$ 1,640	\$ 860	\$ 2,500
Workers Comp Contingency	\$ 4,500	\$ -	\$ 4,500	\$ 4,500
NRD Direct Costs	\$ 4,300	\$ 4,297	\$ 3	\$ 4,300
Total Operating Expense	\$ 73,700	\$ 51,169	\$ 22,531	\$ 73,700
Project Assistance				
BRLF Match (Transfer Out)	\$ 254,436	\$ 36,803	\$ 217,633	\$ 217,442
Total Project Assistance	\$ 254,436	\$ 36,803	\$ 217,633	\$ 217,442
TOTAL EXPENSES	\$ 948,836	\$ 534,092	\$ 414,744	\$ 838,942

Net Increase (Decrease) in Funds

(\$708,136)

(\$284,991)

(\$566,242)

REVISED

**FY 19 Proposed Budget
Missouri Market Development Program**

	FY18 Budget	FY18 Year End Preliminary 6/30/18	Variance	FY19 Proposed Budget
Revenues:				
Solid Waste Management Fund	\$ 1,611,353	\$ 654,537	\$ 956,816	\$ 1,756,816
Investment Income	\$ -	\$ 165	\$ (165)	\$ -
TOTAL REVENUES	\$ 1,611,353	\$ 654,702	\$ 956,651	\$ 1,756,816
Expenses:				
Administrative				
Program Salary/Fringe	\$ 80,000	\$ 52,151	\$ 27,849	\$ 80,000
Travel	\$ 1,000	\$ 425	\$ 575	\$ 1,000
Legal Expenses & Fees	\$ 1,000	\$ 571	\$ 429	\$ 1,000
Accounting Fees	\$ 2,500	\$ 2,668	\$ (168)	\$ 2,500
Membership Fees	\$ 1,500	\$ 1,312	\$ 188	\$ 1,500
Conference/Registration Fees	\$ 1,500	\$ 250	\$ 1,250	\$ 1,500
Sponsorships	\$ 10,000	\$ 1,000	\$ 9,000	\$ 10,000
EIERA Costs	\$ 45,000	\$ 45,000	\$ -	\$ 45,000
Direct Costs	\$ 3,000	\$ 2,588	\$ 412	\$ 3,000
Training	\$ -	\$ -	\$ -	\$ -
Total Administrative	\$ 145,500	\$ 105,965	\$ 39,535	\$ 145,500
Business Assistance				
Travel	\$ 1,500	\$ 634	\$ 866	\$ 1,500
Legal Expenses & Fees	\$ 15,000	\$ 14,963	\$ 37	\$ 15,000
Promos/Publication Design & Production	\$ -	\$ -	\$ -	\$ -
Miscellaneous Expense	\$ -	\$ -	\$ -	\$ -
Direct Financial Assistance	\$ 844,703	\$ 87,821	\$ 756,882	\$ 1,046,175
Direct Financial Assistance-Encumbered	\$ 554,650	\$ 451,490	\$ 103,160	\$ 498,641
Business Initiatives	\$ 50,000	\$ -	\$ 50,000	\$ 50,000
Total Business Assistance	\$ 1,465,853	\$ 554,908	\$ 910,945	\$ 1,611,316
TOTAL EXPENSES	\$ 1,611,353	\$ 660,873	\$ 950,480	\$ 1,756,816

**FY19 Proposed Budget
Brownfields Revolving Loan Fund**

FY19	Estimated	Anticipated	FY19
Revenues:	Grant Balance	Loan Repayments	Proposed Budget
Federal Reimbursement	\$ 1,086,950	\$ -	\$ 1,086,950
EIERA Match	\$ 217,442	\$ -	\$ 217,442
Loan Repayments	\$ -	\$ 48,000	\$ 48,000
TOTAL REVENUES	\$ 1,304,392	\$ 48,000	\$ 1,352,392
Expenses:			
Office Salaries, Payroll Taxes & Fringe	\$ 247,280	\$ 30,000	\$ 277,280
Travel	\$ 16,918	\$ -	\$ 16,918
Supplies	\$ 1,100	\$ -	\$ 1,100
Contractual	\$ 135,287	\$ 5,000	\$ 140,287
Grant/Loans	\$ 903,807	\$ 13,000	\$ 916,807
TOTAL EXPENSES	\$ 1,304,392	\$ 48,000	\$ 1,352,392

FY18 ACTUALS

FY18 ACTUALS	FY18	FY18 Year End
Revenues:	Budget	Preliminary 6/30/18
Federal Reimbursement	\$ 1,272,280	\$ 185,534
EIERA Match	\$ 254,436	\$ 36,804
Loan Repayments	\$ 48,675	\$ 72,009
TOTAL REVENUES	\$ 1,575,391	\$ 294,347
Expenses:		
Office Salaries, Payroll Taxes & Fringe	\$ 339,952	\$ 43,999
Travel	\$ 17,513	\$ 595
Supplies	\$ 1,100	\$ -
Contractual	\$ 146,150	\$ 10,863
Grant/Loans	\$ 1,070,677	\$ 166,870
TOTAL EXPENSES	\$ 1,575,392	\$ 222,327

State Environmental Improvement and Energy Resources Authority
332nd Board Meeting
June 26, 2018

Agenda Item #8
ELECTION OF OFFICERS

Issue:

The Authority By-laws require elections of Officers at first meeting of the Authority held after June 1st each year.

Action Needed:

Election of Officers.

Staff Recommendation:

None.

Staff Contact:

Karen Massey

Background:

The By-Laws of the Authority state that the election of Officers take place at the first meeting of the Authority held after June 1st of each year. Article II, Section 1 states that the officers of the Authority shall be a Chair, a Vice-Chair, a Secretary and a Treasurer. Other than the Chair and Vice Chair, any two or more offices may be held by the same person. In past years we have found it advantageous to also elect an Assistant Secretary.

If you wish to review the By-laws, Article III contains the duties of each office.

KM:ge

Attachment

**BYLAWS OF THE
STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY**

ARTICLE I

Section 1

Name of the Authority: The name of the Authority shall be "State Environmental Improvement and Energy Resources Authority."

Section 2

Seal of the Authority: The seal of the Authority shall consist of two concentric circles and shall bear the inscription "State Environmental Improvement and Energy Resources Authority, Missouri, Corporate Seal, 1973."

Section 3

Office of the Authority: The principal office of the Authority shall be located in the State of Missouri at such place as the Authority may from time to time designate by resolution. In the absence of establishment of a permanent principal office, the Authority may, by resolution, establish a temporary principal office at such place as it shall designate. The Authority may also have office at such other place or places within the State of Missouri as it may from time to time designate by resolution.

ARTICLE II

Section 1

Officers: The officers of the Authority shall be a Chair, a Vice-Chair, a Secretary and a Treasurer. Such assistant officers as may be deemed necessary may be elected or appointed by the Authority. The powers and duties of such assistant officers shall be as provided herein and as provided from time to time by resolutions of the Authority. Any two or more offices (except the offices of Chair and Vice Chair) may be held by the same person.

Section 2

Chair: The Chair shall be elected by the Authority, be a member of the Authority and shall serve until a successor is duly elected and qualified.

Section 3

Vice-Chair: The Vice-Chair shall be elected by the Authority, be a member of the Authority and shall serve until a successor is duly elected and qualified.

Section 4

Secretary: The Secretary shall be elected by the Authority. The Secretary need not be a member of the Authority and shall serve at the pleasure of the Authority. The office of Secretary may be combined with that of Treasurer.

Section 5

Treasurer: The Treasurer shall be elected by the Authority. The Treasurer need not be a member of the Authority and shall serve at the pleasure of the Authority. The office of Treasurer may be combined with that of Secretary.

Section 6

Election and Term of Office: The officers of the Authority shall be elected by the members of the Authority at the first meeting of the Authority held after June 1st of each year. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as is convenient. Each officer shall hold office until his/her successor has been duly elected and qualified or death or until resignation or removal in the manner hereinafter provided. Each officer shall be eligible for re-election to such office.

Section 7

Removal: Any officer, employee or agent elected or appointed by the Authority may be removed by the Authority whenever in its judgment the best interest of the Authority would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 8

Vacancies: A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by election by the members of the Authority for the unexpired portion of the term.

ARTICLE III

The respective officers of the Authority shall have the following authority, powers and duties.

Section 1

The Chair: The Chair shall be chief executive officer of the Authority and shall preside at all meetings of the Authority and shall perform all duties commonly incident to the position of presiding officer of a board, commission, or corporation and shall have authority without impairment of any authority specifically granted by the Authority to other persons, to sign all contracts, instruments, documents and official orders of the Authority. The Chair shall have general supervision over the business and affairs of the Authority, subject to the direction of the Authority, and shall perform such other and further duties as the Authority, by formal resolution, may from time to time provide.

Section 2

Vice-Chair: The Vice-Chair shall perform duties and have the authority of the Chair during the absence or disability of the Chair, and shall preside at the meetings of the Authority when and while the Chair shall vacate the chair. The Vice-Chair shall perform such other and further duties and have such other and further authority as the Authority may, by formal resolution or motion, from time to time provide.

Section 3

Secretary: The Secretary shall keep the official records and seal of the State Environmental Improvement and Energy Resources Authority and shall certify, when required, to copies of records. The Secretary shall attend all meetings of the Authority and keep a full and true record of its proceedings, which shall include the date, time, place, members present, members absent, and a record of votes taken indicating the

vote as cast by each member present, all as required by Section 610.020.6 of the Revised Statutes of Missouri and such other information as the Secretary deems appropriate. The Secretary shall issue all official notices and prepare all papers and reports for the meetings of the Authority. The Secretary shall perform such other duties as the Authority may assign from time to time. If the Secretary is absent or unable to act, then the Assistant Secretary, if one has been appointed, shall perform all duties of the Secretary including but not limited to the execution and delivery of any instruments, documents, or papers of the Authority. The Assistant Secretary shall perform such other and further duties and have such other and further authority as the Authority may, by formal resolution or motion, from time to time provide.

Section 4

Treasurer: The Treasurer shall have supervision of the funds, securities, receipts and disbursements of the Authority, cause all monies and other valuable effects of the Authority to be deposited in its name and to its credit in such depositories as shall be selected by the Authority or pursuant to authority conferred by the Authority, cause to be kept at the office of the Authority correct books of account, proper vouchers and other papers pertaining to the corporation's business, render to the Chair of the Authority, whenever requested, an account of the financial condition of the Authority and of his/her transactions as Treasurer, and, in general, perform all duties and have all powers incident to the office of Treasurer and perform such other duties and have such other powers as from time to time may be assigned by the By-laws, the Chair, or the Authority.

Section 5

Assistant Officers: The powers and duties of such assistant officers as shall be elected or appointed by the Authority shall be as provided from time to time by resolutions of the Authority.

ARTICLE IV

Section 1

Director: The Director, under the direction of the Chair, or the Authority, shall have general supervision over and be in administrative charge of all the activities of the Authority, and, in addition, shall perform all the duties incident to this position and office. Except as otherwise provided by resolution of the Authority, the Director shall make final certification for payment of all duly authenticated and authorized items of expenditure for payment from any Authority funds from whatever source derived, and whenever the Chair is required to sign vouchers, requisitions and other instruments made by the Authority, the Director shall approve the same for submission to the Chair for signature. The Director shall assist the Secretary or Treasurer in the performance of their duties and shall have the full power to act in the place and instead of the Secretary at any time as may be directed by the Chair, the Secretary or the Authority. The Director shall act as or appoint an employee of the Authority to act as custodian who will be responsible for the maintenance of the Authority's records and said Custodian will make said records available for inspection and copying by the public, all pursuant to the requirements of Section 610.023, 610.024 and 610.026 of the Revised Statutes of Missouri and the Director shall be responsible for seeing that the Authority complies with the other requirements of the Missouri open meetings and records law as set out in Chapter 610 of the Revised Statutes of Missouri.

Section 2

General Counsel: The General Counsel shall, as directed by the Director or Authority, recommend legal directives with respect to Authority activities, advise the Director, officers and members of the Authority as to all legal matters relating to the administration, operations and financing of the Authority and as to the laws governing the acquiring and constructing of projects, and the issuing of bonds and notes as provided to pay the cost of projects. General Counsel shall draft, examine, or approve as to legal compliance all forms, contracts, or other documents necessary for all phases of the Authority's work or purposes and shall coordinate with and assist Bond Counsel in the preparation of all documents related to the sale of Authority obligations and the

investment of the proceeds; shall render regular opinions on such matters relating to the Authority as may be requested by the Director, Chair, members, or officers of the Authority. In addition, General Counsel shall perform such other services incident thereto and shall undertake such other duties as from time to time may be assigned by the Director or Chair or the Authority.

Section 3

Appointment: The Director and General Counsel shall be appointed and/or retained by the Authority on such terms as the Authority shall specify and shall serve at the pleasure of the Authority.

Section 4

Additional Personnel: The Director with approval from the Authority may from time to time employ such other personnel as may be necessary to exercise the Authority's powers, duties and functions as prescribed by law. Persons so appointed shall serve at the pleasure of the Director and Authority. The selection and compensation of such personnel shall be determined by the Authority based on the Authority personnel and compensation policies subject to the laws of the State of Missouri. The Authority may also from time to time retain or contract for the services of architects, engineers, accountants, attorneys, bond counsel, financial consultants, and such other persons, firms or corporations necessary to carry out its duties and to fix the compensation thereof.

ARTICLE V

Section 1

Regular Meetings: A regular meeting of the Authority for the transaction of all business as may properly come before the meeting shall be held not less frequently than once each quarter of the calendar year at the principal office of the Authority or legal counsel or at such other place within or without the State of Missouri, which is reasonably accessible by the public, as is designated in the notice of the regular meeting. The Chair in consultation with the Authority members may fix the regular meeting date, hour and place, and, each member shall be notified at least one (1) week

prior to the date fixed for the regular meeting by telephone call or in writing by letter, e-mail or other means of electronic communication (if by mail, notice shall be deemed adequate if deposited in the United States mail one (1) week prior to the meeting date).

Section 2

Special Meetings: In addition to the regular meetings of the Authority held pursuant to Section 1 of this Article V, the Chair may when necessary call a special meeting for the transaction of all business as may properly come before the meeting, or the Chair shall call a special meeting when requested to do so by any two members. Notice of special meetings shall be given at least five (5) days before the date set for the meeting by telephone call or in writing by letter, e-mail or other means of electronic communication (if by mail, notice shall be deemed adequate if deposited in the United States mail five (5) days prior to the meeting date). The special meeting shall be held at the principal office of the Authority or legal counsel or at such other place within or without the State of Missouri, which is reasonably accessible to the public and at such time as is reasonably convenient to the public, which shall be designated in the notice of the special meeting. At any special meeting any business shall be in order, whether or not stated in the notice of the meeting.

Section 3

Public Notice of Meetings: In addition to the notice of meetings sent to members of the Authority as provided above, at least 24 hours prior to an Authority meeting, a notice of the meeting shall be prominently posted in the office of the Authority in a part of the office accessible by the public and designated for posting such notices and such notice shall also be made available to the press and the public as requested and shall be published in such publications of the state as are normally utilized by state agencies to publish notice of agency meetings. The notice shall include the time, date and place of the meeting and shall state whether or not the meeting is to be an open or closed meeting and shall state the tentative agenda for the open meeting, all as required by Section 610.020 of the Revised Statutes of Missouri.

Section 4

Quorum: Three (3) members of the Authority shall constitute a quorum and the affirmative vote of three (3) members shall be necessary and sufficient for any action by the Authority. The Chair shall have a vote on all issues.

Section 5

Proxies: Proxies to vote with respect to any matter shall not be allowed or accepted.

Section 6

Register: The Secretary shall maintain a register of the address of each member. Notice by mail, e-mail or other means of electronic communication sent to the address as shown by the Secretary's records shall be effective. Any member who desires to receive notice at a different temporary or permanent address shall notify the Secretary who shall modify the records accordingly.

Section 7

Meeting by Telephone or Other Electronic Means: Members may participate in a meeting of the Authority by means of conference telephone or other electronic means whereby all individuals participating in the meeting, including the public attending the meeting, can hear each other, and any member participating in a meeting of the Authority in such manner shall be considered present at such meeting for all purposes including for quorum purposes.

ARTICLE VI

Section 1

Contracts: The Authority may authorize the Director, any officer or officers, assistant officer or assistant officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Authority, and such authority may be general or confined to specific instances.

Section 2

Loans: No loan shall be contracted on behalf of the Authority and no evidence of indebtedness shall be issued in its name unless authorized by resolution of the Authority. Such authority may be general or confined to specific instances.

Section 3

Checks, Drafts, or Orders: All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Authority shall be signed by such officer or officers, agent or agents of the Authority or Director and in such manner as shall from time to time be determined by resolution of the Authority.

Section 4

Deposits: All funds of the Authority not otherwise invested or employed shall be deposited from time to time to the credit of the Authority in such banks, trust companies or other depositories as the Authority may select.

ARTICLE VII

The Authority, its officers and members shall have such additional and further rights, powers and duties as by law may or hereafter be permitted.

ARTICLE VIII

Section 1

Power to Indemnify in Action, Suits or Proceedings other Than Those by or in the Right of the Authority: To the extent not otherwise covered by Sec. 105.711 – Sec. 105.726 R.S.Mo. 1986, as amended or supplemented or any other statute, agreement or otherwise, and subject to Section 3 of this Article VIII, the Authority shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the Authority, by reason of the fact that the person is or was a member, officer, director or employee of the Authority

against expenses, including attorney's fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Authority, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Authority, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct was unlawful.

Section 2

Power to Indemnify in Actions, Suits or Proceedings by or in the Right of the Authority: To the extent not otherwise covered by Sec. 105.711 – Sec. 105.726 R.S.Mo. 1986, as amended or supplemented or any other statute, agreement, or otherwise and subject to Section 3 of this Article VIII, the Authority shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Authority to procure a judgment in its favor by reason of the fact that the person is or was a member, officer, director or employee of the Authority, or is or was serving at the request of the Authority against expenses, including attorney's fees, and amounts paid in settlement actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Authority; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of the person's duty to the Authority unless and only to the extent that the court in which such action or suit was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person

is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

Section 3

Authorization of Indemnification: Any indemnification under this Article VIII (unless ordered by a court) shall be made by the Authority as authorized in the specific case upon a determination that indemnification of the member, officer, director or employee is proper in the circumstances because the person has met the applicable standard of conduct set forth in Sections 1 and 2 of this Article VIII. Such determination shall be made (i) by the members by a majority vote of a quorum consisting of members who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested members so directs by independent legal counsel in a written opinion. To the extent, however, that a member, officer, director or employee of the Authority has been successful on the merits or otherwise in defense of any action, suit or proceeding described above, or in defense of any claim, issue or matter therein, that person shall be indemnified against expenses, including attorney's fees, actually and reasonably incurred by that person in connection therewith.

Section 4

Further Indemnification: To the extent determined by the members, the Authority shall have the power to give any further indemnity, to the fullest extent permitted by law, in addition to the indemnity authorized or contemplated by Sections 1, 2 and 3 of this Article VIII to any person who is or was a member, officer, director, employee or agent, or to any person who is or was serving at the request of the Authority as a member, officer, director or employee of the Authority.

Section 5

Good Faith Defined: For purposes of any determination under Section 3 of this Article VIII, a person shall be deemed to have acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interest of the Authority, or, with respect to any criminal action or proceeding, to have had no reasonable cause

to believe the person's conduct was unlawful, if the person's action is based on the records or books of account of the Authority, or on information supplied to the person by the Director or employees or agents of the Authority in the course of their duties, or on the advice of legal counsel for the Authority or on information or records given or reports made to the Authority by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Authority. The provisions of this Section 5 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Sections 1 and 2 of this Article VIII.

Section 6

Indemnification by Order of Court: Notwithstanding any contrary determination in the specific case under Section 3 of this Article VIII, and notwithstanding the absence of any determination thereunder, any member, officer, director or employee may apply to any court of competent jurisdiction in the State of Missouri for an order requiring the indemnification of such member, officer, director or employee, to the extent otherwise permissible under Sections 1 and 2 of this Article VIII. The basis of such indemnification by a court shall be a determination by such court that indemnification of the member, officer, director or employee is proper in the circumstances because the person has met the applicable standards of conduct set forth in Sections 1 and 2 of this Article VIII. Notice of any application for indemnification pursuant to this Section 6 shall be given to the Authority promptly upon the filing of such application.

Section 7

Expenses Payable in Advance: Expenses incurred by a member, officer, director or employee in defending a civil or criminal action, suit or proceeding may be paid by the Authority in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the member, officer, director or employee to repay such amount if it shall ultimately be determined that the person is not entitled to be indemnified by the Authority as authorized in this Article VIII.

Section 8

Non-Exclusivity and Survival of Indemnification: The indemnification and advancement of expenses provided by, or granted pursuant to, the other subsections of this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any statute, Bylaw, agreement, vote of disinterested members or otherwise, both as to action in the person's official capacity and as to action in another capacity while holding such office, it being the policy of the Authority that indemnification of the persons specified in Section 1 and 2 of this Article VIII shall be made to the fullest extent permitted by law. The provisions of this Article VIII shall not be deemed to preclude the indemnification of any person who is not specified in Sections 1 or 2 of this Article VIII but whom the Authority has the power or obligation to indemnify. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII shall, unless otherwise provided when authorized or ratified, continue as to the person who has ceased to be a member, officer, director or employee and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 9

Insurance: The Authority may purchase and maintain insurance on behalf of any person who is or was a member, officer, director or employee of the Authority, or is or was serving at the request of the Authority as a member, officer, director or employee of the Authority against any liability asserted against the person and incurred by the person in any such capacity, or arising out of the person's status as such, whether or not the Authority would have the power to indemnify the person against such liability under the provisions of this Article VIII.

Section 10

Right to Hire Counsel: Notwithstanding anything to the contrary in this Article VIII, statute or otherwise, a member, officer, director or employee of the Authority shall retain the right to hire counsel of said person's choosing.

Section 11

Meaning of "Authority" for Purposes of Article VIII: For purposes of this Article VIII, references to "the Authority" shall include, in addition to the resulting Authority, any constituent Authority (including any constituent of a constituent) absorbed in consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its members, officers, directors and employees, so that any person who is or was a member, officer, director or employee of such constituent Authority, or is or was serving at the request of such constituent Authority as a member, officer, director or employee shall stand in the same position to the resulting or surviving Authority as such person would have with respect to such constituent Authority if its separate existence had continued.

ARTICLE IX

These Bylaws may be altered, amended or repealed, and new Bylaws may be adopted by the Authority at any regular meeting or at any special meeting, after a public hearing has been held on such proposed altered, amended or repealed Bylaws.