

**343rd MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY
EIERA Office
425 Madison Street, Second Floor
Jefferson City, Missouri**

**July 23, 2020
10:00 a.m.**

**Teleconference Meeting
Dial: 866-906-9888
PIN: 1703606#**

1. Call to Order
2. Approval of Minutes
 - A. Approval of the Minutes from the 342nd Open Teleconference Meeting of the Authority held June 3, 2020, in Jefferson City, Missouri
 - B. Approval of the Minutes from the 342nd Closed Teleconference Meeting of the Authority held June 3, 2020, in Jefferson City, Missouri
3. Brownfields Revolving Loan Fund
 - A. Program Update (grant extension status)
 - B. Authorization to Increase the Subgrant Award to the Lake of the Ozarks Council of Local Governments Project
 - C. Other
4. Other Business
 - A. Opportunity for Public Comment (Limit of Four Minutes per Individual)
 - B. Next Meeting Date
 - C. Other
5. Closed Meeting Pursuant to Section 610.021 (1), (3) and (11) RSMo. (as needed)
6. Adjournment of Closed Meeting and Return to Open Meeting
7. 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: Caleb Arthur, Chair
Mary Fontana Nichols, Vice Chair
Deron Cherry, Treasurer, Assistant Secretary
Nancy Gibler, Secretary

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 342nd MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

EIERA Office

**425 Madison Street, Second Floor
Jefferson City, Missouri**

Teleconference Meeting

June 3, 2020

10:00 a.m.

EIERA MEMBERS: Caleb Arthur, Chair
Mary Fontana Nichols, Vice Chair
Deron Cherry, Treasurer/Assistant Secretary
Nancy Gibler, Secretary

EIERA STAFF: 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: David Brown
Lewis Rice LLC

OTHER PARTICIPANTS: Dennis Lloyd
Columbia Capital Management, LLC

Tom Liu
Bank of America Merrill Lynch

Hannah Humphrey
Sara Pringer
Department of Natural Resources

Michael Short
Laura Radcliff
Stifel, Nicolaus & Company, Inc.

(AGENDA ITEM #1) CALL TO ORDER

Chair Arthur called the 342nd meeting of the State Environmental Improvement and Energy Resources Authority (the “Authority”) to order at 10:00 AM. Chair Arthur took roll call and asked that the meeting record reflect a teleconference quorum was present.

(AGENDA ITEM 2) APPROVAL OF MEETING MINUTES

(AGENDA ITEM #2A) APPROVAL OF 340TH CLOSED MEETING MINUTES (JANUARY 28, 2020)

The next order of business was to review and approve the closed minutes of the 340th meeting (January 28, 2020) of the Authority.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. Fontana Nichols to approve the closed minutes of the 340th meeting of the Environmental Improvement and Energy Resources Authority. By roll call vote, Mr. Cherry, Ms. Fontana Nichols, Ms. Gibler and Chair Arthur all voted in favor. Motion carried.

(AGENDA ITEM #2B) APPROVAL OF 341ST OPEN TELECONFERENCE MEETING MINUTES (APRIL 8, 2020)

The next order of business was to review and approve the open teleconference minutes of the 341st meeting (April 8, 2020) of the Authority.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. Fontana Nichols to approve the open teleconference minutes of the 341st meeting of the Environmental Improvement and Energy Resources Authority. By roll call vote, Mr. Cherry, Ms. Gibler, Ms. Fontana Nichols and Chair Arthur all voted in favor. Motion carried.

(AGENDA ITEM #2C) APPROVAL OF 341ST CLOSED TELECONFERENCE MEETING MINUTES (APRIL 8, 2020)

The next order of business was to review and approve the closed teleconference minutes of the 341st meeting (April 8, 2020) of the Authority.

MOTION: Motion was made by Ms. Fontana Nichols and seconded by Ms. Gibler to approve the closed teleconference minutes of the 341st meeting of the Environmental Improvement and Energy Resources Authority. By roll call vote, Mr. Cherry, Ms. Gibler, Ms. Fontana Nichols and Chair Arthur all voted in favor. Motion carried.

(AGENDA ITEM #3) STATE REVOLVING PROGRAM

(AGENDA ITEM #3A) PROGRAM UPDATE

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

Mr. Boland stated that staff is continuing to look at simplifying our older portfolio of 2004 Master Trust Bonds. This was to be the second part of the refunding we undertook in March 2020. Refunding the older reserve-fund bond series will require a considerable amount of time and analysis by our financial advisor and bond counsel to properly deal with the related guaranteed investment contracts associated with those bonds. The ultimate goal is to eliminate all of the tax issues related to the remaining 2004 master trust bonds by refunding the on a taxable basis.

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

Ms. Humphrey stated that the Missouri Department of Natural Resources (MDNR) was looking forward to seeing the cleanup of the older bonds. She thanked staff, Mr. Lloyd and Gilmore & Bell, P.C., for their work. She noted that it was challenging, but it will pay big dividends for MDNR in the way of streamlined accounting and some financial benefits as well.

Ms. Humphrey reported that the outlook was good on the Drinking Water SRF side, even with low interest rates in the market. MDNR provides a 70% interest rate subsidy which is good for borrowers because they are experiencing lower income revenues due to the COVID-19 virus.

Ms. Humphrey reported that Fiscal Year 2021 Intended Use Plan (IUP) drafts for Clean Water and Drinking Water programs are being developed and will be open for public comment in July 2020. The Drinking Water IUP has \$33 million in loans on the fundable list and \$15 million in projects on the planning list. The Clean Water IUP has \$508 million in loans on the fundable list and \$50 million in projects on the planning list.

Ms. Humphrey anticipates next year to be a big year in loan closings. Kansas City and the Metropolitan St. Louis Sewer District (MSD) are both looking to close on large loans. The MSD loan is anticipated to be around \$200 million.

(AGENDA ITEM #3B) OTHER

There was no discussion.

(AGENDA ITEM #4) MISSOURI MARKET DEVELOPMENT PROGRAM

(AGENDA ITEM #4A) PROGRAM UPDATE

Chair Arthur called upon Ms. Tipton to give an update on the Missouri Market Development Program.

Ms. Tipton stated that she had two items for the Board's consideration.

(AGENDA ITEM #4B) AUTHORIZATION TO INCREASE THE FINANCIAL ASSISTANCE AWARD TO THE SERVICE RECYCLING, LLC PROJECT AND AUTHORIZING THE DIRECTOR OR DESIGNEE TO ENTER INTO AN AGREEMENT ON BEHALF OF THE AUTHORITY WITH SERVICE RECYCLING, LLC

Ms. Tipton reported that at the previous meeting, the Board had approved funding for the Service Recycling, LLC project in the amount of \$18,750. The funds were to be used to purchase a live trailer. However, it was discovered that the cost is more than originally thought. She stated that \$24,375 is the maximum amount for which they are eligible.

Chair Arthur asked for the difference in cost.

Ms. Tipton stated that the cost increase was \$7,000.

The Missouri Market Development Program Steering Committee, which includes staff from MDNR, Missouri Department of Economic Development, the Solid Waste Advisory Board, and the Authority, recommends increasing this project award up to the amount of \$24,375, 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.

MOTION: Motion was made by Ms. Gibler and seconded by Ms. Fontana Nichols to authorize the Director or designee to increase the financial assistance award with Service Recycling, LLC for an amount up to \$24,375, not to exceed 75 percent of the cost of the equipment. By roll call vote, Ms. Fontana Nichols, Mr. Cherry, Ms. Gibler and Chair Arthur all voted in favor. Motion carried.

(AGENDA ITEM #4C) CONSIDERATION AND APPROVAL OF THE MORA CONFERENCE SPONSORSHIP REQUEST

Ms. Tipton stated that for the past several years, the Missouri Market Development Program had sponsored the Missouri Recycling Association (MORA) annual conference. She said that the 2020 Annual Conference will be held in Branson. Ms. Tipton noted that COVID-19 could cause the conference to be postponed and the Authority's sponsorship would apply to the new conference date.

Ms. Tipton stated that the sponsorship includes registration for two people. There is a lot of interest and the conference is an excellent opportunity for everyone in the industry to share knowledge and grow their businesses.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. Gibler to approve the MORA Conference Sponsorship in the amount of \$2,500 from the Missouri Market Development Program. By roll call vote, Mr. Cherry, Ms. Fontana Nichols, Ms. Gibler and Chair Arthur all voted in favor. Motion carried.

(AGENDA ITEM #4D) OTHER

(AGENDA ITEM #5) BROWNFIELDS REVOLVING LOAN FUND

(AGENDA ITEM #5A) PROGRAM UPDATE

Ms. Tipton stated that, as predicted, the Authority did not receive an award for the grant proposal submitted to the U.S. Environmental Protection Agency (EPA) for a new Missouri Brownfield Revolving Loan Fund Program (MBRLF). She said that the award was highly competitive.

Ms. Tipton stated that the MBRLF program would end July 1, 2020, and that EPA offered to extend the program. She said that COVID-19 could extend the program, again, until the end of 2020.

Mr. Boland explained to the Board that there were two BRLF scenarios in the budget that would be covered later in the meeting. First, if the current grant is extended and second, if the grant closes it will be a smaller and more flexible budget.

Discussion ensued.

(AGENDA ITEM #5B)) OTHER

There was no discussion.

(AGENDA ITEM #6) SELECTION OF GENERAL COUNSEL

Chair Arthur called upon Mr. Boland to give an update on the selection of General Counsel.

Mr. Boland deferred to Ms. McKinstry for comment.

Ms. McKinstry reminded the Board that at the April 8, 2020, Board meeting, the Board gave staff approval to release a Request for Proposals (RFP) seeking the services of a general counsel to the Authority. The Authority's current contract for general counsel services is scheduled to expire on June 30, 2020.

Ms. McKinstry stated that the RFP was advertised with Missouri Lawyer's Media and throughout the state for a two-week period. The Authority received one proposal and that was from the Authority's current general counsel firm, Lewis Rice, LLC. Staff reviewed Lewis Rice's proposal and found it to be responsive to the RFP, demonstrating excellent experience and qualifications in the areas of importance to the Authority. Lewis Rice understands the needs of the Authority. Pricing did increase, but their rates are reasonable and consistent with market prices for similar services.

Staff recommends that the Board select Lewis Rice, LLC to serve as General Counsel to the Authority.

Mr. Cherry asked staff why only one response was received.

Mr. Boland stated that staff anticipated more proposals, especially since the RFP was advertised state-wide. He presumed COVID-19 could have been an issue.

Mr. Cherry stated that he had been a Board Member of the Authority for a long time and that he thought Lewis Rice had done a very good job.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. Fontana Nichols Cherry authorizing the Director, or designee, to enter into an agreement with Lewis Rice, LLC to provide legal services for the State Environmental Improvement and Energy Resources Authority. By roll call vote, Mr. Cherry, Ms. Fontana Nichols, Ms. Gibler and Chair Arthur all voted in favor. Motion carried.

(Said Resolution 20-05 is attached hereto and made a part of these minutes as “Exhibit A.”)

Mr. Brown stated that he was extremely happy to be General Counsel to the Authority for the next several years. He felt that their relationship with Authority Staff and Board has been close and that Lewis Rice will continue to strive to provide excellent legal service to the Authority.

Mr. Boland expressed his appreciation for the high level of responsiveness received from Lewis Rice.

(AGENDA ITEM #7) CONSIDERATION AND APPROVAL OF FY2021 AUTHORITY BUDGETS

Authority Budget

Mr. Boland called the Board’s attention to the proposed budgets that were provided with the meeting materials. He said that there were not a lot of changes from the previous year and he pointed out the following increases and decreases in the proposed budgets:

Under Revenues/Reimbursements: Investment Income, a decrease from FY20 from \$40,000 to \$30,000.

Under Expenses: Personal Services, Per Diem, an increase from \$500 to \$750 as the number of board members has increased. Travel Expense Board increased from \$1,000 to \$1,500.

Under Professional Services: Legal Fees & Expenses (General) an increase from \$14,000 to \$15,000. Legal Fees & Expenses (Other Projects) decreased from \$5,000 to \$2,500. Accounting Fees increased from \$8,000 to \$12,000.

Under Operating Expenses: Office Supplies a decrease from \$2,500 to \$2,000. Shipping decreased from \$1,200 to \$1,000. Advertising decreased from \$2,500 to \$1,500. Computer Purchases increased from \$2,000 to \$3,000.

Under Project Assistance: BRLF Match, a decrease of \$157,755 if the Authority spends every dollar in the grant which Mr. Boland thought was unlikely.

Chair Arthur asked if Mr. Boland saw anything out of the normal for net income in the total funds.

Mr. Boland stated that he thought the net income in the total funds was stable unless there would be Private Bond activity, but that was not expected. He added that he thought the Authority was in good shape. Staff has a good handle on the expense profile. He said that it was difficult to predict legal fees. Discussion ensued.

Market Development

Mr. Boland explained to the Board that the program annually receives \$800,000 from Solid Waste Management. Last year MMDP had some carry-over so there is \$2.4 million in the FY21 Proposed Budget. Mr. Boland said that the proposed budget is similar to last year and he drew the Board's attention to the following line item increases and decreases:

Under Expenses: Legal Expenses & Fees increased from \$1,000 to \$2,000. Training increased from \$0 to \$1,000.

Under Business Assistance: Travel decreased from \$1,800 to \$1,500. Legal Expenses & Fees increased from \$15,000 to \$20,000. Mr. Boland noted that Actuals almost doubled.

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

Ms. Tipton stated that the Authority had been spending the program down and that the next year's budget for financial assistance projects could be very small. She said that this demonstrates that there is a need for this type of activity.

Brownfields

Mr. Boland directed the Board's attention to the top table of the Brownfields budget which reflects an estimate of the funds remaining in the current grant (both federal funds and Authority match) as well as the anticipated loan repayments for FY20.

He stated that if the grant is extended, the total proposed BRLF budget would be \$989,000 which includes the EI ERA Match component of \$157,755. The following increases and decreases in the proposed budget were then discussed:

Under Expenses: Office Spending increased from \$183,586 to \$208, 586. Contractual increased from \$101,665 to \$106,665. Grant/Loans increased from \$642,000 to \$657,000.

For the FY 2021 Budget with the grant closed, there is \$355,000 in funding available consisting of \$310,000 cash on hand and \$45,000 in anticipated loan repayments of \$45,000.

Mr. Cherry asked if the money then goes back to the Federal Government.

Mr. Boland stated that the federal portion goes back to the Federal Government.

Discussion ensued.

Ms. Tipton stated that the Authority has possible upcoming projects.

Mr. Boland asked the Board to adopt the proposed budgets as presented with EI ERA Match of \$157,755.

MOTION: Motion was made by Ms. Gibler and seconded by Mr. Cherry to approve Fiscal Year 2021 Budgets for the Authority, Market Development Program and Brownfields Revolving Loan Fund with the BRLF Match Commitment of \$157,755. By voice vote, Mr. Cherry, Ms. Gibler, Ms. Fontana Nichols and Chair Arthur all voted in favor. Motion carried.

(AGENDA ITEM #8) OTHER BUSINESS

(AGENDA ITEM #8A) UPDATE ON WATER QUALITY TRADING CONTRACT

Mr. Boland deferred to Ms. McKinstry for an update on the Water Quality Trading Contract.

Ms. McKinstry stated that the Authority entered into a contract with Barr Engineering Company to provide a research study to help determine the amount of nutrient load reductions from certain conservation practices. Barr Engineering staff have been coordinating closely with MDNR technical staff. They have gotten to work quickly and they expect to have the preliminary results from their literature review by the end of this week. MDNR and Authority staff will be meeting by phone the following week to review the results.

(AGENDA ITEM #8B) UPDATE ON NRD PURCHASE FOR MISSOURI PRAIRIE FOUNDATION

Ms. McKinstry stated that the Authority holds natural resource damage funds and acts as the paying agent for MDNR for projects approved by the natural resource damage Trustees. She stated that the Missouri Prairie Foundation had identified a tract of land in Newton County, Missouri that was approximately 67 acres, with a purchase price of \$208,000. She stated that Authority staff assisted with review of the title work, contract, and other transactional documents, and, upon receipt of an Authorization to Pay from MDNR, wired the necessary funds to the title company. Ms. McKinstry stated that closing was on May 15, 2020, with deed recorded on May 18.

Mr. Cherry ask where the land was located.

Ms. McKinstry stated that the land was located in Newton County and the closest town to the property was Sarcoxie, Missouri.

(AGENDA ITEM #8C) INFRASTRUCTURE BANK DISCUSSION

Mr. Boland stated that The Nature Conservancy (TNC) reached out to the Authority and, yesterday, Authority Staff spoke with Holly Neill along with two of their trustees. TNC is trying to spark interest in an infrastructure bank to fund energy efficiency and renewable energy projects in the state. We are coordinating with MDNR's Division of Energy in the effort. The Authority has had a relationship with the Division of Energy's Weatherization Program since 2003. EIERA staff believes this could be a new business line for the Authority that could spur economic development and create new jobs

Chair Arthur stated that green banks help rate payers and private business. He said that 20 states have good green banks for utilities, small municipalities and small businesses. He offered that it would be a good opportunity for the EIERA and it could be a huge funding source to generate billions for stakeholders.

(AGENDA ITEM #8D) OPPORTUNITY FOR PUBLIC COMMENT (LIMIT OF FOUR MINUTES PER INDIVIDUAL)

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

There were no comments.

(AGENDA ITEM #8E) NEXT MEETING DATE

Mr. Boland stated that the next meeting date could not yet be determined.

(AGENDA ITEM #8F) OTHER

(AGENDA ITEM #9) CLOSED MEETING PURSUANT TO SECTION 610.021 (12) OR (13) RSMO. (AS NEEDED)

MOTION: Motion was made by Ms. Gibler and seconded by Mr. Cherry 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 roll call vote, Ms. Gibler, Mr. Cherry, Ms. Fontana Nichols and Chair Arthur all voted in favor. Motion carried.

(AGENDA ITEM #10) ADJOURNMENT OF CLOSED MEETING AND RETURN TO OPEN MEETING

(AGENDA ITEM #11) ADJOURNMENT OF OPEN MEETING

Mr. Boland announced that in closed meeting the Board approved a contract extension for the Authority's Bond Counsel, Gilmore & Bell, P.C.

There being no further business to come before the Board, Chair Arthur asked for a motion to adjourn.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. Fontana Nichols to adjourn the meeting. By roll call vote, Mr. Cherry, Ms. Gibler, Ms. Fontana Nichols and Chair Arthur all voted in favor. Motion carried.

Respectfully submitted,

(SEAL)

Chairman of the Authority

Secretary of the Authority

State Environmental Improvement and Energy Resources Authority
343rd Board Meeting
July 23, 2020

Agenda Item #3B
MISSOURI BROWNFIELDS REVOLVING LOAN FUND
CONSIDERATION OF THE LAKE OF THE OZARKS COUNCIL OF LOCAL GOVERNMENTS PROJECT

Issue:

In June 2019, the Lake of the Ozarks Council of Local Governments was awarded a \$75,000 hazardous substance subgrant to remediate contaminated soil on a vacant property in Iberia. Additional funds are required to complete the work.

Action Needed:

Consideration of the funding recommendation for the Lake of the Ozarks Council of Local Governments project.

Staff recommendation:

Staff recommends that the Board approve increasing this subgrant in an amount up to \$125,000 for this project.

Staff Contact:

Kristin Tipton, Development Director

Background:

In June 2019, the Lake of the Ozarks Council of Local Governments was awarded a \$75,000 hazardous substance subgrant to remediate contaminated soil on a vacant property in Iberia. Additional funds are required to complete the work.

The property, known as the Old Saw Shop property, was used as a garage and millinery shop in the early 1900's and as a saw equipment shop and pool hall in more recent years. The City of Iberia has owned the property since 2015 and transferred it to LOCOG for the purpose of applying to the MBRLF. The site is a vacant lot on a .5 acre parcel. A Phase II Environmental Assessment identified lead and arsenic in the soil at the site that exceeded the Missouri Department of Natural Resources Default Target Levels.

This project appeared to be a simple soil excavation but the contamination spread laterally into an area that could not be excavated. MDNR is recommending that the property enroll in the Long Term Stewardship Program and is currently determining what sort of institutional controls will be required. This is likely to be a cap of some sort and possibly monitoring wells.

These costs are eligible costs for our program and staff believe that an additional \$50,000 should be enough funds to cover any required controls as well as the Long Term Stewardship enrollment fee.

As you know, our MBRLF program expired on July 3, but EPA is considering an extension request. If this extension is not approved, this increase would be paid for from program income generated by loans made from the program, for which we will continue to have administrative responsibility.

Once the remediation is complete, the organization intends to transfer the property back to the City of Iberia and it will be used as open space for the community to enjoy.

The MBRLF Review Team, consisting of staff from MDNR's Brownfield Voluntary Cleanup Program, the Department of Economic Development's Business and Community Services Program, and the Authority, unanimously recommends that the Board approve increasing this subgrant in an amount up to \$125,000 for this project.

KT:ge