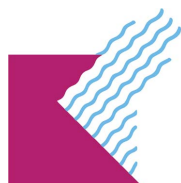


In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2017B WPCLF Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (ii) interest on, and any profit made on the sale, exchange or other disposition of, the Series 2017B WPCLF Notes are exempt from all Ohio state and local taxation, except the estate tax, the domestic insurance company tax, the dealers in intangibles tax, the tax levied on the basis of the total equity capital of financial institutions, and the net worth base of the corporate franchise tax. Interest on the Series 2017B WPCLF Notes may be subject to certain federal taxes imposed only on certain corporations, including the corporate alternative minimum tax as a result of the inclusion of that interest in the calculation of a corporation's adjusted current earnings for purposes of the corporate alternative minimum tax. For a more complete discussion of the tax aspects, see "TAX MATTERS" herein.



**OFFICIAL STATEMENT OF THE
OHIO WATER DEVELOPMENT AUTHORITY
Relating to the Original Issuance of**

**\$250,000,000
STATE OF OHIO
WATER POLLUTION CONTROL LOAN FUND REVENUE NOTES
SERIES 2017B**

Dated: Date of Delivery

Due: December 1, 2020

The State of Ohio Water Pollution Control Loan Fund Revenue Notes, Series 2017B (the "Series 2017B WPCLF Notes") are special obligations of the Ohio Water Development Authority (the "Authority"). The proceeds of the Series 2017B WPCLF Notes shall be used by the Director of Environmental Protection of the State of Ohio (the "Director") and the Authority for the purposes of (a) raising moneys for the sole benefit of the Water Pollution Control Loan Fund as provided in division (T) of Section 6121.04 of the Ohio Revised Code, the WPCLF General Bond Resolution, and the Series 2017B Note Resolution, or reimbursing the Authority for funds advanced for that purpose, and (b) paying issuance expenses relating to the issuance of the Series 2017B WPCLF Notes. See "AUTHORIZATION AND PURPOSE OF THE SERIES 2017B WPCLF NOTES" herein.

The Series 2017B WPCLF Notes are issued pursuant to a Trust Agreement dated as of May 1, 2014, among the Authority, the Director and U.S. Bank National Association, as trustee (the "Trustee"), as amended and supplemented to date, including by a Fourteenth Supplemental Trust Agreement dated as of August 1, 2017 (the "Fourteenth Supplemental Agreement"). That Trust Agreement as amended and supplemented, including by the Fourteenth Supplemental Agreement, is referred to herein as the "Trust Agreement." Principal of and interest on the Series 2017B WPCLF Notes are payable solely from, and are secured on a subordinate basis to the Authority's Water Quality Bonds (as hereinafter defined) that the Authority has issued or may issue in the future to refund Water Quality Bonds, as described herein, by a pledge and assignment of Pledged Revenues, consisting primarily of the principal and interest payments by Governmental Agencies pursuant to the WPCLF Loan Agreements (as defined and described herein) entered into pursuant to the Water Pollution Control Loan Fund ("WPCLF") Program, and by certain funds created by the Trust Agreement. See "SECURITY AND SOURCE OF PAYMENT OF WATER POLLUTION CONTROL LOAN FUND BONDS."

Interest on the Series 2017B WPCLF Notes will be calculated on an actual/actual basis, and is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2017. The Series 2017B WPCLF Notes will be issued as fully registered bonds without coupons, one for each interest rate for each maturity, under a book-entry method, registered in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"). Individual purchases of Series 2017B WPCLF Notes will be made in book-entry only form, with book-entry interests in the principal amount of \$5,000 or integral multiples thereof. Purchasers of the Series 2017B WPCLF Notes will not receive certificates representing their interests in the Series 2017B WPCLF Notes. Ownership by the beneficial owners of the Series 2017B WPCLF Notes will be evidenced by book-entry only. The principal of, and interest on, the Series 2017B WPCLF Notes will be paid by the Trustee. As long as Cede & Co. is the registered owner as nominee of DTC, payments on the Series 2017B WPCLF Notes will be made to such registered owner and disbursement of such payments to the beneficial owners will be the responsibility of DTC and the DTC Participants. DTC is required by its rules and procedures to remit such payments to DTC Participants for subsequent disbursement to the beneficial owners. See "THE SERIES 2017B WPCLF NOTES – Registration, Payment and Transfer–Book-Entry Method" and "APPENDIX G – BOOK-ENTRY ONLY SYSTEM."

The Series 2017B WPCLF Notes are subject to redemption prior to their stated maturity. See "THE SERIES 2017B WPCLF NOTES – Optional Redemption."

The Series 2017B WPCLF Notes are limited obligations of the Authority and are payable solely out of certain revenues and security interests of the Authority pledged therefor under the Trust Agreement. The Series 2017B WPCLF Notes do not constitute a debt or a pledge of the faith and credit of the Authority, or the State of Ohio or of any political subdivision thereof, and the Holders or owners thereof shall have no right to have taxes levied by the General Assembly of the State of Ohio or the taxing authority of any political subdivision thereof, for the payment of principal of and interest on the Series 2017B WPCLF Notes.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

The Series 2017B WPCLF Notes are offered subject to the opinions on certain legal matters relating to their issuance by Squire Patton Boggs (US) LLP, Cleveland, Ohio, Bond Counsel. Certain legal matters will be passed upon for the Authority by its counsel, Benesch, Friedlander, Coplan & Aronoff LLP, Cleveland, Ohio, and for the Underwriter by its counsel, Dinsmore & Shohl LLP. The Series 2017B WPCLF Notes are expected to be available for delivery to DTC in New York, New York on or about August 24, 2017.

BofA Merrill Lynch

This Official Statement is dated August 10, 2017

MATURITY SCHEDULE

\$250,000,000
STATE OF OHIO
WATER POLLUTION CONTROL LOAN FUND REVENUE NOTES
SERIES 2017B

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP No.*</u>
December 1, 2020	SIFMA + 0.22%	100.00%	67766WXZ0

*Copyright © 2017, American Bankers Association. CUSIP data herein are provided by S&P Global Market Intelligence, a division of S&P Global Inc. The CUSIP numbers listed above are being provided solely for the convenience of the Holders of the Series 2017B WPCLF Notes only at the time of issuance of the Series 2017B WPCLF Notes and neither the Authority nor the Underwriter makes any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP Number for a specific maturity is subject to being changed after the issuance of the Series 2017B WPCLF Notes as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2017B WPCLF Notes.

FINANCING PARTIES

OHIO WATER DEVELOPMENT AUTHORITY MEMBERS*

		Expiration of <u>Term</u>	<u>Business Affiliation</u>
JAMES JOYCE**	Chairman	July 1, 2017	HR Gray
JIMMY STEWART	Vice Chairman	July 1, 2019	Ohio Gas Association
SAM GERHARDSTEIN	Member	July 1, 2023	Consultant
DAVID GOODMAN	Ex Officio Member	Not applicable	Director – Development Services Agency
JAMES ZEHRINGER	Ex Officio Member	Not applicable	Director – Department of Natural Resources
CRAIG W. BUTLER	Ex Officio Member	Not applicable	Director – Ohio EPA

**The Authority's Board currently has two vacancies*

***No appointment has been made with respect to this position; however, Ohio law allows the current member to continue for an additional 60 days past the expiration of his term.*

SECRETARY-TREASURER

SCOTT L. CAMPBELL

EXECUTIVE STAFF OF THE OHIO WATER DEVELOPMENT AUTHORITY

STEVEN J. GROSSMAN, Executive Director

SCOTT L. CAMPBELL, Chief Financial Officer/Assistant Executive Director

KEN J. HEIGEL, Chief Program Officer

GENERAL COUNSEL TO THE AUTHORITY

BENESCH, FRIEDLANDER, COPLAN & ARONOFF LLP
Cleveland, Ohio

EXECUTIVE STAFF OF THE OHIO ENVIRONMENTAL PROTECTION AGENCY

CRAIG W. BUTLER, Director

BOND COUNSEL

SQUIRE PATTON BOGGS (US) LLP
Cleveland, Ohio

FINANCIAL ADVISOR

PUBLIC FINANCIAL MANAGEMENT, INC.
Cleveland, Ohio

WATER POLLUTION CONTROL LOAN FUND TRUSTEE

THE HUNTINGTON NATIONAL BANK
Columbus, Ohio

TRUSTEE

U.S. BANK NATIONAL ASSOCIATION
Cleveland, Ohio

INDEPENDENT AUDITORS

CLARK, SCHAEFER, HACKETT & CO.
Springfield, Ohio

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REGARDING THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Series 2017B WPCLF Notes identified on the cover hereof. No person has been authorized by the State, the Director, the Authority or the Underwriter to give any information or to make any representation, other than those contained in this Official Statement, and if given or made, such other information or representation not so authorized must not be relied upon as having been given or authorized by the State, the Director, the Authority or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of Series 2017B WPCLF Notes by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall create, under any circumstances, any implication that there has been no change in the affairs of the State, the Director or the Authority since the date hereof.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement contains statements that the Authority believes may be "forward-looking statements." Words such as "plan," "estimate," "project," "budget," "anticipate," "expect," "intend," "believe" and similar terms are intended to identify forward-looking statements. The achievement of results or other expectations expressed or implied by such forward-looking statements involve known and unknown risks, uncertainties and other factors that are difficult to predict, may be beyond the control of the Authority and could cause actual results, performance or achievements to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. The Authority undertakes no obligation, and does not plan, to issue any updates or revisions to any of the forward-looking statements in this Official Statement.

Upon issuance, the Series 2017B WPCLF Notes will not be registered by the Authority under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency, except the Authority, will pass upon the accuracy or adequacy of this Official Statement or approve the Series 2017B WPCLF Notes for sale. This Official Statement includes the cover page and appendices attached hereto.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2017B WPCLF NOTES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME, WITHOUT PRIOR NOTICE.

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OFFICIAL STATEMENT

\$250,000,000

STATE OF OHIO

WATER POLLUTION CONTROL LOAN FUND REVENUE NOTES, SERIES 2017B

INTRODUCTION

The purpose of this Official Statement of the Ohio Water Development Authority (the “Authority”), which includes the cover page and appendices hereto, is to set forth information with respect to the \$250,000,000 State of Ohio Water Pollution Control Loan Fund Revenue Notes, Series 2017B (the “Series 2017B WPCLF Notes”). This Official Statement describes the Authority and the purpose, terms and sources of payment of, and security for, the Series 2017B WPCLF Notes. The Authority has provided all financial and other data included herein, except where specifically attributed to other sources.

The Series 2017B WPCLF Notes are being issued on a subordinate basis to the previously issued Water Quality Bonds (as defined herein) with respect to certain Revenues and on a parity basis with the Series 2014 WPCLF Bonds, the Series 2014B WPCLF Refunding Bonds, the Series 2015A WPCLF Bonds, the Series 2015B WPCLF Refunding Bonds, the Series 2016 WPCLF Bonds, the Series 2017A WPCLF Bonds and any subsequent series of Water Pollution Control Loan Fund Revenue Bonds (collectively, and including the Series 2017B WPCLF Notes, the “WPCLF Bonds”) (See “ADDITIONAL WPCLF BONDS”) pursuant to the Trust Agreement dated as of May 1, 2014, among the Authority, the Director of Environmental Protection of the State of Ohio (the “Director”) and the Trustee, as amended, including by the Fourteenth Supplemental Trust Agreement dated as of August 1, 2017 (together, the “Trust Agreement”). The Series 2017B WPCLF Notes will be dated the date of their issuance, will bear interest at the rates described herein and will mature on December 1, 2020.

Prior to the execution and delivery of the Trust Agreement, the Authority maintained separate bond programs associated with the Water Pollution Control Loan Fund: state match and water quality. The State Match Bonds were administered under the State Match Bond Trust Agreement, dated as of September 1, 1989, for the purpose of meeting the requirement of providing matching moneys under Division (D) and (F) of Section 6111.036 of the Ohio Revised Code. There are no State Match Bonds outstanding for purposes of the State Match Bond Trust Agreement, and the State Match Bond Trust Agreement was defeased and released according to its terms in 2014. The Water Quality Bonds are administered under the Water Quality Trust Agreement, dated as of October 1, 1995, for the purpose of raising moneys for the sole benefit of the Water Pollution Control Loan Fund. Several series of Water Quality Bonds remain outstanding, but the Authority has covenanted to not issue any additional Water Quality Bonds except to provide funds to refund previously issued and then outstanding Water Quality Bonds.

The Trust Agreement combines the formerly separate state match and water quality purposes into one bond program, and provides the Authority with the ability to issue one series of bonds in furtherance of both purposes by allowing the Authority to allocate, as it deems necessary, proceeds of a series of WPCLF Bonds to the State Match Portion or the Leveraged Portion. See “SECURITY AND SOURCE OF PAYMENT FOR THE WATER POLLUTION CONTROL LOAN FUND BONDS - Allocation of Proceeds as State Match Portion and/or Leveraged Portion.” As more fully described hereinafter, the payment of principal of and interest on the State Match Portion and the Leveraged Portion of a series of WPCLF Bonds is secured and will be effected as provided in the Trust Agreement. All of the proceeds of the Series 2017B WPCLF Notes are allocated to the Leveraged Portion.

The Series 2017B WPCLF Notes are special obligations of the Authority, the principal of and interest on which will be payable solely from the revenues and other moneys assigned and pledged by the Trust Agreement to secure such payment. See “SECURITY AND SOURCE OF PAYMENT FOR THE WATER POLLUTION CONTROL LOAN FUND BONDS.”

This Official Statement also includes descriptions of certain laws and regulations applicable to the Authority, certain provisions of the Trust Agreement securing the WPCLF Bonds and certain other materials. These

descriptions are qualified by reference to the entire text of such documents, copies of which are available upon request to the Ohio Water Development Authority, 480 South High Street, Columbus, Ohio 43215, Attn.: Secretary-Treasurer.

Definitions of certain capitalized terms which are used in this Official Statement are set forth in “APPENDIX D - CERTAIN DEFINITIONS.”

AUTHORIZATION AND PURPOSE OF THE SERIES 2017B WPCLF NOTES

The Series 2017B WPCLF Notes are authorized and issued on a subordinate basis (with respect to certain Revenues as hereinafter described) to the outstanding Series 1997 Water Quality Bonds, Series 2002 Water Quality Bonds, Series 2003 Water Quality Bonds, Series 2004 Water Quality Bonds, Series 2004 Water Quality Refunding Bonds, Series 2005 Water Quality Refunding Bonds, Series 2005B Water Quality Bonds, Series 2009 Water Quality Refunding Bonds, Series 2010B Water Quality Bonds, Series 2010C Water Quality Refunding Bonds, Series 2011A Water Quality Refunding Bonds, Series 2011B Water Quality Refunding Bonds, Series 2012A Water Quality Refunding Bonds, and with any other Water Quality Bonds that may be issued in the future under the Water Quality Bond Trust Agreement to refund Water Quality Bonds, and on a parity basis with the Series 2014 WPCLF Bonds, the 2014B WPCLF Refunding Bonds, the Series 2015A WPCLF Bonds, the Series 2015B WPCLF Refunding Bonds, the Series 2016 WPCLF Bonds, the Series 2017A WPCLF Bonds and any future WPCLF Bonds that may be issued under the Trust Agreement. From time to time, the Authority also has entered into purchase agreements in order to issue notes under the Trust Agreement on a subordinate basis to the WPCLF Bonds (which such future issuance of notes may be on a parity basis with the WPCLF Bonds). See THE WATER POLLUTION CONTROL LOAN FUND - Subordinate Short-Term Debt – WPCLF Notes. As described above, the Series 2017B WPCLF Notes are being issued on a parity basis with the WPCLF Bonds and not on a subordinate basis.

The Series 2017B WPCLF Notes are issued under and pursuant to provisions of Section 2i of Article VIII of the Constitution of the State and Chapter 6121, Sections 9.98 through 9.983 and Section 6111.036 of the Ohio Revised Code, the WPCLF Bond General Resolution, a Series Resolution adopted by the Authority on July 27, 2017 (the “Series 2017B Note Resolution”) authorizing the issuance of up to \$250,000,000 in principal amount of such notes, and a Certificate of Award to be executed by the Authority upon the pricing of the Series 2017B WPCLF Notes.

The Series 2017B WPCLF Notes are to be issued for the purposes of (i) raising moneys for the sole benefit of the Water Pollution Control Loan Fund as provided in division (T) of Section 6121.04 of the Ohio Revised Code, the WPCLF General Bond Resolution, and the Series 2017B Note Resolution, or reimbursing the Authority for funds advanced for that purpose, and (ii) paying issuance expenses relating to the issuance of the Series 2017B WPCLF Notes.

THE WATER POLLUTION CONTROL LOAN FUND PROGRAM

Background

Title VI of the Federal Water Pollution Control Act, as amended (the “Clean Water Act”), authorizes the Administrator of the United States Environmental Protection Agency (the “USEPA”) to make capitalization grants (the “Federal Share”) to states for deposit in state water pollution control revolving loan funds, which moneys are to be used by states to provide loans and other forms of financial assistance (other than grants) to communities and agencies, such as the Governmental Agencies, and other persons for the program purposes outlined below.

In order to receive the Federal Share, the State must agree to match the Federal Share with a deposit into the Water Pollution Control Loan Fund of an amount equaling at least 20 percent of the total amount of all federal grant payments under the Environmental Protection Agency Automated Clearing House (the “State Match”). The State Match has previously been funded by a combination of State general fund appropriations and proceeds of State Match Revenue Bonds (the “State Match Bonds”) and interest earnings on those proceeds. For a description of the capitalization of the Water Pollution Control Loan Fund, see “THE WATER POLLUTION CONTROL LOAN FUND - Capitalization” below. Future needs for State Match will be met by issuing WPCLF Bonds with a State

Match Portion. See “SECURITY AND SOURCE OF PAYMENT OF WATER POLLUTION CONTROL LOAN FUND BONDS.”

The Water Pollution Control Loan Fund (the “WPCLF”) was established under Section 6111.036 of the Ohio Revised Code on May 26, 1989. Section 6111.036 of the Ohio Revised Code authorizes the Director to administer the WPCLF in a manner consistent with the Clean Water Act and to receive and disburse federal capitalization grant funds for the purposes of that Fund. Under State law, the WPCLF is to be used to fund the following: (i) construction of publicly owned wastewater treatment works by municipal corporations, other political subdivisions, and interstate agencies having territory in the State; (ii) implementation of nonpoint source pollution management programs; and (iii) development and implementation of estuary conservation management programs.

Pledge of Repayments

Repayments of the WPCLF Loans comprise, along with other sources of revenue, the revenues pledged to secure the payment of principal of and interest on the WPCLF Bonds, including the Series 2017B WPCLF Notes, and, to the extent not needed for that purpose, to fund additional loans from the WPCLF.

The Director and the Authority have implemented an investment method of cross-collateralization between the Water Pollution Control Loan Fund and the Drinking Water Assistance Fund to enhance security for the state match and leveraging bonds issued for the Drinking Water Assistance Fund and for the WPCLF Bonds. See “SECURITY AND SOURCE OF PAYMENT OF WATER POLLUTION CONTROL LOAN FUND BONDS.”

THE WATER POLLUTION CONTROL LOAN FUND

Administration

The WPCLF is administered within the Ohio Environmental Protection Agency (the “OEPA”) by the Division of Environmental and Financial Assistance (“DEFA”), which reports to the Director of OEPA. DEFA was organized in December 1989, from sections within the Division of Water Pollution Control of the OEPA which were responsible for the administration of the Federal construction grants program, as well as the creation and administration of the Water Pollution Control Loan Fund. DEFA is composed of three units within two sections: the Environmental Planning Unit and the Environmental Engineering Unit are housed in the Technical Review Section and the Project Coordination Unit is housed in the Loans and Grants Review Section. Administration of DEFA’s activities is carried out by two section managers, an assistant division chief, as well as the division chief. See “THE OHIO ENVIRONMENTAL PROTECTION AGENCY – Organization and Administration of Division of Environmental and Financial Assistance” herein. Also see “THE OHIO ENVIRONMENTAL PROTECTION AGENCY – Outline of the Water Pollution Control Loan Fund Project Process” herein for a description of the requirements of the Water Pollution Control Loan Fund with respect to the planning, design, construction and certification of Projects.

The State is required to enter into binding commitments to provide loans and financial assistance to eligible entities in an amount equal to 120% of the total amount of federal capital grant payments to the Environmental Protection Agency Automated Clearing House within one year after such payments. The Authority and Director have entered into WPCLF Loan Agreements to comply with this requirement for funds associated with capitalization grants for all federal fiscal years for which federal capital grants have been made. Under the WPCLF Loan Agreements, the Authority and the Director have provided and will provide WPCLF Loans to Governmental Agencies at below market interest rates.

Funds in the Water Pollution Control Loan Fund may also be used to pay the reasonable costs of administering the Water Pollution Control Loan Fund, but the amount of such costs may not, among other limitations, exceed 4% of the total amount of all capitalization grants received, four hundred thousand dollars per year, or one-fifth of one percent per year of the current valuation of the Water Pollution Control Loan Fund, whichever amount is greater, plus the amount of fees collected by the State for that purpose regardless of the source. The Director currently charges a service fee (which is held outside of the Water Pollution Control Loan Fund) to

defray additional administrative costs, including, but not limited to, certain Water Pollution Control Loan Fund Program costs of the Authority.

On October 30, 2009, the United States Congress passed Public Law 111-88, which requires each state to provide a defined amount of additional subsidies to the assistance awarded from its Clean Water Act state revolving loan fund. The additional subsidies must be in the form of grants, negative interest loans, or forgiveness of principal, and are intended to reduce the principal to be repaid by a borrower for the eligible costs of its project.

To fulfill this requirement, the Director made available in fiscal year 2011 up to \$54.5 million, in fiscal year 2012 up to \$50 million, in fiscal year 2013 up to \$6 million, in fiscal year 2014 up to \$5 million, in fiscal year 2015 up to \$6.4 million, in fiscal year 2016 up to \$23.5 million and in fiscal year 2017 up to \$30 million for reduced principal repayment obligations. Unless that federal law concerning those additional subsidies is changed or repealed, the Director intends to continue to comply on an on-going basis for future fiscal years. Since some of those loans may entail no obligation for repayment of principal and no interest payment from the Governmental Agencies that receive them, those loans will not constitute WPCLF Loans for purposes of the Trust Agreement, and they do not give rise to any additional Pledged Revenues thereunder, nor do they negatively affect the security for the WPCLF Bonds. The Director will award either partial forgiveness of principal as subsidies to the financing of certain conventional WPCLF Loans to provide blended loans or full forgiveness of principal as subsidies to the financing of certain conventional WPCLF Loans to the borrowing Governmental Agencies.

Capitalization

Since its creation in 1989, the Water Pollution Control Loan Fund has been awarded capitalization grants in the amounts set forth below. The required State Match has previously been funded by a combination of State general fund appropriations and proceeds from State Match Bonds and interest earnings on the proceeds of those State Match Bonds. Future needs for State Match will be met by issuing WPCLF Bonds with a portion thereof allocated as a State Match Portion.

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**CAPITALIZATION GRANTS
FOR FEDERAL FISCAL YEARS 1989 THROUGH 2016**

<u>Federal Fiscal Year</u>	<u>Capitalization Grant Amount</u>	<u>State Match Required</u>	<u>Funding Source</u>
1989	\$ 53,099,244	\$ 10,619,849	General Revenue Fund
1990	64,124,705	12,824,941	General Revenue Fund (a)
1991	120,534,782	24,106,956	1991 State Match Bonds
1992	109,382,724	21,876,545	1991/1993 State Match Bonds (b)
1993	108,203,832	21,640,766	1993 State Match Bonds
1994	75,855,333	15,171,067	1993 State Match Bonds
1995	72,717,472	14,543,494	1993/1995 State Match Bonds (c)
1996	118,581,512	23,716,302	1995 State Match Bonds and Interest Earnings
1997	35,085,699	7,017,140	1995 State Match Bonds and Interest Earnings
1998	86,175,844	17,235,169	1995 State Match Bonds and Interest Earnings
1999	75,812,616	15,162,523	1995 State Match Bonds and Interest Earnings
2000	78,490,933	15,698,187	2000 State Match Bonds and Interest Earnings
2001	75,386,586	15,077,317	2000 State Match Bonds and Interest Earnings
2002	76,209,659	15,241,932	2000 State Match Bonds and Interest Earnings
2003	74,859,808	14,971,962	2000 State Match Bonds and Interest Earnings
2004	75,649,985	15,129,997	2000 State Match Bonds and Interest Earnings
2005	60,663,240	12,132,648	2000 State Match Bond and Interest Earnings
2006	49,297,743	9,859,549	2000 State Match Bond and Interest Earnings
2007	60,252,687	12,050,537	2000 State Match Bond and Interest Earnings
2009 (d)	76,616,793	15,323,359	2000 State Match Bonds and 2008 State Match Notes
2010	114,702,000	22,940,400	2008 State Match Notes and 2010 State Match Notes
2011	83,129,000	16,625,800	2010 State Match Notes
2012	79,564,000	15,912,800	2010 State Match Notes
2013	75,160,000	15,032,000	2010 and 2013 State Match Notes
2014	78,932,000	15,786,400	2013 State Match Notes
2015	78,528,000	15,705,600	2013 and 2015 State Match Notes
2016	75,217,000	15,043,400	2015 State Match Notes
TOTALS	<u>\$2,132,233,197</u>	<u>\$426,446,640</u>	

(a) \$928,742 of 1990 Capitalization Grant state match was covered by 1991 State Match Bonds.

(b) \$12,528,230 of 1992 Capitalization Grant state match was covered from the 1993 State Match Bonds and \$9,348,315 was covered from the 1991 State Match Bonds.

(c) Of such State Match, \$9,588,870 was funded from the 1995 State Match Bond Anticipation Note (which was redeemed from the proceeds of the 1995 State Match Bonds), \$4,413,136 is from interest income and \$541,489 is from the 1993 State Match Bonds.

(d) The grants for 2008 and 2009 were awarded to Ohio in 2009.

Water Quality Bonds and WPCLF Bonds

For the purpose of providing additional funds for the Water Pollution Control Loan Fund, or for the purpose of refunding obligations previously issued for such purpose, the Authority, at the request of the Director, has issued various series of Water Quality Bonds, and together with any additional bonds and notes issued in

anticipation thereof that may be issued on a parity with those Water Quality Bonds, are collectively referred to herein as the “Water Quality Bonds.” The Water Quality Bonds are issued pursuant to and secured by the Water Quality Bond Trust Agreement. In the Trust Agreement for the WPCLF Bonds, the Authority covenants to not issue any additional Water Quality Bonds except to provide funds to refund previously issued and then outstanding Water Quality Bonds. See “INTRODUCTION.” The Series 2017B WPCLF Notes are issued on a subordinate basis to any outstanding Water Quality Bonds and any future Water Quality Bonds.

The Series 2014 WPCLF Bonds, the Series 2014B WPCLF Refunding Bonds, the Series 2015A WPCLF Bonds, the Series 2015B WPCLF Refunding Bonds, the Series 2016A WPCLF Bonds, the Series 2017A WPCLF Bonds and any additional bonds and notes issued in anticipation thereof that may be issued on a parity (including the Series 2017B WPCLF Notes) with those Bonds are collectively referred to herein as the “WPCLF Bonds.” The WPCLF Bonds are issued pursuant to and secured by the Trust Agreement.

The aggregate debt service on all outstanding Water Quality Bonds and WPCLF Bonds is shown in the below table (as of June 30, 2017) (Also see Appendix A attached hereto):

Year Ending December 31	Debt Service on Outstanding Water Quality Bonds	Debt Service on Outstanding WPCLF Bonds ^(a)	Series 2017B Notes (b)			Total Debt Service on Water Quality and WPCLF Series Bonds
			Principal	Interest	Hypothetical Series 2017B Debt Service ^(b)	
2017	\$ 100,955,846	\$ 33,060,562	-	-	-	\$ 134,016,408
2018	152,598,928	88,882,668	-	3,562,500	3,562,500	245,044,096
2019	130,942,303	105,659,768	-	7,125,000	7,125,000	243,727,071
2020	81,653,971	149,172,518	-	7,125,000	7,125,000	237,951,489
2021	64,784,832	158,466,893	-	7,125,000	7,125,000	230,376,725
2022	38,632,128	181,232,243	-	7,125,000	7,125,000	226,989,371
2023	28,638,145	169,563,118	-	7,125,000	7,125,000	205,326,263
2024	75,212,331	124,575,243	-	7,125,000	7,125,000	206,912,574
2025	71,662,749	108,892,618	-	7,125,000	7,125,000	187,680,367
2026	73,839,158	110,355,618	-	7,125,000	7,125,000	191,319,776
2027	64,889,449	103,393,868	-	7,125,000	7,125,000	175,408,317
2028	46,462,733	103,808,868	-	7,125,000	7,125,000	157,396,601
2029	32,025,092	105,664,993	-	7,125,000	7,125,000	144,815,085
2030	33,609,853	104,056,368	-	7,125,000	7,125,000	144,791,221
2031	31,324,318	98,822,132	-	7,125,000	7,125,000	137,271,450
2032	22,323,346	41,104,566	-	7,125,000	7,125,000	70,552,912
2033	17,042,060	40,836,792	13,000,000	7,125,000	20,125,000	78,003,852
2034	13,577,411	40,569,019	23,000,000	6,583,500	29,583,500	83,729,930
2035	-	30,317,981	30,000,000	5,856,750	35,856,750	66,174,731
2036	-	25,117,151	22,000,000	5,101,500	27,101,500	52,218,651
2037	-	-	35,000,000	4,346,250	39,346,250	39,346,250
2038	-	-	28,000,000	3,405,750	31,405,750	31,405,750
2039	-	-	20,000,000	2,664,750	22,664,750	22,664,750
2040	-	-	14,000,000	2,137,500	16,137,500	16,137,500
2041	-	-	10,000,000	1,781,250	11,781,250	11,781,250
2042	-	-	10,000,000	1,496,250	11,496,250	11,496,250
2043	-	-	10,000,000	1,211,250	11,211,250	11,211,250
2044	-	-	10,000,000	926,250	10,926,250	10,926,250
2045	-	-	10,000,000	641,250	10,641,250	10,641,250
2046	-	-	10,000,000	356,250	10,356,250	10,356,250
2047	-	-	5,000,000	71,250	5,071,250	5,071,250
	\$1,080,174,653	\$1,923,552,987	\$250,000,000	\$147,017,250	\$397,017,250	\$3,400,744,890

^(a) The debt service payments for the WPCLF Series 2016A Bonds were calculated using the average rate of interest borne by the WPCLF Series 2016A Bonds from May 4, 2016 through June 30, 2017.

^(b) Hypothetical debt service of \$250,000,000 Series 2017B WPCLF Notes at 2.85% for 30 years.

Subordinate Short-Term Debt – WPCLF Notes

The Authority authorized the issuance of additional WPCLF Notes with the Series 2015-17B Note General Resolution and the Sixth Supplemental Trust Agreement, dated as of November 1, 2015 (the “Sixth Supplemental Trust Agreement”). The Series 2015-17B Note General Resolution authorizes the Authority to issue Series 2015-17B WPCLF Notes in a maximum principal amount of \$200,000,000 outstanding at any one time, to be sold to RBC Municipal Products LLC. The Series 2015-17B WPCLF Notes may be issued in multiple tranches on a subordinated basis to any WPCLF Bonds, pursuant to the Sixth Supplemental Trust Agreement. Under the Sixth Supplemental Trust Agreement, the Authority’s authorization to issue further Series 2015-17B WPCLF Notes expires on January 15, 2019. The Authority has not issued any Series 2015-17B WPCLF Notes as of the date of this Official Statement. If issued, the Authority will utilize the proceeds of any Series 2015-17B WPCLF Notes for the Authority’s short-term needs to fund WPCLF Loans, and will pay off any such 2015-17 WPCLF Notes with the proceeds of future WPCLF Bonds issuances.

The Authority authorized the issuance of WPCLF Notes with the Series 2017-19A Note General Resolution and the Tenth Supplemental Trust Agreement, dated as of March 1, 2017 (the “Tenth Supplemental Trust Agreement”). The Series 2017-19A Note General Resolution authorizes the Authority to issue Series 2017-19A WPCLF Notes in a maximum principal amount of \$100,000,000, to be sold to The Huntington Investment Company. The Series 2017-19A WPCLF Notes may be issued in multiple tranches on a subordinated basis to any WPCLF Bonds, pursuant to the Tenth Supplemental Trust Agreement. Under the Tenth Supplemental Trust Agreement, the Authority’s authorization to issue further Series 2017-19A WPCLF Notes expires on April 30, 2019. The Authority has not issued any Series 2017-19A WPCLF Notes as of the date of this Official Statement. If issued, the Authority will utilize the proceeds of any Series 2017-19A WPCLF Notes for the Authority’s short-term needs to fund WPCLF Loans, and will pay off any such 2017-19A WPCLF Notes with the proceeds of future WPCLF Bonds issuances.

The Authority authorized the issuance of WPCLF Notes with the Series 2017-20A Note General Resolution and the Twelfth Supplemental Trust Agreement, dated as of April 1, 2017 (the “Twelfth Supplemental Trust Agreement”). The Series 2017-20A Note General Resolution authorizes the Authority to issue Series 2017-20A WPCLF Notes in a maximum principal amount of \$400,000,000, to be sold to Bank of America, N.A. The Series 2017-20A WPCLF Notes may be issued in multiple tranches on a subordinated basis to any WPCLF Bonds, pursuant to the Twelfth Supplemental Trust Agreement. Under the Twelfth Supplemental Trust Agreement, the Authority’s authorization to issue further Series 2017-20A WPCLF Notes expires on April 10, 2020. The Authority has not issued any Series 2017-20A WPCLF Notes as of the date of this Official Statement. If issued, the Authority will utilize the proceeds of any Series 2017-20A WPCLF Notes for the Authority’s short-term needs to fund WPCLF Loans, and will pay off any such 2017-20A WPCLF Notes with the proceeds of future WPCLF Bonds issuances.

The Authority authorized the issuance of WPCLF Notes with the Series 2017-20B Note General Resolution and the Thirteenth Supplemental Trust Agreement, dated as of June 1, 2017 (the “Thirteenth Supplemental Trust Agreement”). The Series 2017-20B Note General Resolution authorizes the Authority to issue Series 2017-20B WPCLF Notes in a maximum principal amount of \$200,000,000, to be sold equally to State Street Public Lending Corporation and PNC Capital Markets, LLC. The Series 2017-20B WPCLF Notes may be issued in multiple tranches on a subordinated basis to any WPCLF Bonds, pursuant to the Thirteenth Supplemental Trust Agreement. Under the Thirteenth Supplemental Trust Agreement, the Authority’s authorization to issue further Series 2017-20B WPCLF Notes expires on June 1, 2020. The Authority has not issued any Series 2017-20B WPCLF Notes as of the date of this Official Statement. If issued, the Authority will utilize the proceeds of any Series 2017-20B WPCLF Notes for the Authority’s short-term needs to fund WPCLF Loans, and will pay off any such 2017-20B WPCLF Notes with the proceeds of future WPCLF Bonds issuances.

The Water Pollution Control Loan Fund Trust Agreement

Since its creation in 1989, the Water Pollution Control Loan Fund has been held in the custody of the Water Pollution Control Loan Fund Trustee (currently, The Huntington National Bank) pursuant to the Water

Pollution Control Loan Fund Trust Agreement, as amended and restated by the Second Amended and Restated Water Pollution Control Loan Fund Trust Agreement, dated as of May 1, 2014 (together, the “Water Pollution Control Loan Fund Trust Agreement”). The Water Pollution Control Loan Fund Trust Agreement creates, and requires to be maintained in the custody of the Water Pollution Control Loan Fund Trustee, various subfunds of the Water Pollution Control Loan Fund, including, but not limited to, the Water Pollution Control Loan Fund Repayments Fund into which will be deposited payments of principal and interest on all WPCLF Loans (other than any WPCLF Loans depleted as described below).

Under the Water Pollution Control Loan Fund Trust Agreement, the Water Pollution Control Loan Fund Trustee is required to deposit the interest portion of such payments into an “Interest Account” and the principal portion into a “Principal Account,” each an account of the WPCLF Loan Repayments Fund. The moneys on deposit in the Principal Account of the WPCLF Loan Repayments Fund are pledged first as security for Water Quality Bonds, then on a subordinate basis to the WPCLF Bonds, including the Series 2017B WPCLF Notes. See “SECURITY AND SOURCE OF PAYMENT OF WATER POLLUTION CONTROL LOAN FUND BONDS - Establishment and Application of Funds.” The moneys on deposit in the Interest Account of the WPCLF Loan Repayments Fund are pledged to the retirement of the State Match Portion of any outstanding WPCLF Bonds; however, to the extent such payments of interest exceed the amounts required for such purpose, such interest payments may be applied under certain circumstances first to the payment of Bond Service Charges on the Water Quality Bonds and to replenish the Water Quality Bond Debt Service Reserve Fund, if necessary, then to pay Bond Service Charges on the Leveraged Portion of the WPCLF Bonds.

The funds, subfunds and accounts in the Water Pollution Control Loan Fund and their relationship to the Water Quality Bonds and the WPCLF Bonds are discussed in more detail under the caption “SECURITY AND SOURCE OF PAYMENT OF WPCLF BONDS – Establishment and Application of Funds” and in “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT – Deposit and Disposition of Revenues.”

Moneys in the Water Pollution Control Loan Fund may be invested in investments permitted under the Water Pollution Control Loan Fund Trust Agreement. All interest earned on moneys or investments in the Water Pollution Control Loan Fund will be credited to that fund. See “INVESTMENTS” and “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT – Establishment, Application and Investment of the Water Pollution Control Loan Fund.” For a description of the adopted plan of the Authority and the Director regarding cross-collateralization of the Water Pollution Control Loan Fund and the Drinking Water Assistance Fund through the required investment of certain surplus moneys in those Funds, see “SECURITY AND SOURCE OF PAYMENT OF WATER POLLUTION CONTROL LOAN FUND BONDS.”

The Ohio Water Pollution Control Loan Fund Inter-Agency Agreement

The Authority and the Director have entered into the Ohio Water Pollution Control Loan Fund Inter-Agency Agreement (the “Inter-Agency Agreement”) to provide WPCLF Loans and other types of financial assistance to Governmental Agencies from the Water Pollution Control Loan Fund.

Pursuant to the Inter-Agency Agreement, the Director will deposit into or cause to be deposited into the Water Pollution Control Loan Fund (i) all of the Federal Share (excluding an amount equal to four percent of which may be reserved for administrative expenses) received or to be received from the USEPA and awarded to the State pursuant to the Clean Water Act, (ii) funds provided for the State Match, and (iii) the net proceeds of the WPCLF Bonds.

WPCLF Loans to Governmental Agencies

WPCLF Loans from the Water Pollution Control Loan Fund will be made for such Projects, to such Governmental Agencies and upon such terms and conditions as the Director determines in accordance with Section 6111.036 of the Ohio Revised Code. Each such WPCLF Loan must be made in accordance with a WPCLF Loan Agreement entered into among the Director, the Governmental Agency and the Authority. See “WPCLF Loan Agreements” below.

Other Loans to Non-governmental Agencies

The Water Pollution Control Loan Fund Trust Agreement provides for the creation and maintenance of an Other Projects Fund, out of which, among other things, loans may be made to parties other than Governmental Agencies (“Non-governmental Loans”). Non-governmental Loans also include any loan that may be made to a Governmental Agency if (i) the loan is made for the benefit of a party other than a Governmental Agency, and (ii) the party primarily responsible for the repayment of the loan is not a Governmental Agency. Moneys on deposit in the Other Projects Fund may also be used for any lawful purpose of the Water Pollution Control Loan Fund. Repayments of Non-governmental Loans are not pledged to, but may be used for, the payment of Bond Service Charges. As of June 30, 2017, less than one percent of the funds awarded by the Water Pollution Control Loan Fund were for Non-governmental Loans.

Environmental Responsibilities; Enforcement of Remedies under WPCLF Loan Agreements

The Director is responsible for determining the priorities for funding and the environmental review and enforcement of any environmental conditions for Projects which are funded from the Water Pollution Control Loan Fund.

In the event of a default under a WPCLF Loan Agreement, the Authority and the Director jointly will exercise or cause the exercise of any remedy provided in the WPCLF Loan Agreement with regard to such defaults.

Financial Determination and Assistance; Goals and Strategies

The Director will (i) determine and evaluate Projects which may be eligible for funding, (ii) set the interest rate, maturity and amortization schedule in the event that such funding is provided pursuant to a WPCLF Loan Agreement, and (iii) determine the amount of funds (including both eligible and ineligible project costs in accordance with the Clean Water Act) available for each Project. See “THE OHIO ENVIRONMENTAL PROTECTION AGENCY – Outline of the Water Pollution Control Loan Fund Project Process” herein.

Upon the request of the Director, the Authority has agreed to (i) provide assistance to the Director with respect to the foregoing, (ii) provide to the Director such financial analysis and financial strategies which the Director determines shall optimize the use of the Water Pollution Control Loan Fund, (iii) assist the Director in identifying and evaluating potential recipients and projects for financial assistance, (iv) advise the Director in other related matters upon request, and (v) provide direct access by the Director to Authority advisors for consultation with regard to matters affecting the Water Pollution Control Loan Fund.

WPCLF Loan Agreements

Pursuant to WPCLF Loan Agreements, the Governmental Agencies agree to construct Projects constituting publicly owned wastewater treatment facilities or nonpoint source pollution control management programs, or develop and implement estuary conservation and management plans meeting the applicable requirements of the Authority and the Director and to proceed with these Projects, submitting invoices for the costs thereof to the Authority for payment. The Authority and the Director will disburse money to the Governmental Agencies to pay such Project costs by authorizing the Water Pollution Control Loan Fund Trustee to pay such invoices, and the Authority and the Director will charge interest on the amounts disbursed from the dates of the disbursements. After the Project is complete and a final accounting occurs, the annual repayments to be made by each Governmental Agency will be determined based upon the actual Project costs. As a consequence of the above, the final amount of each WPCLF Loan, and therefore the annual payments to be made by each Governmental Agency, may be lower than the initial agreed-upon amount of each WPCLF Loan depending upon actual Project costs. The WPCLF Loans included in APPENDIX B – PARTICIPATING GOVERNMENTAL AGENCIES UNDER EXISTING WPCLF LOAN AGREEMENTS and the annual repayments listed in APPENDIX A – DEBT SERVICE SCHEDULE AND COVERAGE UPON THE ISSUANCE OF THE SERIES 2017B WPCLF NOTES are either (i) based on actual Project costs once a Project is completed, or (ii) if the Project has not been completed, the initial agreed-upon amount of the respective WPCLF Loan Agreement.

In order to determine whether a Governmental Agency making application to the Authority and the Director will be able to pay the principal amounts required under its proposed WPCLF Loan Agreement, including the interest thereon, the Authority and the Director require that the Governmental Agency file a schedule setting forth all projected income from the utility system of which the Project is to become a part. If the schedule shows the existing rate structure for the utility system will not support the operating expenses of the system and the payments required by the proposed WPCLF Loan Agreement and other debt, after deducting any portion thereof to be paid from special assessments and other dedicated revenues, then, prior to entering into the proposed WPCLF Loan Agreement with the Governmental Agency, the Authority and the Director will require amendment of the existing rate legislation or the adoption of new rate legislation so that system revenues will, based on such computations, be sufficient to meet all of the obligations of the utility system and to make the payments required by the proposed WPCLF Loan Agreement.

The Clean Water Act requires that the interest rate for WPCLF Loans be at or below the market rate. Accordingly, the interest rate on a WPCLF Loan is designed to be lower than the rate that the borrowing Governmental Agency could have obtained through the issuance of the Governmental Agency's revenue bonds and is also generally lower than the rate for a comparable loan under the Authority's Fresh Water Program. See "PROGRAMS OF THE AUTHORITY." The following is a description of the current rates and loan terms; however, the Director may make changes to the terms and programs from time to time subject to the limitations of the Clean Water Act and the Trust Agreement. The Water Pollution Control Loan Fund standard interest rate is set monthly and is calculated by taking the average of (i) the MMD 20 Year GO rate for the most recent eight-week period and subtracting 95 basis points from that average for loans with terms of 5 to 20 years and (ii) the MMD 30 Year GO rate for the most recent eight-week period and subtracting 100 basis points from that average for loans with a term of 21 to 30 years.

Certain Governmental Agencies may qualify for a WPCLF Loan with an interest rate lower than the standard rate. Those that qualify as "small communities" receive a rate approximately 50 basis points lower than the standard rate. Those that qualify for a "hardship" interest rate receive a rate of either 0% or 1.0% based upon community service population. In addition, based upon the nature of their projects, Governmental Agencies may qualify for one or more discounts from the standard rate that may reduce the interest rate to as low as zero percent. Among the discounts offered are:

- (i) Conversion from Class B to Class A Sludge production, in which applicants with no existing sludge production facilities which construct new EQ or Class A sludge facilities or applicants with existing Class B sludge production facilities which convert to EQ or Class A sludge facilities will receive an up to 0.2 percent discount from their loan interest rates, with the exception that the total value of the discount cannot exceed the cost of the incremental facilities needed to produce EQ or Class A sludge.

- (ii) The Septage Handling discount, which is designed to encourage communities to install facilities for receiving and treating septage from septic system pumpers. With this discount, the principal amount is increased to cover the construction costs of the facilities, and the interest rate is reduced to offset the additional principal amount.

- (iii) Zero percent interest rate loans may be provided for replacement of failed non-conventional wastewater treatment systems initially funded through the WPCLF program.

- (iv) Discounts under the Water Resource Restoration Sponsor Program (the "Sponsor Program"). Under the Sponsor Program, a Governmental Agency that is receiving a WPCLF Loan for the construction or improvement of publicly owned wastewater treatment facilities can utilize its WPCLF Loan to obtain additional funding for a Director-approved project that protects or restores water resources. The Governmental Agency may undertake the water resource restoration project itself, or it may sponsor the undertaking of the project by another entity. The Sponsor Program has worked in two different ways: (a) the interest rate on the Governmental Agency's WPCLF Loan is reduced so as to create interest savings equal to the amount of the additional borrowing for the water resource restoration project, or (b) a portion of the future scheduled interest payments at a standard rate is pre-refunded to the Governmental Agency at the time of the WPCLF Loan to enable it to fund the water resource restoration project. The latter method is the one currently used for the Sponsor Program. In either case, the Governmental Agency receives a

discount of up to ten basis points on its borrowing for its wastewater treatment system project in consideration of its participation in the Sponsor Program. The WPCLF Loans made under the Sponsor Program are identified by footnote in APPENDIX B.

(v) Discount under the Green Project Reserve (GPR). Under the GPR, a Governmental Agency that is receiving a WPCLF Loan for the construction or improvement of publicly owned wastewater treatment facilities may obtain a 0.25% discount if a portion of the project includes a “green” component. The GPR discount will be available to all four GPR categories in the Federal guidance including: (a) Green Infrastructure; (b) Water Efficiency; (c) Energy Efficiency; and (d) Environmentally Innovative. In order to determine eligibility, applicants should refer to the Federal guidance. Projects which include a green component of at least \$250,000, and the green component is 25% or more of the project construction cost, will receive the discount on the entire loan amount. This discount will be available only to WPCLF-eligible construction loans with a 20-year term, or CSO projects that qualify for a 30-year term that include green components.

(vi) Discount for Back-up Power, which is available to facilitate the procurement and installation of back-up power for wastewater treatment facilities. 0% funding will be made available for the procurement and installation of alternate sources of electric power or pumping capability to allow continuity of operation during power failures. The discounted rate will be available for the portion of the project directly attributable to back-up power. Standard, below-market interest rate loan funds will be offered for the balance of a proposed project.

On December 10, 2015, the Authority and Ohio EPA established a program (the “Interest Rate Subsidy Program”) pursuant to which the Authority will, under certain conditions, pay a portion of the interest on certain outstanding loans of Governmental Agencies, including loans made under the WPCLF Program. The Authority set aside an aggregate amount of \$75,000,000 in surplus funds for such payments during the period from January 1, 2016 through July 1, 2037. The funds allocated for the Interest Rate Subsidy Program are not Pledged Revenues and are not subject to the pledge of the Trust Agreement until paid to the Trustee. In order for a loan to be eligible for the Interest Rate Subsidy Program, that loan must bear interest at a rate greater than 3.00% per annum and the Governmental Agency obligated for repayment of such loan must meet all of its repayment obligations to the Authority. The portion of interest paid by the Authority on qualified loans will be equal to the amount necessary to reduce the effective rate of those loans to 3.00% during the remaining life of each loan.

WPCLF Loans may not be prepaid prior to maturity. The Governmental Agency making application may select a payment schedule ranging from one to 45 years.

The Authority and the Director have covenanted to take all necessary actions to collect the payments due under the WPCLF Loan Agreements from the Governmental Agencies. Such actions include sending invoices or any other appropriate demand for payment of any amount in default within 20 days after such default together with notice to the defaulting Governmental Agency that if such default is not remedied within two months from the date of default, the Authority, together with the Director, will file suit either in the Common Pleas Court of Franklin County, Ohio or the Common Pleas Court of the county in which the Governmental Agency is located to collect such amount which is in default. The Authority and the Director shall then file such suit within three months of the date of default if the default is not remedied.

Under WPCLF Loan Agreements, the Governmental Agencies agree to maintain insurance coverage in such amounts as are satisfactory to the Authority and the Director on the Project facilities in such amounts and against such perils as are customary for similar facilities owned or operated by political subdivisions similar to the Governmental Agencies.

Construction and Ownership

Ownership of each Project financed by the Authority and the Director by means of the Water Pollution Control Loan Fund is retained by the Governmental Agency. The Governmental Agencies agree in the WPCLF Loan Agreements to segregate the revenues, funds, and properties of the Project facilities from all other revenues, funds and properties of the Governmental Agency.

Covenants to Maintain Rates

Each Governmental Agency agrees in its WPCLF Loan Agreement to maintain rates and charges that are sufficient to provide for the repayment of amounts advanced under such WPCLF Loan Agreements after (i) deduction of the operating and maintenance expenses of the utility system of which the Project is part, (ii) any contribution to the Governmental Agency's capital improvement fund required by the Director, and (iii) payment of (a) all amounts required by any mortgage, indenture of mortgage, trust indenture or other instrument granted or entered into and (b) contractual obligations between the Governmental Agency under any other WPCLF Loan Agreement between the Governmental Agency and the Authority, to the extent that payments under (a) and (b) above are payable solely from the revenues of such utility system, less the amount of such payments provided from special assessment funds or another dedicated repayment source. In the event of a failure to make a required payment by a Governmental Agency, the primary remedies of the Authority and the Director would be a lawsuit to compel the Governmental Agency to make the payment and, if necessary, to initiate an action in mandamus to compel an increase in the rates and charges by the utility system.

Fiscal Emergency Act

Chapter 118 of the Ohio Revised Code, known as the Fiscal Emergency Act, applies to municipal corporations, counties and townships that are determined to have circumstances that constitute a fiscal emergency condition. Such conditions include default on any debt obligation, failure to meet payrolls, excessive past due accounts, excessive deficits and insufficient cash and investments. If a fiscal emergency condition is determined to exist, the municipality, county or township is subjected to State oversight through a Financial Planning and Supervision Commission (the "Commission"), assisted by certified public accountants engaged by the Commission. The Commission must approve the amount and purpose of any issue of debt obligations by a municipality, county or township subject to the Fiscal Emergency Act. If the conditions described in the Fiscal Emergency Act occur with respect to a Governmental Agency, such Governmental Agency may be subject to State fiscal supervision, including control of its debt issuance and expenditures of the Governmental Agency.

The following seven Governmental Agencies that are borrowing under WPCLF Loans are currently subject to State financial supervision under the Fiscal Emergency Act; however, all of these Governmental Agencies are current on WPCLF Loan payments:

Governmental Agency	Outstanding WPCLF Loan Amount	Last Payment Date
City of Niles	\$35,363,723	7/1/2038
Village of Mount Sterling	5,341,360	7/1/2034
City of Fostoria	5,150,445	1/1/2035
Village of Leipsic	3,258,793	1/1/2028
City of Galion	2,485,123	1/1/2033
Village of Clarksville	162,334	7/1/2020
Village of Wellsville	122,902	1/1/2023

Bankruptcy Considerations

The enforceability of the WPCLF Loan Agreements of the Governmental Agencies is subject to the provisions of Chapter 9 of Title 11 (the "Bankruptcy Code") of the United States Code and other laws affecting creditors' rights generally. Chapter 9 of the Bankruptcy Code relates to the adjustment of debts of a state's political subdivisions, public agencies and instrumentalities ("eligible entities"), such as the Governmental Agencies. Under Chapter 9 of the Bankruptcy Code and in certain circumstances described therein, an eligible entity may be authorized to initiate proceedings under Chapter 9 without prior notice to or consent of its creditors, which proceedings may result in material and adverse modification or alteration of the rights of its secured and unsecured creditors, including parties to its contracts. Section 133.36 of the Ohio Revised Code authorizes Governmental Agencies to initiate such proceedings only if they receive the approval of the Tax Commissioner of the State.

SECURITY AND SOURCE OF PAYMENT OF WATER POLLUTION CONTROL LOAN FUND BONDS

The Series 2017B WPCLF Notes are being issued pursuant to and will be secured by the Trust Agreement. The WPCLF Bonds, including the Series 2017B WPCLF Notes, are payable solely from and are secured equally and ratably (as more particularly described herein and under “SECURITY AND SOURCE OF PAYMENT OF WATER POLLUTION CONTROL LOAN FUND BONDS – Establishment and Application of Funds”) by a pledge of the Pledged Revenues, which includes a pledge of:

- (i) the Net Revenues, which are Revenues less any payments or deposits required to be made pursuant to the Water Quality Bond Trust Agreement to the Debt Service Fund or the Debt Service Reserve Fund thereunder. Revenues means (a) all payments of interest made on all WPCLF Loans that are dated after May 1, 2014, (b) all payments of principal made on all existing and future WPCLF Loans and payable to the Authority, (c) all Additional Pledged Loan Repayments, (d) all income and profit from the investment and reinvestment of such payments, and (e) all Direct Payments received by the Authority relating to Direct Payment Bonds,
- (ii) the Special Funds, which are comprised of, collectively, the Debt Service Fund, the Debt Service Reserve Fund (but only to the extent a specific series of WPCLF Bonds is secured by a Required Reserve Fund Balance), the Net Bond Proceeds Fund, the WPCLF Bond Subfund and the Capitalization Grant Subfund (except the Encumbered Balance in the Net Bond Proceeds Fund, the Encumbered Balance in the WPCLF Bond Subfund, the Encumbered Balance in the Capitalization Grant Subfund, any Credit Facility Proceeds and any amounts required to be rebated to the United States of America under any applicable federal income tax law),
- (iii) the Surplus Fund established in the Water Pollution Control Loan Trust Fund, on a subordinate basis to any outstanding Water Quality Bonds, and
- (iv) any other funds and moneys which may be subjected to the pledge of the Agreement by subsequent action of the Authority with the consent of the Director.

Credit Facility Proceeds may be pledged to the payment of Bond Service Charges on any one or more series of WPCLF Bonds to which such Credit Facility applies. There is no Credit Facility for the Series 2017B WPCLF Notes. Under certain circumstances, funds in the Capitalization Grant Subfund of the Clearing Account described below may be used to pay Bond Service Charges on the Water Quality Bonds and the WPCLF Bonds. See “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT – Establishment and Application of Funds.”

Each WPCLF Loan Agreement sets forth the obligations of the applicable Governmental Agency to repay the moneys loaned by the Authority and the Director, the interest rate to be paid by such Governmental Agency and the repayment provisions. Each WPCLF Loan Agreement also contains the above-described rate covenant by the Governmental Agency and provides that such covenant is a duty enforceable by an action in mandamus. (For a more complete discussion of the rate covenant, see “THE WATER POLLUTION CONTROL LOAN FUND – WPCLF Loan Agreements – Covenants to Maintain Rates.”) **THE DIRECTOR AND THE AUTHORITY DO NOT HAVE A MORTGAGE ON OR RIGHT TO OPERATE THE UTILITY SYSTEM OF ANY GOVERNMENTAL AGENCY, AND THE AGREEMENTS OF THE GOVERNMENTAL AGENCIES TO MAKE THE PAYMENTS REQUIRED BY WPCLF LOAN AGREEMENTS ARE NOT GENERAL OBLIGATIONS OF THE GOVERNMENTAL AGENCIES.** In the event of a failure to make a required payment by a Governmental Agency, the primary remedies of the Director and the Authority would be a lawsuit to compel the Governmental Agency to make the payment and, if necessary, to initiate an action in mandamus to compel an increase in the rates of the applicable utility system.

Upon the receipt of any deposits in the WPCLF Loan Repayments Fund, the Water Pollution Control Loan Fund Trustee is required to deposit the portion of such payments constituting principal into the Principal Account of the WPCLF Loan Repayments Fund, and to deposit the portion of such payments constituting interest payments in

the Interest Account of the WPCLF Loan Repayments Fund. Additionally, payments of principal or of interest on Additional Pledged Loans (the “Additional Pledged Loan Repayments”) will be deposited, accordingly, in the Principal Account (and in the Additional Pledged Loans Interest Subaccount therein, as appropriate) of the WPCLF Loan Repayments Fund.

For a statement of the debt service coverage of the Authority with respect to its outstanding Water Quality Bonds and WPCLF Bonds as of the date of issuance of the Series 2017B WPCLF Notes, see “APPENDIX A – DEBT SERVICE SCHEDULE AND COVERAGE UPON THE ISSUANCE OF THE SERIES 2017B WPCLF NOTES.”

THE WPCLF BONDS DO NOT CONSTITUTE A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE AUTHORITY, OR THE STATE OF OHIO OR OF ANY POLITICAL SUBDIVISION THEREOF, AND THE HOLDERS AND OWNERS OF THE WPCLF BONDS SHALL HAVE NO RIGHT TO HAVE TAXES LEVIED BY THE GENERAL ASSEMBLY OR THE TAXING AUTHORITY OF ANY POLITICAL SUBDIVISION OF THE STATE FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST OR ANY REDEMPTION PREMIUM ON THE WPCLF BONDS.

The Director and the Authority have implemented cross-collateralization between the Water Pollution Control Loan Fund and the Drinking Water Assistance Fund (See “THE OHIO ENVIRONMENTAL PROTECTION AGENCY – The Other Revolving Loan Program of the OEPA”) by providing for the investment of surplus funds available in the Water Pollution Control Loan Fund to enhance the security for state match and leveraging bonds for the Drinking Water Assistance Fund and by providing for the investment of surplus funds available in the Drinking Water Assistance Fund to enhance the security for Water Quality Bonds and WPCLF Bonds issued for the Water Pollution Control Loan Fund. The Director and the Authority have agreed (i) to require the investment of certain surplus funds in the Water Pollution Control Loan Fund (*i.e.*, Surplus Fund and the Surplus Principal Subaccount and Surplus Interest Subaccount of the Other Projects Fund) to purchase Drinking Water Assistance Fund obligations that the Authority would agree to issue for the purpose of averting, if possible, any shortfalls that might otherwise occur for the payment of state match or leverage bonds issued for the Drinking Water Assistance Fund, and (ii) to require the investment of the comparable surplus funds in the Drinking Water Assistance Fund to purchase Water Pollution Control Loan Fund obligations that the Authority would agree to issue for the purpose of averting, if possible, any shortfalls that might otherwise occur for the payment of Water Quality Bonds and WPCLF Bonds. This approach to cross-collateralization was initially approved by the Authority in 2001 and is structured in a way to comply with the Clean Water Act and the Amendments and with the Trust Agreement, the Water Pollution Control Loan Fund Trust Agreement and the trust agreements established in connection with the Drinking Water Assistance Fund and the state match and leveraging bonds issued for the Drinking Water Assistance Fund, in each case as those agreements have been and may further be amended in accordance with their respective terms. The cross-collateralization does not include any pledge of the loan payments being paid into the Water Pollution Control Loan Fund or Drinking Water Assistance Fund, but is limited to the investment of the specified surplus funds available under the Water Pollution Control Loan Fund and Drinking Water Assistance Fund.

Establishment and Application of Funds

The Water Pollution Control Loan Fund Trust Agreement provides for the creation of the following funds, subfunds and accounts within the Water Pollution Control Loan Fund to be held by the Water Pollution Control Loan Fund Trustee: the Clearing Account (within which are the Capitalization Grant Subfund, the WPCLF Bond Subfund and the Water Quality Subfund), the WPCLF Loan Repayments Fund (within which are the Interest Account, the Principal Account (and the Additional Pledged Loan Interest Subaccount therein), and the Administrative Account), the Non-governmental Loan Repayments Fund, the Depledged Loan Repayments Fund, the Surplus Fund (within which are the Principal Account and the Interest Account) and the Other Projects Fund (within which are the Surplus Principal Subaccount and the Surplus Interest Subaccount). The Trust Agreement likewise establishes certain funds, including the Net Bond Proceeds Fund, the Debt Service Fund and the Debt Service Reserve Fund, which are to be held by the Trustee. The Debt Service Fund, the Debt Service Reserve Fund and the Net Bond Proceeds Fund are deemed to be a part of the Water Pollution Control Loan Fund notwithstanding the fact that they will be held by the Trustee.

All principal and interest repayments on WPCLF Loans and all Additional Pledged Loan Repayments (if any), together with the investment income and profit from such repayments, received from the Water Pollution Control Loan Fund Trustee will be deposited and be available as follows:

Interest Payments. Amounts delivered by the Water Pollution Control Loan Fund Trustee from the Interest Account of the WPCLF Loan Repayments Fund, to the extent that the interest payments are from WPCLF Loans dated after May 1, 2014, shall be deposited in the following accounts and funds in the following order of priority: (i) first to the State Match Portion Account of the Debt Service Fund and, if applicable, the Restricted Account of the Debt Service Reserve Fund; (ii) second, to the extent there are additional funds in the State Match Portion Account of the Debt Service Fund after the payment of Bond Service Charges on the State Match Portion of a series of WPCLF Bonds, then to the Leveraged Portion Account of the Debt Service Fund and, if applicable, the Unrestricted Account of the Debt Service Reserve Fund; and (iii) third, any excess funds remaining in the State Match Portion Account of the Debt Service Fund after the payment of Bond Service Charges on the State Match Portion of a series of WPCLF Bonds and the deposits described in (ii)(a) and (b) above, to the Surplus Fund. To the extent that the interest payments are from WPCLF Loans dated prior to May 1, 2014, the interest payment will go directly to the Debt Service Fund and Debt Service Reserve Fund for the Water Quality Bonds.

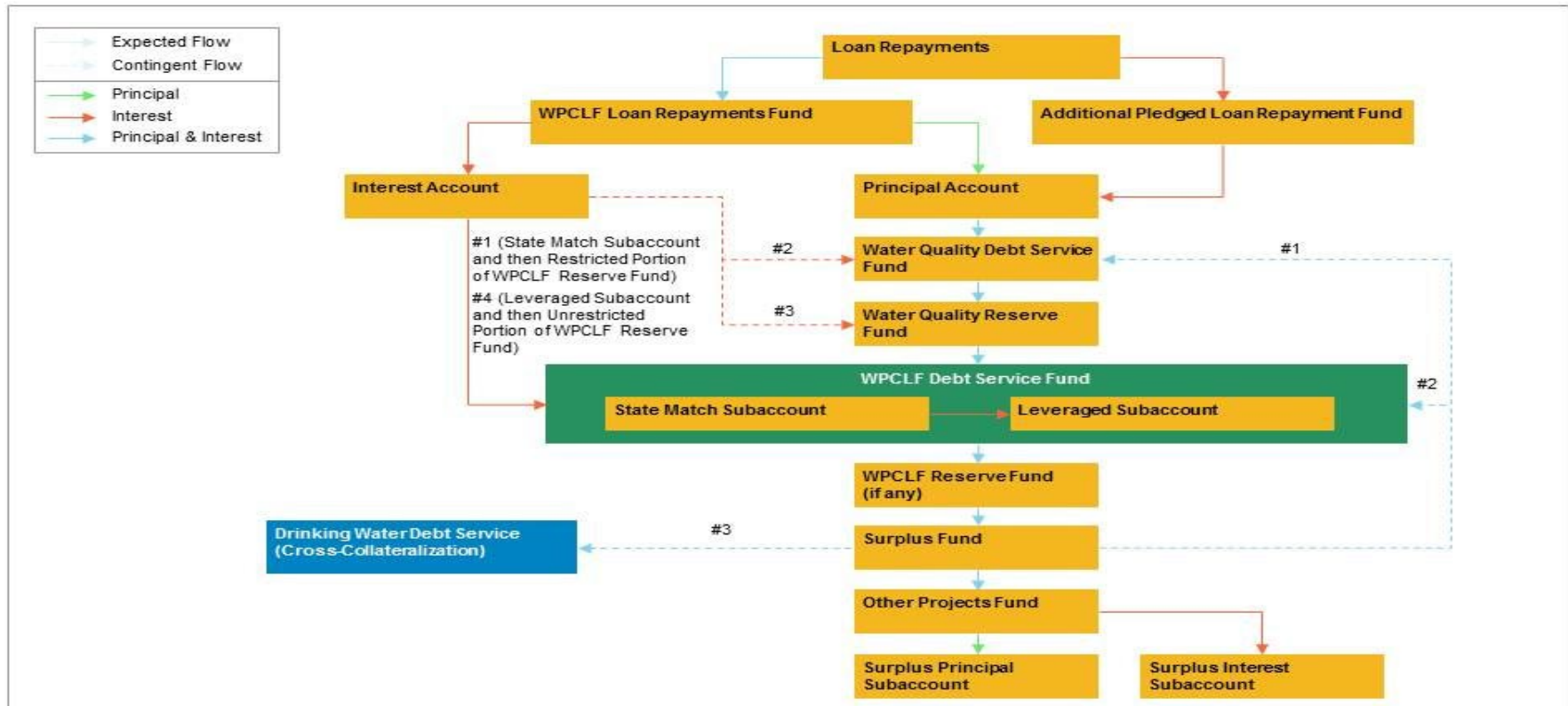
Principal Payments. Amounts delivered by the Water Pollution Control Loan Fund Trustee from the Principal Account of the WPCLF Loan Repayments Fund shall be deposited in the following accounts and funds in the following order of priority: (i) first, to the Debt Service Fund for the Water Quality Bonds and, if necessary, the Debt Service Reserve Fund for the Water Quality Bonds; (ii) second, to the extent there are excess funds after the payment of Bond Service Charges on the Water Quality Bonds, to the Leveraged Portion Account of the Debt Service Fund and, if applicable, the Unrestricted Account of the Debt Service Reserve Fund; and (iii) third, if after making deposits described in (i) and (ii) there remains excess proceeds in the Principal Account of the WPCLF Loan Repayments Fund and the amount on deposit in the Debt Service Fund and the Debt Service Reserve Fund equals that which will be required on the next Principal Payment Date for the Water Quality Bonds and the WPCLF Bonds, then to the Surplus Fund.

Furthermore, all Net Revenues and all moneys that may be requisitioned from the Surplus Fund, the Capitalization Grant Subfund, or the WPCLF Bond Subfund under the WPCLF Trust Agreement, pursuant to the Trust Agreement, shall be deposited in the appropriate funds, subfunds, and accounts by the Trustee as received from the Water Pollution Control Loan Fund Trustee to be available in the following order: (i) first, to the extent from an interest payment source, to the State Match Portion Account of the Debt Service Fund; (ii) second, to the Leveraged Portion Account of the Debt Service Fund; (iii) third, to the Trustee, Registrar, Paying Agents, Authenticating Agents and other fiduciaries to pay other unpaid fees, charges and expenses; (iv) fourth, to the Debt Service Reserve Fund, any amount required to cause the Value of the cash and investments in the Debt Service Reserve Fund to equal the Required Reserve Fund Balance, in accordance with the provisions of the Trust Agreement; and (v) fifth, to the Rebate Fund, as necessary to make any payment required to be paid to the United States of America, under Section 148(f) of the Code. For a more complete discussion of the deposit and uses of Revenues, see “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT – Deposit and Disposition of Revenues.”

The principal repayments on WPCLF Loans to be funded under future WPCLF Loan Agreements (see “THE WATER POLLUTION CONTROL LOAN FUND”), will provide additional Pledged Revenues to secure the outstanding Water Quality Bonds and, on a subordinate basis, the WPCLF Bonds. See “ADDITIONAL WPCLF BONDS.”

The following diagram is a simplified representation of, and is designed solely to assist in illustrating the application of, loan repayments for the payment of Bond Service Charges on the WPCLF Bonds and the Water Quality Bonds. It is designed for illustrative purposes only, is in no way comprehensive or definitive, and must be read in conjunction with this entire Official Statement. Any and all descriptions and discussions of the flow of funds and security and sources of payment for the WPCLF Bonds are qualified in their entirety by reference to the Trust Agreement and the Water Pollution Control Loan Fund Trust Agreement, the provisions of which shall be controlling and dispositive in all cases, including any case of a disparity, discrepancy or conflict between such provisions and this diagram.

WPCLF Program Cash Flow and Pledged Funds



Allocation of Proceeds as State Match Portion and/or Leveraged Portion

The Trust Agreement permits the Authority to allocate, in amounts determined by the Executive Director, the proceeds of a series of WPCLF Bonds as State Match Portion or Leveraged Portion. Such allocation will be established in the applicable Series Allocation Certificate. There is no requirement that any such allocation be *pro rata* between the two portions, or to make a minimum allocation to either portion. Furthermore, the Trust Agreement permits the Authority to elect to establish a differing Required Reserve Fund Balance for each portion. See “SECURITY AND SOURCE OF PAYMENT FOR THE WATER POLLUTION CONTROL LOAN FUND BONDS – Pledge of Debt Service Reserve Fund.”

Depledged Loans

Subject to certain conditions, the Authority, with the consent of the Director, may from time to time cause the principal repayments on one or more Existing WPCLF Loans or future WPCLF Loans or the Additional Pledged Loan Repayments to be removed from Revenues and Pledged Revenues and thereby terminate the pledge of such payments for the benefit of Holders of Water Quality Bonds and WPCLF Bonds. In order to do so, the Executive Director of the Authority and the Director shall certify to the Trustee that (i) the purpose for the removal is to cause payment of principal of such WPCLF Loans or of such Additional Pledged Loan Repayments to secure other debt obligations, the net proceeds of which will be deposited in the Water Pollution Control Loan Fund (but any Non-qualified Loan may be removed for any reason), (ii) after the removal, the sum of the Projected Payments each calendar year shall at least equal 100% of the amount required for Bond Service Charges due in such calendar year, less all capitalized interest, if any, to be applied on all outstanding Water Quality Bonds and WPCLF Bonds, and (iii) the principal of such WPCLF Loans or of such Additional Pledged Loan Repayments has been removed on a “last in, first out” basis (but Non-qualified Loans may be removed on any basis selected by the Executive Director of the Authority). In addition, as long as any Water Quality Bonds are outstanding, the Authority has agreed to give the Rating Agencies 60 days prior notice of any action to effect such a removal.

Pledge of Debt Service Reserve Fund

The Debt Service Reserve Fund shall be used solely and exclusively for the payment of Bond Service Charges on all the WPCLF Bonds and Water Quality Bonds that are secured by a Required Reserve Fund Balance as they become due at their stated maturity, by redemption, or pursuant to mandatory sinking fund requirements; provided, however, that only moneys in the Restricted Account of the Debt Service Reserve Fund may be transferred to the State Match Portion Account of the WPCLF Bond Debt Service Fund. The Required Reserve Fund Balance that the Water Quality Bond Trust Agreement requires be on deposit in the Debt Service Reserve Fund is equal to 50% of the maximum annual Bond Service Charges on all Water Quality Bonds outstanding.

The Required Reserve Fund Balance for any series of WPCLF Bonds will be established, pursuant to the Trust Agreement, in the applicable Series Allocation Certificate for such series of WPCLF Bonds; provided, however, that the Trust Agreement permits the Required Reserve Fund Balance to be zero. The Trust Agreement permits the Required Reserve Fund Balance to differ between the State Match Portion and the Leveraged Portion of the applicable series of WPCLF Bonds. If a Series Allocation Certificate establishes a Required Reserve Fund Balance greater than zero for the State Match Portion of a series of WPCLF Bonds, only the moneys in the Restricted Account of the Debt Service Reserve Fund are pledged for the payment of Bond Service Charges on the State Match Portion of such series of WPCLF Bonds. As a result, only moneys in the Restricted Account of the Debt Service Reserve Fund may be transferred to the State Match Portion Account of the Debt Service Account. No such limitation on the pledge of the moneys in the Debt Service Reserve Fund applies to the Leveraged Portion of a series of WPCLF Bonds. **The Required Reserve Fund Balance for the Series 2017B WPCLF Notes will be \$0.**

SIGNIFICANT GOVERNMENTAL AGENCY PARTICIPANTS

As of June 30, 2017, there were 336 Governmental Agencies with 1,080 Projects financed through loans made by the Authority (the “Existing WPCLF Loans”) pursuant to loan agreements with the Authority (the “Existing WPCLF Loan Agreements”). A total of \$6,586,731,547 in principal amount of Existing WPCLF Loans has been made, with a principal balance of \$4,793,664,348 outstanding. Also as of June 30, 2017, the Governmental

Agencies listed in the following table have Existing WPCLF Loans, the total principal amounts of which constitute approximately 73.27% of the total projected remaining repayments pursuant to the Existing WPCLF Loan Agreements.

Governmental Agency	Number of Projects	Estimated Project Costs Funded with WPCLF Loans	Projected Remaining Water Quality and WPCLF Series Repayments	Percent of Total Projected Remaining Repayments
Columbus	120	\$1,485,446,399	\$1,266,295,048	22.03%
Akron	34	564,251,166	711,403,828	12.38%
Northeast Ohio Regional Sewer District	49	858,985,417	695,983,720	12.11%
Toledo	49	570,416,881	548,063,175	9.53%
Hamilton County	41	390,406,326	398,008,277	6.92%
Euclid	11	187,543,700	208,076,320	3.62%
Canton	7	100,348,983	119,040,818	2.07%
Lorain	8	110,532,379	105,452,485	1.83%
Springfield	3	81,347,163	90,665,552	1.58%
North Olmsted	2	60,242,939	69,014,947	1.20%
	324	\$4,409,521,353	\$4,212,004,170	73.27%

The City of Columbus is located in central Ohio and is responsible for providing both water and sewer services. The 120 projects have funded improvements to wastewater treatment facilities and sanitary sewers. The City's sewer system provides service to approximately 241,000 customers.

The Northeast Ohio Regional Sewer District (the "District") is located in northeast Ohio and is responsible for providing sewer services. The 49 projects have funded improvements to wastewater treatment facilities and sanitary sewers. The District's sewer system provides service to approximately 328,000 customers.

The City of Akron is located in northeast Ohio and is responsible for providing both water and sewer services. The 34 projects have funded improvements to wastewater treatment facilities and sanitary sewers. The City's sewer system provides service to approximately 79,000 customers.

The City of Columbus has undertaken an obligation to provide, and does provide, certain annual financial and operating data to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system, and its most recent annual financial information and operating data, including its audited financial statements, are currently available from that repository. See "CONTINUING DISCLOSURE" herein regarding the incorporation by reference of financial information for the City of Columbus in the Authority's Annual Report (as defined in "CONTINUING DISCLOSURE" herein).

ADDITIONAL WPCLF BONDS

The Authority and Director may issue additional WPCLF Bonds from time to time for the purpose of providing continuing funding for the sole benefit of the Water Pollution Control Loan Fund or for the purpose of refunding previously issued and outstanding Water Quality Bonds or WPCLF Bonds or to takeout any short-term debt that may be incurred (See "THE WATER POLLUTION CONTROL LOAN FUND – Subordinate Short-Term Debt – WPCLF Notes"). No WPCLF Bonds shall be issued unless the following conditions exist at the time of the authentication of such WPCLF Bonds by the Authenticating Agent:

- (i) The Executive Director certifies that the Authority is not in default in the performance of any of its covenants or obligations contained in the Trust Agreement, or any Supplemental Agreement, or the WPCLF Bonds, or the Water Quality Bond Trust Agreement, the Water Quality Bonds and that the authentication and delivery of the WPCLF Bonds will not result in any such default;

(ii) The sum of the Projected Payments to be received during each calendar year shall aggregate an amount at least equal to 100% of the amount required to be paid into the Debt Service Fund during each such calendar year to pay the Bond Service Charges due in such year, less an amount equal to any capitalized interest to be applied against the Bond Service Charges in such year, on all Water Quality Bonds and WPCLF Bonds to be outstanding after the issuance of such WPCLF Bonds, and the Authority shall have furnished to the Trustee a certificate of the Executive Director or the Fiscal Officer of the Authority and the Director making and setting forth the calculations required by this paragraph;

(iii) The Executive Director certifies that if such series of WPCLF Bonds has a Required Reserve Fund Balance of greater than \$0: (a) after the issuance of such WPCLF Bonds and the deposit in the Debt Service Reserve Fund of any proceeds thereof or other moneys to be deposited therein pursuant to the applicable Supplemental Agreement, the Value of cash and investments in the Debt Service Reserve Fund will equal or exceed the Required Reserve Fund Balance, or (b) simultaneously with the issuance of such WPCLF Bonds, the Authority shall deliver or cause to be delivered to the Trustee a Qualified Reserve Credit Facility for the full amount of the Required Reserve Fund Balance attributable to such WPCLF Bonds or such portion thereof not funded with cash and investments and permitting the Trustee to draw thereon at any time that the Trust Agreement requires the Trustee to withdraw moneys from the Debt Service Reserve Fund, which Qualified Reserve Credit Facility shall not expire until either all such WPCLF Bonds shall cease to be outstanding or until cash and investments or another Qualified Reserve Credit Facility shall have been deposited in the Debt Service Reserve Fund with a Value that equals or exceeds the Required Reserve Fund Balance; and

(iv) The Director requests that the Authority issue such WPCLF Bonds on the terms set forth in or determined pursuant to the applicable Series Resolution, and the Executive Director certifies that other conditions precedent to the issuance of such series of WPCLF Bonds set forth in the applicable Series Resolution have been met.

The Series Resolution authorizing any such WPCLF Bonds will incorporate the covenants and requirements of the WPCLF General Resolution insofar as they are applicable to all WPCLF Bonds. The authentication of such WPCLF Bonds by the Trustee will be conclusive evidence that such requirements have been met for purposes of the validity and binding effects of those WPCLF Bonds.

For a discussion of the various types of additional WPCLF Bonds that may be issued and the computation of Bond Service Charges thereon, see “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT – Computation of Bond Service Charges with Respect to Additional WPCLF Bonds.”

INVESTMENTS

Moneys in the Special Funds and the Rebate Fund will be invested and reinvested by the Trustee in Eligible Investments at the direction of the Executive Director. See “APPENDIX D – CERTAIN DEFINITIONS” and “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT – Investment of Special Funds and Rebate Fund.” Moneys in the Water Pollution Control Loan Fund will be invested and reinvested in accordance with the provisions of the Water Pollution Control Loan Fund Trust Agreement except any Net Bond Proceeds which will be invested and reinvested by the Water Pollution Control Loan Fund Trustee in Eligible Investments at the direction of the Executive Director. Investments of moneys in the Debt Service Fund, if applicable, shall mature or be redeemable at the times and in the amounts necessary to provide moneys to make payments for which such Fund is established. Investments of moneys in the Debt Service Reserve Fund, if applicable, will mature or be redeemable by the holders thereof not later than five years from the date of investment, except that investments of the income realized on the investment of the Debt Service Reserve Fund, if applicable, will mature not later than the next day on which such income is required. Debt Service Reserve Fund investments, except investment of income realized, must be of a type which pay interest on an annual or semiannual basis. Investments of moneys in the Net Bond Proceeds Fund will mature or be redeemable at the times and in the amounts necessary to provide moneys to make payments of the costs of Projects to be paid from such fund.

Any uninvested moneys in all Special Funds and the Rebate Fund shall at all times be secured by the depository or custodian thereof by pledge of obligations of the United States of America to the extent and in the manner required by law for the security of deposits of public funds.

Moneys available in the Surplus Fund may be required to be invested to give effect to the cross-collateralization between the Water Pollution Control Loan Fund and the Drinking Water Assistance Fund in order to enhance the security for state match and leveraging bonds for the Drinking Water Assistance Fund. See “SECURITY AND SOURCE OF PAYMENT OF WATER POLLUTION CONTROL LOAN FUND BONDS” for a discussion of the cross-collateralization provisions.

SOURCES AND USES OF FUNDS

The proceeds of the Series 2017B WPCLF Notes will be applied by the Trustee, pursuant to the terms of the Trust Agreement, for the following estimated uses:

Sources of Funds⁽¹⁾

<u>Par Amount of Series 2017B WPCLF Notes</u>	<u>\$250,000,000.00</u>
Total	\$250,000,000.00

Uses of Funds⁽¹⁾

Deposit to WPCLF Bond Subfund	\$248,492,560.50
<u>Costs of Issuance⁽²⁾</u>	<u>1,507,439.50</u>
Total	\$250,000,000.00

⁽¹⁾ Totals rounded to the nearest dollar.

⁽²⁾ Including Underwriter's Discount, Bond Counsel fees, Trustee fees, Financial Advisor fees, rating agency fees, and other costs.

THE SERIES 2017B WPCLF NOTES

General Terms

The Series 2017B WPCLF Notes will be dated as of the date of their delivery. The Series 2017B WPCLF Notes will bear interest at the SIFMA-Based Interest Rate (defined below) payable semiannually on June 1 and December 1, commencing on December 1, 2017, and will mature on December 1, 2020 in the principal amount set forth on the inside cover page of this Official Statement. Interest on the Series 2017B WPCLF Notes will be calculated on an actual/actual basis.

The SIFMA—Based Interest Rate shall be a per annum rate equal to the sum of (a) the SIFMA Average Index Rate and (b) the Applicable SIFMA Spread. The “Applicable SIFMA Spread” is 0.22%.

“SIFMA Average Index Rate” means the per annum rate equal to the average SIFMA Rate in effect for each day during such Interest Accrual Period. The SIFMA Rate, released each Wednesday, will be effective on Thursday through and including the following Wednesday. “SIFMA Rate” means the SIFMA Municipal Swap Index (formerly The Bond Market Association Municipal Swap Index), a seven—day high—grade market index composed of selected tax—exempt variable—rate demand obligations meeting specific criteria.

The SIFMA Rate is calculated weekly and released each Wednesday afternoon. If at any time the SIFMA Rate is not available, there shall be used the S&P Municipal Bond 7 Day High Grade Index wherever the term “SIFMA Rate” is used, and if neither the SIFMA Rate nor the S&P Municipal Bond 7 Day High Grade Index is available there shall be used in its place such index as the Trustee, following consultation with the Authority, the Calculation Agent (if other than the Trustee), and Underwriter, as applicable, from time to time determines most

closely approximates the SIFMA Rate. The calculation of the SIFMA-Based Interest Rate by the Calculation Agent shall be conclusive absent manifest error.

Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA)

The Tax Increase Prevention and Reconciliation Act of 2005 (the “2006 Tax Act”) imposed new requirements and conditions for the interest on bonds issued by state and local governments for pooled financing programs to be and remain exempt from federal income taxation. Among those requirements are the following: (i) as of the date of issuance of an issue of bonds, the issuer must reasonably expect that within the 1-year period beginning on the date of issuance, at least 30% of the net proceeds of the issue would be used directly or indirectly to make or finance loans to ultimate borrowers; (ii) to the extent that less than 30% of the proceeds of the issue are actually used as described in clause (i) the issuer must use an amount of proceeds equal to the excess of 30% of the proceeds over the amount actually used to make loans by the close of such 1-year period to redeem outstanding bonds within 90 days after the end of such 1-year period; (iii) as of the date of issuance of an issue of bonds, the issuer must reasonably expect that within the 3-year period beginning on the date of issuance, at least 95% of the net proceeds of the issue would be used directly or indirectly to make or finance loans to ultimate borrowers; and (iv) to the extent that less than 95% of the proceeds of the issue are actually used as described in clause (iii) the issuer must use an amount of proceeds equal to the excess of 95% of the proceeds over the amount actually used to make loans by the close of such 3-year period to redeem outstanding bonds within 90 days after the end of such 3-year period.

As of the Closing Date, no less than 95% of the net proceeds of the Series 2017B WPCLF Notes will be used to reimburse the Authority for WPCLF Loans previously made by the Authority.

Optional Redemption

The Series 2017B WPCLF Notes are subject to redemption prior to their stated maturity at the option of the Authority on or after September 1, 2018 in whole or in part (in whole multiples of \$5,000) on any business day, upon sufficient notice to the Trustee, and upon giving notice to Owners no less than thirty (30) days prior to such redemption date, at a redemption price equal to 100% of the principal amount to be redeemed plus interest accrued to the redemption date.

Notice of Redemption

Unless waived by any Holder of Series 2017B WPCLF Notes to be redeemed, official notice of any redemption will be given by the Registrar on behalf of the Authority by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Holder of the Series 2017B WPCLF Notes or Series 2017B WPCLF Notes to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such Holder to the Registrar.

All official notices of redemption will be dated and will state:

- (1) the redemption date,
- (2) the redemption price,
- (3) if less than all outstanding Series 2017B WPCLF Notes are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2017B WPCLF Notes to be redeemed,
- (4) that on the redemption date the redemption price will become due and payable upon each such Series 2017B WPCLF Notes or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and
- (5) the place where such Series 2017B WPCLF Notes are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Registrar.

Prior to any redemption date, the Authority will deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Series 2017B WPCLF Notes or portions of Series 2017B WPCLF Notes which are to be redeemed on that date.

Official notice of redemption having been given as described above, the Series 2017B WPCLF Notes or portions of the Series 2017B WPCLF Notes so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Authority shall default in the payment of the redemption price) such Series 2017B WPCLF Notes or portions of Series 2017B WPCLF Notes thereof will cease to bear interest. Upon surrender of such Series 2017B WPCLF Notes for redemption in accordance with the notice, such Series 2017B WPCLF Notes will be paid by the Registrar at the redemption price. Installments of interest due on or prior to the redemption date will be payable as provided for in the Trust Agreement for payment of interest. Upon surrender for any partial redemption of any Series 2017B WPCLF Notes, there will be prepared for the Holder a new Series 2017B WPCLF Note. Series 2017B WPCLF Notes which have been redeemed will be canceled and destroyed by the Registrar and shall not be reissued.

In the case of an optional redemption, the notice may state (i) that it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Registrar no later than the redemption date, or (ii) that the Authority retains the right to rescind such notice at any time prior to the scheduled redemption date if the Authority delivers a certificate to the Registrar instructing the Registrar to rescind the redemption notice, and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described herein. The Registrar will give prompt notice of such rescission to the affected Holders.

Upon the payment of the redemption price of the Series 2017B WPCLF Notes being redeemed, each check or other transfer of funds issued for such purpose will bear the CUSIP number identifying, by issue and maturity, the Series 2017B WPCLF Notes being redeemed with the proceeds of such check or other transfer.

If less than all outstanding Series 2017B WPCLF Notes are called for redemption at one time, the selection of Series 2017B WPCLF Notes of a single maturity and of the portions thereof in amounts of \$5,000 or any integral multiple thereof, will be made by lot by the Trustee in any manner which the Trustee may determine.

In the case of a partial redemption of Series 2017B WPCLF Notes by lot when Series 2017B WPCLF Notes of denominations greater than \$5,000 are then outstanding, each \$5,000 unit of face value of principal thereof will be treated as though it were a separate Series 2017B WPCLF Note of the denomination of \$5,000. If it is determined that one or more, but not all of the \$5,000 units of face value represented by a Series 2017B WPCLF Note are to be called for redemption, then upon notice of redemption of a \$5,000 unit or units, the Holder of that Series 2017B WPCLF Note will surrender the Series 2017B WPCLF Note to the Trustee or other Paying Agent (a) for payment of the redemption price of the \$5,000 unit or units of face value called for redemption (including without limitation, the interest accrued to the date fixed for redemption and any premium), and (b) for issuance, without charge to the Holder thereof, of a Series 2017B WPCLF Note or Series 2017B WPCLF Notes of the same series, of any authorized denomination or denominations in an aggregate principal amount equal to the unmatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date as, the Series 2017B WPCLF Note surrendered.

So long as the Series 2017B WPCLF Notes are in book entry form, any notice of redemption will be sent by registered mail, certified mail or overnight delivery service, in each case with return receipt requested. Any failure of DTC to notify any participant of DTC, or of any such participant to notify the book entry interest owner (under the Book Entry Only System) of any such notice, will not affect the validity of the respective redemption of the Series 2017B WPCLF Notes. If less than all the Series 2017B WPCLF Notes are to be redeemed, the selection of the Series 2017B WPCLF Notes or portions thereof in amounts of \$5,000 or in an integral multiple thereof, will, so long as the Series 2017B WPCLF Notes remain in book entry form be made by DTC (or any successor securities depository) and the participants of DTC through a lottery process, and otherwise will be made at random by the Trustee in such manner as the Trustee in its discretion may determine.

Registration, Payment and Transfer – Book-Entry Method

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2017B WPCLF Notes. The Series 2017B WPCLF Notes will be issued as securities registered in the name of Cede & Co. (DTC’s partnership nominee). Individual purchases of interests in the Series 2017B WPCLF Notes will be made in book-entry form only, in the principal amount of \$5,000 or multiple thereof. One fully registered Series 2017B WPCLF Note certificate for each interest rate for each maturity of the Series 2017B WPCLF Notes will be deposited with DTC. Owners of book-entry interests in the Series 2017B WPCLF Notes will not receive or have the right to receive physical delivery of the Series 2017B WPCLF Notes and will not be or be considered to be, and will not have any rights as, registered owners of the Series 2017B WPCLF Notes under the Trust Agreement. See “APPENDIX G – BOOK-ENTRY ONLY SYSTEM.”

THE AUTHORITY

General

In 1968, the Ohio General Assembly enacted Chapter 6121, Ohio Revised Code, creating the Authority. The Authority is a body both corporate and politic, constituting an agency and instrumentality of the State and performing essential governmental functions and public purposes of the State. The Authority consists of eight members. Five members of the Authority, no more than three of which shall be members of the same political party, are appointed by the Governor for eight-year, staggered terms, with the advice and consent of the State Senate. In addition, the Director of Natural Resources, the Director of Environmental Protection and the Director of the Development Services Agency of the State are members *ex-officio* of the Authority entitled to vote and participate in Authority activities on an equal basis with the other Authority members. The Chairman and Vice Chairman of the Authority are elected from among the appointed members. The current members, officers, and staff of the Authority are identified on the page opposite the inside front cover of this Official Statement. See “THE AUTHORITY - Executive Staff of the Authority.” The Authority’s office is in Columbus, Ohio.

Powers of the Authority

The Authority has broad statutory authority to carry out its governmental functions, including the power to acquire public or private lands by the exercise of the right of condemnation; to make and enter into all contracts and agreements and execute all instruments necessary or incidental to the carrying out of its powers; to issue revenue bonds and notes of the State; to charge, alter, and collect rentals and other charges for the use of services of any water development project; and to do all acts necessary or proper to carry out the powers expressly granted in Chapters 6121 and 6123 of the Ohio Revised Code. The Authority and the Governmental Agencies are authorized to cooperate in the acquisition, construction and financing of projects, and to enter into agreements which may be necessary to effectuate such cooperation.

Executive Staff of the Authority

Steven J. Grossman, Executive Director. Mr. Grossman has served as Executive Director for the Authority since December 1, 1988. From 1983 to December 1, 1988, Mr. Grossman served as Assistant Director of the Ohio Environmental Protection Agency (“OEPA”) and from June 1987 to November 1988, he was an *ex officio* member of the Authority, designated by the Director of the OEPA. Prior to 1983, he was a program manager for the federal government and previous to that a management analyst. He earned a Bachelor of Arts degree in Economics from Lehigh University and a Master of Science degree in Management from the Sloan School of Management at the Massachusetts Institute of Technology. Mr. Grossman has announced his intention to retire in December 2017.

Scott L. Campbell, Chief Financial Officer/Assistant Executive Director. Mr. Campbell became Chief Financial Officer/Assistant Executive Director in 2015. Previously, he served as Chief Operating Officer commencing in January 2005. In addition, he had served as the Controller to the Authority since March 1999. Mr. Campbell has been employed by the Authority since 1987. Prior to 1987, he was employed with a national public accounting firm. He received his license as a certified public accountant in 1993. He earned a Bachelor of Arts degree in Accounting from Mount Vernon Nazarene University.

Ken J. Heigel, Chief Program Officer. Mr. Heigel assumed his current position in 2015. Previously, he served as the Authority's Chief Engineer commencing in March 2003. Prior to that, Mr. Heigel worked for 13 years in private consulting specializing in water distribution, water treatment, wastewater collection, and wastewater treatment. From 1987 to 1990 he worked for a general contractor. Mr. Heigel has a Bachelor's degree in Civil Engineering and a Master's degree in Business Administration from the University of Dayton. He is a licensed professional engineer in the State of Ohio.

PROGRAMS OF THE AUTHORITY

The following information describes the current programs of the Authority. None of such programs, and none of the other Revenue Bonds and Notes described below, are related in any way to the issuance of the WPCLF Bonds or the security therefor except as described under "SECURITY FOR AND SOURCES OF PAYMENT OF THE WPCLF BONDS" above.

Other Bond-Funded Programs of the Authority

Fresh Water and Related Programs. In 1968, the electors of the State adopted a new section of the Ohio Constitution, Article VIII, Section 2i, which authorized the issuance of general obligation bonds and notes and revenue bonds, notes or other obligations of the State for the purpose, among others, of abating water pollution. Following the issuance of general obligation bonds by the State pursuant to this new constitutional authority, the Ohio General Assembly appropriated to the Authority \$100,000,000 of the proceeds thereof. Pursuant to the provisions of Section 2i of Article VIII of the Ohio Constitution and in accordance with the provisions of Chapter 6121, as amended from time to time, the Authority has issued bonds and notes for the purpose of making loans to Governmental Agencies to pay certain costs of projects which abate water pollution.

Since its creation in 1968, the Authority has created and operated programs that have provided funding to Governmental Agencies for the cost of planning, designing, acquiring or constructing wastewater treatment facilities, interceptor sewer facilities, sewage collection facilities and water supply and distribution facilities. The Authority has issued bonds and notes in series under several different (but substantially similar) programs to provide a continuing financing source for Governmental Agencies to fund the costs of such projects. In order of their creation and with their years of creation indicated parenthetically, these programs were the Pollution Abatement Program (1969), the Clean Water Program (1975), the Safe Water Program (1980) and the Pure Water Program (1985). The current Fresh Water Program was established in 1992.

For the purpose of providing additional funds for the Fresh Water Program, the Authority has from time to time issued bonds and commercial paper notes. The Authority intends to issue additional bonds from time to time for the purpose of providing additional funds for the Fresh Water Program or for the purpose of refunding obligations previously issued for such purpose.

Community Assistance Program. The Authority created the Community Assistance Program in 1983 to provide a financing alternative for Governmental Agencies undertaking wastewater and water supply projects for which financing at a market rate of interest would cause undue hardship to the users of the Governmental Agency's utility system. Upon determination that a Governmental Agency falls within that category, the Governmental Agency may enter into a cooperative agreement with the Authority providing for a loan that is repayable over 20 to 30 years, as determined by the Authority at a contract interest rate of 2% per annum or less if the Governmental Agency qualifies for certain discounts. This is a self-contained program with loan repayments being credited to the Community Assistance Program. The repayment of existing Community Assistance Program loans provides the source of repayment for these bonds and is pledged to secure such bonds. As of 2013, the Authority has not awarded any loans under the Community Assistance Program and has instead awarded loans for such purposes under the Fresh Water Program.

Other Revenue Bonds and Notes. To assist private industry located in the State in creating or preserving jobs and employment opportunities and in controlling air, water and thermal pollution and solid waste, and in making a safe water supply available to the public, the Authority has issued and may continue to issue revenue bonds and notes, the proceeds of which are used to finance costs of pollution control, solid waste disposal, water

supply and energy resource development facilities. Payment of the principal of and interest and any premium on such revenue bonds and notes is made by the user of the facilities pursuant to a lease, loan agreement, conditional or installment sale agreement or other financing document. The Authority has no obligation to pay the debt service on such revenue bonds from any other revenues.

Non-Bond-Funded Programs of the Authority

The Authority has established the following programs and funded them with available revenues other than the proceeds of bonds or other debt obligations. The payments of the principal of and interest on the loans that the Authority makes under these programs are not pledged to the payment of any outstanding bonds of the Authority. The Authority has the discretion to use available revenues to provide additional funding for these programs and to transfer any unencumbered balance currently committed to any of these programs to other programs or to apply them to any other lawful purpose, including, without limitation, the payment of bond service charges on any outstanding bonds or other debt obligations of the Authority or the funding of reserve funds for such bond service charges.

Solid Waste Program. In 1991, the Authority adopted the Solid Waste Financing Program to provide financing for Governmental Agencies to implement their solid waste management plans. The Authority funded the program with initial seed money of \$15,000,000. Additional moneys have been deposited from time to time. Solid waste projects which may be eligible for financing include materials recovery and composting facilities, transfer stations, landfills and incinerators.

Local Economic Development Loan Program. In June 1995, the Authority established its Local Economic Development Loan Program for the purpose of making loans to Governmental Agencies for water and wastewater improvement projects that are recommended and requested by the Ohio Department of Development based upon expected economic development benefits. The aggregate amount of any loans that may be made under the Program to any Governmental Agency for any project and the term of Program loans is based upon a request to do so from the Ohio Department of Development. The rate of interest on Program loans is also to be based upon the recommendation of the Ohio Department of Development.

Brownfield Program. In 1994, the Ohio General Assembly enacted legislation that establishes the State's Voluntary Action Program to encourage and facilitate the remediation of property contaminated by hazardous substances or petroleum. Among other things, the legislation confers on the Authority the power to make loans to finance "voluntary actions": i.e., measures that may be taken to identify and address potential sources of such property contamination. The Authority has established a Brownfield Fund for that purpose.

Research and Development Grant Program. Pursuant to its power to engage in research and development with respect to wastewater, water management facilities, solid waste facilities, and energy resource development facilities, the Authority has established a grant program for qualifying research and development programs. The eligible participants are Governmental Agencies which perform research or development. Projects for which grants are awarded must be of such a nature that the benefits to be derived fulfill a general need in Ohio within the scope of the powers of the Authority. Grants are subject to available funds and recommendation by the director of a department of state government which is responsible for oversight. Priority is given to projects that have statewide environmental and/or natural resource application and grantees must submit a final report.

Village Capital Improvement Fund Program. In 1996, the Authority instituted the Village Capital Improvement Fund ("VCIF") Program to provide loans of up to \$25,000 for planning and \$50,000 for design of water supply and wastewater treatment projects. The VCIF is administered by the Authority jointly with the OEPA and is available only to villages, which are municipal corporations having a population of 5,000 or less. To qualify for a loan from the VCIF, an applicant must meet certain eligibility and priority criteria established for the Program. Repayment is made over up to ten years in equal annual payments.

Emergency Relief. In response to serious flood damage that occurred in the spring of 1997, the Authority created the Emergency Relief Fund and funded it with \$5,000,000 from surplus funds. Governmental Agencies can

receive relief for two semiannual loan repayments if they are in a federal- or state-declared disaster area and have incurred loss or damage to their wastewater or water treatment facilities, equipment, or water and sewer lines.

Dam Safety Linked Deposit Program. To provide a source of advantageous financing for repairs and improvements to privately owned dams in the State, the Authority created its Dam Safety Linked Deposit Program in January 1999. Under the program, the Authority agrees to invest money in certificates of deposit from participating banks and to accept a rate of interest on its investment that is three points less than would otherwise be available for that investment, but in no event less than 3%. The participating bank in turn agrees to lend the invested money to a dam owner to finance dam improvements or repairs. To be eligible for a Program loan, the dam owner must demonstrate that the dam improvement or repair that the owner proposes to make has been ordered and approved by the Ohio Department of Natural Resources. The Authority requires that the certificates of deposit that it purchases under the Program must be federally insured or, to the extent not insured, collateralized by eligible collateral securities. The obligation of the participating banks to pay the principal of and interest on the certificates of deposit is in no way contingent on the payment by the dam owner of the owner's loan to the bank, for which the Authority assumes no responsibility.

County Coastal Erosion Loan Program. In 1999, the Ohio General Assembly enacted legislation to create a coastal erosion control loan program. Under Ohio Revised Code Section 1507.071, enacted by that legislation, counties may provide financial assistance to property owners for the construction of erosion control structures in areas defined by statute as coastal erosion areas and may obtain loans from the Authority to provide such assistance and has deposited \$10,000,000 in the Fund for that purpose. Eight counties with Lake Erie shorelines contain coastal erosion areas and are eligible to receive loans under the Program.

Alternative Stormwater Infrastructure Loan Program. In 2010 the Authority established its Alternative Stormwater Infrastructure Loan Program for the purpose of providing financing for alternative stormwater infrastructure that lessens the impact of stormwater events on sewer systems through direct loans which are recommended and requested by the Ohio Department of Development based upon expected economic development and environmental benefits. The aggregate amount of any loans that may be made under the program to any Governmental Agency for any project and the term of program loans is based upon a request to do so from the Ohio Department of Development. The rate of interest on program loans is also to be based upon the recommendation of the Ohio Department of Development.

Un-Sewered Area Planning Loan Program. In 2009 the Authority established its Un-Sewered Area Planning Loan Program for the purpose of providing funding for planning and design of a publicly owned sewer system for un-sewered areas that have failing on-lot sanitary systems. Funding will be approved based upon the availability of funds using the following priority system: communities that have received Findings & Orders from Ohio EPA, communities that have been referred to Ohio EPA Division of Surface Water, and communities that have a documented health risk.

Un-Sewered Area Assistance Program. In 2013 the Authority established its Un-Sewered Area Assistance Program for the purpose of providing grants for construction of a publicly owned sewer system for un-sewered areas that have failing on-lot sanitary systems. Grants will be approved based upon the availability of funds using the following priority system: communities that have received Findings & Orders from Ohio EPA, communities that have been referred to Ohio EPA Division of Surface Water, and communities that have a documented health risk.

THE OHIO ENVIRONMENTAL PROTECTION AGENCY

The OEPA is one of the 20 administrative departments of the State and was established under Chapter 3745.01 of the Ohio Revised Code on October 23, 1972.

The OEPA is composed of seven program divisions, five district offices, and an executive staff made up of four deputy directors, two assistant directors and a director. The OEPA is responsible for the administration of regulations pertaining to the prevention, control and abatement of air and water pollution, public water supply, comprehensive water resource management planning, and the disposal and treatment of solid wastes, hazardous waste, sewage, industrial waste, and other wastes. Under Ohio Revised Code Section 6111.036, the Director is

authorized to administer the Water Pollution Control Loan Fund and to enter into agreements with the Authority for assistance with the administration and funding of the Water Pollution Control Loan Fund.

OEPA Management Staff Responsible for the Water Pollution Control Loan Fund Program

Craig W. Butler, Director. Governor John R. Kasich appointed Mr. Butler Director of OEPA on February 21, 2014, after Mr. Butler briefly served as the interim Director. Mr. Butler previously served as chief of Ohio EPA's Central District Office and Southeast District Office. He is a board member of the Dangerous Wild Animal Board and is a past member of the Board of Directors for the Ohio Alliance for the Environment. Mr. Butler graduated from Mansfield University (Pennsylvania) with honors with a B.A. in Geography and Environmental Science. Mr. Butler also obtained an M.S. in Environmental Science from Ohio University.

Laurie Stevenson, Deputy Director, Business Relations, Chief, Division of Environmental and Financial Assistance. As deputy director for business relations, Laurie Stevenson acts as a primary contact for regulated entities to help coordinate permitting activities within the Agency, particularly for complex projects requiring multiple permits. She also serves as chief of the Division of Environmental and Financial Assistance (DEFA). DEFA administers the state revolving loan programs, the recycling and litter prevention grant program and additional programs to help regulated entities achieve compliance with environmental regulations and reduce waste. Previously, Stevenson managed Ohio EPA's Small Business Assistance Office for six years. She also held positions in Ohio EPA's Division of Hazardous Waste Management, starting in the Southeast District Office as a hazardous waste field inspector. Stevenson earned a bachelor's degree in environmental health from Bowling Green State University and a master's degree in public health from The Ohio State University. Stevenson has worked at Ohio EPA for 26 years.

Jerry Rouch, Assistant Chief, Office of Financial Assistance. Jerry Rouch is an Assistant Chief in the Division of Environmental & Financial Assistance at Ohio EPA. Mr. Rouch's primary responsibility within Ohio EPA-DEFA is to guide and direct the two state revolving funds. Mr. Rouch has worked at Ohio EPA for over 30 years, administering the Water Pollution Control Loan Fund (WPCLF) and the Drinking Water Assistance Fund (DWAF). His areas of expertise include state revolving loan program management, strategic and annual planning, Clean Water Act policy, and NEPA environmental reviews. Mr. Rouch's educational background includes a bachelor's degree in Earth Science from Gannon University, a master's degrees in Natural Resources and a master's degree in Political Science from Ball State University.

Organization of the Division of Environmental and Financial Assistance

The Environmental Engineering Unit works with Water Pollution Control Loan Fund communities through the preplanning and facilities planning stages to ensure that their projects will provide reliable long-term water pollution solutions. This Unit reviews the projects' detailed designs to assure compliance with agreed-upon engineering practices and the Ten States Recommended Standards for Wastewater Facilities. The Unit monitors the projects' construction to help ensure that communities are adhering to sound construction techniques. It also works with communities during the one-year operation certification period to determine that their new facilities are operating as intended.

The Environmental Planning Unit ensures that Water Pollution Control Loan Fund projects are environmentally sound and that the costs of the projects have been adequately disclosed to the system's users through appropriate public participation mechanisms. The Unit helps Water Pollution Control Loan Fund communities plan their projects to provide cost-effective solutions to their pollution control problems. It also monitors applicants' public participation activities during facilities plan development, and reviews project costs to determine whether significant adverse impacts from increased user fees may occur. Prior to the OEPA's decision to approve a project, the Unit prepares an environmental assessment document which outlines the project's anticipated environmental and financial impacts, and circulates the document for comment to affected residents. The Unit also performs similar functions for the Drinking Water Assistance Fund revolving loan program described further below.

The Project Coordination Unit is responsible for assisting communities with the completion of their WPCLF Loan Agreements including the development of their sewer use ordinances and their user charge systems.

This helps ensure that communities will collect sufficient revenues to adequately repay their WPCLF Loan, and to properly operate and maintain their facilities. This Unit also tracks loan amounts, projects disbursements and oversees loan closeout activities.

Outline of the Water Pollution Control Loan Fund Project Process

Governmental Agencies applying for a WPCLF Loan follow a four-step process of planning, design, construction, and operation certification to complete their Projects. The goal of this process is to ensure that as a Water Pollution Control Loan Fund borrower, the Governmental Agency constructs a wastewater treatment system which provides an environmentally sound long-term solution to its water pollution control needs, is affordable for the community, and has the ability to generate sufficient revenues to repay its loan and to provide for ongoing operation, maintenance, and replacement expenses. The three Units within DEFA work directly with the Governmental Agencies throughout this process by providing technical and outreach assistance to facilitate the accomplishment of that goal.

Planning

The first step is preparation of a facilities plan by the Governmental Agency and its engineering consultant. The facilities plan defines existing needs, community structure, and environmental conditions. Future needs for a period of 20 years are then projected. Based upon existing and projected future needs, alternative engineering solutions to meet these needs are developed and analyzed by considering both the monetary and non-monetary factors associated with each alternative. Based on this analysis, an alternative is selected which provides the optimum combination of monetary and non-monetary factors. This alternative is then described as to how and when it will be implemented as a Water Pollution Control Loan Fund project and how it will be financed. The costs to the average user are analyzed in the facilities plan and are used as a basis, along with a community profile, of assessing whether the project is likely to cause an adverse economic impact to its users. There is also a public participation component of facilities planning, during which the public is informed about the development of the project, is given estimated costs for constructing and operating the project as well as costs to the average user, and is given an opportunity to make their views about the project known. This plan is reviewed and approved by the Environmental Planning and Engineering Units.

At the end of facilities planning, the Environmental Planning Unit prepares an environmental assessment of the project, which is a document that summarizes the decision-making process that was used during facilities planning, describes the selected alternative in detail and how it will be implemented, what the expected environmental impacts will be from the project, and what costs to the average user are expected to be. This document is distributed to interested citizens in the community, who are given a one-month period to review the document and to make their comments on the project known to OEPA.

Design

The Governmental Agency's next step is submission of detailed plans and specifications for the project. These documents are reviewed by the Environmental Planning and Environmental Engineering Units to ensure that the project is designed as proposed by the facilities plan, that the design meets sound engineering standards, and that proper environmental impact mitigation is included in the project. When the plans and specifications are deemed acceptable, the Environmental Engineering Unit issues a plan approval, causing an OEPA permit-to-install to be given to the Governmental Agency.

WPCLF Loan Agreement and Construction

The third step is the execution of a WPCLF Loan Agreement among the Governmental Agency, the Director, and the Authority, followed by the construction of the project. The Project Coordination Unit helps the community finalize the WPCLF Loan Application after the community has bid the project and bid costs have been received, and the Governmental Agency signs the Agreement. In this final step, the Project Coordination Unit approves the community's user charge system and sewer use ordinance and confirms that the project meets all other applicable state and federal program requirements. Once the project application is approved, the Director signifies

that approval by signing the WPCLF Loan Agreement. Because the Governmental Agency's payments of the interest on and principal of WPCLF Loans are pledged to secure the payment of Water Quality Bonds and WPCLF Bonds, respectively, the Director then submits the WPCLF Loan Agreement to the Authority for review and approval with respect to any matters pertaining to the security for and the marketability of such Bonds. Upon that approval, the Authority's Executive Director signs the WPCLF Loan Agreement. The Governmental Agency, having signed the WPCLF Loan Agreement, then enters into construction contracts and proceeds to build its project. During construction, the Environmental Engineering Unit periodically inspects the construction to see that the project is being built as designed and constructed in a sound manner.

Operation Certification

Following construction, there is a one-year operation certification period, which is used to demonstrate that the wastewater collection and treatment facilities function as designed. This certification period is monitored by the Environmental Engineering Unit. If a certification cannot be made at the end of the one-year period, then the Governmental Agency must implement a corrective action plan. When the one-year period is ended and the facilities are operating as designed, the Environmental Engineering Unit approves the operation certification and the project is considered complete.

The Other Revolving Loan Program of the OEPA

The following information describes the Drinking Water State Revolving Fund ("DWSRF") program of the Authority.

Drinking Water Assistance Fund

In the Safe Drinking Water Act Amendments of 1996 (the "Amendments"), the United States Congress authorized the Administrator of the USEPA to create a DWSRF program to assist public water systems to finance the costs of infrastructure needed to achieve or maintain compliance with the Safe Drinking Water Act requirements and to protect public health. The Administrator awards capitalization grants to the states, which in turn use the grants and their 20% state matching funds to provide low-cost loans and other types of assistance to eligible drinking water systems. The Amendments also permit a state to transfer up to a third of the amount of its DWSRF capitalization grant to its clean water or waste water state revolving fund (the "Water Pollution Control Loan Fund"), or vice versa. The Director has no current intention to utilize those transfer provisions.

Under legislation effective November 26, 1997, the General Assembly created an Ohio DWSRF, designated the "Drinking Water Assistance Fund" ("DWAF"). Like the Water Pollution Control Loan Fund, the DWAF is administered by the Director of OEPA with assistance from the Authority. The project approval process of the DWAF revolving loan fund is also similar to that of the Water Pollution Control Loan Fund. In addition to DEFA and the Authority, it includes the participation of the OEPA's Division of Drinking and Ground Waters.

In September 1998, the USEPA approved the State's application for its initial capitalization grant for the DWAF in the amount of \$43,073,000. Pursuant to the DWAF Inter-Agency Agreement between the Authority and the Director, the Authority provided \$8,614,000 to the DWAF to fund the State's 20% match for the first capitalization grant, and to provide an immediately available source of funds for loans from the DWAF. In anticipation of the approval of that application and in order to proceed with awarding loans from the DWSRF, the DWAF made its first loan in August 1998. As of June 30, 2017, 473 loans outstanding in the aggregate principal amount of approximately \$767,319,526 have been made from the DWAF. Since 1998, 19 additional capitalization grants have been received, totaling \$497,363,400. The state match for those additional grants was derived from additional funds provided by the Authority and proceeds of the Authority's bonds and notes. Pursuant to the DWAF Inter-Agency Agreement in effect at the time, the Authority provided \$4,561,240 to the DWAF to fund the state match for the second capitalization grant.

Drinking Water Assistance Fund Bonds

The aggregate debt service on all outstanding Drinking Water Assistance Fund Bonds is shown in the below table (as of June 30, 2017):

Year Ending December 31	Debt Service on Outstanding DWAF Leverage Series Bonds	Debt Service on Outstanding DWAF Revenue Series Bonds	Total Debt Service on Outstanding DWAF Leverage and Revenue Series Bonds
2017	\$ 16,245,795	\$ 3,180,000	\$ 19,425,795
2018	32,145,715	6,360,000	38,505,715
2019	31,452,265	6,360,000	37,812,265
2020	32,261,784	6,860,000	39,121,784
2021	26,603,084	10,317,500	36,920,584
2022	17,361,485	14,070,000	31,431,485
2023	8,302,264	18,607,500	26,909,764
2024	7,397,720	17,957,500	25,355,220
2025	6,597,222	17,320,000	23,917,222
2026	6,504,517	15,682,500	22,187,017
2027	6,404,235	13,120,000	19,524,235
2028	6,297,612	10,145,000	16,442,612
2029	6,179,506	8,295,000	14,474,506
2030	4,421,997	8,010,000	12,431,997
2031	-	8,760,000	8,760,000
2032	-	8,480,000	8,480,000
2033	-	8,200,000	8,200,000
2034	-	6,930,000	6,930,000
2035	-	6,175,000	6,175,000
2036	-	5,412,500	5,412,500
2037	-	4,662,500	4,662,500
	<u>\$208,175,201</u>	<u>\$204,905,000</u>	<u>\$413,080,201</u>

The Director and the Authority have implemented a process of cross-collateralization between the Water Pollution Control Loan Fund and Drinking Water Assistance Fund to enhance security for the state match and leveraging bonds issued for the Drinking Water Assistance Fund and for the WPCLF Bonds and the Water Quality Bonds. See “SECURITY AND SOURCE OF PAYMENT OF WATER POLLUTION CONTROL LOAN FUND BONDS.”

ELIGIBILITY UNDER OHIO LAW FOR INVESTMENT AND AS SECURITY FOR THE DEPOSIT OF PUBLIC MONEY

To the extent that the subject matter is governed by Ohio law, and subject to any applicable limitations under other provisions of Ohio law, the Series 2017B WPCLF Notes under the provisions of Section 6121.15, Ohio Revised Code, are “lawful investments of banks, societies for savings, building and loan and savings and loan associations, deposit guarantee associations, trust companies, trustees, fiduciaries, insurance companies, including domestic for life and domestic not for life, trustees or other officers having charge of sinking and bond retirement or other special funds of political subdivisions and taxing districts of this state, the commissioners of the sinking fund of the state, the administrator of workers’ compensation, the state teachers retirement system, the public employees retirement system, the school employees retirement system, and the police and firemen’s disability and pension fund, and are acceptable as security of the deposit of public moneys.”

LITIGATION

At the time of original delivery of the Series 2017B WPCLF Notes, the Authority and the Director will provide a certificate stating that, to the knowledge of the signers thereof, there is no litigation or administrative action or proceeding pending or threatened (i) restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Series 2017B WPCLF Notes, (ii) affecting the Trust Agreement, or (iii) materially affecting the payment to or by the Authority of the Revenues, funds or moneys pledged for the payment of the Series 2017B WPCLF Notes.

The Authority and the Director are parties to various legal proceedings generally related to its operations, but the proceedings currently pending will not, in the opinions of respective counsel to the Authority and the Director, have a material adverse effect on the security of the Series 2017B WPCLF Notes, including charging and collecting of the Revenues.

TAX MATTERS

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law: (i) interest on the Series 2017B WPCLF Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; and (ii) interest on, and any profit made on the sale, exchange or other disposition of, the Series 2017B WPCLF Notes are exempt from all Ohio state and local taxation, except the estate tax, the domestic insurance company tax, the dealers in intangibles tax, the tax levied on the basis of the total equity capital of financial institutions, and the net worth base of the corporate franchise tax. Bond Counsel expresses no opinion as to any other tax consequences regarding the Series 2017B WPCLF Notes.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Authority contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2017B WPCLF Notes are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the Authority’s certifications and representations or the continuing compliance with the Authority’s covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel’s legal judgment as to exclusion of interest on the Series 2017B WPCLF Notes from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (“IRS”) or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the Authority may cause loss of such status and result in the interest on the Series 2017B WPCLF Notes being included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2017B WPCLF Notes. The Authority has covenanted to take the actions required of it for the interest on the Series 2017B WPCLF Notes to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Series 2017B WPCLF Notes, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel’s attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2017B WPCLF Notes or the market value of the Series 2017B WPCLF Notes.

Interest on the Series 2017B WPCLF Notes is included in the calculation of a corporation’s adjusted current earnings for purposes of, and thus may be subject to, the federal corporate alternative minimum tax. In addition, interest on the Series 2017B WPCLF Notes may be subject to a federal branch profits tax imposed on

certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Series 2017B WPCLF Notes. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Series 2017B WPCLF Notes, are generally subject to IRS Form 1099-INT information reporting requirements. If a Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel's engagement with respect to the Series 2017B WPCLF Notes ends with the issuance of the Series 2017B WPCLF Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority or the owners of the Series 2017B WPCLF Notes regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Series 2017B WPCLF Notes, under current IRS procedures, the IRS will treat the Authority as the taxpayer and the beneficial owners of the Series 2017B WPCLF Notes will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Series 2017B WPCLF Notes for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Series 2017B WPCLF Notes.

Prospective purchasers of the Series 2017B WPCLF Notes upon their original issuance at prices other than the respective prices indicated on the inside cover of this Official Statement, and prospective purchasers of the Series 2017B WPCLF Notes at other than their original issuance, should consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Series 2017B WPCLF Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2017B WPCLF Notes will not have an adverse effect on the tax status of interest or other income on the Series 2017B WPCLF Notes or the market value or marketability of the Series 2017B WPCLF Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Series 2017B WPCLF Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, recent proposals would eliminate, reduce or otherwise alter the tax benefits currently provided to certain owners of state and local government bonds, including proposals that would result in additional federal income tax on taxpayers that own tax-exempt obligations if their incomes exceed certain thresholds. Investors in the Series 2017B WPCLF Notes should be aware that any such future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Series 2017B WPCLF Notes for federal income tax purposes for all or certain taxpayers. In such event, the market value of the Series 2017B WPCLF Notes may be adversely affected and the ability of holders to sell their Bonds in the secondary market may be reduced. The Series 2017B WPCLF Notes are not subject to special mandatory redemption, and the interest rates on the Series 2017B WPCLF Notes are not subject to adjustment in the event of any such change in the tax treatment of interest on the Series 2017B WPCLF Notes.

Investors should consult their own financial and tax advisers to analyze the importance of these risks.

CONTINUING DISCLOSURE

The Authority has entered into a Continuing Disclosure Agreement with the Trustee dated as of the date of delivery of the Series 2017B WPCLF Notes to the Underwriter (the “Continuing Disclosure Agreement”) for the benefit of Holders of the Series 2017B WPCLF Notes to provide certain financial and operating information (the “Annual Report”) not later than the June 30th following the end of the preceding calendar year, commencing June 30, 2018, and to provide notices of certain enumerated events, if material. Specifically, the Authority agrees to provide the Annual Report to the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access (“EMMA”) system and to provide notice of the occurrence of the enumerated events to the MSRB through the EMMA system. The Authority has not been delinquent in meeting its obligations previously undertaken in connection with the execution of prior continuing disclosure agreements.

The Annual Report will consist generally of the audited financial statements of the Authority, current information regarding the Water Pollution Control Loan Fund Program and the Governmental Agencies of the type contained in APPENDIX B hereto and information of the type contained herein under the caption “SIGNIFICANT GOVERNMENTAL AGENCY PARTICIPANTS.” Furthermore, the Authority has agreed to include or incorporate by reference in its Annual Report the financial statements of each Governmental Agency (if any) which is a party to a WPCLF Loan Agreement or Agreements under which the sum of the repayments made during the most recently ended calendar year equaled or exceeded 20% of all repayments under all WPCLF Loan Agreements made in such year. All planning loans are excluded from the foregoing calculation. Currently, the City of Columbus is the only Governmental Agency obligated under WPCLF Loan Agreements to repay loans in the aggregate outstanding principal amount of which is equal to 20% or more of the total aggregate amount of loans outstanding under all WPCLF Loan Agreements. Any of the above-described financial and operating information may be supplied by the Authority including in its Annual Report by specific reference to information previously supplied to the MSRB through its EMMA system, or to the Securities and Exchange Commission (the “SEC”). Information will not be included by reference to a final official statement unless such final official statement is available from the MSRB.

The Continuing Disclosure Agreement is being executed by the Authority to assist the Underwriter in complying with Rule 15c2-12 promulgated by the SEC (the “Rule”). The Authority has agreed to give notice in a timely manner to the MSRB through its EMMA system of any failure to supply the information required to be provided in the Continuing Disclosure Agreement; however, any such failure will not constitute a default under the Trust Agreement or the terms of the Series 2017B WPCLF Notes.

The Authority has in a timely manner made all filings and given all notices required under its prior continuing disclosure agreements (for purposes of the Rule) to which it is a party. It should be noted that in connection with the Authority’s Drinking Water Assistance Fund Bonds, the City of Cleveland, which is obligated pursuant to cooperative agreements related to the Drinking Water Assistance Fund to repay loans in the aggregate outstanding principal amount equal to 20% or more of the total aggregate amount of loans outstanding under all cooperative agreements for that program, has noted in its disclosures and notices supplied to the MSRB through its EMMA system, that it has some instances of noncompliance with the Rule; however, the City of Cleveland has stated that it believes it has complied in all material respects with its previous continuing disclosure undertakings under the Rule.

LEGAL OPINIONS

Legal matters incident to the issuance of the Series 2017B WPCLF Notes and with regard to their tax-exempt status (see “TAX MATTERS”) are subject to the legal opinions of Squire Patton Boggs (US) LLP, Cleveland, Ohio, Bond Counsel. The signed legal opinions dated as of, and premised on the transcript of proceedings examined and the law in effect on, the date of original delivery of the Series 2017B WPCLF Notes, will be delivered to the Underwriter at the time of that original delivery. The text of the opinions will be printed on or appended to the Series 2017B WPCLF Notes.

The proposed text of Bond Counsel’s legal opinion is set forth as APPENDIX F. The legal opinions to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinions will speak only as of their date, and subsequent distribution of the opinions by recirculation of the Official Statement or

otherwise shall create no implication that Bond Counsel has reviewed, or expresses any opinion concerning, any of the matters referred to in its opinions subsequent to the opinions' date.

Certain legal matters will be passed on for the Authority by its General Counsel, Benesch, Friedlander, Coplan and Aronoff LLP and certain legal matters will be passed on for the Underwriter by its counsel, Dinsmore & Shohl LLP. Squire Patton Boggs (US) LLP also serves as bond counsel to certain of the Governmental Agencies.

UNDERWRITING

Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriter") has agreed, subject to certain conditions, to purchase the Series 2017B WPCLF Notes at a price of \$249,097,560.50 (consisting of the par amount thereof (\$250,000,000.00) less Underwriter's Discount of \$902,439.50). The Underwriter is obligated to purchase all of the Series 2017B WPCLF Notes if any are purchased. The Series 2017B WPCLF Notes may be offered and sold by the Underwriter to certain dealers at prices lower than the public offering prices, and the public offering prices may be changed from time to time.

The obligation of the Underwriter to purchase the Series 2017B WPCLF Notes is subject to the terms and conditions set forth in the Note Purchase Agreement dated August 10, 2017 (the "Note Purchase Agreement") between the Authority and the Underwriter including the approval of certain legal matters by Bond Counsel, the existence of no material adverse change (not in the ordinary course of business) in the condition of the Authority from that set forth in this Official Statement and the Appendices hereto and certain other conditions. The Note Purchase Agreement provides that the Underwriter will not be obligated to purchase the Series 2017B WPCLF Notes if all the Series 2017B WPCLF Notes are not available for purchase and requires the Authority to indemnify the Underwriter against losses, claims, damages and liabilities arising out of any incorrect or incomplete statement or information contained in this Official Statement pertaining to the Authority and other matters.

The Underwriter may offer and sell the Series 2017B WPCLF Notes to certain dealers and others at prices lower than the public offering prices. The public offering prices may be changed after the initial offering by the Underwriter.

FINANCIAL ADVISOR

Public Financial Management, Inc. (the "Financial Advisor") is employed as Financial Advisor to the Authority. The fees paid the Financial Advisor for services rendered in connection with the issuance and sale of the Series 2017B WPCLF Notes are based on the amount of Series 2017B WPCLF Notes actually issued, sold and delivered, and therefore such fees are contingent on the sale and delivery of the Series 2017B WPCLF Notes. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

RATINGS

Moody's Investors Service, Inc. and S&P Global Ratings have given the Series 2017B WPCLF Notes ratings of "Aaa" (stable outlook) and "AAA" (stable outlook), respectively. Such ratings reflect only the respective views of such rating organizations. Any explanation of the significance of the ratings may only be obtained from the respective rating agency. Generally, rating agencies base their ratings on information and materials furnished to them and other investigations, studies and assumptions they deem appropriate. The ratings are not recommendations to buy, sell or hold the Series 2017B WPCLF Notes. There can be no assurance that the ratings will continue for any period of time or that they will not be revised or withdrawn entirely by the respective rating agency, if in its judgment circumstances so warrant. Any revision or withdrawal of a rating may have an effect on the marketability and/or market price of the Series 2017B WPCLF Notes.

CONCLUDING STATEMENT

Any quotations from and summaries and explanations of the Constitution of the State of Ohio, the Ohio Revised Code, the WPCLF Loan Agreements, the Trust Agreement and the Regulations do not purport to be

complete, and reference is made to the pertinent provisions of the Constitution of the State of Ohio, the Ohio Revised Code, the Code, the Regulations and such documents for their complete provisions.

To the extent that any statements in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, those statements are made as such and not as representations of fact or certainty, and no representation is made that any of these statements will be realized. Information in this Official Statement has been derived by the Authority from official and other sources and is believed by the Authority to be reliable, but information other than that obtained from official records of the Authority has not been independently confirmed or verified by the Authority and its accuracy is not guaranteed. This Official Statement is not to be construed as a contract or agreement between the State of Ohio, the Authority or the Director and the Underwriter, any Holder of any of the Series 2017B WPCLF Notes or subsequent Book-Entry Interest Owners.

Language under the headings captioned “THE SERIES 2017B WPCLF NOTES - Registration, Payment and Transfer – Book-Entry Method” and in APPENDIX G - “BOOK-ENTRY ONLY SYSTEM” was summarized from information provided by DTC.

The financial statements of the Authority as of December 31, 2016, included in this Official Statement have been audited by Clark, Shaefer, Hackett & Co. (the “Auditor”) as stated in its reports appearing in APPENDIX C.

The Authority has retained Public Financial Management, Inc. to serve as its financial advisor, and Public Financial Management, Inc. has advised the Authority in connection with this offering.

Additional copies of this Official Statement are available upon request to the Underwriter. Copies of other relevant documents including the Trust Agreement and the form of the WPCLF Loan Agreement are available upon request to the Authority.

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This Official Statement has been prepared, approved and delivered, for and on behalf of the Authority and executed by the undersigned in their official capacity.

OHIO WATER DEVELOPMENT AUTHORITY

By: /s/ James Joyce
Chairman

By: /s/ Steven J. Grossman
Executive Director

OHIO ENVIRONMENTAL PROTECTION AGENCY

By: /s/ Craig W. Butler
Director

APPENDIX A

**DEBT SERVICE SCHEDULE AND COVERAGE UPON THE ISSUANCE OF THE
SERIES 2017B WPCLF NOTES**

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Appendix A
Debt Service Schedule and Coverage Upon the Issuance of the WPCLF Series 2017 B Notes
As of 6/30/2017

	A	B	C = (A - B)	D	E	F = (D + E)	G = (C - F)	H = (A / (B + F))
	Estimated Total Projected Payments (a & b)	Outstanding Water Quality Series Debt Service	Estimated Net Revenues	Outstanding WPCLF Series Debt Service (c)	Hypothetical WPCLF Series 2017 B Note Debt Service (d)	Total WPCLF Debt Service	Estimated Surplus	WPCLF Coverage
12/1/2017	168,960,240	100,955,846	68,004,394	33,060,562	-	33,060,562	34,943,832	126.07%
6/1/2018	171,829,109	79,164,598	92,664,511	44,587,784	-	44,587,784	48,076,727	138.85%
12/1/2018	176,527,587	73,434,330	103,093,257	44,294,884	3,562,500	47,857,384	55,235,873	145.54%
6/1/2019	179,242,393	61,686,980	117,555,413	53,066,384	3,562,500	56,628,884	60,926,529	151.49%
12/1/2019	181,816,210	69,255,323	112,560,887	52,593,384	3,562,500	56,155,884	56,405,003	144.98%
6/1/2020	188,228,064	41,107,645	147,120,419	74,818,634	3,562,500	78,381,134	68,739,285	157.53%
12/1/2020	192,123,752	40,546,326	151,577,426	74,353,884	3,562,500	77,916,384	73,661,042	162.18%
6/1/2021	190,081,114	37,363,779	152,717,335	74,259,634	3,562,500	77,822,134	74,895,201	165.02%
12/1/2021	188,682,140	27,421,054	161,261,086	84,207,259	3,562,500	87,769,759	73,491,327	163.80%
6/1/2022	183,019,800	19,624,606	163,395,194	90,951,559	3,562,500	94,514,059	68,881,135	160.35%
12/1/2022	180,726,044	19,007,521	161,718,523	90,280,684	3,562,500	93,843,184	67,875,339	160.15%
6/1/2023	179,289,189	14,369,799	164,919,390	85,078,684	3,562,500	88,641,184	76,278,206	174.05%
12/1/2023	174,775,066	14,268,346	160,506,720	84,484,434	3,562,500	88,046,934	72,459,786	170.82%
6/1/2024	170,220,017	37,761,792	132,458,225	62,659,934	3,562,500	66,222,434	66,235,791	163.70%
12/1/2024	168,872,813	37,450,539	131,422,274	61,915,309	3,562,500	65,477,809	65,944,465	164.07%
6/1/2025	164,944,357	36,046,989	128,897,368	52,406,184	3,562,500	55,968,684	72,928,684	179.26%
12/1/2025	161,459,547	35,615,760	125,843,787	56,486,434	3,562,500	60,048,934	65,794,853	168.78%
6/1/2026	158,402,714	37,423,554	120,979,160	55,741,559	3,562,500	59,304,059	61,675,101	163.76%
12/1/2026	156,323,485	36,415,604	119,907,881	54,614,059	3,562,500	58,176,559	61,731,322	165.26%
6/1/2027	149,610,300	32,904,119	116,706,181	52,438,309	3,562,500	56,000,809	60,705,372	168.28%
12/1/2027	146,917,041	31,985,330	114,931,711	50,955,559	3,562,500	54,518,059	60,413,652	169.84%
6/1/2028	136,962,846	26,807,640	110,155,206	52,464,184	3,562,500	56,026,684	54,128,522	165.35%
12/1/2028	126,471,799	19,655,093	106,816,706	51,344,684	3,562,500	54,907,184	51,909,522	169.62%
6/1/2029	119,534,948	16,618,553	102,916,395	53,421,184	3,562,500	56,983,684	45,932,711	162.41%
12/1/2029	116,989,922	15,406,538	101,583,384	52,243,809	3,562,500	55,806,309	45,777,075	164.28%
6/1/2030	115,143,036	14,361,113	100,781,923	55,511,934	3,562,500	59,074,434	41,707,489	156.79%
12/1/2030	113,120,293	19,248,740	93,871,553	48,544,434	3,562,500	52,106,934	41,764,619	158.53%
6/1/2031	110,741,902	17,290,123	93,451,779	47,419,434	3,562,500	50,981,934	42,469,845	162.21%
12/1/2031	106,314,933	14,034,196	92,280,737	51,402,698	3,562,500	54,965,198	37,315,539	154.08%
6/1/2032	102,363,298	11,393,526	90,969,772	20,585,755	3,562,500	24,148,255	66,821,517	288.01%
12/1/2032	98,998,459	10,929,819	88,068,640	20,518,811	3,562,500	24,081,311	63,987,329	282.76%
6/1/2033	95,954,589	10,161,357	85,793,232	20,451,868	3,562,500	24,014,368	61,778,864	280.77%
12/1/2033	89,863,961	6,880,703	82,983,258	20,384,925	16,562,500	36,947,425	46,035,833	205.04%
6/1/2034	87,272,141	6,734,453	80,537,688	20,317,981	15,377,250	35,695,231	44,842,457	205.69%
12/1/2034	83,917,730	6,842,959	77,074,771	20,251,038	14,206,250	34,457,288	42,617,483	203.19%
6/1/2035	71,455,349	-	71,455,349	15,184,094	20,049,500	35,233,594	36,221,755	202.80%
12/1/2035	63,057,084	-	63,057,084	15,133,887	15,807,250	30,941,137	32,115,947	203.80%
6/1/2036	56,830,826	-	56,830,826	15,083,679	12,622,000	27,705,679	29,125,147	205.12%
12/1/2036	49,827,640	-	49,827,640	10,033,472	14,479,500	24,512,972	25,314,668	203.27%
6/1/2037	43,912,639	-	43,912,639	-	21,308,500	21,308,500	22,604,139	206.08%
12/1/2037	38,246,507	-	38,246,507	-	18,037,750	18,037,750	20,208,757	212.04%
6/1/2038	35,043,163	-	35,043,163	-	16,809,750	16,809,750	18,233,413	208.47%
12/1/2038	29,830,447	-	29,830,447	-	14,596,000	14,596,000	15,234,447	204.37%
6/1/2039	26,037,197	-	26,037,197	-	12,410,750	12,410,750	13,626,447	209.80%
12/1/2039	21,146,763	-	21,146,763	-	10,254,000	10,254,000	10,892,763	206.23%

Appendix A
Debt Service Schedule and Coverage Upon the Issuance of the WPCLF Series 2017 B Notes
As of 6/30/2017

	A	B	C = (A - B)	D	E	F = (D + E)	G = (C - F)	H = (A / (B + F))
	Estimated Total Projected Payments (a & b)	Outstanding Water Quality Series Debt Service	Estimated Net Revenues	Outstanding WPCLF Series Debt Service (c)	Hypothetical WPCLF Series 2017 B Note Debt Service (d)	Total WPCLF Debt Service	Estimated Surplus	WPCLF Coverage
6/1/2040	20,236,947	-	20,236,947	-	9,125,750	9,125,750	11,111,197	221.76%
12/1/2040	14,235,822	-	14,235,822	-	7,011,750	7,011,750	7,224,072	203.03%
6/1/2041	11,963,398	-	11,963,398	-	5,926,250	5,926,250	6,037,148	201.87%
12/1/2041	11,973,849	-	11,973,849	-	5,855,000	5,855,000	6,118,849	204.51%
6/1/2042	11,984,384	-	11,984,384	-	5,783,750	5,783,750	6,200,634	207.21%
12/1/2042	11,995,003	-	11,995,003	-	5,712,500	5,712,500	6,282,503	209.98%
6/1/2043	12,005,708	-	12,005,708	-	5,641,250	5,641,250	6,364,458	212.82%
12/1/2043	11,479,487	-	11,479,487	-	5,570,000	5,570,000	5,909,487	206.09%
6/1/2044	11,489,828	-	11,489,828	-	5,498,750	5,498,750	5,991,078	208.95%
12/1/2044	11,500,253	-	11,500,253	-	5,427,500	5,427,500	6,072,753	211.89%
6/1/2045	11,510,761	-	11,510,761	-	5,356,250	5,356,250	6,154,511	214.90%
12/1/2045	11,521,355	-	11,521,355	-	5,285,000	5,285,000	6,236,355	218.00%
6/1/2046	11,530,417	-	11,530,417	-	5,213,750	5,213,750	6,316,667	221.15%
12/1/2046	11,541,182	-	11,541,182	-	5,142,500	5,142,500	6,398,682	224.43%
6/1/2047	11,552,035	-	11,552,035	-	5,071,250	5,071,250	6,480,785	227.79%
12/1/2047 - 6/1/2052	55,926,494	-	55,926,494	-	-	-	55,926,494	
12/1/2052 - 6/1/2057	2,921,976	-	2,921,976	-	-	-	2,921,976	
12/1/2057 - 6/1/2062	2,949,856	-	2,949,856	-	-	-	2,949,856	
12/1/2062 - 12/1/2063	890,590	-	890,590	-	-	-	890,590	
	5,820,297,799	1,080,174,653	4,740,123,146	1,923,552,988	397,017,250	2,320,570,238	2,419,552,908	

- (a) The amounts shown are the pledged amounts required to be paid by Local Governmental Agencies under existing WPCLF Loan Agreements as of 6/30/2017. Such amounts have been pledged as security for currently issued and / or additional Water Quality and WPCLF Series Bonds. Amounts shown are semi-annual payment amounts and do not include interest earnings thereon. See "THE WATER POLLUTION CONTROL LOAN FUND - WPCLF Loan Agreements".
- (b) These amounts also include projected direct payments of the federal BAB's subsidy related to the Water Quality Bonds issued as build America bonds. With respect to the effect of sequestration on the receipt by the Authority of such direct payments, the subsidy amount is assumed to be 32.5% of the applicable interest rates through 6/1/2024. The subsidy amounts are expected to be received through 2034 and are no greater than \$6,679,844 in any given year.
- (c) The debt service payments for the WPCLF Series 2016 A bonds were calculated using the average rate of interest borne by the WPCLF Series 2016 A Bonds from May 4, 2016 through June 30, 2017 which was .67%.
- (d) Hypothetical Debt Service of \$250,000,000 WPCLF Series 2017 B Floating Rate Notes at 2.85% for 30 years.

APPENDIX B

PARTICIPATING GOVERNMENTAL AGENCIES UNDER EXISTING WPCLF LOAN AGREEMENTS

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PARTICIPATING GOVERNMENTAL AGENCIES UNDER EXISTING WPCLF LOAN AGREEMENTS
As of June 30, 2017

Governmental Agency	Estimated Loan Amount (1)	Interest Rate	Term	First Payment Date	Projected Remaining Water Quality and WPCLF Series Repayments (3)
Aberdeen	1,189,323	2.20%	20	1/1/2002	330,622
Ada	1,122,850	2.20%	20	1/1/1998	34,816
Ada	1,749,952	2.20%	20	7/1/2002	540,274
Ada	15,119,198	1.00%	20	1/1/2017	15,996,279
Adams County	672,377	0.00%	20	1/1/2013	521,092
Adelphi	117,601	2.20%	20	1/1/2007	68,707
Akron	989,338	3.25%	20	7/1/2010	869,317
Akron	160,393	3.25%	20	1/1/2011	146,301
Akron	369,492	3.25%	10	1/1/2011	151,931
Akron	86,741	3.25%	20	7/1/2010	76,218
Akron	2,753,457	2.80%	20	1/1/2013	2,762,761
Akron	3,916,669	2.80%	20	7/1/2013	4,055,153
Akron	903,132	2.80%	20	7/1/2012	877,285
Akron	23,943,236 (2)	2.78%	20	1/1/2014	25,507,575
Akron	1,243,132	2.85%	20	7/1/2013	1,293,062
Akron	979,845	2.85%	20	1/1/2013	987,719
Akron	2,593,857	2.67%	20	1/1/2014	2,735,184
Akron	6,174,836	3.05%	20	7/1/2015	7,349,653
Akron	11,096,736	3.09%	20	7/1/2016	13,983,435
Akron	18,124,022 (2)	3.01%	20	1/1/2017	23,259,798
Akron	5,070,277	1.89%	20	7/1/2016	5,706,560
Akron	18,651,450	1.89%	20	7/1/2018	22,079,408
Akron	31,957,817 (2)	1.96%	20	7/1/2018	38,087,537
Akron	5,502,246	2.29%	20	7/1/2016	6,434,337
Akron	5,844,021	2.32%	20	7/1/2017	7,208,791
Akron	3,256,811	2.18%	20	7/1/2017	3,964,212
Akron	256,625,571 (2)	2.35%	30	1/1/2020	350,353,571
Akron	5,653,479	2.14%	20	7/1/2017	6,855,212
Akron	4,500,378	2.14%	20	7/1/2017	5,457,001
Akron	1,374,691	2.14%	20	1/1/2017	1,625,851
Akron	4,823,288	2.05%	30	7/1/2017	6,319,670
Akron	26,201,434	1.95%	30	7/1/2018	33,857,362
Akron	1,238,790	1.75%	30	7/1/2017	1,556,581
Akron	22,179,781	1.75%	30	1/1/2018	27,869,626
Akron	14,714,527 (2)	1.66%	30	1/1/2019	18,255,919
Akron	1,458,160	1.40%	30	1/1/2018	1,743,254
Akron	47,526,409	0.45%	30	1/1/2020	49,378,385
Akron	7,377,930	1.40%	30	1/1/2019	8,820,434
Akron	5,124,965	1.33%	30	7/1/2018	6,065,534
Akron	21,834,256	0.93%	45	1/1/2019	25,709,191
Allen County	437,856	0.00%	20	7/1/2006	197,035
Allen County	718,512	1.00%	20	7/1/2006	354,259
Allen County	9,311,017	1.00%	20	7/1/2009	6,103,804
Allen County	636,518	1.00%	20	7/1/2010	451,620
Allen County	169,092	1.00%	10	7/1/2010	53,248
Allen County	3,373,636	0.00%	20	1/1/2012	2,445,886
Alliance	6,542,298	1.47%	20	1/1/2019	7,434,422
Amesville	426,602	0.00%	20	1/1/2009	245,296
Amherst	8,419,656	3.65%	20	7/1/2005	4,738,208
Ansonia	362,146	0.00%	20	1/1/2008	190,127
Ansonia	658,549	0.00%	20	1/1/2010	411,593
Ansonia	86,219	0.00%	20	1/1/2011	58,198
Apple Creek	1,730,823	0.00%	20	1/1/2017	1,687,553
Apple Creek	532,464	0.00%	20	7/1/2018	532,464
Ashtabula	448,344	1.04%	20	7/1/2017	488,247
Ashtabula	2,829,536	1.50%	20	7/1/2017	3,224,856
Ashtabula	400,442	1.76%	20	1/1/2018	466,370
Ashtabula	2,807,921	0.69%	20	7/1/2017	2,952,104
Ashtabula County	2,095,097	4.12%	20	7/1/1999	308,841
Ashtabula County	321,987	3.50%	20	7/1/2000	67,338
Ashtabula County	761,353	3.64%	20	1/1/2003	294,921
Ashtabula County	237,656	0.00%	20	1/1/2012	172,300
Ashville	13,900,289	0.48%	30	7/1/2018	14,507,818
Ashville	1,065,132	1.14%	30	1/1/2019	1,226,336
Athens	2,632,603	3.53%	20	1/1/2004	1,192,385
Athens	18,811,208	1.82%	20	1/1/2016	20,484,091
Aurora	1,383,987	4.04%	20	1/1/1998	50,721
Aurora	6,064,090	4.04%	20	7/1/1998	444,261
Aurora	3,314,129	3.98%	20	7/1/2001	963,425
Aurora	38,545	3.43%	20	7/1/2010	33,857

PARTICIPATING GOVERNMENTAL AGENCIES UNDER EXISTING WPCLF LOAN AGREEMENTS
As of June 30, 2017

Governmental Agency	Estimated Loan Amount (1)	Interest Rate	Term	First Payment Date	Projected Remaining Water Quality and WPCLF Series Repayments (3)
Avon Lake	37,297,276	0.45%	30	7/1/2020	38,750,651
Avon Lake	14,793,524	0.76%	30	1/1/2020	16,103,968
Baltimore	5,704,342	2.75%	20	1/1/2009	4,240,178
Barberton	2,388,322	2.16%	20	7/1/2011	2,040,736
Barberton	2,627,826	3.37%	20	1/1/2016	3,289,095
Barberton	2,059,880	3.37%	20	1/1/2016	2,559,547
Barberton	4,640,317	1.70%	30	1/1/2019	5,789,759
Barnesville	511,285	1.00%	20	7/1/2011	390,310
Bedford	2,427,022	3.90%	20	1/1/2004	1,136,011
Belle Center	1,861,897	4.16%	20	1/1/2004	891,602
Bellevue	7,627,918	2.50%	20	7/1/2007	4,823,114
Bellville	378,886	0.00%	20	7/1/2015	340,997
Bellville	349,229	0.00%	20	7/1/2016	331,768
Bellville	139,200	1.68%	20	1/1/2017	157,490
Belmont County	262,556	0.00%	20	7/1/2013	206,693
Blanchester	49,926	0.00%	20	1/1/2010	31,204
Blanchester	1,182,315	1.00%	20	7/1/2012	926,629
Blanchester	1,402,263	1.00%	20	7/1/2014	1,296,310
Bloomington	1,921,721	0.00%	20	7/1/2010	1,249,119
Bloomville	1,311,900	0.00%	20	1/1/2008	688,747
Botkins	1,399,396	0.00%	20	7/1/2012	1,031,346
Bowling Green	5,921,827 (2)	1.76%	15	1/1/2006	1,572,054
Bowling Green	2,541,205	4.14%	20	1/1/2010	2,325,392
Bowling Green	965,095	3.70%	20	7/1/2010	883,087
Bowling Green	1,228,015	3.08%	20	1/1/2013	1,264,384
Bradford	255,633	0.00%	20	7/1/2005	102,253
Bradford	917,109	0.00%	20	1/1/2008	481,482
Bradford	2,261,327	0.00%	20	7/1/2014	1,922,128
Bradner	181,255	0.00%	20	7/1/2011	126,879
Brewster	5,150,504	0.00%	20	1/1/2016	4,764,216
Broadview Heights	147,453	4.04%	20	1/1/1998	5,404
Broadview Heights	630,559	4.12%	20	1/1/2000	116,136
Broadview Heights	748,906	4.02%	20	7/1/2001	218,474
Buckland	221,583	0.00%	20	7/1/2016	210,504
Bucyrus	5,781,547	4.02%	20	7/1/2001	1,686,619
Burkettsville	528,271	0.00%	20	1/1/2006	224,515
Butler	372,881	0.00%	20	1/1/2016	344,915
Butler County	849,987 (2)	3.42%	20	1/1/2010	729,561
Butler County	1,153,728 (2)	3.42%	20	1/1/2010	990,267
Butler County	107,247	2.65%	20	7/1/2010	89,177
Butler County	18,459,709	3.71%	20	7/1/2014	22,046,743
Byesville	4,008,394	1.00%	20	7/1/2011	3,059,971
Cadiz	908,632	1.00%	20	1/1/2014	770,813
Cadiz	2,979,301	1.00%	20	1/1/2015	2,833,915
Caldwell	481,419	0.00%	20	1/1/2011	324,958
Caldwell	1,631,431	0.00%	20	1/1/2016	1,509,073
Caldwell	1,297,335	0.00%	20	1/1/2018	1,297,335
Cambridge	3,873,566	4.04%	20	1/1/1999	425,470
Camden	843,896	3.50%	20	1/1/1999	88,366
Canal Winchester	1,046,320	2.12%	20	1/1/2012	922,080
Canton	1,958,774	2.81%	20	7/1/2000	384,775
Canton	835,606	3.81%	20	7/1/2000	179,637
Canton	11,971,490	2.64%	20	7/1/2000	2,315,025
Canton	299,917	3.16%	20	7/1/2000	60,829
Canton	54,641	3.25%	20	1/1/2011	49,840
Canton	30,845,298	3.39%	20	7/1/2017	42,024,595
Canton	54,383,258 (2)	3.38%	20	7/1/2017	74,026,117
Cardington	1,905,335	4.16%	20	1/1/1998	70,563
Cardington	168,509	0.00%	19	1/1/2015	146,337
Cardington	1,219,908	0.00%	20	1/1/2014	1,006,424
Carey	2,240,415	1.00%	20	7/1/2007	1,226,205
Carey	107,311	1.00%	20	7/1/2011	81,920
Centerburg	9,403,156	0.00%	20	1/1/2016	8,697,919
Chardon	12,889,816	2.98%	20	1/1/2002	3,850,645
Chardon	2,990,856	3.25%	20	7/1/2007	2,026,290
Chardon	106,575	0.00%	15	1/1/2013	74,602
Chardon	710,205	2.78%	20	7/1/2016	869,661
Chickasaw	1,412,415	0.00%	20	1/1/2007	670,897
Chickasaw	632,482	0.00%	20	1/1/2013	490,174
Christiansburg	1,954,232	0.00%	20	7/1/2016	1,856,520

PARTICIPATING GOVERNMENTAL AGENCIES UNDER EXISTING WPCLF LOAN AGREEMENTS
As of June 30, 2017

Governmental Agency	Estimated Loan Amount (1)	Interest Rate	Term	First Payment Date	Projected Remaining Water Quality and WPCLF Series Repayments (3)
Clark County	94,196	0.00%	10	7/1/2010	28,259
Clark County	78,635	3.25%	10	1/1/2011	32,334
Clark County	55,383	2.75%	10	1/1/2011	22,218
Clark County	40,389	0.00%	10	1/1/2011	14,136
Clark County	6,031,827	3.05%	20	7/1/2015	7,179,435
Clarksville	780,427	2.20%	20	1/1/2001	168,899
Clermont County	6,191,314 (2)	3.15%	20	7/1/2008	4,568,644
Clermont County	13,000,000	3.25%	20	1/1/2013	13,594,517
Cleveland	4,222,628	4.12%	20	1/1/1998	155,837
Clyde	559,112	3.90%	20	7/1/2002	201,567
Clyde	538,342	3.25%	20	7/1/2006	328,518
Clyde	2,290,548	1.00%	20	1/1/2017	2,423,425
Coldwater	1,208,687	1.00%	20	7/1/2014	1,117,360
Columbiana County	344,367	0.00%	20	7/1/2013	255,970
Columbus	56,271,972	4.35%	20	7/1/1998	4,235,255
Columbus	8,936,834	4.12%	20	7/1/1998	659,316
Columbus	40,899,778	4.12%	20	1/1/2002	13,534,937
Columbus	6,188,240	3.81%	20	7/1/2001	1,772,185
Columbus	1,201,802	4.38%	20	1/1/2001	316,676
Columbus	758,698	4.38%	20	1/1/2001	199,918
Columbus	741,540	4.66%	20	1/1/2001	200,154
Columbus	1,969,289	4.66%	20	7/1/2001	607,214
Columbus	2,500,548	4.38%	20	1/1/2001	658,897
Columbus	17,385,278	4.64%	20	7/1/2002	6,683,588
Columbus	15,022,219	4.64%	20	7/1/2003	6,924,398
Columbus	1,617,185	4.64%	20	1/1/2002	559,777
Columbus	552,932	4.64%	20	7/1/2001	170,201
Columbus	2,123,983	4.64%	20	7/1/2002	816,543
Columbus	1,228,175	4.28%	20	1/1/2002	412,141
Columbus	730,340	4.28%	20	1/1/2002	245,081
Columbus	1,682,981	4.28%	20	1/1/2002	564,761
Columbus	5,612,052	4.28%	20	1/1/2002	1,883,245
Columbus	1,307,441	4.28%	20	1/1/2002	438,740
Columbus	8,577,842	4.28%	20	7/1/2002	3,196,934
Columbus	380,372	3.90%	20	7/1/2002	137,129
Columbus	19,581,498	3.99%	20	7/1/2003	8,531,309
Columbus	20,407,664	3.99%	20	7/1/2004	10,364,493
Columbus	19,274,481	3.99%	20	1/1/2004	9,093,531
Columbus	307,760	3.99%	20	7/1/2002	111,833
Columbus	985,535	3.80%	20	1/1/2003	387,224
Columbus	990,387	3.80%	20	1/1/2003	389,130
Columbus	1,105,470	3.80%	20	1/1/2003	434,347
Columbus	396,036	3.80%	20	1/1/2003	155,605
Columbus	1,994,850	3.80%	20	1/1/2003	783,790
Columbus	4,162,263	3.80%	20	7/1/2003	1,783,290
Columbus	2,220,448	3.90%	20	1/1/2004	1,039,320
Columbus	2,561,258	3.90%	20	7/1/2003	1,107,090
Columbus	776,542	3.90%	20	1/1/2003	307,816
Columbus	5,100,322	3.90%	20	1/1/2004	2,387,297
Columbus	17,298,788	3.95%	20	1/1/2005	9,376,217
Columbus	554,965	3.59%	20	7/1/2003	233,372
Columbus	3,688,719	3.59%	20	1/1/2004	1,679,719
Columbus	621,104	3.59%	20	1/1/2004	282,830
Columbus	1,146,062	3.59%	20	1/1/2004	521,878
Columbus	4,770,471 (2)	0.91%	20	1/1/2006	2,202,702
Columbus	15,912,825 (2)	0.91%	20	1/1/2006	7,347,537
Columbus	15,438,943	3.65%	20	1/1/2005	8,148,679
Columbus	3,345,969	3.65%	20	1/1/2005	1,766,003
Columbus	1,477,724	3.53%	20	1/1/2004	669,306
Columbus	1,287,281	3.50%	20	7/1/2004	625,948
Columbus	5,365,582	3.50%	20	7/1/2005	2,979,281
Columbus	1,312,683	3.50%	20	7/1/2004	638,300
Columbus	196,953	3.50%	18	1/1/2004	66,469
Columbus	341,685	3.50%	19	1/1/2004	135,487
Columbus	107,842,196 (2)	3.66%	20	7/1/2008	83,323,721
Columbus	20,477,512	3.41%	20	1/1/2007	13,377,104
Columbus	64,927,989	3.41%	20	1/1/2008	46,842,215
Columbus	208,525	3.25%	19	7/1/2004	88,242
Columbus	2,701,712	3.99%	20	7/1/2004	1,372,125
Columbus	89,361,623 (2)	3.71%	20	1/1/2009	72,478,357

PARTICIPATING GOVERNMENTAL AGENCIES UNDER EXISTING WPCLF LOAN AGREEMENTS
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Governmental Agency	Estimated Loan Amount (1)	Interest Rate	Term	First Payment Date	Projected Remaining Water Quality and WPCLF Series Repayments (3)
Columbus	3,757,816	3.81%	20	1/1/2006	2,278,159
Columbus	52,577	3.81%	19	1/1/2005	25,277
Columbus	418,102	3.81%	20	1/1/2005	212,590
Columbus	3,312,641	3.35%	20	7/1/2006	2,039,877
Columbus	312,466	3.35%	20	7/1/2005	171,174
Columbus	2,461,216	3.25%	20	7/1/2006	1,501,934
Columbus	945,544	3.25%	20	7/1/2006	577,010
Columbus	53,585,451	3.25%	20	1/1/2008	38,103,842
Columbus	5,584,733	3.25%	20	1/1/2007	3,595,900
Columbus	718,071	3.25%	20	1/1/2006	414,022
Columbus	258,503	3.25%	20	1/1/2006	149,046
Columbus	2,171,727	3.25%	20	7/1/2007	1,471,334
Columbus	500,000	3.25%	20	7/1/2005	259,237
Columbus	919,440	3.25%	19	7/1/2005	429,581
Columbus	716,710	3.59%	20	1/1/2006	426,078
Columbus	646,971	3.25%	19	7/1/2005	319,134
Columbus	4,530,834 (2)	3.15%	20	1/1/2007	2,890,933
Columbus	1,301,314	3.25%	20	1/1/2007	837,890
Columbus	1,445,785	3.25%	20	1/1/2007	930,913
Columbus	39,251,565 (2)	3.15%	20	7/1/2008	28,964,191
Columbus	2,857,541	3.25%	20	1/1/2007	1,839,915
Columbus	5,666,064	3.25%	20	1/1/2008	4,029,057
Columbus	3,199,872	3.25%	20	7/1/2007	2,167,898
Columbus	6,831,780	3.25%	20	7/1/2009	5,545,455
Columbus	3,005,037	3.25%	20	1/1/2008	2,136,839
Columbus	1,472,136	3.25%	20	7/1/2007	997,365
Columbus	11,803,442	3.41%	20	1/1/2008	8,515,579
Columbus	1,565,525	3.34%	20	1/1/2008	1,122,332
Columbus	1,753,404	3.34%	20	1/1/2008	1,257,023
Columbus	3,430,556	3.34%	20	1/1/2009	2,691,502
Columbus	987,244 (2)	3.15%	20	1/1/2008	695,663
Columbus	3,593,665 (2)	3.15%	20	1/1/2009	2,771,250
Columbus	5,201,552 (2)	3.15%	20	1/1/2009	4,011,169
Columbus	16,696,834 (2)	3.15%	20	7/1/2010	14,538,285
Columbus	2,308,654 (2)	3.30%	20	1/1/2010	1,960,174
Columbus	244,075	3.52%	19	1/1/2009	139,168
Columbus	1,602,411 (2)	3.42%	20	1/1/2011	1,484,305
Columbus	4,806,005	3.52%	20	1/1/2009	3,732,157
Columbus	524,951	3.43%	20	7/1/2010	468,847
Columbus	1,100,176	3.25%	20	1/1/2011	1,003,512
Columbus	1,498,929	3.25%	20	7/1/2011	1,417,339
Columbus	11,744,794	3.25%	20	1/1/2012	11,497,884
Columbus	4,802,301	3.25%	20	1/1/2012	4,701,343
Columbus	29,500,000	2.01%	20	7/1/2015	31,618,840
Columbus	277,476,337	3.25%	20	1/1/2015	327,144,522
Columbus	1,020,000	2.62%	20	7/1/2011	910,113
Columbus	2,055,342 (2)	3.18%	20	7/1/2012	2,067,524
Columbus	5,726,198 (2)	3.61%	20	1/1/2013	6,186,132
Columbus	80,303,100 (2)	3.36%	20	7/1/2015	98,328,665
Columbus	43,264,540	2.07%	20	1/1/2017	50,827,576
Columbus	109,189,846	1.85%	20	7/1/2020	128,759,295
Columbus	3,610,136	1.77%	20	7/1/2018	4,224,301
Columbus	6,721,305	1.77%	20	1/1/2018	7,864,750
Columbus	1,347,218	1.21%	20	7/1/2019	1,492,152
Columbus	3,080,065	1.23%	20	1/1/2019	3,418,189
Columbus	1,842,000	1.55%	20	1/1/2018	2,109,657
Columbus	2,661,100	1.55%	20	1/1/2018	3,047,778
Columbus	510,150	1.55%	20	1/1/2018	584,279
Columbus	4,880,221	2.10%	20	1/1/2018	5,894,985
Columbus	40,535,000	2.10%	20	1/1/2021	48,963,607
Columbus	3,589,111	2.03%	20	1/1/2020	4,306,411
Columbus	1,497,384	2.08%	20	7/1/2019	1,805,280
Columbus	1,968,784	2.28%	20	1/1/2020	2,419,350
Columbus	4,477,186	2.13%	20	7/1/2019	5,423,692
Columbus	26,769,639	1.10%	20	7/1/2020	29,327,110
Columbus Grove	3,449,357	0.00%	20	7/1/2012	2,587,018
Columbus Grove	306,976	0.00%	20	7/1/2013	245,581
Columbus Grove	4,195,216	0.00%	20	7/1/2014	3,565,934
Columbus Grove	5,477,199	0.00%	20	7/1/2016	5,203,339
Conneaut	261,452	3.98%	20	1/1/1999	28,567

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Conneaut	815,934	3.50%	20	1/1/2001	198,986
Conneaut	3,321,581 (2)	3.25%	20	1/1/2007	2,138,700
Conneaut	245,570	2.80%	20	1/1/2013	246,400
Conneaut	215,854	0.00%	20	1/1/2014	173,433
Conneaut	567,562	3.16%	20	7/1/2015	682,400
Conneaut	2,289,680	1.55%	20	7/1/2018	2,622,388
Continental	362,140	0.00%	20	7/1/2014	307,819
Coolville	3,392,426	0.00%	20	7/1/2016	3,222,804
Covington	696,152	1.00%	20	1/1/2019	755,086
Crestline	319,671	1.00%	20	1/1/2013	269,810
Crestline	688,389	1.00%	20	1/1/2016	691,584
Crestline	306,412	1.00%	20	7/1/2016	316,016
Creston	63,721	0.00%	20	1/1/2011	43,012
Creston	3,409,653	0.00%	20	1/1/2015	2,983,446
Crown City	1,176,420	0.00%	20	7/1/2014	999,957
Cumberland	1,628,509	0.00%	20	1/1/2016	1,506,371
Cuyahoga County	1,935,141	4.04%	20	7/1/1999	283,273
Cuyahoga County	1,225,007	4.04%	20	7/1/1998	89,745
Cuyahoga County	305,879	3.35%	20	1/1/2006	177,964
Cuyahoga County	199,180	3.25%	20	1/1/2007	128,248
Cuyahoga County	574,900	3.25%	20	1/1/2008	408,803
Cuyahoga County	764,988	3.25%	20	1/1/2008	543,972
Cuyahoga County	1,531,654	3.25%	20	1/1/2008	1,089,137
Cuyahoga County	1,674,120	3.36%	20	1/1/2009	1,315,837
Cuyahoga County	490,431	3.53%	20	1/1/2011	458,808
Cuyahoga County	610,392	3.52%	20	1/1/2010	528,651
Cuyahoga County	851,927	3.70%	20	1/1/2010	749,828
Cuyahoga County	2,094,158	3.25%	20	1/1/2013	2,189,928
Cuyahoga County	1,516,235	2.66%	20	1/1/2013	1,501,687
Cuyahoga County	122,217	2.04%	16	7/1/2016	132,123
Cuyahoga County	486,347	2.62%	20	1/1/2012	449,274
Cuyahoga County	2,239,818	3.28%	20	1/1/2013	2,348,652
Cuyahoga County	254,679	2.66%	20	1/1/2013	252,235
Cuyahoga County	38,448	1.85%	18	7/1/2016	42,185
Cuyahoga County	339,138	3.37%	20	7/1/2014	392,818
Cuyahoga County	1,698,534	1.68%	20	1/1/2017	1,921,712
Dalton	2,942,463	0.00%	20	7/1/2007	1,471,232
Danville	261,346	0.00%	20	7/1/2013	209,077
Darke County	727,207	0.00%	20	1/1/2017	709,027
Dayton	10,551,487	3.80%	20	1/1/2003	4,145,752
Dayton	4,528,223	3.95%	20	1/1/2004	2,128,874
Defiance	8,085,255	3.91%	20	1/1/2001	2,044,893
Defiance	501,683	3.25%	20	1/1/2010	424,028
Defiance	850,571	3.25%	20	7/1/2009	690,421
Defiance	4,296,245	3.36%	20	7/1/2010	3,812,889
Defiance	2,441,348	3.36%	20	7/1/2010	2,166,680
Defiance	457,697	3.25%	20	7/1/2011	432,784
Defiance	413,601	3.25%	20	7/1/2010	363,425
Defiance	6,483,074	3.53%	20	7/1/2011	6,287,392
Defiance	185,116	4.14%	20	7/1/2011	189,525
Defiance	498,882	4.14%	20	7/1/2011	510,762
Defiance	2,108,089	3.70%	20	7/1/2011	2,075,845
Defiance	3,398,170	3.25%	20	7/1/2011	3,213,202
Defiance	546,149	2.62%	20	1/1/2012	504,517
Defiance	478,791	3.28%	20	7/1/2014	550,058
Defiance	2,195,136	2.45%	20	7/1/2014	2,269,291
Defiance	425,810	2.69%	20	7/1/2014	463,306
Defiance	2,331,180	0.00%	20	7/1/2014	1,981,503
Defiance	508,022	2.38%	20	1/1/2016	583,622
Defiance	375,751	2.03%	20	7/1/2016	428,638
DeGraff	507,684	0.00%	20	1/1/2018	507,684
Delaware	26,159,261	3.59%	20	1/1/2007	17,367,097
Delphos	33,314,180	0.95%	20	7/1/2008	19,938,598
Delphos	4,569,870	0.00%	30	1/1/2019	4,569,870
Deshler	1,573,660	0.00%	20	7/1/2008	865,513
Dillonvale-Mount Pleasant Wastewater District	31,051	0.00%	20	1/1/2015	27,070
Dillonvale-Mount Pleasant Wastewater District	830,568	0.00%	20	7/1/2014	705,982
Dover	13,292,114	3.25%	20	7/1/2009	10,789,402
Dublin	13,817,015	4.35%	20	1/1/1999	1,559,149
Dublin	4,186,056	4.12%	20	1/1/1999	463,021

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East Liverpool	198,925	2.59%	20	7/1/2014	214,429
East Palestine	1,237,260	2.20%	20	7/1/2000	229,622
East Palestine	2,371,778	1.00%	20	1/1/2006	1,104,951
East Palestine	50,036	1.00%	20	7/1/2010	35,501
Edison	45,950	0.00%	20	7/1/2013	36,760
Elida	2,905,628	0.00%	20	7/1/2017	2,905,628
Elmore	4,114,093	0.00%	20	1/1/2014	3,394,127
Euclid	1,315,438	3.05%	20	7/1/2014	1,479,775
Euclid	5,758,971	3.44%	20	1/1/2016	7,297,903
Euclid	483,120	2.18%	20	7/1/2016	559,081
Euclid	2,186,122	3.09%	20	7/1/2016	2,754,819
Euclid	3,336,903	3.07%	20	7/1/2016	4,197,237
Euclid	15,825,658	1.89%	20	1/1/2017	18,273,127
Euclid	542,437	2.29%	20	7/1/2017	667,210
Euclid	28,904,629	0.00%	20	7/1/2019	28,904,629
Euclid	62,553,292	2.24%	20	7/1/2018	76,576,989
Euclid	65,200,198	0.24%	30	7/1/2021	65,602,609
Euclid	949,574	2.28%	20	7/1/2018	1,166,889
Euclid	487,360	2.23%	20	7/1/2018	596,052
Fairfield	6,575,114	4.04%	20	1/1/1998	240,966
Fairfield	2,719,875	4.04%	20	1/1/1998	99,678
Fairfield	525,615	4.12%	20	1/1/1998	19,398
Fairfield	2,545,553	4.12%	20	1/1/1999	281,564
Fairfield	1,224,097	3.79%	20	1/1/2000	219,009
Fairport Harbor	704,499	3.50%	20	7/1/1999	98,313
Fayette	58,820	0.00%	20	7/1/2005	23,528
Fayette	79,350	0.00%	20	7/1/2011	55,545
Fayette	1,616,995	0.00%	20	7/1/2014	1,374,446
Fayette County	444,435	0.00%	20	7/1/2014	377,770
Fayetteville-Perry Twp Reg Sewer District	2,310,838	4.12%	20	1/1/1999	255,602
Findlay	32,470,000	4.36%	20	1/1/2002	10,971,799
Findlay	3,597,546 (2)	1.73%	20	7/1/2003	1,273,334
Flushing	500,401	0.00%	20	7/1/2013	400,321
Forest	1,006,176	0.00%	20	1/1/2005	377,316
Forest	627,932	0.00%	20	1/1/2009	361,061
Forest	987,303	0.00%	20	1/1/2011	666,430
Fostoria	1,479,012	3.25%	20	1/1/2011	1,349,063
Fostoria	4,397,947	2.57%	20	7/1/2015	5,006,460
Franklin County	991,596	3.25%	20	1/1/2012	970,750
Franklin County	429,889	2.62%	20	1/1/2012	397,119
Fredericksburg	1,140,917	4.12%	20	1/1/1999	126,197
Fredericktown	1,601,000	0.00%	20	1/1/2006	680,425
Fredericktown	8,323,650	0.00%	20	7/1/2009	4,994,190
Fremont	4,900,437	3.15%	20	7/1/2012	4,915,994
Fremont	945,780	4.04%	20	7/1/2012	1,027,687
Fremont	3,428,320 (2)	3.60%	20	7/1/2013	3,818,411
Fremont	967,924 (2)	3.15%	20	1/1/2012	922,087
Fremont	1,701,079 (2)	3.15%	20	7/1/2012	1,706,479
Fremont	7,106,114 (2)	2.49%	18	7/1/2014	7,283,123
Fremont	5,519,813 (2)	2.54%	19	7/1/2013	5,445,515
Fremont	7,884,019 (2)	3.60%	20	7/1/2012	8,238,003
Fulton County	209,800	0.00%	20	1/1/2009	120,635
Fulton County	33,965	0.00%	20	7/1/2011	23,776
Galion	2,681,022	3.52%	20	7/1/2010	2,413,971
Galion	655,098	2.57%	20	7/1/2013	653,386
Gallia County	360,000	0.00%	20	1/1/2012	261,000
Gallia County	116,196	0.00%	20	1/1/2011	78,432
Gallia County	109,999	0.00%	19	1/1/2012	78,157
Gallipolis	7,277,770	1.00%	20	1/1/2016	7,311,626
Garrettsville	5,860,937	0.00%	20	7/1/2012	4,395,703
Geauga County	623,886	4.16%	20	1/1/1998	23,105
Geauga County	1,068,768	3.50%	20	7/1/2000	223,513
Geauga County	4,014,527	3.50%	20	7/1/2001	1,118,398
Geauga County	2,366,301	3.50%	20	7/1/2002	823,295
Geauga County	8,515,430 (2)	1.67%	20	7/1/2006	4,482,584
Geauga County	1,195,639	2.30%	20	1/1/2013	1,144,809
Geneva	229,206	1.00%	20	1/1/2011	168,803
Geneva	327,230	1.00%	20	1/1/2011	240,994
Geneva	1,564,544	1.00%	20	7/1/2018	1,696,993
Geneva-on-the-Lake	3,017,398	0.00%	30	7/1/2017	3,017,398

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Georgetown	561,615	1.00%	20	7/1/2013	489,084
Georgetown	7,273,126	1.00%	20	7/1/2014	6,723,580
Gettysburg	1,363,854	0.00%	20	7/1/2009	818,312
Gibsonburg	1,072,489	3.03%	20	7/1/2004	499,790
Gibsonburg	1,789,754	2.75%	20	1/1/2008	1,215,678
Gibsonburg	389,408	0.00%	20	1/1/2011	262,850
Glendale	6,081,480	2.75%	20	1/1/2009	4,520,514
Glenford	33,205	0.00%	20	7/1/2016	31,545
Gnadenhutten	3,511,835	0.00%	20	1/1/2006	1,492,530
Granville	502,869	2.35%	20	1/1/2013	483,770
Green Springs	407,954	0.00%	20	7/1/2010	265,170
Greene County	6,058,150	3.65%	20	7/1/2005	3,409,257
Greene County	6,150,277	3.25%	20	7/1/2006	3,753,149
Greene County	7,803,589	3.34%	20	1/1/2009	6,122,440
Greene County	41,767,267 (2)	3.11%	20	7/1/2011	38,992,766
Greene County	4,486,498	3.40%	20	1/1/2010	3,843,906
Greenfield	145,615	1.00%	20	1/1/2011	107,240
Greenwich	63,578	0.00%	20	1/1/2010	39,736
Greenwich	27,453	0.00%	19	1/1/2014	22,396
Greenwich	435,923	0.00%	20	1/1/2013	337,840
Hamilton	431,837	3.25%	20	1/1/2011	393,894
Hamilton County	4,692,214	4.04%	20	7/1/1998	343,756
Hamilton County	4,362,482	4.66%	20	7/1/2002	1,679,981
Hamilton County	1,975,164	3.50%	20	1/1/2005	1,028,607
Hamilton County	7,762,092	3.50%	20	1/1/2006	4,577,458
Hamilton County	4,988,091	3.41%	20	7/1/2005	2,747,371
Hamilton County	2,050,342	3.35%	20	7/1/2006	1,262,572
Hamilton County	22,205,503	3.25%	20	7/1/2008	16,535,374
Hamilton County	25,247,574	2.80%	20	7/1/2011	22,907,556
Hamilton County	8,455,236 (2)	3.30%	20	1/1/2011	7,747,439
Hamilton County	3,340,495 (2)	3.42%	20	1/1/2010	2,867,213
Hamilton County	5,013,837	3.25%	20	7/1/2012	4,763,445
Hamilton County	41,071,255	3.25%	20	7/1/2013	44,319,121
Hamilton County	39,474,006	3.25%	20	7/1/2013	42,595,564
Hamilton County	6,328,640 (2)	2.52%	20	7/1/2012	5,989,189
Hamilton County	5,481,811	2.66%	20	1/1/2013	5,429,212
Hamilton County	3,709,956	3.08%	20	7/1/2013	3,941,613
Hamilton County	10,967,808 (2)	3.01%	20	7/1/2014	12,292,704
Hamilton County	9,651,053	3.08%	20	7/1/2013	10,253,685
Hamilton County	3,969,461	2.80%	20	1/1/2018	5,122,431
Hamilton County	4,258,122	2.80%	20	1/1/2013	4,272,511
Hamilton County	3,184,843	2.80%	20	1/1/2015	3,602,595
Hamilton County	2,054,845	2.80%	20	7/1/2012	1,994,359
Hamilton County	3,308,705	2.80%	20	7/1/2012	3,214,009
Hamilton County	16,480,952	2.80%	20	1/1/2013	16,536,644
Hamilton County	3,769,271	2.44%	20	7/1/2014	4,006,238
Hamilton County	5,352,500	2.44%	20	7/1/2014	5,689,001
Hamilton County	2,141,014	2.21%	20	1/1/2014	2,161,999
Hamilton County	6,417,000 (2)	2.15%	20	7/1/2014	6,635,636
Hamilton County	7,377,995 (2)	3.27%	20	1/1/2015	8,714,529
Hamilton County	12,418,348 (2)	3.27%	20	1/1/2016	15,495,522
Hamilton County	9,404,145 (2)	3.27%	20	1/1/2015	11,107,719
Hamilton County	13,282,205 (2)	2.20%	20	7/1/2016	15,399,879
Hamilton County	4,700,770 (2)	2.09%	20	7/1/2016	5,393,310
Hamilton County	4,343,629 (2)	2.04%	20	7/1/2016	4,917,059
Hamilton County	5,713,192 (2)	2.04%	20	7/1/2016	6,523,572
Hamilton County	7,376,655 (2)	1.68%	20	7/1/2017	8,556,425
Hamilton County	8,089,276 (2)	1.67%	20	7/1/2017	9,373,885
Hamilton County	7,809,782	1.31%	20	1/1/2018	8,736,004
Hamilton County	4,483,380	1.31%	20	1/1/2018	5,015,098
Hamilton County	40,781,453 (2)	1.47%	20	1/1/2019	46,342,514
Hamilton County	6,911,223	1.55%	20	7/1/2018	7,915,478
Hanover	4,554,719	0.00%	20	7/1/2008	2,505,095
Harrisburg	244,904	0.00%	20	1/1/2012	177,556
Harrison County	353,383	3.95%	20	1/1/2003	140,697
Harrison County	90,203	0.00%	20	7/1/2003	27,061
Harrisville	527,257	0.00%	20	1/1/2016	487,713
Hartford	69,124	0.00%	14	1/1/2015	56,781
Hartford	1,327,321	0.00%	20	1/1/2009	763,209
Hartville	1,637,413	3.12%	20	1/1/1999	165,682

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Hartville	211,041	0.00%	20	1/1/2004	68,588
Hartville	4,146,836	0.00%	20	7/1/2007	2,073,418
Hartville	304,121	0.00%	20	1/1/2014	237,456
Hayesville	1,828,686	0.00%	20	1/1/2007	868,626
Heath	2,925,599	3.76%	20	7/1/2005	1,662,585
Heath	4,086,963	3.25%	20	7/1/2012	4,137,499
Hebron	14,221,233	0.00%	20	1/1/2009	8,177,209
Helena	111,283	0.00%	20	7/1/2012	83,462
Hicksville	6,659,433	0.20%	20	1/1/2008	3,529,387
Highland County	7,981,117	2.20%	20	1/1/2001	1,727,262
Hillsboro	411,674	1.00%	20	7/1/2005	180,593
Hillsboro	1,386,312	1.00%	20	7/1/2006	683,515
Hillsboro	8,124,715	1.00%	20	1/1/2012	6,420,894
Huber Heights	265,438	3.25%	20	1/1/2011	242,116
Hudson	8,266,307	4.04%	20	1/1/1999	907,966
Jackson	8,051,554	1.00%	20	1/1/2009	5,060,600
Jackson	3,655,891	1.00%	20	1/1/2017	3,867,973
Jackson Center	130,291	0.00%	20	1/1/2011	87,946
Jefferson County	601,490	0.00%	20	7/1/2013	481,192
Jeffersonville	2,122,189	0.00%	20	7/1/2006	954,985
Johnstown	5,213,631	2.22%	20	7/1/2006	2,892,394
Kent	4,372,503	3.66%	20	1/1/2006	2,615,709
Kenton	1,311,898	2.20%	20	7/1/1998	81,315
Kenton	14,664,758	2.20%	20	7/1/2000	2,721,625
Killbuck	131,989	0.00%	20	1/1/2007	62,695
Killbuck	592,464	0.00%	20	1/1/2009	340,667
Lafayette	1,036,151	0.00%	30	1/1/2019	1,036,151
Lake County	36,199,145	4.12%	20	1/1/2001	9,325,513
Lakeline	302,481	4.04%	20	1/1/1998	11,085
Lancaster	5,047,248	3.16%	20	1/1/1998	171,020
Lancaster	3,964,480	3.98%	20	1/1/1999	433,171
Lancaster	34,396,999	3.27%	20	1/1/2012	33,735,176
Lancaster	398,675	3.25%	20	7/1/2011	376,975
Lawrence County	24,740,171	1.00%	30	1/1/2011	21,981,873
Lawrence County	1,329,787	1.00%	20	1/1/2012	1,050,919
Lawrence County	622,500	1.00%	20	1/1/2012	491,957
Leipsic	2,285,334	4.12%	20	1/1/1998	84,341
Leipsic	5,774,680	0.00%	20	7/1/2008	3,176,074
Licking County	11,131,175	1.00%	20	1/1/2009	6,996,218
Licking County	2,807,239	0.00%	20	1/1/2016	2,596,696
Lima	7,263,384	3.75%	20	1/1/2002	2,326,663
Lima	270,773	3.25%	20	1/1/2011	246,982
Lima	52,481	2.66%	20	1/1/2011	45,341
Lisbon	21,969	1.00%	20	1/1/2011	16,180
Lisbon	178,264	1.00%	20	1/1/2011	131,285
Lisbon	410,400	1.00%	20	7/1/2013	357,398
Lisbon	922,144	1.00%	20	1/1/2016	926,434
Lodi	7,995,340	0.20%	20	1/1/2003	2,230,679
London	1,692,756	1.00%	20	1/1/2006	788,612
London	32,779,016	0.80%	20	7/1/2009	21,064,438
Lorain	1,137,701	2.91%	20	1/1/2001	263,017
Lorain	4,860,364	2.81%	20	7/1/2001	1,271,826
Lorain	9,744,494	3.66%	20	1/1/2002	3,096,579
Lorain	2,295,633	3.81%	20	1/1/2005	1,228,981
Lorain	898,208	3.81%	20	1/1/2005	480,861
Lorain	1,282,116	3.81%	20	7/1/2005	731,849
Lorain	22,145,154	3.24%	20	1/1/2009	17,217,606
Lorain	68,168,710	2.48%	20	7/1/2016	81,161,766
Lorain County	927,396	3.25%	20	7/1/2011	876,916
Lordstown	8,547,011	2.76%	20	1/1/2009	6,359,088
Lordstown	1,000,000	2.86%	20	1/1/2009	750,918
Lordstown	790,467	2.75%	19	1/1/2010	610,846
Lowellville	23,787	0.00%	20	1/1/2011	16,056
Lynchburg	1,229,476	0.00%	20	7/1/2011	860,633
Madison	1,189,858	4.12%	20	1/1/1998	43,912
Madison	303,830	3.50%	20	7/1/2001	84,643
Mahoning County	64,986	2.20%	20	7/1/1998	4,028
Mahoning County	340,445	2.20%	20	1/1/1999	31,637
Mahoning County	3,461,764	0.73%	20	7/1/2001	742,071
Mahoning County	104,985	4.64%	20	1/1/2001	28,289

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Mahoning County	618,359	3.64%	20	1/1/2003	239,530
Mahoning Valley Sanitary District	1,595,250	3.36%	10	1/1/2009	283,169
Malta	467,126	0.00%	20	1/1/2013	328,076
Malta	270,596	0.00%	20	7/1/2016	256,719
Malta	426,756	0.00%	20	1/1/2016	394,749
Malta	174,150	0.00%	20	1/1/2017	169,796
Mantua	5,725,519 (2)	0.68%	20	7/1/2003	1,828,244
Marietta	458,437	3.89%	20	1/1/2004	214,391
Marietta	5,684,046 (2)	3.00%	20	1/1/2014	6,179,839
Marietta	137,540 (2)	2.14%	19	7/1/2016	155,733
Marietta	6,854,400 (2)	2.38%	20	1/1/2015	7,454,429
Marietta	6,810,235	0.57%	30	7/1/2018	7,205,251
Marion	5,366,955 (2)	1.50%	20	7/1/2003	1,857,904
Marion	21,051,629	1.50%	20	7/1/2003	7,287,539
Marshallville	620,970	0.00%	20	1/1/2011	419,155
Massillon	1,407,758	3.81%	20	1/1/2001	352,917
Massillon	6,131,478 (2)	1.26%	20	1/1/2005	2,588,226
Massillon	35,493,869 (2)	1.26%	20	1/1/2005	14,982,711
Massillon	525,000	3.40%	16	1/1/2009	318,767
Massillon	4,585,350	0.00%	20	7/1/2018	4,585,350
Massillon	31,831,528	0.28%	20	7/1/2018	32,094,920
Mayfield	800,000	3.25%	20	1/1/2008	568,868
McComb	412,026	0.00%	20	1/1/2010	257,517
McConnelsville	110,372	1.00%	20	1/1/2013	93,156
McConnelsville	962,770	0.00%	20	1/1/2018	962,770
McGuffey	509,336	2.20%	20	7/1/2001	125,918
Medina County	1,747,252	3.02%	20	1/1/2001	408,019
Medina County	36,975,879	3.56%	20	7/1/2003	15,507,394
Medina County	1,844,522	3.64%	20	7/1/2002	649,830
Medina County	587,664	3.95%	20	1/1/2003	233,974
Medina County	1,215,095	3.81%	20	7/1/2005	693,593
Mercer County	109,533	3.64%	20	7/1/2001	30,898
Mercer County	395,077	3.49%	20	7/1/2002	137,334
Mercer County	291,199	2.75%	20	7/1/2005	151,019
Mercer County	1,214,964	0.00%	20	7/1/2009	728,979
Mercer County	1,091,575	0.00%	20	1/1/2012	791,392
Mercer County	1,121,386	1.00%	20	1/1/2013	946,475
Miami County	1,209,442	0.00%	20	1/1/2010	755,901
Miami County	1,413,136	0.00%	20	1/1/2012	1,024,523
Miami County	63,636	0.00%	20	7/1/2011	44,545
Miami County	194,743	0.00%	20	7/1/2011	136,320
Miami County	192,678	0.00%	20	7/1/2013	154,142
Miami County	854,775	0.00%	20	7/1/2013	683,820
Miami County	358,681	0.00%	20	1/1/2013	277,978
Miami County	1,829,075	0.00%	20	7/1/2014	1,554,714
Miami County	652,422	0.00%	20	1/1/2014	538,248
Miamisburg	750,000	1.55%	20	1/1/2018	858,981
Miamisburg	12,455,268	2.24%	20	1/1/2018	15,247,590
Miamisburg	3,826,745	2.24%	20	7/1/2017	4,684,656
Miamisburg	1,050,733	0.00%	20	7/1/2017	1,050,733
Miamisburg	2,618,752	2.24%	20	7/1/2017	3,205,845
Miamisburg	20,643,569	2.14%	20	1/1/2019	25,031,673
Miamisburg	528,771	2.14%	20	7/1/2017	641,169
Middlefield	11,591,837	0.00%	20	7/1/2008	6,375,510
Milford	2,121,674 (2)	0.90%	20	1/1/2008	1,206,666
Milford	409,191	1.00%	20	7/1/2009	268,243
Milford	468,732	1.00%	20	1/1/2011	345,205
Millersburg	5,728,509	0.20%	20	7/1/2005	2,318,922
Millersport	117,191	3.64%	20	7/1/2002	41,287
Minerva	921,537	1.00%	20	1/1/2015	876,567
Mingo Junction	2,218,720	1.00%	20	7/1/2014	2,013,857
Monroeville	386,662	0.00%	20	1/1/2007	183,664
Monroeville	3,620,205	0.00%	20	7/1/2014	3,077,174
Montgomery County	1,109,710	4.12%	20	1/1/1998	40,954
Montgomery County	3,001,961	4.12%	20	7/1/1998	221,470
Montgomery County	2,286,065	3.91%	20	1/1/2000	413,364
Montgomery County	3,859,411	3.91%	20	1/1/2000	697,856
Montgomery County	12,928,635	3.79%	20	1/1/2001	3,235,408
Montgomery County	6,192,499	4.64%	20	1/1/2002	2,143,489
Montgomery County	7,303,179	4.64%	20	1/1/2002	2,527,942

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Montgomery County	1,388,900 (2)	0.20%	20	1/1/2003	387,499
Montgomery County	6,770,949	0.20%	20	1/1/2003	1,889,077
Montgomery County	2,856,617	3.50%	20	7/1/2004	1,389,047
Montgomery County	2,509,445	3.76%	20	1/1/2005	1,337,506
Montgomery County	1,093,103	3.35%	19	7/1/2005	543,882
Montgomery County	4,281,854 (2)	3.15%	20	1/1/2008	3,017,213
Montgomery County	979,234	3.25%	20	1/1/2009	762,035
Montgomery County	2,067,061	3.25%	20	1/1/2012	2,023,606
Montgomery County	1,430,706	3.25%	20	1/1/2012	1,400,629
Montgomery County	70,933	2.62%	20	1/1/2012	65,526
Montgomery County	168,713	2.62%	20	1/1/2012	155,852
Montgomery County	1,336,617	0.00%	20	1/1/2018	1,336,618
Montpelier	1,275,623	1.00%	20	1/1/2011	939,453
Montpelier	764,635	1.00%	20	1/1/2016	708,187
Morristown	729,678	0.00%	20	1/1/2007	346,597
Morrow County	75,000	0.00%	20	1/1/2004	24,375
Morrow County	929,013	0.00%	20	7/1/2017	929,012
Mount Gilead	6,975,513	0.23%	20	1/1/2008	3,708,245
Mount Gilead	79,925	1.00%	20	7/1/2011	61,014
Mount Gilead	80,247	1.00%	20	7/1/2011	61,259
Mount Orab	2,952,202	0.00%	20	7/1/2008	1,623,711
Mount Orab	661,563	0.00%	20	1/1/2016	611,946
Mount Sterling	6,104,412	0.00%	20	1/1/2015	5,341,360
Mount Vernon	7,178,446	1.16%	20	1/1/2013	6,155,699
Muskingum County	565,922	0.00%	20	1/1/2011	381,997
Muskingum County	808,462	0.00%	20	7/1/2011	565,923
Muskingum County	526,538	0.00%	20	7/1/2010	342,250
Muskingum Watershed Conservancy District	30,065	3.25%	20	7/1/2010	26,418
Muskingum Watershed Conservancy District	632,126	3.25%	20	1/1/2011	576,586
Napoleon	7,644,894	1.00%	20	7/1/2011	5,836,040
Nelsonville	560,219	2.20%	20	7/1/1998	34,724
Nelsonville	947,248	2.20%	20	1/1/2002	263,327
New Boston	1,217,216	0.00%	20	7/1/2015	1,071,145
New Boston	384,825	0.00%	20	1/1/2017	375,205
New Boston	338,000	0.00%	20	7/1/2018	338,000
New Concord	232,911	0.00%	20	7/1/2003	69,873
New Concord	155,295	1.00%	20	7/1/2007	84,995
New Lexington	849,428	1.00%	20	1/1/2016	853,379
New Philadelphia	1,645,800 (2)	0.00%	20	1/1/2004	534,885
New Philadelphia	8,238,264	0.20%	20	1/1/2004	2,713,646
New Philadelphia	870,558	3.53%	20	1/1/2004	394,302
New Vienna	83,081	0.00%	20	1/1/2011	56,080
New Weston	531,892	0.00%	20	1/1/2006	226,054
Newark	2,627,964	3.25%	20	1/1/2007	1,692,094
Newark	2,847,950	0.61%	20	1/1/2008	1,573,416
Newark	1,692,575	3.36%	20	1/1/2009	1,330,342
Newark	14,790,737	4.14%	20	7/1/2011	15,142,967
Newark	2,039,335	3.25%	20	1/1/2012	1,996,462
Newark	2,476,450	2.45%	20	7/1/2013	2,481,553
Newark	7,315,551	2.64%	20	1/1/2014	7,692,573
Newark	2,137,494	2.48%	20	7/1/2014	2,280,441
Newark	2,304,097	1.26%	20	1/1/2018	2,564,646
Newark	14,836,163	2.01%	20	1/1/2018	17,767,074
Newburgh Heights	67,481	0.00%	20	7/1/2010	34,751
Newcomerstown	3,066,361	1.00%	20	7/1/2005	1,345,147
Newcomerstown	900,947	1.00%	20	7/1/2008	541,900
Newton Falls	50,902	1.00%	20	1/1/2011	37,487
Ney	172,768	0.00%	20	1/1/2011	116,619
Niles	35,363,724	0.73%	20	1/1/2019	37,330,338
Noble County	244,332	0.00%	20	1/1/2012	177,140
Noble County	676,859	0.00%	20	7/1/2016	643,016
North Canton	173,849	3.43%	20	7/1/2010	155,269
North Lewisburg	2,551,833	2.65%	20	7/1/2009	1,960,233
North Olmsted	10,447,889	2.80%	20	7/1/2014	11,484,862
North Olmsted	49,795,050	2.44%	20	1/1/2016	57,530,085
North Royalton	6,298,527	4.04%	20	7/1/1998	461,437
North Star	128,519	0.00%	20	7/1/2012	96,389
Northeast Ohio Regional Sewer District	14,320,648	4.35%	20	1/1/1998	539,173
Northeast Ohio Regional Sewer District	10,915,147	4.35%	20	7/1/1999	1,641,493
Northeast Ohio Regional Sewer District	10,504,929	4.12%	20	7/1/1999	1,548,545

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Northeast Ohio Regional Sewer District	21,277,975	4.04%	20	7/1/1999	3,114,752
Northeast Ohio Regional Sewer District	33,589,261	4.12%	20	7/1/2000	7,420,337
Northeast Ohio Regional Sewer District	12,360,707	4.12%	20	1/1/2000	2,276,582
Northeast Ohio Regional Sewer District	9,697,014	3.91%	20	1/1/2000	1,753,406
Northeast Ohio Regional Sewer District	12,855,241	3.91%	20	7/1/2001	3,714,111
Northeast Ohio Regional Sewer District	3,148,009	4.38%	20	1/1/2001	829,504
Northeast Ohio Regional Sewer District	62,962,897	4.38%	20	1/1/2004	30,732,777
Northeast Ohio Regional Sewer District	10,193,494	4.64%	20	7/1/2003	4,698,628
Northeast Ohio Regional Sewer District	2,741,519	4.64%	20	1/1/2002	948,957
Northeast Ohio Regional Sewer District	3,563,673	4.28%	20	1/1/2003	1,460,366
Northeast Ohio Regional Sewer District	2,432,883	3.99%	20	1/1/2003	972,046
Northeast Ohio Regional Sewer District	32,290,493	3.99%	20	7/1/2005	18,727,014
Northeast Ohio Regional Sewer District	4,636,661	3.90%	20	7/1/2003	2,004,172
Northeast Ohio Regional Sewer District	69,858,237	3.89%	20	1/1/2007	47,632,353
Northeast Ohio Regional Sewer District	3,026,856	3.59%	20	1/1/2004	1,378,328
Northeast Ohio Regional Sewer District	14,764,415	3.53%	20	1/1/2006	8,730,314
Northeast Ohio Regional Sewer District	3,702,387	3.50%	20	1/1/2005	1,928,093
Northeast Ohio Regional Sewer District	3,109,489	3.25%	20	1/1/2006	1,792,857
Northeast Ohio Regional Sewer District	5,294,866	3.35%	20	7/1/2006	3,260,503
Northeast Ohio Regional Sewer District	4,621,466	3.35%	20	1/1/2007	3,002,717
Northeast Ohio Regional Sewer District	12,194,754 (2)	3.25%	20	1/1/2007	7,851,962
Northeast Ohio Regional Sewer District	10,602,398	3.25%	20	1/1/2007	6,826,675
Northeast Ohio Regional Sewer District	13,662,839	3.25%	20	1/1/2008	9,715,448
Northeast Ohio Regional Sewer District	12,401,721	3.25%	20	7/1/2006	7,568,036
Northeast Ohio Regional Sewer District	3,323,341	3.25%	20	7/1/2007	2,251,547
Northeast Ohio Regional Sewer District	4,846,197	3.25%	20	7/1/2008	3,608,730
Northeast Ohio Regional Sewer District	11,861,058	3.25%	20	7/1/2008	8,832,361
Northeast Ohio Regional Sewer District	8,025,462	3.25%	19	1/1/2008	5,361,419
Northeast Ohio Regional Sewer District	4,957,561	3.53%	20	7/1/2010	4,467,762
Northeast Ohio Regional Sewer District	29,033,936 (2)	3.42%	20	1/1/2011	26,893,984
Northeast Ohio Regional Sewer District	3,718,138	3.70%	20	7/1/2010	3,402,194
Northeast Ohio Regional Sewer District	19,922,862 (2)	3.60%	20	1/1/2012	18,740,506
Northeast Ohio Regional Sewer District	2,146,226	3.25%	20	7/1/2011	2,029,403
Northeast Ohio Regional Sewer District	41,183,049	3.25%	20	7/1/2013	44,439,756
Northeast Ohio Regional Sewer District	17,207,066 (2)	3.15%	20	1/1/2013	16,690,748
Northeast Ohio Regional Sewer District	29,006,244 (2)	3.61%	20	7/1/2015	36,328,893
Northeast Ohio Regional Sewer District	36,978,230 (2)	2.72%	20	1/1/2016	43,858,986
Northeast Ohio Regional Sewer District	43,352,056 (2)	2.44%	20	7/1/2015	48,750,890
Northeast Ohio Regional Sewer District	59,136,129 (2)	3.53%	20	1/1/2017	79,583,186
Northeast Ohio Regional Sewer District	36,497,931 (2)	2.70%	20	7/1/2019	46,661,840
Northeast Ohio Regional Sewer District	6,826,914 (2)	2.14%	20	7/1/2017	8,278,079
Northeast Ohio Regional Sewer District	10,917,208 (2)	2.08%	20	7/1/2017	13,162,030
Northeast Ohio Regional Sewer District	4,500,200	0.00%	20	1/1/2018	4,500,200
Northeast Ohio Regional Sewer District	69,489,956 (2)	1.38%	20	7/1/2020	78,269,954
Northeast Ohio Regional Sewer District	10,551,300	2.33%	20	1/1/2019	13,027,728
Northeast Ohio Regional Sewer District	4,774,375	0.00%	20	1/1/2019	4,774,375
Northwestern Water & Sewer District	458,586	3.70%	20	1/1/2010	403,627
Northwestern Water & Sewer District	1,376,426	0.00%	20	7/1/2013	1,101,141
Northwestern Water & Sewer District	834,239	2.64%	20	1/1/2013	824,694
Northwestern Water & Sewer District	494,270	2.48%	20	1/1/2014	498,571
Northwestern Water & Sewer District	274,953	2.57%	20	1/1/2014	287,237
Northwestern Water & Sewer District	888,488	2.89%	20	1/1/2015	977,471
Northwestern Water & Sewer District	471,754	3.59%	20	1/1/2015	561,451
Northwestern Water & Sewer District	460,927	3.37%	20	1/1/2015	549,399
Northwestern Water & Sewer District	418,820	3.37%	20	7/1/2015	500,691
Northwestern Water & Sewer District	1,875,769	3.44%	20	7/1/2015	2,309,894
Northwestern Water & Sewer District	387,292	3.44%	20	7/1/2015	477,379
Northwestern Water & Sewer District	721,879	3.33%	20	7/1/2015	881,511
Northwestern Water & Sewer District	1,405,418	3.09%	20	1/1/2016	1,725,011
Northwestern Water & Sewer District	728,574	2.96%	20	1/1/2016	883,607
Northwestern Water & Sewer District	369,550	1.80%	20	7/1/2016	412,325
Northwestern Water & Sewer District	2,801,424	1.99%	20	7/1/2016	3,183,476
Northwestern Water & Sewer District	101,011	1.79%	20	1/1/2017	115,511
Northwestern Water & Sewer District	237,914	2.32%	20	1/1/2017	286,245
Northwestern Water & Sewer District	745,156	2.18%	20	1/1/2017	884,670
Northwestern Water & Sewer District	262,721	1.68%	20	1/1/2017	297,241
Northwestern Water & Sewer District	6,087,816	1.85%	20	7/1/2017	7,178,900
Northwestern Water & Sewer District	180,218	0.00%	20	7/1/2017	180,218
Northwestern Water & Sewer District	121,186	1.85%	20	7/1/2017	142,905
Northwestern Water & Sewer District	2,844,821	1.58%	20	7/1/2017	3,264,488

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Northwestern Water & Sewer District	1,788,861	0.00%	20	7/1/2018	1,788,861
Northwestern Water & Sewer District	1,225,570	1.55%	20	1/1/2018	1,403,655
Northwestern Water & Sewer District	504,305	1.55%	20	1/1/2018	577,584
Norwalk	617,079	3.75%	20	1/1/2000	110,014
Norwalk	2,995,246	3.90%	20	7/1/2002	1,079,824
Norwalk	8,012,446	2.94%	20	1/1/2008	5,538,571
Norwalk	6,842,218	2.24%	20	7/1/2017	8,376,161
Oak Harbor	5,916,611	2.86%	20	7/1/2009	4,634,206
Oak Harbor	348,916	2.93%	20	1/1/2010	280,260
Oak Hill	178,606	0.00%	20	7/1/2010	116,094
Ohio City	1,236,939	0.00%	20	7/1/2012	927,704
Olmsted Falls	2,290,378	4.35%	20	7/1/1999	344,442
Olmsted Falls	525,683	3.95%	20	7/1/2005	303,801
Olmsted Falls	1,139,387	3.25%	20	1/1/2009	886,665
Oregon	1,536,859	3.80%	20	7/1/2002	549,185
Oregon	2,305,382	3.95%	20	1/1/2004	1,083,840
Oregon	3,091,019	3.50%	20	1/1/2005	1,609,711
Oregon	2,469,980	3.35%	20	1/1/2006	1,437,068
Oregon	522,548	3.25%	20	7/1/2007	354,024
Oregon	1,515,630	2.64%	20	7/1/2013	1,546,031
Oregon	6,440,800	3.37%	20	7/1/2015	7,893,727
Oregon	1,820,350	1.99%	20	7/1/2016	2,068,606
Oregon	7,000,993	0.19%	20	7/1/2018	7,000,993
Oregon	1,461,658	1.58%	20	7/1/2017	1,678,967
Oregon	2,946,102	2.28%	20	1/1/2019	3,620,332
Osgood	834,883	0.00%	20	7/1/2012	626,162
Ottawa	5,366,838	4.12%	20	1/1/2000	988,459
Ottawa	561,714	2.75%	20	1/1/2007	345,490
Ottawa County	1,246,205	3.04%	20	1/1/1998	41,768
Ottawa County	4,978,957	3.76%	20	1/1/2005	2,653,728
Ottoville	522,738	0.00%	20	7/1/2007	261,369
Ottoville	353,762	0.00%	20	1/1/2008	185,725
Otway	151,202	0.00%	20	7/1/2018	151,202
Oxford	681,360	4.12%	20	1/1/1998	25,146
Oxford	6,604,113	4.12%	20	7/1/1999	973,521
Oxford	314,429	3.98%	20	7/1/1999	45,786
Painesville	3,495,846	3.42%	20	1/1/2012	3,475,512
Pandora	1,261,749	0.00%	20	7/1/2006	567,787
Parma	341,653	4.12%	20	1/1/1998	12,609
Parma	72,125	4.12%	20	1/1/1998	2,662
Parma	806,344	4.12%	20	7/1/1998	59,488
Parma	1,197,906	4.12%	20	7/1/1998	88,376
Parma	191,850	4.12%	20	1/1/1999	21,221
Parma	110,112	3.91%	20	7/1/1999	15,936
Parma	191,555	3.79%	20	1/1/2001	47,937
Parma	104,566	3.25%	20	1/1/2012	102,368
Parma	260,984	3.25%	20	1/1/2012	255,498
Parma	111,548	3.25%	20	1/1/2012	109,203
Parma	3,071,714	0.00%	20	1/1/2015	2,637,739
Pataskala	50,335	3.25%	20	7/1/2010	44,229
Pataskala	4,175,655	2.66%	20	1/1/2012	3,871,763
Paulding	5,230,943	1.00%	20	1/1/2015	4,975,681
Payne	310,924	0.00%	20	7/1/2011	217,647
Pemberville	2,037,598	3.12%	20	7/1/1999	274,769
Pemberville	1,238,363	2.75%	20	7/1/2011	1,118,393
Perrysburg	14,072,940	3.37%	20	1/1/2017	18,666,194
Perrysville	139,959	0.00%	20	7/1/2004	48,986
Pickaway County	2,111,726	0.00%	20	7/1/2007	1,055,863
Pickerington	819,398	4.64%	20	1/1/2002	283,629
Pickerington	10,973,040	3.30%	20	1/1/2011	10,054,475
Pickerington	1,573,855	3.64%	10	1/1/2012	847,305
Piqua	4,329,876	3.52%	20	7/1/2010	3,898,587
Pittsburg	1,414,336	0.00%	20	7/1/2011	990,035
Plain City	4,555,749	2.65%	20	7/1/2007	2,921,123
Pleasant Hill	1,499,326	0.00%	20	1/1/2012	1,087,011
Pleasant Hill	120,763	0.00%	20	1/1/2012	87,554
Pleasant Valley Regional Sewer District	153,632	4.12%	20	1/1/1998	5,670
Pleasant Valley Regional Sewer District	213,717	4.12%	20	7/1/1998	15,767
Pleasant Valley Regional Sewer District	2,437,042	4.16%	20	1/1/2002	809,309
Plymouth	2,718,294	0.00%	20	1/1/2012	1,970,763

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Port Clinton	5,063,759	3.89%	20	1/1/2005	2,730,157
Port Clinton	2,822,045	1.00%	20	7/1/2009	1,849,982
Port Clinton	1,877,417	1.00%	20	1/1/2012	1,483,707
Port Clinton	2,271,912	1.00%	20	1/1/2013	1,917,544
Portage County	202,292	4.12%	20	7/1/1999	29,820
Portage County	10,810,824	2.79%	20	7/1/2001	2,823,696
Portage County	789,998	3.50%	20	7/1/2002	274,860
Portage County	84,486	3.50%	20	7/1/2001	23,537
Portsmouth	1,711,235	3.43%	20	7/1/2011	1,644,697
Preble County	809,955	0.00%	20	7/1/2006	364,479
Prospect	2,244,642	0.00%	20	1/1/2008	1,178,437
Ravenna	292,433	3.95%	20	7/1/2003	126,961
Ravenna	13,082,203	0.44%	20	7/1/2005	5,426,348
Ravenna	4,636,449	0.44%	20	7/1/2005	1,923,146
Richfield	194,507	2.93%	20	7/1/2011	178,611
Richmond Heights	1,554,105	4.56%	20	7/1/1999	237,982
Richmond Heights	439,367	4.12%	20	7/1/2000	97,062
Richmond Heights	648,031	3.79%	20	7/1/2001	185,255
Richmond Heights	923,490	3.90%	20	7/1/2003	399,173
Richmond Heights	1,053,281	3.59%	20	7/1/2004	516,306
Richmond Heights	574,604	3.41%	20	7/1/2005	316,484
Richmond Heights	1,150,847	3.35%	20	7/1/2006	708,675
Richmond Heights	1,697,089	3.25%	20	1/1/2009	1,320,666
Ripley	2,766,463	0.00%	20	1/1/2008	1,452,393
Riverside	23,100	3.25%	20	1/1/2011	21,070
Roaming Shores	1,449,915	4.16%	20	7/1/2002	534,766
Rockford	1,277,416	3.54%	20	1/1/1998	44,790
Rockford	66,283	0.00%	20	1/1/2004	21,542
Rocky River	350,659	4.64%	20	1/1/2001	94,487
Roseville	205,257	2.20%	20	1/1/1999	19,074
Roseville	30,000	0.00%	10	7/1/2011	12,000
Rosburg	530,990	0.00%	20	7/1/2007	265,495
Rushsylvania	717,387	0.00%	20	1/1/2008	376,628
Russellville	993,897	2.20%	20	1/1/1999	92,361
Sabina	2,489,879	1.00%	20	1/1/2014	2,235,061
Saint Marys	11,073,265	3.36%	20	7/1/2010	9,827,450
Sandusky County	307,235	4.16%	20	7/1/2001	90,732
Sandusky County	1,144,414	4.16%	20	7/1/2001	337,965
Sandusky County	47,014	3.64%	20	1/1/2002	14,913
Sandusky County	108,639	3.64%	20	1/1/2003	42,083
Sandusky County	490,972	0.00%	20	1/1/2011	331,406
Sandusky Township Sewer District	309,012	0.00%	20	7/1/2011	216,308
Sebring	1,378,689	1.00%	20	1/1/2011	1,015,357
Sebring	3,139,514	1.00%	20	1/1/2015	2,986,310
Seven Hills	723,801	2.19%	20	1/1/2014	729,508
Seville	942,703	1.98%	20	7/1/2013	903,425
Shadyside	1,911,478	1.00%	20	1/1/2012	1,510,624
Sheffield Lake	345,902	1.31%	20	1/1/2017	377,413
Shelby County	643,518	0.00%	20	7/1/2008	353,935
Shiloh	48,171	0.00%	20	7/1/2010	31,311
Sidney	9,115,998	2.18%	20	1/1/2018	11,096,053
Silver Lake	135,840	3.50%	20	7/1/2000	28,408
Silver Lake	184,068	4.16%	20	1/1/2002	61,127
Silver Lake	151,628	3.64%	20	1/1/2003	58,735
Silver Lake	179,779	3.03%	20	1/1/2004	77,828
Solon	5,861,485 (2)	1.45%	20	7/1/2004	2,353,610
Solon	6,329,372	3.35%	20	1/1/2007	4,112,400
Solon	3,935,828 (2)	3.15%	20	1/1/2008	2,773,386
Solon	4,891,846 (2)	3.15%	20	1/1/2012	4,669,191
South Euclid	2,052,372	3.25%	20	7/1/2007	1,390,472
Southwest Licking Community W & S District	6,966,936	3.59%	20	1/1/2005	3,657,516
Springfield	3,855,000	3.52%	20	7/1/2001	1,075,880
Springfield	55,820,073	2.55%	20	7/1/2015	63,330,873
Springfield	21,672,090	1.75%	25	7/1/2018	26,258,799
Stark County	2,846,945	4.12%	20	1/1/1999	314,901
Stark County	5,461,590	3.50%	20	7/1/2000	1,142,188
Stark County	1,551,514	3.91%	20	1/1/2000	280,544
Stark County	141,432	3.25%	10	1/1/2011	58,155
Stark County	359,244	3.25%	10	1/1/2011	147,717
Steubenville	294,534	3.53%	20	1/1/2004	133,403

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Strasburg	3,963,752	2.20%	20	7/1/2003	1,467,158
Struthers	303,012	2.00%	20	7/1/2005	146,471
Struthers	342,267	2.00%	20	7/1/2007	206,441
Struthers	2,049,689	0.20%	20	1/1/2014	1,696,883
Struthers	939,044	2.28%	20	7/1/2018	1,153,949
Summit County	1,303,027 (2)	0.20%	20	1/1/2004	429,211
Summit County	4,437,573	0.35%	20	1/1/2005	1,710,807
Summit County	431,829	3.25%	20	7/1/2010	379,442
Summit County	147,848	3.25%	20	7/1/2010	129,912
Summit County	189,238	2.44%	20	7/1/2014	199,187
Summit County	1,034,549	2.44%	20	1/1/2014	1,067,659
Summit County	734,190	2.01%	20	1/1/2016	809,084
Summit County	5,169,013	3.39%	20	7/1/2015	6,346,558
Summit County	1,336,702	1.26%	20	7/1/2018	1,487,857
Swanton	525,545	2.75%	20	7/1/2007	340,115
Swanton	378,151	2.75%	20	7/1/2011	341,517
Swanton	594,795	2.78%	20	7/1/2012	576,701
Swanton	1,030,213	2.04%	20	7/1/2013	992,974
Swanton	744,430	1.08%	20	1/1/2018	813,926
Tiffin	1,421,404	2.85%	20	7/1/2013	1,478,494
Timberlake	216,930	2.75%	20	1/1/2011	188,991
Toledo	5,044,000	4.16%	20	1/1/1998	186,801
Toledo	1,888,706	4.12%	20	1/1/1999	208,910
Toledo	7,776,384	4.12%	20	1/1/2001	2,003,328
Toledo	1,268,919	3.91%	20	7/1/2000	275,208
Toledo	3,160,012	3.75%	20	7/1/2000	675,736
Toledo	11,270,558	3.75%	20	7/1/2002	4,009,653
Toledo	3,667,897	4.02%	20	7/1/2001	1,070,015
Toledo	2,066,960	4.02%	20	1/1/2002	678,057
Toledo	5,589,085	4.66%	20	7/1/2001	1,723,349
Toledo	4,120,425	3.53%	20	1/1/2006	2,436,440
Toledo	6,116,494	3.50%	20	7/1/2005	3,396,231
Toledo	5,708,709	3.76%	20	1/1/2006	3,445,566
Toledo	4,950,709	3.76%	20	1/1/2006	2,988,065
Toledo	7,005,133	3.41%	20	1/1/2006	4,097,785
Toledo	18,926,805	3.35%	20	7/1/2007	12,939,403
Toledo	8,369,195	3.25%	20	1/1/2008	5,951,214
Toledo	2,752,910	3.25%	20	1/1/2007	1,772,545
Toledo	16,493,752	3.25%	20	1/1/2008	11,728,469
Toledo	49,882,301 (2)	3.15%	20	1/1/2008	35,149,622
Toledo	26,662,013	3.25%	20	7/1/2008	19,348,236
Toledo	1,371,721	3.25%	20	7/1/2007	929,334
Toledo	5,238,374	3.25%	20	1/1/2008	3,724,932
Toledo	7,398,856 (2)	3.15%	20	1/1/2009	5,705,618
Toledo	6,375,588	3.34%	20	7/1/2008	4,786,458
Toledo	28,587,197	3.25%	20	1/1/2010	24,162,222
Toledo	3,353,015	3.25%	20	1/1/2010	2,834,006
Toledo	16,151,505	3.25%	20	7/1/2012	16,351,218
Toledo	637,878	3.52%	20	1/1/2011	596,211
Toledo	10,450,248	3.25%	20	1/1/2014	11,624,913
Toledo	6,361,206 (2)	3.15%	20	7/1/2011	5,960,393
Toledo	14,056,228	3.25%	20	7/1/2013	15,167,778
Toledo	7,623,992	3.25%	20	1/1/2014	8,480,970
Toledo	9,330,477	2.62%	20	7/1/2014	10,085,988
Toledo	10,331,129	3.95%	20	1/1/2015	12,971,751
Toledo	2,827,613	3.95%	20	1/1/2013	3,148,710
Toledo	4,919,888	3.40%	20	1/1/2014	5,548,002
Toledo	6,769,197 (2)	3.18%	20	7/1/2015	8,153,762
Toledo	15,660,440	2.85%	20	1/1/2016	18,800,422
Toledo	24,444,463 (2)	2.82%	20	7/1/2016	30,044,299
Toledo	15,330,665	2.66%	20	7/1/2016	18,563,712
Toledo	19,247,964 (2)	2.44%	20	7/1/2016	22,830,398
Toledo	430,101 (2)	2.38%	20	7/1/2016	507,268
Toledo	1,475,721	2.18%	20	7/1/2016	1,707,747
Toledo	17,672,161	2.48%	20	7/1/2016	21,040,501
Toledo	12,996,861	3.07%	20	1/1/2018	17,196,466
Toledo	82,511,590	2.96%	20	7/1/2019	108,070,482
Toledo	17,109,015	2.78%	20	1/1/2021	22,037,416
Toledo	1,377,447	1.48%	20	1/1/2019	1,566,816
Toledo	26,234,030 (2)	1.45%	20	1/1/2020	29,752,873

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Toledo	1,421,344	1.55%	20	1/1/2019	1,627,876
Toronto	785,842	1.00%	20	7/1/2006	387,456
Toronto	264,886	1.00%	20	1/1/2011	195,079
Toronto	2,886,483	1.00%	20	1/1/2018	3,130,843
Tri-Cities North Regional Wastewater Authority	1,744,833	4.66%	20	7/1/2001	538,005
Tri-Cities North Regional Wastewater Authority	5,812,791 (2)	0.27%	20	1/1/2003	1,633,343
Troy	487,202	3.25%	20	1/1/2010	411,789
Trumbull County	236,831	0.00%	20	7/1/2010	153,940
Trumbull County	275,341	0.00%	20	7/1/2010	178,972
Trumbull County	61,642	0.00%	20	1/1/2011	41,608
Trumbull County	70,014	0.00%	20	1/1/2011	47,259
Trumbull County	262,007	2.90%	20	1/1/2012	248,404
Trumbull County	349,665	0.00%	20	7/1/2013	279,732
Trumbull County	745,191	0.00%	20	1/1/2013	577,523
Trumbull County	2,094,887	1.71%	20	1/1/2014	2,016,344
Trumbull County	3,063,786	0.00%	20	7/1/2014	2,604,218
Trumbull County	536,664	1.51%	20	7/1/2015	548,637
Trumbull County	1,733,778	2.83%	20	1/1/2015	1,966,664
Trumbull County	93,534	0.25%	30	1/1/2016	89,675
Trumbull County	114,725	0.25%	30	7/1/2017	115,611
Tuppers Plains Regional Sewer District	52,330	0.00%	20	7/1/2010	34,015
Tuppers Plains Regional Sewer District	56,124	0.00%	5	7/1/2017	56,124
Tuscarawas County	2,494,966	3.25%	20	1/1/2009	1,941,570
Tuscarawas County	1,090,703	2.28%	20	7/1/2019	1,340,316
Twin City Water & Sewer District	1,529,407	1.00%	20	7/1/2007	837,062
Twin City Water & Sewer District	190,250	1.00%	20	1/1/2011	140,113
Twin City Water & Sewer District	1,875,883	1.00%	20	7/1/2015	1,834,497
Uhrichsville	323,990	1.00%	20	7/1/2008	194,873
Uhrichsville	149,191	1.00%	20	1/1/2011	109,874
Uhrichsville	424,360	1.00%	20	7/1/2013	369,555
Upper Sandusky	6,756,656	1.00%	20	1/1/2018	7,328,652
Urbana	21,150,433	2.57%	20	1/1/2016	24,736,518
Van Wert	1,019,661	4.12%	20	7/1/1999	150,310
Van Wert	81,629	3.91%	20	7/1/1999	11,814
Van Wert	5,605,808	3.81%	20	1/1/2002	1,805,262
Van Wert County	485,111	0.00%	20	7/1/2009	291,067
Van Wert County	156,431	0.00%	20	1/1/2012	113,413
Van Wert County	73,324	0.00%	20	7/1/2011	51,327
Vermilion	92,206	4.38%	20	1/1/2001	24,296
Vermilion	1,287,737 (2)	2.58%	20	1/1/2002	370,940
Vermilion	685,782	2.62%	20	1/1/2012	633,506
Vermilion	119,029	2.80%	20	1/1/2013	119,432
Vermilion	1,491,051	2.48%	20	7/1/2014	1,590,766
Vermilion	2,670,307	2.78%	20	7/1/2017	3,439,512
Versailles	3,328,627	1.00%	20	7/1/2012	2,720,049
Wadsworth	23,037,730 (2)	3.15%	20	7/1/2008	16,999,811
Walnut Creek Sewer District	115,723	0.00%	20	1/1/2011	35,045
Warren	7,160,804	3.04%	20	1/1/1998	240,003
Warren	1,398,172	4.12%	20	1/1/1999	154,652
Warren	609,259	3.98%	20	7/1/1999	88,718
Warren	187,500	3.79%	20	7/1/1999	26,850
Warren	4,479,104	3.25%	20	7/1/2007	3,034,571
Warren	573,813	3.25%	20	1/1/2011	523,396
Warren County	11,990,222 (2)	3.11%	20	7/1/2012	11,984,368
Warren County	1,048,923	2.50%	5	7/1/2016	864,318
Washington County	283,227	3.41%	20	1/1/2005	146,309
Washington County	1,510,999	3.20%	20	7/1/2012	1,522,731
Washington Court House	6,812,154	3.43%	20	1/1/2002	2,120,696
Waterville	46,748	2.75%	20	1/1/2011	40,727
Waverly	4,016,813	2.20%	20	7/1/2004	1,733,026
Waverly	150,220	1.00%	20	1/1/2014	134,846
Wayne County	22,140	0.00%	20	7/1/2010	14,391
Wayne County	1,341,264	0.00%	20	7/1/2010	871,821
Waynesfield	492,035	0.29%	20	1/1/2017	484,438
Wellington	42,586	0.00%	20	7/1/2010	27,681
Wellington	582,620	2.58%	20	7/1/2013	590,984
Wellington	326,475	1.00%	20	1/1/2015	310,543
Wellington	323,593	1.30%	20	7/1/2016	343,827
Wellsville	862,908	2.20%	20	1/1/1999	80,189
Wellsville	64,234	2.20%	19	1/1/2000	6,220

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Wellsville	118,906	1.00%	20	7/1/2003	39,196
West Jefferson	6,002,666	1.34%	20	1/1/2017	6,568,916
West Union	394,233	2.20%	20	7/1/2001	97,462
West Unity	1,932,503	4.12%	20	1/1/1999	213,755
Westfield Center	2,917,102	4.12%	20	7/1/1998	215,210
Wharton	435,831	0.00%	20	7/1/2011	305,082
Whitehouse	273,544	2.75%	20	7/1/2012	264,486
Willard	498,533	1.20%	20	1/1/2000	70,071
Willard	327,646	1.20%	20	1/1/2001	64,410
Willard	525,795	2.20%	20	1/1/2002	146,167
Willard	261,806	2.20%	20	1/1/2002	72,780
Willard	220,855	1.00%	20	1/1/2011	162,652
Willard	2,006,631	1.00%	20	7/1/2016	2,069,525
Williams County	1,113,216	3.50%	20	1/1/2002	348,738
Williams County	373,885	0.00%	20	7/1/2011	261,719
Williams County	524,729	2.16%	20	7/1/2011	448,362
Williamsburg	169,680	0.00%	20	7/1/2013	135,744
Williamsburg	1,952,517	0.26%	20	7/1/2018	1,964,626
Willoughby	1,372,534	3.91%	20	1/1/2001	347,136
Willoughby	1,671,611	3.99%	20	1/1/2003	667,883
Willoughby	974,019	3.65%	20	1/1/2004	445,916
Willoughby	62,623	3.53%	19	1/1/2004	24,896
Willoughby	544,207	3.34%	20	7/1/2007	371,714
Willoughby	1,945,317 (2)	3.30%	20	1/1/2010	1,651,681
Willoughby	327,066	3.25%	20	1/1/2011	298,330
Willoughby	2,083,076	1.47%	20	1/1/2018	2,367,130
Willoughby	4,473,750	1.55%	20	1/1/2019	5,123,820
Willoughby Hills	232,330	3.64%	20	1/1/2003	89,996
Willoughby Hills	3,900,762	3.03%	20	7/1/2005	2,075,700
Willoughby Hills	7,514,692	3.25%	20	1/1/2008	5,343,589
Willoughby Hills	501,651	3.25%	20	1/1/2008	356,717
Willoughby Hills	3,244,473	3.25%	20	7/1/2012	3,284,591
Wintersville	2,252,366	1.00%	20	7/1/2014	2,082,180
Wintersville	2,290,323	1.00%	20	7/1/2015	2,239,794
Woodstock	372,005	4.12%	20	7/1/1999	54,838
Woodville	8,590,056	0.00%	20	7/1/2013	6,708,639
Wooster	6,087,825 (2)	3.25%	15	7/1/2007	2,566,751
Wooster	11,851,333	2.67%	20	7/1/2007	7,613,137
Xenia	7,657,303	2.79%	20	1/1/2001	1,750,829
Xenia	1,837,936	3.25%	20	1/1/2011	1,676,451
Xenia	1,529,092	2.80%	20	7/1/2013	1,583,157
Yellow Springs	892,296	2.75%	20	7/1/2011	805,853
Yellow Springs	133,225	3.45%	20	7/1/2011	128,276
Yorkshire	438,480	0.00%	20	7/1/2012	328,860
Youngstown	4,360,636	3.81%	20	7/1/2006	2,798,008
Youngstown	629,360	3.25%	20	1/1/2011	574,063
Youngstown	522,243	3.25%	20	1/1/2011	476,358
Youngstown	366,524	3.25%	20	1/1/2011	334,321
Zaleski	889,044	0.00%	20	7/1/2016	844,592
Zanesville	1,324,942	3.59%	20	1/1/2004	603,334
Zanesville	964,079	3.41%	20	1/1/2005	498,021
Zanesville	188,142	3.25%	10	1/1/2011	77,362
	<u>6,586,731,559</u>				<u>5,748,668,025</u>

(1) These amounts include capitalized interest charges. Some of the loans listed above have already been fully funded at the estimated loan amount; the final loan amounts on those loans that have not yet been fully funded may be less than anticipated depending on actual project construction costs.

(2) Water Resource Restoration Sponsorship Program Loan.

(3) These loan repayments are pledged towards Water Quality Series bonds and the towards WPCLF Series bonds on a subordinated basis as described in the SECURITY AND SOURCE OF PAYMENT OF WATER QUALITY BONDS.

APPENDIX C

REPORTS OF INDEPENDENT AUDITORS AND RELATED AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY

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**OHIO WATER
DEVELOPMENT AUTHORITY**

Financial Statements

December 31, 2016

(With Independent Auditors' Report Thereon)

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OHIO WATER DEVELOPMENT AUTHORITY

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INDEPENDENT AUDITORS' REPORT

Ohio Water Development Authority
408 South High Street
Columbus, Ohio 43215

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and each major fund of the Ohio Water Development Authority (the Authority) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Ohio Water Development Authority, as of December 31, 2016, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3 through 7), schedule of proportionate share of the net pension liability (page 57), and schedule of pension contributions (page 58) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2017, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
March 27, 2017

OHIO WATER DEVELOPMENT AUTHORITY

Management's Discussion and Analysis

For the Year Ended December 31, 2016

As management of the Ohio Water Development Authority (the Authority), a related organization of the State of Ohio, we offer readers of the Authority's financial statements this unaudited narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with the Authority's audited financial statements, which begin on page 8 of this report.

Financial Highlights

- The Authority's cash, cash equivalents and investments increased by \$308,653,520 or 25.38%.
- The Authority's loan receivables increased by \$487,496,742 or 8.82%.
- The Authority's bonds and notes payable increased by \$342,000,182 or 11.22%.
- The Authority's investment income increased by \$5,271,144 or 81.09%.
- The Authority implemented a loan interest rate buy-down program that will save its borrowers an estimated \$112,400,000 over the next 30 years.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements comprise two components: 1) combining financial statements and 2) notes to financial statements.

Combining financial statements. The Authority follows proprietary fund accounting, which means these statements are presented in a manner similar to a private-sector business. The *combining financial statements* are designed to provide readers with a broad overview of the Authority's finances by fund and in total. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. These statements offer short and long-term financial information about its activities.

The *combining statement of net position* presents information on all of the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources, including information about the nature and amounts of investments in resources (assets and deferred outflows of resources), the obligations (liabilities and deferred inflows of resources) of the Authority and the Authority's net position as of December 31, 2016. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *combining statement of revenues, expenses and changes in net position* presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., depreciation and earned but unused vacation leave).

The *combining statement of cash flows* provides information about the Authority's cash receipts and cash payments during the reporting period. This statement summarizes the net changes in cash resulting from operating, investing and noncapital financing activities.

OHIO WATER DEVELOPMENT AUTHORITY

Management's Discussion and Analysis

Each of the combining financial statements highlight programs of the Authority that are principally supported by loan and investment income, programs that are intended to recover all or a significant portion of their costs through program fees or investment earnings on contributed capital (*business-type activities*). The combining financial statements can be found on pages 8-13 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the combining financial statements. The notes to financial statements can be found on pages 14-56 of this report.

Financial Analysis of the Authority's Financial Position and Results of Operations

The tables below provide a summary of the Authority's financial position and operations for 2016 and 2015, respectively.

The following table summarizes changes in net position of the Authority between December 31, 2016 and December 31, 2015:

Condensed Statement of Net Position (all amounts expressed in thousands of dollars)

	2016	2015	Dollar Change	Total Percent Change
Current assets	\$19,399	\$38,762	(\$19,363)	(49.95%)
Noncurrent restricted assets	7,303,967	6,531,797	772,170	11.82%
Noncurrent unrestricted assets	224,547	602,175	(377,628)	(62.71%)
Capital assets	1,252	1,321	(69)	(5.22%)
Total assets	7,549,165	7,174,055	375,110	5.23%
Loss on refunding	57,990	71,008	(13,018)	(18.33%)
Advance of loan interest	70,032	66,413	3,619	5.45%
Pension	605	204	401	196.57%
Total deferred outflows of resources	128,627	137,625	(8,998)	(6.54%)
Total assets and deferred outflows of resources	\$7,677,792	\$7,311,680	\$366,112	5.01%
Current liabilities	\$348,157	\$642,068	(\$293,911)	(45.78%)
Noncurrent revenue bonds and notes payable	3,175,422	2,642,603	532,819	20.16%
Other noncurrent liabilities	1,819	1,376	443	32.19%
Total liabilities	3,525,398	3,286,047	239,351	7.28%
Deferred inflows of resources-				
Pension	66	20	46	230.00%
Net position:				
Net investment in capital assets	1,252	1,321	(69)	(5.22%)
Restricted	3,920,821	3,818,514	102,307	2.68%
Unrestricted	230,255	205,778	24,477	11.89%
Total net position	4,152,328	4,025,613	126,715	3.15%
Total liabilities, deferred inflows of resources and net position	\$7,677,792	\$7,311,680	\$366,112	5.01%

OHIO WATER DEVELOPMENT AUTHORITY

Management's Discussion and Analysis

As noted earlier, net position may serve as a useful indicator of a government's financial position. In the case of the Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$4,152,328,289 as of December 31, 2016, \$3,920,820,971 of which is restricted for debt and grant covenants.

By far, the largest portion of the Authority's net position is reflected in its loan receivables, cash, cash equivalents and investments less any related debt still outstanding used to fund these loans to local government agencies.

The following table summarizes the changes in revenues and expenses for the Authority between 2016 and 2015:

Condensed Statement of Revenues, Expenses and Changes in Net Position

(all amounts expressed in thousands of dollars)

	2016	2015	Dollar Change	Total Percent Change
Operating revenues:				
Loan income	\$157,119	\$156,531	\$588	0.38%
Investment income	11,772	6,500	5,272	81.11%
Administrative fees from projects	4,521	4,948	(427)	(8.63%)
Total operating revenues	173,412	167,979	5,433	3.23%
Operating expenses:				
Payroll and benefits	2,004	1,866	138	7.40%
Interest on bonds and notes	107,900	103,282	4,618	4.47%
Bond and note issuance expense	7,121	4,230	2,891	68.35%
Loan principal forgiveness and grant expense	15,354	11,786	3,568	30.27%
State revolving fund administration	8,523	6,867	1,656	24.12%
Professional services	3,706	2,727	979	35.90%
Loan interest rate buy-down	14,992	8,170	6,822	83.50%
Other	479	441	38	8.62%
Total operating expenses	160,079	139,369	20,710	14.86%
Operating income	13,333	28,610	(15,277)	(53.40%)
Nonoperating other revenues (expenses)	(548)	427	(975)	(228.34%)
Contribution from U.S. EPA	103,611	102,273	1,338	1.31%
Federal subsidy income	10,319	10,305	14	0.14%
Change in net position	\$126,715	\$141,615	(\$14,900)	(10.52%)

OHIO WATER DEVELOPMENT AUTHORITY

Management's Discussion and Analysis

The two primary sources of operating revenue for the Authority are loan income and investment income, while the significant operating expense is interest on bonds and notes. For the year ending December 31, 2016, the Authority had operating income of \$13,332,941 compared to an operating income of \$28,610,304 in 2015. This decrease in operating income was primarily attributed to a \$4,618,209 increase in interest on bonds and notes, a \$3,568,207 increase in loan principal forgiveness and grant expense and a \$6,821,640 increase in loan interest rate buy-down expense.

During 2016, the Authority's net position increased by \$126,715,342 or 3.15%. The majority of this increase was due to the following:

- \$13,332,941 in operating income as noted earlier.
- \$103,611,057 in Contribution from U.S. EPA to be used to make loans to local governments.
- \$10,319,112 in Build America Bonds (BABs) subsidies (federal subsidy income) used to offset interest expense on bonds.

Financial Analysis of Net Position by Fund

(all amounts expressed in thousands of dollars)

	2016	2015	Dollar Change	Total Percent Change
Operating	\$ 2,745	\$ 2,676	\$ 69	2.58%
Other Projects	226,571	201,115	25,456	12.66%
In Lieu Fee	717	711	6	0.84%
Community Assistance	129,796	131,419	(1,623)	(1.23%)
Fresh Water	643,207	651,578	(8,371)	(1.28%)
Water Pollution Control Loan	2,603,128	2,516,471	86,657	3.44%
Drinking Water Assistance	546,164	521,643	24,521	4.70%
Total Net Position	\$ 4,152,328	\$ 4,025,613	\$ 126,715	3.15%

During 2016, Net Position by Fund experienced the following significant changes:

- Other Projects Fund Net Position increased \$25,456,342 or 12.66%. This increase was caused by transfers into the Other Projects Fund from Fresh Water in 2016.
- Water Pollution Control Loan Fund Net Position increased \$86,656,815 or 3.44%. This increase was primarily caused by the Contribution from U.S. EPA in 2016.
- Drinking Water Assistance Fund Net Position increased \$24,521,482 or 4.70%. This increase was caused by the Contribution from U.S. EPA in 2016.

Debt Administration

As of December 31, 2016, the Authority had revenue bonds and notes principal outstanding of \$3,389,760,633. The Authority's debt represents bonds and notes secured solely by loan repayments of pledged loans. The table below summarizes the amount of debt outstanding for 2016 and 2015.

OHIO WATER DEVELOPMENT AUTHORITY

Management's Discussion and Analysis

Outstanding Debt at December 31, 2016 and December 31, 2015 (net of premiums)

(all amounts expressed in thousands of dollars)

	2016	2015
Revenue Bonds	\$ 3,367,861	2,872,760
Revenue Notes	21,900	175,000
Total	\$ 3,389,761	3,047,760

During 2016, the Authority issued the following bonds and notes for the purpose of providing loan funding to local governments under its various loan programs:

- Water Development Revenue Notes—Fresh Water Series 2016
- Water Development Revenue Bonds—Fresh Water Series 2016A
- Water Development Revenue Bonds—Fresh Water Series 2016B
- Water Pollution Control Loan Fund Revenue Bonds—WPCLF Bonds Series 2016
- Drinking Water Assistance Fund Revenue Bonds—Series 2016

The Authority continues to maintain strong ratings from Moody's and Standard & Poor's. Although the Fresh Water Notes were private placement notes and therefore were not rated, we included the Fresh Water long-term program ratings in the table below. The WPCLF 2016 Bonds are variable rate bonds with a weekly interest rate reset. As such, Moody's and Standard & Poor's have given these bonds both a long-term and short-term rating. The table below summarizes the ratings from Moody's and Standard & Poor's for the 2016 bond and note issuances of the Authority.

Bond or Note Series	Moody's	Standard & Poor's
Fresh Water Bonds and Notes	Aaa	AAA
WPCLF Bonds	Aaa / VMIG 1	AAA / A-1
DWAF Bonds	Aaa	AAA

Additional information on the Authority's long-term debt can be found in the Notes to Financial Statements, pages 31-44 of this report.

Contacting the Authority's Financial Management

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Ohio Water Development Authority, 480 S. High Street, Columbus, Ohio 43215, or call (614)466-5822 or toll-free (877)OWDA-123, or visit the Authority's website at www.owda.org.

OHIO WATER DEVELOPMENT AUTHORITY

Combining Statement of Net Position
December 31, 2016

	Trusteed Funds			
	Operating Fund	Other Projects Fund	In Lieu Fee Fund	Community Assistance Fund (Note 5)
<u>Assets</u>				
Current assets:				
Cash and cash equivalents -- Note 2	\$ 84,574	4,948,854	6,675,279	-
Investments -- Note 2	1,205,513	2,607,147	-	-
Receivables:				
Loan and fee receivables	272,535	3,582,975	-	-
Other	22,610	-	-	-
Total current assets	1,585,232	11,138,976	6,675,279	-
Noncurrent assets:				
Restricted grant, bond and note covenant assets:				
Cash and cash equivalents -- Note 2	-	-	-	3,889,381
Investments -- Note 2	-	-	-	18,192,871
Loan receivables	-	-	-	174,125,825
Total noncurrent restricted assets	-	-	-	196,208,077
Investments -- Note 2	844,543	143,443,270	-	-
Loan receivables	-	73,294,390	-	-
Other receivables	-	-	-	52,884
Due from other funds -- Note 3	465,711	-	-	-
Capital assets, at depreciated cost	1,251,998	-	-	-
Total noncurrent unrestricted assets	2,562,252	216,737,660	-	52,884
Total assets	4,147,484	227,876,636	6,675,279	196,260,961
<u>Deferred Outflows of Resources</u>				
Loss on refunding	-	-	-	1,616,975
Advance of loan interest	-	-	-	-
Pension	604,960	-	-	-
Total deferred outflows of resources	604,960	-	-	1,616,975
Total assets and deferred outflows of resources	\$ 4,752,444	227,876,636	6,675,279	197,877,936
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	\$ 106,886	1,305,181	5,957,926	-
Compensated absences	15,482	-	-	-
Total current liabilities	122,368	1,305,181	5,957,926	-
Current liabilities payable from restricted assets:				
Due to other funds -- Note 3	-	-	-	-
Accounts payable	-	-	-	292,760
Accrued interest	-	-	-	277,935
Revenue bonds and notes payable, net of premiums	-	-	-	7,419,678
Total current liabilities payable from restricted assets	-	-	-	7,990,373
Noncurrent liabilities:				
Compensated absences	241,560	-	-	-
Net pension liability	1,577,618	-	-	-
Revenue bonds and notes payable, net of premiums	-	-	-	60,091,840
Total noncurrent liabilities	1,819,178	-	-	60,091,840
Total liabilities	1,941,546	1,305,181	5,957,926	68,082,213
<u>Deferred Inflows of Resources</u>				
Pension	65,877	-	-	-
<u>Net Position</u>				
Net investment in capital assets	1,251,998	-	-	-
Restricted for debt and grant covenants	-	-	717,353	129,795,723
Unrestricted	1,493,023	226,571,455	-	-
Total net position	2,745,021	226,571,455	717,353	129,795,723
Total liabilities, deferred inflows of resources and net position	\$ 4,752,444	227,876,636	6,675,279	197,877,936

See accompanying notes to financial statements

Trusteed Funds			
Fresh Water Fund (Note 6)	Water Pollution Control Loan Fund (Notes 7 & 8)	Drinking Water Assistance Fund (Notes 9 & 10)	Total Combining 2016
-	-	-	11,708,707
-	-	-	3,812,660
-	-	-	3,855,510
-	-	-	22,610
-	-	-	19,399,487
15,394,435	79,619,930	59,630,768	158,534,514
191,548,418	828,341,678	168,180,711	1,206,263,678
1,342,359,371	3,751,729,203	670,954,492	5,939,168,891
1,549,302,224	4,659,690,811	898,765,971	7,303,967,083
-	-	-	144,287,813
-	-	-	73,294,390
189,511	595,793	5,660,440	6,498,628
-	-	-	465,711
-	-	-	1,251,998
189,511	595,793	5,660,440	225,798,540
1,549,491,735	4,660,286,604	904,426,411	7,549,165,110
11,769,686	36,081,485	8,521,385	57,989,531
-	70,032,338	-	70,032,338
-	-	-	604,960
11,769,686	106,113,823	8,521,385	128,626,829
1,561,261,421	4,766,400,427	912,947,796	7,677,791,939
-	-	-	7,369,993
-	-	-	15,482
-	-	-	7,385,475
-	-	465,711	465,711
26,710,411	76,846,499	10,319,314	114,168,984
3,224,272	7,019,253	1,276,332	11,797,792
21,255,000	162,649,123	23,015,000	214,338,801
51,189,683	246,514,875	35,076,357	340,771,288
-	-	-	241,560
-	-	-	1,577,618
866,864,818	1,916,757,498	331,707,676	3,175,421,832
866,864,818	1,916,757,498	331,707,676	3,177,241,010
918,054,501	2,163,272,373	366,784,033	3,525,397,773
-	-	-	65,877
-	-	-	1,251,998
641,016,078	2,603,128,054	546,163,763	3,920,820,971
2,190,842	-	-	230,255,320
643,206,920	2,603,128,054	546,163,763	4,152,328,289
1,561,261,421	4,766,400,427	912,947,796	7,677,791,939

OHIO WATER DEVELOPMENT AUTHORITY
Combining Statement of Revenues, Expenses and Changes in Net Position
Year ended December 31, 2016

	Trusteed Funds			
	Operating Fund	Other Projects Fund	In Lieu Fee Fund	Community Assistance Fund (Note 5)
Operating revenues:				
Loan income	\$ -	1,400,667	-	2,880,888
Investment income	4,215	1,681,638	23,051	160,431
Administrative fees from projects	3,235,277	-	321,046	-
Total operating revenues	3,239,492	3,082,305	344,097	3,041,319
Operating expenses:				
Payroll and benefits	2,004,211	-	-	-
Interest on bonds and notes	-	-	-	3,877,659
Bond and note issuance expense	-	-	-	-
Loan principal forgiveness and grant expense	-	2,510,305	-	-
State revolving fund administration	-	-	-	-
Professional services	687,894	727,168	337,784	22,019
Loan interest rate buy-down	-	-	-	-
Other	478,645	-	-	-
Total operating expenses	3,170,750	3,237,473	337,784	3,899,678
Operating income (loss)	68,742	(155,168)	6,313	(858,359)
Nonoperating other revenues (expenses)	-	-	-	-
Income (loss) before contributions, federal subsidy income and transfers	68,742	(155,168)	6,313	(858,359)
Contribution from U.S. EPA	-	-	-	-
Federal subsidy income	-	-	-	559,608
Transfers in (out), net -- Note 16	-	25,611,510	-	(1,324,618)
Change in net position	68,742	25,456,342	6,313	(1,623,369)
Net position at beginning of year	2,676,279	201,115,113	711,040	131,419,092
Net position at end of year	\$ 2,745,021	226,571,455	717,353	129,795,723

See accompanying notes to financial statements.

Trusteed Funds			
Fresh Water Fund (Note 6)	Water Pollution Control Loan Fund (Notes 7 & 8)	Drinking Water Assistance Fund (Notes 9 & 10)	Total Combining 2016
47,248,514	90,112,362	15,477,030	157,119,461
1,682,923	7,509,956	709,254	11,771,468
-	-	964,373	4,520,696
48,931,437	97,622,318	17,150,657	173,411,625
-	-	-	2,004,211
27,749,639	66,676,148	9,596,288	107,899,734
3,092,561	2,807,890	1,220,589	7,121,040
-	9,254,076	3,590,048	15,354,429
-	4,631,099	3,892,055	8,523,154
332,158	923,424	675,551	3,705,998
4,117,822	9,478,662	1,394,989	14,991,473
-	-	-	478,645
35,292,180	93,771,299	20,369,520	160,078,684
13,639,257	3,851,019	(3,218,863)	13,332,941
1,500	(549,268)	-	(547,768)
13,640,757	3,301,751	(3,218,863)	12,785,173
-	76,675,817	26,935,240	103,611,057
2,275,152	6,679,247	805,105	10,319,112
(24,286,892)	-	-	-
(8,370,983)	86,656,815	24,521,482	126,715,342
651,577,903	2,516,471,239	521,642,281	4,025,612,947
643,206,920	2,603,128,054	546,163,763	4,152,328,289

OHIO WATER DEVELOPMENT AUTHORITY

Combining Statement of Cash Flows

Year ended December 31, 2016

	Trusteed Funds			
	Operating Fund	Other Projects Fund	In Lieu Fee Fund	Community Assistance Fund (Note 5)
Operating activities:				
Administrative fees from projects	\$ 2,967,303	-	321,046	-
Payroll and benefits	(1,907,076)	-	-	-
Grant expense	-	(1,941,165)	-	-
State revolving fund administration	-	-	-	-
Professional services	(680,530)	(718,874)	(337,784)	(22,019)
Other	(414,339)	-	-	-
Net cash used by operating activities	(34,642)	(2,660,039)	(16,738)	(22,019)
Investing activities:				
Proceeds from maturity or sale of investments	798,994	89,965,030	3,450,000	30,399,480
Purchase of investments	(1,452,636)	(102,118,067)	-	(28,757,844)
Interest received on investments, net of purchased interest	9,443	2,159,246	22,715	180,810
Interest received on projects	-	1,284,489	-	2,872,908
Principal collected on projects	-	4,510,966	-	10,576,460
Payment for construction of projects	-	(17,986,861)	-	(409,084)
Net cash provided (used) by investing activities	(644,199)	(22,185,197)	3,472,715	14,862,730
Noncapital financing activities:				
Interest paid on bonds and notes, net of purchased interest	-	-	-	(3,562,865)
Proceeds of bonds and notes	-	-	-	-
Bond and note issuance expense	-	-	-	-
Redemption of bonds and notes	-	-	-	(9,120,000)
Contribution from U.S. EPA	-	-	-	-
Other	(57,258)	(896,424)	1,862,733	637,784
Transfers (to) from other funds	-	25,635,368	-	(1,324,618)
Net cash provided (used) by noncapital financing activities	(57,258)	24,738,944	1,862,733	(13,369,699)
Net increase (decrease) in cash and cash equivalents	(736,099)	(106,292)	5,318,710	1,471,012
Cash and cash equivalents at beginning of year	820,673	5,053,890	1,352,727	2,417,221
Cash and cash equivalents at end of year -- Note 2	\$ 84,574	4,947,598	6,671,437	3,888,233
Reconciliation of operating income (loss) to net cash used by operating activities:				
Operating income (loss)	\$ 68,742	(155,168)	6,313	(858,359)
Adjustments:				
Investment income	(4,215)	(1,681,638)	(23,051)	(160,431)
Principal forgiveness and other	573,820	569,140	-	-
Interest on bonds and notes	-	-	-	3,877,659
Loan and loan fee income	(267,974)	(1,400,667)	-	(2,880,888)
Bond and note issuance expense	-	-	-	-
Net change in other assets and other liabilities	(405,015)	8,294	-	-
Net cash used by operating activities	\$ (34,642)	(2,660,039)	(16,738)	(22,019)

See accompanying notes to financial statements.

Trusted Funds			
Fresh Water Fund (Note 6)	Water Pollution Control Loan Fund (Notes 7 & 8)	Drinking Water Assistance Fund (Notes 9 & 10)	Total Combining 2016
-	-	1,023,947	4,312,296
-	-	-	(1,907,076)
-	-	(777,362)	(2,718,527)
-	(4,631,099)	(3,844,494)	(8,475,593)
(318,063)	(877,327)	(525,834)	(3,480,431)
-	-	-	(414,339)
(318,063)	(5,508,426)	(4,123,743)	(12,683,670)
654,051,101	1,212,375,748	159,022,063	2,150,062,416
(661,266,351)	(1,385,179,023)	(237,100,382)	(2,415,874,303)
2,099,305	10,533,539	1,149,118	16,154,176
39,029,904	80,658,626	12,992,579	136,838,506
67,994,044	252,924,636	44,280,823	380,286,929
(247,436,028)	(496,470,167)	(93,718,411)	(856,020,551)
(145,528,025)	(325,156,641)	(113,374,210)	(588,552,827)
(33,265,305)	(85,883,741)	(11,723,400)	(134,435,311)
420,761,341	497,560,571	167,741,455	1,086,063,367
(2,956,061)	(4,621,668)	(1,220,589)	(8,798,318)
(213,180,000)	(163,005,000)	(19,595,000)	(404,900,000)
-	76,675,817	21,341,863	98,017,680
2,276,855	7,597,031	1,092,698	12,513,419
(24,310,750)	-	-	-
149,326,080	328,323,010	157,637,027	648,460,837
3,479,992	(2,342,057)	40,139,074	47,224,340
11,912,988	81,935,122	19,462,407	122,955,028
15,392,980	79,593,065	59,601,481	170,179,368
13,639,257	3,851,019	(3,218,863)	13,332,941
(1,682,923)	(7,509,956)	(709,254)	(11,771,468)
4,117,822	18,732,738	4,255,236	28,248,756
27,749,639	66,676,148	9,596,288	107,899,734
(47,248,514)	(90,112,362)	(15,477,030)	(157,387,435)
3,092,561	2,807,890	1,220,589	7,121,040
14,095	46,097	209,291	(127,238)
(318,063)	(5,508,426)	(4,123,743)	(12,683,670)

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

For the Year Ended December 31, 2016

(1) **AUTHORIZING LEGISLATION, REPORTING ENTITY, PROGRAM DESCRIPTIONS, FUND ACCOUNTING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Authorizing Legislation

The Ohio Water Development Authority (Authority) is a body corporate and politic in the State of Ohio created by an Act of the General Assembly of the State of Ohio effective March 7, 1968. It is authorized and empowered to acquire, construct, maintain, repair and operate water development projects and solid waste projects, to issue water development and solid waste revenue bonds and notes and to collect rentals and other charges to pay such bonds and notes and the interest thereon. The Authority was given jurisdiction over financing solid waste control by an Act of the General Assembly of the State of Ohio during 1970. Under provisions of the Act, such revenue bonds and notes shall not be deemed to constitute a debt or a pledge of faith and credit of the State nor any political subdivision thereof.

Reporting Entity

The accompanying financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, which defines financial accountability. The criteria for determining financial accountability include the following circumstances:

- Appointment of a voting majority of an organization's governing authority and the ability of the primary government to either impose its will on that organization or the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, or
- An organization is fiscally dependent on the primary government and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

Officials of the State's primary government appoint a voting majority of the Authority's governing board. However, the primary government's accountability for the Authority does not extend beyond making those appointments. As such, the Authority is deemed a related organization of the State of Ohio. The Authority does not have any component units or related organizations of its own.

Programs

The Authority has established the following programs:

Local Communities

The Authority has established financing programs to provide loans to local communities in the State of Ohio for the construction of sewage and related water treatment facilities. These programs are accounted for in various funds, which are described in the following paragraphs.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

These loans provide for the financing of project construction costs. Revenue from the underlying project is pledged toward repayment of the loan.

The Authority's initial funding of the program came from a \$100,000,000 appropriation, all of which has been designated for use, from the State of Ohio. Subsequent funding of its programs has come from the issuance by the Authority of bonds and notes as well as federal capitalization grants.

Industrial

The Authority has established financing programs to assist private industry and certain municipalities participating in a manner similar to private industry, all located in the State of Ohio, in controlling water pollution and solid waste by constructing appropriate facilities. These programs are accounted for in various funds, which are described in Note 12. The Authority issues revenue bonds and notes to finance these programs. The Authority and the industrial companies and municipalities enter into agreements whereby the industrial companies and municipalities are required to make payments, as they become due, sufficient to pay the interest and principal on the bonds and notes issued to finance the projects.

These bonds and notes are principally secured by either revenues from the services, lease purchase agreements, mortgages, letters of credit or a combination thereof and are not secured by assets of the Authority.

Basis of Presentation—Fund Accounting

The accounts of the Authority are organized on the basis of funds, each of which is considered to be an independent fiscal and accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses; and are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with laws, regulations or other restrictions. The following is a description of the funds adopted by the Authority.

(a) Operating Fund

The Operating Fund was established to account for the administrative activities and transactions of the Authority, which are required to carry out the provisions of the aforementioned authorizing legislation.

Revenues for Authority operations are principally provided by an administrative fee charged as a percentage of the total cost of each project, which the Authority assists by providing financing. Fee income is recognized at the time that the financing agreements are finalized since substantially all of the costs associated with the agreements have been incurred by that time. Operating expenses, which are primarily salaries, employee fringe benefits and legal and professional fees include administrative expenses of the Authority and other expenses incurred in connection with the financing of projects.

(b) Other Projects Fund

The Other Projects Fund was established to account for its programs and commitments that are funded with funds other than proceeds of bonds or notes or other funds required by law or contract to be held in a fund separate and segregated from other funds of the Authority. The Other Projects Fund consists of the following programs and commitments:

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

- ***Other Projects Fund – Endowment Grant***

The purpose of this program is to provide grants to local governments in Ohio to develop innovative projects in the areas of drinking water, wastewater and solid waste management.

- ***Other Projects Fund – Solid Waste***

The purpose of this program is to provide financing to local governments in Ohio for the construction of solid waste facilities including recycling projects, composting, waste-to-energy projects and landfills. The balance of the construction costs are to be repaid by the solid waste facilities under terms of installment contracts over periods of 10 to 20 years with interest at 5.33% to 5.65%.

- ***Other Projects Fund – Local Economic Development***

The purpose of this program is to provide financing to local governments in Ohio to construct projects which will provide economic development benefits. The interest rate for each loan is negotiated by the local government and the Ohio Development Services Agency. The loans are to be repaid under terms of installment contracts over periods of 10 to 30 years with interest at 1.0% to 3.0%.

- ***Other Projects Fund – Brownfield***

The purpose of this program is to provide financing for the clean-up of contaminated brownfield sites under the state's voluntary action program. The loans are to be repaid under terms of installment contracts over periods of 5 to 15 years with interest at 2.0% to 2.52%.

- ***Other Projects Fund – Village Capital Improvements***

The purpose of this program is to provide interest-free planning and design loans to qualifying villages in Ohio for water and wastewater facilities. These loans are to be repaid at a term not to exceed 10 years.

- ***Other Projects Fund – Emergency Relief***

The purpose of this program is to provide financial assistance to Ohio communities or households that have sustained damage to their water or wastewater facilities as the result of a natural disaster or a mine subsidence event. To be eligible, communities or households must have an outstanding loan from the Authority and be in a federal or state designated disaster area, or be in an area of mine subsidence as declared by the state. The program can provide a community with up to two semi-annual loan payments to the Authority in an amount equivalent to the damage sustained by the water or wastewater systems during the disaster, or up to \$25,000 per household for mine subsidence relocation costs.

As of December 31, 2016, the Authority has approved \$5,015,694 in grant assistance to forty-one communities for damage caused by flooding in Ohio and \$125,000 in grant assistance to five households for mine subsidence relocation costs.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

- ***Other Projects Fund – Dam Safety***

The purpose of this program is to help eligible Ohio dam owners receive below market interest rate loans to finance dam repairs and improvements that have been so ordered by the Ohio Department of Natural Resources. These loans are available through the Dam Safety Linked Deposit Program. In the program, Dam Safety funds are invested in local participating banks at below-market rates. The banks, in return, issue low interest rate loans to qualified participants. The amount invested in this program as of December 31, 2016 was \$1,069,267.

- ***Other Projects Fund – Lake Erie Soil Erosion***

The purpose of this program is to provide financing to the eight counties with Lake Erie shorelines containing coastal erosion areas. Any county receiving financing from the program will then provide financial assistance to property owners for the construction of erosion control structures in areas defined by statute as coastal erosion areas.

The loans to the counties are to be repaid under terms of installment contracts. As of December 31, 2016, two loans approved totaling \$661,000 are outstanding from this account over 15 years with interest at 4.67% to 5.34%.

- ***Other Projects Fund – Security Assistance***

The purpose of this program is to provide financing to local governments in Ohio to protect the communities' water and wastewater systems. Eligible items under the program include lighting, fencing, cameras, motion detectors, gating and security systems and terrorism preparedness plans.

The loans to the local government agencies (LGAs) are to be repaid under terms of installment contracts with interest at 2.00%. As of December 31, 2016, two loans have been awarded a total of \$251,281 from this account over 20 and 30 years.

- ***Other Projects Fund – Interest Rate Buy-Down***

The purpose of this program is to provide a subsidy to the local governments in Ohio that obtained financing under the Authority's Fresh Water, Refunding and Safe Water Refunding (which were consolidated into the Fresh Water Fund in 2007), and Pure Water Refunding (which was also consolidated into the Fresh Water Fund in 2010) programs whose loan interest rates exceed 4.00%.

- ***Other Projects Fund – Unsewered Area Planning Loan Program***

The purpose of this program is to provide interest-free planning loans to unsewered areas where the LGA is considering the construction of a system of sewer facilities. These loans are to be repaid at a term not to exceed 10 years.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

- ***Other Projects Fund – Unsewered Area Assistance Program***

The purpose of this program is to provide principal forgiveness construction loans to unsewered areas for the purpose of construction of a system of sewer facilities.

- ***Other Projects Fund – Alternative Stormwater Infrastructure Loan Program***

The purpose of this program is to provide loans to reduce stormwater run-off and mitigate flooding. The loans to the LGAs are to be repaid under terms of installment contracts. As of December 31, 2016, four loans approved totaling \$23,329,173 are outstanding from this account over periods of 10 to 20 years with interest at 0.0% to 2.5%.

- ***Other Projects Fund – Rural Utilities Program***

The purpose of this program is to provide interim loans to local governments in Ohio to finance water development projects pending their receipt of loan or grant money from the United States of America, acting through Rural Utility Services.

- ***Other Projects Fund – Unallocated Reserve***

This reserve was established for potential collectability or cash flow problems that may arise in the future on any Authority project. The target balance of the reserve is 1% of the outstanding loan balance of the Other Projects, Community Assistance and Fresh Water loan programs.

(c) ***In-Lieu Fee Fund***

The In-Lieu Fee (ILF) Mitigation Fund was established during 2014 by a resolution of the Authority and is administered by a Trustee. OWDA is responsible for fund management in support of the Nature Conservancy's administration of the program.

The purpose of the ILF Mitigation Fund is to provide an option for public and private entities that are impacting Ohio's wetlands or streams where direct mitigation of those impacts is not feasible. These entities pay into the ILF Mitigation Fund providing a source of funds that is then used to implement comparable projects elsewhere in the state that compensate for the originally impacted wetlands by public and private entities or carry out comparable projects to negate any negative impact on wetlands or streams.

(d) ***Community Assistance Fund***

The Community Assistance Fund (formerly known as the Hardship Fund) was established during 1983 by a resolution of the Authority and is administered by a Trustee. The purpose of the fund is to provide a financing program for local governments in Ohio that are unable to meet debt service requirements at normal market interest rates without undue hardship to users.

The balance of the construction costs is paid by the LGA under the terms of installment contracts over periods of 20 to 30 years with interest at 1.00% to 3.11%. LGA payments of construction costs may be used for providing additional funding for qualifying projects.

Initial funding for the Community Assistance Fund was provided by a \$15,000,000 transfer from the Pure Water Refunding Fund. Additional funding has been provided by monetary transfers from the Fresh Water Fund, Refunding Fund, Safe Water Refunding Fund, Pure Water Refunding Fund and the issuance of the Water Development Revenue Bonds—Community Assistance Series

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

1997, Series 2003, Series 2007, Series 2010A and Series 2010B. The Water Development Revenue Refunding Bonds—Community Assistance Series 2005 Bonds were issued for the purpose of refunding portions of outstanding Community Assistance Series 1997 Bonds. The Water Development Revenue Refunding Bond Anticipation Notes, Series 2008A and Series 2008B, were issued to refund the Community Assistance Series 2007 Bonds. The Water Development Revenue Refunding Bonds—Community Assistance Series 2009 Bonds were issued to refund the Community Assistance Series 2008B Bond Anticipation Notes. The Water Development Revenue Refunding Bonds—Community Assistance Series 2011 Bonds were issued for the purpose of refunding portions of outstanding Community Assistance Series 2003 Bonds. The Water Development Revenue Refunding Bonds—Community Assistance Series 2013 Bonds were issued to refund the outstanding Series 2005 Bonds. All loan repayments for this fund are pledged on a parity basis against all debt outstanding within this fund.

(e) *Fresh Water Fund*

The Fresh Water Fund, which consists of various accounts, was established in 1992 by a resolution providing for the issuance of the Water Development Revenue Refunding Bonds—Pure Water Refunding and Improvement Series. Initial funding was provided by a portion of the proceeds from these bonds and a transfer from the Pure Water Refunding Fund. The Water Development Revenue Bonds—Fresh Water Series 1995, Series 1998, Series 2001A, Series 2002, Series 2004, Series 2010A-1, Series 2010A-2, Series 2013, Series 2016A, Series 2016B and Water Development Revenue Notes—Fresh Water Commercial Paper Series 2007A, Series 2008D, Series 2008E, Series 2010A, Series 2010B, Series 2014 Notes, Series 2015 Notes and Series 2016 Notes were later issued to provide additional funds necessary for making loans to LGAs as part of the Authority's Fresh Water Program. The Water Development Refunding Revenue—Fresh Water Series 2001B, Series 2005, Series 2006A, Series 2009A and Series 2009B Bonds were issued for the purpose of refunding portions of Fresh Water Series 1995, Series 1998, Series 2001A, Series 2002 and Series 2004 Bonds. A portion of the Fresh Water Series 2009A Bonds were used to retire outstanding commercial paper issued in 2007 and 2008. A portion of the Fresh Water Series 2010A-1 and Series 2010A-2 Bonds were used to retire outstanding commercial paper issued in 2010. A portion of the Fresh Water Series 2016A and Series 2016B Bonds were issued to retire outstanding notes issued in 2014 and 2015. All Fresh Water loan repayments for this fund are pledged on a parity basis against all debt outstanding within this fund.

The purpose of these funds is to provide moneys necessary to finance the LGA portion of costs for planning, designing, acquiring or constructing wastewater treatment, sewage collection, and water supply and distribution facilities in Ohio, and to finance other projects approved by the Authority.

The balance of Fresh Water construction costs is repaid by LGAs under terms of installment contracts over periods of 5 to 30 years with interest rates of 0.00% to 7.38%.

On December 1, 2007, the Refunding Fund and the Safe Water Refunding Fund were closed and the outstanding loan receivables balances were transferred to the Fresh Water Fund. The loan repayments from these funds are deposited into the Cross-Collateralization account in the Fresh Water Fund and are not pledged toward outstanding Fresh Water debt. The balance of these loans is repaid by LGAs under terms of installment contracts over 40 years with interest at 5.25%.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

On December 1, 2010, the Pure Water Refunding Fund was closed and the outstanding loan receivables balances were transferred to the Fresh Water Fund. The loan repayments from this fund are deposited into the Cross-Collateralization account in the Fresh Water Fund and are not pledged toward outstanding Fresh Water debt. The balance of these loans is repaid by LGAs under terms of installment contracts over periods of 5 to 30 years with interest rates of 0.00% to 7.56%.

(f) *Water Pollution Control Loan Fund*

The Water Pollution Control Loan Fund (WPCLF) consists of various accounts, which were established by an Act of the General Assembly of the State of Ohio in 1989 and are administered by a Trustee. The purpose of this fund is to provide financial assistance for the construction of publicly owned wastewater treatment works in Ohio.

Construction costs are paid by LGAs under terms of installment contracts over periods of 4.5 to 30 years with interest rates of 0.00% to 4.66%. LGA repayments of project costs are restricted for the purpose of providing additional moneys for projects or for debt service.

In 2015, the Authority created the WPCLF Interest Rate Buy-Down Program. The purpose of this program is to provide a subsidy to the local governments in Ohio that obtained financing under the Authority's WPCLF Program whose loan interest rates exceed 3.00%.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

The WPCLF was initially funded in 1989 by a U.S. Environmental Protection Agency capitalization grant, which required a 20% matching contribution from the Ohio Environmental Protection Agency (Ohio EPA). Grant funding has been awarded as detailed in the following table:

Year Awarded	Capitalization Grant	State Match
1989	\$ 53,099,244	10,619,849
1990	64,124,705	12,824,941
1991	120,534,782	24,106,956
1992	109,382,724	21,876,545
1993	108,203,832	21,640,766
1994	75,855,333	15,171,067
1995	72,717,472	14,543,495
1996	118,581,512	23,716,302
1997	35,085,699	7,017,140
1998	86,175,844	17,235,168
1999	75,812,616	15,162,523
2000	78,490,933	15,701,752
2002	151,596,245	30,319,250
2003	74,859,808	14,971,962
2004	75,649,985	15,129,997
2005	60,663,240	12,132,648
2006	49,305,643	9,861,129
2007	60,252,687	12,050,537
2009*	297,239,893	15,323,359
2011	197,831,000	39,566,200
2012	79,564,000	15,912,800
2013	75,160,000	15,032,000
2014	78,932,000	15,786,400
2015	78,528,000	15,705,600
2016	75,217,000	15,043,400
Total	<u>\$ 2,352,864,197</u>	<u>426,451,786</u>

* The 2009 capitalization grant funding award included \$220,623,100 in moneys from The American Recovery and Reinvestment Act (ARRA) with no state match required, and \$76,616,793 in capitalization grant moneys requiring a 20% state match.

The WPCLF received additional funding from the proceeds of Water Pollution Control Loan Fund Revenue Bonds and Notes—State Match Series 1991, Series 1993, Series 1995, Series 2000, Series 2008, Series 2010, Series 2013 and Series 2015; Water Quality Series 1995, Series 1997, Series 2001, Series 2002, Series 2004, Series 2005B, Series 2010A, Series 2010B-1 and Series 2010B-2; Floating Rate Notes Series 2012A and Series 2013A; WPCLF Bonds Series 2014, Series 2015A and Series 2016. The Water Pollution Control Loan Fund Revenue Refunding Bonds—State Match Series 2001 and Series 2005 and Water Quality Series 2003, Series 2004, Series 2005, Series 2009, Series 2010C, Series 2011A, Series 2011B-1, Series 2011B-2, Series 2012A and WPCLF Bonds Series 2014B and Series 2015B were issued to refund portions of the State Match and Water Quality Series Bonds. The WPCLF Water Quality, State Match and WPCLF Bonds and Notes were established by resolutions providing for the issuance of these bonds and notes and are administered by Trustees.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

The WPCLF Bonds and Notes are special obligations of the Authority, issued to fund the State Match, Water Quality and WPCLF Bond accounts for use in making loans to LGAs provided by the Ohio EPA and the Authority. All interest earned on moneys and/or investments in the WPCLF remain within the fund. All loan repayments of principal and interest on loans made prior to May 1, 2014 are primarily pledged on a parity basis to all WPCLF Water Quality Bonds outstanding and subordinatedly pledged on a parity basis to all WPCLF Bonds outstanding. All loan repayments of interest for loans made after May 1, 2014 are pledged first to all WPCLF State Match Bonds outstanding, second to WPCLF Water Quality Bonds and third to WPCLF Bonds. As of December 31, 2016, all WPCLF State Match Bonds are retired. Any future WPCLF State Match issuances will be governed by the WPCLF Bonds Trust Indenture.

In 1994, the Authority established the Linked Deposit Program. This program is aimed at helping Ohio farmers receive low-interest loans to reduce non-point source pollution from agricultural run-off. In the program, WPCLF funds are invested in local participating banks at below-market rates. The banks, in return, issue low-interest rate loans to qualified participants. The amount invested in this program as of December 31, 2016 was \$1,770,020.

(g) *Drinking Water Assistance Fund*

The Drinking Water Assistance Fund (DWAF) was established by legislation enacted by the General Assembly of the State of Ohio in 1997 and is administered by a Trustee. The purpose of this fund is to assist public water systems to finance the costs of infrastructure needed to achieve or maintain compliance with the Safe Drinking Water Act requirements and to protect public health.

Construction costs are paid under terms of installment contracts over periods of 5 to 30 years with interest rates of 0.00% to 4.66%. Repayments of project costs are restricted for the purpose of providing additional moneys for projects.

In 2015, the Authority created the DWAF Interest Rate Buy-Down Program. The purpose of this program is to provide a subsidy to the local governments in Ohio that obtained financing under the Authority's DWAF Program whose loan interest rates exceed 3.00%.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

The DWAF was initially funded in 1998 by a U.S. Environmental Protection Agency capitalization grant, with a required 20% state match contribution from the Ohio EPA. Grant funding has been awarded as detailed in the following table:

Year Awarded	Capitalization Grant	State Match
1998	\$ 43,073,000	8,614,600
1999	22,806,200	4,561,240
2000	48,745,300	9,749,060
2001	24,944,900	4,988,980
2002	24,547,600	4,909,520
2003	24,400,100	4,880,020
2004	25,311,500	5,062,300
2005	25,257,900	5,051,580
2006	24,670,900	4,934,180
2007	24,671,000	4,934,200
2008	24,421,000	4,884,200
2009*	82,881,000	4,884,200
2011	73,389,000	14,677,800
2012	30,339,000	6,067,800
2013	27,058,000	5,411,600
2014	24,586,000	4,917,200
2015	24,425,000	4,885,000
2016	23,107,000	4,621,400
Total	<u>\$ 598,634,400</u>	<u>108,034,880</u>

* The 2009 capitalization grant funding award included \$58,460,000 in moneys from ARRA with no state match required, and \$24,421,000 in capitalization grant moneys requiring a 20% state match.

The DWAF received additional funding from the proceeds of the Drinking Water Assistance Fund Revenue Bond Anticipation Notes—State Match Series 2001 and the Drinking Water Assistance Fund Revenue Bonds and Notes—State Match Series 2002, Series 2004, Series 2010A and Series 2014; Leverage Series 2002, Series 2004, Series 2005B, Series 2006, Series 2010A and Series 2010B and DWAF Bonds Series 2016. Drinking Water Assistance Fund Refunding Revenue Bonds—Leverage Series 2005 were issued to refund a portion of the Leverage Series 2002 Bonds; Leverage Series 2008 were issued to refund the Leverage Series 2006 Notes; State Match Series 2010B were issued to refund a portion of State Match Series 2002 and Series 2004 Bonds; Leverage Series 2010C were issued to refund a portion of the Leverage Series 2002, Series 2004, Series 2005B and Series 2008 Bonds; and Leverage Series 2014 were issued to refund a portion of the Series 2005B and Series 2008 Bonds.

The DWAF Bonds and Notes are special obligations of the Authority, issued to fund the State Match, Leverage and DWAF Bond accounts for use in making loans to LGAs provided by the Ohio EPA and the Authority. All interest earned on moneys and/or investments in the DWAF remain within the fund. All loan repayments of principal and interest on loans made prior to August 3, 2016 are primarily pledged on a parity basis to all DWAF Leverage Bonds outstanding and subordinatedly pledged on a parity basis to all DWAF Bonds outstanding. All loan repayments of interest for loans made after August 3, 2016 are pledged first to all DWAF State Match Bonds outstanding, second to DWAF Leverage Bonds and third to DWAF Bonds. As of December 31, 2016, all

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Notes to Financial Statements

DWAF State Match Bonds are retired. Any future DWAF State Match issuances will be governed by the DWAF Bonds Trust Indenture.

Summary of Significant Accounting Policies

(a) Basis of Accounting

The basis of accounting determines when transactions and economic events are reflected in financial statements. The Authority has prepared the financial statements on the full accrual basis of accounting. Accordingly, revenues are recognized as earned and expenses are recognized as incurred, including interest expense on bonds and notes outstanding.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

(b) Cash and Cash Equivalents

Cash and cash equivalents include amounts on deposit with Trustees and petty cash, as defined in GASB Statement No. 9 for the purpose of the statement of cash flows, in addition to money market investments and holdings in the State Treasury Asset Reserve of Ohio (STAR Ohio) investment pool. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities and Exchange Commission as an investment company, but has adopted GASB Statement No. 79 (See Note 4) for the purpose of measuring the value of shares in STAR Ohio. The Authority measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For the purpose of the statement of cash flows, the Authority considers cash deposits with a maturity of three months or less when purchased to be cash equivalents. Additionally, the Authority does not consider its loans to be program loans, and as a result, reports its loan cash flows within the investing activities section of the statement of cash flows.

(c) Investments

With the exception of nonnegotiable certificates of deposit, investments are carried at fair value, which includes accrued interest receivable. Accordingly, the Authority reports participating nonnegotiable certificates of deposit at amortized cost plus accrued interest receivable.

(d) Due to and Due from Other Funds

Interfund receivables and payables, otherwise referred to as due to and due from other funds, arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. All interfund balances at December 31, 2016 resulted from the time lag between the dates that transactions are recorded in the accounting system and the dates that payments between funds are made. The Authority expects that all interfund balances will be repaid within one year.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

(e) *Loan Income as Defined by the Contracts*

Loan income consists primarily of interest charged to LGAs, as defined by the contracts with LGAs, on the amounts estimated to be paid under the loan agreements. Interest charged during the construction period is capitalized by the Authority and is reflected as part of loan receivables.

(f) *Amortization of Premium and Discount of Bonds and Notes*

Premium and discount are amortized over the life of the bonds and notes, following the effective interest method.

(g) *Interfund Transfers/Net Position*

The Authority reports interfund transactions when incurred, as follows:

- Transfers in (out), net: Transfers to a receiving fund from a disbursing fund required to meet routine operating requirements, such as debt service repayments and loan disbursements, in addition to transfers between funds for initial and/or additional funding needs.

Interfund transfers have not been eliminated in the combining column of the financial statements.

Net position in excess of those amounts required by the various trust agreements may, upon Board authorization, be used for any lawful purpose.

(h) *Capital Assets and Facilities*

Capital assets of the Authority include an office building with attached garage, two parking lots, office furniture and equipment. Capital assets are defined by the Authority as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Depreciation is computed on the building, capital improvements and other capital assets only, using the straight-line method with no salvage value. Current year depreciation expense is detailed below as 'additions' to accumulated depreciation.

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	Ending <u>Balance</u>
Land (non-depreciable)	\$ 538,676	—	—	538,676
Building (useful life: 20-45 years)	887,524	—	—	887,524
Capital Improvements (useful life: 20 years)	628,314	—	—	628,314
Other (useful life: 3-10 years)	1,501,753	65,817	(75,937)	1,491,633
Total capital assets	3,556,267	65,817	(75,937)	3,546,147
Less: Accumulated Depreciation-Building	(486,395)	(36,980)	—	(523,375)
Less: Accumulated Depreciation-Cap Impr	(368,785)	(31,416)	—	(400,201)
Less: Accumulated Depreciation-Other	(1,379,728)	(66,782)	75,937	(1,370,573)
Capital Assets, at Depreciated Cost	<u>\$1,321,359</u>	<u>(69,361)</u>	<u>—</u>	<u>1,251,998</u>

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Notes to Financial Statements

(i) *Statement of Net Position Classifications*

The Authority is required to classify its statement of net position, detailing current and noncurrent assets, deferred outflows of resources, current and noncurrent liabilities, deferred inflows of resources and restricted and unrestricted net position, as follows:

- Current: Due within one year from December 31, 2016
- Noncurrent: Due after December 31, 2017
- Restricted: Restricted for usage by bond and note covenants and grant restrictions
- Unrestricted: Not restricted for usage

Within the Fresh Water Fund, there exist both restricted and unrestricted net positions. Restricted net position would be used to cover eligible expenses before unrestricted net position would be used. The unrestricted net position may, upon Board authorization, be used by the Authority for any lawful purpose.

(j) *Revenue and Expense Classifications*

The Authority's policy for revenue and expense classification is as follows:

- Operating revenues consist of loan income, investment income and administrative fees from projects
- Operating expenses consist of payroll and benefits, interest on bonds and notes, bond and note issuance expense, loan principal forgiveness and grant expense, state revolving fund administration, professional services, loan interest rate buy-down and other operating expenses
- Nonoperating other revenues (expenses)
- Contribution from U.S. EPA
- Federal subsidy income

(k) *Risk Management*

It is the policy of the Authority to eliminate or transfer risk. The Authority does not self-insure any risk resulting from acts of God, injury to employees or breach of contract.

The Authority carries commercial property insurance on property and equipment in the aggregate sum of approximately \$2,250,000. The Authority carries commercial liability insurance coverage in the amount of approximately \$56,385,000. The Authority also carries premium-based medical, dental and vision coverage for all employees.

During 2016, there were no claims by the Authority that exceed the insurance coverage, nor has there been a reduction in insurance coverage in the past three years.

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Notes to Financial Statements

(2) CASH AND INVESTMENTS

As of December 31, 2016, the Authority's carrying amount of deposits was \$22,225,897 and bank balance of deposits was \$22,355,457. Of this amount, \$250,411 was covered by federal depository insurance, and \$22,105,046 was collateralized with securities held by the bank's agent but not in the Authority's name. The Authority's carrying amount of long-term nonnegotiable certificates of deposit as of December 31, 2016 was \$2,843,575. These deposits were collateralized with securities held by the bank's agent but not in the Authority's name.

The Authority's investment policy and relevant trust indentures, which are in compliance with the Ohio Revised Code, authorizes investments in obligations of the U.S. Treasury, U.S. Agencies, obligations of the State of Ohio or any political subdivision, obligations of any State of the United States, repurchase agreements from financial institutions with a Moody's or Standard & Poor's rating of "A", investment agreements from financial institutions rated in the highest short-term categories or one of the top three long-term categories by Moody's and/or Standard & Poor's, money market mutual funds whose portfolio consists of authorized investments, the State Treasurer's investment pool and any debt or fixed income security, the issuer of which is rated in the highest short-term or in the top three long-term categories. All investments must mature within five years of settlement unless the investment is matched to a specific obligation or debt of the Authority. Securities are purchased with the expectation that they may be held to maturity.

As of December 31, 2016, the Authority had the following investments and maturities:

Fund - Investment Type	Fair Value	Investment Maturity (in Years)			
		Less than 1	1 - 5	6 - 10	More Than 10
Operating:					
U.S. Agencies	\$2,050,056	1,205,513	844,543	-	-
Other Projects:					
U.S. Treasuries	22,623,027	61,255	22,561,772	-	-
U.S. Agencies	113,604,835	2,503,767	111,101,068	-	-
Municipal Bonds	8,750,331	39,167	8,711,164	-	-
Money Market	4,100,328	4,100,328	-	-	-
	149,078,521	6,704,517	142,374,004	-	-
In Lieu Fee:					
STAR Ohio	6,467,771	6,467,771	-	-	-
Money Market	207,508	207,508	-	-	-
	6,675,279	6,675,279	-	-	-

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Notes to Financial Statements

Fund - Investment Type	Fair Value	Investment Maturity (in Years) - Continued			
		Less than 1	1 - 5	6 - 10	More Than 10
Community Assistance:					
U.S. Treasuries	\$15,652,923	11,966,438	3,686,485	-	-
U.S. Agencies	2,539,948	1,203,950	1,335,998	-	-
STAR Ohio	1,137,314	1,137,314	-	-	-
Money Market	1,733,762	1,733,762	-	-	-
	21,063,947	16,041,464	5,022,483	-	-
Fresh Water:					
U.S. Treasuries	147,883,311	58,467,940	88,659,497	755,874	-
U.S. Agencies	43,665,107	43,665,107	-	-	-
STAR Ohio	1,932,344	1,932,344	-	-	-
Money Market	7,295,196	7,295,196	-	-	-
	200,775,958	111,360,587	88,659,497	755,874	-
Water Pollution Control Loan:					
U.S. Treasuries	418,375,699	20,255,865	398,119,834	-	-
U.S. Agencies	393,210,642	88,648,224	304,562,418	-	-
Municipal Bonds	14,983,986	935,510	14,048,476	-	-
STAR Ohio	55,694,001	55,694,001	-	-	-
Money Market	13,487,246	13,487,246	-	-	-
	895,751,574	179,020,846	716,730,728	-	-
Drinking Water Assistance:					
U.S. Treasuries	85,431,545	21,639,074	63,792,471	-	-
U.S. Agencies	82,749,166	68,430,574	14,318,592	-	-
STAR Ohio	48,064,785	48,064,785	-	-	-
Money Market	7,897,069	7,897,069	-	-	-
	224,142,565	146,031,502	78,111,063	-	-

The Authority's U.S. treasuries, U.S. agencies and municipal bonds are uninsured and unregistered investments for which the securities are held by the Authority's agent but not in the Authority's name. As of December 31, 2016, the Authority's investments in U.S. treasuries were backed by the full faith and credit of the U.S. Government. The investments in U.S. agencies were rated AA+ by Standard & Poor's and Aaa by Moody's. The Authority's investments in municipal bonds were rated within the top three long-term categories by Moody's and/or Standard & Poor's. The Authority's investments in STAR Ohio (a statewide external investment pool created pursuant to Ohio statutes and administered by the Treasurer of the State of Ohio) were rated AAAM by Standard & Poor's. The Authority's money market investments were rated AAAM by Standard & Poor's and Aaa-mf by Moody's. As of December 31, 2016, 98.59% of the Authority's rated investments were rated in the highest short-term or long-term rating category by Moody's.

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As of December 31, 2016, the Authority had investment balances with the following issuers which are greater than or equal to 5% of the respective fund's investment balance:

Fund	Issuer	Percent of Fund's Investments
Operating	Federal Home Loan Bank	59%
	Federal National Mortgage Association	22%
	Federal Home Loan Mortgage Corporation	19%
Other Projects	Federal National Mortgage Association	41%
	Federal Home Loan Mortgage Corporation	20%
	Federal Home Loan Bank	15%
Community Assistance	Federal National Mortgage Association	6%
	Federal Home Loan Mortgage Corporation	6%
Fresh Water	Federal Home Loan Bank	11%
	Federal Home Loan Mortgage Corporation	7%
Water Pollution Control Loan	Federal National Mortgage Association	19%
	Federal Home Loan Bank	13%
	Federal Home Loan Mortgage Corporation	12%
Drinking Water Assistance	Federal Home Loan Bank	17%
	Federal Home Loan Mortgage Corporation	11%
	Federal National Mortgage Association	5%

The Authority manages its concentration risk by limiting investments to U.S. treasuries, U.S. agencies or to issuers with the highest short-term ratings from Moody's or Standard & Poor's or one of the three highest long-term ratings from Moody's or Standard & Poor's.

As of December 31, 2016, the Authority categorizes fair value measurements of its negotiable investments within the fair value hierarchy as follows:

Investment Type	Level 1*	Level 2*	Level 3*
U.S. Treasuries	\$687,439,135	1,072,883	-
U.S. Agencies	-	637,819,754	-
Municipal Bonds	-	23,734,317	-

* Fair value hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs such as quoted prices for similar assets in active markets. The Authority obtains prices for our level 1 and level 2 publicly traded assets from our trustees who use various pricing services. Level 3 inputs are significant unobservable inputs.

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Notes to Financial Statements

As of December 31, 2016, the Authority had cash and cash equivalents balances of \$170,243,221, which includes accrued interest receivables on money market balances. Below is a reconciliation of the statement of net position and the statement of cash flows cash and cash equivalents balances:

Fund	Statement of Net Position Cash and Cash Equivalents Balance	Cash and Cash Equivalents Accrued Interest Receivable	Statement of Cash Flows Cash and Cash Equivalents Balance
Operating	\$ 84,574	-	84,574
Other Projects	4,948,854	(1,256)	4,947,598
In Lieu Fee	6,675,279	(3,842)	6,671,437
Community Assistance	3,889,381	(1,148)	3,888,233
Fresh Water	15,394,435	(1,455)	15,392,980
Water Pollution Control Loan	79,619,930	(26,865)	79,593,065
Drinking Water Assistance	59,630,768	(29,287)	59,601,481
	<u>\$ 170,243,221</u>	<u>(63,853)</u>	<u>170,179,368</u>

(3) INTERFUND RECEIVABLES AND PAYABLES

On December 31, 2016, interfund balances consisted of \$465,711 owed to the Operating Fund by the Drinking Water Assistance Fund caused by the timing of pending loan fee repayment allocations.

(4) CHANGE IN ACCOUNTING PRINCIPLES

For 2016, the Authority implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, which will enhance comparability of financial statements among governments by requiring measurement of certain assets at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about how fair value was measured and the impact of these measurements on a government's financial position.

For 2016, the Authority implemented the provisions of GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which identifies the hierarchy of Generally Accepted Accounting Principles (GAAP) and reduces the authoritative GAAP hierarchy to two categories. Category A consists of officially established GASB Statements. Category B consists of GASB technical bulletins and implementation guides as well as American Institute of Certified Public Accountants literature cleared by the GASB. Statement 76 also states that if the accounting treatment for a transaction or event is not specified within the scope of authoritative GAAP, a governmental entity should first consider accounting principles for similar transactions or events within the scope of authoritative GAAP. If no similar transactions or events exist, then nonauthoritative accounting literature may be used as long as authoritative GAAP is not contradicted.

For 2016, the Authority implemented the provisions of GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which establishes specific criteria to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value

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measurement. Statement 79 also provides consistent application of an amortized cost-based measurement that approximates fair value and mirrors the operations of external investment pools that transact with participants at a stable net asset value per share.

(5) WATER DEVELOPMENT REVENUE AND REFUNDING BONDS—COMMUNITY ASSISTANCE SERIES

As of December 31, 2016, there was \$66,350,000 of Community Assistance Water Development Revenue and Refunding Bonds outstanding, broken down by series as follows:

<u>Series</u>	<u>Type</u>	<u>Interest Rate</u>	<u>Maturity</u>		<u>Current</u>	<u>Long-Term</u>	<u>Total</u>
2005	Serial	5.25%	2017	\$	2,330,000	-	2,330,000
2009	Serial	3.00% to 4.00%	2017-2019		1,020,000	2,155,000	3,175,000
	Term	3.25% to 5.00%	2020-2030		-	15,545,000	15,545,000
2010B	Serial	4.15% to 4.85%	2017-2020		220,000	830,000	1,050,000
	Term	5.42% to 6.15%	2021-2038		-	27,380,000	27,380,000
2011	Serial	2.50% to 5.00%	2017-2022		2,730,000	13,045,000	15,775,000
2013	Serial	1.05%	2017		1,095,000	-	1,095,000
Community Assistance Series Totals					7,395,000	58,955,000	66,350,000
Add: unamortized premiums					24,678	1,136,840	1,161,518
					<u>\$ 7,419,678</u>	<u>60,091,840</u>	<u>67,511,518</u>

The Community Assistance Fund debt service requirements to maturity are as follows:

		<u>Principal</u>	<u>Interest *</u>	<u>Total</u>
2017	\$	7,395,000	3,255,080	10,650,080
2018		4,165,000	3,006,541	7,171,541
2019		4,205,000	2,815,857	7,020,857
2020		4,285,000	2,642,964	6,927,964
2021		4,405,000	2,461,389	6,866,389
2022-2026		10,505,000	10,275,609	20,780,609
2027-2031		11,660,000	7,902,750	19,562,750
2032-2036		16,185,000	3,701,839	19,886,839
2037-2038		3,545,000	207,870	3,752,870
	\$	<u>66,350,000</u>	<u>36,269,899</u>	<u>102,619,899</u>

* In 2010, OWDA sold Federally Taxable-Build America Bonds (BABs) which receive a cash subsidy payment from the United States Treasury equaling 35% of interest paid. In 2016, the subsidy was cut 6.9%, resulting in an effective subsidy equaling 32.585 % of interest paid. The interest reported in this table is the gross interest due on the bonds. The total interest due, net of the BABs subsidy, over the remaining life of the bonds, will be \$26,911,253.

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The Community Assistance Series bonds are subject to mandatory and optional redemption, by series, as follows:

- a) Community Assistance Refunding Series 2005 – The Series 2005 bonds are not subject to redemption prior to their stated maturity.
- b) Community Assistance Refunding Series 2009 – 1) The term bonds are subject to mandatory redemption beginning June 1, 2020. 2) The term bonds maturing on or after December 1, 2020 are callable for redemption prior to maturity at the option of the Authority, in whole or in part, on December 1, 2019, or at any time thereafter in any order of maturity, at a redemption price equal to the par value for the principal amount redeemed plus accrued interest to the redemption date.
- c) Community Assistance BABs Series 2010B – 1) The term bonds are subject to mandatory redemption beginning June 1, 2021. 2) Both the serial and term bonds maturing on or after December 1, 2020 are callable for redemption prior to maturity at the option of the Authority, either in whole or in part, on or after June 1, 2020, at par plus accrued interest. 3) The BABs are subject to extraordinary optional redemption if Section 54AA or 6431 of The Internal Revenue Code of 1986 is modified, amended, or interpreted in a manner pursuant to which the Authority's 35% cash subsidy payment from the United States Treasury is reduced or eliminated. 4) Due to The Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA), the BABs are subject to extraordinary mandatory redemption at any time during the ninety-day period following July 13, 2013, in whole or in part, at a redemption price equal to 102% of the principal amount of each maturity selected, plus accrued and unpaid interest to the redemption.
- d) Community Assistance Series 2011 – The Series 2011 Bonds maturing on or after December 1, 2021 are subject to optional redemption, in whole or in part, on or after June 1, 2021, at par plus accrued interest.
- e) Community Assistance Refunding Series 2013 – The Series 2013 Bonds are not subject to redemption prior to their stated maturity.

LGA reimbursements of Community Assistance project costs, including interest, are pledged as security for the bonds. In the event that LGA reimbursements of Community Assistance project costs are insufficient to cover Community Assistance debt service requirements, unencumbered assets of the Community Assistance Fund Debt Service Reserve, Surplus and Construction accounts are also pledged as security for the bonds. For 2016, the amount received from reimbursements of Community Assistance project costs was \$13,449,368, compared to the required bond debt service payments of \$12,682,865.

The bond resolution provides for six separate accounts designated as the Community Assistance Fund Construction account, Revenue account, Debt Service account, Debt Service Reserve account, Surplus account and Rebate account. As of December 1, 2016, there is no accrued rebate liability for these bonds.

Amounts received from the LGAs as reimbursements of project or construction costs, including capitalized interest, are deposited in the Revenue account. The trustee then allocates or pays out moneys in the Revenue account as follows:

- a) To the trustee for the payment of its fees on the first day of each May and November.
- b) To the Debt Service account on the first day of each May and November, commencing on the first May or November preceding the first bond maturity date (1) a sum which, when added to any available balance then on deposit in the Debt Service account, will be equal to the interest due on

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that day on all bonds outstanding; (2) a sum which will be equal to the next ensuing mandatory redemption for term bonds; and (3) a sum which will be equal to the next ensuing principal maturity on all outstanding bonds.

- c) To the Debt Service Reserve account on the first day of each May and November, a sum as necessary to maintain in the Debt Service Reserve account investments or cash having an aggregate value at least equal to the maximum annual bond service charges required to be paid in that year or any succeeding year.
- d) To the Surplus account, on the first day of June and December of each year, remaining moneys (after making up any deficiencies) in the Revenue account (excluding amounts received for the next ensuing LGA repayment date).

After the Debt Service Reserve account has reached the required reserve fund balance, interest earned on that balance will be transferred to the Debt Service account on the first day of November of each year, prior to making allocations or payments of moneys on hand in the Revenue account.

Any deficiency in the amounts required to be deposited in the Debt Service account or the Debt Service Reserve account is to be made up by moneys available in the Surplus account.

(6) WATER DEVELOPMENT REVENUE AND REFUNDING BONDS AND NOTES—FRESH WATER SERIES

As of December 31, 2016, there was \$787,765,000 of Fresh Water Development Revenue and Refunding Bonds and Notes outstanding, broken down by series as follows:

<u>Series</u>	<u>Type</u>	<u>Interest Rate</u>	<u>Maturity</u>		<u>Current</u>	<u>Long-Term</u>	<u>Total</u>
2001B	Serial	4.75% to 5.50%	2017-2021	\$	4,920,000	16,585,000	21,505,000
2005	Serial	5.50%	2017-2025		9,940,000	57,925,000	67,865,000
2006	Term	5.25%	2022-2034		-	51,100,000	51,100,000
2009B	Serial	3.00% to 5.00%	2017-2022		6,395,000	14,770,000	21,165,000
	Term	3.125% to 5.250%	2020-2027		-	27,010,000	27,010,000
2010A-2	Term	3.593% to 4.917%	2020-2042		-	149,290,000	149,290,000
2013	Serial	5.00%	2018-2023		-	108,880,000	108,880,000
2016	Notes	Variable	2018		-	21,900,000	21,900,000
2016A	Serial	4.00% to 5.00%	2028-2036		-	49,050,000	49,050,000
	Term	5.00%	2030-2035		-	120,000,000	120,000,000
2016B	Serial	5.00%	2023-2037		-	105,500,000	105,500,000
	Term	5.00%	2030-2036		-	44,500,000	44,500,000
Fresh Water Series Totals					21,255,000	766,510,000	787,765,000
Add: unamortized premiums					-	100,354,818	100,354,818
					\$ 21,255,000	866,864,818	888,119,818

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The Fresh Water Fund debt service requirements to maturity are as follows:

		Principal	Interest*	Total
2017	\$	21,255,000	38,194,421	59,449,421
2018		52,080,000	37,032,698	89,112,698
2019		42,710,000	35,016,184	77,726,184
2020		44,375,000	32,766,262	77,141,262
2021		44,915,000	30,506,187	75,421,187
2022-2026		201,655,000	120,717,353	322,372,353
2027-2031		192,250,000	72,963,938	265,213,938
2032-2036		161,530,000	26,711,187	188,241,187
2037-2041		26,495,000	2,897,112	29,392,112
2042		500,000	12,293	512,293
	\$	<u>787,765,000</u>	<u>396,817,635</u>	<u>1,184,582,635</u>

The Fresh Water Series 2016 Notes are taxable and have an adjustable rate that is reset monthly at a rate of 30-day LIBOR plus 0.45%. The notes interest payments to maturity are based on the rate for these notes at December 31, 2016, which was 1.06672%.

* In 2010, OWDA sold Federally Taxable BABs, which receive a cash subsidy payment from the United States Treasury equaling 35% of interest paid. In 2016, the subsidy was cut 6.9% resulting in an effective subsidy equaling 32.585% of interest paid. The interest reported in this table is the gross interest due on the bonds. The total interest due, net of the BABs subsidy, over the remaining life of the bonds, will be \$363,467,827.

The Fresh Water Series Bonds and Notes are subject to mandatory and optional redemption, by series, as follows:

- a) Fresh Water Series 2001B – The Series 2001B Bonds are not subject to redemption prior to maturity.
- b) Fresh Water Refunding Series 2005 – The Series 2005 Bonds are not subject to redemption prior to maturity.
- c) Fresh Water Refunding Series 2006 – 1) The Series 2006 Bonds are not subject to optional redemption prior to their stated maturity. 2) The term bonds are subject to mandatory redemption beginning December 1, 2022.
- d) Fresh Water Refunding Series 2009B – The Series 2009B Bonds are not subject to optional redemption prior to their stated maturity. The term bonds are subject to mandatory redemption beginning December 1, 2020.
- e) Fresh Water BABs Series 2010A-2 – 1) The BABs are subject to mandatory redemption beginning June 1, 2020. 2) The BABs shall be subject to an optional redemption prior to maturity, at the option of the Authority, in whole or in part, on any business day, at the make-whole redemption price. 3) The BABs are subject to extraordinary optional redemption if Section 54AA or 6431 of The Internal Revenue Code of 1986 is modified, amended, or interpreted in a manner pursuant to which the Authority's 35% cash subsidy payment from the United States Treasury is reduced or eliminated.
- f) Fresh Water Series 2013 – The Series 2013 Bonds are not subject to redemption prior to maturity.
- g) Fresh Water Series 2016 Notes – These notes are subject to optional redemption 30 days after the date of issuance, at par plus accrued interest.

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- h) Fresh Water Series 2016A – The Series 2016A Bonds are subject to prior redemption at the sole option of the Authority, in whole or in part, on or after June 1, 2026, at par plus accrued interest.
- i) Fresh Water Series 2016B – The Series 2016B Bonds are subject to prior redemption at the sole option of the Authority, in whole or in part, on or after December 1, 2026, at par plus accrued interest.

LGA reimbursements of Fresh Water project costs, including interest, are pledged as security for the bonds. In the event that LGA reimbursements of Fresh Water project costs are insufficient to cover Fresh Water debt service payments, unencumbered assets of the Fresh Water Fund Debt Service Reserve, Surplus and Construction accounts are also pledged as security for the bonds. For 2016, the amount received from reimbursements of Fresh Water project costs was \$107,023,948, compared to the required bond debt service payments of \$71,445,305.

The bond resolution provides for six separate accounts designated as the Fresh Water Construction account, Revenue account, Debt Service account, Debt Service Reserve account, Surplus account and Rebate account. As of December 1, 2016, there is no accrued rebate liability for these bonds.

Amounts received from the LGAs as reimbursements of project or construction costs, including capitalized interest, are deposited in the Revenue account. The trustee then allocates or pays out moneys in the Revenue account as follows:

- a) To the trustee for the payment of its fees on the first day of each May and November.
- b) To the Debt Service account on the first day of each May and November (1) a sum which, when added to any available balance then on deposit in the Debt Service account, will be equal to the interest due on that day on all bonds and notes outstanding; (2) a sum which will be equal to the next ensuing mandatory redemption for term bonds; and (3) a sum which will be equal to the next ensuing principal maturity on all outstanding bonds.
- c) To the Debt Service Reserve account, a semiannual sum as necessary to maintain in the Debt Service Reserve account investments or cash having an aggregate value at least equal to 50% of the maximum annual bond service charges required to be paid in that year or any succeeding year.

After the Debt Service Reserve account has reached the required reserve fund balance, interest earned on that balance will be transferred to the Debt Service account on the first day of November of each year, prior to making allocations or payments of moneys on hand in the Revenue account.

On the first day of June and December of each year, all remaining moneys (after making up any deficiencies) in the Revenue account (excluding amounts received for the next ensuing LGA repayment date) are allocated to the Surplus account.

Any deficiency in the amounts required to be deposited in the Debt Service account or the Debt Service Reserve account is to be made up by moneys available in the Surplus account.

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(7) WATER POLLUTION CONTROL LOAN FUND REVENUE AND REFUNDING BONDS—WATER QUALITY SERIES

As of December 31, 2016, there was \$906,729,123 of Water Pollution Control Loan Fund (WPCLF) Revenue and Refunding Bonds—Water Quality Series outstanding, broken down by series as follows:

<u>Series</u>	<u>Type</u>	<u>Interest Rate</u>	<u>Maturity</u>		<u>Current</u>	<u>Long-Term</u>	<u>Total</u>
2005 ref	Serial	5.25% to 5.50%	2017-2023	\$	33,200,000	122,660,000	155,860,000
2005B	CABS*	4.40% to 4.45%	2017		12,439,123	-	12,439,123
2009	Serial	3.00% to 5.00%	2017-2019		29,385,000	40,735,000	70,120,000
2010A	Serial	2.75% to 5.00%	2017-2019		8,370,000	23,680,000	32,050,000
2010B-1	Serial	2.00% to 5.00%	2017-2018		7,320,000	7,530,000	14,850,000
2010B-2	Serial	4.192%	2024		-	11,390,000	11,390,000
	Term	3.492% to 4.879%	2019-2034		-	417,735,000	417,735,000
2010C	Serial	2.50% to 5.00%	2018-2022		-	73,200,000	73,200,000
2011A	Serial	4.00% to 5.00%	2017-2019		22,440,000	32,435,000	54,875,000
2011B-1	Serial	3.00% to 5.00%	2017-2018		32,980,000	12,660,000	45,640,000
2012A ref	Serial	1.46% to 1.80%	2017-2018		16,515,000	2,055,000	18,570,000
WPCLF Water Quality Series Totals					162,649,123	744,080,000	906,729,123
Add: unamortized premiums					-	17,896,299	17,896,299
					<u>\$ 162,649,123</u>	<u>761,976,299</u>	<u>924,625,422</u>

CABS* - Capital Appreciation Bonds

Prior redemption of WPCLF—Water Quality Series Bonds, by series, is as follows:

- a) Water Quality Refunding Series 2005 – These bonds are not subject to redemption prior to stated maturity.
- b) Water Quality Series 2005B – The bonds maturing on or after December 1, 2017 are callable for redemption prior to maturity at the option of the Authority, in whole or in part, on or after June 1, 2015, at par plus accrued interest.
- c) Water Quality Refunding Series 2009 – These bonds are not subject to redemption prior to stated maturity.
- d) Water Quality Series 2010A – 1) The bonds maturing on or after June 1, 2020 are subject to prior redemption by and at the sole option of the Authority, in whole or in part, on any date on or after December 1, 2019, at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date. 2) The term bonds are subject to mandatory redemption beginning June 1, 2021. 3) Due to TIPRA, the bonds are subject to an extraordinary mandatory redemption at any time during the ninety-day period following April 15, 2013, in whole or in part, at a redemption price equal to approximately 102% of the accreted value of each maturity on April 15, 2013.
- e) Water Quality Series 2010B-1 – The Series 2010B-1 Bonds are not subject to optional redemption prior to their stated maturity. Due to TIPRA, the bonds are subject to an extraordinary mandatory redemption at any time during the ninety-day period following August 24, 2013, in whole or in part, at a redemption price equal to approximately 102% of the accreted value of each maturity on August 24, 2013.
- f) Water Quality Series 2010B-2 – 1) The BABs are subject to mandatory redemption beginning June 1, 2019. 2) The BABs shall be subject to an optional redemption prior to maturity, at the option of the Authority, in whole or in part, on any business day, at the make-whole redemption price. 3) The BABs are subject to extraordinary optional redemption if Section 54AA or 6431 of The

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Internal Revenue Code of 1986 is modified, amended, or interpreted in a manner pursuant to which the Authority's 35% cash subsidy payment from the United States Treasury is reduced or eliminated. 4) Due to TIPRA, the BABs are subject to extraordinary mandatory redemption at any time during the ninety-day period following August 24, 2013, in whole or in part, at a redemption price equal to 102% of the principal amount of each maturity selected, plus accrued and unpaid interest to the redemption date.

- g) Water Quality Refunding Series 2010C – These bonds are not subject to redemption prior to their stated maturity.
- h) Water Quality Refunding Series 2011A – These bonds are not subject to redemption prior to their stated maturity.
- i) Water Quality Refunding Series 2011B-1 – These bonds are not subject to redemption prior to their stated maturity.
- j) Water Quality Refunding Series 2012A – These bonds are not subject to redemption prior to their stated maturity.

The WPCLF – Water Quality Series debt service requirements to maturity are as follows:

		Principal (a)	Interest *	Total (a)
2017	\$	162,945,000	41,178,343	204,123,343
2018		118,065,000	34,533,928	152,598,928
2019		101,600,000	29,342,303	130,942,303
2020		56,765,000	24,888,972	81,653,972
2021		42,635,000	22,149,833	64,784,833
2022-2026		200,005,000	87,979,511	287,984,511
2027-2031		175,880,000	32,431,445	208,311,445
2032-2034		49,130,000	3,812,817	52,942,817
	\$	<u>907,025,000</u>	<u>276,317,152</u>	<u>1,183,342,152</u>

(a) Includes capital appreciation bonds at matured value.

* In 2010, OWDA sold Federally Taxable BABs which receive a cash subsidy payment from the United States Treasury equaling 35% of interest paid. In 2016, the subsidy was cut 6.9%, resulting in an effective subsidy equaling 32.585% of interest paid. The interest reported in this table is the gross interest due on the bonds. The total interest due, net of the BABs subsidy over the remaining life of the bonds, will be \$201,349,246.

LGA reimbursements of WPCLF project costs of principal and interest (from loans made prior to May 1, 2014), pursuant to the WPCLF loan agreements, are primarily pledged as security for the WPCLF Water Quality bonds, next to the WPCLF Water Quality Debt service reserve (DSR) for any shortages from the required DSR balance, and subordinatedly pledged as security for the WPCLF Bonds. LGA reimbursements of WPCLF project costs of interest from loans made after May 1, 2014, pursuant to WPCLF loan agreements are pledged first to any WPCLF State Match Bonds outstanding, second to WPCLF Water Quality Bonds, and third to WPCLF Bonds outstanding. In the event that LGA reimbursements of WPCLF principal and interest project costs are insufficient to cover WPCLF Water Quality debt service payments, unencumbered assets of the WPCLF Water Quality Debt Service Reserve, Surplus and Other Projects accounts are also pledged as security for the bonds. For 2016, the amount received from reimbursements of WPCLF principal and interest project costs were \$333,583,262, compared to the required bond debt service payments of \$210,244,995.

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The bond resolution provides for five separate accounts designated as Net Bond Proceeds account, Debt Service account, Debt Service Reserve account, Cost of Issuance account and Rebate account. As of December 31, 2016, there is no accrued rebate liability for these bonds.

Amounts received as principal and the interest (from loans made prior to May 1, 2014) from the LGAs as reimbursement of project or construction costs are deposited in the Repayment account. The trustee then allocates or pays out moneys in the Repayment account as follows:

- a) To the Debt Service account, (1) all revenues as soon as received until the balance in the Debt Service account equals an amount which, when added to any balance then on deposit in the Debt Service account and available for such purpose, will be equal to the sum of (a) the interest on all outstanding WPCLF Water Quality Bonds due on the next interest payment date, (b) the principal of all outstanding WPCLF Water Quality Bonds due on the next interest payment date, and (c) the mandatory sinking fund requirement for all outstanding WPCLF Water Quality Bonds due on the next interest payment date and (2) on the last day of May and November, the amount contained in a direction from the Authority to be used to purchase WPCLF Water Quality Bonds received by the trustee pursuant to any invitation to the holders to tender such WPCLF Water Quality Bonds in accordance with the provisions of the applicable Series resolution.
- b) To the trustee for the payment of its fees on the last day of each May and November.
- c) To the Debt Service Reserve account, a semiannual sum on June 1 and December 1 as may be necessary to maintain in the Debt Service Reserve account investments or cash having a value at least equal to the lesser of 50% of the maximum annual bond service charges required to be paid on all Water Quality Bonds outstanding.
- d) To the Rebate Fund, as necessary to make any payment required under section 148(f) of the Internal Revenue Code.
- e) To the WPCLF Bonds to cover principal and interest due on the next payment date.

After the Debt Service Reserve account has reached the required reserve fund balance, interest earned on that balance will be transferred to the Debt Service account on the last day of May or November of each year.

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(8) WATER POLLUTION CONTROL LOAN FUND REVENUE AND REFUNDING BONDS SERIES

As of December 31, 2016, there was \$1,015,610,000 of Water Pollution Control Loan Fund Revenue and Refunding Bonds Series outstanding, broken down by series as follows:

<u>Series</u>	<u>Type</u>	<u>Interest Rate</u>	<u>Maturity</u>		<u>Long-Term</u>
2014	Serial	2.00% to 5.00%	2018-2024	\$	333,815,000
2014B	Serial	2.00% to 5.00%	2018-2022		136,925,000
2015A	Serial	5.00%	2020-2026		240,000,000
2015B	Serial	5.00%	2025-2030		92,300,000
2015B	Term	5.00%	2029		12,570,000
2016	Variable	0.57%	2031-2036		200,000,000
WPCLF Bonds Series Totals					1,015,610,000
Add: unamortized premiums					139,171,199
					<u>\$ 1,154,781,199</u>

The WPCLF Bonds Series debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017 \$	-	41,372,791	41,372,791
2018	27,635,000	41,054,891	68,689,891
2019	45,910,000	39,556,991	85,466,991
2020	92,185,000	36,794,741	128,979,741
2021	105,945,000	32,329,116	138,274,116
2022-2026	487,580,000	76,074,953	563,654,953
2027-2031	81,355,000	10,679,752	92,034,752
2032-2036	175,000,000	2,521,399	177,521,399
\$	<u>1,015,610,000</u>	<u>280,384,634</u>	<u>1,295,994,634</u>

The WPCLF 2016 Bonds have a variable rate that is reset each week by a remarketing agent. The bonds interest payments to maturity are based on the weighted average interest rate of 0.57% for these bonds from issuance date of May 4, 2016 to December 31, 2016.

Prior redemption of WPCLF Bonds, by series, is as follows:

- a) WPCLF Series 2014 – These bonds are not subject to redemption prior to their stated maturity.
- b) WPCLF Refunding Series 2014B – These bonds are not subject to redemption prior to their stated maturity.
- c) WPCLF Series 2015A – These bonds are not subject to redemption prior to their stated maturity.
- d) WPCLF Refunding Series 2015B – The bonds maturing on or after June 1, 2026 are callable for redemption prior to maturity at the option of the Authority, in whole or in part, on or after December 1, 2025, at par plus accrued interest.
- e) WPCLF Series 2016 – These bonds are subject to redemption to maturity on the first business day of any month, at the option and direction of the Authority, in whole or in part, at a redemption price of par plus accrued interest.

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LGA reimbursements of WPCLF project costs of principal and interest (from loans made prior to May 1, 2014), pursuant to WPCLF loan agreements, are pledged as security for the WPCLF Bonds on a subordinate basis to the WPCLF Water Quality Bonds. LGA reimbursements of WPCLF project costs of interest from loans made after May 1, 2014, pursuant to WPCLF loan agreements are pledged first to any WPCLF State Match Bonds outstanding, second to WPCLF Water Quality Bonds, and third to WPCLF Bonds outstanding. WPCLF Bond debt service is funded after all WPCLF Water Quality debt service due on the next debt service payment date is funded and, if necessary, any shortages of the WPCLF Water Quality DSR required balance is funded. In the event that LGA reimbursements of WPCLF project costs of principal and interest are insufficient to cover WPCLF Water Quality and/or WPCLF Bond debt service payments, any unencumbered assets of the WPCLF Water Quality Debt Service Reserve, Surplus and Other Projects accounts are also pledged as security for the bonds. For 2016, the amount received from reimbursements of WPCLF principal and interest project costs after funding of WPCLF Water Quality Debt Service was \$123,338,267, compared to the required bond debt service payments of \$38,643,746.

The bond resolution provides for five separate accounts designated as Net Bond Proceeds account, Debt Service account, Debt Service Reserve account, Cost of Issuance account and Rebate account. As of December 31, 2016, there is no accrued rebate liability for these bonds.

Amounts received as principal and interest from the LGAs as reimbursement of project or construction costs are deposited in the Repayment account. After all WPCLF Water Quality debt service and DSR funding needs are met, the trustee then allocates or pays out moneys in the Repayment account to WPCLF Bonds as follows:

- a) To the Debt Service account, (1) all revenues as soon as received until the balance in the Debt Service account equals an amount which, when added to any balance then on deposit in the Debt Service account and available for such purpose, will be equal to the sum of (a) the interest on all outstanding WPCLF Bonds due on the next interest payment date, (b) the principal of all outstanding WPCLF Bonds due on the next interest payment date, and (c) the mandatory sinking fund requirement for all outstanding WPCLF Bonds due on the next interest payment date and (2) on the last day of May and November, the amount contained in a direction from the Authority to be used to purchase WPCLF Bonds received by the trustee pursuant to any invitation to the holders to tender such WPCLF Bonds in accordance with the provisions of the applicable Series resolution.
- b) To the trustee for the payment of its fees on the last day of each May and November.
- c) If applicable, to the Debt Service Reserve account, a semiannual sum on June 1 and December 1 as may be necessary to maintain in the Debt Service Reserve account investments or cash having a value at least equal to the required reserve fund balance.
- d) To the Rebate Fund, as necessary to make any payment required under section 148(f) of the Internal Revenue Code.

After the Debt Service Reserve account has reached the required reserve fund balance, interest earned on that balance will be transferred to the Debt Service account on the last day of May or November of each year.

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(9) DRINKING WATER ASSISTANCE FUND REVENUE AND REFUNDING BONDS—LEVERAGE SERIES

As of December 31, 2016, there was \$179,275,000 of Drinking Water Assistance Fund (DWAf) Revenue and Refunding Bonds—Leverage Series outstanding, broken down by series as follows:

<u>Series</u>	<u>Type</u>	<u>Interest Rate</u>	<u>Maturity</u>		<u>Current</u>	<u>Long-Term</u>	<u>Total</u>
2005 ref	Serial	5.25%	2017-2023	\$	4,710,000	5,970,000	10,680,000
	Term	5.25%	2019-2022		-	17,860,000	17,860,000
2008	Serial	4.00% to 5.00%	2017-2018		3,300,000	1,700,000	5,000,000
2010B	Term	5.276% to 5.742%	2022-2030		-	44,530,000	44,530,000
2010C	Serial	4.00% to 5.00%	2017-2021		12,635,000	51,585,000	64,220,000
2014	Serial	4.00% to 5.00%	2017-2024		2,370,000	34,615,000	36,985,000
DWAf Leverage Series Totals					23,015,000	156,260,000	179,275,000
Add: unamortized premiums					-	8,662,533	8,662,533
					<u>\$</u>	<u>23,015,000</u>	<u>164,922,533</u>
							<u>187,937,533</u>

Prior redemption of DWAf—Leverage Series Bonds, by series, is as follows:

- Leverage Refunding Series 2005 – The term bonds are subject to mandatory redemption beginning June 1, 2019, at par plus accrued interest. Neither the term or serial bonds are subject to optional redemption prior to their stated maturity.
- Leverage Refunding Series 2008 – The term bonds are subject to mandatory redemption beginning June 1, 2019. The bonds maturing after June 1, 2018 are callable for redemption prior to maturity at the option of the Authority, in whole or in part, on or after June 1, 2018, at par plus accrued interest.
- Leverage Series 2010B – 1) The BABs are subject to mandatory redemption beginning June 1, 2022. 2) The BABs are subject to optional redemption by and at the sole option of the Authority, in whole multiples of \$5,000, either in whole or part on any date on or after June 1, 2020, at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date. 3) The BABs are subject to extraordinary optional redemption if Section 54AA or 6431 of The Internal Revenue Code of 1986 is modified, amended, or interpreted in a manner pursuant to which the Authority's 35% cash subsidy payments from the United States Treasury is reduced or eliminated.
- Leverage Refunding Series 2010C – The refunding bonds maturing on or after June 1, 2021 are subject to prior redemption by and at the sole option of the Authority in whole multiples of \$5,000, either in whole or in part on any date on or after December 1, 2020, at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date.
- Leverage Refunding Series 2014 – These bonds are not subject to redemption prior to their stated maturity.

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The DWAF Leverage Series debt service requirements to maturity are as follows:

		Principal	Interest*	Total
2017	\$	23,015,000	8,678,783	31,693,783
2018		24,600,000	7,545,715	32,145,715
2019		25,115,000	6,337,265	31,452,265
2020		27,145,000	5,116,783	32,261,783
2021		22,715,000	3,888,083	26,603,083
2022-2026		35,970,000	10,193,209	46,163,209
2027-2030		20,715,000	2,588,350	23,303,350
	\$	179,275,000	44,348,188	223,623,188

* In 2010, OWDA sold Federally Taxable BABs which receive a cash subsidy payment from the United States Treasury equaling 35% of interest paid. In 2016, the subsidy was cut 6.9%, resulting in an effective subsidy equaling 32.585% of interest paid. The interest reported in this table is the gross interest due on the bonds. The total interest due, net of the BABs subsidy over the remaining life of the bonds, will be \$36,191,935.

LGA reimbursements of DWAF project costs of principal and interest (from loans made prior to August 3, 2016), pursuant to DWAF loan agreements, are primarily pledged as security for the DWAF Leverage bonds, next to the DWAF Leverage DSR for any shortages from the required DSR balance, and subordinatedly as security for DWAF Bonds. LGA reimbursements of DWAF project costs of interest from loans made after August 3, 2016, pursuant to DWAF loan agreements, are pledged first to any DWAF State Match Bonds outstanding, second to DWAF Leverage Bonds, and third to DWAF Bonds outstanding. In the event that LGA reimbursements of DWAF principal project costs are insufficient to cover DWAF Leverage debt service payments, unencumbered assets of the DWAF Leverage Debt Service Reserve and Other Projects accounts are also pledged as security for the bonds. For 2016, the amount received from reimbursements of DWAF principal and interest project costs were \$57,273,402, compared to the required bond debt service payments of \$29,233,733.

The bond resolution provides for five separate accounts designated as Net Bond Proceeds account, Debt Service account, Debt Service Reserve account, Cost of Issuance account and Rebate account. As of December 31, 2016, there is no accrued rebate liability for these bonds.

Amounts received as principal and interest from the LGAs as reimbursement of project or construction costs are deposited in the Principal and Additional Pledged Loan Interest Repayment accounts. The trustee then allocates or pays out moneys in the Principal Repayment account first and Additional Pledged Loan Interest Repayment account (after all moneys of the Principal Repayment account are used for debt service) as follows:

- To the Debt Service account, (1) all revenues as soon as received until the balance in the Debt Service account equals an amount which, when added to any balance then on deposit in the Debt Service account and available for such purpose, will be equal to the sum of (a) the interest on all outstanding DWAF Leverage Bonds due on the next interest payment date, (b) the principal of all outstanding DWAF Leverage Bonds due on the next interest payment date, and (c) the mandatory sinking fund requirement for all outstanding DWAF Leverage Bonds due on the next interest payment date and (2) on the last day of May, the amount contained in a direction from the Authority to be used to purchase DWAF Leverage Bonds received by the trustee pursuant to any

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invitation to the holders to tender such DWAF Leverage Bonds in accordance with the provisions of the applicable Series resolution.

- b) To the trustee for the payment of its fees on the last day of each May and November.
- c) To the Debt Service Reserve account, a semiannual sum on June 1 and December 1 as may be necessary to maintain in the Debt Service Reserve account investments or cash having a value at least equal to the lesser of 50% of the maximum annual bond service charges required to be paid on all DWAF Leverage Bonds issued and outstanding, or 10% of the principal amount of DWAF Leverage Bonds issued and outstanding computed in accordance with the Trust Agreement.
- d) To the Rebate Fund, as necessary to make any payment required under section 148(f) of the Internal Revenue Code.

After the Debt Service Reserve account has reached the required reserve fund balance, interest earned on that balance will be transferred to the Debt Service account on the last day of May or November of each year.

(10) DRINKING WATER ASSISTANCE FUND REVENUE BONDS SERIES

As of December 31, 2016, there was \$135,000,000 of Drinking Water Assistance Fund Revenue Bonds outstanding, broken down by series as follows:

<u>Series</u>	<u>Type</u>	<u>Interest Rate</u>	<u>Maturity</u>		<u>Long-Term</u>
2016	Serial	3.00% to 5.00%	2020-2029	\$	87,000,000
2016	Term	4.00% to 5.00%	2030-2037		48,000,000
DWAF Bonds Series Totals					135,000,000
Add: unamortized premiums					31,785,143
					<u>\$ 166,785,143</u>

The DWAF Bonds Series debt service requirements to maturity are as follows:

		Principal	Interest	Total
2017	\$	-	6,360,000	6,360,000
2018		-	6,360,000	6,360,000
2019		-	6,360,000	6,360,000
2020		500,000	6,360,000	6,860,000
2021		4,000,000	6,317,500	10,317,500
2022-2026		59,000,000	24,637,500	83,637,500
2027-2031		36,500,000	11,830,000	48,330,000
2032-2036		30,500,000	4,697,500	35,197,500
2037		4,500,000	162,500	4,662,500
	\$	<u>135,000,000</u>	<u>73,085,000</u>	<u>208,085,000</u>

Prior redemption of DWAF Bonds, by series, is as follows:

- a) DWAF Series 2016 – The bonds maturing on or after June 1, 2027 are subject to prior redemption by and at the sole option of the Authority in whole multiples of \$5,000, either in whole or in part on any date on or after December 1, 2026, at a redemption price of par plus accrued interest.

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LGA reimbursements of DWAF project costs of principal and interest (from loans made prior to August 3, 2016), pursuant to DWAF loan agreements, are pledged as security for the DWAF Bonds on a subordinate basis to the DWAF Leverage Bonds. LGA reimbursements of DWAF project costs of interest from loans made after August 3, 2016, pursuant to DWAF loan agreements are pledged first to any DWAF State Match Bonds outstanding, then to DWAF Leverage Bonds, and third to DWAF Bonds outstanding. DWAF Bond debt service is funded after all DWAF Leverage debt service due on the next debt service payment date is funded and, if necessary, any shortages of the DWAF Leverage DSR required balance is funded. In the event that LGA reimbursements of DWAF project costs of principal and interest are insufficient to cover DWAF Leverage and/or DWAF Bond debt service payments, any unencumbered assets of the DWAF Leverage Debt Service Reserve, Surplus and Other Projects accounts are also pledged as security for the bonds. For 2016, the amount received from reimbursements of DWAF principal and interest project costs after funding of DWAF Leverage debt service was \$28,039,669, compared to the required bond debt service payments of \$2,084,667.

Amounts received as principal and interest from the LGAs as reimbursement of project or construction costs are deposited in the Principal and Additional Pledged Loan Interest Repayment accounts. After all DWAF Leverage debt service and DSR funding needs are met, the trustee then allocates or pays out moneys in the Principal Repayment account first and Additional Pledged Loan Interest Repayment account (after all moneys of the Principal Repayment account are used for debt service) as follows:

- a) To the Debt Service account, (1) all revenues as soon as received until the balance in the Debt Service account equals an amount which, when added to any balance then on deposit in the Debt Service account and available for such purpose, will be equal to the sum of (a) the interest on all outstanding DWAF Bonds due on the next interest payment date, (b) the principal of all outstanding DWAF Bonds due on the next interest payment date, and (c) the mandatory sinking fund requirement for all outstanding DWAF Bonds due on the next interest payment date and (2) on the last day of May and November, the amount contained in a direction from the Authority to be used to purchase DWAF Bonds received by the trustee pursuant to any invitation to the holders to tender such DWAF Bonds in accordance with the provisions of the applicable Series resolution.
- b) To the trustee for the payment of its fees on the last day of each May and November.
- c) If applicable, to the Debt Service Reserve account, a semiannual sum on June 1 and December 1 as may be necessary to maintain in the Debt Service Reserve account investments or cash having a value at least equal to the required reserve fund balance.
- d) To the Rebate Fund, as necessary to make any payment required under section 148(f) of the Internal Revenue Code.

After the Debt Service Reserve account has reached the required reserve fund balance, interest earned on that balance will be transferred to the Debt Service account on the last day of May or November of each year.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

(11) OUTSTANDING DEFEASED BONDS

For accounting purposes, the assets and liabilities for defeased bonds are not reflected in the Authority's financial statements. Below is a listing of Authority bonds remaining outstanding as of December 31, 2016 which have been defeased:

Series	Year Defeased	Balance Outstanding
WPCLF State Match 2005	2014	\$ 4,520,000
WPCLF Water Quality 2010A	2014	139,360,000
WPCLF Water Quality 2010A	2015	114,050,000
DWAF Leverage 2008	2010	18,070,000
DWAF Leverage 2008	2014	26,305,000
		<hr/>
		\$ 302,305,000

(12) WATER DEVELOPMENT REVENUE BONDS AND NOTES—INDUSTRIAL SERIES

The Authority established the industrial program to assist private industry and certain municipalities in financing the construction of water and solid waste pollution control facilities. Under the financing agreements, industrial companies and municipalities are required to make payments for a period of up to 35 years, sufficient to pay, as they become due, interest and principal on the bonds and notes issued to finance the projects. The Authority has no liability for repayment of these bonds and notes. As of December 31, 2016, outstanding bonds and notes under this program total \$1,857,770,000.

(13) DEFINED BENEFIT PENSION PLAN

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of a total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the Authority's proportionate share of the Ohio Public Employees Retirement System (OPERS) Pension Plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of its fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost-of-living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code (ORC) limits the Authority's obligation for this liability to annually required payments. The Authority cannot control benefit terms or the manner in which pensions are financed; however, the Authority does receive the benefit of employees' services in exchange for compensation including pension.

GASB Statement No. 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from the employee services; and (2) State statute requires all funding to come from these employers. All contributions to-date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the OPERS to amortize

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unfunded liabilities within 30 years. If the amortization period exceeds 30 years, the OPERS Board of Trustees (OPERS Board) must propose corrective action to the State legislature. Any resulting legislation change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

Plan Description

Organization – OPERS is a cost-sharing, multiple-employer public employee retirement system comprised of three separate pension plans: The Traditional Pension Plan, a defined benefit plan; the Combined Plan, a combination defined benefit/contribution plan; and the Member-Directed Plan, a defined contribution plan. All state and local governmental employees in Ohio, except those covered by one of the other state or local retirement systems in Ohio, are members of OPERS. New public employees (those who establish membership in OPERS on or after January 1, 2003) have 180 days from the commencement of employment to select membership in one of the three pension plans. Contributions to OPERS are effective with the first day of the member's employment. Contributions made prior to the member's plan selection are maintained in the Traditional Pension Plan and later transferred to the plan elected by the member, as appropriate.

All state and local governmental employees, except those covered by another state retirement system in Ohio or the Cincinnati Retirement System, are required to become contributing members of OPERS when they begin public employment unless they are exempted or excluded as defined by the ORC. For actuarial purposes, employees who have earned sufficient service credit (60 contributing months) are entitled to a future benefit from OPERS. Employer, employee and retiree data as of December 31, 2015 can be found in the OPERS 2015 Comprehensive Annual Financial Report (CAFR).

Pension Benefits – All benefits of the System, and any benefit increases, are established by the legislature pursuant to ORC Chapter 145.

Age-and-Service Defined Benefits – Effective January 7, 2013, Senate Bill (SB) 343 modified components of the Traditional Pension and Combined Plans. Members were impacted by the changes to varying degrees based on their transition group. Three transition groups (A, B and C) were designed to ease the transition of key components of the pension plan changes. Members who were eligible to retire under law in effect prior to SB 343 or will be eligible to retire no later than five years after January 7, 2013, comprise transition Group A. Members who have 20 years of service credit prior to January 7, 2013, or will be eligible to retire no later than 10 years after January 7, 2013, are included in transition Group B. Group C included those members who are not in either of the other groups and members who were hired on or after January 7, 2013. Please see the Plan Statement in the OPERS 2015 CAFR for additional details.

Benefits in the Traditional Pension Plan for State and Local members are calculated on the basis of age, final average salary (FAS) and service credit. State and Local members in transition Groups A and B are eligible for retirement benefits at age 60 with 60 contributing months of service credit or at age 55 with 25 or more years of service credit. Group C for State and Local members is eligible for retirement at age 57 with 25 years of service or at age 62 with 5 years of service. For Groups A and B, the annual benefit is based on 2.2% of FAS multiplied by the actual years of service for the first 30 years of service credit and 2.5% for years of service in excess of 30 years. For Group C, the annual benefit applies a factor of 2.2% for the first 35 years and a factor of 2.5% for the years of service in excess of 35. FAS represents the average of the three highest years of earnings over a member's career

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Notes to Financial Statements

for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career. Refer to the age-and-service tables located in the OPERS 2015 CAFR Plan Statement for additional information regarding the requirements for reduced and unreduced benefits. Members who retire before meeting the age and years of service credit requirement for unreduced benefit receive a percentage reduction in the benefit amount. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for calculation of annual cost-of-living adjustment.

Prior to 2000, payments to OPERS benefit recipients were limited under Section 415(b) of the Internal Revenue Code (IRC). OPERS entered into a Qualified Excess Benefit Arrangement (QEBA) with the Internal Revenue Service (IRS) to all OPERS benefit recipients to receive their full statutory benefit even when the benefits exceeds IRC 415(b) limitations. Monthly QEBA payments start when the total amount of benefits received by the recipients exceeds the IRC limit each year. The portion of the benefit in excess of the IRC 415(b) limit is paid out of the QEBA and taxed as employee payroll in accordance with IRS regulations.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.0% to the member's FAS for the first 30 years of service. A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS for the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions.

Defined Contribution Benefits – Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS Board. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined Plan members wishing to receive benefits must meet the requirements for both the defined benefit and contribution plans. Member-Directed Plan participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits.

The amount available for defined contribution benefits in the Member-Directed Plan consists of the member's contributions, vested employer contributions and investment gains or losses resulting from the member's investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. At retirement, members may select one of several distribution options for payment of the vested balance of their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of the entire account balance, net of taxes withheld, or a combination of these options.

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Notes to Financial Statements

Disability Benefits – OPERS administers two disability plans for participants in either the Traditional Pension Plan or Combined Plan. Members in the plan as of July 29, 1992, could elect, by April 7, 1993, coverage under either the original plan or the revised plan. All members who entered OPERS after July 29, 1992 are automatically covered under the revised plan. Under the original plan, a member who becomes disabled before age 60 and has completed 60 contributing months is eligible for a disability benefit. Benefits are funded by the employee and employer contributions and terminate if the member is able to return to work. The revised plan differs in that a member who becomes disabled at any age with 60 contributing months will be eligible for disability benefits until a determined age. The benefit is funded by reserves accumulated from employer contributions. After the disability benefit ends, the member may apply for a service retirement benefit or a refund of contributions, which are not reduced by the amount of disability benefits received. Members participating in the Member-Directed Plan are not eligible for disability benefits.

Survivor Benefits – Dependents of deceased members who participated in either the Traditional Pension Plan or the Combined Plan may qualify for survivor benefits if the deceased employee had at least one and a half years of service credit with the plan, and at least one quarter year of credit within the two and one-half years prior to the date of death. ORC Chapter 145 specifies the dependents and the conditions under which they qualify for survivor benefits.

Other Benefits – Once a benefit recipient retiring under the Traditional Pension Plan has received benefits for 12 months, an annual 3% cost-of-living adjustment is provided on the member's base benefit. Members retiring under the Combined Plan receive a 3% cost-of-living adjustment on the defined benefit portion of their benefit. A death benefit of \$500-\$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional Pension Plan and Combined Plan. Death benefits are not available to beneficiaries of Member-Directed Plan participants.

Money Purchase Annuity – Age-and-service retirees who become re-employed in an OPERS-covered position must contribute the regular contribution rates, which are applied towards a money purchase annuity. The money purchase annuity calculation is based on the accumulated contributions of the retiree for the period of re-employment, and an amount of the employer contributions determined by the OPERS Board. Upon termination of service, members over the age of 65 can elect to receive a lump-sum payout or a monthly annuity. Members under age 65 may leave the funds on deposit with OPERS to receive an annuity benefit at age 65, or may elect to receive a refund of their employee contributions made during the period of re-employment, plus interest.

Refunds – Members who have terminated service in OPERS-covered employment may file an application for refund of their account. The ORC requires a three-month waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's rights and benefits in OPERS.

Refunds processed for the Traditional Pension Plan members include the member's accumulated contributions, interest and any qualifying employer funds. A Combined Plan member's refund may consist of member contributions for the purchase of service plus interest, qualifying employer funds, and the value of their account in the defined contribution plan consisting of member contributions adjusted by the gains or losses incurred based on their investment selections. Refunds paid to members in the Member-Directed Plan include member contributions and vested employer contributions adjusted by the gains or losses incurred based on their investment selections.

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Notes to Financial Statements

Contributions – The OPERS funding policy provides for periodic employee and employer contributions to all three plans (Traditional Pension, Combined and Member-Directed) at rates established by the OPERS Board, subject to limits set in statute. The rates established for member and employer contributions were approved based upon the recommendations of the OPERS external actuary. All contribution rates were within the limits authorized by the ORC.

Member and employer contribution rates, as a percent of covered payroll, were the same for each covered group across all three plans for the year ended December 31, 2015. Within the Traditional Pension Plan and Combined Plan, member and employer contributions (employer contributions only for the Combined Plan) and an actuarially determined rate of return are adequate to accumulate sufficient assets to pay defined benefits when due. Employee contributions within the Combined Plan are not used to fund the defined benefit retirement allowance. Employer contribution rates as a level percent of payroll dollars are determined using the entry age actuarial funding method. This formula determines the amount of contributions necessary to fund: (1) the current service cost, representing the estimated amount necessary to pay for defined benefits earned by the employees during the current service year; and (2) the prior service cost for service earned prior to the current year and subsequent benefit increases. These contributions represent the amount necessary to fund accrued liabilities for retirement allowances and survivor benefits over a period of time.

The employee and employer contribution rates for the State and Local divisions are currently set at the maximums authorized by the ORC of 10% and 14%, respectively. Based upon the recommendation of the OPERS external actuary, a portion of each employer's contributions to OPERS is set aside for the funding of post-employment health care coverage. The portion of Traditional Pension Plan employer contributions allocated to health care was 2.0% for 2015. Beginning in October 2014, the OPERS Board approved the funding of Voluntary Employee's Beneficiary Association (VEBA) Trust participant Retiree Medical Accounts (RMAs) using the reserves in the VEBA Trust rather than the allocation of employer contributions. Instead, employer contributions were allocated to the Member-Directed Plan to repay the original plan start-up and administrative costs. The percent of covered payroll deposited to the RMAs from the VEBA Trust reserves for participants in the Member-Directed Plan for 2015 was 4.5%. The employer contribution as a percent of covered payroll deposited to the VEBA Trust for participants in the Member-Directed Plan for 2015 was 4.5%. The amount of contributions recognized by OPERS from the Authority during 2015 was \$143,002, which represents 100% of the Authority's required contribution. In 2015, the Authority did not make any contributions to the Combined Plan and contributions to the Member-Directed Plan were immaterial.

The ORC Chapter 145 assigns authority to the OPERS Board to amend the funding policy. As of December 31, 2015, the OPERS Board adopted the contribution rates that were recommended by the actuary. The contribution rates were included in a new funding policy adopted by the OPERS Board in October 2013, and are certified biennially by the OPERS Board as required by the ORC.

As of December 31, 2015, the date of the last actuarial study, the funding period for all defined benefits of OPERS was 19 years.

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Notes to Financial Statements

Net Pension Liability

The net pension liability was measured as of December 31, 2015, and the total pension liabilities were determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on both member and employer contributions to OPERS relative to the projected contributions of all participating entities. Following is information related to the Authority's proportionate share and pension expense:

Proportionate Share of the Net Pension Liability	\$1,577,618
Proportion of the Net Pension Liability	0.009108%
Pension Expense	\$ 210,057

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of the occurrence of events far into the future. Examples include assumptions about future employment, mortality and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2015, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuations are presented below:

Actuarial Information	Traditional Pension Plan
Valuation Date	December 31, 2015
Experience Study	5 Year Period Ending December 31, 2010
Actuarial Cost Method	Individual entry age
Actuarial Assumptions:	
Investment Rate of Return	8.00%
Wage Inflation	3.75%
Projected Salary Increases	4.25% - 10.05% (includes wage inflation at 3.75%)
Cost-of-living Adjustments	3.00% Simple

Mortality rates are from the RP-2000 mortality table projected 20 years using Projection Scale AA. For males, 105% of the combined healthy male mortality rates were used. For females, 100% of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120% of the

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disabled female mortality rates were used set forward two years. For females, 100% of the disabled female mortality rates were used.

The discount rate used to measure the total pension liability was 8.0% for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability to Changes in the Discount Rate - The following table presents the net pension liability or asset calculated using the discount rate of 8.0%, and expected net pension liability or asset if it were calculated using a discount rate that is 1.0% lower or higher than the current rate.

Employers Net Pension Liability/(Asset)	1% Decrease 7.0%	Current Discount Rate 8.0%	1% Increase 9.0%
Traditional Pension Plan	\$ 2,513,535	1,577,618	788,206

The allocation of investment assets within the Defined Benefit portfolio is approved by the OPERS Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the OPERS Board-approved asset allocation policy for 2015 and the long-term expected real rates of return.

Asset Class	Target Allocation for 2015	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00%	2.31%
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other Investments	18.00	4.59
Total	100.00%	5.27%

The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into

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Notes to Financial Statements

the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money-weighted rate of return, net of investment expense, for the Defined Benefit portfolio is 0.4% for 2015.

Average Remaining Service Life

GASB 68 requires that changes arising from differences between expected and actual experience or from changes in actuarial assumptions be recognized in pension expense over the average remaining service life of all employees provided with benefits through the pension plan (active and inactive). This is to consider these differences on a pooled basis, rather than an individual basis, to reflect the expected remaining service life of the entire pool of employees with the understanding that inactive employees have no remaining service period. As of December 31, 2015, the average of the expected remaining service lives of all employees calculated by our external actuaries for the Traditional Pension Plan was 3.1673 years; for the Combined Plan was 9.4080 years; and for the Member-Directed Plan was 9.5692 years.

Deferred Inflows and Deferred Outflows

At December 31, 2016, the Authority reported deferred inflows of resources and deferred outflows of resources related to pensions from the following sources:

Deferred Inflows of Resources:

Differences between expected and actual experience	\$	30,965
Change in Authority's proportionate share		34,912
Total	\$	<u>65,877</u>

Deferred Outflows of Resources:

Net differences between projected and actual earnings on pension plan investments	\$	465,764
Authority's contributions subsequent to the measurement date		139,196
Total	\$	<u>604,960</u>

OHIO WATER DEVELOPMENT AUTHORITY

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The \$139,196 reported as deferred outflows related to pensions resulting from employer contributions subsequent to the measurement date are recognized as a reduction of the net pension liability in the Authority's financial statements. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as disclosed in the table below:

Year Ending December 31	Traditional Pension Plan Net Deferred Outflows of Resources
2017	\$ 85,579
2018	93,338
2019	116,028
2020	104,942
Total	\$ 399,887

(14) OTHER POST-EMPLOYMENT BENEFITS

OPERS administers three separate pension plans: The Traditional Pension Plan—a cost-sharing multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. As of December 31, 2016, OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a RMA for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2015 CAFR for details.

The ORC permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the OPERS Board in Chapter 145 of the ORC.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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Notes to Financial Statements

Funding Policy

The ORC provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, the Authority contributed at a rate of 14.0% of earnable salary. This is the maximum employer contribution rate for State and Local employers permitted by the ORC. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during 2016. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2016 was 4.0%.

In 2016, the Authority's contributions to OPERS totaled \$162,385. Of this amount, \$23,189 was allocated to fund post-employment benefits (15 participants with 2.0% allocated).

(15) COMMITMENTS

As of December 31, 2016, the Authority has loan commitments to finance LGA construction projects in the following amounts:

<u>Fund</u>	<u>Amount</u>
Other Projects	\$ 36,689,378
Community Assistance	665,738
Fresh Water	177,537,887
Water Pollution Control Loan	1,154,236,423
Drinking Water Assistance	<u>113,272,358</u>
	<u>\$ 1,482,401,784</u>

Loan commitments consist of loan awards that have been encumbered by the Authority but not yet disbursed to the LGAs. The Authority intends to meet these LGA commitments with currently available funds and grant commitments from the U.S. EPA.

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(16) TRANSFERS

Interfund transfers for the year ended December 31, 2016 consisted of the following:

Transfers to Other Projects from:	
Fresh Water	\$ 25,611,510
Transfers from Community Assistance to:	
Fresh Water	\$ (1,324,618)
Transfers, net, to (from) Fresh Water from (to):	
Other Projects	(25,611,510)
Community Assistance	<u>1,324,618</u>
	\$ <u>(24,286,892)</u>
 Total Transfers, net	 \$ <u>—</u>

Transfers are used to meet the requirements of certain debt covenants or to fund additional program activities as authorized by the Authority's Board. In the year ended December 31, 2016, the Authority made the following non-routine transfers:

- a) \$25,611,510 transferred from the Fresh Water Fund to the Other Projects Fund for additional funding for Other Projects Fund loans and grants.
- b) \$1,324,618 transferred from the Community Assistance Fund to the Fresh Water Fund for additional funding for Fresh Water loans.

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Notes to Financial Statements

(17) CHANGES IN LONG-TERM LIABILITIES

As of December 31, 2016, the Authority has long-term liabilities in the following amounts:

Long-Term Liability	12/31/2015 Balance	Additions	Reductions	12/31/2016 Balance	Due Within One Year	Due in More Than One Year
Compensated Absences	\$ 241,281	194,670	178,909	257,042	15,482	241,560
Net Pension Liability	1,149,545	428,073	-	1,577,618	-	1,577,618
Revenue Bonds and Notes Payable	2,947,760,451	784,891,924	342,891,742	3,389,760,633	214,338,801	3,175,421,832
Total Long-Term Liabilities	<u>\$2,949,151,277</u>	<u>785,514,667</u>	<u>343,070,651</u>	<u>3,391,595,293</u>	<u>214,354,283</u>	<u>3,177,241,010</u>

(18) SUBSEQUENT EVENT

Since December 31, 2016, the Authority has issued additional debt. The Authority issued \$400,000,000 in Water Pollution Control Loan Fund Revenue Bonds – Series 2017A on March 13, 2017. As these bonds were not issued until 2017, they are not included in the long-term debt of the Authority as of December 31, 2016.

OHIO WATER DEVELOPMENT AUTHORITY

Schedule of Proportionate Share of Net Pension Liability Ohio Public Employees Retirement System

Last Two Pension Measurement Years*

Unaudited

	2014	2015
Proportion of the net pension liability	0.0095310%	0.0091080%
Proportionate share of the net pension liability	\$ 1,149,545	\$ 1,577,618
Covered-employee payroll	\$ 1,200,805	\$ 1,207,158
Proportionate share of the net pension liability as a percentage of covered-employee payroll	95.73%	130.69%
Plan fiduciary net position as a percentage of the total pension liability	86.45%	81.08%

* - Table will begin to cover ten years of data starting with 2014.

OHIO WATER DEVELOPMENT AUTHORITY

Schedule of Pension Contributions Ohio Public Employees Retirement System

Last Two Pension Measurement Years*

Unaudited

		2014	2015
Contractually required contributions	\$	140,729	\$ 142,358
Contributions in relation to the contractually required contributions	\$	140,729	\$ 142,358
Contribution deficiency (excess)	\$	-	\$ -
Covered-employee payroll	\$	1,200,805	\$ 1,207,158
Contributions as a percentage of covered-employee payroll		11.72%	11.79%

* - Table will begin to cover ten years of data starting with 2014.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Ohio Water Development Authority
480 South High Street
Columbus, Ohio 43215

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of the Ohio Water Development Authority (the Authority) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 27, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
March 27, 2017

APPENDIX D

CERTAIN DEFINITIONS

When used in this Official Statement, the following terms shall have the meanings set forth below. Additional terms used herein are more fully defined in the Trust Agreement, which is available from the Authority and the Underwriter.

“Act” means Chapter 6121, Ohio Revised Code, Section 6111.036, Ohio Revised Code, and Sections 9.98 through 9.983 inclusive, Ohio Revised Code, each as enacted and amended from time to time.

“Additional Pledged Loan” means any loan that has ceased to be a “WPCLF Loan” pursuant to the State Match Bond Trust Agreement and the principal and interest payments of which are both pledged to first the Water Quality Bonds and on a subordinate basis to the WPCLF Bonds.

“Additional Pledged Loan Repayments” means all payments of principal of and interest on any Additional Pledged Loan.

“Agreement” or “Trust Agreement” means the Original Trust Agreement, as the same may be amended or supplemented from time to time in accordance with its terms, including by the Fourteenth Supplemental Agreement.

“Allocation Order” means a certificate or directive executed by the Executive Director with the Consent of the Director providing for the initial deposit of a series of WPCLF Bond proceeds in the Funds and Accounts hereunder and any subsequent transfers between Funds and Accounts and establishing the allocation of the proceeds of that series of WPCLF Bonds as State Match Portion and/or Leveraged Portion.

“Appreciated Principal Amount” means, with respect to any Capital Appreciation Bond, an amount equal to the principal amount thereof at its initial offering plus an amount of interest which, based on semi-annual compounding on each Compounding Date from the date of delivery on the basis of a 360-day year of twelve 30-day months, will produce a yield approximately equal to the yield to maturity for such Capital Appreciation Bond specified in the applicable Series Resolution. A schedule setting forth the appreciated Principal Amount of a series of Capital Appreciation Bonds as of the Compounding Dates may be set forth in the form of Capital Appreciation Bond for that series. The Appreciated Principal Amount with respect to any date other than a Compounding Date is the Appreciated Principal Amount on the next preceding Compounding Date or dated date as noted on the form thereof, as the case may be, plus the difference between such amount and the Appreciated Principal Amount on the next succeeding Compounding Date, multiplied by a fraction the numerator of which is the number of days (based on a 360-day year of twelve 30-day months) from the preceding Compounding Date and the denominator of which is 180.

“Assumed Amortization Period” means the period of time specified in paragraph (a) or paragraph (b) below, as selected by the Fiscal Officer:

(a) Five years; or

(b) The period of time, exceeding five years, set forth in a written opinion of the Financial Advisor as not being longer than the maximum period of time over which indebtedness having comparable terms and security issued or incurred by similar issuers of comparable credit standing would, then if being offered, be marketable on reasonable and customary terms.

“Assumed Interest Rate” means the rate per annum (determined as of the last day of the calendar month preceding the month in which the determination of Assumed Interest Rate is being made) set forth in a written opinion of the Financial Advisor as being not lower than the lowest rate of interest at which indebtedness having comparable terms, security and federal income tax status amortized on a level debt service basis over a period of time equal to the assumed Amortization Period, and issued or incurred by similar issuers of comparable credit standing would, if being offered as of such last day of the calendar month, be marketable on reasonable and

customary terms; provided that such rate shall be neither (a) lower than the rate specified in MMD plus fifty basis points or a successor index, as in effect on the date of such opinion, and matched to each maturity allowed for under the Assumed Amortization Period, nor (b) higher than the highest rate permitted by law at which such WPCLF Bonds could be sold on said day.

“Authenticating Agent” means the Registrar and any other bank, trust company or other Person designated as Authenticating Agent for the WPCLF Bonds in accordance with the WPCLF General Bond Resolution or the Agreement, each of which shall be a transfer agent in accordance with Section 17A(c) of the Securities Exchange Act of 1934, as amended.

“Authority” means the Ohio Water Development Authority, a body corporate and politic, organized and existing under the provisions of Chapter 6121 of the Ohio Revised Code, and “Chairman,” “Vice-Chairman,” “Executive Director,” and “Secretary-Treasurer” shall mean, respectively, the Chairman, Vice-Chairman, Executive Director and Secretary-Treasurer of the Authority.

“Authorized Officer” means any officer, member, or employee of the Authority authorized by or pursuant to the resolution of the Authority to perform the act or sign the document in question, and, if there is no such authorization, the Executive Director.

“Balloon Bonds” means any WPCLF Bond (a) 25% or more of the principal payments of which are due in a single year, excluding any such principal payments that are subject to mandatory sinking fund requirements in a prior year, or (b) 25% or more of the principal of which may, at the option of the Holder or Holders thereof, be redeemed or rendered at one time.

“Bond Rating” means, at any time, the lowest rating that may be assigned to any outstanding WPCLF Bonds by a Rating Agency, other than any rating which is based upon credit enhancement of such WPCLF Bonds by a third party. In the event that the lowest rating assigned to any outstanding WPCLF Bonds by a Rating Agency differs from the lowest rating assigned to any outstanding WPCLF Bonds by another Rating Agency, then the higher of those lowest ratings shall apply for purposes of the preceding sentence.

“Bond Service Charges” means, for any period or date, the principal of and interest and any premium on the WPCLF Bonds payable during that period or payable on that date, as the case may be, including any mandatory sinking fund requirements set forth in a Series Resolution for the retirement by mandatory redemption of WPCLF Bonds. In determining Bond Service Charges for any period or date, mandatory sinking fund requirements to be paid during such period or on such date shall be included and principal maturities for which, and to the extent, mandatory sinking fund requirements were or are to be paid in a prior period or on a prior date shall be excluded.

“Business Day” means any day other than (a) a Saturday, Sunday or on a day on which banking institutions in the State of Ohio are authorized or required by law to close, (b) a day on which the Paying Agent or the Trustee is unable to open or be open for reasons not related to financial condition, or (c) a day on which the New York Stock Exchange is closed.

“Capital Appreciation Bonds” means WPCLF Bonds the interest on which, during their entire term or any portion thereof, is payable only as a component of the Appreciated Principal Amount at maturity or redemption pursuant to the applicable Series Resolution.

“Capital Appreciation and Income Bonds” means the WPCLF Bonds as to which interest is deferred and compounded prior to the date after which interest ceases to be deferred and compounded and the interest becomes currently payable.

“Capitalization Grant Subfund” means the Capitalization Grant Subfund established under the Water Pollution Control Loan Fund Trust Agreement.

“Capitalized Interest” means that portion, if any, of the proceeds of a series of WPCLF Bonds that is designated as capitalized interest in or pursuant to the applicable Series Resolution and, pursuant to the WPCLF

General Bond Resolution, is deposited in the Debt Service Fund for the purpose of paying interest on such WPCLF Bonds.

“Clean Water Act” means the Federal Water Pollution Control Act, as amended, including the Clean Water Act of 1977 (33 U.S.C. 1251 et seq.).

“Clearing Account” means the Clearing Account established under the Water Pollution Control Loan Fund Trust Agreement.

“Code” means the Internal Revenue Code of 1986, as it may be amended from time to time.

“Compounding Date” means, as to a series of Capital Appreciation Bonds or Capital Appreciation and Income Bonds, any date on which interest is compounded thereon pursuant to the applicable Series Resolution.

“Consent of the Director” means the Consent of the Director conclusively evidenced with respect to any matter, unless otherwise provided for herein or in any Supplemental Agreement, by the execution by the Director of a document pertaining to any such matter.

“Costs of Issuance” means costs incurred directly or indirectly by the Authority or the Director in connection with the authorization, sale and issuance of WPCLF Bonds, including, without limitation, Underwriters’ discount, the fees and charges of attorneys, accountants, rating agencies, financial advisors and other consultants and professionals, the initial fees or charges of the Trustee, Registrar, Authenticating Agents, or Paying Agents or the provider of a Credit Facility or the counterparty to an Interest Rate Hedge Agreement, printing costs, premiums for a municipal bond insurance policy insuring payment of WPCLF Bonds, any other costs, charge or fee related to issuing WPCLF Bonds as Variable Rate Bonds (including, without limitation, the initial fees and charges of any remarketing agents for such Variable Rate Bonds), and any other cost, charge or fee in connection with the original issuance of WPCLF Bonds; provided that, notwithstanding anything in the WPCLF General Bond Resolution or the Trust Agreement to the contrary, no cost shall be a Cost of Issuance if the Code, the Act, or the Clean Water Act prohibits payment of such cost from the proceeds of the WPCLF Bonds from which such payment would be made or if, under the Code, such payment would cause the interest on such WPCLF Bonds to cease to be excluded from gross income for purposes of federal income taxation.

“Costs of Issuance Fund” means the WPCLF Bond Series Costs of Issuance Fund created in the WPCLF General Bond Resolution and any subfunds thereof created pursuant to a Series Resolution, into which subfunds shall be deposited that portion of the proceeds of a series of WPCLF Bonds to be used to pay Costs of Issuance of such series of WPCLF Bonds.

“Credit Facility” means a letter of credit, a policy of municipal bond insurance or other credit facility provided with respect to a particular series of WPCLF Bonds pursuant to Section 9.982 of the Ohio Revised Code and the Series Resolution and Supplemental Agreement applicable to such WPCLF Bonds.

“Credit Facility Proceeds” means any amounts which represent the proceeds of a draw upon a Credit Facility.

“Debt Service Fund” means the WPCLF Bond Series Debt Service Fund created in the WPCLF General Bond Resolution and any subfunds thereof and accounts of such subfunds created pursuant to any Series Resolution.

“Debt Service Reserve Fund” means the WPCLF Bond Series Debt Service Reserve Fund created in the WPCLF General Bond Resolution and any subfunds thereof and accounts of such subfunds created pursuant to any Series Resolution including a Restricted Account and an Unrestricted Account for each series of WPCLF Bonds with a Required Reserve Fund Balance.

“Direct Payment” means a credit payment allowed pursuant to Section 54AA(g) of the Code, or other similar provision of the Code, with respect to Direct Payment Bonds that is payable to the Authority by or on behalf of the U.S. Treasury as provided in Section 6432 of the Code, or other similar provision of the Code.

“Direct Payment Bonds” means any Water Quality Bonds or WPCLF Bonds that are “Build America Bonds” within the meaning of Section 54AA(g) of the Code, or other similar subsequent provision or program of the Code, the interest on which is includable in gross income for federal income tax purposes and with respect to which the Authority shall have made an election, implied or explicit, to receive one or more Direct Payments.

“Director” means the Director of Environmental Protection pursuant to Chapter 3745 of the Ohio Revised Code, or in the event that said office becomes vacant, the duly appointed Acting Director until the date of appointment of the Director, and any such deputy directors or other officers or employees of the Environmental Protection Agency of the State of Ohio authorized by or pursuant to a writing of the Director of Environmental Protection to perform the act or sign the document in question.

“Drinking Water Assistance Fund” means the Drinking Water Assistance Fund created pursuant to Section 6109.22 of the Ohio Revised Code and held and maintained in accordance with the DWAF Trust Agreement.

“DWAF Surplus Interest Account” means the Surplus Interest Account established under the DWAF Trust Agreement.

“DWAF Surplus Principal Account” means the Surplus Principal Account established under the DWAF Trust Agreement.

“DWAF Trust Agreement” means the Amended and Restated Drinking Water Assistance Fund Trust Agreement, dated as of May 1, 2002, as supplemented and amended from time to time, among The Huntington National Bank, the Authority, and the Director.

“DWAF Trustee” means The Huntington National Bank, and any successor Trustee designated as such pursuant to the DWAF Trust Agreement.

“Eighth Supplemental Agreement” means the Eight Supplemental Trust Agreement dated as of January 28, 2016, authorizing and securing the Series 2015B WPCLF Refunding Bonds.

“Eleventh Supplemental Agreement” means the Eleventh Supplemental Trust Agreement dated as of April 1, 2016, authorizing and securing the Series 2017A WPCLF Bonds.

“Eligible Investments” means and includes any of the following, if and to the extent the same are at the time legal for the investment of the Authority’s money:

- (a) Government Obligations and Government Certificates.
- (b) Obligations issued, guaranteed or collateralized by any of the following:
 - (i) Federal Home Loan Bank System,
 - (ii) Export-Import Bank of the United States,
 - (iii) Federal Financing Bank,
 - (iv) Government National Mortgage Association,
 - (v) Farmers Home Administration,
 - (vi) Federal Home Loan Mortgage Company,
 - (vii) Federal Housing Administration,
 - (viii) Private Export Funding Corporation,
 - (ix) Federal National Mortgage Association,
 - (x) Federal Farm Credit Bank, and
 - (xi) Resolution Funding Corporation,

or any indebtedness issued or guaranteed by any instrumentality or agency of the United States.

(c) Pre-refunded municipal obligations rated in the highest rating category by at least Moody's and Standard & Poor's and meeting the following conditions:

(i) (A) such obligations are not to be redeemed prior to maturity or the Trustee has been given irrevocable instructions concerning their call for redemption, and (B) the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(ii) such obligations are secured by Government Obligations or Government Certificates that may be applied only to interest, principal, and premium payments on such obligations;

(iii) the principal of and interest on such Government Obligations or Government Certificates (plus any cash in the escrow fund with respect to such pre-refunded obligations) are sufficient to meet the liabilities of the obligations;

(iv) the Government Obligations or Government Certificates serving as security for the obligations are held by an escrow agent or trustee; and

(v) such Government Obligations or Government Certificates are not available to satisfy any other claims, including those against the trustee or escrow agent.

(d) Direct long-term municipal obligations rated in one of the two highest categories by Moody's and Standard & Poor's.

(e) Direct short-term municipal obligations rated in one of the two highest categories by Moody's and Standard & Poor's.

(f) Certificates of deposit, savings accounts, or deposit accounts with, or depository receipts of commercial banks, national banking associations, mutual savings banks, savings and loan associations or trust companies that are members of the Federal Deposit Insurance Corporation ("FDIC"). Such certificates, accounts or receipts must be (i) continuously and fully insured by the FDIC, (ii) if they have a maturity of one year or less, with or of such institutions that are rated in the highest short term rating category by at least Moody's and Standard & Poor's, (iii) if they have a maturity longer than one year, with or of such institutions that are rated no lower than the Bond Rating, or (iv) fully secured by Government Obligations and Government Certificates and with or of such institutions that are rated investment grade by at least Moody's and Standard & Poor's. Such Government Obligations and Government Certificates must have a market value at all times at least equal to the principal amount of the deposits or interests. The Government Obligations and Government Certificates must be held by a third party (who shall not be the provider of the collateral), or by any Federal Reserve Bank or depository, as custodian for the institution issuing the deposits or interests. Such third party shall have a perfected first lien in the Government Obligations and Government Certificates serving as collateral, and such collateral is to be free from all other third party liens.

(g) Eurodollar time deposits issued by a bank with a deposit rating in the top short-term credit rating categories by at least Moody's and Standard & Poor's.

(h) Repurchase agreements, (i) the maturities of which are 30 days or less or (ii) the maturities of which are longer than 30 days and not longer than one year, provided the collateral subject to such agreements are marked to market daily, and in either case are entered into with financial institutions such as banks or trust companies organized under State law or national banking associations, insurance companies, or government bond dealers reporting to, trading with, and recognized as a primary dealer by, the Federal Reserve Bank of New York and a member of the Securities Investors Protection Corporation, or with the parent holding company of any of the foregoing, provided that any such financial institution is rated investment grade by at least Moody's and Standard & Poor's. The repurchase agreement shall be in respect of Government Obligations and Government Certificates or obligations described in paragraph (b) of this definition. The repurchase agreement securities and, to the extent necessary, Government Obligations and Government Certificates or obligations described in paragraph (b), exclusive of accrued interest, shall be maintained in an amount equal to at least 103% of the amount invested in the

repurchase agreements. In addition, the provisions of the repurchase agreement shall meet the following additional criteria:

(A) the third party (who shall not be the provider of the collateral) has possession of the repurchase agreement securities and the collateral securities;

(B) failure to maintain the requisite collateral levels will require the third party having possession of the collateral securities to liquidate the securities immediately; and

(C) the third party having possession of the collateral securities has a perfected, first priority security interest in them.

(i) Public housing bonds issued by public agencies. Such bonds must be: temporary notes, preliminary loan notes, or project notes secured by a requisition or payment agreement with the United States of America; or obligations of a state, public agency, or municipality rated in the highest credit rating category by at least Moody's and Standard & Poor's.

(j) Money market accounts of any state or federal bank, or bank whose holding parent company is, rated in the top short-term category by at least Moody's and Standard & Poor's or in a long-term category no lower than the Bond Rating.

(k) Investment agreements, the issuer of which is rated in the two highest categories by at least Moody's and Standard & Poor's.

(l) Any debt or fixed income security, the issuer of which is rated in one of the two highest rating categories by at least Moody's and Standard & Poor's.

(m) Star Ohio, the Ohio Subdivisions' Investment Fund created and administered by the Treasurer of the State of Ohio pursuant to Section 135.45 of the Ohio Revised Code.

"Encumbered Balance in the Capitalization Grant Subfund" means the moneys at any time on deposit in the Capitalization Grant Subfund that are encumbered on the Authority's accounting records to fulfill the Authority's obligations under the WPCLF Loan Agreements.

"Encumbered Balance in the Net Bond Proceeds Fund" means the moneys at any time on deposit in the Net Bond Proceeds Fund that are encumbered on the Authority's accounting records to fulfill the Authority's obligations under WPCLF Loan Agreements.

"Encumbered Balance in the WPCLF Bond Subfund" means the moneys at any time on deposit in the WPCLF Bond Subfund that are encumbered on the Authority's accounting records to fulfill the Authority's obligations under WPCLF Loan Agreements.

"Escrow Securities" means Eligible Investments of the character described in clauses (a), (c) and (d) of the definition of "Eligible Investments"; provided, however, that obligations of the character described in clauses (a), (b) and (d) of the definition of "Eligible Investments" shall constitute Escrow Securities only if such obligations shall not be subject to redemption prior to their stated maturities or irrevocable redemption date other than at the option of the holder thereof, except that obligations of the character described in clause (a) of the definition of "Eligible Investments" which are subject to redemption prior to their stated maturity at the option of the issuer thereof on a specified date or dates shall constitute Escrow Securities if the condition to their constituting Escrow Securities set forth in the Agreement are met.

"Excess Earnings" means, with respect to each series of the WPCLF Bonds, an amount equal to the sum of (a) the excess of: (i) the aggregate amount earned from the date of issuance of such series of WPCLF Bonds on all nonpurpose investments in which gross proceeds of such series of WPCLF Bonds are invested (other than investments attributable to an excess described in this clause), over (ii) the amount that would have been earned if

such nonpurpose investments were invested at a rate equal to the yield on such series of Water Quality Bonds, and (b) any income attributable to any excess described in clause (a). Excess Earnings shall be determined in accordance with Section 148(f) of the Code and the applicable Treasury Regulations (final, temporary or purposed) thereunder. As used in this definition of Excess Earnings, the terms “gross proceeds,” “nonpurpose investments” and “yield” have the meanings assigned to them for purposes of Section 148 of the Code.

“Executive Director” means the Executive Director of the Authority, or, in the event that said office becomes vacant and an Executive Director has not been appointed by the Authority, the Acting Executive Director of the Authority duly appointed by the Authority until the date of the appointment of the Executive Director of the Authority, and such deputy directors or other officers or employees of the Authority authorized by or pursuant to a writing of the Executive Director to perform the act or sign the document in question.

“Federal Capitalization Grants” means capitalization grants authorized in Section 601 of Title VI of the Clean Water Act and awarded to the State.

“Fifth Supplemental Agreement” means the Fifth Supplemental Trust Agreement dated as of September 1, 2015, authorizing and securing the Series 2015 WPCLF Bond Anticipation Notes.

“Financial Advisor” means Public Financial Management, Inc. or any other firm or person (other than an employee or member of the Authority) with demonstrated expertise in matters of public finance, designated or engaged by the Authority to serve as its financial advisor with regard to (among other things) the structuring and sale of the Authority’s debt obligations.

“First Supplemental Agreement” means the First Supplemental Trust Agreement dated as of May 1, 2014, authorizing and securing the Series 2014 WPCLF Bonds.

“Fiscal Officer” means the then-current Chief Operating Officer of the Authority, or such officer as shall succeed to the fiscal responsibilities of the then-current Chief Operating Officer.

“Fourteenth Supplemental Agreement” means the Fourteenth Supplemental Trust Agreement dated as of August 1, 2017, authorizing and securing the Series 2017B WPCLF Notes.

“Fourth Supplemental Agreement” means the Fourth Supplemental Trust Agreement dated as of April 1, 2015, authorizing and securing the Series 2015-17 WPCLF Notes.

“Government Certificates” means (in the case of Government Obligations) evidences of ownership of proportionate interest in future interest or principal payments of Government Obligations, including depository receipts thereof. Investments in such proportionate interest must be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying Government Obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying Government Obligations; and (c) the underlying Government Obligations are held in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian or any person to whom the custodian may be obligated.

“Government Obligations” means direct and general obligations of, or obligations the timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America.

“Governmental Agency” or “Governmental Agencies” means a governmental agency or governmental agencies as defined in paragraph (B) of Section 6121.01 of the Ohio Revised Code eligible to receive financial assistance pursuant to Section 6111.036 of the Ohio Revised Code.

“Gross Proceeds” means, with respect to any series of WPCLF Bonds, “gross proceeds” as such term is used in Section 148 of the Code and the regulations applicable thereunder.

“Holder” or “Holder of a WPCLF Bond” means the Person in whose name a WPCLF Bond is registered on the Register, except that with respect to a WPCLF Bond with a maturity of one year or less payable to or registered to bearer, “Holder” shall mean the bearer of such WPCLF Bond.

“Interest Payment Date” means, as to each series of WPCLF Bonds, each date designated as an Interest Payment Date or a date on which interest on any WPCLF Bond of such series is due and payable in or pursuant to the applicable Series Resolution.

“Interest Rate Hedge Agreement” means an interest rate swap, an interest rate cap or other such arrangement obtained with the goal of lowering the effective interest rate to the Authority on WPCLF Bonds or hedging the exposure of the Authority with respect to its obligations on the WPCLF Bonds against fluctuations in prevailing interest rates.

“Leveraged Portion” means the portion of any series of WPCLF Bonds designated as such pursuant to the Trust Agreement and each Series Allocation Certificate.

“Mail” or “mailed” or “mailing” means sending by first class mail, postage prepaid.

“Marked to market” means valued according to then current market value.

“Moody’s” means Moody’s Investors Service, Inc.

“Net Bond Proceeds Fund” means the WPCLF Series Net Bond Proceeds Fund created in the WPCLF General Bond Resolution and any subfunds thereof and accounts of such subfunds created pursuant to any Series Resolution, including a State Match Portion Account and a Leveraged Portion Account.

“Net Revenues” means Revenues less any payments or deposits required to be made pursuant to the Water Quality Bond Trust Agreement to the Debt Service Fund or the Debt Service Reserve Fund thereunder.

“Ninth Supplemental Agreement” means the Ninth Supplemental Trust Agreement dated as of April 27, 2016, authorizing and securing the Series 2016A WPCLF Bonds.

“Non-qualified Loan” means, at any time, any WPCLF Loan or Additional Pledged Loan on which the Governmental Agency that is a party thereto has failed to make a payment of principal or interest at the time and in the amount required, which failure has continued for more than two months and remains uncured.

“Original Purchaser” or “Original Purchasers” means, as to any series of WPCLF Bonds, the Person or Persons identified as the purchaser or purchasers in or pursuant to the applicable Series Resolution.

“Original Trust Agreement” means the Trust Agreement securing the WPCLF Bonds, dated as of May 1, 2014, among the Authority, the Director and the Trustee.

“Other Projects Fund” means the Other Projects Fund created pursuant to the Water Pollution Control Loan Fund Trust Agreement.

“Paying Agents” means the Trustee and any bank or trust company designated as a Paying Agent by or in accordance with the Trust Agreement.

“Payment Obligations” means any amounts other than Bond Service Charges to be paid to any provider of a Credit Facility or of an Interest Rate Hedge Agreement.

“Person” or words importing person means firms, associates, partnerships (including without limitation, general and limited partnerships), joint ventures, societies, estates, trusts, corporations, public or governmental bodies, governmental agencies, other legal entities and natural persons.

“Pledged Revenues” means (a) the Net Revenues, (b) the Special Funds, the moneys which may at any time be on deposit in the Special Funds and the income and profit from the investment thereof (except the Encumbered Balance in the Net Proceeds Fund, the Encumbered Balance in the WPCLF Bond Subfund, the Encumbered Balance in the Capitalization Grant Subfund, any Credit Facility Proceeds, and any amounts required to be rebated to the United States of America under any applicable federal income tax law), (c) the Surplus Fund, on a subordinate basis to any Outstanding Water Quality Bonds, and (d) any other funds and moneys which may be subjected to the pledge of the Agreement by subsequent action of the Authority with the consent of the Director. Credit Facility Proceeds may be pledged to the payment of Bond Service Charges on any one or more series of Bonds to which such Credit Facility applies.

“Principal Retirement Date” means, as to each series of WPCLF Bonds, each date designed as a Principal Retirement Date or a date on which principal of any WPCLF Bond of such series is due and payable, whether at maturity or due to mandatory sinking fund requirement, pursuant to the applicable Series Resolution.

“Project” means a project or activity qualifying for financial assistance under Section 6111.036 of the Ohio Revised Code and shall be identified, in the case of projects funded by a WPCLF Loan, by reference to the Governmental Agency or Agencies involved and the date of the WPCLF Loan Agreement relating thereto, and in the case of a Non-governmental Loan (as defined in the Water Pollution Control Loan Fund Trust Agreement), by reference to the borrower and the date of the loan agreement applicable thereto.

“Project Loan Rate” means, at the time of determination, the standard rate (i.e., the rate that applies prior to any discounts or other reductions) at which the Authority and the Director make loans from the Water Pollution Control Loan Fund to Governmental Agencies for Projects.

“Projected Payments” means (a) the payments of principal and interest estimated to be received by the Authority on WPCLF Loans, except any non-qualified Loan, during any applicable period, (b) any Direct Payments projected to be received by the Authority relating to any Direct Payment Bonds.

“Qualified Reserve Credit Facility” means a Credit Facility issued or guaranteed by an entity rated in one of the two highest rating categories by all Rating Agencies, which Credit Facility permits the Trustee to draw thereon at any time that the Agreement requires the Trustee to withdraw moneys from the Debt Service Reserve Fund, and which Credit Facility does not expire until the portion of the Required Reserve Fund Balance funded by such Credit Facility is no longer required to be funded thereby, either because all of the WPCLF Bonds to which such portion relates shall have ceased to be outstanding or because cash and investments and other Qualified Reserve Credit Facilities shall have been deposited in the Debt Service Reserve Fund with an aggregate Value at least equal to the Required Reserve Fund Balance.

“Rated” means, with respect to any entity that is required under the Agreement to have a minimum rating from any Rating Agencies for any purposes, that such entity itself or its debt, guaranties or claims-paying ability has been assigned the specified rating.

“Rating Agencies,” “Rating Agency” or “Rating Services” means any nationally recognized Rating Agency that regularly rates municipal bonds, but, as to a particular series of WPCLF Bonds, only to the extent such entity has been requested in writing to issue a Rating on the applicable Series of WPCLF Bonds.

“Rebate Fund” means the WPCLF Bond Series Rebate Fund created in the WPCLF General Bond Resolution and any subfunds thereof and accounts of such subfunds created pursuant to any Series Resolution.

“Register” means the books kept and maintained by the Registrar for registration and transfer of fully registered WPCLF Bonds pursuant to the Agreement.

“Registrar” means U.S. Bank National Association unless and until a successor Registrar shall succeed as Registrar pursuant to the applicable provisions of the Agreement. The Registrar shall be a transfer agent registered in accordance with Section 17A(c) of the Securities Exchange of 1934.

“Regular Record Date” means, with respect to any WPCLF Bonds, the fifteenth day of the calendar month next preceding any month in which an Interest Payment Date applicable to that WPCLF Bond occurs.

“Reimbursement Agreement” means, with respect to a series of WPCLF Bonds, any agreement or agreements between two or more Credit Facility providers and the Authority under or pursuant to which a Credit Facility for such series of WPCLF Bonds is issued or provided and which sets forth the respective obligations of the Authority and of the Credit Facility provider or providers.

“Remarketing Agent” means the Remarketing Agent as defined and appointed in a Supplemental Agreement applicable to a series of WPCLF Bonds.

“Required Reserve Fund Balance” means a fund balance, which may be zero, in the Debt Service Reserve Fund for each series of WPCLF Bonds, as required by a Series Resolution related to a specific series of WPCLF Bonds. For purposes of determining the Required Reserve Fund Balance, Bond Service Charges shall be computed in accordance with the WPCLF General Bond Resolution with respect to the categories of WPCLF Bonds covered by the WPCLF General Bond Resolution.

“Revenues” means (a) all payments of interest made on all future WPCLF Loans that are dated after the issuance of the first series of WPCLF Bonds, (b) all payments of principal made on all existing and future WPCLF Loans and payable to the Authority, (c) all Additional Pledged Loan Repayments, (d) all income and profit from the investment and reinvestment of such payments, and (e) all Direct Payments received by the Authority relating to any Direct Payment Bonds.

“S&P” means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business.

“Second Supplemental Agreement” means the Second Supplemental Trust Agreement dated as of August 1, 2014, authorizing and securing the Series 2014-15 WPCLF Notes.

“Series Allocation Certificate” means the certificate of the Executive Director related to a series of WPCLF Bonds in which the Executive Director determines the State Match Portion and Leveraged Portion for that series of WPCLF Bonds, and sets the Required Reserve Fund Balance(s).

“Series Resolution” means a resolution of the Authority authorizing the issuance of WPCLF Bonds in accordance with the WPCLF General Bond Resolution and the Agreement, and includes any resolution, and any certificate authorized by any resolution, providing for the award and terms of the WPCLF Bonds, authorized by such Series Resolutions.

“Seventh Supplemental Agreement” means the Seventh Supplemental Trust Agreement dated as of January 13, 2016, authorizing and securing the Series 2015A WPCLF Bonds.

“Sixth Supplemental Agreement” means the Sixth Supplemental Trust Agreement dated as of November 1, 2015, authorizing and securing the Series 2015-17B WPCLF Notes.

“Special Funds” means, collectively, the Debt Service Fund, the Debt Service Reserve Fund (but only to the extent a specific series of WPCLF Bonds is secured by a Required Reserve Fund Balance), the Net Bond Proceeds Fund, the WPCLF Bond Subfund and the Capitalization Grant Subfund (except the Encumbered Balance in the Net Bond Proceeds Fund, the Encumbered Balance in the WPCLF Bond Subfund, the Encumbered Balance in the Capitalization Grant Subfund, any Credit Facility Proceeds and any amounts required to be rebated to the United States of America under any applicable federal income tax law).

“Special Record Date” means, with respect to any WPCLF Bond, the date established by the Trustee in connection with the payment of overdue interest on that WPCLF Bond pursuant to the Trust Agreement.

“State” means the State of Ohio.

“State Match Portion” means the portion of any series of WPCLF Bonds designated as such pursuant to the WPCLF General Bond Resolution and the applicable Series Allocation Certificate.

“Supplemental Agreement” means any one or more of the supplemental trust agreements entered into by the parties hereto pursuant to Article VII of the Agreement, and includes, where set forth therein, the applicable Series Resolution.

“Surplus Fund” means the Surplus Fund created pursuant to the Water Pollution Control Loan Fund Trust Agreement, including a Principal Account and Interest Account, therein.

“Surplus Interest Subaccount” means the Surplus Interest Subaccount of the Other Projects Fund established pursuant to the Water Pollution Control Loan Fund Trust Agreement.

“Surplus Principal Subaccount” means the Surplus Principal Subaccount of the Other Projects Fund established pursuant to the Water Pollution Control Loan Fund Trust Agreement.

“Tender Agent” means the Tender Agent as defined and appointed in a Supplemental Agreement applicable to a series of WPCLF Bonds.

“Tenth Supplemental Agreement” means the Tenth Supplemental Trust Agreement dated as of March 1, 2017, authorizing and securing the Series 2017-19A WPCLF Notes.

“Tender Bond” means any WPCLF Bond, a feature of which is an option or obligation on the part of the Holders thereof to tender all or a portion of such WPCLF Bond to the Trustee for purchase or redemption prior to the stated maturity of such WPCLF Bond, which may include Variable Rate Bonds with such a feature.

“Third Supplemental Agreement” means the Third Supplemental Trust Agreement, dated as of December 30, 2014, authorizing and securing the Series 2014B WPCLF Refunding Bonds.

“Thirteenth Supplemental Agreement” means the Thirteenth Supplemental Trust Agreement dated as of June 1, 2017, authorizing and securing the Series 2017-20B Note.

“Trust Agreement” or “Agreement” means the Original Trust Agreement, as the same may be amended or supplemented from time to time in accordance with its terms.

“Trustee” means U.S. Bank National Association, and any successor Trustee designated as such pursuant to the Agreement.

“Twelfth Supplemental Agreement” means the Twelfth Supplemental Trust Agreement dated as of April 1, 2017, authorizing and securing the Series 2017-20A WPCLF Notes.

“Underwriter” or “Underwriters” means the Original Purchaser or Original Purchasers, as appropriate.

“Value” means, with respect to an investment held in or credited to any Special Fund (a) as of any date of determination, the lesser of the original cost of such investment or the fair market value thereof as of such date of determination, except that for the purpose of complying with the provisions of Section 148 of the Code and the regulations applicable thereunder, “Value” shall be determined as required by such Section 148 and regulations, and (b) with respect to a Qualified Reserve Credit Facility, the amount permitted to be drawn thereunder.

“Variable Rate Bond” means any WPCLF Bond not bearing interest throughout its term at a fixed interest rate, but rather at a rate which varies from time to time based upon a formula or other method of determination set forth in the applicable Series Resolution; provided, however, that if any WPCLF Bond is issued in conjunction with another WPCLF Bond which bears interest at a rate that is, at all times, the balance remaining after the subtraction of the rate of interest on the other WPCLF Bond from a constant, with the result that the rate of interest paid by the Authority on the two WPCLF Bonds is, and must at all times be, fixed, then neither of such conjoined WPCLF

Bonds shall be treated as a Variable Rate Bond for purposes of the Agreement, but rather such WPCLF Bonds shall be treated together as a fixed rate WPCLF Bond.

“WPCLF General Bond Resolution” means Resolution No. 32-14, adopted March 26, 2014, providing for the issuance of WPCLF Bonds from time to time and approving the Agreement and related matters, as it may be further amended or supplemented from time to time.

“WPCLF Bonds” means the State of Ohio Water Pollution Control Loan Fund Revenue Bonds, issued from time to time by the Authority issued under the Trust Agreement.

“WPCLF Bond Subfund” means the WPCLF Bond Subfund, created pursuant to the Water Pollution Control Loan Fund Trust Agreement, and any accounts therein.

“WPCLF Loan Agreement” means an agreement among the Authority, the Director and Governmental Agency participating in the Water Pollution Control Loan Fund Program under which the Director agrees to lend money to the Governmental Agency for its Project and the Governmental Agency agrees to repay the loan, including agreements which provide for principal forgiveness or no interest.

“WPCLF Loan Repayments Fund” means the Water Pollution Control Loan Fund WPCLF Loan Repayments Fund, created pursuant to Section 2.01 of the Water Pollution Control Loan Fund Trust Agreement, and any subfunds or accounts therein.

“WPCLF Loans” means (a) the loans identified on Exhibit B to the Trust Agreement, funded from the Water Pollution Control Loan Fund pursuant to WPCLF Loan Agreements entered into prior to the date of the Trust Agreement; and (b) all loans funded from the Water Pollution Control Loan Fund pursuant to WPCLF Loan Agreements entered into from and after the date of the Trust Agreement.

“WPCLF Notes” means the State of Ohio Water Pollution Control Loan Fund issued from time to time by the Authority under the Trust Agreement.

“WPCLF Notice of Required Investment” means the notice of that name in the Trust Agreement that requires the Trustee to deliver under the circumstances described therein, a form of which is attached to the Trust Agreement as Exhibit A.

“WPCLF Support Obligations” means the obligations of that name in the Trust Agreement that requires the Authority to issue under the circumstances and on terms specified therein.

“WPCLF Support Obligations Debt Service Fund” means the WPCLF Support Obligations Debt Service Fund created in the Trust Agreement and any subfunds thereof and accounts of such subfunds created pursuant to any Series Resolution.

“Water Pollution Control Loan Fund” means the Water Pollution Control Loan Fund created pursuant to Section 6111.036 of the Ohio Revised Code and held and maintained in accordance with the Water Pollution Control Loan Fund Trust Agreement.

“Water Pollution Control Loan Fund Program” means the program instituted pursuant to Section 6111.036 of the Ohio Revised Code and administered by the Director with the assistance of the Authority.

“Water Pollution Control Loan Fund Trust Agreement” means the Second Amended and Restated Trust Agreement, dated as of May 1, 2014 (amending and restating the Water Pollution Control Loan Fund Trust Agreement, dated as of October 1, 1995), among the Authority, the Director and the Water Pollution Control Loan Fund Trustee, as the same may be further amended and supplemented from time to time in accordance with its terms.

“Water Pollution Control Loan Fund Trustee” means The Huntington National Bank, and any successor trustee as designated under or pursuant to the Water Pollution Control Loan Fund Trust Agreement.

“Water Quality Bond Trust Agreement” means the Trust Agreement dated as of October 1, 1995, by and among the Authority, the Director, and The Bank of New York Mellon Trust Company, N.A., as amended and supplemented, securing the Water Quality Bonds.

“Water Quality Bonds” means the State of Ohio Water Pollution Control Loan Fund Revenue Bonds, Water Quality Series, issued from to time by the Authority under the Water Quality Bond Trust Agreement.

“Water Quality Notes” means the State of Ohio Water Pollution Control Loan Fund Notes, Water Quality Series, issued from time to time by the Authority under the Water Quality Bond Trust Agreement.

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APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT

The following is a summary of certain provisions of the Trust Agreement. The summary does not purport to be a complete description of the Trust Agreement and is subject in all respects to the provisions of, and is qualified in its entirety by reference to, the Trust Agreement, copies of which are available upon request to the Authority.

The Series 2017B WPCLF Notes are being issued pursuant to and secured by the Trust Agreement among the Authority, the Director and the Trustee, which includes the WPCLF General Bond Resolution. The Series Resolution authorizing the Series 2017B WPCLF Notes will be incorporated in and will constitute part of the Fourteenth Supplemental Agreement.

In connection with the Water Pollution Control Loan Fund Program, the Authority and the Director have entered into or will enter into the Trust Agreement among the Authority, the Director and U.S. Bank National Association, as WPCLF Bond Trustee, as amended and supplemented including by the Fourteenth Supplemental Agreement (together, the “Trust Agreement”).

The Trust Agreement refers to certain sections of the Water Pollution Control Loan Fund Trust Agreement that create, and order maintained in the custody of the Water Pollution Control Loan Fund Trustee, various subfunds of the Water Pollution Control Loan Fund, including, but not limited to, the “Water Pollution Control Loan Fund WPCLF Bond Subfund,” into which from time to time will be transferred the portion of the proceeds of WPCLF Bonds, Revenues, and Pledged Revenues required to be transferred thereto.

Establishment, Application and Investment of the Water Pollution Control Loan Fund

The following is a summary of certain provisions of the Water Pollution Control Loan Fund Trust Agreement. The summary does not purport to be a complete description of the Water Pollution Control Loan Fund Trust Agreement and is subject in all respects to the provisions of, and is qualified in its entirety by reference to, the Water Pollution Control Loan Fund Trust Agreement, copies of which are available upon request to the Authority.

Pursuant to the Water Pollution Control Loan Fund Trust Agreement, the Director and the Authority have created and ordered maintained in the custody of the Water Pollution Control Loan Fund Trustee the following funds, subfunds and accounts:

- Clearing Account,
- Capitalization Grant Subfund,
- WPCLF Bond Subfund, including the Leveraged Portion Account, the State Match Portion Account, and the Water Quality Subfund therein,
- WPCLF Loan Repayments Fund, including the Principal Account (and the Additional Pledged Loan Interest Subaccount therein), the Interest Account, and the Administrative Account therein,
- Non-governmental Loan Repayments Fund,
- Depledged Loan Repayments Fund,
- Surplus Fund, including the Principal Account and Interest Account therein, and
- Other Projects Fund, including the Surplus Principal Subaccount and the Surplus Interest Subaccount therein.

The Clearing Account, the WPCLF Loan Repayments Fund, the Non-governmental Loan Repayments Fund, the Depledged Loan Repayments Fund, the Surplus Fund, and the Other Projects Fund and all amounts therein will be and will be deemed to be, held and maintained by the Water Pollution Control Loan Fund Trustee as parts of the Water Pollution Control Loan Fund for all purposes of State and Federal law. The Debt Service Fund, the Debt Service Reserve Fund, the Net Bond Proceeds Fund and the WPCLF Support Obligations Debt Service Fund created under the Water Quality Bond Trust Agreement will be, and will be deemed to be, held and maintained

by the Water Quality Bond Trustee as part of the Water Pollution Control Loan Fund for all purposes of State and Federal law. The Debt Service Fund and the State Match Portion Account and Leveraged Portion Account therein, the Debt Service Reserve Fund and the Restricted Reserve Account and the Unrestricted Reserve Account therein, the Net Bond Proceeds Fund and the State Match Portion Account and the Leveraged Portion Account therein, and the WPCLF State Match Series Support Obligations Debt Service Fund created under the WPCLF Bond Trust Agreement will be, and will be deemed to be, held and maintained by the WPCLF Bond Trustee as parts of the Water Pollution Control Loan Fund for all purposes of State and Federal law. The Capitalization Grant Subfund, the WPCLF Bond Subfund, and the Water Quality Subfund and all amounts therein will be, and will be deemed to be, held and maintained by the Water Pollution Control Loan Fund Trustee as parts of the Clearing Account for all purposes of State and Federal law.

In addition to the foregoing funds and subfunds, the Water Pollution Control Loan Fund Trustee shall create such other funds, subfunds, accounts within subfunds, and subaccounts within accounts, as may be necessary or desirable in its judgment or as the Executive Director shall direct, for the purpose of accounting for moneys deposited with and disbursed by the Water Pollution Control Loan Fund Trustee or for the segregation of moneys and investments as necessary under the terms of the Water Pollution Control Loan Fund Trust Agreement.

To the extent required by the Water Pollution Control Loan Fund Trust Agreement or required in writing by the Executive Director with the consent of the Director, the Water Pollution Control Loan Fund Trustee shall maintain the amounts in any fund, subfund, account or subaccount created pursuant to the Water Pollution Control Loan Fund Trust Agreement separate and apart from any other funds, subfunds, accounts or subaccounts, and without commingling or pooling the same for purposes of investment or otherwise.

Moneys in the Interest Account of the WPCLF Loan Repayments Fund are “Revenues” and “Pledged Revenues” under the Trust Agreement and are subject to the lien and pledge thereof. Moneys in the Principal Account of the WPCLF Loan Repayments Fund and in the Surplus Fund are “Revenues” and “Pledged Revenues” under the Trust Agreement and the Water Quality Bond Trust Agreement, and are subject to the lien and pledge thereof. In the event of any inconsistency between the provisions of the Water Pollution Control Loan Fund Trust Agreement and the provisions of the Trust Agreement or the Water Quality Bond Trust Agreement with respect to the permitted or required application or disposition of such moneys, the provisions of the Trust Agreement or Water Quality Bond Trust Agreement, as the case may be, shall prevail.

Moneys deposited into the WPCLF Bond Subfund pursuant to the Trust Agreement shall be held, invested and disbursed in accordance with the provisions of the Water Pollution Control Loan Fund Trust Agreement for the purpose of paying the costs of the various projects included in the Water Pollution Control Loan Fund Program and all things necessary and incidental thereto.

Establishment and Application of Special Funds

Pursuant to the Trust Agreement, there are created by the Authority and ordered maintained in the custody of the Trustee the following trust funds: (i) the WPCLF Bond Series Net Bond Proceeds Fund and therein a Leveraged Portion Account and a State Match Portion Account, (ii) the WPCLF Bond Series Debt Service Fund and therein a Leveraged Portion Account and a State Match Portion Account, (iii) the WPCLF Bond Series Debt Service Reserve Fund and therein a Restricted Reserve Account and an Unrestricted Reserve Account, and (iv) the WPCLF Bond Series Costs of Issuance Fund. Each Series Resolution pursuant to which a series of WPCLF Bonds is issued will establish within the Net Bond Proceeds Fund, the Debt Service Fund and the Debt Service Reserve Fund, if such Series of WPCLF Bonds is subject to a Required Reserve Fund Balance, a separate subfund relating to that series of WPCLF Bonds and relating to the Leveraged Portion and State Match Portion of that Series of WPCLF Bonds. Each Series Resolution will establish within the Costs of Issuance Fund a separate subfund into which shall be deposited that portion of the proceeds of the series of WPCLF Bonds issued under such Series Resolution to be used to pay Costs of Issuance of such series of WPCLF Bonds.

The State Match Portion Account of the Debt Service Fund and the moneys and Eligible Investments therein shall be used solely and exclusively for the payment of Bond Service Charges on the State Match Portion of any outstanding WPCLF Bonds as they become due. If after making any allocation of Revenues in accordance

with the Trust Agreement, the Trustee determines that the amount in the State Match Portion Account of the Debt Service Fund is less than the amount of the Bond Service Charges then due on the State Match Portion of any then outstanding WPCLF Bonds, the Trustee shall transfer or cause to be transferred to the State Match Portion Account of the Debt Service Fund amounts from the following funds or accounts in the following order to the extent necessary to make good such deficiency or deficiencies:

- i. the Interest Account of the WPCLF Loan Repayments Fund,
- ii. the Interest Account of the Surplus Fund, to the extent not needed to pay debt service on Water Quality Bonds,
- iii. the State Match Portion Account of the Net Bond Proceeds Fund, except for the Encumbered Balance in the Net Bond Proceeds Fund,
- iv. the State Match Portion Account of the WPCLF Bond Subfund, except for the Encumbered Balance in the WPCLF Bond Subfund, and
- v. the Restricted Account of the Debt Service Reserve Fund, to the extent a State Match Portion Account of the particular series of WPCLF Bonds is secured by a Required Reserve Fund Balance.

The Leveraged Portion Account of the Debt Service Fund and the moneys and Eligible Investments therein shall be used solely and exclusively for the payment of Bond Service Charges on the Leveraged Portion of any outstanding WPCLF Bonds as they become due. If after making any allocation of Revenues in accordance with the Trust Agreement, the Trustee determines that the amount in the Debt Service Fund is less than the amount of the Bond Service Charges then due on the Leveraged Portion of any then outstanding WPCLF Bonds, the Trustee shall transfer or cause to be transferred to the Debt Service Fund amounts from the following funds or accounts in the following order to the extent necessary to make good such deficiency or deficiencies:

- i. the Principal Account of the Surplus Fund, to the extent not needed to pay debt service on Water Quality Bonds,
- ii. the Net Bond Proceeds Fund, except for the Encumbered Balance in the Net Bond Proceeds Fund,
- iii. the WPCLF Bond Subfund, except for the Encumbered Balance in the WPCLF Bond Subfund,
- iv. the Capitalization Grant Subfund, except for the Encumbered Balance in the Capitalization Grant Subfund,
- v. the Interest Account of the WPCLF Loan Repayments Fund, to the extent not needed to pay the Bond Service Charges on the State Match Portion of WPCLF Bonds, and
- vi. the Debt Service Reserve Fund, to the extent the Leveraged Portion Account of a particular series of WPCLF Bonds is secured by a Required Reserve Fund Balance.

The proceeds of any series of WPCLF Bonds that constitute Capitalized Interest shall be deposited in a Capitalized Interest Account in the Debt Service Fund and applied to the payment of interest on the WPCLF Bonds of that series until such Capitalized Interest has been fully expended.

The Debt Service Reserve Fund and the moneys, Eligible Investments (permitted for the Debt Service Reserve Fund under the Trust Agreement) and Qualified Reserve Credit Facilities therein shall be used solely and exclusively for making the transfers from the Debt Service Reserve Fund to the Debt Service Fund for the payment of Bond Service Charges on WPCLF Bonds that are secured by a Required Reserve Fund Balance, as they become due, as provided above; provided that only moneys in the Restricted Account of the Debt Service Reserve Fund may be transferred to the State Match Portion Account of the WPCLF Bond Debt Service Fund. Prior to making the allocations of Revenues pursuant to the Trust Agreement, the Trustee shall transfer all amounts from the Debt Service Reserve Fund to the Debt Service Fund that constitute interest income on Eligible Investments and that are in excess of the Required Reserve Fund Balance. If at any time the Value of the moneys, Eligible Investments (permitted for the Debt Service Reserve Fund under the Trust Agreement) and Qualified Reserve Credit Facilities on deposit in the Debt Service Reserve Fund is less than the Required Reserve Fund Balance, then the Trustee shall transfer or cause to be transferred to the Debt Service Reserve Fund amounts from the following funds in the following order to the extent necessary to make good such deficiency or deficiencies:

- i. the Surplus Fund to the extent not needed to pay debt service on Water Quality Bonds; provided that only moneys in the Interest Account of the Surplus Fund may be transferred to the Restricted Account,

- ii. the Net Bond Proceeds Fund, except for the Encumbered Balance in the Net Bond Proceeds Fund; provided that only moneys in the State Match Portion Account of the Net Bond Proceeds Fund may be transferred to the Restricted Account, and
- iii. the WPCLF Bond Subfund, except for the Encumbered Balance in the WPCLF Bond Subfund; provided that only moneys in the State Match Portion Account of the WPCLF Bond Subfund may be transferred to the Restricted Account.

If at any time the moneys on deposit in the Debt Service Reserve Fund together with those on deposit in the Debt Service Fund and available for the purpose of paying Bond Service Charges on the then outstanding WPCLF Bonds shall be sufficient to retire in full all WPCLF Bonds then outstanding on the next available redemption date, then the Trustee shall upon request of the Authority use such Debt Service Reserve Fund moneys together with such other moneys to accomplish such retirement.

In the event that, on the first day of any month that precedes a month in which an Interest Payment Date occurs, the combined balance on deposit in the Debt Service Fund and the Debt Service Reserve Fund is less than the amount of the Bond Service Charges and any amounts due to a provider of any Credit Facility payable on such Interest Payment Date, then the Trustee shall deliver to the Authority, the Director and the DWAF Trustee a WPCLF Notice of Required Investment, which shall specify: the amount by which the Trustee expects the combined balance on deposit in the Debt Service Fund and the Debt Service Reserve Fund to be insufficient for purposes of payment of the Bond Service Charges and any amounts due to a provider of any Credit Facility payable on such Interest Payment Date, which shall be based on the assumption of no additional receipts to the Debt Service Fund or the Debt Service Reserve Fund prior to such Interest Payment Date. Upon receipt of a WPCLF Notice of Required Investment, the Authority and the Director shall proceed to take all actions necessary and appropriate for the issuance of WPCLF Support Obligations in a principal amount equal to the amount of the expected insufficiency specified in the WPCLF Notice of Required Investment and, on or prior to the Business Day preceding the next Interest Payment Date, for the sale and delivery of those WPCLF Support Obligations to the DWAF Trustee as investments for moneys in the DWAF Surplus Principal Fund and the DWAF Surplus Interest Fund pursuant to the DWAF Trust Agreement. In the event that the DWAF Trustee notifies the Trustee that the total amount at the time available in the DWAF Surplus Principal Fund and the DWAF Surplus Interest Fund for investment in WPCLF Support Obligations is less than the amount of the expected insufficiency specified in the WPCLF Notice of Required Investment, then the Trustee shall so notify the Authority and the Director, and they shall thereupon cause the WPCLF Support Obligations to be issued in the amount that the DWAF Trustee shall have notified the Trustee is available for investment in WPCLF Support Obligations, and thereafter shall issue additional WPCLF Support Obligations at any time that the DWAF Trustee notifies the Trustee that additional moneys are available in the DWAF Surplus Principal Fund and the DWAF Surplus Interest Fund for investment in WPCLF Support Obligations, until the elimination of the insufficiency that prompted the WPCLF Notice of Required Investment.

In the event that, prior to such Interest Payment Date, the Authority causes other legally available funds to be deposited in the Debt Service Fund in sufficient amount to eliminate the expected insufficiency that prompted the WPCLF Notice of Required Investment, then the Trustee shall so notify the Authority and the Director and rescind the WPCLF Notice of Required Investment.

Upon the written direction and approval of the Executive Director, the Trustee will pay from the subfund of the Costs of Issuance Fund established with respect to a series of WPCLF Bonds to the parties set forth in such direction the amounts set forth therein representing Costs of Issuance of such series of WPCLF Bonds. If, after the payment of all Costs of Issuance of such series of WPCLF Bonds, moneys remain in such subfund of the Costs of Issuance Fund, then the Executive Director will file a certificate with the Trustee stating that all Costs of Issuance of such series of WPCLF Bonds have been paid and that no other Costs of Issuance are owing and payable from such subfund of the Costs of Issuance Fund. As soon as practicable after the filing with the Trustee of the certificate referred to in the previous sentence, and in any case not later than 180 days after the date that such WPCLF Bonds are issued, any moneys remaining in such subfund of the Costs of Issuance Fund will be transferred from such subfunds to the Net Bond Proceeds Fund.

Upon the written direction and approval of the Executive Director, the Trustee will pay from the Net Bond Proceeds Fund to the Water Pollution Control Loan Fund Trustee the amounts set forth in such direction for deposit to the WPCLF Bond Subfund.

To the extent moneys and investments held in the Net Bond Proceeds Fund, the Debt Service Fund, the Debt Service Reserve Fund and the Costs of Issuance Fund, or in any subfund or account cause any amount to be required to be paid to the United States of America under Section 148(f) of the Code, moneys in such amount shall be transferred by the Trustee, upon written direction of the Executive Director, from such Fund, subfund or account to the Rebate Fund.

The provisions in the Trust Agreement and described above with respect to the transfer of moneys in the Interest Account of the WPCLF Loan Repayments Fund to the Debt Service Fund are subject to the conditions set forth in the Water Pollution Control Loan Fund Trust Agreement to the use of moneys in the Interest Account of the WPCLF Loan Repayments Fund to pay Bond Service Charges on WPCLF Bonds, which provides: if no other moneys in the Water Pollution Control Loan Fund are available to make WPCLF Loans, moneys in the Interest Account of the WPCLF Loan Repayments Fund may be applied to make WPCLF Loans or to pay Bond Service Charges on the Leveraged Portion of a series of WPCLF Bonds; provided, however, that moneys in the Interest Account of the WPCLF Loan Repayments Fund may not be used to make WPCLF Loans or to pay Bond Service Charges on the Leveraged Portion of a series of WPCLF Bonds unless: (i) the amount on deposit in the State Match Portion Account of the Debt Service Fund of the applicable series of WPCLF Bonds is then sufficient for the full payment of the bond service charges payable on the State Match Portion of the applicable series of WPCLF Bonds on the next succeeding interest payment date, (ii) the required reserve fund balance, as defined in the WPCLF Trust Agreement, is on deposit in the Restricted Account of the Debt Service Reserve Fund of the applicable series of WPCLF Bonds, and (iii) no default by a Governmental Agency under a WPCLF Loan Agreement has occurred which, unless cured, will necessitate the transfer of moneys then on deposit in the Interest Account of the WPCLF Loan Repayments Fund (but not then needed to be transferred to the State Match Portion Account of the Debt Service Fund or the Restricted Account of the Debt Service Reserve Fund for the State Match Portion of the applicable series of WPCLF Bonds during the ensuing 12 months).

Rebate Fund

There is created and ordered maintained as a separate deposit account in the custody of the Trustee a fund to be designated the "WPCLF Bond Series Rebate Fund" for the sole benefit of the United States of America. The Trustee shall deposit in the Rebate Fund all funds transferred from the Net Bond Proceeds Funds, the Debt Service Fund, the Debt Service Reserve Fund and the Costs of Issuance Fund pursuant to the Trust Agreement and all Revenues received from the Water Pollution Control Loan Fund Trustee for payment to the United States of America. Any provision of the Trust Agreement notwithstanding, amounts credited to or deposited in such Rebate Fund shall not be subject to any lien under the Trust Agreement or to the claim of any other person, including with limitation any Holder of the Trustee for so long and only for so long as compliance with Section 148(f) of the Code shall be required with respect to the WPCLF Bonds. To the extent, and in the event the Rebate Fund is no longer so required, the same will, notwithstanding any provisions of the WPCLF General Bond Resolution or the Trust Agreement to the contrary, be subject to the lien under the Trust Agreement to the full extent and for all purposes thereof. Each Series Resolution shall establish a separate subfund within the Rebate Fund for each series of WPCLF Bonds authorized by such Series Resolution. The Rebate Fund shall be maintained in accordance with Section 148 of the Code and the regulations applicable thereunder.

Investment of Special Funds and Rebate Fund

Moneys in the Special Funds held by the Trustee and the Rebate Fund will be invested and reinvested by the Trustee in Eligible Investments at the direction of the Fiscal Officer, provided that the Fiscal Officer will confirm thereafter in writing any such oral directions given to the Trustee. The Fiscal Officer will endeavor to deliver reinvestment instructions in such manner and at such times so as to permit the reinvestment of any amounts received in respect of investments on the date of such receipt. Investments of moneys in the Debt Service Fund shall mature or be redeemable at the times and in the amounts necessary to provide moneys to make payments for which such Fund is established. Investments of moneys in the Debt Service Reserve Fund will mature or be redeemable by the holders thereof not later than five years from the date of investment, except that investments of the income realized on the investment of the Debt Service Reserve Fund will mature not later than the next date on which such income is required to be transferred to the Debt Service Fund pursuant to the Trust Agreement. Investment agreements that qualify as Eligible Investments shall be deemed to fulfill the requirements of the preceding sentence

despite their having a term of longer than five years, provided that such agreements permit the withdrawal without penalty of moneys invested thereunder at all times that such moneys are required to be transferred from the Debt Service Reserve Fund to the Debt Service Fund under the Agreement. Debt Service Reserve Fund investments, except investment of income realized, must be of a type which pay interest on an annual or semi-annual basis. Investment of moneys in the Net Bond Proceeds Fund will mature or be redeemable at the times and in the amounts necessary to provide moneys to make payments of the costs of Projects funded with the proceeds of WPCLF Loans to be paid from the Net Bond Proceeds Fund.

Upon the direction of the Fiscal Officer, provided that the Fiscal Officer shall confirm thereafter in any such direction given to the Trustee, the Trustee may sell those investments and reinvest the proceeds therefrom in Eligible Investments maturing or redeemable as described above. The purchase of those investments from or the sale of those investments to the Trustee, the Registrar, an Authenticating Agent, a Paying Agent, or any bank, trust company or savings and loan association affiliated with any of the foregoing shall not be prohibited by the Agreement. The Trustee will sell or redeem investments credited to the Special Funds, the Net Bond Proceeds Fund and the Rebate Fund, respectively, at the then existing market price to produce sufficient moneys applicable at the times required for the purposes of making payments required under the Trust Agreement, and when instructed by the Fiscal Officer. An investment made from moneys credited to any Special Fund, the Net Bond Proceeds Funds, or the Rebate Fund or any subfund thereof or account of such subfund shall constitute part of that fund, subfund or account shall be credited with all proceeds of sale and income from investment of moneys credited thereto. The Trustee shall not be responsible for any depreciation in the Value of, or for any loss arising from, any such investment.

Any uninvested moneys in all Special Funds or the Rebate Fund will at all times be secured by the depository or custodian thereof by pledge of obligations of the United States to the extent and in the manner required by law for the security of deposits of public funds.

Moneys available in the Surplus Fund may be required to be invested to give effect to the cross-collateralization between the Water Pollution Control Loan Fund and the Drinking Water Assistance Fund in order to enhance the security for state match and leveraging bonds for the Drinking Water Assistance Fund. See "SECURITY AND SOURCE OF PAYMENT OF WATER POLLUTION CONTROL LOAN FUND REVENUE BONDS" for a discussion of the cross-collateralization provisions.

Deposit and Disposition of Revenues

All Revenues and all moneys that may be requisitioned from the Surplus Fund, the Capitalization Grant Subfund, or the WPCLF Bond Subfund under the Water Pollution Control Loan Fund Trust Agreement pursuant to the Trust Agreement shall be deposited by the Trustee as received from the Water Pollution Control Loan Fund Trustee so as to be available at the following times and in the following order:

First: To the State Match Portion Account of the Debt Service Fund, (i) all State Match Senior Revenues as soon as received until the balance in the State Match Portion Account of the Debt Service Fund equals an amount which will be equal to the sum of (a) the interest on the State Match Portion of all outstanding WPCLF Bonds due on the next Interest Payment Date, (b) the principal of the State Match Portion of all outstanding WPCLF Bonds due on such Interest Payment Date, and (c) the mandatory sinking fund requirement for the State Match Portion of all outstanding WPCLF Bonds due on such Interest Payment Date, and (ii) on the last day of any month that precedes a month in which a Principal Retirement Date occurs, the amount contained in a direction from the Authority to be used to purchase the State Match Portion of WPCLF Bonds received by the Trustee pursuant to any invitation to the Holders to tender such WPCLF Bonds in accordance with the provisions of the applicable Series Resolution.

Second: To the Leveraged Portion Account of the Debt Service Fund, (i) all Revenues as soon as received until the balance in the Debt Service Fund equals an amount which will be equal to the sum of (a) the interest on all outstanding WPCLF Bonds due on the next Interest Payment Date, (b) the principal of all outstanding WPCLF Bonds due on such Interest Payment Date, and (c) the mandatory sinking fund requirement for all outstanding WPCLF Bonds due on such Interest Payment Date, and (ii) on the last day

of any month that precedes a month in which a Principal Retirement Date occurs, the amount contained in a direction from the Authority to be used to purchase WPCLF Bonds received by the Trustee pursuant to any invitation to the Holders to tender such WPCLF Bonds in accordance with the provisions of the applicable Series Resolution.

Third: On the last day of each month that precedes a month in which an Interest Payment Date occurs, to the unpaid fees, charges and expenses, except any fees, charges and expenses to be paid from a Costs of Issuance Fund, of the Trustee, Registrar, Paying Agents and Authenticating Agents under the Trust Agreement and to the unpaid fees, charges and expenses of any Tender Agent, Remarketing Agent or provider of a Credit Facility under a Supplemental Agreement or Reimbursement Agreement as the case may be, upon requisition by each such party to the Authority and with the approval of the Executive Director.

Fourth: If applicable, to the Debt Service Reserve Fund, on the second day immediately preceding each Interest Payment Date, any amount required to cause there to be on deposit in the Debt Service Reserve Fund cash, Eligible Investments (permitted for the Debt Service Reserve Fund under the Trust Agreement) and Qualified Reserve Credit Facilities with an aggregate Value at least equal to the Required Reserve Fund Balance. When the aggregate Value of the cash, Eligible Investments, and Qualified Reserve Credit Facilities in the Debt Service Reserve Fund at least equals the Required Reserve Fund Balance, the principal in excess of such Required Reserve Fund Balance, the income realized from the investment of such Required Reserve Fund Balance and any income realized from the investment of such income shall be transferred to the Debt Service Fund on the day immediately preceding each Interest Payment Date.

Fifth: To the Rebate Fund, as necessary to make any payment required to be paid to the United States of America under Section 148(f) of the Code.

Annually on the first day of each month that precedes a month in which a Principal Retirement Date occurs on which any WPCLF Bonds are subject to optional redemption, the Authority, with the Consent of the Director, shall direct the Trustee to redeem on that Principal Retirement Date, WPCLF Bonds in the amount stated in such direction provided that a direction under this paragraph shall be given only after first eliminating, or providing for the elimination of, any existing deficiencies in the specified deposit requirements and fund balances and meeting, or providing for, all then current deposit requirements of paragraphs First, Second, Third and Fourth inclusive. If the Authority directs the Trustee to redeem WPCLF Bonds pursuant to the provisions described in this paragraph, on the day before such redemption the Trustee shall transfer to the Debt Service Fund for use in such redemption the amount stated in such direction.

The Executive Director, with the Consent of the Director, will determine the method and timing of any redemption of the WPCLF Bonds, including purchases pursuant to any tender provided in any Series Resolution, and evidence such determination by delivering a requisition of such moneys for such purpose signed by the Chairman of the Authority to the Trustee.

Covenants of Authority

So long as the Book-Entry System is in effect with respect to the Series 2017B WPCLF Notes the Authority and the Trustee will recognize the Depository, initially DTC, or its nominee, Cede & Co., as the Holder of the Series 2017B WPCLF Notes for all purposes, including compliance with the covenants described below. See "THE SERIES 2017B WPCLF NOTES."

The Authority covenants with the Holders of all WPCLF Bonds, including the Series 2017B WPCLF Notes, as follows:

(i) Payment of Bond Service Charges. The Authority will pay all Bond Service Charges, or cause them to be paid, solely from the sources provided in the Trust Agreement, on the dates, at the places and in the manner provided in the WPCLF General Bond Resolution and the Trust Agreement.

(ii) Accounts and Reports. The Authority will segregate the Revenues from all other funds of the Authority, will keep proper books of record and account so as to show the complete financial results of operation of the Water Pollution Control Loan Bond Program, and will furnish to the Trustee, the Director and to any Holder making a written request therefor an annual report certified by the Fiscal Officer of the accounts and operations relating to the Revenues and the collection thereof, together with (or thereafter as soon as available) the audit report required by Section 6121.14 of the Ohio Revised Code.

(iii) Pledged Revenues and Assignments of Pledged Revenues. The Authority will not create or suffer to be created any pledge, lien or charge on the Pledged Revenues except to secure WPCLF Bonds issued pursuant to the WPCLF General Bond Resolution which would constitute a pledge or lien prior to, or on a parity with, the pledge created by the Trust Agreement to secure the WPCLF Bonds; provided that the Authority may create or suffer to be created a pledge, lien or charge on the Pledged Revenues which would constitute a pledge or lien subordinate to the pledge created by the Agreement to secure the WPCLF Bonds. As provided in the Trust Agreement, the pledge of certain Revenues securing payment of Bond Service Charges on the WPCLF Bonds is subordinate to the pledge securing payment of principal of and interest on the Water Quality Bonds.

Notwithstanding the covenant in the preceding paragraph, the Authority, with the Consent of the Director, and to the extent permitted under the Water Quality Trust Agreement, may from time to time cause debt service on one or more WPCLF Loans and any Additional Pledged Loan Repayments to be removed from Revenues and Pledged Revenues and thereby terminate the pledge of such principal payments for the benefit of Holders, if the Executive Director and the Director certify to the Trustee as follows, and accompany their certification with respect to the matters covered by clause (ii) below with a supporting certification of an independent firm of certified public accountants reasonably acceptable to the Trustee:

(a) The purpose for the removal of debt service payments on such WPCLF Loan or WPCLF Loans or of such Additional Pledged Loan Repayments from Revenues is to cause the payment of debt service on such WPCLF Loan or WPCLF Loans or of such Additional Pledged Loan Repayments to secure other debt obligations, the net proceeds of which will be deposited in the Water Pollution Control Loan Fund, except that the payments on any WPCLF Loan or of any Additional Pledged Loan that at any time constituted a Non-qualified Loan may be removed for any purpose, regardless of whether such WPCLF Loan or Additional Pledged Loan constitutes a Non-qualified Loan at the time of the removal, and the payments of debt service on any such WPCLF Loan or Additional Pledged Loan after such removal shall be deposited by the Water Pollution Control Loan Fund Trustee in the Surplus Principal Subaccount in the Other Projects Fund; and

(b) After the removal of the debt service payments on such WPCLF Loan or WPCLF Loans or of such Additional Pledged Loan Repayments from Revenues, the sum of the Projected Payments to be received during each calendar year shall aggregate an amount at least equal to 100% of the amount required to be paid into the Debt Service Fund during each such calendar year to pay the Bond Service Charges due in such year, less an amount equal to any capitalized interest to be applied against the Bond Service Charges in such year, on all Water Quality Bonds and WPCLF Bonds then outstanding.

Upon receipt of such certification, the Trustee shall acknowledge in writing the removal of the debt service payments on such WPCLF Loan or WPCLF Loans or of such Additional Pledged Loan Repayments from Revenues and Pledged Revenues, and thereupon the pledge of such debt service payments or of such Additional Pledged Loan Repayments for the benefit of Holders shall terminate, and thereafter the Holders shall have no interest in any payments on such WPCLF Loan or WPCLF Loans, in such Additional Pledged Loan Repayments, or in any other loans funded from bonds secured by the payments on such WPCLF Loan or WPCLF Loans or by such Additional Pledged Loan Repayments. For purposes of this subsection (iii) any WPCLF Loan or Additional Pledged Loan may be divided into portions and the debt service payments on any such portion of a WPCLF Loan or the Additional Pledged Loan Repayments on such portion of an Additional Pledged Loan may be removed from Revenues and Pledged Revenues as provided herein.

(iv) Inspection of Books. All books, instruments and documents in the Authority's possession relating to the Revenues and the collection thereof shall be open to inspection and copying at all times during the Authority's regular business hours by the Director or his designated representative or any accountants or other agents of the

Trustee as the Trustee may designate from time to time or the Holders of 25% or more in principal amount of the WPCLF Bonds then outstanding or a designated representative thereof. The Authority shall keep or cause to be kept proper books or record and account in which complete and correct entries shall be made of its transactions relating to the Trust Agreement, the Special Funds, the Net Bond Proceeds Fund and the Rebate Fund, which records shall at all reasonable times be subject to inspection and copying in accordance with the Trust Agreement.

(v) Register. At reasonable times and under reasonable regulations established by the Registrar, the Register may be inspected and copied by the Trustee and by the Holders of 25% or more in principal amount of the WPCLF Bonds then outstanding, or a designated representative thereof.

(vi) Continuation of Water Pollution Control Loan Fund Program. The Authority will assist the Director in promptly, efficiently and diligently continuing the Water Pollution Control Loan Fund Program with all practicable dispatch.

(vii) Collection of Revenues. The Authority and the Director will take all necessary actions to collect the Revenues when due from the appropriate Governmental Agencies including sending invoices or any other appropriate demand for payment of any amount in default within twenty days after such default together with notice to the defaulting Governmental Agency that if such default is not remedied within two months from the date of default the Authority, together with the Director, will file suit either in the Common Pleas Court of Franklin County, Ohio, or the Common Pleas Court of the County in which the Governmental Agency is located to collect such amount which is in default; and filing such suit within three months of the date of default if the default is not remedied, and the Authority will cause the Trust Agreement to include a comparable covenant of the Director.

(viii) Exclusion from Gross Income for Federal Income Tax Purposes of Interest on Certain WPCLF Bonds. To the extent applicable, the Authority will restrict the use, including the investment thereof, of the proceeds of WPCLF Bonds and of any amounts deemed to be, or required to be treated as, proceeds of WPCLF Bonds, under the applicable sections of the Code and any regulations thereunder in such manner and to such extent as may be necessary to assure that the interest payable on WPCLF Bonds is and remains excludable from gross income under Section 103 of the Code for purposes of federal income taxation. In particular and without limiting the generality of the foregoing, the Authority agrees (a) to take such steps as shall be necessary to assure that no WPCLF Bonds shall be or become "arbitrage bonds" within the meaning of Sections 103 and 148 of the Code or "private activity bonds" within the meaning of Section 141 of the Code, (b) to provide for the payment within the time required by Section 148 of the Code or any regulations applicable thereunder of any amount payable with respect to WPCLF Bonds under such Section, and (c) not to invest or permit the investment of the proceeds of WPCLF Bonds in such manner as to cause the WPCLF Bonds to be federally guaranteed within the meaning of Section 149 of the Code. The Authority will cause the Trust Agreement to contain covenants of the Director in the form of the covenants contained in the immediately preceding two sentences. The Chairman of the Authority and the Executive Director (together with such other officer, employees, consultants or agents for the Authority as the Chairman of the Authority shall deem appropriate), are authorized and directed, for and on behalf of the Authority, to execute and deliver, together with the Director, such certificates and to enter into such agreements, for inclusions in the transcript of proceedings for the WPCLF Bonds as the Chairman of the Authority and the Director shall deem reasonably necessary to set forth the reasonable expectations of the Authority and the Director regarding the use and amount of proceeds of the WPCLF Bonds and the undertakings of the Authority and the Director to assure the continued exclusion from gross income for federal income tax purposes of interest on the WPCLF Bonds. The execution of any such certificate or agreement by the Chairman of the Authority shall constitute complete and sufficient evidence that the Chairman of the Authority deems such certificate or agreement to be reasonably necessary in accordance with the Trust Agreement.

(ix) Requisition of Moneys in the Custody of the Water Pollution Control Loan Fund Trustee. If and to the extent necessary to enable the Trustee to effect any transfers and deposits to the Debt Service Fund or the Debt Service Reserve Fund from the Surplus Fund, the WPCLF Bond Subfund, the Capitalization Grant Subfund or the Interest Account of the WPCLF Loan Repayments Fund pursuant to the Trust Agreement, the Authority will requisition moneys from the Account or Subfund from which the transfer is to be made by written instrument to the Water Pollution Control Loan Fund Trustee. The Authority will deposit, or cause the Trustee to deposit, to the credit of the Debt Service Fund or Debt Service Reserve Fund, as applicable, the amounts received from the above-described requisitions.

Events of Default and Remedies Therefor

So long as the Book-Entry System is in effect with respect to the Series 2017B WPCLF Notes, the Authority and the Trustee will recognize the Depository initially, or its nominee, Cede & Co., as the Holder of the Series 2017B WPCLF Notes for all purposes, including the default and remedies provisions described below. See “THE SERIES 2017B WPCLF NOTES.”

Each of the following occurrences or events is declared in the Trust Agreement to be an “Event of Default”:

- (i) Payment of any interest on any WPCLF Bond shall not be made when and as that interest shall become due and payable;
- (ii) Payment of the principal of or any premium on any WPCLF Bond shall not be made when and as the principal or premium shall become due and payable whether at stated maturity, by redemption, pursuant to any mandatory sinking fund requirements or otherwise;
- (iii) The Authority or the Director shall have failed to observe or perform any other covenant, agreement or obligation on its part, respectively, to be observed or performed contained in the Trust Agreement or in the WPCLF Bonds, which failure shall have continued for a period of 60 days after written notice, by registered or certified mail, to the Authority and the Director specifying the failure and requiring that it be remedied, which notice may be given by the Trustee in its discretion and shall be given by the Trustee at the written request of the Holders of not less than 25% in aggregate principal amount of all WPCLF Bonds then outstanding.

Upon the occurrence and continuance of an Event of Default, the Trustee may, and upon the written request of the Holders of not less than 25% in aggregate principal amount of WPCLF Bonds then outstanding the Trustee will, subject to the provisions of the Trust Agreement, proceed in its own name, to protect and enforce its rights and the rights of the Holders under the Trust Agreement, by such of the following remedies as the Trustee, being advised by counsel, shall deem most effective to protect those rights:

- (i) By mandamus or other suit, action or proceeding at law or in equity enforce all the rights of the Holders of the WPCLF Bonds, including compelling of the performance of all duties of the Authority or Governmental Agencies under the WPCLF Bond proceedings and the enforcement of the payment of Bond Service Charges on the WPCLF Bonds then outstanding;
- (ii) Institution of suit upon the WPCLF Bonds;
- (iii) Institution of legal or equitable action seeking injunction against unlawful activities or activities in violation of the rights of the Holders under the Trust Agreement.

Notwithstanding anything in the Trust Agreement to the contrary, the Trustee (or the Holders) may not exercise any remedy that in any way lessens the rights or security of the holders of any then outstanding Water Quality Bonds, as determined by the Water Quality Bond Trustee.

After payment of any costs, expenses, liabilities and advances paid, incurred or made by the Trustee or receiver in the collection of moneys pursuant to any right given or action taken under the provisions of the Trust Agreement (including without limitation, reasonable attorneys’ fees and expenses, except as limited by law or judicial order or decision entered in any action taken under the Trust Agreement), all moneys (except those moneys in an account of any subfund of the Debt Service Fund which moneys represent proceeds of a Credit Facility) received by the Trustee or receiver shall be applied as follows subject to the provisions of the Trust Agreement:

- (i) First, to the payment to the Holders entitled thereto of all installments of interest then due on the WPCLF Bonds, in the order of the dates of maturity of the installments of that interest, beginning with the earliest date of maturity and, if the amount available is not sufficient to pay in full any particular installment, then to the payment thereof ratably, according to the amounts due on the installment, to the Holders entitled thereto, without

any discrimination or privilege, except as to any difference in the respective rates of interest specified in the WPCLF Bonds.

(ii) Second, to the payment to the Holders entitled thereto of the unpaid principal of any of the WPCLF Bonds which shall have become due (other than WPCLF Bonds previously called for redemption for the payment of which moneys are held pursuant to the provisions of the Trust Agreement), whether at stated maturity, by redemption or pursuant to any mandatory sinking fund requirements, in the order of their due dates, beginning with the earliest due date, with interest on those WPCLF Bonds from the respective dates upon which they become due at the rates specified in those WPCLF Bonds, and if the amount available is not sufficient to pay in full all WPCLF Bonds due on any particular date, together with that interest, then to the payment thereof ratably, according to the amounts of principal due on that date, to the Holders entitled thereto, without any discrimination or privilege; and

(iii) If, at the time that any payments are to be made as described in paragraph (a) above the Holders of any series of WPCLF Bonds shall have had the principal of or interest on any such series of WPCLF Bonds paid in whole or in part from proceeds of a Credit Facility, the provider of the Credit Facility shall be the Holder of the WPCLF Bonds the principal of or interest on which was paid in whole or in part from such Credit Facility for purposes of the application of moneys as described above to such series of WPCLF Bonds but shall be the Holder of such Series of WPCLF Bonds only to the extent that such provider has paid in whole or in part the principal of or interest on such WPCLF Bonds and has not been reimbursed in an amount equal to such payments of principal of or interest on such WPCLF Bonds.

Whenever all WPCLF Bonds and interest thereon have been paid under the provisions of the Trust Agreement and all Payment Obligations have been paid, any balance remaining in the Debt Service Fund shall be paid to the Water Pollution Control Loan Fund Trustee for application in accordance with the Water Pollution Control Loan Fund Trust Agreement.

Rights and Remedies of Holders

So long as the Book-Entry System is in effect with respect to the Series 2017B WPCLF Notes, the Authority and the Trustee will recognize the Depository, initially DTC, or its nominee, Cede & Co., as the Holder of the Series 2017B WPCLF Notes for all purposes, including the granting of consents as described below. See "THE SERIES 2017B WPCLF NOTES."

A Holder shall not have any right to institute any suit, action or proceedings for the enforcement of the Trust Agreement, for the execution of any trust under the Trust Agreement, or for the appointment of a receiver or for the exercise of any other remedy under the Trust Agreement, unless:

(i) there has occurred and is continuing an Event of Default of which the Trustee has been notified, as provided in the Trust Agreement, or of which the Trustee is deemed to have notice,

(ii) the Holders of at least 25% in aggregate principal amount of WPCLF Bonds then outstanding shall have made written request to the Trustee and shall have afforded the Trustee reasonable opportunity to proceed to exercise the remedies, rights and powers granted herein or to institute the suit, action or proceeding in its own name, and shall have offered indemnity to the Trustee as provided in the Trust Agreement, and

(iii) the Trustee thereafter shall have failed or refused to exercise the remedies, rights and power granted under the Trust Agreement or to institute the suit, action or proceeding in its own name.

At the option of the Trustee, notification (or notice), request, opportunity and offer of indemnity are conditions precedent in every case, to the institution of any suit, action or proceeding described above or for the appointment of a receiver.

No Holder or Holders of the WPCLF Bonds shall have any right to affect, disturb or prejudice in any manner whatsoever the security or benefit of the Trust Agreement by its or their action, or to enforce, except in the

manner provided in the Trust Agreement, any remedy, right or power under the Trust Agreement. Any suit, action or proceedings shall be instituted, had and maintained in the manner provided in the Trust Agreement for the benefit of the Holders of all WPCLF Bonds then outstanding. Nothing in the Trust Agreement shall affect or impair, however, the right of any Holder to enforce the payment of the Bond Service Charges on any WPCLF Bond owned by that Holder at and after the maturity thereof, at the place, from the sources and in the manner expressed in that WPCLF Bond.

Supplemental Trust Agreements; Modifications

So long as the Book-Entry System is in effect with respect to the Series 2017B WPCLF Notes, the Authority and the Trustee will recognize the Depository, initially DTC, or its nominee, Cede & Co., as the Holder of the Series 2017B WPCLF Notes for all purposes, including the granting of consents as described below. See “THE SERIES 2017B WPCLF NOTES.”

Without the consent of, or notice to, any Holders, the Authority and the Trustee may enter into agreements supplemental to the Trust Agreement which shall not, in the opinion of the Authority, the Director and the Trustee, be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

- (i) To cure any ambiguity, inconsistency or formal defect or omission in the Trust Agreement;
- (ii) To grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers or authority that lawfully may be granted to or conferred upon the Holders or the Trustee;
- (iii) To subject additional revenues, receipts or moneys to the lien and pledge of the Trust Agreement;
- (iv) To add to the covenants, agreements and obligations of the Authority to the Director under the Trust Agreement, other covenants, agreements and obligations to be observed for the protection of the Holders, or to surrender or limit any right, power or authority reserved to or conferred upon the Authority or the Director in the Trust Agreement, including without limitation, the limitation of rights of redemption so that in certain instances WPCLF Bonds of a different series will be redeemed in some prescribed relationship to one another.
- (v) To evidence any succession to the Authority or the Director and the assumption by their respective successors of the respective covenants, agreements and obligations of the Authority or the Director under the Trust Agreement and the WPCLF Bonds;
- (vi) To permit the issuance of WPCLF Bonds with coupons attached or the exchange of WPCLF Bonds, at the option of the Holder or Holders thereof, for coupon WPCLF Bonds of the same series payable to bearer, in an aggregate principal amount not exceeding the unmatured and unredeemed principal amount of the predecessor WPCLF Bonds, bearing interest at the same rate or rates and maturing on the same date or dates, with coupons attached representing all unpaid interest due or to become due thereon, if in either case, in the opinion of nationally recognized bond counsel selected by the Authority and Director, that issuance or exchange would not result in the interest on any of the WPCLF Bonds to be issued or outstanding being or become included in the gross income of the Holders for federal income tax purposes;
- (vii) To facilitate and enhance the use of a book-entry system to identify the owner of an interest in an obligation issued by the Authority under the Trust Agreement, whether that obligation was formerly, or could be, evidenced by a tangible security;
- (viii) To permit the Trustee to comply with any obligations imposed upon it by law;
- (ix) To specify further the duties and responsibilities of, and to define further the relationship among the Trustee, the Registrar, the Authenticating Agents or Paying Agents and, if any, the Tender Agent and the Remarketing Agent;
- (x) To achieve compliance of the Trust Agreement with any applicable federal securities or tax law;

(xi) To make amendments to the provision of the Trust Agreement relating to (a) arbitration matters under Section 148 of the Code, if, in the opinion of nationally recognized bond counsel selected by the Authority and approved by the Trustee, those amendments would not cause the interest on the WPCLF Bonds outstanding to become included in the gross income of the Holders thereof for federal income tax purposes, which amendments may, among other things, change the responsibility for making the relevant calculations; (b) the investment of amounts held by the Trustee or the Water Pollution Control Loan Fund Trustee, and (c) transfer among the various funds, subfunds and accounts held by the Trustee and the Water Pollution Control Loan Fund Trustee;

(xii) To evidence the appointment of (a) a new Trustee for the WPCLF Bonds, or (b) a new Tender Agent or Remarketing Agent for any series of WPCLF Bonds;

(xiii) To permit any other amendment which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Holders; and

(xiv) To provide for the issuance of and to secure WPCLF Bonds in accordance with the Trust Agreement.

With the consent of the Holders of not less than a majority in aggregate principal amount of the WPCLF Bonds at the time outstanding (exclusive of WPCLF Bonds then owned by the Authority), evidenced as provided in the Trust Agreement, the Authority, the Director and the Trustee may execute and deliver Supplemental Agreements adding any Director and the Trustee may execute and deliver Supplemental Agreements adding any provisions to, changing in any manner or eliminating any of the provisions of the Trust Agreement or any Supplemental Agreement or restricting in any manner the rights of the Holders. Nothing in the Trust Agreement shall permit, however, or be construed as permitting:

(i) without the consent of the Holder of each WPCLF Bond so affected, (a) an extension of the maturity of the principal of or the interest on any WPCLF Bond, (b) a reduction in the principal amount of any WPCLF Bond or the rate of interest or premium thereon, or (c) a reduction in the amount or an extension of the time of payment of any mandatory sinking fund requirements, or

(ii) without the consent of the Holders of all WPCLF Bonds then outstanding, (a) the creating of a privilege or priority of any WPCLF Bond or WPCLF Bonds over any other WPCLF Bond or WPCLF Bonds, or (b) a reduction in the aggregate principal amount of the WPCLF Bonds required for consent to a Supplemental Agreement, or

(iii) without the consent of the provider of a Credit Facility, the execution of a Supplemental Agreement which materially adversely affects the rights of such provider under the Trust Agreement; provided, however, that no such consent shall be required if such provider is in default under the Credit Facility or any agreement between the Authority, the Director and such provider executed in connection with such Credit Facility.

Defeasance

So long as the Book-Entry System is in effect with respect to the Series 2017B WPCLF Notes, the Authority and the Trustee will recognize the Depository, initially, DTC, or its nominee, Cede & Co., as the Holder of the Series 2017B WPCLF Notes for all purposes, including the payment of all Bond Service Charges with respect to the Series 2017B WPCLF Notes due or to become due thereon for the purpose of discharging the Trust Agreement.

If (i) the State, acting through the Authority, shall pay all of the outstanding WPCLF Bonds, or shall cause them to be paid and discharged, or if there otherwise shall be paid to the Holders of the outstanding WPCLF Bonds, all Bond Service Charges due or to become due thereon, and (ii) provision also shall be made for the payment of all Payment Obligations under the Trust Agreement, then the Trust Agreement shall cease and become null and void (except for those provisions surviving pursuant to the Trust Agreement in the event the WPCLF Bonds are deemed paid and discharged), and the covenants, agreements and obligations of the Authority under the Trust Agreement shall be released, discharged and satisfied.

All or any part of the WPCLF Bonds shall be deemed to have been paid or discharged within the meaning of the Trust Agreement if:

(i) The Trustee as Paying Agent and any Paying Agents shall have received, in trust for and irrevocably committed thereto, sufficient moneys, or

(ii) the Trustee shall have received in trust for and irrevocably committed thereto Escrow Securities which are certified by an independent public accounting firm of national reputation to be of such maturities or redemption dates and interest payment dates, and to bear such interest, as will be sufficient together with any moneys to which reference is made in paragraph (i) above, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which earnings are to be held likewise in trust and so committed, except as provided in the Trust Agreement) for the payment of all Bond Service Charges on those WPCLF Bonds, at their maturity or redemption dates, as the case may be, or if a default in payment shall have occurred on any maturity or redemption date, then for the payment of all Bond Service Charges thereon to the date of the tender of payment; provided, that if any of those WPCLF Bonds are to be redeemed prior to the maturity thereof, notice of that redemption shall have been duly given or irrevocable provision satisfactory to the Trustee shall have been duly made of the giving of that notice.

Computation of Bond Service Charges With Respect to Additional WPCLF Bonds

The Authority and Director may issue additional WPCLF Bonds from time to time for the purpose of providing continuing funding for the sole benefit of the Water Pollution Control Loan Fund. For a discussion of the conditions for issuing additional WPCLF Bonds, see “ADDITIONAL WPCLF BONDS.”

In the event that the payment of Bond Service Charges on all or any portion of any series of WPCLF Bonds are to be insured or secured by a Credit Facility, then the Supplemental Agreement with respect to such WPCLF Bonds may contain such provisions as are necessary and appropriate to reflect (i) the time at which and manner in which amounts paid under such Credit Facility shall be applied to the payment of Bond Service Charges, (ii) the rights to be granted to the provider of such Credit Facility for reimbursement of such amounts paid or drawn, provided that no such provider will be granted a right to payment from or security interest in the Pledged Revenues prior or superior to such right or security interest granted to the Trustee under the Trust Agreement, (iii) the rights, if any to be granted to such provider to approve amendments to the Trust Agreement, to instruct or request the Trustee to exercise remedies or to take any action under the Trust Agreement on behalf of, in lieu of, or as subrogee for, the Holders of such WPCLF Bonds, or (iv) any other terms or conditions relating to such Credit Facility not contrary to or inconsistent with the Trust Agreement.

In the event that all or any portion of any series of WPCLF Bonds are to be Tender Bonds, then Bond Service Charges on the options or obligations of the holders of such Tender Bonds to tender the same for purchase or payment prior to their stated maturity or maturities shall be treated as a principal maturity occurring on the first date on which owners of such Tender Bonds may or are required to tender such Tender Bonds, except that any such option or obligation to tender Tender Bonds shall be ignored and not treated as a principal maturity if (i) such Tender Bonds are rated at least in the “A” rating category (without regard to any rating refinement or gradation by numerical modifier or otherwise) by a Rating Agency, or such Tender Bonds are rated in one of the two highest short-term note or commercial paper rating categories by a Rating Agency, and (ii) any obligation the Authority may have, other than its obligation on such Tender Bonds, to reimburse any provider of a Credit Facility, shall either be subordinate to the obligation of the Authority on such Tender Bonds, or shall have been incurred under and shall have met the tests and conditions for the issuance of such specified indebtedness set forth in the Trust Agreement.

In the event the Authority enters into an Interest Rate Hedge agreement to simulate a fixed rate of interest of Variable Rate Bonds, the debt structure that is simulated through the combination of the Variable Rate Bonds with such Interest Rate Hedge Agreement shall apply for purposes of calculating or projecting the Bond Service Charges on such Variable Rate Bonds for any period for time during which such Interest Rate Hedge Agreement is to be effective, provided that (i) the debt structure that is simulated through the combination of the Variable Rate Bonds with such Interest Rate Hedge Agreement complies with the restrictions of the WPCLF General Bond Resolution and the Trust Agreement on the terms of and security for the WPCLF Bonds applied to that structure as

though it consisted entirely of WPCLF Bonds and as though the portion of the Payment Obligations of the Authority thereunder that represent the equivalent of interest on the notional amount of the Interest Rate Hedge Agreement payable to the counterparty to the Interest Rate Hedge Agreement constituted Bond Service Charges; (ii) the counterparty to any swap agreement and the provider of any interest rate cap is rated at least “A” or the equivalent by all Rating Agencies; (iii) no such Interest Rate Hedge Agreement purports to entitle the counterparty to the Interest Rate Hedge Agreement to payment by the Authority from any source other than the Pledged Revenues, but such Interest Rate Hedge Agreement may provide for securing any portion of the Payment Obligations of the Authority thereunder that represents the equivalent of interest on the notional amount of the Interest Rate Hedge Agreement (but does not represent, among other things, any termination payment that may be payable by the Authority thereunder) with a pledge of the Pledged Revenues on a parity with the pledge thereof that secures the WPCLF Bonds; and (iv) the cost of obtaining such Interest Rate Hedge Agreement has been determined by the Executive Director, based on the written advice of the Financial Advisor, to be justified by the corresponding benefit to the Authority and to be commercially reasonable based on then current market conditions. In the event the Authority enters into any such Interest Rate Hedge Agreement, it shall not exercise any option to terminate such Interest Rate Hedge Agreement unless the Variable Rate Bonds to which such Interest Rate Hedge Agreement had related and which will remain outstanding after the termination thereof would fulfill the requirements of the WPCLF General Bond Resolution as they apply to Variable Rate Bonds under the WPCLF General Bond Resolution, as though such Variable Rate Bonds were being issued on the date of the termination of such Interest Rate Hedge Agreement.

In the event that all or any portion of any series of WPCLF Bonds have been issued as or are proposed to be issued as Variable Rate Bonds, Balloon Bonds, Tender Bonds, Capital Appreciation Bonds or Capital Appreciation and Income Bonds, then in order to compute the Bond Service Charges on such WPCLF Bonds for the purposes of the Trust Agreement, the following rules will apply:

Variable Rate Bonds. For the purpose of determining whether WPCLF Bonds, regardless of whether they are to be Variable Rate Bonds, may be issued in compliance with the requirements of the WPCLF General Bond Resolution when any Variable Rate Bonds are outstanding, the rate of interest borne by any outstanding Variable Rate Bonds will be deemed to be the average rate of interest borne by such Variable Rate Bonds during the preceding sixty months or such shorter period that such Variable Rate Bonds may have been outstanding.

For the purpose of determining whether WPCLF Bonds that are to be Variable Rate Bonds may be issued in compliance with the requirements of the WPCLF General Bond Resolution, and for the purpose of determining the amount of the Requirement Reserve Fund Balance attributable to such Variable Rate Bonds, the rate of interest to be borne by such Variable Rate Bonds will be deemed to be the Assumed Interest Rate.

For the purpose of determining whether any outstanding Variable Rate Bond is deemed paid and discharged pursuant to the Trust Agreement, such Variable Rate Bond will be deemed to bear interest at the actual rate of interest borne thereby for the remainder of the period that such rate will remain in effect, and for any subsequent period prior to the time at which such Variable Rate Bond is actually to be paid and discharged, such Variable Rate Bond will be deemed to bear interest at the maximum rate of interest such Variable Rate Bond may bear pursuant to the Series Resolution applicable thereto.

Balloon Bonds. In the event that all or any portion of any series of WPCLF Bonds have been issued as or are proposed to be issued as Balloon Bonds, then in order to compute the Bond Service Charges on such series of WPCLF Bonds for the purposes of determining (i) whether WPCLF Bonds, regardless of whether they are to be Balloon Bonds, may be issued in compliance with the requirements of the WPCLF General Bond Resolution when any Balloon Bonds are outstanding, (ii) whether WPCLF Bonds that are Balloon Bonds may be issued in compliance with the requirements of the WPCLF General Bond Resolution, and (iii) the amount of the Required Reserve Fund Balance attributable to such Balloon Bonds, the Bond Service Charges on such WPCLF Bonds will be determined:

- (a) if such Balloon Bonds are not Capital Appreciation Bonds or Capital Appreciation and Income Bonds, by (1) assuming that such Balloon Bonds are to be amortized on the basis of level debt service over the Assumed Amortization Period and that such Bonds bear interest at the Assumed Interest Rate, or (2) if certified by the Financial Advisor to be appropriate given the then-current standing of the Public Finance

industry, by assuming that such Balloon Bonds are to be amortized on a basis other than level Debt Service over the Assumed Amortization Period and that such Bonds bear interest at the Assumed Interest Rate; and

(b) if such Balloon Bonds are Capital Appreciation Bonds or Capital Appreciation and Income Bonds, by assuming that the Appreciated Principal Amount of such Balloon Bonds at maturity is to be amortized on the basis of level principal payments over the Assumed Amortization Period.

Tender Bonds. In the event that all or any portion of any series of WPCLF Bonds are to be Tender Bonds, then Bond Service Charges on the options or obligations of the holders of such Tender Bonds to tender the same for purchase or payment prior to their stated maturity or maturities shall be treated as a principal maturity occurring on the first date on which owners of such Tender Bonds may or are required to tender such Tender Bonds, except that any such option or obligation to tender Tender Bonds shall be ignored and not treated as a principal maturity if (i) such Tender Bonds are rated at least in the “A” rating category (without regard to any rating refinement or gradation by numerical modifier or otherwise) by a Rating Agency, or such Tender Bonds are rated in one of the two highest short-term note or commercial paper rating categories by a Rating Agency, and (ii) any obligation the Authority may have, other than its obligation on such Tender Bonds, to reimburse any provider of a Credit Facility, shall either be subordinate to the obligation of the Authority on such Tender Bonds, or shall have been incurred under and shall have met the tests and conditions for the issuance of such specified indebtedness set forth in the Trust Agreement.

Capital Appreciation Bonds/Capital Appreciation and Income Bonds. In the event that all or any portion of any series of WPCLF Bonds have been issued as or are proposed to be issued as Capital Appreciation Bonds or Capital Appreciation and Income Bonds, then in order to compute the Bond Service Charges on such series of WPCLF Bonds for the purposes of determining (i) whether WPCLF Bonds, regardless of whether they are to be Capital Appreciation Bonds or Capital Appreciation and Income Bonds, may be issued in compliance with the requirements of the WPCLF General Bond Resolution when any Capital Appreciation Bonds or Capital Appreciation and Income Bonds are outstanding, (ii) whether WPCLF Bonds that are Capital Appreciation Bonds or Capital Appreciation and Income Bonds may be issued in compliance with the requirements of the WPCLF General Bond Resolution, and (iii) the amount of the Required Reserve Fund Balance attributable to such Capital Appreciation Bonds or Capital Appreciation and Income Bonds, the Bond Service Charges on such WPCLF Bonds shall include the applicable Appreciated Principal Amounts at maturity.

APPENDIX F

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

August 24, 2017

To: Ohio Water Development Authority

We have served as bond counsel to our client the Ohio Water Development Authority (the “Authority”) in connection with the issuance by the Authority of its \$250,000,000 State of Ohio Water Pollution Control Loan Fund Revenue Notes, Series 2017B (the “Notes”), dated the date of this letter and issued for the purpose of (a) raising moneys for the sole benefit of the Water Pollution Control Loan Fund as provided in division (T) of Section 6121.04 of the Ohio Revised Code, the WPCLF General Bond Resolution, and the Series 2017B Note Resolution, or reimbursing the Authority for funds advanced for that purpose, (b) paying Capitalized Interest, if any, on the Notes, and (c) paying issuance expenses relating to the issuance of the Notes. The Notes are issued under the Trust Agreement, dated as of May 1, 2014 (the “Original Trust Agreement”), as may be amended from time to time, including by the Fourteenth Supplemental Trust Agreement, dated as of August 1, 2017 (collectively, and together with other supplements and amendments, the “Trust Agreement”), each among the Authority, the Director of Environmental Protection of the State of Ohio (the “Director”), and U.S. Bank National Association (the “Trustee”). Capitalized words and terms used, but not otherwise defined, herein are used as defined in the Trust Agreement.

In our capacity as bond counsel, we have examined the transcript of proceedings relating to the issuance of the Notes, a copy of the signed and authenticated Note, the Agreement and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

In our capacity as bond counsel, we have also examined (i) the executed loan agreements (the “Loan Agreements”) among the Authority, the Director, and the political subdivisions of the State of Ohio (the “Governmental Agencies”) relating to the projects identified in APPENDIX B to the Official Statement, dated August 10, 2017, relating to the Notes, (ii) the proceedings of the Authority and the Governmental Agencies authorizing the execution of the Loan Agreements, and (iii) the law and such other certified proceedings and papers as we deem necessary to render the opinions set forth in this letter.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The Notes and the Trust Agreement are valid and binding obligations of the Authority and, with respect to the Trust Agreement, of the Director, enforceable in accordance with their respective terms.
2. The Loan Agreements have been duly executed by the Authority, the Director, and the respective Governmental Agencies, and constitute valid and binding contractual obligations of such parties, but we express no opinion regarding the Sponsor Loan Programs.
3. The Notes constitute special obligations of the Authority, and the principal of and interest on (collectively, “debt service”) the Notes, together with debt service on any other obligations issued and outstanding on a parity with the Notes as provided in the Trust Agreement, are payable from and secured solely by the Pledged Revenues. The payment of debt service on the Notes is not secured by an obligation or pledge of any money raised by taxation, and the Notes do not represent or constitute a general obligation or a pledge of the faith and credit of the Authority, the State of Ohio (“State”) or any of its political subdivisions.
4. Interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference

for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Notes is included in the calculation of a corporation's adjusted current earnings for purposes of, and thus may be subject to, the corporate alternative minimum tax. Interest on, and any profit made on the sale, exchange or other disposition of, the Notes are exempt from all Ohio state and local taxation, except the estate tax, the domestic insurance company tax, the dealers in intangibles tax, the tax levied on the basis of the total equity capital of financial institutions, and the net worth base of the corporate franchise tax. We express no opinion as to any other tax consequences regarding the Notes.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined and (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the Authority.

We express no opinion herein regarding the priority of the lien on Pledged Revenues or other funds created by the Trust Agreement.

In rendering those opinions with respect to treatment of the interest on the Notes under the federal tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the Authority. Failure to comply with certain of those covenants subsequent to issuance of the Notes may cause interest on the Notes to be included in gross income for federal income tax purposes retroactively to their date of issuance.

The rights of the owners of the Notes and the enforceability of the Notes and the Trust Agreement are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities.

No opinions other than those expressly stated herein are implied or shall be inferred as a result of anything contained in or omitted from this letter. The opinions expressed in this letter are stated only as of the time of its delivery and we disclaim any obligation to revise or supplement this letter thereafter. Our engagement as bond counsel in connection with the original issuance and delivery of the Notes is concluded upon delivery of this letter.

Respectfully submitted,

APPENDIX G

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2017B WPCLF Notes. The Series 2017B WPCLF Notes will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate for each maturity of the Series 2017B WPCLF Notes, in the aggregate principal amount of such maturity, will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 2.2 million issues of the U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposit securities through electronic, computerized book-entry transfers and pledges between Direct Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of the Depository Trust & Clearing Corporation (“DTCC”). DTCC is owned by a number of Direct Participants of DTC and Members of the Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC) and by The New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others, such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtc.org or www.dtcc.com.

Purchases of the Series 2017B WPCLF Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2017B WPCLF Notes on DTC’s records. The ownership interest of each actual purchaser of each of the Series 2017B WPCLF Notes (the “Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchases, but Beneficial Owners are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owners entered into the transaction. Transfers of ownership interests in the Series 2017B WPCLF Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2017B WPCLF Notes, except in the event that use of the Book-Entry Only System for the Series 2017B WPCLF Notes is discontinued.

To facilitate subsequent transfers, all Series 2017B WPCLF Notes deposited by Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by DTC. The deposit of the Series 2017B WPCLF Notes with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2017B WPCLF Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2017B WPCLF Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Beneficial Owners of the Series 2017B WPCLF Notes may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2017B WPCLF Notes, such as redemptions, tenders, defaults, and proposed amendments to security documents. For example, Beneficial Owners of the Series 2017B WPCLF Notes may wish to ascertain that the nominee holding the Series 2017B WPCLF Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners, in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2017B WPCLF Notes are being redeemed, DTC's practice is to determine by lot the amount of interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2017B WPCLF Notes unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2017B WPCLF Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2017B WPCLF Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Authority on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name, and will be the responsibility of such Participant and not of DTC or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as Securities Depository with respect to the Series 2017B WPCLF Notes, at any time by giving reasonable notice to the Authority or the Trustee. Also, the Authority may determine that continuation of a securities depository/book-entry relationship is not in the best interests of the Holders of the Series 2017B WPCLF Notes. Under such circumstances, in the event that a successor Securities Depository is not obtained, bond certificates are required to be and will be printed and delivered. See "Revision of Book-Entry System; Replacement Series 2017B WPCLF Notes" below.

Disclaimer by State, Authority, Director, Trustee, Financial Advisor and Underwriter

Neither the State, the Authority, the Director nor the Trustee has any responsibility or liability for any aspect of the records relating to, or payments made on account of book-entry interest ownership, or for maintaining, supervising or reviewing any records relating to that ownership.

The State, the Authority, the Director, the Trustee, the Authority's Financial Advisor and the Underwriter cannot and do not give any assurances that DTC, DTC Participants or others will distribute to the Beneficial Owners (i) payments of Bond Service Charges on the Series 2017B WPCLF Notes paid or (ii) notices sent to DTC as the Holder or that they will do so on a timely basis, or that DTC or DTC Participants will serve and act in the manner described in this Official Statement. The Authority has been advised by DTC that the current "Rules" applicable to DTC and its Participants are on file with the Securities and Exchange Commission and that the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

Revision of Book-Entry Only Transfer System; Replacement of Series 2017B WPCLF Notes

The Trust Agreement authorizing the issuance of the Series 2017B WPCLF Notes will provide for issuance of fully registered replacement Series 2017B WPCLF Notes ("Replacement Bonds") directly to persons other than DTC or its nominee only in the event that DTC (or a successor Depository) determines not to continue to act as

securities depository for the Series 2017B WPCLF Notes or the Authority determines that continuation of the book-entry only system with DTC is not in the best interests of the Authority or the best interests of the Beneficial Owners.

Upon a discontinuance of the book-entry only system with DTC, the Authority may in its discretion attempt to have established a securities depository/book-entry only relationship with another qualified securities depository. If the Authority is unable to do so, or desires not to do so, and after the Trustee has made provisions for notification of the Beneficial Owners of the Series 2017B WPCLF Notes by appropriate notice to DTC, the Authority and the Trustee shall authenticate and deliver Replacement Bonds, in the denomination of \$5,000 or any integral multiple of \$5,000 to or at the direction of, and, if the event is not the result of Authority action or inaction.

Principal of, premium, if any, and interest on Replacement Bonds will be payable when due without deduction for the services of the Paying Agent. Principal of any Replacement Bonds will be payable to the registered owner thereof upon presentation and surrender thereof at the principal corporate trust office of the Trustee. Interest thereon will be payable by the Trustee by check, draft or wire transfer, mailed to the registered owner of record on the registration books maintained by the Trustee (the "Register") as of the 15th day of the calendar month preceding the Interest Payment Date.

Replacement Bonds will be exchangeable for Replacement Bonds of authorized denominations, and transferable, at the designated office of the Registrar, without charge (except taxes or other governmental fees). Exchange or transfer of then redeemable Replacement Bonds is not required to be made (i) between the 15th day preceding the mailing of notice of Replacement Bonds to be redeemed and the date of that mailing, (ii) during the period from the day following the Regular Record Date through the day preceding the ensuing Interest Payment Date, or (iii) of a particular Replacement Bond selected for redemption (in whole or in part) until redemption.

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