TENNESSEE LOCAL DEVELOPMENT AUTHORITY
April 7, 2016

The Tennessee Local Development Authority (the "Authority" or "TLDA") met on Thursday, April 7, 2016, at 3:00 p.m. in the Executive Conference Room, State Capitol, Nashville, Tennessee. The Honorable Tre Hargett, Secretary of State, was present and presided as Vice-Chair.

The following members were also present:

The Honorable Justin Wilson, Comptroller of the Treasury
Whitney Goetz, Proxy for the The Honorable David Lillard, State Treasurer
Commissioner Larry Martin, Department of Finance and Administration

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

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

The following member was absent:

The Honorable Bill Haslam, Governor

Recognizing a physical quorum present, Mr. Hargett called the meeting to order and performed a roll-call:

Dr. Moore—Present
Mr. Wolfe—Present
Mr. Martin—Present
Ms. Goetz—Present
Mr. Wilson—Present
Mr. Hargett—Present

Mr. Hargett asked for a motion to approve the minutes of March 10, 2016. Mr. Wilson made a motion to approve the minutes, and Dr. Moore seconded the motion. Mr. Hargett performed a roll-call vote:

Mr. Wolfe—Yes
Dr. Moore—Yes
Mr. Martin—Yes
Ms. Goetz—Yes
Mr. Hargett—Yes
Mr. Wilson—Yes

The minutes were unanimously approved.

Mr. Hargett stated that the next item of business concerned notification required by Section 7(e) of the State Revolving Fund (SRF) loan agreement concerning pledging of state-shared taxes. He stated that Section 7(e) provides that a Local Government agrees and covenants with the State that it will advise/notify the Authority before it pledges or encumbers its state-shared taxes to secure any another loan or debt obligation. There are three participants in the Tennessee State School Bond Authority (TSSBA) Qualified School Construction Bond (QSCB) Program whose QSCB loans had not as yet been presented to the TLDA for the purpose previously mentioned. He stated was being presented to the TLDA for compliance purposes. (A list was included in the meeting materials.) No further action was necessary.

Mr. Hargett recognized Ms. Alexa Voytek from the Tennessee Department of Environment and Conservation's (TDEC) Office of Energy Programs to present an update on the Qualified Energy Conservation Bond (QECB) program. Ms. Voytek proceeded to give the updates:

- City of Clarksville
  - The City is utilizing its Large Local Jurisdiction (LLJ) allocation of $1,241,344 for a street lighting improvement project. This issuance closed on March 23, 2016, and the project is underway.

- Memphis Green Communities Program
  - Crosstown Concourse: As of February 25, 2016, Crosstown is approximately 78% complete with work associated with QECBs. HVAC, building cooling towers, exhaust fans and ventilation, and boilers and flues are complete. Work remains on windows and interior lighting.
  - Knowledge Quest: As of March 11, 2016, Knowledge Quest has purchased doors, windows, and roofing material for the Green Leaf Apartments building. Windows and doors have been installed and related roof work is in process. The contractor has begun the work of preparing the structure for upgrades to plumbing and electrical work.
  - Universal Life Insurance Building: To date, HVAC equipment associated with the building renovation for the Universal Life Insurance Building has been installed.

- Knox County
  - At this time, all sites are producing solar power except for four. At Central High School, Powell Middle School, and South Doyle Middle School, construction and interconnection are complete and final inspections and commissioning will be performed prior to the systems going live. Construction is in progress at Karns High School and should be complete by mid-April, 2016.

- City of Lebanon
  - The project has an approved Interconnection agreement in place with Middle Tennessee Electric Cooperative. All major equipment has been ordered, multiple bids have been received for the controls, instruments and control system hardware, and terms and conditions are currently being negotiated with vendors. The project is expected to be complete by August 2016.

Mr. Hargett stated that the next item of business was consideration for approval of Clean Water SRF loan requests. He asked Mr. Sherwin Smith, Manager of the SRF loan program to present the requests. Mr. Smith first presented the unobligated fund balance. He stated that the balance was $182,814,688 as of March 10, 2016. Upon approval of the loan requests to be presented, the funds available for loan obligations would decrease to $174,214,688. He then described the loan requests:

- Jackson Energy Authority (CG3 2016-361)—Requesting $4,000,000 ($3,800,000 loan; $200,000 principal forgiveness) for Green—Inflow/Infiltration (I/I) correction (rehabilitation of approximately 600,000 linear feet (LF) of sewer lines); recommended interest rate of 1.17% based on the Ability to Pay Index (ATPI).
- Jackson Energy Authority (CG4 2016-362)—Requesting $4,000,000 ($3,720,000 loan; $280,000 principal forgiveness) for Green—Inflow/Infiltration (I/I) correction (rehabilitation of approximately 600,000 linear feet (LF) of sewer lines); recommended interest rate of 1.17% based on the ATPI.
- Lincoln County (SRF 2016-365)—Requesting $600,000 to replace the existing on-site systems with new septic tank effluent pumping (STEP) systems along the Huntsville Highway (US HWYS 231, 7, and 431) south of the City of Fayetteville and transport wastewater to the City of Fayetteville's Wastewater Treatment Plant for treatment; recommended interest rate of 0.75% based on the ATPI.

Mr. Hargett moved for approval of the Clean Water SRF loans, and Mr. Wilson seconded the motion. Mr. Hargett performed a roll-call vote:

Dr. Moore—Yes
Mr. Wolfe—Yes
Mr. Martin—Yes
Ms. Goetz—Yes
Mr. Hargett—Yes
Mr. Wilson—Yes

The motion passed unanimously.

Mr. Hargett stated that the next item of business was consideration for approval of Drinking Water State Revolving Fund (SRF) loan requests. He asked Mr. Smith to present the requests. Mr. Smith first presented the unobligated fund balance. He stated the balance was $45,205,146 as of March 10, 2016. The balance increased by $859,256 due to early payoffs of loans. Upon approval of the loan request to be presented, the funds available for loan obligations would decrease to $45,464,402. He then described the loan request:

- Minor Hill Utility District (DWF 2016-176)—Requesting $600,000 for water line replacement along Bethel Road and Minor Hill Highway; recommended interest rate of 0.72% based on the ATPI.

Mr. Hargett moved for approval of the Drinking Water SRF loans, and Mr. Wilson seconded the motion. Mr. Hargett performed a roll-call vote:

Mr. Wilson—Yes
Mr. Hargett—Yes
Ms. Goetz—Yes
Mr. Martin—Yes
Mr. Wolfe—Yes
Dr. Moore—Yes

The motion passed unanimously.

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

Mr. Wilson—Yes
Mr. Hargett—Yes
Ms. Goetz—Yes
Mr. Martin—Yes
Mr. Wolfe—Yes
Dr. Moore—Yes

The meeting was adjourned.

Approved on this 9th day of June, 2016.

Respectfully submitted,

Sandra Thompson

Sandra Thompson
Assistant Secretary