

**TENNESSEE LOCAL DEVELOPMENT AUTHORITY**  
**March 25, 2024**

The Tennessee Local Development Authority (the "TLDA") met on Monday, March 25, 2024, at 3:02 p.m. in the Volunteer Conference Center, 2<sup>nd</sup> 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 Jim Bryson, Department of Finance and Administration  
 Mayor Rollen "Buddy" Bradshaw, Senate Appointee  
 Mayor Paige Brown, House Appointee

The following member was absent:

The Honorable Bill Lee, Governor

Recognizing a physical quorum present, Secretary Hargett called the meeting to order. Secretary Hargett, in accordance with Public Chapter 300 and Board guidelines, asked Ms. Sandra Thompson, TLDA Assistant Secretary and the Director of the Division 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.

Secretary Hargett stated that the next item of business was approval of the minutes from the December 14, 2023, TLDA meeting. He inquired if there were any questions or comments. Hearing none, Comptroller Mumpower moved approval, and Commissioner Bryson seconded the motion. Secretary Hargett asked all in favor to say aye and all opposed to say no.

The minutes were 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 and said that, unless there were any objections the TLDA would hear both loan requests prior to asking for a motion to approve. Hearing none, he recognized Ms. Vena Jones, Program Manager, Tennessee Department of Environment and Conservation (TDEC) Division of Water Resources, to present the request. Ms. Jones first presented the Report on Funds Available for Loan Obligation for the CWSRF Loan Program. She stated the unobligated fund balance was \$168,032,014 as of October 9, 2023. Upon approval of the loan requests to be presented totaling \$44,636,000, the remaining funds available for loan obligations would be \$124,611,175. She then presented the CWSRF loan requests.

- **Memphis (CGB22 2024-471)** Requesting \$42,136,000 (\$39,636,000 (94.07%) loan; \$2,500,000 (5.93%) principal forgiveness) for an infiltration and inflow (I/I) correction, which includes the City-Wide Sewer Assessment and Rehabilitation Program /Group 3 cured in place pipe (CIPP), Group 3 relay, Group 3 point repair, Group 4 relay, Group 5 CIPP, and Group 6 CIPP to include pre-cleaning and rehabilitation of approximately 184,000 linear feet (LF) of 6-inch through 36-inch diameter sewer lines by methods of CIPP, replacing, and point repairs; reinstating laterals, and manhole rehabilitation; recommended interest rate of 1.36% based on the Ability to Pay Index (ATPI); Priority ranking 92 of 104 (FY2022); Term: 20 years
- **Dyersburg (CW8 2024-487)** Requesting \$2,500,000 (\$1,250,000 (50%) loan; \$1,250,000 (50%) principal forgiveness) for an I/I correction-rehabilitation of approximately 40,000 LF of 6-inch diameter sewer lines by methods of CIPP and/or bursting; and the lining of approximately 3,000 vertical feet of manholes and pump station improvements (replacements of two pumps and the installation of a generator at the Public

Works Pump Station); recommended interest rate of 1.72% based on the ATPI; Priority ranking 35 and 36 of 53 (FY2021); Term: 20 years; Late audit.

Ms. Jones pointed out that the City of Dyersburg's project was a pilot for evaluating the critical condition of sewer lines that parallel and cross streams in West Tennessee. She further stated that TDEC was pleased that the city found the exercise helpful and was able to identify additional lines for I/I correction. Secretary Hargett inquired if there were any questions or comments. Hearing none, Comptroller Mumpower motioned to approve the loans, and Treasurer Lillard seconded the motion. Secretary Hargett asked all in favor to say aye and all opposed to say no.

The loans were unanimously approved.

Secretary Hargett stated that the next item on the agenda was the consideration for approval of a request to transfer (through the issuance of a new SRF loan with the same terms) the Reelfoot Utility District's (the "District") SRF loan to the City of Tiptonville (the "City"). He recognized Ms. Jones to present the item. Ms. Jones stated TDEC was made aware of the District's court-ordered consolidation with the City. She further stated that the court order took place in April 2023. Ms. Jones stated that TDEC had received all necessary documentation related to the merger, including an attorney letter, Secretary Hargett's acknowledgment of the merger, the District's Resolution authorizing consent to the consolidation, the City's Resolution agreeing to it, the court order, the consolidation agreement, the evaluation of the City's state-shared taxes, and SRF's waiver of opinion letter indicating that the City could afford the additional debt. She stated that all documentation was included in the meeting packet. Ms. Jones also pointed out that the District was in repayment at the time of the merger and said that the original loan amount was \$1,190,850, that had a current remaining balance of \$233,560. Secretary Hargett inquired if there were any questions for Ms. Jones. Hearing none, Treasurer Lillard motioned to approve transferring the District's SRF loan to the City. Comptroller Mumpower seconded the motion. Secretary Hargett asked all in favor to say aye and all opposed to say no.

The request was unanimously approved.

Secretary 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 clarified that this was a non-voting agenda item and recognized Ms. Jones to present the report. Ms. Jones stated that the report provided details of the entities that were delayed in requesting reimbursement for project expenses. She further stated that most of the entities had complied with their project schedules and provided justification for the delay of their disbursement requests. Ms. Jones highlighted that some entities were not compliant, namely the Town of Smyrna, the City of South Pittsburgh, and the Tullahoma Utilities Authority. She assured the TLDA that most entities had been advised to request a project extension. Ms. Jones stated that the entities cited challenges due to high workload, the American Rescue Plan (ARP), COVID, or employee changes as reasons for delay. Ms. Jones confirmed that TDEC did not have concerns about any of them but was considering implementing policies to encourage the timely submission of disbursement requests. Secretary Hargett asked if there were any questions or comments. Commissioner Bryson responded affirmatively and expressed concern about the delay due to ARP. He asked Ms. Jones to elaborate on the issue. Ms. Jones explained that ARP had stricter timelines; thus, the entities had prioritized ensuring proper procurement, and that projects already underway were taking precedence. She noted that the entities saw no wrongdoing because they complied with their schedule. Commissioner Bryson asked if the entities had prioritized the ARP timeline over the SRF. Ms. Jones responded affirmatively. He inquired if there was a lesson to be learned from this. Ms. Jones affirmed that there was a lesson to be learned from ARP and suggested that clear deadlines and expectations should be established regarding how the money was used and how quickly it should be used. She stressed that the United States Environmental Protection Agency, TLDA, and TDEC did not view it favorably when there were no reimbursement requests. Commissioner Bryson thanked Ms. Jones. Secretary Hargett asked if there were any other questions. Hearing none, he thanked Ms. Jones for the report. This report provided information only and no action was required from the TLDA.

Secretary Hargett stated that the next item on the agenda was a report on the notification from the City of Trenton ("Trenton") submitted to comply with TLDA SRF Policy and Guidance for Borrowers. Ms. Thompson presented the item and stated that Trenton had notified the TLDA of its intent to enter into a loan agreement with the Public

Building Authority of the City of Clarksville for \$1,000,000. Ms. Thompson explained that pursuant to the TLDA SRF Policy and Guidance for Borrowers, Trenton was required to notify the TLDA of its intent to incur debt. She also noted that Trenton would issue the debt subordinate to its current SRF loans. She clarified that this was just a notification and that no action was necessary from the board. Secretary Hargett inquired if there were any questions for Ms. Thompson. Hearing none, he thanked Ms. Thompson for the report.

Secretary Hargett thanked Mayor Bradshaw and Mayor Brown for attending the meeting in person.

Hearing no other business, Secretary Hargett called for a motion to adjourn. Comptroller Mumpower motioned to adjourn the meeting. Treasurer Lillard seconded the motion. Secretary Hargett asked all in favor to say aye, and all opposed to say no.

The meeting was adjourned.

Approved on this 14<sup>th</sup> day of May, 2024.

Respectfully submitted,

  
Sandra Thompson  
Assistant Secretary

