

TENNESSEE LOCAL DEVELOPMENT AUTHORITY
February 23, 2022

The Tennessee Local Development Authority (the "TLDA") met on Wednesday, February 23, 2022, at 11:10 a.m. in the Executive Conference Room, Ground Floor, State Capitol, 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

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

Mayor Paige Brown, House Appointee
 Mayor Gary Cordell, Senate Appointee

The following members were absent:

The Honorable Bill Lee, Governor

Recognizing a quorum present, Mr. Hargett called the meeting to order, and then proceeded to conduct a roll call:

Mayor Brown—Present
 Mayor Cordell—Present
 Mr. Eley—Present
 Mr. Lillard—Present
 Mr. Mumpower—Present
 Mr. Hargett—Present

Mr. Hargett stated that the first item on the agenda was approval of the minutes from the December 20, 2021, TLDA meeting. Mr. Hargett made a motion to approve the minutes, and Mr. Mumpower seconded the motion. Mr. Hargett asked Ms. Sandi Thompson, TLDA Assistant Secretary, and the Director of the Division of State Government Finance (DSGF) to conduct a roll call:

Mayor Brown—Aye
 Mayor Cordell—Aye
 Mr. Eley—Aye
 Mr. Lillard—Aye
 Mr. Mumpower—Aye
 Mr. Hargett—Aye

The minutes were unanimously approved.

Mr. Hargett stated that the next item on the agenda was consideration and approval of a Clean Water State Revolving Fund (CWSRF) loan request. He recognized Ms. Felicia Freeman, TDEC's Environmental Manager of the Division of Water Resources/SRF, to present the loan request. Ms. Freeman first presented the Report on Funds Available for Loan Obligation for the CWSRF Loan Program. She stated the unobligated fund balance was \$7,897,641 as of December 20, 2021. She stated that since that time, the unobligated balance had increased by \$151,676,711, comprised of treasury interest, interest payments, and principal repayments for fiscal year 2021. Upon approval of the loan request to be presented for \$19,000,000, the remaining funds available for loan obligations would be \$140,574,352. She then presented the CWSRF loan request.

- **Chattanooga (SRF 2020-440-01)** Requesting \$19,000,000 for Water and Wastewater Treatment Plant (WWTP) improvements and infiltration and inflow correction (installation of approximately 900 linear feet (LF) of conveyance piping at the Moccasin Bend WWTP; replace approximately 2,200 LF of 30-inch diameter Citico force main; and the construction of a 30 million gallon (MG) equalization basin, 20 MG pump station, and associated appurtenances; recommended interest rate of 0.88% based on the Ability to Pay Index (ATPI); Priority ranking 6, 18, and 64 of 83 (FY2019); Term: 20 years

Mr. Hargett made a motion to approve the loan, and Mr. Eley seconded the motion. Mr. Hargett inquired if there was any discussion. Hearing none, he asked Ms. Thompson to conduct a roll-call vote:

Mayor Brown—Aye
 Mayor Cordell—Aye
 Mr. Eley—Aye
 Mr. Lillard—Aye
 Mr. Mumpower—Aye
 Mr. Hargett—Aye

The loan was unanimously approved.

Mr. Hargett stated that the next item on the agenda was consideration and approval of Drinking Water State Revolving Fund (DWSRF) loan requests. He called upon Ms. Freeman to present the loan requests. Ms. Freeman first presented the Report on Funds Available for Loan Obligation for the DWSRF Loan Program. She stated the unobligated fund balance was \$65,284,208 as of December 20, 2021. She stated that since that time, the unobligated balance had increased by \$48,119,304, comprised of an EPA Capitalization Grant, the required State match, interest payments, principal repayments, and treasury interest for fiscal year 2021. Upon approval of the loan requests to be presented totaling \$3,918,900, the remaining funds available for loan obligations would be \$109,484,612. She then presented the DWSRF loan requests.

- **Hiwassee Utilities Commission and Bradley County (DWF 2021-232A)** Requesting \$1,459,450 for Water Treatment Plant (WTP) improvements (convert the disinfection system from chlorine to sodium hypochlorite; construction of a new chemical storage building; improvements to the compressed air system; and the installation of new control valves and instrumentation); recommended interest rate of 0.81% based on the ATPI; Priority ranking 29 of 48 (FY2020); Term: 20 years
- **Hiwassee Utilities Commission and McMinn County (DWF 2021-232B)** Requesting \$1,459,450 for WTP improvements (convert the disinfection system from chlorine to sodium hypochlorite; construction of a new chemical storage building; improvements to the compressed air system; and the installation of new control valves and instrumentation); recommended interest rate of 0.81% based on the ATPI; Priority ranking 29 of 48 (FY2020); Term 20 years
- **Ocoee Utility District (DWF 2021-242)** Requesting \$1,000,000 for WTP improvements (construction of a new 500,000 gallon clear well at the Carpenter Springs WTP); recommended interest rate of 0.96% based on the ATPI; Priority ranking 32 of 48 (FY2020); Term 20 years

Mr. Hargett made a motion to approve the loans, and Mr. Mumpower seconded the motion. Mr. Hargett inquired if there was any discussion. Hearing none, he asked Ms. Thompson to conduct a roll-call vote:

Mayor Brown—Aye
 Mayor Cordell—Aye
 Mr. Eley—Aye
 Mr. Lillard—Aye
 Mr. Mumpower—Aye

Mr. Hargett—Aye

The loans were unanimously approved.

Mr. Hargett stated that the next item on the agenda was a consideration of a request from the Ocoee Utility District (the “District”) to issue Water and Wastewater Revenue Refunding and Improvement Bonds, Series 2022, in an amount not to exceed \$25,000,000 on parity with its outstanding SRF loan agreements. He called upon Ms. Thompson to present the item. Ms. Thompson stated that the Ocoee Utility District was requesting approval from the TLDA to issue Water and Wastewater Revenue Refunding and Improvement Bonds, Series 2022, in an amount not to exceed \$25,000,000 on parity with its outstanding SRF loan agreements. She further stated that the request for approval was required by provisions set forth in the SRF loan agreements and guidelines set forth in the TLDA/SRF Policy and Guidance for Borrowers. She stated that the District proposed to issue the Bonds to refund its outstanding Water Revenue Refunding and Improvement Bonds, Series 2013, and its Water Revenue Refunding Bonds, Series 2016. Ms. Thompson stated that the debt issuance would include new money bonds totaling \$10,000,000. In addition, she said the District’s revenues would secure the proposed debt and that the refunding would generate net present value savings of approximately \$528,536 or 5.024%. She reported that the District’s debt rating was A+ by S&P. Ms. Thompson stated that the District had a history of timely repayments on its SRF loans, had timely filed its FY2021 audit report, and had a security deposit in place in the amount of \$150,227. She further stated that the District’s revenues would be sufficient to cover its debt service and that its current and projected debt service coverage ratios met or exceeded the required 1.2 times coverage. Ms. Thompson stated that the District was not under the jurisdiction of the Utility Boards. She stated that based on analysis conducted, the District meets the TLDA’s criteria to issue the Bonds on parity with its SRF loans and staff recommended approval of the issuance.

Mr. Hargett made a motion to approve the request, and Mr. Mumpower seconded the motion. Mr. Hargett inquired if there was any discussion. Hearing none, he asked Ms. Thompson to conduct a roll-call vote:

Mayor Brown—Aye
 Mayor Cordell—Aye
 Mr. Eley—Aye
 Mr. Lillard—Aye
 Mr. Mumpower—Aye
 Mr. Hargett—Aye

The request was unanimously approved.

Mr. Hargett stated that the next item of business was the report on the notification from the City of Algood (the “City”) submitted to comply with TLDA SRF Policy and Guidance for Borrowers. He called upon Ms. Thompson to present the report. Ms. Thompson stated that the TLDA had received notification from the City of Algood stating it had received a commitment from the United States Department of Agriculture (USDA) to purchase its \$1,890,000 Water and Sewer Revenue and Tax Deficiency Bond. She further stated that the funds would be used to finance improvements to the City’s water and sewer system. Ms. Thompson said that prior to issuing the bond, the City was obligated under its loan agreement with the TLDA, and the guidelines set forth in the TLDA/SRF Policy and Guidance for Borrowers to provide notice of the issuance of debt contemplated to be secured by a lien on the revenues of the City’s water and sewer system. She stated that the City indicated its authorizing resolution for the bond would acknowledge that the lien securing the bond would be subordinate to the lien granted in favor of the TLDA securing the loan. 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, and no board action was needed.

Hearing no other business, Mr. Hargett made a motion to adjourn the meeting, and Mr. Mumpower seconded the motion. Mr. Hargett asked Ms. Thompson to conduct a roll-call vote:

Mayor Brown—Aye

Mayor Cordell—Aye
Mr. Eley—Aye
Mr. Lillard—Aye
Mr. Mumpower—Aye
Mr. Hargett—Aye

The meeting was adjourned.

Approved on this 28th day of March, 2022.

Respectfully submitted,

Sandra Thompson
Assistant Secretary