



**TENNESSEE LOCAL DEVELOPMENT AUTHORITY**  
**SEPTEMBER 21, 2020**  
**AGENDA**

1. Call Meeting to Order
2. Approval of minutes from the TLDA meeting of July 20, 2020
3. Report on the notification received from the City of Greenbrier submitted to comply with TLDA SRF Policy and Guidance for Borrowers
4. Request from the Hamilton County Wastewater Treatment Authority (WWTA) to issue a Revenue Refunding Bond (Series 2020) in an amount not to exceed \$6,900,000 on parity with its SRF debt

5. Consider for approval the following CWSRF loan:

	SRF Base Loan	Principal Forgiveness	Total Request	Interest Rate	Interest Term
Cleveland, SRF 2018-417-01	\$ 10,000,000	\$ -	\$ 10,000,000	0.73%	20

6. Consider for approval the following DWSRF loan:

	SRF Base Loan	Principal Forgiveness	Total Request	Interest Rate	Interest Term
Woodbury, DW7 2020-220	\$ 640,000	\$ 160,000	\$ 800,000	0.34%	20

7. Adjourn

**TENNESSEE LOCAL DEVELOPMENT AUTHORITY**  
**July 20, 2020**

Pursuant to the provisions of Executive Order 16, as amended by Executive Order 34, the Tennessee Local Development Authority (the “Authority” or “TLDA”) met on Monday, July 20, 2020, at 2:00 p.m. via WebEx Events with certain members being physically present in the Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee. Interested members of the public were only able to observe and listen to the meeting through electronic means. 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 (participated electronically)  
Ms. Angela Scott, Proxy for Commissioner Butch Eley, Department of Finance and Administration (participated electronically)  
Mr. Pat Wolfe, Senate Appointee (participated electronically)

The following members were absent:

The Honorable Bill Lee, Governor  
Dr. Kenneth L. Moore, House Appointee

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

Mr. Wilson—Present  
Mr. Hargett—Present  
Ms. Scott—Present  
Mr. Lillard—Present  
Mr. Wolfe—Present

Recognizing a quorum present, Mr. Hargett read the following statement:

*“Governor Bill Lee, a member of this entity, has previously declared a state of emergency to facilitate Tennessee’s response to Coronavirus Disease 2019 (COVID-19). His Executive Order No. 16, as amended by Executive Order No. 34, allows governing bodies to meet electronically regarding essential business in light of COVID-19, so long as they provided electronic access to the public and met certain safeguards established in that Order to ensure the openness and transparency of the proceedings. In the Notice for this meeting, we indicated the meeting would be held in the Executive Conference Room of the State Capitol, which is currently closed to the public, as well as conducted through WebEx Events, and have provided information and the steps for public electronic participation. At this time we need a motion to make a determination pursuant to the provisions of Executive Order 16, as amended, that meeting electronically and electronic access is necessary to protect the health, safety, and welfare of Tennesseans in light of the COVID-19 outbreak and the matters listed on the agenda for this meeting relate to the essential business of this board and the necessary safe guards have been taken.”*

Mr. Hargett made a motion to approve the necessity pursuant to Executive Order 16 , and Mr. Wilson seconded the motion. Mr. Hargett called upon Ms. Thompson to conduct a roll-call vote:

Mr. Wilson— Aye  
Mr. Hargett— Aye  
Ms. Scott—Aye  
Mr. Lillard—Aye

Mr. Wolfe—Aye

The motion carried to conduct the TLDA meeting in this manner.

Mr. Hargett stated that the first item on the agenda was approval of the minutes from the June 25, 2020 TLDA meeting, and a correction of the minutes from the May 21, 2020 TLDA meeting. Mr. Wilson made a motion to approve the minutes, and Mr. Hargett seconded the motion. Mr. Hargett called upon Ms. Thompson to conduct a roll-call vote:

Mr. Wilson—Aye  
Mr. Hargett—Aye  
Ms. Scott—Aye  
Mr. Lillard—Aye  
Mr. Wolfe—Aye

The minutes were unanimously approved.

Mr. Hargett stated that the next item on the agenda was a report on the TLDA Bond Indebtedness. He called upon Ms. Alicia West, Bond Accountant, with the DSGF. Ms. West stated that as of June 30, 2020, the TLDA had \$1,535,000 in bonds outstanding with a final maturity of March 2029. Mr. Hargett asked if that concluded the report, and Ms. West responded affirmatively. Mr. Hargett then inquired if the members had any questions about the report. Hearing none, he moved on to the next agenda item.

Mr. Hargett stated that the next item was a review of the TLDA Debt Policy. He called upon Ms. Thompson to present the item. Ms. Thompson stated that a copy of the Debt Management Policy for the TLDA was included with the meeting materials. She continued, saying that review of the Debt Management Policy was required at least annually, and that it was distributed to all staff and members of the TLDA for their review and comment. Ms. Thompson further stated that although no comments or updates were received, there was a revision made to reflect the name change, effective June 30, 2020, of the Office of State and Local Finance to the Division of State Government Finance. Mr. Hargett asked if an annual review was required. Ms. Thompson responded affirmatively. Mr. Hargett asked if there were any questions about the policy. Hearing none, and with no further action necessary, he moved on to the next agenda item.

Mr. Hargett stated that the next item was a report on the notifications received from the cities of Lawrenceburg and Spring Hill submitted to comply with *TLDA SRF Policy and Guidance for Borrowers*. He called upon Ms. West to present the report. Ms. West stated that the TLDA had received two notices of intent from SRF borrowers to issue additional debt which were submitted to comply with the *TLDA SRF Policy and Guidance for Borrowers*. She stated that the City of Lawrenceburg planned to issue refunding bonds to pay off certain SRF loans in an approximate amount of \$7,450,000. Furthermore, she said that the refunding debt would be issued as general obligation debt and would be payable from, but not secured by, the system's revenues. She continued, saying that notification was also received from the City of Spring Hill, and stated that it planned to issue refunding bonds to pay off its SRF loans in an approximate amount of \$10,000,000. She said the debt would be issued as general obligation debt and secured by the system's revenues. Ms. West stated that the refunding indebtedness, upon issuance, would have a subordinate lien position to its SRF (which is why it was not required to seek approval from the TLDA to issue the refunding debt). Mr. Hargett asked if there were any questions. Hearing none, and with no further action necessary, he moved on to the next agenda item.

Mr. Hargett stated that the next item on the agenda was consideration of approval for a Clean Water State Revolving Fund (CWSRF) loan. He recognized Ms. Felicia Freeman, Environmental Manager for the Tennessee Department of Environment and Conservation (TDEC), to present the loan request. Ms. Freeman first presented the unobligated fund balance. She stated the balance was \$46,385,298 as of May 21, 2020. Since that time, the unobligated balance had increased by \$3,449,439 with the return of previous (unused) funding from the Town of Oakland, and the cities

of Oak Ridge and Millersville. Upon approval of the loan request to be presented totaling \$6,200,000, the remaining funds available for loan obligations would be \$43,634,737. She then described the CWSRF loan request.

- **Springfield (SRF 2020-447)** Requesting \$6,200,000 for a pump station/collection system replacement (installation of approximately 10,000 linear feet (LF) of 8-inch through 18-inch diameter gravity sewer with approximately 50 new manholes; and the construction of pump stations at Locust Street and Bransford to eliminate sanitary sewer overflow SSO); recommended interest rate of 0.78% based on the Ability to Pay Index (ATPI); Priority ranking 43 of 78 (FY 2019); Term 20 years.

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

Mr. Wilson— Aye  
Mr. Hargett— Aye  
Ms. Scott—Aye  
Mr. Lillard—Aye  
Mr. Wolfe—Aye

The motion was unanimously approved.

Mr. Hargett stated that the next item on the agenda was consideration of approval for a Drinking Water State Revolving Fund (DWSRF) loan. He called upon Ms. Freeman to present the loan request. Ms. Freeman first reviewed the report of the unobligated fund balance, which as of March 6, 2020, was \$70,213,713. She stated that funds had increased by \$103,215 with the return of previous (unused) funding from Warren County Utility District and the Town of Gainesboro. She also stated that two loans had been approved for Nashville in the amount of \$32,493,000. This brought the remaining unobligated funds for loan obligations to \$37,823,928 (instead of the previously reported \$42,823,928) as of May 21, 2020, and properly reflected the subtraction of the \$5,000,000 loan to Nashville. Since then, the unobligated balance had increased by \$43,969 with the return of previous (unused) funding from the Big Creek Utility District. Upon approval of the loan request to be presented in the amount of \$150,000, the remaining funds available for loan obligations would be \$37,717,897. She then described the DWSRF loan request.

- **Huntingdon (DWF 2020-225)** Requesting \$150,000 for a planning and design loan for distribution system improvements (replacing existing waterlines on Main Street; extending waterlines to customers along Highway 77; and replacing existing water meters with automatic meter reading (AMR) meters); recommended interest rate of 0.09% based on the ATPI; priority ranking 48 of 57 (FY 2019); Term 5 years.

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

Mr. Wilson— Aye  
Mr. Hargett— Aye  
Ms. Scott—Aye  
Mr. Lillard—Aye  
Mr. Wolfe—Aye

The motion was unanimously approved.

Mr. Hargett stated that the next item was a presentation on the 2020 ATPI. He called upon Ms. Vena Jones, Environmental Consultant for TDEC. Ms. Jones began by stating that her presentation would include information about TDEC's newly proposed ATPI, its recommendation for principal forgiveness, and its recommended policy for new interest rate determination. She stated that TDEC was looking to expand the ATPI variables for determining

affordability from four to seven variables, which would make it more precise. She stated that the previous four variables included median household income, unemployment, food stamps, and families in poverty, and the added variables would include bond rating, debt, and change in population. However, before instituting this version of its ATPI, TDEC wanted to ensure that the data was both valid and sensitive. Ms. Jones explained that along with meeting the Water Resources Reform and Development Act (WRRDA) standards, the new version would include multi-year trends on census, economic, and financial data. Furthermore, she stated that TDEC had conducted a sensitivity analysis by calculating affordability scores using seven variables instead of four. By including more variables, it was able to bring slightly more communities to subsidy and technical assistance, and it would be able to provide a more refined set of information on a community's economic position. She stated that communities were not penalized for not having the data. After mapping out these changes to the ATPI, TDEC then wanted to reevaluate where it set a threshold for principal forgiveness. In the previous year, it liberally applied a principal forgiveness threshold of 60, and pointed out that the new ATPI would bring in slightly more communities to 60, 50, and 40. She reported that TDEC calculated the principal forgiveness threshold set at 60, 50, and 40, but preferred it to be set at 50 since that allowed it to capture most communities. Next, she stated that TDEC would be using the ATPI for its new interest rate calculation and policy. Ms. Jones stated that TDEC's current interest rate policy allowed the awarded rates to be at, or near zero. She stated that the subtractive, multiplier, and fixed rate method were calculated and then compared to the current standard method. She explained the comparisons that were illustrated in the slides included with the meeting materials, and said that TDEC preferred the fixed rate reduction methodology because it allows flexibility when interest rates go higher and lower. She stated that this would be the best methodology because it protects the revolving fund and allows TDEC to provide competitive rates to its customers. Ms. Jones then inquired if the members had any questions. Mr. Hargett asked if there were any questions or discussion. Hearing none, he thanked Ms. Jones for the report. Report item – no action necessary.

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

Mr. Wilson— Aye  
Mr. Hargett— Aye  
Ms. Scott—Aye  
Mr. Lillard—Aye  
Mr. Wolfe—Aye

The meeting was adjourned.

Approved on this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

Respectfully submitted,

Sandra Thompson  
Assistant Secretary



## City of Greenbrier

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August 14, 2020

Sandi Thompson, TLDA Assistant Secretary  
Tennessee Comptroller of the Treasury  
State Government Finance  
Nashville, TN 37243

Ms. Thompson,

The City of Greenbrier would like to obtain a loan in the amount of \$400,000 for our wastewater system. Greenbrier is working with TMBF for this issuance. The date of issuance is expected to be the middle of September, 2020. This debt will be subordinate to the SRF loans that are in current repayment.

If I can be of further assistance, please don't hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Rachel Slusser". The signature is written in a cursive style.

Rachel Slusser  
City Administrator



JUSTIN P. WILSON  
Comptroller

JASON E. MUMPOWER  
Deputy Comptroller

September 10, 2020

**Hamilton County Water and Wastewater Treatment Authority  
Request for TLDA Approval to Issue Additional Debt**

The Hamilton County Water and Wastewater Treatment Authority (the “Authority”) is requesting approval from the Tennessee Local Development Authority (TLDA) to issue refunding debt. The proposed Series 2020 Bond will be issued in an amount not to exceed \$6,900,000.

A formal request to the TLDA for approval is required by provisions set forth in the State Revolving Fund (SRF) loan agreement and guidelines set forth in the *TLDA/SRF Policy and Guidance for Borrowers*.

**1. The requestor is a:**

- Utility District or Water/Wastewater Authority planning to issue Revenue Debt  
Will the proposed debt be secured by revenues other than revenues of the water/wastewater system (e.g. electric, gas)?  Yes  No
- Municipality (town/city/county) planning to issue:
  - General Obligation Debt
  - Revenue Debt – Will the proposed debt be secured by revenues other than revenues of the water/wastewater system (e.g. electric, gas)?  Yes  No

**2. Lien Position:**

- The borrower is requesting to issue the refunding bonds on parity with its outstanding SRF loan(s).
- The borrower is requesting to subordinate the lien position of its outstanding SRF debt to the lien position of its new debt issuance.
- The borrower is not requesting a modification of lien position and the proposed debt will be issued subordinate to the SRF debt.

**3. The purpose of the proposed debt issuance is:**

Refunding  
 New Money

**4. Description and Additional Information:**

The Authority plans to issue Revenue Refunding Bonds, Series 2020, (the “Series 2020 Bond”) in an amount not to exceed \$6,900,000. The proceeds of the Series 2020 Bonds will reduce debt service costs by current refunding certain or all maturities of the Authority Revenue Refunding Bond Series 2011 (the “Refunded Bond”). The proposed Series 2020 Bond will be secured by a pledge of the revenues of the Authority.

The Refunded Bond is on parity with the Authority’s outstanding indebtedness, including the Authority eight outstanding SRF loans. The Authority intends to retain the parity lien status for Series 2020 Bond. The Authority request letter states that the refinancing will reduce interest costs for the Authority and will not impair the TLDA’s security under the SRF Loans and that not granting this parity lien request will increase the interest rate and likely make the refinancing for savings not achievable. The Authority anticipates interest saving of approximately \$519,726 or 7.78% of the refunded par amount. The resolution authorizing the issuance of the Series 2020 Bond will be presented to the Authority’s governing body on September 23, 2020 with a goal to close on the Series 2020 Bond by mid-October.

**Note:** The Authority is under an EPA consent decree and will need approximately \$245 million to fund improvements over the next 20 years. This means the Authority will seek to borrow from the SRF program and/or request approval to issue additional bonds over the next twenty years. During this time the Authority will have to manage its user rate structure to maintain a rate sufficient to meet its operating expenses and pay debt service.

**5. The debt rating of the borrower is:**

*Please indicate N/R if not rated.*

N/R\_ Moody’s  
 N/R\_ Standard and Poor’s  
 N/R\_ Fitch



**6. The following SRF loans are currently authorized/outstanding:**

Loan Type	Loan #	Status	Disbursements	Available to Draw	% Principal Forgiveness	Edison Balance 8/31/2020	MADS*
Sewer	CW0 12-298	Repayment	3,933,164.00		20%	2,580,353.20	185,496.00
Sewer	CG1 13-323	Repayment	1,679,792.00		10%	1,336,095.47	84,240.00
Sewer	SRF 17-393	Construction	5,829,412.00	1,480,588.00		5,829,412.00	433,040.00
Sewer	SRF 18-413	Repayment	1,560,000.00			1,432,253.00	318,546.00
Sewer	CW7 19-424	Construction	1,175,669.00	1,824,331.00	10%	1,058,102.10	169,331.00
Sewer	SRF 19-425	Approved	-	2,474,000.00		-	155,157.00
Sewer	SRF 20-443	Approved	-	10,671,000.00		-	616,155.00
							<u>1,961,965.00</u>
<b>Interlocal Agreements</b>							
Redbank	SRF 97-108	Repayment	6,717,000.00			40,818.00	
Collegedale	SRF 98-114	Repayment	784,345.00			47,951.00	

The Authority has interlocal agreements with the cities of Red Bank and Collegedale to repay:

- 100% of the Red Bank SRF Loan (SRF 97-108) \$40,818 outstanding at 8/31/20; and
- A portion of the Collegedale SRF Loan (SRF 98-114) \$47,951 outstanding at 8/31/20

There is no requirement for a security deposit for these two loans, but each city has pledged its state-shared taxes.

**7. Compliance with SRF Loan Agreement:**

**a. Timely repayments [4.(a)]**

Yes       No

**b. Security Deposit (UDs and Authorities) [8.]**

Yes       No

Amount on deposit: \$1,345,810

(The security deposit for loan agreement SRF 20-443 was not required to be funded as of 8/31/2020.)

**c. GAAP Accounting and Audited Annual Financial Statement Requirement [7.(g) and (m)(2)]**

Yes       No

The Authority filed its audited financial statements for the fiscal year ended June 30, 2019, with the Division of Local Government Audit within six months after the Authority fiscal year end.

**d. Sufficient Revenues [7.(k)]**

Yes       No

For the fiscal year ended June 30, 2019, the Authority's audited financial statements reflected operating income of \$4,422,635 and a positive change in net position of \$8,141,659. The Authority's statement of cash flows reflected debt service payments of \$2,099,148 consisting of principal payments of \$1,497,625 and interest payments of \$601,523. At June 30, 2019, the Authority reported \$21,083,627 in unrestricted cash and cash equivalents.

**e. Debt Service Coverage Ratios [7.(l) and (m)(4)]**

The current and projected Debt Service Coverage Ratio is equal to or exceeds 1.2 times.

Yes       No

If no, include a schedule of revised rates and fees.       Included       N/A

*Most Recent Fiscal Year (m)(3):*

The Authority's debt service coverage ratio was 4.15x for fiscal year 2019 and is projected to be 3.51x for fiscal year 2020 (as projected by the Authority). The Authority has met the debt service coverage requirement for fiscal year 2019.

*Next Three Fiscal Years After Debt Issuance (m)(4):*

The Authority projects that it will meet the debt service coverage requirement with estimated debt service to net revenues ranging from 1.52x to 2.26x for fiscal years 2021 through 2023.

**f. Is the entity currently under the jurisdiction of the Utility Management Review Board (UMRB) or the Water and Wastewater Financing Board (WWFB)? [7.(n)]**

Yes       No

If yes, reason for referral:       Water Loss       Financial Distress       N/A

If the reason is for financial distress, include a schedule of revised rates and fees along with a copy of the corrective action order from the respective board.       Included       N/A

**8. State-Shared Taxes (SST): (Towns, Cities, Counties): N/A**

\$ \_\_\_\_\_ Received in prior fiscal year  
\$ \_\_\_\_\_ Total Maximum Annual Debt Service  
\$ \_\_\_\_\_ Unobligated SSTs

**9. Conclusion**

Based on our analysis, it appears the Authority will have sufficient cash and revenues to meet its obligations and appears to meet TLDA’s guidelines for approval to issue the Series 2020 Bonds on a parity lien with its outstanding State Revolving Fund (SRF) loan agreements.

**Attachments:**

Debt Service Coverage Ratios

Hamilton County Water and Wastewater Treatment Authority Current and pro-forma (projected) debt service coverage							
Fiscal Year	Operating Revenue <sup>(1)</sup>	Operating Expenses <sup>(1)(2)</sup>	Net Revenue Available for Debt Service: Operating Revenue less Operating Expenses	Existing Debt Service <sup>(3)</sup>	Projected New Debt Service <sup>(4)</sup>	Coverage (Net Revenues/ (Existing DS + Projected New DS))	
<i>Audited Financials</i>	2019	22,286,755	13,614,160	8,672,595	2,089,523	0	4.15 x
<i>Preliminary</i>	2020	24,687,083	16,671,082	8,016,001	2,283,901	0	3.51 x
<i>Budgeted</i>	2021	25,990,264	19,901,238	6,089,026	3,087,223	917,658	1.52 x
<i>Forecasted</i>	2022	29,011,632	20,498,275	8,513,357	2,699,465	1,902,345	1.85 x
<i>Forecasted</i>	2023	32,021,589	21,113,223	10,908,366	2,911,502	1,905,595	2.26 x
<i>Forecasted</i>	2024	35,103,667	21,746,620	13,357,047	2,907,980	1,903,095	2.78 x

**Source:**

- (1) Operating Revenues and Expenses for FY 2019 are based on audited results. Operating Revenues and Expenses for FY 2020 are based on unaudited results and are subject to change. The FY 2021 Operating Revenues factor in a 12% rate increase that will go into effect in October 2020 for most customers. Operating Revenues for FY 2022-FY2024 include the annual rate increases included in a preliminary Operating Fund Cash Flow Forecast prepared by Raftelis in their Financial Plan and Rate Structure and are subject to change. In all years, the Operating Revenues and Operating Expenses include the revenues and expenses associated with the PSLP Program.
- (2) The FY 2021 Operating Expense includes 1 year of Consent Decree maintenance expenses. However, as of September 9, 2020, the Consent Decree had not been finalized or signed and therefore it is unlikely that 1 year of associated expenses will be incurred. Likewise, the FY 2021 Operating Expense includes a full year of personnel expense cost. However, the WWTA does not expect to incur a full year of personnel expense cost. Operating Expenses for FY 2022 - 2024 grow at 3% annually. All projected numbers are for planning purposes and are subject to change.
- (3) Existing DS is based on outstanding SRF Loans and revenue bonds as of September 2020. Several SRF Loans amortization schedules are not finalized and the estimated debt service provided by TLDA/SRF has been included. The proposed refunding of the Series 2011 bond has been factored in and that debt service has been subtracted and is reported in the Projected New Debt Service. The 2019 Bond that is a bond anticipation note, previously approved by TLDA, and has \$901,305 outstanding. For purposes of the existing debt service, we have assumed the following: outstanding balance of \$5.1 million, 2 yrs of interest only at 2.28% and Level debt service (2023-2052) at 5.00%.
- (4) Proposed DS includes the interlocal agreement debt that will be subordinate to all other debt to fund \$17M in projects, to be issued in Sept 2020 by Hamilton County, TN. The proposed Series 2020 Revenue Refunding Bond debt service in which the WWTA is seeking to retain the parity lien pledge.



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*Michael C. Patrick  
Executive Director*

August 31, 2020

Ms. Sandra Thompson  
Director, Division of State Government Finance  
State of Tennessee  
Comptroller of the Treasury  
Cordell Hull Building  
425 Fifth Avenue North  
Nashville, Tennessee 37243-0274

**Re: Hamilton County Water and Wastewater Treatment Authority – Approval for the Issuance of Refunding Debt (Retain Parity Lien) & Notification of Subordinate Debt**

Dear Ms. Thompson:

This letter serves as a request by the Hamilton County Water and Wastewater Treatment Authority (“WWTA” or the “Authority”) for authorization to issue refunding debt supported by the Authority’s revenues. The Authority has a potential opportunity to reduce debt service costs by current refunding certain or all maturities of the Authority’s Revenue Refunding Bond, Series 2011 (the “Refunded Bond”). The Authority proposes to refund the Refunded Bond through the issuance of its Refunding Revenue Bond, Series 2020 (the “Series 2020 Bond”). The proposed Series 2020 Bond will be secured by a pledge of the revenues of the Authority.

The Refunded Bond is on parity with the Authority’s outstanding indebtedness, including the Authority’s eight (8) outstanding State Revolving Fund Loans (“SRF Loans”). The Authority intends to retain the parity lien status for the Series 2020 Bond. The outstanding indebtedness of the Authority including the SRF Loans and the Refunded Bond, are summarized chronologically as follows:

Name	Year issued	Final maturity (FY)	Outstanding (as of 7/30/20)
Red Bank SRF Loan (SRF 97-108)	1997 <sup>(1)</sup>	2021	\$81,544.00
Collegedale SRF Loan (SRF 98-114)	1998 <sup>(2)</sup>	2021	\$27,694.48
Revenue Refunding Bond Series 2011 (Refunded Bond)	2011	2026	\$6,807,929.41

2012 SLP Program SRF Loan (CW0 2012-298)	2012	2036	\$2,592,614.20
2013 SLP Program SRF Loan (CGI 2013-323)	2013	2038	\$1,341,905.47
SRF 2017-393	2017	TBD <sup>(3)</sup>	\$5,829,412
SRF 2018-413	2017	2023	\$1,457,881
2018 Lookout Mountain SRF Loan (2019-424)	2018	TBD <sup>(3)</sup>	\$1,058,102.10
2018 Lookout Mountain SRF Loan (2019-425)	2018	TBD <sup>(3)</sup>	\$2,474,000.00 <sup>(4)</sup>
2020 East Ridge SRF Loan (2020-443)	2020	TBD <sup>(3)</sup>	\$10,671,000 <sup>(4)</sup>
Revenue Bond, Series 2019 <sup>(5)</sup>	2019	2022	\$901,304.72
<b>Total</b>			<b>\$33,243,387.38</b>

<sup>(1)</sup> In 2003, the Authority entered into an inter-local agreement to assume the City of Red Bank’s SRF Loan obligation. The City is still liable for this loan in the event of a default.

<sup>(2)</sup> City of Collegedale, TN SRF Loan; however, the Authority has agreed to pay 56% of the SRF Loan. The City is still liable for this loan in the event of a default.

<sup>(3)</sup> TBD = Authorized loan still open. Less than full authorized amount currently borrowed, and final maturity unknown.

<sup>(4)</sup> No draws/reimbursements have been made and therefore the final loan amount and final maturity are unknown.

<sup>(5)</sup> In September 2019, the TLDA approved the Authority’s request to issue up to \$20,000,000 as short-term debt in the form of a revenue bond on a parity lien. While \$20,000,000 is available to the Authority, the Authority has a \$901,304.72 outstanding balance on the Revenue Bond, Series 2019.

The Refunded Bond has a parity lien position currently, and pursuant to the Tennessee Local Development Authority (the “TLDA”) State Revolving Fund Policy (the “SRF Policy”) the Authority requests to retain that parity lien status on the Series 2020 Bond. The refinancing will reduce interest costs for the Authority and will not impair the TLDA’s security under the SRF Loans. Not granting this parity lien request will increase the interest rate and likely make the refinancing for savings not achievable.

**Refunding Debt Overview – Refer to Appendix A for Supporting Details**

The amortization of the Series 2020 Bond will be structured to create level debt service and avoid a large increase in annual debt service in fiscal year 2027. Appendix A includes preliminary refunding results and amortization for the Series 2020 Bond.

1) Refunding Debt Life;

*Authority Response: The Refunded Bond remaining average life is 4.593 years. The Series 2020 Bond will amortize as level debt service and the average life will be approximately 3.3198 years.*

2) Refunding Debt – Net Present Value Savings;

*Authority Response: The Refunded Bond has an interest rate of 3.78%. The Series 2020 Bond interest rate is not finalized but current market conditions are approximately 1.77% resulting*

*in net present value savings of \$519,726 or 7.78% of refunded par amount. Appendix A, prepared by PFM Financial Advisors, LLC, includes annual debt service (dis)savings on page 5. The dis-savings in fiscal years 2021 through 2026 are attributed to amortizing additional principal to create a level-debt service structure and avoid a large principal payment in FY 2027.*

3) Plan of Finance/Plan of Refunding;

*Authority Response: The SRF Policy and Guidance for Borrowers references submitting a plan of finance for the issuance of refunding debt to the Director of Local Finance pursuant to TCA 7-8-501. On August 17, 2020, the Authority submitted a Plan of Refunding to the Director of Local Finance. The Plan of Refunding is included as Appendix B.*

**Financing Schedule – Series 2020 Bond**

The resolution authorizing the issuance of the Series 2020 Bond will be presented to the Authority governing body on September 23, 2020 with a goal to close on the Series 2020 Bond by mid-October.

**Addition Debt – Subordinate to SRF Loans**

In September 2020, Hamilton County, TN will borrow approximately \$17 million to fund the acquisition, construction and equipping of certain improvements to the wastewater treatment facilities on behalf of the Authority. At the Authority's August 2020 board meeting, the Authority is expected to approve entering into an interlocal agreement between the Authority and Hamilton County, TN pursuant to which the Authority will agree to pay the annual debt service associated with this borrowing. The interlocal agreement debt will be subordinate to the Authority's outstanding debt, including the SRF Loans.

**In Summary**

The refunding of the Refunded Bond with the proceeds of the Series 2020 Bond accomplishes two objectives for the Authority: 1) reduces interest expense associated with an existing piece of debt and 2) restructures the payment schedule to avoid a large increase in annual debt service (and associated rate increase) in fiscal year 2027. Thank you for your consideration of this request. Please contact me if you have any questions.

Sincerely,



Michael C. Patrick  
Executive Director  
Hamilton County Water &  
Wastewater Treatment Authority  
[MPatrick@hamiltontn.gov](mailto:MPatrick@hamiltontn.gov)  
423-209-7842

CC: Ms. Peggy Eagle, *Hamilton County, TN – Senior Accountant*  
Ms. Lauren Lowe, *PFM Financial Advisors LLC*  
Mr. Tom Lauth, *Kutak Rock LLP*



## SUMMARY OF REFUNDING RESULTS

Water Wastewater Treatment Authority (Hamilton County)  
Revenue Refunding Bond, Series 2020  
Appendix A - TLDA Request for Retaining Lien\_8.31.20  
Estimated T/E Interest Rate of 1.77% (Subject to Change)

Dated Date	10/13/2020
Delivery Date	10/13/2020
Arbitrage yield	1.802172%
Escrow yield	0.000000%
Value of Negative Arbitrage	
Bond Par Amount	6,757,065.00
True Interest Cost	1.833762%
Net Interest Cost	1.825557%
Average Coupon	1.795435%
Average Life	3.320
Par amount of refunded bonds	6,680,307.07
Average coupon of refunded bonds	3.834353%
Average life of refunded bonds	4.593
PV of prior debt to 10/13/2020 @ 1.802172%	7,276,790.39
Net PV Savings	519,726.25
Percentage savings of refunded bonds	7.779975%
Percentage savings of refunding bonds	7.691598%

DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
DIVISION OF WATER RESOURCES

**Clean Water State Revolving Fund (CWSRF) Loan Program**  
**Funds Available for Loan Obligation**  
**September 21, 2020**

**Unobligated Balance as of July 20, 2020** **\$ 43,634,737**

**Increases:**

	<b><u>Loan Number</u></b>	<b><u>Amount</u></b>	
City of Oakland	SRF 2016-369	\$ 9,122	
City of Oak Ridge	SRF 2017-256	\$ 76,804	
			<b><u>\$ 85,926</u></b>

**Unobligated Balance as of September 21, 2020** **\$ 43,720,663**

**Decreases:**

	<b><u>Loan Number</u></b>	<b><u>Amount</u></b>	
City of Cleveland	SRF 2018-417-01	10,000,000	
			<b><u>\$ (10,000,000)</u></b>

**Remaining Funds Available for Loan Obligations** **\$ 33,720,663**

**FACT SHEET**  
**September 21, 2020**

**Borrower:** City of Cleveland  
**Project Number:** SRF 2018-417-01  
**Requested SRF Funding:** \$10,000,000  
**Term:** 20 years  
**Rate:** 0.73% = 0.91 x 80% (Tier 2)

**Project:**

I/I Correction (Sanitary Sewer Evaluation Survey of the sewer lines along East Keith Street, Sycamore Drive, and Eldridge Drive; and rehabilitation of the sewer lines in Sewer Basin 64-14A and in the surveyed areas.)

Total Project Cost:	\$20,000,000
Project Funding:	
SRF Loan Principal	\$10,000,000
Local Funds	\$ -0-
Other Funds (SRF 2018-417)	\$10,000,000
County:	Bradley County
Consulting Engineer:	S&ME, INC.
Priority Ranking List:	FY 2017
Priority Ranking:	60 of 67
Public Meeting:	August 17, 2020

**Financial Information:**

Operating Revenues:	\$29,178,469
Current Rate:	\$36.49
Effective Rates, if applicable:	N/A
Residential User Charge:	5,000 gal/month
Customer Base:	19,300
Audit Report Filed:	01/30/2020 (Late)
Financial Sufficiency Review:	06/23/2020

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

**FACT SHEET**  
**September 21, 2020**

**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: \$6,162,821

MADS:	Prior Obligations:	\$2,173,572
	Proposed loan(s):	
	SRF 2018-417-01	<u>\$ 537,540</u>
		\$2,711,112
MADS as a percentage of SSTs: 43.99%		

**REPRESENTATION OF  
LOANS AND STATE-SHARED TAXES  
FOR TAX REVENUE ENTITIES  
CITY OF CLEVELAND  
SRF 2018-417-01**

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 \$6,162,821.

**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	CWA 2009-241	\$815,400	\$543,600	\$50,011
SRF/Sewer	CW0 2013-319	\$1,374,972	\$451,020	\$76,992
SRF/Sewer	SRF 2013-320	\$8,169,388	\$0	\$457,440
SRF/Sewer	CG4 2015-349	\$2,325,000	\$175,000	\$133,092
SRF/Water	DG2 2014-151	\$2,000,000	\$500,000	\$115,812
SRF/Water	DWF 2016-172	\$2,889,229	\$0	\$159,720
SRF/Water	DW6 2017-192	\$800,000	\$200,000	\$46,764
SRF/Water	DWF 2017-193	\$195,000	\$0	\$11,400
SRF/Sewer	CG3 2017-379	\$104,897	\$5,521	\$5,724
SRF/Water	DWF 2018-205	\$430,000	\$0	\$24,456
SRF/Sewer	CW6 2018-415	\$900,000	\$100,000	\$52,416
SRF/Sewer	SRF 2018-416	\$730,000	\$0	\$42,516
SRF/Sewer	SRF 2018-417	\$10,000,000	\$0	\$583,476
SRF/Sewer	CW7 2019-431	\$1,593,900	\$177,100	\$91,152

\* 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 \$1,850,971.

(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	BFC0100	\$4,160,000	\$0	\$322,601
TLDA/Public Health	N/A			
TLDA/Transportation	N/A			

The total MADS from section 2(b.) having a lien on SSTs is \$322,601.

(c.) The total MADS from prior obligations having a lien on SSTs [subsections 2(a)+2(b)] is \$2,173,572.

**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 2018-417-01	0.73%	\$10,000,000	\$0	\$537,540

The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is \$537,540.

**4. Unobligated SSTs**

The amount set forth in section (1) less the total amounts set forth in sections 2 and 3 is \$3,451,709.

**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 11th day of August, 2020.**

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

**LOCAL GOVERNMENT**

BY:



Tim Henderson CEO/President

**REQUIREMENT FOR REPORT ON DEBT OBLIGATION  
(FORM CT-0253)  
CITY OF CLEVELAND  
SRF 2018-417-01**

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](http://emma.msrb.org)).

**The applicant, City of Cleveland, 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.**

  
Tim Henderson CEO/President

8-11-20  
Date

August 27, 2020

Sushuma Pedireddi  
Technical Section  
Tennessee State Revolving Fund Loan Program  
William Snodgrass – Tennessee Tower  
312 Rosa L. Parks Ave, 12<sup>th</sup> Floor  
Nashville, TN 37243

**RE: Loan SRF2018-417-01  
Cleveland Utilities, Cleveland (Bradley County), Tennessee  
Loan No. SRF 2018-417-01 – Basin 10A-8, I/I Rehabilitation Project**


Dear Mrs. Pedireddi:

Cleveland Utilities' audit report was filed with the State Comptroller's office on November 27, 2019. This can be confirmed by visiting the State's audit report page at: <https://comptroller.tn.gov/advanced-search.html>. Additionally, The City of Cleveland's audit report was filed on January 30, 2020, per an agreed up extension with the State Comptroller's office, due to a system conversion at the city's office.

If you have any questions, please contact Greg Clark at 423-478-9377 or [gclark@clevelandutilities.com](mailto:gclark@clevelandutilities.com).

Sincerely,

**CLEVELAND UTILITIES**



Greg Clark, PE  
Manager of Wastewater Collections

cc: Felicia Freeman, Environmental Manager, SRF  
Travis Wilson, PE – Principal Project Manager, S&ME





JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Deputy Comptroller*

September 16, 2020

Greg Clark, PE  
Manager of Wastewater Collections  
Cleveland Utilities  
2450 Guthrie NW  
PO Box 2730  
Cleveland, TN 37320

Dear Mr. Clark:

Staff to the Tennessee Local Development Authority (TLDA) met on September 14, 2020, to review agenda items for the upcoming September 21, 2020, TLDA meeting which includes the City's request for funding from the State Revolving Fund (SRF) program. The Tennessee Department of Environment and Conservation (TDEC) provided staff with a copy of a letter that explained the reason the City filed its audit late was due to a system conversion. Although the City stated in its letter that an extension from the Comptroller's office was granted, please note that there is no provision in the audit contract for filing annual audit reports later than six months after the fiscal year end, and the Division of Local Government Audit (LGA) does not grant permission to extend contracted filing deadlines. The SRF loan agreement and state law require local governments to file the audit report within six months of fiscal year end. Failure to timely file reports may delay, or result in disapproval of, SRF funding requests.

Cleveland Utility's funding request will be included on the September TLDA meeting agenda. Staff observed that the City does have a history of timely filing its report in years prior to fiscal year 2019 and that Cleveland Utilities timely filed its FY19 report. Please contact LGA for clarification on audit contract requirements. The TLDA's SRF Policy and Guidance for Borrowers outlines the SRF program's audit filing requirement and is located on the Comptroller's website at: <https://www.comptroller.tn.gov/boards/tennessee-local-development-authority/tlda-information/policies.html>.

If you should have any questions, please let me know.

Sincerely,

*Sandi Thompson*

Sandra W. Thompson  
Director  
Division of State Government Finance  
Assistant Secretary to the TLDA  
Tennessee Comptroller of the Treasury

cc: Jerry Durham, Assistant Director, LGA  
Jean K. Suh, Contract Audit Review Manager, LGA  
Felicia D. Freeman, Environmental Manager, TDEC

DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
DIVISION OF WATER RESOURCES

**Drinking Water State Revolving Fund (DWSRF) Loan Program**  
**Funds Available for Loan Obligation**  
**September 21, 2020**

<b>Unobligated Balance as of July 20, 2020</b>			<b>\$ 37,717,897</b>
<b><u>Increases:</u></b>	<b><u>Loan Number</u></b>	<b><u>Amount</u></b>	
			<b>\$ -</b>
<b>Unobligated Balance as of September 21, 2020</b>			<b>\$ 37,717,897</b>
<b><u>Decreases:</u></b>	<b><u>Loan Number</u></b>	<b><u>Loan Amount</u></b>	
Town of Woodbury (Principal Amount)	SRF 2020-220	\$ 640,000	
Town of Woodbury (Principal Forgiveness)	SRF 2020-220	\$ 160,000	
			<b>\$ (800,000)</b>
<b>Remaining Funds Available for Loan Obligations</b>			<b>\$ 36,917,897</b>

**FACT SHEET**  
**September 21, 2020**

**Borrower:** Town of Woodbury  
**Project Number:** DW7 2020-220  
**Requested SRF Funding:** \$800,000  
**Term:** 20 years  
**Rate:** 0.34% = 0.85 x 40% (Tier 1)

**Project:**

New Water Storage Tank (Construction of a new .75MG WST adjacent to existing Parker Hill WST)

Total Project Cost:	\$1,850,000
Project Funding:	
SRF Loan Principal (80%)	\$ 640,000
Principal Forgiveness (20%)	\$ 160,000
Local Funds	\$ -0-
Other Funds (CDBG)	\$1,050,000

County:	Cannon County
Consulting Engineer:	James C. Hailey & Co.,
Priority Ranking List:	FY 2018
Priority Ranking:	5 of 21
Public Meeting:	January 07, 2020

**Financial Information:**

Operating Revenues:	\$2,370,981
Current Rate:	\$29.65
Effective Rates, if applicable:	N/A
Residential User Charge:	5,000 gal/month
Customer Base:	3,710
Audit Report Filed:	12/31/2019 (Timely)
Financial Sufficiency Review:	10/22/2019

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

**FACT SHEET**  
**September 21, 2020**

**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: \$349,267

MADS:	Prior Obligations:	\$	-0-
	Proposed loan(s):		
	SRF 2018-417-01	\$	<u>41,381</u>
		\$	41,381
MADS as a percentage of SSTs: 11.85%			

**TOWN OF WOODBURY  
DW7 2020-220  
REPRESENTATION OF  
LOANS AND STATE-SHARED TAXES**

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 \$349,267.00

**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				

\* 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	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 \$0.

**2. 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 2020-220	0.34%	\$800,000	\$160,000	\$41,381

The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is \$41,381.

**3. Unobligated SSTs**

The amount set forth in section (1) less the total amounts set forth in sections 2 and 3 is \$307,886.

**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 27 day of August, 2020.

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

**LOCAL GOVERNMENT**

BY:

  
\_\_\_\_\_  
Mayor Andrew Duggin

**TOWN OF WOODBURY  
DW7 2020-220  
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**

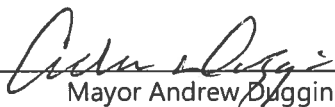
Local governments that issue municipal securities on or after February 27, 2019, should be aware that the Securities and Exchange Commission (SEC) adopted amendments to Rule 15c2-12 of the Securities Exchange Act that require reporting on material financial obligations that could impact an issuer's financial 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](http://emma.msrb.org)).

**The applicant, Town of Woodbury, 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 Andrew Duggin

8-27-2020  
Date