

**346th MEETING OF THE  
STATE ENVIRONMENTAL IMPROVEMENT  
AND ENERGY RESOURCES AUTHORITY  
EIERA Office  
425 Madison Street, Second Floor  
Jefferson City, Missouri**

**December 17, 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 345<sup>th</sup> Teleconference Meeting of the Authority held October 7, 2020, in Jefferson City, Missouri
3. State Revolving Fund Program
  - A. Summary of 2020B Transaction
4. Presentation of Fiscal Year 2020 Authority Audit
5. Missouri Market Development Program
  - A. Program Update
  - B. Consideration of the Funding Recommendation for The Urban Lumber Company, LLC 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 ORMI dba Kansas City Composting Project and Authorizing the Director or Designee to Enter Into an Agreement on Behalf of the Authority
  - D. Consideration of the Funding Recommendation for the Full Circle Forest Products LLC Project and Authorizing the Director or Designee to Enter Into an Agreement on Behalf of the Authority
  - E. Other
6. Other Business
  - A. Opportunity for Public Comment (Limit of Four Minutes per Individual)
  - B. Next Meeting Date
  - C. Other
7. Closed Meeting Pursuant to Section 610.021(1), (3) and (11) RSMo. (as needed)

8. Adjournment of Closed Meeting and Return to Open Meeting
9. 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.

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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 345TH MEETING OF THE  
STATE ENVIRONMENTAL IMPROVEMENT  
AND ENERGY RESOURCES AUTHORITY**

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

**Teleconference Meeting  
October 7, 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  
Genny Eichelberger, Office Support Assistant

**LEGAL COUNSEL:** David Brown  
Lewis Rice LLC

**OTHER  
PARTICIPANTS:** Guy Nagahama  
Samuel A. Ramirez & Co., Inc.

Dennis Lloyd  
Dave Abel  
Columbia Capital Management, LLC

Shannon Creighton  
Gilmore and Bell, P.C

Eric Cowan  
Tom Liu  
Bank of America Securities, Inc.

Rob Mellinger  
Citigroup Global Markets Inc.

**(AGENDA ITEM #1) CALL TO ORDER**

Chair Arthur called the 345th 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 344TH TELECONFERENCE MEETING MINUTES (SEPTEMBER 3, 2020)**

The next order of business was to review and approve the teleconference minutes of the 344th meeting (September 3, 2020) of the Authority.

**MOTION:** Motion was made by Ms. Gibler and seconded by Mr. Cherry to approve the teleconference minutes of the 344th 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 #3) RESOLUTION AUTHORIZING THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY TO ISSUE AND SELL NOT TO EXCEED \$120,000,000 PRINCIPAL AMOUNT OF TAXABLE WATER POLLUTION CONTROL AND DRINKING WATER REFUNDING REVENUE BONDS (STATE REVOLVING FUNDS PROGRAMS); APPROVING THE FORM OF AND AUTHORIZING THE AUTHORITY TO ENTER INTO AN AMENDED AND RESTATED MASTER TRUST AGREEMENT, AN AMENDED AND RESTATED DNR MASTER PLEDGE AGREEMENT, AN AMENDED AND RESTATED AUTHORITY MASTER PLEDGE AGREEMENT, A BOND INDENTURE, A BOND PURCHASE AGREEMENT, AN AMENDED AND RESTATED SUPPLEMENTAL DISCLOSURE AGREEMENT, AN ESCROW AGREEMENT, OMNIBUS SUPPLEMENTAL INDENTURES AND OTHER RELATED DOCUMENTS; APPROVING THE FORM OF AND AUTHORIZING THE AUTHORITY TO EXECUTE AN OFFICIAL STATEMENT RELATING TO SAID BONDS; AND APPROVING CERTAIN OTHER DOCUMENTS AND AUTHORIZING THE AUTHORITY TO TAKE CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS.**

Mr. Boland stated that the Board had previously approved the Bond Series 2020A refunding and the selection of Bank of America Securities as the Book Running Senior Managing

Underwriter for the refunding. Mr. Boland thanked the finance team for their efforts and work on this transaction.

Mr. Boland stated that staff had been working with the finance team to refine the parameters of the refunding and draft the necessary documents and schedules. He said that all of the documents were rewritten to close out the older series of bonds. This refunding would generate interest savings and overall program simplification for the Authority and Missouri Department of Natural Resources (MDNR).

He stated that negotiating the old investment agreements have been a challenge. The investment agreement for the 2003A bond series is silent about what happens to the agreement upon refunding. The professionals have taken the position that the agreement should remain in effect upon refunding. The company that holds that GIC does not agree with the Authority's position. A letter had been sent to the company with the Authority's legal interpretation, and negotiation is ongoing. The refunding will proceed regardless of the outcome of that negotiation.

Mr. Boland stated that the resolution would provide authority to refund up to \$120,000,000 in outstanding bonds. This amount exceeds the current cash flows provided to the Board because the Authority may add certain maturities of the 2015A bond series, and may need to increase the amount of proceeds to cover the loss of the earnings from the 2003A investment agreement if we do not prevail in negotiation.

Mr. Boland called upon Mr. Lloyd for comment.

Mr. Lloyd stated that 2020B would be a taxable refunding, and that gross savings without costs would be approximately \$7.5 million, or approximately 8% of the bonds being refunded. He stated that after backing out the issuance costs and investment earnings, savings will be approximately \$4.8 million. Mr. Lloyd emphasized that the cost of issuance will be approximately 1.12%, which is a very low cost of funds. He stated that this was a very complicated refunding

because so many series of bonds are involved and because the 2010 Master Trust Agreement has been significantly amended and restated to become a new 2020 Master Trust Agreement. Going forward, the Authority will have a state-of-the-art Structure. He noted that this was an entirely self-contained transaction with economic savings, cleaning up the flow of funds, reducing the administrative accounting burden for the Authority and DNR and a consolidation of documents. Mr. Lloyd did mention that the termination of certain investment agreements earning approximately 5%, will be replaced at much lower current rates, and that the Authority will need to make up the difference. Mr. Lloyd concluded by stating that while this is a difficult transaction, it will move the program into the best possible position going forward.

Mr. Boland stated that a summary of the transaction by Bank of America had been sent to the Board electronically. He noted that pages six and seven show all of the 2004 Master Trust Agreement bonds being refunded. Mr. Boland asked if there were any questions.

Mr. Cherry asked how contentious the negotiations were going to be on the GIC's.

Mr. Boland stated that the Authority had only heard from the company once. He called upon Shannon Creighton for comment.

Ms. Creighton stated that the document itself provides that the Trustee "may" withdraw funds, but nothing that says the Trustee "shall" do so in any circumstance. She stated that this allows for the GIC to remain in place, notwithstanding the refunding. Ms. Creighton stated that this means the Authority can proceed with the refunding, regardless of the GIC provider's position.

Mr. Lloyd stated that the company has not been confrontational, nor have they been cooperative.

Mr. Boland stated that with the delay of the GIC negotiation, the finance team may need to adjust the transaction schedule, and if pricing still occurs before the election, that would be a success.

**MOTION:** Motion was made by Mr. Cherry and seconded by Ms. Fontana Nichols to Approve a Resolution of the State Environmental Improvement and Energy Resources Authority authorizing the issuance of not to exceed \$120,000,000 in EIERA taxable SRF Refunding Revenue Bonds; approving the form of and authorizing the Authority to enter into a number of other agreements and indentures; and authorizing the Authority to take certain other actions in connection with the issuance of said bonds. By voice vote, Mr. Cherry, Ms. Fontana Nichols, Ms. Gibler and Chair Arthur all voted in favor. Motion carried.

(Said Resolution 20-07 is attached hereto and made a part of these minutes as “Attachment A.”)

**(AGENDA ITEM #4) GENERAL PROGRAM UPDATES**

Mr. Boland stated that the Authority is currently undergoing its annual audit, primarily virtually, but that the auditors may be on site in the next week. With the exception of a few challenges due to the Authority’s transfer into the state accounting system, the audit is going well.

Energy Infrastructure Bank

Mr. Boland said that staff is still involved in meetings with DNR’s Division of Energy about a potential Energy Infrastructure Bank in Missouri. A Request for Information (RFI) draft has been prepared requesting input on the financing needs for energy infrastructure projects in Missouri. Mr. Boland stated that the RFI should be made available by Friday and that staff is reaching out to DED, the Missouri Department of Agriculture, and the Missouri Municipal League, among others, to help distribute the RFI.

Mr. Boland asked Chair Arthur if he would like the RFI sent to him.

Mr. Boland informed the Board that a Moody’s call was scheduled after the Board meeting to discuss the ratings on the upcoming transaction.

Natural Resource Damages Program

Mr. Boland called on Ms. McKinstry to give an update on new developments with the Authority’s involvement in the DNR Natural Resource Damages (NRD) program. Ms. McKinstry stated that DNR’s NRD staff had reached out to the Authority for assistance with a project in St.

Francios County, known as the “Bone Hole project”. The project involves the acquisition of some land that will ultimately be restored for a county park. The funds to acquire and restore the property are sitting with MDNR. Ms. McKinstry said that MDNR needs a contractor to do environmental work to restore the property and has reached out to the Authority to request use of its existing environmental services contractor, Seagull Environmental Technologies, Inc., to provide restoration services over the next year or so. Ms. McKinstry said that the existing MOU between the Authority and MDNR allows for the Authority provide assistance with restoration through contracted services.

In addition, Ms. McKinstry said that the NRD trustees have approved the Missouri Prairie Foundation to purchase a piece of original prairie property for \$100,000. The Authority will provide real estate transaction facilitation, review closing documentation and assist as paying agent. Ms. McKinstry stated that the NRD funds identified for this purchase are held in an Authority account, and that upon approval of an Authorization to Pay by DNR, the funds would be transferred to the title company prior to closing. Ms. McKinstry suggested that the closing date scheduled for November 13, 2020, was an ambitious goal.

#### Brownfields Revolving Loan Fund

Ms. Tipton stated that the U.S. Environmental Protection Agency (EPA) did not extend the program. The close out deadline was October 3, 2020, and all documents have been submitted to the EPA. After close out confirmation, staff will come before the Board with ideas on how to use the program income generated by the Revolving Loan Fund.

#### Missouri Market Development Program

Ms. Tipton stated that she visited the St. Louis Composting project yesterday. She reminded the Board that this previously approved project enabled the company to purchase a second food depackager that accepts a much wider variety of packaged food. A new, indoor,



facility has been opened and houses both depackagers. Ms. Tipton stated that the operation was impressive and she encouraged the Board to visit the site.

**(AGENDA ITEM #5) OTHER BUSINESS**

**(AGENDA ITEM #5A) 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 #5B) NEXT MEETING DATE**

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

**(AGENDA ITEM #5C) OTHER**

**(AGENDA ITEM #6) CLOSED MEETING PURSUANT TO SECTION 610.021 (12) OR (13) RSMO. (AS NEEDED)**

**(AGENDA ITEM #7) ADJOURNMENT OF CLOSED MEETING AND RETURN TO OPEN MEETING**

**(AGENDA ITEM #8) ADJOURNMENT OF OPEN MEETING**

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

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

Respectfully submitted,

(SEAL)

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Chairman of the Authority

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Secretary of the Authority

State Environmental Improvement and Energy Resources Authority  
346th Board Meeting  
December 17, 2020

**Item 3A**  
**REVIEW OF STATE REVOLVING FUND REFUNDING BOND ISSUE**  
**SERIES 2020B**

**Issue:**

The Authority issued \$100,760,000 in refunding revenue bonds on December 3, 2020. This transaction resulted in over \$5.1 million in net present value savings.

**Action Needed**

No action needed.

**Staff Recommendation:**

No action needed.

**Staff Contact:**

Joe Boland/Rebecca McKinstry

**Background:**

At the October 7th, 2020, meeting, the Board adopted a resolution authorizing the issuance of SRF refunding revenue bonds. The Series 2020B transaction priced on November 10, 2020, and totaled \$100,760,000. Closing took place December 3, 2020, and produced net present value savings of more than \$5.1 million which will be credited to DNR's SRF program and be used to capitalize future water and wastewater loans.

This transaction was significant in that we eliminated 19 older series of outstanding bonds and partially refunded two additional series. This will help minimize our audit risk, improve our ability to provide state match for the program and will also mitigate the impact of future participant prepayments.

Bank of America Securities (BofA) was the book running senior manager for this transaction. During the meeting a representative from BofA will provide an overview of the market and the transaction in general. Attached to this memorandum you will find a summary of the transaction which will be the focal point of his presentation.

JB:ge

Attachments



## State Environmental Improvement and Energy Resources Authority

Taxable Water Pollution Control and Drinking Water Refunding Revenue Bonds  
(State Revolving Funds Programs)

Series 2020B

### SUMMARY OF BENEFITS OF TRANSACTION

- Refunded 21 series of bonds previously issued by the Authority
- Present value savings to the Authority and DNR of
  - Over \$5.1 million
  - Over 5.4% present value savings
- Consolidated all of the Authority's outstanding bonds under a single master trust agreement
  - Extinguished the 2004 Master Trust Agreement and the layers of senior and subordinate bonds it supported
  - Revised and updated the existing Master Trust Agreement into the 2020 Amended and Restated Master Trust Agreement
  - Added new provisions to the Master Trust Agreement to enable the Authority to support the issuance of additional state match bonds, which are critical to obtaining future capitalization grant proceeds
- Negotiated the transfer of three remaining investment agreements with Massachusetts Mutual Assurance company, preserving over \$2 million of future investment earnings
- Included an extraordinary redemption provision that enables the Authority to redeem 2020B bonds from borrower prepayments
  - Eliminates uncertainty of use of proceeds of borrower prepayments
- Many maturities of the 2020B bonds were marketed at lower interest rates (for comparable maturities) than other recent issues sold without the extraordinary redemption provisions
- Achieved refunding savings in every year for all four categories of bonds
  - State match clean water, state match drinking water
  - Leveraged clean water, leveraged drinking water
- Shortened the amortization of the remaining state match bonds
  - Creates additional capacity for future state match bond issues
- Eliminated the carryforward requirements that complicated the flows and slowed releases of money to DNR
- Dramatically simplified the flow of funds and trustee transfers for future bond payment dates

# State Environmental Improvement and Energy Resources Authority

\$100,760,000

Taxable Water Pollution Control and Drinking Water Refunding  
Revenue Bonds (State Revolving Funds Programs) Series 2020B

## Summary of Final Pricing Book

*Pricing: Tuesday, November 10, 2020*

*Closing: Thursday, December 3, 2020*



# Notice to the Authority

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We do not provide legal, compliance, tax or accounting advice. If any person uses or refers to any such tax statement in promoting, marketing or recommending a partnership or other entity, investment plan or arrangement to any taxpayer, then the statement expressed herein is being delivered to support the promotion or marketing of the transaction or matter addressed and the recipient should seek advice based on its particular circumstances from an independent tax advisor. Notwithstanding anything that may appear herein or in other materials to the contrary, the Company shall be permitted to disclose the tax treatment and tax structure of a transaction (including any materials, opinions or analyses relating to such tax treatment or tax structure, but without disclosure of identifying information or any nonpublic commercial or financial information (except to the extent any such information relates to the tax structure or tax treatment)) on and after the earliest to occur of the date of (i) public announcement of discussions relating to such transaction, (ii) public announcement of such transaction or (iii) execution of a definitive agreement (with or without conditions) to enter into such transaction; provided, however, that if such transaction is not consummated for any reason, the provisions of this sentence shall cease to apply.

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# State Environmental Improvement and Energy Resources Authority

\$100,760,000

Taxable Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs)

Series 2020B

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## ***Transaction Summary***

### ***Transaction Overview***

- *Sale Date:* November 10, 2020
- *Par Amount:* \$100,760,000
- *Tax Status:* Federally Taxable
- *Ratings:* Moody's and Fitch confirmed ratings of Aaa/AAA, respectively
- *Goal of Transaction:* To refund all remaining debt issued under its 2004 Master Trust Agreement into its 2010 Master Trust Agreement to provide the Authority with a simpler and more efficient administrative process for its SRF program as well as to generate significant interest savings
- *Specifics of Transaction:*
  - Transaction consisted of: (1) Amending and Restating the 2010 Master Trust Agreement, (2) Refunding all remaining series outstanding under the 2004 Master Trust Agreement and refunding all or part of certain series under the 2010 Master Trust Agreement for debt service savings, (3) Eliminating the 2004 Master Trust Agreement, and (4) liquidating, and in some cases transferring, guaranteed investment contracts tied to the refunded bonds
  - 18 series of bonds refunded in whole under the 2004 Master Trust Agreement
  - Two series of bonds refunded in part and one series refunded in whole under the 2010 Master Trust Agreement
  - 101 CUSIPs refunded in whole or in part
  - The Series 2020B Bonds are subject to extraordinary redemption at any time, at par plus accrued interest, from prepayments on the underlying participant loans

### ***Pre-Marketing Strategies and Market Overview***

- The negotiated primary new issue municipal calendar for the week of November 9<sup>th</sup> was approximately \$2.6 billion
- On the day before pricing, U.S. Treasuries sold off while stocks soared on positive news about a COVID-19 vaccine and the final outcome of the presidential election became clearer
- Missouri retail investors were given priority – ahead of national retail, net designated and member orders
- BofA and the Authority spearheaded an extensive pre-marketing campaign which included the utilization of an online investor roadshow that garnered 14 total views and 10 unique institutional views

### ***Transaction Results***

- The transaction generated more than \$401 million of total orders (4.0x subscribed)
- Spreads tightened in almost all maturities by 1 to 15 basis points
- The transaction produced \$5.138 million of Net Present Value Savings (over 5.4% of the refunded par amount)
- The final pricing resulted in an All-in TIC of 1.263%



# State Environmental Improvement and Energy Resources Authority

\$100,760,000

Taxable Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs)

Series 2020B

## Summary of Orders and Allotments by Firm

### Series 2020B

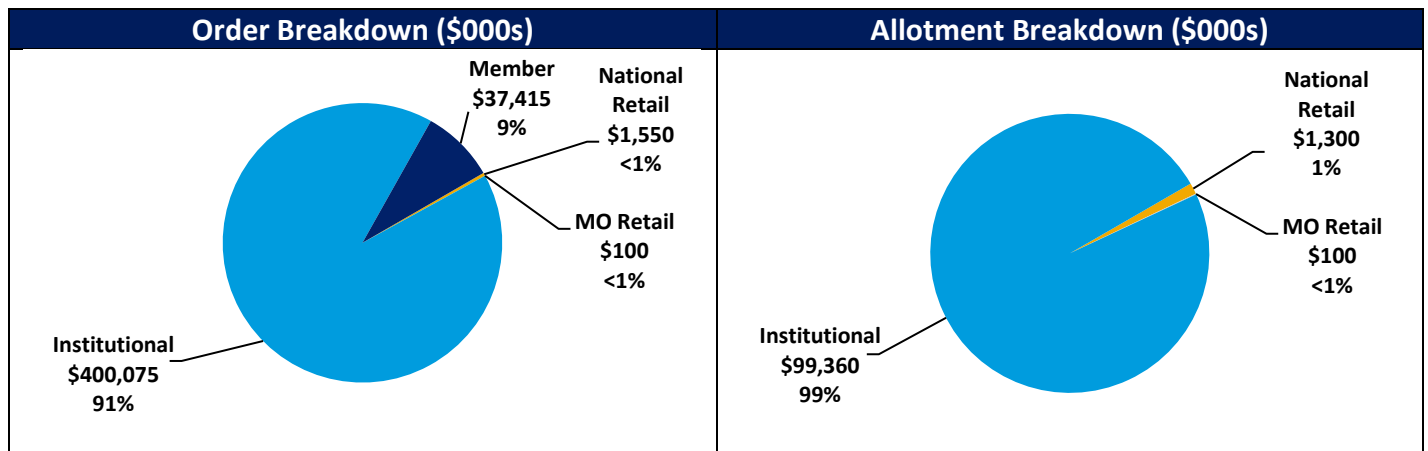
#### Orders (\$000)

Firm		Retail Orders	Institutional Orders	Member Orders	Total Orders	% of Total
BofA Securities	\$	650	\$ 296,185	\$ -	\$ 296,835	67.59%
Baird		-	6,000	7,000	13,000	2.96%
Citigroup Global Markets		1,000	-	8,000	9,000	2.05%
Jefferies LLC		-	-	11,000	11,000	2.50%
Ramirez & Co		-	38,695	11,415	50,110	11.41%
UBS Financial Services		-	59,195	-	59,195	13.48%
<b>Total</b>	<b>\$</b>	<b>1,650</b>	<b>\$ 400,075</b>	<b>\$ 37,415</b>	<b>\$ 439,140</b>	<b>100.00%</b>

#### Allotments (\$000)

Firm		Retail Allotments	Institutional Allotments	Member Allotments	Total Allotments <sup>(1)</sup>	% of Total
BofA Securities	\$	400	\$ 78,530	\$ -	\$ 78,930	78.33%
Baird		-	1,850	-	1,850	1.84%
Citigroup Global Markets		1,000	-	-	1,000	0.99%
Jefferies LLC		-	-	-	-	0.00%
Ramirez & Co		-	6,715	-	6,715	6.66%
UBS Financial Services		-	12,265	-	12,265	12.17%
<b>Total</b>	<b>\$</b>	<b>1,400</b>	<b>\$ 99,360</b>	<b>\$ -</b>	<b>\$ 100,760</b>	<b>100.00%</b>

<sup>(1)</sup> To be distributed according to designation policy





## State Environmental Improvement and Energy Resources Authority

\$100,760,000

Taxable Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs)

Series 2020B

### *Final Pricing*

Series 2020B						
Maturity	Principal	Initial Spread	Adjustments	Final Spread	Treasury Yield	Final Yield
01/1/2021	\$9,110,000	+10 bps	-7 bps	+3 bps	0.181%	0.211%
07/1/2021	10,005,000	+15 bps	-7 bps	+8 bps	0.181%	0.261%
01/1/2022	5,790,000	+20 bps	-7 bps	+13 bps	0.181%	0.311%
07/1/2022	10,545,000	+30 bps	-10 bps	+20 bps	0.181%	0.381%
01/1/2023	18,850,000	+30 bps	-10 bps	+20 bps	0.253%	0.453%
07/1/2023	4,380,000	+35 bps	-10 bps	+25 bps	0.253%	0.503%
01/1/2024	19,790,000	+40 bps	-15 bps	+25 bps	0.454%	0.704%
07/1/2024	2,535,000	+45 bps	-10 bps	+35 bps	0.454%	0.804%
01/1/2025	12,185,000	+50 bps	-10 bps	+40 bps	0.454%	0.854%
07/1/2025	1,415,000	+55 bps	-10 bps	+45 bps	0.454%	0.904%
01/1/2026	985,000	+60 bps	-1 bps	+59 bps	0.719%	1.309%
07/1/2026	1,370,000	+65 bps	-2 bps	+63 bps	0.719%	1.349%
01/1/2027	535,000	+70 bps	0 bps	+70 bps	0.719%	1.419%
07/1/2027	2,535,000	+75 bps	-2 bps	+73 bps	0.719%	1.449%
01/1/2028	280,000	+75 bps	-2 bps	+73 bps	0.965%	1.695%
07/1/2028	90,000	+80 bps	-2 bps	+78 bps	0.965%	1.745%
07/1/2029	50,000	+85 bps	-1 bps	+84 bps	0.965%	1.805%
07/1/2030	310,000	+95 bps	-1 bps	+94 bps	0.965%	1.905%
TOTAL		\$100,760,000				





## State Environmental Improvement and Energy Resources Authority

\$100,760,000

Taxable Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs)

Series 2020B

### *Summary of Results*

<b>Sources of Funds</b>	<b>Clean Water</b>	<b>Drinking Water</b>	<b>Total</b>
Par amount of Bonds	\$86,280,000.00	\$14,480,000.00	\$100,760,000.00
Transfer from Master Trust Bonds Expense			
Fund for payment of issuance costs	<u>1,008,363.38</u>	<u>162,327.86</u>	<u>1,170,691.24</u>
Total	<u>\$87,288,363.38</u>	<u>\$14,642,327.86</u>	<u>\$101,930,691.24</u>

<b>Uses of Funds</b>	<b>Clean Water</b>	<b>Drinking Water</b>	<b>Total</b>
Transfer to Escrow Agent	\$85,366,189.68	\$14,128,732.40	\$99,494,922.08
Reserve Fund Deposits	907,467.46	343,301.70	1,250,769.16
Costs of Issuance (including Underwriters' discount)	<u>1,014,706.24</u>	<u>170,293.76</u>	<u>1,185,000.00</u>
Total	<u>\$87,288,363.38</u>	<u>\$14,642,327.86</u>	<u>\$101,930,691.24</u>

<b>Series 2020B</b>	
Delivery Date	12/03/2020
Par Amount	\$100,760,000
Refunding Escrow Fund Deposit	\$99,494,922
Principal Due	January 1 & July 1
First Interest Payment Date	01/01/2021
Final Maturity Date	07/01/2030
Average Life	2.428 years
Arbitrage Yield	0.768212%
True Interest Cost	0.899005%
Net PV Savings	\$5,137,849
% Savings of Refunded Bonds	5.410825%

State Environmental Improvement and Energy Resources Authority  
346<sup>th</sup> Board Meeting  
December 17, 2020

**Agenda Item #4**  
**PRESENTATION OF AUTHORITY AUDIT**

**Issue:**

Review of the Fiscal Year 2020 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, began reviewing our records virtually in October. 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.

Amanda Schultz, the Audit Partner assigned to the EIERA will attend the meeting to present the audit and answer any of your questions.

JB:ge

State Environmental Improvement and Energy Resources Authority  
346<sup>th</sup> Board Meeting  
December 17, 2020

**Agenda Item #5B**  
**MISSOURI MARKET DEVELOPMENT PROGRAM**  
**THE URBAN LUMBER CO, LLC**

**Issue:**

The Urban Lumber Company, LLC requested \$19,987.50 to purchase equipment costing \$26,650 that will enable the company to mill larger logs and produce wider logs than their current capacity.

**Action Needed:**

Consideration of the funding recommendations for The Urban Lumber Company, LLC project.

**Staff Recommendation:**

Staff recommends funding this project in the amount of \$19,987.50 not to exceed 75% of the cost of the equipment.

**Staff Contact:**

Kristin Tipton, Development Director

**Background:**

The Urban Lumber Company, LLC, located in Kansas City, requested \$19,987.50 to purchase a sawmill costing \$26,650 that will enable the company to mill larger logs and produce wider logs than their current capacity.

The Urban Lumber Company, a past program participant, takes logs from the waste stream, saws them, dries them, and makes them available for sale to the general public. By salvaging city trees, the company is able to produce live edged boards with unique grains and colors. In addition to lumber sales, the company also offers jointing, planning, glue-ups, design, finishing and delivery for a variety of products.

When the company began operating in 2013, the MMDP assisted it with the purchase of a saw mill. While this mill is still in use, it is limited to logs with a diameter of thirty inches. A new, larger mill would enable the company to process logs up to fifty inches in diameter, thus increasing board feet recovered per log and also enabling the production of much wider slabs.

The company gets its logs from area tree service companies, municipalities, and Missouri Organic Recycling, a neighboring mulch and compost producer. Logs frequently just "show up" at the business location as there is no tipping fee like there would be at a landfill.

The sheer variety of lumber harvested from the urban area that the company offers lures crafts people from all over to their show room or web based store. Trees salvaged from development or death of the tree include varieties that aren't seen in typical lumber stores: honey locust, mulberry, sassafras, catalpa, sycamore, etc. The company notes that a solid wood plank from a local tree also has much appeal to customers tired of imported and shoddy materials. Trees discarded as waste have ended up as beautiful coffee tables, cabinets, or just about anything you can imagine being made with wood.

The Urban Lumber Company, LLC anticipates diverting 100 tons annually from the waste stream and creating one full time employee position 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 \$19,987.50, 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

State Environmental Improvement and Energy Resources Authority  
346<sup>th</sup> Board Meeting  
December 17, 2020

**Agenda Item #5C**  
**MISSOURI MARKET DEVELOPMENT PROGRAM**  
**ORMI D/B/A KANSAS CITY COMPOSTING**

**Issue:**

ORMI d/b/a Kansas City Composting requested \$195,570 to purchase a mulch coloring machine costing \$391,141 that will enable the company to accept pallet and other wood waste not suitable for composting and produce colored mulch.

**Action Needed:**

Consideration of the funding recommendations for the Kansas City Composting project.

**Staff Recommendation:**

Staff recommends funding this project in the amount of \$195,570, not to exceed 50% of the cost of the equipment.

**Staff Contact:**

Kristin Tipton, Development Director

**Background:**

ORMI d/b/a Kansas City Composting, located in Belton, requested \$195,570 to purchase a mulch coloring machine costing \$391,141 that will enable the company to accept pallet and other wood waste not suitable for composting and produce colored mulch.

Kansas City Composting purchased a business formerly known as Lawn Corps in 2018 to recycle yard waste and other organics into high quality compost. The business also receives brush and logs that are ground to produce mulch. The purchase of a new colorizer would enable the company to add pallets and clean wood waste to its list of acceptable materials and increase its production of colored mulches.

Pallets and wood waste from construction and demolition sites have limited use, particularly if they are broken or not a desirable wood type. The EPA estimated that only twenty-percent of pallets were recycled in 2017. These materials are difficult to sell as raw mulch because they naturally turn gray very quickly. Coloring the mulch with a safe, water-based dye can make the material much more valuable. There is an eager market in the Kansas City area for black, brown and red dyed mulch.

Mulching pallets and wood waste put the materials to good use by reducing methane gas production (because the waste is not landfilled), conserving water (mulched soil retains more water), suppressing weeds (which reduces the need for chemical treatments), and enriching soils (adding nutrients as the wood naturally decays). From plant growing to stormwater management and climate change mitigation, the production and use of mulch only has room to grow in the future.

ORMI d/b/a Kansas City Composting anticipates diverting 15,000 tons annually from the waste stream and creating three full 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 \$195,570, not to exceed 50% of the cost of the equipment. This is the maximum amount for which they are eligible. This funding recommendation was unanimous.

KT:ge

State Environmental Improvement and Energy Resources Authority  
346<sup>th</sup> Board Meeting  
December 17, 2020

**Agenda Item #5D**  
**MISSOURI MARKET DEVELOPMENT PROGRAM**  
**FULL CIRCLE FOREST PRODUCTS, LLC**

**Issue:**

Full Circle Forest Products, LLC requested \$100,000 to purchase equipment costing \$190,443.46 that will enable the company to scale up their operation to produce finished lumber from logs that are currently burned or disposed of in landfills.

**Action Needed:**

Consideration of the funding recommendations for the Full Circle Forest Products, LLC project.

**Staff Recommendation:**

Staff recommends funding this project in the amount of \$95,216.73, not to exceed 50% of the cost of the equipment.

**Staff Contact:**

Kristin Tipton, Development Director

**Background:**

Full Circle Forest Products, LLC, located in Rutledge, requested \$100,000 to purchase equipment costing \$190,443.46 that will enable the company to scale up their operation to produce finished lumber from logs that are currently burned or disposed of in landfills.

Full Circle Forest Products began in 2019 as a part time operation that quickly developed local patronage for custom lumber orders and is now expanding into regional, national and even international markets. The company does portable sawmill jobs, complete custom orders for contractors, makes rustic furniture and sells live edge lumber.

A single owner operator has proven his ability to both produce high quality finished products and provide large orders of custom cut lumber. As the demand for ethically harvested live-edge lumber grows, the business has recently constructed a pad on which a new shop will be constructed. Moving the operation out of a barn and into the new shop will poise it for the expansion necessary to meet growing demand. The business owner has identified woodworking and mechanical experts to staff his growing venture.

The US Forests Service estimates reclaimed dead and diseased community trees could satisfy around 30% of annual hardwood consumption in this country. However, because these trees grow in unpredictable environments and have sometimes suffered damage, the size and

appearance of the board they produce can vary greatly. Full Circle Forest Products' principal suppliers of logs are area tree service companies and municipalities. Typical sawmills will not accept trees that are salvaged from the waste stream because of the possibility of nails or other hidden things that can destroy sawblades. In rural areas, large trees are often left to rot or are burned. In urban areas they are sometimes converted into mulch.

A local "eco community" that has a covenant requiring locally harvested lumber is a major customer, but Full Circle is also supplying table tops to Oakwood Industries, Inc., a national furniture maker, and lumber to Owl Hardwoods' Chicago area lumber outlets.

Full Circle Forest Products, LLC anticipates diverting 355 tons annually from the waste stream and creating four full time and 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 \$95,216.73, not to exceed 50% of the cost of the equipment. This is the maximum amount for which they are eligible. This funding recommendation was unanimous.

KT:ge