

Ohio Water Development Authority

\$250,000,000*
WPCLF Revenue Notes
Series 2017B
(Floating Rate Notes)

Investor Presentation

August 2, 2017



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Transaction Summary

OWDA WPCLF Revenue Notes, Series 2017B

Key Terms

Par Amount*	\$250,000,000
Expected Ratings*	Aaa / AAA (Moody's / Standard & Poor's)
Bond Type	Floating Rate Notes (FRNs)
Tax Status	Tax-Exempt (Federal and State of Ohio)
Expected Pricing Date*	August 10, 2017
Expected Closing Date*	August 24, 2017
Interest*	Semiannually on each June 1 and December 1, beginning on December 1, 2017
Bond Structure	FRNs with a 3-year fixed maturity of December 1, 2020 to be priced as a spread to the SIFMA Index
Redemption*	Optional Redemption after one year (9/1/2018)
Security	All pledged, available WPCLF loans, and investments on all funds and balances on surplus accounts and funds
Use of Funds	Proceeds from the sale of the Series 2017B Notes are expected to be used to make loans to Governmental Agencies for various SRF-eligible water quality improvement projects
Underwriter	BofA Merrill Lynch (Sole Manager)

*Preliminary, subject to change.

Overview of OWDA

- Created in 1968, initially funded with \$100 million of State general obligation bond proceeds
- Has provided water and wastewater loans to communities throughout Ohio for 48 years
- Board includes public and private sector representatives with strong environmental, business and labor backgrounds
 - Five members appointed by the Governor, with advice and consent of the State Senate, for staggered eight-year terms (currently there are two vacancies)
 - The Directors of the Department of Natural Resources, the Development Services and the Ohio Environmental Protection Agencies are members *ex-officio* of the Authority
- Since inception, OWDA has provided over \$13.2 billion of financing for more than 6,200 essential projects throughout Ohio's 88 counties through OWDA's various financial assistance programs
- Jointly administers (with Ohio EPA) the federally authorized bond funded Wastewater and Drinking Water revolving loan programs; and also Funds its own bond funded revolving fund loan program (Fresh Water) and provides conduit financing for private businesses
- Established and administers non-bond funded programs that include: Solid Waste Program (established in 1991); Local Economic Development Program (1995); Brownfield Program (1994); R&D Grant Program (1991); Village Capital Improvement Fund Program (1996); Dam Safety Linked Deposit program (1999); Emergency Relief program (1997); Alternative Stormwater Infrastructure Loan program (2010); Unsewered Area Planning Loan Program (2009); Unsewered Area Assistance Program (2013); and County Coastal Erosion Loan Program (1999)



Water Pollution Control Loan Fund (“WPCLF”) Program Overview

As of June 30, 2017

- The federal Clean Water Act authorizes the U.S. EPA to make capitalization grants to states for deposit in their water pollution control revolving funds to provide loans and other financial assistance for water pollution control projects
- In order to receive a federal capitalization grant, a state must provide a “state match” totaling 20% of the total federal grant
- In 1989, Ohio created its Water Pollution Control Loan Fund using the State’s appropriation monies to provide the state match
- Since 1989, the WPCLF has received over \$2.1 billion of federal capitalization grants which have been matched with over \$426 million of State matching funds. Exhibit 1 shows this funding over the last five years
- The WPCLF has made over \$6.5 billion in loans since inception using federal capitalization grants, state match monies, as well as bond proceeds, and loan repayments
- Currently, the WPCLF portfolio includes over \$4.7 billion of pledged loans outstanding to 336 different borrowers for 1,080 projects¹
- OWDA has approximately \$1.4 billion WPCLF revenue bonds outstanding, before the issuance of the Series 2017B Notes

Exhibit 1 - WPCLF Grant Funding

Last Five Years

Year	Capitalization	
	Grant	State Match
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	\$387,401,000	\$77,480,200

(1) Represents the principal amount of all loans outstanding

Significant Local Government Agency Participants

As of June 30, 2017

Local Governmental Agency	Number of Projects	Estimated Project Costs Funded with WPCLF Loans	Projected Remaining Water Quality and WPCLF Series Repayments	Percent of Projected Total 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%
Totals	324	4,409,521,353	4,212,004,170	73.27%

- The Authority has agreed to include in its annual continuing disclosure filing or incorporate by reference the financial statements of each Local Governmental Agency (if any) which is a party to a Cooperative 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 Cooperative Agreements made in such year

WPCLF Program Loan Interest Rates

- The WPCLF Program’s subsidized loan rates provide below market funding and therefore a strong incentive for extensive participation by communities throughout Ohio
- The WPCLF Program loan rates are reset monthly and current rates are as follows:

Loan Rate	Rate Setting	Current Interest Rates²	Discounts¹
Standard Intermediate-Term Rate (5 – 20 years)	8-week average of 20 Year AA MMD Rate less 0.95%	2.00%	0.1% discounts
Standard Long-Term Rate (21 – 30 years)	8-week average of 30 Year AA MMD Rate less 1.00%	2.10%	0.1% discounts
Standard Long-Term Rate (31– 45 years)	8-week average of 30 Year AA MMD Rate less 0.85%	2.13%	0.1% discounts
Small Systems	8-week average of 20 Year AA MMD Rate less 1.45%	1.75%	0.1% discounts
Hardship	0% to 1% depending on community service population		None

- Some or all principal may be forgiven on certain loans to disadvantaged communities
- EPA program loans may not be repaid prior to maturity

(1) Includes both one-time water conservation measures and ongoing conservation measures

(2) Valid for July 1, 2017 – July 31, 2017.

Enforcement Process for Revenue Collection

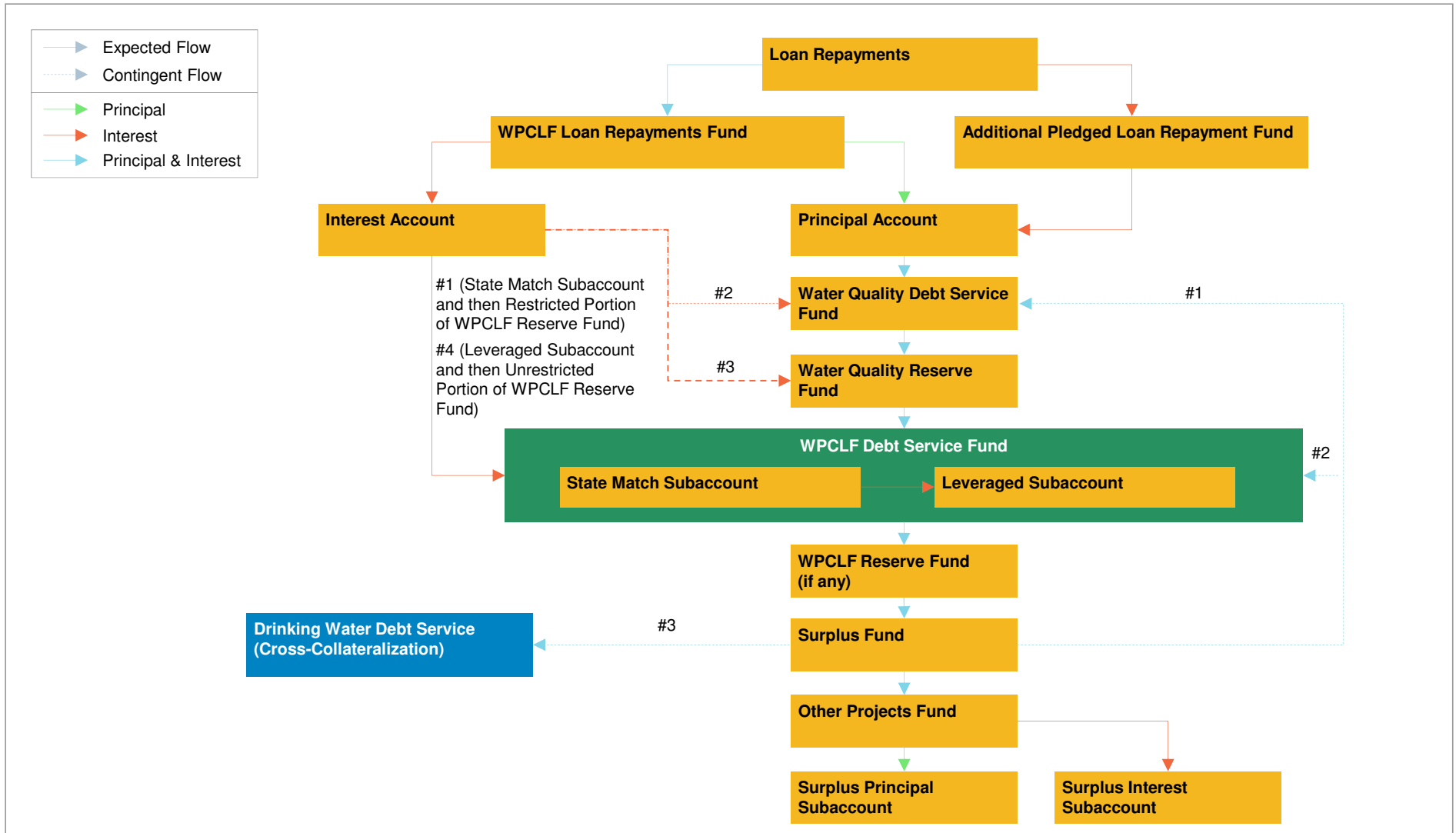
- The Authority has covenanted to its bondholders that it will take all necessary actions to collect all loan payments due to the Authority, including:
 - Sending invoices 15 days prior to due date
 - Making demand for payment within 20 days after any default
 - Giving notice that if the default is not remedied within 2 months the Authority will file suit to collect the moneys due
 - Filing suit within 3 months of the default date
- The Authority has a strong, 47-year record of enforcing its rights to loan payments
 - Courts have affirmed OWDA’s right to enforce borrowers’ loan payment obligations in the past
 - Currently there is no active litigation to collect WPCLF loan payments
- Comprehensive computerized loan processing system used for tracking and collections
- Loan re-payment dates are generally set five months prior to bond debt service payment dates to provide cushion for collections

WPCLF Bond Security Features

Feature	WPCLF (Leverage Portion and State Match Portion) Bonds
State Match / WPCLF (State Match Portion) Revenues:	Future interest payment on all loans dated after the issuance of the first series of WPCLF Bonds
Water Quality / WPCLF (Leverage Portion) Revenues:	Principal repayments on all loans and debt service on additional pledged loans after paying Water Quality Bond debt service and future interest payments after paying WPCLF (State Match Portion) and Water Quality Bond debt service
Coverage Pledge:	Minimum 1.00x coverage from existing loan interest repayment for WPCLF (State Match Portion) Bonds debt service. Minimum 1.00x coverage from existing principal repayments for Water Quality Bonds and WPCLF (Leveraged Portion) Bonds debt service
Additional Coverage and Security:	<ul style="list-style-type: none"> ▪ Payments with additional loans ▪ With respect to the Leveraged Portion and State Match Portion, interest earnings on: <ul style="list-style-type: none"> – Debt Service Fund (ten months each year) – Debt Service Reserve Fund (if any) – Interest Fund (interest payments in excess of debt service) ▪ With respect to the Leveraged Portion only: <ul style="list-style-type: none"> – Balance of and earnings on Surplus Fund – Unencumbered Leveraged portion Net Bond Proceeds Fund – Capitalization Grant Subaccount ▪ With respect to the State Match Portion only: <ul style="list-style-type: none"> – Unencumbered State Match Portion Net Bond Proceeds Fund
Debt Service Reserve Funds:	Series specific requirement for each Portion
Cross Collateralization:	<ul style="list-style-type: none"> ▪ All WPCLF and DWAF Loan Agreement loans are secured by the Governmental Agency's promise to pay from water rates and charges ▪ Cross-collateralization through investment between the WPCLF and DWAF Programs provides additional security and greater portfolio diversification for bonds issued under both programs <ul style="list-style-type: none"> – Allows the WPCLF and DWAF to achieve an enhanced security through access to other Program's surpluses – Reduces default tolerance concentration penalties associated with larger borrowers for both programs
Additional Bonds Test:	Meet coverage (100%) pledge with payments of loans already made and DSRF requirements

- There are currently no State Match Bonds outstanding

WPCLF Program Cash Flow and Pledged Funds



Debt Service Coverage

Existing WPCLF Loans as of June 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%

*Preliminary, subject to change. Please refer to the following page for footnotes to this table.

Debt Service Coverage

Existing WPCLF Loans as of June 30, 2017

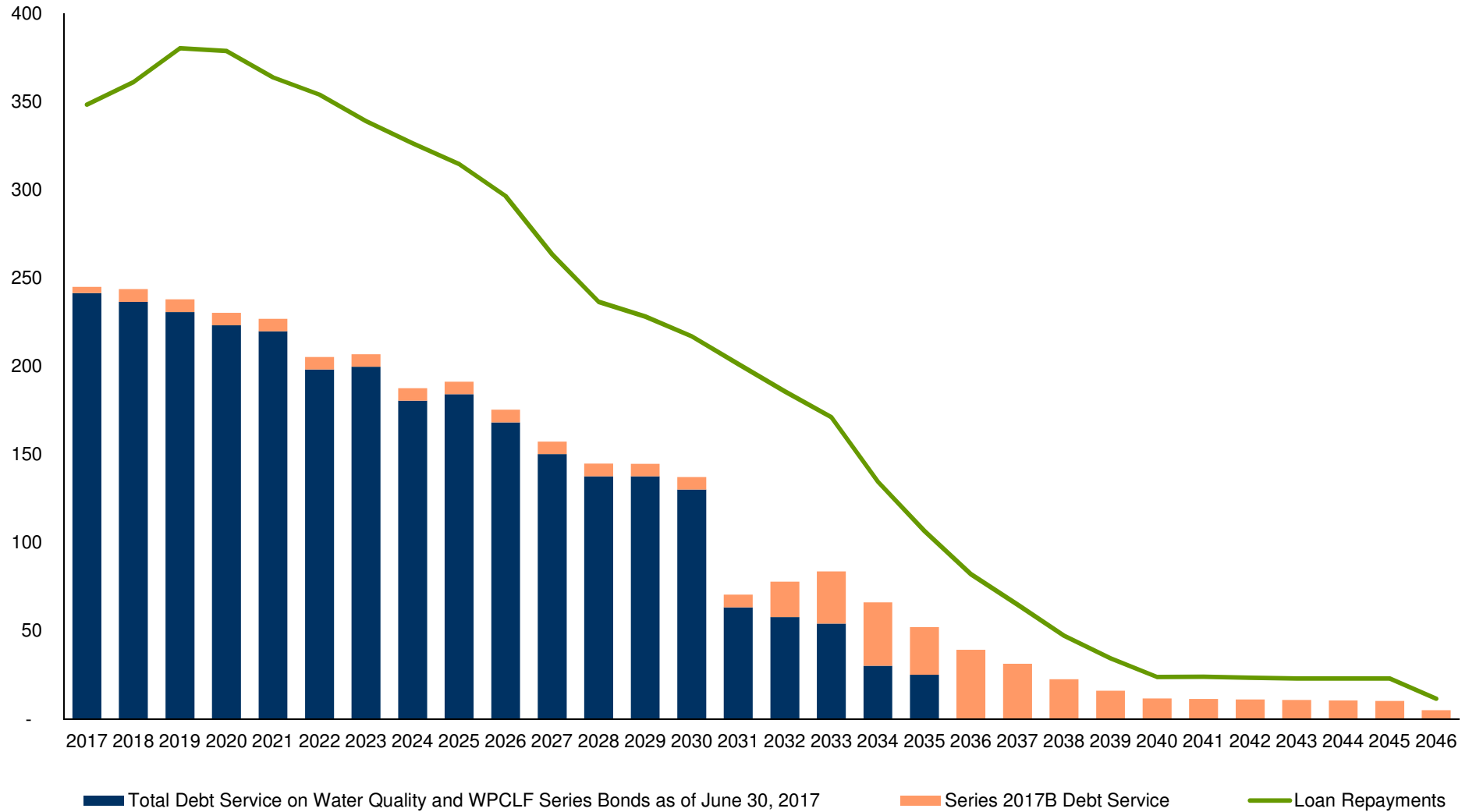
	A	B	C = (A - B)	D	E	F = (D + E)	G = (C - F)	H = (A / (B + F))
	Estimated Total Projected Payments (a & b)	Outstanding Water Quality Series Debt Service	Estimated Net Revenues	Outstanding WPCLF Series Debt Service (c)	Hypothetical WPCLF Series 2017 B Note Debt Service (d)	Total WPCLF Debt Service	Estimated 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	
Total	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	

*Preliminary, subject to change.

- (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" in the Preliminary Official Statement.
- (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.

Water Quality and WPCLF Debt Service Structure

Estimated Debt Service on Outstanding Water Quality and WPCLF Series Bonds (Including Series 2017B)* (\$ millions)



*Preliminary, subject to change.

Financing Summary

Water Pollution Control Loan Fund Revenue Notes, Series 2017B

Sources and Uses of Funds*

Sources of Funds

Par Amount	\$250,000,000
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Total Sources of Funds	\$250,000,000
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Uses of Funds

Deposit to WPCLF Bond Subfund	-
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Costs of Issuance	-
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Total Uses of Funds	\$250,000,000
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Principal*	Bullet maturity on December 1, 2020
Interest	Semiannually on each June 1 and December 1, beginning on December 1, 2017
Structure	FRNs based on SIFMA Index plus spread
Redemption	At anytime after one year (September 1, 2018) at par on 30 days notice.

*Preliminary, subject to change.

Financing Schedule*

Element	Date
Post POS / Electronic Road Show	August 2, 2017
Price Notes, Sign BPA	August 10, 2017*
Closing	August 24, 2017*

**Preliminary, subject to change.*

Conclusions

- 47-year track record of managing loan programs for communities throughout the State of Ohio
- The Authority is the largest financing source for essential water and wastewater infrastructure projects in the State
- Strong record of enforcing revenue collection and legal enforcement
- The WPCLF Programs significant diversified pledged loan portfolio, debt service coverage reserves, and default tolerance provide Aaa / AAA credit quality

Contact Information

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