

**TENNESSEE LOCAL DEVELOPMENT AUTHORITY**  
**JANUARY 25, 2018**  
**AGENDA**

1. Call Meeting to Order
2. Approval of Minutes from the TLDA meeting of December 19, 2017
3. Report on the Town of Smyrna's delayed SRF project (DW4 15-154 & DWF 14-153)
4. Consider for approval the following CWSRF loans:

	SRF Base Loan	Principal Forgiveness	Total SRF Funding	Interest Rate
Chattanooga, CW6 2018-405	\$ 900,000	\$ 100,000	\$ 1,000,000	1.53%
Chattanooga, SRF 2018-406	\$ 17,100,000	\$ -	\$ 17,100,000	1.53%
Fayetteville, CW6 2018-407	\$ 900,000	\$ 100,000	\$ 1,000,000	1.31%
Fayetteville, SRF 2018-408	\$ 3,000,000	\$ -	\$ 3,000,000	1.31%
Hamilton County WWTa, SRF 2017-393	\$ 7,310,000	\$ -	\$ 7,310,000	1.74%
Hamilton County WWTa, SRF 2018-413	\$ 1,560,000	\$ -	\$ 1,560,000	0.82%
Humboldt, SRF 2018-411	\$ 540,000	\$ -	\$ 540,000	0.29%
Lenior City, CG5 2018-402	\$ 1,105,000	\$ 195,000	\$ 1,300,000	1.24%
Oliver Springs, SRF 2018-404	\$ 185,000	\$ -	\$ 185,000	0.61%
Westmoreland, SRF 2018-403	\$ 210,000	\$ -	\$ 210,000	0.11%

5. Consider for approval the following DWSRF loans:

	SRF Base Loan	Principal Forgiveness	Total SRF Funding	Interest Rate
Brighton, DW6 2018-201	\$ 558,720	\$ 139,680	\$ 698,400	0.39%
Cleveland, DWF 2018-205	\$ 430,000	\$ -	\$ 430,000	1.31%
Parsons, DWF 2018-204	\$ 587,000	\$ -	\$ 587,000	0.82%

6. Request from Hallsdale-Powell Utility District to waive the enforcement of requirement 7(m) set forth in its loan agreements requiring that the audit for 2017 be filed by September 30, 2017
7. Request for approval from the Hallsdale-Powell Utility District to issue USDA Rural Development Bonds in an amount not to exceed \$24,950,000 in three tranches of \$9,500,000, \$7,725,000 and \$7,725,000 subordinate to its SRF loans.
8. Approval of Assignment of Contract for Financial Advisory Services – PFM Financial Advisors LLC (PFMFA)
9. Adjourn

**TENNESSEE LOCAL DEVELOPMENT AUTHORITY**  
**December 19, 2017**

The Tennessee Local Development Authority (the Authority or TLDA) met on Tuesday, December 19, 2017, at 11:45 a.m. in the Executive Conference Room, Ground Floor, State Capitol, 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, Jr., State Treasurer  
Commissioner Larry Martin, Department of Finance and Administration

The following members participated telephonically as authorized by Tennessee Code Annotated Section 8-44-108 and as posted in the meeting notice:

Mr. Pat Wolfe, Senate Appointee\*  
Dr. Kenneth Moore, House Appointee

The following member was absent:

The Honorable Bill Haslam, Governor

Recognizing a physical quorum present, Mr. Hargett called the meeting to order, and asked Ms. Sandra Thompson, Director of the Office of State and Local Finance to call the roll.

Dr. Moore—Present  
Mr. Martin—Present  
Mr. Lillard—Present  
Mr. Wilson—Present  
Mr. Hargett—Present

Mr. Hargett stated that the next item on the agenda was approval of the minutes of the November 11, 2017 meeting and corrections to the minutes of the June 22 and August 17, 2017 meetings. Mr. Hargett asked for a motion to approve the minutes and accept the corrections. Dr. Moore made a motion, and Mr. Wilson seconded the motion. Ms. Thompson performed a roll-call vote:

Dr. Moore—Yes  
Mr. Martin—Yes  
Mr. Lillard--Yes  
Mr. Wilson—Yes  
Mr. Hargett—Yes

The minutes were unanimously approved.<sup>i</sup>

Mr. Hargett asked Ms. Alexa Voytek, Program Manager, with the Tennessee Department of Environment and Conservation (TDEC), Office of Energy Programs (OEP) to provide an update on the Qualified Energy Conservation Bond (QECB) program. Ms. Voytek stated that on December 7, 2017, TDEC's OEP received a letter from the City of Chattanooga requesting to reallocate the City's Large Local Jurisdiction allocation back to the State. She noted that the letter incorrectly stated the amount to be reallocated was \$1,760,919 leaving an unallocated balance of \$7,000 and that OEP had requested a revised letter to reallocate the \$7,000 back to the State. Ms. Voytek also provided an updated on the Tax Cuts and Jobs Act (the Act) that was introduced into the U.S. House of

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<sup>\*i</sup> Mr. Pat Wolfe joined the meeting telephonically at approximately 11:46 a.m.

Representatives on November 2, 2017. The Act proposed a prohibition on the issuance of certain tax credit or interest subsidy bonds, to include QECBs. Ms. Voytek stated that the Act passed on December 16 and would impact the QECB program. Ms. Voytek stated that the prohibition would apply to bonds issued after December 31, 2017. Mr. Wilson asked if OEP contemplated any QECBs to be issued. Ms. Voytek responded that there were no planned issuances. There were no further questions or comments.

Mr. Hargett stated that the next agenda item was consideration of a request from the Hallsdale-Powell Utility District (the District) for the TLDA to waive requirement 7(m) set forth in its loan agreements requiring that the audit for 2017 be filed by September 30, 2017. Mr. Hargett recognized Ms. Thompson to present the request. Ms. Thompson stated that the District's audit for fiscal year 2017 was not filed by the deadline of September 30, 2017, and that that the District's loan agreements and TLDA policy require them to be filed within 6 months of the fiscal year end in order to issue additional debt payable from the revenues of its system. Therefore, the District was requesting a waiver of this requirement to proceed with its debt issuance request. Mr. Hargett asked if the District's counsel was present. Mr. Alex Buchanan, with Waller Lansden Dortch & Davis, LLP, identified himself as the District's counsel. (Other attorneys present at this meeting were Ms. Emily Urban with TDEC's Office of General Counsel and Mr. David Burn and Mr. Ryan Lee with the Attorney General's Office.) Mr. Hargett stated that he had reviewed the waiver request letter and another letter from Mr. James Smith, the District's Chief Financial Officer, concerning an extension request submitted to Local Government Audit (LGA). Mr. Hargett stated that the State does not grant extensions for contracted filing deadlines, and asked Mr. Buchanan if the District understood this. Mr. Buchanan responded that the District now understood. (A letter dated December 18, 2017, was sent to Mr. Smith from Mr. Jerry Durham, Assistant Director of LGA to clarify that there is not a provision in the audit contract for filing reports more than six months after the fiscal year end. A copy of the letter was included in the meeting materials.) Mr. Hargett stated that this was an unusual situation and that the State did not want to hinder the District from issuing additional debt intended to benefit the community it serves; however, the law dictates a filing deadline and it is important that the District follow the law. He asked Mr. Buchanan to communicate this message to the District. Mr. Buchanan asked for clarification on the six-month filing requirement and if it was a State or federal requirement. He noted that federal law allows a nine-month period for submission of annual reports. Mr. Hargett asked Mr. Burn to respond. Mr. Burn stated he believed that the six-month period was a requirement of LGA. Mr. Wilson clarified that the Single Audit Act, which allows audit reports to be filed within nine months of an entity's fiscal year end, is a federal law, but federal law does not control State law. Mr. Lillard asked if there was a limit on the waiver request. Ms. Thompson responded that the District's request letter stated that the waiver request was limited the filing of the report for fiscal year 2017 only. Ms. Thompson stated that the audit had been filed with LGA on November 1, 2017. Mr. Martin asked if there was a need for a waiver to be granted since the report was filed with LGA prior to the date of this meeting and if the Authority should only need to acknowledge that the report had been filed. Mr. Burn responded that a waiver is necessary because the loan agreements and TLDA policy require timely submission of the audit report for the District to be able to issue additional debt and that the TLDA could not approve the District's debt issuance request without the waiver. Mr. Wilson made a motion to waive the enforcement of requirement 7(m) in the District's loan agreements and to limit the waiver to the refunding request presented at this meeting. Mr. Hargett seconded the motion. Dr. Moore asked if the federal tax bill would eliminate all refundings. Mr. Wilson responded that not all refundings would be eliminated, but the legislation would eliminate advanced refundings. Ms. Thompson performed a roll-call vote:

Dr. Moore—Yes  
Mr. Wolfe—Yes  
Mr. Martin--Yes  
Mr. Lillard—Yes  
Mr. Wilson—Yes  
Mr. Hargett—Yes

The motion was unanimously approved.

Mr. Hargett asked Ms. Thompson to present the next request from the District. Ms. Thompson stated that the District was requesting to issue refunding bonds in an amount not to exceed \$20,000,000 and to subordinate the lien position of its SRF loans. Ms. Thompson stated that the debt to be refunded is currently senior to the SRF loans, so the lien

position of the debt would remain the same upon approval of this request. Ms. Thompson stated that the Office of State and Local Finance had conducted a review and determined that the District had meet all requirements to issue additional debt set forth in its loan agreements and in TLDA policy except for timely filing of its 2017 audit. Ms. Thompson stated that based on the review the District has sufficient cash and revenues to meet its debt obligations and appears to meet TLDA guidelines for approval to issue additional debt except for the late filing of its audit. Mr. Wilson asked if the refunding extended the maturity of the debt. Ms. Thompson replied that it did not. Mr. Hargett moved approval of the request, and Mr. Wilson seconded the motion. Mr. Hargett asked if there were any further discussion. There was none. Ms. Thompson performed a roll-call vote:

Dr. Moore—Yes  
Mr. Wolfe—Yes  
Mr. Martin--Yes  
Mr. Lillard—Yes  
Mr. Wilson—Yes  
Mr. Hargett—Yes

The motion was unanimously approved.

Hearing no other business, Mr. Hargett asked for a motion to adjourn. Mr. Wilson made a motion to adjourn, and Mr. Martin seconded the motion. Ms. Thompson performed a roll-call vote:

Dr. Moore—Yes  
Mr. Wolfe—Yes  
Mr. Martin--Yes  
Mr. Lillard—Yes  
Mr. Wilson—Yes  
Mr. Hargett—Yes

The meeting was adjourned.

Approved on this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

Respectfully submitted,

Sandra Thompson  
Assistant Secretary



DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
DIVISION OF WATER RESOURCES

**Clean Water State Revolving Fund (CWSRF) Loan Program**  
**Funds Available for Loan Obligation**  
**January 25, 2018**

**Unobligated Balance as of November 8, 2017** **\$ 92,022,318**

**Increases:**

Early Payoff (See Note Below)	*	\$	642,458	
Loan Decreases (See note below)	**	\$	1,729,289	
			\$	2,371,747

**Unobligated Balance as of January 25, 2018** **\$ 94,394,065**

**Applicants:**

	<u>Loan Number</u>	<u>Loan Amount</u>		
Chattanooga (Subsidized @ \$100,000)	CW6 2018-405	\$	1,000,000	
Chattanooga	SRF 2018-406	\$	17,100,000	
Fayetteville (Subsidized @ \$100,000)	CW6 2018-407	\$	1,000,000	
Fayetteville	SRF 2018-408	\$	3,000,000	
Hamilton County Water & Wastewater Treatment Auth	SRF 2017-393	\$	7,310,000	
Hamilton County Water & Wastewater Treatment Auth	SRF 2018-413	\$	1,560,000	
Humboldt	SRF 2018-411	\$	540,000	
Lenoir City (Subsidized @ \$195,000)	CG5 2018-402	\$	1,300,000	
Oliver Springs	SRF 2018-404	\$	185,000	
Westmoreland	SRF 2018-403	\$	210,000	
			\$	33,205,000

**Remaining Funds Available for Loan Obligations** **\$ 61,189,065**

Adjustments to Prior Loans

\* Early Payoff

White House (CG0 2011-278)		\$	642,458	
			\$	642,458

\*\* Loan Decreases

Etowah	SRF 2015-347	\$	197,978	
Jamestown	CG0 2012-299	\$	1,531,311	
			\$	1,729,289

# FACT SHEET

JANUARY 25, 2018

**Borrower:** City of Chattanooga  
**Population:** 167,674  
**County:** Hamilton County  
**Consulting Engineer:** Jacobs Engineering Group, Inc  
**Project Number:** CW6 2018-405  
**Priority List Ranking/Points:** 8,9,45 (FY 2017)/115.3, 115.3, 30  
**Recommended Term:** 20 years  
**Recommended Rate:**  $(2.23 \times 80\%) - (0.25\%) = 1.53\%$

**Project Description:** Moccasin Bend WWTP and CSOTF Improvements (Rehabilitation of the gravity thickeners, thickener pumping station, and grinder units; replacement of the grinder pumps; rehabilitation of the dewatering building; new 1.1 MG sludge holding tank and additional centrifuges; and the construction of a 10MG sewer storage tank).

**Total Project Cost:** \$ 18,100,000

## Sources of Funding:

SRF Loan Principal (90%)	\$ 900,000
SRF Principal Forgiveness (10%)	\$ 100,000
Other Funds (SRF 2018-406)	\$ 17,100,000

**State-Shared Taxes:** \$ 27,091,024

## Debt Service:

Prior Loans: (including SRF)	\$ 12,877,377	47.53%
Proposed Loan:	<u>\$ 1,045,281</u>	<u>3.86%</u>
Total:	\$ 13,922,658	51.39%

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

Current Rate: \$ 46.90

**Public Meeting:** September 19, 2017

**REPRESENTATION OF THE LOCAL GOVERNMENT  
AS TO LOANS AND STATE-SHARED TAXES  
City of Chattanooga  
CW6 2018-405**

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 \$27,091,024.
- (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	Max: Annual Debt Service
SRF/Sewer	2003-168	\$40,582,809	\$2,617,872
SRF/Sewer	2007-204	\$13,000,000	\$848,868
SRF/Sewer	2011-289	\$20,000,000	\$1,214,124
SRF/Sewer	2012-307	\$33,100,000	\$1,853,404
SRF/Sewer	2013-318	\$66,800,000	\$3,931,074
SRF/Sewer	2016-356	\$42,500,000	\$2,412,035

- (b) The maximum aggregate annual debt service is \$12,877,377.
- (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
<b>SRF/Sewer</b>	<b>1.53%</b>	<b>\$1,000,000</b>	<b>\$100,000</b>	<b>\$52,264</b>
SRF/Sewer	1.53%	\$17,100,000	\$0	\$993,017

- (b) The anticipated maximum aggregate annual debt service is \$1,045,281.
- (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 \$13,922,658.
- (6) The amount set forth in Subparagraph (1) less the amount set forth in Subparagraph (5) is \$13,168,366.

Duly signed by an authorized representative of the Local Government on this 7<sup>th</sup> day of November, 2017.

*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 Authority.*

LOCAL GOVERNMENT

BY: 

Daisy W. Madison, Chief Finance Officer

# FACT SHEET

JANUARY 25, 2018

**Borrower:** City of Chattanooga  
**Population:** 167,674  
**County:** Hamilton County  
**Consulting Engineer:** Jacobs Engineering Group, Inc  
**Project Number:** SRF 2018-406  
**Priority List Ranking/Points:** 8,9,45 (FY 2017)/115.3, 115.3, 30  
**Recommended Term:** 20 years  
**Recommended Rate:**  $(2.23 \times 80\%) - (0.25\%) = 1.53\%$

**Project Description:** Moccasin Bend WWTP and CSOTF Improvements (Rehabilitation of the gravity thickeners, thickener pumping station, and grinder units; replacement of the grinder pumps; rehabilitation of the dewatering building; new 1.1 MG sludge holding tank and additional centrifuges; and the construction of a 10MG sewer storage tank).

**Total Project Cost:** \$ 18,100,000

**Sources of Funding:**

SRF Loan Principal	\$ 17,100,000
Other Funds (CW6 2018-405)	\$ 1,000,000

**State-Shared Taxes:** \$ 27,091,024

**Debt Service:**

Prior Loans: (including SRF)	\$ 12,877,377	47.53%
Proposed Loan:	<u>\$ 1,045,281</u>	<u>3.86%</u>
Total:	\$ 13,922,658	51.39%

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

Current Rate: \$ 46.90

**Public Meeting:** September 19, 2017

**REPRESENTATION OF THE LOCAL GOVERNMENT  
AS TO LOANS AND STATE-SHARED TAXES**

**City of Chattanooga  
SRF 2018-406**

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 \$27,091,024.
- (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	Max: Annual Debt Service
SRF/Sewer	2003-168	\$40,582,809	\$2,617,872
SRF/Sewer	2007-204	\$13,000,000	\$848,868
SRF/Sewer	2011-289	\$20,000,000	\$1,214,124
SRF/Sewer	2012-307	\$33,100,000	\$1,853,404
SRF/Sewer	2013-318	\$66,800,000	\$3,931,074
SRF/Sewer	2016-356	\$42,500,000	\$2,412,035

- (b) The maximum aggregate annual debt service is \$12,877,377.

- (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/Sewer	1.53%	\$1,000,000	\$100,000	\$52,264
<b>SRF/Sewer</b>	<b>1.53%</b>	<b>\$17,100,000</b>	<b>\$0</b>	<b>\$993,017</b>

- (b) The anticipated maximum aggregate annual debt service is \$1,045,281.

- (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 \$13,922,658.
- (6) The amount set forth in Subparagraph (1) less the amount set forth in Subparagraph (5) is \$13,168,366.

Duly signed by an authorized representative of the Local Government on this 7th day of November, 2017.

*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 Authority.*

LOCAL GOVERNMENT

BY:

Daisy W. Madison  
Daisy W. Madison, Chief Finance Officer

# FACT SHEET

JANUARY 25, 2018

**Borrower:** City of Fayetteville  
**Population:** 6,827  
**County:** Lincoln County  
**Consulting Engineer:** Trestles  
**Project Number:** CW6 2018-407  
**Priority List Ranking/Points:** 47 (FY 2016)/30  
**Recommended Term:** 20 years  
**Recommended Rate:**  $(2.23 \times 70\%) - (0.25\%) = 1.31\%$   
**Project Description:** I/I Correction ( City Wide Rehabilitation)

**Total Project Cost:** \$ 4,000,000

## Sources of Funding:

SRF Loan Principal (90%)	\$ 900,000
SRF Principal Forgiveness (10%)	\$ 100,000
Other Funds (SRF 2018-408)	\$ 3,000,000

**State-Shared Taxes:** \$ 968,444

## Debt Service:

Prior Loans: (including SRF)	\$ 1,008,556	104.14%
Proposed Loan:	\$ 221,765	22.90%
Total:	\$ 1,230,321	127.04%

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

Current Rate: \$ 51.04

**Public Meeting:** September 25, 2017

**REPRESENTATION OF THE LOCAL GOVERNMENT  
AS TO LOANS AND STATE-SHARED TAXES  
City of Fayetteville  
CW6 2018-407**

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 \$968,444.
- (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 Forgiven	Max: Annual Debt Service
URLP	496003-00	\$2,070,465	\$0	\$158,173
SRF/Sewer	CW0 2013-315	\$972,360	\$240,173	\$41,076
SRF/Sewer	CG1 2013-316	\$4,300,000	\$430,000	\$217,086
SRF/Sewer	CG4 2015-350	\$4,000,000	\$280,000	\$212,952
SRF/Sewer	CG2 2015-351	\$1,700,000	\$0	\$97,317
SRF/Water	DWF 2016-175	\$5,050,000	\$0	\$281,952

- (b) The maximum aggregate annual debt service is \$1,008,556.
- (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
<b>SRF/Sewer</b>	<b>1.31%</b>	<b>\$1,000,000</b>	<b>\$100,000</b>	<b>\$51,177</b>
SRF/Sewer	1.31%	\$3,000,000	\$0	\$170,588

- (b) The anticipated maximum aggregate annual debt service is \$221,765.
- (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 \$1,230,321.

- (6) The amount set forth in Subparagraph (1) less the amount set forth in Subparagraph (5) is \$(261,877).

Duly signed by an authorized representative of the Local Government on this 29<sup>th</sup> day of November, 2017.

*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 Authority.*

LOCAL GOVERNMENT

BY: 

Jonathon D. Law, the Honorable Mayor

# FACT SHEET

JANUARY 25, 2018

**Borrower:** City of Fayetteville  
**Population:** 6,827  
**County:** Lincoln County  
**Consulting Engineer:** Trestles  
**Project Number:** SRF 2018-408  
**Priority List Ranking/Points:** 47 (FY 2016)/30  
**Recommended Term:** 20 years  
**Recommended Rate:**  $(2.23 \times 70\%) - (0.25\%) = 1.31\%$   
**Project Description:** I/I Correction ( City Wide Rehabilitation)

**Total Project Cost:** \$ 4,000,000

**Sources of Funding:**

SRF Loan Principal	\$ 3,000,000
Other Funds (CG6 2017-407)	\$ 1,000,000

**State-Shared Taxes:** \$ 968,444

**Debt Service:**

Prior Loans: (including SRF)	\$ 1,008,556	104.14%
Proposed Loan:	<u>\$ 221,765</u>	<u>22.90%</u>
Total:	\$ 1,230,321	127.04%

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

Current Rate: \$ 51.04

**Public Meeting:** September 25, 2017

**REPRESENTATION OF THE LOCAL GOVERNMENT  
AS TO LOANS AND STATE-SHARED TAXES  
City of Fayetteville  
SRF 2018-408**

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 \$968,444.
- (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 Forgiven	Max: Annual Debt Service
URLP	496003-00	\$2,070,465	\$0	\$158,173
SRF/Sewer	CW0 2013-315	\$972,360	\$240,173	\$41,076
SRF/Sewer	CG1 2013-316	\$4,300,000	\$430,000	\$217,086
SRF/Sewer	CG4 2015-350	\$4,000,000	\$280,000	\$212,952
SRF/Sewer	CG2 2015-351	\$1,700,000	\$0	\$97,317
SRF/Water	DWF 2016-175	\$5,050,000	\$0	\$281,952

- (b) The maximum aggregate annual debt service is \$1,008,556.
- (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/Sewer	1.31%	\$1,000,000	\$100,000	\$51,177
<b>SRF/Sewer</b>	<b>1.31%</b>	<b>\$3,000,000</b>	<b>\$0</b>	<b>\$170,588</b>

- (b) The anticipated maximum aggregate annual debt service is \$221,765.
- (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 \$1,230,321.



- (6) The amount set forth in Subparagraph (1) less the amount set forth in Subparagraph (5) is \$(261,877).

Duly signed by an authorized representative of the Local Government on this 29<sup>th</sup> day of November, 2017.

*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 Authority.*

LOCAL GOVERNMENT

BY: Jonathon D. Law

Jonathon D. Law, the Honorable Mayor

# FACT SHEET

JANUARY 25, 2018

**Borrower:** Hamilton County WWTa

**Population:** 336,463

**County:** Hamilton County

**Consulting Engineer:** S&ME Company

**Project Number:** SRF 2017-393

**Priority List Ranking/Points:** 42(FY 2016)/30

**Recommended Term:** 20 years

**Recommended Rate:**  $(2.21\% \times 90\%) - (0.25\%) = 1.74\%$

**Project Description:** East Ridge Sewer Basin I/I Correction Project

**Total Project Cost:** \$ 7,310,000

**Sources of Funding:**

SRF Loan Principal	\$ 7,310,000
Other Funds	\$ -0-

**Gross Revenues:** \$ 18,537,700

**Debt Service:**

Prior Loans: (including SRF)	\$ 1,532,445	8.27%
Proposed Loan:	<u>\$ 751,586</u>	<u>4.05%</u>
Total:	\$ 2,284,031	12.32%

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

Current Rate: \$ 51.50

**Public Meeting:** September 18, 2017

**REPRESENTATION OF THE LOCAL GOVERNMENT  
AS TO OUTSTANDING LOANS  
Hamilton County WWTa SRF 2017-393**

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 \$18,537,700.
- (2) (a) The prior loans which have been funded for which the Local Government has pledged its revenues are as follows:

Loan Type	Loan #	Loan Amount	Principal Forgiven	Max. Annual Debt Service
Collegedale (non PSLP)	SRF 98-114	\$439,223	\$0	\$27,663
Red Bank (non-PSLP)	SRF 97-108	\$6,917,000	\$0	\$477,852
2011 Refunding Bond (non-PSLP)	30065478	\$9,807,497	\$0	\$543,578
SRF / Sewer	SRF 2012-298	\$6,000,000	\$1,200,000	\$282,744
SRF / Sewer	SRF 2013-323	\$4,000,000	\$400,000	\$200,608

- (b) The maximum aggregate annual debt service is \$1,532,445.
- (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	Loan Amount	Principal Forgiven	Anticipated Max. Annual Debt Service
<b>SRF / Sewer</b>	<b>1.74%</b>	<b>\$7,310,000</b>	<b>\$0</b>	<b>\$433,040</b>
SRF / Sewer	0.82%	\$1,560,000	\$0	\$318,546

- (b) The anticipated maximum aggregate annual debt service is \$751,586.
- (4) The amount of Local Government indebtedness (Subparagraphs (2)(b) and (3)(b), having a lien on the revenues referred above is \$2,284,031.
- (5) The amount set forth in (1) less the amount set forth in Paragraph (4) is \$16,253,669.

Duly signed by an authorized representative of the Local Government on this 15<sup>th</sup> day of December, 2017.

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

LOCAL GOVERNMENT

Acknowledged by: 

**Mark Harrison, Executive Director**

# FACT SHEET

JANUARY 25, 2018

**Borrower:** Hamilton County WWTa

**Population:** 336,463

**County:** Hamilton County

**Consulting Engineer:** S&ME Company

**Project Number:** SRF 2018-413

**Priority List Ranking/Points:** 48(FY 2017)/30

**Recommended Term:** 5 years

**Recommended Rate:**  $(1.19\% \times 90\%) - (0.25\%) = 0.82\%$

**Project Description:** I/I Correction (Sanitary Sewer Evaluation Survey in Signal Mountain, Red Bank, Lookout Mountain, East Ridge, and unincorporated Hamilton County Areas) Planning Only.

**Total Project Cost:** \$ 1,560,000

**Sources of Funding:**

SRF Loan Principal \$ 1,560,000

Other Funds \$ -0-

**Gross Revenues:** \$ 18,537,700

**Debt Service:**

Prior Loans: (including SRF)	\$ 1,532,445	8.27%
Proposed Loan:	\$ 751,586	4.05%
Total:	\$ 2,284,031	12.32%

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

Current Rate: \$ 51.50

**Public Meeting:** September 19, 2017

**REPRESENTATION OF THE LOCAL GOVERNMENT  
AS TO OUTSTANDING LOANS  
Hamilton County WWTa SRF 2018-413**

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 \$18,537,700.
- (2) (a) The prior loans which have been funded for which the Local Government has pledged its revenues are as follows:

Loan Type	Loan #	Loan Amount	Principal Forgiven	Max. Annual Debt Service
Collegedale (non PSLP)	SRF 98-114	\$439,223	\$0	\$27,663
Red Bank (non-PSLP)	SRF 97-108	\$6,917,000	\$0	\$477,852
2011 Refunding Bond (non-PSLP)	30065478	\$9,807,497	\$0	\$543,578
SRF / Sewer	SRF 2012-298	\$6,000,000	\$1,200,000	\$282,744
SRF / Sewer	SRF 2013-323	\$4,000,000	\$400,000	\$200,608

- (b) The maximum aggregate annual debt service is \$1,532,445.

- (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	Loan Amount	Principal Forgiven	Anticipated Max. Annual Debt Service
SRF / Sewer	1.74%	\$7,310,000	\$0	\$433,040
SRF / Sewer	0.82%	\$1,560,000	\$0	\$318,546

- (b) The anticipated maximum aggregate annual debt service is \$751,586.

- (4) The amount of Local Government indebtedness (Subparagraphs (2)(b) and (3)(b), having a lien on the revenues referred above is \$2,284,031.
- (5) The amount set forth in (1) less the amount set forth in Paragraph (4) is \$16,253,669.



Duly signed by an authorized representative of the Local Government on this 15<sup>th</sup> day of December, 2017.

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

LOCAL GOVERNMENT

Acknowledged by: 

**Mark Harrison, Executive Director**

# FACT SHEET

JANUARY 25, 2018

**Borrower:** City of Humboldt

**Population:** 8,452

**County:** Gibson County

**Consulting Engineer:** J. R. Wauford & Company, Consulting Engineers, Inc.

**Project Number:** SRF 2018-411

**Priority List Ranking/Points:** 13 (FY 2017)/111.2

**Recommended Term:** 5 years

**Recommended Rate:**  $(1.08 \times 50\%) - (.25\%) = 0.29\%$

**Project Description:** WWTP Improvements – Advanced Treatment (Phase 2 – WWTP Renovation) Planning and Design loan..

**Total Project Cost:** \$ 540,000

**Sources of Funding:**

SRF Loan Principal	\$ 540,000
Other Funds	\$ -0-
Local Funds	\$ -0-

**State-Shared Taxes:** \$ 1,078,403

**Debt Service:**

Prior Loans: (including SRF)	\$ 234,885	21.78%
Proposed Loan:	<u>\$ 108,798</u>	<u>10.09%</u>
Total:	\$ 343,683	31.87%

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

Current Rate: \$ 27.25

**Public Meeting:** November 21, 2017

**REPRESENTATION OF THE LOCAL GOVERNMENT  
AS TO LOANS AND STATE-SHARED TAXES  
Humboldt SRF 2018-411**

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 \$1,078,403.
- (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	Max: Annual Debt Service
SRF/Sewer	SRF 2011-278	\$1,320,000	\$76,440
QZAB	Z08	\$2,207,628	\$158,445

- (b) The maximum aggregate annual debt service is \$234,885.
- (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	Anticipated Max. Annual Debt Service
SRF/Sewer	0.29%	\$540,000	\$108,798

- (b) The anticipated maximum aggregate annual debt service is \$108,798.
- (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 \$343,683.
- (6) The amount set forth in Subparagraph (1) less the amount set forth in Subparagraph (5) is \$734,720.

Duly signed by an authorized representative of the Local Government on this 11 day of January, 2017.

*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 Authority.*

LOCAL GOVERNMENT

BY:



Alex Smith, General Manager

# FACT SHEET

JANUARY 25, 2018

**Borrower:** City of Lenoir City  
**Population:** 8,642  
**County:** Loudon County  
**Consulting Engineer:** Fulghum, MacIndoe, & Associates, Inc  
**Project Number:** CG5 2018-402  
**Priority List Ranking/Points:** 50, 51 (FY 2014)/30  
**Recommended Term:** 20 years  
**Recommended Rate:**  $(2.13 \times 70\%) - (0.25\%) = 1.24\%$   
**Project Description:** I/I Correction ( Phase I – SSES and Phase II – Collection System Rehabilitation)

**Total Project Cost:** \$ 3,133,160

**Sources of Funding:**

SRF Loan Principal (85%)	\$ 1,105,000
SRF Principal Forgiveness (15%)	\$ 195,000
Other Funds (SRF 2015-342)	\$ 1,833,160

**State-Shared Taxes:** \$ 1,212,475

**Debt Service:**

Prior Loans: (including SRF)	\$ 1,112,271	91.73%
Proposed Loan:	\$ 62,412	5.15%
Total:	\$ 1,174,683	96.88%

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

Current Rate: \$ 46.80

**Public Meeting:** February 12, 2015

**REPRESENTATION OF THE LOCAL GOVERNMENT  
AS TO LOANS AND STATE-SHARED TAXES  
Lenoir City, CG5 2018-402**

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 \$1,212,475.
- (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 Forgiven	Max. Annual Debt Service
SRF/Sewer	SRF 96-095	\$1,006,686	\$0	\$63,132
SRF/Sewer	SRF 99-126	\$454,818	\$0	\$28,212
SRF/Sewer	SRF 01-155	\$823,407	\$0	\$51,216
SRF/Sewer	SRF 06-191	\$1,136,050	\$0	\$66,408
SRF/Sewer	SRF 08-218	\$11,513,607	\$0	\$664,800
SRF/Sewer	CGA 09-238	\$2,675,611	\$1,070,244	\$105,636
SRF/Sewer	SRF 15-342	\$1,833,160	\$0	\$104,439
SRF/Water	DWF 00-035	\$469,029	\$0	\$28,428

- (b) The maximum aggregate annual debt service is \$1,112,271.
- (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 Forgiven	Anticipated Max. Annual Debt Service
SRF/Sewer	1.24%	\$1,300,000	\$195,000	\$62,412

- (b) The anticipated maximum aggregate annual debt service is \$62,412.
- (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 \$1,174,683.
- (6) The amount set forth in Subparagraph (1) less the amount set forth in Subparagraph (5) is \$37,792.

Duly signed by an authorized representative of the Local Government on this 11th day of July, 2017.

*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:

  
Shannon Littleton, **General Manager**

# FACT SHEET

JANUARY 25, 2018

**Borrower:** Town of Oliver Springs

**Population:** 3,231

**County:** Anderson, Roane and Morgan Counties

**Consulting Engineer:** GRW Engineers, Inc.

**Project Number:** SRF 2018-404

**Priority List Ranking/Points:** 2(FY 2014)/134

**Recommended Term:** 20 years

**Recommended Rate:**  $(2.14 \times 40\%) - (0.25\%) = 0.61\%$

**Project Description:** WWTP Improvements (Replace headworks and blowers, new pumps, electrical and mechanical repairs, SCADA upgrades, new sludge holding facilities, and replace existing EQ basin at WWTP)

**Total Project Cost:** \$ 4,168,000

**Sources of Funding:**

SRF Loan Principal	\$ 185,000
Other Funds (CW4 2015-348)	\$ 3,458,000
Other Funds (CDBG)	\$ 525,000

**State-Shared Taxes:** \$ 432,132

**Debt Service:**

Prior Loans: (including SRF)	\$ 172,024	39.81%
Proposed Loan:	<u>\$ 9,828</u>	<u>2.27%</u>
Total:	\$ 181,852	42.08%

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

Current Rate: \$ 66.92

**Public Meeting:** December 18, 2014

**REPRESENTATION OF THE LOCAL GOVERNMENT  
AS TO LOANS AND STATE-SHARED TAXES  
Town of Oliver Springs  
SRF 2018-404**

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 \$432,132.

- (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 Forgiven	Max: Annual Debt Service
SRF/Sewer	CW4 2015-348	\$3,450,000	\$242,060	\$172,024

- (b) The maximum aggregate annual debt service is \$172,024.

- (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	Anticipated Max. Annual Debt Service
SRF/Sewer	0.61%	\$185,000	\$9,828

- (b) The anticipated maximum aggregate annual debt service is \$9,828.

- (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 \$181,852.
- (6) The amount set forth in Subparagraph (1) less the amount set forth in Subparagraph (5) is \$250,280.

Duly signed by an authorized representative of the Local Government on this 6th day of October, 2017.

*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:

A handwritten signature in dark ink, appearing to read "Cecil E. Crowe", is written over a horizontal line.

**Mr. Cecil E. Crowe, Mayor**

# FACT SHEET

JANUARY 25, 2018

**Borrower:** City of Westmoreland

**Population:** 2,206

**County:** Sumner County

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

**Project Number:** SRF 2018-403

**Priority List Ranking/Points:** 113 (FY 2017)/40

**Recommended Term:** 5 years

**Recommended Rate:**  $(0.90 \times 40\%) - (.25\%) = 0.11\%$

**Project Description:** WWTP (new) Advanced Treatment (Replace existing WWTP) Planning and Design.

**Total Project Cost:** \$ 210,000

**Sources of Funding:**

SRF Loan Principal	\$ 210,000
Other Funds	\$ -0-
Local Funds	\$ -0-

**State-Shared Taxes:** \$ 276,243

**Debt Service:**

Prior Loans: (including SRF)	\$ 0.00	0.00%
Proposed Loan:	<u>\$ 42,118</u>	<u>15.25%</u>
Total:	\$ 42,118	15.25%

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

Current Rate: \$ 71.33

**Public Meeting:** November 16, 2017

**REPRESENTATION OF THE LOCAL GOVERNMENT  
AS TO LOANS AND STATE-SHARED TAXES  
Westmoreland SRF 2018-403**

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 \$276,243.

- (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	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	Anticipated Max. Annual Debt Service
SRF/Sewer	0.11%	\$210,000	\$42,118

- (b) The anticipated maximum aggregate annual debt service is \$42,118.

- (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 \$42,118.

- (6) The amount set forth in Subparagraph (1) less the amount set forth in Subparagraph (5) is \$234,125.

Duly signed by an authorized representative of the Local Government on this 6<sup>th</sup> day of October, 2017.

*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 Authority.*

LOCAL GOVERNMENT

BY:

  
Mr. Jerry Kirkman, Mayor

DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
DIVISION OF WATER RESOURCES

**Drinking Water State Revolving Fund (DWSRF) Loan Program**  
**Funds Available for Loan Obligation**  
**January 25, 2018**

**Unobligated Balance as of November 8, 2017** **\$ 58,500,955**

<u><b>Increases:</b></u>	<u><b>Loan Number</b></u>	<u><b>Loan Amount</b></u>	
Early Payoff (See * note below)		\$ 215,974	
Loan Decreases (See Note below)		\$ 891,467	
			<u>\$ 1,107,441</u>

**Unobligated Balance as of January 25, 2018** **\$ 59,608,396**

<u><b>Applicants:</b></u>	<u><b>Loan Number</b></u>	<u><b>Loan Amount</b></u>	
Brighton (Subsidized @ \$139,680)	DW6 2018-201	\$ 698,400	
Cleveland	DWF 2018-205	\$ 430,000	
Parsons	DWF 2018-204	\$ 587,000	
			<u>\$ 1,715,400</u>

**Remaining Funds Available for Loan Obligations** **\$ 57,892,996**

<b>* <u>Early Payoff</u></b>			
Giles County / Fairview U. D.	DW0 2010-108	\$ 215,974	
		<u>\$ 215,974</u>	
<b>* <u>Loan Decreases</u></b>			
Oakland	DG5 2016-179	\$ 247,477	
Cumberland U. D.	DWF 2013-133	\$ 635,111	
Giles County / Fairview U. D.	DW0 2010-108	\$ 8,879	
		<u>\$ 891,467</u>	



# FACT SHEET

JANUARY 25, 2018

**Borrower:** Town of Brighton  
**Population:** 3,467  
**County:** Tipton County  
**Consulting Engineer:** King Engineering Consultants  
**Project Number:** DW6 2018-201  
**Priority List Ranking/Points:** 6 (FY 2016)/45  
**Recommended Term:** 20 years  
**Recommended Rate:**  $(2.14 \times 30\%) - (.25\%) = 0.39\%$

**Project Description:** Watermain Replacement (replace approximately 7,300 LF of 2-inch thru 10-inch diameter asbestos cement waterlines)

**Total Project Cost:** \$ 698,400

## Sources of Funding:

SRF Loan Principal (80%)	\$ 558,720
Principal Forgiveness (20%)	\$139, 680
Other Funds	\$ -0-

**State-Shared Taxes:** \$ 353,462

## Debt Service:

Prior Loans: (including SRF)	\$ 3,966	1.12%
Proposed Loan:	<u>\$ 29,044</u>	<u>8.22%</u>
Total:	\$ 33,010	9.34%

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

Current Rate: \$ 32.69

**Public Meeting:** November 27, 2017

**REPRESENTATION OF THE LOCAL GOVERNMENT  
AS TO LOANS AND STATE-SHARED TAXES  
Brighton DW6 2018-201**

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 \$353,462.
- (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	Anticipated Interest Rate	Original \$/Amt	Principal Forgiveness	Anticipated Max. Annual Debt Service
SRF/Water	0.58%	\$374,360	\$299,488	\$3,966

- (b) The maximum aggregate annual debt service is \$3,966.
- (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	0.39%	\$698,400	\$139,680	\$29,044

- (b) The anticipated maximum aggregate annual debt service is \$29,044.
- (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 \$33,010.
- (6) The amount set forth in Subparagraph (1) less the amount set forth in Subparagraph (5) is \$320,452.

Duly signed by an authorized representative of the Local Government on this 17<sup>th</sup> day of October, 2017.

*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:

  
Ms. Sarah Crocker, Mayor

# FACT SHEET

JANUARY 25, 2018

**Borrower:** City of Cleveland  
**Population:** 77,507  
**County:** Bradley County  
**Consulting Engineer:** Jacobs Engineering Group Inc.  
**Project Number:** DWF 2018-205  
**Priority List Ranking/Points:** 11(FY 2016)/45  
**Recommended Term:** 20 years  
**Recommended Rate:**  $(2.23 \times 70\%) - (0.25\%) = 1.31\%$

**Project Description:** Construct a 0.5 million gallon above ground concrete storage tank, a new 600 gallons per minute water booster pump station on Georgetown Road, replacement of approximately 3,000 linear feet of 12-inch diameter ductile iron pipe (DIP) main extension along Georgetown Road, and construction of approximately 1,000 linear feet of 12-inch diameter DIP transmission main along Georgetown Circle to the proposed Georgetown Road storage tank

**Total Project Cost:** \$ 1,625,000

## Sources of Funding:

SRF Loan Principal	\$ 430,000
Other Funds (DW6 2017-192)	\$ 1,000,000
Other Funds (DWF 2017-193)	\$ 195,000

**State-Shared Taxes:** \$ 6,421,865

## Debt Service:

Prior Loans: (including SRF)	\$ 1,428,292	22.24%
Proposed Loan:	<u>\$ 24,451</u>	<u>0.38%</u>
Total:	\$ 1,452,743	22.62%

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

Current Rate: \$ 23.65

**Public Meeting:** March 30, 2017

**REPRESENTATION OF THE LOCAL GOVERNMENT  
AS TO LOANS AND STATE-SHARED TAXES  
Cleveland DWF 2018-205**

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 \$6,421,865.
- (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
SRF/Sewer	CW0 2013-319	\$1,862,000	\$451,022	\$76,991
SRF/Sewer	SRF 2013-320	\$8,174,000.00	\$0	\$457,696
SRF/Sewer	CWA 2009-241	\$1,359,000	\$543,600	\$50,011
SRF/Sewer	CG4 2015-349	\$2,500,00	\$175,000	\$133,092
SRF/Sewer	CG3 2017-379	\$110,418	\$5,521	\$5,722
SRF/Water	DG2 2014-151	\$2,500,000	\$500,000	\$115,811
SRF/Water	DWF 2016-172	\$3,725,500	\$0	\$207,802
SRF/Water	DW6 2017-192	\$1,000,000	\$200,000	\$46,767
SRF/Water	DWF 2017-193	\$195,000	\$0	\$11,400
QSCB	BFC0100	\$4,160,000	\$0	\$323,000

- (b) The maximum aggregate annual debt service is \$1,428,292.

- (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	Anticipated Max. Annual Debt Service
<b>SRF/Water</b>	<b>1.31%</b>	<b>\$430,000</b>	<b>\$24,451</b>

- (b) The anticipated maximum aggregate annual debt service is \$24,451.

- (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 \$1,452,743.

(6) The amount set forth in Subparagraph (1) less the amount set forth in Subparagraph (5) is \$4,969,122.

Duly signed by an authorized representative of the Local Government on this 24th day of October, 2017

*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 Authority.*

LOCAL GOVERNMENT

BY:

  
Mr. Tim Henderson, President & CEO

# FACT SHEET

JANUARY 25, 2018

**Borrower:** Parsons  
**Population:** 4,075  
**County:** Decatur County  
**Consulting Engineer:** TLM Associates, Inc  
**Project Number:** DWF 2018-204  
**Priority List Ranking/Points:** 6 (FY 2015)/45  
**Recommended Term:** 20 years  
**Recommended Rate:**  $(2.14 \times 50\%) - (0.25\%) = 0.82\%$

**Project Description:** Improvements to the existing Parsons Water Treatment Plant (Additional flocculation and sedimentation basins. Modification of the chlorination process by switching from chlorine gas to liquid chlorine. relocation of the existing motor control center. Sludge dewatering and disposal improvements and new emergency generators at the raw water intake structure, the existing water treatment plant, and at the Perryville Water Storage Tank)

**Total Project Cost:** \$ 2,987,000

**Sources of Funding:**

SRF Loan Principal	\$ 587,000
Other Funds (DG6 2017-185)	\$ 1,000,000
Other Funds (DWF 2017-191)	\$ 1,250,000
Local Funds	\$ 150,000

**State-Shared Taxes:** \$ 307,417

**Debt Service:**

Prior Loans: (including SRF)	\$ 112,476	36.59%
Proposed Loan:	<u>\$ 31,832</u>	<u>10.35%</u>
Total:	\$ 144,308	46.94%

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

Current Rate: \$ 30.51

**Public Meeting:** February 06, 2017

**REPRESENTATION OF THE LOCAL GOVERNMENT  
AS TO LOANS AND STATE-SHARED TAXES  
Parsons DWF 2018-204**

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 \$307,417.
- (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 Forgiven	Max: Annual Debt Service
SRF/Water	DWF 2017-191	\$1,250,000	-	\$68,583
SRF/Water	DG5 2017-185	\$1,000,000	\$200,000	\$43,893

- (b) The maximum aggregate annual debt service is \$112,476.
- (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	Anticipated Max. Annual Debt Service
SRF/Water	0.82%	\$587,000	\$31,832

- (b) The anticipated maximum aggregate annual debt service is \$31,832.
- (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 \$144,308.
- (6) The amount set forth in Subparagraph (1) less the amount set forth in Subparagraph (5) is \$275,585.

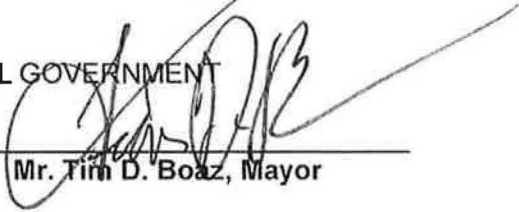


Duly signed by an authorized representative of the Local Government on this 3 day of October, 2017.

*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: \_\_\_\_\_

  
Mr. Tim D. Boaz, Mayor



JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Chief of Staff*

**January 10, 2018**

**Hallsdale-Powell Utility District**

**Request for TLDA Approval to Issue Additional Debt**

The Hallsdale-Powell Utility District (the "District") is requesting approval from the Tennessee Local Development Authority (TLDA) to issue \$24,950,000 in new money improvement bonds with a subordinate lien position to its 11 outstanding State Revolving Fund (SRF) loan agreements (see chart below). A formal request to the TLDA for approval is required by provisions set forth in the State Revolving Fund (SRF) loan agreement and guidelines set forth in the *TLDA/SRF Policy and Guidance for Borrowers*.

**1. The requestor is a:**

- ☒ Utility District or Water/Wastewater District planning to issue Revenue Debt  
\_\_\_\_\_ Will the proposed debt be secured by revenues other than revenues of the water/wastewater system (e.g. electric, gas)? ☐ Yes ☒ No
- \_\_\_\_\_ Municipality (town/city/county) planning to issue:  
\_\_\_\_\_ General Obligation Debt  
\_\_\_\_\_ Revenue Debt – Will the proposed debt be secured by revenues other than revenues of the water/wastewater system (e.g. electric, gas)? ☐ Yes ☐ No

**2. Lien Position:**

- \_\_\_\_\_ The borrower is requesting to issue the refunding and improvement bonds with a parity lien position to its outstanding SRF loan(s).  
\_\_\_\_\_ The borrower is requesting subordination of its outstanding SRF debt to the new debt issuance.  
☒ The borrower is not requesting a modification of lien position and the proposed debt will be issued subordinate to the SRF debt.

**3. The purpose of the proposed debt issuance is:**

- \_\_\_\_\_ Refunding  
☒ New Money (the District is requesting approval to issue USDA Rural Development Loans totaling \$24,950,000.)

**4. Description and Additional Information:**

*New Money Bonds*

The District plans to issue three series of USDA Rural Development bonds in a total amount not to exceed \$24,950,000. The District plans to use proceeds from the bonds to improve its sewer system.

*Customer Base / Rate Increases*

The District does not compile a list of its largest customers by revenues, but did report that its customer base is mostly residential. The District provided a copy of its rate increase plan that shows rate increases consistently over the next five years.

**5. The debt rating of the borrower is:**

*Please indicate N/R if not rated.*

☐ N/R\_ Moody's  
☐ AA\_ Standard and Poor's  
☐ N/R\_ Fitch

**6. The following SRF loans are currently authorized/outstanding:**

Approval Date	Loan Type	Loan Number	Total Approved Loan*	Outstanding Loan Balance, if applicable (as of 6/30/2017)
March 17, 2006	SRF/Sewer	SRF-2005-186	\$ 53,800,000	\$ 40,251,416
August 5, 2009	SRF/Sewer	CGA 09-233	7,290,000	5,803,101
December 7, 2011	SRF/Sewer	SRF 11-279	8,600,000	8,096,521
June 18, 2014	SRF/Sewer	CG3 14-332	3,800,000	3,680,038
June 18, 2014	SRF/Sewer	CG2 14-333	4,116,400	826,323
March 31, 2005	SRF/Water	DWF 05-062	7,500,000	4,183,692
June 27, 2006	SRF/Water	DWF 06-069	2,500,000	1,395,769

August 5, 2009	SRF/Water	DGA 09-086	1,695,000	1,266,397
December 2, 2010	SRF/Water	DG0 11-111	3,077,600	2,369,645
August 17, 2017	SRF/Sewer	CW6 17-394	900,000	No Disbursements
August 17, 2017	SRF/Sewer	SRF 17-395	12,100,000	No Disbursements

\*Net of principal forgiveness

**7. Compliance with SRF Loan Agreement:**

**a. Timely repayments [4.(a)]**

☒ Yes ☐ No

**b. Security Deposit (UDs and Authorities) [8.]**

☒ Yes ☐ No  
Amount on deposit: \$5,091,705

**c. GAAP Accounting and Audited Annual Financial Statement Requirement [7.(g) and (m)(2)]**

☐ Yes ☒ No

The fiscal year 2017 audit was not filed within six months after the District's fiscal year ended March 31, 2017. The District filed its fiscal year 2017 audited financial statements with the Division of Local Government Audit on November 1, 2017. The fiscal year 2016 audit was filed within six months after the District's fiscal year end. In a letter dated January 3, 2018, the District's attorney, on behalf of the District, has requested that TLDA waive the enforcement of the requirement of 7(m) for the District's fiscal year 2017 audit.

**d. Sufficient Revenues [7.(k)]**

☒ Yes ☐ No

For the fiscal year ended March 31, 2017, the District's audited financial statements reflected operating income of \$8,700,042, and a positive change in net position of \$5,680,404. The District's statement of cash flows reflected debt service payments of \$9,726,572, consisting of principal payments of \$6,185,104 and interest payments of \$3,541,468.

At March 31, 2017, the District reported \$33,238,235 in unrestricted cash and \$15,461,997 in restricted cash and investments.

**e. Debt Service Coverage Ratios [7.(l) and (m)(3)&(4)]**

☒ Yes ☐ No

If no, include a schedule of revised rates and fees. ☐ Included ☒ N/A

The current and projected Debt Service Coverage Ratio meets or exceeds 1.2 times.

*Most Recent Fiscal Year (m)(3):*

The District's debt service coverage ratio was 1.66x for fiscal year 2016 and 1.59x for fiscal year 2017 (as provided by the District). The District has met the debt service coverage requirement for fiscal years 2016 and 2017.

*Next Three Fiscal Years After Debt Issuance (m)(4):*

The District projects that it will meet the debt service coverage requirement with estimated debt service to net revenues ranging from 1.33x to 1.45x for fiscal years 2018 through 2020.

**f. Is the entity currently under the jurisdiction of the Utility Management Review Board (UMRB) or the Water and Wastewater Financing Board (WWFB)? [7.(n)]**

☐ Yes ☒ No

If yes, reason for referral: ☐ Water Loss ☐ Financial Distress ☒ N/A

If the reason is for financial distress, include a schedule of revised rates and fees along with a copy of the corrective action order from the respective board. ☐ Included ☒ N/A

**8. State-Shared Taxes (SST): (Towns, Cities, Counties): N/A**

\$ _____	Received in prior fiscal year
\$ _____	Total Maximum Annual Debt Service
\$ _____	Unobligated SSTs

**9. Conclusion**

Based on our analysis, the District will have sufficient cash and revenues to meet its obligations. Except for timely filing of its annual audit, the District appears to meet TLDA's guidelines for approval to issue improvement bonds with a subordinate lien position to its outstanding State Revolving Fund (SRF) loan agreements. The lien position of the SRF loans will be senior to that of the new money bonds being issued.

**Attachments:**

Debt Service Coverage Ratios

HPUD Rate Increase Plan

## Hallsdale-Powell Utility District

### Statement of Revenues, Expenses and Change in Net Assets and Debt Service Ratio Calculation

	Audited FY 2016	Audited FY 2017	Projected FY 2018	Projected FY 2019	Projected FY 2020
<b><u>OPERATING REVENUES</u></b>					
Water Service	\$ 14,122,267	\$ 14,436,769	\$ 14,884,236	\$ 15,708,718	\$ 16,344,611
Sewer Service	\$ 13,126,023	\$ 13,462,985	\$ 14,899,658	\$ 16,107,983	\$ 17,242,771
Connection Fees	\$ 282,177	\$ 333,668	\$ 263,314	\$ 340,375	\$ 343,778
Penalties	\$ 596,858	\$ 578,154	\$ 566,572	\$ 582,498	\$ 584,683
Ancillary Revenues	\$ 543,124	\$ 427,977	\$ 247,541	\$ 392,707	\$ 394,179
Total Revenues	\$ 28,670,449	\$ 29,239,553	\$ 30,861,322	\$ 33,132,280	\$ 34,910,022
<b><u>OPERATING EXPENSES</u></b>					
Salaries and Wages	\$ 4,352,472	\$ 4,821,880	\$ 5,198,174	\$ 5,318,628	\$ 5,478,187
Supplies and Operating Expenses	\$ 1,793,006	\$ 1,918,893	\$ 2,064,108	\$ 2,050,843	\$ 2,112,304
Electric Power	\$ 1,770,293	\$ 1,814,087	\$ 2,171,092	\$ 2,325,728	\$ 2,407,129
Professional Services	\$ 474,544	\$ 448,279	\$ 507,667	\$ 520,956	\$ 533,979
Pension Plan	\$ 677,648	\$ 676,961	\$ 1,000,000	\$ 1,060,900	\$ 1,092,727
Group Insurance and Dental/Vision Plans	\$ 1,038,274	\$ 1,075,862	\$ 1,150,593	\$ 1,188,889	\$ 1,224,556
Repairs and Maintenance	\$ 764,673	\$ 1,027,661	\$ 1,264,199	\$ 1,201,680	\$ 1,237,731
Insurance and Bonds	\$ 313,595	\$ 321,823	\$ 356,394	\$ 383,892	\$ 393,489
Payroll Taxes	\$ 334,588	\$ 356,086	\$ 376,931	\$ 393,597	\$ 405,405
Postage and Outside Billing Service	\$ 266,799	\$ 247,943	\$ 283,591	\$ 293,325	\$ 300,658
Office Supplies and Expenses	\$ 62,295	\$ 35,831	\$ 82,800	\$ 86,992	\$ 89,167
Auto and Truck Expense	\$ 217,570	\$ 220,295	\$ 349,853	\$ 363,794	\$ 372,888
Public Relations and Customer Info	\$ -	\$ 10,000	\$ 44,860	\$ 37,675	\$ 38,617
Telephone	\$ 105,816	\$ 105,340	\$ 116,338	\$ 122,228	\$ 125,283
Association Fees and Expenses	\$ 70,689	\$ 72,340	\$ 73,141	\$ 68,347	\$ 70,056
Bank Trustee Fees and Service Charges	\$ 49,581	\$ 814	\$ 56,145	\$ 54,535	\$ 55,898
Uniforms	\$ 56,860	\$ 52,271	\$ 54,852	\$ 52,407	\$ 53,717
Administrative and Other Expenses	\$ 183,390	\$ 229,374	\$ 292,767	\$ 307,588	\$ 315,278
Uncollectible Accounts	\$ 185,686	\$ 166,778	\$ 269,783	\$ 186,778	\$ 206,778
Depreciation	\$ 6,785,636	\$ 6,936,992	\$ 7,317,963	\$ 7,603,678	\$ 7,946,535
Total Operating Expenses	\$ 19,503,415	\$ 20,539,510	\$ 23,031,252	\$ 23,622,461	\$ 24,460,383
<b>OPERATING INCOME</b>	<b>\$ 9,167,034</b>	<b>\$ 8,700,043</b>	<b>\$ 7,830,070</b>	<b>\$ 9,509,820</b>	<b>\$ 10,449,639</b>
<b><u>NON-OPERATING INCOME (EXPENSES)</u></b>					
Interest Income	\$ 157,716	\$ 166,108	\$ 166,108	\$ 166,108	\$ 166,108
Gain on Disposal of capital assets	\$ 48,093	\$ 5,827	\$ -	\$ -	\$ -
Interest Expense	\$ 3,542,123	\$ 3,503,713	\$ 3,986,139	\$ 4,322,298	\$ 4,515,491
Amortization Expense	\$ -	\$ -	\$ (165,156)	\$ (165,156)	\$ (165,156)
Total Non-Operating Expenses	\$ (3,336,314)	\$ (3,331,778)	\$ (3,654,875)	\$ (3,991,034)	\$ (4,184,227)
<b>NET INCOME BEFORE CAPITAL CONTRIBUTIONS</b>	<b>\$ 5,830,720</b>	<b>\$ 5,368,265</b>	<b>\$ 4,175,195</b>	<b>\$ 5,518,786</b>	<b>\$ 6,265,412</b>
Capital Contributions from Developers and Customers	\$ 660,784	\$ 312,140	\$ 50,000	\$ 50,000	\$ 50,000
<b>CHANGE IN NET ASSETS</b>	<b>\$ 6,491,504</b>	<b>\$ 5,680,405</b>	<b>\$ 4,225,195</b>	<b>\$ 5,568,786</b>	<b>\$ 6,315,412</b>

## Hallsdale-Powell Utility District

### Statement of Revenues, Expenses and Change in Net Assets and Debt Service Ratio Calculation

Audited FY 2016	Audited FY 2017	Projected FY 2018	Projected FY 2019	Projected FY 2020
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#### Debt Service Calculation:

Operating Income Available for Debt Service

Earned Interest

**Revenues Available for Debt Service**

\$ 15,952,670	\$ 15,637,035	\$ 15,148,033	\$ 17,113,497	\$ 18,396,174
\$ 157,716	\$ 166,108	\$ 166,108	\$ 166,108	\$ 166,108
<b>\$ 16,110,386</b>	<b>\$ 15,803,143</b>	<b>\$ 15,314,141</b>	<b>\$ 17,279,605</b>	<b>\$ 18,562,282</b>

#### Revenue Bonds

Existing Revenue Debt

Proposed Revenue Debt

**Subtotal Revenue Bonds**

4,767,507	4,769,078	4,771,153	4,758,724	4,758,689
-	-	585,345	909,314	909,314
<b>4,767,507</b>	<b>4,769,078</b>	<b>5,356,498</b>	<b>5,668,038</b>	<b>5,668,003</b>

#### Other Indebtedness

Series 2005 RUS Bond (\$891,600)

Series 2009 RUS Bond (\$998,000)

Series 2007 RUS Bond (\$3,018,000)

Series 2011 RUS Bond (\$4,899,000)

RUS Bond (\$4,983,000)

RUS Bond (\$1,560,000)

Future RUS Loans (Forecast)

48,264	48,264	48,264	48,264	48,264
45,876	45,876	45,876	45,876	45,876
157,548	157,548	157,548	157,548	157,548
255,732	255,732	255,732	255,732	255,732
224,244	224,244	224,244	224,244	224,244
70,476	70,476	70,476	70,476	70,476
-	65,195	325,975	325,975	978,997

2006 TN SLRF Loan - Hickory Valley (\$2,500,000)

2009 DWSRF Loan (\$2,825,000) PF40%

2009 CWSRF Loan (\$12,150,000) PF40%

2005 TN-DWSRF - Norris WTP (\$7,500,000)

2006 TN-CWSRF - Beaver Creek WWTP (\$53,800,000)

2010 TN-DWSRF - SR33 (\$3,847,000) PF20%

2011 TN-CWSRF - Raccoon Valley (\$8,600,000) (Forecast)

2014 CWSRF Loan \$8.1164M Sewer Storage Tank (Forecast)

Future CWSRF Loans (Forecast)

**Subtotal Other Indebtedness**

135,842	135,843	135,844	135,839	135,835
107,981	107,981	107,981	107,981	107,981
462,876	462,876	462,876	462,876	462,876
406,716	406,716	406,716	406,716	406,716
2,867,772	2,867,772	2,867,772	2,867,772	2,867,772
167,711	167,711	167,711	167,711	167,711
-	35,248	448,056	448,056	448,056
-	117,365	274,056	274,056	274,056
-	-	125,450	250,900	784,017
<b>4,951,038</b>	<b>5,168,847</b>	<b>6,124,577</b>	<b>6,250,022</b>	<b>7,436,157</b>

**Total Debt Service**

<b>9,718,545</b>	<b>9,937,925</b>	<b>11,481,075</b>	<b>11,918,060</b>	<b>13,104,160</b>
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Debt Coverage Ratio

1.66	1.59	1.33	1.45	1.42
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**Hallsdale Powell Utility District  
Customer Impacts  
FY 2017 - FY 2023**

**Schedule 9**

**Combined Rate Impacts**

FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
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Residential		Meter															
Usage	Size																
500	3/4"	\$	27.18	\$	28.56	\$	29.87	\$	31.26	\$	32.72	\$	34.26	\$	35.48	\$	36.75
	% Change				5.1%		4.6%		4.6%		4.7%		4.7%		3.6%		3.6%
1,000	3/4"	\$	35.90	\$	37.72	\$	39.46	\$	41.29	\$	43.22	\$	45.25	\$	46.86	\$	48.54
	% Change				5.1%		4.6%		4.6%		4.7%		4.7%		3.6%		3.6%
1,500	3/4"	\$	44.63	\$	46.89	\$	49.05	\$	51.33	\$	53.73	\$	56.25	\$	58.25	\$	60.33
	% Change				5.1%		4.6%		4.6%		4.7%		4.7%		3.6%		3.6%
3,000	3/4"	\$	70.80	\$	74.38	\$	77.82	\$	81.43	\$	85.24	\$	89.23	\$	92.40	\$	95.70
	% Change				5.1%		4.6%		4.6%		4.7%		4.7%		3.6%		3.6%
4,000	3/4"	\$	88.25	\$	92.71	\$	97.00	\$	101.50	\$	106.25	\$	111.22	\$	115.17	\$	119.28
	% Change				5.1%		4.6%		4.6%		4.7%		4.7%		3.6%		3.6%
5,000	3/4"	\$	105.70	\$	111.04	\$	116.18	\$	121.57	\$	127.26	\$	133.21	\$	137.94	\$	142.86
	% Change				5.1%		4.6%		4.6%		4.7%		4.7%		3.6%		3.6%
7,000	3/4"	\$	140.60	\$	147.70	\$	154.54	\$	161.71	\$	169.28	\$	177.19	\$	183.48	\$	190.02
	% Change				5.0%		4.6%		4.6%		4.7%		4.7%		3.5%		3.6%
10,000	3/4"	\$	192.95	\$	202.69	\$	212.08	\$	221.92	\$	232.31	\$	243.16	\$	251.79	\$	260.76
	% Change				5.0%		4.6%		4.6%		4.7%		4.7%		3.5%		3.6%
14,000	3/4"	\$	243.97	\$	256.11	\$	267.70	\$	279.84	\$	292.65	\$	306.00	\$	316.75	\$	327.92
	% Change				5.0%		4.5%		4.5%		4.6%		4.6%		3.5%		3.5%
Commercial																	
25,000	1"	\$	454.70	\$	477.64	\$	499.78	\$	522.97	\$	547.46	\$	573.01	\$	593.34	\$	614.46
	% Change				5.0%		4.6%		4.6%		4.7%		4.7%		3.5%		3.6%
150,000	2"	\$	2,635.95	\$	2,768.89	\$	2,897.28	\$	3,031.72	\$	3,173.71	\$	3,321.76	\$	3,439.59	\$	3,561.96
	% Change				5.0%		4.6%		4.6%		4.7%		4.7%		3.5%		3.6%
Industrial																	
500,000	3"	\$	8,743.45	\$	9,184.39	\$	9,610.28	\$	10,056.22	\$	10,527.21	\$	11,018.26	\$	11,409.09	\$	11,814.96
	% Change				5.0%		4.6%		4.6%		4.7%		4.7%		3.5%		3.6%
1,000,000	4"	\$	17,468.45	\$	18,349.39	\$	19,200.28	\$	20,091.22	\$	21,032.21	\$	22,013.26	\$	22,794.09	\$	23,604.96
	% Change				5.0%		4.6%		4.6%		4.7%		4.7%		3.5%		3.6%



Waller Lansden Dortch & Davis, LLP  
511 Union Street, Suite 2700  
P.O. Box 198966  
Nashville, TN 37219-8966

615.244.6380 main  
615.244.6804 fax  
wallerlaw.com

Alexander B. Buchanan  
615.850.8628 direct  
alex.buchanan@wallerlaw.com

January 3, 2018

Office of State and Local Finance/COT

JAN 09 2018

Time Received

Ms. Sandi Thompson, Director  
Office of State and Local Finance  
Cordell Hull Buildin  
425 Fifth Avenue North  
Nashville, TN 37243

Re: Hallsdale Powell Utility District of Knox County (the "District")

Dear Ms. Thompson:

This letter supplements my letters dated October 24, 2017 and October 30, 2017 relating to the District's request for consent from the Tennessee Local Development Authority for the proposed issuance of the additional indebtedness to be held by Rural Development described in my letter of October 24, 2017. This is to revise certain information contained in my earlier letters. Specifically the bonds to be held by Rural Development are no longer proposed to be issued as parity lien indebtedness secured by a lien on net revenues on parity with the District's senior lien bonds. Instead, the additional bonds for which we seek TLDA's consent are now proposed to be issued as subordinate lien bonds. This means that such indebtedness would be secured by a lien on net revenues, but the lien proposed would be junior to all secured indebtedness of the District, including all of the State's SRF loans.

Additionally, the District understands its need to comply with Section 7(m) of its Loan Agreements with TLDA which requires, among others, that the District's audit be filed with TLDA within six months after the end of the District's fiscal year. Since the District's fiscal year ends March 31 of each year, this would mean that the audit should be filed by September 30 of each year. While the District believed in good faith that it had received an extension to file the audit, it did not file the audit until November 1, 2017 and, consequently, was not in compliance with the September 30 filing deadline.

The District understands the importance of complying with the SFR loan covenants. Consequently, the District hereby requests that TLDA waive the requirement in 7(m) of its Loan Agreements that the audit for 2017 be filed by September 30, 2017.

The District would appreciate being put on the agenda for the next meeting of TLDA where the granting of consent may be considered. If I can provide additional information that would be helpful concerning the lien position, please let me know. As always, your cooperation is appreciated.

Very truly yours,

Alexander B. Buchanan

ABB:cty



Waller Lansden Dortch & Davis, LLP  
511 Union Street, Suite 2700  
P.O. Box 198966  
Nashville, TN 37219-8966

615.244.6380 main  
615.244.6804 fax  
wallerlaw.com

Alexander B. Buchanan  
615.850.8628 direct  
alex.buchanan@wallerlaw.com

October 24, 2017

Ms. Sandra Thompson, Director  
Office of State and Local Finance  
Comptroller of the Treasury  
State Capitol  
Nashville, TN 37243-9034

Re: Hallsdale-Powell Utility District

Dear Ms. Thompson:

I am writing this on behalf of Hallsdale-Powell Utility District ("HPUD") to request that the Tennessee Local Development Authority ("TLDA") consider approval of HPUD's issuance of additional indebtedness as hereinafter described. Specifically, HPUD requests approval by TLDA of HPUD's issuance of the indebtedness described below at its meeting set for November 8, 2017.

The first request relates to the issuance of indebtedness in the public market in an amount currently estimated in the \$18 to \$19 million range. Stifel Nicolaus and Company ("Stifel") has been engaged as Financial Advisor for HPUD for this bond issuance. This bond will be used to refund HPUD's outstanding Series 2006 Bonds and Series 2008 Bonds. Stifel has begun the process of soliciting proposals from various underwriting firms, but no decision has been made to date on the selection of the underwriter. Once an underwriter is selected, the Plan of Refunding will be provided to the Office of State and Local Finance.

As proposed, the refunding will not extend the term of the indebtedness being refunded but will be undertaken to attain net present value savings for HPUD. Stifel has prepared a preliminary savings report (copy enclosed) demonstrating that Series 2006 and Series 2008 Bonds can be refunded in the current marketplace and achieve significant net present value savings for HPUD.

We would therefore request TLDA's approval of HPUD's issuance of its refunding bonds in an estimated principal amount not to exceed \$20,000,000. Under HPUD's Master Resolution, the refunding bonds are proposed to be issued as senior lien bonds on parity with other senior lien indebtedness under the Master Resolution which would continue to be senior to the lien securing HPUD's SFR loans.

The second request is for TLDA's approval of HPUD's issuance of up to \$24,950,000 for improvements to its sewer system. These bonds are proposed to be issued in three tranches, with the term of each not to exceed 40 years, counting any bond anticipation notes to be issued. The rate will be determined at the time of issuance but current estimates of 3.25% are being used for planning purposes. Again, these bonds are proposed to be issued as senior lien bonds under the Master Resolution and senior to the liens granted for HPUD's SRF loans. We would therefore request TLDA's approval of the issuance of up to \$24,950,000 of bonds for sewer

**waller**

Ms. Sandra Thompson  
October 24, 2017  
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related improvements to be issued in up to three tranches with the financing being provided by Rural Development.

If you need any additional information, please let me know.

Very truly yours,



Alexander B. Buchanan

ABB:cty  
Enclosure



Waller Lansden Dortch & Davis, LLP  
511 Union Street, Suite 2700  
P.O. Box 198966  
Nashville, TN 37219-8966

615.244.6380 main  
615.244.6804 fax  
wallerlaw.com

Alexander B. Buchanan  
615.850.8628 direct  
alex.buchanan@wallerlaw.com

October 30, 2017

Ms. Sandi Thompson, Director  
Office of State and Local Finance  
James K. Polk Bldg.  
505 Deaderick St., Suite 1600

Re: Hallsdale Powell Utility District of Knox County (the "District")

Dear Ms. Thompson,

This letter supplements my letter dated October 24, 2017 relating to the District's request for consent from the Tennessee Local Development Authority relating to the proposed issuance of the additional indebtedness described in my letter of October 24, 2017. This is to confirm that both the refunding bonds and the bonds to be held by Rural Development are both proposed to be issued as parity lien indebtedness secured by a lien on net revenues on parity with the District's senior lien bonds. This means that such indebtedness would be proposed to be senior to the State's SRF loans.

You have also asked whether it would be possible for TLDA to give consent only to the issuance of the first tranche of the indebtedness proposed to be held by Rural Development. The Rural Development commitment is for an aggregate amount of \$24,950,000 in federal funds. The loans are to be in three tranches of \$9,500,000, \$7,725,000 and \$7,725,000, respectively, but the commitment makes clear that each must be secured by a senior lien pledge of net revenues. Consequently, it would not be possible for the District to proceed with one tranche without being assured of being able to represent to Rural Development that it has the consent needed to issue each tranche and the whole \$24,950,000 can be issued as parity senior lien debt. Of course, none of the debt will be issued unless the District has demonstrated that it is in compliance with the 1.2X debt service coverage ratio required at the time of issuing any tranche.

I hope this addresses the issues satisfactorily but if I can provide additional information that would be helpful, please let me know.

Very truly yours,

Alexander B. Buchanan

ABB:cty



January 18, 2018

Ms. Sandi Thompson  
State of Tennessee  
Cordell Hull Building  
425 Fifth Avenue N  
Nashville, TN 37243

**pfm**

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530 Oak Court Drive  
Suite 160  
Memphis, TN 38117  
901.682.8356

[pfm.com](http://pfm.com)

Re: Notice of Assignment of Contract for Financial Advisory Services

Dear Ms. Thompson:

This letter is to inform you that we are pleased to offer the same great financial advisory services pursuant to that certain agreement between State of Tennessee and Public Financial Management, Inc. ("PFMI") through our affiliated company PFM Financial Advisors LLC ("PFMFA"), a municipal advisor registered with the SEC and MSRB. Delivery of our services will not be impacted as current financial advisory personnel will continue to provide services to you under PFMFA.

Please sign this letter to acknowledge your consent and return it to Lauren Lowe, Managing Director at [lowel@pfm.com](mailto:lowel@pfm.com). In all other respects the agreement is ratified, and the terms and conditions remain in full force and effect.

We appreciate your assistance and look forward to our continued service to State of Tennessee. Thank you in advance for your prompt attention to this matter.

Sincerely,

Lauren S. Lowe, Managing Director



[Acknowledgment and Consent:

\_\_\_\_\_]

Signature

\_\_\_\_\_]

Print name, Title