

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Authority, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), (1) the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, except as described in this Official Statement, and is not an item of tax preference for purposes of the federal alternative minimum tax, (2) the interest on the Bonds is exempt from income taxation by the State of Missouri and (3) the Bonds have not been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "TAX MATTERS" in this Official Statement and the form of Bond Counsel opinion attached hereto as Appendix D.



\$31,610,000
State Environmental Improvement and Energy Resources Authority
(State of Missouri)
Water Pollution Control and Drinking Water Revenue Bonds
(State Revolving Funds Programs)
Series 2018A

Dated: Date of Delivery

Due: January 1 and July 1, as shown on inside cover

The State Environmental Improvement and Energy Resources Authority (the "Authority") is issuing its Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2018A (the "Bonds") pursuant to a Bond Indenture dated as of October 1, 2018 (the "Indenture") between the Authority and UMB Bank, N.A., St. Louis, Missouri, as trustee and bond registrar (the "Trustee"). The Authority will use the proceeds of the Bonds to reimburse the Missouri Department of Natural Resources ("DNR") for certain expenditures made prior to the issuance of the Bonds in connection with the financing of wastewater treatment facilities or drinking water treatment facilities owned by governmental entities. Terms not otherwise defined on this cover page have the meanings set forth herein or in **Appendix B** or **Appendix C** attached hereto.

The Bonds are issuable only as fully-registered bonds and when issued will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. See "**DESCRIPTION OF THE BONDS – Book-Entry System**" herein. Principal of and redemption premium, if any, on the Bonds is payable to the registered owners of the Bonds at the maturity or redemption date thereof upon the surrender thereof at the principal payment office of the Trustee. Interest on the Bonds is payable semiannually on each January 1 and July 1, commencing on January 1, 2019.

The Bonds are limited obligations of the Authority, payable solely from and secured exclusively by revenues and receipts derived by the Authority consisting of: (1) moneys transferred to the Trustee by the 2010 Master Trustee from amounts available under the 2010 Master Trust Agreement, consisting of the interest components of Pledged Participant Obligations and Pledged Net Participant Payments of Clean Water Participants and Drinking Water Participants (collectively, the "**Indenture Receipts**"), (2) investment earnings on the Drinking Water Subsidy Fund and (3) income derived from investment of moneys held by the Trustee under the Indenture. See "**SECURITY AND SOURCES OF PAYMENT OF THE BONDS**" and "**LIMITED SECURITY PROVIDED BY THE 2010 MASTER TRUST AGREEMENT**" herein.

The Bonds do not constitute or create an indebtedness, liability or moral obligation of the Participants, the State of Missouri (the "State") or any political subdivision thereof, the United States of America or any agency thereof, the United States Environmental Protection Agency, DNR, the Missouri Clean Water Commission or the Missouri Safe Drinking Water Commission. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds nor is the State or any political subdivision thereof liable on the Bonds. The Authority has no taxing power.

The Bonds are subject to redemption prior to maturity as described under the section captioned "**DESCRIPTION OF THE BONDS – Redemption; Notice of Redemption.**"

See the inside cover page for maturities, principal amounts, interest rates, prices, yields and CUSIP numbers

This cover page contains information for quick reference only. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued by the Authority and accepted by the Underwriters, subject to prior placement, withdrawal or modification of the offer without notice and subject to the approval of their validity by Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel to the Authority, and subject to certain other conditions. Certain legal matters will be passed upon for the Authority by Lewis Rice LLC, St. Louis, Missouri, as counsel to the Authority. Certain legal matters will be passed upon for the Underwriters by Thompson Coburn LLP, St. Louis, Missouri, and the Hardwick Law Firm, LLC, Kansas City, Missouri. Columbia Capital Management, LLC, Overland Park, Kansas, serves as Financial Advisor to the Authority. It is expected that the Bonds will be available for delivery through the facilities of DTC in New York, New York on or about October 18, 2018.

BofA Merrill Lynch

Jefferies

Wells Fargo Securities

FTN Financial Capital Markets

Ramirez & Co., Inc.

The date of this Official Statement is October 4, 2018.

\$31,610,000
State Environmental Improvement and Energy Resources Authority
(State of Missouri)
Water Pollution Control and Drinking Water Revenue Bonds
(State Revolving Funds Programs)
Series 2018A

Maturity Schedule
Base CUSIP: 60636U¹

Serial Bonds

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP¹</u>
January 1, 2019	\$1,640,000	5.000%	1.820%	100.636%	GR4
July 1, 2019	1,490,000	5.000	1.890	102.158	GS2
January 1, 2020	1,495,000	5.000	2.000	103.544	GT0
July 1, 2020	1,495,000	5.000	2.040	104.925	GU7
January 1, 2021	1,500,000	5.000	2.080	106.252	GV5
July 1, 2021	1,495,000	5.000	2.110	107.550	GW3
January 1, 2022	1,405,000	5.000	2.160	108.739	GX1
July 1, 2022	1,400,000	5.000	2.200	109.901	GY9
January 1, 2023	1,295,000	5.000	2.240	111.008	GZ6
July 1, 2023	1,290,000	5.000	2.290	112.013	HA0
January 1, 2024	1,185,000	5.000	2.350	112.903	HB8
July 1, 2024	1,165,000	5.000	2.390	113.833	HC6
January 1, 2025	1,060,000	5.000	2.440	114.649	HD4
July 1, 2025	1,030,000	5.000	2.490	115.403	HE2
January 1, 2026	890,000	5.000	2.550	116.024	HF9
July 1, 2026	860,000	5.000	2.590	116.727	HG7
January 1, 2027	845,000	5.000	2.650	117.219	HH5
July 1, 2027	775,000	5.000	2.680	117.898	HJ1
January 1, 2028	800,000	5.000	2.740	118.269	HK8
July 1, 2028	695,000	5.000	2.760	118.949	HL6
January 1, 2029	740,000	5.000	2.820 ^c	118.388	HM4
July 1, 2029	660,000	5.000	2.840 ^c	118.202	HN2
January 1, 2030	685,000	5.000	2.890 ^c	117.737	HP7
July 1, 2030	620,000	5.000	2.910 ^c	117.552	HQ5
January 1, 2031	620,000	5.000	2.960 ^c	117.091	HR3
July 1, 2031	585,000	5.000	2.980 ^c	116.907	HS1

Term Bonds

\$1,070,000 5.000% Term Bond due July 1, 2032 – Price: 116.632%; Yield: 3.010%^c; CUSIP: HT9
\$875,000 3.250% Term Bond due July 1, 2033 – Price: 97.030%; Yield: 3.510%; CUSIP: HU6
\$685,000 5.000% Term Bond due July 1, 2034 – Price: 115.720%; Yield: 3.110%^c; CUSIP: HV4
\$505,000 4.000% Term Bond due July 1, 2035 – Price: 103.828%; Yield: 3.530%^c; CUSIP: HW2
\$355,000 4.000% Term Bond due July 1, 2036 – Price: 103.412%; Yield: 3.580%^c; CUSIP: HX0
\$230,000 4.000% Term Bond due July 1, 2037 – Price: 102.998%; Yield: 3.630%^c; CUSIP: HY8
\$170,000 3.500% Term Bond due July 1, 2038 – Price: 95.995%; Yield: 3.790%; CUSIP: HZ5

^c Yield calculated to the first optional call date of July 1, 2028

¹ CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright © 2018 CUSIP Global Services. The CUSIP numbers are included solely for the convenience of the owners of the Bonds only at the time of issuance of the Bonds. Neither the Authority nor the Underwriters shall be responsible for the selection or correctness of the CUSIP number set forth now or at any time in the future.

State Environmental Improvement and Energy Resources Authority

William “Andy” Dalton, Chairman
Deron L. Cherry, Vice Chairman, Treasurer and Assistant Secretary
LaRee DeFreece, Secretary
Karen L. Massey, Director

Department of Natural Resources

Carol S. Comer, Director
Ed Galbraith, Director – Division of Environmental Quality
Chris Wieberg, Director – Water Protection Program
Hannah Humphrey, Director – Financial Assistance Center

Clean Water Commission

Ashley McCarty, Chair
John “Ben” Hurst, Vice Chair
Stan Coday, Commissioner
Patricia Thomas, Commissioner
John Reece, Commissioner
Allen Rowland, Commissioner

Safe Drinking Water Commission

Elizabeth Grove, Chair
Susan E. Hazelwood, Vice Chair
Susan McCray Armstrong, Commissioner
D. Scott Bockenkamp, Commissioner
Charli Jo Ledgerwood, Commissioner
Bruce Manning, Commissioner
Rodger Owens, Commissioner
Fred W. Schmidt, Commissioner
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REGARDING USE OF THIS OFFICIAL STATEMENT

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON THE EXEMPTION CONTAINED IN SECTION 3(a)(2) OF SUCH ACT. THE INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT.

The information set forth herein has been obtained from the Authority and other sources which are deemed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Authority. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

No dealer, broker, salesperson or any other person has been authorized by the Authority to give any information or make any representations, other than those contained in this Official Statement, in connection with the offering of the Bonds, and if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any state in which it is unlawful for such person to make such offer, solicitation or sale. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor the sale of any of the Bonds hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Authority, the Programs (as defined herein) or the other matters described herein since the date hereof.

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

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “anticipate,” “budget” or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INCLUDED IN SUCH RISKS AND UNCERTAINTIES ARE (i) THOSE RELATING TO THE POSSIBLE INVALIDITY OF THE UNDERLYING ASSUMPTIONS AND ESTIMATES, (ii) POSSIBLE CHANGES OR DEVELOPMENTS IN SOCIAL, ECONOMIC, BUSINESS, INDUSTRY, MARKET, LEGAL OR REGULATORY CIRCUMSTANCES, AND (iii) CONDITIONS AND ACTIONS TAKEN OR OMITTED TO BE TAKEN BY THIRD PARTIES, INCLUDING CUSTOMERS, SUPPLIERS, BUSINESS PARTNERS OR COMPETITORS, OR LEGISLATIVE, JUDICIAL AND OTHER GOVERNMENTAL AUTHORITIES AND OFFICIALS. ASSUMPTIONS RELATED TO THE FOREGOING INVOLVE JUDGMENTS WITH RESPECT TO, AMONG OTHER THINGS, FUTURE ECONOMIC, COMPETITIVE, AND MARKET CONDITIONS AND FUTURE BUSINESS DECISIONS, ALL OF WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT ACCURATELY. FOR THESE REASONS, THERE CAN BE NO ASSURANCE THAT THE FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT WILL PROVE TO BE ACCURATE.

UNDUE RELIANCE SHOULD NOT BE PLACED ON FORWARD-LOOKING STATEMENTS. ALL FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT ARE BASED ON INFORMATION AVAILABLE TO THE AUTHORITY ON THE DATE HEREOF, AND THE AUTHORITY ASSUMES NO OBLIGATION TO UPDATE ANY SUCH FORWARD-LOOKING STATEMENTS IF OR WHEN THE EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR OR FAIL TO OCCUR, OTHER THAN AS INDICATED UNDER THE CAPTION “CONTINUING DISCLOSURE.”

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OFFICIAL STATEMENT

\$31,610,000

**State Environmental Improvement and Energy Resources Authority
(State of Missouri)
Water Pollution Control and Drinking Water Revenue Bonds
(State Revolving Funds Programs)
Series 2018A**

INTRODUCTION

The following introductory information is subject in all respects to more complete information contained elsewhere in this Official Statement. The order and placement of materials in this Official Statement, including the appendices hereto, are not to be deemed to be a determination of relevance, materiality or relative importance, and this Official Statement, including the cover page and appendices, should be considered in its entirety. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

The purpose of this Official Statement is to set forth certain information concerning (1) the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State of Missouri (the “**Authority**”), (2) the \$31,610,000 principal amount of Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2018A (the “**Bonds**”) to be issued by the Authority and (3) the source of repayment and security for the Bonds. See “**DESCRIPTION OF THE BONDS,**” “**SECURITY AND SOURCES OF PAYMENT OF THE BONDS**” and “**LIMITED SECURITY PROVIDED BY THE 2010 MASTER TRUST AGREEMENT**” herein.

Authorization of and Purpose of the Bonds

The Authority is authorized pursuant to Sections 260.005 through 260.125, and Appendix B(1), of the Revised Statutes of Missouri, as amended (the “**Act**”), and the resolution adopted by the Authority on September 17, 2018, to issue the Bonds under a Bond Indenture dated as of October 1, 2018 (the “**Indenture**”), by and between the Authority and UMB Bank, N.A., St. Louis, Missouri, as trustee and bond registrar (the “**Trustee**” and “**Bond Registrar**”). Capitalized terms used in this Official Statement and not otherwise defined herein shall have the meanings listed in **Appendix B** and **Appendix C** to this Official Statement. See “**THE AUTHORITY**” and “**DESCRIPTION OF THE BONDS**” herein.

The proceeds of the Bonds will be used to reimburse the Missouri Department of Natural Resources (“**DNR**”) for certain expenditures made prior to the issuance of the Bonds in connection with the financing of wastewater treatment facilities or drinking water treatment facilities owned by Missouri governmental entities. See “**SECURITY AND SOURCES OF PAYMENT OF THE BONDS**” herein.

State Revolving Funds Programs

Direct Loan Programs. In cooperation with the Clean Water Commission of the State of Missouri (the “**Clean Water Commission**”) and the Safe Drinking Water Commission of the State of Missouri (the “**Drinking Water Commission**”), DNR has developed and implemented the State of Missouri Direct Loan Program to provide financial assistance to Missouri governmental entities and other eligible entities to finance publicly owned and certain privately owned wastewater treatment facilities (the “**Clean Water SRF Direct Loan Program**”) and to provide financial assistance to Missouri

governmental entities and other eligible entities to finance publicly and privately owned drinking water treatment facilities (the **“Drinking Water SRF Direct Loan Program”** and, collectively with the Clean Water SRF Direct Loan Program, the **“SRF Direct Loan Programs”**).

Leveraged Loan Programs. The Federal Water Quality Act of 1987, which amended the Clean Water Act of 1972 (as amended, the **“Federal Clean Water Act”**), provides for the establishment of state loan programs, the funds of which are used to provide financial assistance to various instrumentalities of the state or other eligible entities (including for profit companies) in connection with the construction of publicly owned and certain privately owned decentralized systems for transportation, collection, storage, treatment, recycling and reclamation of municipal sewage and certain other water pollution control projects. By resolutions adopted in 1988 and 1998, the Authority agreed to cooperate with DNR to implement the program contemplated by the Federal Clean Water Act and issue its bonds in connection with the Missouri Leveraged State Water Pollution Control Revolving Fund Program (the **“Clean Water SRF Leveraged Program”** and, collectively with the Clean Water SRF Direct Loan Program, the **“Clean Water SRF Program”**). For further information on the Clean Water SRF Program, see **“STATE REVOLVING FUNDS PROGRAMS”** herein.

The Federal Safe Drinking Water Amendments of 1996, which amended the Safe Drinking Water Act (as amended, the **“Federal Drinking Water Act”**), provides for the establishment of state loan programs, the funds of which are used to provide financial assistance to various instrumentalities of the state and to community water systems (including for-profit companies) and nonprofit non-community water systems in connection with the construction of drinking water projects. By a resolution adopted in 1998, the Authority agreed to cooperate with DNR to implement the program contemplated by the Federal Drinking Water Act and issue its bonds in connection with the Missouri Leveraged State Drinking Water Revolving Fund Program (the **“Drinking Water SRF Leveraged Program”** and, collectively with the Drinking Water SRF Direct Loan Program, the **“Drinking Water SRF Program”**). For further information on the Drinking Water SRF Program, see **“STATE REVOLVING FUNDS PROGRAMS”** herein.

The Clean Water SRF Program and the Drinking Water SRF Program are referred to herein collectively as the **“State Revolving Funds Programs”** or the **“Programs.”** All bonds issued by the Authority under the Programs, including refunding bonds, are referred to herein as **“Program Bonds.”** Missouri governmental entities participating in the Clean Water SRF Program are referred to herein individually as a **“Clean Water Participant”** and collectively as **“Clean Water Participants.”** Missouri governmental entities and other eligible entities participating in the Drinking Water SRF Program are referred to herein individually as a **“Drinking Water Participant”** and collectively as **“Drinking Water Participants.”** Clean Water Participants and Drinking Water Participants are referred to herein collectively as **“Participants.”**

Program Bonds and the Master Trust Agreements

Outstanding Program Bonds issued prior to November 2010 were issued under a separate indenture secured by the trust estate created under the applicable indenture and were further secured by the Amended and Restated Master Trust Agreement dated as of March 1, 2004, as amended by the First Amendment to Master Trust Agreement dated as of November 1, 2009, and the Second Amendment to Master Trust Agreement dated as of November 1, 2010 (collectively, the **“2004 Master Trust Agreement”**), between the Authority and UMB Bank, N.A., as master trustee (the **“2004 Master Trustee”**). All bonds issued by the Authority under the 2004 Master Trust Agreement are referred to herein as the **“2004 Master Trust Bonds.”**

Starting in November 2010, all Program Bonds have been issued under a separate indenture secured by the trust estate created under the applicable indenture and are further secured by the Master Trust Agreement dated as of November 1, 2010, as amended by the First Amendment to Master Trust Agreement dated as of November 1, 2011 (collectively, the **“2010 Master Trust Agreement”**), between the Authority and UMB Bank, N.A., as Master Trustee (the **“2010 Master Trustee”**). See **“SECURITY AND SOURCES OF PAYMENT OF THE BONDS”** and **“LIMITED SECURITY PROVIDED BY THE 2010 MASTER TRUST AGREEMENT”** herein and **Appendix B – “SUMMARY OF CERTAIN PROVISIONS OF THE 2010 MASTER TRUST AGREEMENT.”**

The 2004 Master Trust Agreement and the 2010 Master Trust Agreement are collectively referred to herein as the **“Master Trust Agreements.”**

Program Bonds Issued Under the 2010 Master Trust Agreement

Prior to the issuance of the Bonds, the Authority has issued five series of Program Bonds under the 2010 Master Trust Agreement: (1) \$65,920,000 Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2010B (the **“Series 2010B Bonds”**), (2) \$106,830,000 Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2011A (the **“Series 2011A Refunding Bonds”**), (3) \$101,535,000 Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2013A (the **“Series 2013A Refunding Bonds”**), (4) \$29,935,000 Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2015A (the **“Series 2015A Bonds”**) and (5) \$136,105,000 Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2015B (the **“Series 2015B Refunding Bonds”**). The Bonds will be the sixth series of Program Bonds to be issued under the 2010 Master Trust Agreement.

Limited Security Provided by the 2010 Master Trust Agreement

Not all Program Bonds issued by the Authority under the 2010 Master Trust Agreement are included in the definition of **“2010 Master Trust Bonds,”** as discussed below, because all or a portion of such Program Bonds may not be secured by all revenues available as security for 2010 Master Trust Bonds.

Program Bonds issued under the 2010 Master Trust Agreement may include a **“State Match Portion”** and a **“Leveraged Portion”** if so designated in the bond indenture pursuant to which such bonds are issued. A State Match Portion is a designated portion of a series of Program Bonds issued to (1) provide matching funds required to be contributed by the State of Missouri (the **“State”**) under the Federal Clean Water Act and the Federal Drinking Water Act in order to receive federal capitalization grants for the State Revolving Fund Programs or (2) refund a State Match Portion of a series of Program Bonds. A State Match Portion is secured by a priority pledge of the interest components of the Pledged Participant Obligations and the Pledged Net Participant Payments (as such terms are defined under the caption **“SECURITY AND SOURCES OF PAYMENT OF THE BONDS”**) but is not secured by the principal components of the Pledged Participant Obligations or the Pledged Net Participant Payments and, therefore, is not included within the definition of 2010 Master Trust Bonds. **The Bonds have been designated “State Match Portion” only and, therefore, are not 2010 Master Trust Bonds.**

A Leveraged Portion is a designated portion of a series of Program Bonds that is secured by the principal components and the remaining interest components of the Pledged Participant Obligations and the Pledged Net Participant Payments (after payment of the State Match Portions). If so designated, the Leveraged Portion is included within the meaning of 2010 Master Trust Bonds.

The Bonds have been designated as State Match Portion only. The Authority designated the Series 2015A Bonds as State Match Portion only. The Series 2010B Bonds and the Series 2015B Refunding Bonds consisted of a State Match Portion and a Leveraged Portion. All of the Bonds, all of the Series 2015A Bonds, the State Match Portion of the Series 2010B Bonds, the State Match Portion of the Series 2015B Refunding Bonds and the State Match Portions of any future Program Bonds issued under the 2010 Master Trust Agreement (collectively referred to herein as the **“State Match Portions”**) are (1) secured on a parity basis by a priority pledge of the interest components of the Pledged Participant Obligations and the Pledged Net Participant Payments, (2) secured on a series basis by earnings on any subsidy fund or reserve fund associated with that series, (3) not secured by the principal components of the Pledged Participant Obligations or the Pledged Net Participant Payments, (4) not secured by certain amounts pledged under the 2004 Master Trust Agreement, consisting primarily of certain amounts released from reserve funds securing the 2004 Master Trust Bonds, and (5) not included in the definition of 2010 Master Trust Bonds. See **“SECURITY AND SOURCES OF PAYMENT OF THE BONDS”** and **“LIMITED SECURITY PROVIDED BY THE 2010 MASTER TRUST AGREEMENT”** herein.

The 2010 Master Trust Agreement contains conditions that must be satisfied for future series of Program Bonds to be secured by the 2010 Master Trust Agreement. All future series of Program Bonds will be secured by the 2010 Master Trust Agreement to the extent provided in the Authority’s bond indenture authorizing such series of Program Bonds.

Security for the Bonds

The Bonds are limited obligations of the Authority, payable solely from and secured exclusively by revenues and receipts derived by the Authority consisting of, subject to priority of, or limitations with respect to application of, certain revenues as provided in the Indenture and the 2010 Master Trust Agreement and further described herein: (1) moneys transferred to the Trustee by the 2010 Master Trustee from amounts available under the 2010 Master Trust Agreement, consisting of the interest components of Pledged Participant Obligations and Pledged Net Participant Payments of Clean Water Participants and Drinking Water Participants (collectively, the **“Indenture Receipts”**), (2) investment earnings on the Drinking Water Subsidy Fund (as defined herein), to the extent available, and (3) income derived from investment of moneys held by the Trustee under the Indenture. If moneys from the applicable clean water or drinking water source are not sufficient, the cross-collateralization provisions of the 2010 Master Trust Agreement will be implemented. See **“SECURITY AND SOURCES OF PAYMENT OF THE BONDS”** and **“LIMITED SECURITY PROVIDED BY THE 2010 MASTER TRUST AGREEMENT”** herein and **Appendix C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Summary of Bond Indenture – State Match Portion Debt Service Fund.”**

The Bonds do not constitute or create an indebtedness, liability or moral obligation of the Participants, the State or any political subdivision thereof, the United States of America or any agency thereof, the United States Environmental Protection Agency (**“EPA”**), DNR, the Clean Water Commission or the Drinking Water Commission. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds nor is the State or any political subdivision thereof liable on the Bonds. The Authority has no taxing power.

Other Information

There follows in this Official Statement brief descriptions of the Bonds, certain of the Bond documents, the Programs and the Authority. **Appendix A** to this Official Statement is in two parts. Part 1 provides a list of all Pledged Participant Obligations. Part 2 includes information on the Material Master Trust Participants (see **“CONTINUING DISCLOSURE”** herein).

Appendix B contains a summary of the 2010 Master Trust Agreement. **Appendix C** contains a summary of certain provisions of the Indenture. **Appendix D** is the proposed form of the opinion which is anticipated to be rendered by Bond Counsel at the time of delivery of the Bonds.

Such descriptions, information and summaries provided herein do not purport to be comprehensive or definitive. All references herein to any documents are qualified by the terms of such documents in their entirety. Until the issuance and delivery of the Bonds, copies of the documents described herein may be obtained from Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representative of the Underwriters of the Bonds. After delivery of the Bonds, copies of the documents summarized in **Appendix B** and **Appendix C** will be available for inspection at the principal corporate trust office of the Trustee.

DESCRIPTION OF THE BONDS

General Description

The Bonds will be issued as fully-registered bonds in the denominations of \$5,000 or any integral multiple of \$5,000 (“**Authorized Denominations**”). The Bonds will be dated the date of initial issuance and delivery of the Bonds (the “**Bond Issuance Date**”), will mature on the dates and in the principal amounts and will bear interest at the interest rates per annum set forth on the inside cover hereof. Each Bond shall bear interest from the Bond Issuance Date or from the most recent date to which interest has been paid or duly provided for, payable semiannually on each January 1 and July 1, commencing January 1, 2019 (each an “**Interest Payment Date**”). Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

The principal of and redemption premium, if any, and interest on the Bonds shall be payable in any currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts, and, except as otherwise provided in the Indenture, such principal and redemption premium, if any, shall be payable by check or draft at the principal payment office of the Trustee or at the office of any duly appointed alternate Paying Agent, upon presentation and surrender of such Bonds. Payment of the interest on any Bond shall be made to the person appearing on the Bond Register as the Bondholder thereof as of the commencement of business of the Trustee on the Record Date for such Interest Payment Date, and shall be paid by check or draft of the Trustee mailed to such Bondholder at such Bondholder’s address as it appears on the Bond Register or at such other address as is furnished to the Trustee in writing by such Bondholder. Notwithstanding the foregoing, the principal of and redemption premium, if any, and interest on the Bonds is payable by electronic transfer in immediately available federal funds pursuant to instructions from any Bondholder of \$500,000 or more in aggregate principal amount of Bonds as of the commencement of business of the Trustee on the Record Date for a particular Interest Payment Date. Any such instructions for electronic transfer shall be in writing, signed by such Bondholder and given by such Bondholder to the Trustee not less than 15 days prior to the applicable Record Date and shall include the name of the bank (which shall be in the continental United States), its address, its ABA routing number and the name, number and contact name related to such Bondholder’s account at such bank to which the payment is to be credited and shall acknowledge that an electronic transfer fee is payable. Electronic transfers will be made to such electronic transfer address for which instructions were properly given irrespective of any transfer or exchange of the Bonds subsequent to such Record Date and prior to such Interest Payment Date. Unless the Bonds are in book-entry form, no principal of or redemption premium, if any, on the Bonds is payable unless the Bondholder thereof shall have surrendered such Bonds at the principal payment office of the Trustee. All checks, drafts or, at the best efforts of the Trustee, electronic transfers for the payment of the

principal of or redemption premium, if any, and interest on the Bonds shall include or have enclosed therewith the CUSIP number and appropriate payment amount for each CUSIP number. If a default in payment of interest due on an Interest Payment Date shall occur, such defaulted interest shall be payable to the persons in whose names the Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by the Trustee as Bond Registrar, which special record date shall not be less than 10 days preceding the date of payment of such defaulted interest.

Redemption; Notice of Redemption

Mandatory Sinking Fund Redemption. The Bonds maturing on July 1, 2032 are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of the Indenture at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, on the dates and in the principal amounts as follows:

<u>Redemption Date</u>	<u>Principal Amount</u>
January 1, 2032	\$555,000
July 1, 2032 [†]	515,000
[†] Maturity	

The Bonds maturing on July 1, 2033 are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of this Section at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, on the dates and in the principal amounts as follows:

<u>Redemption Date</u>	<u>Principal Amount</u>
January 1, 2033	\$455,000
July 1, 2033 [†]	420,000
[†] Maturity	

The Bonds maturing on July 1, 2034 are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of this Section at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, on the dates and in the principal amounts as follows:

<u>Redemption Date</u>	<u>Principal Amount</u>
January 1, 2034	\$365,000
July 1, 2034 [†]	320,000
[†] Maturity	

The Bonds maturing on July 1, 2035 are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of this Section at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, on the dates and in the principal amounts as follows:

<u>Redemption Date</u>	<u>Principal Amount</u>
January 1, 2035	\$275,000
July 1, 2035 [†]	230,000
[†] Maturity	

The Bonds maturing on July 1, 2036 are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of this Section at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, on the dates and in the principal amounts as follows:

<u>Redemption Date</u>	<u>Principal Amount</u>
January 1, 2036	\$195,000
July 1, 2036 [†]	160,000

[†]Maturity

The Bonds maturing on July 1, 2037 are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of this Section at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, on the dates and in the principal amounts as follows:

<u>Redemption Date</u>	<u>Principal Amount</u>
January 1, 2037	\$130,000
July 1, 2037 [†]	100,000

[†]Maturity

The Bonds maturing on July 1, 2038 are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of this Section at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, on the dates and in the principal amounts as follows:

<u>Redemption Date</u>	<u>Principal Amount</u>
January 1, 2038	\$85,000
July 1, 2038 [†]	85,000

[†]Maturity

Optional Redemption. The Bonds maturing on and after January 1, 2029, are subject to redemption in whole or in part on any date, at the option of the Authority, on and after July 1, 2028, at the redemption price of 100% of the principal amount redeemed, plus accrued interest thereon to the redemption date. Bonds to be redeemed pursuant to the optional redemption provisions above shall be selected from the maturities and in the principal amounts as shall be determined by the Authority. Upon any optional redemption of the Bonds maturing July 1, 2032, July 1, 2033, July 1, 2034, July 1, 2035, July 1, 2036, July 1, 2037 or July 1, 2038 in part, the applicable sinking fund installments described above under the subheading “**Mandatory Sinking Fund Redemption**” shall be reduced in the years and in the amounts on a proportionate basis unless the Authority makes a different written allocation, subject to rounding to Authorized Denominations.

Notice of Redemption. The Trustee shall select the Bonds, or portions thereof, to be redeemed from each maturity by lot, in such manner as it shall in its discretion determine.

Unless waived by any Bondholder of Bonds to be redeemed, official notice of any redemption of Bonds shall be given by the Bond Registrar on behalf of the Authority by mailing a copy of an official redemption notice by first class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date fixed for redemption to the Bondholder of the Bond or Bonds to be redeemed at the address shown on the Bond Register; provided, however, that failure to give such notice by mail as aforesaid to any Bondowner or any defect therein as to any particular Bond shall not affect the validity of any

proceedings for the redemption of any other Bonds. All official notices of redemption shall be dated and shall state (1) the redemption date, (2) the redemption price, (3) the CUSIP number (provided, however, that such notice may contain a disclaimer as to the accuracy of such numbers), (4) if less than all Outstanding Bonds are to be redeemed, the identification and the respective principal amounts of the Bonds to be redeemed, (5) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and (6) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal payment office of the Trustee.

In addition to the foregoing notice, further notice shall be given by the Trustee on behalf of the Authority as set out in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

In addition to the foregoing notice, the Trustee shall also comply with any mandatory requirements or guidelines published by the Securities and Exchange Commission relating to providing notices of redemption. The failure of the Trustee to comply with any such requirements shall not affect or invalidate the redemption of said Bonds.

So long as the Securities Depository is effecting book-entry transfers of the Bonds, the Trustee shall provide the notices specified in the Indenture only to the Securities Depository in the manner required by the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Direct Participants (as defined in the subsection below captioned “**Book-Entry System**”) and that the Direct Participants, in turn, will notify or cause to be notified the beneficial owners. Any failure on the part of the Securities Depository or a Direct Participant, or failure on the part of a nominee of a beneficial owner of a Bond to notify the beneficial owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

In the case of Bonds called for redemption as described above under the subheading “**Optional Redemption,**” any notice of redemption may be conditional upon moneys being on deposit with the Trustee on or prior to the redemption date in an amount sufficient to pay the redemption price of the Bonds being redeemed on the redemption date. The Trustee shall rescind such notice of the optional redemption of Bonds in accordance with the Indenture if moneys available solely for such optional redemption in accordance with the requirements of the Indenture and sufficient to pay the Bonds called for optional redemption and accrued interest thereon to the redemption date and the redemption premium, if any, shall not have been deposited with the Trustee by the close of business of the fifth Business Day next preceding such optional redemption date.

Upon the happening of the above conditions, and notice having been given as provided in the Indenture, the Bonds or the portions of the principal amount of Bonds thus called for redemption shall cease to bear interest on the specified redemption date, provided moneys sufficient for the payment of the redemption price are on deposit at the place of payment at the time, and shall no longer be entitled to the protection, benefit or security of the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture.

Non-Presentation of Bonds; Unclaimed Moneys

Except as provided in the following paragraph, in the event any Bonds shall not be presented for payment when the principal thereof becomes due, if funds sufficient to pay such Bonds shall be held by the Trustee for the benefit of the holder or holders thereof, all liability of the Authority to the holder or holders thereof for the payment of such Bonds shall forthwith cease, determine and be completely

discharged and thereupon it shall be the duty of the Trustee to hold such funds without liability for interest thereon, for the benefit of the holder or holders of such Bonds, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on the holder's part under the Indenture or on, or with respect to, such Bonds.

All moneys which the Trustee shall have withdrawn from the Debt Service Fund or shall have received from any other source and set aside for the purpose of paying any of the Bonds secured by the Indenture shall be held in trust for the respective holders of such Bonds, but any moneys which shall be so set aside or deposited by the Trustee and which shall remain unclaimed by the holders of such Bonds for a period of one year after the date on which such Bonds shall have become due and payable shall be paid to the Authority; provided, however, that the Trustee, before making any such payment shall send a letter to the last known address for such Bondholders that said moneys have not been claimed and that after a date named therein any unclaimed balance of said moneys then remaining will be returned to the Authority and thereafter the holders of such Bonds shall look only to the Authority for payment and then only to the extent of the amount so received without any interest thereon, and the Trustee shall have no responsibility with respect to such moneys.

Mutilated, Lost, Stolen or Destroyed Bonds

If any Outstanding Bond, whether temporary or definitive, is mutilated, lost, stolen or destroyed, the Authority may execute and, upon its request, the Trustee may authenticate a new Bond of the same principal amount and series and of like tenor as the mutilated, lost, stolen or destroyed Bond; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Authority and the Trustee evidence of the ownership thereof and of such loss, theft or destruction in form satisfactory to the Authority and the Trustee, together with an indemnity satisfactory to them. In the event any such Bond shall have matured or been called for redemption, instead of issuing a substitute Bond the Authority may authorize the payment of the same. The Authority and the Trustee may charge the holder or owner of such Bond with their reasonable fees and expenses in this connection. Any Bond issued under the provisions of this paragraph in lieu of any Bond alleged to be destroyed, lost or stolen shall constitute an original contractual obligation on the part of the Authority, whether or not the Bond so alleged to be destroyed, lost or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of the Indenture together with all other Bonds in substitution for which such Bonds were issued.

Exchange and Transfer of Bonds

As long as any of the Bonds remain Outstanding, the exchange of Bonds shall be permitted at the principal payment office of the Trustee. Any Bond or Bonds, upon surrender thereof at the principal payment office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his legal representative duly authorized in writing, may, at the option of the owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same series of any other Authorized Denominations.

In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Authority shall execute and the Trustee shall deliver Bonds in accordance with the provisions of the Indenture. For every such exchange or transfer of Bonds, whether temporary or definitive, the Authority or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

Book-Entry System

General. The Bonds are available in book-entry only form. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds. Ownership interests in the Bonds will be available to purchasers only through a book-entry system (the **“Book-Entry System”**) maintained by The Depository Trust Company (**“DTC”**), New York, New York. The following information in this section concerning DTC and DTC’s Book-Entry System has been obtained from sources the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

DTC will act as securities depository for the Bonds. The 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 Bond certificate will be issued for each principal maturity of the Bonds, each in the aggregate principal amount of such principal maturity of the Bonds, and will be deposited with the Trustee as DTC’s Fast Agent.

DTC and its Participants. 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 issues, 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 Direct Participants and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Ownership Interests. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each 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 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 the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

Transfers. To facilitate subsequent transfers, all 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 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 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.

Notices. 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 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the 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. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue 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.

Voting. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of Principal, Redemption Price and Interest. Redemption proceeds, distributions, and dividend payments on the 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, 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, distributions, and dividend 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.

Discontinuation of Book-Entry System. DTC may discontinue providing its services as depository with respect to the 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, Bond certificates are required to be printed and delivered. The Authority may decide to discontinue use of the system of book-entry transfer through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

SOURCES AND USES OF FUNDS

The following sets forth the expected sources and uses of funds relating to the issuance of the Bonds, together with other available funds of DNR and the 2010 Master Trustee:

Sources of Funds

Par amount of Bonds	\$31,610,000.00
Transfer from Master Trust Bonds Expense Fund ¹	513,008.13
Equity from Drinking Water Revolving Fund ²	43,005,000.00
Plus net original issue premium	<u>3,393,858.80</u>
Total	<u>\$78,521,866.93</u>

Uses of Funds

Deposit to Clean Water Account of the State Match Portion Debt Service Fund	\$24,000,461.65
Deposit to the Drinking Water Account of the State Match Portion Debt Service Fund	11,003,397.15
Deposit to Drinking Water Subsidy Fund ²	43,005,000.00
Costs of Issuance (including Underwriters' fee) ³	<u>513,008.13</u>
Total	<u>\$78,521,866.93</u>

¹ Held by the 2010 Master Trustee under the 2010 Master Trust Agreement.

² Funded from Drinking Water Revolving Fund Equity.

³ Funded from Master Trust Bonds Expense Fund transfer.

SECURITY AND SOURCES OF PAYMENT OF THE BONDS

Limited Obligations

The Bonds are limited obligations of the Authority, payable solely from and secured exclusively by revenues and receipts derived by the Authority consisting of, subject to priority of, or limitations with respect to application of, certain revenues as provided in the Indenture and the 2010 Master Trust Agreement: (1) Indenture Receipts, (2) investment earnings on the Drinking Water Subsidy Fund, to the extent available, and (3) income derived from investment of moneys held by the Trustee under the Indenture. If moneys from the applicable clean water or drinking water source are not sufficient, the cross-collateralization provisions of the 2010 Master Trust Agreement will be implemented. See **“LIMITED SECURITY PROVIDED BY THE 2010 MASTER TRUST AGREEMENT”** herein and **Appendix C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Summary of Bond Indenture – State Match Portion Debt Service Fund.”**

The Bonds do not constitute or create an indebtedness, liability or moral obligation of the Participants, the State or any political subdivision thereof, the United States of America or any agency thereof, EPA, DNR, the Clean Water Commission or the Drinking Water Commission. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds nor is the State or any political subdivision thereof liable on the Bonds. The Authority has no taxing power.

Limited Security Provided by the 2010 Master Trust Agreement

The Bonds have been designated as State Match Portion only. The Authority designated the Series 2015A Bonds as State Match Portion only. The Series 2010B Bonds and the Series 2015B

Refunding Bonds consisted of a State Match Portion and a Leveraged Portion. The State Match Portions are (1) secured on a parity basis by a priority pledge of the interest components of the Pledged Participant Obligations and the Pledged Net Participant Payments, (2) secured on a series basis by earnings on any subsidy fund or reserve fund associated with that series, (3) not secured by the principal components of the Pledged Participant Obligations or the Pledged Net Participant Payments, (4) not secured by certain amounts pledged under the 2004 Master Trust Agreement, consisting primarily of certain amounts released from reserve funds securing the 2004 Master Trust Bonds, and (5) not included in the definition of 2010 Master Trust Bonds.

The Bonds and the other State Match Portions are secured on a parity basis solely by the interest components of the Pledged Participant Obligations and the Pledged Net Participant Payments held by the 2010 Master Trustee in the Clean Water Interest Account and the Drinking Water Interest Account of the Repayment Fund. The Bonds are also secured by the interest earnings on the Drinking Water Subsidy Fund and other income derived from investment of moneys held by the Trustee under the Indenture. See the subsection below captioned “**Drinking Water Subsidy Fund.**”

The Series 2015A Bonds and the State Match Portion of the Series 2010B Bonds are secured in the same manner as described in the subsection below captioned “**Drinking Water Subsidy Fund**” by earnings on a drinking water subsidy fund created under the indentures pursuant to which each such series of bonds were issued. The State Match Portion of the Series 2015B Refunding Bonds is secured on a priority basis to the Leveraged Portion of the Series 2015B Refunding Bonds by interest earnings on a reserve fund created under the indenture pursuant to which the Series 2015B Refunding Bonds were issued.

The principal component of the Pledged Participant Obligations and the Pledged Net Participant Payments are pledged (on a parity basis) to the 2010 Master Trust Bonds. The Bonds are not 2010 Master Trust Bonds and, therefore, are not secured by the principal component of the Pledged Participant Obligations or the Pledged Net Participant Payments.

Indenture Receipts Transferred from the 2010 Master Trustee

Pledged Participant Obligations. Under the SRF Direct Loan Programs, each Participant issues a bond to DNR evidencing the Participant’s obligation to repay the loan from DNR (each a “**DNR Participant Obligation**” and collectively, the “**DNR Participant Obligations**”). Pursuant to the Master Pledge Agreement dated as of November 1, 2010, as amended by the First Amendment to Master Pledge Agreement dated as of February 1, 2015, between the Authority and DNR (collectively, the “**Pledge Agreement**”), DNR granted, assigned and transferred to the Authority a security interest in all of its right, title and interest in and to the principal and interest payments (the “**Repayments**”) on certain of its DNR Participant Obligations (the “**Pledged Participant Obligations**”) as security for the payment of Program Bonds issued under the 2010 Master Trust Agreement. The interest component of the Repayments on the Pledged Participant Obligations are first pledged (on a parity basis) to the payment of the State Match Portions, including the Bonds, and then (on a subordinate basis) to the 2010 Master Trust Bonds.

DNR has covenanted in the Pledge Agreement that it is the sole owner of all Pledged Participant Obligations, free and clear of the lien of any third party, and that it will not create, or allow any third party to create, any lien or encumbrance on the Pledged Participant Obligations or the Repayments pledged under the Pledge Agreement.

DNR has further covenanted that, in connection with the designation of Pledged Participant Obligations from time to time, it will deliver a certificate, executed by an Authorized Officer of DNR, to the Authority, the 2010 Master Trustee and each paying agent for the Pledged Participant Obligations,

directing the applicable paying agents to transfer the Repayments to the 2010 Master Trustee for deposit to the Repayment Fund held under the 2010 Master Trust Agreement no later than each Interest Payment Date. See **“LIMITED SECURITY PROVIDED BY THE 2010 MASTER TRUST AGREEMENT”** and **Appendix B - “SUMMARY OF CERTAIN PROVISIONS OF THE 2010 MASTER TRUST AGREEMENT - Deposits to Repayment Fund”** and **“- Withdrawals from the Repayment Fund.”**

DNR may substitute or add DNR Participant Obligations to the Pledged Participant Obligations by delivering (i) a certificate (a **“Substitution Certificate”**) executed by an Authorized Officer of DNR showing that each of the semiannual principal and interest payments on the substituted Pledged Participant Obligations is at least equal to each of the semiannual principal and interest payments on the replaced Pledged Participant Obligations or (ii) a certificate executed by an Authorized Officer of the Authority (a **“Cash Flow Certificate”**), showing that, after the substitution, expected payments of principal of and interest on the Pledged Participant Obligations and Pledged Net Participant Payments, and expected earnings on reserve, subsidy or other funds available for the payment of debt service are sufficient to timely pay the debt service on the outstanding 2010 Master Trust Bonds and that expected payments of interest on the Pledged Participant Obligations and Pledged Net Participant Payments and expected earnings on reserve, subsidy or other funds available for the payment of debt service are sufficient to timely pay debt service on the currently outstanding State Match Portions. See **Appendix A, Part 1 – “PLEGGED PARTICIPANT OBLIGATIONS”** for a listing of Pledged Participant Obligations as of the date of issuance of the Bonds. See also **Appendix B - “SUMMARY OF CERTAIN PROVISIONS OF THE 2010 MASTER TRUST AGREEMENT.”**

Pledged Net Participant Payments. The Authority has issued three series of refunding bonds under the 2004 Master Trust Agreement (referred to collectively herein as the **“2004 Master Trust Refunding Bonds”**) and three series of refunding bonds under the 2010 Master Trust Agreement (the Series 2011A Refunding Bonds, the Series 2013A Refunding Bonds and the Series 2015B Refunding Bonds) (collectively, the **“2010 Master Trust Refunding Bonds”**), the proceeds of which were used to refund certain portions of prior Program Bonds issued under the 2004 Master Trust Agreement (the **“Original Bonds”**). Portions of the Original Bonds that were not refunded by the 2004 Master Trust Refunding Bonds or the 2010 Master Trust Refunding Bonds are referred to herein as the **“Remaining Original Bonds.”**

At the time of issuance of each series of Original Bonds, the Authority loaned the proceeds thereof to certain Participants. The Participant loans were evidenced by bonds, promissory notes or other repayment obligations of each of the Participants (individually, an **“Authority Bond Participant Obligation”** and collectively, the **“Authority Bond Participant Obligations”**) in an aggregate principal amount and bearing interest at rates sufficient to pay the principal of, premium, if any, and interest on an allocable portion of the Original Bonds when due. These Authority Bond Participant Obligations are subsidized by interest earnings on reserve funds established in connection with the issuance of the Original Bonds, with an account for each Participant in the reserve fund (each a **“Reserve Account”** and collectively, the **“Reserve Accounts”**). Notwithstanding the refunding or defeasance of all or portions of the Original Bonds, each Participant continues to be obligated to make payments on its Authority Bond Participant Obligation in accordance with the schedule of principal and interest payments set forth in the documents for such obligation, taking into account the subsidy from the interest earnings on the Reserve Accounts.

Following the issuance of the applicable series of refunding bonds, debt service on the Remaining Original Bonds is paid first, from the earnings on the applicable Reserve Accounts and second, from payments made by Participants on the related Authority Bond Participant Obligations. After the payment of debt service on the Remaining Original Bonds and, in the case of Original Bonds issued on or before April 9, 2003, the 2004 Master Trust Refunding Bonds, any excess payments of principal and interest

made by Participants on the Authority Bond Participant Obligations related to the Original Bonds refunded by the 2010 Master Trust Refunding Bonds (collectively, the “**Pledged Net Participant Payments**”) have been pledged by the Authority to the 2010 Master Trustee pursuant to the Authority Master Pledge Agreement dated as of November 1, 2011, between the Authority and the 2010 Master Trustee (the “**Authority Pledge Agreement**”).

Under the Authority Pledge Agreement, the Authority has agreed to cause the Pledged Net Participant Payments to be transferred to the 2010 Master Trustee for deposit to the Repayment Fund held under the 2010 Master Trust Agreement no later than each Interest Payment Date. See **Appendix B – “SUMMARY OF CERTAIN PROVISIONS OF THE 2010 MASTER TRUST AGREEMENT – Deposits to Repayment Fund”** and “– Withdrawals from the Repayment Fund.”

Transfer of Indenture Receipts from the 2010 Master Trustee. The 2010 Master Trust Agreement established a Repayment Fund consisting of a Clean Water Principal Account, a Clean Water Interest Account, a Drinking Water Principal Account and a Drinking Water Interest Account. Only monies on deposit in the Clean Water Interest Account and the Drinking Water Interest Account of the Repayment Fund are available for the payment of the Bonds and, on a parity basis, other State Match Portions. See “**LIMITED SECURITY PROVIDED BY THE 2010 MASTER TRUST AGREEMENT**” herein and **Appendix B – “SUMMARY OF CERTAIN PROVISIONS OF THE 2010 MASTER TRUST AGREEMENT.”** No later than each Interest Payment Date or other date on which debt service is due on the Bonds, the 2010 Master Trustee will transfer the interest components of the debt service payments on the Pledged Participant Obligations and the Pledged Net Participant Payments, and investment earnings on the Drinking Water Subsidy Fund, to the Trustee for application as provided in the Indenture and described in the next paragraph.

Moneys received by the Trustee attributable to interest payments on Pledged Participant Obligations and Pledged Net Participant Payments of Clean Water Participants will be deposited into the Clean Water Account of the State Match Portion Debt Service Fund and applied to pay debt service on the portion of the Bonds issued to provide the State Match for the Clean Water SRF Program and designated as the “Clean Water State Match Portion” in the Indenture. Moneys received by the Trustee attributable to interest payments on Pledged Participant Obligations and Pledged Net Participant Payments of Drinking Water Participants, and investment earnings on the Drinking Water Subsidy Fund, will be deposited into the Drinking Water Account of the State Match Portion Debt Service Fund and applied to pay debt service on the portion of the Bonds issued to provide the State Match for the Drinking Water SRF Program and designated as the “Drinking Water State Match Portion” in the Indenture. If moneys from the applicable clean water or drinking water source are not sufficient, the cross-collateralization provisions of the 2010 Master Trust Agreement will be implemented. See “**LIMITED SECURITY PROVIDED BY THE 2010 MASTER TRUST AGREEMENT,**” **Appendix B – “SUMMARY OF CERTAIN PROVISIONS OF THE 2010 MASTER TRUST AGREEMENT”** and **Appendix C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE - Summary of Bond Indenture – State Match Portion Debt Service Fund.”**

Drinking Water Subsidy Fund

On the date of issuance and delivery of the Bonds (the “**Bond Issuance Date**”), DNR will transfer \$43,005,000 from the Drinking Water Revolving Fund to the Trustee for deposit in a fund established in the Indenture for deposit of such moneys (referred to herein as the “**Drinking Water Subsidy Fund**”), which amount will be invested pursuant to the terms of the Indenture. On each Interest Payment Date or other date on which debt service is due on the Drinking Water State Match Portion of the Bonds, the Trustee will transfer investment earnings on the Drinking Water Subsidy Fund (after transferring the excess investment earnings, if any, that are required to be transferred to the Rebate Fund

pursuant to the Tax Agreement) to the Drinking Water Account of the State Match Portion of the Debt Service Fund to be applied to the payment of debt service on the Drinking Water State Match Portion of the Bonds.

DEBT SERVICE SCHEDULE AND CASH FLOW SUFFICIENCY

The following table sets forth (a) projected cash flows for payment of debt service on the Bonds and the other State Match Portions, which includes the projected (i) interest components of Pledged Participant Obligations, (ii) interest earnings on each drinking water subsidy fund securing the State Match Portion of the Series 2010B Bonds and the Series 2015A Bonds, respectively, and interest earnings on the Drinking Water Subsidy Fund available to pay debt service on the Bonds and (iii) interest earnings on the debt service reserve fund available to pay debt service on the State Match Portion of the Series 2015B Refunding Bonds, (b) debt service requirements for the State Match Portions other than the Bonds, (c) debt service on the Bonds and (d) projected State Match Portion debt service coverage. The interest components of Pledged Net Participant Payments are also available to pay debt service on the Bonds and the other State Match Portions, but this source of payment is not reflected below in the column captioned "Projected Cash Flow."

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<u>Payment Date</u>	<u>Projected Cash Flow⁽¹⁾</u>	<u>Outstanding State Match Debt Service</u>	<u>2018A Bonds Principal</u>	<u>2018A Bonds Interest</u>	<u>Total State Match Debt Service</u>	<u>Projected State Match Debt Service Coverage</u>
1/1/2019	\$ 7,959,791	\$ 2,236,347	\$ 1,640,000	\$ 314,658	\$ 4,191,005	1.90
7/1/2019	8,073,630	2,752,847	1,490,000	734,869	4,977,716	1.62
1/1/2020	7,886,154	2,080,472	1,495,000	697,619	4,273,091	1.85
7/1/2020	7,646,151	2,582,672	1,495,000	660,244	4,737,916	1.61
1/1/2021	7,454,778	1,942,497	1,500,000	622,869	4,065,366	1.83
7/1/2021	7,199,663	2,404,297	1,495,000	585,369	4,484,666	1.61
1/1/2022	6,892,892	1,785,672	1,405,000	547,994	3,738,666	1.84
7/1/2022	6,627,002	2,207,797	1,400,000	512,869	4,120,666	1.61
1/1/2023	6,315,892	1,628,547	1,295,000	477,869	3,401,416	1.86
7/1/2023	6,036,554	2,026,997	1,290,000	445,494	3,762,491	1.60
1/1/2024	5,718,586	1,460,747	1,185,000	413,244	3,058,991	1.87
7/1/2024	5,440,267	1,832,622	1,165,000	383,619	3,381,241	1.61
1/1/2025	5,118,388	1,299,497	1,060,000	354,494	2,713,991	1.89
7/1/2025	4,823,996	1,643,747	1,030,000	327,994	3,001,741	1.61
1/1/2026	4,456,974	1,123,747	890,000	302,244	2,315,991	1.92
7/1/2026	4,154,036	1,435,872	860,000	279,994	2,575,866	1.61
1/1/2027	3,930,912	944,622	845,000	258,494	2,048,116	1.92
7/1/2027	3,626,871	1,234,872	775,000	237,369	2,247,241	1.61
1/1/2028	3,399,293	767,372	800,000	217,994	1,785,366	1.90
7/1/2028	3,118,028	1,031,022	695,000	197,994	1,924,016	1.62
1/1/2029	2,885,361	632,522	740,000	180,619	1,553,141	1.86
7/1/2029	2,657,774	804,047	660,000	162,119	1,626,166	1.63
1/1/2030	2,422,396	515,997	685,000	145,619	1,346,616	1.80
7/1/2030	2,190,341	578,947	620,000	128,494	1,327,441	1.65
1/1/2031	1,961,526	404,784	620,000	112,994	1,137,778	1.72
7/1/2031	1,753,820	343,456	585,000	97,494	1,025,950	1.71
1/1/2032	1,558,703	293,056	555,000	82,869	930,925	1.67
7/1/2032	1,369,372	243,416	515,000	68,994	827,409	1.66
1/1/2033	1,178,413	189,534	455,000	56,119	700,653	1.68
7/1/2033	1,017,125	141,497	420,000	48,725	610,222	1.67
1/1/2034	856,945	104,219	365,000	41,900	511,119	1.68
7/1/2034	710,073	67,531	320,000	32,775	420,306	1.69
1/1/2035	577,448	41,434	275,000	24,775	341,209	1.69
7/1/2035	475,799	25,759	230,000	19,275	275,034	1.73
1/1/2036	391,059	20,338	195,000	14,675	230,013	1.70
7/1/2036	301,656	-	160,000	10,775	170,775	1.77
1/1/2037	239,285	-	130,000	7,575	137,575	1.74
7/1/2037	184,966	-	100,000	4,975	104,975	1.76
1/1/2038	156,717	-	85,000	2,975	87,975	1.78
7/1/2038	146,369	-	85,000	1,488	86,488	1.69
Total	<u>\$138,915,008</u>	<u>\$38,828,800</u>	<u>\$31,610,000</u>	<u>\$9,818,520</u>	<u>\$80,257,320</u>	

⁽¹⁾ Projected Cash Flow amounts consist of the interest components of Pledged Participant Obligations and projected interest earnings on each drinking water subsidy fund securing the Series 2015A Bonds and the State Match Portion of the Series 2010B Bonds, respectively, projected interest earnings on the Drinking Water Subsidy Fund available to pay debt service on the Bonds (which earnings will no longer be available for payment of debt service on the Bonds after July 1, 2025), and projected interest earnings on the reserve fund available to pay debt service on the State Match Portion of the Series 2015B Refunding Bonds. Although the interest components of Pledged Net Participant Payments are also available to pay debt service on the Bonds, such amounts are not included in the amounts shown.

Projected Sufficiency of Indenture Receipts

Upon the issuance of the Bonds, the Authority will deliver to the Trustee a Cash Flow Certificate, executed by an Authorized Officer of the Authority showing that (1) the expected payments of interest on the Pledged Participant Obligations and Pledged Net Participant Payments, the expected earnings on the Drinking Water Subsidy Fund, the expected earnings on each drinking water subsidy fund securing the Series 2015A Bonds and the State Match Portion of the Series 2010B Bonds, respectively, and the

expected earnings on the reserve fund available to pay debt service on the State Match Portion of the Series 2015B Refunding Bonds are sufficient to timely pay debt service on the State Match Portions, including the Bonds; and (2) the expected remaining interest payments and principal payments on the Pledged Participant Obligations and Pledged Net Participant Payments are sufficient to timely pay debt service on the Master Trust Bonds. The actual amounts received by the 2010 Master Trustee are subject to various factors, including general economic conditions, the demand for loans, the credit of the Participants, the credit quality of the issuers of investment securities in which moneys are invested, the availability of investment securities in which to invest moneys at sufficient rates and possible early termination of investments. As a result of these and other factors, the actual cash flow received by the 2010 Master Trustee may differ from the assumed cash flow, and these differences may be material, which may affect the ability to pay debt service on the Bonds when due.

LIMITED SECURITY PROVIDED BY THE 2010 MASTER TRUST AGREEMENT

General. The 2010 Master Trust Agreement establishes a Repayment Fund, consisting of a Clean Water Principal Account, a Clean Water Interest Account, a Drinking Water Principal Account and a Drinking Water Interest Account. Under the Pledge Agreement, DNR has granted, assigned and transferred to the Authority a security interest in all of its rights, title and interest in and to Repayments on the Pledged Participant Obligations. Under the Authority Pledge Agreement, the Authority has granted, assigned and transferred to the 2010 Master Trustee a security interest in all of its rights, title and interest in and to the Pledged Net Participant Payments, subject in all respects to prior pledges by the Authority securing payment of the Remaining Original Bonds and the 2004 Master Trust Refunding Bonds. **Only moneys deposited in the Clean Water Interest Account and the Drinking Water Interest Account held under the 2010 Master Trust Agreement are security for the Bonds.**

Flow of Funds. Moneys transferred to the 2010 Master Trustee are deposited in the applicable accounts of the Repayment Fund. The interest portions of payments on Pledged Participant Obligations and Pledged Net Participant Payments of Clean Water Participants are deposited into the Clean Water Interest Account and the interest portions of payments on Pledged Participant Obligations and Pledged Net Participant Payments of Drinking Water Participants are deposited into the Drinking Water Interest Account. The principal portions of payments on Pledged Participant Obligations and Pledged Net Participant Payments of Clean Water Participants are deposited into the Clean Water Principal Account and the principal portions of payments on Pledged Participant Obligations and Pledged Net Participant Payments of Drinking Water Participants are deposited into the Drinking Water Principal Account.

The 2010 Master Trustee will make withdrawals from the Repayment Fund for (i) the payment of debt service on the State Match Portions (i.e., all of the Bonds, all of the Series 2015A Bonds, the State Match Portion of the Series 2015B Refunding Bonds, the State Match Portion of the Series 2010B Bonds and the State Match Portion of any future series of Program Bonds issued under the 2010 Master Trust Agreement) but solely from amounts in the Clean Water Interest Account and the Drinking Water Interest Account, (ii) after the payment on the State Match Portions, the payment of debt service on the 2010 Master Trust Bonds (i.e, the Leveraged Portion of the Series 2015B Refunding Bonds, all of the Series 2013A Refunding Bonds, all of the Series 2011A Refunding Bonds, the Leveraged Portion of the Series 2010B Bonds and Leveraged Portions of any future Program Bonds that are designated as 2010 Master Trust Bonds), and (iii) with any remaining funds, the funding of any required carry-forward balances within the accounts of the Repayment Fund (which is an amount that the 2010 Master Trustee is instructed to maintain in the debt service accounts for debt service on the next Interest Payment Date). See **Appendix B – “SUMMARY OF CERTAIN PROVISIONS OF THE 2010 MASTER TRUST AGREEMENT – Withdrawals from Repayment Fund”** for a more detailed discussion of withdrawals from the Repayment Fund.

Additional 2010 Master Trust Bonds and State Match Portions. The 2010 Master Trust Agreement contains conditions that must be satisfied for future series of 2010 Master Trust Bonds or State Match Portions to be secured by the 2010 Master Trust Agreement. Assuming such conditions are satisfied and such series are so designated by the Authority, the Authority anticipates that future series of 2010 Master Trust Bonds and State Match Portions will be secured by the 2010 Master Trust Agreement to the extent provided in the bond indentures pursuant to which such bonds are issued. However, the State Match Portions, including the Bonds, are secured solely (1) on a parity basis, by a priority pledge of the interest components of Pledged Participant Obligations and Pledged Net Participant Payments received by the 2010 Master Trustee and (2) on a series basis, by earnings on any subsidy fund or reserve fund associated with that series. See **Appendix B – “SUMMARY OF CERTAIN PROVISIONS OF THE 2010 MASTER TRUST AGREEMENT.”**

THE AUTHORITY

General

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

The purpose of the Authority is 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> ¹	<u>Title</u>	<u>Term Expires</u>
William “Andy” Dalton	Chairman	January 22, 2012 ²
Deron L. Cherry	Vice Chairman, Treasurer and Assistant Secretary	January 22, 2007 ²
LaRee DeFreece	Secretary	January 1, 2011 ²

¹ There are currently two vacancies on the Board.

² Members continue to serve until reappointed or replaced as provided by Missouri law.

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

Other Indebtedness

The Authority has heretofore sold and delivered other bonds and notes secured by instruments separate and apart from the Program Bonds secured by the Master Trust Agreements. 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 Bonds are issued and the owners of the 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, except as provided herein, secured by instruments, properties and revenues separate from those securing the Bonds.

MISSOURI DEPARTMENT OF NATURAL RESOURCES, MISSOURI CLEAN WATER COMMISSION AND MISSOURI SAFE DRINKING WATER COMMISSION

Missouri Department of Natural Resources

DNR has authority to administer the programs of the State relating to environmental control and the conservation and management of natural resources. DNR has entered into Capitalization Grant Agreements (as defined herein) with EPA to administer the Clean Water SRF Program and has entered into separate Capitalization Grant Agreements with EPA to administer the Drinking Water SRF Program. With respect to the Clean Water SRF Program, DNR annually prepares an intended use plan (“**Clean Water IUP**”), which is subsequently adopted by the Clean Water Commission through a public hearing process, identifying wastewater treatment projects that are eligible for assistance from the Clean Water SRF Program. Similarly, with respect to the Drinking Water SRF Program, DNR annually prepares an intended use plan (“**Drinking Water IUP**”), which is subsequently adopted by the Drinking Water Commission through a public meeting process, identifying drinking water projects that are eligible for assistance from the Drinking Water SRF Program.

After the issuance of a series of Program Bonds or DNR Participant Obligations, DNR monitors projects, conducts environmental reviews, approves loan disbursement requests for construction costs incurred by participants that receive financial assistance from the Programs, requests transfers of appropriate amounts to the reserve accounts of the applicable participants and reviews annual participant audits. DNR also requests appropriations of moneys on deposit in the State Revolving Funds (defined herein in the section captioned “**STATE REVOLVING FUNDS PROGRAMS**”) and monitors the balance of available State Match funds, as necessary.

The senior executives of DNR who have responsibilities with respect to the Programs are as follows:

<u>Name</u>	<u>Position</u>
Carol S. Comer	Director – Department of Natural Resources
Ed Galbraith	Director – Division of Environmental Quality
Chris Wieberg	Director – Water Protection Program
Hannah Humphrey	Director – Financial Assistance Center

Missouri Clean Water Commission

The Clean Water Commission, an agency of the State domiciled in DNR, is authorized under Missouri statutes to administer all State funds received by DNR for wastewater construction loans and drinking water projects, including funds held in the State Revolving Funds. Pursuant to State regulations, DNR prepares a Clean Water IUP annually, which is subsequently approved and adopted by the Clean Water Commission, for the funds available in the Water and Wastewater Loan Fund. Based upon information provided by DNR, the Clean Water Commission selects applicants to receive loan commitments from the Clean Water SRF Program using criteria set forth in State Clean Water Laws (as defined herein). The Clean Water Commission is responsible for implementation of both the Clean Water IUP, with respect to funds available from the Water and Wastewater Loan Fund, and the Drinking Water IUP, with respect to funds available from the Drinking Water Revolving Fund.

The members of the Clean Water Commission are as follows:

<u>Name</u>	<u>Position</u>	<u>Expiration of Term of Office</u>
Ashley McCarty	Chair	April 12, 2020
John “Ben” Hurst	Vice Chair	April 12, 2020
Stan Coday	Commissioner	April 12, 2020
Patricia Thomas	Commissioner	April 12, 2022
John Reece	Commissioner	April 12, 2019
Allen Rowland	Commissioner	April 12, 2022

Missouri Safe Drinking Water Commission

The Drinking Water Commission, an agency of the State domiciled in DNR, is authorized under Missouri statutes to adopt rules necessary for the implementation, administration and enforcement of the State Drinking Water Laws (as defined herein) and the Federal Drinking Water Act. The Drinking Water Commission, in conjunction with DNR, is required by the State Drinking Water Laws to annually prepare a Drinking Water IUP for the funds available in the Drinking Water Revolving Fund. Based upon information provided by DNR, the Drinking Water Commission selects applicants to receive loan commitments from the Drinking Water SRF Program using criteria set forth in State Drinking Water Laws. The Drinking Water Commission submits the Drinking Water IUP to the Clean Water Commission for final implementation.

The members of the Drinking Water Commission are as follows:

<u>Name</u>	<u>Position</u>	<u>Expiration of Term of Office¹</u>
Elizabeth Grove	Chair	September 1, 2010
Susan E. Hazelwood	Vice Chair	September 1, 2014
Susan McCray Armstrong	Commissioner	September 1, 2012
D. Scott Bockenkamp	Commissioner	September 1, 2010
Charli Jo Ledgerwood	Commissioner	September 1, 2012
Bruce Manning	Commissioner	September 1, 2012
Rodger Owens	Commissioner	September 1, 2010
Fred W. Schmidt	Commissioner	September 1, 2020
Curtis Skouby	Commissioner	September 1, 2012

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

STATE REVOLVING FUNDS PROGRAMS

The description of the Programs included in this section is intended to provide an overview of the mechanics of the Programs applicable to bonds issued by the Authority.

Federal Authorization of State Revolving Funds

The Federal Clean Water Act provides for the establishment of state loan programs, the funds of which are used to provide financial assistance to various instrumentalities of the state for the construction of publicly owned systems for the storage, treatment, recycling and reclamation of municipal sewage and certain other water pollution control projects. The Federal Clean Water Act requires, as a condition for the receipt of certain federal financial assistance, that each state establish a state revolving loan fund to accept federal capitalization grants administered by the EPA and the required state matching funds, currently equal to 20% of the federal capitalization grants (the **“Clean Water State Match”**). In 1988, Missouri statutes created two state loan funds to meet the requirements of the Federal Clean Water Act: the Water and Wastewater Loan Fund (the **“Water and Wastewater Loan Fund”**) and the Water and Wastewater Loan Revolving Fund (the **“Water and Wastewater Loan Revolving Fund”**). The Water and Wastewater Loan Fund and the Water and Wastewater Loan Revolving Fund are administered pursuant to the Clean Water SRF Program.

The Federal Drinking Water Act provides for the establishment of state loan programs, the funds of which are used to provide financial assistance to various community water systems (including for-profit companies) and nonprofit non-community water systems in connection with the construction of drinking water projects. Under each state loan program, a state revolving loan fund is created to accept federal capitalization grants and required state matching funds, currently equal to at least 20% of the federal capitalization grants (the **“Drinking Water State Match”**). In 1998, amendments to State law created a revolving loan fund, the Drinking Water Revolving Fund, to meet the requirements of the Federal Drinking Water Act (the **“Drinking Water Revolving Fund,”** and collectively with the Water and Wastewater Loan Fund and the Water and Wastewater Loan Revolving Fund, the **“State Revolving Funds”**). The Drinking Water Revolving Fund is administered pursuant to the Drinking Water SRF Program.

Missouri State Revolving Funds Programs

The Clean Water SRF Program was established in 1988 pursuant to the Federal Clean Water Act and Missouri statutes and regulations implementing it (collectively, **“State Clean Water Laws”**) and the Act. The Drinking Water SRF Program was established in 1998 pursuant to the Federal Drinking Water Act and Missouri statutes and regulations implementing it (collectively, the **“State Drinking Water Laws”**) and the Act. The Clean Water SRF Program is a joint financing arrangement among DNR, the Clean Water Commission and the Authority designed to meet federal requirements for state revolving funds for wastewater treatment facilities. The Drinking Water SRF Program is a joint financing arrangement among DNR, the Clean Water Commission, the Drinking Water Commission and the Authority designed to meet federal requirements for state revolving funds for drinking water facilities. These entities have entered into an amended and restated Cooperation Agreement which establishes the roles of each in connection with the Clean Water SRF Program and the Drinking Water SRF Program.

In 1988, two state loan funds were created under the State Clean Water Laws: the Water and Wastewater Loan Fund, to accept federal capitalization grants and appropriated State matching funds, and the Water and Wastewater Loan Revolving Fund, to accept reserve funds released pursuant to master trust agreements executed in connection with the issuance of Master Trust Bonds and repayments of other obligations under the Programs. In 1998, pursuant to State Drinking Water Laws, the Drinking Water

Revolving Fund was created, as a subfund in the Water and Wastewater Loan Fund, to accept federal capitalization grants for the Drinking Water SRF Program. Monies in the State Revolving Funds are available to provide financial assistance for eligible projects on a revolving basis.

DNR, in cooperation with the Clean Water Commission, has developed and implemented the Clean Water SRF Direct Loan Program to make loans to political subdivisions of the State to finance publicly owned wastewater treatment facilities. DNR, in cooperation with the Drinking Water Commission, has developed and implemented the Drinking Water SRF Direct Loan Program to make loans to political subdivisions of the State and private corporations to finance publicly and privately owned drinking water treatment facilities.

Eligibility and Project Evaluation

Each participant applying for financial assistance from the Programs first demonstrates that the project it proposes to construct, rehabilitate, improve, or refinance is eligible for such assistance under the terms of applicable provisions of federal and State law. DNR prepares an annual Clean Water IUP for the Clean Water SRF Program and an annual Drinking Water IUP for the Drinking Water SRF Program, which are adopted by the respective commissions. The IUPs identify projects determined to be eligible for assistance, establish an order of priority for such projects on the basis of environmental or public health significance and other factors, and establish the basis of funding commitments as provided in State regulations.

DNR reviews the financial information submitted with each application and advises the potential recipient of its eligibility for financial assistance pursuant to the Clean Water SRF Program or the Drinking Water SRF Program, as applicable. Once a project is placed on either the Clean Water IUP or the Drinking Water IUP, the potential loan recipient must file detailed project and financial information with DNR and an application requesting the issuance of bonds or notes with the Authority.

In connection with each application for funding under the Clean Water SRF Direct Loan Program or the Drinking Water SRF Direct Loan Program, an applicant submits a due diligence questionnaire to DNR that details information on the applicant's wastewater or drinking water system, financial information and rate structure. DNR reviews the information supplied in the due diligence questionnaire. For each of the DNR Participant Obligations, DNR obtained an opinion of local bond counsel regarding the validity of the DNR Participant Obligation.

Prior to closing on each DNR Participant Obligation, DNR reviews and approves an application submitted by each Participant. DNR monitors each Participant project, conducts environmental reviews and approves construction disbursement requests submitted by each Participant in connection with project construction.

Method of Funding State Revolving Funds

The Water and Wastewater Loan Fund and the Drinking Water Revolving Fund are funded primarily through federal capitalization grants awarded by the EPA to the State and appropriated by the State to fund such State Revolving Fund. To date, \$1,243,877,631 in federal capitalization grants for the Water and Wastewater Loan Fund have been awarded by the EPA to the State and \$359,136,490 in federal capitalization grants for the Drinking Water Revolving Fund have been awarded by the EPA to the State. DNR, as the recipient of the federal capitalization grants on behalf of the State, has executed separate Capitalization Grant Agreements with the EPA regarding federal funding of the Clean Water SRF Program (the "**Clean Water Capitalization Grant Agreements**") and the Drinking Water SRF Program (the "**Drinking Water Capitalization Grant Agreements**") and collectively with the Clean

Water Capitalization Grant Agreements, the “**Capitalization Grant Agreements**”). The payment of grant moneys to the State under the Capitalization Grant Agreements is initiated when a written payment request is submitted by DNR to the EPA. Additional applications are anticipated to be submitted to EPA for Capitalization Grant Agreements to finance additional projects under both the Clean Water SRF Program and the Drinking Water SRF Program.

Pursuant to the Federal Clean Water Act, the Federal Drinking Water Act and related regulations (collectively, the “**Federal Act**”), DNR must provide EPA with an annual report which provides information regarding accounting, administrative, operating and financial matters with respect to the Programs. EPA uses such information to monitor DNR’s compliance with the requirements of the Federal Act. If EPA determines that DNR is not in compliance with the Federal Act, EPA may refuse to honor DNR’s requests for payment of grant moneys to the State under the Capitalization Grant Agreements.

Types of Participant Repayment Obligations

The Pledged Participant Obligations and the security therefor take several different forms. The vast majority are system revenue bonds. Revenue bonds, which are approved by the requisite percentage of voters within the Participant, are special, limited obligations of the Participant payable from, and secured as to the payment of debt service by, a pledge of the net revenues derived from the operation of the described system. The system from which revenues are pledged may be the Participant’s sewerage system, combined water and sewerage system, water system or subdistrict of the Participant or other portion of a system. The taxing power of the Participants is not pledged to the payment of its revenue bonds. The Participant’s ordinance or resolution authorizing the revenue bonds typically contains a rate covenant obligating the Participant to establish, maintain and collect user rates and charges sufficient to pay debt service on the revenue bonds after covering costs of operation, maintenance and reasonable reserves. The revenue bonds included in the Programs often have a parity lien as to system revenues with prior bonds of the Participant but sometimes are subordinate to prior bonds of the Participant (when approved by DNR). Future parity lien revenue bonds of the Participant are permitted provided certain parity bond tests are met regarding past or future system performance. Typically the ordinance or resolution prohibits the Participant from issuing future obligations with a superior lien on the applicable system revenues but permits subordinate obligations. In certain circumstances, Participants meeting certain credit ratings and policy criteria of the Authority may be permitted to issue future superior lien obligations, including The Metropolitan St. Louis Sewer District, a Material Master Trust Participant (as defined herein), which currently has \$1,167,225,000 of senior bonds outstanding.

Other forms of Pledged Participant Obligations and Authority Bond Participant Obligations are (1) general obligation bonds, which are backed by the full faith, credit and taxing power of the Participant; (2) neighborhood improvement district bonds, which are payable from special assessments on the real property benefiting from the improvements financed with the proceeds of the Participant’s bonds; (3) obligations secured by special revenues of a Participant, a pledge of special tax or revenues other than those of the Participant’s system; or (4) obligations which are subject to annual appropriation. The City of Springfield, Missouri, is the only Participant in the Programs with loans secured by an annual appropriation form of repayment obligation as the sole source of security for their loan obligations.

In the history of the Programs, no payment default on any Pledged Participant Obligation or Pledged Net Participant Payment has occurred.

LITIGATION

To the knowledge of the Authority there is no legal action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body for which the Authority has been served with process or official notice or threatened against or affecting the Authority or any reasonable basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transaction contemplated by this Official Statement or the validity of the Bonds, the Master Trust Agreements, the Pledge Agreement, the Authority Pledge Agreement, the Indenture, or any agreement or instrument to which the Authority is a party and which is used or contemplated for use in the transactions contemplated by this Official Statement, and no member, employee or agent of the Authority has been served with any legal process regarding such litigation or other proceeding.

TAX MATTERS

The following is a summary of the material federal and State of Missouri income tax consequences of holding and disposing of the Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Missouri, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Bonds.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Authority, under the law existing as of the issue date of the Bonds:

Federal and Missouri Tax Exemption. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is exempt from income taxation by the State of Missouri.

Alternative Minimum Tax. The interest on the Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bank Qualification. The Bonds have not been designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

Bond Counsel’s opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the Authority, DNR and each applicable Participant comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Authority, DNR and each applicable Participant have covenanted to comply with all such requirements to the extent within its control. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal and State of Missouri income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax

consequences arising with respect to the Bonds, but has reviewed the discussion under the heading “**TAX MATTERS.**”

Other Tax Consequences

Original Issue Discount. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Bond over its issue price. The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Bond during any accrual period generally equals (1) the issue price of that Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in that Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.

Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a Bond over its stated redemption price at maturity. The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the Bond using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the owner’s basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Bond prior to its maturity. Even though the owner’s basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner’s adjusted tax basis in the Bond. To the extent a Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Bonds, and to the proceeds paid on the sale of the Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner’s federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with

“excess net passive income,” foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

LEGAL MATTERS

Certain legal matters incident to the authorization, issuance, sale and delivery of the Bonds are subject to the approval of Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel, whose approving legal opinion will be delivered with the Bonds in substantially the form of **Appendix D**. Certain other legal matters will be passed on for the Authority by Lewis Rice LLC, St. Louis, Missouri, and for the Underwriters by Thompson Coburn LLP, St. Louis, Missouri, and the Hardwick Law Firm, LLC, Kansas City, Missouri, Co-Counsel to the Underwriters.

EXCEPT FOR INFORMATION CONCERNING THE AUTHORITY IN THE SECTIONS HEREOF CAPTIONED “**THE AUTHORITY**” AND “**LITIGATION**,” NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT HAS BEEN SUPPLIED OR VERIFIED BY THE AUTHORITY, AND NO REPRESENTATION OR WARRANTY IS MADE BY OR ON BEHALF OF THE AUTHORITY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

Except as specifically set forth below, Bond Counsel and Counsel to the Authority have not prepared and do not pass upon the fairness, accuracy or completeness of this Official Statement. No person is entitled to rely upon such firms’ limited participation as an assumption of responsibility for or an expression of any kind with regard to the accuracy or completeness of any information contained therein. Bond Counsel has reviewed the information appearing under the captions “**DESCRIPTION OF THE BONDS**” (other than under the heading “**Book-Entry Only System**”), “**SECURITY AND SOURCES OF PAYMENT OF THE BONDS**,” “**LIMITED SECURITY PROVIDED BY THE 2010 MASTER TRUST AGREEMENT**” and “**TAX MATTERS**,” and in **Appendix B** and **Appendix C**. Counsel to the Authority has reviewed the information appearing under the captions “**THE AUTHORITY**” and “**LITIGATION**.”

The remedies available to the Trustee, to the Authority or to the owners of the Bonds upon an Event of Default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the United States Bankruptcy Code), the remedies provided in the Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

RATINGS

Moody's Investors Service has assigned the Bonds a rating of "Aaa" and Fitch Ratings has assigned the Bonds a rating of "AAA." Any desired explanation of the significance of such ratings should be obtained from such rating agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency, circumstances so warrant. The Underwriters have undertaken no responsibility either to bring to the attention of the Owners of the Bonds any proposed revision or withdrawal of the ratings of the Bonds or to oppose any such proposed revision or withdrawal. Any downward revision or withdrawal of such ratings could have an adverse effect on the market price of the Bonds.

CONTINUING DISCLOSURE

A determination has been made with respect to the Programs that financial and operating information only as to certain material Participants (the "**Material Master Trust Participants**") would be included in this Official Statement. The criterion for classification as a Material Master Trust Participant is that it is a Participant that has received loans from the proceeds of Master Trust Bonds and/or loans under the SRF Direct Loan Programs that have been assigned by DNR to secure Master Trust Bonds (the "**Master Trust Participant**" and its obligations are referred to as "**Master Trust Participant Obligations**") and which has, on the date of issuance of the series of Master Trust Bonds or the preceding December 15, an aggregate principal amount of Master Trust Participant Obligations outstanding which is at least 10% of the aggregate principal amount of Master Trust Bonds outstanding on the date of issuance of the series of Master Trust Bonds, or the preceding December 15.

The Metropolitan St. Louis Sewer District ("**MSD**"), the City of Cape Girardeau, Missouri ("**Cape Girardeau**"), the City of St. Joseph, Missouri ("**St. Joseph**") and the Little Blue Valley Sewer District ("**LBV Sewer District**") are currently the only Material Master Trust Participants. For information regarding the Material Master Trust Participants, see **Appendix A, Part 2 – "INFORMATION ON MATERIAL MASTER TRUST PARTICIPANTS."** The Material Master Trust Participants have each covenanted in a purchase agreement executed in connection with the issuance of a prior series of Master Trust Bonds to make available certain financial and operating information and to give notice of certain events on an ongoing basis while each remains a Material Master Trust Participant. In addition, the Master Trust Participants that have received a loan from the proceeds of Master Trust Bonds since October 1995 and the Master Trust Participants that have received a loan from DNR under the SRF Direct Loan Programs have covenanted in the purchase agreement executed in connection with each prior financing that, if they are notified by the Authority, the 2004 Master Trustee or the 2010 Master Trustee that the Authority has determined that the Master Trust Participant is a Material Master Trust Participant, the Master Trust Participant shall furnish certain financial and operating information to the 2004 Master Trustee or the 2010 Master Trustee, within 30 days after notification that it is a Material Master Trust Participant if such determination is made at the time of issuance of a series of Master Trust Bonds or within at least 180 days after the close of the fiscal year of the Participant following a December 15 notification.

In certain years, Material Master Trust Participants were not notified of their status as "Material Master Trust Participants" so the required information was not filed. The Authority determined that Cape Girardeau, St. Joseph and LBV Sewer District each satisfied the criteria for becoming a Material Master Trust Participant as of December 15, 2017 and notified each entity of its determination in March 2018. As of March 2018, all then-current Material Master Trust Participants had been notified.

Each of Cape Girardeau, St. Joseph and LBV Sewer District timely filed its most recent audited financial statements, which included each entity's respective financial and operating data with respect to the Program, within thirty days of receipt of the notification from the Authority. During the past five years, MSD has not failed to comply in all material respects with its continuing disclosure undertaking to provide financial and operating information with respect to the Program.

The information to be provided by the Material Master Trust Participants to the Master Trustee, which the Master Trustee or the Material Master Trust Participant disseminates to the Municipal Securities Rulemaking Board (the "**MSRB**") via the Electronic Municipal Market Access system for municipal securities disclosures, which can be accessed at www.emma.msrb.org ("**EMMA**") as required by Rule 15c2-12 of the Securities and Exchange Commission (the "**Rule**") consists of certain annual financial information and operating data of the Material Master Trust Participant, including audited financial statements prepared in conformance with generally accepted accounting principles.

Such annual financial information and operating data shall be information generally consistent with the information contained in this Official Statement in **Appendix A, Part 2** with respect to each of the Material Master Trust Participants. Such information, including audited financial statements, if available, shall be made available within at least 180 days after the end of each fiscal year. If audited financial statements are not available as of such date, the unaudited financial statements of the Material Master Trust Participant shall be submitted and audited financial statements shall be submitted as soon thereafter as available. The Material Master Trust Participants shall also provide to the Master Trustee and to the Authority upon the occurrence thereof notice of certain events substantially similar to those listed below, specified in the purchase agreement executed in connection with any series of Master Trust Bonds known to the Material Master Trust Participant with respect to its Master Trust Participant Obligations. The Master Trustee shall disseminate such notices to the MSRB via EMMA as required by the Rule unless the Material Master Trust Participant provides written notice to the Master Trustee that it has filed such notice.

The Authority, DNR and the Master Trustee have entered into an Amended and Restated Supplemental Disclosure Agreement dated as of February 5, 2015 (the "**Disclosure Agreement**"), which obligates the Master Trustee to disseminate the annual financial information and operating data and event notices of the Material Master Trust Participants to the MSRB via EMMA as required by the Rule, unless the Material Master Trust Participant provides prior written notice to the Master Trustee that it has made such filings.

Additionally, the Authority, in the Indenture for the Bonds, has agreed to provide notice to the 2010 Master Trustee, which in turn shall disseminate to the MSRB via EMMA pursuant to the terms of the Disclosure Agreement, promptly upon the occurrence thereof notice of any of the following events with respect to the Bonds:

1. any principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. modifications to rights of bondholders, if material;
8. bond calls, if material, and tender offers;

9. defeasances;
10. release, substitution or sale of property securing repayment of the Bonds, if material;
11. rating changes;
12. bankruptcy, insolvency, receivership or similar event of the Authority;
13. the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. appointment of a successor or additional trustee or the change of name of the Trustee, if material.

The Master Trustee shall also provide to the MSRB via EMMA, notice of any failure of a Material Master Trust Participant to provide to the Master Trustee the annual financial information or operating data required on or before the date specified.

The Authority, the Master Trustee, and the Material Master Trust Participants reserve the right to modify from time to time the specific types of information provided or the format of the presentation of such information to the extent necessary or appropriate in the judgment of such party; provided that such modification will be undertaken only upon receipt of an opinion from counsel to the effect that such modifications are in compliance with the Rule.

During the five-year period prior to the date hereof, the Authority has complied in all material respects with all previous continuing disclosure undertakings in connection with the Programs.

UNDERWRITING

Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representative of the Underwriters, has agreed, subject to certain customary conditions precedent to closing, to purchase the Bonds from the Authority at a purchase price of \$35,003,858.80 (which is equal to the aggregate principal amount of the Bonds plus net original issue premium of \$3,393,858.80). Subject to certain customary conditions precedent to closing, the Underwriters will be paid a fee of \$99,883.13. The Bonds may be offered and sold to certain dealers at prices lower than such public offering price, and such public offering price may be changed, from time to time, by the Underwriters.

FTN Financial Capital Markets is a division of First Tennessee Bank National Association and FTB Advisors, Inc., is a wholly owned subsidiary of First Tennessee Bank National Association. FTN Financial Capital Markets has entered into a distribution agreement with FTB Advisors, Inc., for the distribution of the offered Bonds at the original issue prices. Such arrangement generally provides that FTN Financial Capital Markets will share a portion of its underwriting compensation or selling concession with FTB Advisors, Inc.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Products Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Products Group (“WFBNA”), one of the underwriters of the Bonds, has entered into an agreement (the “**WFA Distribution Agreement**”) with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name “Wells Fargo Advisors”) (“WFA”), for the distribution of certain municipal securities offerings, including the Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Bonds with WFA. WFBNA has also entered into an agreement (the “**WFSLLC Distribution Agreement**”) with its affiliate Wells Fargo Securities, LLC (“WFSLLC”), for the distribution of municipal securities offerings, including the Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC’s expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

Jefferies LLC (“**Jefferies**”), one of the Underwriters for the Bonds, has provided the following sentences for inclusion: Jefferies has entered into an agreement (the “**Agreement**”) with E*TRADE Securities LLC (“**E*TRADE**”) for the retail distribution of municipal securities. Pursuant to the Agreement, Jefferies will sell Bonds to E*Trade and will share a portion of its selling concession compensation with E*TRADE.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Authority, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

FINANCIAL ADVISOR

Columbia Capital Management, LLC, Overland Park, Kansas, serves as Financial Advisor to the Authority. The Financial Advisor has assisted in various matters relating to the planning, structure and issuance of the Bonds. The Financial Advisor has also assisted DNR in certain matters relating to the State Revolving Funds Programs.

CERTAIN RELATIONSHIPS

Gilmore & Bell, P.C., Bond Counsel and Lewis Rice LLC, counsel to the Authority, have represented certain of the Underwriters in other financings, but are not representing the Underwriters in connection with the issuance of the Bonds.

MISCELLANEOUS

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is made to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights of the owners thereof. During the period of the offering, copies of drafts of such documents may be examined at the offices of the Underwriters; following delivery of the Bonds, copies of such documents may be examined at the principal corporate trust office of the Trustee. The information contained in this Official Statement has been compiled from official and other sources deemed to be reliable, and while not guaranteed as to completeness or accuracy, is believed to be correct as of this date.

Any statement made in this Official Statement involving matters of opinion or of estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. The information and expressions of opinion 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 information presented herein since the date hereof. This Official Statement is not to be construed as a contract or agreement between the Authority, the Participants, the Trustee, or the Underwriters and the purchasers or Owners of any Bonds.

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The delivery of this Official Statement has been duly authorized and approved by the Authority, deemed final pursuant to a separate certificate, and duly executed and delivered on its behalf by the official signing below.

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

By: /s/ William "Andy" Dalton
Chairman

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APPENDIX A
INFORMATION ON PLEDGED PARTICIPANT OBLIGATIONS AND
MATERIAL MASTER TRUST PARTICIPANTS

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PART 1

PLEGDED PARTICIPANT OBLIGATIONS

<u>Participant</u>	<u>Clean Water Program</u>			<u>Drinking Water Program</u>		
	<u>First Loan Issuance Date</u>	<u>Maximum Loan Amount¹</u>	<u>Outstanding Principal Amount²</u>	<u>First Loan Issuance Date</u>	<u>Maximum Loan Amount¹</u>	<u>Outstanding Principal Amount²</u>
Metropolitan St. Louis Sewer District	10/21/2009	\$ 23,000,000	\$ 14,783,300			
Metropolitan St. Louis Sewer District	1/26/2010	7,980,700	5,659,600			
Metropolitan St. Louis Sewer District	12/21/2010	37,000,000	25,787,000			
Metropolitan St. Louis Sewer District	11/30/2011	39,769,300	33,120,300			
Metropolitan St. Louis Sewer District	10/31/2013	52,000,000	44,480,000			
Metropolitan St. Louis Sewer District	8/18/2015	75,000,000	67,584,000			
Metropolitan St. Louis Sewer District	12/22/2016	20,000,000	2,799,949			
Metropolitan St. Louis Sewer District	12/22/2016	<u>75,500,000</u>	<u>27,228,021</u>			
	Total	\$ 330,250,000	\$ 221,442,170			
St. Joseph	11/5/2014	\$ 28,585,000	\$ 25,666,000			
St. Joseph	3/26/2013	14,660,000	11,762,100			
St. Joseph	4/10/2014	56,000,000	50,305,000			
St. Joseph	8/23/2017	<u>66,850,000</u>	<u>38,880,273</u>			
	Total	\$ 166,095,000	\$ 126,613,373			
Liberty	11/10/2015	\$ 79,000,000	\$ 76,864,000			
Cape Girardeau	6/19/2012	\$ 31,000,000	\$ 26,465,000	1/15/2010	\$ 1,000,000	\$ 641,600
Cape Girardeau	6/18/2013	35,750,000	30,445,000			
Cape Girardeau	6/18/2013	<u>3,250,000</u>	<u>2,768,000</u>			
	Total	\$ 70,000,000	\$ 59,678,000			
Columbia	1/14/2010	\$ 59,335,000	\$ 43,780,700			
Little Blue Valley Sewer District	3/16/2011	\$ 37,850,000	\$ 31,412,400			
Joplin	1/26/2010	\$ 6,000,000	\$ 4,418,300			
Joplin	1/26/2011	26,000,000	22,091,200			
Joplin	10/27/2014	<u>3,282,000</u>	<u>2,401,900</u>			
	Total	\$ 35,282,000	\$ 28,911,400			
Blue Springs	11/24/2009	\$ 30,789,000	\$ 16,611,200			

¹ Maximum loan amount means the total principal amount of any loan awarded to a Participant by DNR available to be drawn by Participant. Some Participants did not draw the maximum amount of the loan proceeds.

² Outstanding principal amounts as of July 31, 2018. Outstanding principal amount represents the maximum loan amount reduced by the amount not drawn by the Participant and Repayments made by the Participant.

<u>Participant</u>	<u>Clean Water Program</u>			<u>Drinking Water Program</u>		
	<u>First Loan Issuance Date</u>	<u>Maximum Loan Amount</u>	<u>Outstanding Principal Amount</u>	<u>First Loan Issuance Date</u>	<u>Maximum Loan Amount</u>	<u>Outstanding Principal Amount</u>
Kirksville	4/29/2008	\$ 1,500,000	\$ 806,000			
Kirksville	12/29/2009	515,000	316,001			
Kirksville	12/10/2014	1,485,000	1,298,000			
Kirksville	2/22/2016	<u>18,000,000</u>	<u>17,628,000</u>			
	Total	<u>\$ 21,500,000</u>	<u>\$ 20,048,001</u>			
Wentzville	3/14/2011	\$ 20,631,000	\$ 13,498,000			
Boone County RSD	6/14/2011	\$ 438,000	\$ 316,000			
Boone County RSD	7/17/2013	12,198,000	10,405,000			
Boone County RSD	5/9/2012	1,360,000	919,500			
Boone County RSD	12/29/2009	924,700	591,400			
Boone County RSD	4/20/2015	<u>3,064,000</u>	<u>2,674,000</u>			
	Total	<u>\$ 17,984,700</u>	<u>\$ 14,905,900</u>			
Tri-County Water Authority				1/25/2016	\$ 33,432,000	\$ 28,851,690
Tri-County Water Authority				12/15/2017	<u>1,000,000</u>	<u>16,600</u>
				Total	<u>\$ 34,432,000</u>	<u>\$ 28,868,290</u>
Kansas City	12/18/2009	\$ 16,000,000	\$ 9,047,700			
Jefferson City	11/13/2012	\$ 15,000,000	\$ 11,991,600			
Hannibal				10/15/2015	\$ 12,960,000	\$ 11,094,002
Belton Phase I				3/27/2014	\$ 7,039,000	\$ 6,173,300
Belton	6/3/2015	\$ 13,977,000	\$ 12,399,407	9/14/2015	<u>2,718,000</u>	<u>2,253,800</u>
				Total	<u>\$ 9,757,000</u>	<u>\$ 8,427,100</u>
Springfield	1/15/2010	\$ 13,000,000	\$ 8,575,000			
Fulton	12/3/2015	\$ 13,000,000	\$ 7,734,949			
Northeast PSD of Jeff Co	6/5/2012	\$ 12,000,000	\$ 7,352,000			
Odessa	8/26/2014	\$ 8,000,000	\$ 7,750,000			
Odessa	7/29/2015	<u>3,000,000</u>	<u>2,491,561</u>			
	Total	<u>\$ 11,000,000</u>	<u>\$ 10,241,561</u>			
Warrensburg	3/31/2010	\$ 8,548,500	\$ 5,644,500			
El Dorado Springs	5/25/2010	\$ 7,646,600	\$ 4,933,600			
Pulaski County Sewer District No. 1	11/12/2015	\$ 6,894,500	\$ 6,464,500			
Louisiana	9/12/2012	\$ 5,980,000	\$ 4,810,000			
Neosho	11/10/2009	\$ 5,488,800	\$ 3,617,800	12/19/2011	\$ 9,425,000	\$ 7,287,000
Waynesville	3/21/2011	\$ 4,750,000	\$ 3,321,000			
Harrisonville	1/12/2010	\$ 4,300,000	\$ 2,661,600	1/17/2017	\$ 9,544,000	\$ 8,706,153

<u>Participant</u>	<u>Clean Water Program</u>			<u>Drinking Water Program</u>		
	<u>First Loan Issuance Date</u>	<u>Maximum Loan Amount</u>	<u>Outstanding Principal Amount</u>	<u>First Loan Issuance Date</u>	<u>Maximum Loan Amount</u>	<u>Outstanding Principal Amount</u>
St. Louis				11/13/2013	\$ 9,500,000	\$ 7,849,000
Clarence Cannon				11/23/2009	\$ 2,390,000	\$ 1,578,900
Clarence Cannon				6/24/2010	<u>5,285,000</u>	<u>3,489,000</u>
				Total	\$ 7,675,000	\$ 5,067,900
Adrian				12/3/2007	\$ 4,163,000	\$ 2,236,000
Adrian				12/29/2009	473,800	301,400
Adrian				12/22/2010	<u>343,200</u>	<u>236,200</u>
				Total	\$ 4,980,000	\$ 2,773,600
Taos	7/26/2011	\$ 3,372,000	\$ 2,413,100			
St. Charles County	2/7/2002	\$ 2,941,000	\$ 747,000			
St. Charles County	3/11/2004	<u>272,000</u>	<u>92,000</u>			
	Total	\$ 3,213,000	\$ 839,000			
Duquesne	7/29/2009	\$ 1,600,000	\$ 1,068,400			
Duquesne	11/16/2009	<u>1,481,900</u>	<u>1,124,500</u>			
	Total	\$ 3,081,900	\$ 2,192,900			
Nevada	5/5/2015	\$ 2,722,000	\$ 2,388,900			
Jackson County PWSD No. 13				7/27/2017	\$ 3,000,000	\$ 2,209,656
Fredericktown				8/18/2016	\$ 2,983,000	\$ 2,524,790
Sullivan County PWSD No. 1				4/14/2009	\$ 2,900,000	\$ 1,946,900
Drexel				11/23/2009	\$ 2,368,000	\$ 1,625,500
Poplar Bluff				7/31/2012	\$ 1,324,000	\$ 993,000
Poplar Bluff				8/22/2016	<u>1,031,000</u>	<u>962,300</u>
				Total	\$ 2,355,000	\$ 1,955,300
Lathrop				10/20/2014	\$ 1,258,000	\$ 1,056,100
Lathrop				12/1/2016	<u>931,000</u>	<u>889,600</u>
				Total	\$ 2,189,000	\$ 1,945,700
Scotland County Consolidated PWSD No. 1				9/21/2017	\$ 2,193,000	\$ 1,935,291
Weston				12/29/2009	\$ 2,033,400	\$ 1,354,900
Cameron				11/2/2009	\$ 1,390,500	\$ 924,700
Cameron				7/17/2013	<u>616,000</u>	<u>453,900</u>
				Total	\$ 2,006,500	\$ 1,378,600

<u>Participant</u>	<u>Clean Water Program</u>			<u>Drinking Water Program</u>		
	<u>First Loan Issuance Date</u>	<u>Maximum Loan Amount</u>	<u>Outstanding Principal Amount</u>	<u>First Loan Issuance Date</u>	<u>Maximum Loan Amount</u>	<u>Outstanding Principal Amount</u>
Bonne Terre				11/18/2015	\$ 1,985,000	\$ 1,774,000
Sparta				6/27/2017	\$ 1,896,000	\$ 1,193,654
California	1/28/2010	\$ 2,708,000	\$ 1,867,400	10/16/2014	\$ 1,601,000	\$ 1,390,700
Cuba	6/22/2011	\$ 2,460,000	\$ 1,752,000			
Macon	3/17/2011	\$ 1,300,000	\$ 522,700			
Macon	11/16/2015	\$ 826,000	\$ 731,000			
	Total	\$ 2,126,000	\$ 1,253,700			
Thayer	12/15/2009	\$ 2,125,000	\$ 1,415,400			
Carl Junction	10/30/2013	\$ 2,050,000	\$ 1,671,200			
Warsaw	12/29/2009	\$ 2,030,300	\$ 1,303,300	11/28/2012	\$ 739,000	\$ 570,500
Jackson County PWSD No. 16				7/18/2013	\$ 1,500,000	\$ 1,235,000
Jackson County PWSD No. 16				9/28/15	711,000	594,000
				Total	\$ 2,211,000	\$ 1,829,000
Ava				11/17/2009	\$ 1,445,400	\$ 914,800
Osage County PWSD No. 3				7/21/2011	\$ 693,000	\$ 477,900
Osage County PWSD No. 3				10/30/2017	\$ 598,000	\$ 598,000
				Total	\$ 1,291,000	\$ 1,075,900
Harry S. Truman PWSD No. 2				12/29/2009	\$ 1,172,000	\$ 781,100
Platte County				10/15/2015	\$ 1,149,000	\$ 1,014,837
Linn				1/30/2013	\$ 1,143,000	\$ 787,100
Osage County PWSD No. 1				11/7/2017	\$ 1,111,000	\$ 904,874
Clinton County PWSD No. 3				11/25/2009	\$ 1,100,000	\$ 725,600
Monroe County PWSD No. 2				12/14/2009	\$ 1,065,200	\$ 683,800
Platte County PWSD No. 3				6/19/2012	\$ 582,000	\$ 394,600
Platte County PWSD No. 3				10/16/2014	446,000	387,000
				Total	\$ 1,028,000	\$ 781,600
Monett	10/13/2015	\$ 1,895,000	\$ 1,304,500	9/9/2013	\$ 11,012,000	\$ 8,663,600
Houston	10/6/2009	\$ 1,750,000	\$ 1,159,800			
Stockton	8/23/2011	\$ 1,640,000	\$ 1,146,700	5/26/2011	\$ 860,000	\$ 613,000
Madison	12/20/2016	\$ 1,616,000	\$ 1,328,376			
Tipton	10/14/2009	\$ 1,500,000	\$ 956,100	6/18/2013	\$ 606,600	\$ 498,600
Fremont Hills	12/23/2008	\$ 1,500,000	\$ 894,000			
Gordonville	7/29/2009	\$ 1,497,700	\$ 976,700			
Silver Creek	12/18/2009	\$ 1,406,800	\$ 964,400			

<u>Participant</u>	<u>Clean Water Program</u>			<u>Drinking Water Program</u>		
	<u>First Loan Issuance Date</u>	<u>Maximum Loan Amount</u>	<u>Outstanding Principal Amount</u>	<u>First Loan Issuance Date</u>	<u>Maximum Loan Amount</u>	<u>Outstanding Principal Amount</u>
Alba	2/23/2016	\$ 1,217,000	\$ 993,064			
Paris	1/28/2010	\$ 1,155,500	\$ 763,100			
Auxvasse				10/6/2014	\$ 995,000	\$ 855,700
Clarence	1/19/2010	\$ 948,700	\$ 619,200			
Village of Windsor Place	11/23/2015	\$ 939,000	\$ 846,200			
New Florence	1/12/2010	\$ 928,000	\$ 590,000			
Rich Hill	2/6/2001	\$ 900,000	\$ 210,744			
Jefferson Co. PWSD No. 12				5/22/2013	\$ 866,000	\$ 668,900
Rockaway Beach				12/9/2009	\$ 862,000	\$ 572,200
New London	12/21/2016	\$ 879,000	\$ 715,015			
Laurie	1/16/2003	\$ 826,900	\$ 274,500			
Ellington	7/28/2004	\$ 825,000	\$ 237,300			
Fair Grove	6/24/2008	\$ 800,000	\$ 470,000			
Desloge				9/27/2012	\$ 782,000	\$ 560,400
Jefferson County Water Authority				7/25/2012	\$ 751,000	\$ 535,200
Birch Tree				1/24/2017	\$ 738,000	\$ 695,522
Clay County PWSD No. 8				1/14/2010	\$ 723,000	\$ 479,400
Cass County PWSD No. 10				9/28/2011	\$ 702,000	\$ 491,200
Unionville	10/23/2017	\$ 777,000	\$ 580,918			
Lincoln	9/18/1997	\$ 695,000	\$ 0			
Rogersville				8/14/2012	\$ 682,000	\$ 490,800
Campbell				10/26/2017	\$ 625,000	\$ 295,017
Calvey Creek S.D.	10/29/2009	\$ 682,000	\$ 428,959			
Ste. Genevieve	1/12/2010	\$ 647,500	\$ 427,700	1/12/2010	\$ 781,300	\$ 535,000
Sunrise Beach	11/26/2013	\$ 629,000	\$ 513,400	12/19/2016	\$ 315,000	\$ 273,200
Meadville				10/26/2010	\$ 622,700	\$ 203,800
Lilbourn	10/24/2008	\$ 610,000	\$ 399,000			
Chilhowee				12/22/2010	\$ 585,000	\$ 402,000
Wellsville	12/21/2016	\$ 595,000	\$ 561,275			
Platte City	1/20/2010	\$ 558,000	\$ 354,900			
Atlanta	12/28/2009	\$ 535,200	\$ 340,500			
Cass County PWSD No. 11				5/14/2012	\$ 534,000	\$ 388,600
Pilot Grove				12/23/2009	\$ 505,000	\$ 321,300
Pierce City	11/10/2016	\$ 496,000	\$ 389,056			
Brashear	2/25/2016	\$ 486,000	\$ 413,000			
Chamois	4/27/2017	\$ 455,000	\$ 182,774			
Reeds Spring	12/29/2009	\$ 433,600	\$ 286,600	3/9/2017	\$ 434,000	\$ 348,419
Renick	12/12/2016	\$ 429,000	\$ 406,654			
Platte County PWSD No. 8				11/17/2009	\$ 444,800	\$ 293,300
DeKalb County PWSD No. 1				8/26/2014	\$ 423,000	\$ 0
Clarksburg				10/5/2011	\$ 408,000	\$ 299,000
Garden City	1/27/2010	\$ 362,600	\$ 223,500			

<u>Participant</u>	<u>Clean Water Program</u>			<u>Drinking Water Program</u>		
	<u>First Loan Issuance Date</u>	<u>Maximum Loan Amount</u>	<u>Outstanding Principal Amount</u>	<u>First Loan Issuance Date</u>	<u>Maximum Loan Amount</u>	<u>Outstanding Principal Amount</u>
Risco	5/22/2003	\$ 359,000	\$ 97,000			
Cole County PWSD No. 4				1/21/2010	\$ 324,000	\$ 198,100
Cassville	3/15/2006	\$ 318,000	\$ 150,921			
Linn Creek				1/12/2010	\$ 305,300	\$ 186,700
Lexington	1/20/2010	\$ 294,400	\$ 194,400			
Perry Sewer Rehabilitation	5/10/2012	\$ 292,000	\$ 210,800			
Barry County PWSD No. 2				6/22/2011	\$ 282,000	\$ 207,200
Jefferson Co. PWSD No. 8				11/29/2012	\$ 260,000	\$ 192,100
Ralls County PWSD No. 1	12/14/2009	\$ 221,200	\$ 145,800			
West Sullivan	12/29/2009	\$ 209,800	\$ 133,600			
Lake Ozark	1/28/2010	\$ 200,000	\$ 132,100			
Audrain County PWSD No. 1				9/28/2015	\$ 164,000	\$ 143,297
King City				1/6/2010	\$ 199,100	\$ 126,700
Kingston	12/28/2009	\$ 192,000	\$ 124,400			
Newburg				1/19/2010	\$ 162,200	\$ 104,200
Stella	11/18/2002	\$ 135,000	\$ 0			
Arrow Rock	10/16/2001	\$ 120,000	\$ 0			
Pendleton	1/8/2010	\$ 102,100	\$ 61,460			
Total		<u>\$1,065,249,300</u>	<u>\$ 790,865,277</u>		<u>\$ 167,191,500</u>	<u>\$ 131,661,202</u>

APPENDIX A - PART 2

INFORMATION ON MATERIAL MASTER TRUST PARTICIPANTS

The Metropolitan St. Louis Sewer District (“**MSD**”), the City of Cape Girardeau, Missouri (“**Cape Girardeau**”), the City of St. Joseph, Missouri (“**St. Joseph**”) and the Little Blue Valley Sewer District (“**LBV Sewer District**”) and collectively, with MSD, Cape Girardeau and St. Joseph, the “**Material Master Trust Participants**” and each a “**Master Trust Participant**” as described in the front portion of this Official Statement under the heading captioned “**CONTINUING DISCLOSURE**”) are currently the only Material Master Trust Participants with \$350,395,720, \$67,043,000, \$153,719,100 and \$253,196,595, respectively, of Authority Bond Participant Obligations and Pledged Participant Obligations (collectively, “**Master Trust Participant Obligations**”) outstanding as of September 1, 2018. Each Master Trust Participant accounts for more than 10% of the total outstanding principal amount of Master Trust Participant Obligations as of the date of issuance of the Bonds or the preceding December 15.

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THE METROPOLITAN ST. LOUIS SEWER DISTRICT

The Metropolitan St. Louis Sewer District (“MSD”) is a sewer district and political subdivision, organized and existing under the laws of the State. MSD was incorporated in 1954 and covers all of the City of St. Louis, Missouri, and the majority of St. Louis County, Missouri. MSD has outstanding eight series of bonds, which are payable on a senior basis to the Master Trust Participant Obligations from the revenues of its wastewater system (collectively, the “Senior Lien Bonds”):

<u>Name of Issue</u>	<u>Series Designation</u>	<u>Issue Date</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal Amount as of September 1, 2018</u>
Taxable Wastewater System Revenue Bonds (Build America Bonds – Direct Pay), Series 2010B	(“Series 2010B Bonds”)	01/28/2010	\$85,000,000	\$85,000,000
Wastewater System Revenue Bonds, Series 2011B	(“Series 2011B Bonds”)	12/22/2011	52,250,000	18,055,000
Wastewater System Revenue Bonds, Series 2012A	(“Series 2012A Bonds”)	08/23/2012	225,000,000	159,340,000
Wastewater System Refunding Revenue Bonds, Series 2012B	(“Series 2012B Bonds”)	11/14/2012	141,730,000	131,935,000
Wastewater System Revenue Bonds, Series 2013B	(“Series 2013B Bonds”)	12/18/2013	150,000,000	116,615,000
Wastewater System Improvement and Refunding Revenue Bonds, Series 2015B	(“Series 2015B Bonds”)	12/15/2015	223,855,000	192,810,000
Wastewater System Revenue Bonds, Series 2016C	(“Series 2016C Bonds”)	12/20/2016	150,000,000	147,295,000
Wastewater System Improvement and Refunding Revenue Bonds, Series 2017A	(“Series 2017A Bonds”)	12/14/2017	316,175,000	316,175,000

The Senior Lien Bonds are issued under Master Bond Ordinance No. 11713 (the “Master Bond Ordinance”) and have a senior lien on revenues from MSD’s wastewater system. The Senior Lien

Bonds are not Master Trust Bonds. MSD's Master Trust Participant Obligations are junior and subordinate to the Senior Lien Bonds and any additional Senior Lien Bonds issued under the Master Bond Ordinance with respect to the revenues generated from MSD's wastewater system.

MSD previously has issued thirteen series of Master Trust Participant Obligations, consisting of five series of Authority Bond Participant Obligations under the 2004 Master Trust Agreement and eight series of Pledged Participant Obligations under the Clean Water SRF Direct Loan Program:

<u>Name of Issue</u>	<u>Series Designation</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal Amount as of September 1, 2018</u>
Subordinate Wastewater System Revenue Bonds (State Revolving Fund Program) Series 2004B	Series 2004B Bonds	\$161,280,000	\$73,190,000
Subordinate Wastewater System Revenue Bonds (State Revolving Fund Program) Series 2005A	Series 2005A Bonds	6,800,000	3,120,000
Subordinate Wastewater System Revenue Bonds (State Revolving Fund Program) Series 2006A	Series 2006A Bonds	42,715,000	20,965,000
Subordinate Wastewater System Revenue Bonds (State Revolving Fund Program) Series 2006B	Series 2006B Bonds	14,205,000	7,400,000
Subordinate Wastewater System Revenue Bonds (State Revolving Fund Program) Series 2008B	Series 2008B Bonds	40,000,000	23,700,000
Subordinate Wastewater System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2009A	Series 2009A Bonds	23,000,000	14,783,300
Subordinate Wastewater System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2010A	Series 2010A Bonds	7,980,700	5,659,600
Subordinate Wastewater System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2010C	Series 2010C Bonds	37,000,000	25,787,000
Subordinate Wastewater System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2011A	Series 2011A Bonds	39,769,300	33,120,300

<u>Name of Issue</u>	<u>Series Designation</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal Amount as of September 1, 2018</u>
Subordinate Wastewater System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2013A	Series 2013A Bonds	52,000,000	44,480,000
Subordinate Wastewater System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2015A	Series 2015A Bonds	75,000,000	67,584,000
Subordinate Wastewater System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2016A	Series 2016A Bonds	20,000,000	3,378,480 ⁽¹⁾
Subordinate Wastewater System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2016B	Series 2016B Bonds	75,000,000	27,228,022 ⁽¹⁾

⁽¹⁾ Proceeds drawn down as of September 1, 2018.

At a special election held on June 5, 2012, voters within MSD’s service area approved the issuance by MSD of \$945,000,000 in sewer system revenue bonds (the “**2012 Authorization**”). At a special election held on April 5, 2016, District voters approved the issuance by MSD of \$900,000,000 in sewer system revenue bonds (the “**2016 Authorization**,” together with the 2012 Authorization, collectively, the “**Current Authorizations**”). These Current Authorizations enable MSD to comply with federal and State clean water requirements. MSD may use the proceeds of such sewer system revenue bonds for the purpose of designing, constructing, improving, renovating, repairing, replacing and equipping new and existing District sewer and drainage facilities and systems.

MSD previously issued bonds in a par amount of \$945,000,000 from the 2012 Authorization, consisting of the Series 2012A Bonds, the Series 2013A Bonds, the Series 2013B Bonds, the Series 2015A Bonds, the Series 2015B Bonds, the Series 2016A Bonds, the Series 2016B Bonds, the Series 2016C Bonds and a portion of the Series 2017A Bonds. The remaining portion of the Series 2017A Bonds were issued from the 2016 Authorization. The remaining amount of the 2016 Authorization is \$747,500,000.

MSD anticipates that it will issue approximately \$36,250,000 principal amount of subordinate Wastewater System Revenue Bonds (State of Missouri – Direct Loan Program) and approximately \$47,500,000 principal amount of Senior Lien Bonds designated Wastewater System Revenue Bonds (WIFIA – Deer Creek Sanitary Tunnel and Sanitary Relief Project), prior to the end of the calendar year.

Regulatory Requirements

General

MSD is subject to the provisions of the (a) Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq. (commonly referred to and defined herein as the, “**Clean Water Act**”), the stated objective of which is to restore and maintain the chemical, physical, and biological integrity of the

nation's waters, (b) the Missouri Clean Water Law, Sections 644.006 through 644.141 of the Revised Statutes of Missouri, as amended, and (c) other laws and regulations. The regulatory requirements are administered by the United States Environmental Protection Agency (“EPA”) through DNR. MSD is currently not subject to the federal Safe Drinking Water Act, as amended, 42 U.S.C. 300f *et seq.*, which is also administered by the EPA.

The Clean Water Act imposes several permit and regulatory requirements on wastewater treatment systems. Public sewage treatment plant owners and operators such as MSD are required to provide secondary treatment as established by federal regulation for all wastewater discharge from treatment plants into waters of the United States of America. Under the Clean Water Act, states also establish water quality standards, classifying water body uses, and pollutant control criteria to protect those uses. All sewage system discharges require National Pollutant Discharge Elimination System (“NPDES”) permits specifying the permissible pollutant levels in wastewater effluent discharged from the plants. In addition to secondary treatment requirements for publicly-owned treatment plants, all discharges from plants and combined sewer overflows (“CSO”) may be subject to additional stringent controls (which are then incorporated into NPDES permits) if such discharges are required to achieve the water quality standards established by the state pursuant to federal regulations. Under State law, the State also requires treatment plants to obtain state surface water discharge permits, which, in the discretion of EPA and DNR, may be issued jointly with the NPDES permit. Major wastewater treatment systems also must adopt and enforce pretreatment regulations for industries and other non-domestic sources discharging into sewers. Treatment plants are also subject to Clean Water Act and State regulations governing sludge use and disposal.

The Clean Water Act is enforced by EPA through administrative orders and procedures. Violations may be the basis for federal lawsuits brought on EPA's behalf by the U.S. Department of Justice or by private citizens.

Regulatory Matters – Consent Decree

In 2007, the Department of Justice filed suit on behalf of the EPA against MSD for various alleged violations of the Clean Water Act. MSD had been the subject of several investigatory actions by EPA over the prior several years. MSD, EPA, DNR, represented by the Missouri Attorney General, and an environmental group allowed to intervene in the lawsuit engaged in several years of litigation. In 2011, MSD and the EPA negotiated an agreement (the “**Consent Decree**”) that resulted in settlement and dismissal of the original lawsuit.

MSD's Board of Trustees adopted Ordinance No. 13277 at its June 29, 2011, meeting that authorized MSD's Executive Director and General Counsel to sign the Consent Decree. Under the Consent Decree, MSD agreed to spend \$4.7 billion over the next 23 years to implement various system improvements and programs designed to eliminate or reduce overflows from the combined and separate sewer system in order to improve water quality and protect human health and the environment. Most of the improvements enumerated in the Consent Decree were already addressed in MSD's long-term \$4.7 billion (in 2010 dollars) Capital Improvement and Replacement Program. The State did not agree to sign the Consent Decree in its present form. However, all parties, including the State, accepted language in a motion filed with the U.S. District Court for the Eastern District of Missouri (the “**Court**”) in August 2011, which indicated that there were no issues remaining to be resolved in the proceedings. On August 4, 2011, the Consent Decree was lodged with the Court. An extended public comment period ended October 10, 2011. On April 27, 2012, the Court entered the Consent Decree, thus concluding the litigation of this lawsuit. On that same day the Court entered a Memorandum and Order which realigned the State as a defendant and reaffirmed a 2009 decision by the Eighth Circuit Court of Appeals that the State had

waived its sovereign immunity. Although this litigation matter has concluded, MSD is working diligently to implement the Consent Decree on schedule.

On June 22, 2018, the Court approved an amendment to the Consent Decree extending it by five years from 23 years to 28 years. Recent regulatory changes have compelled MSD to accelerate certain non-Consent Decree work ahead of work to be performed under the Consent Decree. The extension will allow MSD to meet these new regulatory requirements.

Litigation

Except as described in the **“Regulatory Matters – Consent Decree”** above, as of the date hereof, to the knowledge of MSD there is no legal action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body for which MSD has been served with process or official notice or threatened against or affecting MSD or any reasonable basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transaction contemplated by this Official Statement or the validity of the Bonds, the Indenture, the 2004 Master Trust Agreement, the 2010 Master Trust Agreement or any agreement or instrument to which MSD is a party and which is used or contemplated for use in the transactions contemplated by this Official Statement, and no member, employee or agent of MSD has been served with any legal process regarding such litigation or other proceeding.

Financial Information Concerning MSD

This **Appendix A** incorporates by reference the audited financial statements provided by MSD pursuant to its continuing disclosure requirements. See the section in the main text hereof captioned **“CONTINUING DISCLOSURE.”** In addition, the following table sets out a schedule of “Pledged Revenues” for the fiscal years indicated.

The schedule of Pledged Revenues below was prepared to show the amount of Pledged Revenues available historically to pay debt service on all of MSD’s system revenue bonds, including Senior Lien Bonds, Authority Bond Participant Obligations issued under the 2004 Master Trust Agreement and the DNR Participant Obligations issued by MSD to evidence loans in connection with the Clean Water SRF Direct Loan Program, as described above.

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WASTEWATER SEGMENT
SCHEDULE OF PLEDGED REVENUES
For the Fiscal Years Ended June 30, 2013 Through 2017
(In Thousands)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Operating Revenues					
Sewer service charges ¹	\$237,296	\$248,763	\$282,957	\$304,685	\$330,883
Recovery (provision) of doubtful sewer services charge account	(2,636)	7,230	(2,230)	(4,062)	(2,534)
Licenses, permits and other fees	2,732	6,563	6,657	3,620	4,036
Other	<u>3,206</u>	<u>1,867</u>	<u>1,452</u>	<u>14,221</u>	<u>1,085</u>
Total Operating Revenues	\$240,598	\$264,422	\$288,836	\$318,464	\$333,470
Nonoperating Revenues²					
Investment income	\$957	\$2,670	\$2,556	\$3,894	\$2,456
Total Operating and Nonoperating Revenues	\$241,554	\$267,093	\$291,392	\$322,358	\$335,926
Operating Expenses					
Pumping and treatment	\$54,526	\$54,126	\$60,766	\$59,100	\$60,203
Collection system maintenance	31,095	32,722	32,141	33,292	33,477
Engineering	5,391	5,569	4,589	3,523	4,722
General and administrative	41,485	45,661	48,580	51,744	51,256
Water backup claims	3,503	2,713	3,862	7,631	5,035
Asset Management	<u>10,372</u>	<u>12,432</u>	<u>13,374</u>	<u>12,969</u>	<u>14,143</u>
Total Operating Expenses	\$146,372	\$153,222	\$163,312	\$168,259	\$168,835
Total Expenses	\$146,372	\$153,222	\$163,312	\$168,259	\$168,835
Pledged Revenues	<u>\$95,182</u>	<u>\$113,871</u>	<u>\$128,080</u>	<u>\$154,099</u>	<u>\$167,091</u>
Senior Bond Debt Service	\$28,257	\$34,221	\$38,352	\$46,381	\$58,182
Subordinate Bond Debt Service	<u>21,684</u>	<u>10,215</u>	<u>23,496</u>	<u>27,379</u>	<u>31,178</u>
Total Debt Service²	\$49,941	\$44,436	\$61,848	\$73,760	\$89,360
Senior Bond Debt Coverage Ratio	3.4x	3.3x	3.3x	3.3x	2.9x
Total Debt Service Coverage Ratio	1.9x	2.6x	2.1x	2.1x	1.9x

Source: MSD

¹ These numbers are based on MSD's year end audited financial statements.

² Audited figures exclude Build America Bond federal subsidy payments from nonoperating revenues and reduce the total annual debt service figure by the corresponding amount.

CITY OF CAPE GIRARDEAU, MISSOURI

Outstanding Obligations

The following table sets forth the outstanding revenue obligations of Cape Girardeau as of June 30, 2017:

<u>Category of Indebtedness</u>	<u>Amount Authorized</u>	<u>Amount Outstanding</u>
Sewerage System Revenue Bonds (State Revolving Fund Program), Series 1996D	13,535,000	1,910,000
Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2000B	8,355,000	5,455,000
Waterworks System Revenue Bonds (State of MO – Direct Loan) Series 2010	1,000,000	713,800
Waterworks System Refunding Revenue Bonds Series 2012	13,955,000	11,095,000
Waterworks System Revenue Bonds (State of MO – Direct Loan) Series 2012	31,000,000	28,456,000
Waterworks System Revenue Bonds (State of MO – Direct Loan) Series 2013A	3,250,000	2,979,000
Waterworks System Revenue Bonds (State of MO – Direct Loan) Series 2013B	35,750,000	32,770,000
TOTAL	<u>\$106,845,000</u>	<u>\$83,378,800</u>

Litigation

Various claims and lawsuits are pending against Cape Girardeau. In the opinion of Cape Girardeau’s management, the potential loss on all claims and lawsuits will not be significant to Cape Girardeau’s financial statements.

Financial Information Concerning Cape Girardeau

This **Appendix A** incorporates by reference the audited financial statements provided by Cape Girardeau pursuant to its continuing disclosure requirements. See the section in the main text hereof captioned “**CONTINUING DISCLOSURE.**” In addition, the following tables set out historical debt service coverage for schedule for all obligations of each of the waterworks system and the sewerage system for the fiscal years indicated.

Historical Debt Service Coverage

The following table shows historical debt service coverage for all obligations of the Waterworks System prepared from audits of the City for the last three Fiscal Years:

	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>
Total Operating Revenues	\$6,257,541	\$6,545,914	\$6,787,707
Total Non-Operating Revenues ⁽¹⁾	<u>\$2,606,218</u>	<u>\$2,683,328</u>	<u>\$2,202,347</u>
Total Revenues	\$8,863,759	\$9,229,242	\$8,990,054
Total Expenses ⁽²⁾	<u>\$4,829,456</u>	<u>\$5,169,381</u>	<u>\$5,274,369</u>
Net Revenues Available for Debt Service	<u>\$4,034,303</u>	<u>\$4,059,861</u>	<u>\$3,715,685</u>
Debt Service ⁽³⁾	<u>\$1,026,793</u>	<u>\$1,020,826</u>	<u>\$1,022,141</u>
Debt Service Coverage	3.93	3.98	3.64

⁽¹⁾ Includes revenues from a one-quarter of one percent capital improvement sales tax available to pay the Waterworks System Revenue Bonds (State Revolving Fund Program), Series 1998B. This figure does not include interest and handling costs or amortization.

⁽²⁾ Less depreciation and including payments on annual appropriation debt.

⁽³⁾ Represents debt service on the Waterworks System Refunding Revenue Bonds, Series 2012A and Waterworks System Revenue Bonds (State Revolving Direct Loan Program, Series 2010).

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The following table shows historical debt service coverage for all obligations of the Sewerage System prepared from audits of the City for the last three Fiscal Years:

	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>
Total Operating Revenues	\$7,005,529	\$ 7,136,209	\$ 7,184,510
Total Non-Operating Revenues ⁽¹⁾	<u>\$2,186,711</u>	<u>\$ 5,063,082</u>	<u>\$ 5,244,119</u>
Total Revenues	\$9,192,240	\$12,199,291	\$12,428,629
Total Expenses ⁽²⁾	<u>\$3,883,741</u>	<u>\$ 4,523,552</u>	<u>\$ 4,519,200</u>
Net Revenues Available for Debt Service	<u>\$5,308,499</u>	<u>\$ 7,675,739</u>	<u>\$ 7,909,429</u>
Debt Service ⁽³⁾	<u>\$3,163,715</u>	<u>\$ 6,959,966</u>	<u>\$ 7,134,649</u>
Debt Service Coverage	1.68	1.10	1.11

⁽¹⁾ Includes revenues from a one-quarter of one percent capital improvement sales tax available to pay the Sewerage System Revenue Bonds (State Revolving Fund Program), Series 1995; the Sewerage System Revenue Bonds (State Revolving Fund Program), Series 1996D; and the Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2000B. Beginning April 1, 2017 includes revenues from an additional one-quarter of one percent capital improvement sales tax available to pay Series 2012, 2013A and 2013B Sewerage System Revenue Bonds through the State of Missouri Direct Loan Program. This figure does not include interest and handling costs or amortization.

⁽²⁾ Less depreciation and including payments on annual appropriation debt.

⁽³⁾ Represents debt service on the Sewerage System Revenue Bonds (State Revolving Fund Program), Series 1993; the Sewerage System Revenue Bonds (State Revolving Fund Program), Series 1995; the Sewerage System Revenue Bonds (State Revolving Fund Program), Series 1996D; and the Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2000B net of SRF subsidy and on Series 2012, 2013A and 2013B Sewerage System Revenue Bonds through the State of Missouri Direct Loan Program.

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CITY OF ST. JOSEPH, MISSOURI

Outstanding Obligations

St. Joseph issues bonds and pledges income derived from the acquired or constructed assets to pay debt service (the “**Revenue Bonds**”). Revenue Bonds payables are recorded in the Sewer Enterprise Fund and total principal outstanding as of October 1, 2018 is \$174,919,100.

<u>Name of Bonds</u>	<u>Amount Authorized</u>	<u>Amount Outstanding</u>
Sewerage System Revenue Bonds, Series 2003	\$ 777,000	\$ 260,000
Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2013	14,660,000	11,762,100
Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2014	56,000,000	50,305,000
Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2014A	28,585,000	25,666,000
Sewerage System Revenue Bonds, Series 2014B	5,755,000	5,035,000
Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2017	66,850,000	65,986,000
Sewerage System Revenue Bonds, Series 2018	<u>15,905,000</u>	<u>15,905,000</u>
TOTAL	<u>\$188,532,000</u>	<u>\$174,919,100</u>

Litigation

St. Joseph is involved in lawsuits arising in the ordinary course of activities, including claims regarding various issues. While other cases may have future financial effect, management, based on advice of counsel, believes their ultimate outcome will not be material to the basic financial statements.

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Financial Information Concerning St. Joseph

This **Appendix A** incorporates by reference the audited financial statements provided by St. Joseph pursuant to its continuing disclosure requirements. See the section in the main text hereof captioned “**CONTINUING DISCLOSURE.**” In addition, the following table sets shows historical debt service coverage for all System Revenue Bonds prepared from the City’s audited financial statements for the fiscal years ending June 30 in the years 2015 through 2017.

	Fiscal Year Ending June 30		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
Operating Revenues	\$22,446,892	\$26,037,495	\$28,155,237
Operating Expenses ⁽¹⁾	\$12,796,127	\$12,529,341	\$13,149,160
Gross Revenues Available for Debt Service	\$9,650,765	\$13,508,154	\$15,006,077
Less: Sewer Annual Appropriation Debt Service	\$3,416,619	\$3,964,849	\$4,684,531
Less: Transfers Out ⁽²⁾	\$1,606,666	\$1,716,558	\$1,958,859
Plus: Intergovernmental Income ⁽³⁾	\$378,901	\$377,490	\$376,076
Plus: Investment Income	\$170,342	\$110,975	\$263,429
Net Revenue Available for Debt Service	\$5,176,723	\$8,315,212	\$9,002,192
Debt Service on System Revenue Bonds	\$2,821,494	\$4,922,773	\$7,352,166
Debt Service Coverage	1.83x	1.69x	1.22x

⁽¹⁾ Excludes depreciation in all years and, for 2017 only, excludes \$3,568,142 for a noncash pension expense adjustment required to be included as an operating expense under GASB 68 Pension Liability.

⁽²⁾ Reimbursement to City of expenses allocable to the Sewer System.

⁽³⁾ Revenue from intergovernmental transfers is used to pay debt service on certain wastewater annual appropriation bonds.

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LITTLE BLUE VALLEY SEWER DISTRICT

Outstanding Obligations

Details of revenue bonds and loans outstanding at September 30, 2017 and 2016 are as follows:

<u>Revenue Bonds</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Maturity</u>	<u>2017</u>	<u>2016</u>
2003 Series Revenue	2.5-5.25%	\$ 88,915,000	1-01-24	\$ 54,995,000	\$ 60,510,000
2010 Series Revenue	6.2-6.75%	118,350,000	9-01-40	118,350,000	118,350,000
2016 Series Revenue	2.0-5.0%	19,710,000	9-01-36	18,950,000	-
				<u>192,295,000</u>	<u>178,860,000</u>
Less current maturities				6,680,000	5,515,000
				<u>\$ 185,615,000</u>	<u>\$ 173,345,000</u>

The outstanding bonds in the table above does not include a series of bonds issued in 2011 (the “**2011A Bonds**”) by LBV Sewer District under the Clean Water SRF Direct Loan Program on behalf of its Middle Big Creek Subdistrict. The Series 2011A Bonds have been pledged by DNR under the 2010 Master Trust Agreement and are, therefore, Pledged Participant Obligations. See **Appendix A, Part 1**. Debt service on the Series 2011 Bonds is paid only from revenues of the Middle Big Creek Subdistrict.

Litigation

LBV Sewer District is involved in various lawsuits and claims arising in the ordinary course of its activities. While these matters may have a future financial effect, management, based on the advice of counsel, believes that their ultimate outcome will not have a material adverse effect on the basic financial statements of LBV Sewer District.

Financial Information Concerning LBV Sewer District

This **Appendix A** incorporates by reference the audited financial statements provided by LBV Sewer District pursuant to its continuing disclosure requirements. See the section in the main text hereof captioned “**CONTINUING DISCLOSURE.**” In addition, the following table sets out a schedule of “Revenue Bond Coverage” for the fiscal years indicated.

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REVENUE BOND COVERAGE

LAST TEN FISCAL YEARS

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Gross revenue ⁽¹⁾	\$ 34,994,237	\$ 31,156,909	\$ 30,052,919	\$ 29,032,757	\$ 28,046,455	\$ 27,110,208	\$ 26,508,201	\$ 21,477,025	\$ 21,247,343	\$ 21,324,716
Direct operating expense ⁽²⁾	12,774,756	12,703,779	11,665,738	12,647,058	11,794,240	10,976,708	11,058,286	11,155,570	10,446,497	10,424,460
Net revenue available for debt service	<u>\$ 22,219,481</u>	<u>\$ 18,453,130</u>	<u>\$ 18,387,181</u>	<u>\$ 16,385,699</u>	<u>\$ 16,252,215</u>	<u>\$ 16,133,500</u>	<u>\$ 15,449,915</u>	<u>\$ 10,321,455</u>	<u>\$ 10,800,846</u>	<u>\$ 10,900,256</u>
Debt service requirements - Principal and interest ⁽³⁾	<u>\$ 19,697,569</u>	<u>\$ 18,393,747</u>	<u>\$ 13,676,831</u>	<u>\$ 11,902,233</u>	<u>\$ 11,146,708</u>	<u>\$ 10,545,824</u>	<u>\$ 10,551,757</u>	<u>\$ 8,953,091</u>	<u>\$ 8,813,751</u>	<u>\$ 8,120,006</u>
Coverage:										
2003 Series ⁽⁴⁾	<u>112%</u>	<u>112%</u>	<u>142%</u>	<u>143%</u>	<u>152%</u>	<u>157%</u>	<u>153%</u>	<u>121%</u>	<u>132%</u>	<u>151%</u>
2010 Series ⁽⁵⁾	<u>110%</u>	<u>110%</u>	<u>134%</u>	<u>133%</u>	<u>140%</u>	<u>143%</u>	<u>139%</u>	-	-	-
2011A Series ⁽⁶⁾	<u>123%</u>	<u>128%</u>	<u>110%</u>	<u>134%</u>	<u>116%</u>	<u>207%</u>	<u>134%</u>	-	-	-
2016 Series ⁽⁵⁾	<u>112%</u>	-	-	-	-	-	-	-	-	-

Note: The revenue bond coverage requirements are 110% for the 2003 and 2011A series issues, and 100% for the 2010 and 2016 series issues.

⁽¹⁾ Gross revenue includes operating revenues, other operating income and investment income.

⁽²⁾ Direct operating expense includes operation and maintenance expenses, administrative and general expenses, unbilled charges and other operating expenses.

⁽³⁾ The 2010 Series bond resolution excludes the interest paid from the Capitalized Interest Subaccount from the debt service requirement.

⁽⁴⁾ Gross revenue for coverage purposes and the debt service requirements exclude the interest income on the 2003 Series bond issue reserve fund as it is not a part of the revenue bond coverage. 2017 gross revenue for coverage purposes also includes \$2,300,000 of accumulated reserve funds utilized for debt service and the interest subsidy on these Build America Bonds.

⁽⁵⁾ 2017 gross revenue for coverage purposes for the 2010 and 2016 Series includes the interest subsidy on the Build America Bonds and \$2,300,000 of accumulated reserve funds utilized for debt service.

⁽⁶⁾ The 2011A Series is based on Middle Big Creek Sewer Subdistrict balances, and the debt service requirements exclude interest paid from loan proceeds.

* * *

APPENDIX B

**SUMMARY OF CERTAIN PROVISIONS OF THE
2010 MASTER TRUST AGREEMENT**

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DEFINITIONS OF WORDS AND TERMS

In addition to terms defined elsewhere in this Official Statement, the following are definitions of certain terms used in the 2010 Master Trust Agreement (the term used in this Appendix is “Master Trust Agreement” which is the same as the 2010 Master Trust Agreement described in the body of this Official Statement). Reference is hereby made to the 2010 Master Trust Agreement for the complete definitions of all terms.

“2004 Master Trust Agreement” means the Amended and Restated Master Trust Agreement dated as of March 1, 2004, as amended by the First Amendment to Master Trust Agreement dated as of November 1, 2009 and the Second Amendment to Master Trust Agreement dated as of November 1, 2010, each between the Authority and the 2004 Master Trustee, as further amended, supplemented and restated from time to time.

“2004 Master Trust Bonds” means Master Trust Bonds as defined in the 2004 Master Trust Agreement.

“2004 Master Trust Deficiency” means written notice for an Interest Payment Date from the 2004 Master Trustee to the Master Trustee, the Authority and DNR, of:

- (1) the total funding requirement,
- (2) the amount of available funds for each of the funding requirements, and
- (3) amount of the deficiency in available funds under the 2004 Master Trust Agreement for the applicable funding requirement,

identified, to the extent practicable, by clean water or drinking water, for any of the following funding requirements for which a deficiency exists:

- (A) for the payment of debt service on any 2004 Master Trust Bonds; and/or
- (B) for the funding of any 2004 Participant Account or 2004 Reserve Account (each as defined in the 2004 Master Trust Agreement) deficiency.

“2004 Master Trustee” means UMB Bank, N.A., as master trustee under the 2004 Master Trust Agreement, and any successor master trustee pursuant to the 2004 Master Trust Agreement at the time serving as 2004 Master Trustee under the 2004 Master Trust Agreement.

“2004 Participant Account” means Participant Account as defined in the 2004 Master Trust Agreement.

“2004 Reserve Account” means Reserve Account as defined in the 2004 Master Trust Agreement.

“Act” means Sections 260.005 through 260.125, and Appendix B(1), RSMo, and all future acts supplemental thereto and amendatory thereof.

“Authority” means the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State of Missouri, or any board, agency, commission, political subdivision, governmental unit, department or officer succeeding to the principal functions thereof or to whom the powers conferred upon the Authority by the Act shall be given by law.

“Authority Pledge Agreement” means the Authority Master Pledge Agreement dated as of November 1, 2011, between the Authority and the Master Trustee, as amended, supplemented and restated from time to time.

“Authorized Officer” means, with respect to the Authority, the Chairman, Vice Chairman, Secretary, Director or Deputy Director of the Authority, and, with respect to DNR, the Department Director, or the Department Director’s designee.

“Bond” or **“Bonds”** means any bond or bonds or all the bonds, as the case may be, of the Authority in one or more series, relating to the Clean Water SRF Leveraged Program or the Drinking Water SRF Leveraged Program, or both, issued and secured pursuant to one or more Bond Indentures and further secured in whole or in part, to the extent the Bonds are part of a Series of Master Trust Bonds, under the Master Trust Agreement.

“Bond Counsel” means Gilmore & Bell, P.C. or other counsel selected by the Authority and satisfactory to the Master Trustee and nationally recognized as experienced in matters relating to bonds issued by states and their political subdivisions.

“Bond Indenture” means the bond indenture or other similar document between the Authority and a Bond Indenture Trustee, pursuant to which a Series of Bonds secured under the Master Trust Agreement is issued and delivered.

“Bond Indenture Trustee,” with respect to each Series of Bonds, means the trustee named under the related Bond Indenture in its capacity as such trustee.

“Cash Flow Certificate” means a certificate, executed by an Authorized Officer of the Authority, showing that expected payments of debt service of the Pledged Participant Obligations and other Participant Obligations, Pledged Net Participant Payments, expected earnings on Sinking Funds and other funds available for the payment of debt service are sufficient to timely pay the debt service on the Series of Master Trust Bonds designated by the applicable Series Certificate and any currently outstanding Master Trust Bonds, and that expected payments of interest on the Pledged Participant Obligations and other Participant Obligations, the interest portion of the Pledged Net Participant Payments, expected earnings on Sinking Funds and other funds available for the payment of debt service are sufficient to timely pay debt service on the State Match Portion designated by the Series Certificate, if any, and currently outstanding State Match Portions.

“Clean Water Interest Account” means the Clean Water Interest Account of the Repayment Fund.

“Clean Water Interest Account Carryforward Balance” means the amount set forth for an Interest Payment Date in a schedule attached to a Series Certificate for Bonds with respect to the Clean Water SRF Program, as that schedule is modified by an Officer’s Certificate upon the issuance of additional Bonds, an unscheduled redemption of Bonds, or any other time.

“Clean Water Participants” means Participants under the Clean Water SRF Program as designated in a Bond Indenture and/or the Pledge Agreement from time to time.

“Clean Water Principal Account” means the Clean Water Principal Account of the Repayment Fund.

“Clean Water Principal Account Carryforward Balance” means the amount set forth for an Interest Payment Date in a schedule attached to a Series Certificate for Bonds with respect to the Clean Water SRF Program, as that schedule is modified by an Officer’s Certificate upon the issuance of additional Bonds, an unscheduled redemption of Bonds, or any other time.

“Clean Water SRF Program” means the Missouri Leveraged State Water Pollution Control Revolving Fund Program administered by the Authority and DNR, and the State of Missouri Direct Loan Program administered by DNR, each pursuant to Section 644.122, RSMo, as amended, and the Federal Clean Water Act.

“Code” means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

“Deficiency Notice” means written notice for an Interest Payment Date from the Master Trustee to the 2004 Master Trustee, the Authority and DNR, of:

- (1) the total funding requirement,
- (2) the amount of available funds for each of the funding requirements, and
- (3) amount of the deficiency in available funds under the Master Trust Agreement for the applicable funding requirement,

identified, to the extent practicable, by clean water or drinking water, for any of the following funding requirements for which a deficiency exists:

- (A) for the payment of debt service on any Master Trust Bonds, after application of moneys in the Clean Water Interest Account and the Drinking Water Interest Account to the payment of the applicable State Match Portion;
- (B) for the funding of the Clean Water Interest Account Carryforward Balance, the Clean Water Principal Account Carryforward Balance, the Drinking Water Interest Account Carryforward Balance, and/or the Drinking Water Principal Account Carryforward Balance; and/or
- (C) for the funding of any Sinking Fund deficiency.

“DNR” means the Missouri Department of Natural Resources, a department of the State of Missouri.

“Drinking Water Interest Account” means the Drinking Water Interest Account of the Repayment Fund.

“Drinking Water Interest Account Carryforward Balance” means the amount set forth for an Interest Payment Date in a schedule attached to a Series Certificate for Bonds with respect to the Drinking Water SRF Program, as that schedule is modified by an Officer’s Certificate upon the issuance of additional Bonds, an unscheduled redemption of Bonds, or any other time.

“Drinking Water Participants” means Participants under the Drinking Water SRF Program as designated in a Bond Indenture and/or the Pledge Agreement from time to time.

“Drinking Water Principal Account” means the Drinking Water Principal Account of the Repayment Fund.

“Drinking Water Principal Account Carryforward Balance” means, with respect to Bonds, the amount set forth for an Interest Payment Date in a schedule attached to a Series Certificate for Bonds with respect to the Drinking Water SRF Program, as that schedule is modified by an Officer’s Certificate upon the issuance of additional Bonds, an unscheduled redemption of Bonds, or any other time.

“Drinking Water SRF Program” means the Missouri Leveraged State Drinking Water Revolving Fund Program administered by the Authority and DNR, and the State of Missouri Drinking Water Direct Loan Program administered by DNR, each pursuant to Sections 644.122 and 640.107, RSMo, as amended, and the Federal Drinking Water Act.

“EPA” means the United States Environmental Protection Agency or any successor entity which may succeed to the administration of the programs established by the Federal Clean Water Act or the Federal Drinking Water Act.

“Federal Clean Water Act” means the federal Water Quality Act of 1987, 33 U.S.C. Section 1381 *et seq.*, as amended from time to time, or any successor provisions.

“Federal Drinking Water Act” means the federal Safe Drinking Water Act, 42 U.S.C. Section 300f *et seq.*, as amended from time to time, or any successor provisions.

“Federal Securities” means any direct obligation of, or obligation the timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America and backed by the full faith and credit thereof.

“Interest Payment Date” means the date on which debt service on any Series of Bonds is payable.

“Investment Securities” means any of the following securities legal for the investment of funds of the Authority held pursuant to the Master Trust Agreement at the time of purchase thereof:

(a) Federal Securities;

(b) bonds, notes, debentures, obligations or other evidence of indebtedness rated in the highest long-term rating category of the Rating Agency and issued by the Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Bank, Federal Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks, Farmers Home Administration, Fannie Mae and/or the Federal Home Loan Mortgage Corporation; provided, however, mortgage pass-through securities, mortgage-backed securities pools (MBS), as well as collateralized mortgage obligations (CMO) and all mortgage derivative securities trusts are NOT Investment Securities under the definition;

(c) obligations of any state or political subdivision of a state that are rated in the highest long-term rating category of the Rating Agency (“Municipal Bonds”) that are fully secured as to principal and interest by an irrevocable pledge of moneys and/or direct and general obligations of, or obligations unconditionally guaranteed by, the United States of America, which moneys or obligations are segregated in trust and pledged for the benefit of the owners of the Municipal Bonds;

(d) direct and general obligations of the State, the payment of the principal of and interest on which the full faith and credit of the State is pledged, provided that at the time of their purchase under the Indenture such obligations are rated in either of the two highest rating categories by the Rating Agency;

(e) deposits which are fully insured by the Federal Deposit Insurance Corporation (“FDIC”) in one or more of the following institutions: banks, trust companies or savings and loan associations (including without limitation, the Trustee or any bank affiliated with the Trustee) organized under the laws of the United States of America or any state thereof;

(f) federal funds, unsecured certificates of deposit, time deposits and bankers acceptances (having maturities of not more than 365 days) of any bank, the short-term obligations of which are rated in the highest short-term rating category of the Rating Agency;

(g) unsecured promissory notes of any bank, trust company, national banking association or bank holding company, equal in quality to such institution’s outstanding unsecured long-term debt, that is rated, in the highest rating category by the Rating Agency;

(h) Tax Exempt Permitted Investments;

(i) an investment agreement with a provider which is rated, or whose unsecured, long-term obligations are rated, at least “Aa2” or equivalent by the Rating Agency, or with a provider whose obligations are guaranteed by a guarantor which is rated, or whose unsecured, long-term obligations are rated, at least “Aa2” or equivalent by the Rating Agency;

(j) commercial paper issued by domestic corporations rated in the second highest short-term rating category of the Rating Agency (including, without limitation, the Master Trustee or any bank affiliated with the Master Trustee); and

(k) shares in money market mutual funds rated in the highest applicable rating category by the Rating Agency or other nationally recognized rating service.

“Leveraged Portion” means, with respect to any principal of any Bonds, the portion thereof designated in the applicable Bond Indenture as being the Leveraged Portion. The Leveraged Portion of any Bond is included within the meaning of a “Master Trust Bond” if so designated in the applicable Bond Indenture and, if so designated, will be secured under the Master Trust Agreement.

“Master Trust Agreement” means the Master Trust Agreement dated as of November 1, 2010, as amended by the First Amendment to Master Trust Agreement dated as of November 1, 2011, between the Authority and the Master Trustee, as from time to time amended and supplemented.

“Master Trust Bonds” or “Series of Master Trust Bonds” or “Master Trust Bonds of a series” or words of similar meaning means the applicable Series of Bonds or portion thereof authorized by a Bond Indenture and all or a portion of which is secured by the Repayment Fund. In the case of Bonds which include a State Match Portion and a Leveraged Portion, the Leveraged Portion may constitute Master Trust Bonds, if so designated in the applicable Bond Indenture. The State Match Portion of Bonds are not secured by the Principal Account of the Repayment Fund, are not included within the meaning of “Master Trust Bonds” and are not secured by the Master Trust Agreement except as provided in the Master Trust Agreement.

“Master Trust Bonds Expense Fund” means the Master Trust Bonds Expense Fund established by the Master Trust Agreement.

“Master Trust Rebate Fund” means the Master Trust Rebate Fund established under the Master Trust Agreement.

“Master Trustee” means UMB Bank, N.A., St. Louis, Missouri, a national banking association, in its capacity as master trustee under the Master Trust Agreement, and any successor master trustee pursuant to the Master Trust Agreement at the time serving as Master Trustee under the Master Trust Agreement.

“Officer’s Certificate” means a certificate signed by an Authorized Officer of the Authority or DNR.

“Original Bonds” means outstanding bonds of the Authority previously issued under the Clean Water SRF Program and/or the Drinking Water SRF Program, as applicable, other than refunding bonds of the Authority.

“Outstanding,” when used with reference to any Bond, has the meaning ascribed by the Bond Indenture pursuant to which such Bond was issued.

“Owner” or “Bondowner” means any “Bondholder,” “holder” or “owner” of any Bond as provided in the related Bond Indenture.

“Participant” means a political subdivision of the State or other eligible entity which is participating in the Clean Water SRF Program and/or the Drinking Water SRF Program, designated as a Clean Water Participant or Drinking Water Participant.

“Participant Obligations” means Pledged Participant Obligations and any series of bonds, promissory note or other repayment obligation of a Participant designated by the Authority in a Bond Indenture (for example, if the Participant Obligation is directly funded with proceeds of a Series of Master Trust Bonds).

“Pledge Agreement” means the Master Pledge Agreement dated as of November 1, 2010, as amended by the First Amendment to Master Pledge Agreement dated as of February 1, 2015, between DNR and the Authority, as amended, supplemented and restated from time to time.

“Pledged Net Participant Payments” means, in connection with the issuance of a Series of Bonds the proceeds of which will be used to refund Original Bonds, the principal and interest payments on Participant Obligations available after payment of the debt service on the then-outstanding Original Bonds and applicable refunding bonds of the Authority issued prior to the date of the First Amendment to Master Trust Agreement, pledged by the Authority pursuant to the Authority Pledge Agreement.

“Pledged Participant Obligations” means Participant Obligations, the Repayments of which are pledged by DNR to the Authority pursuant to the Pledge Agreement.

“Qualified Regulated Investment Company” means a corporation that: (a) is a Regulated Investment Company within the meaning of Section 851(a) of the Code and meets the requirements of Section 852(a) of the Code for the calendar year; (b) has only one class of stock authorized and outstanding; (c) invests all of its assets in tax-exempt bonds to the extent practicable; and (d) has at least 98% of (i) its gross income derived from interest on, or gain from the sale of or other disposition of,

tax-exempt bonds, the interest on which is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations or (ii) the weighted average value of its assets represented by investments in tax-exempt bonds, the interest on which is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations.

“Repayment Fund” means the Repayment Fund established under the Master Trust Agreement.

“Series Certificate” means, with respect to any Series of Bonds, the related Officer’s Certificate of the Authority delivered pursuant to the Master Trust Agreement, as such certificate may be amended from time to time.

“Series of Bonds” or **“Bonds of a series”** or words of similar meaning means the series of Bonds authorized by a Bond Indenture secured in whole by moneys deposited from time to time in the Repayment Fund, as designated by the Authority in a Series Certificate. To the extent all or any portion of a Series of Bonds is secured under the Master Trust Agreement as Master Trust Bonds, such Bonds so secured constitute a Series of Master Trust Bonds.

“Series Rebate Fund” means a rebate fund established under a Bond Indenture securing the applicable Series of Bonds.

“Series Sinking Fund” means a reserve, subsidy or other fund or account established under a Bond Indenture securing the applicable Series of Bonds and identified as a “Series Sinking Fund” in the Series Certificate.

“Sinking Fund” means a reserve, subsidy or other fund established under the Master Trust Agreement pursuant to a Series Certificate, Officer’s Certificate or Supplemental Agreement or a Series Sinking Fund.

“State” means the State of Missouri.

“State Match” means the amount of State matching funds required under the Federal Clean Water Act and the Federal Drinking Water Act, which shall equal not less than the required percentage of the amount of the applicable capitalization grant to the State for the Clean Water Program and the Drinking Water Program, respectively.

“State Match Portion” means the State Match Portion of a Series of Bonds, which Series of Bonds includes Bonds which have been designated as Master Trust Bonds in the applicable Bond Indenture. The State Match Portion is not included within the meaning of a “Master Trust Bond.” However, any State Match Portion will be secured under the Master Trust Agreement to the extent set forth in the Master Trust Agreement.

“Supplemental Trust Agreement” means any trust agreement or amendment that supplements or amends the Master Trust Agreement that is duly executed and delivered in accordance with the provisions of the Master Trust Agreement.

“Tax Certificate” means, with respect to each Series of Bonds, a Tax Certificate of the Authority, a Tax Compliance Agreement among the Authority, DNR and any other party thereto, or any similar document setting forth requirements designed to assure compliance with certain requirements necessary to maintain the exclusion of interest on the applicable Series of Bonds from gross income for federal income tax purposes, as amended, supplemented and restated from time to time.

“Tax Exempt Permitted Investments” means (a) obligations (i) the interest on which is excluded from gross income of the owner thereof for federal income tax purposes under Section 103(a) of the Code and which is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and (ii) that are assigned a rating in the two highest long-term categories or the highest short-term rating category by the Rating Agency; (b) United States Treasury Certificates of Indebtedness – State and Local Government Series; and (c) stock in a Qualified Regulated Investment Company that is assigned the highest long term or short term rating by the Rating Agency.

“The Water and Wastewater Loan Fund” means The Water and Wastewater Loan Fund established pursuant to Section 644.122, RSMo, as amended.

* * *

SUMMARY OF 2010 MASTER TRUST AGREEMENT

The following is a summary of certain provisions contained in the 2010 Master Trust Agreement (the term used in this Appendix is “Master Trust Agreement” which is the same as the 2010 Master Trust Agreement described in the body of this Official Statement). The following is not a comprehensive description, however, and is qualified in its entirety by reference to the 2010 Master Trust Agreement for a complete recital of the terms thereof.

Creation and Custody of Funds and Accounts

The following Funds and Accounts are established under the Master Trust Agreement:

- (1) a Repayment Fund consisting of a Clean Water Principal Account, a Clean Water Interest Account, a Drinking Water Interest Account and a Drinking Water Principal Account;
- (2) a Master Trust Rebate Fund consisting of a Rebate Account for each Series of Bonds secured under the Master Trust Agreement from time to time; and
- (3) a Master Trust Bonds Expense Fund.

Except as otherwise provided in the Master Trust Agreement, the Repayment Fund will be held by the Master Trustee for the benefit of the Owners of all Master Trust Bonds. Each fund, account and subaccount created from time to time under the Master Trust Agreement shall have such further designations as the Master Trustee deems appropriate in order to properly account for all moneys subject to the Master Trust Agreement or as provided in an Officer’s Certificate.

As security for payment of each Series of Master Trust Bonds, the Authority pledges and assigns the Repayment Fund and all amounts from time to time on deposit therein and available for the payment of each Series of Master Trust Bonds, in the manner and to the extent provided in the Master Trust Agreement, to the Master Trustee; subject, however, to the prior lien on the amounts on deposit in the Clean Water Interest Account and Drinking Water Interest Account, which are pledged and assigned first to the payment of any State Match Portion, in the manner and to the extent provided in the Master Trust Agreement, and thereafter to the payment of the Master Trust Bonds. The Supplemental Trust Agreement, Series Certificate or other Officer’s Certificate establishing any other fund, account or subaccount shall set forth the extent to which such fund, account or subaccount shall be available for and pledged and assigned for the payment of Bonds.

The Clean Water Interest Account and the Clean Water Principal Account will be deemed to be within the Clean Water SRF Program for purposes of compliance with the Federal Clean Water Act, the Clean Water SRF Program, the Act and regulations promulgated thereunder restricting the use of moneys within the Clean Water SRF Program. The Drinking Water Interest Account and the Drinking Water Principal Account will be deemed to be within the Drinking Water SRF Program for purposes of compliance with the Federal Drinking Water Act, the Drinking Water SRF Program, the Act and regulations promulgated thereunder restricting the use of moneys within the Drinking Water SRF Program.

Deposits to Repayment Fund

The Master Trustee will promptly deposit in the Clean Water Interest Account and the Clean Water Principal Account of the Repayment Fund the following receipts:

(1) to the Clean Water Interest Account, (A) the interest on the Pledged Participant Obligations received from the paying agents for the Clean Water Participants pursuant to the Pledge Agreement, and (B) the interest portion of the Pledged Net Participant Payments of Clean Water Participants;

(2) to the Clean Water Principal Account, (A) the principal on the Pledged Participant Obligations received from the paying agents for the Clean Water Participants pursuant to the Pledge Agreement, and (B) the principal portion of the Pledged Net Participant Payments of Clean Water Participants;

(3) to the Clean Water Interest Account, interest on moneys in the Clean Water Principal Account pursuant to the Master Trust Agreement;

(4) to the Clean Water Interest Account, amounts transferred from the Drinking Water Interest Account pursuant to the Master Trust Agreement as described below in subsection (b)(2) under “- Withdrawals from the Repayment Fund”;

(5) to the Clean Water Interest Account, amounts transferred from the Drinking Water Interest Account pursuant to the Master Trust Agreement as described below in subsection (b)(5) under “- Withdrawals from the Repayment Fund”;

(6) to the Clean Water Principal Account, amounts transferred from the Drinking Water Principal Account pursuant to the Master Trust Agreement; and

(7) to the Clean Water Principal Account, amounts allocable to the Clean Water SRF Program released from a Sinking Fund under the Bond Indenture or the Master Trust Agreement.

The Master Trustee will promptly deposit in the Drinking Water Interest Account and the Drinking Water Principal Account of the Repayment Fund the following receipts:

(1) to the Drinking Water Interest Account, (A) the interest on the Pledged Participant Obligations received from the paying agents for the Drinking Water Participants pursuant to the Pledge Agreement, and (B) the interest portion of the Pledged Net Participant Payments of Drinking Water Participants;

(2) to the Drinking Water Principal Account, (A) the principal on the Pledged Participant Obligations received from the paying agents for the Drinking Water Participants pursuant to the Pledge Agreement, and (B) the principal portion of the Pledged Net Participant Payments of Drinking Water Participants;

(3) to the Drinking Water Interest Account, interest on moneys in the Drinking Water Principal Account pursuant to the Master Trust Agreement;

(4) to the Drinking Water Interest Account, amounts transferred from the Clean Water Interest Account pursuant to the Master Trust Agreement as described below in subsection (a)(2) under “- Withdrawals from the Repayment Fund”;

(5) to the Drinking Water Interest Account, amounts transferred from the Clean Water Interest Account pursuant to the Master Trust Agreement as described below in subsection (a)(5) under “- Withdrawals from the Repayment Fund”;

(6) to the Drinking Water Principal Account, amounts transferred from the Clean Water Principal Account pursuant to the Master Trust Agreement; and

(7) to the Drinking Water Principal Account, amounts allocable to the Drinking Water SRF Program released from a Sinking Fund pursuant to the Bond Indenture or the Master Trust Agreement.

Withdrawals from the Repayment Fund

(a) The Master Trustee will make the following withdrawals from the Clean Water Interest Account and the Clean Water Principal Account in the indicated order:

(1) no later than each Interest Payment Date or other date on which debt service is due, on a parity basis, from the Clean Water Interest Account to each Bond Indenture Trustee for deposit to the Clean Water Account of each State Match Portion Debt Service Fund, an amount equal to debt service due on the Clean Water State Match Portion of the applicable Series of Bonds (as set forth in the applicable Bond Indenture);

(2) no later than each Interest Payment Date or other date on which debt service is due, after the transfer pursuant to paragraph (b)(1), from the Clean Water Interest Account to the Drinking Water Interest Account, an amount by which the balance of the Drinking Water Account of each State Match Portion Debt Service Fund is not sufficient for payment of debt service due on the Drinking Water State Match Portion of the applicable Series of Bonds (as set forth in the applicable Bond Indenture);

(3) no later than each Interest Payment Date or other date on which debt service is due, on a parity basis, from the Clean Water Interest Account to each Bond Indenture Trustee for deposit to the Clean Water Account of each Leveraged Portion Debt Service Fund, an amount not to exceed the debt service due on the Clean Water Leveraged Portion of the applicable Series of Bonds (as set forth in the applicable Bond Indenture);

(4) no later than each Interest Payment Date or other date on which debt service is due, on a parity basis, from the Clean Water Principal Account to each Bond Indenture Trustee for deposit to the Clean Water Account of each Leveraged Portion Debt Service Fund, an amount equal to any deficiency in the Clean Water Account for the payment of debt service on the Clean Water Leveraged Portion of the applicable Series of Bonds (as set forth in the applicable Bond Indenture);

(5) no later than each Interest Payment Date or other date on which debt service is due, from the Clean Water Interest Account to the Drinking Water Interest Account, an amount not to exceed the debt service due on the Drinking Water Leveraged Portion of the applicable Series of Bonds (as set forth in the applicable Bond Indenture) after the transfers have been made pursuant to paragraphs (b)(3) and (4);

(6) no later than each Interest Payment Date or other date on which debt service is due, from the Clean Water Principal Account to the Drinking Water Principal Account, an amount not to exceed the debt service due on the Drinking Water Leveraged Portion of the applicable Series of Bonds (as set forth in the applicable Bond Indenture) after the transfers have been made pursuant to paragraphs (b)(3) and (4); and

(7) on each Interest Payment Date, to a Sinking Fund, first from the Clean Water Interest Account and then from the Clean Water Principal Account, the amount of any deficiency in the portion of the Sinking Fund allocable to the Clean Water SRF Program, but only to the extent the balance in the Clean Water Interest Account is greater than the Clean Water Interest Account Carryforward Balance and the balance in the Clean Water Principal Account is greater than the Clean Water Principal Account Carryforward Balance;

(8) on each Interest Payment Date, to the Drinking Water Interest Account and then the Drinking Water Principal Account, any amounts previously transferred to the Clean Water Interest Account and the Clean Water Principal Account pursuant to paragraphs (b)(2), (5), and (6), in that order, but only to the extent the balance in the Clean Water Interest Account is greater than the Clean Water Interest Account Carryforward Balance and the balance in the Clean Water Principal Account is greater than the Clean Water Principal Account Carryforward Balance;

(9) on the dates required by the applicable Tax Certificate, to the Rebate Account for the applicable Series of Bonds within the Master Trust Rebate Fund or Series Rebate Fund, the amounts from the applicable accounts as set forth in an Officer's Certificate, first from interest earnings deposited to the Clean Water Interest Account pursuant to the Master Trust Agreement, and then from the Clean Water Interest Account, but only to the extent the balance in the Clean Water Interest Account is greater than the Clean Water Interest Account Carryforward Balance; and

(10) within two Business Days after each Interest Payment Date, the balance in the Clean Water Interest Account in excess of the Clean Water Interest Account Carryforward Balance for the Interest Payment Date and the balance in the Clean Water Principal Account in excess of the Clean Water Principal Account Carryforward Balance for the Interest Payment Date, to DNR by check for deposit by DNR to The Water and Wastewater Loan Fund, accompanied by Form SRF-04.

(b) The Master Trustee will make the following withdrawals from the Drinking Water Interest Account and the Drinking Water Principal Account in the indicated order:

(1) no later than each Interest Payment Date or other date on which debt service is due, on a parity basis, from the Drinking Water Interest Account to each Bond Indenture Trustee for deposit to the Drinking Water Account of each State Match Portion Debt Service Fund, an amount equal to debt service due on the Drinking Water State Match Portion of the applicable Series of Bonds (as set forth in the applicable Bond Indenture);

(2) no later than each Interest Payment Date or other date on which debt service is due, after the transfer pursuant to paragraph (a)(1), from the Drinking Water Interest Account to the Clean Water Interest Account, an amount by which the balance of the Clean Water Account of each State Match Portion Debt Service Fund is not sufficient for payment of debt service due on the Clean Water State Match Portion of the applicable Series of Bonds (as set forth in the applicable Bond Indenture);

(3) no later than each Interest Payment Date or other date on which debt service is due, on a parity basis, from the Drinking Water Interest Account to each Bond Indenture Trustee for deposit to the Drinking Water Account of the Leveraged Portion Debt Service Fund, an amount not to exceed the debt service due on the Drinking Water Leveraged Portion of the applicable Series of Bonds (as set forth in the applicable Bond Indenture);

(4) no later than each Interest Payment Date or other date on which debt service is due, from the Drinking Water Principal Account to each Bond Indenture Trustee for deposit to the Drinking Water Account of the Leveraged Portion Debt Service Fund, an amount equal to any deficiency in the Drinking Water Account for the payment of debt service on the Drinking Water Leveraged Portion of the applicable Series of Bonds (as set forth in the applicable Bond Indenture);

(5) no later than each Interest Payment Date or other date on which debt service is due, from the Drinking Water Interest Account to the Clean Water Interest Account, an amount not to exceed the debt service due on the Clean Water Leveraged Portion of the applicable Series of Bonds (as set forth in the applicable Bond Indenture) after the transfers have been made pursuant to paragraphs (a)(3) and (4);

(6) no later than each Interest Payment Date or other date on which debt service is due, from the Drinking Water Principal Account to the Clean Water Principal Account, an amount not to exceed the debt service due on the Clean Water Leveraged Portion of the applicable Series of Bonds (as set forth in the applicable Bond Indenture) after the transfers have been made pursuant to paragraphs (a)(3) and (4); and

(7) on each Interest Payment Date, to a Sinking Fund, first from the Drinking Water Interest Account and then from the Drinking Water Principal Account, the amount of any deficiency in the portion of the Sinking Fund allocable to the Drinking Water SRF Program, but only to the extent the balance in the Drinking Water Interest Account is greater than the Drinking Water Interest Account Carryforward Balance and the balance in the Drinking Water Principal Account is greater than the Drinking Water Principal Account Carryforward Balance;

(8) on each Interest Payment Date, to the Clean Water Interest Account and then the Clean Water Principal Account, any amounts previously transferred to the Drinking Water Interest Account and the Drinking Water Principal Account pursuant to paragraphs (a)(2), (5), and (6), in that order, but only to the extent the balance in the Drinking Water Interest Account is greater than the Drinking Water Interest Account Carryforward Balance and the balance in the Drinking Water Principal Account is greater than the Drinking Water Principal Account Carryforward Balance;

(9) on the dates required by the applicable Tax Certificate, to the Rebate Account for the applicable Series of Bonds within the Master Trust Rebate Fund or Series Rebate Fund, the amounts from the applicable accounts as set forth in an Officer's Certificate, first from interest earnings deposited to the Drinking Water Interest Account pursuant to the Master Trust Agreement, and then, from the Drinking Water Interest Account, but only to the extent the balance in the Drinking Water Interest Account is greater than the Drinking Water Interest Account Carryforward Balance; and

(10) within two Business Days after each Interest Payment Date, the balance in the Drinking Water Interest Account in excess of the Drinking Water Interest Account Carryforward Balance for the Interest Payment Date and the balance in the Drinking Water Principal Account in excess of the Drinking Water Principal Account Carryforward Balance for the Interest Payment Date, to DNR by check for deposit by DNR to the Drinking Water Revolving Fund, accompanied by Form SRF-04.

If, on the Business Day preceding any Interest Payment Date, assuming the application of moneys in the Clean Water Interest Account and the Drinking Water Interest Account to the payment of debt service

on any State Match Portions on the Interest Payment Date, the Master Trustee determines that it will have insufficient funds to pay debt service on any Master Trust Bonds, fund in whole the Clean Water Interest Account Carryforward Balance, the Clean Water Principal Account Carryforward Balance, the Drinking Water Interest Account Carryforward Balance, and/or the Drinking Water Principal Account Carryforward Balance, and/or fund any deficiency in a Sinking Fund, the Master Trustee will provide a Deficiency Notice to the 2004 Master Trustee by opening of business on the Interest Payment Date. The Master Trustee will apply moneys received from the 2004 Master Trustee in the order set forth in the Deficiency Notice.

If the Master Trustee receives written notice of a 2004 Master Trust Deficiency, after applying moneys in the Clean Water Interest Account and the Drinking Water Interest Account to the payment of any State Match Portions on the Interest Payment Date, in lieu of the application of funds pursuant to paragraphs (a) and (b), the Master Trustee will apply moneys in the Repayment Fund on the Interest Payment Date on a proportionate basis (based upon the aggregate funding requirements and available funds under the 2004 Master Trust Agreement and the Master Trust Agreement) to the 2004 Master Trustee and to the requirements under the Master Trust Agreement in the following order:

- (1) to the payment of debt service on any Master Trust Bonds and 2004 Master Trust Bonds;
- (2) to the funding of any deficiency in the Clean Water Interest Account Carryforward Balance, the Clean Water Principal Account Carryforward Balance, the Drinking Water Interest Account Carryforward Balance, and/or the Drinking Water Principal Account Carryforward Balance; and/or
- (3) to the funding of any deficiency in a Sinking Fund, 2004 Participant Account and 2004 Reserve Account.

Clean water funds will be applied first to clean water deficiencies and drinking water funds will be applied first to drinking water deficiencies to the maximum extent possible.

Arbitrage Rebate; Master Trust Rebate Fund

Pursuant to the Tax Certificate with respect to a Series of Bonds, the Master Trustee shall (1) pay the fees and expenses of a Rebate Analyst (as defined in the Tax Certificate), (2) remit all rebate installments and a final rebate payment to the United States with respect to a Series of Bonds, from moneys deposited into the Master Trust Rebate Fund; and/or (3) remit to a Bond Indenture Trustee rebate installments and a final rebate payment to the United States with respect to a Series of Bonds. The Master Trustee will have no obligation to pay any amounts required to be made pursuant to the Master Trust Agreement and the Tax Certificate other than from moneys held in the Repayment Fund or from other moneys provided to it by DNR or the Authority.

Any moneys remaining in a Series Rebate Fund after redemption and payment of all of the applicable Series of Bonds and payment and satisfaction of any arbitrage rebate shall be transferred as provided in the applicable Bond Indenture. Any moneys remaining in the Master Trust Rebate Fund after redemption and payment of all Master Trust Bonds shall be transferred to DNR.

Notwithstanding any other provision of the applicable Bond Indenture, including in particular the defeasance provisions thereof, the obligation to pay arbitrage rebate to the United States and to comply with all other requirements of the Master Trust Agreement and the Tax Certificate shall survive the defeasance or payment in full of the applicable Series of Bonds and/or all Master Trust Bonds.

Master Trust Bonds Expense Fund

There is established under the Master Trust Agreement, the Master Trust Bonds Expense Fund, to be held by the Master Trustee under the provisions of the Master Trust Agreement. The Master Trust Bonds Expense Fund is held solely for the benefit of the Authority and DNR and is not pledged to secure the payment of any Master Trust Bonds or State Match Portion.

The Master Trustee will deposit in the Master Trust Bonds Expense Fund (i) the amounts, received from time to time from the paying agents, transferred from the Administrative Expense Funds held by the paying agents under Escrow Agreements between the paying agents and the issuers of bonds or other obligations purchased by DNR under the State of Missouri Direct Loan Program of DNR and the Clean Water Commission or the Safe Drinking Water Commission, as applicable, and (ii) any other amounts received that are accompanied by written directions from the Authority or DNR to deposit the amounts in the Master Trust Bonds Expense Fund.

Moneys in the Master Trust Bonds Expense Fund will be invested in the Federated Prime Obligations Fund unless the Master Trustee is otherwise directed in writing by the Authority. Investment earnings on the Master Trust Bonds Expense Fund will accrue to the Master Trust Bonds Expense Fund.

The Master Trustee will disburse funds from the Master Trust Bonds Expense Fund to the Bond Indenture Trustees of Master Trust Bonds for deposit to Costs of Issuance Funds upon the receipt of the written directions of the Authority (which may be included in a Series Certificate), or as otherwise directed in an Officer's Certificate.

Investments

The Master Trustee will invest and re-invest moneys in the Funds and Accounts under the Master Trust Agreement in Investment Securities from time to time, as directed in writing by an Authorized Officer of the Authority or DNR, maturing at such times and in such amounts as will make cash available for the purposes of such Funds and Accounts as needed, subject to the restrictions, if any, set forth in the applicable Tax Certificate. If the Master Trustee has not timely received the written direction of the Authority or DNR, the Master Trustee may invest and re-invest moneys in Investment Securities as it reasonably determines.

Investment earnings on moneys in the Clean Water Interest Account and the Drinking Water Interest Account will accrue to the applicable account. Investment earnings on moneys in the Clean Water Principal Account will accrue to the Clean Water Interest Account. Investment earnings on moneys in the Drinking Water Principal Account will accrue to the Drinking Water Interest Account.

Amendments

The Master Trust Agreement may be amended by a written instrument executed by the Authority and the Master Trustee, if neither Rating Agency notifies the Authority and the Master Trustee in writing that the amendment will result in the downgrade, qualification or withdrawal of its credit rating on any Series of Master Trust Bonds.

The Master Trust Agreement will be amended by a written instrument executed by the Authority and the Master Trustee as necessary to conform the provisions of the Master Trust Agreement to final regulations promulgated by EPA which are applicable to the cross-collateralization of the Clean Water SRF Program and the Drinking Water SRF Program or other applicable Clean Water SRF Program and Drinking Water SRF Program requirements.

No amendment to the Master Trust Agreement will be effective without the prior written consent of the 2004 Master Trustee.

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APPENDIX C
SUMMARY OF CERTAIN PROVISIONS
OF THE INDENTURE

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DEFINITIONS OF WORDS AND TERMS

The summary contained in this Appendix C does not purport to be comprehensive or definitive and is qualified in its entirety by reference to the Indenture, a copy of which may be viewed at the designated corporate office of the Trustee or will be provided by the Trustee to any prospective purchaser requesting the same, upon payment by such prospective purchaser of the cost of complying with such request.

DEFINITIONS

In addition to terms defined elsewhere in this Official Statement, the following are definitions of certain terms used in the Indenture.

“Account” means any of the accounts established by the Indenture.

“Act” means Sections 260.005 through 260.125, and Appendix B(1), RSMo, as amended, and all future acts supplemental thereto and amendatory thereof.

“Administrative Office” means (a) with respect to the initial Trustee, for notice and administration purposes, initially, 2 South Broadway, Suite 600, St. Louis, Missouri 63102, Attention: Corporate Trust Department, and (b) with respect to any successor Trustee, its office for notice and administration purposes designated as such by the successor Trustee.

“Authority” means the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State, or any board, agency, commission, political subdivision, governmental unit, department or officer succeeding to the principal functions thereof or to whom the powers conferred upon the Authority by the Act shall be given by law.

“Authority Representative” means the Chairman, Vice Chairman, Secretary, Director or Deputy Director of the Authority.

“Bond Counsel” means Gilmore & Bell, P.C., as Bond Counsel, or other attorney or firm of attorneys with a nationally recognized standing in the field of municipal bond financing approved by the Authority and acceptable to the Trustee.

“Bond Issuance Date” means October 18, 2018, the date of initial issuance and delivery of the Bonds.

“Bondholder,” “Bondowner,” “holder” or “owner” or any similar term, when used with reference to a Bond or Bonds means any person who shall be the registered owner of any Outstanding Bond or Bonds.

“Bond Register” means the registration record maintained by the Bond Registrar under the Indenture.

“Bond Registrar” means the Trustee.

“Bonds” means the Authority’s Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2018A issued in the original aggregate principal amount of \$31,610,000.

“Business Day” means any day other than a Saturday, a Sunday or any other day on which banking institutions in New York, New York or the city or cities in which the Administrative Office or Payment Office of the Trustee is located, are authorized or required to be closed.

“Clean Water Participants” means political subdivisions of the State participating in the Clean Water SRF Program designated as Clean Water Participants within the meaning of the Master Trust Agreement.

“Clean Water SRF Program” shall have the meaning set forth in the Official Statement under the caption **“INTRODUCTION – State Revolving Funds Programs.”**

“Clean Water State Match Portion” means the Bonds so designated and as set forth in an exhibit to the Indenture, which represents the portion of the Bonds issued to provide the State Match for the Clean Water SRF Program.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations and rulings promulgated thereunder or under the corresponding section of the Internal Revenue Code of 1954, as amended, or any subsequently enacted internal revenue law of the United States of America.

“Costs of Issuance” means the costs of issuance of the Bonds as certified by the Authority on the date of issuance of the Bonds.

“Costs of Issuance Fund” means the fund so designated and established by the Indenture, which fund shall not constitute part of the Clean Water SRF Program or the Drinking Water SRF Program.

“Debt Service Fund” means the State Match Portion Debt Service Fund.

“Defeasance Securities” means:

- (a) Federal Securities;
- (b) obligations of the Resolution Funding Corporation or any successor, but only if the use of the obligations to pay and discharge Bonds pursuant to the Indenture will cause the discharged Bonds to be rated in the highest long-term rating category by the Rating Agency; or
- (c) obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any state that:
 - (1) are not callable at the option of the obligor prior to maturity or for which irrevocable instructions have been given by the obligor to call on the date specified in the instructions, and
 - (2) are fully secured as to principal, redemption premium and interest by a fund, consisting of cash or Federal Securities, that:
 - (A) may be applied only to the payment of principal, redemption premium and interest on the obligations, and
 - (B) is sufficient, as verified by a nationally recognized independent certified public accountant, to pay the principal, redemption premium and interest on the obligations.

“DNR” means the Missouri Department of Natural Resources, a department of the State of Missouri.

“Drinking Water Participants” means political subdivisions of the State and other eligible entities participating in the Drinking Water SRF Program designated as Drinking Water Participants within the meaning of the Master Trust Agreement.

“Drinking Water SRF Program” shall have the meaning set forth in the Official Statement under the caption **“INTRODUCTION – State Revolving Funds Programs.”**

“Drinking Water State Match Portion” means the Bonds so designated and as set forth in an exhibit to the Indenture, which represents the portion of the Bonds issued to provide the State Match for the Drinking Water SRF Program.

“Drinking Water Subsidy Fund” means the fund so designated and established by the Indenture.

“EPA” means the United States Environmental Protection Agency.

“Events of Default” means any one or more of the events specified under the caption **“Events of Default.”**

“Federal Clean Water Act” means the Federal Water Quality Act of 1987, 33 U.S.C. Section 1381 *et seq.*, as amended.

“Federal Safe Drinking Water Act” means the Federal Safe Drinking Water Act, 42 U.S.C. Section 300f *et seq.*, as amended.

“Federal Securities” means any direct obligation of, or obligation the timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America and backed by the full faith and credit thereof.

“Fund” means any of the funds established by the Indenture.

“Indenture” means the Bond Indenture dated as of October 1, 2018, between the Authority and the Trustee, as supplemented or amended by any Supplemental Indenture.

“Indenture Receipts” means all moneys received by the Trustee from the Master Trustee from the Clean Water Interest Account and the Drinking Water Interest Account of the Repayment Fund under the Master Trust Agreement (each within the meaning of the Master Trust Agreement).

“Initial Drinking Water Subsidy Fund Investment” means the securities acquired by the Trustee on the Bond Issuance Date, as set forth in an exhibit to the Indenture (which shall consist solely of securities set forth in the definition of Investment Securities that are legal for the investment of funds of DNR).

“Interest Payment Date” means each January 1 and July 1 of each year, beginning on January 1, 2019.

“Investment Securities” means any of the following securities legal for the investment of funds of the Authority held pursuant to the Indenture at the time of purchase thereof:

- (a) Federal Securities;
- (b) bonds, notes, debentures, obligations or other evidence of indebtedness rated in the highest long-term rating category of the Rating Agency and issued by the Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Bank, Federal Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks, Farmers Home Administration, Fannie Mae and/or the Federal Home Loan Mortgage Corporation; provided, however, mortgage pass-through securities, mortgage-backed securities pools (MBS), as well as collateralized mortgage obligations (CMO) and all mortgage derivative securities trusts are NOT Investment Securities under this definition;
- (c) obligations of any state or political subdivision of a state that are rated in the highest long-term rating category of the Rating Agency (“Municipal Bonds”) that are fully secured as to principal and interest by an irrevocable pledge of moneys and/or direct and general obligations of, or obligations unconditionally guaranteed by, the United States of America, which moneys or obligations are segregated in trust and pledged for the benefit of the owners of the Municipal Bonds;
- (d) direct and general obligations of the State, the payment of the principal of and interest on which the full faith and credit of the State is pledged, provided that at the time of their purchase under the Indenture such obligations are rated in either of the two highest rating categories by the Rating Agency;
- (e) deposits which are fully insured by the Federal Deposit Insurance Corporation (“FDIC”) in one or more of the following institutions: banks, trust companies or savings and loan associations (including without limitation, the Trustee or any bank affiliated with the Trustee) organized under the laws of the United States of America or any state thereof;
- (f) federal funds, unsecured certificates of deposit, time deposits and bankers acceptances (having maturities of not more than 365 days) of any bank, the short-term obligations of which are rated in the highest short-term rating category of the Rating Agency;
- (g) unsecured promissory notes of any bank, trust company, national banking association or bank holding company, equal in quality to such institution’s outstanding unsecured long-term debt, that is rated, in the highest rating category by the Rating Agency;
- (h) Tax Exempt Permitted Investments;
- (i) an investment agreement with a provider which is rated, or whose unsecured, long-term obligations are rated, at least “Aa2” or equivalent by the Rating Agency, or with a provider whose obligations are guaranteed by a guarantor which is rated, or whose unsecured, long-term obligations are rated, at least “Aa2” or equivalent by the Rating Agency;
- (j) commercial paper issued by domestic corporations rated in the second highest short-term rating category of the Rating Agency (including, without limitation, the Trustee or any bank affiliated with the Trustee);
- (k) shares in money market mutual funds rated at least as high as the sovereign rating

of the United States of America by the Rating Agency or other nationally recognized rating service; and

(l) obligations of any state or political subdivision of a state that are rated at least “Aa2” or equivalent by the Rating Agency, which obligations may include build America bonds issued under the American Recovery and Reinvestment Act of 2009, as amended from time to time, or any successor federal law.

“Master Trust Agreement” means the Master Trust Agreement dated as of November 1, 2010, as amended by the First Amendment to Master Trust Agreement dated as of November 1, 2011, between the Authority and the Master Trustee, as further amended, supplemented and restated from time to time, provided a copy of any amendment, supplement or restatement is provided to the Trustee.

“Master Trust Bonds” means bonds, or designated portions of bonds, of the Authority at any time outstanding and secured under the Master Trust Agreement.

“Master Trustee” means UMB Bank, N.A., St. Louis, Missouri, in its capacity as master trustee under the Master Trust Agreement, and any successor trustee pursuant to the Master Trust Agreement at the time serving as Master Trustee thereunder.

“Officer’s Certificate” means a certificate signed by an Authority Representative.

“Outstanding” or **“outstanding under the Indenture”** or **“outstanding under the Indenture”**, when used with reference to Bonds, means, at any date as of which the amount of outstanding Bonds is to be determined, the aggregate of all Bonds authorized and issued by the Authority and authenticated and delivered by the Trustee under the Indenture, except:

- (a) Bonds cancelled or surrendered to the Trustee for cancellation pursuant to the Indenture on or prior to such date;
- (b) Bonds deemed to have been paid as provided in the Indenture; and
- (c) Any Bond in lieu of or in substitution for which another Bond or Bonds shall have been issued by the Authority and authenticated and delivered by the Trustee pursuant to the Indenture, unless proof satisfactory to the Trustee is presented that such Bond is held by a bona fide holder in due course.

In determining whether the holders of a requisite aggregate principal amount of Bonds outstanding have concurred in any request, demand, authorization, direction, notice, or waiver under the Indenture, Bonds which are owned by the Authority shall be disregarded and deemed not to be outstanding for the purpose of any such determination; provided, however, that for the purpose of determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded.

“Participant Obligations” means the series of bonds, promissory note or other repayment obligation of a Participant.

“Participants” means the Clean Water Participants and the Drinking Water Participants (each a “Participant”).

“Paying Agent” means any paying agent for the Bonds (initially, the Trustee) and its successor or successors appointed pursuant to the provisions of the Indenture.

“Payment Office” means, (a) with respect to the initial Trustee, for payment, registration, maintenance of the Bond Register, tender of Bonds and exchange purposes, initially Corporate Trust Department, 928 Grand Boulevard, 6th Floor, Kansas City, Missouri 64106, and (b) with respect to any successor Trustee, its office or offices for those purposes designated as such by the successor Trustee.

“Pledge Agreement” means the Master Pledge Agreement dated as of November 1, 2010, as amended by the First Amendment to Master Pledge Agreement dated as of February 1, 2015, between DNR and the Authority, as further amended, supplemented and restated from time to time.

“Pledged Participant Obligations” means Participant Obligations, the principal and interest payments on which are pledged by DNR from time to time to the Authority pursuant to the Pledge Agreement and deposited with the Master Trustee under the Master Trust Agreement.

“Qualified Regulated Investment Company” means a corporation that: (a) is a Regulated Investment Company within the meaning of Section 851(a) of the Code and meets the requirements of Section 852(a) of the Code for the calendar year; (b) has only one class of stock authorized and outstanding; (c) invests all of its assets in tax-exempt bonds to the extent practicable; and (d) has at least 98% of (1) its gross income derived from interest on, or gain from the sale of or other disposition of, tax-exempt bonds, the interest on which is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations or (2) the weighted average value of its assets represented by investments in tax-exempt bonds, the interest on which is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations.

“Rating Agency” means Moody’s Investors Service and Fitch Ratings or, if neither rating agency is then maintaining a rating on the Bonds, any other nationally recognized securities rating agency designated by the Trustee with the prior approval of the Authority.

“Rebate Fund” means the fund so designated and established by the Indenture.

“Release” means each amount to be released from the Drinking Water Subsidy Fund as set forth in the table included in the Official Statement under the caption **“SECURITY AND SOURCES OF PAYMENT OF THE BONDS – Drinking Water Subsidy Fund.”**

“Repayment Fund” has the meaning set forth in the Master Trust Agreement.

“RSMo” means the Revised Statutes of Missouri, as amended.

“State” means the State of Missouri.

“State Match” means the amount of State matching funds required under the Federal Clean Water Act and the Federal Safe Drinking Water Act, equal to the applicable percentage of the amount of federal funds payable pursuant to the applicable federal capitalization grants to the State for the Clean Water SRF Program and the Drinking Water SRF Program.

“State Match Portion” means the Bonds, consisting of the Clean Water State Match Portion and the Drinking Water State Match Portion.

“State Match Portion Debt Service Fund” means the fund so designated and established by the Indenture.

“Supplemental Indenture” means any indenture supplemental to or amendatory of the Indenture as originally executed which is duly executed in accordance with the provisions of the Indenture.

“Supplemental Tax Agreement” means any agreement supplementing or amending the Tax Agreement.

“Tax Agreement” means the Tax Compliance Agreement dated as of October 1, 2018, among the Authority, DNR, the Trustee and the Master Trustee, as amended, supplemented and restated from time to time in accordance with its terms.

“Tax Exempt Permitted Investments” means (a) obligations (1) the interest on which is excluded from gross income of the owner thereof for federal income tax purposes under Section 103(a) of the Code and which is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and (2) that are assigned a rating in the two highest long-term categories or the highest short-term rating category by the Rating Agency; (b) United States Treasury Certificates of Indebtedness -- State and Local Government Series; and (c) stock in a Qualified Regulated Investment Company that is assigned the highest long term or short term rating by the Rating Agency.

“Trustee” means UMB Bank, N.A., St. Louis, Missouri, a national banking association, and any successor trustee pursuant to the Indenture at the time serving as Trustee under the Indenture.

* * *

SUMMARY OF THE INDENTURE

Security for Bonds and Sources of Payments

The Bonds, and interest thereon, shall be limited obligations of the Authority payable solely from the Indenture Receipts, the income derived from the investment of moneys held in the funds and accounts established under the Indenture (other than the Rebate Fund and the Costs of Issuance Fund), and other moneys held by the Trustee under the Indenture (other than the Rebate Fund and the Costs of Issuance Fund) and available for such payment, and shall be a valid claim of the respective holders thereof only against such Indenture Receipts and other funds, which Indenture Receipts and other funds are hereby pledged for the equal and ratable payment of the Bonds and the interest thereon and shall be used for no other purpose other than to pay the principal of and redemption premium, if any, and interest on the Bonds, except as may be otherwise expressly authorized in the Indenture. The Bonds shall not be paid from moneys derived from the regularly scheduled repayment of principal of any Pledged Participant Obligations or the principal component of Pledged Net Participant Payments. Nothing contained in the Indenture shall permit or be deemed to permit the use of moneys representing the repayment of principal of Pledged Participant Obligations or the principal component of Pledged Net Participant Payments prior to the maturity or scheduled redemption thereof to pay the principal of the Bonds. The Bonds do not constitute or create an indebtedness, liability or moral obligation of any Participant, the State, any political subdivision thereof, the United States of America or any agency thereof, EPA, DNR, the Clean Water Commission or the Safe Drinking Water Commission. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds nor is the State or any political subdivision thereof liable on the Bonds. No covenant, stipulation, obligation or agreement contained in the Indenture or in the Bonds shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future trustee, officer, member, director, employee or agent of the Authority in his or her individual capacity. The Authority has no taxing power.

State Match Portion

The Bonds are comprised of the State Match Portion only. Except as otherwise provided in the Master Trust Agreement based upon the cross-collateralization of the Clean Water SRF Program and the Drinking Water SRF Program, amounts due on the Clean Water State Match Portion shall be paid solely from interest payments on Pledged Participant Obligations made by Clean Water Participants and amounts due on the Drinking Water State Match Portion shall be paid solely from interest payments on Pledged Participant Obligations made by Drinking Water Participants and investment earnings on the Drinking Water Subsidy Fund.

Establishment of Funds and Accounts

The Authority has created and established the following special funds and accounts, each of which shall be held by the Trustee:

- (1) State Match Portion Debt Service Fund, consisting of a Clean Water Account and a Drinking Water Account;
- (2) Bond Proceeds Fund;
- (3) Drinking Water Subsidy Fund;
- (4) Costs of Issuance Fund; and

(5) Rebate Fund.

The Trustee is authorized to establish separate accounts and subaccounts within the funds and accounts established under the Indenture or otherwise segregate moneys within the funds and accounts as the Trustee may deem necessary or convenient, or as the Trustee is instructed in writing by the Authority in an Officer's Certificate.

State Match Portion Debt Service Fund

No later than each Interest Payment Date or other date on which debt service is due on the Clean Water State Match Portion, the Trustee will deposit into the Clean Water Account, solely from moneys constituting interest payments on Pledged Participant Obligations of Clean Water Participants (except as otherwise provided in the Master Trust Agreement based upon the cross-collateralization of the Clean Water SRF Program and the Drinking Water SRF Program), the amount received from the Master Trustee for payment of debt service on the Clean Water State Match Portion.

No later than each Interest Payment Date or other date on which debt service is due on the Drinking Water State Match Portion, the Trustee will deposit into the Drinking Water Account, (1) investment earnings on the Drinking Water Subsidy Fund, and (2) solely from moneys constituting interest payments on Pledged Participant Obligations of Drinking Water Participants (except as otherwise provided in the Master Trust Agreement based upon the cross-collateralization of the Clean Water SRF Program and the Drinking Water SRF Program), the amount received from the Master Trustee for payment of debt service on the Drinking Water State Match Portion.

Moneys in the State Match Portion Debt Service Fund shall be applied solely to pay the debt service on the State Match Portion as the same becomes due and payable. Moneys in the State Match Portion Debt Service Fund shall be invested pursuant to the terms of the Indenture set forth under the caption "**Investments.**"

Moneys remaining in the State Match Portion Debt Service Fund at the close of business on the final payment date of the State Match Portion will be transferred to the Master Trustee for deposit into the applicable interest account of the Repayment Fund.

Costs of Issuance Fund

Moneys in the Costs of Issuance Fund shall be applied by the Trustee to the payment of costs of issuance of the Bonds, including payment of all necessary fees, costs and expenses of the Trustee and the Authority relating to the Bonds, as limited by the terms of the Indenture. Disbursements to pay such costs shall be made by the Trustee upon a requisition (in substantially the form attached as an exhibit to the Indenture) signed by the Authority Representative. The Trustee will transfer any balance remaining in the Costs of Issuance Fund on the 90th day following the issuance of the Bonds to the Master Trustee for re-deposit to the Master Trust Bonds Expense Fund and the Costs of Issuance Fund will then be closed. Moneys in the Costs of Issuance Fund shall be invested pursuant to the terms of the Indenture set forth under the caption "**Investments.**"

Bond Proceeds Fund

Moneys in the Bond Proceeds Fund will be applied as specified in the Tax Agreement. The Bond Proceeds Fund will then be closed.

Drinking Water Subsidy Fund

The amount deposited in the Drinking Water Subsidy Fund will be invested in the Initial Drinking Water Subsidy Fund Investment on the Bond Issuance Date. On each Interest Payment Date or other date on which debt service is due on the Drinking Water State Match Portion, the Trustee will transfer to the Drinking Water Account of the State Match Portion Debt Service Fund, investment earnings on the Drinking Water Subsidy Fund, after the transfer of any investment earnings to the Rebate Fund pursuant to the Tax Agreement.

On the applicable Interest Payment Date, provided payment of the Drinking Water State Match Portion has been made or provided for, the Trustee shall transfer an amount equal to the Release, if any, from the Drinking Water Subsidy Fund to the Master Trustee for deposit in the Drinking Water Principal Account under the Master Trust Agreement.

On the date of the payment in full of the principal of and interest on the Drinking Water State Match Portion and all obligations pursuant to the terms of the Indenture have been paid or provided for, the Trustee shall transfer all amounts remaining in the Drinking Water Subsidy Fund to the Master Trustee for deposit in the Drinking Water Principal Account under the Master Trust Agreement.

Rebate Fund

Pursuant to the Tax Agreement, the Trustee shall remit all arbitrage rebate installments (including yield reduction payments) and a final arbitrage rebate payment to the United States as directed in writing by an Authority Representative. The Trustee shall deposit in the Rebate Fund payments required to be made pursuant to the Tax Agreement from moneys received from the Master Trustee. The Trustee shall have no obligation to pay any amounts required to be rebated other than from moneys provided to it by the Master Trustee pursuant to the Master Trust Agreement. Any moneys remaining after redemption and payment of all of the Bonds and payment and satisfaction of any arbitrage rebate shall be transferred to the Master Trustee.

Investments

The Debt Service Fund shall at all times be invested by the Trustee in Investment Securities, as an Authority Representative directs the Trustee in writing, maturing at such times and in such amounts as will make cash available for the purposes of such Funds and Accounts as needed, subject to the restrictions, if any, set forth in the Tax Agreement. Moneys in the Drinking Water Subsidy Fund shall be invested in the Initial Drinking Water Subsidy Fund Investment. Moneys in the Costs of Issuance Fund shall be invested in Investment Securities as an Authority Representative directs the Trustee in writing. In the absence of written investment direction, the Trustee shall invest the moneys in the Debt Service Fund and the Costs of Issuance Fund in a money market mutual fund described in the definition of Investment Securities. Net investment earnings on each Fund or Account shall be credited to such Fund or Account.

If an investment is purchased at a premium above par, net earnings on such investment shall be deemed to be reduced by the straight-line amortization of such premium over the remaining term of such investment. If an investment is purchased at a discount, net earnings are deemed to include the amount paid in excess of the discounted purchase price upon maturity or redemption of such investment, at the time such principal amount is received. The term "net earnings" means aggregate earnings less aggregate losses from investments during the applicable period, less any transaction fees incurred in purchasing or selling investments.

Non-Presentation of Bonds; Unclaimed Moneys

Except as otherwise provided below, in the event any Bonds shall not be presented for payment when the principal thereof becomes due, if funds sufficient to pay such Bonds shall be held by the Trustee for the benefit of the holder or holders thereof, all liability of the Authority to the holder or holders thereof for the payment of such Bonds shall forthwith cease, determine and be completely discharged and thereupon it shall be the duty of the Trustee to hold such funds without liability for interest thereon, for the benefit of the holder or holders of such Bonds, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on the holder's part under the Indenture or on, or with respect to, such Bonds.

All moneys which the Trustee shall have withdrawn from the Debt Service Fund or shall have received from any other source and set aside for the purpose of paying any of the Bonds hereby secured shall be held in trust for the respective holders of such Bonds, but any moneys which shall be so set aside or deposited by the Trustee and which shall remain unclaimed by the holders of such Bonds for a period of one year after the date on which such Bonds shall have become due and payable shall be paid to the Authority; provided, however, that the Trustee, before making any such payment shall send a letter to the last known address for such Bondholders that said moneys have not been claimed and that after a date named therein any unclaimed balance of said moneys then remaining will be returned to the Authority and thereafter the holders of such Bonds shall look only to the Authority for payment and then only to the extent of the amount so received without any interest thereon, and the Trustee shall have no responsibility with respect to such moneys.

Events of Default

If any of the following events occurs, it is hereby defined as and declared to be and to constitute an "Event of Default":

(a) if default shall occur in the due and punctual payment of the principal of or interest on any Bond; or

(b) if default shall be made by the Authority in the observance of any of the covenants, agreements or conditions on its part in the Indenture or in the Bonds contained (other than the Authority's covenants, agreements or conditions set forth in the Indenture related to continuing disclosure pursuant to Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934), and such default shall have continued for a period of 90 days after the Authority shall have been given written notice of such default by the Trustee or by the owners of at least 25% in aggregate principal amount of the Bonds then Outstanding; provided, if any default specified in this paragraph (b) is such that it cannot be corrected within such period, it shall not constitute an Event of Default if corrective action is instituted by the Authority within the applicable period and diligently pursued until the default is corrected.

Remedies; Rights of Bondholders

Upon the occurrence and continuance of an Event of Default, the Trustee may pursue any available remedy by action at law or suit in equity to enforce the payment of the principal of and interest on the Bonds then Outstanding. If an Event of Default shall have occurred and be continuing the Trustee may, in its discretion, and if requested so to do by the holders of at least 25% in aggregate principal amount of the Bonds then Outstanding and indemnified as provided in the Indenture, the Trustee shall

exercise such one or more of the rights and powers conferred by the Indenture as the Trustee, being advised by counsel, deemed most expedient in the interest of the Bondholders.

No remedy by the terms of the Indenture conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given to the Trustee or to the Bondholders under the Indenture or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein; and every such right and power may be exercised from time to time as often as may be deemed expedient.

Waivers of Events of Default

The Trustee shall waive any Event of Default and its consequences upon the written request of the Bondholders of a majority in aggregate principal amount of the Bonds then Outstanding; provided that there shall not be waived without the consent of the Bondholders of all the Bonds Outstanding (a) any Event of Default in the payment of the principal of any Outstanding Bonds at their maturity or upon the redemption thereof, or (b) any Event of Default in the payment when due of the interest on any such Bonds unless, prior to such waiver or rescission, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds on overdue installments of interest in respect of which such default shall have occurred, or all arrears of payments of principal when due, as the case may be, and all expenses of the Trustee in connection with such Event of Default shall have been paid or deposited with the Trustee. In case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Authority, the Participant, the Trustee, DNR and the Bondholders shall be restored to their former positions, rights and obligations under the Indenture, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Right of Bondholders to Direct Proceedings

Anything in the Indenture to the contrary notwithstanding, but subject to the provisions of the Indenture related to the Trustee's rights and conditions to accepting the trusts imposed upon it by the Indenture, the holders of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture or for the appointment of a receiver or any other proceedings under the Indenture; provided, that such direction shall not be otherwise than in accordance with applicable provisions of law and of the Indenture.

Remedies Vested in Trustee

All rights of action (including the right to file proof of claims) under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any holder of the Bonds, and any recovery of judgment shall be for the equal benefit of the holders of all of the Outstanding Bonds.

Rights and Remedies of Bondholders

No holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust thereof or for any other remedy under the Indenture unless a default has occurred of which the Trustee has been notified as provided in the Indenture, or of which by said subsection it is deemed to have notice, and unless also such default shall have become an Event of Default and the holders of at least 25% in aggregate principal amount of the Bonds then Outstanding shall have made written request to the Trustee and shall have provided it reasonable opportunity either to proceed to exercise the powers granted under the Indenture or to institute such action, suit or proceeding in its own name and unless also they have provided to the Trustee indemnity as provided in the Indenture and unless the Trustee shall thereafter fail or refuse to exercise the powers granted under the Indenture, or to institute such action, suit or proceeding in its, his or their own name or names; and such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to any action or cause of action for the enforcement of the Indenture, or for any other remedy under the Indenture; it being understood and intended that all proceedings at law or in equity shall be instituted, had and maintained in the manner in the Indenture provided and for the equal benefit of the holders of all of the Bonds then Outstanding. Nothing in the Indenture contained shall, however, affect or impair the right of any holder of any Bond to enforce the payment of the principal of and interest on such Bond at the time, place, from the source and in the manner in the Indenture and in such Bond expressed.

Application of Moneys in Event of Default

Upon an Event of Default all moneys held or received by the Trustee pursuant to the Indenture (other than moneys in the Costs of Issuance Fund and the Rebate Fund) or pursuant to any right given or action taken under this Article, after payment of the reasonable fees, costs, advances, liabilities and expenses incurred or made by the Trustee (including any reasonable attorneys' fees and expenses) and any additional reasonable costs and expenses incurred in connection with the proceedings resulting in the collection of such moneys, shall be deposited in the applicable account of the State Match Portion Debt Service Fund. All moneys so deposited in the State Match Portion Debt Service Fund shall be applied as follows:

- (a) If the principal component of debt service on the Bonds shall not have become or shall not have been declared due and payable, all such moneys shall be applied:

First – To the payment to the persons entitled thereto of all installments of interest then due and payable on the State Match Portion, in the order in which such installments of interest became due and payable, with interest thereon at the rate or rates specified in the respective State Match Portion to the extent permitted by law, solely from interest payments on Pledged Participant Obligations, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege as to the State Match Portion; and

Second – To the payment to the persons entitled thereto of the unpaid principal of and redemption premium, if any, on any of the State Match Portion of the Bonds that shall have become due and payable (other than Bonds called for redemption for the payment of which moneys or securities are held pursuant to the Indenture), in the order of their due date, with interest on such principal and redemption premium, if any, at the rate or rates specified in the respective State Match Portion from the respective dates upon which they became due and payable, solely from interest payments on Pledged

Participant Obligations, and, if the amount available shall not be sufficient to pay in full such principal and redemption premium, if any, due on any particular date, together with such interest, then to the payment ratably, according to the amounts of principal and redemption premium, if any, due on such date, to the persons entitled thereto without any discrimination or privilege as to the State Match Portion.

(b) If the principal component of debt service on the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the debt service on the Bonds then due and unpaid, with interest on such principal and redemption premium, if any, and, to the extent permitted by law, on such interest, at the rate or rates specified in the respective Bonds, without preference or priority of principal, redemption premium or interest over principal, redemption premium or interest or of any installment of interest over any other installment of interest or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal, redemption premium, if any, and interest, to the persons entitled thereto, without any discrimination or privilege.

(c) If the principal component of the debt service on the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under this Article then, subject to subparagraph (b) above, if the principal component of the debt service on the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with subparagraph (a) above.

Whenever moneys are to be applied as set forth above, such moneys shall be applied at such times and from time to time as the Trustee shall determine, having due regard to the amount of such moneys available and which may become available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue.

Whenever all of the debt service on the Bonds has been paid, and all expenses and charges of the Trustee, the Authority and DNR have been paid, any balance shall be paid to the Master Trustee for deposit to the Repayment Fund.

Termination of Proceedings

In case the Trustee shall have proceeded to enforce any right under the Indenture and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then and in every such case the Authority and the Trustee shall be restored to their former positions and rights under the Indenture and all rights, remedies and powers of the Trustee shall continue as if no such proceeding had been taken.

Notice of Defaults

Anything in the Indenture or to the contrary notwithstanding, no default specified in the Indenture shall constitute an Event of Default until actual notice of such default by registered or certified mail shall be given to the Authority by the Trustee or by the holders of at least 25% in aggregate principal amount of the Bonds then Outstanding, and the Authority shall have had 90 days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within such period; provided, however, if any default specified in the Indenture shall be such that it cannot be corrected within such period, it shall not constitute an Event of

Default if corrective action is instituted by the Authority within the applicable period and diligently pursued until the default is corrected.

Successor Trustee

Any corporation into which the Trustee may be merged or with which it may be consolidated or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation resulting from any such merger, consolidation or transfer to which it is a party, *ipso facto*, shall be and become successor Trustee under the Indenture and vested with all of the title to the Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties to the Indenture, anything in the Indenture to the contrary notwithstanding.

Resignation by the Trustee

The Trustee may at any time and for any reason resign and be discharged of the trusts created by the Indenture by executing an instrument in writing resigning such trusts and specifying the date when such resignation shall take effect, and mailing the same to, the Master Trustee, DNR and the Authority and to each owner of the Bonds then Outstanding as shown by the Bond Register not less than 30 days before the date specified in such instrument when such resignation shall take effect.

Removal of Trustee

The Trustee may be removed at the option of the Authority (provided no Event of Default has occurred and is continuing) or by the holders and owners of a majority in aggregate principal amount of the Bonds then Outstanding, in each case by an instrument or concurrent instruments in writing delivered to the Trustee, DNR and, in the event of a removal by Bondholders, to the Authority.

Effective Date for Resignation or Removal

No resignation or removal of the Trustee and no appointment of a successor Trustee shall become effective until the successor Trustee has accepted its appointment under the Indenture.

Appointment of Successor Trustee by the Authority or the Bondholders; Temporary Trustee

In case the Trustee under the Indenture shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting under the Indenture, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor Trustee may be appointed by the Authority (in the case of removal by the Authority) or by the holders and owners of a majority in aggregate principal amount of the Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such holders and owners, or by their legal representatives duly authorized; provided, nevertheless, that in case of such vacancy the Authority by an instrument executed and signed by its Chairman or Vice Chairman and attested by its Vice Chairman, Secretary or Assistant Secretary under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Bondholders in the manner above provided; and any such temporary Trustee so appointed by the Authority shall immediately and without further act be superseded by the Trustee so appointed by such Bondholders. Every such Trustee appointed pursuant to the provisions of the Indenture shall be a trust company or bank located in the State, organized and doing business under the laws of the United States of America or of the State, subject to supervision or examination by federal or State regulatory authority and having, or be wholly owned by an entity having, a reported capital and surplus of not less than \$75,000,000, if there be such an institution willing, qualified and able to accept the

trusts under the Indenture upon reasonable and customary terms. If a successor Trustee has not been appointed within 60 days, the resigning Trustee may petition a court of competent jurisdiction for the appointment of a successor Trustee.

Successor Trustee as Trustee, Paying Agent and Bond Registrar

In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be Paying Agent for payment of principal of and interest on the Bonds and Bond Registrar, and the successor Trustee shall become such Paying Agent and Bond Registrar.

Supplemental Indentures Not Requiring Consent of Bondholders

The Authority and the Trustee may without the consent of, or notice to, any of the Bondholders, enter into a Supplemental Indenture which shall not be inconsistent with the terms and provisions of the Indenture for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in the Indenture;
- (b) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may be lawfully granted to or conferred upon the Bondholders or the Trustee or either of them;
- (c) to subject to the lien and pledge of the Indenture additional revenues, properties or collateral;
- (d) to modify, amend or supplement the Indenture or any Supplemental Indenture in such manner as to permit the qualification of the Indenture or any Supplemental Indenture under any Federal statute hereafter in effect or under any state blue sky law, and, in connection therewith, if the Authority so determines, to add to the Indenture or any Supplemental Indenture such other terms, conditions and provisions as may be permitted or required by any such Federal statute or state blue sky law; provided, that any such Supplemental Indenture referred to in this subsection (d) shall not, in the judgment of the Trustee, which may rely on an opinion of counsel, be to the prejudice of the holders of the Bonds;
- (e) to modify, amend or supplement the Indenture or any Supplemental Indenture in such manner as to permit the qualification of the Indenture under the Trust Indenture Act of 1939, as then amended, or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any state of the United States;
- (f) to provide for the refunding or advance refunding of any Bonds;
- (g) to evidence the appointment of a separate trustee or the succession of a new trustee under the Indenture or a successor to the Bond Registrar;
- (h) to conform the requirements of or respecting the provisions of the Indenture under the captions **“Drinking Water Subsidy Fund,” “Rebate Fund,” “Investments,”** or the tax covenants of the Trustee or the Authority set forth in the Indenture with any subsequent amendments of Section 148 of the Code or any regulation promulgated thereunder or with respect thereto;

(i) to make any change deemed necessary by the Authority to maintain the exclusion of interest on the Bonds from gross income for purposes of federal income taxation; or

(j) to make any other change which, in the sole judgment of the Trustee, does not materially adversely affect the interests of the Bondholders. In exercising such judgment, the Trustee may rely on the opinion of such counsel as it may select.

Supplemental Indentures Requiring Consent of Bondholders

Except for Supplemental Indentures authorized pursuant to the terms of the Indenture set forth above and subject to the further provisions set forth below, and not otherwise, the holders of at least 2/3 in aggregate principal amount of the Bonds then Outstanding shall have the right from time to time, anything contained in the Indenture to the contrary notwithstanding, to consent to and approve the execution by the Authority and the Trustee of such Supplemental Indentures as shall be deemed necessary and desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any Supplemental Indenture. Nothing contained in the Indenture shall permit, or be construed as permitting, without the consent of the holders of all the Bonds then Outstanding (1) an extension of the stated maturity or reduction in the principal amount of, or reduction in the rate or extension of the time of payment of interest on, any Bonds, or (2) the creation of any lien on the Indenture Receipts and other funds pledged under the Indenture prior to or on a parity with the lien of the Indenture, or (3) a reduction in the aforesaid aggregate principal amount of the Bonds the holders of which are required to consent to any such Supplemental Indenture. No such amendment shall modify the rights, duties or immunities of the Trustee without the written consent of the Trustee.

If at any time the Authority shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes set forth above, the Trustee shall, upon being satisfactorily indemnified with respect to expenses as provided in the Indenture, cause notice of the proposed execution of such Supplemental Indenture to be mailed to the Rating Agency and to each owner of the Bonds Outstanding as shown by the Bond Register. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Administrative Office of the Trustee for inspection by all Bondholders. If, within 90 days or such longer period as shall be prescribed by the Authority following the mailing of such notice, the holders of at least 2/3 in aggregate principal amount of the applicable Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as in the Indenture provided, no holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture, the Indenture shall be and be deemed to be modified and amended in accordance therewith.

The Trustee may rely upon an opinion of counsel as conclusive evidence that any Supplemental Indenture entered into by the Authority and the Trustee complies with the provisions of the Indenture. Before the Authority and the Trustee enter into any Supplemental Indenture, there shall have been delivered to the Authority, the Trustee, DNR and the Participants 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, will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes, and will not materially adversely affect the interests of the Bondholders.

Supplemental Tax Agreements

The Authority shall not enter into any Supplemental Tax Agreement without the prior written consent of the Trustee. Such consent by the Trustee shall not be unreasonably withheld. The Trustee may consent to any such modification or amendment upon the receipt of an opinion of Bond Counsel. Before the Authority and DNR enter into any Supplemental Tax Agreement, there shall have been delivered to the Authority, the Trustee, and DNR an opinion of Bond Counsel stating that (a) such Supplemental Tax Agreement is authorized or permitted by the Indenture, (b) complies with its terms, and (c) and will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Defeasance

When all of the Bonds shall have been paid and discharged and the Authority shall have paid or caused to be paid all other sums payable under the Indenture by the Authority, then the requirements contained in the Indenture and the pledge of revenues made under the Indenture and all other rights granted hereby shall terminate. Bonds shall be deemed to have been paid and discharged within the meaning of the Indenture if there shall have been deposited with the Trustee, or other bank or trust company located in the State, having full trust powers and meeting the requirements of a successor Trustee under the Indenture impressed with a first lien to the Trustee for the benefit of the Bondowners,

(a) at or prior to the maturity or redemption date of said Bonds, in trust for and irrevocably appropriated thereto, moneys and/or non-callable Defeasance Securities which, together with the interest to be earned on any such obligations, as evidenced by the written report of an independent certified public accountant, will be sufficient for the payment of the principal of said Bonds, the redemption premium thereon, if any, and interest to accrue to the date of maturity or redemption, as the case may be, or if default in such payment shall have occurred on such date, then to the date of the tender of such payments, provided, however, that if any such Bonds shall be redeemed prior to the maturity thereof,

(i) the Authority shall have elected to redeem such Bonds, and

(ii) either notice of such redemption shall have been given, or the Authority shall have given irrevocable instructions to the Trustee to redeem such Bonds, and

(b) an opinion of Bond Counsel addressed to the Authority and the Trustee to the effect that providing for the payment of the Bonds by depositing moneys or Defeasance Securities with the Trustee will not cause the interest on the Bonds to be included in gross income for federal income tax purposes.

Any moneys and obligations which at any time shall be deposited with the Trustee or other bank by or on behalf of the Authority, for the purpose of paying and discharging any of the Bonds, shall be and are hereby assigned, transferred and set over to the Trustee or other bank in trust for the respective Bondholders, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge of the Indenture. All moneys deposited with the Trustee or other bank shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Indenture.

Bonds for the payment of which moneys and Defeasance Securities shall have been deposited with the Trustee (whether upon or prior to the maturity of such Bonds) shall be deemed to be paid and no longer Outstanding.

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APPENDIX D

FORM OF OPINION OF BOND COUNSEL

State Environmental Improvement
and Energy Resources Authority
Jefferson City, Missouri

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

Merrill Lynch, Pierce, Fenner & Smith Incorporated,
as representative of the Underwriters
New York, New York

Re: \$31,610,000 Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2018A of the State Environmental Improvement and Energy Resources Authority

Ladies and Gentlemen:

We have acted as bond counsel to the State Environmental Improvement and Energy Resources Authority (the “*Authority*”), in connection with the issuance of the above-captioned bonds (the “*Bonds*”). In this capacity, we have examined the law and the certified proceedings, certifications and other documents that we deem necessary to render this opinion.

The Bonds are issued pursuant to a Bond Indenture dated as of October 1, 2018 (the “*Indenture*”) by and between the Authority and UMB Bank, N.A. (the “*Trustee*”). Capitalized terms used and not otherwise defined herein have the meanings assigned in the Indenture.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based on and subject to the foregoing, we are of the opinion, under existing law, as follows:

1. The Authority is validly existing as a body corporate and politic and a governmental instrumentality of the State of Missouri (the “*State*”) with the power to enter into the Indenture, perform the agreements on its part contained therein, and issue the Bonds.

2. The Bonds have been duly authorized, executed and delivered by the Authority and are valid and legally binding special obligations of the Authority.

3. The Bonds are valid and legally binding limited obligations of the Authority. The Bonds are payable and enforceable in accordance with the terms thereof solely from the Trust Estate, which is pledged to secure the payment of the principal of and the interest on the Bonds. The Bonds do not constitute or create an indebtedness, liability or moral obligation of any Participant, the State, any political subdivision thereof, the United States of America or any agency thereof, the United States Environmental Protection Agency, the Missouri Department of Natural Resources, the Clean Water Commission or the Safe Drinking Water Commission. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or interest on

the Bonds nor is the State or any political subdivision thereof liable on the Bonds. The Authority has no taxing power.

4. The Indenture has been duly authorized, executed and delivered by the Authority and constitutes the valid and legally binding agreement of the Authority enforceable against the Authority in accordance with the provisions thereof.

5. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) (i) is excludable from gross income for federal income tax purposes, (ii) is exempt from income taxation by the State, and (iii) is not an item of tax preference for purposes of computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Authority, the Missouri Department of Natural Resources and each applicable Participant, to the extent within its control, comply with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”) that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Authority, the Missouri Department of Natural Resources and each applicable Participant, to the extent within its control, has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Bonds to be included in gross income for federal and State income tax purposes retroactive to the date of issuance of the Bonds. The Bonds have not been designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement). Further, we express no opinion regarding the perfection or priority of the lien on revenues or other funds pledged under the Indenture or tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Very truly yours,