

**356th MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY
EIERA Office
425 Madison Street, Second Floor
Jefferson City, Missouri**

**November 17, 2022
10:00 a.m.**

[Join WebEx Meeting](#)

Teleconference Call Number: **1-650-479-3207**
WebEx Meeting Number (Access Code): **2461 139 1935**
Meeting Password: **Nm5293JMCM8**

1. Call to Order
2. Approval of Minutes
 - A. Approval of the Minutes from the 355th Open WebEx Meeting of the Authority held September 14, 2022, in Jefferson City, Missouri
 - B. Approval of the Minutes from the 355th Closed WebEx Meeting of the Authority held September 14, 2022, in Jefferson City, Missouri
3. Energy Bank Update
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, Executive Director
Mark Pauley, Deputy Director
Kristin Allan Tipton, Development Director
Angie Powell, Missouri Market Development Director
Cathy Schulte, Fiscal Manager
Genny Eichelberger, Office Support Assistant

Legal Counsel to be Present:

David Brown, Lewis Rice LLC

**MINUTES OF THE 355TH MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

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

**WebEx/In Person Meeting
September 14, 2022
10:00 a.m.**

EIERA MEMBERS:

Caleb Arthur, Chair
Mary Fontana Nichols, Vice Chair
Nancy Gibler, Secretary

EIERA STAFF:

Joe Boland, Executive Director
Mark Pauley, Deputy Director
Kristin Allan Tipton, Development Director
Angie Powell, Missouri Market Development Director
Genny Eichelberger, Office Support Assistant

LEGAL COUNSEL:

David Brown
Lewis Rice LLC

OTHER

PARTICIPANTS:

Kristen Brown
Amanda Schultz
Williams-Keepers LLC

Eric Cowan
Tom Liu
BofA Securities, Inc.

Dennis Lloyd
Khaleen Dwyer
Columbia Capital Management, LLC

Shannon Creighton
Gilmore & Bell

Guy Nagahama
Ramirez & Company

Jean Matzeder
Hardwick Law Firm LLC

(AGENDA ITEM #1) CALL TO ORDER

Chair Arthur called the 355th 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 quorum was present via WebEx video conference.

(AGENDA ITEM 2) APPROVAL OF MEETING MINUTES

(AGENDA ITEM #2A) APPROVAL OF 354TH MEETING MINUTES (JUNE 29, 2022)

The next order of business was to review and approve the meeting minutes of the 354th meeting (June 29, 2022) of the Authority.

MOTION: Motion was made by Ms. Fontana Nichols and seconded by Ms. Gibler to approve the minutes of the 354th meeting of the Environmental Improvement and Energy Resources Authority. By roll call vote, Ms. Fontana Nichols, Ms. Gibler and Chair Arthur all voted in favor. Motion carried.

(AGENDA ITEM #3) PRESENTATION OF FISCAL YEAR 2022 AUDIT

Mr. Boland stated that Ms. Schulte could not be present for the meeting but that she had done an incredible job this year as the audit went smoothly. He said that the Authority did not typically begin the audit process this early in the year, but staff took a more aggressive approach this year and Williams-Keepers LLC agreed to begin the audit earlier.

Mr. Boland reminded the Board that copies of the audit had previously been emailed to the Board. He announced that Ms. Brown and Ms. Schultz, representing Williams-Keepers LLC, were attending by WebEx and he called upon Ms. Schultz to present the audit results.

Ms. Schultz explained that there were three different reports issued as part of the audit: the Audit Summary that includes an opinion on the financial statements, the Auditors’ Communication Letter to the Board, including a Management’s Discussion and Analysis letter, and a Market Development Schedule. The Authority received an unqualified audit opinion with no material findings.

The first report was the Audit Summary Report which included financial highlights that were approved by management. She called upon Ms. Brown to report on the Auditors' Communication Letter.

Ms. Brown reported that the Auditors' Communication Letter was very similar to the last audit and its results. Ms. Brown stated that following Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, implemented during fiscal year 2022, there was a small change made to an accounting position. Under new audit standards, the operating expense lease would now be added to the balance sheet.

Ms. Brown also noted that (GASB) Statement No. 91, Conduit Debt Obligations, would be implemented during fiscal year 2023.

Ms. Brown said that the Authority's accounting records were reasonable in relation to the financial statements as a whole and that no transactions were found to be unusual or significant. She stated that there were no issues with internal controls and no material weaknesses were found.

The third report was the Market Development Program Schedule and the Authority was issued a "clean" opinion on the Schedule of awards.

Ms. Brown thanked Mr. Boland, Ms. Schulte and staff for their cooperation, and the Authority for allowing them to perform the audit.

Chair Arthur asked if there were any questions.

Mr. Boland asked what the implementation of (GASB) Statement No. 91 would entail.

Ms. Schultz stated that other than an additional disclosures, there would be no other major changes.

Mr. Boland thanked Ms. Brown and Ms. Schultz for their reporting.

(AGENDA ITEM #4) STATE REVOLVING FUND PROGRAM

(AGENDA ITEM #4A) PROGRAM RESOLUTION

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

Mr. Boland stated the Department of Natural Resources (DNR) has requested the Authority issue bonds under the Clean Water State Revolving Fund Program to generate state match required to draw on their federal U.S. EPA capitalization.

Mr. Boland said that there were two resolutions associated with this transaction. The first resolution generally defines our new approach to generate match for the SRF program (the program resolution). The second provides specific authorization for the 2022 transaction totalling \$11,349,100.

Mr. Boland explained that in order to qualify as State match bonds, the debt service on these bonds can only be paid for with the interest component of DNR participant loan repayments. Historically, state match bonds were issued by pledging future interest payments from DNR participant loans which would pay the debt service on the Authority bonds. This required a long term pledge of those loans, up to 15 to 20 years, depending on the amortization of the match bonds issued by the Authority. This new approach will only require a pay back period of 1 to 2 years. .

For the second resolution, Mr. Boland directed the Board's attention to the graphic summary of the transaction provided by Mr. Dwyer, with Columbia Capital Management, LLC. Columbia Capital Management devised a new approach whereby the master trust indenture was amended to allow for the creation of the Interest Accumulation Fund (IAF) at the Trustee level. The interest component of a participant's loan repayment is captured at the time a debt service payment is made and allowed to accumulate. Now, when the Authority issues state match bonds, monies from the IAF are transferred into an escrow account in an amount sufficient to repay the Authority bonds in a much shorter timeframe. Mr. Boland called upon Ms. Creighton for comment.

Ms. Creighton reiterated Mr. Boland's reporting and complimented Mr. Dwyer for his graphic summary of the transaction.

Mr. Boland asked the Board to approve State Match Program Resolution 22-04 and State Match Bond Resolution 22-05.

MOTION: Motion was made by Ms. Fontana Nichols and seconded by Ms. Gibler to Approve a Resolution Authorizing the State Environmental Improvement and Energy Resources Authority to Issue State Match Funding Obligations in Connection with the State Revolving Fund Program. By roll call vote, Ms. Fontana Nichols, Ms. Gibler and Chair Arthur all voted in favor. Motion carried.

(Said Resolution 22-04 is attached hereto and made a part of these minutes as "Attachment A.")

(AGENDA ITEM #4B) ISSUANCE RESOLUTION

MOTION: Motion was made by Ms. Fontana Nichols and seconded by Ms. Gibler to Authorize the State Environmental Improvement and Energy Resources Authority to Issue and Sell \$11,349,100 Principal Amount of Taxable State Revolving Fund Program State Match Funding Bonds (Clean Water SRF Program), Series 2022; Approving the Form of and Authorizing the Authority to Enter into a Master Bond Indenture, a Supplemental Bond Indenture No. 1 and Other Related Documents; and Approving Certain Other Documents and Authorizing the Authority to Take Certain Other Actions in Connection with the Issuance of Said Bonds. By roll call vote, Ms. Fontana Nichols, Ms. Gibler and Chair Arthur all voted in favor. Motion carried.

(Said Resolution 22-05 is attached hereto and made a part of these minutes as "Attachment A.")

(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

The next meeting date could not yet be determined.

(AGENDA ITEM #5C) OTHER

Chair Arthur asked if there was any other business to address.

Mr. Boland stated that staff had met with two potential projects for the Energy Infrastructure Bank effort. The first was a smaller project located in Jefferson City that would build electricity producing microgrids on river barges. The second was a larger project for the City of Springfield that would capture landfill gas to be cleaned and used to generate clean energy.

Mr. Boland stated that Mr. Pauley was working on a Request for Proposals in cooperation with the Division of Energy for possible energy infrastructure projects in Missouri.

(AGENDA ITEM #6) CLOSED MEETING PURSUANT TO SECTION 610.021 (13) RSMO

MOTION: Motion was made by Ms. Gibler and seconded by Ms. Fontana Nichols to close the meeting to discuss confidential or privileged communications with the Authority’s attorneys pursuant to Sections 610.021(1) Revised Statutes of Missouri. By voice vote, Ms. Fontana Nichols, Ms. Gibler and Chair Arthur all voted in favor. Motion carried.

(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, there was a motion to adjourn.

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

Respectfully submitted,

(SEAL)

Chair of the Authority

Secretary of the Authority

State Environmental Improvement and Energy Resources Authority
356th Board Meeting
November 17, 2022

Agenda Item #3
ENERGY BANK UPDATE

Issue:

There are federal funds coming available in the near future for a multitude of energy projects. This is to provide relevant information to the Board.

Action Needed

No action needed.

Staff Recommendation:

No action needed.

Staff Contact:

Joe Boland and Mark Pauley

Background:

Section 60103 of the Inflation Reduction Act added new section 134 to the Clean Air Act to establish the Greenhouse Gas Reduction Fund grant program. This program provides competitive funding to enable zero-emission technologies, as well as funds for financial and technical assistance for projects that reduce or avoid greenhouse gas emissions and other forms of air pollution, including projects in low-income and disadvantaged communities. These funds are available to EPA to award grants until September 30, 2024.

Three pots of funding are to be awarded on a competitive basis:

- \$7 billion to make grants to states, municipalities, tribes and eligible recipients to enable low-income and disadvantaged communities to deploy or benefit from for zero emission technologies including distributed technologies on residential rooftops
- \$12 billion to make grants to eligible recipients for projects that reduce GHG emissions and other forms of air pollution
- \$8 billion to eligible recipients for projects that reduce GHG emissions and other forms of air pollution focusing on low-income and disadvantaged communities

Public comments are due by December 5, 2022. The Authority intends to provide comments to emphasize the need for the most flexibility when awarding to newer energy banks.

The Coalition for Green Capital is a national non-profit that has been pushing for this legislation and also helped draft it. In fact, the definition of Eligible Recipient is intended to identify a non-profit formed by the Coalition for Green Capital to act as the national green bank.

The Authority introduced itself to this coalition and is currently on the zero emissions technology workgroup. We have also been invited to be part of the overall coalition discussions. This has provided some interesting insights from the bill drafters.

Some states already have active green banks to plug right in to the process. Some states are at step zero. We believe that Missouri has the legal structure in place, we just have not established the processes yet. (Except for the Division of Energy's current loan process.)

The law requires EPA to begin making grants February 12, 2023. But more importantly, the law has a sunset of September 30, 2024, to have all funds awarded, which is less than 2 years.

The Authority, in cooperation with the Division of Energy, has drafted a Request for Proposals to solicit projects as soon as possible to build an inventory of projects in order to have a competitive application when the time comes.

The RFP will be discussed in closed session.

JB:ge