

**319th MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY
EIERA Office
425 Madison Street, Second Floor
Jefferson City, Missouri
May 12, 2015
10:00 a.m.**

1. Call to Order
2. Approval of Minutes

Approval of Minutes from the 318th Meeting of the Authority Held March 18, 2015, in Jefferson City, Missouri
3. State Revolving Fund Program
 - A. Update
 - B. Transfer of Trinity Plus GIC Obligations
 - C. Other
4. Other Financings
 - A. Consideration of a Resolution Authorizing the State Environmental Improvement and Energy Resources Authority to Issue Water Facilities Refunding Revenue Bonds on Behalf of the Tri-County Water Authority
5. Brownfields Revolving Loan Fund
 - A. Program Update
 - B. Authorization to Amend the Funding Agreement with Remains, Inc.
 - C. 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),

State Environmental Improvement and Energy Resources Authority
319th Board Meeting
May 12, 2015

Agenda Item #3B
TRANSFER OF TRINITY PLUS GIC OBLIGATIONS

Issue:

Trinity Plus Funding, one of our SRF guaranteed investment contract (GIC) providers, wants to wind down its GIC business and would like consent to the transfer of the SRF GICs issued by Trinity Plus to another investment provider, Massachusetts Mutual Life Insurance Company (MassMutual).

Action Needed:

Authorization for the Director, or her designee, to instruct SRF Trustee UMB Bank to amend the Trinity GICs to transfer to MassMutual if this is determined to be in the best interest of the SRF program bonds.

Staff Recommendation:

Staff recommends that the authorization be given.

Staff Contact:

Karen Massey or Joe Boland

Background:

Trinity Plus Funding, owned by General Electric Capital Corporation (GECC), is the GIC provider on four SRF deals (2000A, 2000B, 2001B and 2003A). GECC is the guarantor of each of these investment agreements. Our SRF Bond Trustee, UMB Bank, is a party to the GICs and acts upon the direction of the Authority. The Authority itself is not a party to the agreement.

As part of the recent decision by General Electric Company, GECC's parent company, to reduce the size of its financial services businesses, an agreement has been reached with MassMutual to transfer qualifying GICs to MassMutual. In turn, Trinity and GECC would be released from all obligations relating to the agreements. Our GICs, along with those of more than 50 other issuers, may be transferred. For the transfers to be effective, holders of at least 70 percent of the outstanding principal balance of all Trinity GICs must agree to the transfer, unless this requirement is waived by GECC and MassMutual.

The proposed amendments and background information were just received and have not been fully vetted by the EI ERA staff and our team of finance professionals (General Counsel, Bond Counsel, Financial Advisor and Bond Trustee); however, the team's initial review indicates that this may be an opportunity worth pursuing because MassMutual's credit rating is

higher than that of GECC, and, because GECC is exiting the GIC business, it may become difficult to obtain information and other services from the company in the future.

Staff and our finance professionals are reviewing the amendment, existing investment agreement and related documents in detail; reviewing the financial position of MassMutual; participating in discussions with Moody's Investor Services and Fitch Ratings; and performing other tasks to determine the potential impact to the SRF program bonds if the transfer were to take place. While we expect to have a more developed sense of the opportunity by the Board meeting next week, we don't believe we will have a full picture of the situation by then. Nor are we sure we will have reached a decision as to the impact on the Authority's bonds and the SRF Program by Trinity's June 2 deadline. We have asked Trinity for an extension of the deadline, but we do not know if, or when, it will be granted.

Given the difficulties in scheduling a late May or June EIERA meeting, staff is requesting that the Director be given the authority to direct the Bond Trustee to enter into the GIC amendment if, after review and consultation with EIERA's General Counsel and Financial Advisor as well as the SRF Program Bond Counsel and Trustee, the transfer appears to be in the best interest of the SRF program bonds.

KLM:ge

State Environmental Improvement and Energy Resources Authority
319th Board Meeting
May 12, 2015

Agenda Item #4A
TRI-COUNTY WATER AUTHORITY
WATER FACILITIES REVENUE BONDS SERIES 2015

Issue:

The Tri-County Water Authority, Independence, Missouri, has requested the Environmental Improvement and Energy Resources Authority to issue an amount not-to-exceed \$32,000,000 in tax-exempt Water Facilities Revenue Bonds.

Action Needed:

Consideration and adoption of a resolution authorizing the Environmental Improvement and Energy Resources Authority to issue Water Facilities Revenue Bonds on behalf of the Tri-County Water Authority.

Staff Recommendation:

Staff recommends the approval of the resolution authorizing the issuance of not-to-exceed \$32,000,000 in Water Facilities Revenue Bonds on behalf of the Tri-County Water Authority.

Staff Contact:

Joe Boland, Deputy Director

Background:

Tri-County Water Authority is a nonprofit Missouri corporation that was organized on January 11, 1991, for the purpose of providing wholesale potable water to public water supply districts, municipalities and other governmental entities. Their principal offices are located in Independence, Missouri. Tri-County was formed in an effort to establish a regional water system that would afford more local input into the development and administration of future water supplies.

Tri-County provides potable water to 15 participating members through wholesale contracts. They are responsible for the construction, operation and maintenance of all water wells, the water treatment plant, pump stations, tanks, and transmission lines to each participating member. It provides management of the utility, engineering and construction of capital facilities, operation and maintenance of the system.

They have been a past participant of the Drinking Water State Revolving Fund (DWSRF) program in Series 2001C, 2005A and 2005C. They have also issued private activity bonds directly through EIERA in 2010.

The EIERA transaction will primarily be used to fund the acquisition of easements needed to install 160,000 linear feet of 16" water mains throughout their service area. This project also includes the construction of 3 booster pump stations between Grain Valley and Grandview, Mo. A more detailed description of the project can be found on page 7 of the Preliminary Official Statement (POS). Preliminary schedules indicate that they intend to close on our Bonds in June, 2015.

The Tax Equity and Fiscal Responsibility Act (TEFRA) requires that the issuer hold a public hearing to provide information regarding the project and to seek public input. After this hearing takes place, the results will be summarized and provided to the Governor's Office along with a Certificate of Approval for his signature. Once these approvals are obtained, the deal can be priced.

Separate from our transaction, Tri-County is also seeking approximately \$33 million through the Department of Natural Resources' DWSRF program, for the installation of up to four new vertical wells and the construction of two water treatment processes at the existing plant. The DNR loan is anticipated to close sometime in the fall of 2015.

The resolution and a portion of the draft POS is included for your information and review.

JB:ge

Attachments

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

RESOLUTION AUTHORIZING THE ISSUANCE OF WATER FACILITIES REVENUE BONDS (TRI-COUNTY WATER AUTHORITY PROJECT) SERIES 2015 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$32,000,000; APPROVING THE FORM OF AND AUTHORIZING THE AUTHORITY TO ENTER INTO CERTAIN AGREEMENTS IN CONNECTION WITH SAID BONDS; APPROVING THE FORM OF AND AUTHORIZING THE AUTHORITY TO EXECUTE AN OFFICIAL STATEMENT RELATING TO SAID BONDS; AND AUTHORIZING THE AUTHORITY TO TAKE CERTAIN OTHER NECESSARY ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS.

WHEREAS, the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State of Missouri (the "**Authority**"), is authorized and empowered pursuant to the provisions of Sections 260.005 to 260.125, inclusive, and Appendix B(1) Revised Statutes of Missouri, as amended (the "**Act**"), to issue bonds and/or notes (the "revenue obligations") for paying or financing any part of the cost of any project authorized under the Act to be financed, acquired or constructed for the purpose of developing energy resources or preventing or reducing pollution or the disposal of solid waste or sewage or providing water facilities or resource recovery facilities including expenses incurred in acquiring or constructing any facility including land, disposal areas, incinerators, buildings, fixtures, machinery and equipment relating to any such project, including the cost of demolition and removing any existing structures, interest expenses incurred during the construction of any such project, and any other expenses incurred for the engineering, research, legal consulting and other expenses necessary or incidental to determine the feasibility or practicability of any such project and in carrying out the same and to issue refunding bonds to refund any bonds previously issued and, further, to acquire, construct, reconstruct, enlarge, improve, furnish, equip, maintain, repair, operate, lease, finance and sell or lease such projects to any private person, firm or corporation or to any public body, political subdivision or municipal corporation; and

WHEREAS, the Tri-County Water Authority, a Missouri not-for-profit corporation (the "**Corporation**") submitted an Application dated April 23, 2015 (the "**Application**") requesting that the Authority issue its bonds ("**Series 2015 Bonds**"), to be used to provide funds to (i) finance the Corporation's acquisition, construction, extension and improvement of its facilities for the furnishing of water for community purposes (the "**Project**"), and (ii) pay the costs of issuance of the Series 2015 Bonds.

WHEREAS, the Series 2015 Bonds will be issued under the Indenture of Trust (the "Indenture") between the Authority and UMB Bank, N.A. (the "**Trustee**"); and

WHEREAS, in consideration of the issuance of the Series 2015 Bonds, the Corporation, pursuant to the terms of the Loan Agreement (the "**Loan Agreement**") between the Authority and

the Corporation, will covenant and agree to make payments thereunder in an amount sufficient to provide for the payment of the principal of, premium, if any, and interest on the Series 2015 Bonds; and

WHEREAS, it is proposed that the Series 2015 Bonds be sold pursuant to the terms of a Bond Purchase Agreement (the “**Purchase Agreement**”), by and among the Authority, the Corporation and Piper Jaffray & Co. (the “**Underwriter**”); and

WHEREAS, it is necessary for the Authority to authorize the execution and delivery of other certificates, documents and papers and the performance of the acts necessary or convenient in connection with the issuance and sale of the Series 2015 Bonds and implementation of this Resolution.

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

Section 1. Pursuant to the Act, the Authority does hereby approve the Application and authorizes the financing of the Project and the financing of certain costs related to the issuance of the Series 2015 Bonds in accordance with the Indenture and the Loan Agreement and does hereby determine that such refunding and such financing is in furtherance of the public purposes set forth in the Act.

Section 2. To provide for the financing costs described herein and in the Indenture, the Authority does hereby authorize the issuance of revenue bonds of the Authority under the Act to be designated “Water Facilities Revenue Bonds (Tri-County Water Authority Project) Series 2015” in an aggregate principal amount (including any original issue discount) not to exceed \$32,000,000. Due to the characteristics of the Series 2015 Bonds, the principal amount thereof, the acceptability in the public market of similar issues and the prevailing market conditions, the Authority hereby finds and determines that it is in the best interest of the Authority to sell the Series 2015 Bonds to the Underwriter in a private sale.

Section 3. The Series 2015 Bonds shall be limited obligations of the Authority payable solely out of the payments, revenues and receipts and other amounts received by or on behalf of the Authority pursuant to the Loan Agreement. The Series 2015 Bonds shall not constitute or create an indebtedness, liability or moral obligation of the State of Missouri or any political subdivision thereof within the meaning of the Constitution or statute of the State of Missouri or otherwise and shall never constitute or create a charge against the credit of the Authority or a charge against the credit or the taxing power of the State of Missouri or any political subdivision thereof. The issuance of the Series 2015 Bonds shall not directly or indirectly obligate the State of Missouri or any political subdivision thereof to provide any funds for their payment. Neither the State of Missouri nor any political subdivision thereof shall in any manner be liable for the performance of any agreement or pledge of any kind which may be undertaken by the Authority nor shall any breach thereof by the Authority create any obligation upon the State of Missouri or any political subdivision thereof.

Section 4. The Series 2015 Bonds shall be executed on behalf of the Authority by the

manual or facsimile signature of its Chairman or Vice Chairman and attested by the manual or facsimile signature of its Secretary. The official seal of the Authority shall be impressed or a facsimile shall be imprinted on the Series 2015 Bonds. If any of the officers who have signed or sealed any of the Series 2015 Bonds shall cease to be such officers of the Authority before the Series 2015 Bonds so signed and sealed shall have been actually authenticated by the Trustee or delivered by the Authority, such Series 2015 Bonds nevertheless may be authenticated, issued and delivered with the same force and effect as though the person or persons who signed or sealed such Series 2015 Bonds had not ceased to be such officer or officers of the Authority; and also any such Series 2015 Bonds may be signed and sealed on behalf of the Authority by those persons who, at the actual date of execution of such Series 2015 Bonds, shall be the proper officers of the Authority, although at the nominal date of such Series 2015 Bonds any such person shall not have been such officers of the Authority. The Series 2015 Bonds shall mature no later than the year 2040, subject to earlier redemption as in said Indenture provided (or as such provisions may be modified), and have the form, details, call provisions and specifications as set out in the Indenture (or as such provisions may be modified). Interest on the Series 2015 Bonds shall accrue and be payable from their dated date all in accordance with the provisions of the Indenture at such rates per annum not to exceed a true interest cost of 4.25%.

Section 5. The following documents submitted to the Authority at this meeting are hereby approved in substantially the forms so presented, and the Chairman or Vice Chairman of the Authority are hereby authorized to execute the following documents for and on behalf of and as the act and deed of the Authority with such changes therein as shall be approved by the officers of the Authority executing the same (including, but not by way of limitation, any changes in the redemption provisions which may be appropriate to market the Series 2015 Bonds at a favorable rate of interest), such officers execution of the same representing conclusive evidence of such approval and the Secretary of the Authority is hereby authorized and directed to attest and affix to the following documents the corporate seal of the Authority:

1. Form of Indenture of Trust (attached hereto as Exhibit A)
2. Form of Loan Agreement (attached hereto as Exhibit B)
3. Form of Deed of Trust, Mortgage and Security Agreement (attached hereto as Exhibit C)
4. Form of Purchase Agreement (attached hereto as Exhibit D)
5. Form of Preliminary Official Statement (attached hereto as Exhibit E)
6. Form of Tax Compliance Agreement (attached hereto as Exhibit F)

Section 6. The distribution by the Underwriter of the Preliminary Official Statement relating to the Series 2015 Bonds in substantially the form presented to the Authority at this meeting is hereby in all respects authorized and approved and the proposed use by the Underwriter of a final Official Statement (in substantially the same form as the Preliminary Official Statement but with appropriate modifications to reflect the final terms of the Series 2015 Bonds) is hereby approved. The Chairman or Vice Chairman of the Authority is authorized to execute and deliver the final Official Statement on behalf of the Authority with such completions thereof and changes therein as shall be approved by the person executing the same with such execution to constitute conclusive evidence of such approval. For the purpose of enabling the Underwriter to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the Authority hereby deems the information regarding the Authority contained in the Preliminary Official

Statement under the captions “INTRODUCTION - The Authority,” “THE AUTHORITY” and “LITIGATION - The Authority” to be “final” as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1), and the appropriate officers of the Authority are hereby authorized, if requested, to provide the Underwriter a letter of certification to such effect and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Underwriter to comply with the requirements of said Rule.

Section 7. The Authority hereby specifically approves the language contained in the Preliminary Official Statement with respect to establishing a book-entry-only system with The Depository Trust Company (“DTC”). To that end, the Chairman or Vice Chairman of the Authority is hereby authorized to execute and deliver to DTC the Letter of Representation as may be required by DTC to establish said book-entry-only system.

Section 8. The Director or Deputy Director of the Authority is hereby authorized to conduct a public hearing with respect to the issuance of the Series 2015 Bonds to finance the Project and to cause notice of such hearing to be published in accordance with the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended. The obligation of the Authority to proceed with the final issuance of the Bonds shall be subject to receipt of public approval for such issuance as required under said Section 147(f).

Section 9. The Corporation has agreed to pay all costs of issuance of the Series 2015 Bonds (including, but not limited to, any issuance and legal fees due the Authority) without reimbursement from the Authority or any other source; provided, however, the Authority agrees to pay Authority legal counsel fees not to exceed Ten Thousand Dollars (\$10,000).

Section 10. Prior to issuance, the Series 2015 Bonds will be rated by a nationally recognized rating agency at an “investment grade” level, and such rating will be prominently included in the Preliminary Official Statement and Official Statement.

Section 11. The Chairman, Vice Chairman and Secretary are hereby authorized and directed to execute, attest, seal and deliver any and all documents, agreements and certificates and do any and all things deemed necessary to effect the issuance and sale of the Series 2015 Bonds and the execution and/or delivery of the Loan Agreement, the Indenture, the Deed of Trust, Mortgage and Security Agreement, the Purchase Agreement, the final Official Statement, and other agreements and instruments (including, but not limited to financing statements and the Tax Compliance Agreement) and to carry out the intent and purposes of this Resolution, including the preamble hereto.

Section 12. All of the acts of the members, officers, agents, directors and employees of the Authority which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and are hereby ratified, confirmed and approved.

Section 13. The provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

Section 14. Capitalized terms used herein and not otherwise defined shall have the

meanings assigned to them in the Indenture.

Adopted by the State Environmental Improvement and Energy Resources Authority this
12th day of May, 2015.

STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY

By _____
Chairman

ATTEST:

Secretary

[SEAL]

Attachment “A”

**G&B Draft
POS v2
May 4, 2015**

NEW ISSUE
Book-Entry Only

RATING: Moody's: "[Aa2]"
See "BOND RATING."

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Series 2015 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. The Series 2015 Bonds have not been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Code. Interest on the Series 2015 Bonds is exempt from income taxation by the State of Missouri. See "TAX MATTERS."

\$30,000,000*

State Environmental Improvement and Energy Resources Authority
(State of Missouri)
Water Facilities Revenue Bonds
(Tri-County Water Authority Project)
Series 2015

Dated: Date of Delivery

Due: April 1, as shown below

The Series 2015 Bonds are issuable only as fully registered bonds, without coupons, in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Principal of the Series 2015 Bonds will be payable on each April 1 in the years shown below. Interest on the Series 2015 Bonds will be payable on each April 1 and October 1, beginning on October 1, 2015.

The Series 2015 Bonds are subject to redemption prior to maturity as described herein.

The Series 2015 Bonds are subject to certain risks. See "BONDOWNERS' RISKS."

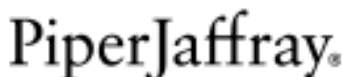
The Series 2015 Bonds and the interest thereon are limited obligations of the Authority payable solely out of certain payments received under the Loan Agreement described herein between the Authority and Tri-County Water Authority (the "Corporation") and other funds held under the Indenture described herein. The Corporation's obligations under the Loan Agreement are subordinate to its obligations related to the Outstanding Senior Bonds (defined herein). **The Series 2015 Bonds do not constitute a debt or liability of the State of Missouri or any political subdivision thereof, and neither the State of Missouri nor any political subdivision thereof shall be liable on the Series 2015 Bonds. The issuance of the Series 2015 Bonds shall not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. The general faith and credit of the State of Missouri and the Authority are not pledged to the payment of the principal of, premium, if any, or interest on the Series 2015 Bonds. The Authority is not obligated to pay the principal of, premium, if any, or interest on the Series 2015 Bonds, except from the revenues and receipts pledged therefor under the Indenture. The Authority has no taxing power.**

MATURITY SCHEDULE

<u>Maturity</u> <u>April 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>CUSIP</u>	<u>Maturity</u> <u>April 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>CUSIP</u>
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(Plus accrued interest, if any)

The Series 2015 Bonds are being offered by the Underwriter when, as and if issued by the Authority and accepted by the Underwriter, subject to the approval of legality thereof by Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Authority by Lewis Rice LLC, St. Louis, Missouri, and for the Corporation by Crouch, Spangler & Douglas, Harrisonville, Missouri. Certain legal matters relating to this Official Statement will be passed upon by Gilmore & Bell, P.C., Kansas City, Missouri. It is expected that the Series 2015 Bonds will be available for delivery at The Depository Trust Company on or about June __, 2015.



The date of this Official Statement is June __, 2015.

* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment without notice. These securities may not be offered for sale nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the Authority, the Corporation, or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of fact. The information set forth herein has been obtained from the Authority, the Corporation, and other sources believed to be reliable, but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Authority or the Underwriter. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Authority or the Corporation since the date hereof.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2015 BONDS, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2015 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES 2015 BONDS HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE CORPORATION AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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OFFICIAL STATEMENT

\$30,000,000*

**State Environmental and Energy Resources Authority
(State of Missouri)
Water Facilities Revenue Bonds
(Tri-County Water Authority Project)
Series 2015**

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement and the documents summarized or described herein. The offering of Series 2015 Bonds to potential investors is made only by means of the entire Official Statement.

General

This Official Statement, including the cover page, is provided for the purpose of setting forth information relating to (i) the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State of Missouri (the “**Authority**”), (ii) the sale of the Authority’s Water Facilities Revenue Bonds (Tri-County Water Authority Project) Series 2015 in the aggregate principal amount of \$30,000,000* (the “**Series 2015 Bonds**”), (iii) Tri-County Water Authority, a Missouri nonprofit corporation (the “**Corporation**”), and the Participating Members described below, and (iv) the Corporation’s acquisition, construction, extension and improvement of the Corporation’s facilities for the furnishing of water for community purposes (the “**Project**”).

The Authority

The Authority is a body corporate and politic and a governmental instrumentality of the State of Missouri duly organized and existing under the Constitution and laws of the State of Missouri, particularly, Sections 260.005 through 260.125, inclusive, of the Revised Statutes of Missouri, as amended, and Appendix B(1) thereto (the “**Act**”). The Authority is authorized under the Act to issue and secure the Series 2015 Bonds as herein described.

The Corporation and the Participating Members

Tri-County Water Authority is a Missouri nonprofit corporation that provides potable water to various public water supply districts and municipalities that have entered into wholesale purchase contracts with the Corporation. The 15 public water supply districts and municipalities that are members of the Corporation and have entered into water purchase contracts with the Corporation are referred to collectively as the “**Participating Members**” and individually as a “**Participating Member**.”

The Corporation owns, operates and maintains four vertical wells and one horizontal collector well and the surrounding 330-acre well field, a 10.5-million-gallon-per-day (GPD) water treatment plant, transmission lines, pump stations, and storage tanks to serve its Participating Members. In 2012, the Corporation purchased 500 acres to serve as a well field. See “**PLAN OF FINANCING**” for a discussion of the planned improvements to the recently-acquired property.

* Preliminary; subject to change.

The Participating Members presently consist of nine public water supply districts and six municipalities, each of which has entered into a water purchase contract (the “*Water Purchase Contracts*”) to purchase wholesale water from the Corporation for resale to each Participating Member’s water customers.

The Series 2015 Bonds

The Series 2015 Bonds are being issued pursuant to the Act and an Indenture of Trust dated as of June 1, 2015 (the “*Indenture*”), between the Authority and UMB Bank, N.A., Kansas City, Missouri, as trustee (the “*Trustee*”), for the purpose of providing funds to make a loan to the Corporation, pursuant to a Loan Agreement dated as of June 1, 2015 (the “*Loan Agreement*”), between the Authority and the Corporation. The Series 2015 Bond proceeds will be used, together with other available funds of the Corporation, to provide funds to (1) finance the Project and (2) pay the costs of issuance of the Series 2015 Bonds. A description of the Series 2015 Bonds is contained in this Official Statement under “**THE SERIES 2015 BONDS.**” All references to the Series 2015 Bonds are qualified in their entirety by the definitive forms thereof and the provisions with respect thereto included in the Indenture and the Loan Agreement. A description of the estimated sources and uses of the proceeds of the Series 2015 Bonds is contained in this Official Statement under “**PLAN OF FINANCE.**” A detailed description of the Project is contained in this Official Statement under “**PLAN OF FINANCE – The Project.**”

The Indenture provides for the future issuance of additional bonds (“*Additional Bonds*”) which, if issued, would rank on a parity with the Series 2015 Bonds and any other bonds then outstanding under the Indenture. See “**ADDITIONAL BONDS, ADDITIONAL NOTES AND ADDITIONAL OBLIGATIONS.**” The Series 2015 Bonds and any future Additional Bonds issued under the Indenture are referred to collectively as the “*Bonds.*”

Security for the Series 2015 Bonds

The Series 2015 Bonds and the interest thereon are special, limited obligations of the Authority, payable by the Authority solely from certain payments to be made by the Corporation under the Loan Agreement and certain other funds held by the Trustee under the Indenture and not from any other fund or source of the Authority. The Series 2015 Bonds are secured by the Indenture and the Loan Agreement and the Mortgage described herein. The Corporation’s obligation to repay the loan made to it under the Loan Agreement is evidenced by the Series 2015 Note. Payments under the Loan Agreement and the Series 2015 Note are designed to be sufficient, together with other funds available for such purpose, to pay when due the principal of, premium, if any, and interest on the Series 2015 Bonds. The revenues of the Corporation that will be used to make payments under the Loan Agreement and the Series 2015 Note are derived from rates and charges received by the Corporation from the sale of wholesale water by the Corporation to its Participating Members. The Corporation’s obligations under the Loan Agreement and the Series 2015 Note are subordinate to its obligations under the loan agreement and the note related to the Outstanding Senior Bonds (defined below).

To secure payment and performance of its duties and obligations under the Loan Agreement and the Series 2015 Note, the Corporation will convey a mortgage in certain real estate constituting the water treatment plant, storage facilities and transmission system owned by the Corporation (the “*Real Property*”) and a security interest in certain personal property (the “*Personal Property*”) pursuant to a Deed of Trust, Mortgage and Security Agreement dated as of June 1, 2015 (the “*Mortgage*”), from the Corporation to the Mortgage Trustee named therein for the benefit of the Authority and its assigns. The Real Property subject to the Mortgage consists of the Corporation’s treatment plant and corporate offices, the well fields and wells and certain water storage facilities, including the new 500-acre well field and the improvements to be constructed thereon with the proceeds of the SRF Loan (defined below). The Corporation’s other storage facilities and water transmission lines are not subject to the Mortgage. Pursuant to the Indenture, the Authority will assign to the Trustee, for the benefit and security of the registered owners of the Series 2015 Bonds, substantially all

of the rights of the Authority in the Loan Agreement, the Series 2015 Note and the Mortgage, including all Loan Payments payable thereunder. The Mortgage also secures the Corporation's obligations with respect to the Outstanding Bonds, subject to the priority of the Outstanding Senior Bonds discussed below.

The Series 2015 Bonds will not constitute a debt or liability of the Authority, the State or of any political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and will not constitute a pledge of the faith and credit of the State or of any political subdivision thereof, including the Authority. The issuance of the Series 2015 Bonds will not, directly, indirectly, or contingently, obligate the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. The Authority has no taxing power. See "SECURITY FOR THE SERIES 2015 BONDS."

Outstanding Obligations

The Corporation is presently obligated to make payments on the following bonds and notes:

- State Environmental Improvement and Energy Resources Authority Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs – Master Trust), Series 2001C (the "**Series 2001C Bonds**") and the related promissory note dated November 1, 2001 from the Corporation to the Authority in the original principal amount of \$2,370,000, of which \$1,050,000 was outstanding at December 31, 2014.
- State Environmental Improvement and Energy Resources Authority Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs), Series 2005A (the "**Series 2005A Bonds**") and the related promissory note dated May 1, 2005 from the Corporation to the Authority in the original principal amount of \$23,000,000, of which \$15,095,000 was outstanding at December 31, 2014.
- State Environmental Improvement and Energy Resources Authority Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs), Series 2005C (the "**Series 2005C Bonds**") and the related promissory note dated November 30, 2005 from the Corporation to the Authority in the original principal amount of \$17,625,000, of which \$11,830,000 was outstanding at December 31, 2014.
- State Environmental Improvement and Energy Resources Authority Water Facilities Refunding Revenue Bonds (Tri-County Water Authority Project), Series 2010 (the "**Series 2010 Bonds**") and the related promissory note dated June 1, 2010 from the Corporation to the Authority in the original principal amount of \$10,525,000, of which \$7,660,000 was outstanding at December 31, 2014.

The Series 2001C Bonds, Series 2005A Bonds and the Series 2005C Bonds are referred to as the "**Outstanding Parity Bonds**" and the Series 2010 Bonds are referred to in this Official Statement as the "**Outstanding Senior Bonds**" (together with the Outstanding Parity Bonds, the "**Outstanding Bonds**").

The Outstanding Senior Bonds are senior and prior to the Series 2015 Bonds and the Outstanding Parity Bonds, so that if at any time the Corporation is in default in paying either interest on or principal of the Outstanding Senior Bonds or if the Corporation is in default in making any other payments under the provisions thereof, the Corporation is not required nor permitted to make payments of either principal or interest on the Series 2015 Bonds or the Outstanding Parity Bonds until said default or defaults are cured. See "**SECURITY FOR THE SERIES 2015 BONDS – Outstanding Senior Bonds.**"

The Outstanding Parity Bonds are secured by a reserve fund established by the Missouri Department of Natural Resources (the "**Outstanding Parity Bonds Reserve Fund**"), in the amount of \$20,695,004 as of December 31, 2014. The Outstanding Parity Bonds Reserve Fund and the earnings thereon are security solely

for the payment of the Outstanding Parity Bonds. The earnings on the Outstanding Parity Bonds Reserve Fund are intended to provide a subsidy to the Corporation equal to approximately 70% of the interest expense on the Outstanding Parity Bonds. The Outstanding Parity Bonds Reserve Fund is reduced annually as the principal amount of the Outstanding Parity Bonds is paid by the Corporation. The reductions in the reserve are returned to the Missouri Department of Natural Resources, which initially deposited the amounts in that reserve fund.

Financial Statements

Audited financial statements of the Corporation as of and for the years ended December 31, 2013 and 2014, are included as *Appendix A* to this Official Statement. The financial statements have been audited by Troutt, Beeman & Co., P.C., Harrisonville, Missouri, independent certified public accountants, to the extent and for the periods indicated in their report, which is also included in *Appendix A*. The financial statements of the Corporation were prepared in conformity with the accounting practices utilized by the water utility industry, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America applicable to nonprofit organizations.

Certain unaudited summary financial information for the four Participating Members who were the largest purchasers of water from the Corporation in 2014 is included under “**THE PARTICIPATING MEMBERS - Summary Financial Data.**” The audited financial statements of each of those Participating Members for their most recent fiscal year end are available from the Corporation upon the request of any prospective purchaser of the Series 2015 Bonds in the initial offering thereof.

Continuing Disclosure

The Corporation will undertake to provide certain annual financial information and notices of the occurrence of certain material events. A description of this undertaking is set forth in this Official Statement under “**CONTINUING DISCLOSURE.**”

Bondowners’ Risks

Payment of the principal of and interest on the Series 2015 Bonds is dependent upon revenues to be derived from the operations of the Corporation. Certain risks are inherent in the production of such revenues. See “**RISK FACTORS**” for a discussion of certain risks.

Definitions and Summaries of Legal Documents

Definitions of certain words and terms used in this Official Statement are set forth in *Appendix B* of this Official Statement. Summaries of the Indenture, the Loan Agreement and the Mortgage are included in this Official Statement in *Appendix B*. Such definitions and summaries do not purport to be comprehensive or definitive. All references herein to the specified documents are qualified in their entirety by reference to the definitive forms of such documents, copies of which may be viewed at the office of Piper Jaffray & Co. (the “*Underwriter*”), at 11635 Rosewood Street, Leawood, Kansas 66211 (913) 345-3393, or will be provided to any prospective purchaser requesting the same.

THE AUTHORITY

General

The Authority is a body corporate and politic and a governmental instrumentality of the State of Missouri organized and existing under the laws of the State. Pursuant to the Act, the Authority is authorized to issue the Series 2015 Bonds and to provide for the security of the Series 2015 Bonds as herein described. To accomplish such actions the Authority is authorized to enter into the Indenture and the Loan Agreement and the Mortgage.

The purpose of the Authority is to provide financial assistance to provide for the conservation of the air, land and water resources of the State by the prevention or reduction of pollution and by proper methods of disposal of solid waste or sewage and to provide for the furnishing of water facilities. The Act confers upon the Authority the power to acquire, construct, improve and finance facilities for the reduction of pollution or disposal of solid waste or sewage and to provide for the furnishing of water facilities, and to issue bonds or notes to pay the costs of such facilities. The Authority also has general powers which include the power to make and execute contracts and other instruments necessary or convenient to carry out its purposes. The Authority has no taxing power.

Membership of the Authority

The current members of the Authority, their titles and expiration dates of their terms of office are as follows:

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
William "Andy" Dalton	Chairman	January 22, 2012 ¹
Deron L. Cherry	Treasurer	January 22, 2007 ¹
LaRee DeFreece	Secretary	January 1, 2011 ¹

¹ Members continue to serve until reappointed or replaced as provided by Missouri law.

There are currently two vacancies on the Authority.

Karen L. Massey serves as Director of the Authority. The principal office of the Authority is located at 425 Madison, 2nd Floor, P.O. Box 744, Jefferson City, Missouri 65102. The Authority's telephone number is: (573) 751-4919.

Other Indebtedness of the Authority

The Authority has previously sold and delivered other bonds and notes secured by instruments separate and apart from those securing the Series 2015 Bonds. The holders and owners of such bonds and notes have no claim on assets, funds or revenues of the Authority held under the Indenture pursuant to which the Series 2015 Bonds are issued and the owners of the Series 2015 Bonds will have no claim on assets, funds or revenues of the Authority securing other bonds and notes.

With respect to additional indebtedness of the Authority, the Authority intends to enter into separate agreements in the future with other entities for the purpose of providing financing for other eligible projects and programs. Bonds which may be issued by the Authority for such other entities in the future will be created under separate and distinct bond indentures or resolutions and will be secured by instruments, properties and revenues separate from those securing the Series 2015 Bonds.

PLAN OF FINANCE

General

The Authority will loan the proceeds of the Series 2015 Bonds to the Corporation pursuant to the Loan Agreement. The Corporation will use the proceeds of the Series 2015 Bonds, together with other available funds of the Corporation, including the proceeds of the SRF Loan (defined below), to (1) finance the Project and (2) pay the costs of issuance of the Series 2015 Bonds. Concurrently with the issuance and sale of the Series 2015 Bonds, the Corporation will issue and deliver to the Trustee its Series 2015 Note, which will bear interest at a rate and contain other payment terms and conditions equivalent to those contained in the Series 2015 Bonds. It is intended that the Corporation's payments required under the Series 2015 Note and under the Loan Agreement will be sufficient to pay when due the principal of and interest on, and to redeem or pay at maturity, the Series 2015 Bonds. The Authority's interest in the Series 2015 Note and the Loan Agreement will be pledged and assigned to the Trustee under the Indenture pursuant to which the Series 2015 Bonds will be issued, subject to certain rights of indemnification and payments solely for the benefit of the Authority. The Authority's interest in the Series 2015 Note and the Loan Agreement so assigned will constitute security for the payment of the Series 2015 Bonds and the interest and the redemption premium, if any, thereon.

All payments by the Corporation on the Series 2015 Note of principal, interest and the premium, if any, are required to be made prior to or on the dates when the corresponding payments are required to be made on the Series 2015 Bonds.

The Project

The Project will consist of (1) the construction of up to four vertical wells on the recently-acquired 500-acre well field, (2) the construction of two water treatment process trains with a combined capacity of approximately 10 million gallons per day at the existing treatment plant site, (3) and the installation of approximately 160,000 linear feet of 16-inch water main from Grain Valley to Grandview and (4) the construction of four booster pump stations. The construction of the four vertical wells and the water treatment process trains will be financed with the proceeds of an approximately \$33 million loan from Missouri Department of Natural Resources State Revolving Fund (the “*SRF Loan*”). Proceeds of the Series 2015 Bonds will be used to pay costs associated with the installation of water main to Grandview and the construction of the Booster Pump stations, both of which are designed to allow the Corporation to serve Jackson PWSD #1 pursuant to its Water Purchase Contract entered into in March 2015. Upon completion of the Project, the Corporation expects to have capacity of approximately 60 million gallons per day.

Estimated Sources and Uses of Funds

The following sets forth the estimated sources and uses of the proceeds of the Series 2015 Bonds and:

Sources of Funds:

Series 2015 Bond proceeds	\$30,000,000.00*
Plus original issue premium	

Total

Uses of Funds:

Deposit to Project Fund
Costs of issuance ⁽¹⁾

Total

⁽¹⁾ Includes the Underwriter’s discount and other costs of issuance of the Series 2015 Bonds.

* Preliminary; subject to change.

THE SERIES 2015 BONDS

The following is a summary of certain terms and provisions of the Series 2015 Bonds. Reference is hereby made to the Series 2015 Bonds and the provisions with respect thereto in the Indenture and the Loan Agreement for the detailed terms and provisions thereof.

General Terms

The Series 2015 Bonds are dated the date of delivery, will bear interest from the date thereof or from the most recent interest payment date to which interest has been paid at the rates per annum set forth on the cover page, payable semiannually on April 1 and October 1 of each year, beginning on October 1, 2015, and will mature on April 1, in the years and in the principal amounts shown on the cover page. The Series 2015 Bonds are being issued as fully registered bonds in the denominations of \$5,000 and any integral multiple thereof and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. Purchases of beneficial interests in the Series 2015 Bonds will be made in book-entry only form (as described below under “**Book-Entry-Only System**”), in the denomination of \$5,000 or any integral multiple thereof. Purchasers of the Series 2015 Bonds will not receive certificates representing their interests in the Series 2015 Bonds purchased.

The principal of and redemption premium, if any, on the Series 2015 Bonds are payable at the principal corporate trust office of the Trustee. The interest on the Series 2015 Bonds is payable (a) by check or draft mailed by the Trustee to the persons who are the registered owners of the Series 2015 Bonds as of the close of business on the 15th day of the month preceding the respective interest payment dates, as shown on the bond registration books maintained by the Trustee, or (b) at the expense of the registered owner, by electronic transfer of immediately available funds at the written request of any registered owner of \$500,000 or more in aggregate principal amount of Series 2015 Bonds, if such written notice specifying the wire transfer instructions is provided to the Trustee not less than 10 days prior to the Record Date. If the specified date for any payment on the Series 2015 Bonds is a date other than a business day, such payment may be made on the next business day without additional interest and with the same force and effect as if made on the specified date for such payments.

So long as any of the Series 2015 Bonds are in book-entry form, the principal, redemption premium, if any, and interest on such Series 2015 Bonds are payable by check or draft mailed, or wire transfer, to Cede & Co. as registered owner thereof and will be redistributed by DTC and the Participants as described below under “**Book-Entry-Only System.**”

Book-Entry-Only System

The Depository Trust Company (“**DTC**”), New York, NY, will act as securities depository for the Series 2015 Bonds. The Series 2015 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2015 Bond certificate will be issued for each maturity of the Series 2015 Bonds, each in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post-

trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts.

This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2015 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2015 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2015 Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2015 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2015 Bonds, except in the event that use of the book-entry system for the Series 2015 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2015 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2015 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2015 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2015 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2015 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2015 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2015 Bond documents. For example, Beneficial Owners of Series 2015 Bonds may wish to ascertain that the nominee holding the Series 2015 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2015 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2015 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures.

Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2015 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal, and interest payments on the Series 2015 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2015 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2015 Bond certificates are required to be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the Authority, the Corporation and the Underwriter take no responsibility for the accuracy thereof, and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Redemption Prior to Maturity

Optional Redemption. The Series 2015 Bonds maturing on April 1, 20__ and thereafter may be redeemed at the option of the Authority, upon instructions from the Corporation, on or after April 1, 20__, in whole or in part at any time, at a redemption price equal to 100% of the principal amount of the Series 2015 Bonds called for redemption, plus accrued interest to the redemption date.

Extraordinary Optional Redemption. The Series 2015 Bonds are subject to redemption and payment prior to the stated maturity thereof, at the option of the Authority, upon written direction from the Corporation, in whole or in part at any time, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the redemption date, without premium, upon the occurrence of any of the following events:

- (1) all or a substantial portion of the Facility is damaged or destroyed by fire or other casualty, or title to, or the temporary use of, all or a substantial portion of such Facility is condemned or taken for any public or quasi-public use by any authority exercising the power of eminent domain (other than a Participating Member) or title thereto is found to be deficient, to such extent that in the determination of the Corporation (A) the Facility cannot be reasonably restored or replaced to the condition thereof preceding such event, or (B) the Corporation is thereby prevented from carrying on its normal operations of such Facility, or (C) the cost of restoration or replacement thereof would exceed the Net Proceeds of any casualty insurance, title insurance or condemnation awards with respect thereto; or

(2) as a result of any changes in the Constitution of the State of Missouri or the Constitution of the United States of America or of legislative or administrative action (whether state or federal) or by final direction, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Corporation in good faith, the Indenture, the Loan Agreement or the Mortgage becomes void or unenforceable or impossible of performance; or

(3) if (A) the Corporation determines in good faith that continued operation of the Facility, or any substantial part thereof, is not financially feasible or is otherwise disadvantageous to the Corporation; (B) as a result thereof, the Corporation sells, leases or otherwise disposes of to a person or entity unrelated to the Corporation, or changes or allows a change in the use of, all of such Facility or any substantial part thereof; and (C) there is delivered to the Authority and the Trustee an opinion of Bond Counsel addressed to the Authority and the Trustee to the effect that, unless the Series 2015 Bonds or a specified part thereof are redeemed and retired either prior to or concurrently with such sale, lease or other disposition, or change in use, or on a subsequent date prior to maturity, Bond Counsel is unable to render an unqualified opinion that such sale, lease or other disposition, or change in use, of all or such Facility will not adversely affect the excludability from gross income, for federal and Missouri income tax purposes, of the interest on the Series 2015 Bonds.

Selection of Bonds to be Redeemed

The Series 2015 Bonds will be redeemed only in principal amounts equal to \$5,000 or any integral multiple thereof and such that any Bond redeemed in part shall, after such redemption, be in an Authorized Denomination of the Series 2015 Bonds. When less than all of the Outstanding Bonds of any series are to be redeemed and paid prior to maturity, such Bonds shall be redeemed from the maturities selected by the Corporation and Bonds of less than a full maturity are to be selected by the Trustee in principal amounts in such equitable manner as the Trustee may determine, such that any Bond redeemed in part shall, after such redemption, be in an Authorized Denomination of the Series 2015 Bonds. The Trustee may, for purposes of selecting Bonds for redemption, treat all registered Bonds of the same maturity held by or for the benefit of an Owner as one Bond owned by such Owner and, upon such redemption and without charge to the Owner thereof, shall exchange a new Bond or Bonds for the unredeemed portion of the principal amount of all such Bonds in an amount equal to such Authorized Denominations as such Owner may direct.

If any Bond selected for redemption is to be redeemed only in part, then upon notice of intention to redeem such Bond, the Owner of such fully registered Bond or his attorney or legal representative shall forthwith present and surrender such Bond to the Trustee (1) for payment of the redemption price (including the premium, if any, and interest to the date fixed for redemption) of the principal amount called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such fully registered Bond in an amount equal to any Authorized Denomination of the Series 2015 Bonds. If the Owner of any such fully registered Bond shall fail to present such Bond to the trustee for payment and exchange as aforesaid, said Bond shall, nevertheless, become due and payable on the redemption date to the extent of the principal amount called for redemption (and to that extent only).

Notice and Effect of Call for Redemption

Unless waived by any Owner of Bonds to be redeemed, official notice of redemption will be given by the Trustee on behalf of the Authority by mailing a redemption notice by first class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to each Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register as of the date of the notice. Official notice of redemption having been given as aforesaid, the Series 2015 Bonds or portions of Bonds so to be redeemed shall, notwithstanding any defect in such notice or the failure of any Owner to receive same, on the redemption

date, become due and payable at the redemption price therein specified, and from and after such date (unless the Authority defaults in the payment of the redemption price), such Bonds or portion of Bonds shall cease to bear interest.

So long as DTC is effecting book-entry transfers of the Series 2015 Bonds, the Trustee will provide the notices specified above to DTC. It is expected that DTC will, in turn, notify the DTC Participants and that the DTC Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of DTC or a DTC Participant, or failure on the part of a nominee of a Beneficial Owner of a Series 2015 Bond (having been mailed notice from the Trustee, a DTC Participant or otherwise) to notify the Beneficial Owner of the Series 2015 Bond so affected, shall not affect the validity of the redemption of such Series 2015 Bond.

Registration, Transfer and Exchange

The Series 2015 Bonds will be issued in fully registered form in denominations of \$5,000 and any integral multiple thereof. The Series 2015 Bonds will be issued in fully registered form, and each Series 2015 Bond will be registered in the name of the owner thereof on the registration books maintained by the Trustee. The Series 2015 Bonds are transferable by the registered holder thereof or by such holder's attorney duly authorized in writing upon presentation thereof at the principal corporate trust office of the Trustee. Any Series 2015 Bond may be exchanged at the principal corporate trust office of the Trustee for a like aggregate principal amount of Series 2015 Bonds of the same maturity of other authorized denominations. The Trustee and the Authority may charge a fee covering taxes and other governmental charges in connection with any exchange, change in registration or transfer of any Series 2015 Bond. The Trustee shall not be required to register the transfer of or exchange any Series 2015 Bond that has been called or selected for call for redemption or during the period of fifteen days next preceding the first mailing of notice of redemption. The foregoing provisions for the registration, transfer and exchange of the Series 2015 Bonds will not be applicable to purchasers of the Series 2015 Bonds so long as the Series 2015 Bonds are subject to the DTC or other book-entry only system.

ADDITIONAL BONDS, ADDITIONAL NOTES AND ADDITIONAL OBLIGATIONS

The Authority may, at any time upon compliance with certain terms and conditions set forth in the Indenture and the Loan Agreement, issue Additional Bonds for certain purposes permitted under the Indenture. Pursuant to the Indenture, the Authority may at some time in the future issue Additional Bonds on a parity with the Bonds in order to provide for any Additional Project, refinancing outstanding mortgages or advances issued by the Corporation including Additional Obligations, repaying any series of Bonds if prepaid in full, obtaining funds for advance refunding the Bonds of any series outstanding regardless of whether such Bonds may be prepaid in full, or any other purpose permitted under the Act. Additional Bonds shall be equally and ratably secured by the Indenture on a parity with the Series 2015 Bonds. Concurrently with the issuance of any such Additional Bonds, the Corporation shall deliver to the Authority an Additional Note obligating the Corporation to make payments of principal and interest thereon in amounts and at times sufficient to provide for the timely payment of the principal of, premium, if any, and interest on such Additional Bonds. Any such Additional Note will be secured on a parity basis with the Note and any other Additional Notes. See **“DEFINITIONS AND SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS – SUMMARY OF THE INDENTURE – Authorization of Additional Bonds”** and **“DEFINITIONS AND SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS – SUMMARY OF THE LOAN AGREEMENT – Conditions to Issuance of Additional Notes”** in *Appendix B*.

The Corporation may also incur Additional Indebtedness and, in some circumstances, pledge property of the Corporation to secure the repayment thereof. The Loan Agreement limits the amount of the Additional Indebtedness which the Corporation may incur. See **“DEFINITIONS AND SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS – SUMMARY OF THE LOAN AGREEMENT – Restrictions on Incurrence of Additional Indebtedness”** in *Appendix B*.

The Corporation may incur Indebtedness secured on a parity with the Notes, which may be issued to any Person including Persons other than the Authority (“**Additional Obligations**”) under certain conditions provided in the Loan Agreement. Such Additional Obligations shall have a security interest in all of the Corporation’s Unrestricted Receivables, Revenues and the Water Purchase Contracts, and a mortgage lien on and security interest in the Mortgaged Property under the Mortgage, standing on a parity with the security interest granted to the Authority by the Loan Agreement and the mortgage lien and security interest granted by the Mortgage. See “**DEFINITIONS AND SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS – SUMMARY OF THE LOAN AGREEMENT – Additional Obligations**” in *Appendix B*.

SECURITY FOR THE SERIES 2015 BONDS

General

The Series 2015 Bonds are limited obligations of the Authority payable solely from the revenues of the Authority derived from payments by the Corporation under the Loan Agreement and from other moneys, if any, held by the Trustee under the Indenture. The Authority has assigned to the Trustee for the benefit of the Bondowners the Authority’s rights under the Loan Agreement (but excluding the Authority’s rights to payment of fees and expenses and indemnification, and any payment to be made to meet the rebate requirements of the Internal Revenue Code of 1986, as amended) and the Series 2015 Note evidencing the loan from the Authority to the Corporation. The loan is secured by a mortgage of, a security interest in and a pledge of the Mortgaged Property.

The Series 2015 Bonds shall never constitute a debt or liability of the State of Missouri or of any political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and will not constitute a pledge of the full faith and credit of the State but shall be payable solely from the funds provided for in the Loan Agreement and in the Indenture. The issuance of the Series 2015 Bonds will not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. The State will not in any event be liable for the payment of the principal of, premium, if any, or interest on the Series 2015 Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Authority. No breach by the Authority of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State or any charge upon its general credit or its taxing power.

Mortgage and Assignment of Unrestricted Receivables and Water Purchase Contracts

A mortgage on the Real Property and a security interest in the Personal Property (with certain exceptions as described in the Mortgage), will be granted by the Corporation to the Authority to secure the payment of the Series 2015 Note and the performance of the Corporation’s obligations under the Loan Agreement. Pursuant to the Loan Agreement, the Corporation has granted to the Authority a security interest in all Unrestricted Receivables of the Corporation and all of its rights under the Water Purchase Contracts presently in effect or hereafter executed. See “**THE WATER PURCHASE CONTRACTS.**” So long as the Corporation makes when due and payable all Loan Payments and Additional Payments under the Loan Agreement and all payments of principal of, premium, if any, and interest on the Additional Obligations, the Corporation will be entitled to utilize its Unrestricted Receivables and the revenues and receipts from the Water Purchase Contracts for its proper corporate purposes. See “**DEFINITIONS AND SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS – Definitions – Unrestricted Receivables**” and “**Revenues**” in *Appendix B*.

Outstanding Senior Bonds

The Outstanding Senior Bonds are currently outstanding in the principal amount of \$6,950,000. The Series 2015 Bonds and the Outstanding Parity Bonds are junior and subordinate to the Outstanding Senior Bonds, so that if at any time the Corporation is in default in paying either interest on or principal of the Outstanding Senior Bonds or if the Corporation is in default in making any other payments under the provisions thereof, the Corporation is not required nor permitted to make payments of either principal or interest on the Series 2015 Bonds or the Outstanding Parity Bonds until said default or defaults be cured.

In the event of any liquidation, dissolution or winding up of the Corporation or of any execution, sale, receivership, insolvency, bankruptcy, liquidation, readjustment, reorganization, or other similar proceeding relative to the Corporation or its property, all principal and interest owing on all Outstanding Senior Bonds shall first be paid in full before any payment is made upon the Series 2015 Bonds or the Outstanding Parity Bonds, provided, however, that, except for the Unrestricted Receivables and Revenues, this sentence shall not apply to payments made on the Series 2015 Bonds or the Outstanding Parity Bonds from the proceeds of collateral specifically securing the Series 2015 Bonds or the Outstanding Parity Bonds; and in any such event any payment or distribution of any kind or character from sources other than the proceeds of collateral specifically securing the Series 2015 Bonds or the Outstanding Parity Bonds, except for the Unrestricted Receivables and Revenues whether in cash, property or securities (other than in securities, including equity securities, or other evidences of indebtedness, the payment of which is subordinated to the payment of all superior indebtedness which may at the time be outstanding) which shall be made upon or in respect of the Series 2015 Bonds or the Outstanding Parity Bonds shall be paid over to the holders of the Outstanding Senior Bonds, pro rata, for application in payment thereof unless and until such Outstanding Senior Bonds shall have been paid or satisfied in full.

In the event that the Series 2015 Bonds or the Outstanding Parity Bonds are declared or become due and payable because of the occurrence of any event of default pursuant to the terms of the Outstanding Parity Bonds (or pursuant to the terms of the Outstanding Senior Bonds, as appropriate) or otherwise than at the option of the Corporation, under circumstances when the foregoing clause (1) shall not be applicable, the holders of the Series 2015 Bonds and the Outstanding Parity Bonds shall be entitled to payments only after there shall first have been paid in full all Outstanding Senior Bonds at the time such Series 2015 Bonds or the Outstanding Parity Bonds so become due and payable because of any such event, or payment shall have been provided for in a manner satisfactory to the holders of such Outstanding Senior Bonds, provided, however, that, except for the Unrestricted Receivables and Revenues, this sentence shall not apply to payments made on the Outstanding Parity Bonds from the proceeds of collateral specifically securing the Outstanding Parity Bonds.

Rate Covenant

The Corporation has covenanted and agreed that it will, prior to the close of each Fiscal Year, set rates and charges for use of its facilities such that the Net Revenues Available for Debt Service of the Corporation will not be less than the sum of **1.10** times the Average Annual Debt Service on the Series 2015 Bonds, any Additional Bonds and any Additional Obligations (the "**Rate Covenant Requirement**"). If the Net Revenues Available for Debt Service, as calculated at the end of any Fiscal Year, is less than the Rate Covenant Requirement, the Corporation covenants to retain a Consultant to make recommendations to increase the annual Debt Service coverage for subsequent Fiscal Years to at least the Rate Covenant Requirement. So long as the Corporation shall retain a Consultant and the Corporation shall follow such Consultant's recommendations and so long as the Average Annual Debt Service coverage is in no event less than **1.00** times the Average Annual Debt Service with respect to the Series 2015 Bonds, any Additional Notes, and any Additional Obligations, this covenant shall be deemed to have been complied with for such Fiscal Year and no Event of Default shall have occurred under the Loan Agreement even if the Average Annual Debt Service coverage is below the Rate Covenant Requirement.

State Environmental Improvement and Energy Resources Authority
319th Board Meeting
May 12, 2015

Agenda Item #5A
MISSOURI BROWNFIELDS REVOLVING LOAN FUND UPDATE

Issue:

Update on the Missouri Brownfields Revolving Loan Fund

Action Needed:

None.

Staff Recommendation:

None.

Staff Contact:

Kristin Tipton, Development Director

Background:

In April, the EPA announced an opportunity for RLFs to request supplemental funding. One of the eligibility requirements is that the current RLF grant has \$400,000 or less uncommitted. At present the MBRLF has approximately \$244,000 in petroleum and \$366,000 in hazardous substance, which exceeds that amount. However, we have recently received a loan application for \$300,000 in hazardous substance funds and a petroleum subgrant application for a yet undetermined amount. Given the likelihood that we will be below the threshold in the near future, staff submitted a request for \$500,000 in hazardous substance supplemental funds.

Project Updates are as follows:

- The contractor performing work at the former ACME Battery site began preparations for building demo scheduled to occur in May. Remains, Inc. also continues to make interest payments on loan draws.
- The Land Reutilization Authority of the City of St. Louis is planning to re-bid work on the Wittenberg Warehouse, part of the former Porter Oil site, because the previously selected contractor was unable to provide materials to complete the work. A new award is anticipated by the end of May.
- MDNR issued a Certificate of Completion for the former Dycron Plastics site at Ranken Technical College.

- An Analysis of Brownfield Cleanup Alternatives was completed and a public meeting conducted for the project with the Boonslick Community Development Corporation to remediate asbestos containing materials and lead based paint in the administration building on the former Kemper Military School. This project may be delayed somewhat as the State Historic Preservation Office is requiring some additional steps as the building will ultimately be demolished.
- MDNR approved the Remedial Action Plan for the site owned by Habitat for Humanity of Springfield, Missouri, Inc. and staff completed the bid package that was advertised May 1.
- SMI/SNF Landlord, LLC continues to repay its loan from the program as scheduled.

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State Environmental Improvement and Energy Resources Authority
319th Board Meeting
May 12, 2015

Agenda Item #5B
MISSOURI BROWNFIELDS REVOLVING LOAN FUND
CONSIDERATION AND AUTHORIZATION TO AMEND THE AGREEMENT WITH REMAINS, INC.

Issue:

The completion of cleanup contemplated for April 1, 2015 in the agreement with Remains, Inc. did not occur, creating a loan repayment schedule that is not desirable to the company or the MBRLF.

Action Needed:

Consideration and authorization of an amendment to the agreement with Remains, Inc.

Staff Recommendation:

Amending the agreement with Remains, Inc. to suspend principal payments until November 1, 2015.

Staff Contact:

Kristin Tipton, Development Director

Background:

The agreement with Remains, Inc. includes loan repayment terms of monthly interest payments from October 1, 2012 and 84 monthly principal payments on the outstanding balance as of April 1, 2015 from April 1, 2015 through March 1, 2022. These terms were negotiated to allow for principal payments to begin once the property was cleaned and in use, generating income for the business.

There was a significant delay in starting the cleanup, in large part due to obtaining MDNR approval for a Remedial Action Plan for this heavily contaminated property. This approval was obtained almost a year after the September 26, 2012 agreement date. When the work required in the Remedial Action Plan was bid, the cleanup cost was dramatically more than that anticipated and in March of 2014, the EIERA approved an increase in the loan amount from \$350,000 to \$630,000.

The multiple phased cleanup began in the spring of 2014, but weather forced the contractor to stop work for the winter. It is now anticipated that the cleanup will be complete late this spring and Remains will be able to construct the new building to expand business operations by late fall.

Remains has made on-time monthly interest payments on the loan balance since their first draw, and will have made one principal payment by the time of the May 12 board meeting. As of April

1, 2015, the outstanding balance on the loan was \$202,236.26, which represents the cleanup funds drawn to date.

Based on the original cleanup schedule, the contract contemplated that all cleanup funds would have been expended prior to April 1, 2015, with the principal amortization fixed at that time. With the project delays, under the existing contract language Remains would be required to pay interest and 1/84th of the \$202,236.26 amount monthly until March 1, 2022, at which point they would pay any remaining principal on the \$630,000 loan.

Staff proposes amending the agreement to continue interest payments and suspend principal payments until November 1, 2015 at which time Remains should be generating income from its expanded business operations. Beginning November 1, Remains would make principal payments of 1/84th the outstanding amount (which should include all cleanup draws for the project) until the loan is repaid on September 1, 2022 with a final payment of all remaining principal and interest.

Staff has recently performed a credit check on Remains, Inc. which confirms the company's report that there have been no significant changes to the company's debt position since last spring when documents were reviewed in contemplation of the award amount increase. The company has acquired a new line of credit, as expected, which they intend to use to construct the new building and then roll into a loan, which can only be secured after a cleanup Certificate of Completion is achieved.

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