



TENNESSEE LOCAL DEVELOPMENT AUTHORITY
FEBRUARY 8, 2019
AGENDA

1. Call Meeting to Order
2. Approval of minutes from the TLDA meeting of December 17, 2018
3. Consider for approval the following CWSRF loans:

| | SRF Base Loan | Principal Forgiveness | Total SRF Funding | Interest Rate |
|--------------------------------------|------------------|--------------------------|----------------------|------------------|
| Chattanooga, CW7 2019-428 | \$ 2,700,000 | \$300,000 | \$ 3,000,000 | 2.05% |
| Chattanooga, SRF 2019-429 | \$21,000,000 | \$ - | \$21,000,000 | 2.05% |
| Cleveland, SRF 2018-416 (Increase) | \$ 379,500 | \$ - | \$ 379,500 | 1.56% |
| Humboldt, CW7 2019-432 | \$ 2,700,000 | \$300,000 | \$ 3,000,000 | 0.97% |
| Humboldt, SRF 2019-433 | \$ 7,900,000 | \$ - | \$ 7,900,000 | 0.97% |
| Memphis, SRF 2019-421 | \$ 6,500,000 | \$ - | \$ 6,500,000 | 1.20% |
| Springfield, SRF 2019-422 (Increase) | \$19,000,000 | \$ - | \$19,000,000 | 1.30% |

4. Consider for approval the following DWSRF loans:

| | SRF Base Loan | Principal Forgiveness | Total SRF Funding | Interest Rate |
|------------------------|------------------|--------------------------|----------------------|------------------|
| Humboldt, DW6 2019-213 | \$ 800,000 | \$200,000 | \$ 1,000,000 | 1.22% |
| Humboldt, DW7 2019-214 | \$ 800,000 | \$200,000 | \$ 1,000,000 | 1.22% |
| Humboldt, DWF 2019-215 | \$ 4,000,000 | \$ - | \$ 4,000,000 | 1.22% |

5. Adjourn

TENNESSEE LOCAL DEVELOPMENT AUTHORITY
December 17, 2018

The Tennessee Local Development Authority (the Authority or TLDA) met on Monday, December 17, 2018, at 1:30 p.m. in the State Capitol, Executive Conference Room, Nashville, Tennessee. The Honorable Tre Hargett, Secretary of State, was present and presided over the meeting.

The following members were also present:

William Wood, Proxy for 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 member participated telephonically as authorized by Tennessee Code Annotated Section 8-44-108 and included in the meeting notice:

Mr. Pat Wolfe, Senate 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. Sandi Thompson, TLDA Assistant Secretary and the Director of the Office of State and Local Finance (OSLF) to perform a roll-call:

Mr. Wolfe—Present
Mr. Lillard—Present
Mr. Hargett—Present
Mr. Martin—Present
Dr. Moore—Present
Mr. Wood—Present

Mr. Hargett asked for a motion to approve the minutes of the November 26, 2018, TLDA meeting. Mr. Wood made a motion to approve the minutes, and Mr. Lillard seconded the motion. Ms. Thompson performed a roll-call vote:

Mr. Wolfe—Aye
Mr. Lillard—Aye
Mr. Hargett—Aye
Mr. Martin—Aye
Dr. Moore—Aye
Mr. Wood—Aye

The minutes were unanimously approved.

Mr. Hargett stated that the next item on the agenda was consideration of a request from the City of Loudon to issue Water and Sewer Revenue Bonds with an amount not to exceed \$8,600,000 on parity with its State Revolving Fund (SRF) loans. He asked Ms. Thompson to present the request. Ms. Thompson stated that the City is requesting to issue the revenue bonds on parity with its six outstanding SRF loan agreements. She stated that the OSLF had reviewed the request, and the City appears to meet the criteria set forth in the TLDA Policy and Guidance for Borrowers. Ms. Thompson reported that the analysis performed by the OSLF included a review of the City's financial statements, debt service coverage, and its credit ratings. Furthermore, it was determined that the City has

a history of timely repayment on current loans, has timely filed its audited financial statement, and its debt service coverage ratio meets or exceeds the required 1.2 times. Ms. Thompson directed the Authority to item number eight in the SLF analysis that was included in the meeting materials. She pointed out that the City's state-shared taxes totaled \$704,429, and that its maximum annual debt service total was \$1,330,644. She explained that although the City's indebtedness exceeds its state-shared taxes by \$626,215, the OSLF analysis indicates that it should have sufficient cash and revenues to meet its obligations. Therefore, staff recommends approval of this request. Mr. Hargett moved approval of the request, and Mr. Martin seconded the motion. Ms. Thompson performed a roll-call vote:

Mr. Wolfe—Aye
Mr. Lillard— Aye
Mr. Hargett— Aye
Mr. Martin— Aye
Dr. Moore— Aye
Mr. Wood— Aye

The motion was unanimously approved.

Mr. Hargett stated that the last item on the agenda was a presentation of the State Revolving Fund (SRF) priority ranking lists. He recognized Ms. Leslie Gillespie-Marthaler, Director of the SRF program for the Tennessee Department of Environment and Conservation (TDEC), to present the lists. Ms. Gillespie-Marthaler presented both the clean water and drinking water priority ranking lists and stated that the highlighted projects on the lists show some of the communities/sub-loan recipients that TDEC believed would be proceeding through the loan process. She continued by saying that as of November 26, 2018, the unobligated balance for clean water funds total \$87,316,922, and that the highlighted projects on clean water's priority ranking list total \$166,255,227. Ms. Gillespie-Marthaler explained that even though the highlighted portion of clean water projects exceeds the availability of unobligated funds, she was confident in TDEC's ability to draw down the remaining funds due to demand. She then reported that the pace for drinking water loans was not as strong with an unobligated funds balance of \$74,514,809, and only \$35,819,000 in projects expected to move forward with completion of the loan application process. She continued by saying that, with respect to drinking water, TDEC's goal was to increase that pace by obligating the remaining funds appropriately and to create sustainable demand. Furthermore, she stated that the American Water Infrastructure Act 2018 gives TDEC additional authority to lengthen the term of drinking water loans from 20 to 30 years, and up to 40 years for economically stressed communities. She then stated that water loss was a huge concern for the state of Tennessee, and in consideration of that, TDEC's priority was to learn how SRF can be part of the solution. In order to do that, she said that TDEC would be working with John Greer, the utilities specialist for the Tennessee Comptroller of the Treasury, and others across the division of water resources to get out into the communities and identify problems. In addition, TDEC plans to fund water loss training, publish drinking water's priority ranking list more frequently, and provide information/education on the loan process. She said, as a last resort, funds could be transferred from the drinking water fund to clean water fund.

Mr. Hargett asked if it would take two or three months for TDEC to accomplish its goals. Ms. Gillespie-Marthaler responded affirmatively. Mr. Martin then commented that there clearly was a need, but for some reason communities were not taking advantage. Mr. Lillard stated that there was a reluctance on the part of utility board commissioners to raise rates necessary to fund loans. He also said that water loss was nearly a universal issue, particularly in rural systems. He inquired whether it was training the communities needed, or just a reluctance to raise rates. Ms. Gillespie-Marthaler answered by saying a lot of it could be reluctance in raising rates, but that communities have other options to take before signing a SRF loan. For example, in the past, smaller communities have found that rural development loans were more attractive. She stated that TDEC may now be able to offer better terms, and that it could educate communities regarding planning and design loans so that borrowers know exactly what to do in order to move forward through the loan process. She commented again about the reluctance of raising rates, and added, that at some point these communities would be required to raise rates.

Mr. Martin questioned whether all of this affects water quality. He then stated that it was not just a case of pushing a solution where there was no problem. Ms. Gillespie-Marthaler responded affirmatively. Mr. Martin said that it was interesting that raising rates or cutting overhead was part of the issue at this point.

Mr. Lillard then asked if the Comptroller's office had a standard of sufficiency for water systems that could be applied to let communities know when standard for water loss was not met. Mr. Hargett replied by saying that the Comptroller did have some oversight capability. Dr. Moore asked if our role was more than just advocacy, and Mr. Lillard responded affirmatively. Mr. Lillard stated that the question was whether communities were meeting an industry standard in the utility business concerning water loss. If not, that would indicate deferred maintenance or that capital projects were being ignored.

Mr. Hargett asked if there were any other questions or comments. Dr. Moore then inquired whether the communities or utility districts are required to do rate studies. He stated that the city of Franklin participates in rate studies consistently to ensure adequate funding going forward. Mr. Lillard said that he was not aware of any, and recognized Ms. Ann Butterworth, Assistant to the Comptroller for Public Finance, to respond to the question. Ms. Butterworth stated that communities not in compliance with water loss requirements were referred by local government audit, and the Comptroller's office would then order a rate study. Dr. Moore asked what percentage that was, and she replied that she would need to look up that information. She continued by saying that it was reviewed on a percentage basis in the beginning, but now an overall approach with a combination of factors was used. For example, the cost of some repairs may not be in the community's financial best interest to make.

Mr. Hargett complimented the thoroughness of TDEC's report and said that the Authority looked forward to hearing of its progress. He also stated the Authority's willingness to individually discuss the topic more in depth. Mr. Hargett asked for questions or comments from the Authority. There was no further discussion. The SRF priority ranking lists were included in the meeting materials. No action was required.

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

Mr. Wolfe—Aye
Mr. Lillard— Aye
Mr. Hargett— Aye
Mr. Martin— Aye
Dr. Moore— Aye
Mr. Wood— Aye

The meeting was adjourned.

Approved on this ____ day of _____, 2019.

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
February 8, 2019

Unobligated Balance as of November 26, 2018 **\$ 87,316,922**

Increases:

| | | | |
|-----------------------------------|----|------------|----------------------|
| FFY 2018 EPA Capitalization Grant | \$ | 23,316,000 | |
| State Matching of Federal Grant | \$ | 4,663,200 | |
| Loan Decreases (See notes below) | \$ | 168,461 | |
| | | | \$ 28,147,661 |

Unobligated Balance as of February 8, 2019 **\$ 115,464,583**

Applicants:

| | <u>Loan Number</u> | <u>Loan Amount</u> | |
|------------------------------------|--------------------|--------------------|----------------------|
| Chattanooga (subsidized \$300,000) | CW7 2019-428 | \$ 3,000,000 | |
| Chattanooga | SRF 2019-429 | \$ 21,000,000 | |
| Cleveland | SRF 2018-416 | \$ 379,500 | |
| Humboldt (subsidized \$300,000) | CW7 2019-432 | \$ 3,000,000 | |
| Humboldt | SRF 2019-433 | \$ 7,900,000 | |
| Memphis | SRF 2019-421 | \$ 6,500,000 | |
| Springfield | SRF 2019-422 | \$ 19,000,000 | |
| | | | \$ 60,779,500 |

Remaining Funds Available for Loan Obligations **\$ 54,685,083**

Adjustments to Prior Loans

* Loan Decreases

| | | | |
|--------------|--------------|-------------------|--------|
| Cleveland | SRF 2013-320 | \$ 4,612 | Dec-18 |
| Fayetteville | CG2 2015-351 | \$ 163,849 | Dec-18 |
| | | \$ 168,461 | |

FACT SHEET
February 08, 2019

Borrower: City of Chattanooga
Project Number: CW7 2019-428
Requested SRF Funding: \$3,000,000
Term: 20 years
Rate: 2.05% = (2.87 x 80%) - (0.25%)

Project:

I/I Correction (Dobb Branch Sewer Improvements Phase 1 & 2); I/I Correction (South Chickamauga Sewer Basin Phase 1)

| | |
|-----------------------------|--------------------|
| Total Project Cost: | \$24,000,000 |
| Project Funding: | |
| SRF Loan Principal (90%) | \$ 2,700,000 |
| Principal Forgiveness (10%) | \$ 300,000 |
| Other Funds (SRF 2019-429) | \$21,000,000 |
| County: | Hamilton County |
| Consulting Engineer: | Jacobs |
| Priority Ranking List: | FY 2018 |
| Priority Ranking: | 43, 44, & 45 of 72 |
| Public Meeting: | November 13, 2018 |

Financial Information:

| | |
|-------------------------------|---------------------|
| Operating Revenues: | \$84,559,961 |
| Current Rate: | \$49.14 |
| Residential User Charge: | 5,000 gal/month |
| Customer Base: | 167,674 |
| Audit Report Filed: | 12/31/2018 (timely) |
| Financial Sufficiency Review: | 10/22/2018 |

The financial sufficiency review indicates that revenues and rates are sufficient to repay its SRF loan(s).

FACT SHEET
February 08, 2019

Additional Security

The borrower pledges its unobligated state-shared taxes (SSTs) in an amount equal to the maximum annual debt service (MADS) requirements under the loan agreement.

The SSTs received by the borrower from the state in the prior fiscal year: \$28,047,715.

| | | |
|-------|--------------------|---------------------|
| MADS: | Prior Obligations: | \$13,922,658 |
| | Proposed loan(s): | <u>\$ 1,445,477</u> |
| | | \$15,368,135 |

MADS as a percentage of SSTs: 54.79%

**REPRESENTATION OF
LOANS AND STATE-SHARED TAXES
FOR TAX REVENUE ENTITIES
Chattanooga CW7 2019-428**

As security for payments due under a SRF loan agreement, a local government pledges user fees and charges and ad valorem taxes as necessary to meet its obligations under a SRF loan agreement. As an additional security for such payments due, a local government pledges and assigns its unobligated state-shared taxes (SSTs) in an amount equal to maximum annual debt service (MADS) requirements.

1. State-Shared Taxes

The total amount of SSTs, as identified pursuant to Tenn. Code Ann. 4-31-105(c)(2), received by the local government in the prior fiscal year of the State is \$28,047,715.

2. Prior Obligations

(a.) Prior SRF loans which have been funded or approved for which the Local Government has pledged its SSTs are as follows:

| Loan Type | Loan # | Base Loan* | Principal Forgiveness* | MADS** |
|-----------|--------------|--------------|------------------------|-------------|
| SRF/Sewer | SRF 2003-168 | \$40,582,809 | \$0 | \$2,617,872 |
| SRF/Sewer | SRF 2007-204 | \$13,000,000 | \$0 | \$848,868 |
| SRF/Sewer | SRF 2011-289 | \$20,000,000 | \$0 | \$1,214,124 |
| SRF/Sewer | SRF 2012-307 | \$33,100,000 | \$0 | \$1,853,404 |
| SRF/Sewer | SRF 2013-318 | \$66,800,000 | \$0 | \$3,931,074 |
| SRF/Sewer | SRF 2016-357 | \$42,500,000 | \$0 | \$2,412,035 |
| SRF/Sewer | CW6 2018-405 | \$900,000 | \$100,000 | \$52,264 |
| SRF/Sewer | SRF 2018-406 | \$17,100,000 | \$0 | \$993,017 |

* If applicable, the original approved amount is adjusted for decreases and approved increases

**MADS is an estimate until final expenses have been determined

The total MADS from section 2(a.) having a lien on SSTs is \$13,922,658.

(b.) Other prior obligations which have been funded or approved for which the local government has pledged its SSTs are as follows:

| Type of Obligation | Identifying # | Loan Amount | Principal Forgiveness | MADS |
|--------------------|---------------|-------------|-----------------------|------|
| N/A | | | | |

The total MADS from section 2(b.) having a lien on SSTs is \$0.

(c.) The total MADS from prior obligations having a lien on SSTs [subsections 2(a)+2(b)] is \$13,922,658.

3. Loan Requests

The loan(s) which have been applied for and for which state-shared taxes will be pledged:

| Loan Type | Loan # | Anticipated Interest Rate | Base Loan | Principal Forgiveness | Anticipated MADS |
|-----------|--------------|---------------------------|--------------|-----------------------|------------------|
| SRF/Sewer | CW7 2019-428 | 2.05% | \$2,700,000 | \$300,000 | \$164,675 |
| SRF/Sewer | SRF 2019-429 | 2.05% | \$21,000,000 | \$0 | \$1,280,802 |

The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is \$1,445,477.

4. Unobligated SSTs

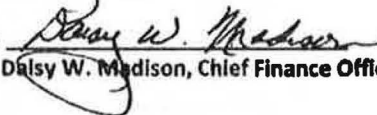
The amount set forth in section (1) less the total amounts set forth in sections 2 and 3 is \$12,679,580.

The Local government hereby represents the information presented above is accurate and understands that funding for the loan request(s) presented is contingent upon approval by the TLDA.

Duly signed by an authorized representative of the Local Government on this 11th day of December, 2018.

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: 
Daisy W. Madison, Chief Finance Officer

FACT SHEET
February 08, 2019

| | |
|-------------------------------|--------------------------------|
| Borrower: | City of Chattanooga |
| Project Number: | SRF 2019-429 |
| Requested SRF Funding: | \$21,000,000 |
| Term: | 20 years |
| Rate: | 2.05% = (2.87 x 80%) - (0.25%) |

Project:

I/I Correction (Dobb Branch Sewer Improvements Phase 1 & 2); I/I Correction (South Chickamauga Sewer Basin Phase 1)

| | |
|----------------------------|--------------------|
| Total Project Cost: | \$24,000,000 |
| Project Funding: | |
| SRF Loan Principal | \$21,000,000 |
| Other Funds (SRF 2019-428) | \$ 3,000,000 |
| County: | Hamilton County |
| Consulting Engineer: | Jacobs |
| Priority Ranking List: | FY 2018 |
| Priority Ranking: | 43, 44, & 45 of 72 |
| Public Meeting: | November 13, 2018 |

Financial Information:

| | |
|-------------------------------|---------------------|
| Operating Revenues: | \$84,559,961 |
| Current Rate: | \$49.14 |
| Residential User Charge: | 5,000 gal/month |
| Customer Base: | 167,674 |
| Audit Report Filed: | 12/31/2018 (timely) |
| Financial Sufficiency Review: | 10/22/2018 |

The financial sufficiency review indicates that revenues and rates are sufficient to repay its SRF loan(s).

FACT SHEET
February 08, 2019

Additional Security

The borrower pledges its unobligated state-shared taxes (SSTs) in an amount equal to the maximum annual debt service (MADS) requirements under the loan agreement.

The SSTs received by the borrower from the state in the prior fiscal year: \$28,047,715.

| | | |
|-------------------------------|--------------------|---------------------|
| MADS: | Prior Obligations: | \$13,922,658 |
| | Proposed loan(s): | <u>\$ 1,445,477</u> |
| | | \$15,368,135 |
| MADS as a percentage of SSTs: | | 54.79% |

**REPRESENTATION OF
LOANS AND STATE-SHARED TAXES
FOR TAX REVENUE ENTITIES
Chattanooga SRF 2019-429**

As security for payments due under a SRF loan agreement, a local government pledges user fees and charges and ad valorem taxes as necessary to meet its obligations under a SRF loan agreement. As an additional security for such payments due, a local government pledges and assigns its unobligated state-shared taxes (SSTs) in an amount equal to maximum annual debt service (MADS) requirements.

1. State-Shared Taxes

The total amount of SSTs, as identified pursuant to Tenn. Code Ann. 4-31-105(c)(2), received by the local government in the prior fiscal year of the State is \$28,047,715.

2. Prior Obligations

(a.) Prior SRF loans which have been funded or approved for which the Local Government has pledged its SSTs are as follows:

| Loan Type | Loan # | Base Loan* | Principal Forgiveness* | MADS** |
|-----------|--------------|--------------|------------------------|-------------|
| SRF/Sewer | SRF 2003-168 | \$40,582,809 | \$0 | \$2,617,872 |
| SRF/Sewer | SRF 2007-204 | \$13,000,000 | \$0 | \$848,868 |
| SRF/Sewer | SRF 2011-289 | \$20,000,000 | \$0 | \$1,214,124 |
| SRF/Sewer | SRF 2012-307 | \$33,100,000 | \$0 | \$1,853,404 |
| SRF/Sewer | SRF 2013-318 | \$66,800,000 | \$0 | \$3,931,074 |
| SRF/Sewer | SRF 2016-357 | \$42,500,000 | \$0 | \$2,412,035 |
| SRF/Sewer | CW6 2018-405 | \$900,000 | \$100,000 | \$52,264 |
| SRF/Sewer | SRF 2018-406 | \$17,100,000 | \$0 | \$993,017 |

* If applicable, the original approved amount is adjusted for decreases and approved increases

**MADS is an estimate until final expenses have been determined

The total MADS from section 2(a.) having a lien on SSTs is \$13,922,658.

(b.) Other prior obligations which have been funded or approved for which the local government has pledged its SSTs are as follows:

| Type of Obligation | Identifying # | Loan Amount | Principal Forgiveness | MADS |
|--------------------|---------------|-------------|-----------------------|------|
| N/A | | | | |

The total MADS from section 2(b.) having a lien on SSTs is \$0.

(c.) The total MADS from prior obligations having a lien on SSTs [subsections 2(a)+2(b)] is \$13,922,658.

3. Loan Requests

The loan(s) which have been applied for and for which state-shared taxes will be pledged:

| Loan Type | Loan # | Anticipated Interest Rate | Base Loan | Principal Forgiveness | Anticipated MADS |
|-----------|--------------|---------------------------|--------------|-----------------------|------------------|
| SRF/Sewer | SRF 2019-429 | 2.05% | \$21,000,000 | \$0 | \$1,280,802 |
| SRF/Sewer | CW7 2019-428 | 2.05% | \$2,700,000 | \$300,000 | \$164,675 |

The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is \$1,445,477.

4. Unobligated SSTs

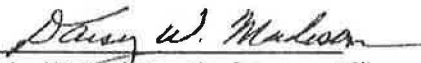
The amount set forth in section (1) less the total amounts set forth in sections 2 and 3 is \$12,679,580.

The Local government hereby represents the information presented above is accurate and understands that funding for the loan request(s) presented is contingent upon approval by the TLDA.

Duly signed by an authorized representative of the Local Government on this 11th day of December, 2018.

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: 
Daisy W. Madison, Chief Finance Officer

FACT SHEET
February 08, 2019

Borrower: City of Cleveland
Project Number: SRF 2018-416 (Increase)
Requested SRF Funding: \$730,000
Term: 20 years
Rate: 1.56% = (2.58 x 70%) - (0.25%)

Project:

Collection System Expansion (Installation of approximately 7,750 LF of sewer lines to replace septic tanks in the area south of APD 40 between South Lee Highway and I-75 Exit 20)

Total Project Cost: \$1,730,000
Project Funding:
 SRF Loan Principal* \$ 730,000 \$379,500 (Increase)
 Other Funds (CW6 2018-415) \$1,000,000
County: Bradley County
Consulting Engineer: GRW Engineers, Inc.
Priority Ranking List: FY 2016
Priority Ranking: 19 of 50
Public Meeting: February 12, 2018

Financial Information:

Operating Revenues: \$29,511,487
Current Rate: \$34.76
Residential User Charge: 5,000 gal/month
Customer Base: 46,000
Audit Report Filed: 12/27/2018 (timely)
Financial Sufficiency Review: 11/08/2018

The financial sufficiency review indicates that revenues and rates are sufficient to repay its SRF loan(s).

* There is a previous loan in the amount of \$350,500.

FACT SHEET
February 08, 2019

Additional Security

The borrower pledges its unobligated state-shared taxes (SSTs) in an amount equal to the maximum annual debt service (MADS) requirements under the loan agreement.

The SSTs received by the borrower from the state in the prior fiscal year: ~~\$6,188,751.~~

| | | |
|-------------------------------|--------------------|------------------|
| MADS: | Prior Obligations: | \$2,060,969 |
| | Proposed loan(s): | <u>\$ 22,101</u> |
| | | \$2,083,070 |
| MADS as a percentage of SSTs: | 33.66% | |

**REPRESENTATION OF
LOANS AND STATE-SHARED TAXES
FOR TAX REVENUE ENTITIES
Cleveland SRF 2018-416(Inc)**

As security for payments due under a SRF loan agreement, a local government pledges user fees and charges and ad valorem taxes as necessary to meet its obligations under a SRF loan agreement. As an additional security for such payments due, a local government pledges and assigns its unobligated state-shared taxes (SSTs) in an amount equal to maximum annual debt service (MADS) requirements.

1. State-Shared Taxes

The total amount of SSTs, as identified pursuant to Tenn. Code Ann. 4-31-105(c)(2), received by the local government in the prior fiscal year of the State is \$6,188,751.

2. Prior Obligations

(a.) Prior SRF loans which have been funded or approved for which the Local Government has pledged its SSTs are as follows:

| Loan Type | Loan # | Base Loan* | Principal Forgiveness* | MADS** |
|--------------|--------------|--------------|------------------------|-----------|
| SRF/Sewer | CW0 2013-319 | \$1,374,978 | \$451,022 | \$76,991 |
| SRF/Sewer | SRF 2013-320 | \$8,169,388 | \$0 | \$457,696 |
| SRF/Sewer | CWA 2009-241 | \$815,400 | \$543,600 | \$50,011 |
| SRF/Sewer | CG4 2015-349 | \$2,325,000 | \$175,000 | \$133,092 |
| SRF/Sewer | CG3 2017-379 | \$104,897 | \$5,521 | \$5,722 |
| SRF/Sewer | SRF 2018-417 | \$10,000,000 | \$0 | \$583,480 |
| SRF/Sewer | DG2 2014-151 | \$2,000,000 | \$500,000 | \$115,811 |
| SRF/Water | DWF 2016-172 | \$2,889,229 | \$0 | \$159,720 |
| SRF/Water | DW6 2017-192 | \$800,000 | \$200,000 | \$46,767 |
| SRF/Water | DWF 2017-193 | \$195,000 | \$0 | \$11,400 |
| SRF/Water | DWF 2018-205 | \$430,000 | \$0 | \$24,451 |
| SRF/Sewer | CW6-2018-415 | \$900,000 | \$100,000 | \$52,416 |
| SRF/Sewer*** | SRF 2018-416 | \$350,500 | \$0 | \$20,412 |

* If applicable, the original approved amount is adjusted for decreases and approved increases

**MADS is an estimate until final expenses have been determined

The total MADS from section 2(a.) having a lien on SSTs is \$1,737,969.

(b.) Other prior obligations which have been funded or approved for which the local government has pledged its SSTs are as follows:

| Type of Obligation | Identifying # | Loan Amount | Principal Forgiveness | MADS |
|--------------------|---------------|-------------|-----------------------|-----------|
| QZAB/QSCB | BFC0100 | \$4,160,000 | \$0 | \$323,000 |

The total MADS from section 2(b.) having a lien on SSTs is \$323,000.

(c.) The total MADS from prior obligations having a lien on SSTs [subsections 2(a)+2(b)] is \$2,060,969.

3. Loan Requests

The loan(s) which have been applied for and for which state-shared taxes will be pledged:

| Loan Type | Loan # | Anticipated Interest Rate | Base Loan | Principal Forgiveness | Anticipated MADS |
|-------------------------|--------------|---------------------------|-----------|-----------------------|------------------|
| ***SRF/Sewer (increase) | SRF 2018-416 | 1.56% | \$379,500 | \$0 | \$22,101 |

The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is \$22,101.

4. Unobligated SSTs

The amount set forth in section (1) less the total amounts set forth in sections 2 and 3 is \$4,105,681.

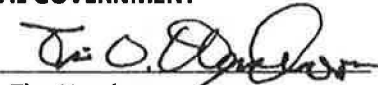
The Local government hereby represents the Information presented above is accurate and understands that funding for the loan request(s) presented is contingent upon approval by the TLDA.

Duly signed by an authorized representative of the Local Government on this 15th day of January, 2019.

This is the Comptroller's certificate as required by TCA 4-31-108.

LOCAL GOVERNMENT

BY:



Tim Henderson
President/CEO

FACT SHEET
February 08, 2019

Borrower: City of Humboldt
Project Number: CW7 2019-432
Requested SRF Funding: \$3,000,000
Term: 20 years
Rate: 0.97% = (2.44 x 50%) - (0.25%)

Project:

Wastewater Treatment Plant Upgrades and Collection System Expansion

Total Project Cost: \$22,000,000

Project Funding:

| | |
|--------------------------------|--------------|
| SRF Loan Principal (90%) | \$ 2,700,000 |
| Principal Forgiveness (10%) | \$ 300,000 |
| Other Funds (SRF 2019-433) | \$ 7,900,000 |
| Other Funds (EDA Funds) | \$ 2,872,000 |
| Other Funds (Fast Track Funds) | \$ 7,703,000 |
| Other Funds (CDBG Grant) | \$ 525,000 |

| | |
|------------------------|---|
| County: | Gibson County |
| Consulting Engineer: | J. R. Wauford & Company, Consulting Engineers, Inc. |
| Priority Ranking List: | FY 2018 |
| Priority Ranking: | 55 of 72 |
| Public Meeting: | January 10, 2019 |

Financial Information:

| | |
|-------------------------------|---|
| Operating Revenues: | \$2,955,738 |
| Current Rate: | \$27.25 |
| Effective Rates: | \$30.25 (January 01, 2020) \$33.57 (July 01, 2021) |
| Residential User Charge: | 5,000 gal/month |
| Customer Base: | 8,452 |
| Audit Report Filed: | 12/28/2017 (timely) |
| Financial Sufficiency Review: | 12/06/2018 |

The financial sufficiency review indicates that revenues and rates are sufficient to repay its SRF loan(s) with rate adjustments.

FACT SHEET
February 08, 2019

Additional Security

The borrower pledges its unobligated state-shared taxes (SSTs) in an amount equal to the maximum annual debt service (MADS) requirements under the loan agreement.

The SSTs received by the borrower from the state in the prior fiscal year: \$1,122,031.

| | | |
|-------------------------------|--------------------|-------------------|
| MADS: | Prior Obligations: | \$ 185,076 |
| | Proposed loan(s): | |
| | DW6 2019-213 | \$ 45,098 |
| | DW7 2019-214 | \$ 45,098 |
| | DWF 2019-215 | \$ 225,492 |
| | CW7 2019-432 | \$ 148,573 |
| | SRF 2019-433 | <u>\$ 434,712</u> |
| | | \$ 1,084,049 |
| MADS as a percentage of SSTs: | 96.61% | |

**REPRESENTATION OF
LOANS AND STATE-SHARED TAXES
FOR TAX REVENUE ENTITIES
Humboldt CW7 2019-432**

As security for payments due under a SRF loan agreement, a local government pledges user fees and charges and ad valorem taxes as necessary to meet its obligations under a SRF loan agreement. As an additional security for such payments due, a local government pledges and assigns its unobligated state-shared taxes (SSTs) in an amount equal to maximum annual debt service (MADS) requirements.

1. State-Shared Taxes

The total amount of SSTs, as identified pursuant to Tenn. Code Ann. 4-31-105(c)(2), received by the local government in the prior fiscal year of the State is \$1,122,031.

2. Prior Obligations

(a.) Prior SRF loans which have been funded or approved for which the Local Government has pledged its SSTs are as follows:

| Loan Type | Loan # | Base Loan* | Principal Forgiveness* | MADS** |
|-----------|--------------|-------------|------------------------|-----------|
| SRF/Sewer | SRF 2011-277 | \$1,317,794 | \$0 | \$76,284 |
| SRF/Sewer | SRF 2018-411 | \$540,000 | \$0 | \$108,792 |

* If applicable, the original approved amount is adjusted for decreases and approved increases

**MADS is an estimate until final expenses have been determined

The total MADS from section 2(a.) having a lien on SSTs is \$185,076.

(b.) Other prior obligations which have been funded or approved for which the local government has pledged its SSTs are as follows:

| Type of Obligation | Identifying # | Loan Amount | Principal Forgiveness | MADS |
|---------------------|---------------|-------------|-----------------------|------|
| QZAB/QSCB | N/A | | | |
| TLDA/Public Health | N/A | | | |
| TLDA/Transportation | N/A | | | |

The total MADS from section 2(b.) having a lien on SSTs is \$0.

(c.) The total MADS from prior obligations having a lien on SSTs [subsections 2(a)+2(b)] is \$185,076.

3. Loan Requests

The loan(s) which have been applied for and for which state-shared taxes will be pledged:

| Loan Type | Loan # | Anticipated Interest Rate | Base Loan | Principal Forgiveness | Anticipated MADS |
|-----------|--------------|---------------------------|-------------|-----------------------|------------------|
| SRF/Sewer | CW7 2019-432 | 0.97% | \$2,700,000 | \$300,000 | \$148,573 |
| SRF/Sewer | SRF 2019-433 | 0.97% | \$7,900,000 | \$0 | \$434,712 |

| | | | | | |
|-----------|--------------|-------|-------------|-----------|-----------|
| SRF/Water | DWF 2019-215 | 1.22% | \$4,000,000 | \$0 | \$225,492 |
| SRF/Water | DW7 2019-214 | 1.22% | \$800,000 | \$200,000 | \$45,098 |
| SRF/Water | DW6 2019-213 | 1.22% | \$800,000 | \$200,000 | \$45,098 |

The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is \$898,973.

4. Unobligated SSTs

The amount set forth in section (1) less the total amounts set forth in sections 2 and 3 is \$37,982.

The Local government hereby represents the information presented above is accurate and understands that funding for the loan request(s) presented is contingent upon approval by the TLDA.

Duly signed by an authorized representative of the Local Government on this 23rd day of January, 2019.

This is the Comptroller's certificate as required by TCA 4-31-108.

LOCAL GOVERNMENT

BY: 

Alex Smith, General Manager

FACT SHEET
February 08, 2019

Borrower: City of Humboldt
Project Number: SRF 2019-433
Requested SRF Funding: \$7,900,000
Term: 20 years
Rate: 0.97% = (2.44 x 50%) - (0.25%)

Project:

Wastewater Treatment Plant Upgrades & Collection System expansions

Total Project Cost: \$22,000,000

Project Funding:

| | |
|--------------------------------|--------------|
| SRF Loan Principal (90%) | \$ 7,900,000 |
| Other Funds (CW7 2019-432) | \$ 3,000,000 |
| Other Funds (EDA Funds) | \$ 2,872,000 |
| Other Funds (Fast Track Funds) | \$ 7,703,000 |
| Other Funds (CDBG Grant) | \$ 525,000 |

County: Gibson County

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

Priority Ranking List: FY 2018

Priority Ranking: 55 of 72

Public Meeting: January 10, 2019

Financial Information:

| | |
|-------------------------------|----------------------------|
| Operating Revenues: | \$2,955,738 |
| Current Rate: | \$27.25 |
| Effective Rates: | \$30.25 (January 01, 2020) |
| | \$33.57 (July 01, 2021) |
| Residential User Charge: | 5,000 gal/month |
| Customer Base: | 8,452 |
| Audit Report Filed: | 12/28/2017 (timely) |
| Financial Sufficiency Review: | 12/06/2018 |

The financial sufficiency review indicates that revenues and rates are sufficient to repay its SRF loan(s) with rate adjustments.

FACT SHEET
February 08, 2019

Additional Security

The borrower pledges its unobligated state-shared taxes (SSTs) in an amount equal to the maximum annual debt service (MADS) requirements under the loan agreement.

The SSTs received by the borrower from the state in the prior fiscal year: \$1,122,031.

| | | |
|-------------------------------|--------------------|-------------------|
| MADS: | Prior Obligations: | \$ 185,076 |
| | Proposed loan(s): | |
| | DW6 2019-213 | \$ 45,098 |
| | DW7 2019-214 | \$ 45,098 |
| | DWF 2019-215 | \$ 225,492 |
| | CW7 2019-432 | \$ 148,573 |
| | SRF 2019-433 | <u>\$ 434,712</u> |
| | | \$ 1,084,049 |
| MADS as a percentage of SSTs: | | 96.61% |

**REPRESENTATION OF
LOANS AND STATE-SHARED TAXES
FOR TAX REVENUE ENTITIES
Humboldt SRF 2019-433**

As security for payments due under a SRF loan agreement, a local government pledges user fees and charges and ad valorem taxes as necessary to meet its obligations under a SRF loan agreement. As an additional security for such payments due, a local government pledges and assigns its unobligated state-shared taxes (SSTs) in an amount equal to maximum annual debt service (MADS) requirements.

1. State-Shared Taxes

The total amount of SSTs, as identified pursuant to Tenn. Code Ann. 4-31-105(c)(2), received by the local government in the prior fiscal year of the State is \$1,122,031.

2. Prior Obligations

(a.) Prior SRF loans which have been funded or approved for which the Local Government has pledged its SSTs are as follows:

| Loan Type | Loan # | Base Loan* | Principal Forgiveness* | MADS** |
|-----------|--------------|-------------|------------------------|-----------|
| SRF/Sewer | SRF 2011-277 | \$1,317,794 | \$0 | \$76,284 |
| SRF/Sewer | SRF 2018-411 | \$540,000 | \$0 | \$108,792 |

* If applicable, the original approved amount is adjusted for decreases and approved increases

**MADS is an estimate until final expenses have been determined

The total MADS from section 2(a.) having a lien on SSTs is \$185,076.

(b.) Other prior obligations which have been funded or approved for which the local government has pledged its SSTs are as follows:

| Type of Obligation | Identifying # | Loan Amount | Principal Forgiveness | MADS |
|---------------------|---------------|-------------|-----------------------|------|
| QZAB/QSCB | N/A | | | |
| TLDA/Public Health | N/A | | | |
| TLDA/Transportation | N/A | | | |

The total MADS from section 2(b.) having a lien on SSTs is \$0.

(c.) The total MADS from prior obligations having a lien on SSTs [subsections 2(a)+2(b)] is \$185,076.

3. Loan Requests

The loan(s) which have been applied for and for which state-shared taxes will be pledged:

| Loan Type | Loan # | Anticipated Interest Rate | Base Loan | Principal Forgiveness | Anticipated MADS |
|-----------|--------------|---------------------------|-------------|-----------------------|------------------|
| SRF/Sewer | SRF 2019-433 | 0.97% | \$7,900,000 | \$0 | \$434,712 |
| SRF/Sewer | CW7 2018-432 | 0.97% | \$2,700,000 | \$300,000 | \$146,573 |

| | | | | | |
|-----------|--------------|-------|-------------|-----------|-----------|
| SRF/Water | DWF 2019-215 | 1.22% | \$4,000,000 | \$0 | \$225,492 |
| SRF/Water | DW7 2019-214 | 1.22% | \$800,000 | \$200,000 | \$45,098 |
| SRF/Water | DW6 2019-213 | 1.22% | \$800,000 | \$200,000 | \$45,098 |

The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is \$898,973.

4. Unobligated SSTs

The amount set forth in section (1) less the total amounts set forth in sections 2 and 3 is \$37,982.

The Local government hereby represents the information presented above is accurate and understands that funding for the loan request(s) presented is contingent upon approval by the TLDA.

Duly signed by an authorized representative of the Local Government on this 23rd day of January, 2019.

This is the Comptroller's certificate as required by TCA 4-31-108.

LOCAL GOVERNMENT

BY: 

Alex Smith, General Manager

FACT SHEET
February 08, 2019

| | |
|-------------------------------|--------------------------------|
| Borrower: | City of Memphis |
| Project Number: | SRF 2019-421 |
| Requested SRF Funding: | \$6,500,000 |
| Term: | 20 years |
| Rate: | 1.20% = (2.89 x 50%) - (0.25%) |

Project:

I & I Correction (City-Wide Sewer Assessment & Rehabilitation Program/ Group 1 CIPP; Rehabilitating approximately 53,000 liner feet of 8-inch through 36-inch diameter sewers by methods including pre-cleaning, CIPP, point repair, and manhole rehabilitation)

| | |
|------------------------|--------------------|
| Total Project Cost: | \$6,500,000 |
| Project Funding: | |
| SRF Loan Principal | \$6,500,000 |
| County: | Shelby County |
| Consulting Engineer: | Black & Veatch |
| Priority Ranking List: | FY 2017 |
| Priority Ranking: | 55 of 67 |
| Public Meeting: | September 17, 2018 |

Financial Information:

| | |
|-------------------------------|---------------------|
| Operating Revenues: | \$111,856,079 |
| Current Rate: | \$14.35 |
| Effective Rates: | \$16.60 (1/1/2020) |
| Residential User Charge: | 5,000 gal/month |
| Customer Base: | 646,889 |
| Audit Report Filed: | 12/31/2018 (timely) |
| Financial Sufficiency Review: | 07/16/2018 |

The financial sufficiency review indicates that revenues and rates are sufficient to repay its SRF loan(s) with rate adjustments.

FACT SHEET
February 08, 2019

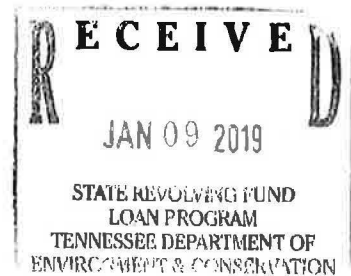
Additional Security

The borrower pledges its unobligated state-shared taxes (SSTs) in an amount equal to the maximum annual debt service (MADS) requirements under the loan agreement.

The SSTs received by the borrower from the state in the prior fiscal year: \$101,003,916.

| | | |
|-------------------------------|--------------------|-------------------|
| MADS: | Prior Obligations: | \$8,768,989 |
| | Proposed loan(s): | <u>\$ 365,720</u> |
| | | \$9,134,709 |
| MADS as a percentage of SSTs: | 9.04% | |

**REPRESENTATION OF
LOANS AND STATE-SHARED TAXES
FOR TAX REVENUE ENTITIES
Memphis SRF 2019-421**



As security for payments due under a SRF loan agreement, a local government pledges user fees and charges and ad valorem taxes as necessary to meet its obligations under a SRF loan agreement. As an additional security for such payments due, a local government pledges and assigns its unobligated state-shared taxes (SSTs) in an amount equal to maximum annual debt service (MADS) requirements.

1. State-Shared Taxes

The total amount of SSTs, as identified pursuant to Tenn. Code Ann. 4-31-105(c)(2), received by the local government in the prior fiscal year of the State is \$101,003,916.

2. Prior Obligations

(a.) Prior SRF loans which have been funded or approved for which the Local Government has pledged its SSTs are as follows:

| Loan Type | Loan # | Base Loan* | Principal Forgiveness* | MADS** |
|-----------|----------|---------------|------------------------|-------------|
| SRF/Sewer | 2015-355 | \$25,000,000 | \$0 | \$1,346,483 |
| SRF/Sewer | 2013-311 | \$100,000,000 | \$0 | \$5,385,931 |
| SRF/Sewer | 2013-309 | \$22,000,000 | \$0 | \$1,184,905 |
| SRF/Sewer | 2006-195 | \$3,988,541 | \$0 | \$255,732 |
| SRF/Sewer | 2018-409 | \$11,000,000 | \$0 | \$595,938 |

* If applicable, the original approved amount is adjusted for decreases and approved increases

**MADS is an estimate until final expenses have been determined

The total MADS from section 2(a.) having a lien on SSTs is \$8,768,989.

(b.) Other prior obligations which have been funded or approved for which the local government has pledged its SSTs are as follows:

| Type of Obligation | Identifying # | Loan Amount | Principal Forgiveness | MADS |
|---------------------|---------------|-------------|-----------------------|------|
| QZAB/QSCB | N/A | | | |
| TLDA/Public Health | N/A | | | |
| TLDA/Transportation | N/A | | | |

The total MADS from section 2(b.) having a lien on SSTs is \$0.

(c.) The total MADS from prior obligations having a lien on SSTs [subsections 2(a)+2(b)] is \$8,768,989.

3. Loan Requests

The loan(s) which have been applied for and for which state-shared taxes will be pledged:

| Loan Type | Loan # | Anticipated Interest Rate | Base Loan | Principal Forgiveness | Anticipated MADS |
|-----------|--------------|---------------------------|-------------|-----------------------|------------------|
| SRF/Sewer | SRF 2019-421 | 1.20% | \$6,500,000 | \$0 | \$365,720 |

The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is \$365,720.

4. Unobligated SSTs

The amount set forth in section (1) less the total amounts set forth in sections 2 and 3 is \$91,869,207.

The Local government hereby represents the information presented above is accurate and understands that funding for the loan request(s) presented is contingent upon approval by the TLDA.

Duly signed by an authorized representative of the Local Government on this 8 day of January, 2019

This is the Comptroller's certificate as required by TCA 4-31-108.

LOCAL GOVERNMENT

BY:

Jim Strickland, Mayor

APPROVED:

CITY ATTORNEY

FACT SHEET

February 08, 2019

| | |
|-------------------------------|--------------------------------|
| Borrower: | City of Springfield |
| Project Number: | SRF 2019-422 (Increase) |
| Requested SRF Funding: | \$26,500,000 |
| Term: | 20 years |
| Rate: | 1.30% = (2.59 x 60%) - (0.25%) |

Project:

Collection System Replacement (Installation of approximately 18,000 LF of 8-inch to 24-inch diameter sewer lines and seventy-five new manholes to address SSOs); I/I Correction (Rehabilitation of approximately 3,900 LF of 18-inch diameter sewer lines by method of CIPP, manhole rehabilitation, and the construction of a 4 MG wastewater storage tank at Carr Creek and a 5 MG wastewater storage tank at Sulphur Creek)

| | |
|------------------------|---|
| Total Project Cost: | \$26,500,000 |
| Project Funding: | |
| SRF Loan Principal* | \$26,500,000 \$19,000,000 (Increase) |
| County: | Robertson County |
| Consulting Engineer: | Gresham Smith |
| Priority Ranking List: | FY 2018 |
| Priority Ranking: | 52, 53, & 54 of 72 |
| Public Meeting: | September 15, 2015 |

Financial Information:

| | |
|-------------------------------|---------------------|
| Operating Revenues: | \$6,384,917 |
| Current Rate: | \$72.10 |
| Residential User Charge: | 5,000 gal/month |
| Customer Base: | 16,440 |
| Audit Report Filed: | 12/18/2018 (timely) |
| Financial Sufficiency Review: | 12/11/2018 |

The financial sufficiency review indicates that revenues and rates are sufficient to repay its SRF loan(s).

*There is a previous Loan in the amount of \$7,500,000.

FACT SHEET
February 08, 2019

Additional Security

The borrower pledges its unobligated state-shared taxes (SSTs) in an amount equal to the maximum annual debt service (MADS) requirements under the loan agreement.

The SSTs received by the borrower from the state in the prior fiscal year: \$2,288,937.

| | | |
|-------------------------------|--------------------|--------------------|
| MADS: | Prior Obligations: | \$ 795,722 |
| | Proposed loan(s): | <u>\$1,079,357</u> |
| | | \$1,875,079 |
| MADS as a percentage of SSTs: | 81.92% | |

**REPRESENTATION OF
LOANS AND STATE-SHARED TAXES
FOR TAX REVENUE ENTITIES
Springfield SRF 2019-422 (Inc)**

As security for payments due under a SRF loan agreement, a local government pledges user fees and charges and ad valorem taxes as necessary to meet its obligations under a SRF loan agreement. As an additional security for such payments due, a local government pledges and assigns its unobligated state-shared taxes (SSTs) in an amount equal to maximum annual debt service (MADS) requirements.

1. State-Shared Taxes

The total amount of SSTs, as identified pursuant to Tenn. Code Ann. 4-31-105(c)(2), received by the local government in the prior fiscal year of the State is \$2,288,937.

2. Prior Obligations

(a.) Prior SRF loans which have been funded or approved for which the Local Government has pledged its SSTs are as follows:

| Loan Type | Loan # | Base Loan* | Principal Forgiveness* | MADS** |
|-----------|--------------|-------------|------------------------|-----------|
| SRF/Sewer | SRF 1994-069 | \$960,485 | \$0 | \$63,000 |
| SRF/Sewer | SRF 2016-360 | \$6,503,649 | \$0 | \$306,660 |
| SRF/Sewer | SRF 2019-422 | \$7,500,000 | \$0 | \$426,062 |

* If applicable, the original approved amount is adjusted for decreases and approved increases

**MADS is an estimate until final expenses have been determined

The total MADS from section 2(a.) having a lien on SSTs is \$795,722.

(b.) Other prior obligations which have been funded or approved for which the local government has pledged its SSTs are as follows:

| Type of Obligation | Identifying # | Loan Amount | Principal Forgiveness | MADS |
|---------------------|---------------|-------------|-----------------------|------|
| QZAB/QSCB | N/A | | | |
| TLDA/Public Health | N/A | | | |
| TLDA/Transportation | N/A | | | |

The total MADS from section 2(b.) having a lien on SSTs is \$0.

(c.) The total MADS from prior obligations having a lien on SSTs [subsections 2(a)+2(b)] is \$795,722.

3. Loan Requests

The loan(s) which have been applied for and for which state-shared taxes will be pledged:

| Loan Type | Loan # | Anticipated Interest Rate | Base Loan | Principal Forgiveness | Anticipated MADS |
|-------------------------|--------------|---------------------------|--------------|-----------------------|------------------|
| ***SRF/Sewer (increase) | SRF 2019-422 | 1.30% | \$19,000,000 | \$0 | \$1,079,357 |

The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is \$1,079,357.

4. Unobligated SSTs

The amount set forth in section (1) less the total amounts set forth in sections 2 and 3 is \$413,858.

The Local government hereby represents the information presented above is accurate and understands that funding for the loan request(s) presented is contingent upon approval by the TLDA.

Duly signed by an authorized representative of the Local Government on this 16th day of January, 2019

This is the Comptroller's certificate as required by TCA 4-31-108.

LOCAL GOVERNMENT

BY: 
The Honorable Ann Schneider, Mayor

DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF WATER RESOURCES

Drinking Water State Revolving Fund (DWSRF) Loan Program
Funds Available for Loan Obligation
February 8, 2019

Unobligated Balance as of November 26, 2018 \$ 74,514,809

Increases:

FY 2018 EPA Capitalization Grant Award (available for loans)

\$ 16,206,120

State Match of Capitalization Grant

\$ 3,858,600

\$ 20,064,720

Unobligated Balance as of February 8, 2019 \$ 94,579,529

Applicants:

Loan Number

Loan Amount

Humboldt (subsidized \$200,000)

DW6 2019-213

\$ 1,000,000

Humboldt (subsidized \$200,000)

DW7 2019-214

\$ 1,000,000

Humboldt

DWF 2019-215

\$ 4,000,000

\$ 6,000,000

Remaining Funds Available for Loan Obligations \$ 88,579,529

FACT SHEET
February 08, 2019

Borrower: City of Humboldt
Project Number: DW6 2019-213
Requested SRF Funding: \$1,000,000
Term: 20 years
Rate: 1.22% = (2.93 x 50%) - (0.25%)

Project:

Water Treatment Plant and Water Distribution System Improvements

Total Project Cost: \$6,000,000

Project Funding:

| | |
|-----------------------------|-------------|
| SRF Loan Principal (80%) | \$ 800,000 |
| Principal Forgiveness (20%) | \$ 200,000 |
| Other Funds (DWF 2019-215) | \$4,000,000 |
| Other Funds (DW7 2019-214) | \$1,000,000 |

| | |
|------------------------|---|
| County: | Gibson County |
| Consulting Engineer: | J. R. Wauford & Company, Consulting Engineers, Inc. |
| Priority Ranking List: | FY 2018 |
| Priority Ranking: | 8 of 21 |
| Public Meeting: | October 18, 2018 |

Financial Information:

| | |
|-------------------------------|---|
| Operating Revenues: | \$2,955,738 |
| Current Rate: | \$24.25 |
| Effective Rates: | \$26.68 (January 01, 2020) \$29.34 (July 01, 2021) |
| Residential User Charge: | 5,000 gal/month |
| Customer Base: | 8,452 |
| Audit Report Filed: | 12/28/2017 (timely) |
| Financial Sufficiency Review: | 10/16/2018 |

The financial sufficiency review indicates that revenues and rates are sufficient to repay its SRF loan(s) with rate adjustments.

FACT SHEET
February 08, 2019

Additional Security

The borrower pledges its unobligated state-shared taxes (SSTs) in an amount equal to the maximum annual debt service (MADS) requirements under the loan agreement.

The SSTs received by the borrower from the state in the prior fiscal year: \$1,122,031.

| | | |
|-------------------------------|--------------------|-------------------|
| MADS: | Prior Obligations: | \$ 185,076 |
| | Proposed loan(s): | |
| | DW6 2019-213 | \$ 45,098 |
| | DW7 2019-214 | \$ 45,098 |
| | DWF 2019-215 | \$ 225,492 |
| | CW7 2019-432 | \$ 148,573 |
| | SRF 2019-433 | <u>\$ 434,712</u> |
| | | \$1,084,049 |
| MADS as a percentage of SSTs: | | 96.61% |

**REPRESENTATION OF
LOANS AND STATE-SHARED TAXES
FOR TAX REVENUE ENTITIES
Humboldt DW6 2019-213**

As security for payments due under a SRF loan agreement, a local government pledges user fees and charges and ad valorem taxes as necessary to meet its obligations under a SRF loan agreement. As an additional security for such payments due, a local government pledges and assigns its unobligated state-shared taxes (SSTs) in an amount equal to maximum annual debt service (MADS) requirements.

1. State-Shared Taxes

The total amount of SSTs, as identified pursuant to Tenn. Code Ann. 4-31-105(c)(2), received by the local government in the prior fiscal year of the State is \$1,122,031.

2. Prior Obligations

(a.) Prior SRF loans which have been funded or approved for which the Local Government has pledged its SSTs are as follows:

| Loan Type | Loan # | Base Loan* | Principal Forgiveness* | MADS** |
|-----------|--------------|-------------|------------------------|-----------|
| SRF/Sewer | SRF 2011-277 | \$1,317,794 | \$0 | \$76,284 |
| SRF/Sewer | SRF 2018-411 | \$540,000 | \$0 | \$108,792 |

* If applicable, the original approved amount is adjusted for decreases and approved increases

**MADS is an estimate until final expenses have been determined

The total MADS from section 2(a.) having a lien on SSTs is \$185,076.

(b.) Other prior obligations which have been funded or approved for which the local government has pledged its SSTs are as follows:

| Type of Obligation | Identifying # | Loan Amount | Principal Forgiveness | MADS |
|---------------------|---------------|-------------|-----------------------|------|
| QZAB/QSCB | N/A | | | |
| TLDA/Public Health | N/A | | | |
| TLDA/Transportation | N/A | | | |

The total MADS from section 2(b.) having a lien on SSTs is \$0.

(c.) The total MADS from prior obligations having a lien on SSTs [subsections 2(a)+2(b)] is \$185,076.

3. Loan Requests

The loan(s) which have been applied for and for which state-shared taxes will be pledged:

| Loan Type | Loan # | Anticipated Interest Rate | Base Loan | Principal Forgiveness | Anticipated MADS |
|-----------|--------------|---------------------------|-----------|-----------------------|------------------|
| SRF/Water | DW6 2019-213 | 1.22% | \$800,000 | \$200,000 | \$45,098 |
| SRF/Water | DW7 2019-214 | 1.22% | \$800,000 | \$200,000 | \$45,098 |

| | | | | | |
|-----------|--------------|-------|-------------|-----------|-----------|
| SRF/Water | DWF 2019-215 | 1.22% | \$4,000,000 | \$0 | \$225,492 |
| SRF/Sewer | CW7 2019-432 | 0.97% | \$2,700,000 | \$300,000 | \$148,573 |
| SRF/Sewer | SRF 2019-433 | 0.97% | \$7,900,000 | \$0 | \$434,712 |

The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is \$898,973.

4. Unobligated SSTs

The amount set forth in section (1) less the total amounts set forth in sections 2 and 3 is \$37,982.

The Local government hereby represents the information presented above is accurate and understands that funding for the loan request(s) presented is contingent upon approval by the TLDA.

Duly signed by an authorized representative of the Local Government on this 13th day of November, 2018.

This is the Comptroller's certificate as required by TCA 4-31-108.

LOCAL GOVERNMENT

BY:

Alex Smith
Alex Smith, General Manager

FACT SHEET
February 08, 2019

Borrower: City of Humboldt
Project Number: DW7 2019-214
Requested SRF Funding: \$1,000,000
Term: 20 years
Rate: 1.22% = (2.93 x 50%) - (0.25%)

Project:

Water Treatment Plant and Water Distribution System Improvements

Total Project Cost: \$6,000,000

Project Funding:

| | |
|-----------------------------|-------------|
| SRF Loan Principal (80%) | \$ 800,000 |
| Principal Forgiveness (20%) | \$ 200,000 |
| Other Funds (DWF 2019-215) | \$4,000,000 |
| Other Funds (DW6 2019-213) | \$1,000,000 |

| | |
|------------------------|---|
| County: | Gibson County |
| Consulting Engineer: | J. R. Wauford & Company, Consulting Engineers, Inc. |
| Priority Ranking List: | FY 2018 |
| Priority Ranking: | 8 of 21 |
| Public Meeting: | October 18, 2018 |

Financial Information:

| | |
|-------------------------------|----------------------------|
| Operating Revenues: | \$2,955,738 |
| Current Rate: | \$24.25 |
| Effective Rates: | \$26.68 (January 01, 2020) |
| | \$29.34 (July 01, 2021) |
| Residential User Charge: | 5,000 gal/month |
| Customer Base: | 8,452 |
| Audit Report Filed: | 12/28/2017 (timely) |
| Financial Sufficiency Review: | 10/16/2018 |

The financial sufficiency review indicates that revenues and rates are sufficient to repay its SRF loan(s) with rate adjustments.

FACT SHEET
February 08, 2019

Additional Security

The borrower pledges its unobligated state-shared taxes (SSTs) in an amount equal to the maximum annual debt service (MADS) requirements under the loan agreement.

The SSTs received by the borrower from the state in the prior fiscal year: \$1,122,031.

| | | |
|-------|--------------------|-------------------|
| MADS: | Prior Obligations: | \$ 185,076 |
| | Proposed loan(s): | |
| | DW6 2019-213 | \$ 45,098 |
| | DW7 2019-214 | \$ 45,098 |
| | DWF 2019-215 | \$ 225,492 |
| | CW7 2019-432 | \$ 148,573 |
| | SRF 2019-433 | <u>\$ 434,712</u> |
| | | \$1,084,049 |

MADS as a percentage of SSTs: 96.61%

**REPRESENTATION OF
LOANS AND STATE-SHARED TAXES
FOR TAX REVENUE ENTITIES
Humboldt DW7 2019-214**

As security for payments due under a SRF loan agreement, a local government pledges user fees and charges and ad valorem taxes as necessary to meet its obligations under a SRF loan agreement. As an additional security for such payments due, a local government pledges and assigns its unobligated state-shared taxes (SSTs) in an amount equal to maximum annual debt service (MADS) requirements.

1. State-Shared Taxes

The total amount of SSTs, as identified pursuant to Tenn. Code Ann. 4-31-105(c)(2), received by the local government in the prior fiscal year of the State is \$1,122,031.

2. Prior Obligations

(a.) Prior SRF loans which have been funded or approved for which the Local Government has pledged its SSTs are as follows:

| Loan Type | Loan # | Base Loan* | Principal Forgiveness* | MADS** |
|-----------|--------------|-------------|------------------------|-----------|
| SRF/Sewer | SRF 2011-277 | \$1,317,794 | \$0 | \$76,284 |
| SRF/Sewer | SRF 2018-411 | \$540,000 | \$0 | \$108,792 |

* If applicable, the original approved amount is adjusted for decreases and approved increases

**MADS is an estimate until final expenses have been determined

The total MADS from section 2(a.) having a lien on SSTs is \$185,076.

(b.) Other prior obligations which have been funded or approved for which the local government has pledged its SSTs are as follows:

| Type of Obligation | Identifying # | Loan Amount | Principal Forgiveness | MADS |
|---------------------|---------------|-------------|-----------------------|------|
| QZAB/QSCB | N/A | | | |
| TLDA/Public Health | N/A | | | |
| TLDA/Transportation | N/A | | | |

The total MADS from section 2(b.) having a lien on SSTs is \$0.

(c.) The total MADS from prior obligations having a lien on SSTs [subsections 2(a)+2(b)] is \$185,076.

3. Loan Requests

The loan(s) which have been applied for and for which state-shared taxes will be pledged:

| Loan Type | Loan # | Anticipated Interest Rate | Base Loan | Principal Forgiveness | Anticipated MADS |
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The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is \$898,973.

4. Unobligated SSTs

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The Local government hereby represents the information presented above is accurate and understands that funding for the loan request(s) presented is contingent upon approval by the TLDA.

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This is the Comptroller's certificate as required by TCA 4-31-108.

LOCAL GOVERNMENT

BY:

Alex Smith
Alex Smith, General Manager

FACT SHEET
February 08, 2019

Borrower: City of Humboldt
Project Number: DWF 2019-215
Requested SRF Funding: \$4,000,000
Term: 20 years
Rate: 1.22% = (2.93 x 50%) - (0.25%)

Project:

Water Treatment Plant and Water Distribution System Improvements

| | |
|----------------------------|---|
| Total Project Cost: | \$6,000,000 |
| Project Funding: | |
| SRF Loan Principal | \$4,000,000 |
| Other Funds (DW7 2019-214) | \$1,000,000 |
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| County: | Gibson County |
| Consulting Engineer: | J. R. Wauford & Company, Consulting Engineers, Inc. |
| Priority Ranking List: | FY 2018 |
| Priority Ranking: | 8 of 21 |
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Financial Information:

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| Current Rate: | \$24.25 |
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| MADS: | Prior Obligations: | \$ 185,076 |
| | Proposed loan(s): | |
| | DW6 2019-213 | \$ 45,098 |
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| | SRF 2019-433 | <u>\$ 434,712</u> |
| | | \$1,084,049 |
| MADS as a percentage of SSTs: | | 96.61% |

**REPRESENTATION OF
LOANS AND STATE-SHARED TAXES
FOR TAX REVENUE ENTITIES
Humboldt DWF 2019-215**

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| Type of Obligation | Identifying # | Loan Amount | Principal Forgiveness | MADS |
|---------------------|---------------|-------------|-----------------------|------|
| QZAB/QSCB | N/A | | | |
| TLDA/Public Health | N/A | | | |
| TLDA/Transportation | N/A | | | |

The total MADS from section 2(b.) having a lien on SSTs is \$0.

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LOCAL GOVERNMENT

BY: 

Alex Smith, General Manager