



TENNESSEE LOCAL DEVELOPMENT AUTHORITY
AUGUST 19, 2024
AGENDA
REVISED

- 1) Call meeting to order, establish that there is a physical quorum, and receive public comments on actionable items in accordance with 2023 Public Chapter 300 and Board guidelines.
- 2) Approval of minutes from the July 22, 2024, meeting
- 3) Consideration and Approval of the following State Revolving Fund Clean Water Loans:

	SRF Base Loan	Principal Forgiveness	Total Request	Interest Rate	Term
Springfield, CWB22 2024-489	\$ 5,000,000	\$5,000,000	\$ 10,000,000	2.49%	20
Springfield, CW9 2024-489-01	\$ 37,000,000	\$ -	\$ 37,000,000	2.49%	20

- 4) Consideration and Approval of the following State Revolving Fund Drinking Water Loans:

	SRF Base Loan	Principal Forgiveness	Total Request	Interest Rate	Term
Erwin Utilities Authority, DWB22 2024-267	\$ 677,000	\$ 677,000	\$ 1,354,000	1.24%	20
Northwest Dyersburg Utility District, DWB22 2024-268	\$ 166,087	\$ 166,086	\$ 332,173	1.87%	20

- 5) Consideration of a request from the Paris Utility Authority to issue debt in an amount not to exceed \$2,600,000 subordinate to it existing State Revolving Fund loans
- 6) Adjourn

TENNESSEE LOCAL DEVELOPMENT AUTHORITY
July 22, 2024

The Tennessee Local Development Authority (the “TLDA”) met on Monday, July 22, 2024, at 3:33 p.m., CT, in the Volunteer Conference Center, 2nd Floor, Cordell Hull Building, Nashville, Tennessee. Comptroller Jason Mumpower was present and presided over the meeting.

The following members or proxies were also present:

Mr. Chris Mustain, proxy for the Honorable Tre Hargett, Secretary of State
The Honorable David H. Lillard, Jr., State Treasurer
Commissioner Jim Bryson, Department of Finance and Administration
Mayor Rollen “Buddy” Bradshaw, Senate Appointee

The following member participated electronically as authorized by Tennessee Code Annotated § 8-44-108:

Mayor Paige Brown, House Appointee

The following member was absent:

The Honorable Bill Lee, Governor

Recognizing a physical quorum present, Comptroller Mumpower called the meeting to order and noted the members’ presence as follows:

Commissioner Bryson—Present
Comptroller Mumpower—Present
Treasurer Lillard—Present
Mr. Mustain—Present
Mayor Bradshaw—Present
Mayor Brown— Present via electronic participation

Comptroller Mumpower, in accordance with Public Chapter 300 and Board guidelines, asked Ms. Sandra Thompson, TLDA Assistant Secretary and the Director of the Division of State Government Finance (SGF), if any requests for public comment had been received. Ms. Thompson responded that no requests for public comment had been received.

Comptroller Mumpower stated that the next item of business was approval of the minutes from the June 24, 2024, TLDA meeting. Comptroller Mumpower asked for a motion to approve the minutes. Commissioner Bryson moved approval, and Mayor Bradshaw seconded the motion. Comptroller Mumpower asked if there were any questions or discussion. Hearing none, he asked Ms. Thompson to conduct a roll call vote:

Mr. Mustain—Aye
Treasurer Lillard—Aye
Comptroller Mumpower—Aye
Commissioner Bryson—Aye
Mayor Bradshaw—Aye
Mayor Brown—Aye

The minutes were unanimously approved.

Comptroller Mumpower stated that the next item on the agenda was consideration and approval of the Tennessee Local Development Authority’s Debt Management Policy (the “Policy”). He recognized Ms. Thompson to present the request. Ms. Thompson stated that a summary of the policy revisions was provided to the Authority following

an extensive review conducted by SGF. She stated that updates and clarifications were made to various sections of the Policy in consultation with the Authority's financial advisor and issuer's counsel in the Attorney General's office. Comptroller Mumpower asked for a motion to approve the Policy. Commissioner Bryson made a motion to approve the Policy, and Treasurer Lillard seconded the motion. Comptroller Mumpower asked if there were any questions or discussion. Hearing none, he asked Ms. Thompson to conduct a roll call vote:

Mr. Mustain—Aye
Treasurer Lillard—Aye
Comptroller Mumpower—Aye
Commissioner Bryson—Aye
Mayor Bradshaw—Aye
Mayor Brown—Aye

The Policy as updated was unanimously approved.

Comptroller Mumpower stated that the next item on the agenda was the consideration and approval of Drinking Water State Revolving Fund (DWSRF) loans. He recognized Ms. Paula Mitchell, Deputy Director of the Division of Water Resources in the Tennessee Department of Environment and Conservation, to present the loan requests. Ms. Mitchell first presented the Report on Funds Available for Loan Obligation for the DWSRF Loan Program. She stated the unobligated fund balance was \$45,224,267, as of June 24, 2024. Upon approval of the loan requests to be presented totaling \$7,120,000, the remaining funds available for loan obligations would be \$38,104,267. Comptroller Mumpower asked if there were any questions on the report, and there were none. Ms. Mitchell then presented the first DWSRF loan request.

- **McMinnville (DWB22 2024-270)** Requesting \$5,700,000 (\$2,850,000 (50%) loan and \$2,850,000 (50%) principal forgiveness) for a rehabilitation of the raw water pumps, sedimentation basins, filters, pipe gallery, control building, electrical components, and controls, and upgrades to campus security; recommended interest rate of 1.28% based on the Ability to Pay Index (ATPI); Priority ranking 78 of 143 (FY2022); Term: 20 years

Comptroller Mumpower asked for a motion to approve the loan. Treasurer Lillard made a motion to approve the loan, and Mayor Bradshaw seconded the motion. Comptroller Mumpower asked if there were any questions or discussion. Hearing none, he asked Ms. Thompson to conduct a roll call vote:

Mr. Mustain—Aye
Treasurer Lillard—Aye
Comptroller Mumpower—Aye
Commissioner Bryson—Aye
Mayor Bradshaw—Aye
Mayor Brown—Aye

The loan was unanimously approved.

Ms. Mitchell then presented the next DWSRF loan request.

- **Ripley (DW8 2024-269)** Requesting \$1,420,000 (\$1,136,000 (80%) loan and \$284,000 (20%) principal forgiveness) for replacement of approximately 6,000 linear feet of 10-inch diameter asbestos cement waterlines with 12-inch PVC waterlines along Highway 209 from Webb Avenue East to Marvin Drive; and the replacement of approximately 40 service lines, and associated appurtenances; Construction only; recommended interest rate of 1.28% based on the ATPI; Priority ranking 109 of 143 (FY2022); Term: 20 years

Comptroller Mumpower asked for a motion to approve the loan. Treasurer Lillard made a motion to approve the loan, and Commissioner Bryson seconded the motion. Comptroller Mumpower asked Ms. Mitchell what the timeline was for completion of this project. She stated that she did not have that information with her and would follow up with the Authority. Comptroller Mumpower asked her to email the information to the members. Comptroller Mumpower asked if there were any other questions or discussion. Hearing none, he asked Ms. Thompson to conduct a roll call vote:

Mr. Mustain—Aye
Treasurer Lillard—Aye
Comptroller Mumpower—Aye
Commissioner Bryson—Aye
Mayor Bradshaw—Aye
Mayor Brown—Aye

The loan was unanimously approved.

Comptroller Mumpower stated that the next item of business was a report on the Tennessee Local Development Authority's debt and loan programs. He recognized Ms. Thompson to present the item. Ms. Thompson stated that a report of the TLDA's debt and loans outstanding (unaudited) at June 30, 2024, was included in the meeting materials. She stated that the principal amount of bonds outstanding for the TLDA's State Loan Program Fund was \$560,000 and that the bonds would mature by 2031. She stated that the amount of loans outstanding was \$1,174,431 for the State Infrastructure Fund, \$891,293,520 for the Clean Water State Revolving Fund and \$154,364,942 for the Drinking Water State Revolving Fund. Comptroller Mumpower stated that this was a report only item and asked if there were any questions. Hearing no further business, he asked for a motion to adjourn the meeting. Commissioner Bryson motioned to adjourn the meeting, and Mr. Mustain seconded the motion. Comptroller Mumpower asked Ms. Thompson to conduct a roll call vote:

Mr. Mustain—Aye
Treasurer Lillard—Aye
Comptroller Mumpower—Aye
Commissioner Bryson—Aye
Mayor Bradshaw—Aye
Mayor Brown—Aye

The meeting was adjourned.

Approved on this ____ day of _____, 2024.

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
August 19, 2024

Unobligated Balance as of June 24, 2024 **\$ 128,578,037**

Increases:

	<u>Loan Number</u>	<u>Amount</u>
Interest Repayments FY 2023		\$ 10,504,885
Principal Repayments FY 2023		\$ 43,566,143
Treasury Interest FY 2023		\$ 13,060,908
FFY 2023 Capitalization Grant (project dollars)		\$ 10,897,000
FFY 2023 Capitalization Grant state match (SFY23)		\$ 2,179,400
FFY 2023 IIJA General Supplemental Grant (project dollars)		\$ 30,279,000
FFY 2023 IIJA General Supplemental state match (SFY23)		\$ 3,027,900

\$ 113,515,236

Unobligated Balance as of August 19, 2024

\$ 242,093,273

Decreases:

	<u>Loan Number</u>	<u>Amount</u>
City of Springfield (Principal Amount)	CWB22 2024-489	\$ 5,000,000
City of Springfield (Principal Forgiveness)		\$ 5,000,000
City of Springfield	CW9 2024-489-01	\$ 37,000,000

\$ (47,000,000)

Remaining Funds Available for Loan Obligations as August 19, 2024

\$ 195,093,273

FACT SHEET

August 19, 2024

Borrower: City of Springfield
Project Number: CWB22 2024-489
Requested SRF Funding: \$10,000,000
Term: 20 years
ATPI 50
Rate: 3.11% X 80 (Tier 3) = 2.49%
Companion Loan: Yes

Project:

New WWTP/Advanced Treatment: Construction of a new 7.0 MGD WWTP to include a new biological treatment system, influent pump stations, headworks, activated sludge treatment, and sludge digestion/management.

Total Project Cost:	\$52,000,000
Project Funding:	
SRF Loan Principal (50%)	\$ 5,000,000
Principal Forgiveness (50%)	\$ 5,000,000
Local Funds	\$ 2,520,038
Other Funds (CW9 2024-489-01)	\$37,000,000
Other Funds (ARP Grant)	\$ 2,479,962

County:	Robertson County
Consulting Engineer:	Griggs & Maloney, Inc.
Priority Ranking List:	2022
Priority Ranking:	5 of 104 ¹
Public Meeting:	06/20/2024

Financial Information:

Operating Revenues:	\$9,394,829
Current Rate:	\$92.71
Financial Review Rate:	\$92.71
Effective Rates, if applicable:	N/A
Residential User Charge:	5,000 gal/month
Customer Base:	7,412
Audit Report Filed:	12/21/2023 (Timely)
Initial Financial Sufficiency Review:	05/21/2024
Updated Financial Sufficiency Review:	N/A

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

¹ The Project ranked #5 of 104 on the 2022 Priority Ranking List.

FACT SHEET
August 19, 2024

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: \$3,051,251

MADS:	Prior Obligations:	\$2,050,368
	Proposed loan(s):	
	CWB22 2024-489	\$ 317,650
	CW9 2024-489-01	<u>\$ 2,350,606</u>
	Totals	<u>\$4,718,624</u>

MADS as a percentage of SSTs: 154.65%

**REPRESENTATION OF
LOANS AND STATE-SHARED TAXES
CITY OF SPRINGFIELD
CWB22 2024-489**

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 \$3,051,251.

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 2016-360	\$6,503,649	\$0	\$306,660
SRF/Sewer	SRF 2019-422	\$25,659,803	\$0	\$1,455,192
SRF/Sewer	SRF 2020-447	\$5,341,095	\$0	\$288,516

* 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 \$2,050,368.

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

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

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

(c.) The total MADS from prior obligations having a lien on SSTs [subsections 2(a)+2(b)] is \$2,050,368.

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	CWB22 2024-489	2.49%	\$5,000,000	\$5,000,000	\$317,650
SRF/Sewer	CW9 2024-489-01	2.49%	\$37,000,000	\$0	\$2,350,606

The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is \$2,668,256.

4. Unobligated SSTs

The amount set forth in section (1) less the total amounts set forth in sections 2 and 3 is \$(1,667,373).

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 2nd day of August, 2024.

LOCAL GOVERNMENT

BY: 
Ann Williams, Mayor

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

REQUIREMENT FOR REPORT ON DEBT OBLIGATION
(FORM CT-0253)
CITY OF SPRINGFIELD
CWB22 2024-489

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 Springfield, 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.



Ann Williams, Mayor

August 2, 2024

Date

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

FACT SHEET
August 19, 2024

Borrower: City of Springfield
Project Number: CW9 2024-489-01
Requested SRF Funding: \$37,000,000
Term: 20 years
ATPI 50
Rate: 3.11% X 80 (Tier 3) = 2.49%
Companion Loan: Yes

Project:

New WWTP/Advanced Treatment: Construction of a new 7.0 MGD WWTP to include a new biological treatment system, influent pump stations, headworks, activated sludge treatment, and sludge digestion/management.

Total Project Cost:	\$52,000,000
Project Funding:	
SRF Loan Principal	\$37,000,000
Local Funds	\$ 2,520,038
Other Funds (CWB22 2024-489)	\$10,000,000
Other Funds (ARP Grant)	\$ 2,479,962

County:	Robertson County
Consulting Engineer:	Griggs & Maloney, Inc.
Priority Ranking List:	2022
Priority Ranking:	5 of 104 ¹
Public Meeting:	06/20/2024

Financial Information:

Operating Revenues:	\$9,394,829
Current Rate:	\$92.71
Financial Review Rate:	\$92.71
Effective Rates, if applicable:	N/A
Residential User Charge:	5,000 gal/month
Customer Base:	7,412
Audit Report Filed:	12/21/2023 (Timely)
Initial Financial Sufficiency Review:	05/21/2024
Updated Financial Sufficiency Review:	N/A

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

¹ The Project ranked #5 of 104 on the 2022 Priority Ranking List.

FACT SHEET
August 19, 2024

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: \$3,051,251

MADS:	Prior Obligations:	\$2,050,368
	Proposed loan(s):	
	CW9 2024-489-01	\$ 2,350,606
	CWB22 2024-489	<u>\$ 317,650</u>
	Totals	<u>\$4,718,624</u>

MADS as a percentage of SSTs: 154.65%

**REPRESENTATION OF
LOANS AND STATE-SHARED TAXES
CITY OF SPRINGFIELD
CW9 2024-489-01**

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 \$3,051,251.

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 2016-360	\$6,503,649	\$0	\$306,660
SRF/Sewer	SRF 2019-422	\$25,659,803	\$0	\$1,455,192
SRF/Sewer	SRF 2020-447	\$5,341,095	\$0	\$288,516

* 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 \$2,050,368.

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

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

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

(c.) The total MADS from prior obligations having a lien on SSTs [subsections 2(a)+2(b)] is \$2,050,368.

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 2024-489-01	2.49%	\$37,000,000	\$0	\$2,350,606
SRF/Sewer	CWB22 2024-489	2.49%	\$5,000,000	\$5,000,000	\$317,650

The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is \$2,668,256.

4. Unobligated SSTs

The amount set forth in section (1) less the total amounts set forth in sections 2 and 3 is \$(1,667,373).

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 2nd day of August, 2024.

LOCAL GOVERNMENT

BY: 
Ann Williams, Mayor

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

REQUIREMENT FOR REPORT ON DEBT OBLIGATION
(FORM CT-0253)
CITY OF SPRINGFIELD
CW9 2024-489-01

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.

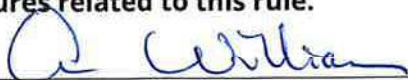
Municipal Securities Rulemaking Board (MSRB) – Required Disclosure

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 Springfield, 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.



Ann Williams, Mayor

August 2, 2024

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
August 19, 2024

Unobligated Balance as of July 22, 2024 **\$ 38,104,267**

Increases:

	Loan Number	Amount		
Interest Repayments FY 2023		\$ 1,256,106		
Principal Repayments FY 2023		\$ 7,663,629		
Treasury Interest FY 2023		\$ 4,002,885		
FFY 2023 Capitalization Grant (project dollars)		\$ 6,694,136		
FFY 2023 Capitalization Grant state match (SFY23)		\$ 1,662,400		
FFY 2023 IJJA General Supplemental Grant (project dollars)		\$ 26,658,772		
FFY 2023 IJJA General Supplemental state match (SFY23)		\$ 3,544,300		
City of Fayetteville Loan Decrease (Under Budget)	DWF2021-230	\$ 50,115		
			\$	51,532,343
Unobligated Balance as of August 19, 2024			\$	89,636,610

Decreases:

	Loan Number	Loan Amount		
Erwin Utilities Authority (Principal Amount)	DWB22 2024-267	\$ 677,000		
Erwin Utilities Authority (Principal Forgiveness)		\$ 677,000		
Northwest Dyersburg Utility District (Principal Amount)	DWB22 2024-268	\$ 166,087		
Northwest Dyersburg Utility District (Principal Forgiveness)		\$ 166,086		
			\$	(1,686,173)

Remaining Funds Available for Loan Obligations as of August 19, 2024 **\$ 87,950,437**

FACT SHEET

August 19, 2024

Borrower: Erwin Utilities Authority
Project Number: DWB22 2024-267
Requested SRF Funding: \$1,354,000
Term: 20 years
ATPI 20
Rate: 3.11% X 40 (Tier 1) = 1.24%
Companion Loan: N/A

Project:

Waterline Extension: Installation of approximately 15,000 Linear Feet of 2-inch through 6- inch diameter PVC and DIP waterlines along Lower Higgins Creek, Sandy Bottom, McInturff. Springs, and Canah Hollow Road.

Total Project Cost:	\$1,354,000
Project Funding:	
SRF Loan Principal (50%)	\$ 677,000
Principal Forgiveness (50%)	\$ 677,000
Local Funds	\$ -0-

County:	Unicoi County
Consulting Engineer:	J.R. Wauford & Company Consulting Engineers, Inc.
Priority Ranking List:	2022
Priority Ranking:	52 of 143 ¹
Public Meeting:	12/18/2023

Financial Information:

Operating Revenues:	\$2,050,669
Current Rate:	\$28.82
Financial Review Rate:	\$28.82
Effective Rates, if applicable:	N/A
Residential User Charge:	5,000 gal/month
Customer Base:	5,204
Audit Report Filed:	12/19/2023 (Timely)
Initial Financial Sufficiency Review:	11/20/2023
Updated Financial Sufficiency Review:	4/01/2024

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

¹ The Project ranked #52 of 143 on the 2022 Priority Ranking List.

FACT SHEET
August 19, 2024

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 \$38,238.00.

**REPRESENTATION OF
LOANS AND SECURITY DEPOSIT
ERWIN UTILITIES AUTHORITY
DWB22 2024-267**

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	CG3 2014-341	\$2,773,299.84	\$145,963.16	\$113,112.00
SRF/Water	DW0 2011-114	\$560,000.00	\$100,000.00	\$35,352.00
SRF/Water	DG5 2017-186	\$1,125,000.00	\$375,000.00	\$63,540.00
SRF/Water	DWF 2017-187	\$500,000.00	\$0.00	\$28,236.00
SRF/Water	DW6 2018-206	\$600,000.00	\$150,000.00	\$33,432.00
SRF/Water	DG7 2020-222	\$2,000,000.00	\$0.00	\$100,705.00

*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 \$374,377.00.

- 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/Water	DWB22 2024-267	1.24%	\$677,000.00	\$677,000.00	\$38,238.00

The total anticipated security deposit(s) for the proposed loan(s) is \$38,238.00.

- c. The total MADS (a+b) is \$412,615.00.

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 day of July, 2024.

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

LOCAL GOVERNMENT

BY:



Lee H. Brown, President/CEO

REQUIREMENT FOR REPORT ON DEBT OBLIGATION

(FORM CT-0253)

ERWIN UTILITIES AUTHORITY

DWB22 2024-267

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, Erwin 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.



Lee H. Brown, President/CEO



Date

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

FACT SHEET

August 19, 2024

Borrower:	Northwest Dyersburg Utility District
Project Number:	DWB22 2024-268
Requested SRF Funding:	\$332,173
Term:	20 years
ATPI	40
Rate:	3.11% X 60 (Tier 2) = 1.87%
Companion Loan:	N/A

Project:

WTP Improvements: Rebuilding two high service pumps, rehabilitating of two pressure filters, and replacing a 4-inch valve.

Total Project Cost:	\$332,173
Project Funding:	
SRF Loan Principal (50%)	\$166,087
Principal Forgiveness (50%)	\$166,086
Local Funds	\$ -0-

County:	Dyer County
Consulting Engineer:	TLM Associates, Inc.
Priority Ranking List:	2022
Priority Ranking:	32 of 143 ¹
Public Meeting:	04/23/2024

Financial Information:

Operating Revenues:	\$656,190
Current Rate:	\$35.00
Financial Review Rate:	\$35.00
Effective Rates, if applicable:	N/A
Residential User Charge:	5,000 gal/month
Customer Base:	1,668
Audit Report Filed:	11/01/2023 (Timely)
Initial Financial Sufficiency Review:	02/27/2024
Updated Financial Sufficiency Review:	N/A

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

¹ The Project ranked #32 of 143 on the 2022 Priority Ranking List.

FACT SHEET
August 19, 2024

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 \$9,960.00.

**REPRESENTATION OF
LOANS AND SECURITY DEPOSIT
NORTHWEST DYERSBURG UTILITY DISTRICT
DWB22 2024-268**

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				

*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 \$0.

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/Water	DWB22 2024-268	1.87%	\$166,086.50	\$166,086.50	\$9,960.00

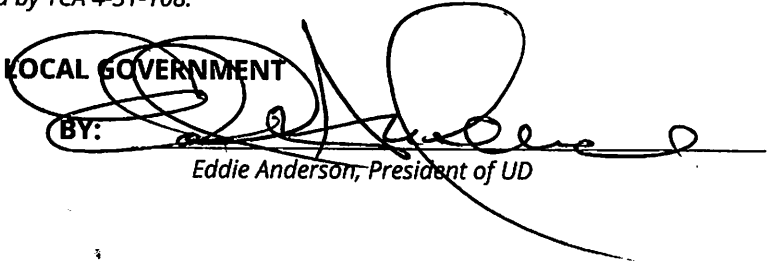
The total anticipated security deposit(s) for the proposed loan(s) is \$9,960.00.

c. The total MADS (a+b) is \$9,960.00.

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

Duly signed by an authorized representative of the Local Government on this 23rd day of July, 2024.

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


LOCAL GOVERNMENT
 BY: _____
Eddie Anderson, President of UD

REQUIREMENT FOR REPORT ON DEBT OBLIGATION
(FORM CT-0253)
NORTHWEST DYERSBURG UTILITY DISTRICT
DWB22 2024-268

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.

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- 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, Northwest Dyersburg Utility District, 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.


Eddie Anderson, President of UD

7-23-24

Date

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



JASON E. MUMPOWER
Comptroller

August 19, 2024

**Paris Utility Authority
Approval to Issue Debt and Modification of Lien Position**

The Paris Utility Authority (the “Authority”) is requesting approval from the Tennessee Local Development Authority (the “TLDA”) to issue additional debt in an amount not to exceed \$2,600,000 subordinate to its existing SRF loans. Approval for the Authority to issue additional debt and modify lien position is required by provisions set forth in the State Revolving Fund (SRF) loan agreement and guidelines set forth in the *TLDA/SRF Policy and Guidance for Borrowers*.

1. The requestor is a:

Utility District, Energy Authority, or Water/Wastewater Authority

Will the proposed debt be secured by revenues other than revenues of the water/wastewater system (e.g. electric, gas)? Yes No

Municipality (town/city/county)

General Obligation Debt

Revenue Debt – Will the proposed debt be secured by revenues other than revenues of the water/wastewater system (e.g. electric, gas)? Yes No

2. Lien Position:

The borrower is requesting that the Bonds be issued on parity with its Outstanding Parity Lien Obligations¹

The borrower is requesting to subordinate its outstanding SRF debt to the proposed debt issuance.

The borrower is not requesting a modification of lien position, and the proposed debt will be issued subordinate to the existing SRF debt.

3. The purpose of the proposed debt issuance is:

Refunding

New Money

4. Additional Information:

The Authority’s request letter states that the bond proceeds will be used to perform needed rehabilitation related to the water and wastewater systems and that they have been proactively addressing aging infrastructure over the last decade.

\$1.4 million bond proceeds will be used for the water system:

- Replace 4-inch cast iron lines (some of the oldest in the system) just outside the downtown footprint to improve pressure and flows
- Replace galvanized service lines across the system as identified in recent regulatory audit
- Replace 200 feet of 10-inch cast iron water line on Spruce Street

\$1.1 million bond proceeds will be used for the wastewater system:

- Replace failing sewer service lines along Chickasaw Road
- Replace failing 8-inch clay sewer main along Dunlap Street
- Manhole sealing and rehab within Old WWTP sewer basin and West Wood Alley sewer basin as identified by previous SSES work

5. The debt rating of the borrower is:

Please indicate N/R if not rated.

 N/R Moody’s

 N/R Standard and Poor’s

 N/R Fitch

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

Borrower	Paris Utility Authority						
Date	7/22/2024						
Loan Type	Loan #	Status	Disbursements	Available to Draw	% Principal Forgiveness	Edison Balance @ 7/22/2024	MADS*
Sewer	SRF 17-382	Repayment	3,600,000.00	-	-	3,223,922.00	148,678.00
Sewer	CW5 17-381	Repayment	1,500,000.00	-	15%	1,041,495.00	52,656.00
Water	DW4 15-163	Repayment	2,500,000.00	-	25%	1,280,317.00	106,416.00
Water	DWF 15-164	Repayment	950,000.00	-	-	633,485.00	53,916.00
Water	DWF 16-178	Repayment	499,654.00	-	-	378,568.00	27,180.00
Water	DWF 17-195	Repayment	750,000.00	-	-	531,294.00	42,120.00
						7,089,081.00	430,966.00
*MADS is an estimate until final expenses have been determined							
*Before funds are disbursed on a loan, a security deposit equal to MADS is required to be deposited with the TLDA							

7. Compliance with SRF Loan Agreement:

a. Timely repayments [4.(a)]

Yes No

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

Yes No

c. State-Shared Taxes (Municipalities) [8.] N/A

\$ _____ SSTs received in prior fiscal year
\$ _____ Total MADs (with SST pledge)
\$ _____ Unobligated SSTs

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

The Authority has timely filed its audited financial statements with the Division of Local Government Audit through the fiscal year ended June 30, 2023, within six months after fiscal year end.

e. Sufficient Revenues [7.(k)]

Yes No

For the fiscal year ended June 30, 2023, the Authority’s audited financial statements reflected operating income of \$233,426, and \$440,043, for the Water Fund and Sewer Fund, respectively, and a positive change in net position of \$102,997, and \$278,659, for the Water Fund and Sewer Fund, respectively. The statement of cash flows reflected debt service payments of \$653,911, and \$699,444, for the Water Fund and Sewer Fund, respectively.

At June 30, 2023, the Authority reported unrestricted cash and cash equivalents of \$474,392, and \$314,885, for the Water Fund and Sewer Fund, respectively, and restricted cash and cash equivalents of \$285,408, and \$253,510 for the Water Fund and Sewer Fund, respectively.

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

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

Yes No

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

Most Recent Fiscal Year (m)(3):

For fiscal years 2023 through 2027 the Authority reported in its Plan the following debt service coverage ratios.

Fiscal Year	Water Fund	Sewer Fund
2023	1.52	1.38
2024	1.55	1.41

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

Fiscal years 2023 and 2024 are before the issuance of the Bonds and fiscal years 2025-2026 are post issuance. The bonds will be issued with a shared revenue pledge from both water and sewer; however, separate coverage ratios are shown because these independent funds must be maintained separately and cannot support one another.

Fiscal Year	Water Fund	Sewer Fund
2025	1.5	1.38
2026	1.46	1.33
2027	1.5	1.36

g. Is the entity currently under the jurisdiction of the Tennessee Board of Utility Regulation (TBOUR)?

[7.(n)]

Yes No

If yes, reason for referral: Water Loss Financial Distress Administrative Review

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

8. Has the entity adopted and filed a budget with the Comptroller's Office pursuant to Tenn. Code Ann. § 4-3-305?

Yes No

9. For recently created systems, has TBOUR approved a petition for the incorporation of the system?

Yes No N/A

10. Conclusion

Based on our analysis, it appears the Authority meets the TLDA's criteria to issue the additional debt subordinate to its existing SRF loans.

Attachments:

Debt Service Coverage and Financial Projections

PARIS BPU - WATER AND SEWER COVERAGES

	Preliminary Coverage Calculations - FYE 06/30/2023			Preliminary Coverage Calculations - FYE 06/30/2024			Preliminary Coverage Calculations - FYE 06/30/2025			Preliminary Coverage Calculations - FYE 06/30/2026			Preliminary Coverage Calculations - FYE 06/30/2027		
	<u>Water</u>	<u>Sewer</u>	<u>Water/Wastewater Combined</u>	<u>Water</u>	<u>Sewer</u>	<u>Water/Wastewater Combined</u>	<u>Water</u>	<u>Sewer</u>	<u>Water/Wastewater Combined</u>	<u>Water</u>	<u>Sewer</u>	<u>Water/Wastewater Combined</u>	<u>Water</u>	<u>Sewer</u>	<u>Water/Wastewater Combined</u>
Operating Revenues:	\$ 2,878,207	\$ 2,844,598	\$ 5,722,805	\$ 2,935,771	\$ 2,901,490	\$ 5,837,261	\$ 2,994,487	\$ 2,959,520	\$ 5,954,006	\$ 3,054,376	\$ 3,018,710	\$ 6,073,086	\$3,115,464	\$3,079,084	\$ 6,194,548
Operating Expenses:	<u>(2,644,781)</u>	<u>(2,404,555)</u>	<u>(5,049,336)</u>	<u>(2,697,677)</u>	<u>(2,452,646)</u>	<u>(5,150,323)</u>	<u>(2,751,630)</u>	<u>(2,501,699)</u>	<u>(5,253,329)</u>	<u>(2,806,663)</u>	<u>(2,551,733)</u>	<u>(5,358,396)</u>	<u>(2,862,796)</u>	<u>(2,602,768)</u>	<u>(5,465,564)</u>
Total Operating Expenses:	\$ 233,426	\$ 440,043	\$ 673,469	\$ 238,095	\$ 448,844	\$ 686,938	\$ 242,856	\$ 457,821	\$ 700,677	\$ 247,714	\$ 466,977	\$ 714,691	\$ 252,668	\$ 476,317	\$ 728,985
Other Income (Expense):															
Interest Income:	\$ 4,053	\$ 1,036	\$ 5,089	\$ 4,134	\$ 1,036	\$ 5,191	\$ 4,217	\$ 1,036	\$ 5,295	\$ 4,301	\$ 1,036	\$ 5,400	\$ 4,387	\$ 1,036	\$ 5,508
Other Revenue:	519	789	1,308	529	805	1,334	540	821	1,361	551	837	1,388	562	854	1,416
Interest Expense:	(134,327)	(162,176)	(296,503)	(137,014)	(165,420)	(307,406)	(139,754)	(168,728)	(382,515)	(142,549)	(172,102)	(489,009)	(145,400)	(175,545)	(475,248)
Other Expense	(674)	(1,033)	(1,707)	(687)	(1,054)	(1,741)	(701)	(1,075)	(1,776)	(715)	(1,096)	(1,811)	(730)	(1,118)	(1,848)
Net Other Expenses:	\$ (130,429)	\$ (161,384)	\$ (291,813)	\$ (133,038)	\$ (164,632)	\$ (302,622)	\$ (135,698)	\$ (167,946)	\$ (377,636)	\$ (138,412)	\$ (171,325)	\$ (484,032)	\$ (141,181)	\$ (174,773)	\$ (470,171)
Income Before Contributions and Transfers:	\$ 102,997	\$ 278,659	\$ 381,656	\$ 105,057	\$ 284,211	\$ 384,316	\$ 107,158	\$ 289,875	\$ 323,041	\$ 109,301	\$ 295,652	\$ 230,659	\$ 111,487	\$ 301,544	\$ 258,813
Contributions:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers Out (City PILOT):	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Net Position:	\$ 102,997	\$ 278,659	\$ 381,656	\$ 105,057	\$ 284,211	\$ 384,316	\$ 107,158	\$ 289,875	\$ 323,041	\$ 109,301	\$ 295,652	\$ 230,659	\$ 111,487	\$ 301,544	\$ 258,813
Add:															
Depreciation:	\$ 592,772	\$ 407,923	\$ 1,000,695	\$ 604,627	\$ 416,081	\$ 1,020,709	\$ 616,720	\$ 424,403	\$ 1,041,123	\$ 629,054	\$ 432,891	\$ 1,061,946	\$ 641,635	\$ 441,549	\$ 1,083,184
Taxes (County PILOT/Other):	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Expense:	134,327	162,176	296,503	137,014	165,420	307,406	139,754	168,728	382,515	142,549	172,102	489,009	145,400	175,545	475,248
Transfers (City PILOT):	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Available for Debt Service:	\$ 830,096	\$ 848,758	\$ 1,678,854	\$ 846,698	\$ 865,712	\$ 1,712,431	\$ 863,632	\$ 883,006	\$ 1,746,679	\$ 880,905	\$ 900,645	\$ 1,781,613	\$ 898,523	\$ 918,638	\$ 1,817,246
Maximum Annual Debt Service Post New Issuance:	\$ 547,760	\$ 613,927	\$ 1,161,687	\$ 547,760	\$ 613,927	\$ 1,161,687	\$ 576,108	\$ 639,281	\$ 1,215,389	\$ 601,882	\$ 676,845	\$ 1,278,727	\$ 598,470	\$ 673,845	\$ 1,272,315
Estimated Debt Service Coverage:	151.54%	138.25%	144.52%	154.57%	141.01%	147.41%	149.91%	138.12%	143.71%	146.36%	133.07%	139.33%	150.14%	136.33%	142.83%



August 13, 2024

Ms. Sandra Thompson, Assistant Secretary
Tennessee Local Development Authority
Cordell Hull Building
425 Fifth Avenue North
Nashville, Tennessee 37243

RE: Paris Utility Authority

Dear Sandi:

I want to first thank you and the TLDA staff for your time in yesterday's meeting to hear the debt request from Paris Utility Authority. We appreciate your attention to our utility needs. Based on feedback since the meeting, we would like to modify our request.

Paris Utility Authority wishes to change the issuance amount to a not to exceed amount of \$2,600,000 from the original \$4,800,000 amount. The debt would be payable solely from net revenues of the system. We also would be issuing this as subordinate debt, a change from the initial request to be on parity. The term of the debt is also being lowered to 20 years from the initially requested 30 year term.

Debt service coverage supporting the modified debt will be provided as an attachment to this letter. Also, attached you will find a more detailed project list for the water and wastewater systems.

Paris Utility Authority kindly requests that this debt be on the TLDA agenda for the August meeting.

I am happy to answer any questions you may have. Please also feel free to contact our bond counsel Jeff Oldham or Alex Samber, of Bass, Berry & Sims PLC.

Thank you again for your consideration of this request.

Yours truly,

A handwritten signature in blue ink that reads 'Terry Wimberley'.

Terry Wimberley
President & CEO

\$2.5 Million bond request for PUA water and wastewater systems

Paris Utility Authority is seeking \$2.5 million in bond funds to perform needed rehabilitation with the water and wastewater systems. The utility has been proactively addressing aging infrastructure over the last decade and desires to continue those efforts with these funds.

Water system \$1.4M

- Replace 4-inch cast iron lines (some of the oldest in the system) just outside the downtown footprint to improve pressure and flows
- Replace galvanized service lines across the system as identified in recent regulatory audit
- Replace 200 feet of 10-inch cast iron water line on Spruce Street

Wastewater system: \$1.1M

- Replace failing sewer service lines along Chickasaw Road
- Replace failing 8-inch clay sewer main along Dunlap Street
- Manhole sealing and rehab within Old WWTP sewer basin and West Wood Alley sewer basin as identified by previous SSES work

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF WATER AND SEWER REVENUE BONDS OF THE PARIS UTILITY AUTHORITY IN A PRINCIPAL AMOUNT OF UP TO \$2,600,000; MAKING PROVISION FOR THE ISSUANCE, SALE AND PAYMENT OF SAID BONDS; ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; PROVIDING FOR THE COLLECTION AND DISPOSITION OF REVENUES FROM THE WATER AND SEWER SYSTEM OF THE PARIS UTILITY AUTHORITY; AND MAKING PROVISION FOR THE OPERATION OF SAID SYSTEM

BE IT RESOLVED by the Board of Directors of the Paris Utility Authority, as follows:

1. Authority; Findings.
 - a. The Paris Utility Authority (the "Authority") has been created as a governmental authority and public corporation pursuant to the Municipal Energy Authority Act, Sections 7-36-101 *et seq.*, Tennessee Code Annotated, as amended (the "Act").
 - b. The Authority owns and operates a water and sewer system (the "System").
 - c. Section 7-36-113 of the Tennessee Code Annotated authorizes the Authority to issue revenue bonds and use the bond proceeds to finance the construction of improvements and extensions to the System and to reimburse itself for moneys previously spent by the Authority on the System pursuant to Sections 7-36-113(a)(1) – (4) of the Tennessee Code Annotated.
 - d. The Authority has determined it is advisable to issue its revenue bonds for the purpose of financing the (i) cost of the construction of capital repairs, extensions and improvements to the System; (ii) payment of legal, fiscal, administrative, architectural and engineering costs thereto; and (iii) payment of costs incident to the issuance and sale of the bonds authorized herein (the "Project").
 - e. The proposed bonds will not be general obligations of any municipality and bondholders will have no recourse to any municipality's power of taxation, but instead, said bonds will be payable from and secured solely by the revenues of the System, subject only to the payment of the reasonable and necessary costs of operating, maintaining, repairing and insuring said System, on parity with the pledged of such revenues in favor of the Authority's outstanding Water and Wastewater System Revenue Bond, Series 2023, dated June 1, 2023, and subject to the prior pledge of such revenues in favor of all debt heretofore issued pursuant to the terms of that certain resolution of the Board of Directors of the Authority on June 4, 2020 (the "Senior Lien Resolution"), namely, Water and Sewer Revenue Bond, Series 2020C, dated June 30, 2020, and Water and Sewer Revenue Bond, Series 2020D, dated June 30, 2020, Water System Revenue Bond, Series 2021, dated September 30, 2021, and those certain State Revolving Fund Loan Agreements, identified as DW4 2015-163, DWF 2015-164, DWF 2016-178, DWF 2017-195, CW5 2017-381, and SRF 2017-382 (collectively, the "Prior Lien Bonds").
2. Definitions. Capitalized terms not otherwise defined herein shall have the meanings ascribed by the Senior Lien Resolution, and the following terms shall have the following meanings in this Resolution unless the text expressly or by necessary implication requires otherwise:

- a. “Bonds” means the series of water and sewer revenue bonds, if and when issued in accordance with the provisions of Section 12 hereof;
- b. “Municipal Advisor” shall mean Raymond James & Associates, Inc.;
- c. “Projects” shall mean those capital improvement projects to the System listed on Exhibit B.
- d. “Registration Agent” means the registration and paying agent to be determined by the President, as registration and paying agent for the Bonds, or any successor designated by the Governing Body;
- e. “Reserve Fund Requirement” shall, with respect to the Series 2024 Bonds, the Reserve Fund Requirement, if any, established by the President pursuant to Section 6 hereof.
- f. “Series 2023 Bond” means the Authority’s outstanding Water and Wastewater System Revenue Bond, Series 2023, dated June 1, 2023; and
- g. “Series 2024 Bonds” means the water and sewer revenue bonds authorized by this Resolution and issued on a subordinate basis to the Prior Lien Bonds.

3. Authorization and Terms of the Series 2024 Bonds.

- a. General Terms. The Board of Directors of the Authority hereby authorizes the issuance of revenue bonds in an aggregate principal not to exceed \$2,600,000. The Series 2024 Bonds shall be issued to (i) finance the costs of the Projects, including reimbursement to the Authority for funds previously expended for any of the foregoing, (ii) fund the Reserve Fund Requirement, if necessary, and (iii) pay bond issuance costs. Each Series 2024 Bond shall be designated as a “Water and Sewer Revenue Bonds, Series 2024” or such other name as may be selected by the President of the Authority. The Series 2024 Bonds shall (i) be dated the date of their delivery; (ii) bear interest at a rate not to exceed the maximum interest rate permitted by Tennessee law; and (iii) mature on a date not later than the last day of the twentieth fiscal year commencing after the issue date of Series 2024 Bonds, all as may be established by the President of the Authority, in accordance with the terms of Section 6(b) hereof.
- b. Optional Redemption. The Series 2024 Bonds shall be subject to redemption on such date established by the President pursuant to Section 6 hereof, in whole or in part, at a redemption price of par plus accrued interest to the date of redemption. If less than all the Series 2024 Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board in its discretion. If less than all of the Series 2024 Bonds within a single maturity shall be called for redemption, the Series 2024 Bonds within the maturity to be redeemed shall be selected as follows:
 - 1) if the Series 2024 Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Series 2024 Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or
 - 2) if the Series 2024 Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Series 2024 Bonds within the maturity to be

redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

- c. Mandatory Redemption. The President is authorized to sell the Series 2024 Bonds, or any maturities thereof, as term Series 2024 Bonds with mandatory redemption requirements corresponding to the maturities set forth herein or as determined by the President. In the event any or all of the Series 2024 Bonds are sold as term Series 2024 Bonds, the Authority shall redeem term Series 2024 Bonds on redemption dates corresponding to the maturity dates set forth herein, in aggregate principal amounts equal to the maturity amounts set forth herein for each redemption date, at a price of par plus accrued interest thereon to the date of redemption. The term Series 2024 Bonds to be so redeemed shall be selected in the manner described in subsection (b) above. At its option, to be exercised on or before the 45th day next preceding any such mandatory redemption date, the Authority may (i) deliver to the Registration Agent for cancellation Series 2024 Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Series 2024 Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Authority on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Series 2024 Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The Authority shall on or before the 45th day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.
- d. Redemption Notices. Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the Authority not less than 20 nor more than 60 days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Series 2024 Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice. Failure to mail such notice or any defect in any such notice so mailed shall not affect the sufficiency of the proceedings for redemption of any of the Series 2024 Bonds for which proper notice was given, and failure of any owner to receive such notice if properly given in the manner described above shall not affect the validity of the proceedings of the redemption of the Series 2024 Bonds held by such owner. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date (“Conditional Redemption”). As long as DTC, or a successor Depository, is the registered owner of the Series 2024 Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Series 2024 Bonds, as and when above provided, and neither the Authority nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or

Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the Authority pursuant to written instructions from an authorized representative of the Authority (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least 45 days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Series 2024 Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the Authority to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository, if applicable, or the affected Bondholders that the redemption did not occur and that the Series 2024 Bonds called for redemption and not so paid remain outstanding.

- e. Registration of Bonds. The Series 2024 Bonds shall be issued in fully registered, book-entry form, without coupons. The President is authorized to appoint the Registration Agent. The President of the Authority hereby authorizes and directs the Registration Agent so appointed to maintain Series 2024 Bond registration records with respect to the Series 2024 Bonds, to authenticate and deliver the Series 2024 Bonds as provided herein, either at original issuance or upon transfer, to effect transfers of the Series 2024 Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Series 2024 Bonds as provided herein, to cancel and destroy Series 2024 Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the Authority at least annually a certificate of destruction with respect to Series 2024 Bonds canceled and destroyed, and to furnish the Authority at least annually an audit confirmation of Series 2024 Bonds paid, Series 2024 Bonds outstanding and payments made with respect to interest on the Series 2024 Bonds. The President is hereby authorized to execute and the Secretary of the Board of Directors is hereby authorized to attest such written agreement between the Authority and the Registration Agent as they shall deem necessary and proper with respect to the obligations, duties and rights of the Registration Agent. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed.

- f. Payment of Bonds. The Series 2024 Bonds shall be payable, both principal and interest, in lawful money of the United States of America at the designated corporate trust office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Series 2024 Bonds by check or draft on each interest payment date directly to the registered owners as shown on the Series 2024 Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the “Regular Record Date”) by depositing said payment in the United States mail, postage prepaid, addressed to such owners at their addresses shown on said Series 2024 Bond registration records, without, except for final payment, the presentation or surrender of such registered Series 2024 Bonds, and all such payments shall discharge the obligations of the Authority in respect of such Series 2024 Bonds to the extent of the payments so made. Payment of principal of and premium, if any, on the Series 2024 Bonds shall be made upon presentation and surrender of such Series 2024 Bonds to the Registration Agent as the same shall become due and payable. All rates of interest specified herein shall be computed on the basis of a 360-day year composed of twelve months of 30 days each. If requested by any registered

owner of at least \$1,000,000 in aggregate principal amount of the Series 2024 Bonds, payment of interest on such Series 2024 Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

- g. Defaulted Interest. Any interest on any Series 2024 Bond that is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter “Defaulted Interest”) shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the Authority to the persons in whose names the Series 2024 Bonds are registered at the close of business on a date (the “Special Record Date”) for the payment of such Defaulted Interest, which shall be fixed in the following manner: the Authority shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Series 2024 Bond and the date of the proposed payment, and at the same time the Authority shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which Date shall be not more than 15 nor less than ten days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the Authority of such Special Record Date and, in the name and at the expense of the Authority, not less than ten days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Series 2024 Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Series 2024 Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the Authority to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Series 2024 Bonds when due.
- h. Transfer and Exchange of Bonds. The Series 2024 Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his or her legal representative duly authorized in writing, of the registered Series 2024 Bond(s) to be transferred with the form of assignment on the Series 2024 Bonds completed in full and signed with the name of the registered owner as it appears upon the face of the Series 2024 Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Series 2024 Bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Series 2024 Bond or the Series 2024 Bond to the assignee(s) in \$100,000 denominations, or any integral multiple in excess thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Series 2024 Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Series 2024 Bond, nor to transfer or exchange any Series 2024 Bond after the publication of notice calling such Series 2024 Bond for redemption has been made, nor to transfer or exchange any Series 2024 Bond during the period following the receipt of instructions

from the Authority to call such Series 2024 Bond for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Series 2024 Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Series 2024 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Authority nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Series 2024 Bonds shall be overdue. The Series 2024 Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Series 2024 Bonds of the same maturity in any authorized denomination or denominations.

- i. Execution of Bonds. The Series 2024 Bonds shall be executed in such manner as may be prescribed by applicable law, in the name, and on behalf of the Authority, by the President of the Authority and attested by the Secretary of the Board of Directors.
- j. Book-Entry Registration. Except as otherwise provided in this Resolution, the Series 2024 Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Series 2024 Bonds. References in this Section to a Bond or the Series 2024 Bonds shall be construed to mean the Bond or the Series 2024 Bonds that are held under the Book-Entry System. One Bond for each maturity shall be issued to DTC and immobilized in its custody. A Book-Entry System shall be employed, evidencing ownership of the Series 2024 Bonds in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Series 2024 Bonds. Beneficial ownership interests in the Series 2024 Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Series 2024 Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Series 2024 Bonds. Transfers of ownership interests in the Series 2024 Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE SERIES 2024 BONDS, THE REGISTRATION AGENT SHALL TREAT CEDE & CO. AS THE ONLY HOLDER OF THE SERIES 2024 BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2024 BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE REGISTRATION AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

Payments of principal, interest, and redemption premium, if any, with respect to the Series 2024 Bonds, so long as DTC is the only owner of the Series 2024 Bonds, shall be paid by the Registration Agent directly to DTC or its nominee, Cede & Co., as provided in the Letter of Representation relating to the Authority (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall

be paid by DTC Participants to the Beneficial Owners. The Authority and the Registration Agent shall not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as securities depository for the Series 2024 Bonds or (2) the Authority determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Series 2024 Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Series 2024 Bonds, the Authority shall discontinue the Book-Entry System with DTC. If the Authority fails to identify another qualified securities depository to replace DTC, the Authority shall cause the Registration Agent to authenticate and deliver replacement Series 2024 Bonds in the form of fully registered Series 2024 Bonds to each Beneficial Owner. If the Series 2024 Bonds are purchased by a purchaser that certifies that it does not intend to reoffer the Series 2024 Bonds, then the Series 2024 Bonds are not required to be registered through the Book-Entry System.

THE AUTHORITY AND THE REGISTRATION AGENT SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE SERIES 2024 BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2024 BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OR ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS; (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2024 BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

The Registration Agent is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Series 2024 Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Series 2024 Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Series 2024 Bonds and provision of notices with respect to Series 2024 Bonds registered by DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interests of any of the owners of the Series 2024 Bonds; provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this Section.

- k. Authentication and Delivery. The Registration Agent is hereby authorized to authenticate and deliver the Series 2024 Bonds to the original purchaser of the Series 2024 Bonds, upon receipt by the Authority of the proceeds of the sale thereof and to authenticate and deliver Series 2024 Bonds in exchange for Series 2024 Bonds of the same principal amount delivered for transfer upon receipt of the Series 2024 Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Series 2024 Bonds shall not be valid for any purpose unless authenticated by the Registration Agent

by the manual signature of an officer thereof on the certificate set forth herein on the Series 2024 Bond form.

1. Replacement Bonds. In case any Series 2024 Bond shall become mutilated, or be lost, stolen, or destroyed, the Authority, in its discretion, shall issue, and the Registration Agent, upon written direction from the Authority, shall authenticate and deliver, a new Series 2024 Bond of like tenor, amount, maturity and date, in exchange and substitution for, and upon the cancellation of, the mutilated Series 2024 Bond, or in lieu of and in substitution for such lost, stolen or destroyed Series 2024 Bond, or if any such Series 2024 Bond shall have matured or shall be about to mature, instead of issuing a substituted Series 2024 Bond the Authority may pay or authorize payment of such Series 2024 Bond without surrender thereof. In every case the applicant shall furnish evidence satisfactory to the Authority and the Registration Agent of the destruction, theft or loss of such Series 2024 Bond, and indemnity satisfactory to the Authority and the Registration Agent; and the Authority may charge the applicant for the issue of such new Series 2024 Bond an amount sufficient to reimburse the Authority for the expense incurred by it in the issue thereof.

4. Form of Series 2024 Bonds. The Series 2024 Bonds shall be in substantially the form attached hereto as Exhibit A. The form of the Series 2024 Bond set forth Exhibit A shall be conformed to reflect any changes made pursuant to Section 6 hereof.

5. Source of and Security for Payment. The Series 2024 Bonds shall be payable solely from and secured by a pledge of the Net Revenues on a parity and equality of lien with the Series 2023 Bond, subject only to the prior pledge thereof in favor of the Prior Lien Bonds, and Net Revenues are hereby irrevocably pledged to the punctual payment of such principal, premium, if any, and interest as the same become due. The Series 2024 Bonds do not constitute a debt of the State of Tennessee, or any political subdivision thereof, or municipal corporation therein, other than the Authority, and no holder of the Series 2024 Bonds shall have recourse to the taxing power of any such entities.

6. Sale of the Series 2024 Bonds; Changes Authorized.
 - a. The Series 2024 Bonds may be sold at negotiated sale, either by direct placement or public offering, or at a competitive public sale as determined by the President, in consultation with the Municipal Advisor, at a price of not less than 98.00% of par, exclusive of original issue discount, plus accrued interest. The sale of the Series 2024 Bonds to the Underwriter or by public sale shall be binding on the Authority, and no further action of the Governing Body with respect thereto shall be required.
 - b. If the Series 2024 Bonds are sold at negotiated sale, the President is authorized to execute a bond purchase agreement, providing for the purchase and sale of the Series 2024 Bonds. The form of the Bond set forth in Exhibit A shall be conformed to reflect any changes made pursuant to this Section 6.
 - c. If the Series 2024 Bonds are sold at a competitive public sale, the Series 2024 Bonds shall be awarded by the President to the bidder that offers to purchase the Series 2024 Bonds for the lowest true interest cost to the Authority.
 - d. The President is authorized to cause the Series 2024 Bonds to be authenticated by the Registration Agent and delivered to the successful bidder or purchaser (as applicable), and to execute, publish, and deliver all certificates and documents as they shall deem necessary in connection with the sale and delivery of the Series 2024 Bonds, including

certificates and agreements setting forth covenants of the Authority as required by the issuer of any bond insurance policy.

- e. The President shall cause, if advantageous to the Authority, all or a portion of the Series 2024 Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company. The President is authorized to enter into agreements required by the bond insurance company with respect to the Series 2024 Bonds to the extent not inconsistent with this Resolution.
 - f. In connection with the sale of the Series 2024 Bonds, the President, in consultation with the Municipal Advisor, is authorized with respect to the Series 2024 Bonds:
 - 1) change the dated date of the Series 2024 Bonds to a date other than their delivery date;
 - 2) establish and adjust the principal and interest payment dates and the maturity amounts of the Series 2024 Bonds, or any series thereof, provided that (A) the total principal amount of all series of the Series 2024 Bonds does not exceed the total amount of Series 2024 Bonds authorized herein; and (B) the final maturity shall be not later than the end of the 20th fiscal year following the issuance of the Bonds;
 - 3) designate maturity amounts of the Series 2024 Bonds, provided the total principal amount does not exceed the total amount authorized herein;
 - 4) establish the Authority's optional redemption provisions with respect to the Series 2024 Bonds, provided that (A) the first call date shall not be more than ten and one-half years from the issue date of the Series 2024 Bonds, and (B) the redemption premium, if any, shall not exceed two percent of the par amount of the Series 2024 Bonds called for redemption;
 - 5) sell the Series 2024 Bonds or any maturities thereof as term bonds with mandatory redemption requirements corresponding to the maturities as determined by the President, as he shall deem most advantageous to the Authority;
 - 6) specify or change the series designation of the Series 2024 Bonds; and
 - 7) determine whether to establish a Reserve Fund Requirement for the Series 2024 Bonds and, if applicable, determine the manner of its funding, including without limitation through the purchase of a Reserve Fund Credit Facility.
7. Application of Proceeds of Series 2024 Bonds. The proceeds of the sale of the Series 2024 Bonds shall be immediately applied in the following order:
- a. If the President elects to establish a Reserve Fund Requirement for the Series 2024 Bonds that must be funded upon the issuance of the Series 2024 Bonds, then an amount sufficient to fund such Reserve Fund Requirement shall be either deposited to a subaccount of the Reserve Fund or paid to the Reserve Fund Credit Facility Issuer, as applicable.

- b. The balance of the proceeds of the Series 2024 Bonds shall be deposited to a separate and segregated fund of the Authority to be known as the “Project Fund”, and for further application solely to pay the costs of the Projects, reimburse the Authority for amounts previously spent to pay said costs, and pay costs of issuance of the Series 2024 Bonds. Money in the Project Fund shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, if any, or, in the absence of such a statute, by a pledge of readily marketable securities having at all times a market value of not less than the amount in the Project Fund. Moneys in the Project Fund shall be invested as directed by an authorized representative of the Authority in such investments as shall be permitted by Tennessee law. All income derived from such investments shall be retained in the Project Fund.
8. Official Statement for the Series 2024 Bonds. If required by Rule 15c2-12 of the Securities and Exchange Commission, the President is hereby authorized and directed to provide for the preparation and distribution of a Preliminary Official Statement describing the Series 2024 Bonds, the System and the Authority. The President shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The President shall arrange for the delivery to the purchaser of a reasonable number of copies of the Official Statement within seven business days after the Series 2024 Bonds have been sold for delivery by the underwriter to each potential investor requesting a copy of the Official Statement. The President is authorized, on behalf of the Authority, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the Authority except for the omission in the Preliminary Official Statement of such pricing and other information.
9. Continuing Disclosure for the Series 2024 Bonds. The President is hereby authorized, if required by Rule 15c2-12 of the Securities and Exchange Commission, to enter into an agreement to provide annual financial information and notice of the occurrence or nonoccurrence of specified events to the holder(s) of the Series 2024 Bonds. Failure of the Authority to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Series 2024 Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the Authority to comply with its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specified performance.
10. Funds, Accounts and Subaccounts; Application of Revenues. The Authority shall cause the Gross Earnings of the System to be collected, deposited and administered in the manner described in Article VI of the Senior Lien Resolution, and the provisions of such Article VI shall be deemed to have been incorporated herein. As long as the Prior Lien Bonds remain outstanding, the Series 2024 Bonds shall be payable as subordinate lien bonds as described in Section 6.1(e) of the Senior Lien Resolution.
11. Covenants Regarding the Operation of the System. The Authority shall cause the System to be operated in the manner described in Article VII of the Senior Lien Resolution, and the provisions of such Article VII shall be deemed to have been incorporated herein.

12. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Authority and the registered owners of the Series 2024 Bonds, and after the issuance of the Series 2024 Bonds, no change, variation or alteration of any kind in the provisions of this Resolution shall be made in any manner, except as provided in Section 13 hereof, until such time as the Series 2024 Bonds shall have been paid in full or discharged pursuant to Section 12 hereof.
13. Remedies of Bond Owners. Any registered owner of any of the Series 2024 Bonds may either at law or in equity, by suit, action, mandamus or other proceedings, in any court of competent jurisdiction enforce and compel performance of all duties imposed upon the Authority by the provisions of this Resolution, including the making and collecting of sufficient rates, the proper application of and accounting for revenues of the System, and the performance of all duties imposed by the terms hereof. If any default be made in the payment of principal of, premium, if any, or interest on the Series 2024 Bonds, then upon the filing of suit by any registered owner of said Series 2024 Bonds, any court having jurisdiction of the action may appoint a receiver to administer the System in behalf of the Authority with power to charge and collect rates sufficient to provide for the payment of all bonds and obligations outstanding against the System and for the payment of Current Expenses, and to apply the income and revenues thereof in conformity with the provisions of this Resolution.
14. Discharge and Satisfaction of Bonds. If the Authority shall pay and discharge the indebtedness evidenced by all or any portion of the Series 2024 Bonds in any one or more of the following ways:
 - a. By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Series 2024 Bonds as and when the same become due and payable;
 - b. By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers (“an Agent”; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Series 2024 Bonds and to pay premium, if any, and interest thereon when due until the maturity or redemption date (provided, if such Series 2024 Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);
 - c. By delivering such Series 2024 Bonds to the Registration Agent, for cancellation by it;

and if the Authority shall also pay or cause to be paid all other sums payable hereunder by the Authority with respect to such Series 2024 Bonds, or make adequate provision therefor, and by resolution of the instruct any such Escrow Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest and redemption premiums, if any, on such Series 2024 Bonds when due, then and in that case the indebtedness evidenced by such Series 2024 Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the Authority to the holders of such Series 2024 Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the Authority shall pay and discharge the indebtedness evidenced by any of the Series 2024 Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners

thereof shall thereafter be entitled only to payment out of the money or Defeasance Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Defeasance Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest on said Series 2024 Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Authority as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Series 2024 Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Authority, as received by the Registration Agent.

15. Federal Tax Matters Related to the Series 2024 Bonds.

- a. The Series 2024 Bonds will issued as a federally tax-exempt bonds. The Authority hereby covenants that it will not use, or permit the use of, any proceeds of the Series 2024 Bonds in a manner that would cause the Series 2024 Bonds to be subjected to treatment under Section 148 of the Code, and applicable regulations thereunder, as "arbitrage bonds". To that end, the Authority shall comply with applicable regulations adopted under said Section 148. The Authority further covenants with the registered owners from time to time of the Series 2024 Bonds that it will, throughout the term of the Series 2024 Bonds and through the date that the final rebate, if any, must be made to the United States in accordance with Section 148 of the Code, comply with the provisions of Sections 103 and 141 through 150 of the Code and all regulations proposed and promulgated thereunder that must be satisfied in order that interest on the Series 2024 Bonds shall be and continue to be excluded from gross income for federal income tax purposes under Section 103 of the Code.
- b. It is reasonably expected that the Authority will reimburse itself for certain expenditures made by it in connection with the Project by issuing the Series 2024 Bonds. This resolution shall be placed in the minutes of the Governing Body and shall be made available for inspection by the general public at the office of the Governing Body. This resolution constitutes a declaration of official intent under Treas. Reg. §1.150-2.
- c. The Governing Body hereby delegates to the President the authority to designate the Series 2024 Bonds as "qualified tax-exempt obligations," as defined in Section 265 of the Code, to the extent the Series 2024 Bonds is not deemed designated as such and may be designated as such.
- d. The President is authorized and directed, on behalf of the Authority, to execute and deliver all such certificates and documents that may be required of the Authority in order to comply with the provisions of this Section related to the issuance of the Series 2024 Bonds.

16. Compliance with Debt Management Policy. The Governing Body hereby finds that the issuance of the Series 2024 Bonds is consistent with the terms of the Authority's debt management policy.
17. Modification of Resolution. This Resolution may be amended without the consent of or notice to the holders of the Series 2024 Bonds for the purpose of curing any ambiguity or formal defect or omission herein. Any other amendment shall not be effective without the prior written consent of the holders of the Series 2024 Bonds.
18. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed and this Resolution shall be in immediate effect from and after its adoption.
19. Separability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

(signature page follows)

Adopted and approved on _____, 2024.

Chairman

ATTEST:

Secretary of the Board of Directors

EXHIBIT A

(Form of Series 2024 Bond)

REGISTERED
Number ____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
PARIS UTILITY AUTHORITY
WATER AND SEWER REVENUE BONDS, SERIES 20__

Interest Rate: _____% Maturity Date: _____, _____
Date of Bond: _____, _____

Interest Rate: _____% Maturity Date: _____, _____
Date of Bond: _____, _____ CUSIP No.: _____

Registered Owner: _____

Principal Amount: _____ DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That the Paris Utility Authority, duly incorporated pursuant to the laws of the State of Tennessee (the "Authority"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth in the manner hereinafter provided, the principal amount on the maturity date hereinabove set forth, and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date, said interest being payable on _____, and semi-annually thereafter on the first day of _____ and _____ in each year until this Bond matures or is redeemed.

Both principal hereof and interest hereon are payable in lawful money of the United States of America at the principal corporate trust office of _____, _____, _____, as registration agent and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond on each interest payment date to the registered owner hereof shown on the bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owner at such owner's address shown on said bond registration records, (unless the registered owner is DTC, as defined herein, in which case payment shall be in accordance with the policies of DTC), without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the Authority to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the persons in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten days prior to such Special Record

Date. Payment of principal of and premium, if any, on this Bond shall be made when due upon presentation and surrender of this Bond to the Registration Agent.

Notwithstanding anything herein or in the Resolution to the contrary, as hereinafter defined, this Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Bonds of the series of which this Bond is one. One Bond for each maturity of the Bonds shall be issued to DTC and immobilized in its custody or a custodian of DTC. The Registration Agent is a custodian and agent for DTC, and the Bonds will be immobilized in its custody or a custodian of DTC. The Registration Agent is a custodian and agent for DTC, and the Bonds will be immobilized in its custody. A book-entry system shall be employed, evidencing ownership of the Bonds in \$5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants, as defined in the Resolution (as hereafter defined), pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the Authority and the Registration Agent shall treat Cede & Co., as the only owner of the Bonds for all purposes under the Resolution, including receipt of all principal and maturity amounts of, premium, if any, and interest on the Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal, maturity amounts, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Resolution. Neither the Authority nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the Authority determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Bonds, the Authority may discontinue the book-entry system with DTC. If the Authority fails to identify another qualified securities depository to replace DTC, the Authority shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner. Neither the Authority nor the Registration Agent shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Resolution to be given to Beneficial Owners, (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

This Bond is one of a total authorized issue aggregating \$2,600,000 and issued by the Authority for the purpose of providing funds to (i) finance capital improvements to the water and sewer system of the Authority, and (ii) pay costs of issuance of the Bonds, under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 7-36-101 *et seq.*, Tennessee Code Annotated, and pursuant to a resolution adopted by the Board of Directors of the Authority on _____, 2024 (the “Resolution”).

This Bond is payable solely from and secured by the revenues of the water and sewer system of the Authority on a parity and equality of lien with the Authority’s outstanding Water and Wastewater System Revenue Bond, Series 2023, dated June 1, 2023, on a subject only to the payment of the reasonable and necessary costs of operating, maintaining, repairing and insuring said System, and to the prior pledge of such revenues in favor of the Authority’s outstanding Water and Sewer Revenue Bond,

Series 2020C, dated June 30, 2020, and Water and Sewer Revenue Bond, Series 2020D, dated June 30, 2020, Water System Revenue Bond, Series 2021, dated September 30, 2021, and those certain State Revolving Fund Loan Agreements, identified as DW4 2015-163, DWF 2015-164, DWF 2016-178, DWF 2017-195, CW5 2017-381, and SRF 2017-382. For a more complete statement of the revenues from which and conditions under which this Bond is payable, the general covenants and provisions pursuant to which this Bond is issued and the terms upon which the Resolution may be modified, reference is hereby made to the Resolution.

The Bonds of the issue of which this Bond is one shall be subject to redemption prior to maturity at the option of the Authority on or after _____ 1, 20__, as a whole or in part at any time at the redemption price of par plus interest accrued to the redemption date. If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the Authority, in its discretion. If less than all the principal amount of the Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

- (i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or
- (ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

Subject to the credit hereinafter provided, the Authority shall redeem Bonds maturing _____ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Bonds of which this Bond is one, or such Person as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

<u>Final</u> <u>Maturity</u>	<u>Redemption</u> <u>Date</u>	<u>Principal Amount</u> <u>of Bonds</u> <u>Redeemed</u>
---------------------------------	----------------------------------	---

*Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the Authority may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be

redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Authority on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced.

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any such defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the Authority nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth in the Resolution, as hereafter defined. In the case of a Conditional Redemption, the failure of the Authority to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the [Depository or the] affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

If this Bond is no longer registered in the name of Cede & Co. as nominee for DTC, this Bond is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the designated corporate trust office of the Registration Agent, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Authority nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the Authority to call such Bond for redemption.

This Bond and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Bond during the period the Bond

is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

IN WITNESS WHEREOF, the Authority has caused this Bond to be signed by its President and attested by its Secretary, all as of the date hereinabove set forth.

PARIS UTILITY AUTHORITY

By: [DO NOT SIGN – FORM ONLY]
President

ATTESTED:

[DO NOT SIGN – FORM ONLY]
Secretary of the Board of Directors

SEAL

Transferable and Payable at: _____

Date of Registration: _____

This Bond is one of the issue of Bonds issued pursuant to the Resolution hereinabove described.

_____,
Registration Agent
By: _____
Authorized Officer

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____, whose address is _____ (Please insert Federal Identification of Social Security Number of Assignee _____), the within Bond of the Paris Utility Authority, and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said bond on the records kept for registration thereof with full power of substitution in the premises.

Dated: _____

Notice: The signature to this assignment must correspond with the name of the registered

owner as it appears on the face of the within bond in every particular, without enlargement or alteration, or any change whatsoever.

Signature guaranteed:

Notice: Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Registration Agent.

Exhibit B

The Projects

Water System:

- Replace 4-inch cast iron lines (some of the oldest in the system) just outside the downtown footprint to improve pressure and flows
- Replace galvanized service lines across the system as identified in recent regulatory audit
- Replace 200 feet of 10-inch cast iron water line on Spruce Street

Wastewater System:

- Replace failing sewer service lines along Chickasaw Road
- Replace failing 8-inch clay sewer main along Dunlap Street
- Manhole sealing and rehab within Old WWTP sewer basin and West Wood Alley sewer basin as identified by previous SSES work

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