

## OFFICIAL NOTICE OF SALE

**\$87,000,000**

### **Suffolk County Water Authority New York**

#### **Water System Revenue Bonds, Series 2020B**

Time and Place for Receipt of Bids. Notice is hereby given that the Suffolk County Water Authority, New York (the “Authority”) acting by and through its Chairman will receive electronic bids via PARITY (as described below), up to 11:00 A.M., New York Time, on

**April 28, 2020, or such later date for which at least 24 hours’ notice shall be given,**

for the purchase of all, but not less than all, of \$87,000,000 aggregate principal amount of Suffolk County Water Authority Water System Revenue Bonds, Series 2020B (the “Series 2020B Bonds”) as the Authority shall specify in writing to the successful bidder not later than one business day after the date of sale.

**THE AUTHORITY RESERVES THE RIGHT TO CHANGE THE TIME AND/OR DATE FOR THE ELECTRONIC RECEIPT OF THE BIDS. IN NO EVENT SHALL THE DATE OF SALE BE CHANGED TO A DATE EARLIER THAN APRIL 28, 2020. NOTICE OF ANY CHANGE TO THE DATE OF SALE SHALL BE PROVIDED NOT LESS THAN 24 HOURS PRIOR TO THE TIME SET FORTH ABOVE FOR THE ELECTRONIC RECEIPT OF BIDS BY MEANS OF A SUPPLEMENTAL NOTICE OF SALE TO BE TRANSMITTED OVER THE TM3. IF A NOTICE OF CHANGE TO THE DATE OF SALE HAS BEEN PROVIDED BY MEANS OF A SUPPLEMENTAL NOTICE OF SALE, THEN NOTICE OF ANY SUBSEQUENT CHANGE TO THE DATE OF SALE SHALL BE PROVIDED NOT LESS THAN 24 HOURS PRIOR TO THE TIME SET FORTH FOR THE ELECTRONIC RECEIPT OF BIDS IN SUCH SUPPLEMENTAL NOTICE OF SALE BY MEANS OF A SUPPLEMENTAL NOTICE OF SALE TO BE TRANSMITTED OVER THE TM3.**

Bond Details: Book Entry Form. The Series 2020B Bonds will be dated their date of delivery and will be issued in fully registered form, bearing interest payable on June 1 and December 1 of each year, commencing June 1, 2020. Interest on the Series 2020B Bonds shall be computed on a 360-day year and 30-day month basis.

The Series 2020B Bonds shall be retired on June 1 in each of the years and in the principal amounts as follows:

Maturity (June 1)	Principal Amount
2044	\$43,500,000
2045 <sup>1</sup>	<u>43,500,000</u>
Total:	\$87,000,000

<sup>1</sup> Final Maturity

The Series 2020B Bonds when issued will be registered to Cede & Co., as nominee of The Depository Trust Company (“DTC”). The Series 2020B Bonds will be available to individual purchasers in book-entry form only. Beneficial owners of the Series 2020B Bonds will not receive physical delivery of bond certificates. A book-entry system will be employed by DTC, evidencing ownership of the bonds in principal amounts of \$5,000 or any integral multiple thereof, with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC. The winning bidder, as a condition to delivery of the Series 2020B Bonds, shall be required to deposit the bond certificates representing each maturity with DTC. Principal of and interest on the Series 2020B Bonds will be payable in lawful money of the United States of America. Principal of and interest payments on the Series 2020B Bonds in book-entry form will be made to DTC or its nominee by the Authority by wire transfer through The Bank of New York Mellon, New York, New York, Bond Fund Trustee and Paying Agent. The Authority, the Bond Fund Trustee and the Paying Agent shall not have any responsibility for the performance of DTC or its nominee with respect to the book-entry system.

Maturities. Subject to the limitations set forth in the maturity table above, the bidder must specify electronically via PARITY which of the principal amounts of the Series 2020B Bonds shall constitute serial or term bond maturities and which constitute sinking fund installments for term bonds. There is no limit to the number of term bonds that may be so specified. Term bonds with overlapping sinking fund installments, or sinking fund installments that overlap with serial bond maturities, will not be permitted.

Optional Redemption. The Series 2020B Bonds shall be subject to redemption at the option of the Authority, prior to their stated maturities, on and after June 1, 2030, in whole or in part at any time, at the price of par, plus interest accrued to the date of redemption, in such order of maturities as shall be determined by the Authority and by lot within a maturity.

Sinking Fund Redemption. Those Series 2020B Bonds which are term bonds shall be subject to redemption prior to their stated maturities in the years to be designated by the successful bidder from moneys required to be credited to the Bond Retirement Account in the Bond Fund established under the Resolution hereinafter mentioned and in the amounts set forth above at a redemption price equal to the principal amount to be redeemed, together with interest accrued on such principal amount to the date fixed for redemption.

Notice of Redemption. The Authority shall, as long as DTC is the registered owner of the Series 2020B Bonds, mail by first class mail notice of redemption to DTC no less than thirty (30) days prior to any redemption date. Any failure by DTC to mail such notice to any participant will not affect the validity of the Series 2020B Bonds or the redemption thereof. The Authority shall not be responsible for mailing notices of redemption to anyone other than DTC or its nominee as long as DTC is the registered owner of the Series 2020B Bonds.

Any notice of optional redemption for the Series 2020B Bonds may state that it is conditional upon receipt by the Bond Fund Trustee of monies sufficient to pay the redemption price of the Series

2020B Bonds or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event. Any such conditional notice may be rescinded at any time before payment of the redemption price if any specified condition is not satisfied or any specified event occurs. Notice of such rescission shall be given by the Bond Fund Trustee to affected bondholders as promptly as practicable upon the failure of such condition or the occurrence of such event in the same manner as the notice of optional redemption was originally given.

Interest Rate, Bid Price and Reoffering Yields and Prices. Bidders shall specify the rate or rates of interest per annum which the Series 2020B Bonds shall bear, to be expressed in multiples of one-twentieth (1/20) or one-eighth (1/8) of one percent. No rate named shall exceed four per centum (4.00%) per annum. Bidders are not limited as to the number of rates which may be named, but the rate of interest on each separate maturity must be the same single rate for all Series 2020B Bonds of that maturity from the date of the Series 2020B Bonds to such maturity date. A bid for the purchase of less than the entire 2020B Bond issue or at a price less than ninety-six (96%) or more than one hundred fifteen percent (115%) of the principal amount of the Series 2020B Bonds, or which specifies split or supplemental interest rates, will not be considered.

The successful bidder will be required to provide to the Authority by 1:00 P.M., New York time, on April 28, 2020 (or if such date is later than April 28, 2020, as determined in a Supplemental Notice of Sale, the date specified in such Supplemental Notice of Sale) the initial reoffering prices of the Series 2020B Bonds to the public (excluding bond houses and brokers).

Bond Insurance. Bidders have the option of obtaining insurance for the payment of principal of and interest on the Series 2020B Bonds, however, the premium for such insurance shall not be payable by the Authority.

Award and Delivery. The Series 2020B Bonds will be awarded before the close of business on April 28, 2020 (or if such date is later than April 28, 2020, as determined in a Supplemental Notice of Sale, the date specified in such Supplemental Notice of Sale) to the bidder complying with the terms of the sale and offering to purchase the Series 2020B Bonds at the lowest true interest cost (“TIC”) for the Series 2020B Bonds. The TIC is computed by doubling the semi-annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Series 2020B Bonds from the payment dates to the date of the Series 2020B Bonds and to the price bid, not including interest accrued to the date of delivery. In the event more than one bidder submits identical bids with the lowest TIC, the Series 2020B Bonds will be awarded to the bidder chosen by random drawing. No bid will be considered for less than all of the Series 2020B Bonds. Delivery of the Series 2020B Bonds will be made in New York, New York on or about May 12, 2020 or as soon thereafter as possible (the “Closing Date”). However, if the Series 2020B Bonds are not delivered within sixty (60) days from the date of sale, the successful bidder may withdraw its bid and receive the return of the amount of its good faith deposit.

Form of Bid and Good Faith Deposit and Purchase Price. Bids must be submitted electronically only and must be submitted via PARITY by 11:00 A.M. New York time on April 28, 2020. If any provisions in this Official Notice of Sale conflict with information or terms provided or required by PARITY, this Official Notice of Sale shall control. For further information about PARITY, potential bidders may contact the Authority's Financial Consultant, Goldman Sachs & Co. LLC or PARITY at (212) 849-5021. Each bidder shall be solely responsible for making necessary arrangements to access PARITY for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale. Neither the Authority nor PARITY shall have any duty or obligations to provide or assure such access to any bidder, and neither the Authority nor PARITY shall be responsible for proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, the use of PARITY. PARITY is not acting as an agent of the Authority. The Authority is using PARITY as a communication mechanism, and not as the Authority's agent, to conduct the electronic bidding for the Series 2020B Bonds. The Authority is not responsible for ensuring or verifying bidder compliance with PARITY's procedures. The Authority is not responsible for, and each bidder expressly assumes the risk of and responsibility for, any incomplete, inaccurate or untimely bid submitted by such bidder. Bidders must obtain instructions for submitting electronic bids from PARITY.

For informational purposes only, the electronic bid will show the effective interest rate for the Series 2020B Bonds represented on a TIC basis, as described under “Award and Delivery” above, represented by the rate of interest and the bid price specified in the bid. No bid will be received after the time for receiving such bids specified above.

The winning bidder shall submit to the Authority a Federal funds wire transfer to be submitted to the Suffolk County Water Authority by the successful bidder not later than 4:00 p.m. (New York Time) on the date of sale (the “Wire Transfer Deadline”) as set forth below under “Wire Transfers,” in the amount of \$870,000.00, being one percent (1%) of the aggregate principal amount of the Series 2020B Bonds (the “Good Faith Deposit”). No interest will be paid by the Authority on Good Faith Deposits. The Good Faith Deposit will either be deposited to the credit of the Authority and applied to the purchase price of the Series 2020B Bonds or retained as liquidated damages in the event the successful bidder fails or neglects to take up and pay for the Series 2020B Bonds in accordance with its proposal. The balance of the purchase price must be wired in federal funds to the account specified by the Authority, simultaneously with the delivery of the Series 2020B Bonds.

Wire Transfers. The Authority will distribute wiring instructions for the Good Faith Deposit to the successful bidder upon verification of the bids submitted by the bidders and prior to the Wire Transfer Deadline. If the Good Faith Deposit is not received by the Wire Transfer Deadline, the award of the sale of the Bonds to the successful bidder may be cancelled by the Authority in its discretion without any financial liability of the Authority to the successful bidder or any limitation whatsoever on the Authority's right to sell the Series 2020B Bonds to a different purchaser upon such terms and conditions as the Authority shall deem appropriate.

Right of Rejection. The right is reserved by the Authority to reject any or all bids, or to waive any irregularity or informality in any bid.

Authority to Issue. The Series 2020B Bonds will be issued pursuant to the provisions of the Suffolk County Water Authority Act and a resolution adopted thereunder by the Authority on September 27, 1988, as amended and supplemented (said resolution being herein called the “Resolution”).

Purpose. The Series 2020B Bonds will be issued for the purpose of providing moneys (i) to finance the Cost of Acquisition and Construction of improvements and additions to the Water System, (ii) to fund a deposit to the Reserve Account established for the Series 2020B Bonds and (iii) to pay costs of issuance relating to the Series 2020B Bonds.

Security. The Series 2020B Bonds are payable as to both principal and interest solely out of the net revenues of the Water System on a parity with other Senior Lien Bonds (as that term is defined in the Resolution) heretofore and hereafter issued under the Resolution. The Series 2020B Bonds do not constitute an indebtedness of the State of New York or of Suffolk County or of any municipality in said County, and neither the State of New York nor Suffolk County nor any municipality in said County is liable thereon.

**Establishment of Issue Price of the Bonds**

(a) The winning bidder shall assist the Authority in establishing the issue price of the Series 2020B Bonds and shall execute and deliver to the Authority at the closing on the issuance of the Series 2020B Bonds, an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public (as defined below) or the sales price or prices of the Series 2020B Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Authority and Bond Counsel. All actions to be taken by the Authority under this Notice of Sale to establish the issue price of the Series 2020B Bonds may be taken on behalf of the Authority by Goldman Sachs & Co. LLC, the Authority’s Financial Consultant (the “Financial Consultant”) and any notice or report to be provided to the Authority may be provided to the Financial Consultant.

(b) The Authority intends that the provisions of Treasury Regulation Section 1.148-1(f)(3) (i) (defining “competitive sale” for purposes of establishing the issue price of the Series 2020B Bonds) will apply to the initial sale of the Series 2020B Bonds (the “competitive sale requirements”) because:

(1) the Authority shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;

(2) all bidders shall have an equal opportunity to bid;

(3) the Authority expects to receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the Authority anticipates awarding the sale of the Series 2020B Bonds to the bidder who submits a firm offer to purchase the Series 2020B Bonds at the lowest true interest cost for the Series 2020B Bonds, as set forth in this Notice of Sale (*see* “Award and Delivery” herein).

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Series 2020B Bonds, as specified in the bid. By submitting a bid, each bidder represents that it has an established industry reputation for underwriting new issuances of municipal bonds.

(c) In the event that the competitive sale requirements are not satisfied, the Authority shall so advise the winning bidder. The Authority may determine to treat (i) the first price at which 10% of a maturity of the Series 2020B Bonds (the “10% test”) is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Series 2020B Bonds as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the Authority if any maturity of the Series 2020B Bonds satisfies the 10% test as of the date and time of the award of the Series 2020B Bonds. The Authority shall promptly advise the winning bidder, at or before the time of award of the Series 2020B Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Series 2020B Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the Authority determines to apply the hold-the-offering-price rule to any maturity of the Series 2020B Bonds. Bidders should prepare their bids on the assumption that all of the maturities of the Series 2020B Bonds that did not satisfy the 10% test as of the date and time of the award of the Series 2020B Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Series 2020B Bonds.

(d) By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Series 2020B Bonds to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Series 2020B Bonds, that the underwriters will neither offer nor sell unsold Series 2020B Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the sale date; or

(2) the date on which the underwriters have sold at least 10% of that maturity of the Series 2020B Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the Authority promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Series 2020B Bonds to the public at a price that is no higher than the initial offering price to the public.

(e) If the competitive sale requirements are not satisfied, and the 10% test applies to a maturity of the Series 2020B Bonds, then until the 10% test has been satisfied as to such maturity, the winning bidder agrees to promptly report to the Authority the prices at which the unsold Series 2020B Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all Series 2020B Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to the Series 2020B Bonds of that maturity, provided that, the winning bidder’s reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Authority or bond counsel.

(f) The Authority acknowledges that, in making the representations set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the requirements for

establishing issue price of the Series 2020B Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020B Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2020B Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2020B Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020B Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Series 2020B Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Series 2020B Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020B Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Series 2020B Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020B Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Series 2020B Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020B Bonds.

(g) By submitting a bid, each bidder confirms that any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Series 2020B Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A) to report the prices at which it sells to the public the unsold Series 2020B Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2020B Bonds of that maturity allocated to it have been sold or it is notified by the winning bidder that the 10% test has been satisfied as to the Series 2020B Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the winning bidder, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder and as set forth in the related pricing wires,

(B) to promptly notify the winning bidder of any sales of Series 2020B Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2020B Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(h) Sales of any Series 2020B Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2020B Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Notice of Sale.

Further, for purposes of this Notice of Sale:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) the winning bidder and (B) any person that agrees pursuant to a written contract directly or indirectly with the winning bidder to participate in the initial sale of the Series 2020B Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2020B Bonds to the public),

(iii) a purchaser of any of the Series 2020B Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date that the Series 2020B Bonds are awarded by the Authority to the winning bidder.

Further, the successful bidder will be required to provide such other information confirmed by certificate on the date of delivery of the Series 2020B Bonds as requested by Bond Counsel in order to give their opinion regarding the tax-exempt status of the Series 2020B Bonds, as described below, including without limitation, a certification that the Reserve Account, Series 2020B, was vital and necessary to sell the Series 2020B Bonds at the prices and yields such Series 2020B Bonds were sold.

Tax-Exempt Status. Harris Beach PLLC, New York, New York, bond counsel to the Authority, will state as to exemption from income taxation that, in their opinion under existing statutes, regulations, administrative rulings and court decisions, and assuming compliance with certain requirements of the Internal Revenue Code of 1986, as amended, interest on the Series 2020B Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals. Such opinion will further state that under existing statutes, interest on the Series 2020B Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including The City of New York.

Legal Opinion. The final approving opinion of Harris Beach PLLC, bond counsel to the Authority, that the Series 2020B Bonds constitute valid and legally binding obligations of the Authority payable

on a parity with other Senior Lien Bonds heretofore and hereafter issued under the Resolution solely from the net revenues of the Water System of the Authority subject to prior payment of debt service on the Authority's Original Bonds, and that the Authority has the power and is obligated to fix and collect rates and other charges for the services and facilities sold, furnished or supplied by the Water System sufficient to provide for the payment of the principal of and interest on all bonds issued under the Resolution as the same respectively mature and to comply in all other respects with the provisions of the Resolution, will be furnished to the successful bidder without cost. There will also be furnished the usual closing documents, dated as of the date of delivery of and payment for the Series 2020B Bonds, including a certificate that there is no litigation pending or threatened affecting the validity of the Series 2020B Bonds.

CUSIP Identification Numbers. The Authority's Financial Consultant, Goldman Sachs & Co. LLC shall obtain CUSIP identification numbers and such CUSIP identification numbers will be placed on the Series 2020B Bonds; provided, however, should the addition of such numbers cause a delay in the delivery of the Series 2020B Bonds, the Authority, after giving due notice to the purchaser, shall proceed with the delivery of the Series 2020B Bonds without CUSIP numbers unless an agreement is reached between the Authority and the purchaser extending the date of delivery of the Series 2020B Bonds. Neither the failure to print such numbers on any Series 2020B Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser of the Series 2020B Bonds to accept delivery of and pay for the Series 2020B Bonds. No such number shall constitute a part of the contract evidenced by the particular Series 2020B Bond upon which it is imprinted and no liability shall attach to the Authority or any officer or agent thereof, including the Bond Fund Trustee, by reason of such numbers or any use thereof, including any use thereof made by the Authority or the Bond Fund Trustee, any such officer or any such agent, or by reason of any inaccuracy, error or omission with respect thereto or in such use. Except for the CUSIP Service Bureau charge for the assignment of such numbers, which charge shall be the responsibility of and shall be paid by the successful bidder, all expenses in relation to the printing of the CUSIP numbers on the Series 2020B Bonds will be paid by the Authority.

Official Statement. The Preliminary Official Statement distributed in connection with the offering for sale of the Series 2020B Bonds is "deemed final" as of its dated date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but is subject to revision, amendment and completion in a Final Official Statement as defined in Securities and Exchange Commission Rule 15c2-12(f) (3). The successful bidder will be furnished with a reasonable number of copies of the Final Official Statement issued in connection with the Series 2020B Bonds within seven business days after the award of the Series 2020B Bonds to the successful bidder.

Continuing Disclosure. The Authority will covenant for the benefit of the beneficial owners of the Series 2020B Bonds to provide, so long as any Series 2020B Bonds are outstanding, annual reports of financial information and operating data of the Authority and notices of certain events (which covenant is more fully described in the Preliminary Official Statement mentioned above).

Additional Information. Copies of the Preliminary Official Statement and additional copies of the Official Notice of Sale for the purchase of the Series 2020B Bonds may be obtained from the Authority's Financial Consultant, Goldman Sachs & Co. LLC, 200 West Street, 30th Floor, New York, New York 10282, Attention: Mr. Gregory Carey, (212) 902-4316, or from the Authority at 4060 Sunrise Highway, Oakdale, Suffolk County, New York 11769, Attention: Elizabeth K. Vassallo, (631) 563-9796. The Financial Consultant and the undersigned will furnish supplemental information in writing to any bidder upon request made in writing.

Dated: April 17, 2020

**Suffolk County Water Authority**  
**By: Patrick G. Halpin**  
**Chairman**

**EXHIBIT A**

**Alternative 1 – Competitive Sale Rule Satisfied**

**ISSUE PRICE CERTIFICATE**

**\$ \_\_\_\_\_**

**Suffolk County Water Authority**  
**New York**

**Water System Revenue Bonds, Series 2020B**

The undersigned, on behalf of [NAME OF WINNING BIDDER] (the "Purchaser") hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

***1. Reasonably Expected Initial Offering Prices.***

(a) As of the date of the award of the Bonds to the Purchaser, [Sale Date] (the "Sale Date"), the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are at the prices set forth in Schedule A attached hereto (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds.

(b) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

***2. Defined Terms.*** As used in this Certificate, the following terms shall have the following respective meanings:

(a) "*Public*" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

(b) "*Underwriter*" means (i) the Purchaser, (ii) any person that agrees pursuant to a written contract with the Purchaser to form an underwriting syndicate to participate in the initial sale of the Bonds to the Public, and (iii) any person that agrees pursuant to a written agreement with either the Purchaser or any other member of an underwriting syndicate for the Bonds to participate in the initial sale of the Bonds to the Public (such as a retail distribution agreement between a national

lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Bonds to the Public); and

(c) a "*Related Party*," to an Underwriter means a person that is a purchaser of the Bonds if such Underwriter and such person are subject, directly or indirectly, to (i) at least fifty percent (50%) common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than fifty percent (50%) common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than fifty percent (50%) common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

***3. Funding of Reserve Account.***

Based on our knowledge of the financial markets, the establishment and funding of the Reserve Account, Series 2020B in an amount equal to the 2020B Bonds Reserve Account Requirement (as described in the Official Statement with respect to the Series 2020B Bonds) was and is a vital and necessary factor in the marketing of the Bonds to the public at the yields and terms that the Bonds were sold.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Harris Beach PLLC, Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038, and other federal income tax advice it may give to the Issuer and the Company from time to time relating to the Bonds.

**[WINNING BIDDER]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: [ISSUE DATE]

**SCHEDULE A**

**EXPECTED REOFFERING PRICES**

**Alternative 2 – Competitive Sale Rule Not Satisfied**

**ISSUE PRICE CERTIFICATE**

**\$ \_\_\_\_\_**

**Suffolk County Water Authority**  
**New York**

**Water System Revenue Bonds, Series 2020B**

The undersigned, on behalf of [NAME OF WINNING BIDDER] (the "Purchaser") hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

***1. Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A attached hereto.

***2. Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) The Purchaser offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A hereto (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Notice of Sale and bid award with respect to the Bonds, the Purchaser has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

***3. Defined Terms.*** As used in this Certificate the following terms shall have the following respective meanings:

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which the Purchaser has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means Suffolk County Water Authority.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is April \_\_, 2020.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

**4. Funding of Reserve Account.**

Based on our knowledge of the financial markets, the establishment and funding of the Reserve Account, Series 2020B in an amount equal to the 2020B Bonds Reserve Account Requirement (as described in the Official Statement with respect to the Series 2020B Bonds) was and is a vital and necessary factor in the marketing of the Bonds to the public at the yields and terms that the Series 2020B Bonds were sold.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Harris Beach PLLC, Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038, and other federal income tax advice it may give to the Issuer and the Company from time to time relating to the Bonds.

**[WINNING BIDDER]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: [ISSUE DATE]

**SCHEDULE A**  
**SALE PRICES OF THE GENERAL RULE MATURITIES AND**  
**INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**  
*(Attached)*

**SCHEDULE B**  
**PRICING WIRE OR EQUIVALENT COMMUNICATION**  
*(Attached)*