

*In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Authority, under existing law, the interest on the Bonds is (1) **included** in gross income for federal income tax purposes and (2) exempt from income taxation by the State of Missouri, except for death and gift taxes and taxes on transfers. See "TAX MATTERS" in this Official Statement and the form of Bond Counsel opinion attached hereto as **Appendix E**.*



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

\$100,760,000

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

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 Taxable Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2020B (the "Bonds") pursuant to a Bond Indenture dated as of December 1, 2020 (the "Indenture") between the Authority and UMB Bank, N.A., St. Louis, Missouri, as trustee and bond registrar (the "Trustee"). Terms not otherwise defined on this cover page have the meanings set forth herein or in **Appendix C** or **Appendix D** attached hereto.

The Authority will use the net proceeds of the Bonds, together with other legally available funds, to (i) refund all of the remaining outstanding bonds previously issued by the Authority under the State Revolving Funds Programs (as defined herein), which are 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, (ii) defease all of the outstanding Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2010B (the "Series 2010B Bonds"), a portion of the outstanding Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs), Series 2011A (the "Series 2011A Bonds") and a portion of the outstanding Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs), Series 2015A (the "Series 2015A Bonds") previously issued by the Authority under the State Revolving Funds Programs, which are 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 "Original 2010 Master Trust Agreement"), between the Authority and UMB Bank, N.A., as master trustee, (iii) fund a Reserve Fund, (iv) fund a Drinking Water State Match Bond Subsidy Fund, and (v) pay issuance costs, as described herein. The 2004 Master Trust Agreement will terminate upon the issuance of the Bonds. The Original 2010 Master Trust Agreement will be amended and restated in connection with the issuance of the Bonds pursuant to the Amended and Restated Master Trust Agreement dated as of December 1, 2020 (the "Master Trust Agreement") between the Authority and UMB Bank, N.A., as Master Trustee (the "Master Trustee").

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, 2021.

The Bonds, and the interest thereon, are limited obligations of the Authority payable solely from and secured exclusively by revenues and receipts derived and pledged by the Authority under the Indenture to the Trustee for payment of debt service on the Bonds (collectively, the "Trust Estate"), which includes all right, title and interest of the Authority in all moneys received by the Trustee from the Master Trustee pursuant to the terms of the Master Trust Agreement (the "Indenture Receipts"), and income derived from investment of moneys held by the Trustee under the Indenture. The Bonds are also secured by interest earnings on amounts on deposit in the Reserve Fund, subject to the priority of application of such interest earnings, *first*, to the payment of the 2020B State Match Bonds and, *second*, to the payment of the 2020B Leveraged Bonds (as such terms are defined and described herein). The 2020B Leveraged Bonds are also secured (i) on a parity basis, with all Leveraged Bonds outstanding under the Master Trust Agreement, by the portion of the Indenture Receipts constituting releases from the Reserve Fund (as further defined and described herein, the "Reserve Release Amounts") and (ii) the remaining amounts on deposit in the Reserve Fund. Interest earnings on amounts on deposit in the Drinking Water State Match Bond Subsidy Fund are also available to pay debt service on the Drinking Water Portion of 2020B State Match Bonds. See "SECURITY AND SOURCES OF PAYMENT OF THE BONDS" and "SECURITY PROVIDED BY THE MASTER TRUST AGREEMENT" herein.

The Bonds do not constitute or create an indebtedness, liability or moral obligation of any Participant, 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, the Missouri Department of Natural Resources, 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 not subject to optional redemption and are subject to extraordinary redemption prior to maturity, as provided in the Indenture and as described under the section herein captioned "DESCRIPTION OF THE BONDS – Redemption; Notice of Redemption – *Optional Redemption*" and " – *Extraordinary Redemption from Prepayment of Participant Obligations.*"

**See the inside cover page for maturities, principal amounts, interest rates, 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, Merriam, 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 December 3, 2020.

BofA Securities

Baird  
Jefferies

Ramirez & Co., Inc.

Citigroup  
UBS

The date of this Official Statement is November 10, 2020.

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

**\$100,760,000  
Taxable Water Pollution Control and Drinking Water  
Refunding Revenue Bonds  
(State Revolving Funds Programs)  
Series 2020B**

**MATURITY SCHEDULE**

**Base CUSIP: 60636U<sup>1</sup>**

**SERIAL BONDS**

<b><u>Maturity</u></b>	<b><u>Principal Amount</u></b>	<b><u>Interest Rate</u></b>	<b><u>Yield</u></b>	<b><u>CUSIP<sup>1</sup></u></b>
01/01/2021	\$ 9,110,000	0.211%	0.211%	JJ9
07/01/2021	10,005,000	0.261	0.261	JK6
01/01/2022	5,790,000	0.311	0.311	JL4
07/01/2022	10,545,000	0.381	0.381	JM2
01/01/2023	18,850,000	0.453	0.453	JN0
07/01/2023	4,380,000	0.503	0.503	JP5
01/01/2024	19,790,000	0.704	0.704	JQ3
07/01/2024	2,535,000	0.804	0.804	JR1
01/01/2025	12,185,000	0.854	0.854	JS9
07/01/2025	1,415,000	0.904	0.904	JT7
01/01/2026	985,000	1.309	1.309	JU4
07/01/2026	1,370,000	1.349	1.349	JV2
01/01/2027	535,000	1.419	1.419	JW0
07/01/2027	2,535,000	1.449	1.449	JX8
01/01/2028	280,000	1.695	1.695	JY6
07/01/2028	90,000	1.745	1.745	JZ3
07/01/2029	50,000	1.805	1.805	KA6
07/01/2030	310,000	1.905	1.905	KB4

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<sup>1</sup> Copyright 2020 CUSIP Global Services. 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 Capital IQ. The CUSIP numbers listed above are being provided solely for the convenience of Owners of the Bonds only at the time of issuance of the Bonds and neither the Authority nor the Underwriters make any representation with respect to such numbers or undertake any responsibility for the selection or their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions.

**State Environmental Improvement and Energy Resources Authority**

Caleb Arthur, Chairman  
Mary Fontana Nichols, Vice Chairman  
Nancy Gibler, Secretary  
Deron Cherry, Treasurer and Assistant Secretary

Joe Boland, Director  
Rebecca McKinstry, Deputy 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  
Sara Pringer – Fiscal and Administrative Manager

**Clean Water Commission**

Ashley McCarty, Chair  
Patricia Thomas, Vice Chair  
Neal Bredehoeft, Commissioner  
Stan Coday, Commissioner  
John Reece, Commissioner  
Allen Rowland, Commissioner

**Safe Drinking Water Commission**

Elizabeth Grove, Chair  
Charli Jo Ledgerwood, Vice Chair  
Susan McCray Armstrong, Commissioner  
D. Scott Bockenkamp, Commissioner  
Susan E. Hazelwood, Commissioner  
Bruce Manning, Commissioner  
Rodger Owens, Commissioner  
Fred W. Schmidt, Commissioner  
Curtis Skouby, Commissioner

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St. Louis, Missouri  
  
Hardwick Law Firm, LLC  
Kansas City, Missouri

## **REGARDING USE OF THIS OFFICIAL STATEMENT**

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**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 or the Underwriters. 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.

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## **CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT**

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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

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

**\$100,760,000**

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

## 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 \$100,760,000 principal amount of Taxable Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2020B (the **“Bonds”**), to be issued by the Authority pursuant to a Bond Indenture dated as of December 1, 2020 (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”**), 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 **“SECURITY PROVIDED BY THE MASTER TRUST AGREEMENT”** herein. Capitalized terms used in this Official Statement and not otherwise defined herein shall have the meanings provided in **Appendix C** and **Appendix D** to this Official Statement.

### **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 October 7, 2020, to issue the Bonds under the Indenture. See **“THE AUTHORITY”** and **“DESCRIPTION OF THE BONDS”** herein.

The Authority will use the net proceeds of the Bonds, together with other legally available funds, to (i) refund all of the remaining outstanding bonds previously issued by the Authority under the State Revolving Funds Programs (as defined herein), which are 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, (ii) defease all of the outstanding Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2010B (the **“Series 2010B Bonds”**), a portion of the outstanding Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs), Series 2011A (the **“Series 2011A Bonds”**) and a portion of the outstanding Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs),

Series 2015A (the “**Series 2015A Bonds**”) previously issued by the Authority under the State Revolving Funds Programs, which are 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 “**Original 2010 Master Trust Agreement**”), between the Authority and UMB Bank, N.A., as master trustee, (iii) fund a Reserve Fund, (iv) fund a Drinking Water State Match Bond Subsidy Fund, and (v) pay issuance costs, as described herein. The Series 2010B Bonds, the defeased portion of the Series 2011A Bonds and the Series 2015A Bonds, and all of the remaining outstanding bonds previously issued by the Authority, which are secured by the 2004 Master Trust Agreement, that are being refunded by the Bonds are referred to herein collectively as the “**Refunded Bonds.**”

The 2004 Master Trust Agreement will terminate upon the issuance of the Bonds. In connection with the issuance of the Bonds, the Authority and UMB Bank, N.A., as Master Trustee (the “**Master Trustee**”), will enter into the Amended and Restated Master Trust Agreement dated as of December 1, 2020 (the “**Master Trust Agreement**”), which amends and restates in its entirety the Original 2010 Master Trust Agreement. The Bonds will be secured by a pledge and assignment of the Indenture Receipts received by the Trustee from the Master Trustee pursuant to the Master Trust Agreement, as more fully described herein.

### **State Revolving Funds Programs**

**Background.** The Federal Water Quality Act of 1987 (as amended, the “**Federal Clean Water Act**”) and The Safe Drinking Water Act, as amended by The Federal Safe Drinking Water Amendments of 1996 (as amended, the “**Federal Safe Drinking Water Act**”), authorize the Administrator of the United States Environmental Protection Agency (the “**EPA**”) to make capitalization grants to states for deposit in state revolving funds (“**SRF**”). 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 decentralized systems for transportation, collection, storage, treatment, recycling and reclamation of municipal sewage and certain other water pollution control projects. The Federal Safe 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.

**SRF Direct Loan Programs.** In cooperation with the Clean Water Commission of the State of Missouri (the “**Clean Water Commission**”), the Missouri Department of Natural Resources (“**DNR**”) developed and implemented the State of Missouri Direct Loan Program (the “**Clean Water SRF Direct Loan Program**”) to make loans to Missouri governmental entities and other eligible entities of the State (each, a “**Clean Water Participant**” and, collectively, the “**Clean Water Participants**”). In cooperation with the Safe Drinking Water Commission of the State of Missouri (the “**Drinking Water Commission**”), DNR developed and implemented the State of Missouri Direct Loan Program (the “**Drinking Water SRF Direct Loan Program**” and, collectively with the Clean Water SRF Direct Loan Program, the “**SRF Direct Loan Programs**”) to make loans to political subdivisions and other eligible entities of the State (each a “**Drinking Water Participant**” and, collectively, the “**Drinking Water Participants**,” and, together with the Clean Water Participants, the “**Participants**”).

**Leveraged Loan Programs.** By resolutions adopted in 1988 and 1998 (the “**Program Resolutions**”), the Authority approved the development of the Missouri Leveraged State Water Pollution Control Revolving Fund Program (the “**Clean Water SRF Leveraged Program**” and, together with the Clean Water SRF Direct Loan Program, the “**Clean Water SRF Program**”) and the Missouri Leveraged State Drinking Water Revolving Fund Program (the “**Drinking Water SRF Leveraged Program**” and,



together with the Drinking Water SRF Direct Loan Program, the “**Drinking Water SRF Program**”), pursuant to which the Authority stated its intent to periodically issue bonds to (a) finance publicly-owned wastewater treatment facilities and certain private nonpoint source projects and publicly-owned and privately-owned drinking water treatment facilities and/or (b) reimburse DNR for expenditures made under the SRF Direct Loan Programs with respect to the facilities of the Participants prior to the issuance of such bonds.

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 are referred to herein as “**Program Bonds**.” All Program Bonds issued by the Authority under the Master Trust Agreement are referred to herein collectively as “**Master Trust Bonds**.” For further information on the Clean Water SRF Program and the Drinking Water SRF Program, see “**STATE REVOLVING FUNDS PROGRAMS**” herein.

### **Security for the Bonds**

**Limited Obligations.** The Bonds, and the interest thereon, are limited obligations of the Authority payable solely from and secured exclusively by revenues and receipts derived and pledged by the Authority under the Indenture to the Trustee for payment of debt service on the Bonds (collectively, the “**Trust Estate**”), which includes all right, title and interest of the Authority in all moneys received by the Trustee from the Master Trustee pursuant to the terms of the Master Trust Agreement (the “**Indenture Receipts**”), and income derived from investment of moneys held by the Trustee under the Indenture. The Bonds are also secured by interest earnings on amounts on deposit in the Reserve Fund, subject to the priority of application of such interest earnings, *first*, to the payment of 2020B State Match Bonds and, *second*, to the payment of the 2020B Leveraged Bonds (as such terms are defined and described herein). The 2020B Leveraged Bonds are also secured (i) on a parity basis, with all Leveraged Bonds outstanding under the Master Trust Agreement, by the portion of the Indenture Receipts constituting releases from the Reserve Fund (the “**Reserve Release Amounts**”), and (ii) the remaining amounts on deposit in the Reserve Fund. Interest earnings on amounts on deposit in the Drinking Water State Match Bond Subsidy Fund are also available to pay debt service on the Drinking Water Portion of 2020B State Match Bonds (as defined herein). See “**SECURITY AND SOURCES OF PAYMENT OF THE BONDS**” herein.

The Bonds do not constitute or create an indebtedness, liability or moral obligation of any Participant, 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.

**State Match Bonds and Leveraged Bonds.** Program Bonds issued under the Master Trust Agreement may include “**State Match Bonds**” and “**Leveraged Bonds**” if so designated in the bond indenture pursuant to which such bonds are issued. The Authority has designated portions of certain series of bonds previously issued under the Master Trust Agreement as (1) only State Match Bonds, (2) State Match Bonds and Leveraged Bonds or (3) only Leveraged Bonds. Under the Indenture, the Authority has designated a portion of the Bonds as State Match Bonds (the “**2020B State Match Bonds**”) and a portion as Leveraged Bonds (the “**2020B Leveraged Bonds**”).

The Federal Clean Water Act and the Federal Safe Drinking Water Act require states that receive capitalization grants from the EPA to provide matching funds in an amount equal to a required percentage of the total amount of the capitalization grants received. The matching funds provided by the State in connection with the State Revolving Funds Programs is equal to the percentage of the total amount of

capitalization grants received by the State for the Clean Water SRF Program and the Drinking Water SRF Program, respectively, and is defined in the Indenture and referred to herein as the **“State Match.”** State Match Bonds represent a portion of a series of bonds designated by the Authority as bonds issued to provide State Match. Leveraged Bonds represent a portion of a series of bonds designated by the Authority as bonds issued for any purpose other than to provide the State Match. See the section herein captioned **“SECURITY AND SOURCES OF PAYMENT OF THE BONDS – State Match Bond and Leveraged Bond Allocation”** for a chart showing the allocation of the Bonds between State Match Bonds and Leveraged Bonds.

The Indenture also includes an allocation of the Bonds made solely to comply with EPA regulations requiring separate records and accounting for the Clean Water SRF Program and the Drinking Water SRF Program. Accordingly, the 2020B State Match Bonds allocable to the Clean Water SRF Program are defined in the Indenture and referred to herein as the **“Clean Water Portion of 2020B State Match Bonds”** and the 2020B State Match Bonds allocable to the Drinking Water SRF Program are defined in the Indenture and referred to herein as the **“Drinking Water Portion of 2020B State Match Bonds.”** The 2020B Leveraged Bonds allocable to the Clean Water SRF Program are defined in the Indenture and referred to herein as the **“Clean Water Portion of 2020B Leveraged Bonds”** and the 2020B Leveraged Bonds allocable to the Drinking Water SRF Program are defined in the Indenture and referred to herein as the **“Drinking Water Portion of 2020B Leveraged Bonds,”** as indicated in an exhibit to the Indenture. References in this Official Statement to 2020B State Match Bonds and 2020B Leveraged Bonds should be interpreted to include, with respect to the 2020B State Match Bonds, the further allocation as Clean Water Portion of 2020B State Match Bonds and Drinking Water Portion of 2020B State Match Bonds and, with respect to the 2020B Leveraged Bonds, the further allocation as Clean Water Portion of 2020B Leveraged Bonds and Drinking Water Portion of 2020B Leveraged Bonds. See **“SECURITY AND SOURCES OF PAYMENT OF THE BONDS – State Match Bonds and Leveraged Bonds”** and **“ – State Match Bond and Leveraged Bond Allocation”** herein.

***Pledged Participant Obligations and Participant Repayments.*** Prior to November 2010, the Authority issued Program Bonds and loaned the proceeds thereof to Participants, each series of which was issued under a separate indenture and secured by the trust estate created under the applicable indenture, and further secured by the 2004 Master Trust Agreement (the **“2004 Master Trust Bonds”**). In connection with the issuance of each series of 2004 Master Trust Bonds, the Authority, DNR and the applicable Participants entered into an agreement (each a **“Purchase Agreement”** and, collectively, the **“Purchase Agreements”**) pursuant to which each Participant issued a series of bonds, promissory notes or other repayment obligations to the Authority (referred to herein as the **“Authority Participant Obligations”**), which evidenced the Participant’s obligation to repay the loan from the Authority.

Pursuant to the Amended and Restated Authority Master Pledge Agreement dated as of December 1, 2020 (the **“Authority Pledge Agreement”**) between the Authority and the Master Trustee, the Authority grants, assigns and transfers to the Master Trustee a security interest in all of the Authority’s right, title and interest in and to the Participants’ payments of debt service on the Authority Participant Obligations (the **“Authority Pledged Participant Obligations”**) as security for the payment of Master Trust Bonds, including the Bonds, subject to priority of, or limitations with respect to application of, payments by the Participants on their respective Authority Pledged Participant Obligations as provided in the Indenture and in the Master Trust Agreement and as further described herein.

The Authority will use a portion of the net proceeds of the Bonds to refund all of the remaining outstanding 2004 Master Trust Bonds and, as such, ***the 2004 Master Trust Agreement will terminate upon the issuance of the Bonds. Notwithstanding the refunding of all of the 2004 Master Trust Bonds, each Participant continues to be obligated to make payments on its Authority Pledged Participant Obligation.***

Beginning in November 2010, all Program Bonds have been issued under a separate indenture secured by the trust estate created under the applicable indenture in connection with the issuance of such bonds and were further secured by the Original 2010 Master Trust Agreement, which will be amended and restated in its entirety in connection with the issuance of the Bonds under the Master Trust Agreement.

All of the bonds issued by the Authority under the Original 2010 Master Trust Agreement or to be issued under the Master Trust Agreement, including the Bonds, are additionally secured by Participant payments made in connection with the SRF Direct Loan Programs. Under the SRF Direct Loan Programs, each Participant issues a bond, note or other repayment obligation to DNR, evidencing the Participant's obligation to repay the loan from DNR (referred to herein as the **"DNR Participant Obligations"**) and, together with the Authority Participant Obligations, the **"Participant Obligations"**).

Pursuant to the Amended and Restated DNR Master Pledge Agreement dated as of December 1, 2020 (the **"DNR Pledge Agreement"**), DNR grants, assigns and transfers to the Authority a security interest in all of DNR's right, title and interest in and to the Participants' payments of debt service on certain DNR Participant Obligations (the **"DNR Pledged Participant Obligations"**) and, together with the Authority Pledged Participant Obligations, the **"Pledged Participant Obligations"**) as security for the payment of Master Trust Bonds, including the Bonds, subject to priority of, or limitations with respect to application of, payments by the Participants on their respective DNR Pledged Participant Obligations as provided in the Indenture and in the Master Trust Agreement and as further described herein.

The Participants' payments of debt service on Pledged Participant Obligations is defined in the Master Trust Agreement and referred to herein as the **"Participant Repayments,"** which consist of a Principal Component and an Interest Component. The Interest Component of the Participant Repayments is available to pay debt service, first, on a parity basis, on all State Match Bonds outstanding under the Master Trust Agreement (including the 2020B State Match Bonds) and second, on a parity basis, on all Leveraged Bonds outstanding under the Master Trust Agreement (including the 2020B Leveraged Bonds). The Principal Component of the Participant Repayments is available to pay debt service, on a parity basis, on all Leveraged Bonds outstanding under the Master Trust Agreement (including the 2020B Leveraged Bonds).

See **"SECURITY AND SOURCES OF PAYMENT OF THE BONDS"** and **"SECURITY PROVIDED BY THE MASTER TRUST AGREEMENT"** herein and **Appendix C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER TRUST AGREEMENT"** attached hereto.

**Reserve Fund.** A Reserve Fund will be established under the Indenture and within the Reserve Fund, a Clean Water Account and a Drinking Water Account. The Clean Water Account of the Reserve Fund will initially be funded from moneys on deposit in prior reserve funds established for the Refunded Bonds allocable to the Clean Water SRF Program. The Drinking Water Account of the Reserve Fund will initially be funded from moneys on deposit in prior reserve funds established for the Refunded Bonds allocable to the Drinking Water SRF Program.

Each bond trustee with respect to a series of 2004 Master Trust Bonds entered into a collateralized investment agreement (individually, an **"Original Investment Agreement"** and collectively, the **"Original Investment Agreements"**) pursuant to the terms of the applicable indenture pursuant to which the series of 2004 Master Trust Bonds was issued, except one series of 2004 Master Trust Bonds in which the trustee for such series purchased United States Treasury or agency obligations (**"Treasury Securities"**) pursuant to the terms of the applicable indenture. Each such indenture required the applicable bond trustee to invest moneys in reserve accounts established for each Participant under the

indenture in an Original Investment Agreement, or with respect to the one series of 2004 Master Trust Bonds, in Treasury Securities. The Authority previously terminated certain of the Original Investment Agreements and purchased a portfolio of Treasury Securities in lieu thereof to secure the related prior reserve funds.

On or after the Bond Issuance Date, the Authority will (i) transfer the existing Treasury Securities to the Trustee for deposit in the Clean Water Account and/or Drinking Water Account of the Reserve Fund, as applicable, (ii) initiate termination of certain of the Original Investment Agreements and thereafter deposit investments purchased with the proceeds resulting from such terminations and a portion of the Bond proceeds with the Trustee for deposit into the Clean Water Account and/or Drinking Water Account of the Reserve Fund, as applicable, and (iii) transfer certain other Original Investment Agreements to the Trustee for deposit into the Clean Water Account and/or Drinking Water Account of the Reserve Fund, as applicable, pursuant to the terms of the Indenture and as described herein. See **“SECURITY AND SOURCES OF PAYMENT OF THE BONDS – Reserve Fund – *Funding of the Reserve Fund*”** for further discussion of the transfer or the termination and reinvestment of the Original Investment Agreements and the transfer of the Treasury Securities to fund the accounts in the Reserve Fund and a chart with (i) information on the providers of the Original Investment Agreements securing applicable reserve funds, (ii) scheduled interest rates and maturity dates for such investments and (iii) the invested amounts of the Original Investment Agreements and the Treasury Securities as of October 7, 2020.

***Reserve Fund Investment Earnings.*** The interest earnings on the amounts on deposit in the Clean Water Account of the Reserve Fund and the Drinking Water Account of the Reserve Fund are available to pay debt service *first*, on the Clean Water Portion of 2020B State Match Bonds and the Drinking Water Portion of 2020B State Match Bonds, respectively, and *second*, to the extent available, to pay debt service on the Clean Water Portion of 2020B Leveraged Bonds and the Drinking Water Portion of 2020B Leveraged Bonds, respectively.

***Reserve Release Amounts.*** The funds on deposit in the Clean Water Account and the Drinking Water Account of the Reserve Fund will be subject to reduction pursuant to a schedule of reserve release amounts attached as an exhibit to the Indenture (the **“Reserve Release Amounts”**). The Indenture requires the Trustee, on each Interest Payment Date, to immediately transfer, without further authorization, the Reserve Release Amount for the applicable Interest Payment Date to the Master Trustee for deposit into the applicable Principal Account of the Master Repayment Fund. Such Reserve Release Amounts will be available to make up any deficiency in debt service payments, on a parity basis, on all outstanding Leveraged Bonds under the Master Trust Agreement, including the 2020B Leveraged Bonds, pursuant to the terms of the Master Trust Agreement and, to the extent not necessary for such purpose, any remaining Reserve Release Amounts will be released to DNR for deposit to the Water and Wastewater Loan Revolving Fund (as defined herein). **State Match Bonds are not secured by Reserve Release Amounts.** See **“SECURITY AND SOURCES OF PAYMENT OF THE BONDS – Debt Service Schedule and Projected Cash Flow Sufficiency”** herein.

***Amounts in the Reserve Fund Remaining After Release of the Reserve Release Amounts.*** The remaining amounts on deposit in the Clean Water Account and Drinking Water Account of the Reserve Fund, after the release of the Reserve Release Amounts, will be available to make up a deficiency in debt service payments only on the Clean Water Portion of 2020B Leveraged Bonds and the Drinking Water Portion of 2020B Leveraged Bonds, respectively. Any amounts in the Clean Water Account or the Drinking Water Account of the Reserve Fund used for such purpose will be replenished from available funds, if any, pursuant to the priority of application of funds under the Master Trust Agreement. **State Match Bonds are not secured by the corpus amount held in the Reserve Fund.**

See “INTRODUCTION – Security for the Bonds – *Priority of Application of Funds under the Indenture and the Master Trust Agreement*” and Appendix D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Reserve Fund.”

***Drinking Water State Match Bond Subsidy Fund.*** The Indenture also establishes the Drinking Water State Match Bond Subsidy Fund. On the Bond Issuance Date, funds on deposit in the drinking water state match bond subsidy fund established under the indenture for the Series 2010B Bonds will be transferred to the Trustee and deposited in the Drinking Water State Match Bond Subsidy Fund. Interest on amounts on deposit in the Drinking Water State Match Bond Subsidy Fund may be used only for payment of the regularly scheduled debt service on the Drinking Water Portion of State Match Bonds and any excess interest earnings not necessary for such purpose will be transferred to the Master Trustee. **Moneys on deposit in the Drinking Water State Match Bond Subsidy Fund are not pledged to or available for the payment of the Bonds (excluding investment earnings which are available solely for the payment of the Drinking Water Portion of 2020B State Match Bonds and transfer to the Master Trustee as described above).**

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***Priority of Application of Funds under the Indenture and the Master Trust Agreement.*** The following chart sets out the priority of the sources of funds available for the repayment of the Bonds under the Indenture and the Master Trust Agreement:

<b><u>SOURCE OF FUNDS</u></b>	<b><u>PRIORITY OF APPLICATION</u></b>
<b>Participant Repayments – Interest Component<sup>(1)</sup></b>	<i>First, on a parity basis, all State Match Bonds outstanding under the Master Trust Agreement (including the 2020B State Match Bonds); and</i>  <i>Second, on a parity basis, all Leveraged Bonds outstanding under the Master Trust Agreement (including the 2020B Leveraged Bonds)</i>
<b>Participant Repayments – Principal Component<sup>(1)</sup></b>	<i>On a parity basis, all Leveraged Bonds outstanding under the Master Trust Agreement (including the 2020B Leveraged Bonds)</i>
<b>2020B Reserve Fund – Interest Earnings</b>	<i>First, 2020B State Match Bonds; and</i>  <i>Second, 2020B Leveraged Bonds</i>
<b>2020B Reserve Fund Release Amounts</b>	<i>On a parity basis, all Leveraged Bonds outstanding under the Master Trust Agreement (including the 2020B Leveraged Bonds)</i>
<b>2020B Reserve Fund – Corpus</b>	2020B Leveraged Bonds <i>only</i>
<b>2020B Drinking Water State Match Bond Subsidy Fund – Interest Earnings<sup>(2)</sup></b>	Drinking Water Portion of 2020B State Match Bonds <i>only</i>
<b>2020B Drinking Water State Match Bond Subsidy Fund – Releases<sup>(3)</sup></b>	<i>Not available</i>
<b>2020B Drinking Water State Match Bond Subsidy Fund – Corpus<sup>(3)</sup></b>	<i>Not available</i>

<sup>(1)</sup> Paid to the Trustee by the Master Trustee under the Master Trust Agreement.

<sup>(2)</sup> Any excess interest earnings not necessary for payment of the regularly scheduled debt service on the Drinking Water Portion of 2020B State Match Bonds will be transferred to the Master Trustee.

<sup>(3)</sup> Scheduled releases from the 2020B Drinking Water State Match Bond Subsidy Fund will be transferred to DNR for deposit to the Water and Wastewater Loan Revolving Fund. Upon the payment in full of the principal of and interest due on the Bonds (or provision having been made for the payment thereof as specified in the Indenture) and the fees, charges and expenses of the Authority, the Trustee and any Paying Agent, and any other amounts required to be paid under the Indenture applicable to such Bonds have been paid or provided for, all amounts remaining on deposit in the 2020B Drinking Water State Match Bond Subsidy Fund will be transferred to DNR for deposit to the Water and Wastewater Loan Revolving Fund.

See “SECURITY AND SOURCES OF PAYMENT OF THE BONDS” and “SECURITY PROVIDED BY THE MASTER TRUST AGREEMENT” herein, **Appendix C – “SUMMARY OF CERTAIN PROVISIONS OF THE MASTER TRUST AGREEMENT”** and **Appendix D –**

## **“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – State Match Debt Service Fund” and “ – Leveraged Debt Service Fund.”**

### **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 1A provides a list of all DNR Pledged Participant Obligations and Part 1B provides a list of all Authority Pledged Participant Obligations. **Appendix B** provides information on the Material Master Trust Participants (see “**CONTINUING DISCLOSURE**” herein).

**Appendix C** contains a summary of the Master Trust Agreement. **Appendix D** contains a summary of certain provisions of the Indenture. **Appendix E** 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 BofA Securities, Inc., as representative of the underwriters of the Bonds. After delivery of the Bonds, copies of the documents summarized in **Appendix C** and **Appendix D** will be available for inspection at the principal corporate trust office of the Trustee.

## **DESCRIPTION OF THE BONDS**

### **General Description**

The Indenture provides that the Bonds shall be comprised of Leveraged Bonds and State Match Bonds. See the section herein captioned “**SECURITY AND SOURCES OF PAYMENT OF THE BONDS – State Match Bond and Leveraged Bond Allocation**” for a chart showing the allocation of the Bonds between State Match Bonds and Leveraged Bonds. The Bonds will be issued as fully registered bonds in the denominations of \$5,000 or any integral multiple thereof (“**Authorized Denominations**”). The Bonds will be dated the date of initial issuance and delivery thereof (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 (each an “**Interest Payment Date**”), commencing January 1, 2021. 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 of the Trustee at the Payment Office, 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 Owner 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 Owner at such Owner’s address as it appears on the Bond Register or at such other address as is furnished to the Trustee in writing by such Owner. 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 written instructions from any Owner, signed by such Owner and given to the Trustee not less than fifteen (15) days prior to the applicable Record Date and shall include the name of the bank, its address, its ABA

routing number and the name, number and contact name related to such Owner'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 after the Record Date and prior to the 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 Owner thereof shall have surrendered such Bonds at the Payment Office of the Trustee. If the Bonds are in book-entry form, the Bonds will be payable in accordance with the operational arrangements and procedures of the Securities Depository. If the Authority shall default in payment of interest due on an Interest Payment Date, 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 ten (10) days preceding the date of payment of such defaulted interest.

### **Redemption; Notice of Redemption**

***Optional Redemption.*** The Bonds are not subject to optional redemption prior to maturity.

***Extraordinary Redemption from Prepayment of Participant Obligations.*** The Bonds are subject to redemption prior to their maturity, in whole or in part, on any date at a redemption price of 100%, plus accrued interest thereon to the date of redemption, from prepayments of Participant Obligations. Bonds to be redeemed pursuant to this subsection shall be selected from the maturities and in the principal amounts as determined by the Authority.

***The Authority has indicated that it is aware that certain Participants intend to prepay certain Authority Pledged Participant Obligations and certain DNR Pledged Participant Obligations, as indicated in Appendix A – Part 1A and Part 1B within the next six months. The Authority, in consultation with DNR, has determined that none of these prepayments will be applied to the redemption of the Bonds. Interest rates on the Participant Obligations, after taking into account Program subsidies, range from 1.11% to 3.65%, with a median rate of 1.63% and weighted average interest rate of 1.80%. Any Participant may prepay its Participant Obligations for any reason, including reducing or restructuring its debt obligations or in connection with the sale of all or part of its utility operations.***

***Notice of Redemption.*** The Trustee shall select the Bonds, or portions thereof, to be redeemed from each maturity pro-rata, in such manner as it shall in its discretion determine. Any redemption of the Bonds in part will be allocated between the State Match Bonds and the Leveraged Bonds as instructed in writing by the Authority.

Unless waived by any Owner 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 20 days and not more than 60 days prior to the date fixed for redemption to the Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register. 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 number and maturity date(s) and, in the case of a partial redemption of any Bonds, 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 Payment Office.



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.

The Trustee shall also comply with any 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.

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 on the redemption date. If such notice is conditional and moneys are not received, such notice shall be of no force and effect, the Trustee shall not redeem such Bonds and the Trustee shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Bonds will not be redeemed.

Each check or draft or, at the best efforts of the Trustee, electronic transfer of funds, issued for the payment of the redemption price of Bonds being redeemed shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check, draft or electronic transfer.

Upon the happening of the above conditions, 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.

The failure of any Owner to receive notice given as provided in the Indenture or any defect therein shall not invalidate any redemption.

#### **Non-Presentation of Bonds; Unclaimed Moneys**

***Non-Presentation of Bonds.*** 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 Owner or Owners thereof, all liability of the Authority to the Owner or Owners 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 Owner or Owners of such Bonds, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on the Owner's part under the Indenture or on, or with respect to, such Bonds.

***Unclaimed Moneys.*** 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 Owners of such Bonds, but any moneys which shall be so set aside or deposited by the Trustee and which shall remain unclaimed by the Owners 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 Owners 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 Owners 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 Bond becomes mutilated or is lost, stolen or destroyed, the Authority shall execute and the Trustee shall authenticate and deliver a new Bond of like date and tenor as the Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee. In the case of any lost, stolen or destroyed Bond, there first shall be furnished to the Authority and the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together with indemnity to the Authority and the Trustee satisfactory to the Trustee. If any such Bond has matured, is about to mature or has been called for redemption, instead of delivering a substitute Bond, the Trustee may pay the same without surrender thereof. Upon the issuance of any substitute Bond, the Authority and the Trustee may require the payment of an amount by the Owner sufficient to reimburse the Authority and the Trustee for any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection therewith. Any Bond issued under the provisions of the Indenture 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 Payment Office of the Trustee. Any Bond or Bonds, upon surrender thereof at the Payment Office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the Owner or the Owner's 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 any other Authorized Denominations of the same maturity and interest rate.

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](http://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.

## **PLAN OF FINANCE**

The Authority will use the net proceeds of the Bonds, together with other legally available funds, to (i) refund all of the remaining outstanding bonds previously issued by the Authority, which are secured by the 2004 Master Trust Agreement, (ii) defease all of the outstanding Series 2010B Bonds, a portion of the outstanding 2011A Bonds and a portion of the outstanding Series 2015A Bonds, (iii) fund a Reserve Fund, (iv) fund a Drinking Water State Match Bond Subsidy Fund, and (v) pay issuance costs, as described herein.

### **Refunding of the Refunded Bonds**

***Escrow Agreement.*** To effect the refunding of the Refunded Bonds, the Authority will enter into an Escrow Trust Agreement dated as of December 1, 2020 (the "**Escrow Agreement**") with UMB Bank, N.A., as escrow agent (the "**Escrow Agent**"). On the Bond Issuance Date, a portion of the proceeds from the sale of the Bonds will be transferred to the Escrow Agent for deposit in the Escrow Fund and the Escrow

Agent will use such funds to purchase direct non-callable obligations of the United States of America (the “**Escrowed Securities**”) and to fund a beginning cash deposit in the Escrow Fund.

The principal amount of the Escrowed Securities, together with interest income thereon, will be payable at such times and in such amounts, together with the moneys held uninvested by the Escrow Agent, to pay, when and as due, all principal of, redemption premium, if any, and interest on the Refunded Bonds to maturity or the redemptions date, as applicable. The Escrow Agreement provides that the Escrowed Securities and the moneys held uninvested by the Escrow Agent are irrevocably pledged to the payment of such Refunded Bonds and the interest thereon and may be applied only to such payment. See “**VERIFICATION OF MATHEMATICAL COMPUTATIONS**” herein.

## Sources and Uses of Funds

The following sets forth the expected sources and uses of funds relating to the issuance of the Bonds:

<u>Sources of Funds</u> <sup>1</sup>	<u>Clean Water</u>	<u>Drinking Water</u>	<u>Total</u>
Par amount of Bonds	\$86,280,000.00	\$14,480,000.00	\$100,760,000.00
Transfer from Master Trust Bonds Expense			
Fund <sup>2</sup> for payment of issuance costs	<u>1,008,363.38</u>	<u>162,327.86</u>	<u>1,170,691.24</u>
Total	<u>\$87,288,363.38</u>	<u>\$14,642,327.86</u>	<u>\$101,930,691.24</u>
<u>Uses of Funds</u>			
Transfer to Escrow Agent	\$85,366,189.68	\$14,128,732.40	\$99,494,922.08
Reserve Fund Deposits	907,467.46	343,301.70	1,250,769.16
Costs of Issuance (including Underwriters’ discount)	<u>1,014,706.24</u>	<u>170,293.76</u>	<u>1,185,000.00</u>
Total	<u>\$87,288,363.38</u>	<u>\$14,642,327.86</u>	<u>\$101,930,691.24</u>

<sup>1</sup> On and after the Bond Issuance Date and the termination of the 2004 Master Trust Agreement, the Authority will terminate and reinvest or transfer the Original Investment Agreements and transfer Treasury Securities to the Trustee for deposit in the Clean Water Account and Drinking Water Account of the Reserve Fund. See “**SECURITY OF SOURCES OF PAYMENT OF THE BONDS – Reserve Fund – Funding of the Reserve Fund**” herein.

<sup>2</sup> Held by the Master Trustee under the Master Trust Agreement.

## SECURITY AND SOURCES OF PAYMENT OF THE BONDS

### Limited Obligations

The Bonds, and the interest thereon, are limited obligations of the Authority payable solely from and secured exclusively by revenues and receipts derived and pledged by the Authority under the Indenture to the Trustee for payment of debt service on the Bonds (previously defined herein, collectively, as the “**Trust Estate**”), which includes all right, title and interest of the Authority in all moneys received by the Trustee from the Master Trustee pursuant to the terms of the Master Trust Agreement (previously defined herein as the “**Indenture Receipts**”), and income derived from investment of moneys held by the Trustee under the Indenture. The Bonds are also secured by interest earnings on amounts on deposit in the Reserve Fund, subject to the priority of application of such interest earnings, *first*, to the payment of 2020B State Match Bonds and, *second*, to the payment of the 2020B Leveraged Bonds. The 2020B Leveraged Bonds are also secured (i) on a parity basis, with all Leveraged Bonds outstanding under the Master Trust Agreement, by the portion of the Indenture Receipts constituting releases from the Reserve Fund (previously defined herein as the “**Reserve**

**Release Amounts”)** and (ii) the remaining amounts on deposit in the Reserve Fund. Interest earnings on amounts on deposit in the Drinking Water State Match Bond Subsidy Fund are also available to pay debt service on the Drinking Water Portion of the 2020B State Match Bonds.

See **“INTRODUCTION – Security for the Bonds – Priority of Application of Funds under the Indenture and the Master Trust Agreement”** for a chart that sets out the priority of the sources of funds available for the repayment of the Bonds under the Indenture and the Master Trust Agreement.

The Bonds do not constitute or create an indebtedness, liability or moral obligation of any Participant, 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.

### **State Match Bonds and Leveraged Bonds**

Program Bonds issued under the Master Trust Agreement may include **“State Match Bonds”** and **“Leveraged Bonds”** if so designated in the bond indenture pursuant to which such bonds are issued. The Authority has designated portions of certain series of bonds previously issued under the Master Trust Agreement as (1) only State Match Bonds, (2) State Match Bonds and Leveraged Bonds or (3) only Leveraged Bonds. Under the Indenture, the Authority has designated a portion of the Bonds as State Match Bonds (previously defined herein as the **“2020B State Match Bonds”**) and a portion as Leveraged Bonds (previously defined herein as the **“2020B Leveraged Bonds”**).

The Indenture also includes an allocation of the Bonds made solely to comply with EPA regulations requiring separate records and accounting for the Clean Water SRF Program and the Drinking Water SRF Program. See **“INTRODUCTION – Security for the Bonds – State Match Bonds and Leveraged Bonds”** for a discussion of the further allocation of the 2020B State Match Bonds as **“Clean Water Portion of 2020B State Match Bonds”** and **“Drinking Water Portion of 2020B State Match Bonds”** and the further allocation of the 2020B Leveraged Bonds as **“Clean Water Portion of 2020B Leveraged Bonds”** and **“Drinking Water Portion of 2020B Leveraged Bonds.”**

**State Match Bonds.** The Federal Clean Water Act and the Federal Safe Drinking Water Act require states that receive capitalization grants from the EPA to provide matching funds in an amount equal to a required percentage of the total amount of the capitalization grants received. The matching funds provided by the State in connection with the State Revolving Funds Programs is equal to the percentage of the total amount of capitalization grants received by the State for the Clean Water SRF Program and the Drinking Water SRF Program, respectively, and is defined in the Indenture and referred to herein as the **“State Match.”** State Match Bonds represent a portion of a series of bonds designated by the Authority as bonds issued to provide State Match.

The 2020B State Match Bonds are the portion of the Bonds allocable to the Refunded Bonds that were originally issued to provide State Match. The 2020B State Match Bonds are secured under the Indenture and the Master Trust Agreement **only** as follows: (1) on a parity basis with other State Match Bonds outstanding under the Master Trust Agreement, by a priority pledge of the Interest Component of the Participant Repayments made by Clean Water Participants and Drinking Water Participants received by the Master Trustee, (2) on a priority basis, by investment earnings on the Reserve Fund and (3) with respect to the Drinking Water Portion of the 2020B State Match Bonds only, on a priority basis, by investment earnings on the Drinking Water State Match Bond Subsidy Fund.

The State Match Bonds are **not** secured by and shall not be paid from (i) the portion of Indenture Receipts constituting the Principal Component of Participant Repayments or any amounts released from a Sinking Fund (including Reserve Release Amounts) received by the Master Trustee under the Master Trust Agreement, (ii) moneys on deposit in the Reserve Fund (excluding investment earnings), or (iii) moneys on deposit in the Drinking Water State Match Bond Subsidy Fund (excluding investment earnings, which are available for the Drinking Water Portion of the 2020B State Match Bonds).

**Leveraged Bonds.** Leveraged Bonds represent a portion of a series of bonds designated by the Authority as Leveraged Bonds in connection with the issuance of series of Master Trust Bonds. The 2020B Leveraged Bonds are the portion of the Bonds allocable to the Refunded Bonds that were originally issued for purposes other than to provide State Match.

The 2020B Leveraged Bonds are secured under the Indenture and the Master Trust Agreement as follows: (1) on a parity basis with other Leveraged Bonds outstanding under the Master Trust Agreement, by a priority pledge of the Principal Component of the Participant Repayments made by the Clean Water Participants and the Drinking Water Participants received by the Master Trustee, (2) on a subordinate basis to all State Match Bonds outstanding under the Master Trust Agreement, by the Interest Component of the Participant Repayments made by Clean Water Participants and Drinking Water Participants received by the Master Trustee, (3) on a parity basis with other Leveraged Bonds outstanding under the Master Trust Agreement, by the portion of the Indenture Receipts constituting Reserve Release Amounts, (4) on a subordinate basis to the 2020B State Match Bonds, investment earnings on the Reserve Fund, and (5) on a priority basis, remaining amounts on deposit in the Reserve Fund after release of the Reserve Release Amounts.

#### **State Match Bond and Leveraged Bond Allocation**

Each Series of Master Trust Bonds includes an allocation made solely to comply with EPA regulations requiring separate records and accounting for the Clean Water SRF Program and the Drinking Water SRF Program. In addition, each Series of Master Trust Bonds may include “Leveraged Bonds” or “State Match Bonds” or both. The principal of each of the Bonds that has been allocated between “Leveraged Bonds” and “State Match Bonds” is set forth in the following table. The allocations may be adjusted at any time pursuant to an Officer’s Certificate.

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<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Percentage of Principal Amount Allocated to 2020B State Match Bonds</b>	<b>Percentage of Principal Amount Allocated to 2020B Leveraged Bonds</b>
1/1/2021	\$9,110,000	16.7%	83.3%
7/1/2021	10,005,000	30.4	69.6
1/1/2022	5,790,000	22.2	77.8
7/1/2022	10,545,000	25.1	74.9
1/1/2023	18,850,000	5.8	94.2
7/1/2023	4,380,000	51.4	48.6
1/1/2024	19,790,000	4.5	95.5
7/1/2024	2,535,000	71.8	28.2
1/1/2025	12,185,000	5.9	94.1
7/1/2025	1,415,000	97.2	2.8
1/1/2026	985,000	57.4	42.6
7/1/2026	1,370,000	66.4	33.6
1/1/2027	535,000	78.5	21.5
7/1/2027	2,535,000	19.3	80.7
1/1/2028	280,000	96.4	3.6
7/1/2028	90,000	100.0	0.0
7/1/2029	50,000	0.0	100.0
7/1/2030	310,000	0.0	100.0

### **Pledged Participant Obligations and Participant Repayments**

**Authority Pledged Participant Obligations.** Prior to November 2010, the Authority issued 2004 Master Trust Bonds and loaned the proceeds thereof to Participants, each series of which was issued under a separate indenture and secured by the trust estate created under the applicable indenture, and further secured by the 2004 Master Trust Agreement. In connection with the issuance of each series of 2004 Master Trust Bonds, the Authority, DNR and the applicable Participants entered into a Purchase Agreement pursuant to which each Participant issued its Authority Participant Obligation, which evidenced the Participant's obligation to repay the loan from the Authority.

Pursuant to the Authority Pledge Agreement, the Authority grants, assigns and transfers to the Master Trustee a security interest in all of the Authority's right, title and interest in and to the Participants' payments of debt service on the Authority Participant Obligations (previously defined herein as the "**Authority Pledged Participant Obligations**") as security for the payment of Master Trust Bonds, including the Bonds, subject to priority of, or limitations with respect to application of, payments by the Participants on their respective Authority Pledged Participant Obligations as provided in the Indenture and in the Master Trust Agreement and as further described herein.

The Authority will use the net proceeds of the Bonds, together with other legally available funds, to refund all of the remaining outstanding 2004 Master Trust Bonds and, as such, ***the 2004 Master Trust Agreement will terminate upon the issuance of the Bonds. Notwithstanding the refunding of all of the remaining outstanding 2004 Master Trust Bonds, each Participant continues to be obligated to make payments on its Authority Pledged Participant Obligation.***

Under the Authority Pledge Agreement, the Authority covenants that it has directed the Trustee to transfer available Participant Repayments attributable to Authority Pledged Participant Obligations to the Master Trustee for deposit to the Master Repayment Fund held under the Master Trust Agreement no later than each Interest Payment Date. See **Appendix C – "SUMMARY OF CERTAIN PROVISIONS OF**



**THE MASTER TRUST AGREEMENT – Deposits to Master Repayment Fund” and “ – Withdrawals from the Master Repayment Fund.”**

***DNR Pledged Participant Obligations.*** Beginning in November 2010, all Program Bonds have been issued under a separate indenture secured by the trust estate created under the applicable indenture in connection with the issuance of such bonds and were further secured by the Original 2010 Master Trust Agreement. The Original 2010 Master Trust Agreement will be amended and restated in its entirety in connection with the issuance of the Bonds under the Master Trust Agreement.

All of the bonds issued by the Authority under the Original 2010 Master Trust Agreement or to be issued under the Master Trust Agreement, including the Bonds, are additionally secured by Participant payments made in connection with the SRF Direct Loan Programs. Under the SRF Direct Loan Programs, each Participant issues its DNR Participant Obligation, evidencing the Participant’s obligation to repay the loan from DNR.

Pursuant to the DNR Pledge Agreement, DNR grants, assigns and transfers to the Authority a security interest in all of DNR’s right, title and interest in and to the Participants’ payments of debt service on certain of its DNR Participant Obligations (previously defined herein as the **“DNR Pledged Participant Obligations”** and, together with the Authority Pledged Participant Obligations, previously defined herein as the **“Pledged Participant Obligations”**) as security for the payment of Master Trust Bonds, including the Bonds, subject to priority of, or limitations with respect to application of, payments by the Participants on their respective DNR Pledged Participant Obligations as provided in the Indenture and in the Master Trust Agreement and as further described herein.

DNR represents in the DNR Pledge Agreement that, except as provided in the DNR Pledge Agreement, it has not assigned or pledged any of its right, title and interest in the DNR Pledged Participant Obligations and that it will not create or suffer to be created any lien, encumbrance or charge upon the DNR Pledged Participant Obligations, except the pledge, lien and charge of the DNR Pledged Participant Obligations under the DNR Pledge Agreement.

DNR further covenants in the DNR Pledge Agreement that it has delivered, in connection with the DNR Pledged Participant Obligations as of the date of execution and delivery of the DNR Pledge Agreement, and that it will deliver in connection with any subsequent substitution or addition of DNR Pledged Participant Obligations pursuant to the DNR Pledge Agreement, a certificate to the Authority, the Master Trustee and the paying agents for the DNR Pledged Participant Obligations (a **“DNR Notice of Pledged Participant Obligations”**), directing the paying agents for the DNR Pledged Participant Obligations to transfer the Participant Repayments resulting from the DNR Pledged Participant Obligations to the Master Trustee for deposit to the Master Repayment Fund no later than each Interest Payment Date. See **“SECURITY PROVIDED BY THE MASTER TRUST AGREEMENT”** herein and **Appendix C – “SUMMARY OF CERTAIN PROVISIONS OF THE MASTER TRUST AGREEMENT – Deposits to Master Repayment Fund” and “ – Withdrawals from the Master Repayment Fund.”**

Pursuant to the DNR Pledge Agreement, DNR may from time to time, remove and substitute or add DNR Pledged Participant Obligations by delivery of a revised exhibit to the DNR Pledge Agreement, accompanied by, as applicable (1) a certificate, executed by an Authorized Officer of DNR, showing that the aggregate of the semiannual Participant Repayment amounts of the substituted DNR Pledged Participant Obligations is at least equal to the aggregate of the semiannual Participant Repayment amounts resulting from the DNR Pledged Participant Obligations of the replaced DNR Pledged Participant Obligations (a **“Substitution Certificate”**) or (2) a certificate, executed by an Authorized Officer of the Authority, showing (a) with respect to any State Match Bonds of a Series of Master Trust

Bonds to be issued and any State Match Bonds of any Series of Master Trust Bonds currently Outstanding, that (i) the expected Interest Component of Participant Repayments resulting from the DNR Pledged Participant Obligations, (ii) the expected earnings on Sinking Funds, if any, plus (iii) all other funds available for the payment of debt service on State Match Bonds are sufficient to timely pay debt service on such bonds; (b) with respect to any Leveraged Bonds of a Series of Master Trust Bonds to be issued and any Leveraged Bonds of any Series of Master Trust Bonds currently Outstanding, that (i) after payment on the State Match Bonds, the expected remaining Interest Component of Participant Repayments resulting from the DNR Pledged Participant Obligations, (ii) the expected Principal Component of Participant Repayments resulting from the DNR Pledged Participant Obligations, (iii) the expected earnings on Sinking Funds, if any, plus (iv) all other funds available for the payment of debt service on Leveraged Bonds are sufficient to timely pay debt service on such bonds; and (c) with respect to any other Series of Bonds to be issued, that after payment on the Master Trust Bonds and any other Series of Bonds currently Outstanding, all remaining funds available for the payment of debt service are sufficient to timely pay debt service on such bonds (a **“Cash Flow Certificate”**), and (3) a DNR Notice of Pledged Participant Obligations with respect to the new DNR Pledged Participant Obligations. Notwithstanding the foregoing, the DNR Pledge Agreement provides that DNR shall not remove any Authority Pledged Participant Obligation prior to the payment in full of the applicable Authority bonds, unless the Authority and DNR receive a written opinion of Bond Counsel that the removal and related substitution would not cause interest on the applicable series of Tax-Exempt Bonds to become includable in gross income for federal income tax purposes.

See **Appendix A, Part 1A – “DNR PLEDGED PARTICIPANT OBLIGATIONS”** for a listing of DNR Pledged Participant Obligations and **Appendix A, Part 1B – “AUTHORITY PLEDGED PARTICIPANT OBLIGATIONS”** for a listing of Authority Pledged Participant Obligations as of August 31, 2020.

***Participant Repayments.*** The Participants’ payments of debt service on Pledged Participant Obligations is defined in the Master Trust Agreement and referred to herein as the **“Participant Repayments,”** which consist of a Principal Component and an Interest Component. The Interest Component of the Participant Repayments is available to pay debt service, *first*, on a parity basis, on all State Match Bonds outstanding under the Master Trust Agreement (including the 2020B State Match Bonds) and, *second*, on a parity, on all Leveraged Bonds outstanding under the Master Trust Agreement (including the 2020B Leveraged Bonds). The Principal Component of the Participant Repayments is available to pay debt service, on a parity basis, on all Leveraged Bonds outstanding under the Master Trust Agreement (including the 2020B Leveraged Bonds).

## **Reserve Fund**

***Funding of the Reserve Fund.*** A Reserve Fund will be established under the Indenture and within the Reserve Fund, a Clean Water Account and a Drinking Water Account. The Clean Water Account of the Reserve Fund will initially be funded from an allocable portion of transferred United States Treasury or agency obligations (previously defined herein as **“Treasury Securities”**), transferred collateralized investment agreements entered into by each bond trustee with respect to a series of 2004 Master Trust Bonds (previously defined herein individually, as an **“Original Investment Agreement”** and collectively, as the **“Original Investment Agreements”**) pursuant to the terms of the applicable indenture pursuant to which the series of 2004 Master Trust Bonds was issued, and investments purchased with moneys resulting from the termination of certain Original Investment Agreements, attributable to reserve funds established for certain series of the Refunded Bonds allocable to the Clean Water SRF Program. The Drinking Water Account of the Reserve Fund will initially be funded from an allocable portion of the transferred Treasury Securities, transferred Original Investment Agreements and investments purchased with moneys resulting from the termination of certain Original Investment

Agreements, attributable to reserve funds established for the Refunded Bonds allocable to the Drinking Water SRF Program.

Each bond trustee with respect to a series of 2004 Master Trust Bonds entered into an Original Investment Agreement pursuant to the terms of the applicable indenture pursuant to which the series of 2004 Master Trust Bonds was issued, except one series of 2004 Master Trust Bonds in which the trustee for such series purchased Treasury Securities pursuant to the terms of the applicable indenture. Each such indenture required the applicable bond trustee to invest moneys in reserve accounts established for each Participant under the indenture in an Original Investment Agreement, or with respect to the one series of 2004 Master Trust Bonds, in Treasury Securities. The Authority previously terminated certain of the Original Investment Agreements and purchased a portfolio of Treasury Securities in lieu thereof to secure the related prior reserve funds.

The table below sets forth, as of October 7, 2020, information on the existing Original Investment Agreements, consisting of guaranteed investment contracts (“GICs”) and Treasury Securities held in the prior reserve funds established for certain Refunded Bonds, which, upon transfer or termination and reinvestment, will fund the accounts in the Reserve Fund on or after the Bond Issuance Date. Following the table is a discussion of the Authority’s plan for termination and reinvestment or transfer of the GICs and transfer of the Treasury Securities to the Trustee to fund the accounts in the Reserve Fund on or after the Bond Issuance Date. The information in the table below was obtained from the Trustee and the Authority’s Financial Advisor. Although believed to be reliable, such information has not been independently verified by the Underwriters and the Underwriters make no representation or warranty regarding the accuracy or completeness thereof.

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**Original Investment Agreements and Treasury Securities  
Securing Reserve Funds Related to Certain Refunded Bonds<sup>(1)</sup>**

<b>Financial Institution/Investment</b>	<b>Range of Scheduled Interest Rates</b>	<b>Amount Currently Invested<sup>(2)</sup></b>
Massachusetts Mutual Life Insurance Company	4.4942 – 5.3969% <sup>(3)</sup>	\$ 26,229,055.59
Natixis Funding Corp.	4.4600 – 4.7095% <sup>(4)</sup>	25,320,681.45
Treasuries Securities	3.9381 – 5.6900% <sup>(5)</sup>	<u>173,113,335.00</u>
<b>Total</b>		<u><b>\$224,663,072.04</b></u>

<sup>(1)</sup> All information as of October 7, 2020.

<sup>(2)</sup> Value for the Massachusetts Mutual Life Insurance Company (“**Mass Mutual**”) GICs and the Natixis Funding Corp. (“**Natixis**”) GICs based on the respective GIC balance as of October 7, 2020 and value for the Treasury Securities based on respective book value for each security as of October 7, 2020.

<sup>(3)</sup> The Mass Mutual GICs secure the reserve funds established in connection with three series of the Refunded Bonds, with scheduled interest rates for the three series of 5.3969%, 5.1626% and 4.4942%, respectively, and with final maturities of July 1, 2021, July 1, 2021 and January 1, 2024, respectively.

<sup>(4)</sup> The Natixis GICs secure the reserve funds established in connection with four series of Refunded Bonds, with scheduled interest rates for the four series of 4.6147%, 4.5211%, 4.7095% and 4.4600%. The Natixis GICs will be terminated upon the issuance of the Bonds and the proceeds of the termination, together with Bond proceeds, will be invested in Treasury Securities.

<sup>(5)</sup> Treasury Securities secure the reserve funds established in connection with ten series of the Refunded Bonds. The amounts shown above represent the book value of the applicable Treasury Security. The Treasury Securities have varying maturity dates, all of which occur on or before January 1, 2029.

On or after the Bond Issuance Date, the Authority will (1) transfer the existing Treasury Securities to the Trustee for deposit in the Clean Water Account and/or Drinking Water Account of the Reserve Fund, as applicable, based on the portions of the reserve funds established for the applicable series of the Refunded Bonds attributable to the Clean Water SRF Program and the Drinking Water SRF Program, respectively, (2) initiate termination of the Natixis GICs (the “**Terminated Natixis GICs**”) and thereafter, with the proceeds resulting from termination of the Terminated Natixis GICs and a portion of the Bond proceeds purchase a portfolio of Treasury Securities intended to provide similar payments on or before each Interest Payment Date as that associated with the Terminated Natixis GICs, and deposit an allocable portion of the Treasury Securities into the Clean Water Account and/or Drinking Water Account of the Reserve Fund, based on the portions of the reserve funds established for the applicable series of the Refunded Bonds attributable to the Clean Water SRF Program and the Drinking Water SRF Program, respectively, and (3) transfer the Mass Mutual GICs to the Trustee for deposit in the Clean Water Account and/or Drinking Water Account of the Reserve Fund, based on the portions of the reserve funds established for the applicable series of the Refunded Bonds attributable to the Clean Water SRF Program and the Drinking Water SRF Program, respectively

**Investment Earnings.** The interest earnings on the amounts on deposit in the Clean Water Account of the Reserve Fund and the Drinking Water Account of the Reserve Fund are available to pay debt service *first*, on the Clean Water Portion of 2020B State Match Bonds and the Drinking Water Portion of 2020B State Match Bonds, respectively, and *second*, to the extent available, to pay debt service on the Clean Water Portion of 2020B Leveraged Bonds and the Drinking Water Portion of 2020B Leveraged Bonds, respectively.

***Reserve Release Amounts.*** The funds on deposit in the Clean Water Account and the Drinking Water Account of the Reserve Fund will be subject to reduction pursuant to a schedule of reserve release amounts attached as an exhibit to the Indenture (previously defined herein as the “**Reserve Release Amounts**”). The Indenture requires the Trustee, on each Interest Payment Date, to immediately transfer, without further authorization, the Reserve Release Amount for the applicable Interest Payment Date to the Master Trustee for deposit into the applicable Principal Account of the Master Repayment Fund. Such Reserve Release amounts will be available to make up any deficiency in debt service payments, on a parity basis, on all outstanding Leveraged Bonds under the Master Trust Agreement, including the 2020B Leveraged Bonds, pursuant to the terms of the Master Trust Agreement and, to the extent not necessary for such purpose, any remaining Reserve Release Amounts will be released to DNR for deposit to the Water and Wastewater Loan Revolving Fund. See “**SECURITY PROVIDED BY THE MASTER TRUST AGREEMENT**” herein. ***The portion of the Indenture Receipts constituting Reserve Release Amounts are available as additional security, on a parity basis, for only the outstanding Leveraged Bonds secured by the Master Trust Agreement, including the 2020B Leveraged Bonds. State Match Bonds are not secured by the portion of the Indenture Receipts constituting Reserve Release Amounts.***

See the table in the subsection below captioned “**Debt Service Schedule and Projected Cash Flow Deficiency**” for information on the Reserve Release Amounts scheduled to be available pursuant to the Master Trust Agreement to pay debt service on all Leveraged Bonds, including the 2020B Leveraged Bonds.

***Amounts on Deposit in the Reserve Fund after Release of the Reserve Release Amounts.*** The remaining amounts on deposit in the Clean Water Account and Drinking Water Account of the Reserve Fund, after the release of the Reserve Releases Amounts, will be available to make up a deficiency in debt service payments only on the Clean Water Portion of 2020B Leveraged Bonds and the Drinking Water Portion of 2020B Leveraged Bonds, respectively. Any amounts in the Clean Water Account or the Drinking Water Account of the Reserve Fund used for such purpose will be replenished from available funds, if any, pursuant to the priority of application of funds under the Master Trust Agreement. See “**INTRODUCTION – Security for the Bonds – Priority of Application of Funds under the Indenture and the Master Trust Agreement.**” State Match Bonds are not secured by the corpus amount held in the Reserve Fund.

Amounts on deposit in the Clean Water Account of the Reserve Fund and in the Drinking Water Account of the Reserve Fund are available for payment of the Clean Water Portion of 2020B Leveraged Bonds and the Drinking Water Portion of 2020B Leveraged Bonds, respectively, if on any Interest Payment Date or other date on which debt service is due on the Clean Water Portion of 2020B Leveraged Bonds or the Drinking Water Portion of 2020B Leveraged Bonds, as applicable, the payment of debt service on the 2020B Leveraged Bonds has not been made or provided for after taking into account amounts deposited into the Clean Water Account and Drinking Water Account of the Leveraged Debt Service Fund, then the Trustee shall transfer from the Reserve Fund to the applicable subaccount within the Leveraged Debt Service Fund from remaining funds on deposit in the Clean Water Account and the Drinking Water Account in the Reserve Fund, as applicable, amounts sufficient to pay debt service on the Clean Water Portion of 2020B Leveraged Bonds or Drinking Water Portion of 2020B Leveraged Bonds, as applicable.

See “**INTRODUCTION – Security for the Bonds – Priority of Application of Funds under the Indenture and the Master Trust Agreement**” and **Appendix D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Reserve Fund.”**

## **Drinking Water State Match Bond Subsidy Fund**

The Indenture also establishes the Drinking Water State Match Bond Subsidy Fund. On the Bond Issuance Date, funds on deposit in the drinking water state match bond subsidy fund established under the indenture for the Series 2010B Bonds will be transferred to the Trustee and deposited in the Drinking Water State Match Bond Subsidy Fund. Interest on amounts on deposit in the Drinking Water State Match Bond Subsidy Fund may be used only for payment of the regularly scheduled debt service on the Drinking Water Portion of 2020B State Match Bonds and any excess interest earnings not necessary for such purpose will be transferred to the Master Trustee.

**Moneys on deposit in the Drinking Water State Match Bond Subsidy Fund are not pledged to or available for the payment of the Bonds (excluding investment earnings which are available solely for the payment of the Drinking Water Portion of 2020B State Match Bonds).**

See “**SECURITY PROVIDED BY THE MASTER TRUST AGREEMENT**” herein, **Appendix C – “SUMMARY OF CERTAIN PROVISIONS OF THE MASTER TRUST AGREEMENT**” and **Appendix D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – State Match Debt Service Fund”** and “**– Leveraged Debt Service Fund.**”

## **Transfer of Indenture Receipts from the Master Trustee**

The Master Trust Agreement establishes a Master 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. See “**SECURITY PROVIDED BY THE MASTER TRUST AGREEMENT**” herein and **Appendix C – “SUMMARY OF CERTAIN PROVISIONS OF THE MASTER TRUST AGREEMENT.”** On each Interest Payment Date, the Master Trustee will transfer Indenture Receipts constituting the Principal Component and the Interest Component of the Participant Repayments made by Participants received by the Master Trustee pursuant to the Authority Pledge Agreement and/or the DNR Pledge Agreement to the Trustee in an amount sufficient to pay debt service on the Bonds for the applicable Interest Payment Date and, if necessary to make up a deficiency in the payment of debt service on the 2020B Leveraged Bonds from Reserve Release Amounts, together with other funds received by the Master Trustee and on deposit in the applicable accounts of the Master Repayment Fund.

See “**SECURITY PROVIDED BY THE MASTER TRUST AGREEMENT – Master Trust Administration**” and **Appendix C – “SUMMARY OF CERTAIN PROVISIONS OF THE MASTER TRUST AGREEMENT.”**

## **Debt Service Schedule and Projected Cash Flow Sufficiency**

The table below provides information on the sources of revenues pledged under the Master Trust Agreement to the payment of all Master Trust Bonds, including the Bonds. The table below also provides information regarding the Reserve Release Amounts scheduled to be available pursuant to the Master Trust Agreement to pay debt service on all Leveraged Bonds, including the 2020B Leveraged Bonds. The information in the table below was obtained from the Authority’s Financial Advisor based on certain assumptions and on information assembled from a variety of sources, not all of which can be independently verified. Although believed to be reliable, such information has not been independently verified by the Underwriters and the Underwriters make no representation or warranty regarding the accuracy or completeness thereof. This table should be read in conjunction with the provisions of the Indenture and the Master Trust Agreement relating to the availability of funds held thereunder pay debt service on Master Trust Bonds and to cover defaults.

**DEBT SERVICE SCHEDULE AND PROJECTED CASH FLOW SUFFICIENCY**

	(a)	(b)	(c) = (a) – (b)	(d)	(e)	(f) = (c) + (d) + (e)	(g)	(f) / (g)
	Interest Component of Participant Repayments, Reserve Fund Earnings and Drinking Water State Match Subsidy	State Match Bonds	Remaining Interest Components of Participant Repayments and Fund Earnings Available to Pay Leveraged Bonds	Principal Component of Participant Repayments	2015B and 2020B Pledged Reserve Fund Release Amounts <sup>(1)</sup>	Funds Available for Payment of Leveraged Bonds Debt Service	Leveraged Bonds Debt Service	Leveraged Bonds Projected Debt Service Coverage Ratio <sup>(2)</sup>
Payment Date	Fund Earnings <sup>(1)</sup>	Debt Service	Debt Service	Repayments	Release Amounts <sup>(1)</sup>	Bonds Debt Service	Service	Coverage Ratio <sup>(2)</sup>
1/1/2021	\$ 15,344,458	\$ 5,457,997	\$ 9,886,461	\$ 61,322,000	\$ 24,011,071	\$ 95,219,531	\$ 38,152,462	2.50
7/1/2021	14,292,704	6,571,309	7,721,395	58,659,266	22,895,101	89,275,762	33,302,323	2.68
1/1/2022	13,208,524	4,949,461	8,259,063	62,631,000	24,981,246	95,871,310	38,260,440	2.51
7/1/2022	12,138,949	5,989,462	6,149,487	57,879,050	21,307,619	85,336,156	30,736,435	2.78
1/1/2023	11,086,270	4,430,049	6,656,221	64,326,000	25,107,870	96,090,091	39,176,010	2.45
7/1/2023	9,997,017	5,213,655	4,783,362	48,287,933	14,265,554	67,336,849	22,176,784	3.04
1/1/2024	9,206,687	3,897,871	5,308,816	64,145,800	23,611,338	93,065,955	37,759,927	2.46
7/1/2024	8,144,137	4,486,988	3,657,148	46,546,014	12,854,378	63,057,540	20,916,274	3.01
1/1/2025	7,409,607	3,393,922	4,015,685	52,949,900	15,464,460	72,430,046	24,331,450	2.98
7/1/2025	6,621,811	3,738,576	2,883,235	47,369,902	12,958,952	63,212,089	21,163,266	2.99
1/1/2026	5,838,576	2,841,361	2,997,215	48,934,300	12,431,703	64,363,218	18,933,510	3.40
7/1/2026	5,157,632	2,937,538	2,220,094	44,257,998	9,940,000	56,418,092	17,516,886	3.22
1/1/2027	4,631,974	2,431,275	2,200,699	42,993,000	8,391,656	53,585,355	12,445,783	4.31
7/1/2027	4,117,296	2,272,420	1,844,875	35,067,200	2,639,000	39,551,075	7,565,217	5.23
1/1/2028	3,805,893	2,022,620	1,783,273	42,151,100	7,444,013	51,378,386	10,892,426	4.72
7/1/2028	3,315,859	1,618,982	1,696,877	32,150,200	-	33,847,077	3,901,829	8.67
1/1/2029	3,083,192	1,525,697	1,557,495	39,822,200	5,282,775	46,662,470	8,275,754	5.64
7/1/2029	2,657,774	1,273,722	1,384,052	32,641,400	-	34,025,452	3,701,629	9.19
1/1/2030	2,422,396	1,245,172	1,177,225	33,085,061	-	34,262,286	4,376,415	7.83
7/1/2030	2,190,341	1,122,197	1,068,144	31,511,660	-	32,579,804	3,187,040	10.22
1/1/2031	1,961,526	996,072	965,454	29,874,500	-	30,839,954	-	NA
7/1/2031	1,753,820	886,353	867,467	28,361,000	-	29,228,467	-	NA
1/1/2032	1,558,703	783,438	775,265	27,617,400	-	28,392,665	-	NA
7/1/2032	1,369,372	682,200	687,172	27,861,500	-	28,548,672	-	NA
1/1/2033	1,178,413	582,722	595,691	24,126,400	-	24,722,091	-	NA
7/1/2033	1,017,125	494,147	522,979	23,999,100	-	24,522,079	-	NA
1/1/2034	856,945	406,900	450,045	22,244,500	-	22,694,545	-	NA
7/1/2034	710,073	352,775	357,298	20,344,400	-	20,701,698	-	NA
1/1/2035	577,448	299,775	277,673	16,158,700	-	16,436,373	-	NA
7/1/2035	475,799	249,275	226,524	13,490,700	-	13,717,224	-	NA
1/1/2036	391,059	209,675	181,384	10,797,400	-	10,978,784	-	NA
7/1/2036	301,656	170,775	130,881	10,492,400	-	10,623,281	-	NA
1/1/2037	239,285	137,575	101,710	9,191,300	-	9,293,010	-	NA
7/1/2037	184,966	104,975	79,991	4,830,700	-	4,910,691	-	NA
1/1/2038	156,717	87,975	68,742	1,812,800	-	1,881,542	-	NA
7/1/2038	146,369	86,488	59,882	1,425,800	-	1,485,682	-	NA
1/1/2039	138,242	-	138,242	1,247,000	-	1,385,242	-	NA
7/1/2039	131,134	-	131,134	1,258,000	-	1,389,134	-	NA
1/1/2040	123,964	-	123,964	1,270,000	-	1,393,964	-	NA
7/1/2040	116,725	-	116,725	1,281,000	-	1,397,725	-	NA
1/1/2041	109,423	-	109,423	1,293,000	-	1,402,423	-	NA
7/1/2041	102,053	-	102,053	1,304,000	-	1,406,053	-	NA
<b>TOTAL</b>	<b>\$158,271,916</b>	<b>\$73,951,395</b>	<b>\$84,320,521</b>	<b>\$1,227,012,584</b>	<b>\$243,586,736</b>	<b>\$1,554,919,841</b>	<b>\$396,771,861</b>	

<sup>(1)</sup> The Authority's Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2015B (the "Series 2015B Bonds") are secured by reserve release amounts received by the Master Trustee from a reserve fund held under the bond indenture securing the Series 2015B Bonds (the "Series 2015B Release Amounts"). *The Series 2015B Release Amounts are applied first to the payment of debt service on the Series 2015B Leveraged Bonds before any remaining Series 2015B Release Amounts are transferred to the Master Trustee to be available for payment of debt service on Leveraged Bonds outstanding under the Master Trust Agreement (including the 2020B Leveraged Bonds).* The reserve fund securing the Series 2015B Bonds is currently invested in a Portigon AG GIC, at a scheduled interest rate of 4.9950%, with a final maturity on January 1, 2028, and with a value, based on book value as of October 7, 2020, of \$19,439,709.22.

<sup>(2)</sup> The Leveraged Portion Projected Debt Service Coverage Ratio is calculated after taking into account the payment of the State Match Bonds debt service.

Upon the issuance of the Bonds, the Authority will deliver to the Trustee and the Master Trustee a Cash Flow Certificate, executed by an Authorized Officer of the Authority showing (a) with respect to the 2020B State Match Bonds and any State Match Bonds of any Series of Master Trust Bonds currently Outstanding, that (i) the expected Interest Component of Participant Repayments, (ii) the expected earnings on Sinking Funds, if any, plus (iii) all other funds available for the payment of debt service on State Match Bonds (including the 2020B State Match Bonds) are sufficient to timely pay debt service on such bonds; (b) with respect to the 2020B Leveraged Bonds and any Leveraged Bonds of any Series of Master Trust Bonds currently Outstanding, that (i) after payment on the State Match Bonds (including the 2020B State Match Bonds), the expected remaining Interest Component of Participant Repayments, (ii) the expected Principal Component of Participant Repayments, (iii) the expected earnings on Sinking Funds, if any, plus (iv) all other funds available for the payment of debt service on Leveraged Bonds (including the 2020B Leveraged Bonds) are sufficient to timely pay debt service on such bonds; and (c) with respect to any other Series of Bonds outstanding under the Master Trust Agreement, that after payment on the Master Trust Bonds (including the Bonds), all remaining funds available for the payment of debt service are sufficient to timely pay debt service on such bonds.

The actual amounts received by the Master Trustee, including Participant Repayments, 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 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.

## **SECURITY PROVIDED BY THE MASTER TRUST AGREEMENT**

### **General**

The Master Trust Agreement establishes a Master 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 DNR 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 the Participant Repayments on the DNR Pledged Participant Obligations. DNR acknowledges in the DNR Pledge Agreement that the rights, title and interest of the Authority in the DNR Pledge Agreement have been pledged and assigned to the Master Trustee under the Master Trust Agreement for the benefit of owners of the Program Bonds issued under the Master Trust Agreement. Under the Authority Pledge Agreement, the Authority has granted, assigned and transferred to the Master Trustee a security interest in all of its rights, title and interest in and to the Participant Repayments on the Authority Pledged Participant Obligations.

### **Flow of Funds and Cross-Collateralization Under the Master Trust Agreement**

***Deposits to the Master Repayment Fund.*** Moneys transferred to the Master Trustee are deposited in the applicable accounts of the Master Repayment Fund. The Master Trust Agreement requires the Master Trustee to promptly deposit in the Clean Water Interest Account of the Master Repayment Fund and the Clean Water Principal Account of the Master Repayment Fund the following funds:



(1) to the Clean Water Interest Account of the Master Repayment Fund:

(A) the Interest Component of Participant Repayments made by Clean Water Participants and received by the Master Trustee pursuant to the Authority Pledge Agreement and/or the DNR Pledge Agreement;

(B) amounts transferred by a Bond Indenture Trustee for deposit in the Clean Water Interest Account of the Master Repayment Fund pursuant to the terms of a Bond Indenture including, but not limited to, investment earnings on any Series Sinking Fund allocable to the Clean Water SRF Program established under a Bond Indenture;

(C) investment earnings on any Sinking Fund allocable to the Clean Water SRF Program established under the Master Trust Agreement;

(D) investment earnings on moneys held in the Clean Water Interest Account of the Master Repayment Fund;

(E) investment earnings on moneys held in the Clean Water Principal Account of the Master Repayment Fund;

(F) amounts transferred from the Drinking Water Interest Account of the Master Repayment Fund pursuant to paragraph (2) under the sub heading below captioned **“Withdrawals from the Master Repayment Fund – Drinking Water Interest Account and Drinking Water Principal Account;”**

(G) amounts transferred from the Drinking Water Interest Account of the Master Repayment Fund pursuant to paragraph (6) under the subheading below captioned **“Withdrawals from the Master Repayment Fund – Drinking Water Interest Account and Drinking Water Principal Account;”**

(H) amounts transferred from the Drinking Water Interest Account of the Master Repayment Fund pursuant to paragraph (8) under the subheading below captioned **“Withdrawals from the Master Repayment Fund – Drinking Water Interest Account and Drinking Water Principal Account;”** and

(I) any other amounts received by the Master Trustee and accompanied by an Officer’s Certificate directing the Master Trustee to deposit said funds in the Clean Water Interest Account of the Master Repayment Fund.

(2) to the Clean Water Principal Account of the Master Repayment Fund:

(A) the Principal Component of Participant Repayments made by Clean Water Participants and received by the Master Trustee pursuant to the Authority Pledge Agreement and/or the DNR Pledge Agreement;

(B) amounts released from a Sinking Fund, including Reserve Release Amounts, allocable to the Clean Water SRF Program and received by the Master Trustee pursuant to a Bond Indenture or the Master Trust Agreement;

(C) amounts transferred from the Drinking Water Principal Account of the Master Repayment Fund pursuant to paragraph (5) under the subheading below captioned **“Withdrawals**

**from the Master Repayment Fund – *Drinking Water Interest Account and Drinking Water Principal Account;***

(D) amounts transferred from the Drinking Water Principal Account of the Master Repayment Fund pursuant to paragraph (8) under the subheading below captioned **“Withdrawals from the Master Repayment Fund – *Drinking Water Interest Account and Drinking Water Principal Account;*”** and

(E) any other amounts received by the Master Trustee and accompanied by an Officer’s Certificate directing the Master Trustee to deposit said funds in the Clean Water Principal Account of the Master Repayment Fund.

The Master Trust Agreement requires the Master Trustee to promptly deposit in the Drinking Water Interest Account of the Master Repayment Fund and the Drinking Water Principal Account of the Master Repayment Fund the following funds:

(1) **to the Drinking Water Interest Account of the Master Repayment Fund:**

(A) the Interest Component of Participant Repayments made by Drinking Water Participants and received by the Master Trustee pursuant to the Authority Pledge Agreement and/or the DNR Pledge Agreement;

(B) amounts transferred by a Bond Indenture Trustee for deposit in the Drinking Water Interest Account of the Master Repayment Fund pursuant to the terms of a Bond Indenture including, but not limited to, investment earnings on any Series Sinking Fund allocable to the Drinking Water SRF Program established under a Bond Indenture;

(C) investment earnings on any Sinking Fund allocable to the Drinking Water SRF Program established under the Master Trust Agreement;

(D) investment earnings on moneys held in the Drinking Water Interest Account of the Master Repayment Fund;

(E) investment earnings on moneys held in the Drinking Water Principal Account of the Master Repayment Fund;

(F) amounts transferred from the Clean Water Interest Account of the Master Repayment Fund pursuant to paragraph (2) under the subheading below captioned **“Withdrawals from the Master Repayment Fund – *Clean Water Interest Account and Clean Water Principal Account;*”**

(G) amounts transferred from the Clean Water Interest Account of the Master Repayment Fund pursuant to paragraph (6) under the subheading below captioned **“Withdrawals from the Master Repayment Fund – *Clean Water Interest Account and Clean Water Principal Account;*”**

(H) amounts transferred from the Clean Water Interest Account of the Master Repayment Fund pursuant to paragraph (8) under the subheading below captioned **“Withdrawals from the Master Repayment Fund – *Clean Water Interest Account and Clean Water Principal Account;*”** and

(I) any other amounts received by the Master Trustee and accompanied by an Officer's Certificate directing the Master Trustee to deposit said funds in the Drinking Water Interest Account of the Master Repayment Fund.

(2) to the Drinking Water Principal Account of the Master Repayment Fund:

(A) the Principal Component of Participant Repayments made by Drinking Water Participants and received by the Master Trustee pursuant to the Authority Pledge Agreement and/or the DNR Pledge Agreement;

(B) amounts released from a Sinking Fund, including Reserve Release Amounts, allocable to the Drinking Water SRF Program and received by the Master Trustee pursuant to a Bond Indenture or the Master Trust Agreement;

(C) amounts transferred from the Clean Water Principal Account of the Master Repayment Fund pursuant to paragraph (5) under the subheading below captioned **"Withdrawals from the Master Repayment Fund – Clean Water Interest Account and Clean Water Principal Account;"**

(D) amounts transferred from the Clean Water Principal Account of the Master Repayment Fund pursuant to paragraph (8) under the subheading below captioned **"Withdrawals from the Master Repayment Fund – Clean Water Interest Account and Clean Water Principal Account;"** and

(E) any other amounts received by the Master Trustee and accompanied by an Officer's Certificate directing the Master Trustee to deposit said funds in the Drinking Water Principal Account of the Master Repayment Fund.

See **Appendix C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER TRUST AGREEMENT."**

***Withdrawals from the Master Repayment Fund.*** The Master Trustee will make withdrawals from the Master Repayment Fund for the payment of debt service on all outstanding State Match Bonds (including the 2020B State Match Bonds), but solely from amounts in the Clean Water Interest Account and the Drinking Water Interest Account. After the payment on the State Match Bonds, the Master Trustee will make withdrawals from the Master Repayment Fund for the payment of debt service on the Leveraged Bonds (including the 2020B Leveraged Bonds).

**Clean Water Interest Account and Clean Water Principal Account.** On each Interest Payment Date or such other day as specifically provided below (or if such day is not a Business Day, the immediately preceding Business Day), the Master Trustee shall apply moneys in the Clean Water Interest Account of the Master Repayment Fund and the Clean Water Principal Account of the Master Repayment Fund, in such order, to the extent necessary for the purposes and in the amounts as follows:

(1) from the Clean Water Interest Account to each Bond Indenture Trustee for a Series of Master Trust Bonds, *on a parity basis*, for deposit to the Clean Water Account of the State Match Bonds Debt Service Fund (after taking into account any other amounts on deposit in the Clean Water Account of the State Match Bonds Debt Service Fund and available to a Bond Indenture Trustee under the terms of the Bond Indenture for such Series of Master Trust Bonds), an amount sufficient to pay debt service due on the State Match Bonds allocable to the Clean Water SRF Program;

(2) from the Clean Water Interest Account to the Drinking Water Interest Account of the Master Repayment Fund, if, *after the transfer pursuant to paragraph (1) under the subheading below captioned “**Withdrawals from the Master Repayment Fund – Drinking Water Interest Account and Drinking Water Principal Account**,”* the balance of the Drinking Water Account of the State Match Bonds Debt Service Fund is not sufficient for payment of debt service due on the State Match Bonds allocable to the Drinking Water SRF Program, an amount equal to such deficiency;

(3) from the Clean Water Principal Account to each Bond Indenture Trustee for a Series of Master Trust Bonds, *on a parity basis*, for deposit to the Clean Water Account of the Leveraged Bonds Debt Service Fund, an amount sufficient to pay debt service due on the Leveraged Bonds allocable to the Clean Water SRF Program;

(4) from the Clean Water Interest Account, to each Bond Indenture Trustee for a Series of Master Trust Bonds, *on a parity basis*, for deposit to the Clean Water Account of the Leveraged Bonds Debt Service Fund, if, *after the transfer pursuant to paragraph (3) under the subheading above captioned “**Withdrawals from the Master Repayment Fund – Clean Water Interest Account and Clean Water Principal Account**,”* the balance of the Clean Water Account of the Leveraged Bonds Debt Service Fund is not sufficient for payment of debt service due on the Leveraged Bonds allocable to the Clean Water SRF Program, an amount equal to such deficiency;

(5) from the Clean Water Principal Account to the Drinking Water Principal Account of the Master Repayment Fund, if, *after the transfers pursuant to paragraphs (3) and (4) under the subheading below captioned “**Withdrawals from the Master Repayment Fund – Drinking Water Interest Account and Drinking Water Principal Account**,”* the balance of the Drinking Water Account of the Leveraged Debt Service Fund is not sufficient for payment of debt service due on the Leveraged Bonds allocable to the Drinking Water SRF Program, an amount equal to such deficiency;

(6) from the Clean Water Interest Account to the Drinking Water Interest Account of the Master Repayment Fund, if, *after the transfers pursuant to paragraph (5) under the subheading above captioned “**Withdrawals from the Master Repayment Fund – Clean Water Interest Account and Clean Water Principal Account**” and paragraphs (3) and (4) under the subheading below captioned “**Withdrawals from the Master Repayment Fund – Drinking Water Interest Account and Drinking Water Principal Account**,”* the balance of the Drinking Water Account of the Leveraged Debt Service Fund is not sufficient for payment of debt service due on the Leveraged Bonds allocable to the Drinking Water SRF Program, an amount equal to such deficiency;

(7) *first*, from the Clean Water Interest Account and, *then*, from the Clean Water Principal Account, but only to the extent the balance in the Clean Water Interest Account exceeds any required Clean Water Interest Account Carryforward Balance and the balance in the Clean Water Principal Account exceeds any required Clean Water Principal Account Carryforward Balance for such Interest Payment Date, to a Sinking Fund for any Series of Master Trust Bonds, an amount necessary to restore any deficiency in the portion of the Sinking Fund allocable to the Clean Water SRF Program;

(8) from the applicable Clean Water Interest Account and the Clean Water Principal Account, but only to the extent the balance in the Clean Water Interest Account exceeds any required Clean Water Interest Account Carryforward Balance and the balance in the Clean Water Principal Account exceeds any required Clean Water Principal Account Carryforward Balance for such Interest Payment Date, to the applicable Drinking Water Interest Account of the Master

Repayment Fund and the Drinking Water Principal Account of the Master Repayment Fund, an amount necessary to repay any amounts previously transferred to the Clean Water Interest Account and the Clean Water Principal Account pursuant to *paragraphs (2), (5) and (6) under the subheading below captioned “Withdrawals from the Master Repayment Fund – Drinking Water Interest Account and Drinking Water Principal Account,” to be repaid in that order;*

(9) on the dates required by the applicable Tax Certificate, from the Clean Water Interest Account to the applicable Rebate Account in the Master Rebate Fund for the applicable series of Tax-Exempt Bonds, the amounts set forth in an Officer’s Certificate;

(10) from the Clean Water Interest Account to the Clean Water Interest Account of the Interest Accumulation Fund, the balance in the Clean Water Interest Account in excess of the Clean Water Interest Account Carryforward Balance for the applicable Interest Payment Date; and

(11) within two Business Days after each Interest Payment Date, the balance in the Clean Water Principal Account in excess of the Clean Water Principal Account Carryforward Balance for the applicable Interest Payment Date, to DNR by ACH or EFT for deposit to The Water and Wastewater Loan Revolving Fund, accompanied by written notice to DNR of (i) the amount of the transfer, (ii) the purpose of the transfer, (iii) the transfer method and (iv) any other descriptive information needed for DNR to accurately account for such funds.

*Drinking Water Interest Account and Drinking Water Principal Account.* On each Interest Payment Date or such other day as specifically provided below (or if such day is not a Business Day, the immediately preceding Business Day), the Master Trustee shall apply moneys in the Drinking Water Interest Account of the Master Repayment Fund and the Drinking Water Principal Account of the Master Repayment Fund, in such order, to the extent necessary for the purposes and in the amounts as follows:

(1) from the Drinking Water Interest Account to each Bond Indenture Trustee for a Series of Master Trust Bonds, *on a parity basis*, for deposit to the Drinking Water Account of the State Match Bonds Debt Service Fund (after taking into account any other amounts on deposit in the Drinking Water Account of the State Match Bonds Debt Service Fund and available to a Bond Indenture Trustee under the terms of the Bond Indenture for such Series of Master Trust Bonds), an amount sufficient to pay debt service due on the State Match Bonds allocable to the Drinking Water SRF Program;

(2) from the Drinking Water Interest Account to the Clean Water Interest Account of the Master Repayment Fund, if, *after the transfer pursuant to paragraph (1) under the subheading above captioned “Withdrawals from the Master Repayment Fund – Clean Water Interest Account and Clean Water Principal Account,”* the balance of the Clean Water Account of the State Match Bonds Debt Service Fund is not sufficient for payment of debt service due on the State Match Bonds allocable to the Clean Water SRF Program, an amount equal to such deficiency;

(3) from the Drinking Water Principal Account to each Bond Indenture Trustee for a Series of Master Trust Bonds, *on a parity basis*, for deposit to the Drinking Water Account of the Leveraged Bonds Debt Service Fund, an amount sufficient to pay debt service due on the Leveraged Bonds allocable to the Drinking Water SRF Program;

(4) from the Drinking Water Interest Account, to each Bond Indenture Trustee for a Series of Master Trust Bonds, *on a parity basis*, for deposit to the Drinking Water Account of the Leveraged Bonds Debt Service Fund, if, *after the transfer pursuant to paragraph (3) of this subheading captioned “Withdrawals from the Master Repayment Fund – Drinking Water Interest*

**Account and Drinking Water Principal Account,**” the balance of the Drinking Water Account of the Leveraged Bonds Debt Service Fund is not sufficient for payment of debt service due on the Leveraged Bonds allocable to the Drinking Water SRF Program, an amount equal to such deficiency;

(5) from the Drinking Water Principal Account to the Clean Water Principal Account of the Master Repayment Fund, if, *after the transfers pursuant to paragraphs (3) and (4) under the subheading above captioned “Withdrawals from the Master Repayment Fund – **Clean Water Interest Account and Clean Water Principal Account,**”* the balance of the Clean Water Account of the Leveraged Debt Service Fund is not sufficient for payment of debt service due on the Leveraged Bonds allocable to the Clean Water SRF Program, an amount equal to such deficiency;

(6) from the Drinking Water Interest Account to the Clean Water Interest Account of the Master Repayment Fund, if, *after the transfers pursuant to paragraph (5) under this subheading captioned “Withdrawals from the Master Repayment Fund – **Drinking Water Interest Account and Drinking Water Principal Account,**” and paragraphs (3) and (4) under the subheading above captioned “Withdrawals from the Master Repayment Fund – **Clean Water Interest Account and Clean Water Principal Account,**”* the balance of the Clean Water Account of the Leveraged Debt Service Fund is not sufficient for payment of debt service due on the Leveraged Bonds allocable to the Clean Water SRF Program, an amount equal to such deficiency;

(7) *first*, from the Drinking Water Interest Account and, *then*, from the Drinking Water Principal Account, but only to the extent the balance in the Drinking Water Interest Account exceeds any required Drinking Water Interest Account Carryforward Balance and the balance in the Drinking Water Principal Account exceeds any required Drinking Water Principal Account Carryforward Balance for such Interest Payment Date, to a Sinking Fund for any Series of Master Trust Bonds, an amount necessary to restore any deficiency in the portion of the Sinking Fund allocable to the Drinking Water SRF Program;

(8) from the applicable Drinking Water Interest Account and the Drinking Water Principal Account, but only to the extent the balance in the Drinking Water Interest Account exceeds any required Drinking Water Interest Account Carryforward Balance and the balance in the Drinking Water Principal Account exceeds any required Drinking Water Principal Account Carryforward Balance for such Interest Payment Date, to the applicable Clean Water Interest Account of the Master Repayment Fund and the Clean Water Principal Account of the Master Repayment Fund, an amount necessary to repay any amounts previously transferred to the Drinking Water Interest Account and the Drinking Water Principal Account pursuant to paragraphs (2), (5) and (6) under the subheading above captioned **“Withdrawals from the Master Repayment Fund – Clean Water Interest Account and Clean Water Principal Account,”** to be repaid in that order;

(9) on the dates required by the applicable Tax Certificate, from the Drinking Water Interest Account to the applicable Rebate Account in the Master Rebate Fund for the applicable series of Tax-Exempt Bonds, the amounts set forth in an Officer’s Certificate;

(10) from the Drinking Water Interest Account to the Drinking Water Interest Account of the Interest Accumulation Fund, the balance in the Drinking Water Interest Account in excess of the Drinking Water Interest Account Carryforward Balance for the applicable Interest Payment Date; and

(11) within two Business Days after each Interest Payment Date, the balance in the Drinking Water Principal Account in excess of the Drinking Water Principal Account Carryforward Balance for the applicable Interest Payment Date, to DNR for deposit to The Water and Wastewater Loan Revolving Fund, accompanied by written notice to DNR of (i) the amount of the transfer, (ii) the purpose of the transfer, (iii) the transfer method and (iv) any other descriptive information needed for DNR to accurately account for such funds.

Upon the payment in full of the principal of and interest due on all Series of Bonds secured by the Master Trust Agreement (or provision having been made for the payment thereof); the fees, charges and expenses of the Authority, DNR and the Master Trustee; and any other amounts required to be paid under the Master Trust Agreement, all amounts remaining on deposit in the Master Repayment Fund shall be paid to DNR for deposit to The Water and Wastewater Loan Revolving Fund, accompanied by written notice to DNR of (i) the amount of the transfer, (ii) the purpose of the transfer, (iii) the transfer method and (iv) any other descriptive information needed for DNR to accurately account for such funds.

See **Appendix C – “SUMMARY OF CERTAIN PROVISIONS OF THE MASTER TRUST AGREEMENT – Withdrawals from Master Repayment Fund.”**

***Additional Master Trust Bonds.*** The Master Trust Agreement contains conditions that must be satisfied for future series of Master Trust Bonds to be issued under and secured by the Master Trust Agreement. Assuming such conditions are satisfied, the Authority anticipates that future series of Master Trust Bonds will be secured by the Master Trust Agreement to the extent provided in the bond indentures pursuant to which such bonds are issued. See **Appendix C – “SUMMARY OF CERTAIN PROVISIONS OF THE MASTER TRUST AGREEMENT.”**

### **Master Trust Administration**

Upon the issuance of the Bonds and refunding of the Refunded Bonds, the Authority will have outstanding \$411,140,000 aggregate principal amount of Master Trust Bonds.

In the history of the Programs, prior to the issuance of the Bonds and the termination of the 2004 Master Trust Agreement, the reserve security securing 2004 Master Trust Bonds has never been drawn upon to cover a default because of a Participant’s failure to make a principal or interest payment on its obligations. Similarly, in the history of the Programs, no payment default on any Participant Repayments have occurred.

See **Appendix C – “SUMMARY OF CERTAIN PROVISIONS OF THE MASTER TRUST AGREEMENT”** for a summary of the flow of funds under the 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 Agreement.

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><b>Name<sup>1</sup></b></u>	<u><b>Title</b></u>	<u><b>Term Expires</b></u>
Caleb Arthur	Chairman	January 1, 2023
Mary Fontana Nichols	Vice-Chairman	January 1, 2023
Nancy Gibler	Secretary	January 22, 2022
Deron L. Cherry	Treasurer and Assistant Secretary	January 22, 2007 <sup>2</sup>

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<sup>1</sup> There is currently one vacancy on the Board.

<sup>2</sup> Members continue to serve until reappointed or replaced as provided by Missouri law.

Joe Boland serves as Director of the Authority. Rebecca McKinstry serves as Deputy Director of the Authority. The principal office of the Authority is located at 425 Madison Street, 2<sup>nd</sup> 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 Agreement. 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><b>Name</b></u>	<u><b>Position</b></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
Sara Pringer	Fiscal and Administrative Manager

### **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 (as defined herein). 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><b>Name</b></u>	<u><b>Position</b></u>	<u><b>Expiration of Term of Office<sup>1</sup></b></u>
Ashley McCarty	Chair	April 12, 2020
Patricia Thomas	Vice Chair	April 12, 2022
Neal Bredehoeft	Commissioner	April 12, 2022
Stan Coday	Commissioner	April 12, 2020
John Reece	Commissioner	April 12, 2019
Allen Rowland	Commissioner	April 12, 2022

<sup>1</sup> Members continue to serve until reappointed or replaced as provided by Missouri law.

## 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 Office<sup>1</sup></u>
Elizabeth Grove	Chair	September 1, 2012
Charli Jo Ledgerwood	Vice Chair	September 1, 2012
Susan McCray Armstrong	Commissioner	September 1, 2012
D. Scott Bockenkamp	Commissioner	September 1, 2014
Susan E. Hazelwood	Commissioner	September 1, 2014
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

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<sup>1</sup> Members continue to serve until reappointed or replaced as provided by Missouri law.

## STATE REVOLVING FUNDS PROGRAMS

### 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 Match, currently equal to 20% of the federal capitalization grants. 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 the required State Match, currently equal to at least 20% of the federal capitalization grants. 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.

### **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 \$1,287,924,631 in federal capitalization grants for the Water and Wastewater Loan Fund have been awarded by the EPA to the State and \$397,311,331 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. No assurances can be given that Congress will continue to appropriate funds for the capitalization grants or that any such grants will be deposited into either the Water and Wastewater Loan Fund or the Drinking Water Revolving Fund.

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 the 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 \$1,200,091,480 of senior bonds outstanding.

Other forms of Pledged 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 if the Participant obligations satisfy credit

criteria established by DNR. 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 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 Agreement, the DNR 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.

### **Tax Status of the Bonds – Federal and State of Missouri**

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:

***No Federal Tax Exemption.*** The interest on the Bonds is ***included*** in gross income for federal income tax purposes, in accordance with an owner's normal method of accounting.

***Missouri Tax Exemption.*** The interest on the Bonds is exempt from income taxation by the State of Missouri, except for death and gift taxes and taxes on transfers.

***No Other Opinions.*** Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds, except as expressly provided herein. Purchasers of the Bonds should consult their tax advisors as to the applicability of these tax consequences and other income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

## Other Tax Consequences

***Sale, Exchange, Legal Defeasance or Retirement of Bonds.*** Upon the sale, exchange, legal defeasance 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 actually or constructively received on the sale, exchange, legal defeasance 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. 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 to the Authority, whose approving legal opinion will be delivered with the Bonds in substantially the form attached hereto as **Appendix E**. 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," "LITIGATION" AND "CONTINUING DISCLOSURE,"** 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 System"**), **"SECURITY AND SOURCES OF PAYMENT OF THE BONDS,"** (other than under the heading **"Debt Service Schedule and Projected Cash Flow Sufficiency"**), **"SECURITY PROVIDED BY THE MASTER TRUST AGREEMENT"** and **"TAX MATTERS,"** and in **Appendix C, Appendix D and Appendix E**. Counsel

to the Authority has reviewed the information appearing under the captions “**THE AUTHORITY**,” “**LITIGATION**” and “**CONTINUING DISCLOSURE**.”

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.

## **IMPACT OF COVID-19 PANDEMIC**

*The information and data contained in this section are being provided solely for the purpose of describing the impacts of the COVID-19 pandemic on the Authority and DNR and their respective operations and financial condition. Neither the Authority or DNR are under any obligation to update the information and data contained herein and such information and data shall not be deemed to be financial and operating data to be included in annual updates under the Disclosure Agreement. See “CONTINUING DISCLOSURE” herein.*

### **Background**

In December 2019, a novel strain of coronavirus (which leads to the disease known as “COVID-19”), was discovered in Wuhan, China. Since that date, the virus has spread throughout the world and has been characterized by the World Health Organization as a pandemic. The impact of the COVID-19 pandemic on the U.S. economy is expected to be broad based and to negatively impact national, state and local economies.

In response to such expectations, on March 13, 2020 the President of the United States declared a “national emergency,” which, among other effects, allows the executive branch to disburse disaster relief funds to address the COVID-19 pandemic and related economic dislocation. On March 13, 2020, the Governor of the State signed an executive order, declaring a state of emergency in the State in response to the COVID-19 pandemic. The most recent executive order signed by the Governor on June 11, 2020 extended the state of emergency in the State through December 30, 2020. The stated purpose of the executive orders is to allow more flexibility in utilizing resources and deploying them around the State where they are most appropriate, including allowing the Governor to waive certain State laws and regulations where necessary.

On April 3, 2020, the Governor issued a “stay at home order,” which began on April 6, 2020, and ended on May 4, 2020, requiring all Missourians to avoid leaving their residences unless necessary and to practice social distancing when travel outside their residences was necessary. On April 27, 2020, the Missouri Department of Health and Senior Services (“DHS”) issued the “Show Me Strong Recovery Order,” which went into effect on May 4, 2020 and ended on May 31, 2020. On May 28, 2020, DHS

issued the “Economic Reopening Order,” which went into effect on June 1, 2020 and ended on June 15, 2020. Both DHS orders provide guidelines for individuals and businesses in the State to gradually reopen economic and social activity. The DHS orders expired on June 16, 2020, and the State is not currently under a statewide public health order. Despite the expiration of statewide orders, cities and counties have the ability, and continue, to impose local public health orders restricting economic activities within the State.

The State has compiled certain information on COVID 19, which can be found on the DHA website at: <https://health.mo.gov/living/healthcondiseases/communicable/novel-coronavirus>. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such web site addresses and the information or links contained therein are not incorporated into, and are not part of, this Official Statement. The Authority, DNR and the Underwriters take no responsibility for any information contained on such website addresses or for revisions to information on such website addresses occurring after the date of this Official Statement.

### **Impact on the Authority and DNR**

The Authority’s operations have been minimally affected by the COVID 19 pandemic. The operations of the Authority have been uninterrupted, with some staff working remotely when possible, and Authority board meetings have been held exclusively by teleconference. According to the Authority, its revenues have not been impacted by the COVID 19 pandemic and it has continued to communicate with Participants in the SRF Programs. The Authority staff participates in weekly coordination calls with DNR to remain current on the status of the pandemic and response efforts within the State.

DNR is working with approximately 10% of staff in the office, with the remaining 90% of staff working remotely. DNR anticipates that it will transition to a larger percentage of staff working in the office in January. According to DNR, the loan services that it provides to the Participants related to the SRF Programs have continued uninterrupted, and all funding related to the SRF Direct Loan Programs that was in process prior to the COVID-19 pandemic continues to progress. Internal accounting and project management processes have been converted from paper to electronic documentation and tracking.

According to DNR, it has received no requests for deferral of payment from any Participants nor has it received any indication from Participant that it anticipates difficulty in making payments on its Pledged Participant Obligation due to COVID 19-related revenue loss. According to DNR, there has been an increase in applications for participation in the Clean Water SRF Program for fiscal year 2021, indicating increased program demand. According to DNR, all potential borrowers for the SRF Programs with projects in the planning phase continue to move forward with planned projects.

As of the date of this Official Statement, neither DNR or the Authority has experienced any failures on the repayment of Participant Obligations as a result of COVID-19.

### **Potential Impact of COVID-19**

While the potential impact on the State, the Authority, DNR or the Participants cannot be predicted at this time, the continued spread of the pandemic may have a material effect on the State, the Authority, DNR or the Participants, which could have a material adverse effect on payment of debt service on the Bonds. The Authority cannot quantify the negative financial impact that any restrictions imposed on the local, State, or federal level may have on the operations and financial conditions of the State, the Authority, DNR or the Participants in the State Revolving Fund Programs.



Due to the recent and unprecedented nature of the spread of COVID-19, the duration and extent of the impact of COVID-19 on the security for the Bonds cannot be quantified at this time. See **“STATE REVOLVING FUND PROGRAMS – Method of Funding State Revolving Funds.”** The COVID-19 outbreak may have an adverse impact on the Participant’s ability to collect taxes or impose rates, charges and assessments, and to pay debt service on the Pledged Participant Obligations.

## **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 has Pledged Participant Obligations on the date of issuance of the series of Master Trust Bonds or the preceding December 15, in an aggregate principal amount 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 Liberty, Missouri (**“Liberty”**), 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 B – “INFORMATION ON THE 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 or the 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 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.

The Authority determined that Liberty satisfied the criteria for becoming a Material Master Trust Participant as of December 15, 2018 and notified Liberty of its determination in March 2019. As of March 2019, all then-current Material Master Trust Participants had been notified by the Authority.

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](http://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 B** 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 Pledged 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 December 1, 2020, as amended and supplemented from time to time in accordance with its terms (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 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;
14. appointment of a successor or additional trustee or the change of name of the Trustee, if material;
15. incurrence of a Financial Obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Authority, any of which affect security holders, if material; and
16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; provided, however, the term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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.

## MSD

***Prior Compliance with Program Obligations.*** During the previous five years, MSD believes it has materially complied with its continuing disclosure undertakings with respect to the Programs by timely filing the required financial and operating information with the Master Trustee. Certain of such information provided by MSD to the Master Trustee was not linked to all of the Authority's CUSIP numbers. Such financial and operating information was subsequently linked to the Authority's CUSIP numbers in February 2020.

***Prior Compliance with Non-Program Obligations.*** MSD has engaged in undertakings similar to the undertaking as a Material Participant with respect to certain outstanding obligations of MSD, under which it has agreed to provide to the national information repositories (presently, only the MSRB via EMMA) its audited financial statements and certain operating information. During the previous five years, MSD believes it has materially complied with these non-Program continuing disclosure undertakings to file its audited financial statements and certain operating information required by the Rule.

## Cape Girardeau

***Prior Compliance with Program Obligations.*** On March 19, 2018, the Authority notified Cape Girardeau that it satisfied the criteria for becoming a Material Master Trust Participant and Cape Girardeau timely filed its most recent audited financial statements (for fiscal year ended June 30, 2017), which included Cape Girardeau's financial and operating information with respect to the Programs, within thirty days of receipt of the notification from the Authority. Since being notified by the Authority that Cape Girardeau is a Material Master Trust Participant, Cape Girardeau believes it has complied in all material respects during the past five years with its prior undertakings under the Rule with respect to the Programs, except certain of the required financial and operating information was not linked to all of the Authority's CUSIP numbers and the operating data for the fiscal year ended June 30, 2019 did not include Cape Girardeau's total outstanding revenue obligations and historical debt service coverage for obligations of its sewerage system. The financial and operating information was subsequently linked to the Authority's CUSIP numbers and the missing June 30, 2019 operating data was filed in February 2020.

***Prior Compliance with Non-Program Obligations.*** Cape Girardeau has engaged in undertakings similar to the undertaking as a Material Participant with respect to certain outstanding obligations of Cape Girardeau, under which it has agreed to provide to the national information repositories (presently, only the MSRB via EMMA) certain operating data of Cape Girardeau and the audited financial statements of Cape Girardeau. Cape Girardeau believes it has complied in all material respects during the past five years with its prior undertakings under the Rule with respect to non-Program obligations, except as follows: its audited financial statements and operating data for the fiscal year ended June 30, 2015 were not properly linked to certain obligations; the operating data for the fiscal year ended June 30, 2015 did not include Cape Girardeau's restaurant license tax collections; its audited financial statements and operating data for the fiscal year ended June 30, 2016 were not properly linked to certain obligations; although Cape Girardeau timely filed its unaudited financial statements for the fiscal year ended June 30, 2016, Cape Girardeau did not promptly file its audited financial statements for that fiscal year after they became available (the audited financial statements were filed on December 22, 2017); and although Cape Girardeau timely filed its unaudited financial statements for the fiscal year ended June 30, 2017, Cape Girardeau did not promptly file its audited financial statements for that fiscal year after they became available (the audited financial statements were filed on July 23, 2018). In 2018, Cape Girardeau engaged Gilmore & Bell, P.C. to assist the City with compiling and filing certain financial information and operating information and any other required event notices. Cape Girardeau properly linked its

audited financial statements and operating data for the fiscal years ended June 30, 2015 and June 30, 2016 in February 2020.

## **Liberty**

***Prior Compliance with Program Obligations.*** On March 18, 2019, the Authority notified Liberty that it satisfied the criteria for becoming a Material Master Trust Participant. Liberty did not timely file its most recent audited financial statements within thirty days of receipt of the notification from the Authority. Liberty filed such audited financial statements and operating information with the respect to the Programs (for the fiscal year ended December 31, 2018) within approximately ninety days of receipt of the notification from the Authority; however, such audited financial statements and operating information was not linked to the Authority's CUSIP numbers. Liberty's audited financial statements and operating information for the fiscal year ended December 31, 2018 required to be filed with respect to the Programs was subsequently linked to the Authority's CUSIP numbers in February 2020. Liberty's audited financial statements and operating information for the fiscal year ended December 31, 2019 was filed with the MSRB via EMMA on June 27, 2020, but was not linked and filed with respect to the Programs until October 6, 2020.

***Prior Compliance with Non-Program Obligations.*** Liberty has engaged in undertakings similar to the undertaking as a Material Participant with respect to certain outstanding obligations of Liberty, under which it has agreed to provide to the national information repositories (presently, only the MSRB via EMMA) certain operating data of Liberty and the audited financial statements of Liberty. Over the last five years, Liberty believes it has substantially complied with its prior undertakings to file certain operating data of Liberty and the audited financial statements of Liberty, but has failed to timely file notices of certain material events related to redemptions of bonds and rating changes.

## **St. Joseph**

***Prior Compliance with Program Obligations.*** On March 19, 2018, the Authority notified St. Joseph that it satisfied the criteria for becoming a Material Master Trust Participant and St. Joseph timely filed its most recent audited financial statements for fiscal year ended June 30, 2017, which included St. Joseph's financial and operating information with respect to the Programs, within thirty days of receipt of the notification from the Authority. Since being notified by the Authority that St. Joseph is a Material Master Trust Participant, St. Joseph has timely filed certain of the required financial and operating information for its fiscal years ended June 30, 2018 and June 30, 2019, which included St. Joseph's financial and operating information with respect to the Programs; however, such financial and operating information for fiscal years ended June 30, 2018 and June 30, 2019, was not linked to the Authority's CUSIP numbers. St. Joseph's financial and operating information for fiscal years ended June 30, 2018 and June 30, 2019 required to be filed with respect to the Programs was subsequently linked to the Authority's CUSIP numbers in February 2020.

***Prior Compliance with Non-Program Obligations.*** In addition to St. Joseph's obligation to file certain financial information and operating data in accordance with its continuing disclosure undertaking with respect to the Programs, St. Joseph has also previously entered into continuing disclosure undertakings with respect to certain other financial obligations unrelated to the Programs as required by the Rule pursuant to which St. Joseph has agreed to file certain financial information and operating data relating to St. Joseph and to provide notices of the occurrence of certain enumerated events relating to the respective financial obligations. St. Joseph timely filed the audited financial statements for its fiscal year ended June 30, 2018 on EMMA; however, such audited financial statements inadvertently omitted the signed opinion of St. Joseph's independent auditor. St. Joseph subsequently corrected such omission to include the signed opinion of its independent auditor in the audited financial statements for its fiscal year

ended June 30, 2018 in an Amended Annual Report for fiscal year ended June 30, 2018 that was filed on EMMA on August 3, 2020.

## **LBV Sewer District**

***Prior Compliance with Program Obligations.*** On March 19, 2018, the Authority notified LBV Sewer District that it satisfied the criteria for becoming a Material Master Trust Participant and LBV Sewer District timely filed its most recent audited financial statements for fiscal year ended September 30, 2017, which included LBV Sewer District's financial and operating information with respect to the Programs, within thirty days of receipt of the notification from the Authority. Since being notified by the Authority that it is a Material Master Trust Participant, LBV Sewer District has complied in all material respects with its continuing disclosure undertakings to provide financial and operating information with respect to the Programs.

***Prior Compliance with Non-Program Obligations.*** In addition to LBV Sewer District's obligation to file certain financial information and operating information in accordance with its continuing disclosure undertakings with respect to the Programs, LBV Sewer District has also previously entered into a continuing disclosure undertaking with respect to certain other financial obligations unrelated to the Programs as required by the Rule pursuant to which LBV Sewer District has agreed to file certain financial information and operating information relating to LBV Sewer District and to provide notices of the occurrence of certain enumerated events relating to the respective financial obligations. Within the last five years, the LBV Sewer District did not timely file its audited financial statements and operating data with respect to its Series 2010 Bonds for the fiscal year ended September 30, 2015. The audited financial statements and the operating data relating to the Series 2010 Bonds were filed 3 days late in fiscal year ended 2015. LBV Sewer District filed a notice of failure to timely file regarding the Series 2010 Bonds continuing disclosure obligations on EMMA on September 8, 2016. LBV Sewer District has also taken steps to ensure that it will meet its continuing disclosure obligations in the future, including hiring Gilmore & Bell, P.C., to assist LBV Sewer District with compiling and filing certain financial information and operating information and any other required event notices.

## **Authority Prior Compliance**

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.

## **VERIFICATION OF MATHEMATICAL COMPUTATIONS**

Samuel Klein and Company, Certified Public Accountants, Newark, New Jersey (the "**Escrow Verifier**"), upon delivery of the Bonds, will deliver to the Authority and the Underwriters a report stating that the firm, at the request of the Authority, has verified the mathematical accuracy of certain computations, based on assumptions provided to it by Columbia Capital Management, LLC, relating to (1) the sufficiency of the net cash flow from the maturing Escrowed Securities in the Escrow Fund without consideration of any reinvestment thereof, and the uninvested cash in the Escrow Fund, to pay all principal of, redemption premium, and interest on the Refunded Bonds on the respective dates such payments are due and (2) the actuarial yield on the Escrowed Securities and on the Bonds. The Escrow Verifier expresses no opinion on the attainability of the assumptions, the related cash flow projections or the tax status of the Bonds.

## UNDERWRITING

BofA Securities, Inc. (“**BofA**”), 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 \$100,760,000.00. Subject to certain customary conditions precedent to closing, the Underwriters will be paid a fee of \$315,171.65 in connection with the purchase of the Bonds. The Bonds may be offered and sold to certain dealers at prices lower than the public offering prices shown on the inside cover hereof, and such public offering prices may be changed, from time to time, by the Underwriters.

BofA, an underwriter of the Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated (“**MLPF&S**”). As part of this arrangement, BofA may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA may compensate MLPF&S as a dealer for their selling efforts with respect to the Bonds.

Citigroup Global Markets Inc., an underwriter of the Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, “**Fidelity**”). As part of the distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors through Fidelity. As part of this arrangement, Fidelity will receive all related selling compensation for its selling efforts with respect to the Bonds.

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 its various business activities, the Underwriters and their respective affiliates, officers, directors, and employees may purchase, sell or hold a broad array of investments and may actively trade securities, derivatives, loans, commodities, currencies, credit default swaps, and other financial instruments for their own account and for the accounts of customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of the Authority (whether directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Authority. The Underwriters and their respective affiliates also may communicate independent investment recommendations, market advice or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and at any time may 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, Merriam, 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 to the Authority, has represented certain of the Underwriters in other financings, but is 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 Master Trustee, 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/ Caleb Arthur            
Chairman

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## **APPENDIX A**

### **INFORMATION ON DNR PLEDGED PARTICIPANT OBLIGATIONS AND AUTHORITY PLEDGED PARTICIPANT OBLIGATIONS**

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## PART 1A

### DNR PLEDGED PARTICIPANT OBLIGATIONS

Participant Repayments on the DNR Pledged Participant Obligations listed in this Part 1A are pledged to the repayment of Master Trust Bonds pursuant to the DNR Pledge Agreement. See the section in the body of this Official Statement captioned “SECURITY AND SOURCES OF PAYMENT OF THE BONDS.”

<u>Participant</u>	<u>First Loan Issuance Date</u>	<u>Clean Water Program</u>		<u>First Loan Issuance Date</u>	<u>Drinking Water Program</u>	
		<u>Maximum Loan Amount<sup>1</sup></u>	<u>Outstanding Principal Amount<sup>2</sup></u>		<u>Maximum Loan Amount<sup>1</sup></u>	<u>Outstanding Principal Amount<sup>2</sup></u>
Metropolitan St. Louis Sewer District	10/21/2009	\$ 23,000,000	\$ 12,483,300			
Metropolitan St. Louis Sewer District	1/26/2010	7,980,700	4,882,200			
Metropolitan St. Louis Sewer District	12/21/2010	37,000,000	22,196,000			
Metropolitan St. Louis Sewer District	11/30/2011	39,769,300	29,536,300			
Metropolitan St. Louis Sewer District	10/31/2013	52,000,000	39,869,000			
Metropolitan St. Louis Sewer District	8/18/2015	75,000,000	60,73,000			
Metropolitan St. Louis Sewer District	12/22/2016	20,000,000	17,443,000			
Metropolitan St. Louis Sewer District	12/22/2016	<u>75,500,000</u>	<u>67,502,000</u>			
<b>Total</b>		<u>\$ 330,250,000</u>	<u>\$ 254,647,800</u>			
St. Joseph	11/5/2014	\$ 28,585,000	\$ 23,193,000			
St. Joseph	3/26/2013	14,660,000	10,468,200			
St. Joseph	4/10/2014	56,000,000	45,476,000			
St. Joseph	8/23/2017	<u>66,850,000</u>	<u>62,454,000</u>			
<b>Total</b>		<u>\$ 166,095,000</u>	<u>\$ 141,591,200</u>			
Liberty	11/10/2015	\$ 79,000,000	\$ 73,702,000			
Cape Girardeau	6/19/2012	\$ 31,000,000	\$ 23,695,000	1/15/2010	\$ 1,000,000	\$ 541,500
Cape Girardeau	6/18/2013	35,750,000	27,218,000			
Cape Girardeau	6/18/2013	<u>3,250,000</u>	<u>2,474,000</u>			
<b>Total</b>		<u>\$ 70,000,000</u>	<u>\$ 53,387,000</u>			

<sup>1</sup> 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.

<sup>2</sup> Outstanding principal amounts as of August 31, 2020. Outstanding principal amount represents the maximum loan amount reduced by the amount not drawn by the Participant and Participant Repayments made by the Participant.

<u>Participant</u>	<u>First Loan Issuance Date</u>	<u>Clean Water Program</u>		<u>First Loan Issuance Date</u>	<u>Drinking Water Program</u>	
		<u>Maximum Loan Amount<sup>1</sup></u>	<u>Outstanding Principal Amount<sup>2</sup></u>		<u>Maximum Loan Amount<sup>1</sup></u>	<u>Outstanding Principal Amount<sup>2</sup></u>
Columbia	1/14/2010	\$ 59,335,000	\$ 38,247,800			
Little Blue Valley Sewer District	3/16/2011	\$ 37,850,000	\$ 27,607,400			
Joplin	1/26/2010	\$ 6,000,000	\$ 3,782,800			
Joplin	1/26/2011	26,000,000	19,600,000			
Joplin	10/27/2014	<u>3,282,000</u>	<u>2,162,300</u>			
	<b>Total</b>	<u>\$ 35,282,000</u>	<u>\$ 25,545,100</u>			
Blue Springs	11/24/2009	\$ 30,789,000	\$ 14,321,600			
Kirksville	4/29/2008	\$ 1,500,000	\$ 655,000			
Kirksville	12/29/2009	515,000	266,001			
Kirksville	12/10/2014	1,485,000	1,166,000			
Kirksville	2/22/2016	<u>18,000,000</u>	<u>16,099,000</u>			
	<b>Total</b>	<u>\$ 21,500,000</u>	<u>\$ 18,186,001</u>			
Wentzville	3/14/2011	\$ 20,631,000	\$ 11,861,000			
Boone County RSD	6/14/2011	\$ 438,000	\$ 274,000			
Boone County RSD	7/17/2013	12,198,000	9,310,000			
Boone County RSD	5/9/2012	1,360,000	807,200			
Boone County RSD	12/29/2009	924,700	504,300			
Boone County RSD	4/20/2015	<u>3,064,000</u>	<u>2,399,000</u>			
	<b>Total</b>	<u>\$ 17,984,700</u>	<u>\$ 13,294,500</u>			
Tri-County Water Authority				1/25/2016	\$ 33,432,000	\$ 29,843,000
Tri-County Water Authority				12/15/2017	<u>1,000,000</u>	<u>0</u>
				<b>Total</b>	<u>\$ 34,432,000</u>	<u>\$ 29,843,000</u>
Kansas City	12/18/2009	\$ 16,000,000	\$ 7,636,000			
Jefferson City	11/13/2012	\$ 15,000,000	\$ 10,620,800			
Hannibal				10/15/2015	\$ 12,960,000	\$ 10,378,700
Belton Phase I				3/27/2014	\$ 7,039,000	\$ 5,576,200
Belton	6/3/2015	\$ 13,977,000	\$ 11,257,000	9/14/2015	<u>2,718,000</u>	<u>2,023,100</u>
				<b>Total</b>	<u>\$ 9,757,000</u>	<u>\$ 7,599,300</u>

<u>Participant</u>	<u>Clean Water Program</u>			<u>Drinking Water Program</u>		
	<u>First Loan Issuance Date</u>	<u>Maximum Loan Amount<sup>1</sup></u>	<u>Outstanding Principal Amount<sup>2</sup></u>	<u>First Loan Issuance Date</u>	<u>Maximum Loan Amount<sup>1</sup></u>	<u>Outstanding Principal Amount<sup>2</sup></u>
Springfield	1/15/2010	\$ 13,000,000	\$ 7,281,500			
Fulton	12/3/2015	\$ 13,000,000	\$ 6,979,466			
Northeast PSD of Jeff Co <sup>3</sup>	6/5/2012	\$ 12,000,000	\$ 6,520,000			
Odessa	8/26/2014	\$ 8,000,000	\$ 7,450,000			
Odessa	7/29/2015	3,000,000	\$ 2,738,000			
	<b>Total</b>	<u>\$ 11,000,000</u>	<u>\$ 10,188,080</u>			
Warrensburg	3/31/2010	\$ 8,548,500	\$ 4,794,500			
El Dorado Springs	5/25/2010	\$ 7,646,600	\$ 4,154,600			
Pulaski County Sewer District No. 1	11/12/2015	\$ 6,894,500	\$ 5,867,500			
Louisiana	9/12/2012	\$ 5,980,000	\$ 4,261,400			
Neosho	11/10/2009	\$ 5,488,800	\$ 3,070,800	12/19/2011	\$ 9,425,000	\$ 6,403,000
Waynesville	3/21/2011	\$ 4,750,000	\$ 2,861,000			
Harrisonville	1/12/2010	\$ 4,300,000	\$ 2,261,000	1/17/2017	\$ 9,544,000	\$ 8,697,000
St. Louis				11/13/2013	\$ 9,500,000	\$ 6,971,000
Clarence Cannon				11/23/2009	\$ 2,390,000	\$ 1,341,300
Clarence Cannon				6/24/2010	5,285,000	2,964,000
				<b>Total</b>	<u>\$ 7,675,000</u>	<u>\$ 4,305,300</u>
Adrian				12/3/2007	\$ 4,163,000	\$ 1,815,000
Adrian				12/29/2009	473,800	253,800
Adrian				12/22/2010	343,200	203,200
				<b>Total</b>	<u>\$ 4,980,000</u>	<u>\$ 2,272,000</u>
Taos <sup>4</sup>	7/26/2011	\$ 3,372,000	\$ 2,195,000			
St. Charles County	2/7/2002	\$ 2,941,000	\$ 382,000			
St. Charles County	3/11/2004	272,000	47,000			
	<b>Total</b>	<u>\$ 3,213,000</u>	<u>\$ 429,000</u>			

<sup>3</sup> Northeast PSD of Jefferson County has advised DNR that it intends to prepay its loan on November 6, 2020.

<sup>4</sup> Taos has advised DNR that it intends to prepay its loan on December 15, 2020.

<u>Participant</u>	<u>Clean Water Program</u>			<u>Drinking Water Program</u>		
	<u>First Loan Issuance Date</u>	<u>Maximum Loan Amount<sup>1</sup></u>	<u>Outstanding Principal Amount<sup>2</sup></u>	<u>First Loan Issuance Date</u>	<u>Maximum Loan Amount<sup>1</sup></u>	<u>Outstanding Principal Amount<sup>2</sup></u>
Duquesne	7/29/2009	\$ 1,600,000	\$ 909,400			
Duquesne	11/16/2009	1,481,900	955,300			
	<b>Total</b>	<u>\$ 3,081,900</u>	<u>\$ 1,864,700</u>			
Nevada	5/5/2015	\$ 2,722,000	\$ 2,153,700			
Jackson County PWSD No. 13 <sup>5</sup>				7/27/2017	\$ 3,000,000	\$ 2,804,000
Fredericktown				8/18/2016	\$ 2,983,000	\$ 2,508,400
Sullivan County PWSD No. 1				4/14/2009	\$ 2,900,000	\$ 1,652,700
Drexel				11/23/2009	\$ 2,368,000	\$ 1,381,100
Poplar Bluff				7/31/2012	\$ 1,324,000	\$ 871,000
Poplar Bluff				8/22/2016	1,031,000	868,100
				<b>Total</b>	<u>\$ 2,355,000</u>	<u>\$ 1,739,100</u>
Lathrop				10/20/2014	\$ 1,258,000	\$ 948,700
Lathrop				12/1/2016	931,000	804,900
				<b>Total</b>	<u>\$ 2,189,000</u>	<u>\$ 1,753,600</u>
Scotland County Consolidated PWSD						
No. 1				9/21/2017	\$ 2,193,000	\$ 1,678,000
Weston				12/29/2009	\$ 2,033,400	\$ 1,153,800
Cameron				11/2/2009	\$ 1,390,500	\$ 787,000
Cameron				7/17/2013	616,000	359,700
				<b>Total</b>	<u>\$ 2,006,500</u>	<u>\$ 1,146,700</u>
Bonne Terre				11/18/2015	\$ 1,985,000	\$ 1,593,000
Sparta				6/27/2017	\$ 1,896,000	\$ 1,730,600
California	1/28/2010	\$ 2,708,000	\$ 1,602,300	10/16/2014	\$ 1,601,000	\$ 1,254,800
Cuba	6/22/2011	\$ 2,460,000	\$ 1,509,000			
Macon	3/17/2011	\$ 1,300,000	\$ 401,900			
Macon	11/16/2015	826,000	632,000			
	<b>Total</b>	<u>\$ 2,126,000</u>	<u>\$ 1,033,900</u>			

<sup>5</sup> Jackson County PWSD No. 13 has advised DNR that it intends to partially prepay its loan on January 1, 2021.



<u>Participant</u>	<u>Clean Water Program</u>			<u>Drinking Water Program</u>		
	<u>First Loan Issuance Date</u>	<u>Maximum Loan Amount<sup>1</sup></u>	<u>Outstanding Principal Amount<sup>2</sup></u>	<u>First Loan Issuance Date</u>	<u>Maximum Loan Amount<sup>1</sup></u>	<u>Outstanding Principal Amount<sup>2</sup></u>
Thayer	12/15/2009	\$ 2,125,000	\$ 1,205,000			
Carl Junction	10/30/2013	\$ 2,050,000	\$ 1,496,600			
Warsaw	12/29/2009	\$ 2,030,300	\$ 1,100,200	11/28/2012	\$ 739,000	\$ 499,900
Jackson County PWSD No. 16				7/18/2013	\$ 1,500,000	\$ 1,096,000
Jackson County PWSD No. 16				9/28/2015	711,000	536,800
				<b>Total</b>	<u>\$ 2,211,000</u>	<u>\$ 1,632,800</u>
Ava				11/17/2009	\$ 1,445,400	\$ 769,400
Osage County PWSD No. 3				7/21/2011	\$ 693,000	\$ 411,900
Osage County PWSD No. 3				10/30/2017	598,000	545,800
				<b>Total</b>	<u>\$ 1,291,000</u>	<u>\$ 957,700</u>
Harry S. Truman PWSD No. 2				12/29/2009	\$ 1,172,000	\$ 665,200
Platte County				10/15/2015	\$ 1,149,000	\$ 914,200
Linn				1/30/2013	\$ 1,143,000	\$ 693,900
Osage County PWSD No. 1				11/7/2017	\$ 1,111,000	\$ 1,038,700
Clinton County PWSD No. 3				11/25/2009	\$ 1,100,000	\$ 616,100
Monroe County PWSD No. 2				12/14/2009	\$ 1,065,200	\$ 577,200
Platte County PWSD No. 3				6/19/2012	\$ 582,000	\$ 345,800
Platte County PWSD No. 3				10/16/2014	446,000	347,000
				<b>Total</b>	<u>\$ 1,028,000</u>	<u>\$ \$692,800</u>
Monett	10/13/2015	\$ 1,895,000	\$ 1,184,100	9/9/2013	\$ 11,012,000	\$ 7,757,500
Houston	10/6/2009	\$ 1,750,000	\$ 986,200			
Stockton	8/23/2011	\$ 1,640,000	\$ 1,002,700	5/26/2011	\$ 860,000	\$ 529,000
Madison	12/20/2016	\$ 1,616,000	\$ 1,322,900			
Tipton	10/14/2009	\$ 1,500,000	\$ 815,400	6/18/2013	\$ 606,600	\$ 442,600
Fremont Hills	12/23/2008	\$ 1,500,000	\$ 745,000			
Gordonville	7/29/2009	\$ 1,497,700	\$ 830,700			
Silver Creek	12/18/2009	\$ 1,406,800	\$ 825,600			
Alba	2/23/2016	\$ 1,217,000	\$ 1,008,000			
Paris	1/28/2010	\$ 1,155,500	\$ 648,100			
Auxvasse				10/6/2014	\$ 995,000	\$ 765,900
Clarence	1/19/2010	\$ 948,700	\$ 526,100			

<u>Participant</u>	<u>Clean Water Program</u>			<u>Drinking Water Program</u>		
	<u>First Loan Issuance Date</u>	<u>Maximum Loan Amount<sup>1</sup></u>	<u>Outstanding Principal Amount<sup>2</sup></u>	<u>First Loan Issuance Date</u>	<u>Maximum Loan Amount<sup>1</sup></u>	<u>Outstanding Principal Amount<sup>2</sup></u>
Village of Windsor Place	11/23/2015	\$ 939,000	\$ 765,400			
New Florence	1/12/2010	\$ 928,000	\$ 496,800			
Rich Hill	2/6/2001	\$ 900,000	\$ 107,562			
Jefferson Co. PWSD No. 12				5/22/2013	\$ 866,000	\$ 589,700
Rockaway Beach				12/9/2009	\$ 862,000	\$ 486,800
New London	12/21/2016	\$ 879,000	\$ 728,600			
Laurie	1/16/2003	\$ 826,900	\$ 185,500			
Ellington	7/28/2004	\$ 825,000	\$ 144,300			
Fair Grove	6/24/2008	\$ 800,000	\$ 385,000			
Desloge				9/27/2012	\$ 782,000	\$ 495,100
Jefferson County Water Authority				7/25/2012	\$ 751,000	\$ 467,200
Birch Tree				1/24/2017	\$ 738,000	\$ 652,700
Clay County PWSD No. 8				1/14/2010	\$ 723,000	\$ 407,800
Cass County PWSD No. 10				9/28/2011	\$ 702,000	\$ 426,400
Unionville	10/23/2017	\$ 777,000	\$ 709,200			
Lincoln	9/18/1997	\$ 695,000	\$ 0			
Rogersville				8/14/2012	\$ 682,000	\$ 428,600
Campbell				10/26/2017	\$ 625,000	\$ 522,300
Calvey Creek S.D.	10/29/2009	\$ 682,000	\$ 361,460			
Ste. Genevieve	1/12/2010	\$ 647,500	\$ 363,300	1/12/2010	\$ 781,300	\$ 458,200
Sunrise Beach	11/26/2013	\$ 629,000	\$ 458,600	12/19/2016	\$ 315,000	\$ 247,400
Meadville				10/26/2010	\$ 622,700	\$ 176,200
Lilbourn	10/24/2008	\$ 610,000	\$ 340,000			
Chilhowee				12/22/2010	\$ 585,000	\$ 345,000
Wellsville	12/21/2016	\$ 595,000	\$ 512,600			
Platte City	1/20/2010	\$ 558,000	\$ 298,900			
Atlanta	12/28/2009	\$ 535,200	\$ 286,800			
Cass County PWSD No. 11				5/14/2012	\$ 534,000	\$ 338,600
Pilot Grove				12/23/2009	\$ 505,000	\$ 270,600
Pierce City	11/10/2016	\$ 496,000	\$ 441,304			
Brashear	2/25/2016	\$ 486,000	\$ 373,100			
Chamois	4/27/2017	\$ 455,000	\$ 332,300			
Reeds Spring	12/29/2009	\$ 433,600	\$ 243,600	3/9/2017	\$ 434,000	\$ 314,400
Renick	12/12/2016	\$ 429,000	\$ 370,200			
Platte County PWSD No. 8				11/17/2009	\$ 444,800	\$ 249,100
DeKalb County PWSD No. 1				8/26/2014	\$ 423,000	\$ 0
Clarksburg				10/5/2011	\$ 408,000	\$ 259,000

<u>Participant</u>	<u>Clean Water Program</u>			<u>Drinking Water Program</u>		
	<u>First Loan Issuance Date</u>	<u>Maximum Loan Amount<sup>1</sup></u>	<u>Outstanding Principal Amount<sup>2</sup></u>	<u>First Loan Issuance Date</u>	<u>Maximum Loan Amount<sup>1</sup></u>	<u>Outstanding Principal Amount<sup>2</sup></u>
Garden City	1/27/2010	\$ 362,600	\$ 188,200			
Risco	5/22/2003	\$ 359,000	\$ 60,000			
Cole County PWSD No. 4				1/21/2010	\$ 324,000	\$ 165,200
Cassville	3/15/2006	\$ 318,000	\$ 115,401			
Linn Creek				1/12/2010	\$ 305,300	\$ 155,700
Lexington	1/20/2010	\$ 294,400	\$ 165,100			
Perry Sewer Rehabilitation	5/10/2012	\$ 292,000	\$ 184,400			
Barry County PWSD No. 2				6/22/2011	\$ 282,000	\$ 180,100
Jefferson Co. PWSD No. 8				11/29/2012	\$ 260,000	\$ 168,900
Ralls County PWSD No. 1	12/14/2009	\$ 221,200	\$ 123,800			
West Sullivan	12/29/2009	\$ 209,800	\$ 112,600			
Lake Ozark	1/28/2010	\$ 200,000	\$ 0			
Audrain County PWSD No. 1				9/28/2015	\$ 164,000	\$ 128,700
King City				1/6/2010	\$ 199,100	\$ 106,700
Kingston	12/28/2009	\$ 192,000	\$ 105,800			
Newburg				1/19/2010	\$ 162,200	\$ 88,000
Stella	11/18/2002	\$ 135,000	\$ 0			
Arrow Rock	10/16/2001	\$ 120,000	\$ 0			
Pendleton	1/8/2010	\$ 102,100	\$ 52,060			
<b>Total</b>		<u>\$1,065,249,300</u>	<u>\$ 793,556,534</u>		<u>\$ 167,191,500</u>	<u>\$ 124,087,900</u>

## APPENDIX A - PART 1B

### AUTHORITY PLEDGED PARTICIPANT OBLIGATIONS

Participant Repayments on the Authority Pledged Participant Obligations listed in this Part 1B are pledged to the repayment of Master Trust Bonds pursuant to the Authority Pledge Agreement. See the section in the body of this Official Statement captioned **“SECURITY AND SOURCES OF PAYMENT OF THE BONDS.”**

<u>Participant</u>	Series of Authority Pledged Participant Obligations - Clean Water SRF <u>Leveraged Program</u>	Series of Authority Pledged Participant Obligations - Drinking Water SRF <u>Leveraged Program</u>	Outstanding Balance as of <u>August 31, 2020</u>
The Metropolitan St. Louis Sewer District	2004B, 2005A, 2006A, 2006B 2008A		\$99,890,000
Little Blue Valley Sewer District	1995E, 2003A		35,065,000
Kansas City	1996A, 2000B, 2001C, 2002B, 2004C	1997B, 1998A, 1999A, 2000A,	6,460,000
Springfield	1994B, 1998B, 2002B,	2005A, 2007A	14,735,000
Tri-County Water Authority		2001C, 2005A, 2005C	15,730,000
Jefferson City	2001C, 2005A, 2005C, 2008A		11,650,000
Osage Beach	2001A <sup>1</sup> , 2005C	2002B, 2003B, 2007A	\$2,045,000 <u>6,990,000</u> 9,035,000
<i>Subtotal</i>			
Ozark	1997D, 2006A, 2007A	2001A	10,345,000 <u>130,000</u> 10,475,000
<i>Subtotal</i>			
Platte County Regional Sewer District	1996E, 1997D, 1998A, 2000B, 2002B, 2006A		9,150,000
Washington	2007B		9,970,000
Wentzville	2005C		7,715,000
Moberly	2004B, 2006A, 2008A	2004C	4,930,000 <u>1,800,000</u> 6,730,000
<i>Subtotal</i>			
Rock Creek Public Sewer District	1999A, 2001C		2,525,000
Festus/Jefferson County Water Authority		2001C, 2002A	4,625,000
Duckett Creek Sanitary District	1994B, 2002A		745,000
Warrensburg	2007A		6,200,000
Raytown	2006A, 2007A		5,880,000
Nevada	2007B		5,995,000
Taney County Regional Sewer District	2004C		995,000
Columbia	1999A, 1999B, 2000B, 2002A, 2003B,	2004B, 2006B, 2007B	2,865,000

<sup>1</sup> Osage Beach as advised DNR that it intends to prepay its loan on February 1, 2021.

<u>Participant</u>	<u>Series of Authority Pledged Participant Obligations - Clean Water SRF Leveraged Program</u>	<u>Series of Authority Pledged Participant Obligations - Drinking Water SRF Leveraged Program</u>	<u>Outstanding Balance as of August 31, 2020</u>
Clarence Cannon Wholesale Commission		2000B, 2005C, 2006A	4,210,000
Kirksville	1997E, 1998B, 1999B, 2001C, 2002B, 2003B, 2005C	2004C, 2005C, 2007A	1,050,000
	<i>Subtotal</i>		<u>2,545,000</u>
			3,595,000
Trenton	1997D, 2007B		4,415,000
Monett	2003B		3,235,000
Harrisonville	2002B, 2003B, 2005A		2,220,000
Jackson	1999B, 2002A		\$ 745,000
Rolla	1996E, 2000A, 2006B		1,355,000
Mount Vernon	2008A		3,480,000
Poplar Bluff		2008A	3,070,000
Bowling Green	2003C		1,615,000
Nixa		1994B, 2001C	1,370,000
Fulton		2005A	2,010,000
Butler	2001C		455,000
		2001C	<u>385,000</u>
	<i>Subtotal</i>		840,000
Liberty	2005C		2,465,000
Herculaneum	2005C		2,120,000
Oak Grove	2003B		1,825,000
Boone County Regional Sewer District	1998B, 2000A, 2002B, 2004B, 2006B, 2007B		1,920,000
Odessa	2004B		1,785,000
Festus	2002B		740,000
		2001C	<u>390,000</u>
	<i>Subtotal</i>		1,130,000
Buffalo	2000A, 2007B		1,895,000
Dexter	2007B		2,500,000
Brookfield	2002A		185,000
		2004B	<u>1,160,000</u>
	<i>Subtotal</i>		1,345,000
Eldon	2006A		\$1,590,000
Stockton	2008A		1,740,000
Farmington	2000A		720,000
Pulaski County Sewer District No. 1	2002A, 2005A		1,110,000
Richmond		2001A	240,000
Crystal City	2002B		660,000
		2002A	<u>250,000</u>
<i>Subtotal</i>			910,000

<u>Participant</u>	<u>Series of Authority Pledged Participant Obligations - Clean Water SRF Leveraged Program</u>	<u>Series of Authority Pledged Participant Obligations - Drinking Water SRF Leveraged Program</u>	<u>Outstanding Balance as of August 31, 2020</u>
Owensville	2007B		1,570,000
Warrenton	2001C, 2002A		785,000
Center Creek Wastewater Treatment Board	2003C		940,000
Kearney		2001C	400,000
Carl Junction <sup>2</sup>		2003B	435,000
Mountain View	2002B		645,000
Ironton		2007A	1,165,000
Montgomery	2001C		435,000
Ava		2003C	585,000
Marionville	2003B		585,000
PWSD No. 3 of Clay County		2006B	980,000
Milan	2008A		1,115,000
Cassville	2002B		570,000
PWSD No. 4 of Cole County		2008A	1,275,000
Parkville	2004C		695,000
Aurora	2001C		405,000
Linn		2007A	1,095,000
PWSD No. 1 of Livingston County		2004C	435,000
PWSD No. 3 of Livingston County		2008A	480,000
Glasgow		2003B	565,000
Hayti	2003C		425,000
Pacific	2005A		625,000
La Plata	2001A, 2008A		520,000
Savannah	2003C		410,000
Seneca	2006A		260,000
		2007A	<u>375,000</u>
			635,000
Fredericktown	2000B		290,000
Sullivan	1999A, 2002B		155,000
Washburn		2007A	635,000
Hamilton		2007B	195,000
Public Water Supply District No. 1 of Jasper County		2003B	350,000
Garden City		2001C	80,000
Franklin County Public Water Supply District No. 1	2000B		105,000
Battlefield	2006A		430,000
Greenfield	2002B, 2006B		220,000
Richland	2000B		90,000
		2007A	<u>505,000</u>
<i>Subtotal</i>			595,000
Unionville	1998B, 1999A		30,000
	2000B		
Weston	2006B		300,000
Knob Noster		2003C	205,000
PWSD No. 2 of Camden County		2000A, 2002A	55,000
PWSD No. 2 of Vernon County		2001A	135,000
Indian Point	2005C		275,000
Noel		1997E, 2005A	155,000
Scott City	2000B		120,000

<sup>2</sup> Carl Junction has advised DNR that it intends to prepay its loan on December 1, 2020.

<u>Participant</u>	<u>Series of Authority Pledged Participant Obligations - Clean Water SRF Leveraged Program</u>	<u>Series of Authority Pledged Participant Obligations - Drinking Water SRF Leveraged Program</u>	<u>Outstanding Balance as of August 31, 2020</u>
PWSD No. 4			
of Cape Girardeau County		2006A	\$255,000
Russellville		2005C	220,000
Pineville		2004B	190,000
Huntsville		2005A	185,000
Steeleville	2001C		100,000
Green City		2003C	110,000
Advance	2001A		45,000
Puxico		2002B	105,000
Winona	2003C		120,000
Elsberry		2002B	100,000
Humansville	2000B		35,000
Holcomb		2008A	180,000
Thayer	2000B		35,000
PWSD No. 1 of Adair County		2004C	120,000
Sweet Springs		2000B	30,000
St. Martin	2001C		25,000
East Prairie	2002B		60,000
PWSD No. 3 of Dunklin			
County, Missouri		2001C	25,000
Newburg	2005C		75,000
Marble Hill	2000B		<u>15,000</u>
TOTAL			<u>\$346,025,000</u>

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## APPENDIX B

### INFORMATION ON MATERIAL MASTER TRUST PARTICIPANTS

The Metropolitan St. Louis Sewer District (“**MSD**”), the City of Cape Girardeau, Missouri (“**Cape Girardeau**”), the City of Liberty, Missouri (“**Liberty**”), the City of St. Joseph, Missouri (“**St. Joseph**”) and the Little Blue Valley Sewer District (“**LBV Sewer District**” and collectively, with MSD, Liberty, 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 \$365,737,000, \$57,174,900, \$77,310,000, \$144,676,000 and \$63,643,300, respectively, of Authority Pledged Participant Obligations and DNR Pledged Participant Obligations (collectively, “**Master Trust Participant Obligations**”) outstanding as of January 31, 2020. 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.

The information provided about each Material Participant is a limited selection of certain financial and operating data and other information of the Material Participant’s utility system and their respective repayment obligations. The limited information provided below does not, and is not intended to, include all of the information material to a decision to invest in, hold or dispose of the Bonds described above, or any other securities of the Material Participants. The Material Participants are not obligated to pay debt service on the Bonds, but a portion of the debt service of the Bonds will be paid from payments made by each Material Participant and other Participants pursuant to the terms of their respective obligations with the Authority and/or DNR.

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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 eleven 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**”):

<b><u>Name of Issue</u></b>	<b><u>Series Designation</u></b>	<b><u>Issue Date</u></b>	<b><u>Original Principal Amount</u></b>	<b><u>Outstanding Principal Amount as of October 1, 2020</u></b>
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	\$13,725,000
Wastewater System Revenue Bonds, Series 2012A	Series 2012A Bonds	08/23/2012	\$225,000,000	\$45,620,000
Wastewater System Refunding Revenue Bonds, Series 2012B	Series 2012B Bonds	11/14/2012	\$141,730,000	\$41,525,000
Wastewater System Revenue Bonds, Series 2013B	Series 2013B Bonds	12/18/2013	\$150,000,000	\$42,380,000
Wastewater System Improvement and Refunding Revenue Bonds, Series 2015B	Series 2015B Bonds	12/15/2015	\$223,855,000	\$168,950,000
Wastewater System Revenue Bonds, Series 2016C	Series 2016C Bonds	12/20/2016	\$150,000,000	\$141,695,000
Wastewater System Improvement and Refunding Revenue Bonds, Series 2017A	Series 2017A Bonds	12/14/2017	\$316,175,000	\$309,240,000
Wastewater System Revenue Bond (WIFIA - Deer Creek Sanitary Tunnel Pump Station and Sanitary Relief Project), Series 2018A	Series 2018A Bond	12/19/2018	\$47,722,204*	\$47,722,204*

<u>Name of Issue</u>	<u>Series Designation</u>	<u>Issue Date</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal Amount as of October 1, 2020</u>
Wastewater System Revenue Bonds, Series 2019B	Series 2019B Bonds	12/4/2019	\$52,130,000	\$52,130,000
Taxable Wastewater System Refunding Revenue Bonds, Series 2019C	Series 2019C Bonds	12/4/2019	\$276,260,000	\$276,260,000

\* The Series 2018A Bond was issued in a principal amount of not to exceed \$47,722,204 of which \$261,479.86 has been drawn on as of October 1, 2020.

MSD previously has issued sixteen series of Master Trust Participant Obligations, consisting of five series of Authority Pledged Participant Obligations under the 2004 Master Trust Agreement and eleven series of DNR 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 October 1, 2020</u>
Subordinate Wastewater System Revenue Bonds (State Revolving Fund Program) Series 2004B	Series 2004B Bonds	\$161,280,000	\$55,730,000
Subordinate Wastewater System Revenue Bonds (State Revolving Fund Program) Series 2005A	Series 2005A Bonds	\$6,800,000	\$2,400,000
Subordinate Wastewater System Revenue Bonds (State Revolving Fund Program) Series 2006A	Series 2006A Bonds	\$42,715,000	\$16,075,000
Subordinate Wastewater System Revenue Bonds (State Revolving Fund Program) Series 2006B	Series 2006B Bonds	\$14,205,000	\$5,890,000
Subordinate Wastewater System Revenue Bonds (State Revolving Fund Program) Series 2008B	Series 2008B Bonds	\$40,000,000	\$19,795,000
Subordinate Wastewater System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2009A	Series 2009A Bonds	\$23,000,000	\$12,483,300
Subordinate Wastewater System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2010A	Series 2010A Bonds	\$7,980,700	\$4,882,200

<u>Name of Issue</u>	<u>Series Designation</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal Amount as of October 1, 2020</u>
Subordinate Wastewater System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2010C	Series 2010C Bonds	\$37,000,000	\$22,196,000
Subordinate Wastewater System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2011A	Series 2011A Bonds	\$39,769,300	\$29,536,300
Subordinate Wastewater System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2013A	Series 2013A Bonds	\$52,000,000	\$39,869,000
Subordinate Wastewater System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2015A	Series 2015A Bonds	\$75,000,000	\$60,736,000
Subordinate Wastewater System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2016A	Series 2016A Bonds	\$20,000,000	\$17,443,000
Subordinate Wastewater System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2016B	Series 2016B Bonds	\$75,000,000	\$64,200,552.25 <sup>(1)</sup>
Subordinate Wastewater System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2018B	Series 2018B Bonds	\$25,267,000	\$18,228,388.11 <sup>(2)</sup>
Subordinate Wastewater System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2019A	Series 2019A Bonds	\$23,952,000	\$6,291,992.08 <sup>(3)</sup>
Subordinate Wastewater System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2020A	Series 2020A Bonds	\$22,000,000	\$163,000 <sup>(4)</sup>

<sup>(1)</sup> \$72,198,552 drawn down as of October 1, 2020.

<sup>(2)</sup> \$21,105,321 drawn down as of October 1, 2020.

<sup>(3)</sup> \$9,738,552 drawn down as of October 1, 2020.

<sup>(4)</sup> \$163,000 drawn down as of October 1, 2020.

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 “**Current Authorization**”). The Current Authorization enables 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 \$323,571,204 from the Current Authorization, consisting of \$152,500,000 of the Series 2017A Bonds representing a portion of the project portion of the Series 2017A Bonds, \$47,722,204 of the Series 2018A Bond, \$25,267,000 of the Series 2018B Bonds, \$23,952,000 of the Series 2019A Bonds, \$52,130,000 of the Series 2019B Bonds and \$22,000,000 of the Series 2020A Bonds. The remaining amount of the Current Authorization is \$576,428,796.

## **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. This amendment to the Consent Decree allows MSD to deliver an accelerated schedule of regulatory required non-Consent Decree work without placing an additional financial burden on MSD's ratepayers.

### **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 B** 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 Pledged Participant Obligations issued under the 2004 Master Trust Agreement and the DNR Pledged 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, 2015 Through 2019**  
(In Thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Operating Revenues</b>					
Sewer service charges <sup>2</sup>	\$282,957	\$304,685	\$330,883	\$364,171	\$399,932
Recovery (provision) of doubtful sewer services charge account	(2,230)	(4,062)	(2,534)	(3,010)	(4,361)
Licenses, permits and other fees	6,657	3,620	4,036	3,777	3,063
Other	<u>1,452</u>	<u>14,221</u>	<u>1,085</u>	<u>3,355</u>	<u>2,474</u>
<b>Total Operating Revenues</b>	\$288,836	\$318,464	\$333,470	\$368,293	\$401,109
<b>Nonoperating Revenues<sup>3</sup></b>					
Investment income	\$2,556	\$3,894	\$2,457	\$6,356	\$14,439
<b>Total Operating and Nonoperating Revenues</b>	\$291,392	\$322,358	\$335,926	\$374,649	\$415,548
<b>Operating Expenses</b>					
Pumping and treatment	\$60,766	\$59,100	\$60,203	\$60,735	\$63,197
Collection system maintenance	32,141	33,292	33,477	29,266	29,309
Engineering	4,589	3,523	4,722	2,840	1,153
General and administrative	48,580	51,744	51,256	54,588	58,699
Water backup claims	3,862	7,631	5,035	1,548	5,436
Asset Management	<u>13,374</u>	<u>12,969</u>	<u>14,143</u>	<u>14,048</u>	<u>12,791</u>
<b>Total Operating Expenses</b>	\$163,311	\$168,258	\$168,836	\$163,026	\$170,585
<b>Total Expenses</b>	\$163,312	\$168,259	\$168,835	\$163,026	\$170,585
<b>Pledged Revenues</b>	<u>\$128,080</u>	<u>\$154,099</u>	<u>\$167,091</u>	<u>\$211,622</u>	<u>\$244,963</u>
<b>Senior Bond Debt Service</b>	\$38,352	\$46,381	\$58,182	\$67,923	\$77,941
<b>Subordinate Bond Debt Service</b>	<u>23,496</u>	<u>27,379</u>	<u>31,178</u>	<u>32,476</u>	<u>36,192</u>
<b>Total Debt Service<sup>2</sup></b>	\$61,848	\$73,760	\$89,361	\$100,399	\$114,133
<b>Senior Bond Debt Coverage Ratio</b>	3.3x	3.3x	2.9x	3.1x	3.1x
<b>Total Debt Service Coverage Ratio</b>	2.1x	2.1x	1.9x	2.1x	2.1x

Source: MSD

<sup>1</sup> These figures have been rounded.

<sup>2</sup> These numbers are based on MSD's year end audited financial statements.

<sup>3</sup> 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 July 1, 2019:

<b><u>Category of Indebtedness</u></b>	<b><u>Amount Authorized</u></b>	<b><u>Amount Outstanding</u></b>
Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2000B	\$ 8,355,000	\$ 1,620,000
Waterworks System Revenue Bonds (State of Missouri – Direct Loan Program – ARRA), Series 2010	1,000,000	592,100
Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2012	31,000,000	25,097,000
Waterworks System Refunding Revenue Bonds, Series 2012A <sup>(1)</sup>	13,955,000	9,905,000
Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2013A	3,250,000	2,623,000
Sewerage System Revenue bonds (State of Missouri – Direct Loan Program), Series 2013B	<u>35,750,000</u>	<u>28,850,000</u>
Totals	<u>\$93,310,000</u>	<u>\$68,687,100</u>

<sup>(1)</sup> As of January 1, 2020, none of these bonds were outstanding. The City paid the 2020 maturity on its stated maturity date, and the bonds maturing in 2021 and thereafter will be redeemed on their first optional redemption date with a portion of the proceeds of the City's \$8,650,000 principal amount of Waterworks System Refunding Revenue Bonds, Series 2019, issued on October 15, 2019.

### **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 B** 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 financial statements of the City for the last three fiscal years:

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total Operating Revenues	\$6,787,707	\$7,031,962	\$6,832,150
Total Non-Operating Revenues <sup>(1)</sup>	<u>\$2,202,347</u>	<u>\$ 22,795</u>	<u>\$ 213,738</u>
Total Revenues	<u>\$8,990,054</u>	<u>\$7,054,757</u>	<u>\$7,045,888</u>
Total Expenses <sup>(2)</sup>	<u>\$5,274,369</u>	<u>\$5,445,716</u>	<u>\$5,050,635</u>
Net Revenues Available for Debt Service	<u>\$3,715,685</u>	<u>\$1,609,041</u>	<u>\$1,995,253</u>
Debt Service <sup>(3)</sup>	<u>\$1,022,141</u>	<u>\$1,020,230</u>	<u>\$1,022,647</u>
Debt Service Coverage	3.64x	1.58x	1.95x

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<sup>(1)</sup> Includes revenues from a one-quarter of one percent capital improvement sales tax available to pay the waterworks system revenue bonds. The tax was scheduled to expire in 2017; the City's voters extended the tax, but only to pay debt service on sewerage system revenue bonds. This figure does not include interest and handling costs or amortization.

<sup>(2)</sup> Less depreciation and including payments on annual appropriation debt.

<sup>(3)</sup> Represents debt service on the City's Series 2012A Bonds.

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The following table shows historical debt service coverage for all obligations of the Sewerage System prepared from audited financial statements of the City for the fiscal years ended June 30, 2017 and June 30, 2018, and from unaudited financial statements of the City for the fiscal year ended June 30, 2019:

	<u><b>2017</b></u>	<u><b>2018</b></u>	<u><b>2019</b></u>
Total Operating Revenues	\$ 7,184,510	\$ 7,311,100	\$ 7,167,026
Total Non-Operating Revenues <sup>(1)</sup>	<u>\$ 5,244,119</u>	<u>\$ 4,327,517</u>	<u>\$ 5,280,853</u>
Total Revenues	<u>\$12,428,629</u>	<u>\$11,638,617</u>	<u>\$12,447,879</u>
Total Expenses <sup>(2)</sup>	<u>\$4,519,200</u>	<u>\$ 4,240,830</u>	<u>\$ 4,389,887</u>
Net Revenues Available for Debt Service	<u>\$ 7,909,429</u>	<u>\$ 7,397,787</u>	<u>\$ 8,057,992</u>
Debt Service <sup>(3)</sup>	<u>\$ 7,134,649</u>	<u>\$ 6,086,599</u>	<u>\$ 6,961,271</u>
Debt Service Coverage	3.64x	1.58x	1.95x

<sup>(1)</sup> Includes revenues from two one-quarter of one percent capital improvement sales taxes. This figure does not include interest and handling costs or amortization.

<sup>(2)</sup> Less depreciation and including payments on annual appropriation debt.

<sup>(3)</sup> 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 LIBERTY, MISSOURI

### Outstanding Obligations

The following table sets forth the outstanding long-term obligations (other than general obligation indebtedness) of Liberty as of December 31, 2019:

<u>Category of Obligation</u>	<u>Date of Issuance</u>	<u>Amount Outstanding</u>
Waterworks Refunding Revenue Bonds	12/29/2011	\$ 1,045,000
Sewer System Revenue Bonds (State Revolving Fund Program)	11/30/2005	2,810,000
Sewer System Refunding Revenue Bonds	10/28/2015	1,725,000
Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2015	11/10/2015	75,293,000
Special Obligation Refunding Bonds	12/19/2013	670,000
Special Obligation Tax Increment and special Districts Bonds (Liberty Commons project), Series 2015A	09/9/2015	30,725,000
Subordinate Special Obligation Tax Increment and special Districts Bonds (Liberty Commons Project), Series 2015B	09/9/2015	9,095,000
Special Obligation Bonds	10/29/2015	14,070,000
Special Obligation Bonds	12/07/2017	4,150,000
Special Obligation Bonds	11/27/2018	15,505,000
Taxable Special Obligation Bonds, Series 2019A	11/21/2019	1,455,000
Special Obligation Bonds, Series 2019B	11/21/2019	3,390,000
Other Lease Purchase Agreements	N/A	1,650,056
Tax Increment Revenue Bonds	05/4/2010	4,235,000
Tax Increment Revenue Bonds	05/5/2015	820,000
Tax Increment Refunding Revenue Bonds	03/20/2018	2,855,000

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### **Litigation**

Liberty 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 Liberty.

### **Financial Information Concerning Liberty**

This **Appendix B** incorporates by reference the audited financial statements provided by Liberty 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 sewer system for the fiscal years indicated.

### **Waterworks and Sewer System Bonds**

<b><u>Fiscal Year</u></b>	<b><u>Operating Revenue<sup>(1)</sup></u></b>	<b><u>Operating Expenses<sup>(2)</sup></u></b>	<b><u>Net Revenues Available for Debt Services</u></b>	<b><u>Debt Service</u></b>		<b><u>Total Debt Payments</u></b>	<b><u>Coverage</u></b>
				<b><u>Principal</u></b>	<b><u>Interest</u></b>		
2010	\$10,569,620	\$ 7,140,809	\$3,428,811	\$1,625,000	\$620,792	\$2,245,792	1.53
2011	10,602,124	7,569,340	3,032,784	1,690,000	729,751	2,419,751	1.25
2012	12,034,578	8,494,390	3,540,188	1,485,000	747,877	2,232,877	1.59
2013	12,420,383	10,502,809	1,971,574	780,000	278,046	1,058,046	1.81
2014	12,540,633	11,569,387	971,246	1,085,000	245,346	1,330,346	0.73
2015	12,707,273	13,595,006	(887,733)	715,000	213,996	928,996	(0.96)
2016	14,201,551	12,022,197	2,179,354	730,000	123,580	853,580	2.55
2017	14,321,013	7,531,091	6,789,922	740,000	119,676	859,676	7.90
2018	15,435,382	7,737,091	7,698,291	760,000	98,599	858,599	8.97
2019	16,112,303	8,023,225	8,089,078	770,000	83,196	853,196	9.48

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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 June 30, 2020 is \$161,236,200.

<b><u>Name of Bonds</u></b>	<b><u>Amount Authorized</u></b>	<b><u>Amount Outstanding</u></b>
Sewerage System Revenue Bonds, Series 2003	\$ 777,000	\$ 165,000
Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2013	14,660,000	10,468,200
Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2014	56,000,000	45,476,000
Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2014A	28,585,000	23,193,000
Sewerage System Revenue Bonds, Series 2014B	5,755,000	4,605,000
Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2017	66,850,000	62,454,000
Sewerage System Revenue Bonds, Series 2018	<u>15,905,000</u>	<u>14,875,000</u>
TOTAL	<u>\$188,532,000</u>	<u>\$161,236,200</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 B** 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 St. Joseph’s audited financial statements for the fiscal years ending June 30 in the years 2017 through 2019.

	<b>Fiscal Year Ending June 30</b>		
	<u><b>2017</b></u>	<u><b>2018</b></u>	<u><b>2019</b></u>
<b>Operating Revenues</b>	\$28,155,237	\$32,044,839	\$31,596,160
<b>Operating Expenses <sup>(1)</sup></b>	\$13,149,160	\$15,667,043	\$14,761,228
<b>Gross Revenues Available for Debt Service</b>	\$15,006,077	\$16,377,796	\$16,834,932
<b>Less: Sewer Annual Appropriation Debt Service</b>	\$4,684,531	\$5,247,031	\$5,253,331
<b>Less: Transfers Out <sup>(2)</sup></b>	\$1,958,859	\$1,990,600	\$2,952,158
<b>Plus: Intergovernmental Income <sup>(3)</sup></b>	376,076	374,514	0
<b>Plus: Investment Income</b>	\$263,429	\$(130,449)	\$1,913,224
<b>Net Revenue Available for Debt Service</b>	\$9,002,192	\$9,384,230	\$10,542,667
<b>Debt Service on System Revenue Bonds</b>	\$7,352,166	\$6,273,032	\$9,547,998
<b>Debt Service Coverage</b>	1.22x	1.50x	1.10x

<sup>(1)</sup> 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.

<sup>(2)</sup> Reimbursement to City of expenses allocable to the Sewer System.

<sup>(3)</sup> Revenue from intergovernmental transfers is used to pay debt service on certain Sewer Annual Appropriation Bonds. *Source:* City’s Comprehensive Annual Financial Reports for fiscal years ended June 30, 2017 through 2019.

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## **LITTLE BLUE VALLEY SEWER DISTRICT**

### **Outstanding Obligations**

Total District debt at September 30, 2019, consisted of the following:

#### Revenue bonds:

\$88,915,000 Series 2003 Sewerage System Revenue Bonds, refunding the 2002A Sewer Revenue Bonds and for extension and improvements due in semiannual installments of \$75,000 to \$505,000 through January 1, 2024; interest at 2.5% to 5.25%	\$ 42,390,000
\$118,350,000 Series 2010 Build America Bonds, issued for system handling, treatment and retention basin improvements, due in semiannual installments of \$55,000 to \$81,900 through September 1, 2030; interest at 6.22% to 6.75%	35,020,000
\$19,710,000 Series 2016 Sewer System Revenue Bonds, issued for construction of air emission controls, backup solids disposal system and solid dewatering system, due in semiannual installments of \$715,000 to \$2,240,000 through September 1, 2036; interest at 2% to 5%	17,535,000
\$90,000,000 Series 2019 Sewer System Refunding Revenue Bonds, issued for refunding Series 2010 Revenue Bonds, due in annual installments of \$3,800,000 to \$8,475,000 through September 1, 2040; interest at 3% to 4%	<u>84,180,000</u>
Total revenue bonds	<u>179,125,000</u>

#### Note payable:

\$37,850,000 Series 2011A Missouri DNR Direct Loan Program, issued for Middle Big Creek treatment facility improvements, due in semiannual installments of \$55,000 to \$81,900 through July 1, 2032; interest at 1.66%	29,535,600
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Bond (discount) / premium	<u>5,803,198</u>
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Total District long-term debt	<u>\$214,463,798</u>
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### **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 B** 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 “Debt Service Coverage” for the fiscal years indicated.

The following table sets forth the Debt Service Coverage for the last five fiscal years:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Net Revenue <sup>(1)</sup> Available for Debt Service <sup>(2)</sup>	\$16,472,521	\$18,775,773	\$20,220,331	\$21,933,142	\$22,751,613
Debt Service Requirements <sup>(3)</sup> Principal and Interest	11,883,896	16,640,618	17,830,389	17,766,695	18,339,058
Debt Service Coverage for the Parity Bonds	1.39x	1.13x	1.13x	1.23	1.24

<sup>(1)</sup> The Net Revenues are those of the District, excluding net revenues from Middle Big Creek Subdistrict.

<sup>(2)</sup> The Net Revenue for fiscal year 2015 includes \$420,000 that was a planned withdrawal out of an operating reserve account. Debt Service is net of capitalized interest from the Series 2010 Bonds in the amounts of \$5,175,018 for 2013, \$5,252,596 for 2014, and \$2,406,128 for 2015 and includes State Revolving Fund Department of Natural Resources administrative fees.

<sup>(3)</sup> The debt service requirements for the years 2014 and 2015 also include amounts owed on the District's Sewer System Refunding Revenue Bonds, Series 2004 that matured in 2015.

<sup>(4)</sup> The Series 2003A Bonds are considered Parity Bonds for the purpose of this calculation. The District is not obligated on Debt Service for the Series 2018A Bonds.

Source: District.

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**APPENDIX C**

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

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## SUMMARY OF MASTER TRUST AGREEMENT

*The following is a summary of certain provisions of the Amended and Restated Master Trust Agreement dated as of December 1, 2020, between the State Environmental Improvement and Energy Resources Authority (the “Authority”) and UMB Bank, N.A., as master trustee (the “Master Trustee”), as amended, supplemented and restated from time to time (the “Master Trust Agreement”). The following is not a comprehensive description and is qualified in its entirety by reference to the Master Trust Agreement for a complete recital of the terms thereof.*

### Definitions

*In addition to terms defined elsewhere in the Official Statement, the following are definitions of certain terms used in the Master Trust Agreement:*

“ACH” means Automated Clearing House.

“Act” means Sections 260.005 through 260.125, and Appendix B(1) of the Revised Statutes of Missouri, and all future acts supplemental thereto and amendatory thereof.

“Authority Pledge Agreement” means the Amended and Restated Authority Master Pledge Agreement dated as of December 1, 2020, between the Authority and the Master Trustee, as further amended, supplemented and restated from time to time.

“Authorized Officer” means, with respect to the Authority, the Chairman, the Vice Chairman, the Secretary, the Executive Director, the Director or the Deputy Director of the Authority, and, with respect to DNR, the Director (or the Director’s designee) or the Director of the Financial Assistance Center.

“Bond,” “Bonds” or “Series of Bonds” means one or more series of bonds of the Authority relating to the Clean Water SRF Program and/or the Drinking Water SRF Program, issued and secured pursuant to one or more Bond Indentures and further secured, in whole or in part, under the Master Trust Agreement that may, but need not be, designated as “Master Trust Bonds” in the applicable Bond Indenture authorizing their issuance.

“Bond Indenture” means, with respect to each Series of Bonds, the bond indenture or other similar document between the Authority and a Bond Indenture Trustee, pursuant to which a Series of Bonds is issued and delivered, as amended, supplemented and restated from time to time in accordance with its terms.

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

“Business Day” means any day other than a Saturday, Sunday or any other day on which banking institutions in the city in which the principal corporate trust office of the Master Trustee is located are required or authorized by law to close.

“Cash Flow Certificate” means a certificate, executed by an Authorized Officer of the Authority, showing (a) with respect to any State Match Bonds of a Series of Master Trust Bonds to be issued and any State Match Bonds of any Series of Master Trust Bonds currently Outstanding, that (i) the expected Interest Component of Participant Repayments, plus (ii) the expected earnings on Sinking Funds, if any, plus (iii) all other funds available for the payment of debt service on State Match Bonds are sufficient to timely pay debt service on such bonds; (b) with respect to any Leveraged Bonds of a Series of Master Trust Bonds to be issued and any Leveraged Bonds of any Series of Master Trust Bonds currently Outstanding, that (i) after

payment on the State Match Bonds, the expected remaining Interest Component of Participant Repayments, plus (ii) the expected Principal Component of Participant Repayments, plus (iii) after payment on the State Match Bonds, the expected remaining earnings on Sinking Funds, if any, plus (iv) all other funds available for the payment of debt service on Leveraged Bonds are sufficient to timely pay debt service on such bonds; and (c) with respect to any other Series of Bonds to be issued, that after payment on the Master Trust Bonds and any other Series of Bonds currently Outstanding, all remaining funds available for the payment of debt service are sufficient to timely pay debt service on such bonds.

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

*“Clean Water Interest Account Carryforward Balance”* means, with respect to a Series of Bonds relating to the Clean Water SRF Program, the amount, if any, set forth in a schedule attached to a Series Certificate for such bonds for each applicable Interest Payment Date, as modified from time to time by an Officer’s Certificate upon the issuance of additional Bonds, an unscheduled redemption of Bonds, or otherwise.

*“Clean Water Participants”* means political subdivisions and other eligible entities of the State participating in the Clean Water SRF Program.

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

*“Clean Water Principal Account Carryforward Balance”* means, with respect to a Series of Bonds relating to the Clean Water SRF Program, the amount, if any, set forth in a schedule attached to a Series Certificate for such bonds for each applicable Interest Payment Date, as modified from time to time by an Officer’s Certificate upon the issuance of additional Bonds, an unscheduled redemption of Bonds, or otherwise.

*“Clean Water SRF Program”* means, collectively, 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 of the Revised Statutes of Missouri and the Federal Clean Water Act.

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

*“Debt Service Fund”* means the debt service fund for each Series of Bonds held by the Bond Indenture Trustee under the applicable Bond Indenture and, within such fund, a “Clean Water Account” and a “Drinking Water Account” as applicable. For each Series of Master Trust Bonds, there may be a “Leveraged Bonds Debt Service Fund” or a “State Match Bonds Debt Service Fund” or both and, within such fund or funds, a “Clean Water Account” and a “Drinking Water Account” as applicable.

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

*“DNR Pledge Agreement”* means the Amended and Restated DNR Master Pledge Agreement dated as of December 1, 2020, between DNR and the Authority, as further amended, supplemented and restated from time to time.

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

*“Drinking Water Interest Account Carryforward Balance”* means, with respect to a Series of Bonds relating to the Drinking Water SRF Program, the amount, if any, set forth in a schedule attached to a Series Certificate for such bonds for each applicable Interest Payment Date, as modified from time to time by an Officer’s Certificate upon the issuance of additional Bonds, an unscheduled redemption of Bonds, or otherwise.

*“Drinking Water Participants”* means the political subdivisions and other eligible entities of the State participating in the Drinking Water SRF Program.

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

*“Drinking Water Principal Account Carryforward Balance”* means, with respect to a Series of Bonds relating to the Drinking Water SRF Program, the amount, if any, set forth in a schedule attached to a Series Certificate for such bonds for each applicable Interest Payment Date, as modified from time to time by an Officer’s Certificate upon the issuance of additional Bonds, an unscheduled redemption of Bonds, or otherwise.

*“Drinking Water SRF Program”* means, collectively, 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 of the Revised Statutes of Missouri and the Federal Safe Drinking Water Act.

*“EFT”* means Electronic Funds Transfer.

*“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 Safe 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 Safe Drinking Water Act”* means The Safe Drinking Water Act, 42 U.S.C. Section 300f *et seq.*, as amended by The Federal Safe Drinking Water Amendments of 1996, each as amended from time to time, or any successor provisions.

*“Indenture Receipts”* means, with respect to any Series of Bonds, all moneys received by the related Bond Indenture Trustee from the Master Trustee pursuant to the terms of the Master Trust Agreement (excluding moneys transferred from the Master Trust Bonds Expense Fund).

*“Interest Accumulation Fund”* means the Interest Accumulation Fund established under the Master Trust Agreement.

*“Interest Component”* means the portion of Participant Repayments that represents the payment of interest.

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

*“Investment Securities”* means any securities legally available for the investment of funds of the Authority and held pursuant to the Master Trust Agreement.

*“Leveraged Bonds”* means, with respect to any Series of Master Trust Bonds, the portion thereof, if any, designated in the applicable Bond Indenture as being “Leveraged Bonds.” The Leveraged Bonds of any Series of Master Trust Bonds are fully secured under the Master Trust Agreement. If a Series of Master Trust Bonds does not include State Match Bonds, all of the Master Trust Bonds of such series are deemed “Leveraged Bonds.”

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

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

*“Master Trust Bonds”* or *“Series of Master Trust Bonds”* means any applicable Series of Bonds or portion thereof that have been designated as “Master Trust Bonds” in the Bond Indenture authorizing their issuance and secured, in whole or in part, under the Master Trust Agreement. A Series of Master Trust Bonds may include “Leveraged Bonds” or “State Match Bonds” or both.

*“Master Trust Bonds Expense Fund”* means the Master Trust Bonds Expense 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 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.

*“Outstanding,”* when used in reference to any Bond, shall have the meaning ascribed by the Bond Indenture pursuant to which such Bond was issued.

*“Owner,” “Bondowner,” “holder”* or *“Bondholder,”* when used in reference to any Bond, shall have the meaning ascribed by the Bond Indenture pursuant to which such Bond was issued.

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

*“Participant Obligations”* means any series of bonds, notes or other repayment obligation of a Participant purchased by either the Authority or DNR in connection with the Clean Water SRF Program and/or the Drinking Water SRF Program.

*“Participant Repayments”* means, collectively, the Participants’ payments of debt service on Pledged Participant Obligations, which consist of a Principal Component and an Interest Component.

*“Pledged Participant Obligations”* means, collectively, (a) any Participant Obligations purchased by the Authority, the Participant Repayments on which are pledged by the Authority from time to time pursuant to the Authority Pledge Agreement and (b) any Participant Obligations purchased by DNR, the Participant Repayments on which are pledged by DNR from time to time pursuant to the DNR Pledge Agreement.

*“Principal Component”* means the portion of Participant Repayments that represents the payment of principal.

*“Rating Agency”* means Moody’s Investors Service and Fitch Ratings or any other nationally recognized securities rating agency designated by the Authority.

*“Reserve Release Amounts”* means any amounts released from a Sinking Fund pursuant to a Bond Indenture, the Master Trust Agreement, a Series Certificate, an Officer’s Certificate or a Supplemental 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 and described under the heading **“Conditions to Securing Bonds,”** as such certificate may be amended from time to time.

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

*“Series Sinking Fund”* means a reserve fund, a subsidy fund 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. Unless specifically identified as a “Series Sinking Fund” in a Series Certificate, special Participant reserve accounts held by a Bond Trustee securing a Series of Master Trust Bonds shall not be considered a Series Sinking Fund.

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

*“State”* means the State of Missouri.

*“State Match”* means the matching funds required to be provided by the State under the Federal Clean Water Act and the Federal Safe Drinking Water Act in an amount not less than the required percentage of the total amount of the capitalization grant for the Clean Water SRF Program and the Drinking Water SRF Program, respectively.

*“State Match Bonds”* means, with respect to any Series of Master Trust Bonds, the portion thereof, if any, designated in the applicable Bond Indenture as being “State Match Bonds.” The State Match Bonds of any Series of Master Trust Bonds are secured under the Master Trust Agreement ***only*** to the extent set forth in the Master Trust Agreement and described under the heading **“Security for Bonds and Sources of Payment”** and paragraphs (1) and (2) under the heading **“Withdrawals from the Master Repayment Fund - Clean Water Interest Account and Clean Water Principal Account”** and paragraphs (1) and (2) under the heading **“Withdrawals from the Master Repayment Fund - Drinking Water Interest Account and Drinking Water Principal Account.”**

*“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 hereof.

*“Tax-Exempt Bonds”* means any Series of Bonds the interest on which is excludable from gross income of the Owners thereof for federal and State income tax purposes.

*“Tax Certificate”* means, with respect to any Tax-Exempt Bonds, a tax certificate, a tax compliance agreement or any similar document setting forth requirements designed to assure compliance with certain requirements under the Code necessary to maintain the exclusion of interest on the applicable series of Tax-Exempt Bonds from gross income for federal and State income tax purposes, as amended, supplemented and restated from time to time.

*“The Water and Wastewater Loan Revolving Fund”* means the fund administratively established by DNR in connection with the Clean Water SRF Program and the Drinking Water SRF Program.

### Issuance of Bonds

Subject to determination from time to time by resolution of the Authority, the Authority may issue one or more Series of Bonds pursuant to one or more Bond Indentures between the Authority and the applicable Bond Indenture Trustee that are secured, in whole or in part, by the Master Trust Agreement. Each Series of Bond shall bear the designations, be in the form, have the terms and provisions, be issued upon the conditions, be secured and in all other respects be as set forth in the related Bond Indenture; provided, however, that, all Series of Bonds issued after the date of execution and delivery of the Master Trust Agreement will have Interest Payment Dates of January 1 and July 1, unless, in connection with any change in Interest Payment Dates, each Rating Agency has confirmed that such change will not result in the downgrade, qualification or withdrawal of its credit rating on any Series of Bonds currently Outstanding.

### Conditions to Securing Bonds

In order for any Series of Bonds to be secured by the Master Trust Agreement, prior to or simultaneously with the authentication and delivery of the Bonds, the Master Trustee shall receive the following from the Authority:

- (a) an originally executed counterpart of a Series Certificate that contains the following:
  - (1) a statement that the Bonds are entitled to the benefits and security of the Master Trust Agreement;
  - (2) if applicable, a statement that all or a portion of the Bonds have been designated as “Master Trust Bonds” in the Bond Indenture authorizing their issuance, and a description of the portion thereof designated as “Leverage Bonds” and the portion thereof designated as “State Match Bonds” and the extent to which each portion relates to the Clean Water SRF Program or the Drinking Water SRF Program;
  - (3) if applicable, a statement describing the Series Sinking Fund securing the Bonds and the extent to which the Series Sinking Fund relates to the Clean Water SRF Program or the Drinking Water SRF Program; and
  - (4) if applicable, a statement directing the Master Trustee to establish such additional funds or accounts for the Bonds in addition to those required under the Master Trust Agreement;
- (b) an original executed counterpart of a Cash Flow Certificate; and
- (c) if the Master Trustee is not also acting as the applicable Bond Indenture Trustee, an original executed counterpart or a copy, certified by an Authorized Officer of the Authority, of the related Bond Indenture.



## Security for Bonds and Sources of Payment

Each Series of Bonds, and interest thereon, shall be limited obligations of the Authority payable solely from the applicable Indenture Receipts, the Series Sinking Fund, if any, the income derived from the investment of moneys held in the funds and accounts established under the related Bond Indenture, and other moneys held by the Bond Indenture Trustee under the related Bond Indenture and available for such payment, except as otherwise expressly provided under the related Bond Indenture. The Bonds do not constitute or create an indebtedness, liability or moral obligation of any Participant, the State or 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 Master Trust Agreement 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.

(b) As security for payment of each Series of Bonds, the Authority has transferred, pledged, assigned and granted a security interest in the Master Trust Estate to the Master Trustee and in favor of the Owners of the Bonds as provided in the Master Trust Agreement including moneys held in the Master Repayment Fund and all amounts from time to time on deposit therein and available for the payment thereof, in the manner and to the extent provided under the heading **“Withdrawals from the Master Repayment Fund;”** *subject, however,* to the prior lien on the amounts on deposit in the Clean Water Interest Account of the Master Repayment Fund and the Drinking Water Interest Account of the Master Repayment Fund, which are pledged and assigned *first*, to the payment of any State Match Bonds, in the manner and to the extent provided in paragraphs (1) and (2) under the heading **“Withdrawals from the Master Repayment Fund - Clean Water Interest Account and Clean Water Principal Account”** and paragraphs (1) and (2) under the heading **“Withdrawals from the Master Repayment Fund - Drinking Water Interest Account and Drinking Water Principal Account,”** and, *thereafter*, to the payment of any remaining Bonds to the extent set forth under the heading **“Withdrawals from the Master Repayment Fund”** and the related Bond Indenture.

(c) The pledge and assignment effected by the Master Trust Agreement will be valid and binding from the date of execution and delivery of the Original 2010 Master Trust Agreement, the moneys so pledged and assigned and hereafter received by the Authority will be subject to the lien of such pledge and assignment, and such lien will be a continuing, irrevocable and exclusive first lien and will be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof.

## Establishment of Funds and Accounts

The following funds and accounts of the Authority are created and established with the Master Trustee:

- (1) a Master Repayment Fund, and within such fund, a Clean Water Principal Account, a Clean Water Interest Account, a Drinking Water Principal Account and a Drinking Water Interest Account;
- (2) a Master Rebate Fund, and within such fund, a Rebate Account for each series of Tax-Exempt Bonds;

- (3) an Interest Accumulation Fund, and within such fund, a Clean Water Interest Account and a Drinking Water Interest Account; and
- (4) a Master Trust Bonds Expense Fund.

Each fund, account and subaccount created from time to time under in 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. Each fund shall be maintained by the Master Trustee as a separate and distinct trust fund and the moneys therein shall be held, managed, invested, disbursed and administered as provided in the Master Trust Agreement. All moneys deposited in the funds and accounts under the Master Trust Agreement shall be used solely for the purposes set forth in the Master Trust Agreement. The Master Trustee shall keep and maintain adequate records pertaining to each fund and account and all disbursements therefrom.

Except as provided in the Master Trust Agreement, the Master Repayment Fund will be held by the Master Trustee for the benefit of the Owners of all Bonds. The Clean Water Interest Account of the Master Repayment Fund and the Clean Water Principal Account of the Master Repayment Fund 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 of the Master Repayment Fund and the Drinking Water Principal Account of the Master Repayment Fund will be deemed to be within the Drinking Water SRF Program for purposes of compliance with the Federal Safe 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.

Either the Authority or DNR may, by a Supplemental Trust Agreement, a Series Certificate or an Officer's Certificate, as applicable, establish one or more additional funds, accounts or subaccounts. Except as may be otherwise provided in a Supplemental Trust Agreement, a Series Certificate or an Officer's Certificate, all other funds, accounts and subaccounts established by the Authority or DNR under in the Master Trust Agreement that are unrelated to the Master Repayment Fund and the accounts and subaccounts therein, will be held by the Master Trustee for the benefit of the Authority. The Supplemental Trust Agreement, Series Certificate or 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.

#### Deposits to Master Repayment Fund

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

(1) to the Clean Water Interest Account of the Master Repayment Fund:

(A) the Interest Component of Participant Repayments made by Clean Water Participants and received by the Master Trustee pursuant to the Authority Pledge Agreement and/or the DNR Pledge Agreement;

(B) amounts transferred by a Bond Indenture Trustee for deposit in the Clean Water Interest Account of the Master Repayment Fund pursuant to the terms of a Bond Indenture including, but not limited to, investment earnings on any Series Sinking Fund allocable to the Clean Water SRF Program established under a Bond Indenture;

(C) investment earnings on any Sinking Fund allocable to the Clean Water SRF Program established under the Master Trust Agreement;

(D) investment earnings on moneys held in the Clean Water Interest Account of the Master Repayment Fund;

(E) investment earnings on moneys held in the Clean Water Principal Account of the Master Repayment Fund;

(F) amounts transferred from the Drinking Water Interest Account of the Master Repayment Fund pursuant to paragraph (2) under the heading **“Withdrawals from the Master Repayment Fund - Drinking Water Interest Account and Drinking Water Principal Account;”**

(G) amounts transferred from the Drinking Water Interest Account of the Master Repayment Fund pursuant to paragraph (6) under the heading **“Withdrawals from the Master Repayment Fund - Drinking Water Interest Account and Drinking Water Principal Account;”**

(H) amounts transferred from the Drinking Water Interest Account of the Master Repayment Fund pursuant to paragraph (8) under the heading **“Withdrawals from the Master Repayment Fund - Drinking Water Interest Account and Drinking Water Principal Account;”** and

(I) any other amounts received by the Master Trustee and accompanied by an Officer’s Certificate directing the Master Trustee to deposit said funds in the Clean Water Interest Account of the Master Repayment Fund.

(2) to the Clean Water Principal Account of the Master Repayment Fund:

(A) the Principal Component of Participant Repayments made by Clean Water Participants and received by the Master Trustee pursuant to the Authority Pledge Agreement and/or the DNR Pledge Agreement;

(B) amounts released from a Sinking Fund, including Reserve Release Amounts, allocable to the Clean Water SRF Program and received by the Master Trustee pursuant to a Bond Indenture or the Master Trust Agreement;

(C) amounts transferred from the Drinking Water Principal Account of the Master Repayment Fund pursuant to paragraph (5) under the heading **“Withdrawals from the Master Repayment Fund - Drinking Water Interest Account and Drinking Water Principal Account;”**

(D) amounts transferred from the Drinking Water Principal Account of the Master Repayment Fund pursuant to paragraph (8) under the heading **“Withdrawals from the Master Repayment Fund - Drinking Water Interest Account and Drinking Water Principal Account;”** and

(E) any other amounts received by the Master Trustee and accompanied by an Officer’s Certificate directing the Master Trustee to deposit said funds in the Clean Water Principal Account of the Master Repayment Fund.

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

(1) to the Drinking Water Interest Account of the Master Repayment Fund:

(A) the Interest Component of Participant Repayments made by Drinking Water Participants and received by the Master Trustee pursuant to the Authority Pledge Agreement and/or the DNR Pledge Agreement;

(B) amounts transferred by a Bond Indenture Trustee for deposit in the Drinking Water Interest Account of the Master Repayment Fund pursuant to the terms of a Bond Indenture including, but not limited to, investment earnings on any Series Sinking Fund allocable to the Drinking Water SRF Program established under a Bond Indenture;

(C) investment earnings on any Sinking Fund allocable to the Drinking Water SRF Program established under the Master Trust Agreement;

(D) investment earnings on moneys held in the Drinking Water Interest Account of the Master Repayment Fund;

(E) investment earnings on moneys held in the Drinking Water Principal Account of the Master Repayment Fund;

(F) amounts transferred from the Clean Water Interest Account of the Master Repayment Fund pursuant to paragraph (2) under the heading **“Withdrawals from the Master Repayment Fund - Clean Water Interest Account and Clean Water Principal Account;”**

(G) amounts transferred from the Clean Water Interest Account of the Master Repayment Fund pursuant to paragraph (6) under the heading **“Withdrawals from the Master Repayment Fund - Clean Water Interest Account and Clean Water Principal Account;”**

(H) amounts transferred from the Clean Water Interest Account of the Master Repayment Fund pursuant to paragraph (8) under the heading **“Withdrawals from the Master Repayment Fund - Clean Water Interest Account and Clean Water Principal Account;”** and

(I) any other amounts received by the Master Trustee and accompanied by an Officer’s Certificate directing the Master Trustee to deposit said funds in the Drinking Water Interest Account of the Master Repayment Fund.

(2) to the Drinking Water Principal Account of the Master Repayment Fund:

(A) the Principal Component of Participant Repayments made by Drinking Water Participants and received by the Master Trustee pursuant to the Authority Pledge Agreement and/or the DNR Pledge Agreement;

(B) amounts released from a Sinking Fund, including Reserve Release Amounts, allocable to the Drinking Water SRF Program and received by the Master Trustee pursuant to a Bond Indenture or the Master Trust Agreement;

(C) amounts transferred from the Clean Water Principal Account of the Master Repayment Fund pursuant to paragraph (5) under the heading **“Withdrawals from the Master Repayment Fund - Clean Water Interest Account and Clean Water Principal Account;”**

(D) amounts transferred from the Clean Water Principal Account of the Master Repayment Fund pursuant to paragraph (8) under the heading **“Withdrawals from the Master Repayment Fund - Clean Water Interest Account and Clean Water Principal Account;”** and

(E) any other amounts received by the Master Trustee and accompanied by an Officer’s Certificate directing the Master Trustee to deposit said funds in the Drinking Water Principal Account of the Master Repayment Fund.

#### Withdrawals from the Master Repayment Fund

Clean Water Interest Account and Clean Water Principal Account. On each Interest Payment Date or such other day as specifically provided below (or if such day is not a Business Day, the immediately preceding Business Day), the Master Trustee shall apply moneys in the Clean Water Interest Account of the Master Repayment Fund and the Clean Water Principal Account of the Master Repayment Fund, in such order, to the extent necessary for the purposes and in the amounts as follows:

(1) from the Clean Water Interest Account to each Bond Indenture Trustee for a Series of Master Trust Bonds, *on a parity basis*, for deposit to the Clean Water Account of the State Match Bonds Debt Service Fund (after taking into account any other amounts on deposit in the Clean Water Account of the State Match Bonds Debt Service Fund and available to a Bond Indenture Trustee under the terms of the Bond Indenture for such Series of Master Trust Bonds), an amount sufficient to pay debt service due on the State Match Bonds allocable to the Clean Water SRF Program;

(2) from the Clean Water Interest Account to the Drinking Water Interest Account of the Master Repayment Fund, if, *after the transfer pursuant to paragraph (1) under the heading “Withdrawals from the Master Repayment Fund - Drinking Water Interest Account and Drinking Water Principal Account,”* the balance of the Drinking Water Account of the State Match Bonds Debt Service Fund is not sufficient for payment of debt service due on the State Match Bonds allocable to the Drinking Water SRF Program, an amount equal to such deficiency;

(3) from the Clean Water Principal Account to each Bond Indenture Trustee for a Series of Master Trust Bonds, *on a parity basis*, for deposit to the Clean Water Account of the Leveraged Bonds Debt Service Fund, an amount sufficient to pay debt service due on the Leveraged Bonds allocable to the Clean Water SRF Program;

(4) from the Clean Water Interest Account, to each Bond Indenture Trustee for a Series of Master Trust Bonds, *on a parity basis*, for deposit to the Clean Water Account of the Leveraged Bonds Debt Service Fund, if, *after the transfer pursuant to paragraph (3) under the heading “Withdrawals from the Master Repayment Fund - Clean Water Interest Account and Clean Water Principal Account,”* the balance of the Clean Water Account of the Leveraged Bonds Debt Service Fund is not sufficient for payment of debt service due on the Leveraged Bonds allocable to the Clean Water SRF Program, an amount equal to such deficiency;

(5) from the Clean Water Principal Account to the Drinking Water Principal Account of the Master Repayment Fund, if, *after the transfers pursuant to paragraphs (3) and (4) under the heading “Withdrawals from the Master Repayment Fund - Drinking Water Interest Account and*

***Drinking Water Principal Account,***” the balance of the Drinking Water Account of the Leveraged Debt Service Fund is not sufficient for payment of debt service due on the Leveraged Bonds allocable to the Drinking Water SRF Program, an amount equal to such deficiency;

(6) from the Clean Water Interest Account to the Drinking Water Interest Account of the Master Repayment Fund, if, *after the transfers pursuant to paragraph (5) under the heading “Withdrawals from the Master Repayment Fund - Clean Water Interest Account and Clean Water Principal Account” and paragraphs (3) and (4) under the heading “Withdrawals from the Master Repayment Fund - Drinking Water Interest Account and Drinking Water Principal Account,*” the balance of the Drinking Water Account of the Leveraged Debt Service Fund is not sufficient for payment of debt service due on the Leveraged Bonds allocable to the Drinking Water SRF Program, an amount equal to such deficiency;

(7) *first*, from the Clean Water Interest Account and, *then*, from the Clean Water Principal Account, but only to the extent the balance in the Clean Water Interest Account exceeds any required Clean Water Interest Account Carryforward Balance and the balance in the Clean Water Principal Account exceeds any required Clean Water Principal Account Carryforward Balance for such Interest Payment Date, to a Sinking Fund for any Series of Master Trust Bonds, an amount necessary to restore any deficiency in the portion of the Sinking Fund allocable to the Clean Water SRF Program;

(8) from the applicable Clean Water Interest Account and the Clean Water Principal Account, but only to the extent the balance in the Clean Water Interest Account exceeds any required Clean Water Interest Account Carryforward Balance and the balance in the Clean Water Principal Account exceeds any required Clean Water Principal Account Carryforward Balance for such Interest Payment Date, to the applicable Drinking Water Interest Account of the Master Repayment Fund and the Drinking Water Principal Account of the Master Repayment Fund, an amount necessary to repay any amounts previously transferred to the Clean Water Interest Account and the Clean Water Principal Account pursuant to *paragraphs (2), (5) and (6) under the heading “Withdrawals from the Master Repayment Fund - Drinking Water Interest Account and Drinking Water Principal Account,*” to be repaid in that order;

(9) on the dates required by the applicable Tax Certificate, from the Clean Water Interest Account to the applicable Rebate Account in the Master Rebate Fund for the applicable series of Tax-Exempt Bonds, the amounts set forth in an Officer’s Certificate;

(10) from the Clean Water Interest Account to the Clean Water Interest Account of the Interest Accumulation Fund, the balance in the Clean Water Interest Account in excess of the Clean Water Interest Account Carryforward Balance for the applicable Interest Payment Date; and

(11) within two Business Days after each Interest Payment Date, the balance in the Clean Water Principal Account in excess of the Clean Water Principal Account Carryforward Balance for the applicable Interest Payment Date, to DNR by ACH or EFT for deposit to The Water and Wastewater Loan Revolving Fund, accompanied by written notice to DNR of (i) the amount of the transfer, (ii) the purpose of the transfer, (iii) the transfer method and (iv) any other descriptive information needed for DNR to accurately account for such funds.

*Drinking Water Interest Account and Drinking Water Principal Account.* On each Interest Payment Date or such other day as specifically provided below (or if such day is not a Business Day, the immediately preceding Business Day), the Master Trustee shall apply moneys in the Drinking Water

Interest Account of the Master Repayment Fund and the Drinking Water Principal Account of the Master Repayment Fund, in such order, to the extent necessary for the purposes and in the amounts as follows:

(1) from the Drinking Water Interest Account to each Bond Indenture Trustee for a Series of Master Trust Bonds, *on a parity basis*, for deposit to the Drinking Water Account of the State Match Bonds Debt Service Fund (after taking into account any other amounts on deposit in the Drinking Water Account of the State Match Bonds Debt Service Fund and available to a Bond Indenture Trustee under the terms of the Bond Indenture for such Series of Master Trust Bonds), an amount sufficient to pay debt service due on the State Match Bonds allocable to the Drinking Water SRF Program;

(2) from the Drinking Water Interest Account to the Clean Water Interest Account of the Master Repayment Fund, if, *after the transfer pursuant to paragraph (1) under the heading “Withdrawals from the Master Repayment Fund - Clean Water Interest Account and Clean Water Principal Account,”* the balance of the Clean Water Account of the State Match Bonds Debt Service Fund is not sufficient for payment of debt service due on the State Match Bonds allocable to the Clean Water SRF Program, an amount equal to such deficiency;

(3) from the Drinking Water Principal Account to each Bond Indenture Trustee for a Series of Master Trust Bonds, *on a parity basis*, for deposit to the Drinking Water Account of the Leveraged Bonds Debt Service Fund, an amount sufficient to pay debt service due on the Leveraged Bonds allocable to the Drinking Water SRF Program;

(4) from the Drinking Water Interest Account, to each Bond Indenture Trustee for a Series of Master Trust Bonds, *on a parity basis*, for deposit to the Drinking Water Account of the Leveraged Bonds Debt Service Fund, if, *after the transfer pursuant to paragraph (3) under the heading “Withdrawals from the Master Repayment Fund - Drinking Water Interest Account and Drinking Water Principal Account,”* the balance of the Drinking Water Account of the Leveraged Bonds Debt Service Fund is not sufficient for payment of debt service due on the Leveraged Bonds allocable to the Drinking Water SRF Program, an amount equal to such deficiency;

(5) from the Drinking Water Principal Account to the Clean Water Principal Account of the Master Repayment Fund, if, *after the transfers pursuant to paragraphs (3) and (4) under the heading “Withdrawals from the Master Repayment Fund - Clean Water Interest Account and Clean Water Principal Account,”* the balance of the Clean Water Account of the Leveraged Debt Service Fund is not sufficient for payment of debt service due on the Leveraged Bonds allocable to the Clean Water SRF Program, an amount equal to such deficiency;

(6) from the Drinking Water Interest Account to the Clean Water Interest Account of the Master Repayment Fund, if, *after the transfers pursuant to paragraph (5) under the heading “Withdrawals from the Master Repayment Fund - Drinking Water Interest Account and Drinking Water Principal Account” and paragraphs (3) and (4) under the heading “Withdrawals from the Master Repayment Fund - Clean Water Interest Account and Clean Water Principal Account,”* the balance of the Clean Water Account of the Leveraged Debt Service Fund is not sufficient for payment of debt service due on the Leveraged Bonds allocable to the Clean Water SRF Program, an amount equal to such deficiency;

(7) *first*, from the Drinking Water Interest Account and, *then*, from the Drinking Water Principal Account, but only to the extent the balance in the Drinking Water Interest Account exceeds any required Drinking Water Interest Account Carryforward Balance and the balance in the Drinking Water Principal Account exceeds any required Drinking Water Principal Account

Carryforward Balance for such Interest Payment Date, to a Sinking Fund for any Series of Master Trust Bonds, an amount necessary to restore any deficiency in the portion of the Sinking Fund allocable to the Drinking Water SRF Program;

(8) from the applicable Drinking Water Interest Account and the Drinking Water Principal Account, but only to the extent the balance in the Drinking Water Interest Account exceeds any required Drinking Water Interest Account Carryforward Balance and the balance in the Drinking Water Principal Account exceeds any required Drinking Water Principal Account Carryforward Balance for such Interest Payment Date, to the applicable Clean Water Interest Account of the Master Repayment Fund and the Clean Water Principal Account of the Master Repayment Fund, an amount necessary to repay any amounts previously transferred to the Drinking Water Interest Account and the Drinking Water Principal Account pursuant to *paragraphs (2), (5) and (6) under the heading “Withdrawals from the Master Repayment Fund - Clean Water Interest Account and Clean Water Principal Account,” to be repaid in that order;*

(9) on the dates required by the applicable Tax Certificate, from the Drinking Water Interest Account to the applicable Rebate Account in the Master Rebate Fund for the applicable series of Tax-Exempt Bonds, the amounts set forth in an Officer’s Certificate;

(10) from the Drinking Water Interest Account to the Drinking Water Interest Account of the Interest Accumulation Fund, the balance in the Drinking Water Interest Account in excess of the Drinking Water Interest Account Carryforward Balance for the applicable Interest Payment Date; and

(11) within two Business Days after each Interest Payment Date, the balance in the Drinking Water Principal Account in excess of the Drinking Water Principal Account Carryforward Balance for the applicable Interest Payment Date, to DNR by ACH or EFT for deposit to The Water and Wastewater Loan Revolving Fund, accompanied by written notice to DNR of (i) the amount of the transfer, (ii) the purpose of the transfer, (iii) the transfer method and (iv) any other descriptive information needed for DNR to accurately account for such funds.

Upon the payment in full of the principal of and interest due on all Series of Bonds secured by the Master Trust Agreement (or provision having been made for the payment thereof); the fees, charges and expenses of the Authority, DNR and the Master Trustee; and any other amounts required to be paid under the Master Trust Agreement, all amounts remaining on deposit in the Master Repayment Fund shall be paid to DNR by ACH or EFT for deposit to The Water and Wastewater Loan Revolving Fund, accompanied by written notice to DNR of (i) the amount of the transfer, (ii) the purpose of the transfer, (iii) the transfer method and (iv) any other descriptive information needed for DNR to accurately account for such funds.

#### Master Rebate Fund

The Master Trustee shall deposit in the applicable Rebate Account in the Master Rebate Fund for each series of Tax-Exempt Bonds such amounts as are required to be deposited therein pursuant to the Tax Certificate and in accordance with an Officer’s Certificate and the written report of the Rebate Analyst (as defined in the Tax Certificate) provided to the Master Trustee and the Authority under the Tax Certificate. Subject to the transfer provisions below, all money at any time deposited in the Master Rebate Fund and any income earned thereon shall be held in trust, to the extent required to pay arbitrage rebate to the federal government of the United States of America, and none of the Authority, DNR, the Master Trustee, any Bond Indenture Trustee or the Owner of any Bonds shall have any rights in or claim to such money.



Pursuant to the Tax Certificate, the Master Trustee, in accordance with an Officer's Certificate and the written report of the Rebate Analyst provided to the Master Trustee and the Authority under the Tax Certificate, shall pay the fees and expenses of the Rebate Analyst and either (1) remit from the applicable Rebate Account in the Master Rebate Fund rebate installments and the final rebate payment to the United States of America for the applicable series of Tax-Exempt Bonds or (2) remit from the applicable Rebate Account in the Master Rebate Fund to the Bond Indenture Trustee for the applicable series of Tax-Exempt Bonds amounts equal to the required rebate installments and the final rebate payment for deposit to the Series Rebate Account and further credit to the United States of America. The Master Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to the Master Trust Agreement and the Tax Certificate, other than from moneys held in the Master Repayment Fund, the Master Rebate Fund or from other moneys provided to it for such purpose.

Upon the payment in full of the principal of and interest due on the applicable series of Tax-Exempt Bonds, the payment and satisfaction of any rebate payment due to the United States of America and the payment of any fees and expenses of the Rebate Analyst (or provision having been made for the payment thereof), all amounts remaining on deposit in the Rebate Account in the Master Rebate Fund related to such Tax-Exempt Bonds shall be withdrawn and transferred to DNR by ACH or EFT for deposit to The Water and Wastewater Loan Revolving Fund, accompanied by written notice to DNR of (i) the amount of the transfer, (ii) the purpose of the transfer, (iii) the transfer method and (iv) any other descriptive information needed for DNR to accurately account for such funds.

#### Interest Accumulation Fund

The Master Trustee shall disburse funds from the applicable accounts of the Interest Accumulation Fund as directed in an Officer's Certificate. Upon the payment in full of the principal of and interest due on all Series of Bonds secured by the Master Trust Agreement (or provision having been made for the payment thereof); the fees, charges and expenses of the Authority, DNR and the Master Trustee; and any other amounts required to be paid under the Master Trust Agreement, all amounts remaining on deposit in the Interest Accumulation Fund shall be paid to DNR by ACH or EFT for deposit to The Water and Wastewater Loan Revolving Fund, accompanied by written notice to DNR of (i) the amount of the transfer, (ii) the purpose of the transfer, (iii) the transfer method and (iv) any other descriptive information needed for DNR to accurately account for such funds.

#### Master Trust Bonds Expense Fund

The Master Trustee will deposit in the Master Trust Bonds Expense Fund (1) the amounts, received from time to time from the paying agents for Participant Obligations issued under the Clean Water SRF Direct Loan Program and the Drinking Water SRF Direct Loan Program, and (2) any other amounts received by the Master Trustee and accompanied by an Officer's Certificate directing the Master Trustee to deposit said funds in the Master Trust Bonds Expense Fund. The Master Trustee shall disburse funds from the Master Trust Bonds Expense Fund as directed in an Officer's Certificate. 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 Series of Bonds.

#### Investments

The Master Trustee shall 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, which direction shall be subject to the restrictions, if any, set forth in the Tax Certificate, if any. If the Master Trustee has not timely received the written direction of

the Authority or DNR, the Master Trustee shall invest and re-invest moneys 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. The Master Trustee is specifically authorized to implement its automated cash investment system to assure that cash on hand is invested and to charge the Authority its normal cash management fees. Moneys on deposit in all funds and accounts may be invested only in Investment Securities which mature or are subject to redemption at the option of the Authority prior to the date such funds are expected to be needed. The Master Trustee may make investments through its investment division or short-term investment department.

Investment earnings on moneys in the Clean Water Interest Account and the Drinking Water Interest Account of the Master Repayment Fund will accrue to the applicable account. Investment earnings on moneys in the Clean Water Principal Account of the Master Repayment Fund will accrue to the Clean Water Interest Account of the Master Repayment Fund. Investment earnings on moneys in the Drinking Water Principal Account of the Master Repayment Fund will accrue to the Drinking Water Interest Account of the Master Repayment Fund. Investment earnings on moneys in the Clean Water Interest Account and the Drinking Water Interest Account of the Interest Accumulation Fund will accrue to the applicable account. Investment earnings on the Master Trust Bonds Expense Fund will accrue to the Master Trust Bonds Expense Fund. The Master Trustee shall sell and reduce to cash a sufficient amount of investments in a fund or account whenever the cash balance therein is insufficient to pay the amounts required to be paid therefrom. The Master Trustee may transfer investments from any fund or account to any other fund or account in lieu of cash when required or permitted by the provisions of the Master Trust Agreement. In determining the balance in any fund or account, investments shall be valued at the lower of their original cost or their fair market value (inclusive of accrued interest thereon) on the most recent Interest Payment Date. The Master Trustee shall not be liable for any loss resulting from any investment made in accordance herewith.

#### Intervention by Master Trustee

In any judicial proceeding to which the Authority is a party and which in the opinion of the Master Trustee and its counsel has a substantial bearing on the interest of the Owners of the Bonds, the Master Trustee may intervene on behalf of the Owners of the Bonds and shall do so if requested in writing by the Owners of at least 25% in aggregate principal amount of all Bonds then Outstanding; provided that, the Master Trustee shall first have been provided indemnity by the Bondholders or other parties for the reimbursement of all costs, expenses and liabilities which it may incur or advance and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct, by reason of any action so taken. The rights and obligations of the Master Trustee under this section of the Master Trust Agreement are subject to the approval of a court of competent jurisdiction.

#### Amendments

The Master Trust Agreement may be amended by a written instrument executed by the Authority and the Master Trustee if, following notice pursuant to the terms of the Master Trust Agreement, neither Rating Agency notifies the Authority and the Master Trustee in writing within 30 calendar days that the amendment will result in the downgrade, qualification or withdrawal of its credit rating on any Series of Bonds. A copy of any amendment shall be provided to the Bond Indenture Trustee for any Outstanding Series of Bonds.

The Master Trust Agreement shall 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 any final regulations promulgated by the EPA that are applicable to the Clean Water SRF Program or the Drinking

Water SRF Program including, but not limited to, the cross-collateralization of the Clean Water SRF Program and the Drinking Water SRF Program.

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**APPENDIX D**  
**SUMMARY OF CERTAIN PROVISIONS**  
**OF THE INDENTURE**

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## DEFINITIONS OF WORDS AND TERMS

*The following is a summary of certain provisions of the Bond Indenture dated as of December 1, 2020, between the State Environmental Improvement and Energy Resources Authority (the “Authority”) and UMB Bank, N.A., as trustee (the “Trustee”), as amended, supplemented and restated from time to time (the “Indenture”). The following is not a comprehensive description and is qualified in its entirety by reference to the Indenture for a complete recital of the terms thereof.*

### Definitions

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

“*Account*” means any of the accounts established under the Indenture.

“*Act*” means Sections 260.005 through 260.125, and Appendix B(1), RSMo, 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, or such other office designated by the Trustee, 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 Pledge Agreement*” means the Amended and Restated Authority Master Pledge Agreement dated as of December 1, 2020, between the Authority and the Master Trustee, as amended, supplemented and restated from time to time.

“*Authority Representative*” means the Chairman, Vice Chairman, Secretary, Executive Director, 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 Register*” means the registration record maintained by the Bond Registrar under the Indenture.

“*Bond Registrar*” means the Trustee.

“*Bonds*” means the Authority’s Taxable Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2020B, issued in the original aggregate principal amount of \$100,760,000, which include Leveraged Bonds and State Match Bonds allocable to the Clean Water SRF Program and the Drinking Water SRF Program as shown in the table included in the Official Statement under the heading “**SECURITY AND SOURCES OF PAYMENT OF THE BONDS - State Match Bond and Leveraged Bond Allocation.**”

*“Clean Water Participants”* means political subdivisions and other eligible entities of the State participating in the Clean Water SRF Program.

*“Clean Water Portion of State Match Bonds”* means the portion of the State Match Bonds allocable to the Clean Water SRF Program as shown in an exhibit to the Indenture.

*“Clean Water Portion of Leveraged Bonds”* means the portion of the Leveraged Bonds allocable to the Clean Water SRF Program as shown in an exhibit to the Indenture.

*“Clean Water SRF Direct Loan Program”* means the State of Missouri Direct Loan Program administered by DNR, pursuant to Section 644.122 of the Revised Statutes of Missouri and the Federal Clean Water Act.

*“Clean Water SRF Leveraged Program”* means the Missouri Leveraged State Water Pollution Control Revolving Fund Program administered by the Authority and DNR, pursuant to Section 644.122 of the Revised Statutes of Missouri and the Federal Clean Water Act.

*“Clean Water SRF Program”* means, collectively, the Clean Water SRF Leveraged Program and the Clean Water SRF Direct Loan Program.

*“Costs of Issuance”* means the costs of issuance of the Bonds as certified by an Authority Representative.

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

*“Debt Service Funds”* means, collectively, the State Match Debt Service Fund and the Leveraged 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:
  - (i) 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
  - (ii) 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 and its successors or assigns.

“DNR Pledge Agreement” means the Amended and Restated DNR Master Pledge Agreement dated as of December 1, 2020, between DNR and the Authority, as further amended, supplemented and restated from time to time.

“Drinking Water Participants” means the political subdivisions and other eligible entities of the State participating in the Drinking Water SRF Program.

“Drinking Water Portion of State Match Bonds” means the portion of the State Match Bonds allocable to the Drinking Water SRF Program as shown in an exhibit to the Indenture.

“Drinking Water Portion of Leveraged Bonds” means the portion of the Leveraged Bonds allocable to the Drinking Water SRF Program as shown in an exhibit to the Indenture.

“Drinking Water State Match Bond Subsidy Fund” means the fund so designated and established under the Indenture.

“Drinking Water State Match Bond Subsidy Fund Release Amounts” means the amounts set forth in an exhibit to the Indenture.

“Drinking Water SRF Direct Loan Program” means the State of Missouri Drinking Water Direct Loan Program administered by DNR, pursuant to Sections 644.122 and 640.107 of the Revised Statutes of Missouri and the Federal Safe Drinking Water Act.

“Drinking Water SRF Leveraged Program” means the Missouri Leveraged State Drinking Water Revolving Fund Program administered by the Authority and DNR, pursuant to Sections 644.122 and 640.107 of the Revised Statutes of Missouri and the Federal Safe Drinking Water Act.

“Drinking Water SRF Program” means, collectively, the Drinking Water SRF Leveraged Program and the Drinking Water SRF Direct Loan Program.

“EPA” means the United States Environmental Protection Agency and its successors or assigns.

“Escrow Agent” means UMB Bank, N.A., its successors and assigns, as escrow agent under the Escrow Agreement.

“Escrow Agreement” means the Escrow Trust Agreement dated as of December 1, 2020, between the Authority and the Escrow Agent, as amended, supplemented and restated from time to time in accordance with its terms.

“Escrow Fund” means the fund by that name created under the Escrow Agreement.

“Events of Default” means any one or more of the events specified under the heading “**Defaults; 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 from time to time, or any successor provisions.

*“Federal Safe Drinking Water Act”* means The Safe Drinking Water Act, 42 U.S.C. Section 300f *et seq.*, as amended by The Federal Safe Drinking Water Amendments of 1996, each 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.

*“Fund”* means any of the funds established under the Indenture.

*“Indenture Receipts”* means all moneys received by the Trustee from the Master Trustee including, but not limited to, Participant Repayments and amounts released from a Sinking Fund (including Reserve Release Amounts); excluding, however, any funds received by the Trustee from the Master Trust Bonds Expense Fund.

*“Interest Component”* means the portion of Participant Repayments that represents the payment of interest.

*“Interest Payment Date”* means each January 1 and July 1, commencing January 1, 2021.

*“Interest Period”* means each six-month period, or any portion thereof, from January 1 through June 30 and July 1 through December 31.

*“Investment Securities”* means any securities legally available for the investment of funds of the Authority and held pursuant to the Indenture.

*“Leveraged Bonds”* means the portion of the Bonds shown in the table included in the Official Statement under the heading **“SECURITY AND SOURCES OF PAYMENT OF THE BONDS - State Match Bond and Leveraged Bond Allocation.”** The Leveraged Bonds represent the portion of the Bonds allocable to the Refunded Bonds originally issued for purposes other than to provide State Match.

*“Leveraged Debt Service Fund”* means the fund so designated and established under the Indenture.

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

*“Master Trust Agreement”* means the Amended and Restated Master Trust Agreement dated as of December 1, 2020, between the Authority and the Master Trustee, as further amended, supplemented and restated from time to time.

*“Master Trust Bonds Expense Fund”* shall have the meaning set forth in the Master Trust Agreement.

*“Master Trustee”* means UMB Bank, N.A., St. Louis, Missouri, as master trustee under the Master Trust Agreement, and any successor trustee thereunder.

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

*“Opinion of Counsel”* means a written opinion of an attorney or firm of attorneys addressed to the Trustee, for the benefit of the Trustee and the Owners of the Bonds, who may be (except as otherwise expressly provided in the Indenture) Bond Counsel, counsel to the Authority, DNR, the Owners of the Bonds or the Trustee, and who is acceptable to the Trustee.

*“Outstanding”* 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 on or prior to such date;
- (b) Bonds deemed to have been paid as provided in the Indenture; or
- (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 purchaser in due course.

In determining whether the Owners of a requisite aggregate principal amount of Bonds Outstanding have concurred in any request, demand, authorization, direction, notice, or waiver under the Indenture, Bonds that are owned by the Authority as shown in the Bond Register shall be disregarded and deemed not to be Outstanding for the purpose of any such determination.

*“Owner”* means any person in whose name any Bond is registered on the Bond Register.

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

*“Participant Obligations”* shall have the meaning set forth in the Master Trust Agreement.

*“Participant Repayments”* shall have the meaning set forth in the Master Trust Agreement.

*“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, 6<sup>th</sup> Floor, Kansas City, Missouri 64106, or such other office designated by the Trustee, and (b) with respect to any successor Trustee, its office or offices for those purposes designated as such by the successor Trustee.

*“Pledged Participant Obligations”* shall have the meaning set forth in the Master Trust Agreement.

*“Principal Component”* means the portion of Participant Repayments that represents the payment of principal.

“*Rating Agency*” means Moody’s Investors Service and Fitch Ratings or any other nationally recognized securities rating agency designated by the Authority.

“*Refunded Bonds*” means, collectively, (a) all outstanding maturities of each of the following series of bonds of the Authority:

Series 2000A Bonds	Series 2002B Bonds	Series 2004B Bonds	Series 2006B Bonds
Series 2000B Bonds	Series 2003A Bonds	Series 2004C Bonds	Series 2007B Bonds
Series 2001A Bonds	Series 2003B Bonds	Series 2005A Bonds	Series 2008A Bonds
Series 2001C Bonds	Series 2003C Bonds	Series 2005C Bonds	Series 2010B Bonds
Series 2002A Bonds	Series 2004A Bonds	Series 2006A Bonds	

(b) all outstanding Series 2011A Bonds maturing on July 1, 2022 and thereafter and (c) a portion of the outstanding Series 2015A Bonds maturing on July 1, 2030 and January 1, 2036.

“*Refunded Bonds Indenture*” means each of the following, as applicable, and which, collectively, shall be referred to as the “*Refunded Bonds Indentures*”:

Series 2000A Indenture	Series 2003A Indenture	Series 2005A Indenture	Series 2010B Indenture
Series 2000B Indenture	Series 2003B Indenture	Series 2005C Indenture	Series 2011A Indenture
Series 2001A Indenture	Series 2003C Indenture	Series 2006A Indenture	Series 2015A Indenture
Series 2001C Indenture	Series 2004A Indenture	Series 2006B Indenture	
Series 2002A Indenture	Series 2004B Indenture	Series 2007B Indenture	
Series 2002B Indenture	Series 2004C Indenture	Series 2008A Indenture	

“*Refunded Bonds Trustee*” means each of the following, as applicable, and which, collectively, shall be referred to as the “*Refunded Bonds Trustees*”:

Series 2000A Trustee	Series 2003A Trustee	Series 2005A Trustee	Series 2010B Trustee
Series 2000B Trustee	Series 2003B Trustee	Series 2005C Trustee	Series 2011A Trustee
Series 2001A Trustee	Series 2003C Trustee	Series 2006A Trustee	Series 2015A Trustee
Series 2001C Trustee	Series 2004A Trustee	Series 2006B Trustee	
Series 2002A Trustee	Series 2004B Trustee	Series 2007B Trustee	
Series 2002B Trustee	Series 2004C Trustee	Series 2008A Trustee	

“*Reserve Fund*” means the fund so designated and established under the Indenture.

“*Reserve Release Amounts*” means the amounts set forth in an exhibit to the Indenture.

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

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

“*State*” means the State of Missouri.

“*State Match*” means the matching funds required to be provided by the State under the Federal Clean Water Act and the Federal Safe Drinking Water Act in an amount not less than the required percentage of the total amount of the capitalization grant for the Clean Water SRF Program and the Drinking Water SRF Program, respectively.

*“State Match Bonds”* means the portion of the Bonds shown in the table included in the Official Statement under the heading **“SECURITY AND SOURCES OF PAYMENT OF THE BONDS - State Match Bond and Leveraged Bond Allocation.”** The State Match Bonds represent the portion of the Bonds allocable to the Refunded Bonds that were originally issued to provide State Match.

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

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

*“Supplemental Refunded Bond Indentures”* means, collectively, the supplements to each Refunded Bonds Indenture, each dated as of December 1, 2020, entered into by the Authority and the applicable Refunded Bonds Trustee, which amend the applicable Refunded Bond Indenture.

*“Trustee”* means UMB Bank, N.A., St. Louis, Missouri, and any successor trustee under the Indenture at the time serving as Trustee under the Indenture.

#### Security for Bonds and Sources of Payment

The Bonds, and interest thereon, shall be limited obligations of the Authority payable solely from the Indenture Receipts (except as otherwise provided in the Indenture), the income derived from the investment of moneys held in the funds and accounts established under the Indenture (excluding the Costs of Issuance), and other moneys pledged thereto and held by the Trustee as provided in the Indenture, and are secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the Owners of the Bonds, as provided in the Indenture. The Bonds do not constitute or create an indebtedness, liability or moral obligation of any Participant, the State or 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.

Except as otherwise provided in the paragraphs below, and otherwise in the Indenture and in the Master Trust Agreement with respect to the cross-collateralization of the Clean Water SRF Program and the Drinking Water SRF Program, amounts due on the Clean Water Portion of State Match Bonds and the Clean Water Portion of Leveraged Bonds shall be paid solely from Indenture Receipts, the income derived from the investment of moneys held in the funds and accounts established under the Indenture (excluding the Costs of Issuance Fund), and other moneys pledged thereto and held by the Trustee as provided in the Indenture allocable to the Clean Water SRF Program and amounts due on the Drinking Water Portion of State Match Bonds and the Drinking Water Portion of Leveraged Bonds shall be paid solely from Indenture Receipts, the income derived from the investment of moneys held in the funds and accounts established under the Indenture (excluding the Costs of Issuance Fund), and other moneys pledged thereto and held by the Trustee as provided in the Indenture allocable to the Drinking Water SRF Program.

NOTWITHSTANDING ANY PROVISION IN THE INDENTURE OR IN THE BONDS TO THE CONTRARY, THE STATE MATCH BONDS ARE NOT SECURED BY AND SHALL NOT BE

PAID FROM (1) THE PORTION OF INDENTURE RECEIPTS CONSTITUTING THE PRINCIPAL COMPONENT OF PARTICIPANT REPAYMENTS OR ANY AMOUNTS RELEASED FROM A SINKING FUND (INCLUDING RESERVE RELEASE AMOUNTS) RECEIVED BY THE MASTER TRUSTEE UNDER THE MASTER TRUST AGREEMENT, OR (2) MONEYS ON DEPOSIT IN THE RESERVE FUND (EXCLUDING INVESTMENT EARNINGS).

NOTWITHSTANDING ANY PROVISION IN THE INDENTURE OR IN THE BONDS TO THE CONTRARY, THE BONDS ARE NOT SECURED BY AND SHALL NOT BE PAID FROM (1) MONEYS ON DEPOSIT IN THE DRINKING WATER STATE MATCH BOND SUBSIDY FUND (EXCLUDING INVESTMENT EARNINGS WHICH ARE AVAILABLE SOLELY FOR THE PAYMENT OF THE DRINKING WATER PORTION OF STATE MATCH BONDS) OR (2) MONEYS ON DEPOSIT IN THE ESCROW FUND.

#### Establishment of Funds and Accounts

The following special funds and accounts are created and established under the Indenture, each of which shall be held by the Trustee:

- (1) State Match Debt Service Fund, and within such fund, a Clean Water Account and a Drinking Water Account;
- (2) Leveraged Debt Service Fund, and within such fund, a Clean Water Account and a Drinking Water Account;
- (3) Costs of Issuance Fund;
- (4) Reserve Fund, and within such fund, a Clean Water Account and a Drinking Water Account; and
- (5) Drinking Water State Match Bond Subsidy Fund.

In addition to the Funds and Accounts described above, the Escrow Agreement establishes the Escrow Fund to be held and administered by the Escrow Agent in accordance with the provisions thereof.

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.

#### State Match Debt Service Fund

Except as otherwise provided in the Indenture, all amounts paid and credited to the State Match Debt Service Fund shall be expended solely for the payment of the principal of, redemption premium, if any, and interest on the State Match Bonds as the same mature and become due or upon the redemption thereof. The Authority authorizes and directs the Trustee to withdraw sufficient moneys from the applicable accounts within the State Match Debt Service Fund to pay the principal of and interest on the State Match Bonds as the same become due and payable and to make said moneys so withdrawn available to the Paying Agent for the purpose of paying said principal of and interest on the State Match Bonds.

*Clean Water Account of the State Match Debt Service Fund.* No later than each Interest Payment Date or other date on which debt service is due on the Clean Water Portion of State Match Bonds, the

Trustee will deposit into the Clean Water Account of the State Match Debt Service Fund, the following amounts, in such order:

- (1) investment earnings on the Clean Water Account of the Reserve Fund; and
- (2) Indenture Receipts received from the Master Trustee from amounts on deposit in the Clean Water Interest Account of the Master Repayment Fund.

*Drinking Water Account of the State Match Debt Service Fund.* No later than each Interest Payment Date or other date on which debt service is due on the Drinking Water Portion of State Match Bonds, the Trustee will deposit into the Drinking Water Account of the State Match Debt Service Fund, the following amounts, in such order:

- (1) investment earnings on the Drinking Water State Match Bond Subsidy Fund;
- (2) investment earnings on the Drinking Water Account of the Reserve Fund; and
- (3) Indenture Receipts received from the Master Trustee from amounts on deposit in the Drinking Water Interest Account of the Master Repayment Fund.

*Cross-Collateralization of SRF Programs.* If necessary, on each Interest Payment Date or other date on which debt service is due, the Trustee may transfer funds securing the State Match Bonds allocable to the Clean Water SRF Program to the Drinking Water Account of the State Match Debt Service Fund, and/or funds securing the State Match Bonds allocable to the Drinking Water SRF Program to the Clean Water Account of the State Match Debt Service Fund consistent with the cross-collateralization of the Clean Water SRF Program and the Drinking Water SRF Program. The Trustee shall immediately provide written notice of the amount of such transfer to the Authority, DNR and the Master Trustee.

Moneys in the State Match Debt Service Fund shall be invested as described under the heading **“Investments.”**

Upon the payment in full of the principal of and interest due on the Bonds (or provision having been made for the payment thereof as specified in the Indenture) and the fees, charges and expenses of the Authority, the Trustee and any Paying Agents, and any other amounts required to be paid under the Indenture have been paid or provided for, all amounts remaining on deposit in the State Match Debt Service Fund shall be transferred to the Master Trustee for deposit into the applicable account of the Master Repayment Fund.

#### Leveraged Debt Service Fund

Except as otherwise provided in the Indenture, all amounts paid and credited to the Leveraged Debt Service Fund shall be expended solely for the payment of the principal of, redemption premium, if any, and interest on the Leveraged Bonds as the same mature and become due, upon acceleration or upon the redemption thereof. The Authority authorizes and directs the Trustee to withdraw sufficient moneys from the applicable accounts within the Leveraged Debt Service Fund to pay the principal of and interest on the Leveraged Bonds as the same become due and payable and to make said moneys so withdrawn available to the Paying Agent for the purpose of paying the principal of and interest on the Leveraged Bonds.

*Clean Water Account of the Leveraged Debt Service Fund.* No later than each Interest Payment Date or other date on which debt service is due on the Clean Water Portion of Leveraged Bonds, the Trustee will deposit into the Clean Water Account of the Leveraged Debt Service Fund, the following amounts, in such order:

- (1) Indenture Receipts received from the Master Trustee from amounts on deposit in the Clean Water Principal Account of the Master Repayment Fund;
- (2) after the deposit to the Clean Water Account of the State Match Debt Service Fund pursuant to paragraph (1) under the heading **“State Match Debt Service Fund - Clean Water Account of the State Match Debt Service Fund”** and, if necessary, to the Drinking Water Account of the State Match Debt Service Fund consistent with the cross-collateralization of the Clean Water SRF Program and the Drinking Water SRF Program, all remaining investment earnings on the Clean Water Account of the Reserve Fund; and
- (3) if the amounts deposited pursuant to paragraphs (1) and (2) above are insufficient to pay debt service on the Clean Water Portion of Leveraged Bonds, moneys from the Clean Water Account of the Reserve Fund in an amount equal to such deficiency.

*Drinking Water Account of the Leveraged Debt Service Fund.* No later than each Interest Payment Date or other date on which debt service is due on the Drinking Water Portion of Leveraged Bonds, the Trustee will deposit into the Drinking Water Account of the Leveraged Debt Service Fund, the following amounts, in such order:

- (1) Indenture Receipts received from the Master Trustee from amounts on deposit in the Drinking Water Principal Account of the Master Repayment Fund;
- (2) after the deposit to the Drinking Water Account of the State Match Debt Service Fund pursuant to paragraph (2) under the heading **“State Match Debt Service Fund - Drinking Water Account of the State Match Debt Service Fund”** and, if necessary, to the Clean Water Account of the State Match Debt Service Fund consistent with the cross-collateralization of the Clean Water SRF Program and the Drinking Water SRF Program, all remaining investment earnings on the Drinking Water Account of the Reserve Fund; and
- (3) if the amounts deposited pursuant to paragraphs (1) and (2) above are insufficient to pay debt service on the Drinking Water Portion of Leveraged Bonds, moneys from the Drinking Water Account of the Reserve Fund in an amount equal to such deficiency.

*Cross-Collateralization of SRF Programs.* If necessary, on each Interest Payment Date or other date on which debt service is due, the Trustee may transfer funds securing the Leveraged Bonds allocable to the Clean Water SRF Program to the Drinking Water Account of the Leveraged Debt Service Fund, and/or funds securing the Leveraged Bonds allocable to the Drinking Water SRF Program to the Clean Water Account of the Leveraged Debt Service Fund consistent with the cross-collateralization of the Clean Water SRF Program and the Drinking Water SRF Program. The Trustee shall immediately provide written notice of the amount of such transfer to the Authority, DNR and the Master Trustee.

Moneys in the Leveraged Debt Service Fund shall be invested as described under the heading **“Investments.”**

Upon the payment in full of the principal of and interest due on the Bonds (or provision having been made for the payment thereof as specified in the Indenture) and the fees, charges and expenses of the



Authority, the Trustee and any Paying Agents, and any other amounts required to be paid under the Indenture have been paid or provided for, all amounts remaining on deposit in the Leveraged Debt Service Fund shall be transferred to the Master Trustee for deposit into the applicable account of the Master Repayment Fund.

#### Costs of Issuance Fund

Moneys in the Costs of Issuance Fund shall be disbursed by the Trustee (*first*, from proceeds of the Bonds and, *second*, from moneys received from the Master Trustee from the Master Trust Bonds Expense Fund under the Master Trust Agreement) for 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 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 90<sup>th</sup> day following the issuance of the Bonds to the Master Trustee for 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 as described under the heading “**Investments.**”

#### Reserve Fund

Investment earnings on moneys held in each account of the Reserve Fund shall be deposited by the Trustee on each Interest Payment Date or other date on which debt service is due on the Bonds, without further authorization, in the applicable account of the State Match Debt Service Fund and the Leveraged Debt Service Fund for application as provided under the headings “**State Match Debt Service Fund**” and “**Leveraged Debt Service Fund;**” provided, however, that if on any Interest Payment Date or other date on which debt service is due on the Bonds, the investment earnings on moneys held in an account of the Reserve Fund to be transferred exceed the amount required to pay debt service, such excess shall be transferred, without further authorization, to the Master Trustee by electronic or internal transfer for deposit into the applicable Interest Account of the Master Repayment Fund.

On each Interest Payment Date, the Trustee shall immediately transfer, without further authorization, the Reserve Release Amount for the applicable Interest Payment Date to the Master Trustee by electronic or internal transfer for deposit into the applicable Principal Account of the Master Repayment Fund.

If on any Interest Payment Date or other date on which debt service is due on the Clean Water Portion of Leveraged Bonds moneys otherwise available for such purpose as provided in paragraphs (1) and (2) under the heading “**Leveraged Debt Service Fund - Clean Water Account of the Leveraged Debt Service Fund**” are insufficient to pay the same as they become due and payable, the Trustee shall promptly transfer moneys on deposit in the Clean Water Account of the Reserve Fund, without further authorization, to the Clean Water Account of the Leveraged Debt Service Fund, in an amount sufficient to pay debt service on the Clean Water Portion of Leveraged Bonds. If the funds on deposit in the Drinking Water Account of the Reserve Fund are insufficient on any Interest Payment Date, the Trustee will transfer funds on deposit in the Clean Water Account of the Reserve Fund, without further authorization, to the Drinking Water Account of the Leveraged Debt Service Fund, consistent with the cross-collateralization of the Clean Water SRF Program and the Drinking Water SRF Program. Immediately following any transfer pursuant to this subsection, the Trustee shall provide written notice of the amount of such transfer to the Authority, DNR and the Master Trustee.

If on any Interest Payment Date or other date on which debt service is due on the Drinking Water Portion of Leveraged Bonds moneys otherwise available for such purpose as provided in paragraphs (1)

and (2) under the heading **“Leveraged Debt Service Fund - *Drinking Water Account of the Leveraged Debt Service Fund*”** are insufficient to pay the same as they become due and payable, the Trustee shall promptly transfer moneys on deposit in the Drinking Water Account of the Reserve Fund, without further authorization, to the Drinking Water Account of the Leveraged Debt Service Fund, in an amount sufficient to pay debt service on the Drinking Water Portion of Leveraged Bonds. If the funds on deposit in the Clean Water Account of the Reserve Fund are insufficient on any Interest Payment Date, the Trustee will transfer funds on deposit in the Drinking Water Account of the Reserve Fund, without further authorization, to the Clean Water Account of the Leveraged Debt Service Fund, consistent with the cross-collateralization of the Clean Water SRF Program and the Drinking Water SRF Program. Immediately following any transfer pursuant to this subsection, the Trustee shall provide written notice of the amount of such transfer to the Authority, DNR and the Master Trustee.

Moneys in the Reserve Fund shall be invested as described under the heading **“Investments.”**

Upon the payment in full of the principal of and interest due on the Bonds (or provision having been made for the payment thereof as specified in the Indenture) and the fees, charges and expenses of the Authority, the Trustee and any Paying Agents, and any other amounts required to be paid under the Indenture have been paid or provided for, all amounts remaining on deposit in the Reserve Fund shall be transferred to the Master Trustee for deposit into the applicable Principal Account of the Master Repayment Fund.

#### Drinking Water State Match Bond Subsidy Fund

Investment earnings on moneys held in each account of the Drinking Water State Match Bond Subsidy Fund shall be deposited by the Trustee on each Interest Payment Date or other date on which debt service is due on the Drinking Water Portion of State Match Bonds, without further authorization, in the Drinking Water Account of the State Match Debt Service Fund for application as provided under the heading **“State Match Debt Service Fund;”** provided, however, that if on any Interest Payment Date or other date on which debt service is due on the Drinking Water Portion of State Match Bonds, the investment earnings on moneys held in the Drinking Water State Match Bond Subsidy Fund to be transferred exceed the amount required to pay debt service such excess shall be transferred, without further authorization, to the Master Trustee by electronic or internal transfer for deposit into the applicable Interest Account of the Master Repayment Fund.

Moneys in the Drinking Water State Match Bond Subsidy Fund shall be invested as described under the heading **“Investments.”**

On each Interest Payment Date, the Trustee shall transfer, without further authorization, from the Drinking Water State Match Bond Subsidy Fund an amount equal to the Drinking Water State Match Bond Subsidy Fund Release Amount for the applicable Interest Payment Date, if any, to DNR by ACH or EFT for deposit to The Water and Wastewater Loan Revolving Fund, accompanied by written notice to DNR of (i) the amount of the transfer, (ii) the purpose of the transfer, (iii) the transfer method and (iv) any other descriptive information needed for DNR to accurately account for such funds.

Upon the payment in full of the principal of and interest due on the Bonds (or provision having been made for the payment thereof as specified in the Indenture) and the fees, charges and expenses of the Authority, the Trustee and any Paying Agents, and any other amounts required to be paid under the Indenture applicable to such bonds have been paid or provided for, all amounts remaining on deposit in the Drinking Water State Match Bond Subsidy Fund shall be transferred to DNR for deposit to The Water and Wastewater Loan Revolving Fund.

## Investments

Moneys in all Funds and Accounts under any provision of the Indenture shall be continuously invested and reinvested by the Trustee in Investment Securities selected at the written direction of an Authority Representative. In the absence of written investment direction, the Trustee shall invest the moneys in the Reserve Fund, the Drinking Water State Match Bond Subsidy Fund, the Debt Service Funds and the Costs of Issuance Fund 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. The Trustee is specifically authorized to implement its automated cash investment system to assure that cash on hand is invested and to charge its normal cash management fees. Moneys on deposit in all funds and accounts may be invested only in Investment Securities which mature or are subject to redemption at the option of the Authority prior to the date such funds are expected to be needed. The Trustee may make investments through its investment division or short-term investment department.

All investments shall constitute a part of the fund or account from which the moneys used to acquire such investments have come. The Trustee shall sell and reduce to cash a sufficient amount of investments in a fund or account whenever the cash balance therein is insufficient to pay the amounts required to be paid therefrom. The Trustee may transfer investments from any fund or account to any other fund or account in lieu of cash when required or permitted by the provisions of the Indenture. In determining the balance in any fund or account, investments shall be valued at the lower of their original cost or their fair market value (inclusive of accrued interest thereon) on the most recent Interest Payment Date. The Trustee shall not be liable for any loss resulting from any investment made in accordance herewith. The Trustee may conclusively rely upon the Authority Representative's written instructions as to both the suitability and legality of directed investments.

## Non-Presentation of Bonds

Except as otherwise provided in under the heading **"Unclaimed Moneys,"** 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 Owner or Owners thereof, all liability of the Authority to the Owner or Owners 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 Owner or Owners of such Bonds, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on the Owner's part under the Indenture or on, or with respect to, such Bonds.

## Unclaimed Moneys

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 Owners of such Bonds, but any moneys which shall be so set aside or deposited by the Trustee and which shall remain unclaimed by the Owners 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 Owners 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 Owners 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.

### Defaults; Events of Default

If any of the following events occurs, it is defined as and declared to be and shall 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 covenants, agreements or conditions made by the Authority in connection with the Rule (as defined in the Official Statement), 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 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 Owners

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 Owners 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, deems most expedient in the interest of the Owners. If an Event of Default has occurred and is continuing after notice thereof has been given under the Indenture, the Trustee may, and shall upon the written request of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, by notice in writing delivered to the Authority, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest and all other amounts due under the Indenture shall thereupon become and be immediately due and payable.

No remedy by the terms of the Indenture conferred upon or reserved to the Trustee (or to the Owners) 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 Owners 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 Owners of a majority in aggregate principal amount of the Bonds then Outstanding; provided that there shall not be waived without the consent of the Owners 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 (other than the principal of Bonds which has become due solely by the declaration of acceleration), 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 Trustee, DNR and the Owners 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 Owners to Direct Proceedings

Anything in the Indenture to the contrary notwithstanding, but subject to the provisions of the Indenture, the Owners 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.

#### Rights and Remedies of Owners

No Owner 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 it is deemed to have notice, and unless also such default shall have become an Event of Default and the Owners 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 in 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 in 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 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 provided in the Indenture and for the equal benefit of the Owners of all of the Bonds then Outstanding. Nothing in the Indenture contained shall, however, affect or impair the right of any Owner 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.

#### Supplemental Indentures Not Requiring Consent of Owners

The Authority and the Trustee may, without the consent of, or notice to, any of the Owners, enter into a Supplemental Indenture that is not 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 Owners any additional rights, remedies, powers or authority that may be lawfully granted to or conferred upon the Owners 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;

(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 evidence the appointment of a separate trustee or the succession of a new trustee under the Indenture or a successor to the Bond Registrar; or

(g) to make any other change which does not materially adversely affect the interests of the Owners as evidenced by written confirmation from the Rating Agency that such Supplemental Indenture will not result in the downgrade, qualification or withdrawal of its credit rating on the Bonds.

#### Supplemental Indentures Requiring Consent of Owners

Except for Supplemental Indentures authorized under the heading “**Supplemental Indentures Not Requiring Consent of Owners**” and subject to the further provisions contained in this section, and not otherwise, the Owners of at least 2/3rds 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 this section shall permit, or be construed as permitting, without the consent of the Owners 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 any 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 Owners 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 of this section, 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 Owners. If, within 90 days or such longer period as shall be prescribed by the Authority following the mailing of such notice, the Owners of at least 2/3rds 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 provided in the Indenture, no Owner 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.

#### Opinion of Counsel

Notwithstanding anything to the contrary under the headings “**Supplemental Indentures Not Requiring Consent of Owners**” and “**Supplemental Indentures Requiring Consent of Owners**,” before the Authority and the Trustee enter into any Supplemental Indenture pursuant to said sections, there shall have been delivered to the Authority, the Trustee and DNR an Opinion of Counsel stating that such Supplemental Indenture is authorized or permitted by the Indenture and the Act, complies with their respective terms, and will, upon the execution and delivery thereof, be valid and binding upon the Authority in accordance with its terms.

#### 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 by the Indenture 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 Owners, at or prior to the maturity 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 and interest to accrue to the date of maturity, 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, (1) the Authority shall have elected to redeem such Bonds, and (2) either notice of such redemption shall have been given, or the Authority shall have given irrevocable instructions to the Trustee to redeem such Bonds.

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 assigned, transferred and set over to the Trustee or other bank in trust for the respective Owners, and such moneys shall be 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 E

### 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

BofA Securities, Inc.,  
as representative of the Underwriters  
New York, New York

Re: \$100,760,000 Water Pollution Control and Drinking Water Refunding Revenue Bonds  
(State Revolving Funds Programs) Series 2020B 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 December 1, 2020 (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 will be *included* in gross income for federal income tax purposes.

6. The Bonds and the income therefrom shall at all times be exempt from taxation by the State, except for death and gift taxes and taxes on transfers.

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,