

TENNESSEE LOCAL DEVELOPMENT AUTHORITY
June 15, 2022

The Tennessee Local Development Authority (the "TLDA") met on Wednesday, June 15, 2022, at 11:11 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 Jim Bryson, Department of Finance and Administration

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

Mayor Gary Cordell, Senate Appointee

The following members were absent:

The Honorable Bill Lee, Governor
Mayor Paige Brown, House Appointee

Recognizing a quorum present, Mr. Hargett called the meeting to order and asked Ms. Sandra Thompson, TLDA Assistant Secretary and the Director of the Division of State Government Finance (DSGF) to conduct a roll-call:

Mayor Cordell—Present
Mr. Lillard—Present
Mr. Mumpower—Present
Mr. Hargett—Present
Mr. Bryson—Present

Mr. Hargett stated that the first item on the agenda was approval of the minutes from the April 26, 2022, TLDA meeting. Mr. Mumpower made a motion to approve the minutes, and Mr. Bryson seconded the motion. Mr. Hargett asked Ms. Thompson to conduct a roll-call vote:

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

The minutes were unanimously approved.

Mr. Hargett stated that the next item on the agenda was the consideration of a request from the Metropolitan Government of Nashville and Davidson County (Metro Nashville) to issue a United States Environmental Protection Agency (EPA) Water Infrastructure Finance and Innovation Act (WIFIA) loan in an amount not to exceed \$315,000,000 on parity with its outstanding State Revolving Fund (SRF) loan agreements. He recognized Ms. Thompson to present the request. Ms. Thompson stated that Metro Nashville requested approval from the TLDA to issue an EPA WIFIA loan in the amount of \$315,000,000 on parity with its outstanding SRF loan agreements. She stated that the request for approval was required by the provisions set forth in the SRF loan agreements and guidelines set forth in the TLDA/SRF Policy and Guidance for Borrowers. Ms. Thompson stated that the proposed debt would be a new money issuance and that Metro Nashville was looking to obtain the money to cover about 49% of its current project. She further stated that in the future, Metro Nashville planned to request a

second tranche of funds from the TLDA in approximately the same amount and that it would be asking for parity as well. She stated that the DSGF and the Department of Local Government Finance had conducted a review of all the financial information presented by Metro Nashville. Ms. Thompson said Metro Nashville was rated Aa2 by Moody's and AA by Standard and Poor's. She stated that it had a history of timely repayments on its SRF loans, had timely filed its audit report, and would have sufficient revenues to cover its debt service. She stated that its current and projected debt service coverage ratios met or exceeded the required 1.2 times coverage. She noted that Metro Nashville was currently under the jurisdiction of the Water and Wastewater Finance Review Board (WWFB) and stated that board members' packets contained information about Metro Nashville's corrective action ordered by the WWFB. Ms. Thompson stated that based on the analysis conducted, it appeared that Metro Nashville would meet the TLDA's criteria to issue the WIFIA loan on parity with its SRF loans. Mr. Hargett then inquired if there were any questions for Metro Nashville's counsel, Mr. Jeff Oldham. There were no questions.

Mr. Hargett asked for a motion to approve the request. Mr. Bryson 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 Cordell—Aye
 Mr. Lillard—Aye
 Mr. Mumpower—Aye
 Mr. Hargett—Aye
 Mr. Bryson—Aye

The request was unanimously approved.

Mr. Hargett stated that the next item of business was the consideration of a request from the Castalian Springs-Bethpage Utility District (the "District") to issue Waterworks Revenue and Refunding and Improvement Bonds in an amount not to exceed \$4,240,000 on parity with its outstanding SRF loan agreements. He called upon Ms. Thompson to present the request. Ms. Thompson stated that the District was requesting to issue the debt in an amount not to exceed \$4,240,000 on parity with its outstanding SRF loan agreements. She stated that the request for approval was required by the 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 proposed debt would be a new money issuance and that the District planned to use the funds to construct some capital improvements to its waterworks system. Ms. Thompson further stated that it would refund prior debt for debt service savings and that the net present value savings would be approximately \$145,000. She noted that the bonds would not constitute balloon indebtedness for purposes of TCA 9-21-134 and that the District was not under the jurisdiction of the Utility Management Review Board or the WWFB. Ms. Thompson reported that the bonds would be secured solely by a pledge of the system's revenues. She stated that the District was currently rated A+ by Standard and Poor's. She further stated that the District had timely repayments of its SRF loans, had timely filed its audit report for FY2021, and had sufficient revenues available to cover its debt service. She stated that its debt service coverage ratio met the requirements of 1.2 times coverage. In conclusion, Ms. Thompson stated that based on the analysis conducted, it appeared that the District would meet the TLDA's criteria to issue the bonds on parity. Mr. Hargett inquired if Mr. Oldham was counsel for the District, and Mr. Oldham responded affirmatively.

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

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

The request was unanimously approved.

Mr. Hargett stated that the next item on the agenda was the 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 six loan requests prior to asking for a motion to approve. Hearing none, he recognized Mr. Adeniyi Bakare, SRF Program Manager of 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 \$140,574,352 as of February 23, 2022. Upon approval of the loan requests to be presented totaling \$3,623,670, the remaining funds available for loan obligations would be \$136,950,682. He then presented the CWSRF loan requests.

- **Smyrna (SRF 2022-472)** Requesting \$1,760,000 for collection system expansion (Installation of approximately 41,400 linear feet of 12-inch, 18-inch, 20-inch, and 24-inch diameter sewer lines and 101 manholes in the Almadale Road/Stewart Creek Area) Planning and Design loan only; recommended interest rate of 1.21% based on the Ability to Pay Index (ATPI); Priority ranking 17 of 64 (FY2020); Term: 5 years
- **Hamilton County WWTA (SRF 2022-464)** Requesting \$500,000 for a new pump station/force main (Construction/installation of a pump station and force main to eliminate the Signal Mountain (Suck Creek) Wastewater Treatment Plant (WWTP) discharge and connect to the City of Chattanooga's sewer system) Planning only; recommended interest rate of 0.79% based on the ATPI; Priority ranking 3 of 53 (FY2021); Term: 5 years
- **Hamilton County WWTA (SRF 2022-465)** Requesting \$350,000 for a collection system rehabilitation (A feasibility study of installing a low-pressure sewer system to replace gravity sewers located along streams/ravines within several sub-basins in the Signal Mountain service area) Planning only; recommended interest rate of 0.79% based on the ATPI; Priority ranking 26 of 53 (FY2021); Term: 5 years
- **Hamilton County WWTA (SRF 2022-466)** Requesting \$150,000 for a collection system rehabilitation (A feasibility study of installing a new pump station and associated appurtenances near Alexian Village to transport sewer to the Signal Mountain WWTP to eliminate chronic sanitary sewer overflows (SSOs)) Planning only; recommended interest rate of 0.79% based on the ATPI; Priority ranking 27 of 53 (FY2021); Term: 5 years
- **Hamilton County WWTA (SRF 2022-467)** Requesting \$587,000 for an infiltration and inflow (I/I) correction (Rehabilitation of the sewer lines in Sewer Basin 1, 2, 3, and 4A to reduce I/I, improve hydraulic capacity, and eliminate SSOs in the Soddy Daisy Area) Planning and Design; recommended interest rate of 0.79% based on the ATPI; Priority ranking 28 of 53 (FY2021); Term: 5 years
- **Hamilton County WWTA (SRF 2022-468)** Requesting \$276,670 for an I/I correction (Rehabilitation of the sewer lines in Sewer Basin 5, 6, and 7 that will improve hydraulic capacity and eliminate SSOs in the Red Bank Area) Planning and Design; recommended interest rate of 0.79% based on the ATPI; Priority ranking 29, 30, and 49 of 53 (FY2021); Term: 5 years

Mr. Hargett inquired if there was any discussion, comments, or questions. Mr. Mumpower answered affirmatively and asked if Hamilton County WWTF staff was present at the meeting. Hamilton County WWTF staff was not in attendance. Mr. Hargett asked Mr. Mumpower if any concerns needed to be discussed. Mr. Mumpower said there was not.

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

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

The loans were unanimously approved.

Mr. Hargett stated that the next item on the agenda was consideration and approval of a Drinking Water State Revolving Fund (DWSRF) loan. He called upon Mr. Bakare to present the loan request. Mr. Bakare first presented the Report on Funds Available for Loan Obligation for the DWSRF Loan Program. He stated the unobligated fund balance was \$88,986,167 as of April 26, 2022. Upon approval of the loan requests to be presented totaling \$88,500, the remaining funds available for loan obligations would be \$88,897,667. He then presented the DWSRF loan request.

- **Trezevant (DW7 2021-235)** Requesting \$88,500 (\$44,250 (50%) loan; \$44,250 (50%) principal forgiveness) for WTP improvements (Rehabilitation of the clear wells; replace aeration equipment; and the installation of new high service pumps, controls, and electrical components); recommended interest rate of 0.10% based on the ATPI; Priority ranking 3 of 48 (FY2020); Term: 5 years

Mr. Hargett inquired if there were any questions, and Mr. Mumpower answered affirmatively. Mr. Mumpower asked if Trezevant staff was present. Trezevant staff was not in attendance. Mr. Hargett stated that he hoped Hamilton County and Trezevant would receive calls regarding the late submission of the audit reports. Ms. Thompson responded saying that letters describing why they were late were included in members' packets

Mr. Hargett inquired if there were any further questions or comments. Hearing none, he asked for a motion to approve the loan. Mr. Mumpower made a motion to approve the loan, and Mr. Bryson the motion. Mr. Hargett asked Ms. Thompson to conduct a roll-call vote:

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

The loan was unanimously approved.

Mr. Hargett recognized Mr. Mumpower to make an announcement. Mr. Mumpower stated that in keeping with the new state law that required visible and transparent meetings (using video and audio broadcasting), all board and commission meetings staffed by the Comptroller's office would begin to be held in the Comptroller's Volunteer Conference Center (VCC) on the second floor of the Cordell Hull building as of July 1. He said that he looked forward to seeing the staff in the VCC at the next scheduled meetings.

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

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

Mr. Lillard—Aye
Mr. Bryson—Aye

The meeting was adjourned.

Approved on this 26th day of July, 2022.

Respectfully submitted,


Sandra Thompson
Assistant Secretary

