

**339th MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY
EIERA Office
425 Madison Street, Second Floor
Jefferson City, Missouri
December 3, 2019
10:00 a.m.**

1. Call to Order
2. Approval of Minutes
 - A. Approval of Minutes from the 338th Meeting of the Authority held October 3, 2019, in Jefferson City, Missouri
3. State Revolving Program
 - A. Program Update
 - B. Consideration and Approval of Resolution Approving Senior Managing Underwriter(s) and Co-managing Underwriter(s) in Connection with the State Revolving Fund Program and Authorizing the Authority to Negotiate and Enter into an Agreement(s) in Connection Therewith
 - C. Other
4. Presentation of Fiscal Year 2019 Authority Audit
5. Missouri Market Development Program
 - A. Program Update
 - B. Consideration of the Funding Recommendation for the Fick Supply Services, Inc. Project and Authorizing the Director or Designee to Enter Into an Agreement on Behalf of the Authority
 - C. Consideration of the Funding Recommendation for the Arcana LLC DBA Switchgrass Spirits Project and Authorizing the Director or Designee to Enter Into an Agreement on Behalf of the Authority
 - D. Other
6. Brownfields Revolving Loan Fund
 - A. Program Update
 - B. Other
7. Selection of Authority CPA
8. Election of Officers
9. Other Business

- A. Opportunity for Public Comment (Limit of Four Minutes per Individual)
 - B. Next Meeting Date
 - C. Other
10. Closed Meeting Pursuant to Section 610.021 (1), (3) and (11) RSMo. (as needed)
 11. Adjournment of Closed Meeting and Return to Open Meeting
 12. Adjournment of Open Meeting

The Authority may vote to close a portion of the meeting in conjunction with the discussion of litigation matters (including possible legal actions, causes of action, any confidential or privileged communications with its attorneys and the negotiation of items of a contract), real estate matters, personnel matters (including the hiring, firing, disciplining or promoting of personnel), or specification for competitive bidding pursuant to Section 610.021 (1), (3) or (11) RSMo.

Members to be Present: Andy Dalton, Chair
 Deron Cherry, Vice-Chair, Assistant Secretary, Treasurer
 Caleb Arthur, Member
 Nancy Gibler, Member
 Mary Fontana Nichols, Member

Staff to be Present: Joe Boland, Director
 Rebecca McKinstry, Deputy Director
 Kristin Allan Tipton, Development Director
 Mary Vaughan, Administration and Project Manager
 Genny Eichelberger, Office Support Assistant

Legal Counsel to be Present: David Brown, Lewis Rice LLC

**MINUTES OF THE 338th MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

EIERA Office

425 Madison Street, Second Floor

Jefferson City, Missouri

October 3, 2019

9:30 a.m.

EIERA MEMBERS:

Andy Dalton, Chair
Deron Cherry, Vice-Chair, Treasurer (phone participant)
Nancy Gibler
Mary Fontana Nichols
Caleb Arthur (phone participant)

EIERA STAFF:

Joe Boland, Deputy Director
Kristin Allan Tipton, Development Director
Mary Vaughan, Administration and Project Manager
Genny Eichelberger, Office Support Assistant

LEGAL COUNSEL:

David Brown
Lewis Rice LLC

OTHER

PARTICIPANTS:

Dru Buntin
Hannah Humphrey
Department of Natural Resources

Dennis Lloyd
Columbia Capital Management, LLC

Eric Cowan
Tom Liu
Bank of America Merrill Lynch

Larry Richardson
Robert W. Baird & Co. Incorporated

Shannon Creighton
Gilmore and Bell, P.C.

(AGENDA ITEM #1) CALL TO ORDER

Chair Dalton called the 338th meeting of the Environmental Improvement and Energy Resources Authority (the "Authority") to order at 9:30 AM. Chair Dalton took roll call and asked that the meeting record reflect a quorum was present.

(AGENDA ITEM #2) APPROVAL OF MINUTES

(AGENDA ITEM #2A) APPROVAL OF 335TH MEETING MINUTES (JUNE 27, 2019)

The next order of business was to review and approve the minutes of the 335th meeting (June 27, 2019) of the Authority and the 335th closed meeting (June 27, 2019) of the Authority.

MOTION: Motion was made by Ms. Gibler and seconded by Ms. Nichols to approve the minutes of the open and closed portions of the 335th meeting of the Environmental Improvement and Energy Resources Authority. By roll call vote, Chair Dalton, Ms. Gibler, Ms. Nichols, Mr. Cherry and Mr. Arthur all voted in favor. Motion carried.

(AGENDA ITEM #2B) APPROVAL OF 336TH MEETING MINUTES (JULY 15, 2019)

The Board approved the minutes of the 336th meeting (July 15, 2019) of the Authority and the 336th closed meeting (July 15, 2019) of the Authority.

MOTION: Motion was made by Ms. Gibler and seconded by Ms. Nichols to approve the minutes of the open and closed portions of the 336th meeting of the Environmental Improvement and Energy Resources Authority. By roll call vote, Chair Dalton, Ms. Gibler, Ms. Nichols, Mr. Cherry and Mr. Arthur all voted in favor. Motion carried.

(AGENDA ITEM #2C) APPROVAL OF 337TH MEETING MINUTES (AUGUST 22, 2019)

The Board approved the minutes of the 337th meeting (August 22, 2019) of the Authority and the 337th closed meeting (August 22, 2019) of the Authority.

MOTION: Motion was made by Ms. Nichols and seconded by Ms. Gibler to approve the minutes of the open and closed portions of the 337th meeting of the Environmental Improvement and Energy Resources Authority. By roll call vote, Chair Dalton, Ms. Gibler, Ms. Nichols, Mr. Cherry and Mr. Arthur all voted in favor. Motion carried.

CLOSED MEETING PURSUANT TO SECTION 610.021 (3) RSMO. (AS NEEDED)

MOTION: Motion was made by Ms. Gibler and seconded by Ms. Nichols to close the meeting for the purpose of discussing the hiring or promoting of particular employees by a governmental body pursuant to Section 610.021(3) Revised Statutes of Missouri. By voice vote, Chair Dalton, Ms. Gibler, Ms. Nichols, Mr. Cherry and Mr. Arthur all voted in favor. Motion carried.

ADJOURNMENT OF CLOSED MEETING AND RETURN TO OPEN MEETING

Chair Dalton announced that Mr. Boland had been selected to be the Executive Director for the EIERA.

(AGENDA ITEM #3) STATE REVOLVING PROGRAM

(AGENDA ITEM #3A) PROGRAM UPDATE

Mr. Boland deferred to Ms. Humphrey to comment on current activities of the State Revolving Fund (SRF) Program.

Ms. Humphrey reported to the Board that Fiscal Year 2020 Intended Use Plans for Clean Water and Drinking Water programs have been developed and will be presented to each commission for approval in October. She also stated that the Financial Assistance Center (FAC) has a newly developed cash flow model that will assist in maximizing the use of available funds. Finally, FAC has reviewed their loan process and has streamlined several steps to shorten the time between the application and construction for applicants wanting to use the design-build approach.

Ms. Humphrey offered to answer any questions from the Board.

There were no questions.

(AGENDA ITEM #3B) 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 (MISSOURI AMERICAN WATER COMPANY)

Mr. Boland stated that the Missouri American Water Company (MO-AM) is looking to borrow through the SRF for the first time. This will be the first privately owned public water system to close on a Drinking Water SRF (DWSRF) loan. He noted that if MO-AM became a regular borrower it would be a good thing to have such a secure credit in the DWSRF program. This intent resolution is necessary in order to use future bond proceeds to reimburse DNR for this loan.

Mr. Boland called upon Ms. Creighton for further comment.

Ms. Creighton said that the extra steps were necessary for a private user.

MOTION: Motion was made by Ms. Nichols and seconded by Ms. Gibler to Approve a 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 (Missouri American Water Company). By roll call vote, Chair Dalton, Ms. Gibler, Ms. Nichols, Mr. Cherry and Mr. Arthur all voted in favor. Motion carried.

(Said Resolution 19-01 is attached hereto and made a part of these minutes as "Exhibit A.")

Mr. Cherry left the meeting.

(AGENDA ITEM #3C) OTHER

There was no discussion.

(AGENDA ITEM #4) MISSOURI MARKET DEVELOPMENT PROGRAM

(AGENDA ITEM #4A) PROGRAM UPDATE

Ms. Tipton stated that she had three items on the agenda for the Board's consideration.

(AGENDA ITEM #4B) CONSIDERATION OF THE FUNDING RECOMMENDATION FOR THE ST. LOUIS COMPOSTING, INC., PROJECT AND AUTHORIZING THE DIRECTOR OR DESIGNEE TO ENTER INTO AN AGREEMENT ON BEHALF OF THE AUTHORITY

Ms. Tipton stated that St. Louis Composting, Inc., located in St. Louis, requested \$250,000 to purchase equipment costing \$500,000 that will enable the company to increase their capacity for separating food from packaging for composting.

In 2014, the Board awarded them funds to purchase the Tiger food depackager, which has been tremendously successful in enabling the company to recover new waste streams. She said that according to the EPA, in 2015, more than 39 million tons of food waste was generated with only 5.3% diverted from landfills.

Missouri has two large facilities with Tiger food depackagers and they have been successful. Labor needed to remove food from packaging is not worth the cost, and the Tiger greatly facilitates that. The Tiger is not great for soft packaged foods, however, due to its high speed. Therefore, the company is requesting funds to buy a second machine with a lower speed.

Ms. Tipton stated that on October 1, she accompanied Ms. Nichols to visit St. Louis Composting and discovered that much of the soft packaging will stay in

the landfill without the purchase of the new Bio-Press depackager. They anticipate diverting 12,000 tons annually from the waste stream and creating six full time employee positions with this project. She called upon Ms. Nichols for comment.

Ms. Nichols stated that she was impressed with St. Louis Composting and that it was a great operation. She added that the new equipment will double what St. Louis Composting is currently handling.

Chair Dalton agreed that the company was successful, but asked if it was profitable.

Ms. Tipton stated that it was profitable and that the company could buy the machine on their own, but this has never been the Authority's goal. The Missouri Market Development Program helps small and large businesses that promote our mission by keeping materials out of landfills. She noted that the equipment was very costly. As is most equipment needed for large scale composting.

Ms. Tipton stated that 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.

MOTION: Motion was made by Ms. Nichols and seconded by Ms. Gibler to authorize the director or designee to negotiate and enter

into an agreement on behalf of the Authority with St. Louis Composting, Inc. for an amount up to \$250,000, not to exceed 50 percent of the cost of the equipment. By roll call vote, Mr. Arthur, Chair Dalton, Ms. Gibler and Ms. Nichols all voted in favor. Motion carried.

(AGENDA ITEM #4C) CONSIDERATION OF THE FUNDING RECOMMENDATION FOR THE WILSON INDUSTRIES, LLC PROJECT AND AUTHORIZING THE DIRECTOR OR DESIGNEE TO ENTER INTO AN AGREEMENT ON BEHALF OF THE AUTHORITY

Ms. Tipton stated that Wilson Industries, LLC, located in Gainesville, requested \$223,277.40 to purchase a pulverizer costing \$223,277.40 that would enable the company to increase their capacity for processing recovered plastics to be made into custom products. The company applied for the full amount, but when she visited the site, she let them know that they would not be eligible for the total equipment cost.

Wilson Industries, LLC primarily makes custom conduit. Products made by the company include standard and custom PVC pipe and fittings. The company made and installed a sprinkler system in Wrigley Field.

The company's existing pulverizer is 25 years old and the new machine would more than triple processing capacity. Plastic pulverized down to a fine powder would allow the company to use more recovered plastic to produce new product lines.

Discussion ensued.

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 \$100,000 not to exceed 75% of the cost of the equipment.

This funding recommendation was unanimous.

MOTION: Motion was made by Ms. Gibler and seconded by Ms. Nichols to authorize the director or designee to negotiate and enter into an agreement on behalf of the Authority with Wilson Industries, LLC for an amount up to \$100,000, not to exceed 75 percent of the cost of the equipment. By roll call vote, Chair Dalton, Ms. Gibler, Ms. Nichols and Mr. Arthur all voted in favor. Motion carried.

(AGENDA ITEM #4D) CONSIDERATION OF THE MISSOURI RECYCLING ASSOCIATION PROPOSAL

Ms. Tipton explained to the Board that at the request of the Mid-America Council of Local Governments Solid Waste Management District, MORA has substantially completed a pilot project and survey in the Kansas City area to identify manufacturers utilizing recovered materials or that are interested in converting to recovered materials. The preliminary results of this project have revealed a number of such companies of which both MORA and the MMDP were unaware.

Ms. Tipton stated that staff is interested in this data because these are the companies that are already promoting or are interested in promoting our program's mission. Having a better database would enable us to work with these businesses to help them increase diversion and create jobs.

This project does not fit into our regular "business assistance" activity of purchasing manufacturing equipment; however, each year the MMDP sets aside some funds to a "business initiatives" category to allow for opportunity to assist

with projects believed by the Authority to support our mission to promote the development and maintenance of markets for recovered materials.

The Missouri Market Development Program Steering Committee, which includes representatives from the EIERA, MDNR, Department of Economic Development, and the Solid Waste Advisory Board voted unanimously to support this project in the amount of \$25,000. Staff concur with this recommendation.

MOTION: Motion was made by Ms. Nichols and seconded by Ms. Gibler to fund the Missouri Recycling Association Proposal in the amount of \$25,000. By roll call vote, Chair Dalton, Ms. Gibler, Ms. Nichols and Mr. Arthur all voted in favor. Motion carried.

(AGENDA #4E) OTHER

There was no discussion.

(AGENDA ITEM #5) BROWNFIELDS REVOLVING LOAN FUND

Chair Dalton called upon Ms. Tipton to give an update on the Missouri Brownfields Revolving Loan Fund Program (MBRLF).

(AGENDA ITEM #5A) PROGRAM UPDATE

Ms. Tipton reported to the Board that the current program will expire in September 2019 with a July 2020 extension to close out current projects. EPA Region 7 would like for the Authority to reapply, but she stated there were issues that needed to be addressed.

Mr. Boland stated that the first issue was match.

Ms. Tipton explained that if the Authority applied for \$1 million, it would mean more administrative work with a requirement of fifty percent loans and fifty

percent subgrants. She noted that the Authority had limited staff and that the process was difficult. And that, while the program could make endless grants, loans are difficult to get.

Mr. Boland stated that staff would continue internal discussion and report back to the Board.

Ms. Tipton mentioned that EPA staff suggested they were working to make it possible to award one big cleanup grant that could be subdivided, rather than the more difficult RLF.

Mr. Buntin asked if one large cleanup grant was on the horizon.

Ms. Tipton said the mechanisms were not currently in place for the EPA to award the cleanup grant.

Discussion ensued.

Chair Dalton stated that the Board would pass on a decision to reapply at the present time.

(AGENDA ITEM #5B) OTHER

There was no discussion.

(AGENDA ITEM #6) ELECTION OF OFFICERS

Chair Dalton stated that he thought that all of the Board Members should be present to elect new officers.

Discussion ensued.

All Members agreed to defer to the next meeting to hold elections.

(AGENDA ITEM #7) OTHER BUSINESS

(AGENDA ITEM #7A) OPPORTUNITY FOR PUBLIC COMMENT (LIMIT OF FOUR MINUTES PER INDIVIDUAL)

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

There were no comments.

(AGENDA ITEM #7B) NEXT MEETING DATE

Mr. Boland stated that the next meeting would be held in late November or early December and that the Board would be contacted for available dates.

(AGENDA ITEM #7C) OTHER

There was no other business to discuss.

(AGENDA ITEM #8) CLOSED MEETING PURSUANT TO SECTION 610.021 (12) OR (13) RSMO. (AS NEEDED)

MOTION: Motion was made by Ms. Gibler and seconded by Ms. Nichols to close the meeting for the purposes of discussing confidential matters including negotiated contractual matters with the Authority's attorneys and personnel matters pursuant to Section 610.021 (12) or (13) RSMo. By voice vote, Chair Dalton, Ms. Nichols, Ms. Gibler and Mr. Arthur all voted in favor. Motion carried.

(AGENDA ITEM #9) ADJOURNMENT OF CLOSED MEETING AND RETURN TO OPEN MEETING

(AGENDA ITEM #10) 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 Ms. Gibler and seconded by Ms. Nichols to adjourn the meeting. By voice vote, Chair Dalton, Ms. Gibler, Ms. Nichols and Mr. Arthur all voted in favor. Motion carried.

Respectfully submitted,

Chairman

(SEAL)

Assistant Secretary

State Environmental Improvement and Energy Resources Authority
339th Board Meeting
December 3, 2019

Agenda Item #4
PRESENTATION OF AUTHORITY AUDIT

Issue:

Review of the Fiscal Year 2019 Audit.

Action Needed

No action needed.

Staff Recommendation:

No action needed.

Staff Contact:

Joe Boland and Mary Vaughan

Background:

The Authority's auditors, Williams-Keepers, LLC, were on site for four days in early October to perform the annual audit. They are in the process of finalizing the audit report including Financial Statements and a copy will be provided to you prior to the meeting. There were no findings or material weaknesses identified during the audit process.

Mike Oldelehr, the Audit Partner assigned to the EIERA and Amanda Schultz, the Audit Supervisor, will be at the meeting to present the audit and answer any of your questions.

JB:ge

State Environmental Improvement and Energy Resources Authority
339th Board Meeting
December 3, 2019

Agenda Item #5B
MISSOURI MARKET DEVELOPMENT PROGRAM
FUNDING RECOMMENDATION FOR FICK SUPPLY SERVICES, INC.

Issue:

Fick Supply Services, Inc. requested \$200,000 to purchase equipment costing \$416,265 that will enable the company to produce colored mulch from hard-to-dye wood waste and improve capacity and efficiency for screening materials for its compost operation.

Action Needed:

Consideration of the funding recommendations for the Fick Supply Services, Inc. project.

Staff Recommendation:

Staff recommends funding this project in the amount of \$200,000 not to exceed 50% of the cost of the equipment.

Staff Contact:

Kristin Tipton, Development Director

Background:

Fick Supply Services, Inc., located in Wildwood, requested \$200,000 to purchase equipment costing \$416,265 that will enable the company to produce colored mulch from hard-to-dye wood waste and improve capacity and efficiency for screening materials for its compost operation.

Fick Supply Services began operation in Wildwood in 1994 and has since become a leading supplier of bulk landscape products in the St. Louis region. Besides selling rock, dirt, timbers, pavers, etc., they produce mulch and in recent years, compost. Having recently been approved as a Yard Waste Byproduct Compost facility, the company has expanded both its footprint and its need to move new materials such as wood fiber from construction debris and additional yard waste tonnage.

With this project, Fick intends to purchase a dual purpose mulch colorizer/trammel screen which has the ability to dye hard-to-color wood fiber while reducing water consumption of their existing machine by twenty-percent. The machine can convert to the largest available mobile trammel screen which will increase capacity for both mulch and compost production.

In 2011, Fick Supply was awarded \$50,000 by the Missouri Market Development Program towards the purchase of a grinder and completed a very successful project for the program. Fick Supply Services, Inc. anticipates diverting 25,000 tons annually from the waste stream and creating three full time and one part time employee positions with this project.

The Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, the Solid Waste Advisory Board, and the Authority, recommends funding this project in the amount of \$200,000 not to exceed 50% of the cost of the equipment. This funding recommendation was unanimous.

KT:ge

State Environmental Improvement and Energy Resources Authority
339th Board Meeting
December 3, 2019

Agenda Item #5C
MISSOURI MARKET DEVELOPMENT PROGRAM
FUNDING RECOMMENDATION FOR ARCANA LLC DBA SWITCHGRASS SPIRITS

Issue:

Arcana LLC DBA Switchgrass Spirits requested \$18,511.40 to purchase equipment costing \$18,511.40 that will enable the company to remove liquid from spent grains so that it can be used as livestock feed.

Action Needed:

Consideration of the funding recommendations for the Arcana LLC DBA Switchgrass Spirits project.

Staff Recommendation:

Staff recommends funding this project in the amount of \$13,883.55 not to exceed 75% of the cost of the equipment.

Staff Contact:

Kristin Tipton, Development Director

Background:

Arcana LLC DBA Switchgrass Spirits, located in Wellston, requested \$18,511.40 to purchase equipment costing \$18,511.40 that will enable the company to remove liquid from spent grains so that it can be used as livestock feed.

Switchgrass Spirits is a worker owned whiskey distillery committed to sustainability and quality spirits. Switchgrass buys grain locally when possible and its barrels are made of Missouri White Oak, built by coopers in the state. The company currently uses 4,800 pounds of grain each week, creating 1,400 gallons of liquid waste. The pancake batter like waste cannot enter a sewer system and must be hauled offsite.

With this project, Switchgrass intends to purchase dewatering equipment that will allow the nutritious waste grain to be re-introduced to the local economy in the form of animal feed. Local farmers are not interested in the wet material because it is difficult to transport and spoils easily, but are very interested in the product if dried, because it is made from grain meant for human consumption unlike that used in ethanol production.

The distillery is located in a 16,000 square foot former American Legion Hall on the north side of St. Louis County. Funded by investments from friends and family, four founding members are responsible for the daily operation of the business. Since March of 2019, Switchgrass has barreled more than five thousand gallons of bourbon and rye whiskey. Their first whiskey product, a bottled cocktail, will be released in February of 2020.

Switchgrass Spirits anticipates diverting 280 tons annually from the waste stream and creating two part time employee positions with this project.

The Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, the Solid Waste Advisory Board, and the Authority, recommends funding this project in the amount of \$13,883.55 not to exceed 75% of the cost of the equipment. This is the maximum amount for which they are eligible. This funding recommendation was unanimous.

KT:ge