

TENNESSEE LOCAL DEVELOPMENT AUTHORITY
December 16, 2024

The Tennessee Local Development Authority (the "TLDA") met on Monday, December 16, 2024, at 12:47 p.m., CT, in the Volunteer Conference Center, 2nd Floor, Cordell Hull Building, Nashville, Tennessee. Secretary of State Tre Hargett 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 members participated electronically as authorized by Tennessee Code Annotated § 8-44-108:

Mayor Rollen "Buddy" Bradshaw, Senate Appointee
Mayor Paige Brown, House Appointee

The following member was absent:

The Honorable Bill Lee, Governor

Secretary Hargett, in accordance with Public Chapter 300 and Board guidelines, asked Ms. Sandra Thompson, TLDA Assistant Secretary and the Director of State Government Finance ("SGF") if any requests for public comment had been received. Ms. Thompson responded that no requests for public comment had been received.

Recognizing a physical quorum present, Secretary Hargett called the meeting to order and asked Ms. Thompson to conduct a roll call:

Secretary Hargett—Present
Commissioner Bryson—Present
Comptroller Mumpower—Present
Treasurer Lillard—Present
Mayor Brown—Present
Mayor Bradshaw—Present

Secretary Hargett stated that the first item of business was approval of the minutes from the November 14, 2024, TLDA meeting. Secretary Hargett asked for a motion to approve the minutes. Treasurer Lillard moved approval, and Secretary Hargett seconded the motion. Secretary Hargett asked if there was any discussion or comments. Hearing none, he asked Ms. Thompson to conduct a roll call vote:

Secretary Hargett—Aye
Commissioner Bryson—Aye
Comptroller Mumpower—Aye
Treasurer Lillard—Aye
Mayor Brown—Aye
Mayor Bradshaw—Aye

The minutes were unanimously approved.

Secretary Hargett stated that the next item of business was a request from the Cleveland Utilities Authority (Cleveland) to issue water and wastewater bonds in an amount not to exceed \$5,500,000 on parity with its outstanding State Revolving Fund (SRF) loans and its series 2023 wastewater system revenue bonds. He recognized Ms. Thompson to present the request. Ms. Thompson presented the request and stated that the loan agreement and

TLDA SRF Policy and Guidance for Borrowers required Cleveland to obtain TLDA approval to issue debt and modify lien position. Secretary Hargett asked for a motion to approve the request. Comptroller Mumpower made a motion to approve the request, and Treasurer Lillard seconded the motion. Secretary Hargett asked Ms. Thompson to conduct a roll call vote:

Secretary Hargett—Aye
 Commissioner Bryson—Aye
 Comptroller Mumpower—Aye
 Treasurer Lillard—Aye
 Mayor Brown—Aye
 Mayor Bradshaw—Aye

The request was unanimously approved.

Secretary Hargett stated that the next item was a request from the City of Memphis (the “City”) to issue revenue bonds in an amount not to exceed \$70,000,000 senior to its SRF loans. He asked Ms. Thompson to present the request. She stated that the City had submitted a request to issue the Series 2025 revenue bonds with a senior lien position to its SRF loans and approval was required pursuant to TLDA and SRF Policy and Guidance for Borrowers. She stated that the TLDA’s approval would allow the City to maintain parity between its existing senior lien bonds and the proposed 2025 bonds in accordance with the City’s master bond resolution which allowed for three tiers of lien priority: senior lien bonds having priority, followed by junior lien bonds with second priority, and other subordinate indebtedness that included all revenue-backed debt not issued under the master bond resolution and included the SRF loans. She stated that the City’s request letter noted that when the City’s SRF loans were subordinated to the revenue bonds issued under its master bond resolution, the City was able to achieve more favorable interest rates in the bond market, resulting in savings to the citizens and taxpayers of the City. She stated that staff recommended approval of the request based on their analysis. Secretary Hargett asked for a motion to approve the request. Treasurer Lillard made a motion to approve the request, and Comptroller Mumpower seconded the motion. Secretary Hargett asked Ms. Thompson to conduct a roll call vote:

Secretary Hargett—Aye
 Commissioner Bryson—Aye
 Comptroller Mumpower—Aye
 Treasurer Lillard—Aye
 Mayor Brown—Aye
 Mayor Bradshaw—Aye

The request was unanimously approved.

Secretary Hargett stated that that next item on the agenda was a request from the Paris Utilities Authority (Paris) to issue bond anticipation notes (BANs) in an amount not to exceed \$7,946,000 with a subordinated lien position to its SRF loans and a request to issue USDA water and sewer revenue bonds in an amount not to exceed \$7,946,000 on parity with its outstanding SRF loans and its other outstanding indebtedness. Secretary Hargett recognized Ms. Thompson to present the request. Ms. Thompson explained that the two requests were connected and that the BANS would be issued during the construction period, and then long-term debt would be issued to pay off the BANs. She stated that the BANs would be issued subordinate to the SRF loans, and the bonds would be issued on parity upon TLDA approval. Secretary Hargett asked for a motion to approve the request. Treasurer Lillard made a motion to approve the request, and Comptroller Mumpower seconded the motion. Secretary Hargett asked Ms. Thompson to conduct a roll call vote:

Secretary Hargett—Aye
 Commissioner Bryson—Aye
 Comptroller Mumpower—Aye
 Treasurer Lillard—Aye
 Mayor Brown—Aye

Mayor Bradshaw—Aye

The request was unanimously approved.

Secretary Hargett stated that the next item on the agenda was consideration and approval of staff recommendation of financial advisor to the TLDA. He recognized Ms. Thompson to present the request. Ms. Thompson stated that the financial advisory contract with PFM would expire December 31, 2024. She stated that the Comptroller's office conducted a request for proposal (RFP) for the selection of a financial advisor for a new contract term. She stated that a memo was included in the meeting materials that summarized the RFP process. She stated that responses were received on November 1 and reviewed by staff. She noted the attributes of PFM, the current financial advisor, with regards to those responses. She stated that PFM had been a valuable business partner for the State, had contributed to the success of the State's endeavors and provided excellent service in structuring the State's financings. She further stated that PFM was readily accessible to respond to and provide assistance with various needs and requests, that they possessed a wealth of expertise, knowledge, and resources, and that they were committed to the Tennessee market and participants. She stated that based on these attributes, staff recommended the selection of PFM Financial Advisors to serve as the State's financial advisor for a contract term of three years with the ability to extend the term for two one-year periods.

Secretary Hargett asked for a motion to approve the request. Treasurer Lillard made a motion to approve the request, and Comptroller Mumpower seconded the motion. Secretary Hargett asked Ms. Thompson to conduct a roll call vote:

Secretary Hargett—Aye
 Commissioner Bryson—Aye
 Comptroller Mumpower—Aye
 Treasurer Lillard—Aye
 Mayor Brown—Aye
 Mayor Bradshaw—Aye

The request was unanimously approved.

Secretary Hargett stated that the next item on the agenda was the consideration and approval of Clean Water State Revolving Fund (CWSRF) loans. Secretary Hargett recognized Ms. Vena Jones, Program Manager, Tennessee Department of Environment and Conservation (TDEC), to present the loan requests. Ms. Jones first presented the Report on Funds Available for Loan Obligation for the CWSRF Loan Program. She stated the unobligated fund balance was \$250,003,358, as of November 14, 2024. Upon approval of the loan requests to be presented totaling \$884,000, the remaining funds available for loan obligations would be \$249,119,358. Secretary Hargett asked if there were any questions on the report, and there were none. Secretary Hargett stated that unless there were any objections, the TLDA would consider both loan requests prior to asking for a motion to approve. There were no objections. Ms. Jones then presented the CWSRF loan requests.

- **Etowah (CW21 2025-496)** Requesting \$279,000 (\$139,500 (50%) loan and \$139,500 (50%) principal forgiveness) for pump station replacement and improvements; planning and design for replacing and upgrading the existing North Industrial Pump Station to 2 million gallons per day (MGD); installation of a 1,900 gallons per minute pump at the CCI pump station; and the installation of approximately 24,400 linear feet of 12-inch and 18-inch diameter force main; recommended interest rate of 1.46% based on the Ability to Pay Index (ATPI); Priority ranking 21 of 67 (FY2023); Term: 5 years
- **Etowah (CW21 2025-497)** Requesting \$605,000 (\$363,000 (60%) loan and \$242,000 (40%) principal forgiveness) for Wastewater Treatment Plant (WWTP) expansion/advanced treatment: Planning and design for the expansion of the existing WWTP from 1.2 MGD to 6 MGD; recommended interest rate of 1.46% based on the ATPI; Priority ranking 4 of 67 (FY2023); Term: 5 years

Secretary Hargett asked whether there were any discussion or comments. Hearing none, Secretary Hargett called for a motion to approve the loans. Comptroller Mumpower made a motion to approve the loans, and Commissioner Bryson seconded the motion. Secretary Hargett asked if there was any further discussion. Hearing none, Secretary Hargett asked Ms. Thompson to conduct a roll call vote:

Secretary Hargett—Aye
 Commissioner Bryson—Aye
 Comptroller Mumpower—Aye
 Treasurer Lillard—Aye
 Mayor Brown—Aye
 Mayor Bradshaw—Aye

The loans were unanimously approved.

Secretary Hargett stated that the next item on the agenda was the consideration and approval of a Drinking Water State Revolving Fund (DWSRF) loan. Secretary Hargett recognized Ms. Jones to present the loan request. Ms. Jones first presented the Report on Funds Available for Loan Obligation for the DWSRF Loan Program. She stated the unobligated fund balance was \$80,716,218, as of November 14, 2024. Upon approval of the loan request to be presented totaling \$670,000, the remaining funds available for loan obligations would be \$80,046,218. Secretary Hargett asked if there were any questions on the report, and there were none. Ms. Jones then presented the DWSRF loan request.

- **Chuckey Utility District (DW7 2025-271)** Requesting \$670,000 (\$335,000 (50%) loan and \$335,000 (50%) principal forgiveness) for new water storage tank (WST): Construction of a 280,000-gallon WST on State Route 351; recommended interest rate of 1.87% based on the ATPI; Priority ranking 6 of 143 (FY2022); Term: 20 years

Secretary Hargett asked whether there were any discussion or comments. Hearing none, Secretary Hargett called for a motion to approve the loan. Treasurer Lillard made a motion to approve the loan, and Comptroller Mumpower seconded the motion. Secretary Hargett asked if there was any further discussion. Hearing none, Secretary Hargett asked Ms. Thompson to conduct a roll call vote:

Secretary Hargett—Aye
 Commissioner Bryson—Aye
 Comptroller Mumpower—Aye
 Treasurer Lillard—Aye
 Mayor Brown—Aye
 Mayor Bradshaw—Aye

The loan was unanimously approved.

Secretary Hargett stated that the final item of business was the consideration of the SRF loan forbearance agreement. He recognized Ms. Jones to present the item. Ms. Jones stated that a copy of the loan forbearance agreement was provided to the TLDA for their awareness. She said that loan forbearance would be offered to entities that had been impacted by Hurricane Helene and had an SRF loan outstanding. She stated that TDEC was currently developing a workshop for impacted SRF and American Rescue Plan grantees. She stated that the forbearance agreement only applied to SRF grantees, and the agreement was anticipated to begin in January 2025 and end December 2025. She stated that those entities could accept or decline forbearance. Ms. Jones informed the TLDA that the entities affected by the hurricane were currently undergoing recovery scoping meetings and would have 60 days to finalize plans to utilize available FEMA money. She stated that TDEC would work with those entities during that time period to help them understand the best strategy to utilize available sources of funding. She stated that Erwin Utilities Authority, for example, had decided that using ARP funds would be timelier and more advantageous for their situation than using FEMA funds and that FEMA funds would only be considered as a last resort for assistance.

She further stated that among entities with ARP funds, most of the smaller projects had been completed, but larger projects would require discussion to determine if FEMA funding would be more advantageous than continuing with ARP funds as originally planned. Secretary Hargett acknowledged the update and asked if any action was required from the TLDA. Ms. Thompson stated that no action was required.

Hearing no further business, Secretary Hargett asked for a motion to adjourn the meeting. Treasurer Lillard motioned to adjourn the meeting, and Commissioner Bryson seconded the motion. Secretary Hargett asked Ms. Thompson to conduct a roll call vote:

Secretary Hargett—Aye
Commissioner Bryson—Aye
Comptroller Mumpower—Aye
Treasurer Lillard—Aye
Mayor Brown—Aye
Mayor Bradshaw—Aye

The meeting was adjourned.

Approved on this 13th day of February, 2025.

Respectfully submitted,


Sandra Thompson
Assistant Secretary

