

**323rd MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY
EIERA Office
425 Madison Street, Second Floor
Jefferson City, Missouri
December 9, 2015
10:00 a.m.**

1. Call to Order

2. Approval of Minutes

Approval of Minutes from the 322nd Meeting of the Authority held October 22, 2015, in Jefferson City, Missouri

3. Tri-County Water Authority

- Consideration and Adoption of Resolution Authorizing the State Environmental Improvement and Energy Resources Authority to Enter Into Certain Supplemental Agreements with the Missouri Department of Natural Resources and Tri-County Water Authority in Connection with the Authority's Outstanding SRF Revenue Bonds Series 2001C, Series 2005A, and Series 2005C

4. Other Business

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:

Andy Dalton, Chair
LaRee DeFreece, Secretary
Deron Cherry, Vice-Chair, Treasurer

Staff to be Present:

Karen Massey, Director
Joe Boland, Deputy Director
Genny Eichelberger, Office Support Assistant

Legal Counsel to be Present:

David Brown
Lewis Rice LLC

State Environmental Improvement and Energy Resources Authority
323th Board Meeting
December 9, 2015

Agenda Item #3
TRI-COUNTY WATER AUTHORITY
RESOLUTION TO AMEND PRIOR LOAN DOCUMENTS

Issue:

Tri-County Water Authority has requested to amend the rate coverage covenants in their original loan agreements related to SRF bond Series 2001C, 2005A and 2005C in order to conform to the current covenants for rate coverage in other financings.

Action Needed:

Approval of a resolution authorizing the Authority to enter into certain supplemental agreements with the Department of Natural Resources and Tri-County Water Authority in connection with the Authority's outstanding SRF Revenue Bonds Series 2001C, Series 2005A and Series 2005C.

Staff Recommendation:

Staff recommends approving the resolution.

Staff Contact:

Joe Boland

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 has been a past participant of the Drinking Water State Revolving Fund (DWSRF) program in Series 2001C, 2005A and 2005C. It has also issued private activity bonds directly through EIERA in 2010 and 2015.

The current rate coverage requirements in Series 2001C, 2005A and 2005C require that annual revenues should be adequate to cover the debt service in the highest two years of their amortization. In more current financings, the rate coverage covenants require revenues adequate to cover the average annual debt service. There have been no issues related to Tri-County meeting their obligations. However, the discrepancy between the two rate covenants creates some administrative challenges and additional costs to Tri-County with little relative return.

This issue was brought to our attention earlier this year but Tri-County did not formally request the changes until recently. It would be desirable to have the amendments in place by the beginning of the year in order for Tri-County to avoid unnecessary consulting fees.

JB:ge

EXHIBIT “A”

RES. 15-__

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

(STATE OF MISSOURI)

RESOLUTION APPROVING THE FORM OF AND AUTHORIZING THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY TO ENTER INTO CERTAIN SUPPLEMENTAL AGREEMENTS WITH THE MISSOURI DEPARTMENT OF NATURAL RESOURCES AND TRI-COUNTY WATER AUTHORITY IN CONNECTION WITH THE AUTHORITY’S OUTSTANDING WATER POLLUTION CONTROL AND DRINKING WATER REVENUE BONDS (STATE REVOLVING FUNDS PROGRAMS – MASTER TRUST) SERIES 2001C, WATER POLLUTION CONTROL AND DRINKING WATER REVENUE BONDS (STATE REVOLVING FUNDS PROGRAMS) SERIES 2005A, WATER POLLUTION CONTROL AND DRINKING WATER REVENUE BONDS (STATE REVOLVING FUNDS PROGRAMS) SERIES 2005C; AND APPROVING CERTAIN OTHER DOCUMENTS AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH.

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 finance, acquire, construct and equip projects (as defined in the Act) for the purpose of preventing or reducing pollution or the disposal of solid waste or sewage and to provide for the furnishing of water facilities, to issue revenue bonds for the purpose of paying costs of such projects; and

WHEREAS, Tri-County Water Authority, a Missouri nonprofit corporation (the “Corporation”), has borrowed funds to finance the costs of certain water facilities of the Corporation pursuant to three separate but substantially identical Loan Agreements (collectively, the “Original Loan Agreements”) related to the Authority’s (1) Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs – Master Trust) Series 2001C and the related promissory note dated November 1, 2001 from the Corporation to the Authority in the original principal amount of \$2,370,000; (2) Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs), Series 2005A and the related promissory note dated May 1, 2005 from the Corporation to the Authority in the original principal amount of \$23,000,000; and (3) Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs), Series 2005C and the related promissory note dated November 30, 2005 from the Corporation to the Authority in the original principal amount of \$17,625,000; and

WHEREAS, in order to conform the Original Loan Agreements to the current covenants for rate coverage for the Corporation’s conventional financings the Authority finds and determines that it is necessary and desirable to amend the terms of the Original Loan Agreements and to enter into certain documents and take certain other actions in connection therewith as herein provided.

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

Section 1. Authorization of Authority Documents. The Authority is hereby authorized to enter into the following documents (the "Authority Documents"), in substantially the forms presented and reviewed by the Authority at this meeting (copies of which documents shall be filed with the records of the Authority), with such final terms and such changes therein as shall be approved by the officers of the Authority executing such documents, such officers' signatures thereon being conclusive evidence of their approval thereof:

(a) First Supplemental Loan Agreement among the Authority, DNR and the Corporation related to the Authority's Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs – Master Trust) Series 2001C;

(b) First Supplemental Loan Agreement among the Authority, DNR and the Corporation related to the Authority's Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2005A; and

(c) First Supplemental Loan Agreement among the Authority, DNR and the Corporation related to the Authority's Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2005C.

Section 2. Execution of Documents. The Chairman or the Vice Chairman is hereby authorized and directed to execute and deliver the Authority Documents for and on behalf of and as the act and deed of the Authority. The Secretary or the Assistant Secretary is hereby authorized and directed to attest to the Authority Documents, and to such other documents, certificates and instruments, as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 3. Further Authority. The Authority shall, and the members, officers, directors, agents and employees of the Authority are hereby authorized and directed to, take such further action, and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 4. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Authority.

ADOPTED this 9th day of December, 2015.

Chairman of the Authority

(Seal)

ATTEST:

Secretary of the Authority

Attachment "A"

FIRST SUPPLEMENTAL LOAN AGREEMENT

Dated as of December 1, 2015

By and Among

STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY,

MISSOURI DEPARTMENT OF NATURAL RESOURCES

and

TRI-COUNTY WATER AUTHORITY

Relating to

STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY

WATER POLLUTION CONTROL AND DRINKING WATER REVENUE BONDS
(STATE REVOLVING FUNDS PROGRAMS – MASTER TRUST)
SERIES 2001C

FIRST SUPPLEMENTAL LOAN AGREEMENT

THIS FIRST SUPPLEMENTAL LOAN AGREEMENT (this “First Supplement”), dated as of December 1, 2015, by and among the STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY, a body corporate and politic and a governmental instrumentality of the State of Missouri (the “Authority”), duly organized and existing under the laws of the State of Missouri, the MISSOURI DEPARTMENT OF NATURAL RESOURCES, a department of the State of Missouri (“DNR”), and TRI-COUNTY WATER AUTHORITY, a nonprofit corporation organized and existing under the laws of the State of Missouri (the “Corporation”).

RECITALS

1. The Authority, DNR and the Corporation have previously entered into a certain Loan Agreement dated as of November 1, 2001 (the “Original Loan Agreement” and, collectively, with this First Supplement, the “Loan Agreement” or the “Agreement”), under which (a) the Authority loaned \$2,370,000 original principal amount of the proceeds of the Authority’s Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs – Master Trust) Series 2001C (the “Bonds”) to the Corporation (the “Loan”) and (b) DNR made a loan to the Corporation in an amount not to exceed \$827,233, in installments, from the Drinking Water Revolving Fund as approved by the Safe Drinking Water Commission of the State of Missouri, an administrative agency of the State of Missouri domiciled within DNR, all for the purposes of providing financing for the Project (as defined in the Original Loan Agreement).

2. The Bonds were issued pursuant to the Bond Indenture dated as of November 1, 2001 (the “Indenture”) by and between the Authority and UMB Bank, N.A., St. Louis, Missouri, as trustee (the “Trustee”).

3. To secure the Bonds, the Authority assigned to the Trustee its right, title and interest in the Note and the Agreement (except for certain rights reserved to the Authority as described in Sections 6.4 and 6.7 of the Original Loan Agreement).

4. Section 7.8 of the Original Loan Agreement and Section 9.1 of the Indenture permit the modification or amendment of the Original Loan Agreement for any change which, in the sole judgment of the Trustee, does not materially adversely affect the interests of the Bondholders, and it is hereby found and determined that this First Supplement will comply in all respects with Section 7.8 of the Original Loan Agreement and Section 9.1 of the Indenture.

5. Capitalized words and terms used in this First Supplement, unless the context requires otherwise, will have the same meanings as set forth in the Original Loan Agreement.

AGREEMENT

Section 1. Rate Covenant. Section 5A.8 of the Original Loan Agreement is hereby amended by deleting the existing Section 5A.8 and inserting the following in substitution thereof:

Section 5A.8. Rate Covenant.

(a) The Corporation covenants and agrees that it will, prior to the close of each Fiscal Year, set rates and charges for the System such that the Net Revenues Available for Debt Service of the Corporation will not be less than the sum of 1.10 times of the amount sufficient to pay Debt Service for the next Fiscal Year calculated with

respect to the Note, the Outstanding Parity Obligations, the Outstanding Senior Obligations and any Additional Obligations. 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. The Corporation agrees that it will follow the recommendations of the Consultant. A copy of the Consultant's report shall be delivered, at the expense of the Corporation, to DNR and the Trustee.

(b) The Corporation will not furnish or permit to be furnished by or from the Project or the Facility any free water or other free service of any kind. The Corporation will levy charges for all water service of any kind furnished at the rates at the time established therefor by the Corporation.

Section 2. Applicability of Original Loan Agreement. Except as otherwise provided in this First Supplement, the provisions of the Original Loan Agreement are hereby ratified, approved and confirmed.

Section 3. Severability of Invalid Provisions. If any agreement provided in this First Supplement is contrary to law, that agreement will be severable from the remaining agreements and will not affect the validity of the other provisions of this First Supplement or the Original Loan Agreement.

Section 4. Execution in Counterparts. This First Supplement may be executed in any number of counterparts, each of which will be regarded for all purposes as one original and constitute one and the same instrument.

Section 5. Applicable Law. This First Supplement will be governed exclusively by the laws of the State.

Section 6. Electronic Transactions. The parties agree that the transaction described herein may be conducted and related documents may be sent, received or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents will be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[Remainder of this page intentionally left blank]

This First Supplemental Loan Agreement is executed as of December 1, 2015.

STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY

(SEAL)
ATTEST:

By _____
Chairman

Secretary

This First Supplemental Loan Agreement is executed as of December 1, 2015.

MISSOURI DEPARTMENT OF NATURAL
RESOURCES

By _____
Department Director

This First Supplemental Loan Agreement is executed as of December 1, 2015.

TRI-COUNTY WATER AUTHORITY

By: _____
President

[SEAL]

ATTEST:

Secretary

Taxpayer Identification No.: 43-1565929

CONSENT OF TRUSTEE

relating to

WATER POLLUTION CONTROL AND DRINKING WATER REVENUE BONDS
(STATE REVOLVING FUNDS PROGRAMS – MASTER TRUST)
SERIES 2001C

The undersigned, UMB Bank, N.A., St. Louis, Missouri (the “Trustee”), as trustee under the Bond Indenture dated as of November 1, 2001 (the “Indenture”) by and between the State Environmental Improvement and Energy Resources Authority and the Trustee, hereby consents, pursuant to Section 9.1 of the Indenture, to the execution and delivery of the First Supplemental Loan Agreement, dated as of December 1, 2015, among the State Environmental Improvement and Energy Resources Authority, the Missouri Department of Natural Resources, and Tri-County Water Authority.

UMB BANK, N.A., as Trustee

By: _____
Title: Vice President

December ____, 2015

State Environmental Improvement and
Energy Resources Authority
Jefferson City, Missouri

UMB Bank, N.A., as trustee
St. Louis, Missouri

Missouri Department of Natural Resources
Jefferson City, Missouri

Tri-County Water Authority
Independence, Missouri

Re: Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs – Master Trust) Series 2001C of the State Environmental Improvement and Energy Resources Authority

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the State Environmental Improvement and Energy Resources Authority (the “Authority”) of the above-captioned bonds (the “Bonds”). The Bonds have been issued pursuant to a Bond Indenture dated as of November 1, 2001 (the “Indenture”), by and between the Authority and UMB Bank, N.A., as trustee (the “Trustee”). Terms not otherwise defined herein shall have the respective meanings as set forth in the Indenture.

Section 9.1 of the Indenture authorizes the Authority, DNR, and the Corporation to enter into supplements to the Loan Agreement to provide for any change which, in the sole judgment of the Trustee, does not materially adversely affect the interests of the Bondholders. Section 9.3 of the Indenture provides that before the Authority, DNR, and the Corporation enter into a supplemental agreement there shall have been delivered to the Authority, the Trustee, DNR and the Corporation an opinion of Bond Counsel stating that such supplemental indenture is authorized or permitted by the Indenture and the Act, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the Authority in accordance with its terms and will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

December ____, 2015

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We have examined the Indenture and the form of the First Supplemental Loan Agreement dated as of December 1, 2015 and such other certificates and proceedings as we deem appropriate in connection with this opinion. Based upon the foregoing, we are of the opinion as of the date hereof as follows:

1. The First Supplemental Loan Agreement is permitted by the Indenture and the Act, complies with their respective terms and will, upon the execution and delivery thereof by the parties thereto, be valid and binding upon the Corporation.

2. The execution and delivery of the First Supplemental Loan Agreement will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

This opinion is limited solely to the matters set forth herein and no other opinion is to be inferred or implied herefrom. This opinion may not be used or relied upon by or published or communicated to any other party for any purpose whatsoever without our prior written approval in each instance.

Very truly yours,

Attachment "B"

FIRST SUPPLEMENTAL LOAN AGREEMENT

Dated as of December 1, 2015

By and Among

STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY,
MISSOURI DEPARTMENT OF NATURAL RESOURCES

and

TRI-COUNTY WATER AUTHORITY

Relating to

STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY
WATER POLLUTION CONTROL AND DRINKING WATER REVENUE BONDS
(STATE REVOLVING FUNDS PROGRAMS)
SERIES 2005A

FIRST SUPPLEMENTAL LOAN AGREEMENT

THIS FIRST SUPPLEMENTAL LOAN AGREEMENT (this “First Supplement”), dated as of December 1, 2015, by and among the STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY, a body corporate and politic and a governmental instrumentality of the State of Missouri (the “Authority”), duly organized and existing under the laws of the State of Missouri, the MISSOURI DEPARTMENT OF NATURAL RESOURCES, a department of the State of Missouri (“DNR”), and TRI-COUNTY WATER AUTHORITY, a nonprofit corporation organized and existing under the laws of the State of Missouri (the “Corporation”).

RECITALS

1. The Authority, DNR and the Corporation have previously entered into a certain Loan Agreement dated as of May 1, 2005 (the “Original Loan Agreement” and, collectively, with this First Supplement, the “Loan Agreement” or the “Agreement”), under which (a) the Authority loaned \$23,000,000 original principal amount of the proceeds of the Authority’s Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2005A (the “Bonds”) to the Corporation (the “Loan”) and (b) DNR made a loan to the Corporation in an amount not to exceed \$17,062,656.98, in installments, from the Drinking Water Revolving Fund as approved by the Safe Drinking Water Commission of the State of Missouri, an administrative agency of the State of Missouri domiciled within DNR, all for the purposes of providing financing for the Project (as defined in the Original Loan Agreement).

2. The Bonds were issued pursuant to the Bond Indenture dated as of May 1, 2005 (the “Indenture”) by and between the Authority and UMB Bank, N.A., St. Louis, Missouri, as trustee (the “Trustee”).

3. To secure the Bonds, the Authority assigned to the Trustee its right, title and interest in the Note and the Agreement (except for certain rights reserved to the Authority as described in Sections 6.4 and 6.7 of the Original Loan Agreement).

4. Section 7.8 of the Original Loan Agreement and Sections 9.1 and 9.2 of the Indenture permit the modification or amendment of the Original Loan Agreement for any change which, in the sole judgment of the Trustee, does not materially adversely affect the interests of the Bondholders, and it is hereby found and determined that this First Supplement will comply in all respects with Section 7.8 of the Original Loan Agreement and Sections 9.1 and 9.2 of the Indenture.

5. Capitalized words and terms used in this First Supplement, unless the context requires otherwise, will have the same meanings as set forth in the Original Loan Agreement.

AGREEMENT

Section 1. Rate Covenant. Section 5A.8 of the Original Loan Agreement is hereby amended by deleting the existing Section 5A.8 and inserting the following in substitution thereof:

Section 5A.8. Rate Covenant.

(a) The Corporation covenants and agrees that it will, prior to the close of each Fiscal Year, set rates and charges for the System such that the Net Revenues Available for Debt Service of the Corporation will not be less than the sum of 1.10 times of the amount sufficient to pay Debt Service for the next Fiscal Year calculated with

respect to the Note, the Series 2001 Note, the Outstanding Senior Obligations and any Additional Obligations. 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. The Corporation agrees that it will follow the recommendations of the Consultant. A copy of the Consultant's report shall be delivered, at the expense of the Corporation, to DNR and the Trustee.

(b) The Corporation will not furnish or permit to be furnished by or from the Project or the Facility any free water or other free service of any kind. The Corporation will levy charges for all water service of any kind furnished at the rates at the time established therefor by the Corporation.

Section 2. Applicability of Original Loan Agreement. Except as otherwise provided in this First Supplement, the provisions of the Original Loan Agreement are hereby ratified, approved and confirmed.

Section 3. Severability of Invalid Provisions. If any agreement provided in this First Supplement is contrary to law, that agreement will be severable from the remaining agreements and will not affect the validity of the other provisions of this First Supplement or the Original Loan Agreement.

Section 4. Execution in Counterparts. This First Supplement may be executed in any number of counterparts, each of which will be regarded for all purposes as one original and constitute one and the same instrument.

Section 5. Applicable Law. This First Supplement will be governed exclusively by the laws of the State.

Section 6. Electronic Transactions. The parties agree that the transaction described herein may be conducted and related documents may be sent, received or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents will be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[Remainder of this page intentionally left blank]

This First Supplemental Loan Agreement is executed as of December 1, 2015.

STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY

(SEAL)
ATTEST:

By _____
Chairman

Secretary

This First Supplemental Loan Agreement is executed as of December 1, 2015.

MISSOURI DEPARTMENT OF NATURAL
RESOURCES

By _____
Department Director

This First Supplemental Loan Agreement is executed as of December 1, 2015.

TRI-COUNTY WATER AUTHORITY

By: _____
President

[SEAL]

ATTEST:

Secretary

Taxpayer Identification No.: 43-1565929

CONSENT OF TRUSTEE

relating to

WATER POLLUTION CONTROL AND DRINKING WATER REVENUE BONDS
(STATE REVOLVING FUNDS PROGRAMS)
SERIES 2005A

The undersigned, UMB Bank, N.A., St. Louis, Missouri (the “Trustee”), as trustee under the Bond Indenture dated as of May 1, 2005 (the “Indenture”) by and between the State Environmental Improvement and Energy Resources Authority and the Trustee, hereby consents, pursuant to Sections 9.1 and 9.2 of the Indenture, to the execution and delivery of the First Supplemental Loan Agreement, dated as of December 1, 2015, among the State Environmental Improvement and Energy Resources Authority, the Missouri Department of Natural Resources, and Tri-County Water Authority.

UMB BANK, N.A., as Trustee

By: _____
Title: Vice President

December ____, 2015

State Environmental Improvement and
Energy Resources Authority
Jefferson City, Missouri

UMB Bank, N.A., as trustee
St. Louis, Missouri

Missouri Department of Natural Resources
Jefferson City, Missouri

Tri-County Water Authority
Independence, Missouri

Re: Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2005A of the State Environmental Improvement and Energy Resources Authority

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the State Environmental Improvement and Energy Resources Authority (the "Authority") of the above-captioned bonds (the "Bonds"). The Bonds have been issued pursuant to a Bond Indenture dated as of May 1, 2005 (the "Indenture"), by and between the Authority and UMB Bank, N.A., as trustee (the "Trustee"). Terms not otherwise defined herein shall have the respective meanings as set forth in the Indenture.

Sections 9.1 and 9.2 of the Indenture authorizes the Authority, DNR, and the Corporation to enter into supplements to the Loan Agreement to provide for any change which, in the sole judgment of the Trustee, does not materially adversely affect the interests of the Bondholders. Section 9.3 of the Indenture provides that before the Authority, DNR, and the Corporation enter into a supplemental agreement there shall have been delivered to the Authority, the Trustee, DNR and the Corporation an opinion of Bond Counsel stating that such supplemental indenture is authorized or permitted by the Indenture and the Act, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the Authority in accordance with its terms and will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

We have examined the Indenture and the form of the First Supplemental Loan Agreement dated as of December 1, 2015 and such other certificates and proceedings as we deem appropriate in connection with this opinion. Based upon the foregoing, we are of the opinion as of the date hereof as follows:

December ____, 2015

Page 2

1. The First Supplemental Loan Agreement is permitted by the Indenture and the Act, complies with their respective terms and will, upon the execution and delivery thereof by the parties thereto, be valid and binding upon the Corporation.

2. The execution and delivery of the First Supplemental Loan Agreement will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

This opinion is limited solely to the matters set forth herein and no other opinion is to be inferred or implied herefrom. This opinion may not be used or relied upon by or published or communicated to any other party for any purpose whatsoever without our prior written approval in each instance.

Very truly yours,

Attachment "C"

FIRST SUPPLEMENTAL LOAN AGREEMENT

Dated as of December 1, 2015

By and Among

STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY,

MISSOURI DEPARTMENT OF NATURAL RESOURCES

and

TRI-COUNTY WATER AUTHORITY

Relating to

STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY

WATER POLLUTION CONTROL AND DRINKING WATER REVENUE BONDS
(STATE REVOLVING FUNDS PROGRAMS)
SERIES 2005C

FIRST SUPPLEMENTAL LOAN AGREEMENT

THIS FIRST SUPPLEMENTAL LOAN AGREEMENT (this “First Supplement”), dated as of December 1, 2015, by and among the STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY, a body corporate and politic and a governmental instrumentality of the State of Missouri (the “Authority”), duly organized and existing under the laws of the State of Missouri, the MISSOURI DEPARTMENT OF NATURAL RESOURCES, a department of the State of Missouri (“DNR”), and TRI-COUNTY WATER AUTHORITY, a nonprofit corporation organized and existing under the laws of the State of Missouri (the “Corporation”).

RECITALS

1. The Authority, DNR and the Corporation have previously entered into a certain Loan Agreement dated as of November 1, 2005 (the “Original Loan Agreement” and, collectively, with this First Supplement, the “Loan Agreement” or the “Agreement”), under which (a) the Authority loaned \$17,625,000 original principal amount of the proceeds of the Authority’s Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2005C (the “Bonds”) to the Corporation (the “Loan”) and (b) DNR made a loan to the Corporation in an amount not to exceed \$12,564,586.79, in installments, from the Drinking Water Revolving Fund as approved by the Safe Drinking Water Commission of the State of Missouri, an administrative agency of the State of Missouri domiciled within DNR, all for the purposes of providing financing for the Project (as defined in the Original Loan Agreement).

2. The Bonds were issued pursuant to the Bond Indenture dated as of November 1, 2005 (the “Indenture”) by and between the Authority and UMB Bank, N.A., St. Louis, Missouri, as trustee (the “Trustee”).

3. To secure the Bonds, the Authority assigned to the Trustee its right, title and interest in the Note and the Agreement (except for certain rights reserved to the Authority as described in Sections 6.4 and 6.7 of the Original Loan Agreement).

4. Section 7.8 of the Original Loan Agreement and Sections 9.1 and 9.2 of the Indenture permit the modification or amendment of the Original Loan Agreement for any change which, in the sole judgment of the Trustee, does not materially adversely affect the interests of the Bondholders, and it is hereby found and determined that this First Supplement will comply in all respects with Section 7.8 of the Original Loan Agreement and Sections 9.1 and 9.2 of the Indenture.

5. Capitalized words and terms used in this First Supplement, unless the context requires otherwise, will have the same meanings as set forth in the Original Loan Agreement.

AGREEMENT

Section 1. Rate Covenant. Section 5A.8 of the Original Loan Agreement is hereby amended by deleting the existing Section 5A.8 and inserting the following in substitution thereof:

Section 5A.8. Rate Covenant.

(a) The Corporation covenants and agrees that it will, prior to the close of each Fiscal Year, set rates and charges for the System such that the Net Revenues Available for Debt Service of the Corporation will not be less than the sum of 1.10 times of the amount sufficient to pay Debt Service for the next Fiscal Year calculated with

respect to the Note, the Outstanding Senior Obligations and any Additional Obligations. 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. The Corporation agrees that it will follow the recommendations of the Consultant. A copy of the Consultant's report shall be delivered, at the expense of the Corporation, to DNR and the Trustee.

(b) The Corporation will not furnish or permit to be furnished by or from the Project or the Facility any free water or other free service of any kind. The Corporation will levy charges for all water service of any kind furnished at the rates at the time established therefor by the Corporation.

Section 2. Applicability of Original Loan Agreement. Except as otherwise provided in this First Supplement, the provisions of the Original Loan Agreement are hereby ratified, approved and confirmed.

Section 3. Severability of Invalid Provisions. If any agreement provided in this First Supplement is contrary to law, that agreement will be severable from the remaining agreements and will not affect the validity of the other provisions of this First Supplement or the Original Loan Agreement.

Section 4. Execution in Counterparts. This First Supplement may be executed in any number of counterparts, each of which will be regarded for all purposes as one original and constitute one and the same instrument.

Section 5. Applicable Law. This First Supplement will be governed exclusively by the laws of the State.

Section 6. Electronic Transactions. The parties agree that the transaction described herein may be conducted and related documents may be sent, received or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents will be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

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This First Supplemental Loan Agreement is executed as of December 1, 2015.

STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY

(SEAL)
ATTEST:

By _____
Chairman

Secretary

This First Supplemental Loan Agreement is executed as of December 1, 2015.

MISSOURI DEPARTMENT OF NATURAL
RESOURCES

By _____
Department Director

This First Supplemental Loan Agreement is executed as of December 1, 2015.

TRI-COUNTY WATER AUTHORITY

By: _____
President

[SEAL]

ATTEST:

Secretary

Taxpayer Identification No.: 43-1565929

CONSENT OF TRUSTEE

relating to

WATER POLLUTION CONTROL AND DRINKING WATER REVENUE BONDS
(STATE REVOLVING FUNDS PROGRAMS)
SERIES 2005C

The undersigned, UMB Bank, N.A., St. Louis, Missouri (the “Trustee”), as trustee under the Bond Indenture dated as of November 1, 2005 (the “Indenture”) by and between the State Environmental Improvement and Energy Resources Authority and the Trustee, hereby consents, pursuant to Sections 9.1 and 9.2 of the Indenture, to the execution and delivery of the First Supplemental Loan Agreement, dated as of December 1, 2015, among the State Environmental Improvement and Energy Resources Authority, the Missouri Department of Natural Resources, and Tri-County Water Authority.

UMB BANK, N.A., as Trustee

By: _____
Title: Vice President

December ____, 2015

State Environmental Improvement and
Energy Resources Authority
Jefferson City, Missouri

UMB Bank, N.A., as trustee
St. Louis, Missouri

Missouri Department of Natural Resources
Jefferson City, Missouri

Tri-County Water Authority
Independence, Missouri

Re: Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2005C of the State Environmental Improvement and Energy Resources Authority

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the State Environmental Improvement and Energy Resources Authority (the "Authority") of the above-captioned bonds (the "Bonds"). The Bonds have been issued pursuant to a Bond Indenture dated as of November 1, 2005 (the "Indenture"), by and between the Authority and UMB Bank, N.A., as trustee (the "Trustee"). Terms not otherwise defined herein shall have the respective meanings as set forth in the Indenture.

Sections 9.1 and 9.2 of the Indenture authorizes the Authority, DNR, and the Corporation to enter into supplements to the Loan Agreement to provide for any change which, in the sole judgment of the Trustee, does not materially adversely affect the interests of the Bondholders. Section 9.3 of the Indenture provides that before the Authority, DNR, and the Corporation enter into a supplemental agreement there shall have been delivered to the Authority, the Trustee, DNR and the Corporation an opinion of Bond Counsel stating that such supplemental indenture is authorized or permitted by the Indenture and the Act, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the Authority in accordance with its terms and will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

We have examined the Indenture and the form of the First Supplemental Loan Agreement dated as of December 1, 2015 and such other certificates and proceedings as we deem appropriate in connection with this opinion. Based upon the foregoing, we are of the opinion as of the date hereof as follows:

December ____, 2015

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1. The First Supplemental Loan Agreement is permitted by the Indenture and the Act, complies with their respective terms and will, upon the execution and delivery thereof by the parties thereto, be valid and binding upon the Corporation.

2. The execution and delivery of the First Supplemental Loan Agreement will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

This opinion is limited solely to the matters set forth herein and no other opinion is to be inferred or implied herefrom. This opinion may not be used or relied upon by or published or communicated to any other party for any purpose whatsoever without our prior written approval in each instance.

Very truly yours,