

TENNESSEE LOCAL DEVELOPMENT AUTHORITY

October 25, 2021

The Tennessee Local Development Authority (the "TLDA") met on Monday, October 25, 2021, at 11:05 a.m. in the House Hearing Room I, First Floor, Cordell Hull Building, Nashville, Tennessee. The Honorable Tre Hargett, Secretary of State, was present and presided over the meeting.

The following members were also present:

The Honorable Jason E. Mumpower, Comptroller of the Treasury
The Honorable David H. Lillard, Jr., State Treasurer
Commissioner Butch Eley, Department of Finance and Administration
Mr. Gary Cordell, Senate Appointee

The following members were absent:

The Honorable Bill Lee, Governor
Ms. Paige Brown, House Appointee

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

Mr. Hargett stated that the first item on the agenda was approval of the minutes from the August 23, 2021, TLDA meeting. Mr. Hargett asked for a motion to approve the minutes. Mr. Mumpower made a motion to approve the minutes, and Mr. Eley seconded the motion. Mr. Hargett asked all in favor to say aye and all opposed to say no. By a vote of 5 – 0, the motion carried, and the minutes were unanimously approved.

Mr. Hargett stated that the next item on the agenda was consideration and approval of Clean Water State Revolving Fund (CWSRF) loan requests and stated that, unless there was any objection, the TLDA would hear the four 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 CWSRF Loan Program. He stated the unobligated fund balance was \$49,564,713 as of July 22, 2021. He stated that since that time, the unobligated balance had increased by \$2,541,355 with the return of previous (unused) funding from the cities of Cleveland and Springfield, and the Town of Selmer. Mr. Bakare noted that for the Town of Oakland there was a correction of an error in the amount of \$9,122 since this amount had been reported as a return of unused funds on two separate occasions. Upon approval of the loan requests to be presented totaling \$42,114,550, the remaining funds available for loan obligations would be \$9,982,396. He then presented the CWSRF loan requests.

- **Franklin (SRF 2017-398-01)** Requesting \$19,500,000 for Wastewater Treatment Plant (WWTP) expansion/advanced treatment (Expansion of the existing WWTP from 12 million gallons per day (MGD) to 16 MGD to include new headworks, equalization (EQ) basin, and UV disinfection system; modifying the biological nutrient system and denitrification filters; and biosolids and hydraulic improvements); recommended interest rate of 1.28% based on the Ability to Pay Index (ATPI); Priority ranking 3 of 83 (FY2019); Term: 30 years
- **Dayton (SRF 2021-454)** Requesting \$18,114,550 for WWTP improvements/secondary treatment (Construction of a sequencing batch reactor (SBR) and headworks with fine screening and grit removal, chemical building, septic receiving station, sludge facility, effluent pump/electrical building, and operations building; conversion of existing aeration basins and final clarifiers to EQ basins; installation of disinfection equipment and a standby generator); recommended interest rate of 0.37% based on the ATPI; Priority ranking 52 of 64 (FY2020); Term: 20 years

- **Dayton (CW8 2021-453)** Requesting \$2,500,000 (\$2,000,000 (80%) loan; \$500,000 (20%) principal forgiveness) for green WWTP improvements/secondary treatment (Construction of a SBR and headworks with fine screening and grit removal, chemical building, septic receiving station, sludge facility, effluent pump/electrical building, and operations building; conversion of existing aeration basins and final clarifiers to EQ basins; installation of disinfection equipment and a standby generator); recommended interest rate of 0.37% based on the ATPI; Priority ranking 52 of 64 (FY 2020); Term: 20 years
- **Athens (CW8 2021-459)** Requesting \$2,000,000 for a new pump station and force main (Cedar Springs Pump Station replacement and the installation of approximately 3,000 linear feet (LF) of new 12-inch diameter force main to the Oostanaula WWTP and construction of a new pump and a new generator at the Sterling Road Pump Station; recommended interest rate of 0.57% based on the ATPI; Priority ranking 12, 28 of 64; Term: 20 years

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

Mr. Hargett stated that the next item on the agenda was the report on SRF borrowers that had not submitted a request for project expense reimbursement. He called upon Mr. Bakare to present the report. Mr. Bakare stated that the City of Cleveland was first on the list with its CWSRF project in the amount of \$10,000,000. He stated that the City planned to use funding from its companion loan first before submitting its initial request for reimbursement by October 2021. Next, he stated that the City of Huntland had a CWSRF project on the list in the amount of \$2,925,000. He reported that it too had a companion loan and planned to use that funding before submitting its initial request for reimbursement (December 2021). Mr. Bakare reported that the City of Memphis was also on the list with its CWSRF project in the amount of \$15,000,000. He explained that Memphis would be advertising and bidding out the project and that it anticipated its request for reimbursement would be submitted in February 2022. He stated that the next three projects on the list were for the City of Nashville. He stated that the first project was awarded to the Nashville on July 8, 2021 in the amount of \$5,000,000 and said that it planned to submit its request for reimbursement by the end of October 2021. He stated that Nashville's second project on the list, in the amount of \$2,749,300, had a companion loan and the funds for that loan would be used before it would submit its first request for reimbursement (no date set at this time). Finally, he stated that Nashville's third project on the list was a CWSRF loan in the amount of \$11,600,000 and noted that delays for initial reimbursement were due to additional reviews needed by Nashville and its contractor for payroll certification. He further stated that Nashville would seek to request reimbursement for this project no later than October 2021.

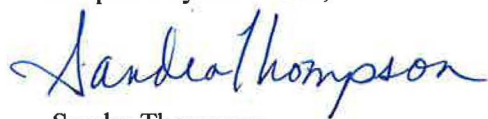
Mr. Hargett stated that the next item on the agenda was the report on the notification from the City of Hohenwald submitted to comply with TLDA SRF Policy and Guidance for Borrowers. He called upon Ms. Thompson to present the report. Ms. Thompson stated that a notice was received from the City stating that it planned to issue refunding bond indebtedness to currently fund its Water and Sewer Series 2011 Revenue Bonds for debt service savings. She further stated that the additional indebtedness, upon issuance, would have a subordinate lien position to its SRF loan agreements. She stated that this was a notification and would not require action by the TLDA board. Mr. Hargett asked if there were any questions about the report. Hearing none, and with no further action necessary, he moved on to the next agenda item.

Mr. Hargett stated that the next item of business was the report on the notification from the City of Rockwood submitted to comply with TLDA SRF Policy and Guidance for Borrowers. He called upon Ms. Thompson to present the report. Ms. Thompson stated that a notice was received from the City of Rockwood stating that it planned to issue additional debt for debt service savings to pay off its existing SRF loan. She further stated that it had passed a resolution that authorized the issuance of the Refunding Indebtedness as general obligation indebtedness and additionally payable but not secured by revenues from its water and sewer system. She stated that this was a notification and would not require action by the TLDA board. Mr. Hargett asked if there were any questions about the report. There were no questions. This report was for information only. No board action was needed.

Hearing no other business, Mr. Cordell made a motion to adjourn the meeting, and Mr. Mumpower seconded the motion. Mr. Hargett asked all in favor to say aye and all opposed to say no. By a vote of 5 – 0, the meeting was adjourned.

Approved on this 20th day of December, 2021.

Respectfully submitted,

A handwritten signature in blue ink that reads "Sandra Thompson". The signature is written in a cursive style with a large initial 'S'.

Sandra Thompson
Assistant Secretary