

TENNESSEE LOCAL DEVELOPMENT AUTHORITY
FEBRUARY 10, 2017
AGENDA

1. Call Meeting to Order
2. Approval of Minutes from the TLDA meeting of November 29, 2016
3. Consider for approval the following DWSRF loans:

	SRF Base Loan	Principal Forgiveness	Total SRF Funding	Interest Rate
Castalian Springs Bethpage Water UD DW 5 2017-190	\$ 934,485	\$ 311,495	\$ 1,245,980	0.54%
Castalian Springs Bethpage Water UD DWF 2016-174	\$ 354,020	\$ -	\$ 354,020	0.54%
Gainesboro DG5 2016-183	\$ 486,112	\$ 162,038	\$ 648,150	0.69%

4. Adjourn

TENNESSEE LOCAL DEVELOPMENT AUTHORITY
November 29, 2016

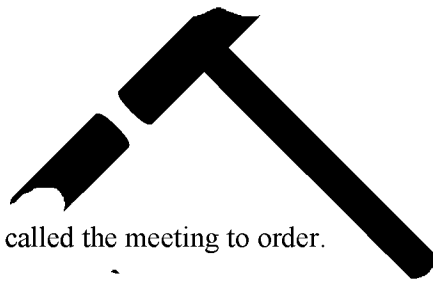
The Tennessee Local Development Authority (the "Authority" or "TLDA") met on Tuesday, November 29, 2016, at 11:00 a.m. in the Legislative Plaza, room LP-29, Nashville, Tennessee. The Honorable Tre Hargett, Secretary of State, was present and presided over the meeting.

The following members were also present:

The Honorable Justin Wilson, Comptroller of the Treasury
The Honorable David Lillard, State Treasurer
Commissioner Larry Martin, Department of Finance and Administration
Dr. Kenneth Moore, House Appointee

The following members were absent:

The Honorable Bill Haslam, Governor
Mr. Pat Wolfe, Senate Appointee



Recognizing a physical quorum present, Mr. Hargett called the meeting to order.

Mr. Hargett asked for a motion to approve the minutes of the September 21, 2016, TLDA meeting. Dr. Moore made a motion to approve the minutes, and Mr. Wilson seconded the motion. The minutes were unanimously approved.

Mr. Hargett asked Mr. Sherwin Smith, Director of the Tennessee Department of Environment and Conservation (TDEC) SRF program to present the request for a Clean Water State Revolving Fund (SRF) loan. Mr. Smith introduced Ms. Felicia Freeman, Senior Engineer with TDEC and stated she would present the loan request. Ms. Freeman first presented the unobligated fund balance. She stated the balance was \$122,362,688 as of August 11, 2016. This balance increased a total of \$39,729,444 from principal and interest repayments from borrowers, interest earnings on funds held in the State Pooled Investment Fund, the FY16 EPA capitalization grant (net of set-asides), the associated state-match dollars, and reductions to previous loans. Upon approval of the loan request to be presented, the funds available for loan obligations would decrease to \$161,981,714. She then described the loan request:

- Cleveland (CG3 2017-379)—Requesting \$110,418 (\$104,897.10 (95%) loan; \$5,520.90 (5%) principal forgiveness) for green water meter replacements—mobile communicator with video interactive display system; recommended interest rate of 0.88% based on the Ability to Pay Index (ATPI).

Mr. Lillard made a motion to approve the loan, and Mr. Wilson seconded the motion. The motion was unanimously approved.

Mr. Hargett once again recognized Ms. Freeman to present a request for a Drinking Water SRF loan. She first presented the unobligated fund balance. She stated the balance was \$50,382,210 as of September 21, 2016. The balance increased \$1,037,088 due to reductions to previous loans. Upon approved of the loan request to be presented, the funds available for loan obligation would decrease to \$49,954,798. She then described the loan request:

- Smith Utility District (DW5 2016-182)—Requesting \$1,464,500 (\$1,098,375 (75%) loan; \$366,125 (25%) principal forgiveness) for waterline replacements along Main Street and downtown/Cedar Street areas; recommended interest rate of 0.53% based on the ATPI.

Dr. Moore made a motion to approve the loan, and Mr. Hargett seconded the motion. The motion was unanimously approved.

Mr. Hargett stated that the next item was consideration of a request from the Poplar Grove Utility District (the "UD") to issue Waterworks Revenue and Refunding Bonds in an amount not to exceed \$6 million subordinate to its existing SRF loan (DG 14-147). Mr. Hargett recognized Ms. Sandi Thompson, Director of the Office of State and Local Finance ("OSLF") to present the request. Ms. Thompson stated that the OSLF had conducted an analysis and determined that the UD met all requirements set forth in the TLDA's policy and guidance for SRF borrowers (the "Policy and Guidance"). Mr. Wilson asked about the UD's debt service coverage. Ms. Thompson stated that the UD's ratio of net revenues to debt service (the "debt service coverage") was 1.78 times. Mr. Lillard made a motion to approve to request, and Mr. Hargett seconded the motion. The motion was unanimously approved.

Mr. Hargett stated that the next item on the agenda was consideration of a request from the City of Franklin (the "City") to issue Water and Sewer Revenue Bonds in an amount not to exceed \$12 million on parity with its existing SRF loans (CW 09-250, DW 09-097, DW 16-374, DW 16-367). He asked Ms. Thompson to present the request. Ms. Thompson stated that the OSLF has conducted an analysis, and the City met the criteria set forth in the Policy and Guidance. She stated that the City had voluntarily agreed to maintain 1.25 times debt service coverage; whereas, the Policy and Guidance only required a minimum of 1.2 times debt service coverage. Ms. Thompson stated that the City intends to borrow more from the SRF loan program soon. Mr. Hargett made a motion to approve the request, and Mr. Martin seconded the motion. Dr. Moore, who is also Mayor of the City, abstained due to a potential conflict of interest. All other members voted in favor of the request. The motion was approved.

Hearing no other business, Mr. Hargett adjourned the meeting.

Approved on this ____ day of _____, 2017.

Respectfully submitted,

Sandra Thompson
Assistant Secretary

DRAFT

DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF WATER RESOURCES

**Drinking Water State Revolving Fund (DWSRF) Loan Program
Funds Available for Loan Obligation
February 10, 2017**

Unobligated Balance as of November 29, 2016 **\$ 49,954,798**

<u>Increases:</u>	<u>Loan Number</u>	<u>Loan Amount</u>	
Early Payoff (see note below)	*	\$ 37,538	\$ 37,538

Unobligated Balance as of February 10, 2017 **\$ 49,992,336**

<u>Applicants:</u>	<u>Loan Number</u>	<u>Loan Amount</u>	
Castalian Springs-Bethpage Water Utility District (Subsidized @ \$311,495)	DW5 2017-190	\$ 1,245,980	
Castalian Springs-Bethpage Water Utility District	DWF 2016-174	\$ 354,020	
Gainesboro (Subsidized @ \$162,038)	DG5 2016-183	\$ 648,150	
		\$ 2,248,150	\$ 2,248,150

Remaining Funds Available for Loan Obligations **\$ 47,744,186**

* Change to previous loans

<u>Early Payoff</u>	<u>Loan Number</u>	<u>Amount</u>
Cookeville Boat Dock Rd Water Utility District	DG4 2015-157	\$ 37,538

FACT SHEET

FEBRUARY 10, 2017

Borrower: Castalian Springs-Bethpage Water Utility District
Population: 10,095
County: Sumner, Trousdale Counties
Consulting Engineer: Goodwyn, Mills and Cawood, Inc.,
Project Number: DW5 2017-190
Priority List Ranking/Points: 14(FY 2015)/45
Recommended Term: 20 years
Recommended Rate: $(1.98 \times 40\%) - (0.25\%) = 0.54\%$

Project Description: Replacement of approximately 55,500 linear feet of old water lines and the addition of approximately 640 automatic meter reading (AMR) transmitters and associated software

Total Project Cost: \$ 1,600,000

Sources of Funding:

SRF Loan Principal (75%)	\$ 934,485
Principal Forgiveness (25%)	\$ 311,495
Other Funds (DWF 2016-174)	\$ 354,020

Gross Revenues: \$ 2,468,188

Debt Service:

Prior Loans: (including SRF)	\$ 174,602	7.07%
Proposed Loan:	<u>\$ 67,981</u>	<u>2.75%</u>
Total:	\$ 242,583	9.82%

Residential User Charge: (5,000 gal/month)

Current Rate: \$ 56.00

Public Meeting: February 11, 2016

**REPRESENTATION OF THE LOCAL GOVERNMENT
AS TO OUTSTANDING LOANS
Castilian Springs Bethpage Water Utility District
DW5 2017-190**

The Local Government hereby represents that:

(1) The total amount of revenues of the system received by the Local Government in the prior fiscal year of the State is \$2,468,188.

(2) (a) The prior loans which have been funded for which the Local Government has pledged its revenues are as follows:

Loan Type	Loan #	Original \$/Amt.	Max: Annual Debt Service
USDA Rural Development Bonds	Series 2005	\$1,854,336	\$31,896
Waterworks Revenue Refunding Bonds	Series 2012	\$2,160,000	\$142,706

(b) The maximum aggregate annual debt service is \$174,602.

(3) (a) The loans which have been applied for or have been approved with funding not yet provided, for which the Local Government has pledged its revenues are as follows:

Loan Type	Anticipated Interest Rate	Original \$/Amt.	Principal Forgiveness	Anticipated Max. Annual Debt Service
SRF/Water	0.54%	\$354,020	-	\$18,678
SRF/Water	0.54%	\$1,245,980	\$311,495	\$49,303

(b) The anticipated maximum aggregate annual debt service is \$67,981.

- (4) The amount of Local Government indebtedness (Subparagraphs (2)(b) and (3)(b) having a lien on the revenues referred above is \$242,583.
- (5) The amount set forth in Subparagraph (1) less the amount set forth in Subparagraph (4) is \$2,225,605.

Duly signed by an authorized representative of the Local Government on this 8th day of December, 2016.

This is the Comptroller's certificate as required by TCA 4-31-108. The approval of the loan(s) is contingent upon approval by the Tennessee Local Development Agency.

LOCAL GOVERNMENT

BY: 
Steve Graves, President of the CSBWUD

FACT SHEET

FEBRUARY 10, 2017

Borrower: Castalian Springs-Bethpage Water Utility District

Population: 10,095

County: Sumner, ~~Trousdale~~ Counties

Consulting Engineer: Goodwyn, Mills and Cawood, Inc.,

Project Number: DWF 2016-174

Priority List Ranking/Points: 14(FY 2015)/45

Recommended Term: 20 years

Recommended Rate: $(1.98 \times 40\%) - (0.25\%) = 0.54\%$

Project Description: Replacement of approximately 55,500 linear feet of old water lines and the addition of approximately 640 automatic meter reading (AMR) transmitters and associated software

Total Project Cost: \$ 1,600,000

Sources of Funding:

SRF Loan Principal	\$ 354,020
Other Funds (DW5 2017-190)	\$ 1,245,980

Gross Revenues: \$ 2,468,188

Debt Service:

Prior Loans: (including SRF)	\$ 174,602	7.07%
Proposed Loan:	<u>\$ 67,981</u>	<u>2.75%</u>
Total:	\$ 242,583	9.82%

Residential User Charge: (5,000 gal/month)

Current Rate: \$ 56.00

Public Meeting: February 11, 2016

**REPRESENTATION OF THE LOCAL GOVERNMENT
AS TO OUTSTANDING LOANS
Castilian Springs Bethpage Water Utility District
DWF 2016-174**

The Local Government hereby represents that:

- (1) The total amount of revenues of the system received by the Local Government in the prior fiscal year of the State is \$2,468,188.
- (2) (a) The prior loans which have been funded for which the Local Government has pledged its revenues are as follows:

Loan Type	Loan #	Original \$/Amt.	Max: Annual Debt Service
USDA Rural Development Bonds	Series 2005	\$1,854,336	\$31,896
Waterworks Revenue Refunding Bonds	Series 2012	\$2,160,000	\$142,706

- (b) The maximum aggregate annual debt service is \$174,602.
- (3) (a) The loans which have been applied for or have been approved with funding not yet provided, for which the Local Government has pledged its revenues are as follows:

Loan Type	Anticipated Interest Rate	Original \$/Amt.	Principal Forgiveness	Anticipated Max. Annual Debt Service
SRF/Water	0.54%	\$354,020	-	\$18,678
SRF/Water	0.54%	\$1,245,980	\$311,495	\$49,303

- (b) The anticipated maximum aggregate annual debt service is \$67,981.

- (4) The amount of Local Government indebtedness (Subparagraphs (2)(b) and (3)(b) having a lien on the revenues referred above is \$242,583.
- (5) The amount set forth in Subparagraph (1) less the amount set forth in Subparagraph (4) is \$2,225,605.

Duly signed by an authorized representative of the Local Government on this 8th day of December, 2016.

This is the Comptroller's certificate as required by TCA 4-31-108. The approval of the loan(s) is contingent upon approval by the Tennessee Local Development Agency.

LOCAL GOVERNMENT

BY: 
Steve Graves, President of the CSBWUD

FACT SHEET

FEBRUARY 10, 2017

Borrower: **Gainesboro**
Population: **1,589**
County: Jackson County
Consulting Engineer: **James C. Hailey & Company**
Project Number: **DG5 2016-183**
Priority List Ranking/Points: **1(FY 2015)/85**
Recommended Term: 20 years
Recommended Rate: $(1.56 \times 60\%) - (0.25\%) = 0.69\%$

Project Description: Green-Water Meters and Waterline Replacements (Replace approximately 6,000 LF of waterlines, approximately 13,130 LF of service lines, 375 meters and 4 zone flow meters)

Total Project Cost: \$ 1,173,150

Sources of Funding:

SRF Loan Principal (75%)	\$ 486,112
Principal Forgiveness (25%)	\$ 162,038
Local Funds	\$ -0-
Other Funds (CDBG)	\$ 525,000

State-Shared Taxes: \$ 119,585

Debt Service:

Prior Loans: (including SRF)	\$ -0-	0%
Proposed Loan:	\$ 26,028	21.77%
Total:	\$ 26,028	21.77%

Residential User Charge: (5,000 gal/month)

Current Rate: \$ 51.00

Public Meeting: July 07, 2016

**REPRESENTATION OF THE LOCAL GOVERNMENT
AS TO LOANS AND STATE-SHARED TAXES
Gainesboro DG5 2016-183**

The Local Government hereby represents that.

- (1) The total amount of State-Shared Taxes received by the Local Government in the prior fiscal year of the State is \$119,585.

- (2) (a) The prior loans which have been funded for which the Local Government has pledged its State-Shared Taxes are as follows:

Loan Type	Loan #	Original \$/Amt	Principal Forgiveness	Max: Annual Debt Service
N/A				

- (b) The maximum aggregate annual debt service is \$0.

- (3) (a) The loans which have been applied for or have been approved with funding not yet provided, for which the Local Government has pledged its State-Shared Taxes are as follows:

Loan Type	Anticipated Interest Rate	Original \$/Amt	Principal Forgiveness	Anticipated Max. Annual Debt Service
SRF/Water	0.69%	\$648,150	\$162,038	\$26,028

- (b) The anticipated maximum aggregate annual debt service is \$26,028.

- (4) (a) State-Shared Taxes have been pledged by the Local Government to secure other obligations describe below:

Type of Obligation	Identifying #	Original \$/Amt	Max. Annual Pledge of State-Shared Taxes
N/A			

- (b) The anticipated maximum aggregate annual pledge of State-Shared Taxes pursuant of other obligations is \$0.

- (5) The amount of Local Government indebtedness Subparagraphs (2)(b), (3)(b) and (4)(b) having a lien on the State-Shared Taxes referred above is \$26,028.

- (6) The amount set forth in Subparagraph (1) less the amount set forth in Subparagraph (5) is \$93,557.

* Gainesboro is under the jurisdiction of the WWFB for financial distress.

Duly signed by an authorized representative of the Local Government on this 1st day of December, 2016.

This is the Comptroller's certificate as required by TCA 4-31-108. The approval of the loan(s) is contingent upon approval by the Tennessee Local Development Agency.

LOCAL GOVERNMENT

BY: 
Lloyd F. Williams, Mayor