



**TENNESSEE LOCAL DEVELOPMENT AUTHORITY**  
**NOVEMBER 28, 2022**  
**AGENDA**

1. Call meeting to order
2. Approval of minutes from the TLDA meeting of October 19, 2022
3. Consider for approval the following Clean Water Loans:

	SRF Base Loan	Principal Forgiveness	Total Request	Interest Rate	Term
Dyersburg, CG20 2023-479	\$ 6,385,600	\$1,596,400	\$ 7,982,000	1.87%	20
Westmoreland, CW9 2023-335	\$ 877,156	\$ 219,289	\$ 1,096,445	2.66%	20

4. Consider for approval the following Drinking Water Loan:

	SRF Base Loan	Principal Forgiveness	Total Request	Interest Rate	Term
Hartsville-Trousdale County, DW8 2021-239	\$ 2,250,000	\$ -	\$ 2,250,000	2.78%	20

5. Consideration for approval of an amendment to the financial advisor contract with PFM Financial Advisors, LLC
6. Re-consideration of a request from the City of Chattanooga to issue an EPA WIFIA loan in an amount not to exceed \$186,080,000 on parity with its outstanding SRF loan agreements
  - Revise amount of the loan requested and approved at the TLDA meeting on October 19, 2022, from \$186,000,000 to \$186,080,000
7. Report on the notification from the Metropolitan Government of Nashville and Davidson County submitted to comply with TLDA SRF Policy and Guidance for Borrowers
8. Adjourn

**TENNESSEE LOCAL DEVELOPMENT AUTHORITY**  
**October 19, 2022**

The Tennessee Local Development Authority (the “TLDA”) met on Wednesday, October 19, 2022, at 1:15 p.m. in the Volunteer Conference Center, Second Floor, Cordell Hull Building, Nashville, Tennessee. The Honorable Tre Hargett, Secretary of State, was present and presided over the meeting.

The following members were also present:

The Honorable Jason E. Mumpower, Comptroller of the Treasury  
Jamie Wayman, Proxy for the Honorable David H. Lillard, Jr., State Treasurer  
Commissioner Jim Bryson, Department of Finance and Administration  
Mayor Paige Brown, House Appointee

The following member was absent:<sup>i</sup>

The Honorable Bill Lee, Governor

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

Mr. Hargett stated that the first item on the agenda was approval of the minutes from the July 26, 2022, TLDA meeting. Mr. Mumpower made a motion to approve the minutes, and Mr. Bryson seconded the motion. Mr. Hargett asked all in favor to say aye and all opposed to say no. By a vote of 5 – 0, the motion carried, and the minutes were unanimously approved.

Mr. Hargett stated that the next item on the agenda was the consideration of a request from the City of Chattanooga (the “City”) to issue a United States Environmental Protection Agency (the “EPA”) Water Infrastructure Finance and Innovation Act (WIFIA) loan in an amount not to exceed \$186,000,000<sup>ii</sup> on parity with its outstanding SRF loan agreements. He recognized Ms. Thompson, TLDA Assistant Secretary, and the Director of the Division of State Government Finance (DSGF), to present the request. Ms. Thompson stated that the City requested approval from the TLDA to issue an EPA WIFIA loan in the amount of \$186,000,000 on parity with its outstanding SRF loan agreements. She stated that the request for approval was required by the provisions set forth in the SRF loan agreements and guidelines set forth in the TLDA/SRF Policy and Guidance for Borrowers. Ms. Thompson explained that WIFIA loans were allowed to cover up to 49% of project cost, and supported projects were required to be co-financed with another funding source. She stated that the City’s \$186,000,000 WIFIA loan represented 49% of project funding, and the City planned to fund the remaining 51% with SRF loans and cash. Ms. Thompson reported that the loan would be a new money issuance secured by the water and wastewater project revenues. She noted that the City was AA-rated by Standard and Poor’s, had timely repayments on its current SRF loans, and that its debt service coverage ratio had met or exceeded the 1.2 times requirement. She stated that the City was not under the jurisdiction of the Utility Management Review Board or the Water and Wastewater Financing Board. Ms. Thompson noted that the City had filed its FY2021 audit report late. Furthermore, she stated that the meeting materials included a letter indicating the City’s reasons for filing a late audit. She stated that based on the analysis conducted by the DSGF, the City would have sufficient revenues to meet its obligations, and it appeared to meet the TLDA’s criteria to issue the EPA WIFIA loan on parity with its SRF loans. Therefore, she stated that staff recommended approval of the request. Mr. Hargett inquired if there were any questions. Hearing none, Mr. Mumpower motioned to approve the request, and Mr. Bryson seconded the motion. Mr. Hargett asked all in favor to say aye and all opposed to say no. By a vote of 5 – 0, the motion carried, and the request was unanimously approved.

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<sup>i</sup> Mayor Gary Cordell’s term expired on October 1, 2022. At the time of this meeting, a new appointment had not been made.

<sup>ii</sup> On November 11, 2022, the City’s financial advisor notified TLDA staff the not to exceed amount should have been \$186,080,000 but had been submitted as “approximately \$186 million” in the City’s request letter. Staff will recommend the TLDA make a retroactive approval to reflect to correct amount of the WIFIA loan at its November 28, 2022, meeting.

Mr. Hargett stated that the next item on the agenda was the consideration and approval of a Clean Water State Revolving Fund (CWSRF) loan request. He recognized Mr. Adeniyi Bakare, SRF Program Manager for the Tennessee Department of Environment and Conservation (TDEC), to present the loan request. Mr. Bakare first presented the Report on Funds Available for Loan Obligation for the CWSRF Loan Program. He stated the unobligated fund balance was \$126,149,682 as of July 26, 2022. Since that time, the unobligated balance had increased by \$71,181,128 with the return of previous (unused) funding from the City of Goodlettsville, interest repayments, principal repayments, and treasury interest for the fiscal year of 2022. Upon approval of the loan request to be presented totaling \$15,000,000, the remaining funds available for loan obligations would be \$182,330,810. He then presented the CWSRF loan request.

- **Lakeland (SRF 2022-476)** Requesting \$15,000,000 for a new interceptor (Replacing the existing Clear Creek interceptor with a new interceptor); recommended interest rate of 2.78% based on the Ability to Pay Index (ATPI); Priority ranking 25 of 83 (FY2019); Term: 20 years

Mr. Hargett inquired if there was any discussion. Hearing none, Mr. Bryson made a motion to approve the loans, and Mr. Mumpower seconded the motion. Mr. Hargett asked all in favor to say aye and all opposed to say no. By a vote of 5 – 0, the motion carried, and the loan was unanimously approved.

Mr. Hargett stated that the next item on the agenda was consideration and approval of Drinking Water State Revolving Fund (DWSRF) loans, and stated that, unless there was any objection, the TLDA would hear the four loan requests prior to asking for a motion to approve. He called upon Mr. Bakare to present the loan requests. Mr. Bakare first presented the Report on Funds Available for Loan Obligation for the DWSRF Loan Program. He stated the unobligated fund balance was \$58,077,053 as of July 26, 2022. Since that time, the unobligated amount had increased by \$12,782,614 with the return of previous (unused) funding from the Town of Smyrna, interest repayments, principal repayments, and treasury interest for fiscal year 2022. Upon approval of the loan requests to be presented totaling \$3,470,000, the remaining funds available for loan obligations would be \$67,389,667. He then presented the DWSRF loan requests.

- **Elizabethton (DG20 2022-252)** Requesting \$1,350,000 for a green – waterline replacement (Replacing the existing 12-inch and 16-inch diameter cast iron Doe River transmission lines adjacent to Highway 19E Bridge in the Valley Gorge Community to provide resiliency against severe flooding); recommended interest rate of 1.19% based on the ATPI; Priority ranking 44 of 48 (FY2020); Term: 20 years
- **Kingsport (DG8 2022-249)** Requesting \$1,300,000 for a green – water meter replacement (Installation of AMI meters city wide); recommended interest rate of 1.06% based on the ATPI; Priority ranking 38 of 48 (FY2020); Term: 20 years
- **Lafollette (DW9 2023-255)** Requesting \$170,000 (\$85,000 (50%) loan; \$85,000 (50%) principal forgiveness) for waterline replacement (Replacing approximately 13,300 linear feet of 6-inch diameter waterlines with 12-inch diameter waterlines to provide better pressure in the downtown area) Planning and design; recommended interest rate of 0.66% based on the ATPI; Priority ranking 49 of 72 (FY2021); Term: 5 years
- **Trenton (DW8 2022-245)** Requesting \$650,000 (\$520,000 (80%) loan; \$130,000 (20%) principal forgiveness) for a distribution system extension (Installation of waterlines to eliminate dead-end waterlines on S College Street, Highway 45 Bypass, Highway 457 Bypass, and W Eaton Street to improve the flow of water and reduce water waste; recommended interest rate of 1.82% based on the ATPI; Priority ranking 46 of 48 (FY2020); Term: 20 years

Mr. Hargett inquired if there was any discussion. Hearing none, he made a motion to approve the loans, and Mr. Wayman seconded the motion. Mr. Hargett asked all in favor to say aye and all opposed to say no. By a vote of 5 – 0, the motion carried, and the loans were unanimously approved.

Hearing no other business, Mr. Hargett stated that Comptroller Mumpower had reminded him that Mayor Cordell had retired and that his service to the TLDA had ended. He asked that the minutes reflect the TLDA's appreciation of his service. He also requested that the minutes reflect that the TLDA wished Mayor Brown well in the upcoming election. Mr. Hargett then stated that he would entertain a motion to adjourn. Mr. Mumpower made a motion to adjourn, and Mr. Bryson seconded the motion. Mr. Hargett asked all in favor to say aye and all opposed to say no. By a vote of 5 – 0, the motion carried, and the meeting was adjourned.

Approved on this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

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  
November 28, 2022

Unobligated Balance as of October 19, 2022 \$ 182,330,810

Increases:

Loan Number

Amount

\$ -

Unobligated Balance as of November 28, 2022 \$ 182,330,810

Decreases:

Loan Number

Amount

City of Dyersburg (Principal Amount )

CG20 2023-479

\$6,385,600

City of Dyersburg (Principal Forgiveness)

CG20 2023-479

\$1,596,400

City of Westmoreland (Principal Amount)

CW9 2023-335

\$877,156

City of Westmoreland (Principal Forgiveness)

CW9 2023-335

\$219,289

\$ (9,078,445)

Remaining Funds Available for Loan Obligations as of November 28, 2022

\$ 173,252,365

# FACT SHEET

## November 28, 2022

**Borrower:** City of Dyersburg  
**Project Number:** CG20 2023-479  
**Requested SRF Funding:** \$7,982,000  
**Term:** 20 years  
**Rate:** 1.87% = 3.12% X 60% (Tier 2)

### **Project:**

Green - I/I Correction (Rehabilitation of approximately 40,100 LF of 6-inch through 36-inch diameter sewerlines by methods of CIPP and/or pipe bursting; and the lining of approximately 3,000 vertical feet of manholes) and Pump Station Improvements (Replacement of two pumps and the installation of a generator at the Public Works PS).

Total Project Cost:	\$7,982,000
Project Funding:	
SRF Loan Principal (80%)	\$6,385,600
Principal Forgiveness (20%)	\$1,596,400
Local Funds	\$ -0-
Other Funds	\$ -0-

County:	Dyer County
Consulting Engineer:	Smith Seckman Reid, Inc.
Priority Ranking List:	2021
Priority Ranking:	35 and 36 of 53 <sup>1</sup>
Public Meeting:	10/07/2019

### **Financial Information:**

Operating Revenues:	\$8,098,355
Current Rate:	\$19.32
Financial Review Rate:	\$19.32
Effective Rates, if applicable:	\$19.90 (Effective date: 07/01/2023)
Residential User Charge:	5,000 gal/month
Customer Base:	7,675
Audit Report Filed:	04/15/2022 (Late) <sup>2</sup>
Initial Financial Sufficiency Review:	09/08/2022
Updated Financial Sufficiency Review:	N/A

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

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<sup>1</sup> The project is ranked #35 and 36 of 53 on the 2021 Priority Ranking List.

<sup>2</sup> The City of Dyersburg submitted a late audit report justification letter to the Comptroller's office and is included in the loan documents.

**FACT SHEET**  
**November 28, 2022**

**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: \$2,700,014

MADS:	Prior Obligations:	\$ 826,584
	Proposed loan(s):	
	CG20 2023-479	<u>\$ 382,944</u>
	Totals	<u>\$1,209,528</u>

MADS as a percentage of SSTs:	44.80%
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**REPRESENTATION OF  
LOANS AND STATE-SHARED TAXES  
CITY OF DYERSBURG  
CG20 2023-479**

As security for payments due under a State Revolving Fund (SRF) Loan Agreement, a local government pledges user fees, 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 \$ 2,700,014.

**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	CG7 2020-439	\$2,000,000	\$500,000	\$403,875

\* 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 \$403,875.

(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
QSCB	BFC03000	\$2,960,000	\$0	\$422,709
TLDA/Public Health				
TLDA/Transportation				

The total MADS from section 2(b.) having a lien on SSTs is \$422,709.

(c.) The total MADS from prior obligations having a lien on SSTs [subsections 2(a)+2(b)] is \$826,584.

**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	CG20 2023-479	1.87%	\$6,385,600	\$1,596,400	\$382,944

The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is \$382,944.



#### 4. Unobligated SSTs

The amount set forth in section (1) less the total amounts set forth in sections 2 and 3 is \$1,490,486.


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 5<sup>th</sup> day of **October, 2022**.

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

LOCAL GOVERNMENT

BY:

  
\_\_\_\_\_  
John Holden, Mayor 10-5-2022

**REQUIREMENT FOR REPORT ON DEBT OBLIGATION**  
(FORM CT-0253)  
**CITY OF DYERSBURG**  
**CG20 2023-479**

Pursuant to Tenn. Code Ann. § 9-21-134, a Report on Debt Obligation (the "Report") must be prepared for all debt obligations issued or entered into by any public entity and filed with its governing body with a copy sent to the Office of State and Local Finance/Comptroller of the Treasury for the State of Tennessee. The purpose of the Report is to provide clear and concise information to members of the governing or legislative body that authorized and is responsible for the debt issued.

Public entities that fail to comply with the requirements of Tenn. Code Ann. § 9-21-134 are not permitted to enter into any further debt obligations until they have complied with the law. A State Revolving Fund (SRF) loan program applicant that is not in compliance with this law should file the Report as soon as possible and provide notification of filing to the SRF loan program so that it may proceed with the loan application. Instructions on how to file the Report are located in the "Debt" category for "Local Finance" on the website of the Tennessee Comptroller of the Treasury.

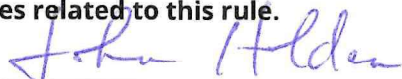
**Municipal Securities Rulemaking Board (MSRB) – Required Disclosure**

Local governments that issue municipal securities on or after February 27, 2019, should be aware that the Securities and Exchange Commission (SEC) adopted amendments to Rule 15c2-12 of the Securities Exchange Act that require reporting on material financial obligations that could impact an issuer's financial condition or security holder's rights. The amendments add two events to the list of events that must be included in any continuing disclosure agreement that is entered into after the compliance date:

- Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material; and
- Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties.

To learn how to report these new disclosures please refer to the MSRB's Electronic Municipal Market Access EMMA® website ([emma.msrb.org](http://emma.msrb.org)).

**The applicant, City of Dyersburg, attests that it is in compliance with Tenn. Code Ann. § 9-21-134 for its debt obligations and understands that the Report is required to be filed once the SRF loan has been approved by the Tennessee Local Development Authority and the agreement has been executed by the borrower. The applicant further acknowledges that it may be responsible to perform continuing disclosure undertakings related to SEC Rule 15c2-12. Local governments should always consult bond counsel in order to obtain advice on appropriate disclosures related to this rule.**



John Holden, Mayor

10-5-2022

Date

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



**COWART REESE  
SARGENT**  
Certified Public Accountants, P.C.

Members: American Institute of Certified Public Accountants | Tennessee Society of Certified Public Accountants  
Governmental Audit Quality Center | Private Companies Practice Section  
[www.crscca.com](http://www.crscca.com)

October 4, 2022

State of Tennessee  
Office of State Government Finance

RE: SRF Funding

To whom it may concern:

This communication is in response to a request for justification for late annual audit reports for the City of Dyersburg to the State of Tennessee Comptroller's office.

The submission dates for the last three years are as follows:

June 30, 2021 submitted April 25, 2022

June 30, 2020 submitted April 1, 2021

June 30, 2019 submitted March 3, 2020

One justification for the past delinquencies is related to the delay of report preparation while awaiting a finalized report on a major governmental fund of the City that is subsequently reported in the City's Government-wide financial statements. The following information relates to the Dyersburg Board of Education. This entity is audited by a different audit firm.

Dyersburg Board of Education June 30, 2021 submitted February 14, 2022

Dyersburg Board of Education June 30, 2020 submitted December 14, 2020

Dyersburg Board of Education June 30, 2019 submitted December 13, 2019

The City and our firm have worked very closely with one another to ensure that the City's financial records are ready for audit fieldwork by August 31 each year as required by law. Our firm completes fieldwork in the month of October each year and the City is provided with audit adjustments by late November/early December. In an effort to continue working toward a more timely submission we have contracted with the City to author the City's financial statements and related notes and other supplementary information.

Provided that the Board of Education's reports are submitted timely, we feel that current measures should produce a more timely submission of the audit of the City of Dyersburg.

Sincerely,

*Chloe Humphrey*

Chloe Humphrey, CPA, Shareholder

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Jackson, TN 38305  
(731)668-1806  
Fax (731)668-9543

1205 East Wood St, Suite B  
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Fax (731)644-0413

304 Broadway St  
Martin, TN 38237  
(731)587-4221  
Fax (731)587-9474

11 N. Court Square  
Brownsville, TN 38012  
(731)772-2273  
Fax (731)772-2275

110 West Court  
Dyersburg, TN 38024  
(731)286-6080  
Fax (731)285-8975

# FACT SHEET

## November 28, 2022

**Borrower:** City of Westmoreland  
**Project Number:** CW9 2023-335  
**Requested SRF Funding:** \$1,096,445  
**Term:** 20 years  
**Rate:** 2.66% = 3.33% X 80% (Tier 3)

**Project:**

WWTP Improvements/Advanced Treatment (Construction of a new 3 MGD WWTP to replace the existing treatment facility).

Total Project Cost:	\$7,583,445
Project Funding:	
SRF Loan Principal (80%)	\$ 877,156
Principal Forgiveness (20%)	\$ 219,289
Local Funds	\$ -0-
Other Funds	\$2,500,000
Other Funds	\$3,987,000

County:	Sumner County
Consulting Engineer:	Goodwyn Mills & Cawood, LLC.
Priority Ranking List:	2020
Priority Ranking:	64 of 64 <sup>1</sup>
Public Meeting:	06/30/2022

**Financial Information:**

Operating Revenues:	\$2,368,533
Current Rate:	\$77.78
Financial Review Rate:	\$77.78
Effective Rates, if applicable:	N/A
Residential User Charge:	5,000 gal/month
Customer Base:	895
Audit Report Filed:	12/31/2021 (Timely)
Initial Financial Sufficiency Review:	08/19/2022
Updated Financial Sufficiency Review:	N/A

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

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<sup>1</sup> The project is ranked #64 of 64 on the 2020 Priority Ranking List.

**FACT SHEET**  
**November 28, 2022**

**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: \$400,019

MADS:	Prior Obligations:	\$354,590
	Proposed loan(s):	
	CW9 2023-335	<u>\$ 56,601</u>
	Totals	<u>\$411,191</u>

MADS as a percentage of SSTs:	102.79%
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**REPRESENTATION OF  
LOANS AND STATE-SHARED TAXES  
CITY OF WESTMORELAND  
CW9 2023-335**

As security for payments due under a State Revolving Fund (SRF) Loan Agreement, a local government pledges user fees, 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 \$400,019.

**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 2018-403	\$189,000	\$0	\$35,280
SRF/Sewer	CW8 2021-457	\$2,000,000	\$500,000	\$106,668
SRF/Sewer	SRF 2021-458	\$3,987,000	\$0	\$212,642

\* 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 \$354,590.

(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				
TLDA/Public Health				
TLDA/Transportation				

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 \$354,590.

**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	CW9 2023-335	2.66%	\$877,156	\$219,289	\$56,601

The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is \$56,601 .

#### **4. Unobligated SSTs**

The amount set forth in section (1) less the total amounts set forth in sections 2 and 3 is \$-11,172.

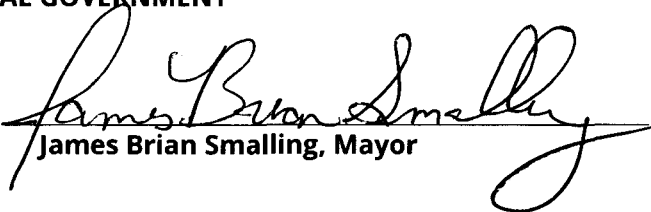
**The Local government hereby represents the information presented above is accurate and understands that funding for the loan request(s) presented is contingent upon approval by the TLDA.**

**Duly signed by an authorized representative of the Local Government on this 02nd day of November, 2022.**

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

**LOCAL GOVERNMENT**

**BY:**

  
**James Brian Smalling, Mayor**

## REQUIREMENT FOR REPORT ON DEBT OBLIGATION

(FORM CT-0253)

### CITY OF WESTMORELAND

CW9 2023-335

Pursuant to Tenn. Code Ann. § 9-21-134, a Report on Debt Obligation (the "Report") must be prepared for all debt obligations issued or entered into by any public entity and filed with its governing body with a copy sent to the Office of State and Local Finance/Comptroller of the Treasury for the State of Tennessee. The purpose of the Report is to provide clear and concise information to members of the governing or legislative body that authorized and is responsible for the debt issued.

Public entities that fail to comply with the requirements of Tenn. Code Ann. § 9-21-134 are not permitted to enter into any further debt obligations until they have complied with the law. A State Revolving Fund (SRF) loan program applicant that is not in compliance with this law should file the Report as soon as possible and provide notification of filing to the SRF loan program so that it may proceed with the loan application. Instructions on how to file the Report are located in the "Debt" category for "Local Finance" on the website of the Tennessee Comptroller of the Treasury.

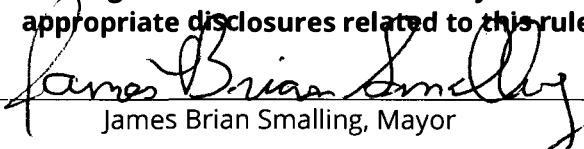
#### Municipal Securities Rulemaking Board (MSRB) – Required Disclosure

Local governments that issue municipal securities on or after February 27, 2019, should be aware that the Securities and Exchange Commission (SEC) adopted amendments to Rule 15c2-12 of the Securities Exchange Act that require reporting on material financial obligations that could impact an issuer's financial condition or security holder's rights. The amendments add two events to the list of events that must be included in any continuing disclosure agreement that is entered into after the compliance date:

- Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material; and
- Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties.

To learn how to report these new disclosures please refer to the MSRB's Electronic Municipal Market Access EMMA® website ([emma.msrb.org](http://emma.msrb.org)).

The applicant, City of Westmoreland, attests that it is in compliance with Tenn. Code Ann. § 9-21-134 for its debt obligations and understands that the Report is required to be filed once the SRF loan has been approved by the Tennessee Local Development Authority and the agreement has been executed by the borrower. The applicant further acknowledges that it may be responsible to perform continuing disclosure undertakings related to SEC Rule 15c2-12. Local governments should always consult bond counsel in order to obtain advice on appropriate disclosures related to this rule.

  
James Brian Smalling, Mayor

11/02/2022  
Date



DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
DIVISION OF WATER RESOURCES

**Drinking Water State Revolving Fund (DWSRF) Loan Program  
Funds Available for Loan Obligation  
November 28, 2022**

Unobligated Balance as of October 19, 2022		\$	67,389,667
<u>Increases:</u>	<u>Loan Number</u>	<u>Amount</u>	
		\$	-
Unobligated Balance as of November 28, 2022		\$	67,389,667
<u>Decreases:</u>	<u>Loan Number</u>	<u>Loan Amount</u>	
Hartsville-Trousdale County Government	DW8 2021-239	\$2,250,000	
		\$	(2,250,000)
Remaining Funds Available for Loan Obligations as of November 28, 2022		\$	65,139,667

# FACT SHEET

## November 28, 2022

**Borrower:** Hartsville-Trousdale County Government  
**Project Number:** DW8 2021-239  
**Requested SRF Funding:** \$2,250,000  
**Term:** 20 years  
**Rate:** 2.78% = 2.78% X 100% (Tier 4)

**Project:**

Distribution System Improvements (Construction of a new 2MG WST, a booster pumping station, and associated appurtenances).

Total Project Cost:	\$2,250,000
Project Funding:	
SRF Loan Principal	\$2,250,000
Local Funds	\$ -0-
Other Funds	\$ -0-

County:	Trousdale County
Consulting Engineer:	Mid-Tenn Engineering Company, Inc.
Priority Ranking List:	2020
Priority Ranking:	6 of 48 <sup>1</sup>
Public Meeting:	11/22/2022

**Financial Information:**

Operating Revenues:	\$3,610,138
Current Rate:	\$36.84
Financial Review Rate:	\$36.84
Effective Rates, if applicable:	N/A
Residential User Charge:	5,000 gal/month
Customer Base:	3,179
Audit Report Filed:	Completed <sup>2</sup>
Initial Financial Sufficiency Review:	04/06/2021
Updated Financial Sufficiency Review:	09/02/2022

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

---

<sup>1</sup> The project is ranked #6 of 48 on the 2020 Priority Ranking List (PRL).

<sup>2</sup> County Audits are performed by the Comptroller's Division of Local Government Audit and do not have a contracted deadline date.

**FACT SHEET**  
**November 28, 2022**

**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: \$1,979,534

MADS:	Prior Obligations:	\$279,746
	Proposed loan(s):	
	DW8 2021-239	<u>\$146,785</u>
	Totals	<u>\$426,531</u>

MADS as a percentage of SSTs:	21.55%
-------------------------------	--------

**REPRESENTATION OF  
LOANS AND STATE-SHARED TAXES  
HARTSVILLE-TROUSDALE COUNTY GOVERNMENT  
DW8 2021-239**

As security for payments due under a State Revolving Fund (SRF) Loan Agreement, a local government pledges user fees, 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 \$1,979,534.

**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				

\* 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 \$0.

(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
QSCB	BFC27000	\$2,523,000	\$0	\$279,746
TLDA/Public Health				
TLDA/Transportation				

The total MADS from section 2(b.) having a lien on SSTs is \$279,746.

(c.) The total MADS from prior obligations having a lien on SSTs [subsections 2(a)+2(b)] is \$279,746.

**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	DW8 2021-239	2.78%	\$2,250,000	\$0	\$146,785

The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is \$ 146,785.

**4. Unobligated SSTs**

The amount set forth in section (1) less the total amounts set forth in sections 2 and 3 is \$ 1,553,003.

**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 25<sup>th</sup> day of October, 2022.**

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

**LOCAL GOVERNMENT**

**BY:**

  
\_\_\_\_\_  
**Jack McCall, Mayor**

**REQUIREMENT FOR REPORT ON DEBT OBLIGATION**  
(FORM CT-0253)  
**HARTSVILLE-TROUSDALE COUNTY GOVERNMENT**  
**DW8 2021-239**

Pursuant to Tenn. Code Ann. § 9-21-134, a Report on Debt Obligation (the "Report") must be prepared for all debt obligations issued or entered into by any public entity and filed with its governing body with a copy sent to the Office of State and Local Finance/Comptroller of the Treasury for the State of Tennessee. The purpose of the Report is to provide clear and concise information to members of the governing or legislative body that authorized and is responsible for the debt issued.

Public entities that fail to comply with the requirements of Tenn. Code Ann. § 9-21-134 are not permitted to enter into any further debt obligations until they have complied with the law. A State Revolving Fund (SRF) loan program applicant that is not in compliance with this law should file the Report as soon as possible and provide notification of filing to the SRF loan program so that it may proceed with the loan application. Instructions on how to file the Report are located in the "Debt" category for "Local Finance" on the website of the Tennessee Comptroller of the Treasury.

**Municipal Securities Rulemaking Board (MSRB) – Required Disclosure**

Local governments that issue municipal securities on or after February 27, 2019, should be aware that the Securities and Exchange Commission (SEC) adopted amendments to Rule 15c2-12 of the Securities Exchange Act that require reporting on material financial obligations that could impact an issuer's financial condition or security holder's rights. The amendments add two events to the list of events that must be included in any continuing disclosure agreement that is entered into after the compliance date:

- Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material; and
- Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties.

To learn how to report these new disclosures please refer to the MSRB's Electronic Municipal Market Access EMMA® website ([emma.msrb.org](http://emma.msrb.org)).

**The applicant, Hartsville-Trousdale County Government, attests that it is in compliance with Tenn. Code Ann. § 9-21-134 for its debt obligations and understands that the Report is required to be filed once the SRF loan has been approved by the Tennessee Local Development Authority and the agreement has been executed by the borrower. The applicant further acknowledges that it may be responsible to perform continuing disclosure undertakings related to SEC Rule 15c2-12. Local governments should always consult bond counsel in order to obtain advice on appropriate disclosures related to this rule.**

  
Jack McCall, Mayor

October 25, 2022

Date

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



# ANNUAL FINANCIAL REPORT

## Hartsville/Trousdale County, Tennessee

FOR THE YEAR ENDED • JUNE 30, 2021

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### SCOPE

We have audited the basic financial statements of Hartsville/Trousdale County Government as of and for the year ended June 30, 2021.

**To see the full annual financial report visit:**

<https://comptroller.tn.gov/content/dam/cot/la/documents/county/2021/FY21TrousdaleAFR.pdf>

### RESULTS

Our report on Hartsville/Trousdale County's Government financial statements is unmodified.

Our audit resulted in **two findings** and recommendations, which we have reviewed with Hartsville/Trousdale County Government management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

### FINDINGS BY OFFICE

The following are summaries of the audit findings:

#### **Water and Sewer Utility Department**

- The department had deficiencies in the maintenance of capital asset records.
- Competitive bids were not solicited for work on sewer lines.

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action plans, whether related to the financial statements or federal awards, are presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

### **WATER AND SEWER UTILITY DEPARTMENT**

#### **FINDING 2021-001**

#### **THE DEPARTMENT HAD DEFICIENCIES IN THE MAINTENANCE OF CAPITAL ASSETS RECORDS**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

During the period examined, capital assets records reflected the disposal of certain assets; however, documentation to support these disposals was not available for inspection. Also, a physical inventory of capital assets had not been performed in recent years. Generally accepted accounting principles require accountability for all assets owned by the department, such as buildings, equipment, and vehicles. These deficiencies resulted from a lack of management oversight. Without accurate capital assets records, the department cannot adequately control its assets.

#### **RECOMMENDATION**

Management should ensure the department maintains adequate documentation to support the disposal of capital assets, and the documentation should be available for audit inspection. A physical inventory should be performed annually to ensure the accuracy of the records.

#### **MANAGEMENT'S RESPONSE – DEPARTMENT GENERAL MANAGER**

We concur with this finding.

---

#### **FINDING 2021-002**

#### **COMPETITIVE BIDS WERE NOT SOLICITED FOR SOME WORK ON SEWER LINES**

(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 29 disbursements totaling \$428,434 from a population of 1,671 vendor checks totaling \$2,635,172. Our examination revealed two invoices totaling \$39,035 and \$51,115 that were not competitively bid. These two invoices were for work that was performed on a sewer line by a contractor three months after their contract with the department had expired. Purchasing procedures for the department are



governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-207, *Tennessee Code Annotated*. These statutes provide for all purchases exceeding \$10,000 to be competitively bid through newspaper advertisement. As a result, the best and lowest price may not have been obtained for these purchases. These deficiencies resulted from a lack of management oversight.

#### RECOMMENDATION

Competitive bids should be solicited for all purchases exceeding \$10,000 as required by state statutes.

#### MANAGEMENT'S RESPONSE – DEPARTMENT GENERAL MANAGER

We concur with this finding.

# Hartsville/Trousdale Water/Sewer Utility District

P. O. Box 66 • 328 Broadway • Hartsville, Tennessee 37074-0066  
Phone: 615 374 3484 • Fax: 615 374 0558  
[www.hartsvillewater.com](http://www.hartsvillewater.com)

Tommy McFarland  
General Manager  
[tommy.mcfarland@trousdalecountyttn.gov](mailto:tommy.mcfarland@trousdalecountyttn.gov)

## Corrective Action Plan

**FINDING 2021-001 THE OFFICE HAD DEFICIENCIES IN THE MAINTENANCE OF CAPITAL ASSETS RECORDS (Internal Control – Significant Deficiency Under Government Auditing Standards)**

Response and Corrective Action Plan Prepared by: **Mary Dale Welch, Bookkeeper**

Person Responsible for Implementing the Corrective Action: **Tommy McFarland**

Anticipated Completion Date of Corrective Action: **1/1/2022**

Repeat Finding: **No.**

Reason Corrective Action was Not Taken in the Prior Year: **N/A**

**All capital assets records will be properly maintained in accordance with departmental policies and generally accepted accounting principles.**

**An annual inventory will be performed to help ensure accuracy of the records.**

Signature: \_\_\_\_\_



Tommy McFarland  
General Manager

## COMMISSIONERS

Heather Bay  
Chairman

Mark White  
Co-Chairman

Todd Webber  
Secretary

Stephen Chambers  
Commissioner

Dwight Jewell  
Commissioner

Kendra Stafford  
Commissioner

# Hartsville/Trousdale Water/Sewer Utility District

P. O. Box 66 • 328 Broadway • Hartsville, Tennessee 37074-0066  
Phone: 615 374 3484 • Fax: 615 374 0558  
[www.hartsvillewater.com](http://www.hartsvillewater.com)

Tommy McFarland  
General Manager  
[tommy.mcfarland@trousdalecountyttn.gov](mailto:tommy.mcfarland@trousdalecountyttn.gov)

## Corrective Action Plan

### **FINDING 2021-002      COMPETITIVE BIDS WERE NOT SOLICITED FOR WORK ON SEWER LINES (Noncompliance Under *Government Auditing Standards*)**

Response and Corrective Action Plan Prepared by: **Mary Dale Welch, Bookkeeper**

Person Responsible for Implementing the Corrective Action: **Tommy McFarland**

Anticipated Completion Date of Corrective Action: **1/1/2022**

Repeat Finding: **No.**

Reason Corrective Action was Not Taken in the Prior Year: **N/A**

**Any utility service contract will be complied with in accordance with the contract's provisions set forth in the signed agreement. The utility will be extending the terms of the agreement for 3 years and rebidding it when its term expires.**

**All purchases above \$10,000.00 will be competitively bid.**

Signature: \_\_\_\_\_



Tommy McFarland  
General Manager

## COMMISSIONERS

Heather Bay  
Chairman

Mark White  
Co-Chairman

Todd Webber  
Secretary

Stephen Chambers  
Commissioner

Dwight Jewell  
Commissioner

Kendra Stafford  
Commissioner

**AMENDMENT ONE**  
**to**  
**CONTRACT BETWEEN**  
**THE STATE OF TENNESSEE,**  
**OFFICE OF THE COMPTROLLER OF THE TREASURY, AND**  
**PFM FINANCIAL ADVISORS LLC**

The contract dated December 20, 2019, by and between the State of Tennessee, Office of the Comptroller of the Treasury (“Comptroller”) and PFM Financial Advisors LLC (“Contractor”), for the purpose of retaining Contractor as Financial Advisor to the Comptroller on financial issues of the State of Tennessee (“State”) and the Tennessee State Funding Board, Tennessee Local Development Authority, and Tennessee State School Bond Authority (jointly “Issuers”) to assist the Comptroller in the capacity as Secretary to the Issuers, is hereby amended as follows:

1. Section A.1. is amended by deleting the current section A.1. in its entirety and inserting the following in its place:

The Contractor agrees to serve as financial advisor to the State and to the Issuers. The Contractor will assign the following individuals to provide the services described in this Contract:

Lisa Daniel  
Lauren Lowe  
Todd Fraizer, CFA  
Daniel Kozloff  
Joshua McCoy  
Randall Bauer  
Marcie Lewis  
Seth Williams  
Ricardo Callender  
Brooke Baldwin  
Matt Rudroff  
Elise Lomel  
Mike Nadol  
Stanley Geberer  
Kevin Plenzler  
Matthew Stitt  
Danielle Scott  
JoAnne Carter

These individuals will be assisted from time to time by other members of the Contractor’s staff. The Comptroller has the right to approve or disapprove any proposed changes in the staff of the Contractor providing services under this Contract from the above listed individuals.

2. Section B.2. is amended by deleting the current section B.2. in its entirety and inserting the following in its place:

For the three-year contract term commencing on January 1, 2020 and ending on December 31, 2022, and for the one-year extension contract term, commencing on January 1, 2023, and ending December 31, 2023, the maximum contract amount shall not exceed \$778,632.

The total contract term budget as referenced above is derived from a set of assumptions provided by the State in the Outline for Proposal for Financial Advisor for State of Tennessee Funding Board, Tennessee State School Bond Authority and Tennessee Local Development Authority, dated October 21, 2019 (the “RFP”). The assumptions and expected related costs are attached to this Contract as Exhibit A. As the RFP stated, the assumptions are subject to change and/or negotiation. However, the total maximum contract amount as noted above is fixed in aggregate as adopted by the Issuers

3. Section B.3. is amended by deleting the current section B.3. in its entirety and inserting the following in its place:

It is expected that the maximum contact amount will be allocated as follows:

Transactional advisory fees (including special project)	\$504,000
Retainer fee	\$249,132
Reimbursement of expenses	<u>\$ 25,500</u>
TOTAL	\$778,632

The other terms and conditions of the Contract not amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have signed this Amendment One to the Contract by their duly authorized representatives on the dates indicated below.

**PUBLIC FINANCIAL MANAGEMENT, INC.**

By: \_\_\_\_\_  
Lisa Daniel, Managing Director

Date: \_\_\_\_\_

**STATE OF TENNESSEE, OFFICE OF THE COMPTROLLER OF THE TREASURY**

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

Jason Mumpower, Comptroller of the Treasury

Date: \_\_\_\_\_

**APPROVAL AS TO FUNDING:**

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

Jim Bryson, Commissioner of Finance and Administration

Date: \_\_\_\_\_

**From:** [Lauren Lowe](#)  
**To:** [Alicia West](#); [bgoldberg@chattanooga.gov](mailto:bgoldberg@chattanooga.gov)  
**Cc:** [Mark Mamantov](#); [Justin Steinmann](#); [Kim Smith](#); [Sandi Thompson](#); [Lillian M. Blackshear](#) ([LBlackshear@bassberry.com](mailto:LBlackshear@bassberry.com)); [Vickie Haley](#)  
**Subject:** RE: TLDA Approval Letter-Chattanooga  
**Date:** Friday, November 11, 2022 12:07:53 PM  
**Attachments:** [image001.png](#)  
[2022.10.19 Chattanooga TLDA Approval.pdf](#)

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Hi Alicia,

Chattanooga's WIFIA Loan is scheduled to close on the 22<sup>nd</sup>. While compiling documents, it was noticed that the TLDA's parity approval letter for the WIFIA loan references the loan as being in an amount "not to exceed \$186,000,000", which is a little less than the up to \$186,080,000 amount provided for in the WIFIA documents and resolutions. Could we get a revised letter? This could have been my fault since the request to TLDA referred to "approximately" \$186 million.

Please let us know if you want to discuss. I appreciate your help on this.

TGIF, Lauren

Lauren S. Lowe  
Managing Director

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**PFM Financial Advisors LLC**  
[lowel@pfm.com](mailto:lowel@pfm.com) | 901.466.4554 OFFICE | 901.481.3259 CELL  
530 Oak Court Drive Suite 160 | Memphis, TN 38117  
[pfm.com](http://pfm.com)

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**From:** Alicia West <[Alicia.West@cot.tn.gov](mailto:Alicia.West@cot.tn.gov)>  
**Sent:** Wednesday, October 19, 2022 3:40 PM  
**To:** [bgoldberg@chattanooga.gov](mailto:bgoldberg@chattanooga.gov)  
**Cc:** Lauren Lowe <[lowel@pfm.com](mailto:lowel@pfm.com)>; Mark Mamantov <[mmamantov@bassberry.com](mailto:mmamantov@bassberry.com)>; Justin Steinmann <[jsteinmann@chattanooga.gov](mailto:jsteinmann@chattanooga.gov)>; Kim Smith <[kimsmith@chattanooga.gov](mailto:kimsmith@chattanooga.gov)>; Sandi.Thompson <[Sandi.Thompson@cot.tn.gov](mailto:Sandi.Thompson@cot.tn.gov)>  
**Subject:** TLDA Approval Letter-Chattanooga

**ALERT:** This message is from an external source.**BE CAUTIOUS** before clicking any link or attachment

Mr. Goldberg,

Please see attached letter regarding the City's request to the TLDA. Please let me know if you have any questions.



JASON E. MUMPOWER  
*Comptroller*

October 19, 2022

Brent Goldberg ([bgoldberg@chattanooga.gov](mailto:bgoldberg@chattanooga.gov))  
Chief Financial Officer  
City of Chattanooga  
101 East 11<sup>th</sup> Street  
Chattanooga, TN 37402

Dear Mr. Goldberg:

The Tennessee Local Development Authority (the "TLDA") met on October 19, 2022, to consider for approval the following request:

- Consideration of a request from the City of Chattanooga to issue an EPA WIFIA loan in an amount not to exceed \$186,000,000 on parity with its outstanding SRF loan agreements

The TLDA approved this request.

A copy of the minutes may be requested by contacting the Division of State Government Finance if you should need them for your records.

Note: Tenn. Code Ann. § 9-21-151 requires that public entities file a Report on Debt Obligation (Form CT-0253) no later than forty-five days following the issuance or execution of a debt obligation by a public entity, with a copy filed with the Director of the Division of Local Government Finance. The form can be obtained online at: <https://tncot.cc/debt-report>. If you have questions about this form, please contact your assigned financial analyst: <https://tncot.cc/lgf-contacts>.

Please let me know if you need additional information in this regard.

Sincerely,

A handwritten signature in black ink that reads "Sandra Thompson".

Sandra Thompson  
Director of the Division of State Government Finance,  
Office of the Comptroller of the Treasury  
Assistant Secretary to the Tennessee Local Development Authority

cc: Lauren Lowe ([lowel@pfm.com](mailto:lowel@pfm.com))  
Mark Mamantov ([MMamantov@bassberry.com](mailto:MMamantov@bassberry.com))  
Justin Steinmann ([jsteinmann@chattanooga.gov](mailto:jsteinmann@chattanooga.gov))  
Kim Smith ([kimsmith@chattanooga.gov](mailto:kimsmith@chattanooga.gov))



JOHN COOPER  
MAYOR

DIRECTOR OF FINANCE  
METROPOLITAN COURTHOUSE  
ONE PUBLIC SQUARE, SUITE 106  
NASHVILLE, TENNESSEE 37201  
(615)862-6151  
(615)862-6156 FAX

**METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**



November 18, 2022

**VIA E-MAIL ([sandi.thompson@cot.tn.gov](mailto:sandi.thompson@cot.tn.gov) and [alicia.west@cot.tn.gov](mailto:alicia.west@cot.tn.gov))**

Sandra Thompson, Director  
Tennessee Comptroller of the Treasury  
Cordell Hull Building  
Division of State Government Finance, 4th Floor  
425 Rep. John Lewis Way N.  
Nashville, Tennessee 37243

RE: The Metropolitan Government of Nashville and Davidson County (the "Issuer") –  
\$217,753,425 Water and Sewer Revenue Commercial Paper Notes, Series 2022A (the "Notes")

Dear Ms. Thompson,

Pursuant to the Tennessee Local Development Authority State Revolving Fund Policy & Guidance for Borrowers, please consider this letter notice of the intended issuance of the Notes by the Issuer. The Notes will provide interim financing for water and sewer system improvements and extensions and will replace the Issuer's current water and sewer revenue traditional commercial paper program expiring in January. The Notes will have a maximum principal and interest amount of \$217,753,425, and payment of the principal of and interest on the Notes will be supported by an irrevocable transferable direct-pay letter of credit. The Issuer will send a separate request for the approval of the Notes to the Division of Local Government Finance. The Notes will be secured by a pledge of the Issuer's water and sewer system revenues subordinate to the pledge of such revenues in favor of the Issuer's outstanding State Revolving Fund loans.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kelly Flannery", is written over a horizontal line.

Kelly Flannery  
Finance Director



Jason E. Mumpower  
*Comptroller*

November 22, 2022

Honorable John Cooper, Mayor  
and Honorable Councilmembers  
Metropolitan Government of Nashville and Davidson County  
Public Square, Suite 204  
Nashville, TN 37219-6300

Dear Mayor Cooper and Councilmembers:

Thank you for your recent correspondence. We acknowledge receipt on November 17, 2022, of a request from the Metropolitan Government of Nashville and Davidson County (“Metro”) for the approval to issue a not to exceed \$217,753,425 bond anticipation notes (BANs) to be issued as a revolving commercial paper program or as bank notes: Water and Sewer Revenue Commercial Paper Notes, Series 2022. The commercial paper program will not exceed \$200,000,000 outstanding at anytime; however, commercial paper and bank notes together will not exceed \$217,753,425.

Included with the request was a certified copy of Resolution No. RS2022-1845 adopted on November 15, 2022, authorizing the BANs. The proposed note form was included with the resolution. The executed note form should be submitted when Metro files the debt report.

Metro provided evidence of \$760,345,000 in authorized and unissued initial Water and Sewer Revenue Bond Resolutions that may be issued as BANs in the form of either commercial paper or bank notes.

## **Note Issuance Approval**

This letter constitutes approval for Metro to issue the BANs by negotiated sale pursuant to TCA Title 9, Chapter 21, of the Tennessee Code Annotated, and in amounts not to exceed, at any one time, the amounts described above.

## **Extension and Waiver Approval**

Metro requested (1) an approval for the extension of the BANs for two additional two-year periods beyond the initial two-year period for a total term of six years, and (2) a waiver of the requirement of periodic retirement of principal on the BANs.

This letter constitutes approval of two additional extensions of the BANs and a waiver of the requirement of periodic retirement of principal on the BANs.

## **Requirements After Debt is Issued**

### *Listing of Metro's Authorized Project Spending*

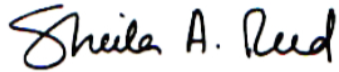
Each time Metro issues bonds to repay bond anticipation notes issued as part of its revolving commercial paper program, a complete list of authorized project spending for the bonds being issued is required to be filed with our office (this report is prepared and included with the bond transcript). Separate reports for general obligation bonds and water and sewer revenue bonds are required.

### *Additional Requirements*

Our website contains specific compliance requirements your local government will be responsible for once the bonds are issued: <http://tncot.cc/debt>. The listing is not all inclusive and you should work with your municipal advisor and bond counsel to ensure compliance with legal and regulatory requirements related to the proposed Notes.

If you should have questions or need assistance, please feel free to contact your financial analyst, Steve Osborne, at 615.747.5343 or [Steve.Osborne@cot.tn.gov](mailto:Steve.Osborne@cot.tn.gov).

Very truly yours,



Sheila A. Reed, Director

Division of Local Government Finance

cc:

Ms. Sandra Thompson, Director, State Government Finance, COT

Ms. Jean Suh, Audit Review Manager, Local Government Audit, COT

Ms. Kelly Flannery, Metropolitan Government of Nashville and Davidson County

Mr. Tom Eddlemon, Metropolitan Government of Nashville and Davidson County

Ms. Michell Bosch, Metropolitan Government of Nashville and Davidson County

Mr. Steven Johnson, Hilltop Securities Inc.

Mr. Jeff Oldham, Bass Berry & Sims

SR:so