

**TENNESSEE LOCAL DEVELOPMENT AUTHORITY**  
**March 22, 2021**

The Tennessee Local Development Authority (the "TLDA") met on Monday, March 22, 2021, at 2:45 p.m. in person and via Webex Events. Interested members of the public were only able to observe and listen to the meeting through electronic means. The Honorable Tre Hargett, Secretary of State, was present and presided over the meeting.

The following members were also present:

The Honorable Jason E. Mumpower, Comptroller of the Treasury  
The Honorable David H. Lillard, Jr., State Treasurer  
Commissioner Butch Eley, Department of Finance and Administration  
Ms. Paige Brown, House Appointee (participated electronically)  
Mr. Pat Wolfe, Senate Appointee (participated electronically)

The following member was absent:

The Honorable Bill Lee, Governor

Recognizing a quorum present, Mr. Hargett called the meeting to order. He stated that a quorum had been met, therefore there would not be need to call roll after each agenda item that required a vote. He stated that Mr. Wolfe and Mayor Brown were participating via Webex.

Mr. Hargett stated that the first item on the agenda was approval of the minutes from the February 17, 2021, TLDA meeting. Mr. Hargett asked for a motion to approve the minutes. Mr. Mumpower made a motion to approve the minutes, and Mr. Lillard seconded the motion. Mr. Hargett asked all in favor to say aye and all opposed say no. By a vote of 6 – 0, the motion carried and the minutes were unanimously approved.

Mr. Hargett stated that the next item on the agenda was consideration of proposals received and approval of selection of bond counsel. He called upon Ms. Thompson to present the item. Ms. Thompson stated that Board members had directed staff to develop an RFQ/RFP to seek proposals from prospective law firms to provide bond counsel services. She stated that SGF staff had prepared an RFQ and that it had been electronically distributed to 21 firms. She reported that SGF received only six responses and the responses were received timely. She stated that SGF staff reviewed those responses and held a discussion to select a "short list" of bond counsel firms whose submissions were considered most qualified. She stated that the meeting packet contained a memo summarizing the process, along with an Attachment A, that pointed out the strength and weaknesses of the firms' attributes based on their responses, Attachment B, analysis of the pricing, and Attachment C, the bond counsel contract currently in place with Hawkins Delafield. Ms. Thompson stated that strong positive attributes were heavily weighted towards Hawkins Delafield, our current bond counsel, specifically regarding the depths of the legal and tax team, their institutional knowledge, and the challenges they cited for the future, such as COVID exposure and cyber security. She stated that SGF staff noted that two of the three law firms' proposals did not demonstrate as many positive or strong answers in their response that would compel staff to make a change from its current provider. She said that once the written responses to the RFP were evaluated, SGF staff then examined the pricing proposals. Ms. Thompson pointed out that although Hawkins Delafield's pricing proposal was \$26,000 more than the next pricing proposal, or \$5,000 for each of the five year, staff did not believe the price difference would give cause to award business and make a transition to another law firm due to the strength of Hawkins Delafield's written proposal. Therefore, she stated that staff recommended Hawkins Delafield be awarded the five-year contract and asked that the board delegate to the comptroller, the responsibility to fix and finalize details. Mr. Hargett asked if there were any questions for Ms. Thompson. Hearing none, Mr. Mumpower made a motion to approve the proposal for bond counsel, and Mr. Lillard seconded the motion. Mr. Hargett asked all in favor to say aye and all opposed to say no. By vote of 6 – 0, the motion carried and the selection of Hawkins Delafield as bond counsel for a five-year contract was unanimously approved.

Mr. Hargett stated that the next item on the agenda was consideration and approval of Drinking Water State Revolving Fund (DWSRF) loans and stated that, unless there was any objection, the TLDA would hear the two loan requests prior to asking for a motion to approve. Hearing none, he recognized Mr. Adeniyi Bakare, SRF Program Manager for the Tennessee Department of Environment and Conservation (TDEC), to present the loan requests. Mr. Bakare first presented the Report on Funds Available for Loan Obligation for the DWSRF Loan Program. He stated the unobligated fund balance was \$68,484,776 as of February 17, 2021. Upon approval of the loan requests to be presented totaling \$1,871,000, the remaining funds available for loan obligations would be \$66,613,776. He then described the DWSRF loan requests.

- **Fayetteville (DWF 2021-230)** Requesting \$621,000 for a planning and design loan for the distribution system improvements (Improvements to the Water Treatment Plant (WWTP) to include solids management, disinfection by-product control, and disinfection; water storage tank and booster pumping station improvements; and waterline replacements and extensions); recommended interest rate of 0.14% based on the Ability to Pay Index (ATPI); Priority ranking 8 of 48 (FY 2020); Term: 5 years
- **Hampton Utility District (DW8 2020-227)** Requesting \$1,250,000 (\$1,000,000 (80%) loan; \$250,000 (20%) principal forgiveness) for a waterline replacement (Replace approximately 25,000 linear feet of galvanized waterlines); recommended interest rate of 0.53% based on the ATPI; Priority ranking 2 of 62 (FY2019); Term: 20 years.

Mr. Hargett asked if there was any discussion. Hearing none, Mr. Lillard made a motion to approve the loans, and Mr. Mumpower seconded the motion. Mr. Hargett asked all in favor to say aye and all opposed to say no. By a vote of 6 – 0, the motion carried and the loans were unanimously approved.

Mr. Hargett stated that the next item of business was an update on the SRF program's Clean Water priority ranking list (PRL). He called upon Mr. Bakare to present the item. Mr. Bakare stated that Clean Water PRL had closed February 2021. He stated that of the 64 projects on the list, eleven of the entities with projects, totaling \$37,606,000, were interested in receiving SRF loans and planned to submit projects for consideration on the FY2021 PRL. He continued saying, 21 of the entities with projects on the list were currently working with SRF in the funding process, and stated that the total amount of those projects was \$94,363,620. Mr. Bakare stated that four of the 64 projects, totaling \$4,477,500, were anticipated to be funded once planning and design loan requirements were met. He stated that three of the 64 projects had already been funded in the amount of \$3,220,000, and one community on the list had decided not to proceed with SRF funding in the amount of \$4,000,000. He stated that 24 communities with projects totaling \$64,601,243, had been contacted but had not responded. Mr. Bakare then closed by saying that the total project requests for the Clean Water PRL totaled \$208,268,363. Mr. Hargett asked if there were questions about the summary or the report. Mr. Eley responded affirmatively, and asked if the Clean Water PRL closed in February. Mr. Bakare affirmed that it had and stated that TDEC would present an updated report again in May 2021. He further stated that TDEC planned to update the board every quarter. He also noted that the FY2021, Clean Water PRL had closed in February as well. Mr. Eley inquired if TDEC would update every quarter, and Mr. Bakare answered affirmatively. Mr. Hargett thanked Mr. Eley for his question, and stated that he was also curious about the 24 communities that did not respond back regarding SRF funding. Mr. Bakare assured the TLDA that TDEC would follow-up with these communities and report back to the board when they presented the next PRL update. Mr. Hargett inquired if there were any further questions. Hearing none, he stated that this report was for information only. No board action was needed.

Hearing no other business, Mr. Hargett moved to adjourn. Mr. Mumpower seconded the motion. Mr. Hargett asked all in favor to say aye and all opposed to say no. By a vote of 6 – 0, the meeting was adjourned.

Approved on this 24<sup>th</sup> day of May, 2021.

Respectfully submitted,

  
Sandra Thompson  
Assistant Secretary