



TENNESSEE LOCAL DEVELOPMENT AUTHORITY
DECEMBER 13, 2019
AGENDA

1. Call Meeting to Order
2. Approval of minutes from the TLDA meetings of October 24, 2019, and November 26, 2019
3. Consider for approval the following CWSRF loans:

	SRF Base Loan	Principal Forgiveness	Total Request	Interest Rate
Memphis, SRF 2019-434	\$48,000,000	\$ -	\$48,000,000	0.47%
Lebanon, CW7 2019-435	\$ 4,300,000	\$ -	\$ 4,300,000	1.32%
Johnson City, SRF 2020-441	\$15,000,000	\$ -	\$15,000,000	1.25%

4. Consider for approval the following DWSRF loan:

	SRF Base Loan	Principal Forgiveness	Total Request	Interest Rate
Lebanon, DW7 2019-217	\$ 1,400,000	\$ -	\$ 1,400,000	1.31%

5. Report from TDEC on anticipated SRF projects needing funding
6. Adjourn

TENNESSEE LOCAL DEVELOPMENT AUTHORITY
October 24, 2019

The Tennessee Local Development Authority (the Authority or TLDA) met on Thursday, October 24, 2019, at 9:00 a.m. in 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:

William Wood, Proxy for the Honorable Justin P. Wilson, Comptroller of the Treasury
Ashley Fuqua, Proxy for the Honorable David H. Lillard, Jr., State Treasurer
Angela Scott, Proxy for Commissioner Stuart C. McWhorter, Department of Finance and Administration
Dr. Kenneth L. Moore, House Appointee

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

Mr. Pat Wolfe, Senate Appointee

The following member was absent:

The Honorable Bill Lee, Governor

Recognizing a physical quorum present, Mr. Hargett called the meeting to order, and asked Ms. Sandi Thompson, TLDA Assistant Secretary and the Director of the Office of State and Local Finance (OSLF) to perform a roll-call:

Ms. Fuqua—Present
Mr. Wood—Present
Ms. Scott—Present
Mr. Hargett—Present
Dr. Moore—Present
Mr. Wolfe—Present

Mr. Hargett asked for a motion to approve the minutes of the September 19, 2019 TLDA meeting. Dr. Moore made a motion to approve the minutes, and Mr. Wood seconded the motion. Mr. Hargett called upon Ms. Thompson to conduct a roll-call vote:

Ms. Fuqua—Aye
Mr. Wood— Aye
Ms. Scott— Aye
Mr. Hargett—Aye
Dr. Moore— Aye
Mr. Wolfe— Aye

The minutes were unanimously approved.

Mr. Hargett stated that the next item of business was a request from the City of Crossville to issue refunding bonds in an amount not to exceed \$28,100,000 on parity with its SRF loans. He called on Ms. Thompson to present the request. Ms. Thompson stated that as required by the provisions set forth in the SRF loan agreements and guidelines set forth in the *TLDA/SRF Policy and Guidance for Borrowers*, the City was requesting approval to issue bonds on parity with its SRF loans. The proposed debt would be in an amount not to exceed \$28,100,000 and would be issued in three series of bonds. She explained that two out of the three series would be issued as balloon debt due to the structure of the bonds being refunded. Furthermore, she stated that the TLDA's approval of those issuances would be subject to receiving the Comptroller's approval to issue with a balloon debt structure. She stated that ratings were not yet determined on the proposed debt and noted that the City was not under the jurisdiction of the Utility Management Review Board (UMRB) or the Water and Wastewater Finance Authority (WWFA). Ms. Thompson then reported that the OSLF had conducted a

review and determined that the City appears to meet TLDA's guidelines for approval to issue refunding bonds with parity lien position. She continued, saying that its debt service coverage ratio met requirements, it had a history of timely repayment on its current SRF loans, and the City should have sufficient cash and revenues to meet its obligations. Ms. Thompson stated that staff recommends approval of the bonds contingent upon receiving the Comptroller's approval to issue the Series A and Series C bonds as balloon indebtedness. Mr. Hargett acknowledged the City's Municipal Advisor in attendance, Mr. Larry Kidwell, and asked if he would like to address the TLDA. Mr. Kidwell responded saying he had no additional comments.

Mr. Hargett asked if the TLDA had any comments or questions. Hearing none, Dr. Moore made a motion to approve, and Mr. Wood seconded the motion. Mr. Hargett called upon Ms. Thompson to conduct a roll-call vote:

Ms. Fuqua—Aye
Mr. Wood— Aye
Ms. Scott— Aye
Mr. Hargett—Aye
Dr. Moore— Aye
Mr. Wolfe— Aye

The motion was unanimously approved.

Mr. Hargett stated that the next item on the agenda was a request from the Hallsdale-Powell Utility District (the District) to issue Revenue Refunding and Improvement Bonds in an amount not to exceed \$42,000,000 senior to its SRF loans. He recognized Ms. Thompson to present the request. Ms. Thompson stated that in order to meet the required provisions set forth in the *TLDA/SRF Policy and Guidance for Borrowers*, the District was requesting approval to issue up to \$42,000,000 in Water and Sewer Revenue Refunding and Improvement Bonds with a senior lien position to its current outstanding SRF loan agreements. Proceeds of the bonds would be used to fund improvements to the District and to refund its outstanding 2013 Rural Development loans, as well as two SRF loans. She reported that the refunding portion of the bonds would produce an estimated present value savings of close to \$1,000,000, and that the District anticipates a AA rating from Standard and Poor's (S&P). In regard to the District's compliance with its outstanding SRF loan covenants, she stated that repayments have been timely, the required security deposit was fully funded, and that its financial statements were also submitted timely. She stated that based on the analysis conducted by the OSLF, the District's current and projected debt service coverage ratio meets or exceeds the 1.20 times requirement through fiscal year 2022, and that it should have sufficient cash and revenues to meet its obligations. Ms. Thompson stated that the District appeared to meet the TLDA's guidelines and that staff recommends approval of the issuance. Mr. Hargett questioned if debt service coverage ratios were projected through fiscal year 2023 as it stated in the meeting materials. Ms. Thompson replied that it was a typographical error. Mr. Hargett then acknowledged Alex Buchanan, Bond Counsel for the District, and inquired if he would like to address the TLDA. Mr. Buchanan responded saying he had no additional comments.

Mr. Hargett asked if there were any further questions or discussion. Hearing none, he made a motion to approve, and Mr. Wood seconded the motion. Mr. Hargett called upon Ms. Thompson to conduct a roll-call vote:

Ms. Fuqua—Aye
Mr. Wood— Aye
Ms. Scott— Aye
Mr. Hargett—Aye
Dr. Moore— Aye
Mr. Wolfe— Aye

The motion was unanimously approved.

Mr. Hargett stated that the next item of business was a request from Loudon and Monroe Counties to issue Water and Sewer Revenue Bonds for the Tellico Area Services System (the System) in an amount not to exceed \$6,500,000 on parity with its SRF loans. Mr. Hargett called upon Ms. Thompson to present the request. Ms. Thompson stated that in consideration of the TLDA/SRF policy and guidance, the System was requesting approval from the TLDA to issue Water

and Sewer Revenue Bonds jointly with Loudon County and Monroe County in an amount not to exceed \$6,500,000 on parity with its outstanding SRF loans. She stated that the debt would be jointly issued by the counties and payable solely from the System's revenues. Ms. Thompson stated that in regard to the System's compliance with its covenants for the SRF loan program, the System had a history of timely repayments on its current SRF loans, its debt service coverage ratio exceeds the 1.20 times requirement, and it appears to have sufficient cash and revenues to meet its obligations. She further stated that the System anticipates a credit rating from S&P on the proposed debt to be between an A+ and AA-, She noted that the System filed its audited financial statements nine days late. Ms. Thompson stated that based on the analysis conducted by the OSLF, the System appears to meet TLDA guidelines for approval to issue revenue bonds on parity with its outstanding SRF loan agreements. Therefore, staff recommends approval. Mr. Hargett recognized Mr. Jeff Oldham, Bond Counsel for the System, who responded saying he had no additional comments.

Mr. Hargett moved approval of staff's recommendation, and Mr. Wood seconded the motion. Mr. Hargett called upon Ms. Thompson to conduct a roll-call vote:

Ms. Fuqua—Aye
Mr. Wood— Aye
Ms. Scott— Aye
Mr. Hargett—Aye
Dr. Moore— Aye
Mr. Wolfe— Aye

The motion was unanimously approved.

Mr. Hargett stated that the next item of business was a request from the Water Authority of Dickson County (WADC) to issue Revenue Refunding Bonds in an amount not to exceed \$18,500,000 on parity with its SRF loans. Mr. Hargett again recognized Ms. Thompson to present the request. Ms. Thompson stated that in order to comply with *TLDA/SRF Policy and Guidance for Borrowers*, the WADC was requesting approval from the TLDA to issue Water and Wastewater Revenue Refunding Bonds in an amount not to exceed \$18,500,000 on parity with its outstanding SRF loan agreements. She said that bond proceeds would be used to refund its current outstanding Series 2013 Refunding and Improvement Bonds and to pay additional costs of the bonds to be issued. She stated that the credit rating for this issuance had not yet been determined. Ms. Thompson said that the OSLF conducted an analysis of the WADC and determined that repayment on current SRF loans were timely, it had a debt service coverage ratio that meets or exceeds the required 1.20 times, and it had sufficient cash and revenues to meet obligations. Its audited financial statements were submitted timely as well. She noted that a security deposit was on file in the amount of \$790,000. Ms. Thompson stated that the WADC appears to meet TLDA's guidelines for approval to issue the additional bonds. Therefore, staff recommends approval. Mr. Hargett recognized Mr. Kidwell and inquired if he had anything to add. Mr. Kidwell replied that he had nothing further to add to Ms. Thompson's thorough analysis. Mr. Hargett acknowledged the fast pace of the meeting and credited it to the hard work and thorough examination of agenda items by the OSLF staff as well as others involved in representation of the items. Ms. Thompson added to that by saying that the OSLF staff had a checklist of items/information needed for each analysis, and that the process took about a week. The goal was to gather and determine that all information was accurate and provided in a timely manner. Mr. Hargett thanked Ms. Thompson and said that he appreciated the way it was presented.

Mr. Hargett asked if there was any further discussion. Hearing none, he moved approval, and Dr. Moore seconded the motion. Mr. Hargett called upon Ms. Thompson to conduct a roll-call vote:

Ms. Fuqua—Aye
Mr. Wood— Aye
Ms. Scott— Aye
Mr. Hargett—Aye
Dr. Moore— Aye
Mr. Wolfe— Aye

The motion was unanimously approved.

Mr. Hargett stated that the next item on the agenda was consideration of approval for Clean Water State Revolving Fund (CWSRF) loans and stated that the TLDA would take-up the three loans at once unless there was objection. Hearing none, he asked Dr. Leslie Gillespie-Marthaler to present the loan requests. Dr. Gillespie-Marthaler first presented the unobligated fund balance. She stated the balance was \$103,002,744 as of September 19, 2019. Increases to that balance include an EPA Capitalization Grant, State Match funds, and three loan reductions totaling \$25,157,695. Upon approval of the loan requests to be presented totaling \$33,000,000, the funds available for loan obligations would be \$95,160,439. She then described the CWSRF loan requests.

- **Oliver Springs (CW7 2019-437)** Requesting \$500,000 (\$500,000 (100%) principal forgiveness) for a planning and design for a water loss remediation project. This was a pilot project to address significant water loss; letter submitted for late audit filing; recommended interest rate of 0.00% based on the Ability to Pay Index (ATPI); Priority ranking 66 of 73 (FY 2019).
- **Dyersburg (CG7 2020-439)** Requesting \$2,500,000 (\$2,000,000 (80%) loan; \$500,000 (20%) principal forgiveness) Planning and Design loan for infiltration and inflow correction within the sewer collection system; This was a pilot project to address flood resilience; letter submitted for late audit filing; recommended interest rate of 0.38% based on the ATPI; priority ranking 71 of 72 (FY 2018).
- **Chattanooga (SRF 2018-406-01)** Requesting \$30,000,000 for an infiltration and inflow correction – wet weather storage, Phase 1 (Construction of three 10 million-gallon (MG) equalization basins, one 30 MG pump station and associated appurtenances; recommended interest rate of 1.17% based on the ATPI; priority ranking 63 of 73 (FY2019).

Mr. Hargett made a motion to approve the loans, and Dr. Moore seconded the motion. Mr. Hargett called upon Ms. Thompson to conduct a roll-call vote:

Ms. Fuqua—Aye
Mr. Wood— Aye
Ms. Scott— Aye
Mr. Hargett—Aye
Dr. Moore— Aye
Mr. Wolfe— Aye

The motion was unanimously approved.

Mr. Hargett stated that the next item was a report on DWSRF unobligated balance. He recognized Dr. Leslie Gillespie-Marthaler to present the report. Dr. Gillespie-Marthaler stated the DWSRF unobligated balance was \$42,071,612 as of September 19, 2019. Since that time, the balance had increased by a total of \$19,538,755 due to an EPA Capitalization Grant, State Match funds, and a loan decrease for the Town of Troy. She concluded by saying this amount increased TDEC's unobligated balance to \$61,610,367. Mr. Hargett asked if anyone had questions about the report. Hearing none, he moved on to the next agenda item.

Mr. Hargett stated that the next item on the agenda was a report on SRF borrowers that have not submitted requests for project expense reimbursement. He recognized Dr. Gillespie-Marthaler to present the report. She began by saying all 13 borrowers listed on the SRF report had been contacted to inquire about inactivity on previously approved SRF loans. She stated that those currently in compliance with construction and completion dates included Chattanooga, Cleveland, Franklin, Goodlettsville, Hamilton County, Lewisburg, Lincoln County, Memphis, and Smyrna. She then said that the Hallsdale-Powell Utility District informed TDEC that it would be terminating its contract for cause and processing loan decreases, and that Jasper had also reported it was considering termination of its contract due to a non-responsive contractor. She stated that there were a few borrowers with reimbursement requests in the works, and the remaining borrowers on the list were in the process of collecting invoices and preparing to request reimbursement through SRF. Mr. Hargett thanked Dr. Gillespie-Marthaler and then asked if the TLDA had any questions about the report. Hearing none, he moved on to the next agenda item.

Mr. Hargett once again recognized Dr. Gillespie-Marthaler to present a report of the Ability to Pay Index (ATPI). Dr. Gillespie-Marthaler stated that the ATPI was developed by the University of Tennessee, and that it was required by law

under the Water Resources Reform and Development Act for administration of the SRF program. She first presented TDEC's new policy on the interest rate determination for cities and municipalities. Referring to the table listed in the policy, she said that TDEC would apply that information along with the weekly market rate to determine the recommended rates for SRF loans. She stated that considerations of other rate adjustments would be made at the time of the loan applicant's financial sufficiency review and then clearly stated in all loan documents submitted to the TLDA for approval. She stated that the market rate was published in the Bond Buyer's Index and provided to TDEC by the OSLF. She noted that the ATPI would be updated annually to better reflect the affordability of our cities and municipalities. Dr. Gillespie-Marthaler then presented the next policy which showed the process for setting interest rates for CW and DW SRF loan applicants on a county level. She explained that the exact procedures and processes taken in the first policy (cities and municipalities) would be used to determine interest rates for counties as well. Mr. Hargett thanked TDEC for the report. No action required.

Mr. Hargett stated that the final item on the agenda was a discussion regarding the Request for Proposal (RFP) for Financial Advisor. He recognized Ms. Thompson to present the RFP and acknowledged the final copy she had distributed which was not included in the meeting materials. Ms. Thompson stated that a draft of the RFP was included in the meeting packet, and that the OSLF had subsequently sent out the final copy on October 21, 2019, with the proposal due by November 12, 2019. She reported that the RFP was sent to 14 candidates and reminded the TLDA that this was a 3-year contract with the ability to extend by one year for a maximum of two years (5-year contract). Mr. Hargett commented that this was a 3-1-1. Ms. Thompson responded affirmatively. She stated that staff plans to discuss the proposals received with each of the boards the financial advisor would serve. She explained that after receiving only one response from the RFP sent five years ago, the OSLF had decided to reach out to more candidates this time with the hopes of receiving more than one response for the current RFP. Mr. Hargett then asked Ms. Thompson if she would not mind explaining why only one response was received last time. She responded affirmatively and said the two likely factors impacting the response included the State's requirement that the financial advisor be contracted for financial advisory services only; it could not also provide underwriting services, and that the firm have state-issuer experience. Mr. Hargett commented that it was not for lack of trying to find groups interested. Ms. Thompson responded affirmatively. He then stated that this was a discussion item only, to which Ms. Thompson responded affirmatively. Mr. Hargett asked if there were questions or comments. Hearing none, he thanked Ms. Thompson and staff for their hard work, saying the TLDA looked forward to a successful RFP process.

Hearing no other business, Mr. Hargett moved to adjourn. Dr. Moore seconded the motion. Mr. Hargett called upon Ms. Thompson to conduct a roll-call vote:

Ms. Fuqua—Aye
Mr. Wood—Aye
Ms. Scott—Aye
Mr. Hargett—Aye
Dr. Moore—Aye
Mr. Wolfe—Aye

The meeting was adjourned.

Approved on this ____ day of _____, 2019.

Respectfully submitted,

Sandra Thompson
Assistant Secretary

TENNESSEE LOCAL DEVELOPMENT AUTHORITY
November 26, 2019

The Tennessee Local Development Authority (the Authority or TLDA) met on Tuesday, November 26, 2019, at 8:30 a.m. in Senate Hearing 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 Justin P. Wilson, Comptroller of the Treasury
The Honorable David H. Lillard, Jr., State Treasurer
Commissioner Stuart C. McWhorter, 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:

Dr. Kenneth L. Moore, House Appointee
Mr. Pat Wolfe, Senate Appointee

The following member was absent:

The Honorable Bill Lee, Governor

Recognizing a physical quorum present, Mr. Hargett called the meeting to order, and asked Ms. Sandi Thompson, TLDA Assistant Secretary and the Director of the Office of State and Local Finance (OSLF) to perform a roll-call:

Dr. Moore—Present
Mr. Wolfe—Present
Mr. McWhorter—Present
Mr. Lillard—Present
Mr. Wilson—Present
Mr. Hargett—Present

Mr. Hargett stated that the agenda item was consideration and approval of staff recommendation of Financial Advisor for the Tennessee Local Development Authority. He asked Ms. Thompson to present the item. Ms. Thompson stated that the OSLF had distributed a request for proposal (RFP) seeking a financial advisor for three State boards, including the TLDA. She reported that the RFP was electronically sent to 14 independent financial advisory firms, which resulted in the submission of one proposal by the deadline on November 12, 2019. She stated that the proposal received was from our current financial advisor, Public Financial Management, Inc. (PFM). Ms. Thompson continued, saying that the Technical proposal was distributed to board members and staff last week. Furthermore, she stated that the Cost proposal was opened on November 19, 2019 to prepare an analysis of the costs which were reviewed and discussed in the staff meeting held on November 20, 2019. She stated that staff communicated and understood that due to one proposal being received, there would not be a need for in-person interviews. She then reported that based on the foregoing discussion, staff concluded that PFM was the largest financial advisory firm in the country, had the greatest resources, and was the most qualified to serve the Issuers. Therefore, staff recommends approval for PFM to serve as financial advisor for the period of January 1, 2020 through December 31, 2022. Mr. Hargett asked if the TLDA had any questions about the RFP. Mr. Wilson responded by asking if staff was satisfied with PFM's performance, and Ms. Thompson responded affirmatively.

Mr. Hargett asked if there were any further comments or questions. Hearing none, Mr. Lillard made a motion to approve, and Mr. McWhorter seconded the motion. Mr. Hargett called upon Ms. Thompson to conduct a roll-call vote:

Dr. Moore—Aye
Mr. Wolfe—Aye
Mr. McWhorter—Aye

Mr. Lillard—Aye
Mr. Wilson— Aye
Mr. Hargett— Aye

The motion was unanimously approved.

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

Dr. Moore—Aye
Mr. Wolfe— Aye
Mr. McWhorter— Aye
Mr. Lillard—Aye
Mr. Wilson— Aye
Mr. Hargett— Aye

The meeting was adjourned.

Approved on this ____ day of _____, 2019.

Respectfully submitted,

Sandra Thompson
Assistant Secretary

DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF WATER RESOURCES

**Clean Water State Revolving Fund (CWSRF) Loan Program
Funds Available for Loan Obligation
December 13, 2019**

Unobligated Balance as of October 24, 2019 **\$ 95,160,439**

Increases:

	Loan Number	Amount	
FY 2019 Principal Repayments		\$ 35,012,734	
FY 2019 Loan Interest Payments		\$ 9,441,786	
FY 2019 Investment Income		\$ 9,188,011	
City of Camden (Loan Reduction)	SRF 2014-336	\$ 100,001	
City of Camden (Loan Reduction)	SRF 2018-412	\$ 11,454	
City of Franklin (Loan Reduction)	SRF 2016-374	\$ 1,234,273	
City of Greenbrier (Loan Reduction)	SRF 2016-371	\$ 11,449	
Water Authority of Dickson County (Loan Reduction)	SRF 2017-385	\$ 134,422	
Hallsdale-Powell Utility District (Loan Returned Unused)	CW6 2017-394	\$ 1,000,000	
Hallsdale-Powell Utility District (Loan Returned Unused)	SRF 2017-395	\$ 12,100,000	
		\$ 68,234,130	

Unobligated Balance as of December 13, 2019 **\$ 163,394,569**

Decreases:

	Loan Number	Amount	
City of Memphis	SRF 2019-434	\$ 48,000,000	
City of Lebanon	CW7 2019-435	\$ 4,300,000	
City of Johnson City	SRF 2020-441	\$ 15,000,000	
		\$ (67,300,000)	

Remaining Funds Available for Loan Obligations **\$ 96,094,569**

The state match requirement is \$4,616,400. The remaining match of \$2,640,100 will be sought through TDEC's budget expansion.

FACT SHEET
December 13, 2019

Borrower: City of Memphis
Project Number: SRF 2019-434
Requested SRF Funding: \$ 48,000,000
Term: 20 years
Rate: 0.47% = (1.43 x 50%) – (0.25%)

Project:

WWTP Improvements/Upgrade Secondary Treatment (T.E. Maxson WWTF Phase 2A Improvements consisting of the construction of two secondary clarifiers; conversion of the existing aeration basins from coarse to fine bubble aeration; plant-wide odor control improvements; hydraulic improvements at the Intermediate Pump Station; and miscellaneous electrical, civil, and SCADA improvements).

Total Project Cost:	\$ 306,122,449
Project Funding:	
SRF Loan Principal	\$ 48,000,000
Principal Forgiveness	\$ -0-
Local Funds (Bonds & Cash)	\$ 72,122,449
Other Funds (WIFIA) Pending	\$ (150,000,000)
Other Funds (SRF 2015-355)	\$ 25,000,000
Other Funds (SRF 2018-409)	\$ 11,000,000

County:	Shelby County
Consulting Engineer:	CDM Smith, Inc.
Priority Ranking List:	FY 2018
Priority Ranking:	72 of 72
Public Meeting:	February 21, 2019

Financial Information:

Operating Revenues:	\$ 110,304,000
Current Rate:	\$ 16.60
Effective Rates, if applicable:	N/A
Residential User Charge:	5,000 gal/month
Customer Base:	870,000
Audit Report Filed:	12/31/2018 (Timely)
Financial Sufficiency Review:	01/03/2019

The financial sufficiency review indicates that revenues and rates are sufficient to repay its SRF loan(s).

FACT SHEET
December 13, 2019

Additional Security

The borrower pledges its unobligated state-shared taxes (SSTs) in an amount equal to the maximum annual debt service (MADS) requirements under the loan agreement.

The SSTs received by the borrower from the state in the prior fiscal year: \$ 100,864,806

MADS:	Prior Obligations:	\$ 8,582,804
	Proposed loan(s):	<u>\$ 2,515,037</u>
		\$ 11,097,841

MADS as a percentage of SSTs: 11.00%

**REPRESENTATION OF
LOANS AND STATE-SHARED TAXES
FOR TAX REVENUE ENTITIES
MEMPHIS, SRF 2019-434**

As security for payments due under a SRF loan agreement, a local government pledges user fees and charges and ad valorem taxes as necessary to meet its obligations under a SRF loan agreement. As an additional security for such payments due, a local government pledges and assigns its unobligated state-shared taxes (SSTs) in an amount equal to maximum annual debt service (MADS) requirements.

1. State-Shared Taxes

The total amount of SSTs, as identified pursuant to Tenn. Code Ann. 4-31-105(c)(2), received by the local government in the prior fiscal year of the State is \$100,864,806.

2. Prior Obligations

(a.) Prior SRF loans which have been funded or approved for which the Local Government has pledged its SSTs are as follows:

Loan Type	Loan #	Base Loan*	Principal Forgiveness*	MADS**
SRF/Sewer	SRF 2006-195	\$3,988,541	\$0	\$255,732
SRF/Water	SRF 2013-309	\$11,601,993	\$0	\$633,000
SRF/Sewer	SRF 2013-311	\$100,000,000	\$0	\$5,385,931
SRF/Sewer	SRF 2015-355	\$25,000,000	\$0	\$1,346,483
SRF/Sewer	SRF 2018-409	\$11,000,000	\$0	\$595,938
SRF/Sewer	SRF 2019-421	\$6,500,000	\$0	\$365,720

* If applicable, the original approved amount is adjusted for decreases and approved increases

**MADS is an estimate until final expenses have been determined

The total MADS from section 2(a.) having a lien on SSTs is \$8,582,804.

(b.) Other prior obligations which have been funded or approved for which the local government has pledged its SSTs are as follows:

Type of Obligation	Identifying #	Loan Amount	Principal Forgiveness	MADS
QZAB/QSCB	N/A			
TLDA/Public Health	N/A			
TLDA/Transportation	N/A			

The total MADS from section 2(b.) having a lien on SSTs is \$0.

(c.) The total MADS from prior obligations having a lien on SSTs [subsections 2(a)+2(b)] is \$8,582,804.

3. Loan Requests

The loan(s) which have been applied for and for which state-shared taxes will be pledged:

Loan Type	Loan #	Anticipated Interest Rate	Base Loan	Principal Forgiveness	Anticipated MADS
SRF/Sewer	SRF 2019-434	0.47%	\$48,000,000	\$0	\$2,515,037

The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is \$2,515,037.

4. Unobligated SSTs

The amount set forth in section (1) less the total amounts set forth in sections 2 and 3 is \$89,766,965.

The Local government hereby represents the information presented above is accurate and understands that funding for the loan request(s) presented is contingent upon approval by the TLDA.

Duly signed by an authorized representative of the Local Government on this 25th day of October, 2019.

This is the Comptroller's certificate as required by TCA 4-31-108.

LOCAL GOVERNMENT

BY:



Jim Strickland, Mayor

APPROVED:



CITY ATTORNEY

**REQUIREMENT FOR REPORT ON DEBT OBLIGATION
(FORM CT-0253)**

Pursuant to Tenn. Code Ann. § 9-21-151, a Report on Debt Obligation (the "Report") must be prepared for all debt obligations issued or entered into by any public entity and filed with its governing body with a copy sent to the Office of State and Local Finance/Comptroller of the Treasury for the State of Tennessee. The purpose of the Report is to provide clear and concise information to members of the governing or legislative body that authorized and is responsible for the debt issued.

Public entities that fail to comply with the requirements of Tenn. Code Ann. § 9-21-151 are not permitted to enter into any further debt obligations until they have complied with the law. A State Revolving Fund (SRF) loan program applicant that is not in compliance with this law should file the Report as soon as possible and provide notification of filing to the SRF loan program so that they may proceed with the loan application. Instructions on how to file the Report are located in the "Debt" category for "Local Finance" on the website of the Tennessee Comptroller of the Treasury.

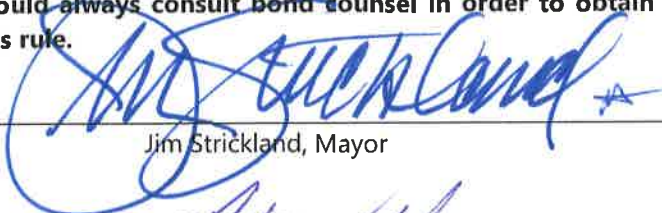
Municipal Securities Rulemaking Board (MSRB) – Required Disclosure

Local governments that issue municipal securities on or after February 27, 2019, should be aware that the Securities and Exchange Commission (SEC) adopted amendments to Rule 15c2-12 of the Securities Exchange Act that require reporting on material financial obligations that could impact an issuer's financial condition or security holder's rights. The amendments add two events to the list of events that must be included in any continuing disclosure agreement that is entered into after the compliance date:

- Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material; and
- Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties.

To learn how to report these new disclosures please refer to the MSRB's Electronic Municipal Market Access EMMA® website (emma.msrb.org).

The applicant, City of Memphis, attests that it is in compliance with Tenn. Code Ann. § 9-21-151 for its debt obligations and understands that the Report is required to be filed once the SRF loan has been approved by the Tennessee Local Development Authority and the agreement has been executed by the borrower. The applicant further acknowledges that it may be responsible to perform continuing disclosure undertakings related to SEC Rule 15c2-12. Local governments should always consult bond counsel in order to obtain advice on appropriate disclosures related this rule.



Jim Strickland, Mayor

10/25/19
Date

APPROVED:

CITY ATTORNEY



FACT SHEET
December 13, 2019

Borrower: City of Lebanon
Project Number: CW7 2019-435
Requested SRF Funding: \$ 4,300,000
Term: 20 years
Rate: 1.32% = (1.65 x 80%)

Project:

Sewer Interceptor Rehabilitation/Replacement (Replacing approximately 7,800 LF of the existing Blair Lane Interceptor, manholes, and associated appurtenances).

Total Project Cost:	\$ 4,300,000
Project Funding:	
SRF Loan Principal	\$ 4,300,000
Principal Forgiveness	\$ -0-
Local Funds	\$ -0-

County:	Wilson County
Consulting Engineer:	Water Management Services, LLC
Priority Ranking List:	FY 2019
Priority Ranking:	48 of 78
Public Meeting:	May 30, 2019

Financial Information:

Operating Revenues:	\$ 12,265,673
Current Rate:	\$ 37.95
Effective Rates, if applicable:	N/A
Residential User Charge:	5,000 gal/month
Customer Base:	12,126
Audit Report Filed:	02/26/2019 (Late)
Financial Sufficiency Review:	05/02/2019

The financial sufficiency review indicates that revenues and rates are sufficient to repay its SRF loan(s).

FACT SHEET
December 13, 2019

Additional Security

The borrower pledges its unobligated state-shared taxes (SSTs) in an amount equal to the maximum annual debt service (MADS) requirements under the loan agreement.

The SSTs received by the borrower from the state in the prior fiscal year: \$ 4,763,655

MADS:	Prior Obligations:	\$ 2,281,048
	Proposed loan(s):	<u>\$ 244,745</u>
		\$ 2,525,793

MADS as a percentage of SSTs: 53.02%

**REPRESENTATION OF
LOANS AND STATE-SHARED TAXES
FOR TAX REVENUE ENTITIES
CITY OF LEBANON**

As security for payments due under a SRF loan agreement, a local government pledges user fees and charges and ad valorem taxes as necessary to meet its obligations under a SRF loan agreement. As an additional security for such payments due, a local government pledges and assigns its unobligated state-shared taxes (SSTs) in an amount equal to maximum annual debt service (MADS) requirements.

1. State-Shared Taxes

The total amount of SSTs, as identified pursuant to Tenn. Code Ann. 4-31-105(c)(2), received by the local government in the prior fiscal year of the State is \$4,763,655.00.

2. Prior Obligations

(a.) Prior SRF loans which have been funded or approved for which the Local Government has pledged its SSTs are as follows:

Loan Type	Loan #	Base Loan*	Principal Forgiveness*	MADS**
SRF/Sewer	SRF 2002-165	\$4,797,340.00	\$0	\$301,656.00
SRF/Water	DWF 2008-079	\$2,440,347.00	\$0	\$152,652.00
SRF/Water	DWF 2008-080	\$651,884.00	\$0	\$41,256.00
SRF/Sewer	SRF 2008-220	\$420,332.00	\$0	\$26,484.00
SRF/Sewer	SRF 2008-222	\$18,990,658.00	\$0	\$1,170,036.00
SRF/Water	DW0 2012-126	\$2,940,832.00	\$735,208.00	\$174,540.00
SRF/Water	DWF 2012-127	\$1,323,960.00	\$0	\$78,576.00
SRF/Water	DW1 2012-128	\$1,667,543.50	\$714,661.50	\$94,512.00
SRF/Water	DWF 2012-129	\$1,162,507.00	\$0	\$65,940.00
SRF/Water	DW2 2015-161	\$587,600.00	\$316,400.00	\$34,716.00
SRF/Water	DWF 2015-162	\$1,271,000.00	\$0	\$75,084.00
SRF/Water	DW6 2018-202	\$800,000.00	\$200,000.00	\$47,706.00
SRF/Water	DWF 2018-203	\$300,000.00	\$0	\$17,890.00

* If applicable, the original approved amount is adjusted for decreases and approved increases

**MADS is an estimate until final expenses have been determined

The total MADS from section 2(a.) having a lien on SSTs is \$2,281,048.00.

(b.) Other prior obligations which have been funded or approved for which the local government has pledged its SSTs are as follows:

Type of Obligation	Identifying #	Loan Amount	Principal Forgiveness	MADS
QZAB/QSCB	N/A			
TLDA/Public Health	N/A			
TLDA/Transportation	N/A			

The total MADS from section 2(b.) having a lien on SSTs is \$0.

(c.) The total MADS from prior obligations having a lien on SSTs [subsections 2(a)+2(b)] is \$2,281,048.00.

3. Loan Requests

The loan(s) which have been applied for and for which state-shared taxes will be pledged:

Loan Type	Loan #	Anticipated Interest Rate	Base Loan	Principal Forgiveness	Anticipated MADS
SRF/Sewer	SRF 2019-435	1.32%	\$4,300,000.00	\$0	\$244,745.00

The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is \$244,745.00.

4. Unobligated SSTs


The amount set forth in section (1) less the total amounts set forth in sections 2 and 3 is \$2,237,862.00.

The Local government hereby represents the information presented above is accurate and understands that funding for the loan request(s) presented is contingent upon approval by the TLDA.

Duly signed by an authorized representative of the Local Government on this 16th day of October, 2019.

This is the Comptroller's certificate as required by TCA 4-31-108.

LOCAL GOVERNMENT

BY: 
Mayor Bernie Ash

**REQUIREMENT FOR REPORT ON DEBT OBLIGATION
(FORM CT-0253)**

Pursuant to Tenn. Code Ann. § 9-21-151, a Report on Debt Obligation (the "Report") must be prepared for all debt obligations issued or entered into by any public entity and filed with its governing body with a copy sent to the Office of State and Local Finance/Comptroller of the Treasury for the State of Tennessee. The purpose of the Report is to provide clear and concise information to members of the governing or legislative body that authorized and is responsible for the debt issued.

Public entities that fail to comply with the requirements of Tenn. Code Ann. § 9-21-151 are not permitted to enter into any further debt obligations until they have complied with the law. A State Revolving Fund (SRF) loan program applicant that is not in compliance with this law should file the Report as soon as possible and provide notification of filing to the SRF loan program so that they may proceed with the loan application. Instructions on how to file the Report are located in the "Debt" category for "Local Finance" on the website of the Tennessee Comptroller of the Treasury.

Municipal Securities Rulemaking Board (MSRB) – Required Disclosure

Local governments that issue municipal securities on or after February 27, 2019, should be aware that the Securities and Exchange Commission (SEC) adopted amendments to Rule 15c2-12 of the Securities Exchange Act that require reporting on material financial obligations that could impact an issuer's financial condition or security holder's rights. The amendments add two events to the list of events that must be included in any continuing disclosure agreement that is entered into after the compliance date:

- Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material; and
- Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties.

To learn how to report these new disclosures please refer to the MSRB's Electronic Municipal Market Access EMMA® website (emma.msrb.org).

The applicant, City of Lebanon, attests that it is in compliance with Tenn. Code Ann. § 9-21-151 for its debt obligations and understands that the Report is required to be filed once the SRF loan has been approved by the Tennessee Local Development Authority and the agreement has been executed by the borrower. The applicant further acknowledges that it may be responsible to perform continuing disclosure undertakings related to SEC Rule 15c2-12. Local governments should always consult bond counsel in order to obtain advice on appropriate disclosures related this rule.



Mayor Bernie Ash

October 16, 2019

Date



Stuart Lawson, Commissioner of Finance & Revenue
200 North Castle Heights Avenue
Lebanon, Tennessee 37087
Phone: (615) 443-2805 ext. 2207
Fax: (615) 443-1158

BERNIE ASH, Mayor
200 North Castle Heights Avenue
Suite 100
Lebanon, Tennessee 37087

October 3, 2019

State of Tennessee
Department of Environment & Conservation
State Revolving Fund Loan Program
William R. Snodgrass, Tennessee Tower
312 Rosa L Parks Avenue, 12th Floor
Nashville, TN 37243

To Whom It May Concern,

The City of Lebanon has used Dempsey Vantrease & Follis PLLC as our auditors since about 2003. They are a local firm in Lebanon and we have a very good working relationship with them.

I have talked with them in the past about working to ensure that the audits get done by 12/31. Some of the issues they have had over the past few years has been timing of getting their staff out to our offices. They have the tax deadline they have to work on for October 15th for their other clients that will cause a delay in getting to our offices. There have been new GASB rules that have been implemented over the past few years that has taken them longer to complete on time. Also, the City has been tardy in getting some of the information to them when they need it.

We will work with them to help them in any way we can to make sure they can complete the audit on a timely basis.

Respectfully,

Stuart Lawson
City of Lebanon
Finance Commissioner

FACT SHEET
December 13, 2019

Borrower: City of Johnson City
Project Number: SRF 2020-441
Requested SRF Funding: \$ 15,000,000
Term: 20 years
Rate: 1.25% = (1.56 x 80%)

Project:

Sewer Interceptor Rehabilitation/Replacement (Replacing approximately 21,000 LF of the Lower Brush Creek Interceptor).

Total Project Cost:	\$ 15,000,000
Project Funding:	
SRF Loan Principal	\$ 15,000,000
Principal Forgiveness	\$ -0-
Local Funds	\$ -0-

County:	Carter, Sullivan, and Washington Counties
Consulting Engineer:	Hazen and Sawyer
Priority Ranking List:	FY 2019
Priority Ranking:	34 of 78
Public Meeting:	September 17, 2019

Financial Information:

Operating Revenues:	\$ 35,279,454
Current Rate:	\$ 38.14
Effective Rates, if applicable:	N/A
Residential User Charge:	5,000 gal/month
Customer Base:	24,713
Audit Report Filed:	12/21/2018 (Timely)
Financial Sufficiency Review:	08/16/2019

The financial sufficiency review indicates that revenues and rates are sufficient to repay its SRF loan(s).

FACT SHEET
December 13, 2019

Additional Security

The borrower pledges its unobligated state-shared taxes (SSTs) in an amount equal to the maximum annual debt service (MADS) requirements under the loan agreement.

The SSTs received by the borrower from the state in the prior fiscal year: \$ 9,931,129.00

MADS:	Prior Obligations:	\$ 1,165,306.09
	Proposed loan(s):	<u>\$ 848,041.00</u>
		\$ 2,013,347.09

MADS as a percentage of SSTs: 20.27%

**REPRESENTATION OF
LOANS AND STATE-SHARED TAXES
FOR TAX REVENUE ENTITIES
JOHNSON CITY (CARTER, SULLIVAN AND WASHINGTON COUNTIES), TENNESSEE
SRF 2020-441**

As security for payments due under a SRF loan agreement, a local government pledges user fees and charges and ad valorem taxes as necessary to meet its obligations under a SRF loan agreement. As an additional security for such payments due, a local government pledges and assigns its unobligated state-shared taxes (SSTs) in an amount equal to maximum annual debt service (MADS) requirements.

1. State-Shared Taxes

The total amount of SSTs, as identified pursuant to Tenn. Code Ann. 4-31-105(c)(2), received by the local government in the prior fiscal year of the State is \$9,931,129.00.

2. Prior Obligations

(a.) Prior SRF loans which have been funded or approved for which the Local Government has pledged its SSTs are as follows:

Loan Type	Loan #	Base Loan*	Principal Forgiveness*	MADS**
SRF/Sewer				
SRF/Water				

* If applicable, the original approved amount is adjusted for decreases and approved increases

**MADS is an estimate until final expenses have been determined

The total MADS from section 2(a.) having a lien on SSTs is \$0.

(b.) Other prior obligations which have been funded or approved for which the local government has pledged its SSTs are as follows:

Type of Obligation	Identifying #	Loan Amount	Principal Forgiveness	MADS
QZAB/QSCB	QSCB BFC06000	\$8,160,000.00	\$0.00	\$1,165,306.09
TLDA/Public Health				
TLDA/Transportation				

The total MADS from section 2(b.) having a lien on SSTs is \$1,165,306.09.

(c.) The total MADS from prior obligations having a lien on SSTs [subsections 2(a)+2(b)] is \$1,165,306.09.

3. Loan Requests

The loan(s) which have been applied for and for which state-shared taxes will be pledged:

Loan Type	Loan #	Anticipated Interest Rate	Base Loan	Principal Forgiveness	Anticipated MADS
SRF/Sewer	SRF 2020-441	1.25%	\$15,000,000.00	\$0.00	\$848,041.00

The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is \$848,041.00.

4. Unobligated SSTs

The amount set forth in section (1) less the total amounts set forth in sections 2 and 3 is \$7,917,781.91.

The Local government hereby represents the information presented above is accurate and understands that funding for the loan request(s) presented is contingent upon approval by the TLDA.

Duly signed by an authorized representative of the Local Government on this 21st day of Nov., 2019.

This is the Comptroller's certificate as required by TCA 4-31-108.

LOCAL GOVERNMENT

BY:



Jenny Brock, Mayor

**REQUIREMENT FOR REPORT ON DEBT OBLIGATION
(FORM CT-0253)**

Pursuant to Tenn. Code Ann. § 9-21-151, a Report on Debt Obligation (the "Report") must be prepared for all debt obligations issued or entered into by any public entity and filed with its governing body with a copy sent to the Office of State and Local Finance/Comptroller of the Treasury for the State of Tennessee. The purpose of the Report is to provide clear and concise information to members of the governing or legislative body that authorized and is responsible for the debt issued.

Public entities that fail to comply with the requirements of Tenn. Code Ann. § 9-21-151 are not permitted to enter into any further debt obligations until they have complied with the law. A State Revolving Fund (SRF) loan program applicant that is not in compliance with this law should file the Report as soon as possible and provide notification of filing to the SRF loan program so that they may proceed with the loan application. Instructions on how to file the Report are located in the "Debt" category for "Local Finance" on the website of the Tennessee Comptroller of the Treasury.

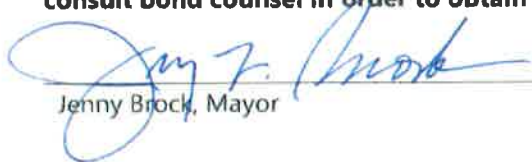
Municipal Securities Rulemaking Board (MSRB) – Required Disclosure

Local governments that issue municipal securities on or after February 27, 2019, should be aware that the Securities and Exchange Commission (SEC) adopted amendments to Rule 15c2-12 of the Securities Exchange Act that require reporting on material financial obligations that could impact an issuer's financial condition or security holder's rights. The amendments add two events to the list of events that must be included in any continuing disclosure agreement that is entered into after the compliance date:

- Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material; and
- Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties.

To learn how to report these new disclosures please refer to the MSRB's Electronic Municipal Market Access EMMA® website (emma.msrb.org).

The applicant, City of Johnson City, attests that it is in compliance with Tenn. Code Ann. § 9-21-151 for its debt obligations and understands that the Report is required to be filed once the SRF loan has been approved by the Tennessee Local Development Authority and the agreement has been executed by the borrower. The applicant further acknowledges that it may be responsible to perform continuing disclosure undertakings related to SEC Rule 15c2-12. Local governments should always consult bond counsel in order to obtain advice on appropriate disclosures related this rule.


Jenny Brock, Mayor

21 NOV 2019

Date

DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF WATER RESOURCES

**Drinking Water State Revolving Fund (DWSRF) Loan Program
Funds Available for Loan Obligation
December 13, 2019**

Unobligated Balance as of October 24, 2019		\$	61,610,367
<u>Increases:</u>	<u>Loan Number</u>		<u>Amount</u>
FY 2019 Principal Repayments		\$	9,545,135
FY 2019 Loan Interest Payments		\$	1,874,506
FY 2019 Investment Income		\$	1,682,500
City of Lebanon (loan reduction)	DWF 2015-162	\$	297,205
			<u>\$ 13,399,346</u>
Unobligated Balance as of December 13, 2019		\$	75,009,713
<u>Decreases:</u>	<u>Loan Number</u>		<u>Loan Amount</u>
City of Lebanon	DW7 2019-217		1,400,000
			<u>\$ (1,400,000)</u>
Remaining Funds Available for Loan Obligations		\$	<u>73,609,713</u>

FACT SHEET
December 13, 2019

Borrower: City of Lebanon
Project Number: DW7 2019-217
Requested SRF Funding: \$ 1,400,000
Term: 20 years
Rate: 1.31% = (1.95 x 80%) – (0.25%)

Project:

New Water Storage Tank (Construction of a 1.0 MG WST at Seay Hill).

Total Project Cost:	\$ 1,400,000
Project Funding:	
SRF Loan Principal	\$ 1,400,000
Principal Forgiveness	\$ -0-
Local Funds	\$ -0-

County:	Wilson County
Consulting Engineer:	Water Management Services, LLC
Priority Ranking List:	FY 2019
Priority Ranking:	38 of 43
Public Meeting:	September 05, 2019

Financial Information:

Operating Revenues:	\$ 8,951,093
Current Rate:	\$ 35.76
Effective Rates, if applicable:	N/A
Residential User Charge:	5,000 gal/month
Customer Base:	11,530
Audit Report Filed:	02/26/2019 (Late)
Financial Sufficiency Review:	05/21/2019

The financial sufficiency review indicates that revenues and rates are sufficient to repay its SRF loan(s).

FACT SHEET
December 13, 2019

Additional Security

The borrower pledges its unobligated state-shared taxes (SSTs) in an amount equal to the maximum annual debt service (MADS) requirements under the loan agreement.

The SSTs received by the borrower from the state in the prior fiscal year: \$ 4,349,210

MADS:	Prior Obligations:	\$ 2,281,048
	Proposed loan(s):	<u>\$ 79,608</u>
		\$ 2,360,656

MADS as a percentage of SSTs: 54.28%

**REPRESENTATION OF
LOANS AND STATE-SHARED TAXES
FOR TAX REVENUE ENTITIES
CITY OF LEBANON**

As security for payments due under a SRF loan agreement, a local government pledges user fees and charges and ad valorem taxes as necessary to meet its obligations under a SRF loan agreement. As an additional security for such payments due, a local government pledges and assigns its unobligated state-shared taxes (SSTs) in an amount equal to maximum annual debt service (MADS) requirements.

1. State-Shared Taxes

The total amount of SSTs, as identified pursuant to Tenn. Code Ann. 4-31-105(c)(2), received by the local government in the prior fiscal year of the State is \$4,349,210.

2. Prior Obligations

(a.) Prior SRF loans which have been funded or approved for which the Local Government has pledged its SSTs are as follows:

Loan Type	Loan #	Base Loan*	Principal Forgiveness*	MADS**
SRF/Sewer	SRF 2002-165	\$4,797,340	\$0	\$301,656
SRF/Water	DWF 2008-079	\$2,440,347	\$0	\$152,652
SRF/Water	DWF 2008-080	\$651,884	\$0	\$41,256
SRF/Sewer	SRF 2008-220	\$420,332	\$0	\$26,484
SRF/Sewer	SRF 2008-222	\$18,990,658	\$0	\$1,170,036
SRF/Water	DW0 2012-126	\$2,940,832	\$735,208	\$174,540
SRF/Water	DWF 2012-127	\$1,323,960	\$0	\$78,576
SRF/Water	DW1 2012-128	\$1,667,543	\$714,661	\$94,512
SRF/Water	DWF 2012-129	\$1,162,507	\$0	\$65,940
SRF/Water	DW2 2015-161	\$587,600	\$316,400	\$34,716
SRF/Water	DWF 2015-162	\$1,271,000	\$0	\$75,084
SRF/Water	DW6 2018-202	\$800,000	\$200,000	\$47,706
SRF/Water	DWF 2018-203	\$300,000	\$0	\$17,890

* If applicable, the original approved amount is adjusted for decreases and approved increases

**MADS is an estimate until final expenses have been determined

The total MADS from section 2(a.) having a lien on SSTs is \$2,281,048.

(b.) Other prior obligations which have been funded or approved for which the local government has pledged its SSTs are as follows:

Type of Obligation	Identifying #	Loan Amount	Principal Forgiveness	MADS
QZAB/QSCB	N/A			
TLDA/Public Health	N/A			
TLDA/Transportation	N/A			

The total MADS from section 2(b.) having a lien on SSTs is \$0.

(c.) The total MADS from prior obligations having a lien on SSTs [subsections 2(a)+2(b)] is \$2,281,048.

3. Loan Requests

The loan(s) which have been applied for and for which state-shared taxes will be pledged:

Loan Type	Loan #	Anticipated Interest Rate	Base Loan	Principal Forgiveness	Anticipated MADS
SRF/Water	DW7 2019-217	1.31%	\$1,400,000	\$0	\$79,608

The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is \$79,608.

4. Unobligated SSTs

The amount set forth in section (1) less the total amounts set forth in sections 2 and 3 is \$1,988,554.

The Local government hereby represents the information presented above is accurate and understands that funding for the loan request(s) presented is contingent upon approval by the TLDA.

Duly signed by an authorized representative of the Local Government on this 17th day of June, 2019.

This is the Comptroller's certificate as required by TCA 4-31-108.

LOCAL GOVERNMENT

BY: 
Mayor Bernie Ash

**REQUIREMENT FOR REPORT ON DEBT OBLIGATION
(FORM CT-0253)**

Pursuant to Tenn. Code Ann. § 9-21-151, a Report on Debt Obligation (the "Report") must be prepared for all debt obligations issued or entered into by any public entity and filed with its governing body with a copy sent to the Office of State and Local Finance/Comptroller of the Treasury for the State of Tennessee. The purpose of the Report is to provide clear and concise information to members of the governing or legislative body that authorized and is responsible for the debt issued.

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The applicant, City of Lebanon, attests that it is in compliance with Tenn. Code Ann. § 9-21-151 for its debt obligations and understands that the Report is required to be filed once the SRF loan has been approved by the Tennessee Local Development Authority and the agreement has been executed by the borrower. The applicant further acknowledges that it may be responsible to perform continuing disclosure undertakings related to SEC Rule 15c2-12. Local governments should always consult bond counsel in order to obtain advice on appropriate disclosures related this rule.


Mayor Bernie Ash


Date



Stuart Lawson, Commissioner of Finance & Revenue
200 North Castle Heights Avenue
Lebanon, Tennessee 37087
Phone: (615) 443-2805 ext. 2207
Fax: (615) 443-1158

BERNIE ASH, Mayor
200 North Castle Heights Avenue
Suite 100
Lebanon, Tennessee 37087

October 3, 2019

State of Tennessee
Department of Environment & Conservation
State Revolving Fund Loan Program
William R. Snodgrass, Tennessee Tower
312 Rosa L Parks Avenue, 12th Floor
Nashville, TN 37243

To Whom It May Concern,

The City of Lebanon has used Dempsey Vantrease & Follis PLLC as our auditors since about 2003. They are a local firm in Lebanon and we have a very good working relationship with them.

I have talked with them in the past about working to ensure that the audits get done by 12/31. Some of the issues they have had over the past few years has been timing of getting their staff out to our offices. They have the tax deadline they have to work on for October 15th for their other clients that will cause a delay in getting to our offices. There have been new GASB rules that have been implemented over the past few years that has taken them longer to complete on time. Also, the City has been tardy in getting some of the information to them when they need it.

We will work with them to help them in any way we can to make sure they can complete the audit on a timely basis.

Respectfully,

Stuart Lawson
City of Lebanon
Finance Commissioner

Clean Water

Remaining Funds Available for Obligations
as of 12/6/2019 \$ 96,094,569

Projects Needing Funding Pending Financial Reviews, Loan Applications, Complete Environmental Reviews

1	Carthage	I/I Correction (Sanitary sewer investigation and study to support infiltration and inflow reduction/elimination in the collection system) Planning and Design	\$ 391,600
2	Caryville-Jacksboro UD	WWTP Improvements/Advanced Treatment (Headworks improvements, rehabilitate existing clarifiers, replace plug valves within the RAS and WAS valve pump and valve pit, additional aeration basin capacity, and modify the digester aeration piping)	\$ 493,000
3	Chattanooga	I/I Correction - Wet Weather Storage, Phase 4 (Construction of a 30 MG equalization basin, 20 MG pump station, and associated appurtenances)	\$ 20,000,000
4	Franklin	WWTP Expansion/Advanced Treatment (Expanding the existing WWTP from 12.0 MGD to 16.0 MGD to include new headworks, EQ basin, and UV disinfection system; modifying the biological nutrient system and denitrification filters; and biosolids and hydraulic improvements.)	\$ 32,500,000
5	Hamilton County WWTA	CS Rehabilitation (East Ridge Rehab Sewer Basin 3C & 4B)	\$ 10,671,200
6	Humboldt	WWTP Upgrade - Construction Loan	\$ 4,800,000
7	Huntland	GREEN - Decentralized Wastewater Treatment Systems (New WWTP and collection system)	\$ 3,925,000
8	Lynchburg/Moore County	Water Loss Remediation and I/I Correction (Water modeling and GIS mapping of the distribution system to help develop a plan for water loss remediation and an investigation survey of the collection system to help develop a strategic plan for the correction of I/I.) —Planning and Design Only Loan	\$ 500,000
9	Mason	WWTP Optimization	\$ 700,000
10	Smyrna	GREEN - WWTP Expansion (Expanding from 5.85MGD to 9MGD); Companion Loan to CG7 2019-423	\$ 18,000,000
11	Waverly	I/I Correction (Replacement of approximately 2,000 LF of sewer lines and manholes; and rehabilitation of approximately 3,400 LF of sewer lines by method of CIPP.)	\$ 740,000
TOTAL			\$ 92,720,800

Projects that Responded to the Priority Ranking List

1	Goodlettsville	Pump Station Improvements (Improvements to the Mansker Creek PS to include replacement of pumps, piping improvements, electrical service upgrades, HVAC improvements, and miscellaneous upgrades to increase reliability.)	\$ 2,400,000
2	Jackson Energy Authority	WWTP Improvements/Secondary Treatments (Improvements to the Biosolids Drying at the Miller Ave WWTP)	\$ 5,375,000
3	Rocky Top	I/I Correction - Construction Loan (for SRF 2018-418 PnD Loan)	\$ 2,640,400
4	Springfield	Pump Station/Collection System Replacement (Installation of approximately 10,000 LF of 8-inch thru 18-inch diameter gravity sewer with approximately 50 new manholes; and the construction of pump stations at Locust Street and Bransford to eliminate SSOs.)	\$ 5,500,000
5	White House	WWTP Improvements	
TOTAL			\$ 15,915,400

Projects Expected to Receive Funding in Next Fiscal Year

1	Bell Buckle	WWTP Improvements	\$ 200,000
2	Hamilton County WWTA	Collection System Relocation (Abandonment of existing sewerline within the I-75 right-of-way and the installation of approximately 4,000 LF of 15-inch diameter sewerlines and 20 manholes in the East Ridge I-75 Sewer Basin —Construction only)	\$ 3,210,000
3	Memphis	I&I Correction (City-Wide Sewer Assessment & Rehabilitation Program / Group 2 CIPP)	\$ 20,000,000
4	Nashville	I/I Correction and PS Replacement	\$ 22,800,000
5	Nashville	I/I Correction (SSES of approximately 57,900 LF of 8-inch thru 30-inch diameter sewer lines; rehabilitation of approximately 29,000 LF of 8-inch thru 18-inch diameter sewer lines by method of CIPP and manhole rehabilitation in the Shepherd Hills Sewer Basin)	\$ 5,000,000
6	Smyrna	Collection System Expansion (Nissan Drive/Jefferson Pke along SR266 to the 840 Interchange)	\$ 4,500,000
7	Westmoreland	New .3MGD WWTP — Construction Only Loan	\$ 3,400,000

TOTAL	\$	59,110,000
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Summary:

Total CW Funding Needs	\$	167,746,200
Total Requested Funding Needs	\$	108,636,200
CW Balance After Funding of above projects	\$	(12,541,631)

Drinking Water

Remaining Funds Available for
Obligations as of 12/6/2019 \$ 73,609,713

Projects Needing Funding Pending Financial Reviews, Loan Applications, Complete Environmental Reviews

1	Bell Buckle	New Water Storage Tank (Webb WST Replacement)	\$ 886,000
2	Carthage	Waterline Replacement (Installation of approximately 1,000 LF of 6-inch diameter waterlines.)	\$ 135,000
3	Erwin Utilities Authority	GREEN - Water Meter Replacement (Installation of AMR meters and leak detection equipment within the Erwin Utilities service area.)	\$ 2,000,000
4	First Utility District of Hawkins County	Distribution System Improvements (Construction of a 560 gpm water booster pumping station; installation of approximately 11,000 LF of 12-inch diameter waterlines; and the decommission of the Hord Creek WTP.)	\$ 950,000
5	Humboldt	WTP Improvements and Water Distribution System Improvements	\$ 510,000
6	Metropolitan Nashville	GREEN - Water Storage Tank Upgrade (Installation of new a new concrete tank in the interior of the existing structure; replacing the western chamber with a 15 MG tank with a baffling system; and replacing the disinfection system at the 8th Ave S WST.)	\$ 17,373,000
7	Metropolitan Nashville	Waterline Replacement (Replacing approximately 14,340 LF of 2-inch thru 8-inch diameter cast iron waterlines with 8-inch diameter waterlines in the 12th Ave S Area.)	\$ 7,000,000
8	Smyrna	Waterline Relocation (Nissan Drive/Jefferson Pike along SR266 to the 840 Interchange)	\$ 6,500,000
9	Woodbury	New Water Storage Tank (Construction of a new .75MG WST adjacent to existing Parker Hill WST)	\$ 800,000
TOTAL			\$ 36,154,000

1	Arthur-Shawanee Utility District*	Distribution System Improvements - (Construction of a new 400,000 gal water storage tank in the Powell Valley/Speedwell Area; installation of approximately 7,500 LF of 10-inch diameter PVC supply waterlines; and modifications to the existing pressure reducing station.)	\$ 800,000
2	Elizabethton	Waterline Replacement (Replacing the existing 12-inch and 16-inch diameter cast iron Doe River transmission lines adjacent to Hwy 19E bridge in the Valley Forge Community to provide resiliency against severe flooding.)	\$ 1,050,000
3	Fayetteville	Distribution System Improvements (Improvements to the WTP to include solids management, disinfection byproduct control, and disinfection; WST and booster pumping station improvements; and WL replacements and extensions.)	\$ 11,687,000
4	Hampton Utility District*	GREEN - Waterline Replacement (Replacing approximately 25,000 LF of galvanized waterlines.)	\$ 1,250,000
5	Harriman Utility Board	Water Loss Reduction (Survey the distribution system within the service area for leaks; establish district metering zones; and link monitoring to SCADA to readily detect leaks.) Planning Only	\$ 500,000
6	Harriman Utility Board	Water Meter Replacement (Replacing approximately 2,048 meters that will be compatible with AMI systems.)	\$ 700,000
7	Hartsville-Trousdale Water and Sewer Utility District*	Distribution System Improvements (Construction of a new 2 MG WST, a booster pumping station, and associated appurtenances.)	\$ 1,750,000
8	Jackson Energy Authority	GREEN - Water Meter Replacement (Replacing approximately 37,000 existing water meters with AMR/AMI meters.)	\$ 3,500,000
9	Jackson Energy Authority	Distribution System Improvements (Construction of a new WST and raw water well)	\$ 1,600,000
10	Popular Grove Utility District	New WST (Construction of a 1.5MG ground WST.)	\$ 2,833,853

11	Walden Ridge Utility District*	Distribution System Improvements (Construction of a new pump station, repairs to existing pump station, and installation of approximately 4,500 LF of 12-inch DIP water main, and installation of a 16-inch water main to connect to an existing 12-inch waterline.)	\$ 6,000,000
TOTAL			\$ 31,670,853

Projects Expected to Receive Funding in Next Fiscal Year

1	Oak Ridge	GREEN - New Water Treatment Plant (Construction of a 16MGD membrane filtration WTP.)	\$ 18,414,703
2	Columbia	Water Treatment Plant Upgrades and Distribution System Improvements	\$ 170,388,040
3	Metropolitan Nashville	GREEN - Water Storage Tank Replacement (Construction of a new 2.5MG 38th Ave WST)	\$ 8,120,000
TOTAL			\$ 196,922,743

Summary:

Total DW Funding Needs	\$ 264,747,596
Total Requested Funding Needs	\$ 67,824,853
DW Balance After Funding of above projects	\$ 5,784,860