

STATE OF ARKANSAS



OFFICIAL NOTICE OF SALE

\$17,000,000

**WATER, WASTE DISPOSAL AND POLLUTION ABATEMENT FACILITIES
GENERAL OBLIGATION BONDS
TAXABLE SERIES 2024A**

THE BONDS WILL CONSTITUTE GENERAL OBLIGATIONS OF THE STATE OF ARKANSAS AND THE FULL FAITH, CREDIT AND RESOURCES OF THE STATE ARE IRREVOCABLY PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS.

Dated: Date of Delivery

Bid Opening
May 14, 2024
10:00 A.M. (Central Daylight Saving Time)

STATE OF ARKANSAS

EXECUTIVE OFFICERS

SARAH HUCKABEE SANDERS
Governor

LESLIE RUTLEDGE
Lieutenant Governor

JOHN THURSTON
Secretary of State

LARRY WALTHER
Treasurer of State

DENNIS MILLIGAN
Auditor of State

TIM GRIFFIN
Attorney General

TOMMY LAND
Commissioner of State Lands

ARKANSAS NATURAL RESOURCES COMMISSION

EDDIE GLOVER
Chairman

JAMIE BURR
Vice Chairman

JOANNE BUSH

ROY REAVES

BRUCE LEGGITT

WILLIAM ANDERSON

NEAL ANDERSON

WILLIAM BREWER, III

ARKANSAS DEPARTMENT OF AGRICULTURE

WES WARD
Secretary

CHRIS COLCLASURE
Director,
Natural Resources Division

BOND COUNSEL

FRIDAY, ELDREDGE & CLARK, LLP
Little Rock, Arkansas

FINANCIAL ADVISOR

RAYMOND JAMES & ASSOCIATES, INC.
Little Rock, Arkansas

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**STATE OF ARKANSAS
WATER, WASTE DISPOSAL AND POLLUTION ABATEMENT FACILITIES
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NOTICE IS HEREBY GIVEN that electronic bids, in connection with the sale by the State of Arkansas (the "State"), acting by and through the Arkansas Natural Resources Commission (the "Commission"), of Seventeen Million Dollars (\$17,000,000) of State of Arkansas Water, Waste Disposal and Pollution Abatement Facilities General Obligation Bonds, Taxable Series 2024A (the "Series 2024A Bonds" or "Bonds"), will be received via Parity until 10:00 a.m., Central Daylight Saving Time, on May 14, 2024.

Bond Details: The Bonds will be dated as of their date of delivery. Interest will be payable semiannually on January 1 and July 1 in each year, beginning January 1, 2025. The Bonds are being issued for the purpose of financing the development of water, waste disposal, water pollution control, abatement and prevention, irrigation, drainage, flood control, and wetlands and aquatic resources projects (the "Projects") pursuant to the Arkansas Water, Waste Disposal and Pollution Abatement Facilities Financing Act of 2007 (Act 631 of 2007) (the "Act"). The Bonds will be issued in fully registered form without coupons, and will be in the denominations of \$5,000 or any integral multiple thereof. The Bonds will be issued pursuant to a book-entry only system and will be registered in the name of Cede & Co. as nominee of the Depository Trust Company ("DTC"), New York, New York. There will be no distribution of the Bonds to ultimate purchasers.

The Bonds shall mature or become due through mandatory sinking fund redemptions as set forth below (subject to adjustment as hereinafter provided).

Year (July 1)	Principal Amount	Year (July 1)	Principal Amount
2025	\$485,000	2035	\$ 835,000
2026	550,000	2036	875,000
2027	580,000	2037	920,000
2028	605,000	2038	965,000
2029	630,000	2039	1,015,000
2030	660,000	2040	1,065,000
2031	690,000	2041	1,120,000
2032	725,000	2042	1,180,000
2033	760,000	2043	1,240,000
2034	795,000	2044	1,305,000

Security: The Bonds will be general obligations of the State, issued under and pursuant to the provisions of the Act, for the payment of debt service on which the full faith, credit and resources of the State are irrevocably pledged. The Act directs that so much of the general revenues of the State as are required are pledged, and shall remain pledged, for payment of debt service. Under the Act, a total of not to exceed \$300,000,000 of Water, Waste Disposal and Pollution Abatement Facilities General Obligation Bonds may be issued, from time to time, upon approval of the Governor of the State and subject to the terms and conditions of the Act, all of which Bonds shall be on a parity of security. The principal amount of refunding bonds counts against the limitation only to the extent that the principal amount of the refunding bonds exceeds the outstanding principal amount of the refunded bonds. The Act provides that not more

than \$100,000,000 of bonds may be issued to finance and refinance the development of irrigation facilities. The Act also provides that not more than \$60,000,000 of bonds may be issued during any fiscal biennium for nonrefunding purposes unless the General Assembly of the State shall, by law, have authorized a greater principal amount thereof to be issued during any fiscal biennium. No legislation authorizing bonds in a principal amount greater than \$60,000,000 in the current fiscal biennium has been enacted. Additional bonds may be issued, and all bonds issued under the Act will rank on parity of security.

Redemption: *Optional Redemption:* The Bonds may be called for redemption and payment prior to maturity at the option of the State from funds from any source, on and after July 1, 2034, in whole or in part at any time, with the maturities and principal amounts to be redeemed specifically directed by the Commission by a written notice to Simmons Bank, the Paying Agent and Bond Registrar (the "Registrar"), at par, together with accrued and unpaid interest to the date of redemption and payment.

Mandatory Sinking Fund Redemption: Term Bonds (defined below), if any, will be subject to mandatory sinking fund redemptions on July 1 in the year or years immediately prior to the stated maturity of such Term Bonds, as specified by the successful bidder. The particular Bonds of each maturity are to be redeemed at the principal amount thereof plus accrued and unpaid interest to the date of redemption and payment.

On the specified redemption date, all Bonds called for redemption shall cease to bear interest, provided that the amounts necessary to pay the redemption price thereof are on deposit with the Registrar. If less than all of the Bonds of like maturity, interest rate and otherwise identical payment terms shall be called for redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Registrar in such manner as the Registrar in its discretion may deem fair and appropriate. For purposes of selection by lot within a maturity, each \$5,000 of principal amount of a Bond will be considered a separate Bond without regard to the actual denomination of such Bond.

Notice of redemption will be mailed, or sent via other standard means, including electronic or facsimile communication, to the Registered Owners of the Bonds by the Registrar as described in the Official Statement (mentioned below).

Condition 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. The same rate of interest shall apply to all Bonds of the same maturity. Each interest rate specified shall be a multiple of 1/8 or 1/100 of 1%. No bid of less than 98% of par will be considered. No supplemental interest payments will be authorized.

Bidders may specify that all of the principal amount of Bonds in any two or more consecutive years of the issue may, in lieu of maturing in each such year, be combined to comprise one or more maturities of Bonds ("Term Bonds") scheduled to mature in the latest of such years and be subject to mandatory sinking fund redemptions at par on July 1, in each of the years and in the principal amounts specified. Each mandatory sinking fund redemption shall be allocated to the payment of the Term Bonds maturing in the nearest subsequent year. Bidders may specify one or more Term Bonds.

Form of Bids: All bids shall be submitted via Parity. The Commission reserves the right to waive any irregularities or informalities in any bid, to reject any and all bids, to take any action adjourning or postponing the sale of the Bonds or to take any other action the Commission may deem to be in the best interest of the State.

Submission of Bids: Bids must be submitted by 10:00 a.m., Central Daylight Saving Time, on May 14, 2024, via Parity, in accordance with this Official Notice of Sale, but no bid will be received after the time for receiving bids specified above. For the purposes of the bidding process, the time as maintained by Parity shall constitute the official time with respect to all bids. The Commission shall not be responsible for any malfunction or mistake made by or as a result of the use of the electronic bidding facilities provided and maintained by Parity.

To the extent any instructions or directions set forth in Parity conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about Parity, potential bidders may contact Parity at (877) 588-5030. For more information on Parity, see www.ipreo.com.

Award of the Bonds: All of the Bonds will be awarded to the bidder offering to purchase all of the Bonds at the lowest true interest cost ("TIC") to the State. The TIC shall mean the rate which, as of the date of delivery, discounts semi-annually, all future payments on account of principal, mandatory sinking fund redemption and interest to the net purchase price bid, including underwriters' discount, any original issue premium and any original issue discount.

In the event that two or more proper bids providing for identical amounts for the lowest TIC are received, the Director, the Deputy Director or the Chairman shall determine (in their sole discretion), which bid should be accepted.

The successful bidder must confirm its bid by a signed Parity Bid Form and a signed statement of reoffering prices, both delivered to the Financial Advisor, Raymond James & Associates, Inc., Attention: Ms. Cheryl Schluterman by email (Cheryl.Schluterman@RaymondJames.com), no later than thirty minutes after being notified by the Commission of being the winning bidder.

The principal amount of Bonds per maturity may be reduced or increased, if necessary, in order to keep the annual debt service requirements at appropriate levels, as determined by the Commission. In no event, however, will the principal amount of the Bonds exceed \$17,000,000. In the event of a reduction or increase of a principal maturity, the Bonds of that maturity shall bear interest at the rate specified in the successful bid and any Term Bonds shall be subject to mandatory sinking fund redemption on the dates specified in the bid. The Commission will prepare and submit to the successful bidder, not later than 2:00 p.m., Central Daylight Saving Time, on May 14, 2024, an adjusted schedule of principal amounts. The adjusted schedule shall be subject to the approval of the purchaser, which shall not be unreasonably withheld.

Legal Opinion: Bids and delivery of the Bonds shall be conditioned upon the unqualified approving opinion of Friday, Eldredge & Clark, LLP, Little Rock, Arkansas, Bond Counsel, which opinion will be provided at the expense of the Commission and delivered contemporaneously with the delivery of the Bonds.

Tax Matters: In the opinion of Bond Counsel, under existing law, interest on the Bonds **is not excludable from gross income for federal income tax purposes**. In Bond Counsel's further opinion, the Bonds and interest thereon are exempt from all taxes of the State of Arkansas, including income, inheritance and property taxes.

Registrar and Paying Agent: Simmons Bank has been selected to authenticate the Bonds and serve as Registrar and Paying Agent for the Series 2024A Bonds. The State will pay the fees of said institution.

Good Faith Deposit: A Good Faith Deposit (the "Deposit") in the amount of \$340,000 is only required from the winning bidder and must be received by 2:00 p.m. (Central Daylight Saving Time) on May 14, 2024. If the Deposit is not received from the winning bidder in the time allotted, the Commission may

choose to reject such bid. Wiring instructions are as follows: Simmons Bank, Pine Bluff, Arkansas, ABA #0829 0043 2, Credit to: FBO Arkansas CGO 2024A, for further credit to: Trust Department Account #10118174. Please contact Glenda Dean (870-541-1424) with any questions related to the wire transfer.

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 fails to honor its accepted bid, the Deposit will be retained by the Commission as liquidated damages. In the event the Commission fails to deliver the Bonds to the successful bidder, the Deposit shall be immediately delivered to the successful bidder, and neither the successful bidder, the Commission, nor any other party shall have any further obligation with respect to the Bonds.

Preliminary Official Statement and Official Statement: The Commission has prepared a Preliminary Official Statement dated May 7, 2024, copies of which may be obtained from the Financial Advisor at the address set out below or at www.i-dealprospectus.com. Upon the sale of the Bonds, the Commission will adopt the final Official Statement to be dated May 14, 2024, and will furnish the successful bidder with an electronic copy on or before May 22, 2024.

Continuing Disclosure: The Commission and Registrar, as Dissemination Agent, will enter into a Continuing Disclosure Agreement which is being executed and delivered for the benefit of the Beneficial Owners and to assist the Participating Underwriters in complying with Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule").

Preliminary Official Statement Deemed Final: The Preliminary Official Statement has been deemed final within the meaning of the Rule, as of its date by the Commission, except for omissions of no more than the following information: principal amount per maturity, offering price, interest rates, and other terms or provisions depending on such matters or required to be specified in the bids.

Delivery of Bonds: Bonds will be delivered on or about June 12, 2024 without expense to the successful bidder at such place in Little Rock, Arkansas, or New York, New York, as may be agreed upon with the successful bidder. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the Bonds, will be delivered at the time of delivery of the Bonds. If the Bonds are not tendered for delivery by twelve o'clock noon, Central Daylight Saving Time, on or about June 12, 2024, or the first business day thereafter, the successful bidder may, on that day or any time thereafter until delivery of the Bonds, withdraw its proposal by serving notice of cancellation, in writing, to the Director, in which event the State shall promptly return the Deposit. Payment for the Bonds, except for the good faith deposit if credited thereon, shall be made in federal reserve funds. The Bonds will be initially registered in the name of Cede & Co., as nominee for DTC which will act as securities depository for the Bonds. The successful bidder must provide to DTC the names of persons to whom distribution of principal of and interest on the Bonds will be made by DTC.

CUSIP Numbers: CUSIP identification numbers will be printed on the Bonds, but neither the failure to print the numbers nor any error with respect thereto shall constitute cause for refusal by the successful bidder to accept delivery of the Bonds.

Book-Entry-Only: The Bonds will be issued pursuant to a book-entry-only system through DTC.

Expenses: The State will pay from proceeds of the Bonds all expenses in connection with the sale and delivery of the Bonds (including the charges for obtaining CUSIP numbers for the Bonds and the fees and expenses of the Financial Advisor, Bond Counsel, Bond Registrar, and rating agencies), except that the successful bidder shall be responsible for any fees or charges of DTC with respect to any Bonds deposited with DTC.

Additional Information: Additional information, including the Preliminary Official Statement, Official Notice of Sale, and Official Bid Form, can be obtained from the Financial Advisor, Raymond James & Associates, Inc., 1 Information Way, Suite 102, Little Rock, Arkansas 72202, Attention: Ms. Cheryl Schluterman, Public Finance Department, (501) 671-1324, Cheryl.Schluterman@RaymondJames.com.

DATED this May 7, 2024.

ARKANSAS NATURAL RESOURCES
COMMISSION

By: /s/ Eddie Glover
Chairman