



TENNESSEE LOCAL DEVELOPMENT AUTHORITY
OCTOBER 25, 2021
AGENDA

1. Call meeting to order
2. Approval of minutes from the TLDA meeting of August 23, 2021
3. Consider for approval the following Clean Water Loans:

	SRF Base Loan	Principal Forgiveness	Total Request	Interest Rate	Term
Franklin, SRF 2017-398-01	\$19,500,000	\$ -	\$19,500,000	1.28%	30
Dayton, SRF 2021-454	\$18,114,550	\$ -	\$18,114,550	0.37%	20
Dayton, CW8 2021-453	\$ 2,000,000	\$500,000	\$ 2,500,000	0.37%	20
Athens, CW8 2021-459	\$ 2,000,000	\$ -	\$ 2,000,000	0.57%	20

4. Report on SRF borrowers that have not submitted request for project expense reimbursement
5. Report on the notification from the City of Hohenwald submitted to comply with TLDA SRF Policy and Guidance for Borrowers
6. Report on the notification from the City of Rockwood submitted to comply with TLDA SRF Policy and Guidance for Borrowers
7. Adjourn

TENNESSEE LOCAL DEVELOPMENT AUTHORITY
August 23, 2021

The Tennessee Local Development Authority (the “TLDA”) met on Monday, August 23, 2021, at 11:20 a.m. in the House Hearing Room 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 Jason E. Mumpower, Comptroller of the Treasury
The Honorable David H. Lillard, Jr., State Treasurer
Commissioner Butch Eley, 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:

Mr. Pat Wolfe, Senate Appointee
Ms. Paige Brown, House Appointee

The following member was absent:

The Honorable Bill Lee, Governor

Recognizing a quorum present, Mr. Hargett called the meeting to order.

Mr. Hargett stated that the first item on the agenda was approval of the minutes from the July 22, 2021, TLDA meeting. Mr. Hargett asked for a motion to approve the minutes. Mr. Mumpower made a motion to approve the minutes, and Ms. Brown seconded the motion. Mr. Hargett asked all in favor to say aye and all opposed to say no. By a vote of 6 – 0, the motion carried, and the minutes were unanimously approved.

Mr. Hargett stated that the next item on the agenda was consideration and approval of Drinking Water State Revolving Fund (DWSRF) loans and stated that, unless there was any objection, the TLDA would hear the two loan requests prior to asking for a motion to approve. Hearing none, he recognized Mr. Adeniyi Bakare, SRF Program Manager for the Tennessee Department of Environment and Conservation (TDEC), to present the loan requests. Mr. Bakare first presented the Report on Funds Available for Loan Obligation for the DWSRF Loan Program. He stated the unobligated fund balance was \$66,714,208 as of July 22, 2021. Upon approval of the loan requests to be presented totaling \$1,275,000, the remaining funds available for loan obligations would be \$65,439,208. He then presented the DWSRF loan requests.

- **Etowah (DG9 2021-241)** Requesting \$1,000,000 for water meter replacement (Installation of advanced metering infrastructure (AMI) meters within the Etowah Utilities service area); recommended interest rate of 0.80% based on the Ability to Pay Index (ATPI); Priority ranking 39 of 48 (FY 2020); Term: 20 years
- **Arthur-Shawnee Utility District (DW8 2021-243)** Requesting \$275,000 (\$220,000 (80%) loan; \$55,000 (20%) principal forgiveness) for distribution system improvements – (Construction of a new 400,000 gallon water storage tank in the Powell Valley/Speedwell Area; installation of approximately 7,500 linear feet (LF) of 10-inch diameter PVC supply waterlines; and modifications to the existing pressure reducing station); recommended interest rate of 0.66% based on the ATPI; Priority ranking 13 of 43 (FY 2019); Term: 20 years

Mr. Hargett made a motion to approve the loans, and Mr. Eley seconded the motion. Mr. Hargett inquired if there was any discussion. Hearing none, he asked all in favor to say aye and all opposed to say no. By a vote of 6 – 0, the motion carried, and the loans were unanimously approved.

Mr. Hargett stated that the next item on the agenda was consideration of a request for approval from the Metropolitan Government of Nashville and Davidson County (the “Metropolitan Government” or “Metro”) to issue Water and Sewer Revenue Bonds in an amount not to exceed \$815,000,000 on parity with its outstanding SRF loan agreements. He called upon Ms. Sandi Thompson, TLDA Assistant Secretary and the Director of the Division of State Government Finance (DSGF) to present the item. Ms. Thompson stated that the Metropolitan Government was requesting approval from the TLDA to issue water and sewer revenue bonds (the “Bonds”) on parity with its outstanding SRF loan agreements. She further stated that the request for approval was required by provisions set forth in the SRF loan agreement and guidelines set forth in the TLDA/SRF Policy and Guidance for Borrowers. She stated that the proposed debt would be issued in an amount not to exceed \$815,000,000. Ms. Thompson reported that the refunding portion of the debt would total \$250 million and would generate an approximate net present value savings of \$32 million, or 13.89% of the refunded bonds. She stated that Metro would retire commercial paper in the amount of \$275 million, and new money bonds issued would equal \$175 million, which would be used to fund the water and sewer capital projects. She stated that the Bonds would be secured by a senior lien on net revenues of Metro’s Water and Sewer System (Metro’s request letter stated that issuing a subordinate lien debt would be cost prohibitive). Ms. Thompson reported that Metropolitan Government was rated Aa2 by Moody’s and AA by S&P. She stated that its audited financial statements were filed timely, and that its current and projected debt service coverage equaled or exceeded the 1.2 times requirement. Ms. Thompson noted that Metro was under the jurisdiction of the Water and Wastewater Financing Board (WWFB) due to financial distress. She stated, however, that the utilities staff had indicated that the water and sewer rates that had been implemented a few years ago had provided sufficient debt service coverage. She stated that based on the analysis conducted, Metro would meet the TLDA’s criteria to issue the Bonds on parity with its SRF loans and said that staff recommended approval of the debt issuance. Mr. Hargett asked if there were any questions or comments, and Mr. Mumpower answered affirmatively. Mr. Mumpower first called upon Metro Nashville staff to come forward and introduce themselves. Michell Bosch introduced herself and stated that she was the Metropolitan Treasurer. Mr. Mumpower asked to what extent had Metro Nashville and the Utility System made themselves familiar with the ARP money as well as the commitment made by the state to match local ARP money for these types of projects. Ms. Bosch answered affirmatively, stating that Metro was aware that the state earmarked \$1.3 billion for water projects throughout the state. She stated that just like the state, the local government had elected to hold off on designating funds because the federal government had not made the final guidelines available. She further stated that those guidelines would be available in September. Ms. Bosch stated that Metro had received only half of the (ARP) funds and reported that the mayor’s office was focused on earmarking most of those for community development. She stated that Metro had discussed the ARP funds and concluded that when there was an opportunity to apply for the grant, the state would inform them of what was available to them. She stated that Metro water is under a consent decree to provide repairs and improvements to the system, which would be close to a billion dollars over the next ten years. She noted that Metro would have plenty of opportunity to access the ARP funds and other sources. Mr. Mumpower stated that the Comptroller’s office worked closely with Metro Counsel and the Utility System a couple of years ago and further stated that it was under the jurisdiction of the WWFB. He asked Ms. Bosch if she was confident about Metro’s rate structure and the willingness to adjust the rate structure if necessary to effectively cover the potential debt issuance. Ms. Bosch answered affirmatively. Mr. Mumpower thanked Ms. Bosch. Mr. Hargett inquired if there were any further questions, and Mr. Lillard responded affirmatively. He asked Ms. Bosch about the financial consultant’s report from 2019 that stated the revenue projected to be generated from existing rates was insufficient. Ms. Bosch responded, saying that although she oversaw the finances for Metro Nashville, the water and sewer had its own financial expert, but that it had recently raised rates. Mr. Lillard inquired if the rate study of 2019 had been updated. At that time, Amanda Moyer, Chief Financial Officer for the Utility introduced herself and said that the Utility had followed the rate structure approved by the WWFB in 2019. She stated that the rate structure increased every calendar year and would continue to increase 3% in the next three years. Mr. Lillard stated his original question, asking if the rate study had been updated since the 2019 report. Ms. Moyer replied that it was not updated, but that the Utility’s coverage ratios were showing exactly as the study. Mr. Lillard requested that the Comptroller bring the subject before the oversight board, and Mr. Mumpower stated that he would be happy to mention it to them. Mr. Hargett asked if there were any further questions. Hearing none, he moved approval of the request, and Mr. Lillard seconded the motion. Mr. Hargett asked all in favor to say aye and all opposed to say no. By a vote of 6 – 0, the motion carried, and the request was unanimously approved. Mr. Hargett then stated that although the TLDA had given their

approval, he would like the concerns expressed by Treasurer Lillard to be communicated to the WWFB. Mr. Mumpower stated that he would do it shortly after the meeting.

Mr. Hargett stated that the next item on the agenda was consideration of a request for approval from the Paris Utility Authority (the "Authority") to issue a USDA Waterworks Revenue Bond in an amount not to exceed \$7,200,000 on parity with its outstanding SRF loan agreements. He called upon Ms. Thompson to present the request. Ms. Thompson stated that the Authority was requesting approval from the TLDA to issue a USDA Waterworks Revenue Bond (the new "Bond") on parity with its outstanding SRF loan agreements and said that the request for approval was required by provisions set forth in the SRF loan agreements and guidelines set forth in the TLDA/SRF Policy and Guidance for Borrowers. She stated that the proposed debt would be issued in an amount not to exceed \$7,200,000. Ms. Thompson stated that the Bond would be issued by the Authority to the USDA in exchange for cancellation of the \$7,200,000 Water Revenue and Tax Bond, dated June 4, 2020, issued by the City of Paris. She explained that the City had previously owned the Water and Sewer System while the Paris Utilities Board had operated the System. She said that the TLDA had approved transfer of the City's SRF loans, assets, and the assignment of other debt from the City to the Authority in June of 2020. She further stated that the Authority had agreed to assume the USDA Bond by issuing a new Bond to the USDA with terms identical to the prior USDA Bond with the City. She stated, however, that the new Bond would be secured solely by a pledge of the revenues of the System. She stated that by issuing the new USDA Bond on parity with its SRF loans, the Authority would preserve its ability to issue senior lien debt which would result in lower cost for the System and its users. She stated that the Authority had a history of timely repayments on its SRF loans, had timely filed its FY2020 audit report, and that it had a security deposit in place in the amount of \$430,966. Ms. Thompson reported that the Authority's revenues would be sufficient to cover its debt service, and that its current and projected debt service coverage ratios met or exceeded the required 1.2 times coverage. She stated that based on analysis conducted, the Authority would meet the TLDA's criteria to issue its USDA loan on parity with its SRF loans and that staff recommended approval of the issuance. Mr. Lillard made a motion to approve the request, and Mr. Mumpower seconded the motion. Mr. Hargett inquired if there was any discussion. Hearing none, he asked all in favor to say aye and all opposed to say no. By a vote of 6 – 0, the motion carried, and the request was unanimously approved.

Mr. Hargett stated that the next item of business was the report on the notification from the City of Morristown (the "City") submitted to comply with TLDA SRF Policy and Guidance for Borrowers. He called upon Ms. Thompson to present the request. Ms. Thompson stated a notice was received from the City to comply with the TLDA's SRF Policy and Guidance for Borrowers. She further stated that the notice showed that the City intended to issue additional bond indebtedness (the "Refunding Indebtedness") to pay off certain of its existing SRF loans. Ms. Thompson stated that the City had passed a resolution that authorized the issuance of the Refunding Indebtedness as general obligation indebtedness and additionally payable by revenues from its water and sewer system. She stated that pursuant to the Policy, the City acknowledged that the Refunding Indebtedness would not impact the security of the SRF loan's lien on net revenues from the City's water and sewer system due to the Refunding Indebtedness being secured only by the general obligation pledge. She stated that this was a notification and would not require action by the TLDA board. Mr. Hargett asked if there were any questions about the report. There were no questions. This report was for information only. No board action was needed.

Hearing no other business, Mr. Mumpower made a motion to adjourn the meeting, and Mr. Hargett seconded the motion. Mr. Hargett asked all in favor to say aye and all opposed to say no. By a vote of 6 – 0, the meeting was adjourned.

Approved on this ____ day of _____, 2021.

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
October 25, 2021

Unobligated Balance as of July 22, 2021 **\$ 49,564,713**

<u>Increases:</u>	<u>Loan Number</u>	<u>Amount</u>
Cleveland	CW6 2018-415	\$ 17,548
Cleveland	SRF 2018-416	\$ 238,610
Springfield	SRF 2019-422	\$ 840,197
Town of Selmer	SRF 2021-448	\$ 1,445,000
		<u>\$ 2,541,355</u>

Unobligated Balance as of October 25, 2021 **\$ 52,106,068**

<u>Decreases:</u>	<u>Loan Number</u>	<u>Amount</u>
City of Franklin	SRF 2017-398-01	19,500,000
City of Dayton	SRF 2021-454	18,114,550
City of Dayton (Principal Amount)	CW8 2021-453	2,000,000
City of Dayton (Principal Forgiveness)	CW8 2021-453	500,000
City of Athens	CW8 2021-459	2,000,000
Town of Oakland	SRF 2016-369	9,122
		<u>\$ (42,123,672)</u>

Remaining Funds Available for Loan Obligations **\$ 9,982,396**

FACT SHEET

October 25, 2021

Borrower: City of Franklin
Project Number: SRF 2017-398-01
Requested SRF Funding: \$19,500,000
Term: 30 years
Rate: 1.28% = (1.28% x 100%) (Tier 4)

Project:

WWTP Expansion/Advanced Treatment (Expansion the existing WWTP from 12MGD to 16MGD to include new headworks, EQ basin, and UV disinfection system; modifying the biological nutrient system and denitrification filters; and biosolids and hydraulic improvements).

Total Project Cost:	\$132,977,021
Project Funding:	
SRF Loan Principal	\$ 19,500,000
Principal Forgiveness	\$ -0-
Local Funds	\$ 13,477,021
Other Funds (CG5 2017-375)	\$ 1,500,000
Other Funds (SRF 2017-376)	\$ 78,500,000
Other Funds (SRF 2017-398)	\$ 20,000,000

County:	Williamson County
Consulting Engineer:	LDA Engineering
Priority Ranking List:	FY 2019
Priority Ranking:	3 of 83 ¹
Public Meeting:	9/2/2021

Financial Information:

Operating Revenues:	\$ 32,254,195
Current Rate:	\$45.67
Financial Review Rate:	\$45.67
Effective Rates, if applicable:	\$47.39 (1/1/2022) ²
Residential User Charge:	5,000 gal/month
Customer Base:	26,025
Audit Report Filed:	12/9/2020 (Timely)
Financial Sufficiency Review:	3/29/2021

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

¹The Project ranked #3 of 83 on the FY 2019 Priority Ranking List (PRL).

²The City of Franklin annually implemented sewer rates. The first sewer rate increase effective January 1, 2021. The second sewer rate increase effective January 1, 2022.

FACT SHEET

October 25, 2021

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: \$13,475,529

MADS:	Prior Obligations:	\$4,488,141
	Proposed loan(s):	
	SRF 2021-459	<u>\$ 783,110</u>
	Total:	<u>\$5,271,251</u>
MADS as a percentage of SSTs:		39.12%

**REPRESENTATION OF
LOANS AND STATE-SHARED TAXES
CITY OF FRANKLIN
SRF 2017-398-01**

As security for payments due under a State Revolving Fund (SRF) Loan Agreement, a local government pledges user fees, 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 \$13,475,529.

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/Water	DWA 2009-097	\$1,500,000	\$1,000,000	\$98,214
SRF/Sewer	CGA 2009-250	\$1,573,500	\$1,258,800	\$122,175
SRF/Sewer	CG2 2016-367	\$1,822,741	\$0	\$129,852
SRF/Sewer	SRF 2016-374	\$442,986	\$0	\$22,980
SRF/Sewer	CG5 2017-375	\$1,275,000	\$225,000	\$52,584
SRF/Sewer	SRF 2017-376	\$78,500,000	\$0	\$3,237,492
SRF/Sewer	SRF 2017-398	\$20,000,000	\$0	\$824,844

* 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 \$4,488,141.

(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				
TLDA/Public Health				
TLDA/Transportation				

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 \$4,488,141.

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 2017-398-01	1.28%	\$19,500,000	\$0	\$783,110

The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is \$783,110.

4. Unobligated SSTs

The amount set forth in section (1) less the total amounts set forth in sections 2 and 3 is \$8,204,278.

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 14th day of September, 2021.

LOCAL GOVERNMENT

BY: _____


Dr. Ken Moore, Mayor

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

REQUIREMENT FOR REPORT ON DEBT OBLIGATION

(FORM CT-0253)

CITY OF FRANKLIN

SRF 2017-398-01

Pursuant to Tenn. Code Ann. § 9-21-134, 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. § 9-21-134 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 it 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.

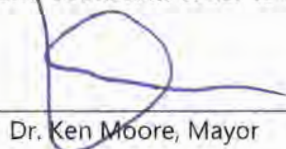
Municipal Securities Rulemaking Board (MSRB) – Required Disclosure

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 Franklin, attests that it is in compliance with Tenn. Code Ann. § 9-21-134 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 to this rule.


Dr. Ken Moore, Mayor

9-14-2021
Date

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

FACT SHEET

October 25, 2021

Borrower: City of Dayton
Project Number: SRF 2021-454
Requested SRF Funding: \$18,114,550
Term: 20 years
Rate: 0.37% = 0.92 x 40% (Tier 1)

Project:

WWTP Improvements/Secondary Treatment (Construction of a SBR and headworks with fine screening and grit removal, chemical building, septic receiving station, sludge facility, effluent pump/electrical building, and operations building; conversion of existing aeration basins and final clarifiers to EQ basins; installation of disinfection equipment and a standby generator).

Total Project Cost:	\$23,380,000
Project Funding:	
SRF Loan Principal	\$18,114,550
Local Funds	\$ -0-
Other Funds (CW8 2021-453) ¹	\$ 2,500,000
Other Funds (EDA Grants) ²	\$ 2,765,450
County:	Rhea County
Consulting Engineer:	J.R. Wauford & Company Consulting Engineers, Inc.
Priority Ranking List:	FY 2020
Priority Ranking:	52 of 64 ³
Public Meeting:	12/21/2020

Financial Information:

Operating Revenues:	\$7,698,606
Current Rate:	\$58.80
Effective Rates, if applicable:	\$61.20 (7/1/2022)
	\$63.60 (7/1/2023)
	\$66.05 (7/1/2024)
Residential User Charge:	5,000 gal/month
Customer Base:	2,564
Audit Report Filed:	03/31/2021 ⁴ (Late)
Initial Financial Sufficiency Review:	10/28/2020
Current Financial Sufficiency Review:	06/14/2021

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

¹ This is a companion loan to SRF 2021-453.

² EDA Grants (Economic Development Administration Grants).

³ The Project ranked #52 of 64 on the Priority Ranking List (PRL).

⁴ Fiscal Year 2020 Audit Report (Late). City of Dayton provided detailed explanation with loan application.

FACT SHEET
October 25, 2021

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: \$1,004,446.

MADS:	Prior Obligations:	\$	-0-
	Proposed loan(s):		
	SRF 2021-454	\$	939,792
	CW8 2021-453	\$	<u>103,761</u>
			<u>\$1,043,553</u>
MADS as a percentage of SSTs:			103.89%

**REPRESENTATION OF
LOANS AND STATE-SHARED TAXES
CITY OF DAYTON
SRF 2021-454**

As security for payments due under an SRF loan agreement, a local government pledges user fees and charges and ad valorem taxes as necessary to meet its obligations under an 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 \$1,004,446.

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				

* 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.

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 2021-454	0.37%	\$18,114,550	\$0	\$939,792
SRF/Sewer	CW8 2021-453	0.37%	\$2,000,000	\$500,000	\$103,761

The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is \$1,043,553.

4. Unobligated SSTs

The amount set forth in section (1) less the total amounts set forth in sections 2 and 3 is \$-39,107.

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 9th day of August, 2021.

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

LOCAL GOVERNMENT

BY:



Hurley Marsh, Mayor

REQUIREMENT FOR REPORT ON DEBT OBLIGATION
(FORM CT-0253)
CITY OF DAYTON
SRF 2021-454

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.

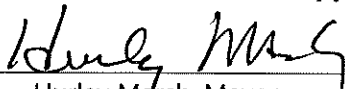
Municipal Securities Rulemaking Board (MSRB) – Required Disclosure

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 Dayton, 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.



Hurley Marsh, Mayor

August 9, 2021

Date



City of Dayton

P.O. BOX 226, DAYTON, TENNESSEE 37321
423-775-1817 FAX 423-775-8404



January 7, 2021

Tennessee Local Development Authority and
Tennessee Department of Economic & Conservation
ATTN: State Revolving Loan Program
Rosa L. Parks Avenue, 12th Floor
Nashville, TN 37243

RE: City Dayton
Loan # CW8-453 & Loan # SRF 2021-454;
Wastewater Treatment Plant Improvements and Secondary Treatments
Wauford Project No. 4623

Dear Madam/Sir:

The City of Dayton has had Audit Reports submitted late for the last four (4) years for various reasons as shown below:

2016: Auditors had requested extra time to finalize the information

2017: Auditors had requested extra time because they were awaiting the State Commodity Confirmation plus they were awaiting review from the City of the draft report in order to provide the MD&A and corrective action plans. The City also had some employee changes during the year that caused some delays.

2018: Auditors had requested extra time to finalize the information.

2019: Additional fieldwork was needed by the Auditors because of the City's new computer system implementation for some departments then COVID-19 has caused additional delays. The City also had some employee changes during the year that caused some delays.

2020: Audit is not complete due to COVID-19 precautions that have prevented the auditors from being on site for fieldwork as much and having to provide information through email along with new computer software changes for some departments.

Gary Louallen, Mayor
Billy C. Graham, Councilman
L. Michelle Horton, City Recorder

Steve Randolph, Vice-Mayor
Jim Lewis, Councilman
Susan E. Arnold, City Attorney

Bobby J. Doss, Councilman
Thomas W. Solomon, City Manager
James W. McKenzie, City Judge

If you should have any questions or need any additional information, please feel free to call at any time.

Sincerely,

A handwritten signature in blue ink, appearing to read "Thomas W. Solomon", with a long horizontal flourish extending to the right.

Thomas W. Solomon
City Manager

TWS/tac



JASON E. MUMPOWER
Comptroller

March 4, 2021

Mayor Gary Louallen
City of Dayton
PO Box 226
Dayton, TN 37321

Dear Mayor Louallen:

During the review of the City of Dayton's (the "City") State Revolving Fund (SRF) loan application, the Tennessee Department of Environment and Conservation (TDEC) noted that the City had not filed its audit report for fiscal year 2020 and provided a letter regarding the delinquency to our office that serves as staff to the Tennessee Local Development Authority (TLDA).

The City cited the reason for the delinquency as computer software changes and COVID-19 precautions that impeded the auditors from conducting onsite field work.

Please note that the audit contract does not provide for filing annual audit reports later than six months after the fiscal year end, and the Division of Local Government Audit (LGA) did not grant permission to extend the contracted filing deadline.

The SRF loan agreement and state law require local governments to file an annual audit report within six months after fiscal year end. Failure to timely file reports may delay, or result in disapproval of, SRF funding requests. On April 23, 2020, LGA sent notification to CPA firms that it did not intend to utilize or allow any extension of time to file an audit report unless there were extreme circumstances, that would be considered only on a case-by-case basis. Please contact LGA for clarification on audit contract requirements.

We encourage you to file your audit report as soon as possible, and once it has been filed, please notify the SRF loan program administrative manager, Andrea Fenwick, Andrea.W.Fenwick@tn.gov, so that SRF staff may proceed with processing the City's loan application. Information on the SRF program's audit filing requirement is contained in the TLDA's SRF Policy and Guidance for Borrowers which can be obtained online at the link below.

<https://www.comptroller.tn.gov/boards/tennessee-local-development-authority/tlda-information/policies.html>.

Please let me know if you have any questions in this regard.

Sincerely,

A handwritten signature in black ink, appearing to read "Sandra W. Thompson". The signature is fluid and cursive, with the first name "Sandra" being more prominent.

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

CC: Adeniyi R. Bakare, SRF Program Manager
Andrea W. Fenwick, SRF Administrative Manager
Jerry Durham, Assistant Director, LGA
Jean K. Suh, Contract Audit Review Manager, LGA

FACT SHEET

October 25, 2021

Borrower: City of Dayton
Project Number: CW8 2021-453
Requested SRF Funding: \$2,500,000
Term: 20 years
Rate: 0.37% = 0.92 x 40% (Tier 1)

Project:

GREEN – WWTP Improvements/Secondary Treatment (Construction of a SBR and headworks with fine screening and grit removal, chemical building, septic receiving station, sludge facility, effluent pump/electrical building, and operations building; conversion of existing aeration basins and final clarifiers to EQ basins; installation of disinfection equipment and a standby generator.).

Total Project Cost: \$23,380,000

Project Funding:

SRF Loan Principal (80%)	\$ 2,000,000
Principal Forgiveness (20%)	\$ 500,000
Local Funds	\$ -0-
Other Funds (SRF 2021-454) ¹	\$18,114,550
Other Funds (EDA Grants) ²	\$ 2,765,450

County:	Rhea County
Consulting Engineer:	J.R. Wauford & Company Consulting Engineers, Inc.
Priority Ranking List:	FY 2020
Priority Ranking:	52 of 64 ³
Public Meeting:	12/21/2020

Financial Information:

Operating Revenues:	\$7,698,606
Current Rate:	\$58.80
Effective Rates, if applicable:	\$61.20 (7/1/2022)
	\$63.60 (7/1/2023)
	\$66.05 (7/1/2024)
Residential User Charge:	5,000 gal/month
Customer Base:	2,564
Audit Report Filed:	3/31/2021 ⁴ (Late)
Initial Financial Sufficiency Review:	10/28/2020
Current Financial Sufficiency Review:	06/14/2021

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

¹ This is a companion loan to CW8 2021-454.

² EDA Grants (Economic Development Administration Grants)

³ Project ranked #52 of 64 on the Priority Ranking List (PRL).

⁴ Fiscal Year 2020 Audit Report (Late). City of Dayton provided detailed explanation with loan application.

FACT SHEET
October 25, 2021

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: \$1,004,446.

MADS:	Prior Obligations:	\$	-0-
	Proposed loan(s):		
	CW8 2021-453	\$	103,761
	SRF 2021-454	\$	<u>939,792</u>
			<u>\$1,043,553</u>
MADS as a percentage of SSTs:			103.89%

**REPRESENTATION OF
LOANS AND STATE-SHARED TAXES
CITY OF DAYTON
CW8 2021-453**

As security for payments due under an SRF loan agreement, a local government pledges user fees and charges and ad valorem taxes as necessary to meet its obligations under an 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 \$1,004,446.

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				

* 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.

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	CW8 2021-453	0.37%	\$2,000,000	\$500,000	\$103,761
SRF/Sewer	SRF 2021-454	0.37%	\$18,114,550	\$0	\$939,792

The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is \$1,043,553.

4. Unobligated SSTs

The amount set forth in section (1) less the total amounts set forth in sections 2 and 3 is \$-39,107.

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 9th day of August, 2021.

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

LOCAL GOVERNMENT

BY: 
Hurley Marsh, Mayor

REQUIREMENT FOR REPORT ON DEBT OBLIGATION

(FORM CT-0253)

CITY OF DAYTON

CW8 2021-453

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.

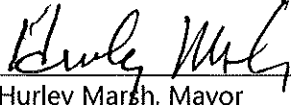
Municipal Securities Rulemaking Board (MSRB) – Required Disclosure

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 Dayton, 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.


Hurley Marsh, Mayor

August 9, 2021

Date

FACT SHEET

October 25, 2021

Borrower: City of Athens
Project Number: CW8 2021-459
Requested SRF Funding: \$2,000,000
Term: 20 years
Rate: 0.57% = (0.95% x 60%) (Tier 2)

Project:

New Pump Station and Force Main (Cedar Springs Pump Station Replacement and the installation of approximately 3,000 LF of new 12-inch diameter force main to the Oostanaula WWTP and Construction of a new pump and a new generator at the Sterling Road Pump Station).

Total Project Cost: \$2,630,000

Project Funding:

SRF Loan Principal	\$2,000,000
Principal Forgiveness	\$ -0-
Local Funds	\$ -0-
Other Funds (CDBG)	\$ 630,000

County:	McMinn County
Consulting Engineer:	Athens Utilities Board Water, Wastewater Engineering
Priority Ranking List:	FY 2020
Priority Ranking:	12, 28 of 64 ¹
Public Meeting:	6/28/2021

Financial Information:

Operating Revenues:	\$6,619,024
Current Rate:	\$49.50
Financial Review Rate:	\$49.50
Effective Rates, if applicable:	N/A
Residential User Charge:	5,000 gal/month
Customer Base:	4,434
Audit Report Filed:	12/30/2020 (Timely)
Initial Financial Sufficiency Review:	3/29/2021

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

¹ The Project ranked #12 and #28 of 64 on the FY 2020 Priority Ranking List (PRL).

FACT SHEET

October 25, 2021

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: \$1,912,554

MADS:	Prior Obligations:	\$ 405,540
	Proposed loan(s):	
	CW8 2021-459	<u>\$ 105,832</u>
	Total:	<u>\$ 511,372</u>
MADS as a percentage of SSTs:		26.74%

**REPRESENTATION OF
LOANS AND STATE-SHARED TAXES
CITY OF ATHENS
CW8 2021-459**

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 \$1,912,554.

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 2009-242	\$2,844,237	\$1,896,158	\$179,040
SRF/Water	DG0 2011-113	\$1,600,000	\$400,000	\$108,216
SRF/Water	DW0 2014-149	\$2,006,264	\$501,566	\$118,284

* 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 \$405,540.

(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				
TLDA/Public Health				
TLDA/Transportation				

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 \$405,540.

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	CW8 2021-459	0.57%	\$2,000,000	\$0	\$105,832

The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is \$105,832.

4. Unobligated SSTs

The amount set forth in section (1) less the total amounts set forth in sections 2 and 3 is \$1,401,182.

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 20th day of July, 2021.

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

LOCAL GOVERNMENT

BY:



William Bo Perkinson, Mayor

REQUIREMENT FOR REPORT ON DEBT OBLIGATION
(FORM CT-0253)
CITY OF ATHENS
CW8 2021-459

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 Athens, 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.



William Bo Perkinson, Mayor

07/20/2021

Date

PROJECT NAME & NUMBER	STATE & LOCAL FINANCE LOAN ACTIVITY AT OCTOBER 2021	PROJECT TYPE	DATE LOAN AWARDED	LOAN AMOUNT	TDEC DETAILS/COMMENTS/STATUS	PROJECT SCHEDULE STATUS Compliance Non-compliance (Need Explanation or Justification)
Cleveland SRF 2018-417-01	No funds have been disbursed to borrower	Clean Water	9/21/2020	\$ 10,000,000	This is a companion loan to SRF 2018-417, currently 99% reimbursed. The entity plans to exhaust the funds from the initial loan by the end of October 2021 before requesting a reimbursement from the companion loan.	In compliance with a construction completion date of June 30, 2025.
Huntland SRF 2019-427	No funds have been disbursed to borrower	Clean Water	5/21/2020	\$ 2,925,000	This is a companion loan to CG6 2019-426, currently 29% reimbursed. The entity plans to request reimbursements for the remainder of the initial loan by December 2021 before requesting a reimbursement from the companion loan. The entity submitted 3 Authority to Award bid packages. All packages are approved as of this meeting date. This allows disbursement request to be submitted.	In compliance with a construction completion date of April 26, 2026.
Memphis SRF 2021-451	No funds have been disbursed to borrower	Clean Water	2/17/2021	\$ 15,000,000	The City of Memphis submitted the signed Sewer Use Ordinance to our office September 29, 2021. The City will advertise and bid the Project. The City anticipates the first payment request will be submitted February 2022. (Per Scott Morgan, City of Memphis)	In compliance with a construction completion date of April 30, 2022.
Metro Nashville DG8 2020-223	No funds have been disbursed to borrower	Drinking Water	5/21/2020	\$ 5,000,000	The contract was awarded on July 8, 2021. The first payment request will be submitted by the end of October 2021. (Per Emily Kelly, LDA Engineering) This is a construction only loan.	In compliance with a construction completion date of June 30, 2022.
Metro Nashville DWF 2020-224	No funds have been disbursed to borrower	Drinking Water	5/21/2020	\$ 27,493,000	This is a companion loan to DG8 2020-223. The City plans to request reimbursements from the initial Loan first before requesting a reimbursement from this loan.	In compliance with a construction completion date of June 30, 2022.
Metro Nashville SRF 2020-446	No funds have been disbursed to borrower	Clean Water	5/21/2020	\$ 11,600,000	The contract is awarded, and the first payment request will be submitted by the end of October 2021. The delay for the reimbursement is due to the initial request, required additional reviews with the City and contractor needing to provide the payroll certification. (Per Emily Kelly, LDA Engineering) This is a construction only loan.	In compliance with a construction completion date of June 30, 2022.

From: [Stephen L. Bates](#)
To: [Alicia West](#)
Cc: [Ron Queen](#); [Lillian Blackshear](#); [Danny McKnight](#); [Kyle Hamm](#)
Subject: Hohenwald
Date: Monday, August 30, 2021 11:27:03 AM
Attachments: [Hohenwald-2021 State Approval Letter.pdf](#)
[Hohenwald-2021 RFG COI & DSV Report.pdf](#)

Ms West;

Please find attached a plan of refunding for the City of Hohenwald, Tennessee. The City would issue the refunding bonds subordinate to any outstanding TLDA Loans.

Best Regards,
Steve

\$1,175,000

Stephen L. Bates
Chief Manager/President
Guardian Advisors, LLC
P.O. Box 477
Hohenwald, TN 38462
P: (931) 796-0777
F: (931) 796-0779



Virus-free. www.avast.com

City of Hohenwald

118 W. Linden Avenue
Hohenwald, Tennessee 38462
(931) 796-2231



August 18, 2021

Betsy Knotts, Director
Office of the Division of Local Government Finance
Cordell Hull Building
425 Fifth Avenue North
Nashville, TN 37243

REF: City of Hohenwald, Tennessee - Proposed Issuance of approximately \$1,175,000 Water, Sewer Revenue & Tax Refunding Bonds, Series 2021 (BQ / Tax-Exempt) (the "Refunding Bonds")

Dear Ms. Knotts:

Pursuant to Tennessee Code Annotated Section 9-21-903, the City of Hohenwald, TN (the "City") requests a report from the Director of State and Local Finance on the enclosed plan of refunding regarding the issuance of the Refunding Bonds. The City proposes to issue the Refunding Bonds for the purpose of achieving debt service savings on certain of its previously issued bonds.

Proceeds from the proposed Refunding Bonds, along with other legally available funds of the City, if any, will be used for the purpose of current refunding approximately \$1,230,000 in aggregate par amount of the City's outstanding Water, Sewer Revenue & Tax Refunding Bonds, Series 2011, dated December 22, 2011, maturing December 01, 2021 through December 01, 2036, (the "Outstanding Bonds"). Pursuant to 9-21-910(c), Tennessee Code Annotated, the City proposes to sell the proposed Refunding Bonds by competitive sale. The City will be able to amortize the Refunding Bonds with all of its other outstanding obligations. The City will consider adoption of the resolution September 07, 2021 in a regular meeting at 6:00 p.m.

By issuing the proposed Refunding Bonds, the City expects to experience a net present value savings of \$190,744.99 or 16.2336% of par of the current issue. The combined weighted average maturity of the Outstanding Bonds is currently 8.741376 years with a weighted net interest cost of 3.882874%. The anticipated weighted average maturity of the proposed Refunding Bonds is 7.907290 years with an estimated weighted net interest cost of 1.350532%. A detailed savings report is attached to this letter. Total savings of \$210,461.81 in interest expense is estimated for the enterprise fund.

The issuance of the Refunding Bonds is consistent in all respects with the City's adopted Debt Management Policy (Ordinance #658 and Ordinance #675 as amended) which permits a current refunding that will generate present value savings and also which provides that bonds be refunded within the original term, and which permits a competitive sale.

I attach for your review the following:

- a copy of the estimated sources and uses of funds, including a detailed schedule of the estimated costs of issuance
- a copy of the estimated debt service schedule for the Refunding Bonds, which includes the anticipated par amount and anticipated final maturity of the Refunding Bonds
- a copy of the refunding feasibility report

- a copy of the debt service schedule for the Outstanding Bonds
- a copy of the State Report on Debt Obligation for the Outstanding Bonds

The Outstanding Bonds are federally tax-exempt, bank-qualified general obligation and revenue tax deficiency debt, authorized by adoption of a Resolution by the City of Hohenwald on October 18, 2011, for improvements to the water and sewer system. The first maturity date of the Outstanding 2011 Bonds was on December 01, 2012 and the final maturity date is on December 01, 2036. The final maturity of the proposed Refunding Bonds is not to be extended beyond the fiscal year of the final maturity of the Outstanding Bonds and the weighted average maturity of proposed Refunding Bonds is not to be increased beyond that of the Outstanding Bonds.

Included within this request letter and accompanying schedules is all the information required by your office pursuant to the Plan of Refunding Guidelines issued by your office on March 7, 2011. Please let me know if you need any additional information or if you have any questions or concerns. Our municipal advisor, Guardian Advisors LLC, has provided advice on which we have relied to prepare this plan. If you wish to contact Stephen L. Bates of Guardian Advisors LLC for further information on this plan of refunding, his contact information is listed below. Lillian Blackshear of Bass, Berry & Sims will serve as Bond Counsel.

On behalf of the City, I look forward to your reply.

Sincerely,



Danny McKnight,
Mayor
dmcknight@hohenwald.com

cc: Stephen L. Bates, guardianadvisors@hughes.net (931) 796-0777 (p), (931) 796-0779 (f)
Lillian Blackshear, lblackshear@bassberry.com (615) 742-7902 (p), (615) 248-4245 (f)
Kyle Hamm, Recorder, khamm@hohenwald.com (931) 796-2231 (p), (931) 796-6055 (f)

City of Rockwood

110 N. Chamberlain Avenue – Rockwood, TN 37854
Phone: 865.354.0611 – FAX: 865-354-0348
Website: rockwoodtn.org

Mayor Mike Miller

City Council Members

Bobby Anderson
Steve Bryant
Peggy Evans
Mike Fuller
Harold Holloway
April Foust Wilson



ROCKWOOD
THE PLACE TO BE IN TENNESSEE
EST. 1868

August 27, 2021

Office of Comptroller of the Treasury
First Floor
State Capitol
Nashville, Tennessee 37243-9034

Re: Notice of Intent to Issue Refunding Indebtedness \$4,600,000
Secured by general obligation pledge

Dear Ladies and Gentlemen:

This notice is being given pursuant to the Tennessee Local Development Authority ("TLDA") State Revolving Fund Policy and Guidance for Borrowers (the "Policy"). This is to notify TLDA that the City of Rockwood, Tennessee (the "City") intends to issue additional bond indebtedness (the "Refunding Indebtedness") to pay off its existing State Revolving Fund loan. The City has passed a resolution that authorizes the issuance of the Refunding Indebtedness as **general obligation** indebtedness that is additionally payable from, but not secured by, water and sewer system revenue. If there is additional information needed by TLDA that would be helpful, please let me know and I will be happy to endeavor to provide the same.

Very truly yours,

A handwritten signature in purple ink that reads "Becky Ruppe".

Becky Ruppe
City Administrator/Recorder