



TENNESSEE LOCAL DEVELOPMENT AUTHORITY
MARCH 27, 2023
AGENDA

1. Call meeting to order
2. Approval of minutes from the TLDA meeting of February 15, 2023
3. Consider for approval the following Clean Water Loans:

	SRF Base Loan	Principal Forgiveness	Total Request	Interest Rate	Term
South Pittsburg, CW8 2023-480	\$ 600,000	\$ 150,000	\$ 750,000	2.01%	20
Tulahoma Utilities Authority, CW8 2023-442	\$ 1,600,000	\$ -	\$ 1,600,000	3.35%	20

4. Consider for approval the following Drinking Water Loan:

	SRF Base Loan	Principal Forgiveness	Total Request	Interest Rate	Term
South Pittsburg, DW9 2023-256	\$ 2,160,000	\$ 540,000	\$ 2,700,000	2.01%	20

5. Report on the notification from the City of Portland submitted to comply with TLDA SRF Policy and Guidance for Borrowers.
6. Report on the notification from the City of Algood submitted to comply with TLDA SRF Policy and Guidance for Borrowers.
7. Adjourn

TENNESSEE LOCAL DEVELOPMENT AUTHORITY
February 15, 2023

The Tennessee Local Development Authority (the “TLDA”) met on Wednesday, February 15, 2023, at 10:35 a.m. in the Volunteer Conference Center, Second Floor, Cordell Hull Building, Nashville, Tennessee. The Honorable David H. Lillard, Jr., State Treasurer, was present and presided over the meeting.

The following members were also present:

Mr. Chris Mustain, Proxy for the Honorable Tre Hargett, Secretary of State
Ms. Sandra Thompson, Proxy for the Honorable Jason E. Mumpower, Comptroller of the Treasury
Commissioner Jim Bryson, Department of Finance and Administration
Mayor Paige Brown, House Appointee

The following member was absentⁱ:

The Honorable Bill Lee, Governor

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

Mr. Lillard stated that the first item on the agenda was approval of the minutes from the November 28, 2022, TLDA meeting. Mr. Bryson made a motion to approve the minutes, and Ms. Thompson seconded the motion. Mr. Lillard called upon Ms. Alicia West, Program Accountant, with the Division of State Government Finance, to conduct a roll-call vote:

Ms. Brown—Aye
Mr. Bryson—Aye
Mr. Lillard—Aye
Ms. Thompson—Aye
Mr. Mustain—Aye

The minutes were unanimously approved.

Mr. Lillard 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 Ms. Paula Mitchell, Deputy Director of Operations, Division of Water Resources, for the Tennessee Department of Environment and Conservation (TDEC), to present the loan request. Ms. Mitchell first presented the Report on Funds Available for Loan Obligation for the CWSRF Loan Program. She stated the unobligated fund balance was \$173,252,365 as of November 28, 2022. Since that time, the unobligated had increased by \$1,051,303 with the return of unused funding from Humboldt Utilities and the Town of Springfield. Upon approval of the loan request to be presented totaling \$1,300,000, the remaining funds available for loan obligations would be \$173,003,668. She then presented the CWSRF loan request.

- **Smyrna (SRF 2023-481)** Requesting \$1,300,000 for a green project – infiltration and inflow correction (Rehabilitation of approximately 5,000 linear feet of existing 6-inch to 10-inch diameter sewer lines using the pipe bursting, cured in place pipe, and open cut methods; replace 23 existing manholes; and install 6 new manholes; recommended interest rate of 2.95% based on the Ability to Pay Index (ATPI); Priority ranking 39 of 64 (FY2020); Term: 20 years

Mr. Lillard inquired if there were any comments or questions. Hearing none, Mr. Bryson made a motion to approve the loan, and Mr. Mustain seconded the motion. Mr. Lillard called upon Ms. West to conduct a roll-call vote:

ⁱ The senate appointee position was vacant at the time of this meeting.

Ms. Brown—Aye
Mr. Bryson—Aye
Mr. Lillard—Aye
Ms. Thompson—Aye
Mr. Mustain—Aye

The loan was unanimously approved.

Mr. Lillard stated that the next item on the agenda was consideration and approval of a Drinking Water State Revolving Fund (DWSRF) loan. He called upon Ms. Mitchell to present the loan request. Ms. Mitchell first presented the Report on Funds Available for Loan Obligation for the DWSRF Loan Program. She stated the unobligated fund balance was \$65,139,667 as of November 28, 2022. Since that time, the unobligated had increased by \$212,262 with the return of unused funds from Arthur-Shawnee Utility District and the City of Lebanon. Upon approval of the loan request to be presented totaling \$7,000,000, the remaining funds available for loan obligations would be \$58,351,929. She then presented the DWSRF loan request.

- **Kingsport (DWF 2023-254)** Requesting \$7,000,000 for wastewater (WW) treatment plant improvements (upgrades to the High Service Pump Station); recommended interest rate of 2.13% based on the ATPI; Priority ranking 47 of 48 (FY2020); Term: 20 years

Mr. Lillard inquired if there was any discussion. Hearing none, Mr. Bryson made a motion to approve the loan, and Ms. Thompson seconded the motion. Mr. Lillard called upon Ms. West to conduct a roll-call vote:

Ms. Brown—Aye
Mr. Bryson—Aye
Mr. Lillard—Aye
Ms. Thompson—Aye
Mr. Mustain—Aye

The loan was unanimously approved.

Mr. Lillard stated that the next item on the agenda was TDEC's presentation on Asset Management Planning (AMP) Grants. He called upon Ms. Vena Jones, Manager of State Water Infrastructure Grants for TDEC, to present the item. Ms. Jones stated that AMP grants were critical to effectively managing water, WW, and stormwater infrastructure. She reported that a 2012 EPA study showed 44 of 50 states had well-established AMP Programs, and most included funding assistance; Tennessee does not have an AMP Program. Ms. Jones said that in 2021, the Division of Water Resources showed that 76% of DW and WW systems throughout the state needed adequate AMP to meet Environmental Protection Agency (EPA) guidelines. She continued, saying that in 2022, TDEC proposed to issue loans with principal forgiveness for AMP. She stated that TDEC's authority to issue loans for AMP was clearly outlined in the EPA guidance and handbook, but based on feedback from the Comptroller's staff, it resolved to issue the funding assistance through grants using SRF dollars. She further stated that TDEC intended to use grants to provide funding assistance to publicly-owned systems with the same conditions outlined in its (2022) intended use plan; instead of awarding loans with principal forgiveness, TDEC would award grants for AMP projects. Ms. Jones said that utilities would be eligible for grants with 25-50% match requirements based on the entity's ATPI. She noted that TDEC would provide this grant program for at least 5 years. She said that systems requesting AMP funding connected to a capital project would remain on the priority ranking list (PRL) and be encouraged to seek an SRF loan. She said that funding would provide up to \$375,000 per grant, and the total project cost for any AMP would not exceed \$500,000. Ms. Jones reported that TDEC had 60 requests totaling \$10,623,610. She stated that there was partner funding with the American Rescue Plan (ARP) grants and AMP would be required for water infrastructure entities to obtain that funding. She stated that TDEC had 39 WW, 76 DW, and nine stormwater systems proposing AMP through the ARP grants. She said that the estimated cost would be \$21,058,982, and the total funding needed for all entities would be \$31,682,592. She asserted that TDEC intended to award those this year. Furthermore, she stated that the opportunity to apply for and receive an AMP grant would be open from the summer of 2023 to 2028. She noted that the term for any of these grants would be a maximum of two years. Ms.

Jones stated that the tables in the meeting materials provided information on current DW and CW fund balances and the impact the AMP funding requests would have. Mr. Lillard inquired if there were any questions or discussions. Mr. Bryson responded affirmatively and stated that the report summary said the systems that had requested AMP funding connected to a capital project (listed on PRL) would be encouraged to seek an SRF loan. Ms. Jones responded affirmatively. Mr. Bryson asked if they would also have preferential treatment in the SRF process. Ms. Jones responded, explaining that in SRF terms, those were sometimes called fiscal sustainability plans, a required component of CWSRF loans. She further stated that it was also a federal requirement under the Safe DW Act for any DW system to have an AMP. Mr. Bryson inquired if entities would become more eligible for this funding opportunity by using the funds and developing an AMP. Ms. Jones responded, saying it would help entities prioritize their list of critical infrastructure needs to quickly identify which elements should be replaced or repaired. Mr. Lillard inquired if there were other questions or discussions regarding the report. Hearing none, he thanked Ms. Jones and stated that the board noted and acknowledged the report. No action was necessary.

Hearing no other business, Mr. Lillard asked for a motion to adjourn the meeting. Mr. Bryson made a motion to adjourn, and Ms. Thompson seconded the motion. Mr. Lillard called upon Ms. West to conduct a roll-call vote:

Ms. Brown—Aye
Mr. Bryson—Aye
Mr. Lillard—Aye
Ms. Thompson—Aye
Mr. Mustain—Aye

The meeting was adjourned.

Approved on this ____ day of _____, 2023.

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
March 27, 2023

Unobligated Balance as of February 15, 2023 **\$ 173,003,668**

Increases:

	<u>Loan Number</u>	<u>Amount</u>	
FFY 2022 Capitalization Grant (project dollars)		\$ 16,808,000	
FFY 2022 Capitalization Grant state match (SFY23)		\$ 3,361,600	
FFY 2022 IJA General Supplemental Grant (project dollars)		\$ 25,855,000	
FFY 2022 IJA General Supplemental state match (SFY23)		\$ 2,585,500	
			\$ 48,610,100

Unobligated Balance as of March 27, 2023 **\$ 221,613,768**

Decreases:

	<u>Loan Number</u>	<u>Amount</u>	
City of South Piitsburg	CW8 2023-480	\$750,000	
Tallahoma Utilities Authority	CW8 2023-442	\$1,600,000	
			\$ (2,350,000)

Remaining Funds Available for Loan Obligations as of March 27, 2023 **\$ 219,263,768**

FACT SHEET

March 27, 2023

Borrower: City of South Pittsburg
Project Number: CW8 2023-480
Requested SRF Funding: \$750,000
Term: 20 years
Rate: 2.01% = 3.35% X 60% (Tier 2)

Project:

I/I Correction (Rehabilitation of approximately 30,000 LF of sewer lines using point repairs and cured-in-place methods, and manhole rehabilitation).

Total Project Cost:	\$750,000
Project Funding:	
SRF Loan Principal (80%)	\$600,000
Principal Forgiveness (20%)	\$150,000
Local Funds	\$ -0-
Other Funds	\$ -0-

County:	Marion County
Consulting Engineer:	Hussey Gay Bell-Nashville, LLC
Priority Ranking List:	2020
Priority Ranking:	23 of 64 ¹
Public Meeting:	10/25/2022

Financial Information:

Operating Revenues:	\$1,860,383
Current Rate:	\$24.75
Financial Review Rate:	\$24.75
Effective Rates, if applicable:	\$25.74 (Effective date: October 01, 2023)
	\$26.80 (Effective date: October 01, 2024)
	\$27.85 (Effective date: October 01, 2025)
Residential User Charge:	5,000 gal/month
Customer Base:	1,276
Audit Report Filed:	03/03/2023 (Late) ²
Initial Financial Sufficiency Review:	09/12/2022
Updated Financial Sufficiency Review:	03/10/2023

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

¹ The project is ranked #23 of 64 on the 2020 Priority Ranking List (PRL).

² Late Audit report justification letter submitted.

FACT SHEET
March 27, 2023

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: \$471,162

MADS:	Prior Obligations:	\$	- 0-
	Proposed loan(s):		
	CW8 2023-480	\$	36,458
	DW9 2023-256		<u>\$131,248</u>
	Totals		<u>\$167,706</u>

MADS as a percentage of SSTs: 35.59%

**REPRESENTATION OF
LOANS AND STATE-SHARED TAXES
CITY OF SOUTH PITTSBURG
CW8 2023-480**

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 \$471,162.

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
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 \$0.

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	CW8 2023-480	2.01%	\$600,000	\$150,000	\$36,458
SRF/Water	DW9 2023-256	2.01%	\$2,160,000	\$540,000	\$131,248

The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is \$167,706.

4. Unobligated SSTs

The amount set forth in section (1) less the total amounts set forth in sections 2 and 3 is \$303,456.

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 ~~(insert day) day of~~
~~(insert month), 2022~~ 10th day of January, 2023**

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

LOCAL GOVERNMENT

BY: 
Samantha Rector, Mayor

REQUIREMENT FOR REPORT ON DEBT OBLIGATION

(FORM CT-0253)

CITY OF SOUTH PITTSBURG

CW8 2023-480

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.

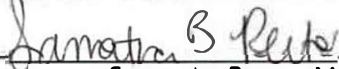
Municipal Securities Rulemaking Board (MSRB) – Required Disclosure

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).

The applicant, City of South Pittsburg TN, 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.



Samantha Rector, Mayor

2-9-2023

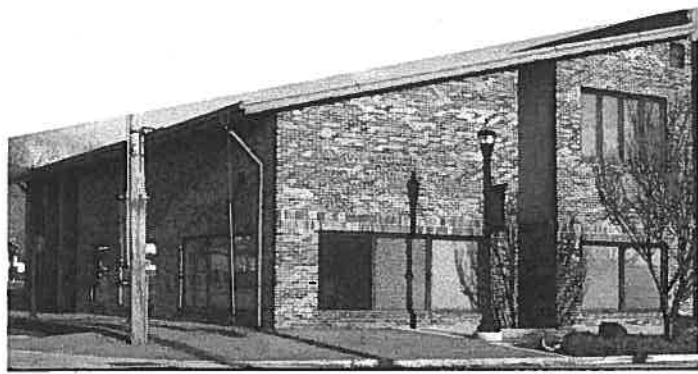
Date

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

STATE REVOLVING FUND PROJECT LOAN AGREEMENT

CITY OF SOUTH PITTSBURG

CW8 2023-480



Marion Natural Gas & Board of Water Works & Sewers

*P. O. Box 408
138 Cedar Avenue
South Pittsburg, TN 37380
(423) 837-7164*

March 13, 2023

To Whom It May Concern

Please accept this letter as justification with regard to the audit report for the year ended June 30, 2022 which was posted to the Comptroller's website on March 6, 2023.

The Utility's change to a new general ledger software as well as a turnover of vital employees had a major impact on the records management of the utility causing a delay in the closing of all accounting records. Management has addressed this with adding new staff members for better internal controls and to improve task management and work flow.

The delay on this year's audit was also worsened by the audit firm being extremely short staffed during the audit process and then with the unfortunate passing of the audit firm's partner the audit was further delayed. Our staff worked with the audit firm to finalize the audit as quickly as possible.

We are confident that the new software errors have been corrected and we do not foresee this being an issue in the future and with an added position to assist with the work flow we are also confident in the timely reconciliation of our general ledgers.

Thank you for your understanding as we made the necessary improvements to the utility's staff and records management.

Sincerely,

Keith Garth
Manager

FACT SHEET

March 27, 2023

Borrower: Tullahoma Utilities Authority
Project Number: CW8 2023-442
Requested SRF Funding: \$1,600,000
Term: 20 years
Rate: 3.35% = 3.35% X 100% (Tier 4)

Project:

New Pump Station and Force Main (Replacement of the existing Ovoca Road PS and the installation of approximately 10,000 LF of 12-inch diameter force main along Ovoca Road.)

Total Project Cost:	\$1,600,000
Project Funding:	
SRF Loan Principal	\$1,600,000
Local Funds	\$ -0-
Other Funds	\$ -0-

County:	Coffee and Franklin Counties
Consulting Engineer:	Water Management Services, LLC
Priority Ranking List:	2021
Priority Ranking:	16 of 53 ¹
Public Meeting:	07/11/2022

Financial Information:

Operating Revenues:	\$3,985,661
Current Rate:	\$28.65
Financial Review Rate:	\$28.65
Effective Rates, if applicable:	N/A
Residential User Charge:	5,000 gal/month
Customer Base:	8,082
Audit Report Filed:	12/31/2022 (Timely)
Initial Financial Sufficiency Review:	06/22/2022
Updated Financial Sufficiency Review:	03/10/2023

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

¹ The project is ranked #16 of 53 on the 2021 Priority Ranking List (PRL).

FACT SHEET
March 27, 2023

Additional Security

A security deposit equal to one year's maximum annual debt service is required to be deposited with the TLDA before any funds are disbursed to the borrower. The anticipated required security deposit for this loan is \$109,878.

**REPRESENTATION OF
LOANS AND SECURITY DEPOSIT
TULLAHOMA UTILITIES AUTHORITY
CW8 2023-442**

As security for payments due under a State Revolving Fund (SRF) Loan Agreement, a local government pledges user fees and charges and further pledges such other additional available sources of revenues as are necessary to meet its obligations under a SRF Loan Agreement. Prior to the first disbursement on a loan, a local government is required to deposit with the TLDA an amount of funds equal to the maximum annual debt service (MADS) as additional security for such loan.

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

Loan Type	Loan #	Base Loan*	Principal Forgiveness*	MADS**
SRF/Sewer	CW0 2012-297	\$4,000,000	\$1,000,000	\$223,980

*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 required security deposit(s) for previously approved SRF loan(s) is \$223,980.

- b. The local government is applying for the following SRF loan(s):

Loan Type	Loan #	Anticipated Interest Rate	Base Loan	Principal Forgiveness	Anticipated MADS
SRF/Sewer	CW8 2023-442	3.35%	\$1,600,000	\$0	\$109,878

The total anticipated security deposit(s) for the proposed loan(s) is \$109,878.

- c. The total MADS (a+b) is \$333,858.

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 20th day of December, 2022.

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

LOCAL GOVERNMENT

BY: 
Brian Skelton, President of TUA

REQUIREMENT FOR REPORT ON DEBT OBLIGATION

(FORM CT-0253)

TULLAHOMA UTILITIES AUTHORITY CW8 2023-442

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.

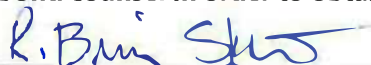
Municipal Securities Rulemaking Board (MSRB) – Required Disclosure

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).

The applicant, Tullahoma Utilities Authority, 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.



Brian Skelton, President of TUA



Date

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

DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF WATER RESOURCES

**Drinking Water State Revolving Fund (DWSRF) Loan Program
Funds Available for Loan Obligation
March 27, 2023**

Unobligated Balance as of February 15, 2023 **\$ 58,351,929**

Increases:

	<u>Loan Number</u>	<u>Amount</u>	
FFY 2022 Capitalization Grant (project dollars)		\$ 11,685,120	
FFY 2022 Capitalization Grant state match (SFY23)		\$ 2,434,400	
FFY 2022 IJA General Supplemental Grant (project dollars)		\$ 26,551,564	
FFY 2022 IJA General Supplemental state match (SFY23)		\$ 3,125,300	
			<u>\$ 43,796,384</u>

Unobligated Balance as of March 27, 2023 **\$ 102,148,313**

Decreases:

	<u>Loan Number</u>	<u>Loan Amount</u>
City of South Pittsburg	DW9 2023-256	\$2,700,000

\$ (2,700,000)

Remaining Funds Available for Loan Obligations as of March 27, 2023 **\$ 99,448,313**

FACT SHEET

March 27, 2023

Borrower: City of South Pittsburg
Project Number: DW9 2023-256
Requested SRF Funding: \$2,700,000
Term: 20 years
Rate: 2.01% = 3.35% X 60% (Tier 2)

Project:

New Water Storage Tank (Construction of a 150,000 gallon and 285,000 gallon water storage tanks to replace existing WSTs.) and Water Meter Replacement (Installation of approximately 3,200 AMR meters.)

Total Project Cost:	\$2,700,000
Project Funding:	
SRF Loan Principal (80%)	\$2,160,000
Principal Forgiveness (20%)	\$ 540,000
Local Funds	\$ -0-
Other Funds	\$ -0-

County:	Marion County
Consulting Engineer:	Hussey Gay Bell-Nashville, LLC
Priority Ranking List:	2021
Priority Ranking:	36, 67 of 72 ¹
Public Meeting:	10/25/2022

Financial Information:

Operating Revenues:	\$1,860,383
Current Rate:	\$20.68
Financial Review Rate:	\$20.68
Effective Rates, if applicable:	\$21.50 (Effective date: October 01, 2023)
	\$22.36 (Effective date: October 01, 2024)
	\$23.25 (Effective date: October 01, 2025)
Residential User Charge:	5,000 gal/month
Customer Base:	2,676
Audit Report Filed:	03/03/2023 (Late) ²
Initial Financial Sufficiency Review:	09/12/2022
Updated Financial Sufficiency Review:	03/10/2023

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

¹ The project is ranked #36 and #67 of 72 on the 2021 Priority Ranking List (PRL).

² Late Audit report justification letter submitted.

FACT SHEET
March 27, 2023

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: \$471,162

MADS:	Prior Obligations:	\$ - 0-
	Proposed loan(s):	
	DW9 2023-256	\$131,248
	CW8 2023-480	<u>\$ 36,458</u>
	Totals	<u>\$ 167,706</u>

MADS as a percentage of SSTs: 35.59%

**REPRESENTATION OF
LOANS AND STATE-SHARED TAXES
CITY OF SOUTH PITTSBURG
DW9 2023-256**

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 \$471,162.

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
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 \$0.

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	DW9 2023-256	2.01%	\$2,160,000	\$540,000	\$131,248
SRF/Sewer	CW8 2023-480	2.01%	\$600,000	\$150,000	\$36,458

The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is \$167,706.

4. Unobligated SSTs

The amount set forth in section (1) less the total amounts set forth in sections 2 and 3 is \$303,456.

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 10th day of January, 2023

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

LOCAL GOVERNMENT

BY:  _____
Samantha Rector, Mayor

REQUIREMENT FOR REPORT ON DEBT OBLIGATION
(FORM CT-0253)
CITY OF SOUTH PITTSBURG
DW9 2023-256

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.

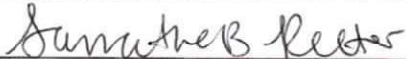
Municipal Securities Rulemaking Board (MSRB) – Required Disclosure

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:

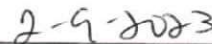
- Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material; and
- 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).

The applicant, City of South Pittsburg, 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.



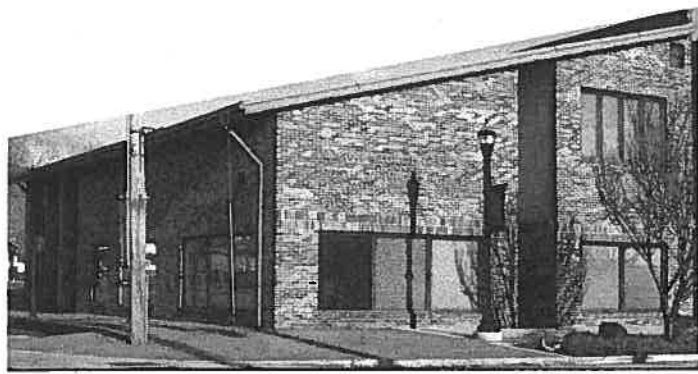
Samantha Rector, Mayor



Date

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

STATE REVOLVING FUND PROJECT LOAN AGREEMENT
CITY OF SOUTH PITTSBURG
DW9 2023-256



Marion Natural Gas & Board of Water Works & Sewers

*P. O. Box 408
138 Cedar Avenue
South Pittsburg, TN 37380
(423) 837-7164*

March 13, 2023

To Whom It May Concern

Please accept this letter as justification with regard to the audit report for the year ended June 30, 2022 which was posted to the Comptroller's website on March 6, 2023.

The Utility's change to a new general ledger software as well as a turnover of vital employees had a major impact on the records management of the utility causing a delay in the closing of all accounting records. Management has addressed this with adding new staff members for better internal controls and to improve task management and work flow.

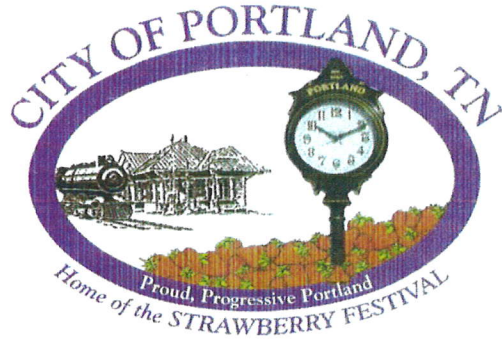
The delay on this year's audit was also worsened by the audit firm being extremely short staffed during the audit process and then with the unfortunate passing of the audit firm's partner the audit was further delayed. Our staff worked with the audit firm to finalize the audit as quickly as possible.

We are confident that the new software errors have been corrected and we do not foresee this being an issue in the future and with an added position to assist with the work flow we are also confident in the timely reconciliation of our general ledgers.

Thank you for your understanding as we made the necessary improvements to the utility's staff and records management.

Sincerely,

Keith Garth
Manager



100 S. Russell Street Portland, TN 37148
615-325-6776

March 1, 2023

Ms. Sandra Thompson
Director
Tennessee Local Development Authority
Cordell Hull Building
425 Rep John Lewis Way N
Nashville, Tennessee 37243

Re: City of Portland Not to Exceed \$5,000,000 PBA City of Clarksville Water and Sewer System Loan

Dear Ms. Thompson:

The City of Portland, Tennessee (the "City"), intends to enter into a Loan Agreement with The Public Building Authority of the City of Clarksville (the "PBA"), and First Federal Bank (the "Bank"), in the amount of not to exceed \$5,000,000, for the purpose of financing water and sewer projects for the City (the "Loan").

The Loan will be for a term of twenty-five years with the initial rate locked in for five years, and then subject to adjustment. The bond to be issued by the PBA will be sold to the Bank as a private placement.

The City understands that TLDA must be notified of the incurrent of new debt, even if the Loan will not be on a parity with any SRF loans the City has outstanding.

Therefore, this is to give notice that the City acknowledges that the Loan evidenced by the Loan Agreement, will be subordinate to any outstanding SRF Loans of the City. The Loan Agreement will clearly state that the Loan is subordinate to any SRF Loans of the City.

The Bank has agreed that the Loan will be subordinate to the City's outstanding SRF Loans.

The City intends to adopt the necessary resolutions at a regular Board meeting to be held on March 6, 2023. The Initial Resolution will then be published in accordance with State statutes. In order to keep the current initial rate of 4.35%, the Loan must be initially funded and closed by April 10, 2023.

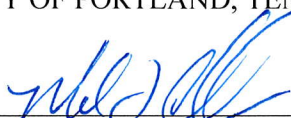
Therefore, the City respectfully requests that the forty-five (45) day notice for written notification be waived.

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

Yours truly,

CITY OF PORTLAND, TENNESSEE

By: _____



Mike Callis, Mayor



JASON E. MUMPOWER
Comptroller

Mike Callis
Mayor
100 S. Russell Street
Portland, TN 37148

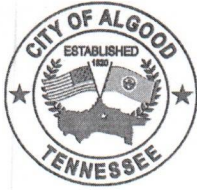
Mr. Callis:

This letter acknowledges that the City has provided written notice to the Tennessee Local Development Authority (the "TLDA") of its intent to enter into a loan agreement with The Public Building Authority of the City of Clarksville and the First Federal Bank and that the loan will be issued subordinate to its SRF loans. This letter also acknowledges a waiver of the 45-day requirement for written notification pursuant to the TLDA State Revolving Fund Policy and Guidance for Borrowers. The City's notice will be included on the TLDA's March 27, 2023, agenda as a notification item.

Sincerely,

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

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



CITY OF ALGOOD
P.O. Box 49215, 215 West Main Street
Algood, TN 38506
Phone: (931)537-9545 ♦ Fax: (931)537-9429

March 2, 2023

Ms. Sandra Thompson
Director
Tennessee Local Development Authority
Cordell Hull Building
425 Rep John Lewis Way N
Nashville, Tennessee 37243

Via Email

Re: City of Algood Not to Exceed \$2,300,000 PBA City of Clarksville Sewer System Loan

Dear Ms. Thompson:

The City of Algood, Tennessee (the "City"), intends to enter into a Loan Agreement with The Public Building Authority of the City of Clarksville (the "PBA"), and TriStar Bank (the "Bank"), in the amount of not to exceed \$2,300,000, for the purpose of financing sewer system projects for the City (the "Loan").

The Loan will be for a term of twenty-five years with the initial rate locked in for five years, and then subject to adjustment. The bond to be issued by the PBA will be sold to the Bank as a private placement.

The City understands that TLDA must be notified of the incurrence of new debt, even if the Loan will not be on a parity with any SRF loans the City has outstanding.

Therefore, this is to give notice that the City acknowledges that the Loan evidenced by the Loan Agreement, will be subordinate to any outstanding SRF Loans of the City. The Loan Agreement will clearly state that the Loan is subordinate to any SRF Loans of the City.

The Bank has agreed that the Loan will be subordinate to the City's outstanding SRF Loans.

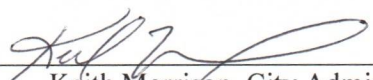
The City has adopted the necessary resolutions and the Initial Resolution has been published. In order to keep the current initial rate of 4.244%, the Loan must be initially funded and closed by March 29, 2023.

Therefore, the City respectfully requests that the forty-five (45) day notice for written notification be waived.

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

Yours truly,

CITY OF ALGOOD, TENNESSEE

By: 
Keith Morrison, City Administrator



JASON E. MUMPOWER
Comptroller

Keith Morrison
City Administrator
City of Algood
P.O. Box 49215
215 West Main Street
Algood, TN 38506

Mr. Morrison:

This letter acknowledges that the City has provided written notice to the Tennessee Local Development Authority (the "TLDA") of its intent to enter into a loan agreement with The Public Building Authority of the City of Clarksville and the TriStar Bank and that the loan will be issued subordinate to its SRF loans. This letter also acknowledges a waiver of the 45-day requirement for written notification that is required by the TLDA State Revolving Fund Policy and Guidance for Borrowers. The City's notice will be included on the TLDA's March 27, 2023, agenda as a notification item.

Sincerely,

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

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