

NOTICE OF BOND SALE

\$5,115,000*
Taxable Sewerage System Refunding Revenue Bonds
Series 2020A

Request for Bids. The Northeast Public Sewer District, Jefferson County, Missouri (the “**District**”), will receive electronic proposals via **PARITY**[®] (as more fully described below) for the purchase of \$5,115,000* principal amount of Taxable Sewerage System Refunding Revenue Bonds, Series 2020A (the “**Bonds**”) herein described, on an all-or-none basis, until 10:00 A.M. Central Time (the “**Submittal Hour**”), on

on **WEDNESDAY, OCTOBER 21, 2020*** (the “**Sale Date**”).

Bids on the Bonds will be opened at the Submittal Hour at the offices of the Executive Director of the District and will be awarded preliminarily, subject to the Board of Trustees of the District approval, on the Sale Date. Final approval is expected by the Board of Trustees of the District at its regular meeting at 7:00 p.m. on the Sale Date. 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 Executive Director will notify the bidder providing the apparent low bid. Bids will not be accepted via any other method of delivery (e.g., no telephonic, facsimile, or hand-delivered bids).

The risk of failure to access **PARITY**[®] prior to the Submittal Hour is solely upon the party making the proposal and not the District or the Financial Advisor (as hereinafter defined). Any bidder submitting a bid acknowledges that neither the District nor the Financial Advisor assumes 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, together with other funds of the District, to (a) advance refund a portion of the District’s outstanding Sewerage System Refunding Revenue Bonds, Series 2014, and (b) pay the costs of issuing the Bonds. The Bonds will be payable solely from the net revenues derived by the District from the operation of the sewerage system, after payment of the 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 in the denomination of \$5,000 or any integral multiple thereof. The Bonds will be dated the date of delivery and will become due in principal amounts on the maturity dates as follows:

MATURITY SCHEDULE¹

<u>Due: January 1</u>	<u>Principal Amount</u>
2021	\$ 205,000
2022	570,000
2023	1,705,000
2024	1,435,000
2025	1,200,000

* Preliminary; subject to change.

¹ Subject to adjustment as provided under the caption “Post-Bid Revisions.”

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 January 1 and July 1 in each year, beginning on January 1, 2021.

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 TIC 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 corporate trust office of UMB Bank, St. Louis, Missouri (the “**Paying Agent**”). Interest on each Bond will be paid by check, electronic transfer or draft mailed by the Paying Agent to the Registered Owner of such Bonds as shown on the registration books of the District maintained by the Paying Agent at the close of business on the Record Date for such interest, which shall be the 15th day (whether or not a Business Day) of the calendar month next preceding such 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 Purchaser (as hereinafter defined) to furnish to DTC an underwriter’s questionnaire. It shall be the obligation of the Purchaser to qualify the Bonds, if such qualification is necessary, in the jurisdictions in which it intends to reoffer the Bonds.

Optional Redemption. As described in the Official Statement, the Bonds will not be subject to optional redemption.

Submission of Bids. Each proposal must be submitted via **PARITY**[®] in accordance with this Notice of Bond Sale, until 10:00 a.m., Central Time, on October 21, 2020. To the extent any instructions or directions set forth in **PARITY**[®] conflict with this Notice of Bond Sale, the terms of this Notice of Bond Sale shall control. Electronic bids via **PARITY**[®] must be submitted in accordance with its Rules of Participation, as well as the provisions of this Notice of Bond Sale. Bids for the Bonds must be received 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. Bids received after the Submittal Hour will not be considered. The District reserves the right to waive irregularities and to reject any or all bids.

PARITY[®]. Information about the electronic bidding services of **PARITY**[®] may be obtained from i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018 (tel: 800-850-7422) and from the following website: www.newissuehome.i-deal.com.

Good Faith Deposits. The apparent winning bidder of the Bonds (the “**Purchaser**”) is required to submit a good faith deposit (the “**Deposit**”) in the form of an electronic transfer of federal reserve

funds immediately available for use by the District, pursuant to wire instructions to be provided, in the amount of \$102,300, no later than 2:30 P.M. Central Time on the Sale Date. If the electronic transfer is not received at the time indicated above, the District may abandon its plan to award to such Purchaser, and may contact the next lowest bidder received and offer said bidder the opportunity to become the Purchaser, on the terms as outlined in said bidder's bid, so long as said bidder submits a good faith electronic transfer within two hours of the time offered. The District will not award the Bonds to the Purchaser absent receipt of the Deposit prior to action awarding the Bonds. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the Purchaser fails to honor its bid, the Deposit will be retained by the District 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) the same interest rate shall apply to all Bonds of the same maturity; (c) no supplemental interest payments will be authorized; (d) no bid shall be for a price less than 99.50% of the principal amount of all of the Bonds and accrued interest, if any, thereon to the date of delivery; (e) each interest rate specified shall be a multiple of 1/8 or 1/20 of 1%; and (f) the interest rate on the Bonds shall not exceed 5.0%. 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 27, 2020 (the "**Closing Date**").

Basis of Award. The award of the Bonds will be made on the basis of the lowest true interest cost ("**TIC**") as follows: the TIC is the discount rate (expressed as a per-annum percentage rate) which when used in computing the present value of all payments of principal and interest on the Bonds, from the payment dates to the date of the Bonds, produces an amount equal to the price bid, but excluding interest accrued to the date of delivery. Present value shall be computed on the basis of semiannual compounding and a 360-day year of twelve 30-day months. If two or more proper bids providing for identical amounts for the lowest true interest cost are received, the District in its sole discretion shall determine which bid, if any, shall be accepted, and its determination shall be final.

Pre-Bid Revisions. The District reserves the right to issue a Supplemental Notice of Bond Sale not later than 24 hours prior to the sale date via **PARITY**[®] and MuniHub ("**Supplemental Notice**"). If issued, the Supplemental Notice may modify (a) the maturity amounts and/or maturity dates of the Bonds and/or (b) such other terms of this Notice of Bond Sale as the District determines. Any such modifications will supersede the maturities and such other terms as set forth herein.

Post-Bid Revisions. After bids are received on the sale date, the District may, in its discretion, revise the maturities of the Bonds. **The Purchaser may neither withdraw nor modify its proposal as a result of any post-bid revisions to the Bonds made by the District.**

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

Delivery and Payment. The District will pay for printing the Bonds and will deliver the Bonds to DTC (or to the Paying Agent as DTC's "FAST" agent), properly prepared, executed and registered, without cost to the Purchaser within 30 days after the date of sale. The Purchaser 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. Payment for the Bonds shall be made in federal reserve funds, immediately available for use by the District. The District will deliver Bonds in the denomination of each maturity registered in the name of DTC or its agent.

Continuing Disclosure. The District has agreed in the resolution authorizing the Bonds to comply with and carry out all of the provisions of the Continuing Disclosure Undertaking dated as of October 1, 2020, under which the District covenants to provide, in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule") and as described in greater detail in the Preliminary Official Statement under the caption "CONTINUING DISCLOSURE," the following information with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access system: (a) certain annual financial information and operating data, including audited financial statements for the prior fiscal year, and (b) notice of the occurrence of certain material events with respect to the Bonds. Such information shall be made available not later than 180 days following the end of each fiscal year of the District, commencing with the fiscal year ending December 31, 2020. Such notice shall be given within 10 business days after the occurrence of any of the material events.

The District's prior compliance with its continuing disclosure obligations is described in the Preliminary Official Statement under the caption "CONTINUING DISCLOSURE."

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 Purchaser 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.

Bond Ratings. S&P 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, "deemed final" as of its date by the District except for the omission of certain information as provided in Securities and Exchange Commission Rule 15c2-12, copies of which may be obtained from the Financial Advisor or the Executive Director. Upon the sale of the Bonds, the District will adopt the final Official Statement and, at the request of the Purchaser, will furnish the Purchaser with a reasonable number of copies thereof without additional cost within seven business days of the acceptance of the Purchaser's proposal 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 Purchaser at its expense. The District will make an electronic version of the Official Statement available to the Purchaser, suitable for filing with EMMA, at no cost.

Legal Opinions. The Bonds will be sold subject to the approving legal opinion of Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel to the District, which opinion will be furnished and paid for by the District and delivered to the Purchaser when the Bonds are delivered.

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

Additional Information. Additional information regarding the Bonds may be obtained from the Financial Advisor, 8000 Maryland, Suite 500, Clayton, Missouri 63105, Attention: Landon Boehm (314) 445-6504, e-mail: LBoehm@rwbaird.com

DATED this 8th day of October, 2020.

**NORTHEAST PUBLIC SEWER DISTRICT,
JEFFERSON COUNTY, MISSOURI**

By: /s/ Bob Hembrook
Executive Director