

**355th MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY
EIERA Office
425 Madison Street, Second Floor
Jefferson City, Missouri**

**September 14, 2022
10:00 a.m.**

[Join WebEx Meeting](#)

Teleconference Call Number: **1-650-479-3207**
WebEx Meeting Number (Access Code): **2453 377 1891**
Meeting Password: **bvPvy2vHF86**

1. Call to Order
2. Approval of Minutes
 - A. Approval of the Minutes from the 354th WebEx Meeting of the Authority held June 29, 2022, in Jefferson City, Missouri
3. Presentation of Fiscal Year 2022 Audit
4. State Revolving Fund Program
 - A. Program Resolution
Resolution of the State Environmental Improvement and Energy Resources Authority Authorizing the Authority to Issue State Match Funding Obligations in Connection with the State Revolving Fund Program.
 - B. Issuance Resolution
Resolution Authorizing the State Environmental Improvement and Energy Resources Authority to Issue and Sell \$11,349,100 Principal Amount of Taxable State Revolving Fund Program State Match Funding Bonds (Clean Water SRF Program), Series 2022; Approving the Form of and Authorizing the Authority to Enter into a Master Bond Indenture, a Supplemental Bond Indenture No. 1 and Other Related Documents; and Approving Certain Other Documents and Authorizing the Authority to Take Certain Other Actions in Connection with the Issuance of Said Bonds.
5. Other Business
 - A. Opportunity for Public Comment (Limit of Four Minutes per Individual)
 - B. Next Meeting Date
 - C. Other

6. Closed Meeting Pursuant to Section 610.021(1), (3) and (11) RSMo. (as needed)
7. Adjournment of Closed Meeting and Return to Open Meeting
8. Adjournment of Open Meeting

The Authority may vote to close a portion of the meeting in conjunction with the discussion of litigation matters (including possible legal actions, causes of action, any confidential or privileged communications with its attorneys and the negotiation of items of a contract), real estate matters, personnel matters (including the hiring, firing, disciplining or promoting of personnel), or specification for competitive bidding pursuant to Section 610.021 (1), (3) or (11) RSMo.

Members to be Present:

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

Staff to be Present:

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

Legal Counsel to be Present:

David Brown, Lewis Rice LLC

**MINUTES OF THE 354TH MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

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

**WebEx/In Person Meeting
June 29, 2022
10:00 a.m.**

EIERA MEMBERS:	Caleb Arthur, Chair Mary Fontana Nichols, Vice Chair Deron Cherry, Treasurer/Assistant Secretary Nancy Gibler, Secretary
EIERA STAFF:	Joe Boland, Executive Director Mark Pauley, Deputy Director Kristin Allan Tipton, Development Director Angie Powell, Missouri Market Development Director Cathy Schulte, Fiscal Manager Genny Eichelberger, Office Support Assistant
LEGAL COUNSEL:	David Brown Lewis Rice LLC
OTHER PARTICIPANTS:	Eric Cowan Tom Liu BofA Securities, Inc. Dennis Lloyd Khalen Dwyer Columbia Capital Management, LLC Guy Nagahama Samuel A. Ramirez & Co., Inc. Rob Mellinger Citigroup Global Markets Inc.

(AGENDA ITEM #1) CALL TO ORDER

Vice Chair Nichols called the 354rd meeting of the State Environmental Improvement and Energy Resources Authority (the “Authority”) to order at 10:00 AM. Vice Chair Nichols took roll call and asked that the meeting record reflect a quorum was present via WebEx video conference.

(AGENDA ITEM 2) APPROVAL OF MEETING MINUTES

(AGENDA ITEM #2A) APPROVAL OF 353RD OPEN TELECONFERENCE MEETING MINUTES (MAY 11, 2022)

The next order of business was to review and approve the open teleconference meeting minutes of the 353rd meeting (May 11, 2022) of the Authority.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. Gibler to approve the open teleconference minutes of the 353rd meeting of the Environmental Improvement and Energy Resources Authority. By roll call vote, Vice Chair Nichols, Mr. Cherry, Ms. Gibler and Chair Arthur all voted in favor. Motion carried.

(AGENDA ITEM #2B) APPROVAL OF 353RD CLOSED TELECONFERENCE MEETING MINUTES (MAY 11, 2022)

The next order of business was to review and approve the closed teleconference meeting minutes of the 353rd meeting (May 11, 2022) of the Authority.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. Gibler to approve the closed teleconference minutes of the 353rd meeting of the Environmental Improvement and Energy Resources Authority. By roll call vote, Vice Chair Nichols, Mr. Cherry, Ms. Gibler and Chair Arthur all voted in favor. Motion carried.

(AGENDA ITEM #3) STATE REVOLVING PROGRAM

(AGENDA ITEM #3A) PROGRAM UPDATE

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

Mr. Boland stated that the Department of Natural Resources has drafted the FY 2023 Clean Water SRF Intended Use Plan for the upcoming year. The Authority will provide comments as necessary. The plan indicates that a new money bond issue may be necessary during the fiscal year due to the increased number of projects on the fundable and planning lists.

Mr. Boland also reports that the department has requested the Authority to begin preparations for a state match bond sale to deliver proceeds by October.

(AGENDA ITEM #4) MISSOURI MARKET DEVELOPMENT PROGRAM

(AGENDA ITEM #4A) PROGRAM UPDATE

Vice Chair Nichols called upon Ms. Powell to give an update on the Missouri Market Development Program.

Ms. Powell stated that she had three funding recommendations for the Board's consideration.

(AGENDA ITEM #4B) CONSIDERATION OF THE FUNDING RECOMMENDATION FOR THE BLUEBIRD COMPOSTING, LLC PROJECT AND AUTHORIZING THE DIRECTOR OR DESIGNEE TO ENTER INTO AN AGREEMENT ON BEHALF OF THE AUTHORITY

Ms. Powell reported to the Board that Bluebird Composting, LLC, located in Fulton, requested \$100,000 to purchase a larger compost (trammel) screener costing \$195,000 that will enable the company to increase diversion of food waste, yard waste and other organic materials. She said that this was an excellent project because food waste is one of Missouri Market Development Program's Targeted wastestreams.

Ms. Powell stated that Bluebird Composting has opened a retail location in Columbia that has struggled to keep up with the current demand. They have also been successful in marketing their products nationwide via the Amazon Store.

Ms. Powell said that Bluebird Composting had been a successful participant in the past and they currently compost 7,539 tons of food waste, 3,597 tons of yard waste and 3,208 tons of other waste. The business has grown steadily and now operates a fleet of trucks, trailers and heavy equipment with six full-time and several part-time employees. Bluebird estimates the larger screener will increase diversion by 3,155 tons annually and create 4 full-time positions.

The Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, the

Solid Waste Advisory Board, and the Authority, recommends funding this project in the amount of \$100,000, not to exceed 75% of the cost of the equipment. This is the maximum amount for which they are eligible. Ms. Powell noted that the committee had two new members, Theresa Sampaio and Kristie Davis with the Department of Economic Development.

MOTION: Motion was made by Ms. Gibler and seconded by Mr. Cherry to authorize the director or designee to negotiate and enter into an agreement on behalf of the Authority with Bluebird Composting, LLC for an amount up to \$100,000, not to exceed 75 percent of the cost of the equipment. By roll call vote, Vice Chair Nichols, Mr. Cherry, Ms. Gibler and Chair Arthur all voted in favor. Motion carried.

(AGENDA ITEM #4C) CONSIDERATION OF THE FUNDING RECOMMENDATION FOR THE HOLLIDAY CONSTRUCTION COMPANY PROJECT AND AUTHORIZING THE DIRECTOR OR DESIGNEE TO ENTER INTO AN AGREEMENT ON BEHALF OF THE AUTHORITY

Ms. Powell reported to the Board that Holliday Construction Company requested \$461,160 to purchase a large gasifier that would allow the company to convert materials destined for the landfill into biochar through a combustion process while also eliminating carbon emissions. This project will utilize waste and fines from the Missouri Organic Recycling, Inc. facility in Kansas City as feedstock to create biochar. The biochar would then be added as a supplement to compost created at Missouri Organics in Kansas City and sold in bags and in bulk to citizens and farmers. MO Organics is currently selling a compost product that is mixed with biochar purchased off site and it is well received in the market. Holliday Construction also intends to pursue other end markets such as using the biochar in filtration systems for waste water treatment plants.

Ms. Powell stated that Holliday Construction reached an agreement with Missouri Organic Recycling (a successful past program participant) to place the gasification unit at their location. Processing on site will eliminate costly transportation related expenses associated with acquiring feedstock and transporting finished product.

Mr. Cherry asked for more specifics about the product.

Ms. Powell said that biochar is used as a supplement to increase the benefits of compost.

Ms. Tipton stated that with higher fertilizer prices, biochar may become more attractive for agricultural use. It provides nutrients to the soil and it helps with water retention for crops. She expects to see and hear more about biochar used as an agriculture tool in the future.

Ms. Powell stated that Holliday Construction indicated this project would divert 4,380 tons of waste annually and create 2 full-time employees and 2 part-time employees immediately.

The Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, the Solid Waste Advisory Board, and the Authority, recommends funding this project in the amount of \$230,500 not to exceed 50% of the cost of the equipment. This is the maximum amount for which they are eligible.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. Gibler to authorize the director or designee to negotiate and enter into an agreement on behalf of the Authority with Holliday Construction Company for an amount up to \$230,500, not to exceed 50 percent of the cost of the equipment. By roll call vote, Vice Chair Nichols, Mr. Cherry, Ms. Gibler and Chair Arthur all voted in favor. Motion carried.

(AGENDA ITEM #4D) CONSIDERATION AND APPROVAL OF THE MORA CONFERENCE SPONSORSHIP REQUEST

Ms. Powell stated that the 2022 Missouri Recycling Association (MORA) Annual Conference is scheduled to take place at the Stoney Creek Inn in Independence, October 11-13. Staff is requesting approval of a \$2,500 sponsorship for this event and that the sponsorship would be drawn from the Missouri Market Development Program “Sponsorships” budget category which is \$10,000 for FY2022.

Staff feels that participating in the conference is a tremendous opportunity to help program participants share knowledge and grow their businesses. The conference committee is planning to offer a tour of Missouri Organics, a successful past program participant.

Ms. Powell explained that for the past several years, the Missouri Market Development Program has sponsored the conference at the \$2,500 level. The sponsorship includes registration for two people and an ad in the conference program.

Vice Chair Nichols asked who was organizing the 2022 Conference.

Ms. Powell stated that the 2022 Conference was being organized by the MORA board; two conference co-chairs in Kansas City, Lisa McDaniel with Mid America Regional Council Solid Waste Management District in Kansas City and Lydia Gibson with Ripple Glass; and a strong conference committee.

Discussion ensued.

MOTION: Motion was made by Mr. Cherry and seconded by Chair Arthur to approve the MORA Conference Sponsorship in the amount of \$2,500 from the Missouri Market Development Program. By roll call vote, Vice Chair Nichols, Chair Arthur, Mr. Cherry and Ms. Gibler all voted in favor. Motion carried.

(AGENDA ITEM #4E) OTHER

There was no discussion.

(AGENDA ITEM #5) RAYTOWN WATER COMPANY ISSUANCE RESOLUTION

Mr. Pauley stated that the Board already approved an intent resolution to issue bonds for Raytown Water Company (RWC) during the May 11, 2022 meeting. Since then, the Authority conducted a Tax Equity and Fiscal Responsibility Act (TEFRA) hearing held on June 13, 2022, that is required under the IRS code. No one appeared and the Authority did not receive any comments. Mr. Pauley said that the minutes of the hearing would be provided to the Governor's Office along with a Certificate of Approval for his signature upon approval of this issuance resolution. Raytown water would like to close on July 12, 2022.

Mr. Pauley said that staff recommends the adoption of the final resolution to issue Private Activity Bonds on behalf of RWC in an amount not-to-exceed \$5,000,000.

Vice Chair Nichols asked if there was a motion.

MOTION: Motion was made by Mr. Cherry and seconded by Chair Arthur to Approve the Resolution Authorizing the Issuance of Water Facilities Revenue Bonds (The Raytown Water Company) Series 2022 in an Aggregate Principal Amount not to exceed \$5,000,000 and Certain Other Actions and Documents. By roll call vote, Vice Chair Nichols, Mr. Cherry, Ms. Gibler and Chair Arthur all voted in favor. Motion carried.

(Said Resolution 22-02 is attached hereto and made a part of these minutes as “Attachment A.”)

(AGENDA ITEM #6) CONSIDERATION AND ADOPTION OF A RESOLUTION APPROVING BOND COUNSEL AND AUTHORIZING THE AUTHORITY TO ENTER INTO AN AGREEMENT THEREWITH

Mr. Pauley stated that the Authority’s contract for Bond Counsel services for the SRF program will expire on June 30, 2022. Staff are requesting approval of the firm selected to provide comprehensive bond counsel services to the Authority prior to July 1, 2022.

Mr. Pauley said that the RFP was advertised online in the Bond Buyer, a national industry trade newspaper that is published daily. Two firms submitted proposals. The first proposer is our current SRF Bond Counsel, Gilmore and Bell, P.C. In addition to SRF Bond Counsel, Gilmore and Bell, P.C. would be able to assist the Authority on other matters. He said that staff has been pleased with the service provided by the firm. The Authority’s General Counsel has been consulted and is comfortable with this recommendation.

The second proposer was the firm of Rouse Frets White Goss Gentiel Rhodes, P.C. (Rouse Frets) located in Kansas City. Rouse Frets is a full service law firm whose practice includes litigation, real estate, administrative & regulatory proceedings, and municipal government counsel among other areas. The proposal received from Rouse Frets did not include responses to all of the questions proposed in the RFP. While the firm does have some experience in the issuance of bonds, they did not have any recent experience with SRF loans. They also omitted any reference to the provision of tax counsel services.

Mr. Pauley stated that staff recommends that the Authority select Gilmore & Bell, P.C. to provide Bond Counsel Services as outlined in the RFP and authorize the attached Resolution relating to the appointment and authorizing the Director to negotiate a contract for a five-year term containing an optional renewal period of two years and a thirty day termination clause. Mr. Pauley offered to answer any questions.

Discussion ensued.

Vice Chair Nichols asked if there was a motion.

MOTION: Motion was made by Chair Arthur and seconded by Mr. Cherry to Approve a Resolution Authorizing the State Environmental Improvement and Energy Resources Authority Approving Gilmore & Bell, P.C. to Serve as Bond Counsel in Connection with the State Revolving Fund Programs and the Energy Bank Program and Authorizing the Authority to Enter into an Agreement in Connection Therewith. By roll call vote, Vice Chair Nichols, Chair Arthur and Mr. Cherry all voted in favor. Motion carried.

(Said Resolution 22-03 is attached hereto and made a part of these minutes as “Exhibit A.”)

(AGENDA ITEM #7) CONSIDERATION AND APPROVAL OF FY2023 AUTHORITY BUDGETS

Mr. Boland directed the Board’s attention to the information pertaining to the Fiscal Year 2023 proposed budgets that were provided in the Board meeting materials.

Mr. Boland stated that the Authority’s proposed expenses were similar to the current year’s budget. Staff anticipates a slight increase for issuance fees for Fiscal Year 2023. There is a possibility of a large bond issuance for the SRF program and a small private activity bond with Raytown Water Company. He said that most expense categories came in under budget as staff budgeted conservatively.

Mr. Boland said that most expense categories for the Missouri Market Development Program were similar to the current year’s budget. With the exception of hiring a new director, the salaries category was increased to reflect that. The program ended up with \$1 million budgeted for new projects.

Mr. Boland reminded the Board that the Authority no longer has to commit any matching funds for the Brownfields program since the federal grant ended last June 30, 2020. He deferred to Ms. Tipton for comment.

Ms. Tipton stated that she anticipates that the Remains Inc. loan will be repaid in full this fiscal year. Remains has sold the company and the new owner is possibly interested in a BRLF loan to clean up an adjacent building. She said that little activity is anticipated, but a conservative spending plan is provided if a reasonable project presented itself.

Vice Chair Nichols stated that if there was no further discussion, he would entertain a motion.

MOTION: Motion was made by Ms. Gibler and seconded by Mr. Cherry to approve Fiscal Year 2023 Budgets for the Authority, Missouri Market Development Program and Brownfields Revolving Loan Fund. By roll call vote, Vice Chair Nichols, Mr. Cherry, Ms. Gibler and Chair Arthur all voted in favor. Motion carried.

(AGENDA ITEM #8) ELECTION OF OFFICERS

Mr. Boland reminded the Board that the election of officers is typically held during a meeting in June each year. Mr. Boland deferred to Mr. Brown for comment.

Mr. Brown stated that in the past, a slate of officers was proposed and voted on by the Board. He said that each officer could also be elected individually and that either way was acceptable.

Mr. Cherry stated that his recommendation was to retain the current slate of officers.

Vice Chair Nichols asked the Board if they were in agreement with Mr. Cherry.

The Board was in agreement to retain the current slate of officers.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. Gibler to retain the current slate of officers including Chair Arthur as Chair, Ms. Fontana Nichols as Vice Chair, Ms. Gibler as Secretary and Mr. Cherry as Treasurer and Assistant Secretary. By roll call vote, Vice Chair Nichols, Ms. Gibler, Mr. Cherry and Chair Arthur all voted in favor. Motion carried.

(AGENDA ITEM #9) OTHER BUSINESS

(AGENDA ITEM #9A) OPPORTUNITY FOR PUBLIC COMMENT (LIMIT OF FOUR MINUTES PER INDIVIDUAL)

Vice Chair Nichols asked if anyone would like to make a public comment at this time. There were no comments.

(AGENDA ITEM #9B) NEXT MEETING DATE

The next meeting date could not yet be determined.

(AGENDA ITEM #9C) OTHER

Vice Chair Nichols asked if there was any other business to address. There was none.

(AGENDA ITEM #10) CLOSED MEETING PURSUANT TO SECTION 610.021 (13) RSMO

(AGENDA ITEM #11) ADJOURNMENT OF CLOSED MEETING AND RETURN TO OPEN MEETING

(AGENDA ITEM #12) ADJOURNMENT OF OPEN MEETING

There being no further business to come before the Board, there was a motion to adjourn.

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

Respectfully submitted,

(SEAL)

Chair of the Authority

Secretary of the Authority

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

**RESOLUTION AUTHORIZING THE ISSUANCE OF WATER FACILITIES
REVENUE BONDS (THE RAYTOWN WATER COMPANY) SERIES 2022 IN AN
AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$5,000,000 AND
CERTAIN OTHER ACTIONS AND DOCUMENTS.**

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

WHEREAS, The Raytown Water Company, a Missouri corporation (the "Company") submitted an Application dated August 20, 2021 (the "Application") requesting that the Authority issue its bonds in the aggregate principal amount of not to exceed \$5,000,000, designated as the Water Facilities Revenue Bonds (The Raytown Water Company), Series 2022 ("Series 2022 Bonds"), to be used to provide funds to (i) to acquire, construct, extend and improve facilities for the furnishing of water for community purposes (the "Project"), and (b) to pay certain costs related to the issuance of the Series 2022 Bonds.

WHEREAS, the Authority adopted Resolution 22-01 at its May 11, 2022 meeting approving the Application, declaring its intent to issue revenue bonds of the Authority pursuant to the Act and authorizing the Authority to conduct a public hearing with respect to the issuance of its bonds; and

WHEREAS, the Series 2022 Bonds will be issued under the Indenture of Trust (the "Indenture") between the Authority and UMB Bank, N.A. (the "Trustee"); and

WHEREAS, in consideration of the issuance of the Series 2022 Bonds, the Company, pursuant to the terms of the Loan Agreement (the "Loan Agreement") between the Authority and the Company, will covenant and agree to make payments thereunder in an amount sufficient to provide for the payment of the principal of, premium, if any, and interest on the Series 2022 Bonds; and

WHEREAS, it is proposed that the Series 2022 Bonds be sold pursuant to the terms of a Bond Purchase Agreement (the "Purchase Agreement"), by and among the Authority, the Company and Kansas City Financial Corporation, a subsidiary of UMB Bank, N.A. (the "Purchaser"); and

WHEREAS, it is necessary for the Authority to authorize the execution and delivery of other certificates, documents and papers and the performance of the acts necessary or convenient in connection with the issuance and sale of the Series 2022 Bonds and implementation of this Resolution; and

WHEREAS, there have been prepared for and presented before the Authority at this meeting the following documents:

1. Form of Indenture.
2. Form of Loan Agreement.
3. Form of Purchase Agreement.
4. Form of Tax Compliance Agreement.

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

Section 1. Pursuant to the Act, the Authority does hereby approve and authorizes the financing of the costs to improve the water system of the Company and pay certain costs related to the issuance of the Series 2022 Bonds in accordance with the Indenture and the Loan Agreement and does hereby determine that such financing is in furtherance of the public purposes set forth in the Act.

Section 2. To provide for the financing costs described herein and in the Indenture, the Authority does hereby authorize the issuance of revenue bonds of the Authority under the Act to be designated "Water Facilities Revenue Bonds (The Raytown Water Company) Series 2022" in an aggregate principal amount not to exceed \$5,000,000. The Series 2022 Bonds shall have the form, details, call provisions and specifications as set out in the Indenture (or as such provisions may be modified). The Series 2022 Bonds shall be sold on the terms as provided in the herein approved Bond Purchase Agreement; provided that (1) the Series 2022 Bonds shall mature no later than 2042, (2) interest on the Series 2022 Bonds shall accrue and be payable from their dated date all in accordance with the provisions of the Indenture at such rates per annum initially not to exceed a true interest cost of 4.00% per annum, and (3) shall be subject to optional redemption prior to maturity no later than 2027.

Section 3. The action of posting notice on the Authority's webpage beginning on June 6, 2022 regarding a public hearing held on June 13, 2022, as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), is in all respects hereby authorized, directed, ratified, and approved. The Authority hereby approves the financing of the Project and recommends the issuance of the Series 2022 Bonds for approval by the Governor of the State of Missouri, the applicable elected representative (as defined in Section 147(f) of the Code) of the State of Missouri, and requests the Governor to sign a statement signifying such approval. The Director and Deputy Director of the Authority or the Director's designee is hereby authorized and directed to take all necessary action in regard to obtaining the approval of the Governor, and the Secretary and Assistant Secretary of the Authority is authorized and directed to deliver such request to the Governor with a summary of any comments made at the public hearing regarding the proposed plan to issue the Bonds.

Section 4. The Series 2022 Bonds shall be limited obligations of the Authority payable solely out of the payments, revenues and receipts and other amounts received by or on behalf of the Authority pursuant to the Loan Agreement. The Series 2022 Bonds shall not constitute or create an indebtedness,

liability or moral obligation of the State of Missouri or any political subdivision thereof within the meaning of the Constitution or statutes of the State of Missouri or otherwise and shall never constitute or create a charge against the credit of the Authority or a charge against the credit or the taxing power of the State of Missouri or any political subdivision thereof. The issuance of the Series 2022 Bonds shall not directly or indirectly obligate the State of Missouri or any political subdivision thereof to provide any funds for their payment. Neither the State of Missouri nor any political subdivision thereof shall in any manner be liable for the performance of any agreement or pledge of any kind which may be undertaken by the Authority nor shall any breach thereof by the Authority create any obligation upon the State of Missouri or any political subdivision thereof.

Section 5. The Series 2022 Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of its Chairman or Vice Chairman and attested by the manual or facsimile signature of its Vice Chairman, Secretary or Assistant Secretary. The official seal of the Authority shall be impressed or a facsimile shall be imprinted on the Series 2022 Bonds. If any of the officers who have signed or sealed any of the Series 2022 Bonds shall cease to be such officers of the Authority before the Series 2022 Bonds so signed and sealed shall have been actually authenticated by the Trustee or delivered by the Authority, such Series 2022 Bonds nevertheless may be authenticated, issued and delivered with the same force and effect as though the person or persons who signed or sealed such Series 2022 Bonds had not ceased to be such officer or officers of the Authority; and also any such Series 2022 Bonds may be signed and sealed on behalf of the Authority by those persons who, at the actual date of execution of such Series 2022 Bonds, shall be the proper officers of the Authority, although at the nominal date of such Series 2022 Bonds any such person shall not have been such officers of the Authority.

Section 6. The Authority is hereby authorized to enter into the following documents (the "Authority Documents"), in substantially the forms on file in the office of the Authority, subject to the terms contained in **Section 2** herein, with such changed therein as shall be approved by the officers of the Authority executing such documents, such officers' signatures thereon being conclusive evidence of their approval thereof:

- (a) Indenture pursuant to which the Series 2022 Bonds shall be issued;
- (b) Loan Agreement (the "Loan Agreement") pursuant to which the Company will agree to make payments thereunder in an amount sufficient to provide for the payment of the principal of, premium, if any, and interest on the Series 2022 Bonds;
- (c) Bond Purchase Agreement pursuant to which the Authority will sell the Series 2022 Bonds to the Purchaser upon the terms and conditions as set forth in the Bond Purchase Agreement; and
- (d) Tax Compliance Agreement among the Authority, the Trustee and the Company entered into in order to set forth certain representations, facts, expectations, terms and conditions relating to the use and investment of the proceeds of the Series 2022 Bonds, to establish and maintain the exclusion of interest on the Series 2022 Bonds expected to have interest excluded from gross income for federal income tax purposes, and to provide guidance for complying with applicable arbitrage rebate provisions of Code § 148(f) as set forth in the Tax Compliance Agreement.

Section 7. Due to the characteristics of the Series 2022 Bonds, the principal amount thereof, the acceptability in the public market of similar issues and the prevailing market conditions, the Authority hereby finds and determines that it is in the best interest of the Authority to sell the Series 2022 Bonds to the Purchaser in a private sale.

Section 8. The Company has agreed to directly pay all costs of issuance of the Series 2022 Bonds (including, but not limited to, any issuance and legal fees due the Authority) without reimbursement from the Authority or any other source.

Section 9. The Chairman, Vice Chairman, Secretary and Assistant Secretary are hereby authorized and directed to execute, attest, seal and deliver any and all documents, agreements and certificates and do any and all things deemed necessary to effect the issuance and sale of the Series 2022 Bonds and the execution and/or delivery of the Loan Agreement, the Indenture, the Purchase Agreement, the Tax Compliance Agreement, and other agreements and instruments and to carry out the intent and purposes of this Resolution, including the preamble hereto.

Section 10. All of the acts of the members, officers, agents, directors and employees of the Authority which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and are hereby ratified, confirmed and approved.

Section 11. The provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

Section 12. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Indenture.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

ADOPTED by the State Environmental Improvement and Energy Resources Authority this 29th day of June, 2022.

**STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY**

[SEAL]

By: _____


Chairman

ATTEST:


Secretary

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

RESOLUTION OF THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY APPROVING GILMORE & BELL, P.C. TO SERVE AS BOND COUNSEL IN CONNECTION WITH THE STATE REVOLVING FUND PROGRAMS AND THE ENERGY BANK PROGRAM AND AUTHORIZING THE AUTHORITY TO ENTER INTO AN AGREEMENT IN CONNECTION THEREWITH.

WHEREAS, the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State of Missouri (the "Authority"), is authorized and empowered pursuant to the provisions of Sections 260.005 to 260.125, inclusive, Revised Statutes of Missouri, as amended, and Appendix B(1) thereto (the "Act"), to finance, acquire, construct and equip certain projects (as defined in the Act) for the purpose of preventing or reducing pollution or the disposal of solid waste or sewage, to provide for the furnishing of water facilities, to provide for the development of the energy resources of the State of Missouri, to provide for energy conservation and energy efficiency projects, and to issue revenue bonds and notes for the purpose of providing funds to pay the costs of such projects; and

WHEREAS, the Authority, in cooperation with the Missouri Department of Natural Resources ("DNR"), the Clean Water Commission, and the Safe Drinking Water Commission has implemented the Missouri Clean Water and Drinking Water State Revolving Fund Programs (the "SRF Programs") and from time to time issues its bonds or notes to finance projects pursuant to the SRF Programs, said bonds or notes to be payable solely out of the revenues and receipts derived by the Authority in connection with such projects; and

WHEREAS, the Authority disseminated a Request for Proposals dated May 2022 (the "RFP") to serve as bond counsel in connection with the SRF Programs and to serve as bond counsel in connection with the development of an Energy Infrastructure Bank for the State of Missouri (the "Energy Bank Program"), soliciting the services of qualified legal firms to serve as bond counsel in connection with the SRF Programs and the related direct loan programs (the "Direct Loan Programs") administered by DNR and in connection with the Energy Bank Program, as well as providing legal services for certain issues relating to such programs and other legal services from time to time; and

WHEREAS, after evaluation of the proposals received by the Authority in response to the RFP, the Authority has determined, in consultation with DNR, that it is in the best interest of the Authority and the SRF Programs to (i) accept the proposal of Gilmore & Bell, P.C. dated June 2, 2022 (the "Proposal"), (ii) employ Gilmore & Bell, P.C. as bond counsel in connection with the SRF Programs, the Direct Loan Programs and the Energy Bank Program, and provide related legal services and other legal services from time to time and (iii) enter into a mutually satisfactory agreement with Gilmore & Bell, P.C. setting forth the duties and obligations of the parties.

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

Section 1. The Authority hereby accepts the Proposal and approves Gilmore & Bell, P.C. to serve as bond counsel in connection with the SRF Programs, the Direct Loan Programs and the Energy Bank Program, and provide related legal services and other legal services from time to time, all subject to negotiation of a mutually-acceptable agreement among the parties.

Section 2. The Authority hereby authorizes its Director or Deputy Director to negotiate and enter into an Agreement with Gilmore & Bell, P.C. said Agreement to be in substantially the form attached hereto as Exhibit A.

Section 3. This resolution shall take effect and be in full force immediately after its adoption by the Authority.

ADOPTED this 29th day of June, 2022.


STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY

By: _____

Chairman of the Authority

(SEAL)

ATTEST:



Secretary of the Authority

State Environmental Improvement and Energy Resources Authority
355th Board Meeting
September 14, 2022

Agenda Item #3
PRESENTATION OF AUTHORITY AUDIT

Issue:

Review of the Fiscal Year 2022 Audit.

Action Needed

No action needed.

Staff Recommendation:

No action needed.

Staff Contact:

Joe Boland and Cathy Schulte

Background:

The Authority's auditors, Williams-Keepers, LLC, began reviewing our records in August and finalized the audit in early September. The final audit report including Financial Statements are attached. There were no findings or material weaknesses identified during the audit process.

Amanda Schultz, the Audit Partner assigned to the EIERA, will attend the meeting to present the audit and answer any questions.

JB:ge

SUMMARY REPORT OF
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY
JUNE 30, 2022

September 6, 2022

Members of the Board of the
State Environmental Improvement and
Energy Resources Authority

We appreciate the opportunity to assist the members of the Board of the State Environmental Improvement and Energy Resources Authority (the Authority) in its governance and oversight function by providing annual audit services. Our audit reports for the year ended June 30, 2022, have been provided to management and include the following:

Financial Statements

This document contains the Authority's annual financial statements for the fiscal year ended June 30, 2022, along with our report on those financial statements.

Highlights are as follows:

- We issued an “unmodified” or a “clean” opinion on the financial statements. In our opinion, the financial statements present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Authority as of June 30, 2022, and the respective changes in its financial position for the year then ended in conformity with generally accepted accounting principles (GAAP).
- Management is responsible for the preparation and fair presentation of the financial statements, including the design and implementation of internal control.
- We used our judgment in determining how to audit the Authority. We focused our attention on areas where the financial statements could be misstated.
- We evaluated the appropriateness of accounting policies, the reasonableness of significant accounting estimates, and the overall financial statement presentation.
- The financial statements include two different sets of financial statements:
 - Government-wide financial statements, which are full accrual and include all funds (except fiduciary funds), as well as capital assets and other liabilities.
 - Fund financial statements, which are separated into governmental funds (modified accrual) and fiduciary funds (full accrual).

- The following summarizes the highlights from the government-wide financial statements as of and for the years ended June 30, 2022 and 2021. The Management's Discussion and Analysis (MD&A) in the financial statements discusses the changes in the various categories.

	2022	2021
Total assets	\$ 2,988,225	\$ 3,188,586
Total deferred outflows	256,998	277,555
Total liabilities	1,154,264	1,062,653
Total deferred inflows	298,780	318,064
Net position	1,792,179	2,085,424
 Total revenues	 1,102,035	 1,419,117
Total expenses	(1,395,280)	(1,526,436)
Change in net position	(293,245)	(107,319)

Auditors' Communication Letter

This letter consists of comments about the audit process and its results that are required under our professional standards to be communicated to an audit or similar committee of the governing board of an organization. For the Authority, the members of the Board serve that role.

Highlights are as follows:

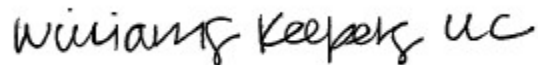
- We noted no transactions that we considered both unusual and significant.
 - GASB 87, *Leases*, was implemented during fiscal year 2022.
 - GASB 91, *Conduit Debt Obligations*, will be implemented during fiscal year 2023.
- We evaluated the estimates affecting the financial statements and found them reasonable in relation to the financial statements as a whole.
- The financial statement disclosures are neutral, consistent, and clear. All required disclosures are included.
- We found the accounting records to be in good order and we did not propose any material or significant adjustments as a result of our audit procedures.
- We had no disagreements with management on accounting or auditing issues, we had no difficulties in performing our audit, and we felt we received full cooperation from the Authority's staff.
- Although the scope of our engagement was not directed towards an opinion on internal control, we did not identify any material weaknesses in internal control as a result of our audit procedures.

Market Development Program Schedule

- We issued an “unmodified” or a “clean” opinion on the Schedule of Missouri Market Development Program – Financial Assistance Awards (the Schedule). In our opinion, the Schedule presented fairly, in all material respects, such program awards of the Authority from inception through June 30, 2022, in conformity with the cash basis of accounting.

We wish to thank the Authority’s personnel for their cooperation and assistance during our audit. The information in this audit report is intended solely for the use of the Board and management of the Authority.

Sincerely,

A handwritten signature in black ink that reads "Williams-Keepers LLC". The script is cursive and somewhat stylized, with the letters "W", "K", and "L" being prominent.

WILLIAMS-KEEPERS LLC

REPORT OF
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY
JUNE 30, 2022

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

TABLE OF CONTENTS

	PAGE
Independent Auditors' Report	1 - 3
Management's Discussion and Analysis	4 - 8
Government-Wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Governmental Funds Financial Statements:	
Balance Sheet	11
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	12
Statement of Revenues, Expenditures, and Changes in Fund Balances	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	14
Fiduciary Funds Financial Statements:	
Statement of Fiduciary Net Position - Custodial Funds	15
Statement of Changes in Fiduciary Net Position - Custodial Funds	16
Notes to Financial Statements	17 - 34
Required Supplementary Information:	
Budgetary Comparison Schedules:	
General Fund	35 - 36
Market Development Program	37 - 38
Missouri Brownfields Revolving Loan Fund	39
Pension Plan Information:	
Schedule of the Authority's Proportionate Share of the Net Pension Liability	40
Schedule of Authority Contributions	40
Other Post-Employment Benefit (OPEB) Information:	
Schedule of the Authority's Proportionate Share of the Net OPEB Liability	41
Schedule of Authority Contributions	41
Supplementary Information:	
Combining Fiduciary Funds Financial Statements:	
Combining Statement of Fiduciary Net Position - Custodial Funds	42
Combining Statement of Changes in Fiduciary Net Position - Custodial Funds	43
Schedule of Investments Held	44
Schedule of Tax Exempt Revenue Bonds Issued and Outstanding	45
Schedule of Tax Exempt Revenue Bonds Issued But Matured	46 - 49

INDEPENDENT AUDITORS' REPORT

Members of the Board of the
State Environmental Improvement and
Energy Resources Authority

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of the State Environmental Improvement and Energy Resources Authority (the Authority) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the accompanying table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Authority as of June 30, 2022, and the respective changes in financial position for the year then ended, in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with U.S. generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis, the budgetary comparison schedules, the pension plan schedules, and the other post-employment benefit plan (OPEB) schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, such information is fairly stated in all material respects in relation to the basic financial statements as a whole.

William F. Keefe UC

Jefferson City, Missouri
September 6, 2022

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

The following Management's Discussion and Analysis (MD&A) of the State Environmental Improvement and Energy Resources Authority's (the Authority) financial performance provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2022. The information contained in the MD&A should be considered in conjunction with the information presented as part of the Authority's basic financial statements. Following this MD&A are the basic financial statements of the Authority with the notes thereto which are essential to a full understanding of the data contained in the financial statements. The Authority's basic financial statements have the following components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

The government-wide financial statements are designed to provide the readers with a broad overview of the Authority's finances in a manner similar to a private-sector business. The statement of net position presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. The statement of activities presents information showing how the Authority's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future fiscal periods. The government-wide financial statements present information about the Authority as a whole. All of the activities of the Authority are considered to be governmental activities.

Governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Authority's programs.

The notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the government-wide and fund financial statements.

CONDENSED FINANCIAL INFORMATION

The following condensed financial information is presented from the Authority's government-wide financial statements:

Summary of Net Position as of June 30, 2022 and 2021

	2022	2021
Current and other assets	\$ 2,812,853	\$ 3,188,406
Capital assets, net	175,372	180
Total assets	2,988,225	3,188,586
Total deferred outflows of resources	256,998	277,555
Total liabilities	1,154,264	1,062,653
Total deferred inflows of resources	298,780	318,064
Net position		
Net investment in capital assets	1,934	180
Restricted for market development programs	352,895	357,310
Restricted for Brownfields program	616,931	638,837
Unrestricted	820,419	1,089,097
Total net position	\$ 1,792,179	\$ 2,085,424

Summary of Changes in Net Position from Operating Results
for the Years Ended June 30, 2022 and 2021

	2022	2021
Program revenues:		
General operations	\$ 132,618	\$ 394,188
Market development	968,987	998,650
Missouri Brownfields Revolving Loan Fund	3,002	3,092
General revenues:		
Investment income (loss), net	(4,247)	21,512
Other	1,675	1,675
Total revenues	<u>1,102,035</u>	<u>1,419,117</u>
Expenses:		
Personnel services	337,613	350,531
Contractual services	843,027	905,823
Other operating costs	213,909	269,063
Depreciation	731	1,019
Total expenses	<u>1,395,280</u>	<u>1,526,436</u>
Change in net position	(293,245)	(107,319)
Net position, beginning of year	<u>2,085,424</u>	<u>2,192,743</u>
Net position, end of year	<u><u>\$ 1,792,179</u></u>	<u><u>\$ 2,085,424</u></u>

For the year ended June 30, 2022, net position decreased by \$293,245, from \$2.09 million to \$1.79 million. This was a combination of total assets and deferred outflows of resources decreasing by \$220,918 or 6.4% from the prior year and total liabilities and deferred inflows of resources increasing by \$72,327 or 5.2% from the prior year.

In fiscal year 2022, the Authority's total net pension liability decreased by \$38,838 from \$722,862 to \$684,024. The Authority's net OPEB liability increased by \$14,068 from \$231,553 to \$245,621. Deferred outflows changed overall by a net decrease of \$20,557 and deferred inflows changed overall by a net decrease of \$19,284. These changes are due to fluctuations in the Authority's pension and OPEB plans.

Revenue from general operations decreased by \$261,570 or 66.4% from \$394,188 to \$132,618. This decrease is primarily due to the fact that there were no new bonds issued in fiscal year 2022 compared to the previous fiscal year, when the Authority closed on two transactions. Fiscal year 2021 revenues also included the majority of the reimbursement from the Department of Natural Resources for the administration of the Barr Engineering contract that ended in early fiscal year 2022. Revenue from the Market Development Program decreased by \$29,663 or 3.0% from the previous year as a result of several award recipients not moving forward during the current fiscal year with their projects, resulting in a decrease in Market Development funds being drawn. The Brownfields Program saw a decrease in project expenditures and related revenue as the program continues to wind down.

For the year ended June 30, 2022, investment income (loss), net was (\$4,247), as result of unrealized losses of (\$12,307) as of year end, exceeding interest income of \$8,060 during the year. The Authority reports investments at fair value in the financial statements, with changes in fair value (i.e., unrealized gains or losses) reported as an item of revenue or expense based on the fair value of investments as of year end. Such gains or losses are not actually realized until the investments are sold or mature and are based on the fair value as of the sale or maturity date.

Total revenues for the year decreased by \$317,082 or 22.3%. As a percent of total revenues, general operations revenue decreased from approximately 27.8% of total revenues in fiscal year 2021 to 12.0% in fiscal year 2022. As a percent of total revenues, Market Development revenue increased from 70.4% in fiscal year 2021 to 87.9% in fiscal year 2022.

Total expenses for fiscal year 2022 decreased by \$131,156 or 8.6% over those of the prior year, primarily due to fewer project expenditures in the Market Development Program.

FINANCIAL ANALYSIS OF FUNDS

Total fund balances for the governmental funds decreased to \$2,489,072 from the prior year total of \$2,749,877, reflecting a decrease of \$260,805. This was primarily due to total expenditures continuing to outpace total revenues during fiscal year 2022.

The Market Development Program's revenues decreased by \$29,663 or 3.0% in fiscal year 2022. Decreased activity in the program, which operates primarily on a reimbursement basis, is largely due to a decrease in project expenditures from recipients as they move forward with their projects.

CAPITAL ASSET AND DEBT ADMINISTRATION

The Authority maintains certain furnishings and office equipment for its corporate purposes. As of June 30, 2022, the Authority had net capital assets of \$175,192 compared to \$180 as of June 30, 2021. This increase was primarily due to the implementation of GASB 87 during fiscal year 2022.

The Authority has long-term debt related to a financing lease in the amount of \$135,308, which was also due to the implementation of GASB 87 during fiscal year 2022. The Authority does issue tax-exempt bonds on behalf of public entities, political subdivisions of the State of Missouri and public and private companies to finance certain eligible projects. These bonds are considered to be non-recourse conduit debt obligations and, as such, are not included in the Authority's financial statements. As of June 30, 2022, approximately \$650 million of these bonds were outstanding.

BUDGET VARIATIONS

General operations revenue for the Authority continues to be affected by the lack of demand for new-money State Revolving Fund (SRF) bonds, as the SRF Program continues to make direct loans using available program equity. Overall, General Fund revenues fell below budgeted expectations with a 41.7% variance. Revenue was minimal because the Authority did not issue any SRF bonds or Private Activity Bonds (PAB) during fiscal year 2022. The Authority continues to expand its work in other areas, many of which are offered as fee for service activities to offset less predictable bond revenues. Overall, General Fund expenditures fell below budgeted expectations with a 26.8% variance. Once again, the most significant expenditure that was less than the budgeted amount was in office salaries, showing a positive variance of \$80,236. This was primarily due to the vacancy of the Deputy Director position during several months of the fiscal year. There were not any significant expenditures in excess of budget.

Revenues and expenditures for the Market Development Program were considerably lower than budgeted. Revenues and expenditures are budgeted based on the total project funds available plus a reasonable amount of unexpended funds carried over from previous awards; however, all project funds may not be awarded that year and those awarded may not be expended in that fiscal year. Payroll expenditures remain lower than budgeted due to the full-time Market Development Director position vacancy for the majority of the year.

Similarly, revenues and expenditures for the Brownfields Revolving Loan Program were also lower than budgeted. Revenues and expenditures are budgeted based on all available project funds being awarded. The federal grant for this program expired in fiscal year 2020, so the activity has been minimal in the last two fiscal years.

ECONOMIC FACTORS AND SUBSEQUENT EVENTS

Historically, a substantial portion of the Authority's annual revenues are derived from fees related to bond issuances under the SRF Program and the PAB Program. Revenues earned under these bond issuance programs are subject to influences outside the control of the Authority. Annual participation is unpredictable and highly variable as was evidenced during the past several fiscal years.

The SRF Program has sufficient equity to manage current cash needs. Until demand increases, SRF issuances will continue to be smaller in size, and be less frequent than in the past and, consequently, lower revenues are anticipated for future years. The SRF Program will need a State match for its capitalization grant in fiscal year 2023, so a small SRF bond transaction is planned for early in the fiscal year.

Public interest in water and wastewater infrastructure construction appears to remain at current levels. Future federal appropriations for the SRF Program are likely to increase substantially as outlined in current infrastructure spending bills.

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

STATEMENT OF NET POSITION

June 30, 2022

ASSETS

Cash	\$ 536,969
Investments	1,681,249
Accounts and grants receivable	315,990
Brownfields advances and loans receivable	272,599
Accrued interest	1,046
Prepaid and other assets	5,000
Capital assets:	
Depreciable, net	1,934
Right of use asset, net	173,438
Total assets	<u>2,988,225</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension related	217,063
OPEB related	39,935
Total deferred outflows of resources	<u>256,998</u>

LIABILITIES

Accounts payable	12,717
Accrued liabilities	38,465
Net pension liability	684,024
Net OPEB liability	245,621
Financing lease:	
Amounts due within one year	38,129
Amounts due beyond one year	135,308
Total liabilities	<u>1,154,264</u>

DEFERRED INFLOWS OF RESOURCES

Pension related	157,628
OPEB related	141,152
Total deferred inflows of resources	<u>298,780</u>

NET POSITION

Net investment in capital assets	1,934
Restricted for market development programs	352,895
Restricted for Brownfields program	616,931
Unrestricted	820,419
Total net position	<u><u>\$ 1,792,179</u></u>

The notes to the financial statements are an integral part of these statements.

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022**

Functions/Programs	Expenses	Program Revenues		Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
General operations	\$ 441,876	\$ 132,618	\$ -	\$ (309,258)
Market development	928,496	-	968,987	40,491
Missouri Brownfields: Revolving Loan Fund	24,908	-	3,002	(21,906)
Total governmental activities	<u>\$ 1,395,280</u>	<u>\$ 132,618</u>	<u>\$ 971,989</u>	<u>(290,673)</u>
General revenues (expenses):				
Investment income (loss), net				(4,247)
Other				<u>1,675</u>
Total general revenues (expenses)				<u>(2,572)</u>
Change in net position				(293,245)
Net position, beginning of year				<u>2,085,424</u>
Net position, end of year				<u>\$ 1,792,179</u>

The notes to the financial statements are an integral part of these statements.

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022**

	Major Funds			
	General	Market Development Program	Missouri Brownfields Revolving Loan Fund	Total Governmental Funds
ASSETS				
Cash	\$ 74,551	\$ 117,396	\$ 345,022	\$ 536,969
Investments	1,681,249	-	-	1,681,249
Accounts and grants receivable	28,574	287,416	-	315,990
Accrued interest	1,046	-	-	1,046
Due from other funds	43,548	-	-	43,548
Prepaid and other assets	5,000	-	-	5,000
Total assets	<u>\$ 1,833,968</u>	<u>\$ 404,812</u>	<u>\$ 345,022</u>	<u>\$ 2,583,802</u>
LIABILITIES				
Accounts payable	\$ 4,403	\$ 8,299	\$ 15	\$ 12,717
Accrued liabilities	37,720	745	-	38,465
Due to other funds	-	42,873	675	43,548
Total liabilities	<u>42,123</u>	<u>51,917</u>	<u>690</u>	<u>94,730</u>
FUND BALANCES				
Nonspendable - prepaid assets	5,000	-	-	5,000
Restricted for market development programs	-	352,895	-	352,895
Restricted for Brownfields program	-	-	344,332	344,332
Unassigned	1,786,845	-	-	1,786,845
Total fund balances	<u>1,791,845</u>	<u>352,895</u>	<u>344,332</u>	<u>2,489,072</u>
Total liabilities and fund balances	<u>\$ 1,833,968</u>	<u>\$ 404,812</u>	<u>\$ 345,022</u>	<u>\$ 2,583,802</u>

The notes to the financial statements are an integral part of these statements.

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2022**

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - governmental funds		\$ 2,489,072
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds:		
Governmental capital assets	62,022	
Right of use asset - financing lease	198,358	
Less accumulated depreciation and amortization	(85,008)	
Capital assets, net		175,372
Deferred outflows of resources are not financial resources and, therefore, are not reported in the governmental funds:		
Deferred outflows of resources - pension contributions	51,474	
Deferred outflows of resources - pension other	165,589	
Deferred outflows of resources - OPEB contributions	9,145	
Deferred outflows of resources - OPEB other	30,790	
Total deferred outflows of resources		256,998
Long-term liabilities, including deferred inflows of resources, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds:		
Net pension liability	(684,024)	
Net OPEB liability	(245,621)	
Deferred inflows of resources - pension related	(157,628)	
Deferred inflows of resources - OPEB related	(141,152)	
Financing lease	(173,437)	
Total long-term liabilities		(1,401,862)
Other long-term assets are not available to pay for current period expenditures and, therefore, are not recorded in the governmental funds:		
Brownfields advances and loans, net of repayments of \$532,568		272,599
Net position of governmental activities		<u><u>\$ 1,792,179</u></u>

The notes to the financial statements are an integral part of these statements.

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022**

	Major Funds			
	General	Market Development Program	Missouri Brownfields Revolving Loan Fund	Total Governmental Funds
REVENUES				
General operations	\$ 191,738	\$ -	\$ -	\$ 191,738
Market development intergovernmental revenue	-	968,987	-	968,987
Brownfields loan repayments, including interest payments of \$2,962	-	-	46,574	46,574
Investment income (loss), net	(4,341)	94	-	(4,247)
Other	1,675	-	-	1,675
Total revenues	189,072	969,081	46,574	1,204,727
EXPENDITURES				
Personnel services	341,610	64,500	-	406,110
Contractual services	-	818,119	24,908	843,027
Operating expenditures	125,518	90,877	-	216,395
Total expenditures	467,128	973,496	24,908	1,465,532
Net change in fund balances	(278,056)	(4,415)	21,666	(260,805)
Fund balances, beginning of year	2,069,901	357,310	322,666	2,749,877
Fund balances, end of year	<u>\$ 1,791,845</u>	<u>\$ 352,895</u>	<u>\$ 344,332</u>	<u>\$ 2,489,072</u>

The notes to the financial statements are an integral part of these statements.

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (260,805)
--	--------------

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. The following is the detail of the amount by which capital outlays were greater than depreciation and amortization expense in the current period.

Depreciation and amortization expense	(25,651)	
Capital outlay capitalized as assets	200,843	175,192

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Pension expense	12,949	
OPEB expense	10,548	23,497

The issuance of financing leases provides current financial resources to governmental funds, while the repayment of the principal consumes the current financial resources of governmental funds. The following is the detail of the net effect of these differences in the treatment of financing leases and related items.

Finance lease proceeds	(198,358)	
Repayment of principal	24,921	(173,437)

Governmental funds report long-term loan repayments as revenues, which are not reported as revenues in the statement of activities:

Brownfields loan repayments	(43,572)
-----------------------------	----------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:

Change in deferred inflows of resources	(14,120)
---	----------

Change in net position of governmental activities	\$ (293,245)
---	--------------

The notes to the financial statements are an integral part of these statements.

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS**

June 30, 2022

	Total Custodial Funds
ASSETS	
Cash	\$ 1,794,037
Total assets	<u>1,794,037</u>
NET POSITION	
Amount held for others	<u>1,794,037</u>
Total net position	<u><u>\$ 1,794,037</u></u>

The notes to financial statements are an integral part of these statements.

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS**

For the Year Ended June 30, 2022

	Total Custodial Funds
ADDITIONS	
Utility payments	\$ 319,564
Management payments	12,500
Investment income	453
Total additions	332,517
DISBURSEMENTS	
Distributions to others	887,406
Administrative expenses	32,103
Total deductions	919,509
Change in net position	(586,992)
Net position, beginning of year	2,381,029
Net position, end of year	\$ 1,794,037

The notes to financial statements are an integral part of these statements.

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

1. BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES

Background and purpose: The State Environmental Improvement and Energy Resources Authority (the Authority), created in 1972, is an independent, self-supporting, quasi-governmental agency, governed by a five-member Board appointed by the Governor of the State of Missouri (the State). The Authority is administratively placed in the Missouri Department of Natural Resources. The State's accountability for the Authority does not extend beyond making the Board appointments.

Due to the special independent status as "a body corporate and politic," the Authority is authorized to finance, acquire, construct and equip projects for the purpose of reducing, preventing or controlling pollution and to provide for the development of energy resources of the State. The usual method of financing is through the issuance of tax-exempt revenue bonds and notes. The Authority receives fees for services provided in the issuance process.

The Authority is also empowered to conduct environmental and energy research and development activities, develop alternative methods of financing environmental and energy projects, and assist Missouri communities, organizations, and businesses in obtaining low-cost funds and other financial assistance for projects related to the Authority's purposes.

The Authority has also been mandated by the General Assembly (RSMo 260.005 through 260.125) to implement a number of projects in cooperation with the Department of Natural Resources and the Department of Economic Development, including administering the Missouri Market Development Program, which provides market development assistance through technical and financial support to businesses and organizations that develop marketable end-products from recycled materials. Funding for this program is provided through the Solid Waste Management Fund created by Senate Bill 530, passed in 1990 and subsequently amended.

The Authority, in cooperation with the Department of Natural Resources and other agencies, established and operates the State Revolving Fund (SRF), which provides financing to communities and districts for construction of clean water and drinking water projects.

The Authority is also a provider of technical research for the State. Studies have been requested by the General Assembly and have been conducted on numerous energy and environmental issues, including energy usage and efficiency and solid and hazardous waste. Partnerships have also been created with entities, both public and private, to promote and educate Missouri's citizens on a variety of environmental and energy related topics.

The Authority is a discretely presented component unit of the State as defined by Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity*, as the Authority does not meet the qualification for blending.

The basic financial statements of the Authority include all of the funds relevant to the operations of the Authority. The financial statements presented herein do not include agencies that have been formed under applicable state laws or separate and distinct units of government apart from the Authority that have been determined not to be component units.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. Financially accountable means the primary government is able to impose its will or the component unit may provide financial benefits or impose a burden on the primary government. In addition, component units can be other organizations for which the nature and significance of the relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading if excluded.

As required by generally accepted accounting principles, the Authority has evaluated the above criteria to determine whether any other entity meets the definition of a component unit and must be included in these financial statements. The Authority does not have any component units that meet the above criteria.

Basis of presentation: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report the overall information on the Authority without displaying individual funds. These statements exclude information about fiduciary activities where the Authority holds assets in an agency capacity for others since these funds cannot be used to support the Authority's own programs. The effect of interfund activities has also been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Investment income and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds and fiduciary funds, although the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Authority uses funds to report its financial position and results of its operations in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three categories – governmental, proprietary, and fiduciary.

The Authority reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Authority. It is used to account for all financial resources and activities of its basic operations except those required to be accounted for in another fund.

Market Development Program Fund (Special Revenue Fund) – The Market Development Program Fund is used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. This fund specifically accounts for activities of the Missouri Market Development Program as described in Note 7.

Missouri Brownfields Revolving Loan Fund (Special Revenue Fund) – The Missouri Brownfields Revolving Loan Fund is used to administer grant awards and cooperative agreements to states, political subdivisions, and tribes as described in Note 7.

Additionally, the Authority reports the following fiduciary type custodial funds:

Weatherization Program Fund – This custodial fund is used to account for the flow of funds from Ameren Gas, Ameren UE, Empire Electric, Empire Gas, Liberty Utilities, and Spire Inc. to recipient weatherization agencies within each company’s service area as further described in Note 8.

Natural Resources Damages Program Fund – This custodial fund is used to account for the flow of settlement funds used to acquire, rehabilitate and/or preserve natural resources as further described in Note 8.

Basis of accounting: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

The governmental fund and fiduciary funds financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. As such, the Authority recognizes revenue on application fees when received since the fees are nonrefundable and the earnings process is complete in a short period of time.

The Authority recognizes revenue on issuance fees at the time of issuance of the related bonds since, until actual issuance, the amount or the certainty of receiving the issuance fee is not determinable. The Authority considers revenues to be available if they are collected within 90-days of the end of the current fiscal period. Expenditures related to bond issuances are recognized when incurred as there is no reasonable method of allocating them to issuance revenues because of the above-mentioned uncertainties. Grant revenues are recognized when reimbursable grant expenditures are made.

The Authority’s general spending prioritization policy is to consider restricted resources to have been used first, followed by committed, assigned, and unassigned amounts when expenditures have been incurred for which resources in more than one classification could be used.

Sometimes the Authority will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Investments: State statutes and legal opinions authorize the Authority to invest in certain types of investments including, but not limited to, certificates of deposit, U.S. Treasury and federal agency securities, and obligations of the state of Missouri. The Authority reports investments at fair value in the financial statements, with changes in fair value reported as an item of revenue or expense in the statement of revenues, expenditures, and changes in fund balances. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or a liquidation sale.

Advances and loans receivable: Advances and loans receivable consist of advances and loans made to participants under the Brownfields Revolving Loan Fund Program. Management assesses the allowance for estimated uncollectible accounts on a loan-by-loan basis. All advances and loans are deemed fully collectible as of June 30, 2022.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri State Employees' Retirement System (MOSERS) and additions to/deductions from MOSERS' fiduciary net position have been determined on the same basis as they are reported by MOSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other post-employment benefits (OPEB): For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported. For this purpose, employer contributions are recognized as revenue when due and payable. Benefits are recognized when due and payable in accordance with the terms of the plan.

Deferred outflows/inflows of resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources until then. Items that qualify for reporting in this category include pension contributions and other related activity in connection with the pension and OPEB plans.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources until that time. Items that qualify for reporting in this category include activity in connection with the pension and OPEB plans.

Equity: In the governmental funds' financial statements, fund balance is displayed in five components as follows:

Nonspendable – This consists of amounts that are not in a spendable form or are legally or contractually required to be maintained intact.

Restricted – This consists of amounts that are constrained to specific purposes by their providers, through constitutional provisions, or by enabling legislation.

Committed – This consists of amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority (the Board of Directors). The Board of Directors can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken to remove or revise the limitation.

Assigned – This consists of amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The Board of Directors can assign fund balance; however, an additional formal action does not have to be taken for the removal of the assignment.

Unassigned – This consists of amounts that are available for any purpose and can only be reported in the General Fund.

The Authority did not have any committed or assigned fund balance as of June 30, 2022.

In the government-wide financial statements, net position is displayed in three components as follows:

Net investment in capital assets – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted – This consists of amounts that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted – This consists of net amounts that do not meet the definition of “net investment in capital assets” or “restricted.”

Conduit debt obligations: Notes and bonded indebtedness issued by the Authority to pay for the costs of projects which provide for the conservation of air, land and water resources, and reduce the pollution thereof, and for proper methods of disposing of solid waste materials are not liabilities of the Authority or the State but are the liability of the organization to which title of the project passes. Accordingly, such conduit debt obligations are not reported as liabilities in the accompanying statement of net position. As of June 30, 2022, the aggregate principal amount of such obligations payable totaled approximately \$650 million.

Estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent events: Events that have occurred subsequent to June 30, 2022, have been evaluated through September 6, 2022, which represents the date the Authority’s financial statements were approved by management and therefore were available to be issued.

The Authority closed on a \$5,000,000 bond transaction on July 12, 2022. The Authority expects to close on a \$11,349,100 bond transaction on September 27, 2022.

2. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority’s deposits may not be returned to it. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Authority will not be able to recover the value of investments or collateral securities that are in possession of the outside party. As of June 30, 2022, no investments were uninsured and unregistered, and all securities were held by the counterparty or by its trust department or agent in the Authority’s name.

The Authority’s deposits consist of cash and investments on deposit with various financial institutions. As of June 30, 2022, the carrying amount of the Authority’s deposits was \$2,218,218.

As of June 30, 2022, the Authority's bank balance was exposed to custodial credit risk as follows:

Bank balance

Amount insured by the Federal Deposit Insurance Corporation (FDIC)	\$ 751,000
Amount collateralized with securities held by financial institutions pledged in the Authority's name	<u>1,707,218</u>
Total bank balance	<u><u>\$ 2,458,218</u></u>

As required by State law, the depository bank is to pledge securities in addition to FDIC coverage to equal the amount on deposit at all times. As of June 30, 2022, all deposits were fully collateralized.

Investment Policy

State statutes and legal opinions authorize the Authority to invest in certain types of investments including, but not limited to, certificates of deposit, U.S. Treasury and federal agency securities, and obligations of Missouri.

Investments were as follows as of June 30, 2022:

Certificates of deposit	\$ 500,000
U.S. Treasury notes	<u>1,181,249</u>
	<u><u>\$ 1,681,249</u></u>

Investment income (loss), net consists of the following for the year ended June 30, 2022:

Interest	\$ 8,060
Unrealized gains (losses)	<u>(12,307)</u>
	<u><u>\$ (4,247)</u></u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issue. As of June 30, 2022, the Authority held no single issue exceeding 5% of the portfolio.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Authority. As of June 30, 2022, all U.S. government and agency securities were guaranteed by the federal government.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Duration is a measure of a debt instrument's exposure to a change in interest rates and the related sensitivity of market price to parallel shifts in the yield curve. It uses the present value of cash flows as a percentage of the instruments' full price. The Authority's interest rate risk is mitigated through the duration of investments outlined in its investment policy.

Foreign Currency Risk

In accordance with its investment policy, the Authority did not hold any foreign investments or currency as of June 30, 2022.

3. FAIR VALUE MEASUREMENTS

For assets and liabilities required to be reported at fair value, U.S. generally accepted accounting principles prescribes a framework for measuring fair value and financial statement disclosures about fair value measurements. A fair value hierarchy has been established that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

The fair value hierarchy as prescribed by U.S. generally accepted accounting principles is as follows:

- Level 1 Valuation is based upon quoted prices (unadjusted) in active markets for identical assets or liabilities that the Authority has the ability to access.
- Level 2 Valuation is based upon quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals.
- Level 3 Valuation is generated from model-based techniques that use at least one significant assumption based on unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Authority's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

The Authority's assets and liabilities measured at fair value on a recurring basis as of June 30, 2022, aggregated by the level in the fair value hierarchy within which those measurements fall, are as follows:

Description	Total	Level 1	Level 2	Level 3
Certificates of deposit	\$ 500,000	\$ -	\$ 500,000	\$ -
U.S. Treasury notes	1,181,249	-	1,181,249	-
	<u>\$ 1,681,249</u>	<u>\$ -</u>	<u>\$ 1,681,249</u>	<u>\$ -</u>

4. BROWNFIELDS ADVANCES AND LOANS RECEIVABLE

As of June 30, 2022, advances of \$272,599 on one project in progress had been converted into a loan receivable. Monthly principal and interest payments were required to be paid for this project beginning on November 1, 2015. For the year ended June 30, 2022, \$43,572 was paid on the principal balance of this project.

5. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2022 is as follows:

	Beginning balance	Additions	Disposals	Ending balance
Office furniture and equipment	\$ 59,537	\$ 2,485	\$ -	\$ 62,022
Right of use asset - financing lease	-	198,358	-	198,358
	59,537	200,843	-	260,380
Less: accumulated depreciation/ amortization	(59,357)	(25,651)	-	(85,008)
Capital assets, net	\$ 180	\$ 175,192	\$ -	\$ 175,372

6. FINANCING LEASE

The Authority has entered into a lease agreement for its office space through October 31, 2026, with payments due monthly. See Note 5 for additional information regarding the right of use asset related to this financing lease. The following is a schedule of the future minimum lease payments under the financing lease for the years ending June 30:

2023	\$ 38,129
2024	39,276
2025	40,452
2026	41,664
2027	13,916
Total	\$ 173,437

7. PROGRAMS

The Authority conducts a variety of programs, which include the following:

State Revolving Fund Program

The Missouri State Revolving Fund (SRF) Program was initiated cooperatively by the Authority and the Missouri Department of Natural Resources (DNR) in November 1987. The SRF Program was developed pursuant to Title VI of the Clean Water Act and was formally approved in 1990 by the Missouri Clean Water Commission and the U.S. Environmental Protection Agency (EPA). Amendments to the federal Safe Drinking Water Act in 1996 authorized a drinking water revolving loan program. Missouri developed its program and corresponding regulations around the Clean Water program. The new program was approved by the Missouri Safe Drinking Water Commission and the EPA.

The SRF Program is primarily a low-interest loan program; however, federal appropriations have also provided for subgrants beginning in 2009 with the American Recovery and Reinvestment Act. The program provides funding to communities for water and wastewater infrastructure at subsidized interest rates. Currently, interest rates are approximately 30% of tax-exempt municipal rates. Loans are amortized over a maximum of 20 years. In certain situations, loans are amortized over a maximum of 30 years (with

incremental interest rates). The monies in the fund can be reloaned or revolve in perpetuity for the benefit of other communities.

The SRF Program is funded through a combination of federal capitalization grants (83.33%) and State matching funds (16.67%). Historically, the State match for the Clean Water program was funded through the sale of general obligation Water Pollution Control Bonds, while the match for the Drinking Water program came from appropriated general revenue. Currently, the State match for both programs is provided primarily through the sale of matching bonds issued by the Authority.

Missouri Market Development Program

Pursuant to Senate Bill 530, Section 260.335, in March 1992, the Authority entered into an interagency agreement with the DNR and the Missouri Department of Economic Development to promote markets for recycled materials and to provide financial assistance for businesses which use recycled materials in making new products. The statute provides \$800,000 from solid waste tipping fees for the program annually; however, appropriations can vary from year to year. Solid waste tipping fees are a per ton fee levied on solid waste disposed at landfills and transported out of state for disposal through transfer stations.

The Authority's Market Development Program Fund is reimbursed by DNR for Authority program expenses. The Market Development Program Fund reimburses the Authority for staff time and overhead expenses incurred on behalf of the program. Such amounts totaled \$45,000 for fiscal year 2022 and are included in the statement of revenues, expenditures, and changes in fund balances – governmental funds in the Market Development Program Fund as both market development intergovernmental revenue and operating expenditures and in the General Fund as general operations revenues.

Missouri Brownfields Revolving Loan Fund

The Brownfields Revolving Loan Program is an EPA initiative under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA, 42 U.S.C. Section 9601) as amended by the Small Business Relief and Brownfields Revitalization Act. Under the program, funds are made available through grant awards and cooperative agreements to states, political subdivisions, and tribes. These grant funds are to provide for the establishment, administration/management and funding of a revolving loan and sub-grant program to clean up contaminated properties known as brownfields. The EPA defines brownfields as real property for which the expansion, redevelopment, or re-use may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.

The State's program is a cooperative effort between the EPA, the Authority, and the DNR. An initial grant of \$1,000,000 was awarded by the EPA in late 2005, with supplemental awards in 2011, 2013, 2014, and 2016 providing an additional \$2,500,000 in federal funds. The Authority is providing the required matching funds for these awards. A second grant of \$1,160,000 was awarded through the American Recovery and Reinvestment Act in 2010.

The 2005 program is funded through a combination of federal grants (83.33%) and Authority matching funds (16.67%), whereas the 2010 program is fully federally funded. The program enables participants to borrow cleanup funds for relatively short periods of time at low interest rates. In limited, exceptional circumstances, sub-grant funds may be available to eligible entities. Loan repayments will be made available to loan to additional applicants.

All federal grant funding expired in July 2020.

8. FIDUCIARY TYPE CUSTODIAL FUNDS

Weatherization Program

On July 16, 2002, AmerenUE entered into a Stipulation and Agreement to resolve the issues pending in Case Number EC-2002-1 before the Missouri Public Service Commission. As part of such agreement, AmerenUE agreed to create a Weatherization Fund for its low-income electric utility customers. The Weatherization Fund was to be initially funded with \$2,000,000 on September 1, 2002, and additional contributions of \$500,000 made each year for the following four years. A collaborative committee was established to develop plans by which the fund would be utilized.

The collaborative committee, consisting of staff of the Public Service Commission, Office of Public Counsel, AmerenUE, and the DNR/Division of Energy (DE), determined the funds would be deposited into an account established by the Authority (which would act as paying agent) and disbursed to weatherization agencies within the AmerenUE service area. Subsequently, the Authority, the DNR, the Public Service Commission and AmerenUE entered into a Cooperation and Funding Agreement outlining the responsibilities of the DE, the Authority, and AmerenUE relating to program administration.

On October 30, 2017, an agreement with The Empire District Electric Company (Empire Electric) and The Empire District Gas Company (Empire Gas) was established. Empire Electric will provide \$250,000 for the benefit of its electric customers. Empire Gas will provide \$71,500 for the benefit of its natural gas space-heating customers.

Annually, on or before October first, Empire shall remit a management payment of five (5) percent of its weatherization programs' total annual reported expenditures, not to exceed twelve-thousand five hundred dollars (\$12,500), to the Authority for the DE's administration and monitoring of the Weatherization Programs. The Authority may charge the DE \$1,150 for paying agent services and fees relating to the Empire Electric fund and \$525 for Empire Gas fund. The Authority's fee will be assessed against the \$12,500 and the balance transmitted to the DE.

The Authority was required to deposit all payments of the fund into an interest bearing and collateralized account and to disburse funds to the appropriate weatherization agency upon the receipt of a complete and signed disbursement request from the DE. The funds are to be distributed to weatherization agencies in each utility's service territory according to a formula established by the collaborative committee and are to be spent in a manner consistent with the Federal Weatherization Assistance Program as administered by DE.

All weatherization funds are administered in the same manner as described above. Weatherization monies are held in one bank account with each entity's monies accounted for separately. Interest earned is divided on a pro rata basis between each fund based upon its balance at the end of the month. Expenses are allocated between the funds on a pro rata basis according to each utility's annual contribution. Those expenses allocated to Ameren Gas, AmerenUE, Liberty Utilities, and Spire Inc. are paid from that utility's fund. Because of the Authority paying agent fee charged to DE for services and expenses relating to the Empire funds, expenses allocated to Empire will be paid by the Authority.

Funds held by the Authority under the terms of the agreement totaled \$243,649 as of June 30, 2022.

Natural Resource Damage Assessment and Restoration Program

The mission of the DNR's Natural Resource Damage Assessment and Restoration (NRD) Program is to restore natural resources damaged as a result of oil spills or hazardous substance releases into the environment. In partnership with affected federal trustee agencies, the NRD Program conducts damage assessments which are the first step toward resource restoration and are used to provide the basis for determining restoration needs that address the public's loss and use of natural resources.

Once the damages are assessed, the NRD Program negotiates legal settlements or takes other legal actions against the responsible parties for the spill or release. Funds collected from these settlements are then used to restore or replace the damaged resources at no expense to the taxpayer.

DNR and certain federal agencies act as Joint Trustees of funds collected from polluters. The funds may be used to purchase property, restore and maintain habitat and protect the resource into the future with a conservation easement; or acquire other land which may be restored, maintained and protected to replace what was lost or damaged. The Joint Trustees solicit participants who will acquire, restore, maintain and protect the land parcels and the natural resources involved with NRD funds. The Joint Trustees determine project priorities and direct the release of funds. The Authority assists the State Trustee by providing paying agent services.

Under a general NRD Memorandum of Understanding and specific Project Work Plans between the State Trustee and the Authority, certain NRD project funds are being held by the Authority which acts as a paying agent. Under the Project Work Plans, the Authority is required to deposit all NRD project funds into a collateralized account and to disburse amounts upon the receipt of a signed Authorization to Pay from the State Trustee. All project funds held by the Authority are accounted for separately by Project Work Plan or Resolution and interest earned is tracked on a pro rata basis between each based upon its balance at the end of the month.

Funds held by the Authority under the terms of the agreement totaled \$1,550,338 as of June 30, 2022.

9. COMMITMENTS

The Missouri Market Development Program Financial Assistance Awards are Board-approved and may be drawn upon throughout the agreement term. As of June 30, 2022, \$1,065,319 had been approved but not yet distributed.

10. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors and omissions; and workers' compensation claims. The Authority carries commercial insurance for property and theft of assets and workers' compensation. The Authority is self-insured for all other risks of loss.

The Authority had no material unpaid claims, liabilities, or settlements related to any loss in any of the past three years. There were no substantive changes made in the types and amounts of the Authority's insurance coverage during fiscal year 2022.

11. DEFINED BENEFIT PENSION PLAN

Plan description: Benefit eligible employees of the Authority are provided with pensions through the Missouri State Employees' Plan (MSEP) – a cost-sharing multiple-employer defined benefit pension plan administered by MOSERS. The plan is referred to as MOSERS in the notes. Chapter 104.320 of the Revised Statutes of Missouri grants the authority to establish a defined benefit plan for eligible state and other related agency employees. MOSERS issues an Annual Comprehensive Financial Report (ACFR), a publicly available financial report that can be obtained at www.mosers.org.

Benefits provided: MOSERS provides retirement, disability, and life insurance benefits to eligible employees. The base retirement benefits are calculated by multiplying the employee's final average pay by a specific factor multiplied by the years of creditable service. The factor is based on the specific plan in which the employee participates, which is based on the employee's hire date. Information on the three plans administered by MOSERS (MSEP, MSEP 2000, and MSEP 2011 retirement plans) and how eligibility and the benefit amount is determined for each plan may be found in the Notes to the Financial Statements of MOSERS' ACFR.

Contributions: Per Chapter 104.436 of the Revised Statutes of Missouri, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board. Employees in the MSEP 2011 Plan are required to contribute 4.0 percent of their annual pay. The Authority's required contribution rate for the year ended June 30, 2022 was 22.88 percent of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Net pension liability: As of June 30, 2022, the Authority reported a liability of \$684,024 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was offset by the fiduciary net position obtained from MOSERS ACFR as of June 30, 2021, to determine the net pension liability.

The Authority's proportion of the net pension liability was based on the Authority's actual share of contributions to the pension plan relative to the actual contributions of all participating employers for MOSERS plan year ended June 30, 2021. At the June 30, 2021 measurement date, the Authority's proportion was 0.01224 percent, an increase from its proportion of 0.01139 percent as of the June 30, 2020, measurement date.

There were no changes to the benefit terms during the MOSERS plan year ended June 30, 2021, that affected the measurement of total pension liability.

Actuarial assumptions: The total pension liability in the June 30, 2021 actuarial valuation, which is also the measurement date, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.75% to 10.00%, including inflation
Wage inflation	2.25%
Investment rate of return	6.95%, compounded annually, net after investment expenses and including inflation

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study covering the five-year period ended June 30, 2020. In addition, the actuarial assumptions used in the June 30, 2021 valuation changed from the June 30, 2020 valuation as follows: salary increases changed from 2.75% to 8.25%, including inflation, to 2.75% to 10.00%, including inflation, and different mortality tables were used.

Mortality: Pre-retirement mortality rates were based on the Pub-2010 General Members Below Median Employee mortality table, set back two years for males and set forward one year for females. Mortality was projected generationally from 2010 to 2020 using Scale MP-2020 and 75% of Scale MP-2020 for years after 2020. Post-retirement mortality rates for retirees were based on the Pub-2010 General Members Below Median Healthy Retiree mortality table, scaled by 104%, set back two years for males and set forward one year for females. Mortality projected generationally from 2010 to 2020 using Scale MP-2020 and 75% of Scale MP-2020 for years after 2020. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Members Below Median Contingent Survivor mortality table, set back two years for males and set forward one year for females. Mortality was projected generationally from 2010 to 2020 using Scale MP-2020 and 75% of Scale MP-2020 for years after 2020.

Long-term investment rate of return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate rates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the MOSERS target asset allocation based on risk as of June 30, 2021 are summarized in the table below:

Asset Class	Policy Allocation	Long-term Expected Nominal Return*	Long-term Expected Real Return	Weighted Average Long-Term Expected Nominal Return
Global public equities	30.0%	7.7%	5.8%	2.3%
Global private equities	15.0%	9.3%	7.4%	1.4%
Long treasuries	25.0%	3.5%	1.6%	0.9%
Core bonds	10.0%	3.1%	1.2%	0.3%
Commodities	5.0%	5.5%	3.6%	0.3%
TIPS	25.0%	2.7%	0.8%	0.7%
Private real assets	5.0%	7.1%	5.2%	0.3%
Public real assets	5.0%	7.7%	5.8%	0.4%
Hedge funds	5.0%	4.8%	2.9%	0.2%
Alternative beta	10.0%	5.3%	3.4%	0.5%
Private credit	5.0%	9.5%	7.6%	0.5%
Cash and cash equivalents**	-40.0%	0.0%	0.0%	0.0%
	<u>100.0%</u>			
Correlation/Volatility Adjustment				-0.6%
Long-Term Expected Net Nominal Return				7.2%
Less: Investment Inflation Adjustment				-1.9%
Long-Term Expected Geometric Net Real Return				<u>5.3%</u>

* Long-term expected arithmetic returns of the asset classes at the time of the asset allocation study for each portfolio.

** Cash and cash equivalents policy allocation amounts are negative due to use of leverage.

Discount rate: The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate: The following table presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what the Authority's proportionate share of the net pension liability would be if calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate.

	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
Authority's proportionate share of the net pension liability	\$ 901,946	\$ 684,024	\$ 502,600

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued MOSERS ACFR.

Pension expense: For the year ended June 30, 2022, the Authority recognized pension expense of \$38,129.

Deferred outflows of resources and deferred inflows of resources: As of June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,907	\$ (3,026)
Changes in assumptions	47,841	-
Net difference between projected and actual earnings on pension plan investments	-	(123,322)
Changes in proportion and differences between: Authority contributions and proportionate share of contributions	106,841	(31,280)
Authority contributions subsequent to the measurement date of June 30, 2021	51,474	-
	<u>\$ 217,063</u>	<u>\$ (157,628)</u>

The \$51,474 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date of June 30, 2021 will be recognized as a reduction of the net pension liability in the Authority's financial statements during the year ending June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the Authority's fiscal year following MOSERS' fiscal year as follows:

Plan year ending June 30:

2022	\$ 56,792
2023	20,857
2024	(33,041)
2025	(36,647)
2026	-
	<hr/>
	\$ 7,961
	<hr/>

Payables to the pension plan: The Authority did not report any payables to MOSERS as of June 30, 2022.

12. OTHER POST-EMPLOYMENT (OPEB) PLAN

Plan description: MOSERS participates as an employer in a cost-sharing, multiple-employer, defined benefit, other post-employment benefits plan, the State Retiree Welfare Benefit Trust (SRWBT), operated by Missouri Consolidated Health Care Plan (MCHCP). Employees may participate at retirement if eligible to receive a monthly retirement benefit from MOSERS. The terms and conditions governing post-employment benefits are vested with the MCHCP Board of Trustees within the authority granted under Chapter 103 of the Revised Statutes of Missouri (2000) as amended (RSMo) 103.003 through 103.178. The SRWBT does not issue a separate stand-alone financial report. Financial activity of the SRWBT is included in the *MCHCP Annual Comprehensive Financial Report* as a fiduciary fund and is intended to present only the financial position of the activities attributable to the SRWBT. Additionally, MCHCP is considered a component unit of the State reporting entity and is included in the State's ACFR.

The plan's financial statements are available on MCHCP's website at www.mchcp.org.

Benefits: The SRWBT was established and organized on June 27, 2008, to provide health and welfare benefits for the exclusive benefit of current and future retired employees of the State and their dependents who meet eligibility requirements, except for those retired members covered by other OPEB plans of the State. MCHCP's three medical plans offer the same basic coverage such as preventative care, freedom to choose care from a nationwide network of primary care providers, specialists, pharmacies and hospitals, usually at a lower negotiated group discount and the same covered benefits for both medical and pharmacy. Benefits are the same in all three plans; other aspects differ such as premium, deductible and out of pocket costs. Retiree benefits are the same as for active employees.

Contributions: Contributions are established and may be amended by the MCHCP Board of Trustees. For the fiscal year ended June 30, 2021, employers were required to contribute 4.29% for the period July 1, 2020 through December 31, 2020 and 4.22% for the period January 15, 2021 through June 30, 2021, of gross active employee payroll. Employees do not contribute to this plan. No payables to MCHCP were outstanding at year end.

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources: As of June 30, 2022, the Authority reported a liability of \$245,621 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities, actuarially determined. As of June 30, 2021, the Authority's proportion was 0.0144%.

For the year ended June 30, 2022, the Authority recognized OPEB expense of (\$916).

As of June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ 9,254	\$ (3,315)
Assumption changes	-	(30,823)
Net difference between projected and actual earnings on plan investments	-	(746)
Changes in proportion and differences between employer contributions and proportionate share of contributions	21,536	(106,268)
Authority contributions subsequent to the measurement date of June 30, 2021	9,145	-
	<u>\$ 39,935</u>	<u>\$ (141,152)</u>

The \$9,145 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date of June 30, 2021 will be recognized as a reduction of the net OPEB liability in the Authority's financial statements during the year ending June 30, 2023.

Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Plan year ending June 30:

2023	\$ 18,579
2024	18,710
2025	18,736
2026	18,841
2027	18,175
Thereafter	17,321
	<u>\$ 110,362</u>

Actuarial assumptions: The collective total OPEB liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of January 1, 2021, with updated procedures used to roll forward the total OPEB liability to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

Valuation year	July 1, 2020 - June 30, 2021
Actuarial cost method	Entry age normal, level percentage of payroll
Asset valuation method	Market value
Discount rate (blended)	4.50%
Projected payroll growth	4.00%
Inflation rate	3.00%
Health care cost trend rate (medical & prescription drugs combined):	
Non-Medicare	6.50% for fiscal year 2022 (rate decreases by 0.25% per year to an ultimate rate of 5.00% in fiscal year 2028 and later)
Medicare	9.00% for fiscal year 2022 (13.50% in fiscal year 2023, 12.50% in fiscal year 2024, 11.50% in fiscal year 2025, 10.50% in fiscal year 2026, then decreasing by 0.75% per year to an ultimate rate of 5.0% in fiscal year 2034 and later)

Mortality: Pri-2012 for Employees/Annuitants without collar adjustments using Scale MP-2021.

The last experience study was conducted in 2020. Termination rates and retirement rates are updated based on an experience study conducted in 2020. Participant and dependent coverage assumptions were updated based upon an experience study conducted in July 2020. Per capita claims costs, administrative expenses and retirees contributions were updated based on analysis of 2022 rates.

A discount rate of 4.50% was used to measure the total OPEB liabilities. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and the contributions will be made at statutorily required rates, actuarially determined. This discount rate was determined as a blend of the best estimate of the expected return on plan assets and the 20-year high quality municipal bond rate as of the measurement date. For years where expected benefit payments can be covered by projected trust assets, expected returns are used. For years where payments are not expected to be covered by trust assets, the municipal Bond Buyer 20-Bond General Obligation Index rate is utilized.

Sensitivity of the Authority's proportionate share of the net OPEB Liability to changes in the discount rate: The following table presents the Authority's net OPEB liability, calculated using a discount rate of 4.50%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher.

	1% Decrease in Discount Rate (3.50%)	Current Discount Rate (4.50%)	1% Increase in Discount Rate (5.50%)
Authority's proportionate share of the net OPEB liability	\$ 293,597	\$ 245,621	\$ 207,674

Sensitivity of the Authority's proportionate share of the net OPEB liability to changes in the health care cost trend rates: The following table presents the Authority's net OPEB liability, calculated using the current trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Authority's proportionate share of the net OPEB liability	\$ 207,071	\$ 245,621	\$ 294,372

Long-term expected rate of return: The target allocation and expected real rate of return for each major asset class are listed below:

	Target Allocation	Expected Real Rate of Return
Large cap stocks	18.0%	8.5%
Mid cap stocks	7.0%	8.8%
Small cap stocks	9.0%	8.8%
International stocks	5.0%	8.9%
BarCap aggregate bonds	59.0%	2.7%
Cash equivalents	2.0%	2.2%
	100.0%	

13. ADOPTION OF NEW ACCOUNTING STANDARD

During the year ended June 30, 2022, the Authority implemented Governmental Accounting Standards Board Statement 87, *Leases*, which improved accounting and financial reporting for leases by requiring the recognition of certain lease assets and liabilities for leases previously classified as operating leases. These changes were incorporated in the Authority's financial statements as of and for the year ended June 30, 2022 and had no effect on beginning net position.

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET TO ACTUAL
For the Year Ended June 30, 2022**

	Budget	Actual	Variance Positive/ (Negative)
REVENUES			
General operations	\$ 302,500	\$ 191,738	\$ (110,762)
Investment income (loss)	20,000	(4,341)	(24,341)
Miscellaneous income	1,675	1,675	-
Total revenues	<u>324,175</u>	<u>189,072</u>	<u>(135,103)</u>
EXPENDITURES			
Personnel services:			
Per diem	750	375	375
Office salaries	300,000	219,764	80,236
Payroll taxes and fringe benefits	150,000	120,235	29,765
Travel - staff	7,500	1,109	6,391
Travel - Board	1,500	127	1,373
Total personnel services	<u>459,750</u>	<u>341,610</u>	<u>118,140</u>
Operating expenditures:			
SRF legal fees	5,000	-	5,000
Legal fees - general	10,000	10,478	(478)
Legal fees - projects	1,000	-	1,000
Accounting fees	10,000	5,218	4,782
Audit fees	20,000	20,000	-
Miscellaneous professional fees	60,000	31,828	28,172
Equipment maintenance	500	-	500
Telephone	7,500	7,616	(116)
Office supplies and printing	2,000	1,032	968
Postage	1,000	317	683

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET TO ACTUAL**

For the Year Ended June 30, 2022

(Continued)

	Budget	Actual	Variance Positive/ (Negative)
Operating expenditures (continued):			
Membership dues	4,000	2,950	1,050
Conference registration fees	2,000	474	1,526
Training	1,500	-	1,500
Board meetings	750	36	714
Miscellaneous and administrative	300	272	28
Workers' compensation contingency	4,500	-	4,500
Advertising/legal notices	1,500	-	1,500
Office maintenance	200	12	188
Rent	38,000	37,018	982
Insurance	800	734	66
Equipment expense	2,000	3,758	(1,758)
Computer equipment	5,500	3,775	1,725
Total operating expenditures	178,050	125,518	52,532
Total expenditures	637,800	467,128	170,672
(Deficiency) of revenues (under) expenditures	(313,625)	(278,056)	35,569
Net change in fund balance	\$ (313,625)	\$ (278,056)	\$ 35,569

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**MARKET DEVELOPMENT PROGRAM
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET TO ACTUAL
For the Year Ended June 30, 2022**

	Budget	Actual	Variance Positive/ (Negative)
REVENUES			
Market development intergovernmental revenue	\$ 2,414,906	\$ 968,987	\$ (1,445,919)
Investment income	-	94	94
Total revenues	2,414,906	969,081	(1,445,825)
EXPENDITURES			
Personnel services:			
Administrative:			
Payroll and related expenses	80,000	64,219	15,781
Travel	1,000	281	719
Total personnel services	81,000	64,500	16,500
Contractual services:			
Business assistance:			
Encumbered direct financial assistance	1,130,483	229,119	901,364
Current year direct financial assistance	1,008,173	589,000	419,173
Business initiatives	100,000	-	100,000
Business initiatives - encumbered	250	-	250
Total contractual services	2,238,906	818,119	1,420,787
Operating expenditures:			
Administrative:			
Training	1,000	-	1,000
Legal fees	2,000	192	1,808
Conference/registration	1,500	-	1,500
Accounting fees	2,500	2,675	(175)
Membership fees	1,500	323	1,177
Direct costs	5,000	3,198	1,802

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**MARKET DEVELOPMENT PROGRAM
SCHEDULE OF REVENUES AND EXPENDITURES**

BUDGET TO ACTUAL

For the Year Ended June 30, 2022

(Continued)

	Budget	Actual	Variance Positive/ (Negative)
Operating expenditures (continued):			
Sponsorships	10,000	2,500	7,500
Authority costs	45,000	45,000	-
Business assistance:			
Legal fees	25,000	36,210	(11,210)
Travel expense	1,500	779	721
Total operating expenditures	95,000	90,877	4,123
Total expenditures	2,414,906	973,496	1,441,410
(Deficiency) of revenues (under) expenditures	-	(4,415)	(4,415)
Net change in fund balance	\$ -	\$ (4,415)	\$ (4,415)

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**MISSOURI BROWNFIELDS REVOLVING LOAN FUND
SCHEDULE OF REVENUES AND EXPENDITURES**

BUDGET TO ACTUAL

For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive/ (Negative)
REVENUES			
Brownfields grants	\$ 320,728	\$ -	\$ (320,728)
Loan repayments	45,000	46,574	(1,574)
Total revenues	365,728	46,574	(322,302)
EXPENDITURES			
Personnel services:			
Office salaries	7,500	-	7,500
Travel	250	-	250
Total personnel services	7,750	-	7,750
Contractual services:			
Loans and subgrants	306,978	20,159	286,819
Contracts	50,000	4,749	45,251
Total contractual services	356,978	24,908	332,070
Operating expenditures:			
Administrative:			
Supplies	1,000	-	1,000
Total operating expenditures	1,000	-	1,000
Total expenditures	365,728	24,908	340,820
Excess of revenues over expenditures	-	21,666	21,666
Net change in fund balance	\$ -	\$ 21,666	\$ 21,666

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLAN

SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	June 30, 2022*	June 30, 2021*	June 30, 2020*	June 30, 2019*
Authority's proportion of the net pension liability	0.0122%	0.0114%	0.0075%	0.0160%
Authority's proportionate share of the net pension liability	\$ 684,024	\$ 722,862	\$ 453,025	\$ 892,985
Authority's covered payroll	\$ 246,604	\$ 227,554	\$ 227,554	\$ 311,151
Authority's proportionate share of the net pension liability as percentage of its covered payroll	277.38%	317.67%	199.08%	286.99%
Plan fiduciary net position as a percentage of the total pension liability	63.00%	55.48%	56.72%	59.02%
	June 30, 2017*	June 30, 2017*	June 30, 2016*	June 30, 2015*
Authority's proportion of the net pension liability	0.0182%	0.0183%	0.0200%	0.0160%
Authority's proportionate share of the net pension liability	\$ 947,247	\$ 851,010	\$ 535,756	\$ 376,439
Authority's covered payroll	\$ 358,060	\$ 355,050	\$ 322,981	\$ 318,450
Authority's proportionate share of the net pension liability as percentage of its covered payroll	264.55%	239.69%	165.88%	118.21%
Plan fiduciary net position as a percentage of the total pension liability	60.41%	63.60%	72.62%	79.49%

*Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

Note: This schedule will ultimately contain 10 years of data.

SCHEDULE OF AUTHORITY CONTRIBUTIONS

	June 30, 2022*	June 30, 2021*	June 30, 2020*	June 30, 2019*
Required contribution	\$ 56,423	\$ 49,538	\$ 51,283	\$ 60,519
Contributions in relation to the required contribution	\$ 56,423	\$ 49,538	\$ 51,283	\$ 60,519
Authority's covered payroll	\$ 246,604	\$ 227,554	\$ 227,554	\$ 311,151
Contributions as a percentage of covered payroll	22.88%	21.77%	22.54%	19.45%
	June 30, 2018*	June 30, 2017*	June 30, 2016*	June 30, 2015*
Required contribution	\$ 60,763	\$ 60,252	\$ 54,810	\$ 52,107
Contributions in relation to the required contribution	\$ 60,763	\$ 60,252	\$ 54,810	\$ 52,107
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 358,060	\$ 355,050	\$ 322,981	\$ 318,450
Contributions as a percentage of covered payroll	16.97%	16.97%	16.97%	16.36%

*Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

Note: This schedule will ultimately contain 10 years of data.

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION – OPEB PLAN

SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

	June 30, 2022*	June 30, 2021*	June 30, 2020*
Authority's proportion of the net OPEB liability	0.0144%	0.0129%	0.0136%
Authority's proportionate share of the net OPEB liability	\$ 245,621	\$ 231,553	\$ 231,553
Authority's covered payroll	\$ 248,320	\$ 206,538	\$ 217,745
Authority's proportionate share of the net OPEB liability as percentage of its covered payroll	98.91%	112.11%	106.34%
Plan fiduciary net position as a percentage of the total OPEB liability	10.14%	8.24%	8.24%
	June 30, 2019*	June 30, 2018*	
Authority's proportion of the net OPEB liability	0.0190%	0.0221%	
Authority's proportionate share of the net OPEB liability	\$ 332,926	\$ 389,983	
Authority's covered payroll	\$ 306,275	\$ 354,575	
Authority's proportionate share of the net OPEB liability as percentage of its covered payroll	108.70%	109.99%	
Plan fiduciary net position as a percentage of the total OPEB liability	7.31%	6.81%	

*Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

Note: This schedule will ultimately contain 10 years of data.

SCHEDULE OF AUTHORITY CONTRIBUTIONS

	June 30, 2022*	June 30, 2021*	June 30, 2015*
Required contribution	\$ 10,700	\$ 9,367	\$ 11,195
Contributions in relation to the required contribution	\$ 10,700	\$ 9,367	\$ 11,195
Authority's covered payroll	\$ 248,320	\$ 206,538	\$ 217,745
Contributions as a percentage of covered payroll	4.31%	4.54%	5.14%
	June 30, 2019*	June 30, 2018*	
Required contribution	\$ 13,106	\$ 14,927	
Contributions in relation to the required contribution	\$ 13,106	\$ 14,927	
Authority's covered payroll	\$ 306,275	\$ 354,575	
Contributions as a percentage of covered payroll	4.28%	4.21%	

*Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

Note: This schedule will ultimately contain 10 years of data.

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS**

June 30, 2022

	Weatherization Fund	Natural Resource Damages Program Fund	Total Custodial Funds
ASSETS			
Cash	\$ 243,649	\$ 1,550,388	\$ 1,794,037
Total assets	<u>243,649</u>	<u>1,550,388</u>	<u>1,794,037</u>
NET POSITION			
Amount held for others	<u>243,649</u>	<u>1,550,388</u>	<u>1,794,037</u>
Total net position	<u><u>\$ 243,649</u></u>	<u><u>\$ 1,550,388</u></u>	<u><u>\$ 1,794,037</u></u>

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS**

For the Year Ended June 30, 2022

	Weatherization Fund	Natural Resource Damages Program Fund	Total Custodial Funds
ADDITIONS			
Utility payments	\$ 319,564	\$ -	\$ 319,564
Management payments	12,500	-	12,500
Investment income	62	391	453
Total additions	332,126	391	332,517
DEDUCTIONS			
Distributions to others	415,437	471,969	887,406
Administrative expenses	12,956	19,147	32,103
Total deductions	428,393	491,116	919,509
Change in net position	(96,267)	(490,725)	(586,992)
Net position, beginning of year	339,916	2,041,113	2,381,029
Net position, end of year	\$ 243,649	\$ 1,550,388	\$ 1,794,037

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**SCHEDULE OF INVESTMENTS HELD
June 30, 2022**

Description	Maturity Date	Interest/ Yield Rate	Fair Value
GENERAL FUND			
CERTIFICATES OF DEPOSIT:			
Certificate of deposit	8/17/2022	0.35%	\$ 500,000
Total certificates of deposit			<u>500,000</u>
U.S. TREASURY NOTES:			
U.S. Treasury note	2/28/2023	0.125%	884,531
U.S. Treasury note	4/30/2023	1.625%	148,447
U.S. Treasury note	5/31/2023	1.625%	148,271
Total U.S. Treasury notes			<u>1,181,249</u>
Total investments - General Fund			<u><u>\$ 1,681,249</u></u>

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

SCHEDULE OF TAX EXEMPT REVENUE BONDS ISSUED AND OUTSTANDING

June 30, 2022

Issued and Outstanding	Series	Closing Date	Original Issue Amount	Balance Outstanding June 30, 2022
Ameren UE	1998A	09/04/98	\$ 60,000,000	\$ 60,000,000
Ameren UE	1998B	09/04/98	50,000,000	50,000,000
Ameren UE	1998C	09/04/98	50,000,000	50,000,000
Associated Electric Cooperative, Refunding	2008	03/12/08	71,550,000	71,550,000
Henry County Water	2014A	10/30/14	7,515,000	3,440,000
Jefferson County Water	2021A	06/24/21	11,950,000	11,950,000
Jefferson County Water	2021B	06/24/21	145,000	145,000
Kansas City Power & Light	2008	05/22/08	23,400,000	23,400,000
SRF, Multiple Participant Refunding	2013A	11/26/13	101,535,000	59,205,000
SRF, Multiple Participant	2015A	02/05/15	29,935,000	11,815,000
SRF, Multiple Participant, Refunding	2015B	12/22/15	136,105,000	109,735,000
SRF, Multiple Participant	2018A	10/18/18	31,610,000	21,090,000
SRF, Multiple Participant Refunding	2020A	03/18/20	74,110,000	27,825,000
SRF, Multiple Participant Refunding	2020B	12/03/20	100,760,000	75,855,000
Tri-County Water Authority	2015	07/08/15	30,070,000	26,815,000
Union Electric	1992	12/03/92	47,500,000	47,500,000
			<u>\$ 826,185,000</u>	<u>\$ 650,325,000</u>

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

SCHEDULE OF TAX EXEMPT REVENUE BONDS ISSUED BUT MATURED

June 30, 2022

Issued but Refunded	Closing Date	Original Issue Amount
Alpha Portland Industries, Inc.	04/29/75	\$ 1,900,000
Alpha Portland Industries, Inc.	04/29/80	1,450,000
American Cyanamid Company	04/12/94	3,450,000
American Cyanamid Company	09/17/80	3,450,000
American Cyanamid Company	08/30/79	3,700,000
American Cyanamid Company	12/01/76	9,120,000
Ameren UE	03/09/00	63,500,000
Ameren UE	03/09/00	63,000,000
Ameren UE	03/09/00	60,000,000
Armco Corporation	12/17/75	13,350,000
Amoco Division Standard Oil	02/16/77	5,400,000
Associated Electric Cooperative, Inc.	01/25/80	95,000,000
Associated Electric Cooperative, Inc. (D)	03/19/81	36,000,000
Associated Electric Cooperative, Inc.	01/21/82	71,000,000
Associated Electric Cooperative, Inc. (A)	01/21/82	50,000,000
Associated Electric Cooperative, Inc. (J)	05/04/82	73,000,000
Associated Electric Cooperative, Inc. (N)	05/18/82	9,700,000
Associated Electric Cooperative, Inc. (Y)	12/16/82	55,900,000
Associated Electric Cooperative, Inc.	12/15/83	44,100,000
Associated Electric Cooperative, Inc.	11/15/84	153,125,000
Associated Electric Cooperative, Inc.	11/29/93	27,375,000
Associated Electric Cooperative, Inc.	05/01/96	127,415,000
Associated Electric Cooperative, Inc., 2007	10/01/07	71,550,000
Bayer Corporation	05/27/97	1,600,000
Chrysler Corporation	10/30/85	16,000,000
Chrysler Corporation	06/01/93	16,000,000
Community Development Notes, 1983	10/27/93	18,000,000
Community Development Notes, 1985	04/24/85	15,000,000
Community Development Notes, 1988	06/15/88	15,000,000
Empire District Electric Company	12/20/78	8,000,000
Empire District Electric Company	12/08/93	8,000,000
Energy Efficiency Master	02/07/02	4,910,000
Energy Efficiency Master	10/08/04	13,760,000
Energy Efficiency Master	01/25/06	14,775,000
Grant Anticipation Notes, 1982	12/16/82	24,500,000
Grant Anticipation Notes, 1983	11/17/83	44,100,000
Grant Anticipation Notes, 1985	07/09/85	90,000,000
Grant Anticipation Notes, 1986	07/15/86	65,000,000
Grant Anticipation Notes, 1989	03/02/89	14,850,000
Great Lakes Carbon	09/14/77	7,000,000
Great Lakes Container Corporation	07/24/80	800,000
Gulf & Western Industries, Inc. (Lone Star)	08/01/78	11,000,000
Henry County Water	05/01/96	13,000,000
Henry County Water	08/01/04	465,000

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

SCHEDULE OF TAX EXEMPT REVENUE BONDS ISSUED BUT MATURED

June 30, 2022

(continued)

Issued but Refunded	Closing Date	Original Issue Amount
Henry County Water	08/01/04	\$ 11,815,000
Kansas City Power & Light Company	07/19/78	31,000,000
Kansas City Power & Light Company	10/26/77	20,000,000
Kansas City Power & Light, Series 1993	10/13/93	12,366,000
Kansas City Power & Light	09/15/92	31,000,000
Lone Star Industries, Inc.	07/17/84	8,300,000
Lone Star Industries, Inc.	08/29/84	800,000
Metropolitan Sewer District, Series 1991	01/10/91	68,000,000
Metropolitan Sewer District, Series 1992A	01/14/92	85,000,000
Metropolitan Sewer District, Series 1993	12/09/93	50,000,000
Middlefork Water Company, Series 1992	05/28/92	2,000,000
Middlefork Water Company	05/24/01	1,620,000
Missouri-American Water Company	03/18/93	5,000,000
Missouri-American Water Company	07/01/96	6,000,000
Missouri-American Water Company	11/24/98	19,000,000
Missouri-American Water Company	02/01/98	4,500,000
Missouri-American Water Company	03/28/00	29,000,000
Missouri-American Water Company	04/24/02	15,000,000
Missouri-American Water Company	04/27/06	57,480,000
Missouri Cities Water	02/12/91	4,500,000
Mobay Chemical Corporation	04/18/75	7,500,000
Mobay Chemical Corporation	09/11/75	3,500,000
Mobay Chemical Corporation	03/15/78	11,000,000
Mobay Chemical Corporation	05/10/78	825,000
Mobay Chemical Corporation	04/18/79	11,000,000
Mobay Chemical Corporation	12/05/85	1,600,000
Monsanto Company	08/03/78	2,370,000
Monsanto Company	01/09/79	10,250,000
Monsanto Company	09/06/79	2,900,000
Monsanto Company	12/15/82	9,325,000
Monsanto Company	06/09/93	14,520,000
Monsanto Company	11/08/84	2,890,000
Monsanto Company	11/10/88	7,950,000
Monsanto Company	06/09/93	14,520,000
Noranda Aluminum, Inc.	04/27/76	10,500,000
Noranda Aluminum, Inc.	10/29/82	45,000,000
Raytown Water Company	04/23/92	3,000,000
Raytown Water Company	07/30/99	2,670,000
Raytown Water Company	09/26/08	970,000
Raytown Water Company	02/13/13	1,015,000
Reynolds Metal Company	12/31/85	750,000
River Cement Company	05/29/80	5,700,000
SRF, Branson	05/02/95	17,450,000

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

SCHEDULE OF TAX EXEMPT REVENUE BONDS ISSUED BUT MATURED

June 30, 2022

(continued)

Issued but Refunded	Closing Date	Original Issue Amount
SRF, Cape Girardeau	06/29/95	\$ 11,462,661
SRF, Multiple Participant 1992A	06/16/92	48,295,000
SRF, Kansas City	04/26/96	24,000,000
SRF, Kansas City	04/24/97	5,730,000
SRF, Kansas City	04/25/95	18,000,000
SRF, Kansas City	04/24/97	22,235,000
SRF, Springfield	10/25/90	32,650,000
SRF, Lees Summit	01/06/91	9,695,000
SRF, Little Blue Valley Sewer District	01/30/03	88,915,000
SRF, Multiple Participant, Refunding	06/26/97	15,785,000
SRF, Multiple Participant, Refunding	02/17/10	205,420,000
SRF, Multiple Participant, Refunding	11/30/11	106,830,000
SRF, Multiple Participant	01/14/91	13,550,000
SRF, Multiple Participant	09/08/93	22,425,000
SRF, Multiple Participant	08/18/94	12,215,000
SRF, Multiple Participant	06/29/95	30,000,000
SRF, Multiple Participant	12/01/94	43,230,000
SRF, Multiple Participant	10/14/95	26,410,000
SRF, Multiple Participant	04/25/96	4,545,000
SRF, Multiple Participant	06/01/98	2,500,000
SRF, Multiple Participant	04/20/07	57,430,000
SRF, Multiple Participant	06/12/96	14,185,000
SRF, Multiple Participant	12/18/96	23,600,000
SRF, Multiple Participant	06/05/97	24,060,000
SRF, Multiple Participant	12/01/97	14,015,000
SRF, Multiple Participant	04/01/98	16,480,000
SRF, Multiple Participant	06/2/01	122,060,000
SRF, Multiple Participant	12/02/98	45,900,000
SRF, Multiple Participant	06/02/99	47,970,000
SRF, Multiple Participant	12/02/99	13,870,000
SRF, Multiple Participant	04/12/00	52,640,000
SRF, Multiple Participant	11/21/00	41,485,000
SRF, Multiple Participant	04/18/01	13,930,000
SRF, Multiple Participant	05/08/02	112,280,000
SRF, Multiple Participant	05/08/02	29,545,000
SRF, Multiple Participant	10/25/02	103,065,000
SRF, Multiple Participant	04/01/03	39,940,000
SRF, Multiple Participant	11/06/03	27,895,000
SRF, Multiple Participant	05/12/04	179,780,000
SRF, Multiple Participant	11/19/04	39,895,000
SRF, Multiple Participant	11/30/05	85,210,000
SRF, Multiple Participant	04/27/06	87,505,000
SRF, Multiple Participant	11/03/06	22,105,000

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

SCHEDULE OF TAX EXEMPT REVENUE BONDS ISSUED BUT MATURED

June 30, 2022

(continued)

Issued but Refunded	Closing Date	Original Issue Amount
SRF, Multiple Participant	11/15/07	\$ 56,720,000
SRF, Multiple Participant	10/30/08	69,435,000
SRF, Multiple Participant	11/17/10	65,920,000
SRF, Multiple Participant	03/23/04	77,625,000
SRF, Multiple Participant	05/06/05	53,060,000
SRF - MSD Notes	06/08/00	72,545,000
Standard Oil Company (Amoco Division)	07/22/80	8,300,000
St. Joseph Light & Power Company	12/30/80	5,300,000
St. Joseph Light & Power Company	02/24/83	5,600,000
St. Joseph Light & Power Company	07/21/89	5,600,000
St. Joseph Light & Power Company	06/14/95	5,600,000
St. Joseph Mineral Corporation	12/20/73	7,000,000
St. Louis County Water	02/12/91	25,000,000
St. Louis County Water	02/26/92	25,000,000
St. Louis County Water	03/25/93	15,000,000
St. Louis County Water	06/20/95	12,000,000
St. Louis County Water	11/01/96	20,000,000
St. Louis County Water	03/01/98	25,000,000
St. Louis County Water	03/24/99	40,000,000
Tri-County Water Authority	06/01/10	10,525,000
Tri-County Water Company	04/30/92	8,365,000
Tri-County Water Company	09/01/99	14,760,000
Union Electric Company (1995 A&B)	02/26/92	126,500,000
Union Electric (1993 A)	10/13/93	44,000,000
Union Electric Company	04/25/74	16,500,000
Union Electric Company	06/11/75	22,000,000
Union Electric Company	05/30/90	60,000,000
Union Electric Company	11/01/77	27,085,000
Union Electric Company	08/20/80	60,000,000
Union Electric Company	10/08/81	45,000,000
Union Electric Company	12/15/82	20,000,000
Union Electric Company (Series A & B, 1984)	06/21/84	160,000,000
Union Electric Company (Series C, 1984)	11/14/84	47,500,000
Union Electric	12/17/91	42,585,000
UtiliCorp United, Inc.	05/26/93	5,000,000
Wentzville, City of	05/08/81	6,350,000
		<u>\$ 5,363,443,661</u>

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

COMMUNICATION TO THE MEMBERS

JUNE 30, 2022

September 6, 2022

To the Members of the Board of the
State Environmental Improvement and
Energy Resources Authority

We have audited the financial statements of the governmental activities and each major fund of the State Environmental Improvement and Energy Resources Authority (the Authority) for the year ended June 30, 2022. Professional standards require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated June 27, 2022, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As a part of our audit, we considered the internal control of the Authority. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Planned Scope, Timing of the Audit, and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions examined and the areas to be tested.

Our audit included updating our understanding of the Authority and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Authority or to acts by management or employees acting on behalf of the Authority.

We performed the audit according to the planned scope and timing previously communicated to management during our preliminary audit meetings.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 of the financial statements. Except as noted below, no new accounting policies were adopted, and the application of existing policies was not changed during fiscal year 2022. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

During the year ended June 30, 2022, the Authority implemented Governmental Accounting Standards Board (GASB) Statement 87, *Leases*, which improved the accounting and financial reporting for leases by requiring the recognition of certain lease assets and liabilities for leases previously classified as operating leases.

The following summarizes a new accounting standard that may impact the Authority in the future:

GASB has issued Statement 91, *Conduit Debt Obligations*. This statement provides a single method of reporting conduit debt obligations by issuers and eliminates the diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. This statement will be effective for the Authority's year ending June 30, 2023.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Authority's financial statements were the allowance for uncollectible receivables, the net pension and OPEB liabilities, and the deferred outflows and inflows of resources related to the pension and OPEB plans. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were deposits and investments, fair value measurements, commitments, and pension and OPEB plan information.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the Agency's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 6, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Internal Control

In planning and performing our audit, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Other Matters

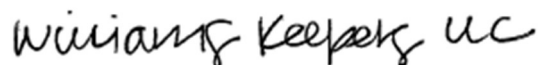
We applied certain limited procedures to the required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of investments held and the schedule of tax-exempt revenue bonds issued and outstanding, which accompany the financial statements but are not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink that reads "Williams-Keepers LLC". The script is cursive and somewhat stylized.

WILLIAMS-KEEPERS LLC

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**MARKET DEVELOPMENT PROGRAM -
FINANCIAL ASSISTANCE AWARDS**

From Inception Through June 30, 2022

INDEPENDENT AUDITORS' REPORT

Members of the Board of the
State Environmental Improvement and
Energy Resources Authority

Opinion

We have audited, in accordance with U.S. generally accepted auditing standards, the financial statements of the State Environmental Improvement and Energy Resources Authority (the Authority) for the year ended June 30, 2022, and have issued our report thereon dated September 6, 2022. We have also audited the accompanying Schedule of Missouri Market Development Program - Financial Assistance Awards of the Authority (the Schedule) from inception through June 30, 2022.

In our opinion, the Schedule referred to above presents fairly, in all material respects, such program awards of the Authority from inception through June 30, 2022, in conformity with the cash basis of accounting as described in Note 2.

Basis for Opinion

We conducted our audit in accordance with U.S. generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Schedule section of our report. We are required to be independent of the Authority and to meet our other ethical requirements, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to Note 2 to the Schedule, which describes the basis of presentation. The Schedule was prepared on cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Schedule

Management is responsible for the preparation and fair presentation of this schedule in accordance with the cash basis of accounting; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the Schedule is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Schedule.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts in the Schedule.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Restriction on Use

This report is intended for the information and use of the Board and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

William F. Keefe UC

Jefferson City, Missouri
September 6, 2022

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**SCHEDULE OF MISSOURI MARKET DEVELOPMENT PROGRAM
FINANCIAL ASSISTANCE AWARDS**

(CASH BASIS)

FROM INCEPTION THROUGH JUNE 30, 2022

Project	Amount	Amounts Paid/Lapsed in Prior Years	Amounts Paid/Lapsed in Fiscal Year 2022	Unexpired Balance June 30, 2022
FY '92 Projects				
City of Maryville	\$ 43,000	\$ 43,000	\$ -	\$ -
Memphis City Sanitation	8,500	8,500	-	-
Galamet, Inc.	50,000	50,000	-	-
Recycled Plastics Corp.	50,000	50,000	-	-
Spectrum Technologists	16,990	16,990	-	-
The Surplus Exchange	35,000	35,000	-	-
Ultra-Technologies	17,000	17,000	-	-
Cooperative Workshops, Inc.	49,750	49,750	-	-
Boonslick Industries	15,000	15,000	-	-
Jamegy, Inc.	25,000	25,000	-	-
Recycled Plastic Resins, Inc.	50,000	50,000	-	-
Missouri Enterprise	49,433	49,433	-	-
Versa-Tag, Inc.	8,280	8,280	-	-
Gateway to Gardening	40,200	40,200	-	-
Louisiana-Pacific Corp.	92,000	92,000	-	-
Williams & Jelks	50,000	50,000	-	-
Print-Pak, Inc.	85,500	85,500	-	-
FY '93 Projects				
Sanders Enterprises, Inc.	75,000	75,000	-	-
Reclaim, Inc.	75,000	75,000	-	-
Midway Plastics, Inc.	25,000	25,000	-	-
Sikeston Recycling	75,000	75,000	-	-
USA Recycling, Inc.	75,000	75,000	-	-
P.K. Insulation Manufacturing Co., Inc.	75,000	75,000	-	-
Environmental Recycling, Inc.	63,000	63,000	-	-
FY '94 Projects				
Bryant Plastics, Inc.	75,000	75,000	-	-
Come Play Products Company	75,000	75,000	-	-
Environmental Defense Fund	15,000	15,000	-	-
Bridging the Gap	10,000	10,000	-	-
Tri-Smith Plastic Recyclers, Inc.	50,000	50,000	-	-
ALB Enterprises, Inc.	35,000	35,000	-	-

See Accompanying Notes to Schedule of Missouri Market Development Program.

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**SCHEDULE OF MISSOURI MARKET DEVELOPMENT PROGRAM
FINANCIAL ASSISTANCE AWARDS**

(CASH BASIS)

FROM INCEPTION THROUGH JUNE 30, 2022

(continued)

Project	Amount	Amounts Paid/Lapsed in Prior Years	Amounts Paid/Lapsed in Fiscal Year 2022	Unexpired Balance June 30, 2022
FY '95 Projects				
Miller Manufacturing and Lumber	\$ 50,000	\$ 50,000	\$ -	\$ -
Ozark Mountain Resins	50,000	50,000	-	-
Paint Solutions	45,000	45,000	-	-
Recovery and Recycling	50,000	50,000	-	-
Coon Manufacturing	75,000	75,000	-	-
Pnu-Light Tool	75,000	75,000	-	-
Recycled Plastic Resins	63,000	63,000	-	-
NEMO Recycling	75,000	75,000	-	-
B and B Pallet Supply	45,000	45,000	-	-
The Pallet Connection	35,000	35,000	-	-
FY '96 Projects				
RSS Recycling	37,500	37,500	-	-
M & H Pallet Company	75,000	75,000	-	-
C & C Pallet Company	75,000	75,000	-	-
Sunset Turf Nurseries, Inc.	75,000	75,000	-	-
Osage Ag Concerns	75,000	75,000	-	-
American Disposal Services of Missouri	75,000	75,000	-	-
P.K. Insulation Manufacturing Company	50,000	50,000	-	-
FY '97 Projects				
City of St. Peters	97,768	97,768	-	-
For The Children, Inc.	150,000	150,000	-	-
Ozark Rivers Environmental	150,000	150,000	-	-
Strategic Materials, Inc.	75,000	75,000	-	-
Plastec, Inc.	75,000	75,000	-	-
S & S Wood Products	75,000	75,000	-	-
Coon Manufacturing	75,000	75,000	-	-
Bryant Plastics	33,430	33,430	-	-

See Accompanying Notes to Schedule of Missouri Market Development Program.

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**SCHEDULE OF MISSOURI MARKET DEVELOPMENT PROGRAM
FINANCIAL ASSISTANCE AWARDS**

(CASH BASIS)

FROM INCEPTION THROUGH JUNE 30, 2022

(continued)

Project	Amount	Amounts Paid/Lapsed in Prior Years	Amounts Paid/Lapsed in Fiscal Year 2022	Unexpired Balance June 30, 2022
FY '98 Projects				
PR Recycling	\$ 60,000	\$ 60,000	\$ -	\$ -
Dura Board, Inc.	60,000	60,000	-	-
Second Chance Materials	60,000	60,000	-	-
Dept. of Public Works, City of Springfield	60,000	60,000	-	-
Dept. of Public Works, City of Lee's Summit	28,710	28,710	-	-
Agricultural Waste Management, Inc.	30,000	30,000	-	-
Missouri Enterprise Business Assistance	67,325	67,325	-	-
Panel Products	60,000	60,000	-	-
FY '99 Projects				
Loganbill Shavings	50,000	50,000	-	-
Advance Toner	49,384	49,384	-	-
Canbrands International	23,959	23,959	-	-
Lucent Recycling	40,875	40,875	-	-
FY '00 Projects				
CNC Recycling	42,450	42,450	-	-
Green Farm Pilot	48,750	48,750	-	-
NuRoad Systems	170,000	170,000	-	-
UMR/Futuretek	159,000	159,000	-	-
Central Paper	50,000	50,000	-	-
B&B Organics	37,500	37,500	-	-
Canbrands(2)	50,000	50,000	-	-
Organic Res. Management	50,000	50,000	-	-
Coolbrook Corp.	50,000	50,000	-	-
Enviro Tech	50,000	50,000	-	-

See Accompanying Notes to Schedule of Missouri Market Development Program.

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**SCHEDULE OF MISSOURI MARKET DEVELOPMENT PROGRAM
FINANCIAL ASSISTANCE AWARDS
(CASH BASIS)
FROM INCEPTION THROUGH JUNE 30, 2022
(continued)**

Project	Amount	Amounts Paid/Lapsed in Prior Years	Amounts Paid/Lapsed in Fiscal Year 2022	Unexpired Balance June 30, 2022
FY '01 Projects				
Coon Manufacturing	\$ 50,000	\$ 50,000	\$ -	\$ -
EnviroPak	50,000	50,000	-	-
Mountain Ridge Recycling	50,000	50,000	-	-
Midwest Mulch Manufacturing	35,000	35,000	-	-
Tico Manufacturing	50,000	50,000	-	-
Tiro-Block	50,000	50,000	-	-
Proctor and Gamble	50,000	50,000	-	-
City of Columbia	50,000	50,000	-	-
Reynolds County Sheltered Workshop	50,000	50,000	-	-
FY '02 Projects				
Apple Cabinets	22,425	22,425	-	-
BioSpan Technologies	50,000	50,000	-	-
Bryant Plastics	32,500	32,500	-	-
DMR Plastics	50,000	50,000	-	-
Loganbill Shavings & Mulch	50,000	50,000	-	-
Magic Green Corp	50,000	50,000	-	-
Missouri Hardwood Products	50,000	50,000	-	-
PK Insulation	50,000	50,000	-	-
Second Chance	44,189	44,189	-	-
USA Recycling	50,000	50,000	-	-
Waste Not Recycling	49,950	49,950	-	-
Welch Products	50,000	50,000	-	-
FY '03 Projects				
Baden Car Parts, Inc.	50,000	50,000	-	-
Coon Manufacturing, Inc.	26,548	26,548	-	-
Forrest Keeling Nursery, Inc.	50,000	50,000	-	-
ORMI	25,000	25,000	-	-
SandVista	50,000	50,000	-	-
Sho-Me Pallets	50,000	50,000	-	-
The Smashed Chefs	25,867	25,867	-	-
TRI-Rinse, Inc.	37,384	37,384	-	-
Web Innovations & Tech. Services	50,000	50,000	-	-

See Accompanying Notes to Schedule of Missouri Market Development Program.

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**SCHEDULE OF MISSOURI MARKET DEVELOPMENT PROGRAM
FINANCIAL ASSISTANCE AWARDS**

(CASH BASIS)

FROM INCEPTION THROUGH JUNE 30, 2022

(continued)

Project	Amount	Amounts Paid/Lapsed in Prior Years	Amounts Paid/Lapsed in Fiscal Year 2022	Unexpired Balance June 30, 2022
FY '04 Projects				
BFC Composting	\$ 50,000	\$ 50,000	\$ -	\$ -
Birdville USA LLC	50,000	50,000	-	-
Encore Building Solutions, Inc.	50,000	50,000	-	-
Flick Seed Company	50,000	50,000	-	-
Hi-Tech Charities	50,000	50,000	-	-
Horner Charcoal, Inc.	50,000	50,000	-	-
Irresistible Community Builders	50,000	50,000	-	-
Lamar Feed & Grain, Inc.	44,253	44,253	-	-
Missouri Botanical Gardens	21,000	21,000	-	-
Missouri REI Study	38,109	38,109	-	-
Southland Flooring Supplies	50,000	50,000	-	-
Windswept Worm Farm LLC	50,000	50,000	-	-
Young's Innovations	3,633	3,633	-	-
FY '05 Projects				
Fiberlite Technology, Inc.	50,000	50,000	-	-
Grisham Farm Products, Inc.	46,275	46,275	-	-
J&J Industrial Supply, Inc.	50,000	50,000	-	-
Missouri Bio-Fuels, LLC	45,656	45,656	-	-
Missouri Organic Recycling	50,000	50,000	-	-
Remains, Inc.	50,000	50,000	-	-
Rustique, Inc.	50,000	50,000	-	-
Ryan Enterprise, Inc.	50,000	50,000	-	-

See Accompanying Notes to Schedule of Missouri Market Development Program.

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**SCHEDULE OF MISSOURI MARKET DEVELOPMENT PROGRAM
FINANCIAL ASSISTANCE AWARDS
(CASH BASIS)
FROM INCEPTION THROUGH JUNE 30, 2022
(continued)**

Project	Amount	Amounts Paid/Lapsed in Prior Years	Amounts Paid/Lapsed in Fiscal Year 2022	Unexpired Balance June 30, 2022
FY '06 Projects				
C.H.P. Environmental, Inc.	\$ 50,000	\$ 50,000	\$ -	\$ -
DoCo, Inc.	50,000	50,000	-	-
EPC, Inc.	34,800	34,800	-	-
International Mulch Company, Inc.	40,000	40,000	-	-
Loganbill Enterprises, Inc.	50,000	50,000	-	-
Missouri Botanical Gardens	5,400	5,400	-	-
Nike IHM	50,000	50,000	-	-
Recycling Concepts, Inc.	50,000	50,000	-	-
Strategic Materials, Inc.	50,000	50,000	-	-
FY '07 Projects				
Bart Menning Tree Service LLC.	50,000	50,000	-	-
Customix Corp	23,317	23,317	-	-
Coon Mfg., Inc.	22,877	22,877	-	-
DCAL Services, LLC	39,000	39,000	-	-
Laclede Industries, Inc.	49,287	49,287	-	-
Mtn. Vue Enterprises, LLC	50,000	50,000	-	-
Plastic Lumber Co. of America, LLC	50,000	50,000	-	-
RAMM Enterprises, Inc.*	50,000	50,000	-	-
Sunshine Recycling	42,000	42,000	-	-
Wahlco/DW Tool, Inc.	50,000	50,000	-	-
FY '08 Projects				
Alternative Community Training, Inc.	50,000	50,000	-	-
Central Missouri Poultry Procedures	23,332	23,332	-	-
Eco Recycling, Inc.	50,000	50,000	-	-
Eharas Service & Solutions, Inc.	50,000	50,000	-	-
Halphin Enterprises d/b/a Windswept Worm Farm	35,000	35,000	-	-
Hansen's Tree Service & Environmental Wood	50,000	50,000	-	-
Loganbill Enterprises, Inc.	35,000	35,000	-	-
Performance Roof Systems	50,000	50,000	-	-

* RAMM Enterprises, Inc. returned these funds to the Authority during fiscal year 2008.

See Accompanying Notes to Schedule of Missouri Market Development Program.

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**SCHEDULE OF MISSOURI MARKET DEVELOPMENT PROGRAM
FINANCIAL ASSISTANCE AWARDS
(CASH BASIS)
FROM INCEPTION THROUGH JUNE 30, 2022
(continued)**

Project	Amount	Amounts Paid/Lapsed in Prior Years	Amounts Paid/Lapsed in Fiscal Year 2022	Unexpired Balance June 30, 2022
FY '09 Projects				
Asphalt Products, Inc.	\$ 50,000	\$ 50,000	\$ -	\$ -
Cedar Ridge Innovations, LLC	50,000	50,000	-	-
Double G Brands, Inc.	50,000	50,000	-	-
Swift Construction Company, Inc.	50,000	50,000	-	-
Thomason Brothers, Inc.	50,000	50,000	-	-
FY '10 Projects				
All Points Recycling, LLC	45,500	45,500	-	-
BFC Composting	50,000	50,000	-	-
Braik Brothers Tree Care	50,000	50,000	-	-
Coon Mfg, Inc.	50,000	50,000	-	-
Enginuity, LLC	50,000	50,000	-	-
GT Management, LLC	50,000	50,000	-	-
Hampton Alternative Energy Products, LLC	50,000	50,000	-	-
Missouri Organic Recycling, Inc.	33,500	33,500	-	-
Randolph County Sheltered Industries	50,000	50,000	-	-
Sikeston Community Sheltered Workshop	50,000	50,000	-	-
Stanfill Family d/b/a Rustique Enterprises	50,000	45,521	4,479	-
FY '11 Projects				
3G Processing, LLC	50,000	50,000	-	-
Bryant Plastics	50,000	50,000	-	-
Customix Corp d/b/a Aggieville	50,000	50,000	-	-
EXT, Inc.	46,000	46,000	-	-
Fick Supply Service, Inc.	50,000	50,000	-	-
Foundation Workshop	35,500	35,500	-	-
Nike IHM	50,000	50,000	-	-
Thomason Brothers, Inc.	50,000	50,000	-	-

See Accompanying Notes to Schedule of Missouri Market Development Program.

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**SCHEDULE OF MISSOURI MARKET DEVELOPMENT PROGRAM
FINANCIAL ASSISTANCE AWARDS
(CASH BASIS)
FROM INCEPTION THROUGH JUNE 30, 2022
(continued)**

Project	Amount	Amounts Paid/Lapsed in Prior Years	Amounts Paid/Lapsed in Fiscal Year 2022	Unexpired Balance June 30, 2022
FY '12 Projects				
B&G Skid Removal	\$ 50,000	\$ 50,000	\$ -	\$ -
Dairy Farmers of America, Inc.	39,818	39,818	-	-
Enginuity	50,000	50,000	-	-
Missouri Woodworking Specialties	39,371	39,371	-	-
Prock Operations, Inc.	50,000	50,000	-	-
Remains, Inc.	36,250	36,250	-	-
FY '13 Projects				
Ciona Technologies	250,000	250,000	-	-
Foam Products	45,750	45,750	-	-
Lake Area Industries**	20,715	20,715	-	-
Master Marble	50,000	50,000	-	-
Missouri Organic Recycling	46,600	46,600	-	-
Nature's Methane	250,000	250,000	-	-
St. Joseph Plastic	250,000	250,000	-	-
FY '14 Projects				
Bluebird Composting, LLC	75,000	75,000	-	-
EXT, Inc.	75,000	75,000	-	-
Lake Area Industries	18,285	18,285	-	-
Lake Area Industries	63,000	63,000	-	-
Loganbill Enterprises of Missouri, LLC	50,000	50,000	-	-
Madison County Wood Products	42,000	42,000	-	-
FY '15 Projects				
Avenue of Life, Inc.	73,000	73,000	-	-
QRS, Inc.	250,000	250,000	-	-
DMR Plastics, Inc.	100,000	100,000	-	-
St. Louis Composting, Inc.	220,000	220,000	-	-
Liquid Soap Products, Ltd.	250,000	250,000	-	-
Foam Products Corp.	44,447	44,447	-	-

** Lake Area Industries returned \$6,750 of these funds to the Authority during fiscal year 2016.

See Accompanying Notes to Schedule of Missouri Market Development Program.

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**SCHEDULE OF MISSOURI MARKET DEVELOPMENT PROGRAM
FINANCIAL ASSISTANCE AWARDS**

(CASH BASIS)

FROM INCEPTION THROUGH JUNE 30, 2022

(continued)

Project	Amount	Amounts Paid/Lapsed in Prior Years	Amounts Paid/Lapsed in Fiscal Year 2022	Unexpired Balance June 30, 2022
FY '16 Projects				
BFC Composting	\$ 69,750	\$ 69,750	\$ -	\$ -
Branch Creek, LLC	100,000	100,000	-	-
Bryant Plastics, Inc.	61,875	61,875	-	-
Midwest Organics, Inc.	250,000	250,000	-	-
Missouri Organic Recycling, Inc.	250,000	250,000	-	-
FY '17 Projects				
EPC, Inc.	200,000	200,000	-	-
Enginuity, LLC	250,000	250,000	-	-
Granuband Macon, LLC	200,000	200,000	-	-
St. James Winery, Inc.	175,500	124,906	-	50,594
FY '18 Projects				
Cedar Valley Components	50,000	50,000	-	-
Coon Mfg., Inc.	60,075	60,075	-	-
Lumber Logs, LLC	27,746	27,746	-	-
Ext, Inc.	99,950	99,950	-	-
Re-Poly, LLC	250,000	-	250,000	-
FY '19 Projects				
Evertrak, LLC	218,000	159,445	58,555	-
Ozark Shavings, LLC	250,000	250,000	-	-
Prock Operations d/b/a For Your Convenience	18,000	18,000	-	-
Refab	169,500	49,956	-	119,544
FY '20 Projects				
Arcana, LLC d/b/a Switchgrass Spirits	13,884	12,034	1,850	-
Catalytic Innovations, LLC	250,000	-	-	250,000
Fick Supply Services, Inc.	200,000	200,000	-	-
Foam Products Corporation	32,500	32,500	-	-
St. Louis Composting, Inc.	250,000	250,000	-	-
Service Recycling, LLC	24,375	21,713	2,662	-
Wilson Industries	100,000	100,000	-	-

See Accompanying Notes to Schedule of Missouri Market Development Program.

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**SCHEDULE OF MISSOURI MARKET DEVELOPMENT PROGRAM
FINANCIAL ASSISTANCE AWARDS**

(CASH BASIS)

FROM INCEPTION THROUGH JUNE 30, 2022

(continued)

Project	Amount	Amounts Paid/Lapsed in Prior Years	Amounts Paid/Lapsed in Fiscal Year 2022	Unexpired Balance June 30, 2022
FY '21 Projects				
Full Circle Forest Products, LLC	\$ 95,217	\$ 86,500	\$ (14,498)	\$ 23,215
ORMI dba Kansas City Composting	195,570	195,570	-	-
Urban Lumber Company	19,988	-	19,867	121
Starburn Enterprises dba St. Joseph Plastics	100,000	-	100,000	-
Northwest Missouri State University	40,095	-	-	40,095
J. Carter Enterprise, LLC	224,000	-	223,750	250
FY '22 Projects				
Capital Materials Company	100,000	-	99,000	1,000
Ripple Glass, LLC	250,000	-	250,000	-
Wilson Industries, LLC	250,000	-	-	250,000
Summit Transfer, LLC	240,000	-	240,000	-
Blue Bird Composting, LLC	100,000	-	-	100,000
Holliday Construction Company	230,500	-	-	230,500
	<u>\$ 16,927,367</u>	<u>\$ 14,626,383</u>	<u>\$ 1,235,665</u>	<u>\$ 1,065,319</u>

See Accompanying Notes to Schedule of Missouri Market Development Program.

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

NOTES TO SCHEDULE OF MISSOURI MARKET DEVELOPMENT PROGRAM

1. BACKGROUND AND PURPOSE

The State Environmental Improvement and Energy Resources Authority (the Authority), created in 1972, is an independent, self-supporting, quasi-governmental agency, governed by a five-member Board appointed by the Governor of the State of Missouri. The Authority is administratively placed in the Missouri Department of Natural Resources.

Due to the special independent status as "a body corporate and politic," the Authority is authorized to finance, acquire, construct and equip projects for the purpose of reducing, preventing or controlling pollution and to provide for the development of energy resources of the State of Missouri. The usual method of financing is through the issuance of tax-exempt revenue bonds and notes.

The Authority is also empowered to conduct environmental and energy research and development activities, develop alternative methods of financing environmental and energy projects, and assist Missouri communities, organizations, and businesses in obtaining low-cost funds and other financial assistance for projects related to the Authority's purposes.

The Authority has also been mandated by the General Assembly (RSMo 260.005 through 260.125) to implement a number of projects in cooperation with the Department of Natural Resources and the Department of Economic Development, including administering the Missouri Market Development Program which provides market development assistance through technical and financial support to businesses and organizations that develop marketable end-products from recycled materials.

Pursuant to Senate Bill 530, Section 260.335, in March 1992, the Authority entered into an interagency agreement with the Missouri Department of Natural Resources and the Missouri Department of Economic Development to promote markets for recycled materials and to provide financial assistance for businesses that use recycled materials in making new products. As required in that legislation, the program was provided annual funding of \$1,000,000 upon appropriation by the Missouri Legislature. The funds come from the Solid Waste Management Fund. Pursuant to House Bill 1040, the funding available changed to \$648,000 for fiscal 2005. For fiscal 2006 and beyond, Senate Bill 230 provides \$800,000 from solid waste tipping fees for the program annually. Solid waste tipping fees are a per ton fee levied on solid waste disposed at landfills and transported out of state for disposal through transfer stations. Additional program assistance has been secured through contracts with the Missouri Council of Governments and Missouri Business Assistance Center. The Missouri Department of Economic Development has been and will continue to be used in an advisory capacity.

2. ACCOUNTING POLICIES

Method of Accounting: The accounts of the Authority are organized on the basis of funds and account groups. The Market Development Program is accounted for as a special revenue fund. Information shown in the accompanying Schedule of Missouri Market Development Program is presented on the cash basis.

Income Taxes: The Authority is exempt from federal income taxes under Section 115 of the Internal Revenue Code.

State Environmental Improvement and Energy Resources Authority
355th Board Meeting
September 14, 2022

Agenda Item #4A & 4B

RESOLUTIONS OF THE AUTHORITY TO ISSUE STATE MATCH REVENUE BONDS ON BEHALF OF THE MISSOURI DEPARTMENT OF NATURAL RESOURCES IN CONNECTION WITH THE STATE REVOLVING FUND PROGRAM

Issue:

The Department of Natural Resources (DNR) has requested the Authority issue bonds under the Clean Water State Revolving Fund Program to generate state match required to draw on their federal U.S. EPA capitalization grant and otherwise provide capital for projects funded under the program.

There are two resolutions associated with this transaction. The first generally defines our new approach to generate match for the SRF program (the program resolution). The second provides specific authorization for the 2022 transaction for \$11,349,100.

Action Needed:

Review and approval of the state match program resolution and 2022 state match bond resolution.

Staff Recommendation:

Staff recommends approval of the resolutions.

Staff Contact:

Joe Boland or Mark Pauley

Background:

Under the current SRF program structure, DNR issues loans directly to each participant when their projects are ready. Construction draws are made from either the U.S. EPA capitalization grant or from recycled loan funds. The Authority will then issue bonds at such time as DNR has expended available capital and needs to replenish its coffers, or needs to generate state match required to draw upon their U.S. EPA capitalization grant. DNR has expended the majority of their remaining state match for the Clean Water program and has requested that we initiate steps to issue additional state match bonds.

In order to qualify as State match bonds, the debt service on these bonds can only be paid for with the interest component of DNR participant loan repayments. Historically, state match bonds were issued by pledging future interest payments from DNR participant loans which would pay the debt service on the Authority bonds. This has proven to be a cumbersome and somewhat inefficient approach.

A new approach was initiated as part of the SRF 2020B refunding, whereby the master trust indenture was amended to allow for the creation of the Interest Accumulation Fund (IAF) at the Trustee level. The interest component of a participant's loan repayment is captured at the time a debt service payment is made and allowed to accumulate. Now, when the Authority issues state match bonds, monies from the IAF are transferred into an escrow account in an amount sufficient to repay the Authority bonds in a much shorter timeframe.

Attached you will find the Programmatic and Issuance Resolutions for consideration and approval. Also attached are drafts of the Bond Purchase Agreement, the Master Trust Indenture, the Supplemental Indenture, the Request for Quotation for Direct Purchase and a graphic summary of the transaction. Staff, as well as members of the finance team, will be available for discussion should you have any questions.

JB:ge

Attachments

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY(STATE OF MISSOURI)RESOLUTION OF THE STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY AUTHORIZING THE AUTHORITY TO
ISSUE STATE MATCH FUNDING OBLIGATIONS IN CONNECTION WITH THE
STATE REVOLVING FUND PROGRAM

WHEREAS, the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State of Missouri (the "Authority") is authorized and empowered pursuant to the provisions of Sections 260.005 to 260.125, inclusive, and Appendix B(1) Revised Statutes of Missouri, as amended (the "Act"), to finance, acquire, construct and equip certain projects (as defined in the Act) for the purpose of preventing or reducing pollution or the disposal of solid waste or sewage, and to issue revenue bonds and notes for the purpose of providing funds to pay the costs of such projects; and

WHEREAS, pursuant to 10 CSR 20-4.040 through 10 CSR 20-4.041 and 10 CSR 20-4.050 of the Code of State Regulations, the Missouri Department of Natural Resources ("DNR"), in cooperation with the Clean Water Commission of the State of Missouri, has developed and implemented the State of Missouri Direct Loan Program (the "Clean Water SRF Direct Loan Program") to make loans to political subdivisions and other eligible entities of the State of Missouri (the "State") to finance publicly-owned wastewater treatment facilities and certain private nonpoint source projects, and pursuant to 10 CSR 60-13.020 through 10 CSR 60-13.025 and 10 CSR 60-13.030 of the Code of State Regulations, DNR, in cooperation with the Safe Drinking Water Commission of the State of Missouri, has developed and implemented the State of Missouri Direct Loan Program (the "Drinking Water SRF Direct Loan Program") to make loans to political subdivisions and other eligible entities of the State to finance publicly-owned and privately-owned drinking water treatment facilities; and

WHEREAS, by resolution adopted by the Authority on February 23, 1988, the Authority has heretofore approved the development and implementation 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 stated its intent to issue its bonds or notes to finance projects pursuant to the Clean Water SRF Program to fund qualified wastewater projects, said bonds or notes to be payable solely out of the revenues and receipts derived by the Authority in connection with such projects; and

WHEREAS, by resolution adopted by the Authority on September 22, 1998, the Authority has heretofore approved the funding of drinking water projects in addition to wastewater projects pursuant to the Federal Safe Drinking Water Act of 1996 through 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" and collectively with the Clean Water SRF Program, the "SRF Programs") and stated its intent to issue its bonds or notes to finance projects pursuant to the Drinking Water SRF Program to fund qualified drinking water projects, said bonds or notes to be payable solely out of the revenues and receipts derived by the Authority in connection with such projects; and

WHEREAS, the Authority now wishes to authorize the issuance of bonds or notes from time to time in order to provide the State's required matching funds to receive ongoing capitalization grants from the United States Environmental Protection Agency (the "EPA") for the SRF Programs (the "State Match Funding Obligations"), the proceeds of which will be used to provide loans to participants of the SRF Programs.

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

Section 1. The Authority hereby finds and determines that the issuance of State Match Funding Obligations under the Act to provide the State's matching funds to receive ongoing capitalization grants from the EPA for the SRF Programs is in the public interest and within the power and authority vested in the Authority under the Act and will be in furtherance of the objectives and public purposes of the Act.

Section 2. The Authority hereby declares its intent to issue State Match Funding Obligations pursuant to the Act in such principal amounts and upon such terms as shall be determined by subsequent resolutions of the Authority. Such State Match Funding Obligations shall be limited and special revenue obligations payable solely out of payments and revenues specified under agreements entered into by the Authority with respect to the State Match Funding Obligations.

Section 3. In connection with the issuance of State Match Funding Obligations from time to time, the Director, the Deputy Director and other members of the Authority's staff are hereby authorized and directed to take such further action, including, without limitation, working with the Authority's financial advisor, the Department and legal counsel to establish the terms of the State Match Funding Obligations and develop documentation in connection therewith, as may be necessary or desirable to carry out and comply with the intent of these resolutions; and all of the acts of any member of the Authority's staff which are in conformity with the intent and purposes of these resolutions, whether heretofore or hereafter taken or done, shall be and the same are hereby in all respects ratified, confirmed and approved.

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

ADOPTED this 14th day of September, 2022.

Chairman of the Authority

(Seal)

ATTEST:

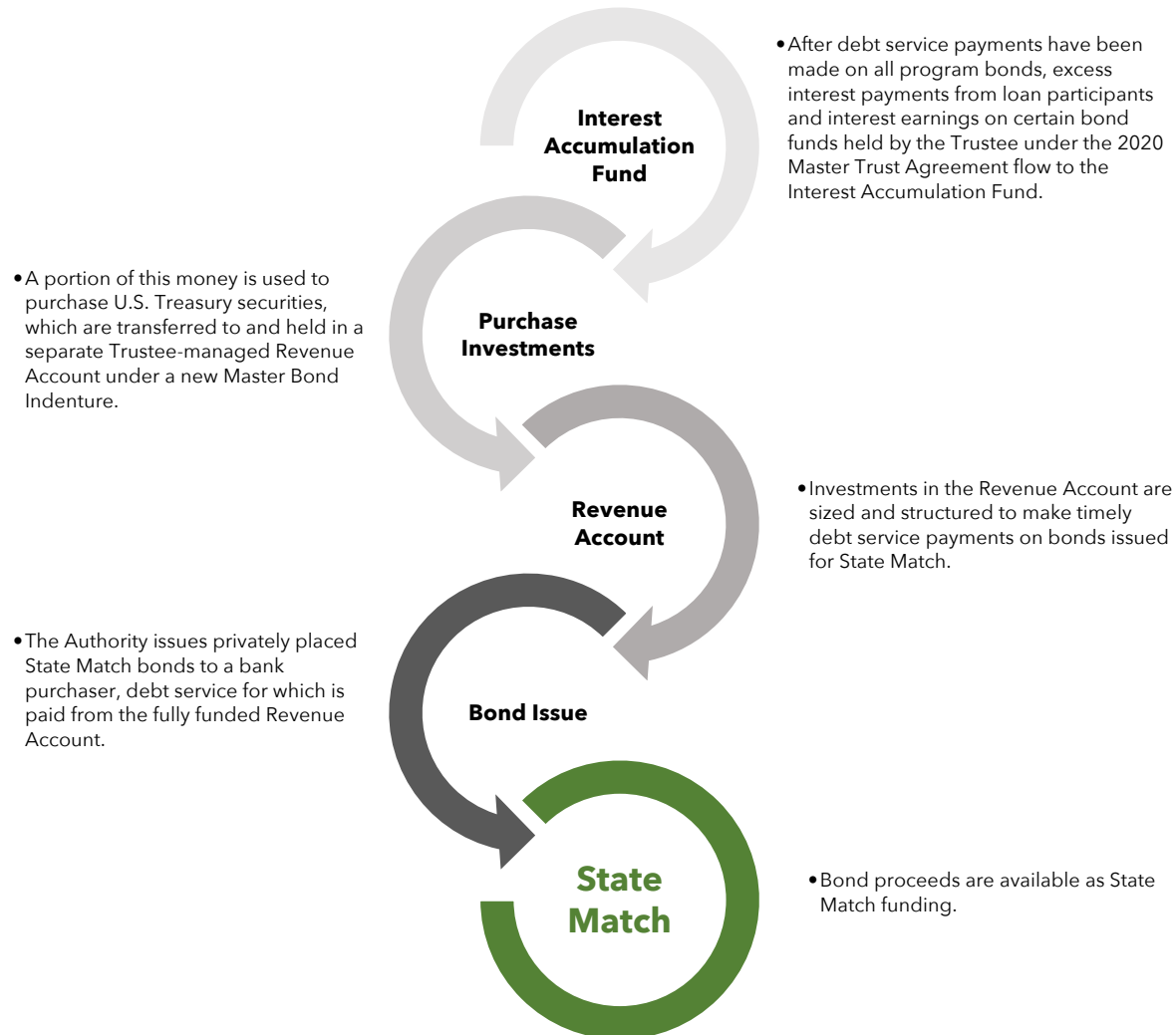
Secretary of the Authority

EIERA

State Environmental Improvement and Energy Resources Authority
 Taxable State Revolving Fund Program State Match Funding Bonds
 (Clean Water SRF Program)
 Series 2022

Plan of Finance

Generating State Match Proceeds



Bond Purchaser: **INTRUST Bank** | Bond Interest Rate: **3.60%** | Yield on Investments: **3.38%**

\$11,349,100

State Match Generated

LR DRAFT: September 8, 2022

RES. 22 -__

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

(STATE OF MISSOURI)

RESOLUTION AUTHORIZING THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY TO ISSUE AND SELL \$11,349,100 PRINCIPAL AMOUNT OF TAXABLE STATE REVOLVING FUND PROGRAM STATE MATCH FUNDING BONDS (CLEAN WATER SRF PROGRAM), SERIES 2022; APPROVING THE FORM OF AND AUTHORIZING THE AUTHORITY TO ENTER INTO A MASTER BOND INDENTURE, A SUPPLEMENTAL BOND INDENTURE NO. 1 AND OTHER RELATED DOCUMENTS; AND APPROVING CERTAIN OTHER DOCUMENTS AND AUTHORIZING THE AUTHORITY TO TAKE CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS.

WHEREAS, the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State of Missouri (the "Authority") is authorized and empowered pursuant to the provisions of Sections 260.005 to 260.125, inclusive, and Appendix B(1), Revised Statutes of Missouri, as amended (the "Act"), to finance, acquire, construct and equip projects (as defined in the Act) for the purpose of preventing or reducing pollution or the disposal of solid waste or sewage and to provide for the furnishing of water facilities, to issue revenue bonds for the purpose of paying costs of such projects, and to refund its outstanding revenue bonds in whole or in part; and

WHEREAS, pursuant to 10 CSR 20-4.040 through 10 CSR 20-4.041 and 10 CSR 20-4.050 of the Code of State Regulations, the Missouri Department of Natural Resources ("DNR"), in cooperation with the Clean Water Commission of the State of Missouri, has developed and implemented the State of Missouri Direct Loan Program (the "Clean Water SRF Direct Loan Program") to make loans to political subdivisions and other eligible entities of the State of Missouri (the "State") to finance publicly-owned wastewater treatment facilities and certain private nonpoint source projects, and pursuant to 10 CSR 60-13.020 through 10 CSR 60-13.025 and 10 CSR 60-13.030 of the Code of State Regulations, DNR, in cooperation with the Safe Drinking Water Commission of the State of Missouri, has developed and implemented the State of Missouri Direct Loan Program (the "Drinking Water SRF Direct Loan Program") to make loans to political subdivisions and other eligible entities of the State to finance publicly-owned and privately-owned drinking water treatment facilities; and

WHEREAS, by resolutions adopted by the Authority on February 23, 1988 and September 22, 1998, 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" and collectively with the Clean Water SRF Program, the "SRF Programs"), the Authority has stated its intent to issue its bonds or notes, in cooperation with DNR, to finance projects pursuant to the SRF Programs; and

WHEREAS, by resolution adopted by the Authority on September 14, 2022, the Authority also approved the issuance of bonds or notes from time to time in order to provide the State of Missouri's required matching funds to receive ongoing capitalization grants from the United States Environmental Protection Agency (the "EPA") for the SRF Programs (the Authority's February 28, 1988 resolution, the September 22, 1998 resolution and the September 14, 2022 resolution are collectively referred to herein as the "Program Resolutions"); and

WHEREAS, pursuant to the Act and the Program Resolutions, the Authority is authorized to issue bonds or notes from time to time in order to provide the State's required matching funds to receive ongoing capitalization grants from the EPA for the SRF Programs (the "State Match Funding Obligations"), the proceeds of which will be used to provide loans to participants of the SRF Programs; and

WHEREAS, the Authority has determined it is necessary and advisable and in the best interest of the State and the SRF Programs to issue a series of bonds constituting State Match Funding Obligations pursuant to the Act in the aggregate principal amount as provided in this Resolution (the "Bonds") for the hereinafter described purposes; and

WHEREAS, the Authority further finds and determines that it is necessary and desirable in connection with the issuance and sale of the Bonds that the Authority enter into certain documents and approve certain other documents and take certain other actions in connection with the issuance of the Bonds as herein provided;

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

Section 1. Definitions. All capitalized terms not elsewhere defined herein shall have the meanings set forth in Section 1.1 of the herein-authorized Indenture.

Section 2. Findings and Determinations. The Authority hereby finds and determines that the issuance of its bonds under the Act to provide funds to DNR in order to provide the State's required matching funds to receive ongoing capitalization grants from the EPA is in the public interest and within the power and authority vested in the Authority under the Act and will be in furtherance of the objectives and public purposes of the Act, in that such funds will result in additional monies for the SRF Programs, and will provide for the public health, safety and welfare of the residents of the State by promoting, developing and assisting in the construction of wastewater treatment, sanitary sewerage, water and water pollution control facilities in the State.

Section 3. Authorization of the Bonds. For the foregoing purposes, the Authority hereby authorizes the issuance and sale, pursuant to Section 260.040 of the Act, of its Taxable State Revolving Fund Program State Match Funding Bonds (Clean Water SRF Program), Series 2022, in the aggregate principal amount of \$11,349,100. The Bonds shall be dated as of the date of their delivery and shall be issued as fully-registered Bonds, without coupons, in the denominations of \$100,000 or any integral multiple of \$100 in excess thereof. The Bonds shall have a Stated Maturity of July 1, 2024, shall be payable in installments, shall bear interest at a fixed rate of 3.60% per annum, payable semiannually on each January 1 and July 1, commencing January 1, 2023, at such maturities and principal amounts as shall be approved by the Chairman or Vice Chairman by the execution of the hereinafter authorized Bond Purchase Agreement between the Authority and the

Purchaser (as defined below). The Bonds shall be in such forms, shall have such terms and provisions, and shall be issued, executed and delivered in such manner and subject to such provisions, covenants and agreements, as are set forth in the Indenture. The Bonds shall be issued under the Indenture. The Indenture provides a complete description of the pledged property and revenues constituting the Trust Estate, the nature and extent of the security for the Bonds, a statement of the terms and conditions on which the Bonds are to be issued and secured, the rights, duties, obligations and immunities of the Authority, the rights, duties, obligations and immunities of the Trustee, and the rights of the holders of the Bonds. Because of the characteristics of the Bonds, the principal amount thereof, the acceptability in the public bond market of similar issues, the prevailing market conditions and the advice of the Authority's financial advisor that a competitive sale will result in the most favorable interest rate on the Bonds, the Authority hereby finds that it is in the best interest of the Authority to sell the Bonds to the Purchaser who submitted the lowest and best bid in response to the Authority's Request for Quotation published on August 8, 2022.

Section 4. Limited Obligations. The Bonds and the interest thereon shall be special, limited obligations of the Authority payable solely out of and secured by a transfer, pledge and assignment of and a grant of a security interest in a portion of the Trust Estate as provided in the Indenture. The Bonds do not constitute or create an indebtedness, liability or moral obligation of the State, any political subdivision thereof, the United States of America or any agency thereof, the 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 herein 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.

Section 5. Authorization of Authority Documents. The Authority is hereby authorized to enter into the following documents (the "Authority Documents"), in substantially the forms presented and reviewed by the Authority at this meeting (copies of which documents shall be filed with the records of the Authority), with such final terms and such changes therein as shall be approved by the officers of the Authority executing such documents, such officers' signatures thereon being conclusive evidence of their approval thereof:

(a) Master Bond Indenture dated as of September 1, 2022 (the "Master Bond Indenture") between the Authority and UMB Bank, N.A. as trustee (the "Trustee");

(b) Supplemental Bond Indenture No. 1 ("Supplemental Indenture No.1" and, together with the Master Bond Indenture, the "Indenture") dated as of September 1, 2022, between the Authority and the Trustee;

(c) Bond Purchase Agreement to be dated the date of its execution and delivery (the "Bond Purchase Agreement"), between the Authority and INTRUST Bank, N.A., the purchaser of the Bonds (the "Purchaser"); and

(d) Such other agreements, instruments and certificates as may be necessary or desirable to effectuate (i) the issuance of the Bonds, or (ii) the provision of reserve or escrow funds for the benefit of the owners of the Bonds.

Section 6. Authorization of Letter of Instructions and Certificates. The Chairman or Vice Chairman is hereby authorized and directed to execute letters of instructions or certificates (i) requesting and authorizing

the Trustee to authenticate and deliver the Bonds to the Purchaser, (ii) ordering and directing the Trustee as to the deposit and application of the proceeds of the Bonds and other funds, investments and securities, and (iii) setting forth how proceeds deposited in certain funds and accounts shall be invested and, in connection with said investments, authorizing the purchase of certain securities in accordance with the terms of the Indenture. The Trustee is authorized to invest the Funds and Accounts established under the Indenture in accordance with the written directions of the Chairman, the Vice Chairman, the Director or the Deputy Director. The Chairman, Vice Chairman, Director or Deputy Director is hereby authorized to approve the payment of the costs of issuing and selling the Bonds (including, without limitation, counsel fees, Trustee fees, financial advisor fees and the Authority's fees) out of funds on deposit and held under the Amended and Restated Master Trust Agreement dated as of December 1, 2020, between the Authority and UMB Bank, N.A., as the Master Trustee.

Section 7. Execution of Bonds and Documents. The Chairman or the Vice Chairman is hereby authorized and directed to execute the Bonds, manually or by facsimile signature, and to deliver the Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the Authority in the manner provided in the Indenture. The Chairman or the Vice Chairman is hereby authorized and directed to execute and deliver the Authority Documents for and on behalf of and as the act and deed of the Authority. The Secretary or the Assistant Secretary is hereby authorized and directed to attest, manually or by facsimile signature, to the Bonds and the Authority Documents, and to such other documents, certificates and instruments as may be necessary or desirable in connection with the issuance of the Bonds, and further, as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 8. Ratification and Further Authority. All actions heretofore taken by the officers, agents and employees of the Authority in connection with the transaction contemplated by this Resolution are hereby ratified and confirmed. The Authority shall, and the members, officers, directors, agents and employees of the Authority are hereby authorized and directed to, take such further action, and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution, including applications for the registration of the Bonds under state securities laws and to carry out, comply with and perform the duties of the Authority with respect to the Bonds and the Authority Documents.

Section 9. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Authority.

ADOPTED this 14th day of September, 2022.

Chairman of the Authority

(Seal)

ATTEST:

Secretary of the Authority

Attachment “B”

GILMORE & BELL, P.C.
DRAFT – SEPTEMBER 9, 2022
FOR DISCUSSION PURPOSES ONLY

MASTER BOND INDENTURE

Dated as of September 1, 2022

between the

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

and

UMB BANK, N.A.,
as Trustee

relating to the issuance of

STATE REVOLVING FUND PROGRAM STATE MATCH FUNDING BONDS

TABLE OF CONTENTS

	<u>Page</u>
Parties	1
Recitals	1
Granting Clauses	4

ARTICLE I

DEFINITIONS, RULES OF CONSTRUCTION; AUTHORIZATION AND EFFECTIVENESS OF INDENTURE

Section 101.	Definitions of Words and Terms	3
Section 102.	Rules of Construction	10

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 201.	Authorization of Bonds	11
Section 202.	General Provisions for Issuance of Bonds	12
Section 203.	Refunding Bonds	14

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

Section 301.	Security for Bonds and Sources of Payment	15
Section 302.	Method and Place of Payment	15
Section 303.	Form, Denomination and Numbering and Dating	16
Section 304.	Execution and Authentication	16
Section 305.	Registration, Transfer and Exchange	17
Section 306.	Persons Deemed Owners of Bonds	18
Section 307.	Mutilated, Destroyed, Lost and Stolen Bonds	18
Section 308.	Cancellation of Bonds	18
Section 309.	Unclaimed Moneys	19
Section 310.	Book-Entry Bonds; Securities Depository	19

ARTICLE IV

REDEMPTION OF BONDS

Section 401.	Redemption of Bonds Prior to Maturity	20
Section 402.	Election to Redeem	20
Section 403.	Selection of Bonds to be Redeemed	20
Section 404.	Notice of Redemption	21
Section 405.	Payment of Redemption Price	23
Section 406.	Sinking Fund Installments	23

ARTICLE V

FUNDS AND ACCOUNTS; APPLICATION OF BOND PROCEEDS AND OTHER MONEYS

Section 501.	Establishment of Funds and Accounts	24
Section 502.	Application of Bond Proceeds and Other Moneys	25
Section 503.	Revenue Fund.....	25
Section 504.	Debt Service Fund	26
Section 505.	Costs of Issuance Fund.....	26
Section 506.	Purchase of Bonds	27

ARTICLE VI

DEPOSIT AND INVESTMENT OF FUNDS

Section 601.	Deposit of Funds.....	27
Section 602.	Investment of Moneys	28
Section 603.	Valuation and Sale of Investments.....	28

ARTICLE VII

GENERAL COVENANTS AND PROVISIONS

Section 701.	Power to Execute Indenture and Issue Bonds.....	29
Section 702.	Payment of Bonds.....	30
Section 703.	Performance of Covenants.....	30
Section 704.	Contract Impairments	30
Section 705.	Accounts and Reports	30
Section 706.	Disclosure Undertaking	31

ARTICLE VIII

DEFAULT AND REMEDIES

Section 801.	Acceleration of Maturity; Rescission and Annulment.....	31
Section 802.	Exercise of Remedies by the Trustee.....	32
Section 803.	Limitation on Suits by Bondowners	33
Section 804.	Control of Proceedings by Bondowners	34
Section 805.	Application of Moneys Collected.....	34
Section 806.	Rights and Remedies Cumulative.....	36
Section 807.	Advances by Trustee.....	36
Section 808.	Waiver of Past Defaults	37
Section 809.	Effect of Discontinuance of Proceedings	37

ARTICLE IX

TRUSTEE, PAYING AGENTS AND BOND REGISTRARS

Section 901.	Acceptance of Trusts; Certain Duties and Responsibilities	37
Section 902.	Certain Rights of Trustee.....	38

Section 903.	Notice of Defaults.....	40
Section 904.	Compensation and Reimbursement.....	40
Section 905.	Corporate Trustee Required; Eligibility.....	41
Section 906.	Resignation and Removal of Trustee.....	41
Section 907.	Appointment of Successor Trustee	42
Section 908.	Acceptance of Appointment by Successor	43
Section 909.	Merger, Consolidation and Succession to Business	43
Section 910.	Co-Trustees and Separate Trustees	43
Section 911.	Paying Agents and Bond Registrars	45
Section 912.	Anti-Discrimination Against Israel Act Certification	45

ARTICLE X

SUPPLEMENTAL INDENTURES

Section 1001.	Supplemental Indentures without Consent of Bondowners.....	45
Section 1002.	Supplemental Indentures with Consent of Bondowners.....	46
Section 1003.	Execution of Supplemental Indentures; Opinion of Counsel	47
Section 1004.	Effect of Supplemental Indentures	47
Section 1005.	Reference in Bonds to Supplemental Indentures.....	47

ARTICLE XI

SATISFACTION AND DISCHARGE

Section 1101.	Payment, Discharge and Defeasance of Bonds	47
Section 1102.	Satisfaction and Discharge of Indenture.....	49

ARTICLE XII

MISCELLANEOUS PROVISIONS

Section 1201.	Notices	49
Section 1202.	Acts of Bondowners	51
Section 1203.	Further Assurances	52
Section 1204.	No Recourse Against Officers, Directors, Employees or Agents of the Authority and DNR.....	52
Section 1205.	Payments Due on Non-Business Days	52
Section 1206.	Benefit of Indenture.....	53
Section 1207.	Severability.....	53
Section 1208.	Electronic Transactions.....	53
Section 1209.	Execution in Counterparts	53
Section 1210.	Governing Law	53
	Signatures.....	S-1

Exhibit A - Form of Bonds

* * *

MASTER BOND INDENTURE

This MASTER BOND INDENTURE dated as of September 1, 2022 (the “*Indenture*”), is entered into between the STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY, a body corporate and politic and a governmental instrumentality of the State of Missouri (the “*Authority*”), organized and existing by, under and pursuant to the laws of the State of Missouri, and UMB BANK, N.A., a national banking association duly organized and existing and authorized to accept and execute trusts of the character herein set out under the laws of the United States of America, with a corporate trust office located in St. Louis, Missouri, as trustee (the “*Trustee*”). Terms not otherwise defined in this paragraph, the Recitals and Granting Clauses have the meanings set forth in Article I.

RECITALS

1. The Authority is authorized, pursuant to Sections 260.005 through 260.125 and Appendix B(1) of the Revised Statutes of Missouri (collectively, the “*Act*”), to finance, acquire, construct and equip projects (as defined in the Act) for the purpose of preventing or reducing pollution, disposing of solid waste or sewage or providing water facilities, and to issue revenue bonds for the purpose of paying costs of such projects.

2. The Federal Water Quality Act of 1987, 33 U.S.C. Section 1381 *et seq.* (as amended, the “*Federal Clean Water Act*”), and The Safe Drinking Water Act, 42 U.S.C. Section 300f *et seq.*, 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*”) to provide assistance for constructing publicly-owned wastewater treatment facilities and certain private nonpoint source projects, publicly-owned and privately-owned drinking water treatment facilities and for certain other purposes.

3. Section 644.122 of the Revised Statutes of Missouri establishes “The Water and Wastewater Loan Fund” in the treasury of the State of Missouri (the “*State*”) and Section 640.107 of the Revised Statutes of Missouri establishes the “Drinking Water Revolving Fund” as a subfund within The Water and Wastewater Loan Fund. In addition, the Missouri Department of Natural Resources (“*DNR*”) has administratively established “The Water and Wastewater Loan Revolving Fund” in the treasury of the State.

4. Pursuant to 10 CSR 20-4.040 through 10 CSR 20-4.041 and 10 CSR 20-4.050 of the Code of State Regulations, DNR, in cooperation with the Clean Water Commission of the State of Missouri, has developed and implemented the State of Missouri Direct Loan Program (the “*Clean Water SRF Direct Loan Program*”) to make loans to political subdivisions and other eligible entities of the State (each a “*Clean Water Participant*” and, collectively, the “*Clean Water Participants*”) to finance publicly-owned wastewater treatment facilities and certain private nonpoint source projects.

5. Pursuant to 10 CSR 60-13.020 through 10 CSR 60-13.025 and 10 CSR 60-13.030 of the Code of State Regulations, DNR, in cooperation with the Safe Drinking Water Commission of the State of Missouri, has developed and implemented the State of Missouri Direct Loan Program (the “*Drinking Water SRF Direct Loan Program*”) 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*”) to finance publicly-owned and privately-owned drinking water treatment facilities.

6. By resolutions adopted by the Authority on February 23, 1988 and September 22, 1998, 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*” and, collectively with the Clean Water SRF Program, the “*SRF Programs*”), the Authority has stated its intent to issue its bonds or notes, in cooperation with DNR, to finance projects pursuant to the SRF Programs.

7. By resolution adopted by the Authority on September 14, 2022, the Authority also approved the issuance of bonds or notes from time to time in order to provide the State’s required matching funds to receive ongoing capitalization grants from the EPA for the SRF Programs (the Authority’s February 28, 1988 resolution, September 22, 1998 resolution and September 14, 2022 resolution are collectively referred to herein as the “*Program Resolutions*.”

8. Pursuant to the Act, the Program Resolutions and Resolution No. 22-____ adopted by the Authority on September 14, 2022, the Authority is authorized to execute and deliver this Indenture for the purpose of issuing and securing Bonds as hereinafter provided.

9. All acts, conditions and things have been done and performed which are necessary to make this Indenture a valid and binding agreement for the security of Bonds issued by the Authority and secured under this Indenture.

GRANTING CLAUSES

In consideration of the terms of this Indenture and the purchase of the Bonds by the Owners and in order to secure the payment of the principal or Redemption Price of, and the interest on, the Bonds and to secure the performance of the covenants and obligations on its part contained in this Indenture and the Bonds, the Authority hereby transfers in trust, assigns, pledges and grants a security interest to the Trustee and to its successors and assigns in trust forever, all right, title and interest of the Authority in and to the following described property (the “*Trust Estate*”):

(a) for each Series of Bonds, subject to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture and any Supplemental Indenture authorizing such Series of Bonds, all moneys and Investment Securities in the applicable Account of the Funds held by the Trustee under this Indenture for such Series of Bonds; and

(b) any and all other property (real, personal or mixed) of every kind and nature from time to time, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security for the applicable Series of Bonds under this Indenture by the Authority, or by anyone on behalf of or with written consent of the Authority, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

The Trustee shall hold in trust and administer the Trust Estate, upon the terms and conditions set forth in this Indenture for the equal and pro rata benefit and security of each and every Owner of the applicable Series of Bonds, without preference, priority or distinction as to participation in the lien,

benefit and protection of this Indenture of one Bond of such Series over or from the others of such Series, except as otherwise expressly provided herein, and for the uses and purposes and upon the terms, agreements and conditions set forth herein.

NOW, THEREFORE, the Authority covenants and agrees with the Trustee, for the equal and proportionate benefit of the respective Bondowners, that all Bonds are to be issued, authenticated and delivered and the Trust Estate is to be held and applied by the Trustee, subject to the further covenants, conditions and trusts hereinafter set forth, as follows:

ARTICLE I

DEFINITIONS, RULES OF CONSTRUCTION; AUTHORIZATION AND EFFECTIVENESS OF INDENTURE

Section 101. Definitions of Words and Terms.

For all purposes of this Indenture, except as otherwise provided herein or in any Supplemental Indenture or unless the context otherwise requires, the following words and terms used in this Indenture have the following meanings:

“*Account*” or “*Accounts*” means one or more of the separate accounts or subaccounts created in the Funds established in Section 501 or pursuant to any Supplemental Indenture.

“*Approved Investors*” means (a) a qualified institutional buyer as defined in Rule 144A promulgated under the Securities Act of 1933, or (b) an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, that is an institution or organization and not an individual under the definition of “accredited investor” under Rule 501(a) of Regulation D.

“*Authority*” means the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State, and its successors and assigns.

“*Authorized Denomination*” means the authorized denominations of any Series of Bonds set forth in a Supplemental Indenture authorizing the issuance of such Series.

“*Authorized Representative*” means (a) with respect to the Authority, the Chairman, the Vice Chairman, the Secretary, the Executive Director, the Director or the Deputy Director of the Authority or such other person or persons at the time designated to act on behalf of the Authority as evidenced by a written certificate furnished to the Trustee containing the specimen signature of such person or persons and signed by the Chairman, the Executive Director, the Director or the Deputy Director of the Authority; (b) with respect to DNR, the Director (or the Director’s designee) or the Director of the Financial Assistance Center or such other person or persons at the time designated to act on behalf of DNR as evidenced by a written certificate furnished to the Trustee containing the specimen signature of such person or persons and signed by the Director (or the Director’s designee) or the Director of the Financial Assistance Center; and (c) with respect to the Trustee, any authorized officer of the Trustee.

“*Beneficial Owner*” of any Bonds includes any Owner of such Bonds and any other Person who, directly or indirectly has the investment power with respect to such Bonds.

“*Bond*” or “*Bonds*” means any bond or bonds authorized by and issued, authenticated and delivered under and pursuant to this Indenture.

“*Bond Counsel*” means the firm of Gilmore & Bell, P.C., or any other attorneys or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the Authority.

“*Bondowner*,” “*Owner*” or “*Registered Owner*” means the Person in whose name any Bond is registered as shown on the Bond Register kept by the Bond Registrar.

“*Bond Registrar*” means the Trustee and any other bank or trust company organized under the laws of any state of the United States of America or national banking association appointed by the Trustee to perform the duties of Bond Registrar enumerated in Section 911.

“*Bond Register*” means the books for the registration, transfer and exchange of Bonds kept at the office of the Bond Registrar.

“*Book-Entry System*” means the book-entry system maintained by the Securities Depository described in Section 310.

“*Business Day*” means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal corporate trust office or designated payment office of the Trustee is located are required or authorized by law to remain closed, or (c) a day on which the New York Stock Exchange or, if applicable to such Series of Bonds, the Securities Depository is closed.

“*Cede & Co.*” means Cede & Co., the nominee of DTC, and any successor nominee of DTC.

“*Clean Water Portion*” means any Series of Bonds or portion thereof issued pursuant to this Indenture and any Fund or Account created pursuant to this Indenture designated by the Authority as the Clean Water Portion thereof, as may be modified from time to time pursuant to an Officer’s Certificate.

“*Costs of Issuance*” means fees, costs and expenses incurred in connection with the authorization, sale and issuance of a Series of Bonds as certified by an Authorized Representative of the Authority.

“*Costs of Issuance Account*” means, with respect to any Series of Bonds, the Account for such Series of Bonds created within the Costs of Issuance Fund pursuant to the Supplemental Indenture authorizing such Series of Bonds.

“*Costs of Issuance Fund*” means the Costs of Issuance Fund established in Section 501.

“*Dated Date*” means, the dated date of any Series of Bonds set forth in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

“*Debt Service Account*” means, with respect to any Series of Bonds, the Account for such Series of Bonds created within the Debt Service Fund pursuant to the Supplemental Indenture authorizing such Series of Bonds.

“Debt Service Fund” means the Debt Service Fund established in Section 501.

“Defeasance Obligations” means:

- (a) cash;
- (b) Government Obligations;
- (c) obligations of any state of the United States of America or of any agency, instrumentality or local government unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice, and which are rated based on an irrevocable escrow account or fund, of the same or higher credit rating as the full faith and credit of the United States of America by S&P or Moody’s or any successors thereto; or
- (d) any other Investment Securities, which, under guidelines effective at the time of determination, are permitted to be included in an escrow that is rated in the highest rating category by any Rating Agency;

provided, however, that any such obligations described in (b) through (d) above are not subject to redemption prior to maturity or the date such obligations must be liquidated for their intended purposes.

“Depository” means any bank or trust company or national banking association that satisfies the requirements of Section 601, including the Trustee, selected by the Authority and satisfactory to the Trustee as a depository of moneys and securities held under the provisions of this Indenture.

“Disclosure Undertaking” means any agreement entered into in connection with a Series of Bonds relating to certain matters within the scope of the SEC Rule if applicable or requested by the Purchaser of such Series of Bonds.

“DNR” means the Missouri Department of Natural Resources, its successors and assigns.

“Drinking Water Portion” means any Series of Bonds or portion thereof issued pursuant to this Indenture and any Fund or Account created pursuant to this Indenture designated by the Authority as the Drinking Water Portion thereof, as may be modified from time to time pursuant to an Officer’s Certificate.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns, including any successor securities depository duly appointed pursuant to Section 310.

“DTC Participants” means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of DTC Participants exists at the time of such reference.

“EPA” means the Environmental Protection Agency, its successors and assigns.

“Event of Default” means, with respect to a particular Series of Bonds, any one of the following events (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order,

rule or regulation of any administrative or governmental body) occurs with respect to such Series of Bonds:

(a) default in the payment of any interest on any Bond of an affected Series when such interest becomes due and payable; or

(b) default in the payment of the principal or Redemption Price of any Bond of an affected Series when the same becomes due and payable (whether at maturity, upon proceedings for redemption, by acceleration or otherwise); or

(c) default in the performance, or breach, of any covenant or agreement of the Authority in this Indenture (other than a covenant or agreement a default in the performance or breach of which is specifically dealt with elsewhere in this definition), and continuance of such default or breach for a period of 60 days after there has been given to the Authority and DNR by the Trustee or to the Authority, DNR and the Trustee by the Owners of at least 25% in principal amount of the affected Series of Bonds Outstanding, a written notice specifying such default or breach and requiring it to be remedied; provided, that if such default cannot be fully remedied within such 60-day period, but can reasonably be expected to be fully remedied, such default shall not constitute an Event of Default if the Authority shall immediately upon receipt of such notice commence the curing of such default and shall thereafter prosecute and complete the same with due diligence and dispatch; or

(d) the entry of a decree or order by a court having jurisdiction in the premises for relief in respect of the Authority and/or DNR, or adjudging the Authority and/or DNR a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, adjustment or composition of or in respect of the Authority and/or DNR under the United States Bankruptcy Code or any other applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of or for the Authority and/or DNR or any substantial part of either entity's property, or ordering the winding up or liquidation of its affairs; or

(e) any other event described as an Event of Default in a Supplemental Indenture.

"Fitch" means Fitch Ratings, a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, *"Fitch"* shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority with notice to DNR and the Trustee.

"Fund" or *"Funds"* means one or more of the funds established pursuant to Section 501 together with any additional funds established by a Supplemental Indenture.

"Government Obligations" means obligations of, or obligations guaranteed as to principal and interest by, the United States of America or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America.

"Indenture" means this Master Bond Indenture, as originally executed by the Authority and the Trustee, as from time to time amended and supplemented by Supplemental Indentures in accordance with the provisions of this Indenture.

“Independent Accountant” means an independent certified public accountant or firm of independent certified public accountants at the time employed by the Authority for the purpose of carrying out the duties imposed on the Independent Accountant by this Indenture.

“Internal Revenue Code” means the Internal Revenue Code of 1986, as amended, and, when appropriate, any statutory successor thereto, and all applicable regulations (whether proposed, temporary or final) thereunder and any applicable official rulings, announcements, notices, procedures and judicial determinations relating to the foregoing.

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

“Master Trust Agreement (2020)” means the Amended and Restated Master Trust Agreement dated as of December 1, 2020, between the Authority and the Master Trustee (2020), as amended and restated from time to time in accordance with its terms.

“Master Trustee (2020)” means UMB Bank, N.A., in its capacity as master trustee under the Master Trust Agreement (2020), and its successors and assigns, and any other corporation or association which may at any time be substituted in its place as provided in the Master Trust Agreement (2020).

“Maturity” when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein and herein provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

“Moody’s” means Moody’s Investor’s Service, Inc., a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority with notice to DNR and the Trustee.

“Officer’s Certificate” means a written certificate, written order or written request of the Authority signed on behalf of the Authority by an Authorized Representative, which certificate shall be deemed to constitute a representation of, and shall be binding upon, the Authority with respect to matters set forth therein, and which certificate in each instance, including the scope, form, substance and other aspects thereof, is not unacceptable to the Trustee.

“Opinion of Bond Counsel” means a written opinion of Bond Counsel, addressed and delivered to the Authority, DNR and the Trustee.

“Opinion of Counsel” means a written opinion of legal counsel having expertise in the matters covered in such opinion, selected by the Authority. Any Opinion of Counsel may be based, insofar as it relates to factual matters or information which is in the possession of the Authority, upon an Officer’s Certificate, unless such counsel knows, or in the exercise of reasonable care should know, that such Officer’s Certificate is erroneous.

“Outstanding” means, as of the date of determination (subject to the provisions of Section 1102), all Bonds theretofore authenticated and delivered under this Indenture, except the following:

(a) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation as provided in Section 308;

(b) Bonds for whose payment or redemption money or Defeasance Obligations in the necessary amount has been deposited with the Trustee in trust for the Owners of such Bonds as provided in Section 1101, provided that, if such Bonds are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor not unsatisfactory to the Trustee has been made;

(c) Bonds in exchange for or in lieu of which other Bonds has been authenticated and delivered under this Indenture; and

(d) Bonds alleged to have been destroyed, lost or stolen which have been paid as provided in Section 307.

“Paying Agent” means the Trustee, any other bank or trust company or national banking association designated as Paying Agent for the Bonds of any Series, and its successor or successors hereinafter appointed in the manner provided in Section 911.

“Payment Date(s)” means each date on which principal and/or interest shall be paid on the Bonds or provision is made therefor as specified in the Supplemental Indenture authorizing such Series of Bonds.

“Person(s)” means any natural person, firm, association, corporation, partnership, joint-stock company, joint venture, trust, unincorporated organization or firm, or a government or any agency or political subdivision thereof or other public body.

“Purchaser” means the Person or Persons that initially purchase any Series of Bonds from the Authority as specified in the Supplemental Indenture authorizing such Series of Bonds.

“Purchaser’s Letter of Representations” means the letter executed by any Purchaser or transferee of a Series of Bonds in substantially the form attached as an exhibit to the Supplemental Indenture authorizing such Series of Bonds.

“Rating Agency” means Moody’s, Fitch and any other company, agency or entity that provides ratings for any Series of Bonds.

“Record Date” means, with respect to any Payment Date for any Series of Bonds, the close of business on the 15th day (whether or not a Business Day) of the calendar month immediately preceding a Payment Date for such Series of Bonds except as may otherwise be provided in the Supplemental Indenture authorizing such Series of Bonds.

“Redemption Date” when used with respect to any Bond to be redeemed means the date fixed for the redemption of such Bond pursuant to the terms of the Supplemental Indenture authorizing such Series of Bonds to be redeemed.

“Redemption Price” means, with respect to any Bond, the principal thereof plus the applicable redemption premium, if any, payable upon redemption thereof as specified in the Supplemental Indenture authorizing the issuance of such Bond.

“Refunding Bonds” means any Series of Bonds issued, authenticated and delivered on original issuance pursuant to Section 203 for the purpose of refunding any Outstanding Bonds and/or any other obligation of the Authority related to the SRF Program. Such Refunding Bonds shall include, without limitation, bonds commonly referred to as current refunding bonds, advance refunding bonds or cross-over refunding bonds where the proceeds of such Refunding Bonds are deposited in an irrevocable escrow or trust account to secure the payment on the applicable payment dates of the interest on and principal or Redemption Price of such Bonds being refunded and/or such Refunding Bonds.

“Revenue Account” means, with respect to any Series of Bonds, the Account for such Series of Bonds created within the Revenue Fund pursuant to the Supplemental Indenture authorizing such Series of Bonds.

“Revenue Account Release Amounts” means, with respect to any Series of Bonds, the amounts released periodically from the Account created within the Revenue Fund for such Series of Bonds pursuant to a schedule attached as an exhibit to the Supplemental Indenture authorizing such Series of Bonds and deposited and applied as set forth in Section 503.

“Revenue Fund” means Revenue Fund established pursuant to Section 501.

“SEC” means the Securities and Exchange Commission of the United States.

“SEC Rule” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as may be amended from time to time.

“Securities Depository” means, initially, DTC, or its nominee, and its successors and assigns, acting as securities depository under a Book-Entry System.

“Series” means all of the Bonds designated as being of the same Series authenticated and delivered on original issuance and identified pursuant to this Indenture and the Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to this Indenture.

“Sinking Fund Installment” means, with respect to one or more maturities of any Series of Bonds, a principal amount of such maturity that is subject to mandatory redemption prior to maturity on a specified date, as provided in the Supplemental Indenture authorizing such Series of Bonds.

“S&P” means S&P Global Ratings Services, a division of S&P Global Inc., and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, S&P shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority with notice to DNR and the Trustee.

“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 to qualify for capitalization grants for the Clean Water SRF Program and the Drinking Water SRF Program, respectively.

“Stated Maturity” when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond and this Indenture or any Supplemental Indenture authorizing

such Series of Bonds, as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

“*Supplemental Indenture*” means any indenture supplemental or amendatory to this Indenture entered into by the Authority, DNR and the Trustee pursuant to Article XII.

“*Trustee*” means UMB Bank, N.A., St. Louis, Missouri, in its capacity as trustee hereunder, and its successors and assigns, and any other corporation or association which may at any time be substituted in its place as provided in this Indenture.

“*Trust Estate*” means the property described as the Trust Estate in the Granting Clauses hereof.

“*Value*” means, with respect to any Fund or Account, the amount determined in accordance with Section 603.

“*Variable Rate Bonds*” means Bonds that provide for interest to be payable thereon at a rate per annum that may vary from time to time over the term thereof in accordance with procedures provided in the Supplemental Indenture with respect to such Series of Bonds and which for any future period of time is not susceptible of precise determination.

Section 102. Rules of Construction.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction apply in construing the provisions of this Indenture:

- (a) The terms defined in this Article include the plural as well as the singular.
- (b) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles.
- (c) All references herein to “generally accepted accounting principles” refer to such principles in effect on the date of the determination, certification, computation or other action to be taken hereunder using or involving such terms.
- (d) The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.
- (e) The Article and Section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.
- (f) Whenever an item or items are listed after the word “including,” such listing is not intended to be a listing that excludes items not listed.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 201. Authorization of Bonds.

(a) The Authority is authorized to issue Bonds in one or more Series from time to time under this Indenture and pursuant to one or more Supplemental Indentures for the purpose of (i) providing State Match to be used to finance publicly-owned wastewater treatment facilities and certain private nonpoint source projects and publicly-owned and privately-owned drinking water treatment facilities through the SRF Program; (ii) refunding all or a portion of one or more Series of Bonds then Outstanding and/or any other obligation of the Authority related to the SRF Program, and/or (iii) paying Costs of Issuance. The number of Series of Bonds and the aggregate principal amount of the Bonds that may be executed, authenticated and delivered under this Indenture is not limited except as may hereafter be provided in this Indenture or as may be limited by law. A Series of Bonds may be issued in one or more subseries.

(b) The Bonds, if and when authorized by the Authority pursuant to one or more Supplemental Indentures, may be issued in one or more Series, shall be designated "State Revolving Fund Program State Match Funding Bonds" and shall include such further appropriate particular designation added to or incorporated in such title for the Bonds of any particular Series as the Authority may determine. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

(c) For purposes of the Act, Federal Clean Water Act and the Federal Safe Drinking Water Act and regulations promulgated thereunder restricting the use of moneys within the Clean Water SRF Program and the Drinking Water SRF Program, unless otherwise set forth in a Supplemental Indenture, all Bonds issued hereunder are considered "State Match Bonds."

(d) One or more Series of Bonds may be authenticated and delivered upon original issuance from time to time in such principal amount for each such Series as may be determined by the Authority for an authorized purpose. Each such Series shall be in such principal amount which, when taken together with funds previously used, funds then legally available, or funds to be obtained in the future for such authorized purpose, will provide sufficient funds for purposes set forth in the subsection (a) of this Section, as shall be set forth in an Officer's Certificate furnished pursuant to Section 202.

(e) The proceeds, including accrued interest, if any, of each Series of Bonds shall be deposited into the Funds and Accounts in the manner and amounts set forth in the Supplemental Indenture authorizing such Series of Bonds.

(d) Nothing contained in this Indenture shall prevent the issuance, authentication and delivery of one or more Series of Bonds for any combination of the authorized purposes set forth above in this Section, if so directed by the Authority, pursuant to a Supplemental Indenture; provided, however, that each of the tests, conditions and other requirements contained in Sections 202 and 203, as applicable to each such separate Series, shall be met and complied with. Except as otherwise provided in this Section or in such Supplemental Indenture, such a consolidated Series shall be treated as a single Series for all purposes of this Indenture.

Section 202. General Provisions for Issuance of Bonds.

The Bonds of each Series shall be executed by the Authority for issuance under this Indenture and delivered to the Trustee for authentication. Prior to or simultaneously with the authentication and delivery of the Bonds by the Trustee, there shall be filed with the Trustee the following documents:

(a) A copy, certified by an Authorized Officer of the Authority, of the resolution(s) adopted by the Authority authorizing the execution of this Indenture, the issuance of such Series of Bonds and the execution of the Supplemental Indenture and other agreements with respect to such Series of Bonds;

(b) An original executed counterpart of this Indenture, executed by the Authority and the Trustee;

(c) An original executed counterpart of the Supplemental Indenture authorizing each Series of Bonds executed by the Authority and the Trustee, which shall, among other provisions, specify:

(i) the Series, authorized principal amount, and designation of such Bonds;

(ii) the purpose or purposes for which such Series of Bonds is being issued, which shall be an authorized purpose specified in Section 201 or any combination of such purposes, or in the case of a Series of Refunding Bonds, specifying the Bonds and/or other Authority obligation to be refunded;

(iii) the Dated Date, the Stated Maturities, the Authorized Denominations of, and the manner of numbering and lettering of the Bonds of such Series;

(iv) the interest rate or rates of the Bonds of such Series, and, with respect to Variable Rate Bonds, the method of determining the variable interest rates, and the method of determining the Payment Dates thereof;

(v) the Paying Agent or Paying Agents, Bond Registrar or Bond Registrars, and the place or places of payment of the principal or Redemption Price of, and interest on, the Bonds of such Series if other than as provided in this Indenture;

(vi) the Redemption Price or prices, if any, and, subject to Article IV, the redemption terms, if any, for the Bonds of such Series;

(vii) the amount and due date of each Sinking Fund Installment, if any, for Bonds of such Series;

(viii) with respect to Variable Rate Bonds, the terms, if any, upon which such Bonds may be optionally or shall be mandatorily tendered for purchase by the Owners thereof;

(ix) the amount to be deposited from the proceeds of such Series of Bonds or from other legally available sources in any Fund or Account for the applicable series of Bonds;

(x) the form(s) of the Bonds of such Series, including the Trustee's certificate of authentication, which form(s) shall be, respectively, substantially in the form(s) set forth in Exhibit A, with such variations, omissions and insertions as are required or permitted by the Act or this Indenture;

(xi) designation of the Clean Water Portion and/or Drinking Water Portion of such Series of Bonds;

(xii) any further provisions or covenants by the Authority, including provisions relating to the sale of the Bonds of such Series, required by the purchaser of such Bonds and deemed necessary or desirable by the Authority in connection with the sale of such Series of Bonds; and

(xiii) such other matters, not contrary to or inconsistent with this Indenture, as the Authority may deem advisable or necessary in connection with the authorization, issuance, sale, or delivery of such Series of Bonds.

(d) Executed copy of the Purchaser's Letter of Representations;

(e) Executed copy of the purchase agreement or agreements relating to the sale of such Series of Bonds, if any;

(f) Executed copy of the Disclosure Undertaking or Disclosure Undertakings relating to the sale of such Series of Bonds, if any;

(g) Confirmation of a deposit of funds into the Revenue Account with respect to such Series of Bonds;

(h) A verification report prepared by an Independent Accountant, or other verification agent, satisfactory to the Authority, regarding the sufficiency of the amount on deposit in the Revenue Account with respect to such Series of Bonds, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, to pay or redeem (when redeemable) and discharge such Series of Bonds at or before their respective Maturity or Redemption Dates (including the payment of the principal or Redemption Price of and interest payable on such Bonds to the Maturity or Redemption Date thereof);

(i) An Officer's Certificate that contains the following:

(i) a statement of the authorized purpose for which such Series of Bonds is being issued;

(ii) the written direction to the Trustee regarding the investment of the funds on deposit in the Revenue Account with respect to such Series of Bonds;

(iii) except in the case of the initial Series of Bonds issued under the first Supplemental Indenture to this Indenture, a statement that, upon the authentication and delivery of the Bonds of such Series, no Event of Default has occurred and is then continuing under this Indenture and no event has or will have occurred which, with the passage of time or the giving of notice, or both, would give rise to an Event of Default under this Indenture;

(iv) a statement that the issuance of such Series of Bonds complies with the requirements of this Indenture; and

(v) a written request and authorization to the Trustee on behalf of the Authority, to authenticate and deliver such Series of Bonds to or upon the order Purchaser or Purchasers therein identified, upon payment to the Trustee, for the account of the Authority, of the purchase price thereof;

(j) An Opinion of Bond Counsel to the effect that:

(i) such Series of Bonds constitute valid and legally binding obligations of the Authority; and

(ii) such Series of Bonds are exempt from registration under the Securities Act of 1933, as amended, and this Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended;

provided, however, that such Opinion of Bond Counsel may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally and need not express any opinion as to the availability of any specific remedy; and

(k) Such other opinions, certificates, statements, receipts and documents required by the Supplemental Indenture authorizing such Series of Bonds or as Bond Counsel, the Trustee or its legal counsel shall reasonably require for the delivery of such Series of Bonds.

When the documents specified above have been filed with the Trustee, and when the Series of Bonds shall have been executed and authenticated as required by this Indenture, the Trustee shall deliver the Bonds to or upon the order of the applicable Purchaser, but only upon payment of the purchase price of such Series of Bonds for the account of the Authority. The net proceeds of the sale of the Series of Bonds, including accrued interest and premium thereon, if any, paid to the Trustee shall be deposited and applied as provided in Article V and the Supplemental Indenture authorizing such Series of Bonds.

Section 203. Refunding Bonds.

One or more Series of Refunding Bonds may be issued, authenticated and delivered under this Indenture to refund, in whole or in part, any Outstanding Bonds and/or any other obligation of the Authority related to the SRF Program. Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding. Refunding Bonds shall be authenticated and delivered by the Trustee only upon receipt by the Trustee of the documents required by Section 202. The net proceeds, including accrued interest, of the Refunding Bonds of each Series shall be applied for the purposes of making deposits as shall be provided by the

Supplemental Indenture authorizing such Series of Refunding Bonds and shall be applied to the refunding purposes thereof in the manner provided in said Supplemental Indenture.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

Section 301. Security for Bonds and Sources of Payment.

The Bonds and the interest thereon shall be special, limited obligations of the Authority payable solely out of and 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 Bondowners, as provided in this Indenture. The Bonds and interest thereon shall not be deemed to constitute a debt or liability of the State or of any political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the State or of any political subdivision thereof, but shall be payable solely from the funds provided for in this Indenture and the Supplemental Indenture relating to each Series of Bonds. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. Neither the State nor the Authority is obligated to pay the Bonds or the interest thereon except from the Trust Estate as provided under this Indenture and the Supplemental Indenture relating to each Series of Bonds, and 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 the interest on the Bonds. The Authority has no taxing power.

Section 302. Method and Place of Payment.

(a) The Trustee shall act as Paying Agent for the purpose of effecting payment of the principal or Redemption Price of and interest on the Bonds, subject to the provisions of Section 911 permitting the designation through the Trustee of alternate Paying Agents.

(b) The principal or Redemption Price of and interest on the Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts.

(c) The principal or Redemption Price of all Bonds shall be payable by check or draft at maturity or upon earlier redemption to the Persons in whose names such Bonds are registered on the Bond Register at the maturity or Redemption Date thereof, upon the presentation and surrender of such Bonds at the principal corporate trust office or at such other office designated by the Trustee for such purpose, or otherwise as provided in a Supplemental Indenture with respect to any Series of Bonds.

(d) Unless otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, the interest payable on each Bond on any Payment Date shall be paid by the Trustee to the Registered Owner of such Bond as shown on the Bond Register at the close of business on the Record Date, (i) by check or draft mailed to such Registered Owner at the address as it appears on the Bond Register or at such other address as is furnished to the Trustee in writing by such Owner, or (ii) by electronic transfer to such Owner upon written notice to the Trustee from such Owner containing the electronic transfer instructions to which such Owner wishes to have such transfer directed, provided such written notice is given by such Owner to the Trustee not less than 15 Business Days before the

applicable Record Date. Any such written notice for electronic transfer shall be signed by such Owner 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.

(e) In lieu of surrender under this section, payment of a portion of any Bond may be made directly to the Registered Owner thereof without surrender thereof, if there shall have been filed with the Trustee a written agreement of such Owner satisfactory in form and substance to the Trustee, and, if such Owner is a nominee, the Person for whom such Owner is a nominee, that payment shall be so made and that such Owner will not sell, transfer or otherwise dispose of such Bond unless prior to delivery thereof such Owner shall present such Bond to the Trustee for notation thereon of the portion of the principal thereof to be paid or shall surrender such Bond in exchange for a new Bond or Bonds for the unpaid balance of the principal of the surrendered Bond.

Section 303. Form, Denomination and Numbering and Dating.

(a) The Bonds of each Series issued under this Indenture or deemed issued under this Indenture shall be issuable as fully registered bonds, without coupons, in substantially the form set forth in Exhibit A attached to this Indenture and the Supplemental Indenture under which such Series of Bonds are issued, in each case with such necessary or appropriate variations, omissions and insertions as are permitted or required by this Indenture or such Supplemental Indenture. The Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any custom, usage or requirement of law with respect thereto.

(b) The Bonds of each Series shall be dated, shall be issuable in Authorized Denominations, shall be numbered and shall be delivered as provided in the Supplemental Indenture authorizing such Series.

Section 304. Execution and Authentication.

(a) The Bonds of each Series shall be executed on behalf of the Authority by the manual or facsimile signature of the Chairman or the Vice Chairman of the Authority and attested by the manual or facsimile signature of the Secretary or the Assistant Secretary of the Authority and shall have the seal of the Authority affixed thereto or imprinted thereon. If any official whose manual or facsimile signature appears on any Series of Bonds shall cease to hold such office before the authentication and delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such person had remained in office until delivery. Any Bond may be signed by such persons as at the actual time of the execution of such Bond shall be the proper officials to sign such Bond although at the date of such Bond such persons may not have been such officials.

(b) No Bond shall be secured by, or be entitled to any lien, right or benefit under, this Indenture or be valid or obligatory for any purpose, unless the certificate of authentication thereon is executed by the Trustee by manual signature of an authorized officer or signatory of the Trustee, and such certificate upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly authenticated and delivered hereunder. At any time and from time to time after the execution and delivery of this Indenture, the Authority may deliver Bonds executed by the Authority to the Trustee for authentication and the Trustee shall authenticate and deliver such Bonds as provided in this Indenture and not otherwise.

Section 305. Registration, Transfer and Exchange.

(a) The Trustee shall act as Bond Registrar for the purpose of registering Bonds and transfers of Bonds as herein provided, subject to the provisions of Section 911 permitting the designation through the Trustee of alternate bond registrars. The Trustee shall cause to be kept at its corporate trust office or such other office as the Trustee shall designate a Bond Register in which, subject to such reasonable regulations as it may prescribe, the Trustee shall provide for the registration, transfer and exchange of Bonds as provided herein or in a Supplemental Indenture with respect to a Series of Bonds. The Bonds of any Series may be registered in book-entry format in accordance with a Book-Entry System as provided in Section 310 or in a Supplemental Indenture with respect to a Series of Bonds.

(b) The Bonds and beneficial interests therein may only be purchased by or transferred to Approved Investors and upon the execution by the proposed purchaser or transferee of a Purchaser's Letter of Representations. Subject to the limitations of the preceding sentence, any Bond may be transferred or exchanged only upon the Bond Register as provided in this Section. Upon surrender for transfer or exchange of any Bond at the corporate trust office of the Trustee or such other office as the Trustee shall designate, the Authority shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same Series and maturity in any Authorized Denominations and of a like aggregate principal amount and interest rate.

(c) Every Bond presented or surrendered for transfer or exchange shall (if so required by the Trustee) be duly endorsed, or be accompanied by, a written instrument of transfer in form satisfactory to the Trustee, duly executed by the Owner thereof or his attorney or legal representative duly authorized in writing.

(d) All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the Authority, evidencing the same debt, and entitled to the same security and benefits under this Indenture, as the Bonds surrendered upon such transfer or exchange.

(e) No service charge shall be made for any registration, transfer or exchange of Bonds, but the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, and such charge shall be paid before any such new Bond shall be delivered. The fees and charges of the Trustee for making any transfer or exchange and the expense of any bond printing necessary to effect any such transfer or exchange shall be paid by the Authority. If any Registered Owner fails to provide a certified taxpayer identification number to the Trustee, the Trustee may impose a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Internal Revenue Code, such amount may be deducted by the Trustee from amounts otherwise payable to such Registered Owner hereunder or under the Bonds.

(f) The Trustee shall not be required (i) to transfer or exchange any Bond during a period beginning 15 days before the day of the mailing of a notice of redemption of such Bond and ending at the close of business on the day of such mailing, or (ii) to transfer or exchange any Bond so selected for redemption in whole or in part, during a period beginning at the opening of business on any Record Date for such Bond and ending at the close of business on the relevant Payment Date therefor.

(g) The Trustee will keep the Bond Register on file at its corporate trust office or such other office as the Trustee shall designate, which shall include a list of the names and addresses of the

last known Owners of all Bonds of each Series and the numbers of such Bonds held by each of such Owners. At reasonable times and under reasonable regulations established by the Trustee, the list may be inspected and copied by the Authority or the Owners of 10% in principal amount of the affected Series of Bonds Outstanding or the authorized representative thereof, provided that the ownership of such Owner and the authority of any such designated representative shall be evidenced to the satisfaction of the Trustee.

Section 306. Persons Deemed Owners of Bonds.

The Person in whose name any Bond is registered on the Bond Register shall be deemed and regarded as the absolute owner thereof for all purposes, except when a Book-Entry System is in effect for a particular Series of Bonds, and payment of or on account of the principal or Redemption Price of and interest on any such Bond shall be made only to or upon the order of the Registered Owner thereof or his legal representative, but such registration may be changed as provided herein. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Section 307. Mutilated, Destroyed, Lost and Stolen Bonds.

(a) If (i) any mutilated Bond is surrendered to the Trustee, or the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (ii) there is delivered to the Authority and the Trustee such security or indemnity as may be required by the Trustee to save each of them harmless, then, in the absence of notice to the Trustee that such Bond has been acquired by a bona fide purchaser, the Authority shall execute and the Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same Series, principal amount and interest rate, bearing a number not contemporaneously outstanding. If any such Bond shall have matured, such Bond may be paid without surrender thereof or delivery of a new Bond.

(b) Upon the issuance of any new Bond under this Section, the Authority and the Trustee may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith.

(c) Every new Bond issued pursuant to this Section in lieu of any destroyed, lost or stolen Bond, shall constitute an original additional contractual obligation of the Authority, whether or not the destroyed, lost or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the security and benefits of this Indenture equally and ratably with all other Outstanding Bonds of the same Series.

Section 308. Cancellation of Bonds.

All Bonds surrendered to the Trustee for payment, redemption, transfer, exchange or replacement shall be promptly cancelled by the Trustee. The Authority may at any time deliver to the Trustee for cancellation any Bonds previously authenticated and delivered hereunder, which the Authority may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Trustee. No Bond shall be authenticated in lieu of or in exchange for any Bond cancelled as provided in this Section, except as expressly provided by this Indenture. All cancelled Bonds held by the Trustee shall be destroyed and disposed of by the Trustee in accordance with applicable record retention requirements.

Section 309. Unclaimed Moneys.

Notwithstanding the satisfaction and discharge of this Indenture, the Trustee shall retain such rights, powers and duties under this Indenture as may be necessary and convenient for the payment of amounts due or to become due on the Bonds and the registration, transfer and exchange of Bonds as provided herein. Nevertheless, any moneys held by the Trustee for the payment of the principal or Redemption Price of or interest on any Bond remaining unclaimed for one year after the principal of all Bonds has become due and payable, whether at maturity or upon proceedings for redemption or by declaration as provided herein, shall then be paid without liability for interest thereon to the Authority and all liability of the Trustee with respect to such moneys shall thereupon cease. The Owners of any Bonds not theretofore presented for payment shall thereafter be entitled to look only to the Authority for payment thereof, and then only to the extent of the amount so repaid, and the Authority shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 310. Book-Entry Bonds; Securities Depository.

(a) If so provided in a Supplemental Indenture, the Bonds of any Series may initially be registered to Cede & Co., as nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing its respective interest in such Bonds, except that if the Trustee issues replacement bonds as provided in this Section. It is anticipated that during the term of such Bonds, the Securities Depository will make book-entry transfers among its DTC Participants and receive and transmit payment of principal or Redemption Price of and interest on, such Bonds to the DTC Participants until and unless the Trustee authenticates and delivers replacement bonds to the Beneficial Owners as described in subsection (b) of this Section.

(b) If (i) the Authority determines with respect to a Series of Bonds initially registered in book-entry format in accordance with a Book-Entry System (A) that the Securities Depository is unable to properly discharge its responsibilities, or (B) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities Exchange Act of 1934, as amended, or (C) that the continuation of a Book-Entry System to the exclusion of any Bonds being issued to any Bondowner other than Cede & Co. is no longer in the best interests of the beneficial Bondowners, or (ii) the Trustee receives written notice from DTC Participants representing interests in not less than 50% of the Bonds of such Series Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a Book-Entry System to the exclusion of any Bonds of such Series being issued to any Bondowner other than Cede & Co. is no longer in the best interests of the beneficial, then, subject to the satisfaction of any applicable requirements of the Securities Depository with respect thereto, the Trustee shall notify the Bondowners of such Series of such determination or such notice and of the availability of certificates to Owners requesting the same, and the Trustee shall register in the name of and authenticate and deliver replacement bonds to the Beneficial Owners or their nominees in principal amounts representing the interest of each; provided, that in the case of a determination under (i)(A) or (i)(B) of this subsection, the Authority, with the consent of the Trustee, may select a successor securities depository in accordance with the following subsection to effect book-entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when at least one Bond of such Series is registered in the name of the Securities Depository or its nominee. Upon the issuance of replacement bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable with respect to such replacement bonds. If the Securities Depository resigns and the Authority is unable to locate a qualified successor of the Securities Depository in accordance with the

following subsection, then the Trustee shall authenticate and cause delivery of replacement bonds to Bondowners, as provided herein. The Trustee may rely on information from the Securities Depository and its DTC Participants as to the names and addresses of and principal amounts owned by each of the beneficial Bondowners. The cost of printing, registration, authentication, and delivery of replacement bonds shall be paid for by the Authority.

(c) If the Securities Depository with respect to a Series of Bonds resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities Exchange Act of 1934, as amended, the Authority may appoint a successor Securities Depository meeting the qualifications of this subsection. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Trustee upon its receipt of a Bond or Bonds of such Series for cancellation shall cause the delivery of Bonds to the successor Securities Depository in appropriate denominations and form as provided herein and in the Supplemental Indenture with respect to such Series of Bonds.

ARTICLE IV

REDEMPTION OF BONDS

Section 401. Redemption of Bonds Prior to Maturity.

The Bonds of each Series shall be subject to optional, mandatory and sinking fund redemption prior to maturity in accordance with the applicable terms and provisions contained in this Article and as may be specified in such Bonds and the Supplemental Indenture authorizing such Bonds, if any.

Section 402. Election to Redeem.

(a) In case of any optional redemption at the written direction of the Authority, the Authority shall, at least 30 days prior to the Redemption Date (or such shorter notice period that is specified in a Supplemental Indenture applicable to the affected Series of Bonds), give written notice to the Trustee, directing the Trustee to call Bonds for redemption and give notice of redemption and specifying the Redemption Date, the principal amount and maturities of Bonds to be called for redemption, the applicable Redemption Price or prices and the provision or provisions of the Supplemental Indenture pursuant to which such Bonds are to be called for redemption.

(b) The foregoing provisions of this Section shall not apply in the case of any mandatory or sinking fund redemption of Bonds under this Indenture or under any Supplemental Indenture, and the Trustee shall call Bonds for redemption and shall give notice of redemption pursuant to such mandatory redemption requirements without the necessity of any action by the Authority and whether or not the Trustee shall hold in the applicable Account of the Debt Service Fund moneys available and sufficient to effect the required redemption.

Section 403. Selection of Bonds to be Redeemed.

(a) Bonds may be redeemed only in Authorized Denominations of the Bonds of any Series specified in the Supplemental Indenture authorizing such Series of Bonds. If less than all Bonds are to

be redeemed and paid prior to maturity, the particular Bonds to be redeemed shall be selected from the Series and the maturity or maturities selected by the Authority. If less than all Bonds of any maturity are to be redeemed, unless otherwise provided in the Supplemental Indenture authorizing the issuance of such Bonds, the particular Bonds to be redeemed shall be selected by the Trustee at random in such manner as the Trustee shall determine.

(b) Any Bond that is to be redeemed only in part shall be surrendered at the place of payment therefor (with, if the Trustee so requires, due endorsement by, or a written instrument of transfer in form not unsatisfactory to the Trustee duly executed by, the Owner thereof or his attorney or legal representative duly authorized in writing), and the Trustee shall authenticate and deliver to the Owner of such Bond, without service charge, a new Bond or Bonds of the Series of any Authorized Denomination or Denominations as requested by such Owner in the aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered. If the Owner of any such Bond shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, said Bond shall, nevertheless, become due and payable on the Redemption Date to the extent of the unit or units of principal amount called for redemption (and to that extent only).

(c) In lieu of surrender under the preceding subsection, payment of the Redemption Price of a portion of any Bond may be made directly to the Registered Owner thereof without surrender thereof, if there shall have been filed with the Trustee a written agreement of such Owner satisfactory in form and substance to the Trustee, and, if such Owner is a nominee, the Person for whom such Owner is a nominee, that payment shall be so made and that such Owner will not sell, transfer or otherwise dispose of such Bond unless prior to delivery thereof such Owner shall present such Bond to the Trustee for notation thereon of the portion of the principal thereof redeemed or shall surrender such Bond in exchange for a new Bond or Bonds for the unredeemed balance of the principal of the surrendered Bond.

(d) Notwithstanding the foregoing, so long as the Securities Depository is effecting book-entry transfers of Bonds to be redeemed under a Book-Entry System, the Trustee shall follow the procedures for redemption as set forth in the Securities Depository's operational arrangements as in effect at the time.

Section 404. Notice of Redemption.

(a) Unless waived by any Owner of Bonds to be redeemed, and except as otherwise provided in the Supplemental Indenture authorizing a Series of Bonds, official notice of any such redemption shall be given by the Trustee to each Registered Owner of the Bonds to be redeemed at the address shown on the Bond Register no less than 30 days prior to the Redemption Date or such other notice period that is specified in the Supplemental Indenture authorizing the issuance of such Bonds to be redeemed.

(b) All official notices of redemption shall be dated and shall state the following:

- (i) the Redemption Date;
- (ii) the Redemption Price;

(iii) the Series and principal amount (and, in the case of partial redemption, the respective principal amounts, identification numbers, if any, and maturity dates) of the Bonds to be redeemed;

(iv) 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 the Redemption Date;

(v) the place where the Bonds to be redeemed are to be surrendered for payment of the Redemption Price, which place of payment shall be a corporate trust office of the Trustee; and

(vi) such other conditions to the redemption as are required under the Supplemental Indenture relating to the Bonds to be redeemed.

(c) Any notice of an optional redemption may be conditioned 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.

(d) The failure of any Owner of Bonds to be redeemed to receive notice given as provided in this Section, or any defect therein, shall not affect the validity of any proceedings for the redemption of such Bonds. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given and shall become effective upon mailing, whether or not any Owner receives such notice.

(e) In addition to the foregoing notice, the Trustee shall give further notice: (i) as may be required by the Supplemental Indenture authorizing such Series of Bonds to be redeemed; or (ii) by electronic transmission to the Electronic Municipal Market Access system for municipal securities disclosures or such other manner as may be required by the Securities and Exchange Commission. No defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given to the Registered Bondowners as above prescribed.

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

Section 405. Payment of Redemption Price.

(a) On or before any Redemption Date, the Authority shall deposit, or cause to be deposited, with the Trustee an amount of money sufficient to pay the Redemption Price of all the Bonds that are to be redeemed on such Redemption Date. Such money shall be held in trust for the benefit of the Persons entitled to such Redemption Price and shall not be deemed to be part of the Trust Estate.

(b) Subject to the provisions of Section 404(c), notice of redemption having been given as aforesaid, the Bonds to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Authority shall default in the payment of the Redemption Price) such Bonds shall cease to bear interest. Upon surrender of any such Bond for redemption in accordance with said notice, the Redemption Price of such Bond shall be paid by the Trustee to the Registered Owner in immediately available funds by close of business on the Redemption Date. Installments of interest with a due date on or prior to the Redemption Date shall be payable to the Bondowners registered as such on the Bond Register on the relevant Record Dates according to the terms of such Bonds and the provisions of the Supplemental Indenture authorizing such Bonds.

(c) If any Bond called for redemption shall not be so paid upon surrender thereof for redemption, or as otherwise provided under Section 403(c) in lieu of surrender, the principal (and premium, if any) shall, until paid, bear interest from the Redemption Date at the rate prescribed therefor in the Bond.

Section 406. Sinking Fund Installments.

(a) Except as otherwise provided in a Supplemental Indenture authorizing a Series of Bonds, amounts accumulated in the applicable Account of the Debt Service Fund with respect to any Sinking Fund Installment (together with amounts accumulated therein with respect to interest on the Bonds for which such Sinking Fund Installment was established) shall, if so directed by the Authority in an Officer's Certificate not less than 45 days before the due date of such Sinking Fund Installment, be applied by the Trustee to: (i) the purchase of Bonds of the Series and maturity for which such Sinking Fund Installment was established, (ii) the redemption at the applicable sinking fund Redemption Price of such Bonds, if then redeemable by their terms, or (iii) any combination of (i) and (ii). All purchases of any Bonds pursuant to this subsection shall be made at prices not exceeding the applicable sinking fund Redemption Price of such Bonds plus accrued interest, and such purchases shall be made in such manner as the Authority shall direct the Trustee. As soon as practicable after the 45th day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption on such due date, by giving notice as required by this Indenture or the Supplemental Indenture authorizing the issuance of such Series of Bonds, Bonds of the Series and maturity for which such Sinking Fund Installment was established (except in the case of Bonds maturing on a Sinking Fund Installment date), in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment. The Trustee shall pay out of the applicable Account of the Debt Service Fund to the appropriate Paying Agents, on or before such Redemption Date (or maturity date), the amount required for the redemption of the Bonds so called for redemption (or for the payment of such Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment).

(b) If at any time Bonds of any Series and maturity for which Sinking Fund Installments were established are (i) purchased or redeemed (other than pursuant to the subsection above) in

accordance with Section 506 or Article IV, or (ii) deemed to have been paid under Section 1101 and, with respect to such Bonds which have been deemed paid, irrevocable instructions have been given to the Trustee to redeem or purchase (other than pursuant to the subsection above) the same on or prior to the due date of the Sinking Fund Installment to be credited under this Section, the Authority may from time to time and at any time determine the portions, if any, of such Bonds so purchased, redeemed or deemed to have been paid and not previously applied as a credit against any Sinking Fund Installment which are to be credited against future Sinking Fund Installments, and shall execute and deliver to the Trustee an Officer's Certificate to such effect at least 45 days prior to the due date of the Sinking Fund Installment so to be credited. Such determination shall include the amounts of such Bonds to be applied as a credit against such Sinking Fund Installment or Installments and the particular Sinking Fund Installment or Installments against which such Bonds are to be applied as a credit; provided, however, that unless otherwise provided in the Supplemental Indenture authorizing such Series of Bonds, none of such Bonds may be applied as a credit against a Sinking Fund Installment to become due less than 45 days after such determination is made. Except as provided in Section 310 with respect to Bonds of any Series registered in book-entry format in accordance with a Book-Entry System, all such Bonds to be applied as a credit shall be surrendered to the Trustee for cancellation on or prior to the due date of the Sinking Fund Installment against which they are being applied as a credit. In any such case, the Sinking Fund Installment so to be credited shall be credited in the amount of the sinking fund Redemption Price of the Bonds to be applied thereto as a credit, and the portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

ARTICLE V

FUNDS AND ACCOUNTS; APPLICATION OF BOND PROCEEDS AND OTHER MONEYS

Section 501. Establishment of Funds and Accounts.

(a) The following Funds and Accounts are hereby established in the name of the Authority in the custody of the Trustee:

(i) Revenue Fund (the "*Revenue Fund*"), and within such fund, an Account for each Series of Bonds.

(ii) Debt Service Fund (the "*Debt Service Fund*"), and within such fund, an Account for each Series of Bonds.

(iii) Bond Proceeds Fund (the "*Bond Proceeds Fund*"), and within such fund, an Account for each Series of Bonds.

(iv) Costs of Issuance Fund (the "*Costs of Issuance Fund*"), and within such fund, an Account for each Series of Bonds.

(b) For any Series of Bonds that has a designated Clean Water Portion and Drinking Water Portion, the Authority or DNR shall designate a Clean Water Portion and a Drinking Water Portion of any Fund or Account. Any Clean Water Portion of any Fund or Account will be deemed to be within

the Clean Water SRF Program for purposes of compliance with the Federal Clean Water Act, the Clean Water SRF Program, the Act and regulations promulgated thereunder restricting the use of moneys within the Clean Water SRF Program. Any Drinking Water Portion of any Fund or Account 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.

(c) The Authority may, by Supplemental Indenture, establish one or more additional Funds or Accounts to be held by the Trustee, the Authority or DNR as are necessary or desirable to secure any Series of Bonds, to account for deposit of proceeds of such Bonds or other moneys or for any other necessary purpose. Each Supplemental Indenture establishing any other Fund or Account shall set forth the extent to which such Fund or Account shall be available for and pledged and assigned for the payment of the applicable Series of Bonds.

(d) The Funds and Accounts described in this Section shall be maintained and administered solely for the purposes and in the manner as provided in this Indenture and any Supplemental Indenture entered into pursuant to the terms of this Indenture. All moneys deposited with or paid to the Trustee, the Authority or DNR from the Funds and Accounts held by the Trustee under this Indenture shall be held and applied, as applicable, only in accordance with the provisions of this Indenture and each applicable Supplemental Indenture. Until used or applied as herein provided, all moneys in the Funds and Accounts held by the Trustee under this Indenture shall be held by the Trustee in trust for the benefit of the Authority, shall be subject to the lien, terms and provisions hereof and shall not be commingled with any other funds and accounts of the Trustee except as provided under Section 602 for investment purposes.

Section 502. Application of Bond Proceeds and Other Moneys.

The proceeds of any Series of Bonds and other moneys shall be deposited into the Funds and Accounts in the manner and amounts set forth in the Supplemental Indenture authorizing such Series of Bonds.

Section 503. Revenue Fund.

Amounts on deposit in the Revenue Fund shall be used and withdrawn as provided in this Section, except as otherwise provided in any Supplemental Indenture authorizing the issuance of a Series of Bonds, as follows:

(a) On each Payment Date with respect to a Series of Bonds, the Trustee shall transfer, without further authorization, from the applicable Account of the Revenue Fund an amount equal to the applicable Revenue Account Release Amount for the applicable Payment Date as set forth in an exhibit attached to the applicable Supplemental Indenture to the applicable Account of the Debt Service Fund for application as provided in Section 504.

(b) Upon the payment in full of the principal of and interest due on a Series of Bonds (or provision having been made for the payment thereof as specified in this 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 this Indenture applicable to such Series of Bonds have been paid or provided for, all amounts remaining on deposit in the applicable Account of the Revenue Fund shall be transferred to the Master Trustee (2020) for deposit in the applicable account of the Interest Accumulation Fund held under the Master Trust Agreement (2020).

Section 504. Debt Service Fund.

Amounts on deposit in the Debt Service Fund shall be used and withdrawn as provided in this Section, except as otherwise provided in any Supplemental Indenture authorizing the issuance of a Series of Bonds, as follows:

(a) On each Payment Date with respect to a Series of Bonds, the Trustee shall withdraw, without further authorization, from the applicable Account of the Debt Service Fund an amount sufficient for the payment of interest on each Payment Date on such Series of Bonds;

(b) On each Payment Date with respect to a Series of Bonds, the Trustee shall withdraw, without further authorization, from the applicable Account of the Debt Service Fund an amount sufficient for the payment of the principal of or Sinking Fund Installment due on each Payment Date on such Series of Bonds; and

(c) Upon the payment in full of the principal of and interest due on a Series of Bonds (or provision having been made for the payment thereof as specified in this 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 this Indenture applicable to such Series of Bonds have been paid or provided for, all amounts remaining on deposit in the applicable Account of the Debt Service Fund shall be transferred to the Master Trustee (2020) for deposit in the applicable account of the Interest Accumulation Fund held under the Master Trust Agreement (2020).

On any Payment Date with respect to a Series of Bonds, the Trustee may, if necessary, transfer from the Funds or Accounts securing the Clean Water Portion of such Series of Bonds to the Drinking Water Subaccount of the Debt Service Fund for such Series of Bonds, and/or from the Funds or Accounts securing the Drinking Water Portion of such Series of Bonds to the Clean Water Subaccount of the Debt Service Fund for such Series of Bonds 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 and DNR.

Section 505. Costs of Issuance Fund.

(a) Moneys in each Account of the Costs of Issuance Fund shall be used solely for the purpose of paying Costs of Issuance with respect to the applicable Series of Bonds, as provided in this Section and in any Supplemental Indenture authorizing the issuance of a Series of Bonds.

(b) The Trustee shall pay out of the Costs of Issuance Accounts upon written disbursement requests of the Authority, signed by an Authorized Representative, amounts equal to the amount of Costs of Issuance with respect to the applicable Series of Bonds certified in such written requests to be paid or reimbursed.

(c) At such time as the Trustee is furnished with an Officer's Certificate stating that all Costs of Issuance with respect to a Series of Bonds have been paid, and in any case not later than three (3) months from the date of original issuance of such Series of Bonds, the Trustee shall transfer any moneys remaining in the Costs of Issuance Account with respect to such Series of Bonds to the Master Trustee (2020) for deposit in the applicable account of the Master Trust Bonds Expense Fund held under the Master Trust Agreement (2020).

Section 506. Purchase of Bonds.

The Authority may purchase Bonds of any Series from moneys on deposit in the applicable Account of the Debt Service Fund or from any other available funds at public or private sale, as and when and at such prices not exceeding the principal amount thereof plus accrued interest thereon to the date of such purchase. All Bonds so purchased shall at such times as shall be selected by the Authority be delivered to and cancelled by the Trustee (or provision made therefor). In the case of the purchase of Bonds of a Series and maturity for which Sinking Fund Installments shall have been established, the Authority shall, by an Officer's Certificate delivered to the Trustee, elect the manner in which the principal amount of such Bonds shall be credited toward Sinking Fund Installments, consistent with the procedures of Section 406 and the Supplemental Indenture authorizing such Bonds.

ARTICLE VI

DEPOSIT AND INVESTMENT OF FUNDS

Section 601. Deposit of Funds.

(a) All moneys held in Funds and Accounts under the provisions of this Indenture shall constitute trust funds and the Trustee and the Authority may deposit such moneys with one or more Depositories in trust for said parties. All moneys deposited under the provisions of this Indenture shall be applied only in accordance with the provisions of this Indenture.

(b) Each Depository shall be a bank or trust company organized under the laws of any state of the United States or a national banking association having capital stock, surplus and undivided earnings of \$100,000,000, or must provide a guaranty of the full and prompt performance by the Trustee of its obligations under this Indenture, and any other agreements made in connection with the Bonds, on terms satisfactory to the Authority, by a guarantor with such combined capital and surplus or consolidated net worth, and willing and able to accept the office on reasonable and customary terms and authorized by law to act in accordance with the provisions of this Indenture.

(c) All moneys held by any Depository under this Indenture may be placed on demand or time deposit, if and as directed by the Authority, provided that such deposits shall permit the moneys so held to be available for use at the time when needed. Any such deposit may be made in the commercial banking department of any Depository which may honor checks and drafts on such deposit with the same force and effect as if it were not such Depository. All moneys held by any Depository, as such, may be deposited by such Depository in its banking department on demand or, if and to the extent directed by the Authority and acceptable to such Depository, time deposit, provided that such moneys on deposit be available for use at the time when needed. Such Depository shall allow and credit on such moneys such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

(d) Any moneys held in cash in excess of the amount insured by the Federal Deposit Insurance Corporation shall be continuously secured for the benefit of the Trustee and the Authority and DNR by such collateral or indemnification bonds as the laws of the State shall require.

(e) All moneys deposited with the Trustee and each Depository shall be credited to the particular Fund or Account to which such moneys belong and, except as provided with respect to the investment of moneys in Investment Securities pursuant to Section 602, the moneys credited to each particular Fund or Account shall be kept separate and apart from, and not commingled with, any moneys credited to any other Fund or Account or any other moneys deposited with the Trustee and each Depository.

Section 602. Investment of Moneys.

(a) Except as provided in subparagraph (b) with respect to moneys held in the Accounts of the Revenue Fund, moneys held in the Funds and Accounts established hereunder shall be invested and reinvested by the Trustee at the written direction of the Authority to the fullest extent practicable in Investment Securities which mature or are available not later than such times as reasonably expected to be necessary to provide moneys when needed for payments to be made from such Funds and Accounts. The Trustee shall make all such investments of moneys held by it in accordance with the written directions of an Authorized Representative; provided, however, that if the Authorized Representative fails to provide such written direction to the Trustee, the Trustee shall invest and reinvest money in the Funds held by the Trustee in money market mutual funds rated at least as high as the sovereign rating of the United States of America by the Rating Agency. In making any investment in any Investment Securities with moneys in any Fund or Account established under this Indenture pursuant to this subparagraph, the Authority or the Trustee may combine such moneys with moneys in any other Fund or Account (except the Accounts of the Revenue Fund) but solely for the purposes of making such investment in such Investment Securities and provided that any amount so combined shall be separately accounted for.

(b) Moneys held in any Account of the Revenue Fund for a Series of Bonds shall be segregated from all other moneys, revenues, Funds and Accounts established hereunder and shall be separately invested and reinvested by the Trustee at the written direction of the Authority to the fullest extent practicable in Government Obligations which mature or are available not later than such times as reasonably expected to be necessary to provide moneys when needed for payments to be made from such Account. The Trustee shall make all such investments of moneys held by it in the Accounts of the Revenue Fund in accordance with the written direction of an Authorized Representative.

(c) The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries.

Section 603. Valuation and Sale of Investments.

(a) Obligations purchased as an investment of moneys in any Fund or Account created under the provisions of this Indenture shall be deemed at all times to be a part of such Fund or Account and any profit realized from the liquidation of such investment shall be credited to such Fund or Account and any loss resulting from the liquidation of such investment shall be charged to the respective Fund or Account.

(b) Except as otherwise provided in any Supplemental Indenture with respect to Funds or Accounts created thereunder, in computing the amount in any Fund or Account obligations purchased as an investment of moneys therein shall be valued, as of any particular time of determination, as follows:

- (i) with respect to cash, at the face value thereof;
 - (ii) with respect to investment agreements and any other Investment Securities eligible to be withdrawn at par, at the face value thereof; and
 - (iii) except as provided in subsection (ii), with respect to any Investment Securities, at the fair market price of the investment on the date of valuation.
- (c) Such computations shall be determined promptly following each Payment Date, or more frequently if directed by the Authority.
- (d) At the written request of the Authority, and upon compliance with the conditions hereinafter stated in this subsection, the Trustee may, from time to time, sell, transfer, request the redemption of or otherwise dispose of any of the Government Obligations held in any Account of the Revenue Fund and reinvest and substitute such Government Obligations so redeemed or otherwise disposed of solely with other Government Obligations. The Trustee shall purchase such substitute Government Obligations with the proceeds derived from any such sale, transfer, disposition or redemption of the Government Obligations together with any other funds available for such purpose. The substitution of Government Obligations may be effected only if: (i) the substitution of the new Government Obligations for the original Government Obligations occurs simultaneously; and (ii) the Trustee and the Authority receive, no later than the effective date of the substitution, a verification report prepared by an Independent Accountant, or other verification agent, satisfactory to the Authority, to the effect that after such substitution, the principal of and interest payable on the Government Obligations to be held in the applicable Account of the Revenue Fund, after giving effect to the substitution, together with any other money to be held in such Account after such transaction, will be sufficient to pay all remaining principal of, redemption premium, if any, and interest on the applicable Series of Bonds. If any substitution results in cash held in the applicable Account of the Revenue Fund in excess of the cash, after giving effect to the substitution, required to pay all remaining principal of, redemption premium, if any, and interest on the applicable Series of Bonds (as certified in the verification report referred to in this subsection), the Trustee shall, at the request of the Authority, withdraw such excess from such Account and transfer such excess to the applicable Account of the Debt Service Fund for such Series of Bonds.
- (e) Except as otherwise provided in this Indenture, the Trustee shall sell at the best price obtainable, or present for redemption, any obligation so purchased as an investment whenever it shall be directed in writing by the Authority so to do or whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Fund held by it. The Trustee shall not be liable or responsible for making any such investment in the manner provided above or for any loss resulting from any such investment.

ARTICLE VII

GENERAL COVENANTS AND PROVISIONS

Section 701. Power to Execute Indenture and Issue Bonds.

The Authority covenants that it is duly authorized under all applicable laws, including the constitution and laws of the State, to execute this Indenture, to issue Bonds under this Indenture and to

pledge and assign the Trust Estate in the manner and to the extent herein set forth; that all action on its part for the execution and delivery of this Indenture has been duly and effectively taken; and that the Bonds in the hands of the Owners thereof will be valid and enforceable obligations of the Authority according to the import thereof, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights to the extent applicable and their enforcement may be subject to the exercise of judicial discretion in appropriate cases.

Section 702. Payment of Bonds.

The Authority shall duly and punctually pay or cause to be paid, but solely from the sources specified in this Indenture and in the Supplemental Indenture authorizing the issuance of a Series of Bonds, the principal or Redemption Price of and interest on the Bonds in accordance with the terms of the Bonds, this Indenture and the applicable Supplemental Indenture.

Section 703. Performance of Covenants.

(a) The Authority covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining thereto. The Authority covenants that it is duly authorized under the laws of the State including, without limitation, the Act, to issue the Bonds authorized hereby, to execute this Indenture, and to pledge the Trust Estate and any other funds described herein in the manner and to the extent set forth herein. The Authority further covenants that all action on its part for the issuance of the Bonds, the execution and delivery of this Indenture and the pledge of the Trust Estate and any other funds described herein has been duly and effectively taken as provided herein and that the Bonds, assuming the due authentication thereof by the Trustee, in the hands of the Owners thereof are and will be valid and enforceable limited obligations of the Authority according to the import thereof, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and to the exercise of judicial discretion in accordance with general principles of equity.

(b) Nothing in this Indenture is intended to require or obligate, nor shall anything herein or therein be interpreted to require or obligate, the Authority for any purpose or at any time whatsoever, to provide, apply, or expend any funds coming into the hands of the Authority other than (i) the funds derived from the issuance of the Bonds, (ii) moneys received pursuant to this Indenture, and (iii) moneys held in the Funds and Accounts under this Indenture.

Section 704. Contract Impairments. The Authority shall not enter into any contract or contracts or take any actions which have the effect of impairing or diminishing the rights of the Owners under this Indenture or are inconsistent with the provisions of this Indenture.

Section 705. Accounts and Reports.

(a) The Trustee's records related to activities performed under this Indenture are subject to audit and inspection by the State, the Comptroller General of the United States of America and the EPA in accordance with (i) the Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Grants Guidance) and (ii) 2 CFR Part 200. The Trustee will maintain such financial transaction records in accordance with generally accepted accounting principles.

(b) The Trustee will provide financial reports to DNR and the Authority within 30 days of the end of each calendar quarter. Each financial report will cover financial activities during the preceding calendar quarter. These reports will consist of financial transaction registers, which means a register of all financial transactions during the reporting period for each Fund and Account maintained under this Indenture. Each financial transaction register will identify for each Fund and Account, a date, description and amount for all financial transactions and starting and ending balances. For purposes of this Section, calendar quarter means the 3-month period commencing on each January 1, April 1, July 1 and October 1.

(c) In addition, to the extent the financial reports required by subsection (b) do not provide sufficient information for the Authority to comply with Section 23.195 of the Revised Statutes of Missouri, or as may be necessary to conduct an annual audit of the financial condition of the Authority or for DNR to comply with the reporting requirements established by EPA, the Trustee shall provide such additional information as may be requested by the Authority or DNR for such respective purposes.

(d) The Authority shall provide one copy of its annual audited financial statements to the Trustee within 30 days after the approval of the annual audited financial statements by the governing body of the Authority. The Trustee shall have no duty to review or analyze any financial statements provided pursuant to this Section and shall hold such financial statements solely as a repository for the benefit of the Bondowners.

(e) The reports, statements and other documents required to be furnished to the Trustee pursuant to any provisions of this Indenture shall be available for the inspection of Bondowners at the principal corporate trust office of the Trustee or such other office as the Trustee may designate and shall be mailed to each Bondowner who shall file a written request therefor with the Trustee. The Trustee may charge each Bondowner requesting such reports, statements and other documents a reasonable fee to cover reproduction, handling and postage.

Section 706. Disclosure Undertaking.

The Authority may enter into, or cause an “obligated person” (as such term is defined in the SEC Rule) to enter into, a Disclosure Undertaking with respect to any Series of Bonds in order to comply with the provisions of the SEC Rule if applicable or requested by the Purchaser of such Series of Bonds. Any default in the covenants or provisions of any such Disclosure Undertaking will not constitute an Event of Default under this Indenture.

ARTICLE VIII

DEFAULT AND REMEDIES

Section 801. Acceleration of Maturity; Rescission and Annulment.

(a) If an Event of Default occurs and is continuing, the Trustee may, and if requested by the Owners of not less than 25% in principal amount of the Outstanding Bonds of the affected Series shall, by written notice to the Authority and DNR, declare the principal of the affected Series of Bonds and the interest accrued thereon to the date of acceleration to be due and payable, subject to the rights or limitations specified in a Supplemental Indenture with respect to the affected Series, and upon any such declaration such principal and interest shall become immediately due and payable.

(b) At any time after such a declaration of acceleration has been made with respect to a Series of Bonds, but before any judgment or decree for payment of money due on any such Series of Bonds has been obtained by the Trustee as provided in this Article, the Owners of a majority in principal amount of the Outstanding Bonds of the affected Series may, by written notice to the Authority, DNR and the Trustee, rescind and annul such declaration and its consequences if:

(i) there is deposited with the Trustee a sum sufficient to pay the following:

(A) all overdue installments of interest on all Bonds of the affected Series;

(B) the principal (and Redemption Price, if any) of any Bonds of the affected Series which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Bonds;

(C) interest upon overdue installments of interest at the rate or rates prescribed therefor in the affected Series of Bonds; and

(D) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; and

(ii) all Events of Default, other than the non-payment of the principal of such Series of Bonds which have become due solely by such declaration of acceleration, have been cured or have been waived as provided in Section 808.

(c) No such rescission and annulment shall affect any subsequent default or impair any right consequent thereon.

Section 802. Exercise of Remedies by the Trustee.

Upon the occurrence and continuance of any Event of Default under this Indenture, unless the same is waived as provided in this Indenture, the Trustee shall have the following rights and remedies, in addition to any other rights and remedies provided under this Indenture or by law:

(a) *Right to Bring Suit, Etc.* The Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce the payment of the principal of, Redemption Price, if any, and interest on the affected Series of Bonds Outstanding, including interest on overdue principal and on overdue installments of interest, and any other sums due under this Indenture, to realize on or to foreclose any of its interests or liens under this Indenture to enforce and compel the performance of the duties and obligations of the Authority as set forth in this Indenture and to enforce or preserve any other rights or interests of the Trustee under this Indenture with respect to any of the Trust Estate for the affected Series of Bonds or otherwise existing at law or in equity.

(b) *Appointment of Receiver.* Upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondowners of the affected Series under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate for the affected Series of Bonds, pending such proceedings, with such powers as the court making such appointment shall confer.

(c) *Suits to Protect the Trust Estate.* The Trustee shall have power to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the Trust Estate for the affected Series of Bonds by any acts which may be unlawful or in violation of this Indenture and to protect its interests and the interests of the Bondowners of the affected Series in the Trust Estate for the affected Series of Bonds, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security under this Indenture or be prejudicial to the interests of the Bondowners of the affected Series or the Trustee, or to intervene (subject to the approval of a court of competent jurisdiction) on behalf of the Bondowners of the affected Series in any judicial proceeding to which the Authority is a party and which in the judgment of the Trustee and its counsel has a substantial bearing on the interests of the Bondowners of the affected Series.

(d) *Enforcement Without Possession of Bonds.* All rights of action under this Indenture or any of the Bonds may be enforced and prosecuted by the Trustee without the possession of any of the Bonds or the production thereof in any suit or other proceeding relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust. Any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and subject to the provisions of Section 805, be for the equal and ratable benefit of the Bondowners of the affected Series in respect of which such judgment has been recovered.

(e) *Restoration of Positions.* If the Trustee or any Bondowner has instituted any proceeding to enforce any right or remedy under this Indenture by suit, foreclosure, the appointment of a receiver, or otherwise, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Bondowner, then and in every case the Authority, the Trustee and the Bondowners shall, subject to any determination in such proceeding, be restored to their former positions and rights under this Indenture, and thereafter all rights and remedies of the Trustee and the Bondowners shall continue as though no such proceeding had been instituted.

If requested in writing to do so by the Owners of not less than 25% in principal amount of Outstanding Bonds of the affected Series and if indemnified as provided in Section 902, the Trustee shall be obligated to exercise such one or more of the rights and remedies conferred by this Article as the Trustee shall deem most expedient in the interests of the Bondowners of the affected Series.

Section 803. Limitation on Suits by Bondowners.

(a) No Owner of any Bond shall have any right to institute any proceeding, judicial or otherwise, under or with respect to this Indenture, or for the appointment of a receiver or trustee or for any other remedy under this Indenture, unless:

(i) such Owner has previously given written notice to the Trustee of a continuing Event of Default;

(ii) the Owners of not less than 25% in principal amount of the Outstanding Bonds of the affected Series shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee under this Indenture;

(iii) such Owner or Owners have offered to the Trustee indemnity as provided in this Indenture against the costs, expenses and liabilities to be incurred in compliance with such request;

(iv) the Trustee has, for 60 days after its receipt of such notice, request and offer of indemnity, failed to institute any such proceeding; and

(v) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of a majority in principal amount of the Outstanding Bonds of the affected Series.

(b) The foregoing notification, request and indemnity are hereby declared, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder.

(c) It is further understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the lien of this Indenture or the rights of any other Owners of Bonds, or to obtain or to seek to obtain priority or preference over any other Owners or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all Outstanding Bonds of the affected Series. Notwithstanding the foregoing or any other provision in this Indenture, the Owner of any Bond shall have the right, which is absolute and unconditional, to receive payment of the principal of (and Redemption Price, if any) and interest on such Bond on the respective Stated Maturity expressed in such Bond (or, in the case of redemption, on the Redemption Date) and nothing contained in this Indenture shall affect or impair the right of any Owner to institute suit for the enforcement of any such payment.

Section 804. Control of Proceedings by Bondowners.

Subject to the provisions of Section 803, the Owners of a majority in principal amount of the Outstanding Bonds of the affected Series shall have the right, during the continuance of an Event of Default, to (a) require the Trustee to proceed to enforce this Indenture, either by judicial proceedings for the enforcement of the payment of the affected Series of Bonds or otherwise; and (b) direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture; provided, however, that, with respect to direction pursuant to this Section, (i) such direction shall not be in conflict with any rule of law or this Indenture; (ii) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction; and (iii) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Owners not taking part in such direction.

Section 805. Application of Moneys Collected.

(a) Notwithstanding anything herein to the contrary, any moneys collected by the Trustee pursuant to this Article for the affected Series of Bonds (after the deductions for payment of costs and

expenses of proceedings resulting in the collection of such moneys), together with any other sums then held by the Trustee as part of the Trust Estate for the affected Series of Bonds, shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest, upon presentation of the affected Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

(i) First: To the payment of all amounts due the Trustee under Section 904.

(ii) Second: To the payment of the interest and principal then due on the affected Series of Bonds as follows:

(1) If the principal of all the affected Series of Bonds shall not have become and shall not have been declared due and payable, all such moneys shall be applied:

First: To the payment to the Persons entitled thereto of all installments of interest then due on the affected Series of Bonds, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege; and

Second: To the payment to the Persons entitled thereto of the unpaid principal (including unpaid Sinking Fund Installments) and premium, if any, on the affected Series of Bonds which shall have become due (other than Bonds called for redemption or for which moneys for the payment thereof held pursuant to the provisions of this Indenture), in the order of the scheduled dates of their payment, and, if the amount available shall not be sufficient to pay in full the affected Series of Bonds due on any particular date, then to the payment ratably, according to the amount of principal and premium due on such date, to the Persons entitled thereto without any discrimination or privilege.

(2) If the principal of all the affected Series of Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal, premium, if any, and interest then due and unpaid upon the affected Series of Bonds without preference or priority of principal, premium or interest over the others, or of any installment of interest over any other installment of interest, according to the amounts due respectively for principal, premium, if any, and interest to the Persons entitled thereto without any discrimination or privilege; and

(3) If the principal of all the affected Series of Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article, then, provided that no distribution has been made pursuant to the provisions of paragraph (ii)(2) of this subsection, the moneys shall be applied in accordance with the provisions of paragraph (ii)(1) of this subsection.

(iii) Third: To the payment of the remainder, if any, to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct, or as otherwise provided in a Supplemental Indenture.

(b) Except as otherwise provided in this Indenture with respect to the cross-collateralization of the Clean Water SRF Program and the Drinking Water SRF Program, all moneys deposited in the Clean Water Accounts within Funds held hereunder shall be applied to the Clean Water Portion of the Bonds and all moneys deposited in the Drinking Water Accounts within Funds held hereunder shall be applied to the Drinking Water Portion of the Bonds.

(c) Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be a Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment to the Owner of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 806. Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the Trustee or to the Bondowners is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy. No delay or omission of the Trustee or of any Owner of any Bond to exercise any right or remedy accruing upon an Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Bondowners may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Bondowners, as the case may be.

Section 807. Advances by Trustee.

If the Authority shall fail to make any payment or perform any of its covenants in this Indenture, the Trustee may, at any time and from time to time, use and apply any moneys held by it under this Indenture, or make advances, to effect payment or performance of any such covenant on behalf of the Authority. All moneys so used or advanced by the Trustee, together with interest at the Trustee's announced prime rate per annum (or if no prime rate is announced, the publicly available per annum interest rate for high grade commercial loans) plus two percent, shall be repaid by the Authority upon demand and such advances shall be secured under this Indenture prior to the Bonds. For the repayment of all such advances the Trustee shall have the right to use and apply any moneys at any time held by it under this Indenture but no such use of moneys or advance shall relieve the Authority from any default hereunder.

Section 808. Waiver of Past Defaults.

(a) Before any judgment or decree for payment of money due has been obtained by the Trustee as provided in this Article, the Owners of a majority in principal amount of the Outstanding Bonds of the affected Series may, by written notice delivered to the Trustee and the Authority, on behalf of the Owners of all such Bonds waive any past default hereunder and its consequences, except a default (i) in the payment of the principal of (or premium, if any) or interest on any Bond, (ii) in respect of a covenant or provision hereof which under this Article VIII cannot be modified or amended without the consent of the Owner of each Outstanding Bond of the affected Series, or (iii) in the payment of the fees, charges and expenses of the Trustee or its agents and attorneys without the consent of the Trustee.

(b) Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to or affect any subsequent or other default or impair any right or remedy consequent thereon.

Section 809. Effect of Discontinuance of Proceedings. If the Trustee has proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry, or otherwise, and such proceedings have been discontinued or abandoned for any reason, or have been determined adversely, then the Authority, the Trustee and the Owners shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

ARTICLE IX

TRUSTEE, PAYING AGENTS AND BOND REGISTRARS

Section 901. Acceptance of Trusts; Certain Duties and Responsibilities.

The Trustee accepts and agrees to execute the trusts imposed upon it by this Indenture, but only upon the following terms and conditions:

(a) The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and in the absence of negligence or willful misconduct on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture.

(b) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except:

(i) that this subsection shall not be construed to limit the effect of subsection (a) of this Section;

(ii) that the Trustee shall not be liable for any error of judgment made in good faith by an authorized officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(iii) that the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in principal amount of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(iv) that no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

Section 902. Certain Rights of Trustee.

Except as otherwise provided in Section 901:

(a) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Any action taken by the Trustee pursuant to this Indenture upon the request or authorized consent of any Person who, at the time of making such request or giving such authority or consent is the Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds delivered in exchange therefor or upon transfer or in substitution thereof.

(b) The Trustee shall be entitled to rely upon an Officer's Certificate as to the sufficiency of any request or direction of the Authority mentioned herein, the existence or non-existence of any fact or the sufficiency or validity of any instrument, paper or proceeding, that a resolution in the form therein set forth has been duly adopted by the governing board of the Authority is in full force and effect.

(c) Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officer's Certificate.

(d) The Trustee may consult with counsel, and the written advice of such counsel or any Opinion of Counsel or Opinion of Bond Counsel shall be full and complete authorization

and protection in respect of any action taken, suffered or omitted by the Trustee hereunder in good faith and in reliance thereon, and may in all cases pay such reasonable compensation to all such agents, attorneys and receivers as may reasonably be employed in connection with the trusts hereof.

(e) Before taking any action under this Indenture, other than any action under Article III or Article IV or any declaration of acceleration, the Trustee may, in its discretion, require that satisfactory security or indemnity against the costs, expenses and liabilities (except as may result from the Trustee's own negligence or willful misconduct), including, without limitation, attorney's fees and expenses, which might be incurred by it in compliance with such request or direction.

(f) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Authority, personally or by agent or attorney.

(g) The Trustee assumes no responsibility for the correctness of the recitals contained in this Indenture and in the Bonds, except the certificate of authentication on the Bonds. The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the title thereto or as to the security afforded thereby or hereby, or as to the validity or sufficiency of this Indenture or of the Bonds. The Trustee shall not be accountable for the use or application by the Authority of any of the Bonds or the proceeds thereof or of any money paid to or upon the order of the Authority under any provision of this Indenture.

(h) The Trustee, in its individual or any other capacity, may become the owner or pledgee of Bonds and may otherwise deal with the Authority with the same rights it would have if it were not Trustee.

(i) All money received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law or by this Indenture. The Trustee shall be under no liability for interest on any money received by it hereunder except for its negligence or willful misconduct in connection with the provisions of Section 602.

(j) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

(k) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, except for any information provided

by the Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

(l) The Trustee shall not be required to give any bond or surety in respect of the execution of its trusts and powers hereunder.

(m) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its own negligence or willful misconduct.

(n) The Trustee shall have the right, but shall not be required, to demand, with respect to the execution of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right to the withdrawal of any cash, the release of any property, or the taking of any other action by the Trustee.

Section 903. Notice of Defaults.

The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except a default in any of the payments to the Trustee required to be made by Article VII, unless the Trustee shall be specifically notified in writing of such default by the Authority, or the Owners of at least 25% in principal amount of all Bonds Outstanding of the affected Series of Bonds, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid. Within 30 days after the occurrence of any default hereunder of which the Trustee is required to take notice or has received notice as provided in this Section, the Trustee shall give written notice of such default to the Authority, DNR and all Owners of Bonds the affected Series of Bonds as shown on the Bond Register, unless such default shall have been cured or waived; provided, however, that, except in the case of a default in any of the payments to the Trustee required to be made in Article VII, the Trustee shall be protected in withholding such notice if and so long as the Trustee in good faith determines that the withholding of such notice is in the interests of the Owners. For the purpose of this Section, the term “default” means any event which is, or after notice or lapse of time or both would become, an Event of Default.

Section 904. Compensation and Reimbursement.

(a) The Trustee shall be entitled to payment or reimbursement, as follows:

(i) from time to time for reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(ii) except as otherwise expressly provided herein, upon its request, for all reasonable fees, expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Trustee’s negligence or willful misconduct;

(iii) indemnity of the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or willful misconduct on its part, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder; and

(iv) if it should become necessary for the Trustee to perform extraordinary services, the Trustee shall be entitled to reasonable additional compensation therefor and to reimbursement for reasonable extraordinary expenses in connection therewith; provided that if such extraordinary services or extraordinary expenses are occasioned by the negligence or willful misconduct of the Trustee it shall not be entitled to compensation or reimbursement therefor.

(b) All such payments and reimbursements shall be made by the Authority with interest at the rate of interest per annum equal to the prime rate announced from time to time by the Trustee, plus 2%.

(c) The Trustee shall promptly notify the Authority and DNR in writing of any claim or action brought against the Trustee in respect of which indemnity may be sought against the Authority, setting forth the particulars of such claim or action, and the Authority will assume the defense thereof, including the employment of counsel satisfactory to the Trustee and the payment of all expenses. The Trustee may employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall not be payable by the Authority unless (i) such employment has been specifically authorized by the Authority or DNR, (ii) in the opinion of the Trustee the Authority has failed to actively and competently pursue the defense of such claim or action, or (iii) the Authority's counsel is precluded, by the rules governing conflicts of interest, from representing the Trustee.

Section 905. Corporate Trustee Required; Eligibility.

There shall at all times be a Trustee hereunder which shall be a bank or trust company organized and doing business under the laws of the United States of America or national banking association, authorized under such laws to exercise corporate trust powers, subject to supervision or examination by federal or state authority. The Trustee must have a combined capital and surplus or consolidated net worth of at least \$100,000,000, or must provide a guaranty of the full and prompt performance by the Trustee of its obligations under this Indenture and any other agreements made in connection with the Bonds, on terms satisfactory to the Authority, by a guarantor with such combined capital and surplus or consolidated net worth. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect specified in this Article.

Section 906. Resignation and Removal of Trustee.

(a) The Trustee may resign at any time by giving written notice thereof to the Authority and DNR and each Owner of Bonds Outstanding as shown by the Bond Register required by this Indenture to be kept by the Trustee. If an instrument of acceptance by a successor Trustee shall not

have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee. Such resignation shall take effect upon the earlier of (i) the end of such 30 days or (ii) the appointment of a successor Trustee.

(b) The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Authority, DNR and the Trustee signed by the Owners of a majority in principal amount of the Outstanding Bonds. The Authority, DNR or any Bondowner may at any time petition any court of competent jurisdiction for the removal for cause of the Trustee.

(c) The Trustee may be removed at any time (so long as no Event of Default has occurred and is continuing under this Indenture and no condition exists which could become an Event of Default with the passage of time pursuant to subsection (c) of the definition of Event of Default) by an instrument in writing signed by the Authority and DNR delivered to the Trustee. The foregoing notwithstanding, the Trustee may not be removed by the Authority and DNR unless written notice of the delivery of such instrument is given to the Owners of all Bonds Outstanding under this Indenture, which notice indicates the Trustee will be removed and replaced by the successor trustee named in such notice, such removal and replacement to become effective not less than 60 days from the date of such notice, unless the Owners of not less than 25% in aggregate principal amount of such Bonds Outstanding shall object in writing to such removal and replacement.

(d) If at any time (i) the Trustee shall cease to be eligible under Section 905 and shall fail to resign after written request therefor by the Authority and DNR or by any such Bondowner, or (ii) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation; then, in any such case, the Authority and DNR may remove the Trustee, or any Bondowner may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(e) The Trustee shall give notice of such resignation and such removal of the Trustee and such appointment of a successor Trustee to the Registered Owners of Bonds as their names and addresses appear in the Bond Register. Each notice shall include the name of the successor Trustee and the address of its corporate trust office.

(f) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Section shall become effective until the acceptance of appointment by the successor Trustee under Section 907.

Section 907. Appointment of Successor Trustee.

If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the Authority and DNR (if an Event of Default hereunder has occurred and is continuing), or the Owners of a majority in principal amount of Bonds Outstanding, by an instrument or concurrent instruments in writing delivered to the Authority, DNR and the retiring Trustee, shall promptly appoint a successor Trustee. In case all or substantially all of the Trust Estate shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee, by written instrument, may similarly appoint a temporary successor to fill such vacancy until a new Trustee shall be so appointed by the Authority and DNR or the Bondowners. If, within 30 days after such resignation, removal or incapability or the occurrence of such vacancy, a successor Trustee shall be appointed in

the manner herein provided, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the retiring Trustee and any temporary successor Trustee appointed by such receiver or trustee. If no successor Trustee shall have been so appointed and accepted appointment in the manner herein provided, the Trustee or any Bondowner may petition any court of competent jurisdiction for the appointment of a successor Trustee, until a successor shall have been appointed as above provided. The successor so appointed by such court shall immediately and without further act be superseded by any successor appointed as above provided. Every such successor Trustee appointed pursuant to the provisions of this Section shall meet the eligibility requirements of this Article.

Section 908. Acceptance of Appointment by Successor.

(a) Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Authority, DNR and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Trustee and thereupon the duties and obligations of the predecessor shall cease and terminate; but, on written request of the Authority and DNR or the successor Trustee, and upon approval by the Authority of the records and accounts of the predecessor Trustee, a release of the predecessor Trustee by the Authority, and the payment of the fees and expenses owned to the predecessor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to such successor Trustee upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder. Upon request of any such predecessor or successor Trustee, the Authority and DNR shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such estates, properties, rights, powers and trusts.

(b) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

Section 909. Merger, Consolidation and Succession to Business.

Any corporation or association into which the Trustee may be merged or with which it may be consolidated, or any corporation or association resulting from any merger or consolidation to which the Trustee shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation or association shall be otherwise qualified and eligible under this Article, and shall be vested with all of the title to the Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Bonds shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger or consolidation to such authenticating Trustee may adopt such authentication and deliver the Bonds so authenticated with the same effect as if such successor Trustee had itself authenticated such Bonds.

Section 910. Co-Trustees and Separate Trustees.

(a) At any time or times, for the purpose of meeting the legal requirements of any jurisdiction in which any of the Trust Estate may at the time be located, or in the enforcement of any default or the exercise any of the powers, rights or remedies herein granted to the Trustee, or any other

action which may be desirable or necessary in connection therewith, the Trustee shall have the power to appoint, and, upon the written request of the Trustee or of the Owners of at least 25% in principal amount of the Bonds Outstanding of the affected Series, the Authority and DNR shall for such purposes join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint, one or more Persons approved by the Trustee either to act as co-trustee, jointly with the Trustee, of all or any part of the Trust Estate, or to act as separate trustee of any such property, in either case with such powers as may be provided in the instrument of appointment, and to vest in such Person or Persons in the capacity aforesaid, any property, title, right or power deemed necessary or desirable, subject to the other provisions of this Section. If the Authority and DNR do not join in such appointment within 15 days after the receipt by it of a request so to do, or in case an Event of Default has occurred and is continuing, the Trustee alone shall have power to make such appointment.

(b) Should any written instrument from the Authority and DNR be required by any co-trustee or separate trustee so appointed for more fully confirming to such co-trustee or separate trustee such property, title, right or power, any and all such instruments shall, on request, be executed, acknowledged and delivered by the Authority and DNR.

(c) Every co-trustee or separate trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms, namely:

(i) The Bonds shall be authenticated and delivered, and all rights, powers, duties and obligations hereunder in respect of the custody of securities, cash and other personal property held by, or required to be deposited or pledged with, the Trustee hereunder, shall be exercised solely, by the Trustee.

(ii) The rights, powers, duties and obligations hereby conferred or imposed upon the Trustee in respect of any property covered by such appointment shall be conferred or imposed upon and exercised or performed by the Trustee or by the Trustee and such co-trustee or separate trustee jointly, as shall be provided in the instrument appointing such co-trustee or separate trustee, except to the extent that under any law of any jurisdiction in which any particular act is to be performed, the Trustee shall be incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations shall be exercised and performed by such co-trustee or separate trustee.

(iii) The Trustee at any time, by an instrument in writing executed by it, with the written concurrence of the Authority, may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section, and, in case an Event of Default has occurred and is continuing, the Trustee shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee without the concurrence of the Authority. Upon the written request of the Trustee, the Authority and DNR shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section.

(iv) No co-trustee or separate trustee hereunder shall be personally liable by reason of any act or omission of the Trustee, or any other such trustee hereunder.

(v) Any request, demand, authorization, direction, notice, consent, waiver or other act of Bondowners delivered to the Trustee shall be deemed to have been delivered to each such co-trustee and separate trustee.

(vi) In case any co-trustee or separate trustee shall become incapable of acting, resign or be removed, all the properties, rights, powers, trusts, duties and obligations of such co-trustee or separate trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a successor to such co-trustee or separate trustee.

Section 911. Paying Agents and Bond Registrars.

The Trustee is hereby designated and agrees to act as principal Paying Agent and Bond Registrar for and in respect to the Bonds. The Authority may, in its discretion, cause the necessary arrangements to be made through the Trustee for the designation of alternate Paying Agents, if any, and for the making available of funds hereunder for the payment of the principal of, Redemption Price, if any, and interest on the Bonds of any Series or of alternate Bond Registrars for the purpose of registering, transferring and exchanging Bonds of any Series at the designated corporate trust office of said alternate Bond Registrars. In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be trustee of any funds provided hereunder and Paying Agent and Bond Registrar for the Bonds, and the successor Trustee shall become such Trustee and Paying Agent and Bond Registrar unless a separate Paying Agent and Bond Registrar are appointed by the Authority in connection with the appointment of any successor Trustee.

Section 912. Anti-Discrimination Against Israel Act Certification.

Pursuant to Section 34.600 RSMo, the Trustee hereby certifies to the Authority that the Trustee (including all wholly owned subsidiaries, majority-owned subsidiaries, parent companies or affiliates of the Trustee) is not currently engaged in and shall not, for the duration of this Indenture, engage in a boycott of goods or services from the State of Israel, companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel, or persons or entities doing business in the State of Israel within the meaning of Section 34.600 RSMo.

ARTICLE X

SUPPLEMENTAL INDENTURES

Section 1001. Supplemental Indentures without Consent of Bondowners.

Without the consent of the Owners of any Bonds, the Authority and the Trustee may from time to time enter into one or more Supplemental Indentures for any of the following purposes:

(a) to reallocate the use of the proceeds of the Bonds, or to correct or amplify the description thereof at any time subject to the lien of this Indenture, or better to assure, convey and confirm unto the Trustee a security interest in property, documents or revenues subject or required to be subjected to the lien of this Indenture;

(b) to subject to the lien and pledge of this Indenture additional revenues, properties or collateral securing all or any Series of Bonds;

(c) to add to the conditions, limitations and restrictions on the authorized amount, terms or purposes of issue, authentication and delivery of Bonds or of any Series of Bonds, as herein set forth, additional conditions, limitations and restrictions thereafter to be observed;

(d) to authorize the issuance of any Series of Bonds and make such other provisions as provided in Article II and to specify any other terms and provisions with respect to such Bonds that are not inconsistent with the provisions of this Indenture then in effect;

(e) to evidence the appointment of a separate Trustee or the succession of a new Trustee under this Indenture;

(f) to add to the covenants of the Authority or to the rights, powers and remedies of the Trustee for the benefit of the Owners of all of the Bonds or to surrender any right or power herein conferred upon the Authority or DNR (with DNR's prior written consent);

(g) to cure any ambiguity, to correct or supplement any provision in this Indenture which may be inconsistent with any other provision herein, or to make any other change with respect to matters or questions arising under this Indenture, which shall not be inconsistent with the provisions of this Indenture, provided such action shall not materially adversely affect the interests of the Bondowners;

(h) to add additional Events of Default under this Indenture;

(i) to modify, eliminate or add to the provisions of this Indenture to such extent as shall be necessary to effect the qualification of this Indenture under the Trust Indenture Act of 1939, as amended, or under any similar federal statute hereafter enacted, or to permit the qualification of any Series of Bonds for sale under the securities laws of the United States or any state of the United States; or

(j) to make any other change which, in the sole judgment of the Trustee and the Authority, does not materially adversely affect the interests of the Owners, the Trustee or the Authority. In exercising such judgment, the Trustee and the Authority may rely on an Opinion of Counsel.

Section 1002. Supplemental Indentures with Consent of Bondowners.

(a) Except as provided in this Section 1002, with the consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding affected by such Supplemental Indenture, the Authority and the Trustee may enter into one or more Supplemental Indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Bondowners under this Indenture.

(b) Notwithstanding any other provision of this Indenture, no Supplemental Indenture shall, without the consent of the Owner of each Outstanding Bond affected thereby, carry out any of the following:

(i) change the Stated Maturity of the principal of, or any installment of interest on, any Bond, change the Redemption Date of any Series of Bonds or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or the sinking fund installment thereon, or change any place of payment where, or the coin or currency in which, any Bond, or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date);

(ii) reduce the percentage in principal amount of the Outstanding Bonds, the consent of whose Owners is required for any such Supplemental Indenture, or the consent of whose Owners is required for any waiver provided for in this Indenture of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences; or

(iii) a privilege or priority of any Series of Bonds over any other Series of Bonds (except to the extent that each Series of Bonds has exclusive rights to the applicable Accounts in the Funds created under this Indenture and the applicable Supplemental Indenture for such Series of Bonds) or, except to the extent provided in any Supplemental Indenture, the privilege or priority of any Bond or Bonds within a Series over any other Bond or Bonds within the same Series.

Section 1003. Execution of Supplemental Indentures; Opinion of Counsel.

Prior to the entry by the Authority and the Trustee into any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee, the Authority and DNR shall receive an Opinion of Counsel stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture and the Act, and will, upon the execution and delivery thereof, be valid and binding upon the Authority in accordance with its terms.

Section 1004. Effect of Supplemental Indentures.

Upon the execution of any Supplemental Indenture under this Article, this Indenture shall be modified in accordance therewith and such Supplemental Indenture shall form a part of this Indenture for all purposes; and every Owner of Bonds theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

Section 1005. Reference in Bonds to Supplemental Indentures.

Bonds authenticated and delivered after the execution of any Supplemental Indenture pursuant to this Article may, and if required by the Trustee shall, bear a notation in form approved by the Trustee as to any matter provided for in such Supplemental Indenture. If the Authority shall so determine, new Bonds so modified as to conform, in the opinion of the Authority, to any such Supplemental Indenture may be prepared and executed by the Authority and authenticated and delivered by the Trustee in exchange for Outstanding Bonds.

ARTICLE XI

SATISFACTION AND DISCHARGE

Section 1101. Payment, Discharge and Defeasance of Bonds.

(a) All or part of the Bonds of any Series or maturity will be deemed to be paid and discharged and no longer Outstanding under this Indenture and will cease to be entitled to any lien, benefit or security of this Indenture if the Authority shall pay or provide for the payment of such Bonds in any one or more of the following ways:

(i) by paying or causing to be paid the principal or Redemption Price of (including redemption premium, if any) and interest on such Bonds, as and when the same become due and payable;

(ii) by delivering such Bonds to the Trustee for cancellation; or

(iii) by the creation of a special and irrevocable separate trust fund with the Trustee and the deposit therein of moneys and Defeasance Obligations in an amount, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, sufficient to pay or redeem (when redeemable) and discharge such Bonds at or before their respective maturity or Redemption Dates (including the payment of the principal or Redemption Price of and interest payable on such Bonds to the maturity or Redemption Date thereof); provided that, if any such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption is given in accordance with the requirements of this Indenture or provision not unsatisfactory to the Trustee is made for the giving of such notice.

Notwithstanding the foregoing, the Bonds of any Series or maturity will not be deemed to be paid and discharged under subsection (a)(i) or (a)(ii) above or otherwise under this Indenture due to funds or Government Obligations held in or payments anticipated from any applicable Account of the Revenue Fund unless otherwise directed in writing by the Authority.

(b) Bonds may be defeased in advance of their maturity or Redemption Dates pursuant to subsection (a)(iii) above only upon receipt by the Trustee, DNR and the Authority of (i) a verification report prepared by Independent Accountant, or other verification agent, satisfactory to the Authority, and (ii) an Opinion of Counsel to the effect that the payment of the principal of and Redemption Price, if any, and interest on all such Bonds has been provided for in the manner set forth in this Indenture.

(c) For purposes of determining whether Variable Rate Bonds shall be deemed to have been paid prior to the maturity or Redemption Date thereof, as the case may be, by the deposit of moneys, or Defeasance Obligations and moneys, if any, in accordance with this Section, the interest to come due on such Variable Rate Bonds on or prior to the maturity date or Redemption Date thereof, as the case may be (which maturity or Redemption Date shall not be later than the first date following the date of such deposit on which the Variable Rate Bonds are subject to mandatory or optional tender for purchase), shall be calculated at the maximum rate permitted by the terms thereof; provided, however, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than such maximum rate for any period, the total amount of moneys and Defeasance Obligations on deposit with the Trustee for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Variable Rate Bonds in order to satisfy the requirements of this Section, the Trustee shall, if requested by the Authority, pay the amount of such excess to the Authority or DNR, as directed by the Authority, free and clear of any trust, lien, security interest, pledge or assignment securing the Bonds or otherwise existing under this Indenture.

(d) The foregoing notwithstanding, the liability of the Authority and DNR in respect of such Bonds shall continue, but the Owners thereof shall thereafter be entitled to payment only out of the moneys and Defeasance Obligations deposited with the Trustee as aforesaid.

(e) Moneys and Defeasance Obligations so deposited with the Trustee pursuant to this Section shall not be a part of the Trust Estate but shall constitute a separate trust fund for the benefit of

the Persons entitled thereto. Such moneys and Defeasance Obligations shall be applied by the Trustee to the payment to the Persons entitled thereto, of the principal (and Redemption Price, if any) and interest for whose payment such moneys and Defeasance Obligations have been deposited with the Trustee.

Section 1102. Satisfaction and Discharge of Indenture.

This Indenture and the lien, rights and interests created by this Indenture shall cease, determine and become null and void (except as to any surviving rights under Section 309) if the following conditions are met:

- (a) the principal or Redemption Price of and interest on all Bonds of all Series has been paid or is deemed to be paid and discharged by meeting the conditions of Section 1101;
- (b) all other sums payable under this Indenture with respect to the Bonds of all Series are paid or provision satisfactory to the Trustee is made for such payment; and
- (c) the Trustee receives an Opinion of Counsel to the effect that all conditions precedent in this Section to the satisfaction and discharge of this Indenture have been complied with.

Thereupon, the Trustee shall execute and deliver to the Authority a termination statement and such instruments of satisfaction and discharge of this Indenture as may be necessary and shall pay, assign, transfer and deliver to the Authority, or other Persons entitled thereto, all moneys, securities and other property then held by it under this Indenture as a part of the Trust Estate, other than moneys or Defeasance Obligations held in trust by the Trustee as herein provided for the payment of the principal or Redemption Price of and interest on any applicable Series of Bonds.

ARTICLE XII

MISCELLANEOUS PROVISIONS

Section 1201. Notices.

Except as otherwise provided herein, it shall be sufficient service of any notice, request, demand, authorization, direction, consent, waiver or other paper required or permitted by this Indenture to be made, given or furnished to or filed with the party identified below, if the same shall be delivered by prepaid overnight delivery service, or mailed by first class mail, postage prepaid, or transmitted by electronic mail and confirmed by telephone, at the address provided below or such other address as is furnished in writing to the other parties referenced herein, provided that any of the foregoing given or furnished to or filed with the Trustee shall be effective only upon receipt:

(a) To the Authority:

State Environmental Improvement and Energy
Resources Authority
425 Madison Street, Second Floor
Jefferson City, Missouri 65101
Attention: Executive Director
Email: joe.boland@eiera.mo.gov

with a copy to:

Lewis Rice LLC
600 Washington Avenue, Suite 2500
St. Louis, Missouri 63101
Attention: David W. Brown, Esq.
Email: dbrown@lewisrice.com

(b) To DNR:

Missouri Department of Natural Resources
P.O. Box 176 (zip code 65102)
1101 Riverside Drive
Jefferson City, Missouri 65101
Attention: Director, Financial Assistance Center
Email: sara.pringer@dnr.mo.gov

(c) To the Trustee

UMB Bank, N.A.
2 South Broadway, Suite 600
St. Louis, Missouri 63102
Attention: Corporate Trust Department
Email: Julie.Wiegers@umb.com

(d) To the Master Trustee (2020):

UMB Bank, N.A.
2 South Broadway, Suite 600
St. Louis, Missouri 63102
Attention: Corporate Trust Department
Email: Julie.Wiegers@umb.com

(e) To Bond Counsel:

Gilmore & Bell, P.C.
211 North Broadway, Suite 2000
St. Louis, Missouri 63102
Attention: Shannon W. Creighton, Esq.
Email: screighton@gilmorebell.com

(f) To the Purchasers:

the address set forth in the Supplemental Indenture and/or purchase agreement for each Series of Bonds;

(g) To the Bondowners:

the addresses of the Bondowners as shown on the Bond Register;

(h) To all other Persons:

the addresses and telecopy numbers specified in the Supplemental Indentures authorizing such Series of Bonds.

If, because of the temporary or permanent suspension of mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such delivery of notice in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient notice.

If notice to Bondowners is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Bondowner shall affect the sufficiency of such notice with respect to other Bondowners. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Bondowners shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 1202. Acts of Bondowners.

(a) Any notice, request, demand, authorization, direction, consent, waiver or other action provided by this Indenture to be given or taken by Bondowners may be embodied in and evidenced by one or more substantially concurrent instruments of similar tenor signed by such Bondowners or by an agent duly appointed in writing. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are received by the Trustee, and, where it is hereby expressly required, to the Authority and DNR. Proof of execution of any such instrument or of a writing appointing any such agent, or of the ownership of Bonds, shall be sufficient for any purpose of this Indenture and conclusive in favor of the Authority and the Trustee, if made in the following manner:

(i) The fact and date of the execution by any Person of any such instrument or writing may be proved by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof, or by the affidavit of a witness of such execution. Whenever such execution is by an officer of a corporation or a member of a partnership on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of authority.

(ii) The fact and date of execution of any such instrument or writing and the authority of any Person executing the same may also be proved in any other manner which the

Trustee deems not insufficient; and the Trustee may in any instance require further proof with respect to any of the matters referred to in this Section.

(iii) The ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same, shall be proved by the Bond Register.

(b) In determining whether the Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Bonds registered in the name of the Authority shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded.

(c) Any notice, request, demand, authorization, direction, consent, waiver or other action by the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority in reliance thereon, whether or not notation of such action is made upon such Bond.

Section 1203. Further Assurances.

The Authority shall do, execute, acknowledge and deliver such Supplemental Indentures and such further acts, instruments, financing statements and assurances as the Trustee may reasonably require for accomplishing the purposes of this Indenture.

Section 1204. No Recourse Against Officers, Directors, Employees or Agents of the Authority and DNR.

No recourse shall be had for the payment of the principal or Redemption Price of, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in this Indenture against any past, present or future member, officer, director, employee or agent of the Authority or DNR, or of any successor private or public corporation, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such members, officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issuance, authentication and delivery of Bonds.

Section 1205. Payments Due on Non-Business Days.

In any case where the date of maturity of principal or Redemption Price of or interest on the Bonds or the date fixed for redemption of any Bonds shall be a day other than a Business Day, then payment of principal or Redemption Price of or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 1206. Benefit of Indenture.

This Indenture shall inure to the benefit of and shall be binding upon the Authority and the Trustee and their respective successors and assigns, subject, however, to the limitations contained herein. With the exception of rights expressly conferred in this Indenture, nothing in this Indenture or in the Bonds, express or implied, shall give to any Person, other than the parties hereto and their successors and assigns hereunder, any separate trustee or co-trustee appointed hereunder and the Owners of Outstanding Bonds, any benefit or any legal or equitable right, remedy or claim under this Indenture. Notwithstanding the foregoing, the Authority and the Trustee expressly agree that DNR is and shall be a third party beneficiary to this Indenture.

Section 1207. Severability.

If any provision in this Indenture or in the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 1208. Electronic Transactions.

The transactions described in this Indenture may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 1209. Execution in Counterparts.

This Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 1210. Governing Law.

This Indenture shall be governed by and construed in accordance with the laws of the State.

[Remainder of this Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Indenture to be duly executed in counterpart by their duly authorized representatives, as of the day and year first above written.

STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY

(SEAL)

By _____
Title: Chairman

ATTEST:

Title: Secretary

UMB BANK, N.A., as Trustee

By _____
Title: Vice President

EXHIBIT A

FORM OF BONDS

Registered
No. R-____

Registered
\$_____

For Book-Entry Bonds:

EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURE (DESCRIBED HEREIN), THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY (DESCRIBED HEREIN) OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

For All Other Bonds:

THIS BOND OR ANY PORTION HEREOF MAY BE TRANSFERRED, ASSIGNED OR NEGOTIATED ONLY AS PROVIDED IN THE HEREIN DESCRIBED INDENTURE.

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

TAXABLE STATE REVOLVING FUND PROGRAM STATE MATCH FUNDING BOND
([CLEAN WATER SRF PROGRAM][DRINKING WATER SRF PROGRAM])
SERIES _____

Interest Rate Maturity Date Dated Date [**CUSIP**]

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Indenture described herein.

The STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY, a body corporate and politic and a governmental instrumentality of the State of Missouri (the “Authority”), for value received, hereby promises to pay, but solely from the sources herein specified to the Registered Owner named above, or registered assigns, the Principal Amount stated above [**in installments as set forth on Schedule 1 to and including the Maturity Date stated above,**][**on the Maturity Date shown above**] except as the provisions herein set forth with respect to redemption prior to maturity may become applicable hereto, and in like manner to pay interest on said Principal Amount at the Interest Rate per annum stated above (computed on the basis of a [**360-day year of twelve 30-day months**]) from the Dated Date stated above or from the most recent date to which interest has been paid

or duly provided for, payable semiannually on [] and [] in each year commencing [], [] (each a “*Payment Date*”), until said Principal Amount is paid [**as set forth on Schedule 1.**]

Method and Place of Payment. The principal of and interest on this Bond shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The principal of and redemption premium, if any, on this Bond shall be payable by check or draft to the Registered Owner at the maturity or redemption date upon presentation and surrender of this Bond at the designated corporate trust office of UMB Bank, N.A., St. Louis, Missouri (the “*Trustee*”). The interest payable on this Bond on any Payment Date shall be paid by the Trustee to the Registered Owner of this Bond appearing on the Bond Register maintained by the Trustee at the close of business on the Record Date and shall be paid by: (a) check or draft mailed to such Registered Owner at the address as it appears on such Bond Register or at such other address furnished in writing by such Registered Owner to the Trustee, or (b) by electronic transfer to such Owner upon written notice to the Trustee from such Owner containing the electronic transfer instructions to which such Owner wishes to have such transfer directed and such written notice is given by such Owner to the Trustee not less than 15 days prior to the Record Date. Any such written notice for electronic transfer shall be signed by such Owner 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 may be payable by such Owner.

Authorization of Bonds. This Bond is one of a duly authorized Series of Bonds of the Authority, designated “Taxable State Revolving Fund Program State Match Funding Bonds ([Clean Water SRF Program][Drinking Water SRF Program]), Series _____,” in the aggregate principal amount of \$[] (the “*Series _____ Bonds*”), issued pursuant to the authority of and in full compliance with the Constitution and statutes of the State of Missouri (the “*State*”), including particularly Sections 260.005 through 260.125 and Appendix B(1) of the Revised Statutes of Missouri (collectively, the “*Act*”), and pursuant to proceedings duly had by the Authority. The Series _____ Bonds are issued under and are equally and ratably secured with other Series _____ Bonds and entitled to the protection given by a Master Bond Indenture, dated as of September 1, 2022 (said Master Bond Indenture, as amended and supplemented from time to time in accordance with the provisions thereof, herein called the “*Indenture*”), as supplemented by Supplemental Bond Indenture No. _____ dated as of _____ 1, 20____, between the Authority and the Trustee, to provide funds for the purposes described in the Indenture. Under the terms of the Indenture, additional bonds may be issued thereunder and secured separately from the Trust Estate applicable to the Series _____ Bonds (said additional bonds, together with the Series _____ Bonds, are collectively referred to as the “*Bonds*”). Under the Indenture, the Authority has pledged and assigned the portion of the Trust Estate held under the Indenture to the Trustee as security for each Series of Bonds as provided therein. Reference is hereby made to the Indenture, which may be inspected at the designated corporate trust office of the Trustee, for a description of the Trust Estate, and the provisions, among others, with respect to the nature and extent of the security for the Bonds, and the rights, duties and obligations of the Authority, the Missouri Department of Natural Resources (“*DNR*”), the Trustee and the Registered Bondowners, and a description of the terms upon which the Bonds are issued and secured, upon which provision for payment of the Bonds or portions thereof and defeasance of the lien of the Indenture with respect thereto may be made and upon which the Indenture may be deemed satisfied and discharged prior to payment of the Bonds.

Redemption of Bonds Prior to Maturity. The Series _____ Bonds are subject to redemption prior to maturity as follows:

[*Optional Redemption.* The Series _____ Bonds maturing on [_____] in the years [_____] and thereafter, are subject to redemption and payment prior to maturity, at the option and written direction of the Authority, on [_____.____], and thereafter in whole or in part (selection of maturities and the amount of Series _____ Bonds of each maturity to be redeemed to be determined by the Authority in such equitable manner as it may determine) on any date [at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.] [at the redemption prices set forth below (expressed as percentages of the principal amount, plus accrued interest thereon to the date of redemption:

Redemption
Dates

Redemption
Prices

]

[*Sinking Fund Redemption.* The Series _____ Bonds maturing on [_____, ____] shall be subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption schedule requirements of the Indenture, at a Redemption Price equal to 100% (expressed as a percentage of the principal amount) plus accrued interest thereon to the redemption date. Bonds to be so redeemed shall be selected by the Trustee in such equitable manner as it may determine.]

Notice of Redemption. Notice of redemption, unless waived, is to be given by the Trustee by mailing an official redemption notice by first class mail at least [____] days [but not more than 60 days] prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified and from and after such date (unless the Authority shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest.

[For Book-Entry Bonds: *Book-Entry System.* The Series _____ Bonds are being issued by means of a Book-Entry System with no physical distribution of bond certificates to be made except as provided in the Indenture. One Series _____ Bonds certificate with respect to each date on which the Series _____ Bonds are stated to mature or with respect to each form of Series _____ Bonds, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody. The Book-Entry System will evidence positions held in the Bonds by the Securities Depository's DTC Participants, beneficial ownership of the Bonds in Authorized Denominations being evidenced in the records of such DTC Participants. Transfers of ownership shall be effected on the records of the Securities Depository and its DTC Participants pursuant to rules and procedures established by the Securities Depository and its DTC Participants. The Authority and the Trustee will recognize the Securities Depository nominee, while the Registered Owner of this Series _____ Bonds, as the Owner of this Series _____ Bonds for all purposes, including (a) payments of principal of, and redemption premium, if any, and interest on, this Bond, (b) notices, and (c) voting. Transfer of principal, interest and any redemption premium payments to DTC Participants of the Securities Depository, and transfer of principal, interest and any redemption premium payments to beneficial Bondowners by DTC Participants of the Securities Depository will be the responsibility of such DTC Participants and other nominees of such Beneficial Owners. The Authority and the Trustee will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its DTC Participants or Persons acting through such DTC Participants. While the Securities Depository

nominee is the Owner of this Series _____ Bond, notwithstanding the provisions hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Series _____ Bond shall be made in accordance with existing arrangements among the Authority, the Trustee and the Securities Depository.]

Transfer and Exchange. [For Book-Entry Bonds: EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURE, THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.] THE OWNER HEREOF EXPRESSLY AGREES, BY SUCH OWNER'S ACCEPTANCE HEREOF, THAT THE RIGHT TO PURCHASE, TRANSFER, ASSIGN OR NEGOTIATE THIS SERIES 2022 BOND SHALL BE LIMITED TO PURCHASE, TRANSFER, ASSIGNMENT OR NEGOTIATION TO A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, OR AN ACCREDITED INVESTOR AS DEFINED IN RULE 501(A) OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, THAT IS AN INSTITUTION OR ORGANIZATION AND NOT AN INDIVIDUAL UNDER THE DEFINITION OF "ACCREDITED INVESTOR" UNDER RULE 501(A) OF REGULATION D (EACH AN "APPROVED INVESTOR") AND UPON THE EXECUTION BY SAID PROPOSED PURCHASER OR TRANSFEREE OF A LETTER IN SUBSTANTIALLY THE FORM OF EXHIBIT C TO THE SUPPLEMENTAL INDENTURE RELATING TO THE SERIES 2022 BONDS. Subject to the foregoing, this Series _____ Bond may be transferred or exchanged, as provided in the Indenture, only upon the Bond Register at the above-mentioned office of the Trustee by the Registered Owner hereof or by his duly authorized attorney, upon surrender of this Series _____ Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the Registered Owner or his duly authorized attorney, and thereupon a new Series _____ Bond or Series _____ Bonds of the same series and maturity and in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. [For Book-Entry Bonds: Except as otherwise specifically provided herein and in the Indenture with respect to rights of DTC Participants and Beneficial Owners when a Book-Entry System is in effect, the] [The] Authority and the Trustee may deem and treat the Person in whose name this Series _____ Bond is registered on the Bond Register as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof and interest due hereon and for all other purposes.

Authorized Denominations. The Series _____ Bonds are issuable in the form of fully-registered bonds, without coupons, in Authorized Denominations.

Limitation on Rights. The Registered Owner of this Series _____ Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then outstanding may become or may be declared due and payable before the Stated Maturity thereof, together with interest accrued thereon. The Bonds or the Indenture may be modified, amended or supplemented only to the extent and in the circumstances permitted by the Indenture.

Limited Obligations. The Bonds and the interest thereon shall be special, limited obligations of the Authority payable solely out of and 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 Bondowners, as provided in the Indenture. The Bonds and interest thereon shall not be deemed to constitute a debt or liability of the State or of any political

subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the State or of any political subdivision thereof, but shall be payable solely from the funds provided for in the Indenture and the Supplemental Indenture with respect to each Series of Bonds. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. Neither the State nor the Authority is obligated to pay the Bonds or the interest thereon except from the Trust Estate as provided under the Indenture and the Supplemental Indenture relating to each Series of Bonds, and 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 the interest on the Bonds. The Authority has no taxing power.

Authentication. This Series _____ Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been executed by the Trustee.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Series _____ Bond do exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the State Environmental Improvement and Energy Resources Authority has caused this Series _____ Bond to be executed in its name by the manual or facsimile signature of its Chairman or Vice Chairman and attested by the manual or facsimile signature of its Secretary or Assistant Secretary, and its seal or a facsimile thereof to be hereunto affixed, impressed, imprinted or otherwise reproduced hereon, all as of the Dated Date shown above.

Registration Date: _____

CERTIFICATE OF AUTHENTICATION

This Bond is one of the
Bonds described in the
within-mentioned Indenture.

UMB Bank, N.A.,
as Trustee

By _____
Authorized Signatory

STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY

By: _____
(Vice) Chairman
(SEAL)

ATTEST:

(Assistant) Secretary

[SCHEDULE 1 TO BOND
AMORTIZATION SCHEDULE**]**

ASSIGNMENT

[**NOTE RESTRICTIONS ON TRANSFERS**]

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(Print or Type Name, Address and Social
Security Number or other Taxpayer Identification Number of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____
_____ attorney to transfer the within Bond on the books kept by the Trustee for the
registration thereof, with full power of substitution in the premises.

Dated: _____.

NOTICE: The signature to this assignment must
correspond with the name of the Registered
Owner as it appears on the face of the within
Bond in every particular.

Medallion Signature Guarantee:

GILMORE & BELL, P.C.
DRAFT – SEPTEMBER 9, 2022
FOR DISCUSSION PURPOSES ONLY

SUPPLEMENTAL BOND INDENTURE NO. 1

Dated as of September 1, 2022

between the

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

and

UMB BANK, N.A.,
as Trustee

\$11,349,100
TAXABLE STATE REVOLVING FUND PROGRAM STATE MATCH FUNDING BONDS
(CLEAN WATER SRF PROGRAM)
SERIES 2022

TABLE OF CONTENTS

Parties	1
Recitals	1

ARTICLE I

DEFINITIONS, AUTHORITY FOR SUPPLEMENTAL INDENTURE NO. 1

Section 101.	Definitions of Words and Terms	1
Section 102.	Authority for Supplemental Indenture No. 1	3

ARTICLE II

THE SERIES 2022 BONDS

Section 201.	Authorization and Terms of Series 2022 Bonds	3
--------------	--	---

ARTICLE III

NO REDEMPTION OF SERIES 2022 BONDS

Section 301.	No Redemption of Series 2022 Bonds	4
--------------	--	---

ARTICLE IV

FUNDS AND ACCOUNTS, APPLICATION OF BOND PROCEEDS AND OTHER MONEYS

Section 401.	Establishment of Funds and Accounts	4
Section 402.	Deposit and Application of Series 2022 Bond Proceeds and Other Moneys.....	4

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 501.	Applicability of Original Indenture and Supplemental Indenture No. 1	5
Section 502.	Further Assurances	5
Section 503.	Immunity of Officers, Employees and Members of the Authority	5
Section 504.	Benefit of Supplemental Indenture No. 1	5
Section 505.	Severability.....	5
Section 506.	Electronic Transactions.....	5
Section 507.	Execution of Counterparts	6
Section 508.	Governing Law	6
	Signatures.....	S-1

Schedule A - Designation of Clean Water Portion and Drinking Water Portion of Series 2022 Bonds

Exhibit A - Form of Series 2022 Bonds

Exhibit B - Schedule of Revenue Account Release Amounts

Exhibit C- Form of Purchaser's Letter of Representations

Exhibit D - Amortization Schedule

SUPPLEMENTAL BOND INDENTURE NO. 1

This SUPPLEMENTAL BOND INDENTURE NO. 1 dated as of September 1, 2022 (this “*Supplemental Indenture No. 1*”), is entered into between the STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY, a body corporate and politic and a governmental instrumentality of the State of Missouri (the “*Authority*”), organized and existing by, under and pursuant to the laws of the State of Missouri, and UMB BANK, N.A., a national banking association duly organized and existing and authorized to accept and execute trusts of the character herein set out under the laws of the United States of America, with a corporate trust office located in St. Louis, Missouri, as trustee (the “*Trustee*”), pursuant to the authority of the Indenture, as hereinafter defined.

RECITALS

1. This Supplemental Indenture No. 1 supplements the Master Bond Indenture, dated as of September 1, 2022, between the Authority and the Trustee (said Master Bond Indenture, as originally executed, the “*Original Indenture*,” and with all amendments and supplements thereto, including this Supplemental Indenture No. 1, the “*Indenture*”), under which the Authority from time to time may issue and deliver one or more series of bonds for the purpose of (a) providing State Match (as defined in the Original Indenture); (b) refunding all or a portion of one or more series of bonds then outstanding under the Indenture and/or any other obligation of the Authority related to the SRF Program (as defined in the Original Indenture), and/or (c) paying Costs of Issuance (as defined in the Original Indenture).

2. Pursuant to Sections 260.005 through 260.125 and Appendix B(1) of the Revised Statutes of Missouri (collectively, the “*Act*”), the Program Resolutions (as defined in the Original Indenture) and Resolution No. 22-_____ duly adopted by the Authority on September 14, 2022 (the “*Authorizing Resolution*”), the Authority is authorized to issue its Taxable State Revolving Fund Program State Match Funding Bonds (Clean Water SRF Program), Series 2022 (the “*Series 2022 Bonds*”), in the aggregate principal amount of \$11,349,100 to provide funds, together with other available funds, to (a) provide State Match for the Clean Water SRF Program, and (b) pay Costs of Issuance related to the Series 2022 Bonds.

3. The Series 2022 Bonds constitute a “Series of Bonds” (as defined in the Original Indenture), authorized under Section 201 of the Original Indenture, and will be secured under the Indenture, together with any other Bonds issued under the Original Indenture from time to time, in accordance with the terms and provisions of the Indenture.

4. All acts and things have been done and performed which are necessary to make the Series 2022 Bonds, when executed and issued by the Authority, authenticated by the Trustee and delivered, the legal, valid and binding limited obligations of the Authority in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent applicable, and to make the Indenture a valid and binding agreement for the security of Series 2022 Bonds authenticated and delivered under the Indenture.

ARTICLE I

DEFINITIONS, AUTHORITY FOR SUPPLEMENTAL INDENTURE NO. 1

Section 101. Definitions of Words and Terms.

For all purposes of this Supplemental Indenture No. 1, except as otherwise provided or unless the context otherwise requires, words and terms used in this Supplemental Indenture No. 1 shall have the

meanings set forth in Section 101 of the Original Indenture and the following meanings set forth in this Section. Any words and terms defined herein that are not already defined in the Original Indenture are intended to supplement the definitions contained therein. Any words and terms defined herein that are already defined in the Original Indenture are intended to replace and supersede such definitions already contained therein for purposes related to the Series 2022 Bonds. If any of the following definitions conflict with the definitions already set forth in the Original Indenture, the definitions set forth herein shall take precedence:

“Authorized Denominations” means, with respect to the Series 2022 Bonds, \$100,000 or any integral multiple of \$100 in excess thereof.

“Clean Water Portion” means, with respect to the Series 2022 Bonds, the Series 2022 Bonds designated as such on Schedule A attached to this Supplemental Indenture No. 1, as may be modified from time to time pursuant to an Officer’s Certificate.

“Dated Date” means, with respect to the Series 2022 Bonds, September 27, 2022, the date of their original issuance and delivery.

“Drinking Water Portion” means, with respect to the Series 2022 Bonds, the Series 2022 Bonds designated as such on Schedule A attached to this Supplemental Indenture No. 1, as may be modified from time to time pursuant to an Officer’s Certificate.

“Indenture” means the Original Indenture, as from time to time amended and supplemented by Supplemental Indentures in accordance with the provisions of the Original Indenture, including this Supplemental Indenture No. 1.

“Original Indenture” means the Master Bond Indenture, dated as of September 1, 2022, between the Authority and the Trustee.

“Payment Dates” means, with respect to the Series 2022 Bonds, January 1 and July 1 of each year, commencing January 1, 2023.

“Purchaser” means, with respect to the Series 2022 Bonds, INTRUST Bank, N.A., Wichita, Kansas, the purchaser of the Series 2022 Bonds.

“Purchase Price” means, with respect to the Series 2022 Bonds, the sum of \$11,349,100.00.

“Revenue Account Release Amounts” means, with respect to the Series 2022 Bonds, the amounts set forth on Exhibit B to this Supplemental Indenture No. 1.

“Series 2022 Bonds” means the Taxable State Revolving Fund Program State Match Funding Bonds (Clean Water SRF Program), Series 2022, in the original principal amount of \$11,349,100, issued, authenticated and delivered under and pursuant to the Original Indenture and this Supplemental Indenture No. 1.

“Supplemental Indenture No. 1” means this Supplemental Trust Indenture No. 1 as originally executed by the Authority and the Trustee, and as from time to time amended and supplemented.

Section 102. Authority for Supplemental Indenture No. 1.

This Supplemental Indenture No. 1 is adopted pursuant to the provisions of the Act, the Authorizing Resolution and the Original Indenture, and is supplemental to, and is authorized, executed and delivered in accordance with, Article II and Article X of the Original Indenture.

ARTICLE II

THE SERIES 2022 BONDS

Section 201. Authorization and Terms of Series 2022 Bonds.

(a) *Authorization and Amount.* The Authority is authorized under the Original Indenture and this Supplemental Indenture No. 1 to issue a Series of Bonds, in the aggregate original principal amount of \$11,349,100, consisting of and designated “Taxable State Revolving Fund Program State Match Funding Bonds (Clean Water SRF Program), Series 2022” (the “*Series 2022 Bonds*”), for the purpose of providing funds, together with other available funds, to (i) provide State Match for the Clean Water SRF Program, and (ii) pay Costs of Issuance related to the Series 2022 Bonds.

(b) *Date, Maturity and Interest.* The Series 2022 Bonds shall be dated the Dated Date, shall have a Stated Maturity of July 1, 2024, and shall be payable, in installments, in accordance with the amortization schedule set forth in Exhibit D attached to this Supplemental Indenture No. 1 (subject to redemption prior to the Stated Maturity as provided in Article III hereof). The Series 2022 Bonds shall bear interest at the fixed rate of interest of 3.60% per annum (the “*Interest Rate*”) from their date or from the most recent Payment Date to which interest has been paid or duly provided for, payable on January 1 and July 1 of each year, commencing January 1, 2023.

(d) *Form and Denominations.* The Series 2022 Bonds shall be issuable as fully-registered bonds, without coupons, in Authorized Denominations in substantially the form set forth in Exhibit A attached to this Supplemental Indenture No. 1, with such necessary or appropriate variations, omissions and insertions as are permitted or required by the Original Indenture and this Supplemental Indenture No. 1. The Series 2022 Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any custom, usage or requirement of law with respect thereto.

(e) *Numbering.* The Series 2022 Bonds shall be numbered from R-1 consecutively upward in order of issuance, or in such other manner as the Trustee shall designate.

(f) *Execution and Delivery.* The Series 2022 Bonds shall be executed in the manner set forth in Section 304 of the Original Indenture and delivered to the Trustee for authentication. When the documents mentioned in Section 202 of the Original Indenture have been filed with the Trustee, and when the Series 2022 Bonds have been executed and authenticated as required by the Original Indenture, the Trustee shall deliver the Series 2022 Bonds to or upon the order of the Purchaser thereof, upon payment to the Trustee, for the account of the Authority, of the Purchase Price thereof.

(g) *Designation of Clean Water Portion and Drinking Water Portion.* The designation of the Clean Water Portion and Drinking Water Portion of the Series 2022 Bonds is set forth on Schedule A to this Supplemental Indenture No. 1.

ARTICLE III

NO REDEMPTION OF SERIES 2022 BONDS

Section 301. No Redemption of Series 2022 Bonds Prior to Maturity.

The Series 2022 Bonds are not subject to redemption prior to maturity.

ARTICLE IV

FUNDS AND ACCOUNTS, APPLICATION OF BOND PROCEEDS AND OTHER MONEYS

Section 401. Establishment of Funds and Accounts.

In addition to the Funds established by Section 501 of the Original Indenture, there are hereby established in the custody of the Trustee the following Accounts with respect to the Series 2022 Bonds:

(a) Within the Revenue Fund, the Series 2022 Revenue Account (the “*Series 2022 Revenue Account*”).

(b) Within the Debt Service Fund, the Series 2022 Debt Service Account (the “*Series 2022 Debt Service Account*”).

(c) Within the Bond Proceeds Fund, the Series 2022 Bond Proceeds Account (the “*Series 2022 Bond Proceeds Account*”).

(d) Within the Costs of Issuance Fund, the Series 2022 Costs of Issuance Account (the “*Series 2022 Costs of Issuance Account*”).

Section 402. Deposit and Application of Series 2022 Bond Proceeds and Other Moneys.

The proceeds of the Series 2022 Bonds, together with other available funds, shall be transferred and applied simultaneously with the delivery of the Series 2022 Bonds as follows:

(a) the investments and additional funds held or on deposit in the Clean Water Account of the Interest Accumulation Fund held under the Master Trust Agreement (2020) identified in the Officer’s Certificate dated as of the date of issuance of the Series 2022 Bonds shall be transferred and deposited in the Series 2022 Revenue Account and applied pursuant to Section 503 of the Original Indenture;

(b) the sum of \$11,349,100.00 from the proceeds from the sale of the Series 2022 Bonds shall be transferred and deposited in the Series 2022 Bond Proceeds Account and immediately upon the issuance of the Series 2022 Bonds, without further authorization, shall be 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; and

(c) the sum of \$301,247.75 from amounts received from the Master Trustee (2020) from the funds on deposit in the Clean Water Account of the Master Trust Bonds Expense Fund

held under the Master Trust Agreement (2020) shall be transferred and deposited in the Series 2022 Costs of Issuance Account and applied pursuant to Section 505 of the Original Indenture.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 501. Applicability of Original Indenture and Supplemental Indenture No. 1.

Except as otherwise provided in this Supplemental Indenture No. 1, the provisions of the Original Indenture are hereby ratified, approved and confirmed and incorporated herein and shall be applicable to the authorization, execution, authentication, issuance, redemption, payment, sale and delivery of the Series 2022 Bonds, the custody and the distribution of the proceeds and the security, payment, redemption and enforcement of payment thereof.

Section 502. Further Assurances.

The Authority shall do, execute, acknowledge and deliver such Supplemental Indentures and such further acts, instruments, financing statements and assurances as the Trustee may reasonably require for accomplishing the purposes of this Supplemental Indenture No. 1.

Section 503. Immunity of Officers, Employees and Members of the Authority.

No recourse shall be had for the payment of the principal of or interest on any of the Series 2022 Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in this Supplemental Indenture No. 1 against any past, present or future member, officer, director, member, employee or agent of the Authority or DNR, or of any successor private or public corporation, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such members, officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Supplemental Indenture No. 1 and the issuance, authentication and delivery of the Series 2022 Bonds.

Section 504. Benefit of Supplemental Indenture No. 1.

This Supplemental Indenture No. 1 shall inure to the benefit of and shall be binding upon the Authority and the Trustee and their respective successors and assigns, subject, however, to the limitations contained herein. With the exception of rights expressly conferred in this Supplemental Indenture No. 1, nothing in this Supplemental Indenture No. 1 or in the Series 2022 Bonds, express or implied, shall give to any Person, other than the parties hereto and their successors and assigns hereunder, any separate trustee or co-trustee appointed under the Original Indenture and the Owners of Outstanding Series 2022 Bonds, any benefit or any legal or equitable right, remedy or claim under this Supplemental Indenture No. 1. Notwithstanding the foregoing, the Authority and the Trustee expressly agree that DNR is and shall be a third party beneficiary to this Supplemental Indenture No. 1.

Section 505. Severability.

If any provision in this Supplemental Indenture No. 1 or in the Series 2022 Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 506. Electronic Transactions.

The transactions described in this Indenture may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 507. Execution in Counterparts.

This Supplemental Indenture No. 1 may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 508. Governing Law.

This Supplemental Indenture No. 1 shall be governed by and construed in accordance with the laws of the State.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Supplemental Trust Indenture No. 1 to be duly executed by their duly authorized representatives, as of the day and year first above written.

STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY

(SEAL)

By _____
Title: Chairman

ATTEST:

Title: Secretary

UMB BANK, N.A., as Trustee

By _____
Title: Vice President

SCHEDULE A

DESIGNATION OF CLEAN WATER PORTION AND DRINKING WATER PORTION OF SERIES 2022 BONDS

<u>Date</u>	<u>Interest Rate</u>	<u>Clean Water Portion Principal Amount</u>	<u>Drinking Water Portion Principal Amount</u>	<u>Total</u>
January 1, 2023	3.60%	\$2,834,400.00	\$0.00	\$2,834,400.00
July 1, 2023	3.60	2,787,800.00	0.00	2,787,800.00
January 1, 2024	3.60	2,837,900.00	0.00	2,837,900.00
July 1, 2024 [†]	3.60	2,889,000.00	0.00	2,889,000.00

[†] Maturity

EXHIBIT A

FORM OF SERIES 2022 BONDS

Registered
No. R- _____

Registered
\$ _____

THIS BOND OR ANY PORTION HEREOF MAY BE TRANSFERRED,
ASSIGNED OR NEGOTIATED ONLY AS PROVIDED IN THE
HEREIN DESCRIBED INDENTURE.

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

TAXABLE STATE REVOLVING FUND PROGRAM STATE MATCH FUNDING BOND
(CLEAN WATER SRF PROGRAM)
SERIES 2022

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>
3.60%	July 1, 2024	September 27, 2022

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Indenture described herein.

The STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY, a body corporate and politic and a governmental instrumentality of the State of Missouri (the “*Authority*”), for value received, hereby promises to pay, but solely from the sources herein specified to the Registered Owner named above, or registered assigns, the Principal Amount stated above in installments as set forth on Schedule 1 to and including the Maturity Date stated above, except as the provisions herein set forth with respect to redemption prior to maturity may become applicable hereto, and in like manner to pay interest on said Principal Amount at the Interest Rate per annum stated above (computed on the basis of a 360-day year of twelve 30-day months) from the Dated Date stated above or from the most recent date to which interest has been paid or duly provided for, payable semiannually on January 1 and July 1 in each year commencing January 1, 2023 (each a “*Payment Date*”), until said Principal Amount is paid as set forth on Schedule 1.

Method and Place of Payment. The principal of and interest on this Bond shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The principal of this Bond shall be payable by check or draft to the Registered Owner at the maturity upon presentation and surrender of this Bond at the designated corporate trust office of UMB Bank, N.A., St. Louis, Missouri (the “*Trustee*”). The interest payable on this Bond on any Payment Date shall be paid by the Trustee to the Registered Owner of this Bond appearing on the Bond Register maintained by the Trustee at the close of business on the Record Date and shall be paid by: (a) check or draft mailed to such Registered Owner at the address as it appears on such Bond

Register or at such other address furnished in writing by such Registered Owner to the Trustee, or (b) by electronic transfer to such Owner upon written notice to the Trustee from such Owner containing the electronic transfer instructions to which such Owner wishes to have such transfer directed and such written notice is given by such Owner to the Trustee not less than 15 days prior to the Record Date. Any such written notice for electronic transfer shall be signed by such Owner 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 may be payable by such Owner.

Authorization of Bonds. This Bond is one of a duly authorized Series of Bonds of the Authority, designated "Taxable State Revolving Fund Program State Match Funding Bonds (Clean Water SRF Program), Series 2022, in the aggregate principal amount of \$11,349,100 (the "*Series 2022 Bonds*"), issued pursuant to the authority of and in full compliance with the Constitution and statutes of the State of Missouri (the "*State*"), including particularly Sections 260.005 through 260.125 and Appendix B(1) of the Revised Statutes of Missouri (collectively, the "*Act*"), and pursuant to proceedings duly had by the Authority. The Series 2022 Bonds are issued under and are equally and ratably secured with other Series 2022 Bonds and entitled to the protection given by a Master Bond Indenture, dated as of September 1, 2022 (said Master Bond Indenture, as amended and supplemented from time to time in accordance with the provisions thereof, herein called the "*Indenture*"), as supplemented by Supplemental Bond Indenture No. 1 dated as of September 1, 2022, between the Authority and the Trustee, to provide funds for the purposes described in the Indenture. Under the terms of the Indenture, additional bonds may be issued thereunder and secured separately from the Trust Estate applicable to the Series 2022 Bonds (said additional bonds, together with the Series 2022 Bonds, are collectively referred to as the "*Bonds*"). Under the Indenture, the Authority has pledged and assigned the portion of the Trust Estate held under the Indenture to the Trustee as security for each Series of Bonds as provided therein. Reference is hereby made to the Indenture, which may be inspected at the designated corporate trust office of the Trustee, for a description of the Trust Estate, and the provisions, among others, with respect to the nature and extent of the security for the Bonds, and the rights, duties and obligations of the Authority, the Missouri Department of Natural Resources ("*DNR*"), the Trustee and the Registered Bondowners, and a description of the terms upon which the Bonds are issued and secured, upon which provision for payment of the Bonds or portions thereof and defeasance of the lien of the Indenture with respect thereto may be made and upon which the Indenture may be deemed satisfied and discharged prior to payment of the Bonds.

No Redemption of Bonds Prior to Maturity. The Series 2022 Bonds are not subject to redemption prior to maturity.

Transfer and Exchange. THE OWNER HEREOF EXPRESSLY AGREES, BY SUCH OWNER'S ACCEPTANCE HEREOF, THAT THE RIGHT TO PURCHASE, TRANSFER, ASSIGN OR NEGOTIATE THIS SERIES 2022 BOND SHALL BE LIMITED TO PURCHASE, TRANSFER, ASSIGNMENT OR NEGOTIATION TO A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, OR AN ACCREDITED INVESTOR AS DEFINED IN RULE 501(A) OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933 THAT IS AN INSTITUTION OR ORGANIZATION AND NOT AN INDIVIDUAL, UNDER THE DEFINITION OF "ACCREDITED INVESTOR" UNDER RULE 501(A) OF REGULATION D (EACH AN "APPROVED INVESTOR") AND UPON THE EXECUTION BY SAID PROPOSED PURCHASER OR TRANSFEREE OF A LETTER IN SUBSTANTIALLY THE FORM OF EXHIBIT C TO THE SUPPLEMENTAL INDENTURE RELATING TO THE SERIES 2022 BONDS. Subject to the foregoing, this Series 2022 Bond may be transferred or exchanged, as provided in the Indenture, only upon the Bond Register at the above-mentioned office of the Trustee by the Registered Owner hereof or by his

duly authorized attorney, upon surrender of this Series 2022 Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the Registered Owner or his duly authorized attorney, and thereupon a new Series 2022 Bond or Series 2022 Bonds of the same series and maturity and in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Authority and the Trustee may deem and treat the Person in whose name this Series 2022 Bond is registered on the Bond Register as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof and interest due hereon and for all other purposes.

Authorized Denominations. The Series 2022 Bonds are issuable in the form of fully-registered bonds, without coupons, in Authorized Denominations.

Limitation on Rights. The Registered Owner of this Series 2022 Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then outstanding may become or may be declared due and payable before the Stated Maturity thereof, together with interest accrued thereon. The Bonds or the Indenture may be modified, amended or supplemented only to the extent and in the circumstances permitted by the Indenture.

Limited Obligations. The Bonds and the interest thereon shall be special, limited obligations of the Authority payable solely out of and 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 Bondowners, as provided in the Indenture. The Bonds and interest thereon shall not be deemed to constitute a debt or liability of the State or of any political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the State or of any political subdivision thereof, but shall be payable solely from the funds provided for in the Indenture and the Supplemental Indenture with respect to each Series of Bonds. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. Neither the State nor the Authority is obligated to pay the Bonds or the interest thereon except from the Trust Estate as provided under the Indenture and the Supplemental Indenture relating to the Series 2022 Bonds, and 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 the interest on the Bonds. The Authority has no taxing power.

Authentication. This Series 2022 Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been executed by the Trustee.

[Remainder of this page intentionally left blank]

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Series 2022 Bond do exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the State Environmental Improvement and Energy Resources Authority has caused this Series 2022 Bond to be executed in its name by the manual or facsimile signature of its Chairman or Vice Chairman and attested by the manual or facsimile signature of its Secretary or Assistant Secretary, and its seal or a facsimile thereof to be hereunto affixed, impressed, imprinted or otherwise reproduced hereon, all as of the Dated Date shown above.

Registration Date: _____

CERTIFICATE OF AUTHENTICATION

This Bond is one of the
Bonds described in the
within-mentioned Indenture.

UMB BANK, N.A.,
as Trustee

By _____
Authorized Signatory

STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY

By: _____
(Vice) Chairman
(SEAL)

ATTEST:

(Assistant) Secretary

SCHEDULE 1 TO BOND

AMORTIZATION SCHEDULE

\$11,349,100
 STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY
 (STATE OF MISSOURI)
 TAXABLE STATE REVOLVING FUND PROGRAM
 STATE MATCH FUNDING BONDS
 (CLEAN WATER SRF PROGRAM)
 SERIES 2022

<u>Date</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
January 1, 2023	3.60%	\$2,834,400.00	\$106,681.54	\$2,941,081.54
July 1, 2023	3.60	2,787,800.00	153,264.60	2,941,064.60
January 1, 2024	3.60	2,837,900.00	103,084.20	2,940,984.20
July 1, 2024 [†]	3.60	<u>2,889,000.00</u>	<u>52,002.00</u>	<u>2,941,002.00</u>
Total		<u>\$11,349,100.00</u>	<u>\$415,032.34</u>	<u>\$11,764,132.34</u>

[†] Maturity

ASSIGNMENT

[**NOTE RESTRICTIONS ON TRANSFERS**]

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(Print or Type Name, Address and Social
Security Number or other Taxpayer Identification Number of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____
_____ attorney to transfer the within Bond on the books kept by the Trustee for the
registration thereof, with full power of substitution in the premises.

Dated: _____.

NOTICE: The signature to this assignment must
correspond with the name of the Registered
Owner as it appears on the face of the within
Bond in every particular.

Medallion Signature Guarantee:

EXHIBIT B

SCHEDULE OF REVENUE ACCOUNT RELEASE AMOUNTS

Series 2022 Revenue Account	
<u>Date</u>	<u>Release Amount</u>
January 1, 2023	\$2,941,081.54
July 1, 2023	2,941,064.60
January 1, 2024	2,940,984.20
July 1, 2024 [†]	2,941,002.00

[†] Maturity

EXHIBIT C

FORM OF PURCHASER'S LETTER OF REPRESENTATIONS

State Environmental Improvement and Energy Resources Authority
Jefferson City, Missouri

Missouri Department of Natural Resources
Jefferson City, Missouri

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

Re: Taxable State Revolving Fund Program State Match Funding Bonds (Clean Water SRF Program), Series 2022

Ladies and Gentlemen:

This letter is to provide you with certain representations and agreements with respect to the purchase by the Purchaser of \$11,349,100 aggregate principal amount of Taxable State Revolving Fund Program State Match Funding Bonds (Clean Water SRF Program), Series 2022 (the “*Bonds*”), issued by the State Environmental Improvement and Energy Resources Authority (the “*Authority*”). The Bonds are secured in the manner set forth in the Master Bond Indenture, dated as of September 1, 2022 (said Master Bond Indenture, as amended and supplemented from time to time in accordance with the provisions thereof, herein called the “*Indenture*”), as supplemented by Supplemental Bond Indenture No. 1 dated as of September 1, 2022, between the Authority and UMB Bank, N.A., as Trustee. *Except as otherwise provided herein, the capitalized terms herein shall have the meanings as provided in the Indenture.*

The undersigned hereby represents to each of you and agrees with each of you, as follows:

1. The Purchaser holds an extensive portfolio of investments and other securities and has sufficient knowledge and experience in financial and business matters to be able to evaluate the merits and risks of purchasing the Bonds and is not relying on any information supplied or representations or warranties made by the Authority, DNR or any other party with respect to the Bonds except as otherwise provided in the Request for Quotation published on August 8, 2022. The Purchaser is able to bear the economic risk represented by the purchase of the Bonds. The Purchaser understands that the Bonds are special, limited obligations of the Authority payable solely out of and secured by a transfer, pledge and assignment of and a grant of a security interest in a portion of the Trust Estate to the Trustee, which is specifically limited to the funds, accounts and subaccounts established for the Bonds as provided in the Indenture and the Supplemental Indenture relating to the Bonds.

2. The Purchaser has made its own inquiry and analysis with respect to or affecting the likelihood of the payment of the Bonds. The Purchaser acknowledges that the Authority and DNR have offered to give access, without restriction or limitation, to all information to which a reasonable investor would attach significance in making investment decisions, and the Purchaser has had the opportunity to ask questions of and receive answers from knowledgeable individuals concerning the Bonds, this financing transaction, the Authority and DNR.

3. The Purchaser understands that the Bonds and interest thereon are not a debt or liability of the State or of any political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the State or of any political subdivision thereof, but shall be payable solely from the funds provided for in the Indenture and the

Supplemental Indenture relating to each Series of Bonds. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. Neither the State nor the Authority is obligated to pay the Bonds or the interest thereon except from the Trust Estate as provided under the Indenture and the Supplemental Indenture relating to each Series of Bonds, and 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 the interest on the Bonds. The Authority has no taxing power.

4. The Purchaser is familiar with and has counsel who are familiar with the federal and state legislation, rules, regulations and case law pertaining to the transfer and distribution of securities, including, but not limited to, disclosure obligations of the seller incident to any such transfer or distribution. The Purchaser hereby covenants and agrees that the Purchaser will not sell, offer for sale, pledge, transfer, convey, hypothecate, mortgage or dispose of the Bonds or any interest therein in violation of applicable federal or state law or in violation of restrictions on sale, assignment, negotiation or transfer of the Bonds as set forth in paragraph 6 below.

5. The Purchaser understands that the Bonds have not been registered under the Securities Act of 1933, as amended, and that such registration is not legally required. The Purchaser is purchasing the Bonds for its own account for investment (and not on behalf of another) and has no present intention of reselling the Bonds or dividing its interest therein; but the Purchaser reserves the right to sell, offer for sale, pledge, transfer, convey, hypothecate, mortgage or dispose of the Bonds at some future date determined by it, provided that such disposition is not in violation of restrictions on sale, assignment, negotiation or transfer of the Bonds as set forth in paragraph 6 below.

6. The Purchaser acknowledges that the right to sell, assign, negotiate or otherwise transfer the Bonds shall be limited to the sale, assignment, negotiation or transfer to an Approved Investor.

7. The Indenture (including the Supplemental Indenture relating to the Bonds), as finally executed, contain terms and are in forms acceptable to the Purchaser.

8. The Purchaser acknowledges that neither the Authority, DNR, nor the State have committed to provide public dissemination of ongoing financial and operating information with respect to the Bonds.

9. The Purchaser agrees to indemnify and hold you harmless from any and all claims, judgments, attorneys' fees and expenses of whatsoever nature, whether relating to litigation or otherwise, resulting from any attempted or effected sale, offer for sale, pledge, transfer, conveyance, hypothecation, mortgage or disposition of the Bonds in violation of this letter.

10. The Purchaser has satisfied itself and hereby represents that the Bonds may be legally purchased by the Purchaser.

11. The undersigned represents to each of you that the Purchaser is an Approved Investor.

Sincerely,

INTRUST Bank, N.A., as Purchaser

By: _____
Title: Authorized Officer

EXHIBIT D

AMORTIZATION SCHEDULE

\$11,349,100
 STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY
 (STATE OF MISSOURI)
 TAXABLE STATE REVOLVING FUND PROGRAM
 STATE MATCH FUNDING BONDS
 (CLEAN WATER SRF PROGRAM)
 SERIES 2022

<u>Date</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
January 1, 2023	3.60%	\$2,834,400.00	\$106,681.54	\$2,941,081.54
July 1, 2023	3.60	2,787,800.00	153,264.60	2,941,064.60
January 1, 2024	3.60	2,837,900.00	103,084.20	2,940,984.20
July 1, 2024 [†]	3.60	<u>2,889,000.00</u>	<u>52,002.00</u>	<u>2,941,002.00</u>
Total		<u>\$11,349,100.00</u>	<u>\$415,032.34</u>	<u>\$11,764,132.34</u>

[†] Maturity

GILMORE & BELL, P.C.
DRAFT – SEPTEMBER 9, 2022
FOR DISCUSSION PURPOSES ONLY

BOND PURCHASE AGREEMENT

THIS BOND PURCHASE AGREEMENT, dated as of September 14, 2022 (the “*Bond Purchase Agreement*”), is by and between the STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY, a body corporate and politic and a governmental instrumentality of the State of Missouri (the “*Authority*”), and INTRUST Bank, N.A., Wichita, Kansas, a national banking association duly organized and existing under the laws of the United States of America (the “*Purchaser*”). *Terms not otherwise defined in this Bond Purchase Agreement have the meanings set forth in the Indenture (as hereinafter defined).*

ARTICLE I

AUTHORITY REPRESENTATIONS

The Authority represents that:

Section 1.1. Authority. The execution and delivery by the Authority of (a) this Bond Purchase Agreement, (b) the Master Bond Indenture, dated as of September 1, 2022, between the Authority and the Trustee (said Master Bond Indenture, as originally executed, the “*Original Indenture*,” and with all amendments and supplements thereto, including the hereinafter defined Supplemental Indenture No. 1, the “*Indenture*”), (c) the Supplemental Bond Indenture No. 1 dated as of September 1, 2022, between the Authority and the Trustee (the “*Supplemental Indenture No. 1*”), and (d) the Authority’s Taxable State Revolving Fund Program State Match Funding Bonds (Clean Water SRF Program), Series 2022, in the aggregate principal amount of \$11,349,100 (the “*Bonds*”), are within its authority under all applicable laws, including the Constitution and laws of the State of Missouri (the “*State*”), including specifically Sections 260.005 through 260.125 and Appendix B(1) of the Revised Statutes of Missouri (collectively, the “*Act*”), and that all action on its part for the execution and delivery of this Bond Purchase Agreement, the Original Indenture and Supplemental Indenture No. 1 has been duly and effectively taken; and that the Bonds in the hands of the Owners thereof will be valid and enforceable obligations of the Authority according to the import thereof, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights to the extent applicable and their enforcement may be subject to the exercise of judicial discretion in appropriate cases.

Section 1.2. Use of Proceeds. The proceeds of the sale of the Bonds will be deposited as provided in Supplemental Indenture No. 1 and used as provided in Supplemental Indenture No. 1. The proceeds of the sale of the Bonds to be issued pursuant to the Original Indenture and Supplemental Indenture No. 1 will not be used for any purpose other than as provided in the Original Indenture and Supplemental Indenture No. 1.

Section 1.3. Litigation and Governmental Authorization. To its knowledge, there is no action or proceeding pending or threatened by or against the Authority before any court or administrative agency which might adversely affect the authority or ability of the Authority to perform its obligations under the Original Indenture, Supplemental Indenture No. 1, this Bond Purchase Agreement or the Bonds, or any related documents. To its knowledge, all authorizations, consents and approvals of governmental bodies or agencies applicable to Authority required by all applicable laws in connection with the execution and delivery by the Authority of the Original Indenture, Supplemental Indenture No. 1, this Bond Purchase Agreement and the Bonds or in connection with the carrying out by Authority of its obligations under the

Original Indenture, Supplemental Indenture No. 1, this Bond Purchase Agreement or the Bonds have been obtained.

ARTICLE II

THE BONDS

Section 2.1. Issuance of Bonds. The Purchaser agrees, upon the terms and subject to the conditions contained in this Bond Purchase Agreement, to purchase from the Authority, and the Authority agrees to issue and sell to the Purchaser, the Bonds in the aggregate principal amount of \$11,349,100 at a purchase price equal to the principal amount of the Bonds, plus accrued interest, if any, from the dated date of the Bonds, which purchase price shall be paid in immediately available funds. The purchase price shall be paid by the Purchaser to the Trustee who shall credit such amount as provided in Supplemental Indenture No. 1 and such payment shall be evidenced to the Authority by a written receipt of the Purchaser. The Bonds sold hereunder shall mature in the years and bear interest as set forth in Schedule I attached hereto and shall be issued substantially in the form set forth in, and subject to the terms and provisions of, the Indenture.

The Authority acknowledges and agrees that: (a) the only obligation the Purchaser has to the Authority with respect to the transaction contemplated hereby is expressly set forth in this Bond Purchase Agreement; and (b) the Authority has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate.

Section 2.2. Closing. The purchase of the Bonds shall occur on September 27, 2022, at 10:00 a.m. at the offices of Gilmore & Bell, P.C., One Metropolitan Square, Suite 2000, 211 N. Broadway, St. Louis, Missouri, or at such other place, at such time, and on such date as the Authority and the Purchaser shall mutually agree (the “*Closing*”).

Section 2.3. Conditions of Purchase of the Bonds. The obligation of the Purchaser to purchase the Bonds hereunder is conditioned upon:

(a) receipt by the Purchaser of no less than three Business Days’ notice from the Authority of the proposed date and time of purchase if different than as set forth above;

(b) at the conclusion of such sale and after the application of any proceeds therefrom no Event of Default specified in the Indenture and no event which, with the giving of notice or lapse of time or both, would become such an Event of Default shall have occurred and be continuing;

(c) the representations of the Authority contained or referred to in Article I being true and correct;

(d) receipt by the Purchaser of the Bonds;

(e) receipt by the Purchaser of a fully-executed copy of this Bond Purchase Agreement;

(f) receipt by the Purchaser of an opinion of Gilmore & Bell, P.C., as Bond Counsel, that the Bonds constitute valid and legally binding obligations of the Authority; the Bonds are exempt from registration under the Securities Act of 1933, as amended; and the Original Indenture, as supplemented by the Supplemental Indenture No. 1, is exempt from qualification under the Trust

Indenture Act of 1939, as amended; provided, however, that such opinion of Bond Counsel may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally and need not express any opinion as to the availability of any specific remedy;

(g) receipt by the Purchaser of an opinion of counsel to the Authority, dated the date of Closing in form and substance satisfactory to the Authority, the Purchaser and to Gilmore & Bell, P.C., Bond Counsel; and

(h) such additional items as the Purchaser or its counsel may reasonably require.

Section 2.4. Conditions of Sale of the Bonds. The obligation of the Authority to sell the Bonds hereunder is conditioned upon:

(a) receipt by the Authority of a fully-executed copy of this Bond Purchase Agreement;

(b) receipt by the Authority of the purchase price of the Bonds;

(c) delivery of the Purchaser's Letter of Representations in the form provided in Supplemental Indenture No. 1, duly executed by the Purchaser; and

(d) such additional items as the Authority or its counsel may reasonably require.

ARTICLE III

PURCHASER COVENANTS

Section 3.1. Purchaser Representations. The Purchaser acknowledges that in purchasing the Bonds it is not relying on any representations of the Authority with respect to the financial quality of the Bonds. The Purchaser is relying solely on its own knowledge and investigation of the facts and circumstances relating to the purchase of the Bonds.

Section 3.2. No Registration. The Purchaser understands that the Bonds have not been registered under the Securities Act of 1933, as amended, and that such registration is not legally required. The Purchaser is purchasing the Bonds for its own account for investment and has no present intention of distributing or selling such Bonds or any portion thereof or any interest therein, but expressly reserves the right to sell the Bonds or sell participations in the Bonds.

Section 3.3. Sophisticated Investor. The Purchaser holds an extensive portfolio of investments and other securities and has sufficient knowledge and experience in financial and business matters to be able to evaluate the merits and risks of purchasing the Bonds and is not relying on any information supplied or representations or warranties made by the Authority, DNR or any other party with respect to the Bonds except as otherwise provided in the Request for Quotation published on August 8, 2022. The Purchaser is able to bear the economic risk represented by the purchase of the Bonds. The Purchaser understands that the Bonds are special, limited obligations of the Authority payable solely out of and secured by a transfer, pledge and assignment of and a grant of a security interest in a portion of the Trust Estate to the Trustee, which is specifically limited to the funds, accounts and subaccounts established for the Bonds as provided in the Original Indenture and Supplemental Indenture No. 1 relating to the Bonds.

Section 3.4. Access to Information. The Purchaser has made its own inquiry and analysis with respect to or affecting the likelihood of the payment of the Bonds. The Purchaser acknowledges that the Authority and DNR have offered to give access, without restriction or limitation, to all information to which a reasonable investor would attach significance in making investment decisions, and the Purchaser has had the opportunity to ask questions of and receive answers from knowledgeable individuals concerning the Bonds, this financing transaction, the Authority and DNR.

Section 3.5. Documents. The Original Indenture, Supplemental Indenture No. 1 and this Bond Purchase Agreement, as finally executed, contain terms and are in form acceptable to the Purchaser.

Section 3.6. Anti-Discrimination Against Israel Act Certification. Pursuant to Section 34.600 of the Revised Statutes of Missouri, the Purchaser hereby certifies to the Authority that the Purchaser (including all wholly owned subsidiaries, majority-owned subsidiaries, parent companies or affiliates of the Purchaser) is not currently engaged in and shall not, for the duration of this Bond Purchase Agreement, engage in a boycott of goods or services from the State of Israel, companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel, or persons or entities doing business in the State of Israel within the meaning of Section 34.600 of the Revised Statutes of Missouri.

Section 3.7. Reliance. The Authority and the Purchaser agree that each party hereto is entitled to rely on their respective representations and covenants contained in this Bond Purchase Agreement. The Authority is also entitled to rely on the additional representations made by the Purchaser in the Purchaser's Letter of Representation dated September 27, 2022 related to the purchase of the Bonds, such representations being fully incorporated herein by this reference.

ARTICLE IV

MISCELLANEOUS

Section 4.1. Limitation. Notwithstanding any provision of this Bond Purchase Agreement or the Indenture to the contrary, no recourse shall be had for the payment of the principal of or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in this Bond Purchase Agreement or the Indenture against any past, present or future member, officer, director, member, employee or agent of the Authority or DNR, or of any successor private or public corporation, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such members, officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Bond Purchase Agreement and the issuance, authentication and delivery of the Bonds.

Section 4.2. Notices. It shall be sufficient service of any notice, request, demand, authorization, direction, consent, waiver or other paper required or permitted by this Bond Purchase Agreement to be made, given or furnished to or filed with the party identified below, if the same shall be delivered by prepaid overnight delivery service, or mailed by first class mail, postage prepaid, or transmitted by electronic mail and confirmed by telephone, at the address provided below or such other address as is furnished in writing to the other parties referenced herein:

(a) To the Authority:

State Environmental Improvement and Energy
Resources Authority
425 Madison Street, Second Floor
Jefferson City, Missouri 65101
Attention: Executive Director
Email: joe.boland@eiera.mo.gov

with a copy to:

Lewis Rice LLC
600 Washington Avenue, Suite 2500
St. Louis, Missouri 63101
Attention: David W. Brown, Esq.
Email: dbrown@lewisrice.com

(b) To the Purchaser:

INTRUST Bank, N.A.
105 North Main Street
Wichita, Kansas 67202
Attention: Alfredo Ortiz-Aleman
Email: Alfredo.Ortiz-Aleman@intrustbank.com

with a copy to:

INTRUST Bank, N.A.
105 North Main Street
Wichita, Kansas 67202
Attention: Legal Department
Email: Megan.Hoffman@intrustbank.com

Section 4.3. Term of Agreement. The term of this Bond Purchase Agreement shall be until the termination of the Purchaser's obligation to purchase the Bonds hereunder or until the payment in full of the Bonds, whichever is later.

Section 4.4. Copies of Certificates, Etc. Whenever the Authority is required to deliver notices, certificates, opinions, statements or other information hereunder to the Purchaser, it shall do so in such number of copies as the Purchaser shall reasonably specify.

Section 4.5. No Waivers. No failure or delay by the Authority or the Purchaser in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 4.6. Governing Law. This Bond Purchase Agreement and the Bonds shall be deemed to be a contract made under and shall be construed in accordance with and governed by the laws of the State.

Section 4.7. Changes, Waivers, Etc. Neither this Bond Purchase Agreement nor any provision hereof may be changed, waived, discharged or terminated orally, except by a statement in writing signed by each party against which enforcement of such change, waiver, discharge or termination is sought.

Section 4.8. Counterparts. This Bond Purchase Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument. Complete sets of counterparts shall be lodged with the Authority and the Purchaser.

IN WITNESS WHEREOF, the Authority and the Purchaser have caused this Bond Purchase Agreement to be duly executed by their duly authorized representatives, as of the day and year first above written.

STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY

(SEAL)

By _____
Title: Chairman

ATTEST:

Title: Secretary

INTRUST BANK, N.A.

By _____
Title: Authorized Officer

SCHEDULE I

\$11,349,100
STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY
(STATE OF MISSOURI)
TAXABLE STATE REVOLVING FUND PROGRAM
STATE MATCH FUNDING BONDS
(CLEAN WATER SRF PROGRAM)
SERIES 2022

<u>Date</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
January 1, 2023	3.60%	\$2,834,400.00	\$106,681.54	\$2,941,081.54
July 1, 2023	3.60	2,787,800.00	153,264.60	2,941,064.60
January 1, 2024	3.60	2,837,900.00	103,084.20	2,940,984.20
July 1, 2024 [†]	3.60	<u>2,889,000.00</u>	<u>52,002.00</u>	<u>2,941,002.00</u>
Total		<u>\$11,349,100.00</u>	<u>\$415,032.34</u>	<u>\$11,764,132.34</u>

[†] Maturity



THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY
RESOURCES AUTHORITY OF THE STATE OF MISSOURI

**REQUEST FOR QUOTATION
DIRECT PURCHASE**

\$11,349,100*

State Environmental Improvement and Energy Resources Authority
Taxable State Revolving Fund Program State Match Funding Bonds
(Clean Water SRF Program)
Series 2022

RFQ Published:	August 8
Questions Due:	August 15 at 2:00 PM CT
Q&A Distribution:	August 17
Proposals Due:	August 26 at 2:00 PM CT

The State Environmental Improvement and Energy Resources Authority of the State of Missouri (the "Authority") is seeking quotations from banks and Qualified Institutional Buyers pursuant to SEC Rule 144A ("QIB") for the direct purchase of its Taxable State Revolving Fund Program State Match Funding Bonds (Clean Water SRF Program), Series 2022 (the "Bonds").

The Bonds and the interest thereon will be special, limited obligations of the Authority payable solely out of and secured by a transfer, pledge and assignment of and a grant of a security interest in a portion of the Trust Estate created by the Master Bond Indenture (the "Master Bond Indenture"), dated as of September 1, 2022 (as amended and supplemented, the "Indenture") by and between the Authority and UMB Bank, N.A. as trustee (the "Trustee"). **Concurrently with the delivery of the Bonds, the Authority will cause available funds to be deposited into the Series 2022 Revenue Account held under the Indenture (as described herein) for the purchase of Government Obligations in an amount that, together with interest to accrue thereon, will cause funds in the Series 2022 Revenue Account to be sufficient to pay the principal of and interest on the Bonds as the same become due. Pursuant to the Indenture, the Authority has pledged and assigned such portion of the Trust Estate to the Trustee as security for the Bonds.**

See "PLAN OF FINANCE" herein for additional information on the security for the Bonds.

Questions and proposals should be submitted via email to the following contacts no later than the respective deadlines indicated above. Questions received by the deadline will be answered and circulated (without the identity of the firm submitting the question) to the list of potential Purchasers on or about the date indicated above.

ISSUER

State Environmental Improvement and Energy Resources Authority
Joe Boland
Executive Director
(573) 751-4919
joe.boland@eiera.mo.gov

MUNICIPAL ADVISOR

Columbia Capital Management, LLC
Khalen Dwyer
Senior Vice President
(913) 909-9094
kdwyer@columbiacapital.com

* Preliminary; subject to change.

ESTIMATED TIMELINE

Proposals Due:	August 26 at 2:00 PM CT
Evaluation & Selection:	August 29*
Pricing/Rate Lock:	To Be Determined
Expected Closing:	September 27*

PLAN OF FINANCE

BACKGROUND

The Federal Water Quality Act of 1987 (the “Federal Clean Water Act”) provides for the establishment of loan programs, the funds of which are used to provide financial assistance to various instrumentalities of states or other eligible entities in connection with the construction of publicly owned systems for transportation, collection, 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 United States Environmental Protection Agency (the “EPA”). The Federal Clean Water Act further requires 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. Federal law allows state revolving fund programs (“SRF”) to generate state match funds through the issuance of state match bonds. Pursuant to federal law, state match bonds are only payable as to principal and interest from interest portions of participant loan repayments under the SRF program and interest earnings on certain funds and accounts held in trust.

The State of Missouri (the “State”) established its Clean Water SRF Program in 1988 pursuant to the Federal Clean Water Act. The Clean Water SRF Program is a joint financing arrangement among the Missouri Department of Natural Resources (“DNR”), the Clean Water Commission of the State of Missouri, and the Authority designed to meet federal requirements for state revolving funds for wastewater facilities.

THE BONDS

The Authority is issuing the Bonds pursuant to the Master Bond Indenture, as supplemented by the Supplemental Bond Indenture No. 1 dated as of September 1, 2022 for the purpose of providing state match funds in the amount of \$11,349,100 required for the federal fiscal year 2022 Clean Water SRF capitalization grants. The costs of issuing the Bonds will be paid from other available funds of the Authority. The Bonds are the first series of bonds issued under the Indenture.

SECURITY

Pursuant to the Indenture, the Bonds and the interest thereon shall be special, limited obligations of the Authority payable solely out of and secured by a transfer, pledge and assignment of and a grant of a security interest in a portion of the Trust Estate.

Concurrently with the delivery of the Bonds, available funds on deposit in the Clean Water Account of the Interest Accumulation Fund held under the Master Trust Indenture (2020) (further described below under the heading “SOURCES OF FUNDS – INTEREST

* Preliminary; subject to change.

ACCUMULATION FUND”) will be transferred and deposited into the Series 2022 Revenue Account under the Indenture to be invested in Government Obligations secured by the full faith and credit of the United States pursuant to the direction of the Authority. Cash and investments held in the Series 2022 Revenue Account, together with the maturing investments and interest to accrue thereon, will be sufficient to pay all principal of, redemption premium, if any, and interest on the Bonds as the same become due.

The Bonds and the interest thereon shall not be deemed to constitute a debt or liability of the State or of any political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the State or of any political subdivision thereof, but shall be payable solely from the funds provided for in the Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. Neither the State nor the Authority is obligated to pay the Bonds or the interest thereon except from the Trust Estate as provided in the Indenture, and 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 the interest on the Bonds. The Authority has no taxing power.

SOURCE OF FUNDS - INTEREST ACCUMULATION FUND

The Authority issues other bonds for the State’s SRF program that are secured by the 2020 Amended and Restated Master Trust Agreement between the Authority and UMB Bank, N.A., as Master Trustee (the “Master Trust Agreement (2020)”). Pursuant to the Master Trust Agreement (2020), after the payment in full of the principal and interest due on all series of bonds secured thereunder, along with any other amounts required to be paid or set aside, excess monies available in the Clean Water Interest Account of the Master Repayment Fund are to be deposited into the Clean Water Interest Account of the Interest Accumulation Fund. Concurrently with the delivery of the Bonds, available funds in the Clean Water Interest Account of the Interest Accumulation Fund will be transferred to the Trustee for deposit in the Series 2022 Revenue Account created under the Indenture and will be used, together with investment earnings thereon, to pay debt service on the Bonds. **The Bonds are not secured under the Master Trust Indenture (2020).**

VERIFICATION REPORT

Concurrently with the issuance of the Bonds, a verification report will be prepared and delivered to the Trustee and the Authority by Robert Thomas CPA, an independent accountant, regarding the sufficiency of the amount on deposit in the Series 2022 Revenue Account, together with income or increment to accrue thereon, without consideration of any reinvestment thereof, to pay the principal and interest on the Bonds as the same become due.

PREFERRED TERMS

The Bonds are to be purchased by the Purchaser through a direct placement. The Authority will not enter into any arrangement to facilitate the subsequent remarketing of the Bonds by the Purchaser.

Closing:	September 27, 2022
Rate Mode:	Fixed rate to maturity. The Authority will not consider proposals for variable interest rate structures, nor will it consider proposals with interest rates that are subject to adjustment pursuant to changes in federal tax legislation, income tax rates or financial regulations.
Tax Status:	Taxable.

Coupon Payment Dates:	January 1 and July 1, beginning January 1, 2023
Principal Amortization:	January 1 and July 1, beginning January 1, 2023 to and including July 1, 2024.
Offering Document:	None.
Continuing Public Disclosure:	None.
Credit Rating:	None.
Transferability:	Restricted (see No. 5 under PROPOSAL FORMAT herein).
CUSIP:	None.
DTC Closing:	The Bonds will be certificated but are not anticipated to be delivered through DTC's book entry system.

BASIS OF EVALUATION

Proposals will be evaluated based on the following criteria:

- A. The proposer's acceptance of the terms as presented;
- B. The proposer's total cost of borrowing, adjusted for proposed fees and expenses; and
- C. Any additional terms tied to the proposer's credit commitment.

The Authority reserves the right to:

- A. Interview or request additional information from any proposer prior to its selection;
- B. Consider information about any proposer from other sources in addition to information submitted by the firm; and/or
- C. Reject all proposals.

PROPOSAL FORMAT

All submissions must follow substantially the format described below:

1. Provide a transmittal letter including the legal name of the Purchaser and contact information for the proposed financing team.
2. Confirm your firm's acknowledgement and acceptance of the financing terms summarized herein, or any proposed changes to such terms.
3. Confirm or explain any exceptions to the following representations:
 - a. The Purchaser understands that, as the Authority's Municipal Advisor, Columbia Capital Management, LLC represents solely the interest of the Authority and not the Purchaser of the Bonds.
 - b. The Purchaser is a qualified institutional buyer as defined in Rule 144A promulgated under the Securities Act of 1933, or an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933 that is an institution or organization and not an individual, under the definition of "accredited investor" under Rule 501(a) of Regulation D (an "Approved Investor") capable of independently evaluating the investment risks of purchasing the Bonds.

- c. The Purchaser seeks to purchase the Bonds as a buy and hold investment without the intention of further transfer or distribution.
4. Provide a term sheet identifying all material terms of your firm's credit commitment, including whether a purchase agreement is required. If required, the Authority will provide a draft purchase agreement.
5. The Supplemental Indenture includes the form of an investor representation letter that includes, but is not limited to, representations by the Purchaser to the effect that: the Purchaser is an Approved Investor capable of evaluating the credit risk of the Bonds; the Purchaser is purchasing the Bonds as a buy and hold investment, and not with the view to distribute, transfer or resell any portion of the Bonds or interest thereon; the Purchaser acknowledges that neither the Authority, DNR, nor the State have committed to providing public dissemination of ongoing financial and operating information with respect to the Bonds; and the Purchaser has conducted its own due diligence investigation regarding the Bonds. Confirm your firm's acknowledgement that such investor representation letter will be executed by your firm as a condition of closing.
6. Provide your firm's price proposal by completing the Proposal Form herein.
7. Indicate whether your firm has obtained credit approval for this financing, or if the transaction is subject to additional credit review. If further approval is required, please describe the process and approximate timeline necessary to obtain such approval. The Authority would prefer at least preliminary credit approval at the time the proposal is submitted.
8. The terms of the Bonds are anticipated to be public information and subject to disclosure by the Authority without limitations. Identify any information expected to be included in the bond documents that the Purchaser requests to be confidential, proprietary or subject to any limit on public disclosure.
9. A statement confirming that neither your company, parent company, nor any other subsidiaries or affiliates are currently engaged in, and shall not for the duration of this engagement engage in, a boycott of: (i) goods and services from the State of Israel; (ii) companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel; or (iii) persons or entities doing business in the State of Israel. The Purchaser shall understand that "boycott" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations, but does not include an action made for ordinary business purposes.
10. Please explain any other requirements that your firm will impose on the Authority or the Trustee as part of its proposal.

INDEPENDENT REGISTERED MUNICIPAL ADVISOR

Columbia Capital Management, LLC, a municipal advisor registered with the SEC and the Municipal Securities Rulemaking Board, represents the Authority as its municipal advisor. The Authority will rely upon the advice of Columbia Capital Management, LLC.

CONDITIONS

CONTACT WITH ANY AUTHORITY OR DNR OFFICIAL REGARDING THIS RFQ USING METHODS OTHER THAN THOSE SPECIFIED HEREIN MAY BE BASIS FOR DISQUALIFICATION.

THE AUTHORITY RESERVES THE RIGHT TO: (I) EXTEND THE DUE DATE/TIME UPON NOTICE AND (II) WAIVE MINOR IRREGULARITIES IN THE RFQ PROCESS AT ITS SOLE DISCRETION.

NEITHER THE AUTHORITY, DNR, NOR THE STATE ARE LIABLE FOR ANY COSTS OR EXPENSES INCURRED BY THE RESPONDENT IN THE PREPARATION OF ITS RESPONSE TO THIS RFQ.

PROPOSAL FORM

FEES & EXPENSES

Please provide any fees or reimbursable expenses that your firm will charge as part of your price proposal. Note: the fees and expenses quoted will be used to calculate the adjusted borrowing cost of the proposal. The Authority will NOT honor any fees or expenses not included below.

<u>Description</u>	<u>Flat Fee or % of Par</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Principal Amortization *

<u>Date</u>	<u>Principal</u>
1/1/2023	\$ 2,834,600
7/1/2223	2,792,600
1/1/2024	2,837,900
7/1/2024	2,884,000

The Authority seeks a commitment to a flat interest rate or a spread to a verifiable index that can be finalized at the specified price lock date of the transaction.

Interest Rate	Benchmark Tenor	Benchmark Rate	Yield Spread
_____ %	_____	_____ %	_____ %

Benchmark Name	_____	Benchmark Date	_____
Firm	_____	Representative	_____
Date	_____	Signature	_____

* Preliminary; subject to change.

ATTACHMENTS

- Draft Master Bond Indenture
- Draft Supplemental Bond Indenture No. 1