
PROPOSED ORDINANCE NO. 15077

OF

THE METROPOLITAN ST. LOUIS SEWER DISTRICT

Relating to:

**NOT TO EXCEED \$47,722,204*
WASTEWATER SYSTEM REVENUE BOND
(WIFIA – DEER CREEK SANITARY TUNNEL PUMP STATION
AND SANITARY RELIEF PROJECT)
SERIES 2018A**

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PROPOSED ORDINANCE NO. 15077

AN ORDINANCE AUTHORIZING AND DIRECTING THE ISSUANCE, SALE AND DELIVERY OF A WASTEWATER SYSTEM REVENUE BOND (WIFIA - DEER CREEK SANITARY TUNNEL PUMP STATION AND SANITARY RELIEF PROJECT), SERIES 2018A, OF THE METROPOLITAN ST. LOUIS SEWER DISTRICT; PRESCRIBING THE FORM AND DETAILS OF SAID BOND; AND AUTHORIZING CERTAIN ACTIONS AND DOCUMENTS AND PRESCRIBING OTHER MATTERS RELATING THERETO.

1. The Metropolitan St. Louis Sewer District (the "District"), a body corporate, a municipal corporation and a political subdivision duly organized and existing under the Constitution and laws of the State of Missouri and the District's Charter (Plan), as amended, approved by the voters for its government (the "Charter"), owns and operates a revenue producing sanitary sewer system (the "System," as hereinafter more fully defined).

2. The District desires to make certain additions, extensions and improvements to the System and is authorized under the provisions of the Charter to issue and sell revenue bonds for the purpose of providing funds for such purpose, upon obtaining the required voter approval and provided that the principal of and interest on such revenue bonds shall be payable solely from the revenues derived from the operation of the System.

3. Pursuant to such authority, a special bond election was duly held in the District on April 5, 2016 (the "Election") on the following proposition:

PROPOSITION Y

To comply with federal and state clean water requirements, shall The Metropolitan St. Louis Sewer District (MSD) issue its sewer revenue bonds in the amount of Nine Hundred Million Dollars (\$900,000,000) for the purpose of designing, constructing, improving, renovating, repairing, replacing and equipping new and existing MSD sewer and drainage facilities and systems, including sewage treatment and disposal plants, sanitary sewers, and acquisition of easements and real property related thereto, the cost of operation and maintenance of said facilities and systems and the principal of and interest on said revenue bonds to be payable solely from the revenues derived by MSD from the operation of its wastewater sewer system, including all future extensions and improvements thereto?

and it was found and determined that more than a simple majority of the qualified electors of the District voting on the proposition had voted in favor of the issuance of said revenue bonds for the purpose aforesaid, the vote on said proposition having been 127,661 votes for said proposition to 39,866 votes against said proposition.

4. \$152,500,000 of the bonds authorized at the Election have heretofore been issued (the Series 2017A Bonds as described herein).

5. Pursuant to an election duly held on February 3, 2004, the qualified electors of the District authorized the issuance of \$500,000,000 of revenue bonds, all of which have heretofore been issued as described herein.

6. Pursuant to an election duly held on August 5, 2008, the qualified electors of the District authorized the issuance of \$275,000,000 of revenue bonds, all of which have heretofore been issued as described herein.

7. Pursuant to an election duly held on June 5, 2012, the qualified electors of the District authorized the issuance of \$945,000,000 of revenue bonds, all of which have heretofore been issued as described herein.

8. The District hereby ratifies and affirms the Master Bond Ordinance No. 11713 passed on April 22, 2004 (the “Master Bond Ordinance”).

9. By Ordinance No. 11736 passed on May 13, 2004 (the “Series 2004B Ordinance”), the District has issued its Subordinate Wastewater System Revenue Bonds (State Revolving Fund Program), Series 2004B (the “Series 2004B Bonds”), dated May 28, 2004, in the original principal amount of \$161,280,000, of which \$73,190,000 remains outstanding as of the date of passage of this Ordinance.

10. By Ordinance No. 11986 passed on May 5, 2005 (the “Series 2005A Ordinance”), the District has issued its Subordinate Wastewater System Revenue Bonds (State Revolving Fund Program), Series 2005A (the “Series 2005A Bonds”), dated May 19, 2005, in the original principal amount of \$6,800,000, of which \$3,120,000 remains outstanding as of the date of passage of this Ordinance.

11. By Ordinance No. 12179 passed on March 9, 2006 (the “Series 2006A Ordinance”), the District has issued its Subordinate Wastewater System Revenue Bonds (State Revolving Fund Program), Series 2006A (the “Series 2006A Bonds”), dated April 27, 2006, in the original principal amount of \$42,715,000, of which \$20,965,000 remains outstanding as of the date of passage of this Ordinance.

12. By Ordinance No. 12332 passed on October 12, 2006 (the “Series 2006B Ordinance”), the District has issued its Subordinate Wastewater System Revenue Bonds (State Revolving Fund Program), Series 2006B (the “Series 2006B Bonds”), dated November 16, 2006, in the original principal amount of \$14,205,000, of which \$7,400,000 remains outstanding as of the date of the passage of this Ordinance.

13. By Ordinance No. 12755 passed on October 7, 2008 (the “Series 2008B Ordinance”), the District has issued its Subordinate Wastewater System Revenue Bonds (State Revolving Fund Program), Series 2008B (the “Series 2008B Bonds”), dated October 30, 2008, in the original principal amount of \$40,000,000, of which \$23,700,000 remains outstanding as of the date of the passage of this Ordinance.

14. By Ordinance No. 12937 passed on August 13, 2009 (the “Series 2009A Ordinance”), the District has issued its Subordinate Wastewater System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2009A (the “Series 2009A Bonds”), dated October 21, 2009, in the original principal amount of \$23,000,000, of which \$14,783,300 remains outstanding as of the date of the passage of this Ordinance.

15. By Ordinance No. 13024 passed on January 14, 2010 (the “Series 2010A Ordinance”), the District has authorized the issuance of its Subordinate Wastewater System Revenue Bonds (State of Missouri – Direct Loan Program – ARRA), Series 2010A (the “Series 2010A Bonds”), dated

January 26, 2010, in an original principal amount not to exceed \$7,980,700, of which \$5,659,600 remains outstanding as of the date of the passage of this Ordinance.

16. By Ordinance No. 13025 passed on January 14, 2010 (the “Series 2010B Ordinance”), the District has issued its Taxable Wastewater System Revenue Bonds (Build America Bonds – Direct Pay), Series 2010B (the “Series 2010B Bonds”), dated January 28, 2010, in the original principal amount of \$85,000,000, all of which remains outstanding as of the date of the passage of this Ordinance.

17. By Ordinance No. 13183 passed on December 9, 2010 (the “Series 2010C Ordinance”), the District has issued its Subordinate Wastewater System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2010C (the “Series 2010C Bonds”), dated December 21, 2010, in an original principal amount not to exceed \$37,000,000, of which \$25,787,000 remains outstanding as of the date of the passage of this Ordinance.

18. By Ordinance No. 13327 passed on November 21, 2011 (the “Series 2011A Ordinance”), the District has issued its Subordinate Wastewater System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2011A (the “Series 2011A Bonds”), dated November 30, 2011, in an original principal amount not to exceed \$39,769,300, of which \$33,120,300 remains outstanding as of the date of the passage of this Ordinance.

19. By Ordinance No. 13344 passed on December 8, 2011 (the “Series 2011B Ordinance”), the District has issued its Wastewater System Revenue Bonds, Series 2011B (the “Series 2011B Bonds”), dated December 22, 2011, in the original principal amount of \$52,250,000, of which \$18,055,000 remains outstanding as of the date of the passage of this Ordinance.

20. By Ordinance No. 13465 passed on August 9, 2012 (the “Series 2012A Ordinance”), the District has issued its Wastewater System Revenue Bonds, Series 2012A (the “Series 2012A Bonds”), dated August 23, 2012, in the original principal amount of \$225,000,000, of which \$159,340,000 remains outstanding as of the date of the passage of this Ordinance.

21. By Ordinance No. 13521 passed on October 24, 2012 (the “Series 2012B Ordinance”), the District has issued its Wastewater System Refunding Revenue Bonds, Series 2012B (the “Series 2012B Bonds”), dated November 14, 2012, in the original principal amount of \$141,730,000, of which \$131,935,000 remains outstanding as of the date of the passage of this Ordinance. The Series 2012B Bonds refunded a portion of the District’s Wastewater System Revenue Bonds, Series 2004A, dated May 6, 2004, issued in the original principal amount of \$175,000,000, all of which have been paid off as of the date of the passage of this Ordinance.

22. By Ordinance No. 13731 passed on October 10, 2013 (the “Series 2013A Ordinance”), the District has issued its Subordinate Wastewater System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2013A (the “Series 2013A Bonds”), dated October 31, 2013, in an original principal amount not to exceed \$52,000,000, of which \$44,480,000 remains outstanding as of the date of the passage of this Ordinance.

23. By Ordinance No. 13763 passed on December 6, 2013 (the “Series 2013B Ordinance”), the District has issued its Wastewater System Revenue Bonds, Series 2013B (the “Series 2013B Bonds”), dated December 18, 2013, in the original principal amount of \$150,000,000, of which \$116,615,000 remains outstanding as of the date of the passage of this Ordinance.

24. By Ordinance No. 14225 passed on August 13, 2015 (the “Series 2015A Ordinance”), the District has issued its Subordinate Wastewater System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2015A (the “Series 2015A Bonds”), dated August 20, 2015, in an original principal

amount not to exceed \$75,000,000, of which \$ [REDACTED] has been drawn and \$ [REDACTED] remains outstanding as of June 30, 2018.

25. By Ordinance No. 14312 passed on December 1, 2015 (the “Series 2015B Ordinance”), the District has issued its Wastewater System Improvement and Refunding Revenue Bonds, Series 2015B (the “Series 2015B Bonds”), dated December 15, 2015, in the original principal amount of \$223,855,000, of which \$192,810,000 remains outstanding as of the date of the passage of this Ordinance. The Series 2015B Bonds refunded (a) all of the District’s Wastewater System Revenue Bonds, Series 2006C, dated November 28, 2006, issued in the original principal amount of \$60,000,000, all of which have been paid off as of the date of the passage of this Ordinance, and (b) all of the District’s Wastewater System Revenue Bonds, Series 2008A, dated November 25, 2008, issued in the original principal amount of \$30,000,000, all of which have been paid off as of the date of the passage of this Ordinance.

26. By Ordinance No. 14571 passed on December 8, 2016 (the “Series 2016A Ordinance”), the District has issued its Subordinate Wastewater System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2016A (the “Series 2016A Bonds”), dated December 22, 2016, in an original principal amount not to exceed \$20,000,000, of which \$ [REDACTED] has been drawn and \$ [REDACTED] remains outstanding as of June 30, 2018.

27. By Ordinance No. 14572 passed on December 8, 2016 (the “Series 2016B Ordinance”), the District has issued its Subordinate Wastewater System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2016B (the “Series 2016B Bonds” and together with the Series 2004B Bonds, the Series 2005A Bonds, the Series 2006A Bonds, the Series 2006B Bonds, the Series 2008B Bonds, the Series 2009A Bonds, the Series 2010A Bonds, the Series 2010C Bonds, the Series 2011A Bonds, the Series 2013A Bonds, the Series 2015A Bonds and the Series 2016A Bonds, the “Outstanding Subordinate Bonds”), dated December 22, 2016, in an original principal amount not to exceed \$75,500,000, of which \$ [REDACTED] has been drawn and \$ [REDACTED] remains outstanding as of June 30, 2018.

28. By Ordinance No. 14567 passed on December 8, 2016 (the “Series 2016C Ordinance”), the District has issued its Wastewater System Revenue Bonds, Series 2016C (the “Series 2016C Bonds”), dated December 20, 2016, in the original principal amount of \$150,000,000, of which \$147,295,000 remains outstanding as of the date of the passage of this Ordinance.

29. By Ordinance No. 14835 passed on December 5, 2017 (the “Series 2017A Ordinance”), the District has issued its Wastewater System Improvement and Refunding Revenue Bonds, Series 2017A (the “Series 2017A Bonds”), dated December 14, 2017, in the original principal amount of \$316,175,000, all of which remains outstanding as of the date of the passage of this Ordinance. The Series 2017A Bonds refunded (a) the Series 2011B Bonds maturing in the years 2022 through 2029, inclusive, outstanding in the aggregate principal amount of \$23,345,000, (b) the Series 2012A Bonds maturing in the years 2023 through 2032, inclusive, except the 2030 maturity bearing interest at the rate of 2.75%, outstanding in the aggregate principal amount of \$50,060,000, (c) the Series 2013B Bonds maturing in the years 2024 through 2029, inclusive, outstanding in the aggregate principal amount of \$26,385,000, and (d) the Series 2015B Bonds maturing in the years 2026 through 2029, inclusive, outstanding in the aggregate principal amount of \$25,970,000.

30. The District has determined that there is a need for the design, construction, improvement, renovation, repair, replacement and equipping of the System all in accordance or substantially in accordance with plans and specifications on file from time to time with the District (as further defined below, the “Series 2018A Project”), to be financed with a portion of the bonds authorized at the Election.

31. Under the provisions of the Master Bond Ordinance, the District may issue additional bonds payable out of the Pledged Revenues that are senior to the Outstanding Subordinate Bonds, and that are on parity with the Outstanding Senior Bonds (within the meaning of the Master Bond Ordinance), if certain conditions are met.

32. To provide for the most cost-effective financing of the Series 2018A Project, the District has submitted an Application for Financial Assistance to the United States Environmental Protection Agency (“EPA”) for a loan to be made by EPA under authority of the Water Infrastructure Finance and Innovation Act to assist in financing the Series 2018A Project.

33. The EPA will make a loan in a principal amount not exceed \$47,722,204* (the “WIFIA Loan”) to the District to assist in financing the Series 2018A Project. The District will enter into the WIFIA Loan Agreement on or after the date hereof, between the District and the EPA (the “WIFIA Loan Agreement”), which will govern the terms of the WIFIA Loan. The WIFIA Loan is not a Government Loan (as defined in the Master Bond Ordinance).

34. The District has determined that it is necessary and desirable and in the best interests of the citizens of the area served by the System for the District to make the additions, extensions and improvements to the System described above, and to finance a portion of the costs of the foregoing by issuing a revenue bond in the maximum principal amount of not to exceed \$47,722,204* (the “Series 2018A Bond”) to be sold to EPA to evidence the District’s obligation to repay the WIFIA Loan under the WIFIA Loan Agreement.

35. The Series 2018A Bond is being issued as Senior Bonds (within the meaning of the Master Bond Ordinance) on a parity with the Outstanding Series 2010B Bonds, the Series 2011B Bonds, the Series 2012A Bonds, the Series 2012B Bonds, the Series 2013B Bonds, the Series 2015B Bonds, the Series 2016C Bonds and the Series 2017A Bonds, under the Master Bond Ordinance and this Ordinance, this Ordinance constitutes a Series Ordinance (within the meaning of the Master Bond Ordinance), and the provisions of the Master Bond Ordinance are applicable to the Series 2018A Bond except as otherwise provided in this Ordinance.

36. The District, upon the issuance of the Series 2018A Bond, will not have outstanding any other bonds or other obligations payable from the Pledged Revenues other than the Outstanding Senior Bonds and the Outstanding Subordinate Bonds.

NOW, THEREFORE, Be It Ordained by the Board of Trustees of The Metropolitan St. Louis Sewer District, as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. For all purposes of this Ordinance, except as otherwise provided or unless the context otherwise requires, words and terms used in this Ordinance shall have the meanings set forth in **Section 1.1** of the Master Bond Ordinance, **Section 1** of the WIFIA Loan Agreement and the following meanings set forth in this Section. Any words and terms defined herein that are not already defined in the Master Bond Ordinance and WIFIA Loan Agreement are intended to supplement the definitions contained therein. Any words and terms defined herein that are already defined in the Master Bond Ordinance or WIFIA Loan Agreement are intended to replace and supersede such definitions already contained therein for purposes related to the Series 2018A Bond. If any of the following

definitions conflict with the definitions already set forth in the Master Bond Ordinance, the definitions set forth herein shall take precedence:

“Bond Registrar” means any bank or trust company designated as such by the District in the Bond Ordinance with respect to any of the Bonds. Such Bond Registrar shall perform the duties required of the Bond Registrar in the Master Bond Ordinance. The Bank of New York Mellon Trust Company, N.A. is hereby designated as Bond Registrar for the Series 2018A Bond.

“Cumulative Principal Amount Outstanding” has the same meaning as “Outstanding WIFIA Loan Balance” in the WIFIA Loan Agreement.

“Default Rate” has the meaning provided in the WIFIA Loan Agreement.

“Depository” means the depository of each fund established under the Bond Ordinance, and any successor depository of such fund hereafter designated by the District from time to time by Supplemental Ordinance. The Depository for the Senior Bonds, including the Series 2018A Bond, is U.S. Bank, N.A., St. Louis, Missouri.

“Disbursement” means the amount paid by EPA from time to time in accordance with **Section 4(a)** of the WIFIA Loan Agreement.

“Effective Date” means the date of the issuance and delivery of the Series 2018A Bond and the effective date of the WIFIA Loan Agreement.

“EPA” means the United States Environmental Protection Agency, an agency of the United States of America, acting by and through the Administrator of the Environmental Protection Agency.

“Final Disbursement Date” has the meaning provided in the WIFIA Loan Agreement.

“Interest Payment Date” means, with respect to the Series 2018A Bond, each May 1 and November 1 or, if such date is not a Business Day, the next Business Day following such May 1 or November 1.

“Interest Rate” means (a) if a Payment Default or Project Event of Default (as those terms are defined in the WIFIA Loan Agreement) has not occurred or has been rescinded (or, in the case of Project Event of Default, has been cured) the annual fixed rate of interest as provided in **Section 6** of the WIFIA Loan Agreement, calculated by adding one basis point (0.01%) to the rate of securities of a similar maturity (based on the weighted-average life of the WIFIA Loan) as published, on the execution date of the WIFIA Loan Agreement, in the United States Treasury Bureau of Public Debt’s daily rate table for State and Local Government Series (SLGS) securities, currently located on the Internet at <https://www.treasurydirect.gov/GA-SL/SLGS/selectSLGSDate.htm>, and (b) if a Payment Default or Project Event of Default has occurred and has not been rescinded (or, in the case of Project Event of Default, has not been cured), the Default Rate (as defined in the WIFIA Loan Agreement).

“Owner” means EPA or any assignee, successor or transferee of EPA.

“Principal Payment Date” means each May 1, commencing May 1, 2019, and any date on which the Series 2018A Bond is optionally redeemed in accordance with **Section 3.1** hereof.

“Senior Bonds” means the Series 2010B Bonds, the Series 2011B Bonds, the Series 2012A Bonds, the Series 2012B Bonds, the Series 2013B Bonds, the Series 2015B Bonds, the Series 2016C

Bonds, the Series 2017A Bonds, the Series 2018A Bond and any Bonds, including Senior SRF Bonds and Senior Uncovered Bonds, issued with a right to payment and secured by a lien on a parity with the Series 2010B Bonds, the Series 2011B Bonds, the Series 2012A Bonds, the Series 2012B Bonds, the Series 2013B Bonds, the Series 2015B Bonds, the Series 2016C Bonds, the Series 2017A Bonds and the Series 2018A Bond (except with respect to any Credit Facility which may be available only to one or more series of Senior Bonds and except that Senior SRF Bonds and Senior Uncovered Bonds shall not be secured by the Debt Service Reserve Account) pursuant to **Section 5.3** of the Master Bond Ordinance.

“Series 2018A Bond” means the District’s Wastewater System Revenue Bond (WIFIA - Deer Creek Sanitary Tunnel Pump Station and Sanitary Relief Project), Series 2018A, authorized under **Section 2.1** hereof.

“Series 2018A Project” means the project as particularly described in plans and specifications on file from time to time with the District.

“Stated Maturity” means May 1, 2053, the final maturity date of the Series 2018A Bond.

“WIFIA Loan” means the secured loan made by the EPA to the District on the terms and conditions set forth in the WIFIA Loan Agreement, in a principal amount not to exceed \$47,722,204*. The WIFIA Loan is not a Government Loan.

“WIFIA Loan Agreement” means the WIFIA Loan Agreement to be entered into on or after the date hereof between the District and EPA, as supplemented, modified or amended in accordance with its terms, in substantially the form attached hereto as **Exhibit B**.

ARTICLE II

AUTHORIZATION OF THE SERIES 2018A BOND

Section 2.1. Authorization of Series 2018A Bond; Details. The District hereby authorizes the execution, issuance, and delivery of a series of Bonds to be designated “The Metropolitan St. Louis Sewer District Wastewater System Revenue Bonds (WIFIA - Deer Creek Sanitary Tunnel Pump Station and Sanitary Relief Project), Series 2018A,” in an amount not to exceed \$47,722,204*, subject to the terms and for the purposes of this Ordinance. Upon the Final Disbursement Date, the principal amount of the Series 2018A Bond issued under this Ordinance will be the Cumulative Principal Amount Outstanding as of the Final Disbursement Date plus the principal amount previously redeemed pursuant to **Article III**, if any. The remaining voted authorization under the Election will be the voted amount less the principal amount issued, as determined pursuant to the preceding sentence.

The Series 2018A Bond shall be executed, issued, and delivered under, and secured by, the Master Bond Ordinance and this Ordinance, for the purpose of providing funds to pay a portion of the costs of the Series 2018A Project.

The Series 2018A Bond shall constitute a series of Senior Uncovered Bonds and thus will not be secured by the Debt Service Reserve Account.

The Series 2018A Bond shall be dated the date of their initial issuance. The Series 2018A Bond shall be issuable in the form of one fully-registered Bond, issuable in a minimum authorized denomination of \$100,000 or any larger denomination constituting an integral multiple of \$1.

The Series 2018A Bond and the Bond Registrar's Certificate of Authentication shall be in substantially the form set forth in **Exhibit A** attached hereto, with such variations, omissions, substitutions and insertions as are required or permitted by the Master Bond Ordinance, this Ordinance and the WIFIA Loan Agreement.

The Series 2018A Bond will mature and become due on the Stated Maturity (subject to optional and mandatory redemption prior to Stated Maturity as provided in **Article III**). The Series 2018A Bond will bear interest on the Cumulative Principal Amount Outstanding at the Interest Rate from the Effective Date and the date of receipt of each Disbursement by the District pursuant to the WIFIA Loan Agreement (as set forth on **Schedule A** to a Bond) or from the most recent Interest Payment Date to which interest has been paid or provided for. Interest is computed on the basis of a 360-day year of twelve 30-day months and is payable on each Interest Payment Date.

Section 2.2. Revisions to Schedule A to the Series 2018A Bond. Prior to the Final Disbursement Date, promptly upon the receipt by the District of each Disbursement made by the EPA in accordance with the WIFIA Loan Agreement, an authorized signatory of the Owner will endorse **Schedule A** to the Series 2018A Bond with the date of receipt of the Disbursement, the amount of the Disbursement and the resulting Cumulative Principal Amount Outstanding. The Owner shall provide the District and the Registrar a copy of **Schedule A** to the Bond promptly after each Disbursement, but no failure to provide or delay in providing the District and Registrar with such copy shall affect any of the obligations of the District under the Series 2018A Bond or the WIFIA Loan Agreement. No further entries to **Schedule A** will be made after the Final Disbursement Date.

ARTICLE III

REDEMPTION OF SERIES 2018A BOND

Section 3.1. Redemption of Series 2018A Bond.

(a) *Optional Redemption.* At the District's option, with prior written notice to the Owner as set out in **Sections 10(c)** and **10(d)** of the WIFIA Loan Agreement, the Series 2018A Bond may be called for redemption and payment prior to its Stated Maturity in whole or in part (provided, however, that such amount shall be in principal amounts of \$1,000,000 or any integral multiple of \$1.00 in excess thereof) on any date at the redemption price of 100% of the principal amount thereof plus accrued interest thereon to the redemption date. All partial prepayments of principal shall be applied to reduce future payments on the Series 2018A Bond in inverse order of maturity.

(b) *Mandatory Redemption.* The Series 2018A Bond is subject to mandatory sinking fund redemption in part, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, on the Principal Payment Dates and in the principal amounts as set forth on **Exhibit E** to the WIFIA Loan Agreement, as may be amended from time to time as provided in the WIFIA Loan Agreement.

Section 3.2. Revisions to Debt Service Schedule. Upon the partial redemption of the Series 2018A Bond pursuant to **Section 3.1**, the Owner is authorized to provide a replacement **Exhibit E** to the WIFIA Loan Agreement reflecting the reductions to the principal amounts, to the District, which will be binding on the District absent manifest error and will replace the previous **Exhibit E** without any further action on the part of the District.

ARTICLE IV

GENERAL PROVISIONS

Section 4.1. Applicability of Master Bond Ordinance. Except as otherwise provided in this Ordinance, the provisions of the Master Bond Ordinance 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 2018A Bond, the custody and the distribution of the proceeds and the security, payment, redemption and enforcement of payment thereof. The requirements of **Article V** of the Master Bond Ordinance regarding the issuance of additional Bonds have been satisfied.

Section 4.2. Authorization of Registrar Agreement. The District is hereby authorized to enter into the Registrar and Home Office Payment Agreement with the Registrar and the EPA with respect to the Series 2018A Bond with such changes, corrections, deletions, insertions, variations, additions, or omissions as may be approved by the Chairman of the Governing Body, the Chief Officer or the Chief Financial Officer, whose approval thereof shall be conclusively evidenced by the execution of such agreement. The Chairman of the Governing Body, the Chief Officer or the Chief Financial Officer is hereby authorized and directed to execute the Registrar and Home Office Payment Agreement on behalf of the District.

Section 4.3. Authorization of WIFIA Loan Agreement. The form, terms, and conditions and the execution, delivery, and performance of the WIFIA Loan Agreement with respect to the Series 2018A Bond, which has been filed with the District, are hereby approved and authorized. The WIFIA Loan Agreement shall be in substantially the form attached hereto as **Exhibit B** with such changes, corrections, deletions, insertions, variations, additions, or omissions as may be approved by the Chairman of the Governing Body, the Chief Officer or the Chief Financial Officer, whose approval thereof shall be conclusively evidenced by the execution of such contract. The Chairman of the Governing Body, the Chief Officer or the Chief Financial Officer is hereby authorized and directed to execute on behalf of the District the WIFIA Loan Agreement. The District hereby covenants and agrees that it shall comply with and carry out all of the provisions of the WIFIA Loan Agreement.

ARTICLE V

SALE AND APPLICATION OF PROCEEDS OF SERIES 2018A BOND

Section 5.1. Sale of Series 2018A Bond; Authorization and Execution of Documents.

(a) The District shall sell the Series 2018A Bond to the Owner for the purchase price of 100% of the initial installment plus each Disbursement made by the EPA thereafter pursuant to **Section 4** of the WIFIA Loan Agreement. Delivery of the Series 2018A Bond shall be made to the Owner on the issuance date thereof.

(b) The Chairman of the Governing Body, the Chief Officer and the Chief Financial Officer are further authorized and directed to execute any other documents, certificates and instruments that are necessary or desirable to carry out the intent of this Ordinance. The Attesting Officer is authorized and directed to attest the execution of any documents, certificates and instruments that are necessary or desirable to carry out the intent of this Ordinance.

Section 5.2. Application of Series 2018A Bond Proceeds.

- (a) The Series 2018A Bond will be held by the Owner.
- (b) The proceeds received from the sale of the Series 2018A Bond will be deposited with the District in accordance with the terms of the WIFIA Loan Agreement.
- (c) The District will submit requisitions, in substantially the form attached to the WIFIA Loan Agreement as **Appendix 1 to Exhibit C**, for funding of the Disbursements in accordance with **Section 4** of the WIFIA Loan Agreement.
- (d) Series 2018A Bond proceeds will be disbursed to the District for the sole purpose of paying Eligible Project Costs.

Section 5.3. Appropriation of Funds to Pay Costs of Issuance. The District hereby appropriates the amount of \$_____ from moneys on deposit in the Revenue Fund to pay costs of issuing the Series 2018A Bond on the Effective Date.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.1. General Authorization for Series 2018A Bond. From and after the date of adoption of this Ordinance, the officials, employees and agents of the District are hereby authorized to do all such acts and things and to execute and deliver any and all other documents, agreements, certificates and instruments as may be necessary or desirable in connection with the execution, delivery and sale of the Series 2018A Bond and the transactions contemplated on the part of the District by the Bond Ordinance. The Chief Officer and Attesting Officer are hereby authorized and directed to prepare and furnish to the Owner, when the Series 2018A Bond are issued, certified copies of all proceedings and records of the District relating to the Series 2018A Bond or to this Ordinance, and such other affidavits and certificates as may be required to show the facts relating to the legality and marketability of the Series 2018A Bond as such facts appear from the books and records in such officers' custody and control or as otherwise known to them. All such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the District as to the truth of all statements contained therein.

Section 6.2. Severability. In case any one or more of the provisions of this Ordinance or of the Series 2018A Bond shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Ordinance or of the Series 2018A Bond, but this Ordinance and the Series 2018A Bond shall be construed and enforced as if such illegal or invalid provision had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in the Series 2018A Bond or in this Ordinance shall for any reason be held to be unenforceable or in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the District to the full extent that the power to incur such obligation or to make such covenant, stipulation or agreement shall have been conferred on the District by law.

Section 6.3. Applicable Provisions of Law. This Ordinance shall be governed by and construed and enforced in accordance with the laws of the State and the Charter without giving effect to conflicts of laws provisions.

Section 6.4. Effective Date. Pursuant to the Charter, this Ordinance constitutes an appropriation ordinance and shall take effect immediately and be in full force after its passage by the Governing Body.

* * * * *

EXHIBIT A

FORM OF SERIES 2018A BOND

**UNITED STATES OF AMERICA
STATE OF MISSOURI**

THE METROPOLITAN ST. LOUIS SEWER DISTRICT

**WASTEWATER SYSTEM REVENUE BOND
(WIFIA – DEER CREEK SANITARY TUNNEL PUMP STATION
AND SANITARY RELIEF PROJECT)
SERIES 2018A**

**Registered
No. R-1**

**Registered
Not to exceed \$47,722,204***

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Dated</u>
May 1, 20____	____%	_____, 2018

REGISTERED OWNER: UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

PRINCIPAL AMOUNT: NOT TO EXCEED FORTY-SEVEN MILLION SEVEN HUNDRED TWENTY-TWO THOUSAND TWO HUNDRED FOUR DOLLARS

THE METROPOLITAN ST. LOUIS SEWER DISTRICT (the “**District**”), a body corporate, a municipal corporation and a political subdivision duly created and existing under the laws of the State of Missouri, for value received, hereby promises to pay (but only out of the sources provided) to the Registered Owner shown above, or registered assigns, the Cumulative Principal Amount Outstanding set forth on **Schedule A** to this Bond on the Maturity Date stated above, and to pay (but only out of the sources provided) interest on the balance thereon from time to time remaining unpaid from and including the date hereof or from and including the most recent Interest Payment Date (as hereinafter defined) with respect to which interest has been paid or duly provided for, until payment of the Cumulative Principal Amount Outstanding has been made, at (1) the Interest Rate per annum shown above or (2) upon certain conditions as described in the WIFIA Loan Agreement dated as of _____, 2018 between the District and the United States Environmental Protection Agency (the “**WIFIA Loan Agreement**”), at the Default Rate (as defined in the WIFIA Loan Agreement), (computed on the basis of a 360-day year consisting of twelve 30-day months) on May 1 and November 1 of each year (each an “**Interest Payment Date**”) commencing May 1, 2019, until the payment of the Cumulative Principal Amount Outstanding is paid in full.

Principal of and interest on this Bond is payable when due to the Registered Owner pursuant to the terms of the WIFIA Loan Agreement in lawful money of the United States of America by check or draft mailed on the applicable Interest Payment Date to the Registered Owner, determined as of the close of business on the 15th day of the calendar month (the “**Record Date**”) immediately preceding such

Interest Payment Date at its address as it appears on the registration books (the “**Bond Register**”) maintained by the Bond Registrar, or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

Notwithstanding the foregoing, interest on this Bond shall be payable to the Registered Owner by deposit of immediately available funds to the account of such Registered Owner or transmitted by electronic transfer to such Registered Owner at an account maintained at a commercial bank located within the United States of America, if the District receives from such Registered Owner written deposit or electronic transfer instructions not less than 15 days prior to the Record Date preceding the Interest Payment Date for which the deposit or electronic transfer is requested.

This Bond is one of a duly authorized series of bonds designated “The Metropolitan St. Louis Sewer District Wastewater System Revenue Bonds (WIFIA – Deer Creek Sanitary Tunnel Pump Station and Sanitary Relief Project), Series 2018A” (the “**Series 2018A Bond**”), issued by the District pursuant to and in full compliance with the provisions of the Constitution and laws of the State of Missouri, including specifically, but without limitation, the District’s Charter (Plan), as amended. The Series 2018A Bond has been authorized by a Master Bond Ordinance duly adopted by the District on April 22, 2004 (the “**Master Bond Ordinance**”) and a supplemental Ordinance adopted by the District on _____, 2018 (the “**Series 2018A Ordinance**” and together with the Master Bond Ordinance, the “**Bond Ordinance**”) for the purpose of financing the costs of designing, constructing, improving, renovating, repairing, replacing and equipping new and existing District sewer facilities and system. The Series 2018A Bond is issued under and equally and ratably secured by and entitled to the benefit of the Bond Ordinance. *Capitalized terms not defined herein are used with the meanings given to them in the Bond Ordinance.*

At the District’s option, with prior written notice to the Registered Owner, the Series 2018A Bond may be called for redemption and payment prior to maturity in whole or in part as provided in the Series 2018A Ordinance and the WIFIA Loan Agreement.

The Series 2018A Bond is subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of the Series 2018A Ordinance and the WIFIA Loan Agreement.

The Series 2018A Bond and such other revenue bonds of the District as may in the future be issued on a parity therewith, are equally and ratably secured by pledge of the “**Pledged Revenues**” of the sanitary sewer system (the “**System**”) of the District, which is defined in the Bond Ordinance to include Net Operating Revenues, certain amounts payable by any provider of a Hedge Agreement pursuant to such Hedge Agreement, moneys and securities from time to time on deposit in the funds and accounts established in the Bond Ordinance, and earnings on investments made with the foregoing moneys and securities, excluding any amounts required in the Bond Ordinance to be set aside pending, or used for, rebate to the United States government pursuant to Section 148(f) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated with respect to any such rebate requirement.

THE SERIES 2018A BOND SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OF THE DISTRICT NOR A PLEDGE OF THE FAITH AND CREDIT OF THE DISTRICT. THE SERIES 2018A BOND SHALL NOT BE PAYABLE FROM OR A CHARGE UPON ANY FUNDS OTHER THAN THE REVENUES AND AMOUNTS PLEDGED TO THE PAYMENT THEREOF, NOR SHALL THE DISTRICT BE SUBJECT TO ANY PECUNIARY LIABILITY THEREON. NO OWNER OR OWNERS OF THIS BOND SHALL EVER HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE DISTRICT TO PAY THIS BOND OR THE INTEREST HEREON, NOR TO ENFORCE PAYMENT OF THIS BOND AGAINST ANY PROPERTY OF THE DISTRICT;

NOR SHALL THIS BOND CONSTITUTE A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE DISTRICT, EXCEPT FOR THE PLEDGED REVENUES AND ANY OTHER FUNDS PLEDGED TO SECURE THE SERIES 2018A BOND.

The District has covenanted and hereby covenants and agrees at all times while the Series 2018A Bond is Outstanding and unpaid to prescribe, fix, maintain, and collect rates, fees, and other charges for the services, facilities, and commodities furnished by the System fully sufficient at all times to: (i) provide for 100% of the Expenses of Operation and Maintenance of the System and for the accumulation in the Revenue Fund of a reasonable reserve therefor, and (ii) produce Net Operating Revenues in each Fiscal Year which, together with Investment Earnings, will: (a) equal at least 125% of the Debt Service Requirement on all Senior Bonds then Outstanding for the year of computation and 115% of the Debt Service Requirement on all Bonds then Outstanding for the year of computation, (b) enable the District to make all required payments into the Debt Service Reserve Account and the Rebate Fund and to any Credit Facility Provider, any Reserve Account Credit Facility Provider, and any Qualified Hedge Provider, (c) enable the District to accumulate an amount to be held in the Renewal and Extension Fund which, in the judgment of the District, is adequate to meet the costs of major renewals, replacements, repairs, additions, betterments and improvements to the System, necessary to keep the same in good operating condition or as is required by any governmental agency having jurisdiction over the System, and (d) will remedy all deficiencies in required payments into any of the funds and accounts established under the Bond Ordinance from prior Fiscal Years.

The Bond Ordinance and the WIFIA Loan Agreement contain a more particular statement of the covenants and provisions securing the Series 2018A Bond, the conditions under which the Registered Owner of this Bond may enforce covenants (other than the covenant to pay Principal of and interest on this Bond when due from the sources provided, the right to enforce which is unconditional), the conditions upon which additional revenue bonds may be issued on a parity or achieve parity status with this Bond under the Bond Ordinance, and the conditions upon which the Bond Ordinance may be amended with the consent of the owners of a majority in aggregate Principal of the Bonds of each class (senior and subordinate) Outstanding or the issuer of any Credit Facility, if any, of such Bonds. Upon the occurrence of an Event of Default under the Bond Ordinance, the Registered Owner of this Bond shall be entitled to the remedies provided by the Bond Ordinance and the WIFIA Loan Agreement.

It is hereby certified, recited, and declared that all acts, conditions, and things required to exist, happen, and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form, and manner as required by law.

This Bond shall not be entitled to any security or benefit under the Bond Ordinance or become valid or obligatory for any purpose until the certificate of authentication hereon shall have been duly executed by the Bond Registrar.

This Bond may be transferred or exchanged, as provided in the Bond Ordinance, only upon the registration books kept for that purpose at the above-mentioned office of the Bond Registrar, upon surrender of this Bond together with a written instrument of transfer or exchange satisfactory to the Bond Registrar duly executed by the Registered Owner or the Registered Owner's duly authorized agent, and thereupon a new Bond or Bonds in any authorized denomination of the same maturity and in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Bond Ordinance, and upon payment of the charges therein prescribed. The District and the Bond Registrar may deem and treat the person in whose name this 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.

IN WITNESS WHEREOF, the District has caused this Bond to be executed by the manual or facsimile signature of the Chairman of the Board of Trustees of the District or the Chief Officer of the District and attested by the manual or facsimile signature of the Attesting Officer of the District and has caused the official seal of the District to be affixed hereto or imprinted hereon.

**THE METROPOLITAN ST. LOUIS
SEWER DISTRICT**

(SEAL)

By: _____
Executive Director

ATTEST:

Secretary-Treasurer

BOND REGISTRAR’S CERTIFICATE OF AUTHENTICATION

This Bond is one of the bonds of the series described in the within mentioned Bond Ordinance.

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Bond Registrar**

By: _____
Authorized Signatory

Date of Registration
and Authentication:

_____, _____

RECORD OF PRINCIPAL PAYMENTS AND PREPAYMENTS

Under the provisions of the Series 2018A Ordinance and the WIFIA Loan Agreement, payments of the principal installments of this Bond and partial prepayments of the principal of this Bond will be made directly to the Registered Owner without surrender of this Bond to the Bond Registrar. Accordingly, any purchaser or other transferee of this Bond should verify with the Bond Registrar the principal of this Bond outstanding prior to such purchase or transfer, and the records of the Bond Registrar shall be conclusive for such purposes.

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Print or Typewrite Name, Address and Social Security Number
or Taxpayer Identification Number of Assignee)

the within Bond of The Metropolitan St. Louis Sewer District and does hereby irrevocably constitute and appoint _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Notice: The name of the Registered Owner must correspond with the name that appears upon the face of the within Bond in every particular.

Signature Guaranteed By:

Medallion Signature Guarantee:

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EXHIBIT B

WIFIA LOAN AGREEMENT

[On file in the Office of the Secretary-Treasurer.]

This foregoing Ordinance was adopted on December 13, 2018.