

NOTICE OF SALE

\$2,960,000*
PUBLIC WATER SUPPLY DISTRICT NO. 1
OF MACON COUNTY, MISSOURI
WATERWORKS REFUNDING REVENUE BONDS
SERIES 2020

Proposals. Proposals for the purchase of \$2,960,000* principal amount of Waterworks Refunding Revenue Bonds, Series 2020 (the “**Bonds**”) of the Public Water Supply District No. 1 of Macon County, Missouri (the “**District**”), shall be submitted via **PARITY**[®]. Each method of submission is described in greater detail in this Notice of Sale (this “**Notice**”). Bids will not be accepted via any other method of delivery (e.g., no telephonic bids). Proposals for the purchase of the Bonds will be received until

10:00 A.M. ST. LOUIS, MISSOURI TIME (the “**Submittal Hour**”)

on **MONDAY, OCTOBER 5, 2020** (the “**Sale Date**”).

Bids on the Bonds will be opened at the Submittal Hour at the offices of the District and will be awarded preliminarily, subject to approval by the District’s Board of Directors, on the Sale Date immediately following the Submittal Hour. Final approval is expected by the District’s Board of Directors at its October 5, 2020 regular meeting. Unless all bids are rejected, award will be made to the bidder offering the *lowest* TIC (as hereinafter defined) to the District. After bid opening, the herein-defined Municipal Advisor will notify the bidder providing the apparent low bid.

Any bidder submitting a bid acknowledges that neither the District nor the Municipal Advisor assume any liability or responsibility for any inscribing or transmittal error in connection with such bid.

Authority, Purpose and Security. The Bonds are being issued pursuant to the Constitution and laws of the State of Missouri for the purpose of providing funds to (i) refund all of the District’s Waterworks Revenue Bonds, Series 2014, currently outstanding in the principal amount of \$2,825,000, and (2) pay costs of issuing the Bonds. The Bonds will be payable solely from the net income and revenues derived by the District from the operation of its waterworks system after payment of costs of operation and maintenance. *The taxing power of the District is not pledged to the payment of the principal of the Bonds or the interest thereon.*

Terms of the Bonds. The Bonds will consist of fully-registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof. The Bonds will be dated the date of delivery and will become due in principal installments on the maturity dates as set forth in the following table.

* Preliminary, subject to change.

MATURITY SCHEDULE*

<u>Stated Maturity (December 1)</u>	<u>Principal Amount</u>
2021	\$25,000
2022	\$35,000
2023	\$30,000
2024	\$30,000
2025	\$25,000
2026	\$30,000
2027	\$445,000
2028	\$455,000
2029	\$455,000
2030	\$470,000
2031	\$475,000
2032	\$485,000

The Bonds will bear interest from the date thereof at rates to be determined when the Bonds are sold as hereinafter provided, which interest will be payable semiannually on June 1 and December 1 in each year, beginning on December 1, 2020.

Any bidder electing to designate a maturity of term bonds shall specify the current serial bonds by year of maturity that are to comprise the term bonds. The final year designated shall be deemed the year of maturity of the term bonds. Term bonds shall be subject to mandatory sinking fund redemption by lot in the amounts currently specified for the serial bonds, at a redemption price of 100% of the principal amount thereof.

For purposes of computing the true interest cost (as hereinafter defined) and awarding the Bonds, the maturity of such term bonds shall be treated as if the amounts subject to mandatory sinking fund redemption are equal to the amounts and mature on the dates currently specified as serial bonds.

Place of Payment. The principal of each Bond will be payable at maturity to the registered owner upon presentation and surrender of such Bond at the principal office of UMB Bank, N.A., Kansas City, Missouri (the **“Paying Agent”**). Interest on each Bond will be paid by check or draft mailed (or by electronic transfer in certain circumstances as described in the Preliminary Official Statement relating to the Bonds) by the Paying Agent to the person in whose name each Bond is registered on the fifteenth day of the month next preceding each interest payment date.

The Bonds will be issued as registered Bonds in book-entry only form. The Depository Trust Company, New York, New York (**“DTC”**), or its nominee, Cede & Co., will act as securities depository for the Bonds. For as long as the Bonds are registered in book-entry form, purchases of the Bonds will be made in book-entry only form. Payments of the principal of and interest on the Bonds will be made directly to Cede & Co. as long as DTC is the registered owner of the Bonds. Disbursement of such payments to the beneficial owners of the Bonds is the responsibility of the “DTC Participants”.

It shall be the obligation of the Successful Bidder (as hereinafter defined) to furnish to DTC an underwriter’s questionnaire. It shall be the obligation of the Successful Bidder to qualify the Bonds, if such qualification is necessary, in the jurisdictions in which it intends to reoffer the Bonds.

* Preliminary, subject to change.

Optional Redemption. As provided in the Official Statement relating to the Bonds, at the option of the District, the Bonds maturing on December 1, 2028*, and thereafter may be called for redemption and payment prior to maturity on December 1, 2027*, and on any date thereafter, in whole or in part, at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date.

Submission of Bids. Bids shall be submitted via **PARITY®**. Bids will not be accepted in any other manner.

Bids must be received by the undersigned prior to the Submittal Hour. The District shall not be responsible for any failure, misdirection or error in the means of transmission selected by any bidder. The District reserves the right to waive irregularities and to reject any or all bids. Bids received after the Submittal Hour will be destroyed.

Good Faith Deposits. Following the opening of the bids for the Bonds and the determination of the Successful Bidder (defined below) as further described herein, the Successful Bidder shall wire a good faith deposit (the “**Deposit**”) in the form of a wire transfer to the account shown below, in the amount of \$59,200, payable to the order of the District. The wire transfer shall be initiated by 2:30 p.m. St. Louis, Missouri time on the Sale Date. Upon initiation of the wire transfer, the bidder shall promptly send notice of such wire transfer to the Municipal Advisor to the attention of Landon Boehm at lboehm@rwbaird.com.

Wire Instructions for the Deposit:

Receiving Bank: Macon-Atlanta State Bank, 1513 N. Missouri Street, Macon, MO 63552
ABA Number: 081507014

Beneficiary: Public Water Supply District #1 of Macon County, P.O. Box 386, Macon, MO 63552
Account Number: 967

No interest on the Deposit will accrue to the Successful Bidder. The Deposit will be applied to the purchase price of the Bonds. In the event the Successful Bidder shall fail to comply with the terms of its bid, the Deposit will be forfeited as full and complete liquidated damages.

Conditions of Bids. Bids will be received on the Bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: (a) each bid shall be for all of the Bonds; (b) each interest rate specified shall be a multiple of 1/8th or 1/100th of 1%, or both; and (c) the same interest rate shall apply to all Bonds of the same maturity. No supplemental interest payments will be authorized. **No bid shall be for a price less than 100% of the principal amount of all of the Bonds and accrued interest, if any, thereon to the date of delivery.** Each bid shall specify the total interest cost (expressed in dollars) during the life of the Bonds on the basis of such bid and the original issue discount or premium, if any, offered by the bidder. Each bid shall also specify the true interest cost to the District on the basis of such bid to a delivery date of October 20, 2020. Each bidder agrees that, if it is awarded the Bonds, it will provide to the District a certification as to issue prices, as described under “**Certification as to Issue Price**” herein.

Basis of Award. Following the opening of the bids for the Bonds, the low bidder (the “**Successful Bidder**”) will be designated by a representative of the District. The Successful Bidder will be the bidder whose bid will result in the lowest “true interest cost” (“**TIC**”), determined as follows: the TIC is that annual interest rate which, when used to compute the present value of all scheduled payments of principal and interest on the Bonds as of the settlement date, produces an amount equal to the purchase

price of the Bonds. The purchase price of the Bonds shall be the aggregate purchase price bid plus accrued interest, if any, and present value shall be computed on the basis of semiannual compounding and a 360-day year consisting of twelve 30-day months to the date of delivery.

No bidder will be designated as the Successful Bidder unless its bid shall be in compliance with the other terms and conditions of this Notice. In the event that two or more bidders offer bids at the same lowest TIC, a representative of the District will determine by lot which bidder will be designated as the Successful Bidder; its determination of the winning bidder shall be final. If there is a discrepancy between the TIC noted on the bid form and the District's calculation of the TIC, the District's calculation of TIC shall be used.

Pre-Bid Revisions. The District reserves the right to issue a Supplemental Notice of Sale (the "Supplemental Notice") not later than 48 hours prior to the Sale Date via the electronic bidding website **PARITY**[®]. If issued, the Supplemental Notice may modify (i) the maturity amounts of the Bonds, and/or (ii) such other terms of this Notice as the District determines. Any such modifications will supersede the maturities and such other terms as set forth herein.

Alternative Sale Date. The District reserves the right to cancel or postpone, from time to time, the date or time established for receipt of bids and in such event, the cancellation or postponement will be announced via the electronic bidding website **PARITY**[®] at least 24 hours prior to the time established for the receipt of bids. Following a postponement, a new date and time of sale will be announced via the electronic bidding website **PARITY**[®] at least 48 hours prior to the time bids are to be submitted. On any such alternative sale date, bidders shall submit bids for the purchase of the Bonds in conformity with the provisions of this Notice, subject to any pre-bid revisions announced via the electronic bidding website **PARITY**[®] as provided under the caption "Pre-Bid Revisions" herein.

Post-Bid Revisions. Subsequent to the receipt of bids but prior to award, the District reserves the right to modify the total principal amount of the Bonds and the amount of any maturity in order to properly structure certain funds and accounts and substantially obtain annual debt service parameters determined by the District, based upon the interest rates and reoffering yields submitted by the Successful Bidder. The amount of the modification to the principal amount of any individual maturity generally will not exceed the amount of net original issue premium bid on the Bonds. Upon notification of preliminary award, the Successful Bidder must transmit to the District within 20 minutes, by fax or email, its reoffering yields on the Bonds. The District reserves the right to modify the maturity schedule of the Bonds. The Municipal Advisor will promptly notify the Successful Bidder of any changes to the maturity schedule following the award of the Bonds. If the principal amounts are modified, the District will seek to modify the maturity schedule, or make other mutually agreeable changes, in a way that will neither increase nor reduce the Successful Bidder's spreads as a percentage of the principal amount of the Bonds issued after taking into account such adjustments. ***The Successful Bidder may not withdraw its bid nor modify its proposal as a result of any post-bid revisions to the Bonds made by the District pursuant to this paragraph.***

Delivery and Payment. The Bonds, properly prepared and executed, will be delivered by the District without cost to the Successful Bidder on or about October 20, 2020 at DTC. The Successful Bidder will also be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the Bonds and the usual closing documents, including a certificate that there is no litigation pending or threatened at the time of delivery of the Bonds affecting their validity, and a certificate regarding the completeness and accuracy of the Official Statement relating to the Bonds. The denominations of the Bonds and the names, addresses and social security or taxpayer identification numbers of the registered owners shall be submitted in writing by the Successful Bidder to the District

and the Paying Agent at least one week prior to the date of delivery of the Bonds. In the absence of such information, the District will deliver Bonds in the denomination of each maturity registered in the name of the Successful Bidder. Payment for the Bonds shall be made in federal reserve funds, immediately subject to use by the District by 9:00 A.M., St. Louis, Missouri time, on the day of delivery.

Continuing Disclosure. The District covenants and agrees to enter into a continuing disclosure agreement to provide ongoing disclosure about the District, for the benefit of the bondholders on or before the date of delivery of the Bonds as required by Section (b)(5)(i) of Rule 15c2-12 of the Securities and Exchange Commission. Except as disclosed in the Preliminary Official Statement relating to the Bonds, the District is in compliance with each undertaking previously entered into by the District pursuant to Rule 15c2-12. A description of the District's compliance failures is provided in the Preliminary Official Statement relating to the Bonds.

CUSIP Numbers. CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Successful Bidder thereof to accept delivery of and pay for said Bonds in accordance with the terms of this Notice. The expenses related to the printing of CUSIP numbers on the Bonds shall be paid by the District.

Credit Enhancement. Bids shall include a representation as to whether or not any bond insurance policy, letter of credit or other form of credit enhancement will be purchased with respect to the Bonds and, if so, a description of the terms, requirements, and costs thereof.

Bond Ratings. Standard & Poor's Global Ratings has assigned its rating of "A-" to the Bonds.

Preliminary Official Statement and Official Statement. The District has prepared a Preliminary Official Statement relating to the Bonds, copies of which may be obtained from the Municipal Advisor. Upon the sale of the Bonds, the District will adopt the final Official Statement relating to the Bonds and, at the request of the Successful Bidder, will furnish the Successful Bidder with a reasonable number of copies thereof without additional cost within seven business days of the acceptance of the Successful Bidders' proposals in order to comply with Rule 15c2-12(b)(4) of the Securities and Exchange Commission and Rule G-32 of the Municipal Securities Rulemaking Board. Additional copies may be ordered by the Successful Bidder at its expense. The District will make an electronic version of the Official Statement relating to the Bonds available to the Successful Bidder, suitable for filing with EMMA, at no cost.

Legal Opinions. The Bonds will be sold subject to the approving legal opinion of Armstrong Teasdale LLP, St. Louis, Missouri, Bond Counsel ("**Bond Counsel**"), which opinion will be furnished and paid for by the District and delivered to the Successful Bidder when the Bonds are delivered. Said opinion will also include the opinion of Bond Counsel relating to the exclusion of the interest on the Bonds from gross income for federal and Missouri income tax purposes. Reference is made to the Preliminary Official Statement relating to the Bonds for further discussion of federal and Missouri income tax matters relating to the interest on the Bonds.

Certification as to Issue Price. The Successful Bidder shall assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at closing on October 20, 2020 an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form provided by Bond Counsel, with such modifications as may be appropriate or necessary, in the reasonable judgment of the District and Bond Counsel (with any necessary consultation from the Successful Bidder). All actions to be taken by the District under this

Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the District by the Municipal Advisor identified herein and any notice or report to be provided to the District may be provided to the Municipal Advisor.

The District intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because:

1. the District shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
2. all bidders shall have an equal opportunity to bid;
3. the District may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
4. the District anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid, and may not be withdrawn or modified by the Successful Bidder following award of the Bonds.

In the event that the competitive sale requirements are not satisfied, the District shall so advise the Successful Bidder. Thereafter, the District shall treat the first price at which 10% of a maturity of the Bonds (the “**10% Test**”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The Successful Bidder shall advise the District if any maturity of the Bonds satisfies the 10% Test as of the date and time of the award of the Bonds. The District will not require bidders to comply with the “Hold-The-Offering-Price Rule” and therefore does not intend to use the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity. Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to the 10% Test in order to establish the issue price of the Bonds.

If the competitive sale requirements are not satisfied, then, until the 10% Test has been satisfied as to each maturity of the Bonds, the Successful Bidder agrees to promptly report to the District the price or prices at which the unsold Bonds of that maturity have been sold to the public. At or promptly after the award of the Bonds, the Successful Bidder shall report to the District the price or prices at which it has sold to the public the Bonds of each maturity sufficient to satisfy the 10% Test. If, as of the award of the Bonds, the 10% Test has not been satisfied as to any maturity of the Bonds, the Successful Bidder agrees to promptly report to the District the price or prices at which it subsequently sells Bonds of that maturity to the public until the 10% Test is satisfied. In either case, if Bonds constituting the first 10% of a certain maturity are sold at different prices, the Successful Bidder shall report to the District the prices at which Bonds of such maturity are sold until the Successful Bidder sells 10% of the Bonds of such maturity at a single price. The Successful Bidder’s reporting obligation shall continue as set forth above, whether or not the closing on the Bonds has occurred.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language

obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Successful Bidder that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the Successful Bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Successful Bidder or such underwriter that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the Successful Bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice. Further, for purposes of this Notice:

1. “public” means any person other than an underwriter or a related party,
2. “underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),
3. a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
4. “sale date” means the date that the Bonds are awarded by the District to the Successful Bidder.

Municipal Advisor. The District has engaged Robert W. Baird & Co. Incorporated (the “**Municipal Advisor**”) to serve as municipal advisor for the Bonds. The Municipal Advisor will not participate in the underwriting of the Bonds.

(The remainder of this page is intentionally left blank.)

Additional Information. Additional information regarding the Bonds may be obtained from the Municipal Advisor as set forth below.

Robert W. Baird & Co. Incorporated
8000 Maryland Avenue, Suite 500
Clayton, Missouri 63105
Attention: Landon Boehm

lboehm@rwbaird.com (via email)
(314) 942-3626 (via telephone)

DATED: September 23, 2020.

**PUBLIC WATER SUPPLY DISTRICT
NO. 1 OF MACON COUNTY, MISSOURI**

By: */s/ David G. Waller*
Title: David G. Waller, District Clerk

**OFFICIAL BID FORM
PROPOSAL FOR THE PURCHASE OF**

\$2,960,000*
**PUBLIC WATER SUPPLY DISTRICT NO. 1
OF MACON COUNTY, MISSOURI
WATERWORKS REFUNDING REVENUE BONDS
SERIES 2020**

October 5, 2020 (or such later Sale Date established
pursuant to the Notice of Sale)

TO: Public Water Supply District No.1 of Macon County, Missouri
P.O. Box 386
Macon, Missouri 63552
Attention: Brian Bender

CC: Robert W. Baird & Co. Incorporated
8000 Maryland Avenue, Suite 500
Clayton, Missouri 63105
Attention: Landon Boehm

For \$2,960,000* principal amount of Waterworks Refunding Revenue Bonds, Series 2020, of the Public Water Supply District No.1 of Macon County, Missouri, to be dated the date of delivery (subject to the assumption solely for purposes of calculation of this bid of an **issuance and dated date of the Bonds of October 20, 2020**), as described in your Notice of Sale dated September 23, 2020, said Bonds to mature and bear interest as follows:¹

MATURITY SCHEDULE*

<u>Due: December 1</u>	<u>Principal Amount</u>	<u>Rate</u>	<u>Due: December 1</u>	<u>Principal Amount</u>	<u>Rate</u>
2021	\$25,000	___%	2027	\$445,000	___%
2022	\$35,000	___%	2028	\$455,000	___%
2023	\$30,000	___%	2029	\$455,000	___%
2024	\$30,000	___%	2030	\$470,000	___%
2025	\$25,000	___%	2031	\$475,000	___%
2026	\$30,000	___%	2032	\$485,000	___%

The undersigned will pay a purchase price equal to \$_____ (which is not less than 100% of the par amount offered), plus accrued interest, if any, to the date of delivery.

* Preliminary, subject to change.

¹ Bidders should carefully review the limitations and specifications set forth in the Notice of Bond Sale under the heading "Conditions of Bids". No bid shall be for a price less than 100% of the principal amount of all of the Bonds and accrued interest, if any, thereon to the date of delivery.

Total interest cost on the Bonds calculated to maturity at the rates specified above (assuming solely for purposes of calculation of this bid an issuance and dated date of the Bonds of October 20, 2020).....	\$ _____
Less Premium on the Bonds on the basis of this proposal.....	(\$ _____)
Net Total Interest Cost on the basis of this proposal	\$ _____
True interest cost on the Bonds on the basis of this proposal	_____ %

This proposal is subject to all terms and conditions contained in said Notice of Sale, and if the undersigned is the Successful Bidder, the undersigned will comply with all of the provisions contained in said Notice of Sale. The acceptance of this proposal by the District shall constitute a contract between the District and the Successful Bidder for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission.

Submitted by the Following Firm as Account Manager:

Firm Name: _____

Address: _____

Phone: _____

By: _____

Authorized Signature

In Association with the Following Account Members:

[District acceptance on following page]

ACCEPTANCE

Pursuant to action duly taken by the District's Board of Directors, the above proposal is hereby accepted this _____, 2020.

**PUBLIC WATER SUPPLY DISTRICT NO. 1 OF
MACON COUNTY, MISSOURI**

By: _____
Title: _____