



File #: 221047

ORDINANCE NO. 221047

Authorizing and directing the issuance, sale and delivery of not to exceed \$65,000,000.00 principal amount of Water Revenue Bonds, Series 2023A, of the City of Kansas City, Missouri, prescribing the form and details of such revenue bonds; authorizing certain actions and documents and prescribing other matters relating thereto; and estimating and appropriating \$1,300,000.00 in the Water Revenue Bond Fund Series 2023A.

WHEREAS, the City of Kansas City, Missouri (the “City”), is a constitutional charter City and political subdivision duly organized and existing under the laws of the State of Missouri (the “State”) and the City’s Charter, as amended, approved by the voters for its government (the “Charter”), and owns and operates a revenue producing waterworks system (the “System”); and

WHEREAS, the City desires to make certain additions, extensions and improvements to the System and is authorized under the provisions of the Constitution and statutes of the State and its Charter to issue and sell water revenue bonds for the purpose of providing funds for such purposes, upon obtaining the required voter approval and provided that the principal of and interest on such water revenue bonds shall be payable solely from the revenues derived from the operation of the System; and

WHEREAS, pursuant to such authority, a special bond election was duly held in the City on April 8, 2014 (the “2014 Election”), on the following question:

QUESTION

Shall the City of Kansas City, Missouri issue and sell waterworks revenue bonds in the principal amount of \$500,000,000.00 for the purpose of extending and improving the waterworks system of the City including, but not limited to (1) the continued expansion of the water distribution system, (2) replacement of water mains, (3) rehabilitation and expansion of water treatment plants, pump stations, and other water facility improvements, (4) ensuring a reliable water supply to include intake modifications and/or supplemental ground water supplies, and (5) protecting and safeguarding the waterworks system, with the principal and interest of said bonds to be payable solely from the revenues derived by the City from the operation of its waterworks system, including all future improvements and expansions thereto?

and it was found and determined that more than a simple majority of the qualified electors of the City voting on the question had voted in favor of the issuance of said revenue bonds for the purpose aforesaid, the vote on said question having been 20,330 votes for the question to 5,275 votes against the question; and

WHEREAS, the City has previously issued \$202,640,000.00 of water revenue bonds authorized pursuant to the 2014 Election, \$297,360,000.00 of water revenue bonds authorized pursuant to the 2014 Election remain unissued and the City proposes to issue additional water revenue bonds so authorized by the 2014 Election in a principal amount not to exceed \$65,000,000.00 to provide funds for said purpose; and

WHEREAS, plans for such additions, extensions and improvements and an estimate of the cost thereof have been prepared and made by the Director of the Department of Water Services of the City and the Consulting Engineer (as defined in the Master Bond Ordinance) and the same are hereby accepted and approved and are on file in the office of the Director of the Department of Water Services; and

WHEREAS, pursuant to Second Committee Substitute for Ordinance No. 080197 passed by the City on August 14, 2008, as previously amended and supplemented (the "**Master Bond Ordinance**"), the City heretofore issued and has outstanding the following Senior Bonds (as defined herein) payable from the Pledged Revenues (as defined in the Master Bond Ordinance) of the System:

<u>Series of Bonds</u>	<u>Dated Date</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal Amount</u>
Water Revenue Bonds, Series 2014A (the " Series 2014A Bonds ")	05/22/2014	\$54,365,000	\$41,575,000
Water Revenue Bonds, Series 2015A (the " Series 2015A Bonds ")	04/23/2015	\$59,790,000	\$50,195,000
Water Revenue Bonds, Series 2017A (the " Series 2017A Bonds ")	02/24/2017	\$78,130,000	\$66,145,000
Water Refunding Revenue Bonds, Series 2019A (the " Series 2019A Bonds ")	08/07/2019	\$72,865,000	\$40,115,000
Water Revenue Bonds, Series 2020A (the " Series 2020A Bonds ")	06/24/2020	\$64,720,000	\$58,855,000
Water Refunding Revenue Bonds, Series 2021A (the " Series 2021A Bonds ")	10/27/2021	\$67,985,000	\$60,340,000

WHEREAS, under the provisions of the Master Bond Ordinance, the City may issue additional water revenue bonds payable out of the Pledged Revenues of the System that are on a parity with the Outstanding Senior Bonds, if certain conditions are met; and

WHEREAS, it is hereby found and determined that it is necessary and advisable and in the best interest of the City and the citizens of the area served by the System that water revenue bonds be issued and secured in the form and manner provided in the Master Bond Ordinance and this Ordinance in an aggregate principal amount not to exceed \$65,000,000.00 in order to finance the costs of making certain additions, extensions and improvements to the System as authorized by the voters at the 2014 Election, subject to the Certificate of Final Terms and the conditions of the Master Bond Ordinance; NOW THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

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 and the following meanings set forth in this **Section 1.1**. Any words and terms defined herein that are not already defined in the Master Bond Ordinance are intended to supplement the definitions contained therein. Any words and terms defined herein that are already defined in the Master Bond Ordinance are intended to replace and supersede such definitions already contained therein for purposes related to the Series 2023A Bonds. 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 Ordinance” means collectively this Ordinance and the Master Bond Ordinance.

“Bond Registrar” means any bank or trust company designated as such by the City 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 Bond Ordinance. Security Bank of Kansas City, Kansas City, Kansas, is hereby designated as Bond Registrar for the Series 2023A Bonds; provided, however, that in connection with the issuance of any SRF Bonds, the City shall appoint such separate Bond Registrar designated by the issuer of the SRF Bonds.

“Certificate of Final Terms” means **Exhibit C**, executed and delivered by the Mayor pursuant to **Section 6.1** hereof, in substantially the form attached as **Exhibit D**.

“Debt Service Reserve Debt Service Coverage Requirement” means with respect to the Series 2023A Bonds, 130% of the average annual Debt Service Requirements on all Outstanding Senior Bonds, which are not Senior SRF Bonds.

“Debt Service Reserve Requirement Funding Commencement Date” means the first day of the month after a Valuation Date in which the Net Operating Revenues are less than the Debt Service Reserve Debt Service Coverage Requirement for the preceding Fiscal Year.

“Master Bond Ordinance” means Second Committee Substitute for Ordinance No. 080197 passed by the City on August 14, 2008, as amended from time to time.

“Notice of Bond Sale” means, in the event the Series 2023A Bonds are sold pursuant to a Competitive Sale as permitted by **Section 6.1(a)(1)** hereof, the Notice of Bond Sale authorized by **Section 7.2** hereof.

“Ordinance” means this Ordinance as from time to time amended.

“Original Principal Amount” means the principal amount of Series 2023A Bonds originally issued and delivered pursuant to the Master Bond Ordinance and this Ordinance, in the amount specified in the Certificate of Final Terms, subject to the terms in **Exhibit B**.

“Paying Agent” means any bank or trust company, including any successors and assigns thereof, authorized by the City to pay the Principal of, premium, if any, or interest on any Bonds on behalf of the City. Such Paying Agent shall perform the duties required of the Paying Agent in the Master Bond Ordinance and this Ordinance. Security Bank of Kansas City, Kansas City, Kansas, is hereby designated as Paying Agent for the Series 2023A Bonds; provided, however, that in connection with the issuance of any SRF Bonds, the City shall appoint such Paying Agent designated by the issuer of the SRF Bonds.

“Purchase Contract” means, in the event the Series 2023A Bonds are sold pursuant to a Negotiated Sale as permitted by **Section 6.1(a)(2)** hereof, the Purchase Contract relating to the Series 2023A Bonds between the City and the Purchaser.

“Purchaser” means the original purchaser or purchasers of the Series 2023A Bonds selected by the City in accordance with **Section 6.1** hereof and specified in the Certificate of Final Terms.

“Senior Bonds” means the Series 2014A Bonds, the Series 2015A Bonds, the Series 2017A Bonds, the Series 2019A Bonds, the Series 2020A Bonds, the Series 2021A Bonds, the Series 2023A Bonds and any Bonds, including Senior SRF Bonds, issued with a right to payment and secured by a lien on a parity with the Series 2014A Bonds, the Series 2015A Bonds, the Series 2017A Bonds, the Series 2019A Bonds, the Series 2020A Bonds, the Series 2021A Bonds and the Series 2023A Bonds (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 shall not be secured by the Debt Service Reserve Account) pursuant to **Section 5.2** or **Section 5.3** of the Master Bond Ordinance.

“Series 2023A Bonds” means the City’s Water Revenue Bonds, Series 2023A, in the Original Principal Amount specified in the Certificate of Final Terms attached hereto as **Exhibit**

C, authorized under **Section 2.1** of this Ordinance and **Section 5.2** of the Master Bond Ordinance.

“**Series 2023A Compliance Account**” means the account by that name within the Project Fund established in **Article IV** of this Ordinance.

“**Series 2023A Costs of Issuance Account**” means the account by that name within the Project Fund established in **Article IV** of this Ordinance.

“**Series 2023A Debt Service Reserve Requirement**” means an amount equal to the average annual debt service with respect to the Outstanding Series 2023A Bonds as calculated after any principal payment on the Series 2023A Bonds (whether at maturity or by redemption).

“**Series 2023A Official Statement**” means the final Official Statement respecting the Series 2023A Bonds.

“**Series 2023A Project**” means the extensions and improvements of the City’s waterworks system, as approved by the voters of the City at the 2014 Election.

“**Series 2023A Project Account**” means the account by that name within the Project Fund established in **Article IV** of this Ordinance.

“**Series 2023A Rebate Subaccount**” means the subaccount by that name within the Rebate Account established in **Article IV** of this Ordinance.

“**Valuation Date**” means the first business day of the month following the presentation of the annual financial statement of the System to the City Council, but in no event later than November 30th of any year.

ARTICLE II AUTHORIZATION OF THE SERIES 2023A BONDS

Section 2.1. Authorization of Series 2023A Bonds; Details. The City hereby authorizes the execution, issuance, and delivery of a series of Bonds to be designated “City of Kansas City, Missouri Water Revenue Bonds, Series 2023A” (the “**Series 2023A Bonds**”) in the Original Principal Amount specified in the Certificate of Final Terms, which Series 2023A Bonds shall be executed, issued, and delivered under, and secured by, the Master Bond Ordinance and this Ordinance.

The Series 2023A Bonds shall be dated the date of delivery specified in the Certificate of Final Terms. The Series 2023A Bonds shall be numbered in a convenient manner, established by the Bond Registrar and shown by the Bond Register.

The Series 2023A Bonds 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 and this Ordinance.

The Series 2023A Bonds shall bear interest at the rates per annum to be determined upon the sale of the Series 2023A Bonds as set forth in the Certificate of Final Terms, computed on the basis of a 360-day year consisting of twelve 30-day months, from the dated date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable semiannually on June 1 and December 1 beginning on the date set forth in the Certificate of Final Terms and shall mature in the years and in the principal amounts to be determined upon the sale of the Series 2023A Bonds as set forth in the Certificate of Final Terms, unless earlier called for redemption, subject to the conditions set forth in **Exhibit B** attached hereto.

ARTICLE III REDEMPTION OF SERIES 2023A BONDS

Section 3.1. Optional and Mandatory Redemption of Series 2023A Bonds.

(a) *Optional Redemption of Series 2023A Bonds by City.* At the option of the City, certain of the Series 2023A Bonds or portions thereof may be called for redemption and payment prior to maturity on the dates and at the redemption prices specified in the Certificate of Final Terms.

(b) *Mandatory Redemption of Series 2023A Bonds.* In the event any Series 2023A Bonds are designated as “**Term Bonds**” in the Certificate of Final Terms, such Term Bonds shall be subject to mandatory redemption and payment prior to their maturity pursuant to the mandatory redemption requirements of this **Section 3.1(b)** on the dates and in the principal amounts specified in the Certificate of Final Terms at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the Mandatory Redemption Date (hereinafter defined).

As and for a sinking fund for the retirement prior to maturity of the Term Bonds, there shall be deposited in the Payments Subaccount from the Revenue Fund an amount sufficient to redeem the principal amounts of the Term Bonds on December 1 of each year as set forth in the Certificate of Final Terms (each such date being referred to as a “**Mandatory Redemption Date**”). The City shall redeem such an aggregate principal amount of the Term Bonds at a redemption price equal to the principal amount thereof plus the interest due thereon to the Mandatory Redemption Date.

ARTICLE IV FUNDS AND ACCOUNTS

Section 4.1. Establishment of Funds and Accounts. In addition to the Funds and Accounts established in **Section 4.2** of the Master Bond Ordinance, the City hereby establishes the following accounts, and the moneys deposited in such accounts shall be held in trust for the purposes set forth in the Master Bond Ordinance and this Ordinance:

4.1.1. Within the City of Kansas City, Missouri Waterworks Rebate Account in the Revenue Fund (the “**Rebate Account**”), a Series 2023A Rebate Subaccount.

4.1.2. Within the City of Kansas City, Missouri Waterworks Project Fund (the “**Project Fund**”), a Series 2023A Project Account, a Series 2023A Compliance Account and a Series 2023A Costs of Issuance Account.

Each account listed above shall be held within the account under which it is created. All accounts listed above are further described in **Article IV** of the Master Bond Ordinance, except for (i) the Rebate Subaccount as further described in **Section 6.11** of the Master Bond Ordinance, (ii) the Project Fund as further described in **Article XI** of the Master Bond Ordinance and (iii) the Series 2023A Compliance Account as further described in **Section 6.4** of this Ordinance.

Section 4.2. Investment Earnings. All Investment Earnings from the Series 2023A Project Account, the Series 2023A Compliance Account and the Series 2023A Costs of Issuance Account shall be retained or transferred to the Payments Subaccount of the Sinking Fund Account. All Investment Earnings on the Debt Service Reserve Subaccount shall be retained in such subaccount at all times unless the balance of the Debt Service Reserve Subaccount is equal to or greater than the Debt Service Reserve Requirement, then such Investment Earnings shall be deposited into the Payments Subaccount.

ARTICLE V GENERAL PROVISIONS

Section 5.1. 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 2023A Bonds, 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 Senior Bonds have been satisfied.

Section 5.2. General Authorization for Series 2023A Bonds. From and after the date of adoption of this Ordinance, the officials, employees, and agents of the City 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 2023A Bonds, the investment of the proceeds of the Series 2023A Bonds and the transactions contemplated on the part of the City by this Ordinance. The Director of Finance and City Clerk are hereby authorized and directed to prepare and furnish to the Purchaser, when the Series 2023A Bonds are issued, certified copies of all proceedings and records of the City relating to the Series 2023A Bonds or to the Master Bond Ordinance and 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 2023A Bonds 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 City as to the truth of all statements contained therein.

Section 5.3. Debt Service Reserve Subaccount. The City elects pursuant to the definition of Debt Service Reserve Requirement under the Master Bond Ordinance to reduce the Debt Service Reserve Requirement for Senior Bonds to the amount currently on deposit, so that no deposits to the Debt Service Reserve Subaccount of the Sinking Fund Account shall be required in connection with the issuance of the Series 2023A Bonds since the City obtained the necessary confirmation from each Rating Agency that its current rating on the Senior Bonds would not be reduced or withdrawn based upon definitions or provisions pertaining to the Debt Service Reserve Requirement.

Upon the occurrence of a Debt Service Reserve Requirement Funding Commencement Date, the City shall, pursuant to the provisions of **Sections 4.3 and 4.4** of the Master Bond Ordinance, make monthly deposits to the Debt Service Reserve Subaccount equal to 1/24th of the Series 2023A Debt Service Reserve Requirement for 24 months until the Series 2023A Debt Service Reserve Requirement is satisfied.

ARTICLE VI **SALE AND APPLICATION OF PROCEEDS OF SERIES 2023A BONDS**

Section 6.1. Method of Sale and Terms of Series 2023A Bonds; Authorization and Execution of Certificate of Final Terms.

(a) Upon the advice and recommendation of Hilltop Securities Inc. and Independent Public Advisors, LLC, as the City's co-financial advisors, the City is hereby authorized to sell the Series 2023A Bonds utilizing one of the following methods:

(1) a competitive public sale ("**Competitive Sale**") pursuant to which the City will sell the Series 2023A Bonds to the bidder offering to purchase the Series 2023A Bonds, based on the principal amounts and maturities set forth in the Notice of Bond Sale and proposal form, submitting the lowest "true interest cost" as defined therein, subject to the limitations set forth in this **Section 6.1** and **Exhibit B** hereto. If the City sells the Series 2023A Bonds via a Competitive Sale, the City is authorized to accept the best bid in accordance with the Certificate of Final Terms, subject to the limitations set forth in **Exhibit B** hereto, and the Director of Finance is authorized to accept the best bid for and on behalf of and as the act and deed of the City; or

(2) a negotiated sale ("**Negotiated Sale**") pursuant to which the City will sell the Series 2023A Bonds to Morgan Stanley & Co., LLC, as senior-managing underwriter, acting on its own behalf and on behalf of American Veterans Group, PBC, Siebert Williams Shank & Co., LLC, UMB Bank, N.A., and Valdés & Moreno, Inc., as co-managing underwriters, under the terms of the Purchase Contract, subject to the limitations set forth in this **Section 6.1** and **Exhibit B** hereto. If the City sells the Series 2023A Bonds via a Negotiated Sale, the City is authorized to enter into the Purchase Contract in accordance with the Certificate of Final Terms, subject to the limitations set forth in **Exhibit B** hereto, and the Director of Finance is authorized to execute the Purchase Contract for and on behalf of and as the act and deed of the City.

(b) The Mayor is authorized and directed to approve the purchase price for the Series 2023A Bonds, the principal amounts by maturity, the interest rates, the terms of credit enhancement, if any, and the other final terms of the Series 2023A Bonds, including applicable redemption provisions, subject to the limitations set forth in this **Section 6.1** and **Exhibit B** hereto, and in connection therewith, to execute and deliver the Certificate of Final Terms for and on behalf of and as the act and deed of the City, which approval will be conclusively evidenced by the Mayor's execution of the Certificate of Final Terms. Upon execution, the Certificate of Final Terms will be attached to this Ordinance as **Exhibit C**, and the City Clerk is hereby authorized to file the Certificate of Final Terms with this Ordinance.

Section 6.2. Application of Series 2023A Bond Proceeds. Upon the written request of the City, the Bond Registrar shall authenticate and deliver to DTC or hold the Series 2023A Bonds as "Fast Agent" for the benefit of the Beneficial Owners and shall receive a receipt for the Series 2023A Bonds. The net proceeds received from the sale of the Series 2023A Bonds shall be deposited simultaneously with the delivery of the Series 2023A Bonds as follows:

- (a) A portion of the net proceeds of the Series 2023A Bonds in an amount specified in the Certificate of Final Terms shall be deposited in the Series 2023A Compliance Account.
- (b) A portion of the net proceeds of the Series 2023A Bonds in an amount specified in the Certificate of Final Terms shall be deposited in the Series 2023A Costs of Issuance Account to pay the costs of issuing the Series 2023A Bonds as authorized by the Director of Finance.
- (c) The remaining portion of the net proceeds of the Series 2023A Bonds in an amount specified in the Certificate of Final Terms shall be deposited in the Series 2023A Project Account.

Section 6.3. Moneys in the Series 2023A Costs of Issuance Account. Moneys in the Series 2023A Costs of Issuance Account shall be used solely for the purpose of paying the costs and expenses incident to the issuance of the Series 2023A Bonds upon certification thereof by the Director of Finance. On the latest to occur of (i) the payment in full of such amounts (as certified by the Director of Finance) or (ii) the date which is six months following the date on which the Series 2023A Bonds are issued, any moneys remaining in the Series 2023A Costs of Issuance Account shall be applied in accordance with **Section 11.1(b)** of the Master Bond Ordinance.

Section 6.4. Moneys in the Series 2023A Compliance Account. Moneys in the Series 2023A Compliance Account shall be used to pay costs associated with retaining any rebate analyst or other expert to perform any rebate computations or other calculations necessary to ensure the City maintains compliance with the requirements for rebate under Section 148(f) of the Code or any of the City's duties with respect to the Rebate Account as provided in **Section 6.11** of the Master Bond Ordinance. Any Series 2023A Bond proceeds or Investment Earnings

thereon remaining in the Series 2023A Compliance Account five (5) years and 180 days after the date of issuance of the Series 2023A Bonds shall be disbursed as follows:

- (a) If the Series 2023A Project is not yet complete, Series 2023A Bond proceeds or Investment Earnings thereon remaining in the Series 2023A Compliance Account shall be transferred to the Series 2023A Project Account; or
- (b) If the Series 2023A Project is complete, Series 2023A Bond proceeds or Investment Earnings thereon remaining in the Series 2023A Compliance Account shall be disbursed in accordance with **Section 11.4** of the Master Bond Ordinance.

ARTICLE VII
MISCELLANEOUS PROVISIONS

Section 7.1. Preliminary Official Statement and Series 2023A Official Statement.

(a) The use and public distribution of the Preliminary Official Statement dated the date thereof in connection with the sale of the Series 2023A Bonds is hereby authorized and approved, and the Series 2023A Official Statement is hereby authorized and approved by supplementing, amending and completing the Preliminary Official Statement, with such changes and additions thereto as are necessary to conform to and describe the transaction. The Director of Finance is hereby authorized to execute the Series 2023A Official Statement as so supplemented, amended and completed, and the use and public distribution of the Series 2023A Official Statement by the Purchaser in connection with the reoffering of the Series 2023A Bonds is hereby authorized. The proper officials of the City are hereby authorized to execute and deliver a certificate pertaining to such Series 2023A Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Series 2023A Bonds.

(b) For the purpose of enabling the Purchaser to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the proper officials of the City are hereby authorized to deem the information regarding the City contained in the Preliminary Official Statement to be “final” as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1), and the appropriate officers of the City are hereby authorized, if requested, to provide the Purchaser a letter or certification to such effect and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Purchaser to comply with the requirement of such Rule.

(c) The City agrees to provide to the Purchaser within seven business days of the date of the sale of Series 2023A Bonds sufficient copies of the Series 2023A Official Statement to enable the Purchaser to comply with the requirements of Rule 15c2-12(b)(4) of the Securities and Exchange Commission and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

Section 7.2. Notice of Bond Sale. In the event the City determines to sell the Series 2023A Bonds via a Competitive Sale as set forth in **Section 6.1(a)(1)** hereof, the Director of Finance is hereby authorized to execute the Notice of Bond Sale, and the use and public

distribution of the Notice of Bond Sale in connection with a Competitive Sale of the Series 2023A Bonds is hereby authorized.

Section 7.3. Continuing Disclosure Undertaking. The City covenants and agrees to enter into a Continuing Disclosure Undertaking (the “**Continuing Disclosure Undertaking**”) in order to satisfy the City’s ongoing disclosure requirements promulgated by Securities and Exchange Commission Rule 15c2-12, as amended, in connection with the issuance of the Series 2023A Bonds. The Director of Finance is hereby authorized to execute and deliver the Continuing Disclosure Undertaking for and on behalf of the City, with such changes therein as he deems necessary or desirable. Notwithstanding any other provision of this Ordinance, failure of the City to comply with the Continuing Disclosure Undertaking shall not be considered a default under this Ordinance or the Master Bond Ordinance. Remedies for a default under the Continuing Disclosure Undertaking shall be limited to those set forth in the Continuing Disclosure Undertaking.

Section 7.4. Approval of Contracts. The City hereby approves the selection (a) of Gilmore & Bell, P.C., and Hardwick Law Firm, LLC, as co-bond counsel and co-disclosure counsel for the Series 2023A Bonds, and (b) of Hilltop Securities Inc. and Independent Public Advisors, LLC, as the City’s co-financial advisors for the Series 2023A Bonds, and approves and ratifies all contracts in connection with such selections.

Section 7.5. Severability. In case any one or more of the provisions of this Ordinance or of the Series 2023A Bonds 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 2023A Bonds, but this Ordinance and the Series 2023A Bonds 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 2023A Bonds 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 City 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 City by law.

Section 7.6. Electronic Storage. The City agrees that the transactions described herein may be conducted and related documents may be sent, stored and received by electronic means.

Section 7.7. 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.

Section 7.8. Appropriations, Establishment of Funds in the City’s Records and Reimbursement.

(a) That revenue of \$1,300,000.00 is hereby estimated in Fund 8079, the Water Revenue Bond Fund Series 2023A, in the following accounts:

AL-8079-120000-485100	Premium on Sale of Bonds	\$1,300,000.00
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(b) That the sum of \$1,300,000.00 is hereby appropriated from the Unappropriated Fund Balance of Fund No. 8079 the Water Revenue Bond Fund Series 2023A, to the following accounts:

AL-8079-129620-G	Cost of Issuance	\$270,000.00
AL-8079-129686-B	Arbitrage Rebate Calculation	10,000.00
AL-8079-129631-G	Underwriters' Discount	400,000.00
AL-8079-129632-G	Discount on Sale of Bonds	<u>620,000.00</u>
	TOTAL	\$1,300,000.00

(c) That the Director of Finance is designated as the requisitioning authority for Accounts No. AL-8079-129620, AL-8079-129686, AL-8079-129631, and AL-8079-129632.

(d) That the City Council hereby declares its official intent to reimburse itself for certain expenditures made within sixty (60) days prior to or on and after the date of this Ordinance with respect to appropriations in **subsection (b)** of this **Section 7.8** (“**Appropriations**”) with the proceeds of the Series 2023A Bonds expected to be issued by the City. The maximum principal amount of the Series 2023A Bonds expected to be issued for the Appropriations is not anticipated to exceed \$1,300,000.00. This constitutes a declaration of official intent under Treasury Regulation 1.150-2.

(e) That the Director of Finance is hereby authorized to close project accounts upon project completion and return the unspent portion of the appropriation to the Fund Balance from which it came.

(f) That the Director of Finance is hereby authorized to modify the previously approved estimated revenues and appropriations in **subsections (a)** and **(b)** of this **Section 7.8** as required to correctly record the budgetary amounts finalized through the sale of the Series 2023A Bonds into the marketplace.

Section 7.9. Effective Date. This Ordinance will take effect and be in full force and effect ten (10) days after its passage.

EXHIBIT A

FORM OF SERIES 2023A BONDS

EXCEPT AS OTHERWISE PROVIDED IN THE BOND ORDINANCE (REFERRED TO HEREIN), THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF DTC (AS DEFINED HEREIN) OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

UNITED STATES OF AMERICA

STATE OF MISSOURI

**Registered
No. R-___**

**Registered
\$**

CITY OF KANSAS CITY, MISSOURI

**WATER REVENUE BOND
SERIES 2023A**

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Dated</u>	<u>CUSIP</u>
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December 1, 20__	_____ %	_____, 2023	
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Registered Owner: _____ **** CEDE & CO. ****

Principal Amount: _____
DOLLARS

CITY OF KANSAS CITY, MISSOURI (the “City”), a constitutional charter city and political subdivision duly organized and existing under the Constitution and laws of the State of Missouri, for value received, hereby promises to pay (but only out of the sources provided) to the registered owner identified above, or registered assigns, on the Maturity Date stated above unless this Bond shall have been called for redemption prior to maturity and payment of the redemption price shall have been duly made or provided for, the principal amount identified above and to pay (but only out of the sources provided) interest on the balance of such principal amount 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 such principal amount has been made, at the Interest Rate per annum shown above (computed on the basis of a 360-day year consisting of twelve 30-day months) on June 1 and December 1 of each year (each an “Interest Payment Date”)

commencing [_____], [20__], until the payment of the principal amount of this Bond is paid in full.

Principal of and redemption premium, if any, on this Bond are payable when due in lawful money of the United States of America upon presentation and surrender of this Bond at the principal payment office of Security Bank of Kansas City, Kansas City, Kansas, as registrar and paying agent (the “**Bond Registrar**” or the “**Paying Agent**”). Payment of interest on this Bond shall be made to the registered owner and shall be paid in lawful money of the United States of America by check or draft mailed on the applicable Interest Payment Date to such registered owner 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**”) of the City 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 any registered owner of more than \$500,000.00 in aggregate principal of the Bonds of the same series as this Bond (including this Bond) by deposit of immediately available funds to the account of such registered owner maintained with the Paying Agent 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 Paying Agent 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 “City of Kansas City, Missouri Water Revenue Bonds, Series 2023A” (the “**Series 2023A Bonds**”), issued by the City 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 Charter and an election duly held in the City. The Series 2023A Bonds have been authorized by a Master Bond Ordinance and a Series Ordinance duly adopted by the City (collectively, the “**Bond Ordinance**”) for the purpose of financing the costs of certain additions, extension and improvements to the System. The Series 2023A Bonds are all issued under and equally and ratably secured by and entitled to the benefit of the Master Bond Ordinance. *Capitalized terms not defined herein are used with the meanings given to them in the Bond Ordinance.*

The Series 2023A Bonds maturing on or after December 1, [20__], are subject to redemption prior to maturity at the option of the City on or after December 1, [20__], in whole or in part at any time, at a redemption price equal to 100% of the principal amount of the Series 2023A Bonds to be redeemed plus accrued interest to the redemption date.

[The Series 2023A Bonds maturing on December 1, 20__, are subject to mandatory redemption prior to maturity by application of payments from the Sinking Fund Account, in accordance with the Bond Ordinance, at a redemption price equal to the principal amounts of the Series 2023A Bonds set forth below plus the interest due thereon on the redemption date, on December 1 in each year as set forth below:

Series 2023A Bonds Maturing December 1, 20__

<u>Year</u>	<u>Principal Amount</u>
20__	
20__	
20__	
20__	
20__	
+Final Maturity]	

Notice of redemption, unless waived, is to be given by first class mail at least 30 days prior to the date fixed for redemption to the registered owner of each Series 2023A Bond to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar. All such Series 2023A Bonds called for redemption and for the retirement of which funds are duly provided shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Series 2023A Bonds on such date, and interest on the Series 2023A Bonds or portions of Series 2023A Bonds so called for redemption shall cease to accrue, such Series 2023A Bonds or portions of Series 2023A Bonds shall cease to be entitled to any lien, benefit, or security under the Bond Ordinance, and the owners of such Series 2023A Bonds or portions of Series 2023A Bonds shall have no rights in respect thereof except to receive payment of the redemption price. Any defect in any notice of redemption shall not affect the validity of proceedings for the redemption of any Series 2023A Bonds.

The City (or Paying Agent on behalf of the City) has established a book-entry system of registration for the Series 2023A Bonds. Except as specifically provided otherwise in the Bond Ordinance, an agent will hold this Bond on behalf of the Beneficial Owner hereof. By acceptance of a confirmation of purchase, delivery, or transfer, the Beneficial Owner of this Bond shall be deemed to have agreed to such arrangement. While the Series 2023A Bonds are in the book-entry system of registration, the Bond Ordinance provides special provisions relating to the Series 2023A Bonds which override certain other provisions of the Bond Ordinance. This Bond is transferable by the registered owner at the principal corporate trust office of the Bond Registrar or at such other office designated by the Bond Registrar for such purpose, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Bond Ordinance and upon surrender of this Bond. Upon such transfer, a new registered Bond or Bonds of the same series, maturity, interest rate, aggregate principal amount, and tenor, of any authorized denomination or denominations, and bearing numbers not then outstanding, will be issued to the transferee in exchange for this Bond. The Series 2023A Bonds are issuable as fully registered Bonds in the denomination of \$5,000.00 or any integral multiple thereof. The Bond Registrar is not required to transfer or exchange any Series 2023A Bond after notice calling such Series 2023A Bond for redemption has been given or during the period of 15 days (whether or not a Business Day for the Bond Registrar, but excluding the redemption date and including such 15th day) immediately preceding the giving of such notice of redemption. Unless this Bond is presented by an authorized representative of The Depository Trust Company (“DTC”), a New York corporation, to the City or its agent for registration of transfer, exchange, or payment, and any Series 2023A Bond issued is registered in the name of Cede & Co. or in such other name as

is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

The Series 2023A Bonds, the Series 2021A Bonds, the Series 2020A Bonds, the Series 2019A Bonds, the Series 2017A, the Series 2015A Bonds and the Series 2014A Bonds and such other revenue bonds of the City as may in the future be issued on a parity therewith, are equally and ratably secured by pledge of the “**Pledged Revenues**” of the waterworks system (the “**System**”) of the City, which is defined in the Master 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 2023A BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OF THE CITY NOR A PLEDGE OF THE FAITH AND CREDIT OF THE CITY. THE SERIES 2023A BONDS 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 CITY 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 CITY TO PAY THIS BOND OR THE INTEREST HEREON, NOR TO ENFORCE PAYMENT OF THIS BOND AGAINST ANY PROPERTY OF THE CITY; NOR SHALL THIS BOND CONSTITUTE A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE CITY, EXCEPT FOR THE PLEDGED REVENUES AND ANY OTHER FUNDS PLEDGED TO SECURE THE SERIES 2023A BONDS.

The City has covenanted and hereby covenants and agrees at all times while any Series 2023A Bonds are 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 (ii) produce Net Operating Revenues, adjusted to exclude any revenues or expenses resulting from a gain or loss, or mark-to-market change to any Hedge Agreement, 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 Fiscal Year of computation, 115% of the Debt Service Requirement on all Bonds then Outstanding for the Fiscal Year of computation and 110% of the Debt Service Requirement on all Bonds and Other System Obligations then Outstanding for the Fiscal Year of computation, (b) enable the City to make all required payments into the Debt Service Reserve Subaccount and the Rebate Account and to any Credit Facility Provider, any Reserve Account Credit Facility Provider, and any Hedge Payments, (c) enable the City to make any payments into the Renewal and Replacement

Account required by the Operating and Capital Reserves Policy established and approved by the Water Services Department and the City Council, as may be amended from time to time, 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 contains a more particular statement of the covenants and provisions securing the Series 2023A Bonds, the conditions under which the 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 Series 2023A 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 owner of this Bond shall be entitled to the remedies provided by the Bond Ordinance.

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.

IN WITNESS WHEREOF, the City has caused this Bond to be executed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk and has caused the official seal of the City to be affixed hereto or imprinted hereon.

CITY OF KANSAS CITY, MISSOURI

By: _____
Mayor

[SEAL]

ATTEST:

By: _____
City Clerk

BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION

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

as Bond Registrar

By:

Authorized Signatory

Date of Registration and Authentication:

The following abbreviations, when used in the inscription on this Bond or in the assignment below, shall be construed as though they were written out in full according to applicable laws or regulations:

- TEN COM - as tenants in common
 - TEN ENT - as tenants by the entireties
 - JT TEN - as joint tenants with right of survivorship and not as tenants in common and not as community property
 - UNIF TRANS
 - MIN ACT - _____ Custodian _____
(Custodian) (Minor)
- under Uniform Transfers to Minors Act _____
(State)

Additional abbreviations may be used although not in the above list.

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 City of Kansas City, Missouri, 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 signature on this assignment must correspond with the name as it appears on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed By:

Name of Eligible Guarantor Institution as defined by SEC Rule 17 Ad-15 (12 CFR 240.17 Ad-15) or any similar rule which the Bond Registrar deems applicable

By: _____
Title: _____

EXHIBIT B

TERMS OF THE SERIES 2023A BONDS

1. Purchase Price: Not less than 95% of the Original Principal Amount.
2. Weighted Average Maturity of the Series 2023A Bonds: Not less than 13.5 years nor more than 17.5 years.
3. Costs of Issuance, not including the Purchaser's Discount: Not to exceed \$525,000.00.
4. True Interest Cost: Not to exceed 6.25%.
5. Optional Redemption: The Series 2023A Bonds shall be subject to redemption at the option of the City prior to their Stated Maturities on a date that is not later than December 1, 2034, at a Redemption Price not to exceed 100% of the principal amount thereof.
6. Final Maturity: Not later than December 1, 2047.

EXHIBIT C
CERTIFICATE OF FINAL TERMS

EXHIBIT D

FORM OF CERTIFICATE OF FINAL TERMS

The undersigned Mayor of the City of Kansas City, Missouri (the “City”), in connection with the issuance of the City’s Water Revenue Bonds, Series 2023A (the “Bonds”), certifies pursuant to **Section 6.1** of Ordinance No. 22___:

- 1. Original Principal Amount. The Series 2023A Bonds are issued in the Original Principal Amount of \$[_____].

- 2. First Interest Payment Date for the Series 2023A Bonds. [December 1/June 1], [20___].

- 3. Maturity Schedule. The Series 2023A Bonds will mature on the dates and in the amounts and bear interest at the rates as follows:

<u>Maturity</u>	<u>Principal</u>	<u>Interest</u>
<u>December 1</u>	<u>Amount</u>	<u>Rate</u>

[†] Term Bond

4. Weighted Average Maturity of the Series 2023A Bonds. The weighted average maturity of the Series 2023A Bonds is [] years, as shown on **Schedule 1** to this Certificate.
5. True Interest Cost. The True Interest Cost of the Series 2023A Bonds is []%, as shown on **Schedule 2** to this Certificate.
6. Costs of Issuance (excluding underwriter's discount). The costs of issuing the Series 2023A Bonds, excluding any purchaser's/underwriter's discount, is \$[].
7. Purchaser. [*Pursuant to **Section 6.1(a)(1)** of this Ordinance, the Series 2023A Bonds are being sold to _____, as the bidder submitting the lowest "true interest cost" in accordance with the Notice of Bond Sale*] [**Pursuant to **Section 6.1(a)(2)** of this Ordinance, the Series 2023A Bonds are being sold to Morgan Stanley & Co., LLC, as representative of the underwriters of the Series 2023A Bonds in accordance with the Purchase Contract.**]
8. Purchase Price. The purchase price of the Series 2023A Bonds is \$ _____, (representing the principal amount of \$ _____, plus the premium of \$ _____, less the [underwriter's discount] of \$ _____), which purchase price is ____% of the Principal Amount.
9. Optional Redemption. At the option of the City, Series 2023A Bonds or portions thereof maturing on December 1, 20__, and thereafter may be called for redemption and payment prior to maturity on December 1, 20__, and thereafter in whole or in part at any time in such amounts for each maturity as shall be determined by the City at a redemption price equal to 100% of the principal amount, plus accrued interest thereon to the redemption date.
10. Mandatory Sinking Fund Redemption. [**There are no Term Bonds subject to mandatory sinking fund redemption prior to maturity.**][**The Term Bonds identified in paragraph 3 are subject to mandatory sinking fund redemption pursuant to Section _____ of the Ordinance on the dates and in the amounts as follows:
11. Deposit of Series 2023A Bond Proceeds. The net proceeds received from the sale of the Series 2023A Bonds shall be deposited simultaneously with the delivery of the Series 2023A Bonds as follows:
 - (a) \$[] of the net proceeds of the Series 2023A Bonds shall be deposited in the Series 2023A Compliance Account.
 - (b) \$[] of the net proceeds of the Series 2023A Bonds shall be deposited in the Series 2023A Costs of Issuance Account to pay the

costs of issuing the Series 2023A Bonds as authorized by the Director of Finance.

(c) the remaining \$[] of the net proceeds of the Series 2023A Bonds shall be deposited in the Series 2023A Project Account.

12. Debt Service Reserve Subaccount. If the Debt Service Reserve Subaccount is required to be funded pursuant to **Section 5.3** of the Ordinance, the City shall, pursuant to the provisions of **Section 4.3** of the Master Bond Ordinance, make monthly deposits equal to 1/24th of the Series 2023A Debt Service Reserve Requirement for 24 months until the Series 2023A Debt Service Reserve Requirement is satisfied.

The terms set forth in this Certificate of Final Terms are within the limitations of **Exhibit B** to the Ordinance.

Delivered this ____ day of _____, 2023.

CITY OF KANSAS CITY, MISSOURI

By: _____
Mayor

..end

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.



Authenticated as Passed

Quinton Lucas, Mayor

Marilyn Sanders, City Clerk

DEC 15 2022

Date Passed

Tammy L. Queen

Tammy L. Queen
Director of Finance

Approved as to form:

Katherine Chandler

Katherine Chandler
Senior Associate City Attorney