



TENNESSEE LOCAL DEVELOPMENT AUTHORITY
APRIL 10, 2025
AGENDA

- 1) Call meeting to order, establish that there is a physical quorum, and receive public comments on actionable items in accordance with 2023 Public Chapter 300 and Board guidelines.
- 2) Approval of minutes from the March 24, 2025, meeting
- 3) Consideration and approval of the following State Revolving Fund Clean Water Loan:

| | SRF Base Loan | Principal Forgiveness | Total Request | Interest Rate | Term |
|---------------------------|------------------|--------------------------|------------------|------------------|------|
| Plateau UD, CW21 2025-498 | \$ 115,500 | \$ 115,500 | \$ 231,000 | 1.13% | 5 |

- 4) Consideration and approval of the following State Revolving Fund Drinking Water Loan:

| | SRF Base Loan | Principal Forgiveness Standard | Principal Forgiveness Emerging Contaminants | Total Request | Interest Rate | Term |
|-------------------------|------------------|--------------------------------------|--|------------------|------------------|------|
| Clifton, DWB23 2025-279 | \$ 5,715,812.52 | \$ 4,999,996.48 | \$ 5,188,000.00 | \$ 15,903,809.00 | 1.32% | 20 |

- 5) Consideration and approval of a request from the City of Nashville to issue water and sewer revenue bonds in an amount not to exceed \$700,000,000 on parity with its outstanding SRF loans
- 6) Report on the Notification from the City of Winchester submitted to comply with TLDA SRF Policy and Guidance for Borrowers
- 7) Adjourn

TENNESSEE LOCAL DEVELOPMENT AUTHORITY
March 24, 2025

The Tennessee Local Development Authority (the “TLDA”) met on Monday, March 24, 2025, at 2:15 p.m., CT, in the Volunteer Conference Center, 2nd Floor, Cordell Hull Building, Nashville, Tennessee. Secretary of State Tre Hargett was present and presided over the meeting.

The following members were also present:

Mr. William Wood, proxy for the Honorable Jason E. Mumpower, Comptroller of the Treasury
Mr. Jamie Wayman, proxy for the Honorable David H. Lillard, Jr., State Treasurer
Commissioner Jim Bryson, Department of Finance and Administration
Mayor Paige Brown, House Appointee

The following member participated electronically as authorized by Tennessee Code Annotated § 8-44-108:

Mayor Rollen “Buddy” Bradshaw, Senate Appointee

The following member was absent:

The Honorable Bill Lee, Governor

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

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

Secretary Hargett—Present
Commissioner Bryson—Present
Mr. Wood—Present
Mr. Wayman—Present
Mayor Brown—Present
Mayor Bradshaw—Present

Secretary Hargett stated that the first item of business was approval of the minutes from the February 13, 2025, TLDA meeting. Secretary Hargett moved approval of the minutes, and Commissioner Bryson seconded the motion. Secretary Hargett asked if there was any discussion. Hearing none, he asked Ms. Thompson to conduct a roll call vote:

Secretary Hargett—Aye
Commissioner Bryson—Aye
Mr. Wood—Aye
Mr. Wayman—Aye
Mayor Brown—Aye
Mayor Bradshaw—Aye

The minutes were unanimously approved.

Secretary Hargett stated that the next item on the agenda was the consideration and approval of Drinking Water State Revolving Fund (DWSRF) loans. Secretary Hargett recognized Ms. Vena Jones, Program Manager, Tennessee Department of Environment and Conservation (TDEC), to present the DWSRF unobligated balances and two loan

requests. Secretary Hargett stated that without objection the TLDA would hear both loan requests and then vote on the items simultaneously. There were no objections. Ms. Jones first presented the Report on Funds Available for Loan Obligation for the DWSRF Loan Program. She stated the unobligated fund balance was \$73,754,918, as of February 13, 2025. Upon approval of the loan requests to be presented totaling \$3,975,000, the remaining funds available for loan obligations would be \$69,779,918. Additionally, Ms. Jones stated that TDEC would be issuing loans in the near future with additional funding from the Infrastructure Investment and Jobs Act (IIJA). She further stated that those funds would not contribute to the standard SRF base. Ms. Jones reported that there were two IIJA Lead Service Line Grants received for federal fiscal year (FFY) 2022 and FFY 2023, totaling \$118,097,948, which would then bring the overall funds available for loan obligations to \$187,877,866. She explained that lead service line dollars could only be issued to entities to be used solely for lead service line replacement projects, and not for other projects. However, LSL funds could be used in conjunction with a traditional SRF project, but the funds must be accounted for separately. Ms. Jones added that a FFY 2022 IIJA Emerging Contaminant Grant was also received in the amount of \$10,678,347. She explained that emerging contaminants included PFAS (per- and polyfluoroalkyl substances), microplastics, endocrine disruptors, and others. Ms. Jones stated that TDEC declined available Emerging Contaminant grant funding in FFY 2023, but TDEC would be applying for FFY 2024 funding and noted that the required intended use plan is currently available for public comment. Ms. Jones noted that the TLDA would begin to see utilization of the Emerging Contaminants funding, including a loan request anticipated in April from the Town of Clifton for a drinking water treatment plant. Secretary Hargett asked if there were any questions on the report, and there were none. Ms. Jones then presented the DWSRF loan requests.

- **LaFollette (DW20 2025-278)** Requesting \$2,875,000 (\$1,437,500 (50%) loan and \$1,437,500 (50%) principal forgiveness) for waterline extensions: the construction of a booster pump station on Flatwood Lane; and the installation of approximately 22,000 linear feet of 2-inch and 6-inch diameter waterlines and associated appurtenances along Flatwoods Lanes, Flat Hollow road, and Norman Road; recommended interest rate of 1.32% based on the Ability to Pay Index (ATPI); Priority ranking 49 of 143 (FY2022); Term: 20 years
- **Perryville Utility District (DW9 2025-259)** Requesting \$1,100,000 (\$550,000 (50%) loan and \$550,000 (50%) principal forgiveness) for a water meter replacement: installation of approximately 1,450 automatic meter reading meters throughout the distribution system; water storage tank improvements: installation of a telemetry system and welding repairs; recommended interest rate of 1.15% based on the ATPI; Priority ranking 20, 21 of 143 (FY2022); Term: 20 years

Secretary Hargett made a motion to approve the loan requests. Mr. Wood seconded the motion. Secretary Hargett asked if there was any discussion. Hearing none, he asked Ms. Thompson to conduct a roll call vote:

Secretary Hargett—Aye
Commissioner Bryson—Aye
Mr. Wood—Aye
Mr. Wayman—Aye
Mayor Brown—Aye
Mayor Bradshaw—Aye

The loans were unanimously approved.

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

Secretary Hargett—Aye
Commissioner Bryson—Aye
Mr. Wood—Aye
Mr. Wayman—Aye

Mayor Brown—Aye
Mayor Bradshaw—Aye

The meeting was adjourned.

Approved on this ____ day of _____, 2025.

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
April 10, 2025

Unobligated Balance as of February 13, 2025 TLDA Meeting **\$ 245,425,261**

Increases:

| | <u>Loan Number</u> | <u>Amount</u> | |
|-------------------------------|---------------------------|----------------------|-------------------|
| Cleveland Utilities Authority | SRF 2023-484 | \$ 132,981 | |
| | | | \$ 132,981 |

Unobligated Fund Balance as of April 10, 2025 **\$ 245,558,242**

Decreases:

| | <u>Loan Number</u> | <u>Amount</u> |
|----------------------------------|---------------------------|----------------------|
| Plateau Utility District | CW21 2025-498 | \$ 231,000 |
| *Principal Amount \$115,500 | | |
| *Principal Forgiveness \$115,500 | | |

\$ (231,000)

Remaining Unobligated Funds as of April 10, 2025 **\$ 245,327,242**

**Clean Water State Revolving Fund (CWSRF) Non-Revolving Funds
Funds Available for Loan Obligation
April 10, 2025**

| | | | |
|--|---------------------------|---------------------------|------------------|
| Unobligated Emerging Contaminants Balance as of April 10, 2025 TLDA Meeting | | \$ | - |
| <u>Increases:</u> | <u>Loan Number</u> | <u>Amount</u> | |
| FFY 2022 IJA Emerging Contaminant Grant (project dollars) | | \$ | 1,358,000 |
| | | \$ | 1,358,000 |
| Unobligated Fund Balance as of April 10, 2025 | | \$ | 1,358,000 |
| <u>Decreases:</u> | <u>Loan Number</u> | <u>Loan Amount</u> | |
| | | \$ | - |
| Remaining Funds Available for Loan Obligations as of April 10, 2025 | | \$ | 1,358,000 |

FACT SHEET

April 10, 2025

Borrower: Plateau Utility District
Project Number: CW21 2025-498
Requested SRF Funding: \$231,000
Term: 5 years
ATPI 10
Rate: 2.82% X 40 (Tier 1) = 1.13%
Companion Loan: N/A

Project:

Planning and Design loan for wastewater treatment plant (WWTP) improvements/advanced treatment: Improvements to the WWTP includes replacing the mechanical bar screen and grit chamber; construction of a new chlorination/dichlorination building; installation of a tertiary filter pump; relocation of the lab building; and electrical improvements.

| | |
|-----------------------------|-----------|
| Total Project Cost: | \$231,000 |
| Project Funding: | |
| SRF Loan Principal (50%) | \$115,500 |
| Principal Forgiveness (50%) | \$115,500 |
| Local Funds | \$ -0- |

| | |
|------------------------|---|
| County: | Morgan County |
| Consulting Engineer: | Civil & Environmental Consultants, Inc. |
| Priority Ranking List: | 2023 |
| Priority Ranking: | 11 of 57 ¹ |
| Public Meeting: | 4/02/2025 |

Financial Information:

| | |
|---|-------------|
| Operating Revenues: | \$5,860,129 |
| Current Rate: | \$54 |
| Financial Review Rate: | \$54 |
| Effective Date of Rate Change, if applicable: | N/A |
| Additional Revenue Recommendation: | N/A |

| | |
|---------------------------------------|---------------------|
| Residential User Charge: | 5,000 gal/month |
| Customer Base: | 536 |
| Audit Report Filed: | 12/19/2024 (Timely) |
| Approved Annual Budget | Yes |
| Initial Financial Sufficiency Review: | 10/21/2024 |
| Updated Financial Sufficiency Review: | 01/07/2025 |

¹ The project ranked #11 of 57 on the 2023 Priority Ranking List.

FACT SHEET
April 10, 2025

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

Additional Security

A security deposit equal to one year's maximum annual debt service is required to be deposited with the TLDA before any funds are disbursed to the borrower. The anticipated required security deposit for this loan is \$23,772.

**REPRESENTATION OF
LOANS AND SECURITY DEPOSIT
PLATEAU UTILITY DISTRICT
CW21 2025-498**

As security for payments due under a State Revolving Fund (SRF) Loan Agreement, a local government pledges user fees and charges and further pledges such other additional available sources of revenues as are necessary to meet its obligations under a SRF Loan Agreement. Prior to the first disbursement on a loan, a local government is required to deposit with the TLDA an amount of funds equal to the maximum annual debt service (MADS) as additional security for such loan.

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

| Loan Type | Loan # | Base Loan* | Principal Forgiveness* | MADS** |
|-----------|--------------|-------------|------------------------|----------|
| SRF/Sewer | SRF 2005-182 | \$1,155,869 | \$0 | \$65,196 |

*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 required security deposit(s) for previously approved SRF loan(s) is \$65,196.

- b. The local government is applying for the following SRF loan(s):

| Loan Type | Loan # | Anticipated Interest Rate | Base Loan | Principal Forgiveness | Anticipated MADS |
|-----------|---------------|---------------------------|-----------|-----------------------|------------------|
| SRF/Sewer | CW21 2025-498 | 1.13% | \$115,500 | \$115,500 | \$23,772 |

The total anticipated security deposit(s) for the proposed loan(s) is \$23,772.

- c. The total MADS (a+b) is \$88,968.

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 15th day of March, 2025.

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

LOCAL GOVERNMENT

BY:


John M Davis, President of Plateau Utility District

REQUIREMENT FOR REPORT ON DEBT OBLIGATION

(FORM CT-0253)

PLATEAU UTILITY DISTRICT

CW21 2025-498

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, Plateau Utility District, 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.


John M Davis, President of Utility District

March 15, 2025

Date

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

Drinking Water State Revolving Fund (DWSRF) Loan Program
Funds Available for Loan Obligation
April 10, 2025

Amount

Loan Amount

\$ 59,064,109

DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF WATER RESOURCES

Drinking Water State Revolving Fund (DWSRF) Non-Revolving Funds
Funds Available for Loan Obligation
April 10, 2025

Unobligated Emerging Contaminants Balance as of April 10, 2025 TLDA Meeting \$ 10,678,347

Increases:

| <u>Loan Number</u> | <u>Amount</u> |
|--------------------|---------------|
|--------------------|---------------|

| | |
|---|---------------|
| | \$ - |
| Unobligated Fund Balance as of April 10, 2025 | \$ 10,678,347 |

Decreases:

| <u>Loan Number</u> | <u>Loan Amount</u> |
|--------------------|--------------------|
|--------------------|--------------------|

| | | |
|-------------------------------------|----------------|-------------|
| City of Clifton | DWB20 2025-279 | \$5,188,000 |
| * Principal Forgiveness \$5,188,000 | | |

| | |
|---|----------------|
| | \$ (5,188,000) |
| Remaining Funds Available for Loan Obligations as of April 10, 2025 | \$ 5,490,347 |

DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF WATER RESOURCES

Drinking Water State Revolving Fund (DWSRF) Non-Revolving Funds
Funds Available for Loan Obligation
April 10, 2025

Unobligated Lead Service Line Balance as of April 10, 2025 TLDA Meeting \$ 118,097,948

Increases:

| <u>Loan Number</u> | <u>Amount</u> |
|--------------------|---------------|
|--------------------|---------------|

| | |
|---|----------------|
| | \$ - |
| Unobligated Fund Balance as of April 10, 2025 | \$ 118,097,948 |

Decreases:

| <u>Loan Number</u> | <u>Loan Amount</u> |
|--------------------|--------------------|
|--------------------|--------------------|

| | |
|---|----------------|
| | \$ - |
| Remaining Funds Available for Loan Obligations as of April 10, 2025 | \$ 118,097,948 |

FACT SHEET

April 10, 2025

| | |
|------------------------------------|-----------------------------|
| Borrower: | City of Clifton |
| Project Number: | DWB23 2025-279 |
| Requested SRF Funding: | \$15,903,809 |
| SRF Base Loan: | \$10,715,809 |
| DWSRF Emerging Contaminants | \$ 5,188,000 ¹ |
| Term: | 20 years |
| ATPI | 20 |
| Rate: | 3.29% X 40 (Tier 1) = 1.32% |
| Companion Loan: | N/A |

Project:

New Water Treatment Plant: Construction of a 1.5 MGD WTP to include a new raw water intake and 2,500 LF of waterline from the intake to the WTP site.

| | |
|---------------------|-----------------|
| Total Project Cost: | \$20,778,800.20 |
|---------------------|-----------------|

Project Funding:

| | |
|-----------------------------------|-----------------|
| SRF Loan Principal (53.34%) | \$ 5,715,812.52 |
| SRF Base Principal | |
| Forgiveness (46.66%) | \$ 4,999,996.48 |
| DWSRF Emerging Contaminants | |
| Forgiveness (100%) | \$ 5,188,000.00 |
| Local Funds | \$ -0- |
| Other Funds (Dept of Corrections) | \$ 3,000,000.00 |
| Other Funds (ARPA) | \$ 1,874,991.20 |

| | |
|------------------------|---------------------------|
| County: | Wayne County |
| Consulting Engineer: | Heathcoat and Davis, Inc. |
| Priority Ranking List: | 2022 |
| Priority Ranking: | 110 of 143 ² |
| Public Meeting: | 02/24/2025 |

Financial Information:

| | |
|---------------------------------|-------------|
| Operating Revenues: | \$1,210,962 |
| Current Rate: | \$ 33.45 |
| Financial Review Rate: | \$ 33.45 |
| Effective Rates, if applicable: | N/A |

¹ Clifton received additional DWSRF Emerging Contaminants (PFAS) Principal Forgiveness specifically allocated for assets designed to manage per- and polyfluoroalkyl substances (PFAS) at the Clifton Water Treatment Plant.

² The project ranked #110 of 143 on the 2022 priority ranking List.

FACT SHEET

April 10, 2025

| | |
|---------------------------------------|---------------------|
| Residential User Charge: | 5,000 gal/month |
| Customer Base: | 585 |
| Audit Report Filed: | 12/28/2024 (Timely) |
| Approved Annual Budget: | Yes |
| Additional Revenue Recommended: | No |
| Financial Sufficiency Review: | 01/21/2025 |
| Updated Financial Sufficiency Review: | N/A |

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

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: \$435,008

| | | | |
|-------------------------------|--------------------|----|------------------|
| MADS: | Prior Obligations: | \$ | -0- |
| | Proposed loan(s): | | |
| | DWB23 2025-279 | | <u>\$325,332</u> |
| | Totals | | <u>\$325,332</u> |
| | | | |
| MADS as a percentage of SSTs: | | | 74.79% |

**REPRESENTATION OF
LOANS AND STATE-SHARED TAXES
CITY OF CLIFTON
DWB23 2025-279**

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 \$435,008.

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 | | | | |
| 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 \$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 | Principal Forgiveness Emerging Contaminants | Anticipated MADS |
|-----------|-------------------|---------------------------|----------------|-----------------------|---|------------------|
| SRF/Water | DWB23 2025-279 | 1.32% | \$5,715,812.52 | \$4,999,996.48 | \$5,188,000.00 | \$325,332.00 |

The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is \$325,332.00.

4. Unobligated SSTs

The amount set forth in section (1) less the total amounts set forth in sections 2 and 3 is \$109,676.00.

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

Duly signed by an authorized representative of the Local Government on this 1st day of April, 2025.

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

LOCAL GOVERNMENT

BY:


Mark Staggs, Mayor

REQUIREMENT FOR REPORT ON DEBT OBLIGATION
(FORM CT-0253)
CITY OF CLIFTON
DWB23 2025-279

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 Clifton, 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.


Mark Staggs, Mayor

April 1, 2025
Date

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



JASON E. MUMPOWER
Comptroller

April 10, 2025

**Metropolitan Government of Nashville and Davidson County
Approval to Issue Debt and Modification of Lien Position**

The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") is requesting approval from the Tennessee Local Development Authority (the "TLDA") to issue Water and Sewer Revenue Bonds (the "Bonds") in an amount not to exceed \$700,000,000 on parity with its SRF loans. Approval from the TLDA for the Metropolitan Government to issue additional debt and modify lien position 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, Energy Authority, or Water/Wastewater Authority

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)

☐ 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 that the proposed debt be issued on parity with its outstanding SRF loans.

☐ The borrower is requesting to subordinate its outstanding SRF debt to the proposed debt issuance.

☐ The borrower is not requesting a modification of lien position, and the proposed debt will be issued subordinate to the existing SRF debt.

3. The purpose of the proposed debt issuance is:

☒ Refunding (By Tender Offer)

☒ New Money (Commercial Paper Refunding)

4. Additional Information:

The Bonds will be sold by negotiated sale to an underwriting team led by Bank of America Securities Inc. The Bonds will be payable solely from and secured solely by a senior lien on the net revenues of the Metropolitan Government's water and sewer system, on parity with its three SRF loans, as well as the Metropolitan Government's Series 2010, 2013, 2017, 2020, 2021 and 2022 (WIFIA) Water and Sewer Revenue Bonds.¹ The Bonds will not be general obligations of the Metropolitan Government. The request letter states that it is important that the Bonds be issued on a senior lien basis relative to system revenues – on parity with the SRF loans and other outstanding debt because the Metropolitan Government believes that the additional interest expense payable on subordinate lien debt obligations would be cost-prohibitive.

Proceeds:

- \$300 million of bond proceeds will be used to refund the Metropolitan Government's 2017A, 2017B and 2021B Bonds by tender offer to current bondholders. The final amount refunded will depend upon the number of bondholders that accept the tender offer.
- \$400 million of bond proceeds will be used to retire outstanding commercial paper.

The purpose of the refunding is to generate present value savings of at least 2%.

5. The debt rating of the borrower is:

Please indicate N/R if not rated.

Aa2 Moody's

AA+ Standard and Poor's

N/A Fitch

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

| | | | | | | | |
|------------------|--|---------------|----------------------|--------------------------|--------------------------------|----------------------------------|--------------|
| Borrower | Metropolitan Government of Nashville & Davidson County | | | | | | |
| Date | 3/12/2025 | | | | | | |
| Loan Type | Loan # | Status | Disbursements | Available to Draw | % Principal Forgiveness | Edison Balance @3/12/2025 | MADS* |
| Water | DG8 20-223 | Repayment | 5,000,000.00 | - | 0% | 4,389,959.00 | 266,664.00 |
| Water | DWF 20-224 | Construction | 23,366,800.00 | 4,126,200.00 | 0% | 23,366,800.00 | 1,509,917.00 |
| Sewer | SRF 20-446 | Repayment | 8,131,920.00 | - | 0% | 7,164,451.00 | 435,048.00 |
| | | | | | | | |
| | | | 36,498,720.00 | 4,126,200.00 | | 34,921,210.00 | 2,211,629.00 |
| | | | | | | | |

7. Compliance with SRF Loan Agreement:

¹ The TLDA previously approved a shared parity lien position for the referenced Water and Sewer Revenue Bonds.

a. Timely repayments [4.(a)]

☒ Yes ☐ No

b. Security Deposit (UDs and Authorities) [8.] N/A

☐ Yes ☐ No

Amount on deposit: \$ _____

c. State-Shared Taxes (Municipalities) [8.]

| | |
|----------------------|------------------------------------|
| <u>\$153,272,799</u> | SSTs received in prior fiscal year |
| <u>\$ 2,211,629</u> | SRF MADs (SST pledge) |
| <u>\$ 6,821,089</u> | QSCB MADS (SST pledge) |
| <u>\$144,240,081</u> | Unobligated SSTs |

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

The Metropolitan Government did not timely file its audited financial statements with the Division of Local Government Audit through the fiscal year ended June 30, 2024, within six months after fiscal year end.

The request letter states that the delinquency was solely a result of the delayed completion of the financial statements for the Metropolitan Government's Hospital Authority (a component unit) that experienced significant turnover within its finance department in 2024. The Metropolitan Government states that it will work with the Hospital Authority to ensure timely completion of future audits.

e. Sufficient Revenues [7.(k)]

☒ Yes ☐ No

For the fiscal year ended June 30, 2024, Metro's audited financial statements reflected operating income of \$88,673,964 and a positive change in net position of \$116,139,333 for Metro's Water and Sewerage Fund. As of the fiscal year ended June 30, 2024, Metro reported \$123,632,013 of equity in unrestricted cash and investments.

For fiscal year 2024, the Water and Sewerage Fund reported debt service principal and interest payments of \$33,564,694, and \$60,753,659 respectively, on its outstanding debt.

f. Debt Service Coverage Ratios [7.(l) and (m)(3) & (4)]

The current and projected Debt Service Coverage Ratio meets 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 debt service coverage requirement for the Water and Sewerage Fund was met for the fiscal year ended June 30, 2024, at 2.4x. Metro estimates that it will be met for 2025 at 2.6x. This information was obtained from the debt service coverage ratio calculation worksheet provided by Metro.

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

Debt service coverage ratios prepared by Metro project that the Water and Sewerage Fund will meet the debt service coverage requirement for the three years following the debt issuance. Estimated debt service coverage is projected at 2.6x for fiscal year 2026 and projected to exceed 2.0x for fiscal years 2027 through 2029.

Note: The debt service coverage information provided by Metro excluded potential debt service savings on the proposed refunding by tender offer with its current bondholders. This represents a conservative estimate.

g. Is the entity currently under the jurisdiction of the Tennessee Board of Utility Regulation (TBOUR)?

[7.(n)]

☐ Yes ☒ No

If yes, reason for referral: ☐ Water Loss ☐ Financial Distress ☐ Administrative Review

If the reason is 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. Has the entity adopted and filed a budget with the Comptroller's Office pursuant to Tenn. Code Ann. § 4-3-305?

☒ Yes ☐ No

9. For recently created systems, has TBOUR approved a petition for the incorporation of the system?

☐ Yes ☐ No ☒ N/A

10. Conclusion

Based on our analysis, it appears the Metropolitan Government meets the TLDA's criteria to issue the Bonds on parity with its outstanding SRF loans and other outstanding debt.

Attachments:

Debt Service Coverage and Financial Projections



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

FREDDIE O'CONNELL
MAYOR

OFFICE OF THE MAYOR
METROPOLITAN COURTHOUSE
NASHVILLE, TENNESSEE 37201
PHONE: (615) 862-6000
EMAIL: mayor@nashville.gov

**VIA E-MAIL (sandi.thompson@cot.tn.gov and
alicia.west@cot.tn.gov)**

Ms. Sandra Thompson, Assistant Secretary
Tennessee Local Development Authority
Cordell Hull Building
425 Fifth Avenue North
Nashville, Tennessee 37243

RE: The Metropolitan Government of Nashville and Davidson County – SRF Loans Nos.
2020-223, 2020-224 and 2020-446 (the “SRF Loans”) – Request for Consent to Issue
Additional Water and Sewer Revenue Bonds on Parity with the SRF Loans

Dear Sandi:

This letter supplements our letter and request submitted on March 13. I have attached the following:

- Schedule listing the Metropolitan Government’s water and sewer debt service requirements, assuming the full draw of SRF Loan proceeds and WIFIA loan proceeds
- Schedule detailing current and projected water and sewer revenues, expenses and resulting debt service coverage ratios (*please note that this schedule assumes no refunding via tender; if any bonds are refunded, the projected debt service coverage ratios will only increase*)

I also want to provide additional details regarding our refunding plan. The Metropolitan Government intends to invite holders of our Series 2017A, 2017B and 2021B Bonds (the “Refunding Candidates”) to tender 100% of these bonds for refunding and redemption. The tender offer is subject, among other things, to the Metropolitan Government being able to achieve at least 2% present value savings, measured on a per maturity basis.

Should our savings targets be met, and should bondholders tender 100% of the Refunding Candidates for redemption, the Metropolitan Government would be required to issue refunding bonds generating approximately \$300 million in refunding proceeds. I am attaching a set of financing schedules to this letter that reflects the likely sizing of our proposed bond issue, assuming that bondholders tender 100% of their holdings. We request that the TLDA approve the issuance of our proposed bonds on this basis, as it will give us the maximum flexibility to accept tenders and achieve our debt service savings goals.

The financing schedules we attached to our March 13 letter assumed a tender success rate of well less than 100%, based on our understanding of results from recent tender transactions by other issuers across the country. Those schedules indicated a need for approximately \$130 million of refunding proceeds. We continue to believe that this smaller scenario is more likely, based on bondholders' historical responses to tender invitations. However, we would like to have the flexibility to increase the size of our refunding issue in the event bondholders respond more favorably than they have in the past.

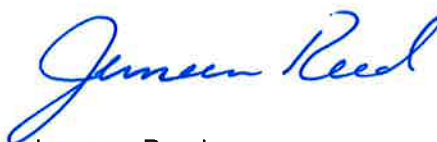
I think it is also important to repeat that the purpose of our refunding is to generate present value debt service savings of at least 2%, on a per maturity basis. Any increase in the size of the refunding portion of our bond issue will be matched with a commensurate amount of additional debt service savings.

Finally, I want to offer an explanation for the delayed filing of our 2024 ACFR. The Metropolitan Government's ACFR was delayed solely as a result of the delayed completion of the financial statements for the Metropolitan Government's Hospital Authority (a component unit of the Metropolitan Government). The Hospital Authority experienced significant turnover within its finance department in the second half of 2024, and this significantly contributed to the delay. The Metropolitan Government's finance department is working with new Hospital Authority finance staff to ensure the timely completion of Hospital financial statements in future years.

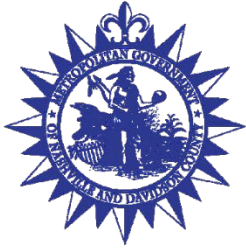
I hope this is helpful, and I appreciate your assistance with our request. If you have additional questions or require further information, please do not hesitate to contact me.

Thank you for considering our request.

Yours truly,



Jenneen Reed
Director of Finance



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

FREDDIE O'CONNELL
MAYOR

OFFICE OF THE MAYOR
METROPOLITAN COURTHOUSE
NASHVILLE, TENNESSEE 37201
PHONE: (615) 862-6000
EMAIL: mayor@nashville.gov

**VIA E-MAIL (sandi.thompson@cot.tn.gov and
alicia.west@cot.tn.gov)**

Ms. Sandra Thompson, Assistant Secretary
Tennessee Local Development Authority
Cordell Hull Building
425 Fifth Avenue North
Nashville, Tennessee 37243

RE: The Metropolitan Government of Nashville and Davidson County – SRF Loans Nos.
2020-223, 2020-224 and 2020-446 (the “SRF Loans”) – Request for Consent to Issue
Additional Water and Sewer Revenue Bonds on Parity with the SRF Loans

Dear Sandi:

The Metropolitan Government of Nashville and Davidson County (the “Metropolitan Government”) intends to issue up to \$530,000,000 of water and sewer revenue bonds (the “Bonds”) for the purposes set forth below. The Bonds would be payable solely from and secured solely by a senior lien on the net revenues of the Metropolitan Government’s water and sewer system (the “System”), on parity with the SRF Loans referenced above, as well as the Metropolitan Government’s Series 2010, 2013, 2017, 2020, 2021 and 2022 (WIFIA) Water and Sewer Revenue Bonds. Pursuant to the TLDA’s guidelines, we hereby request that the TLDA consent to the issuance of the Bonds on parity with the SRF Loans.

The Bonds will be sold by negotiated sale to an underwriting team lead by Bank of America Securities Inc. The Bonds would be structured as set forth in the financial reports included herewith as Exhibit A. Approximately \$130 million of bond proceeds would be used to refund the Metropolitan Government’s Series 2017 and 2021 Bonds for debt service savings. Approximately \$400 million of bond proceeds would be used to retire outstanding commercial paper. An anticipated sources and uses table is included in Exhibit A.

The Bonds will not be general obligations of the Metropolitan Government. As such, it is important that the Bonds be issued on a senior lien basis relative to System revenues – on parity with the SRF Loans and other outstanding debt. The Metropolitan Government believes that the additional interest expense payable on subordinate lien debt obligations would be cost-prohibitive.

The Metropolitan Government cites the following factors in favor of this request:

1. The Metropolitan Government is in compliance with the terms of the SRF Loan Agreements.
2. The Metropolitan Government's authorized and outstanding SRF debt is attached as Exhibit B.
3. The Metropolitan Government has never failed to timely repay its SRF Loans.
4. The Metropolitan Government has filed its audited financial statements with the Division of Local Government Audit in a timely manner.
5. Current and pro forma debt service coverage is attached as Exhibit C.
6. The rights and lien position of the TLDA relative to the SRF Loans will not be affected.

If you have additional questions or require further information, please do not hesitate to contact me.

Thank you for considering our request.

Yours truly,

A handwritten signature in cursive script that reads "Jenneen Reed".

Jenneen Reed
Director of Finance

Nashville and Davidson County | Metro Water Services

Rate & Financial Planning Model

Pro-Forma for FY 2025 Commercial Paper Revenue Refunding Bond

No Tender Savings Included

| | <u>FY 2024</u> <i>Actual</i> | <u>FY 2025</u> <i>Annualized</i> | <u>FY 2026</u> <i>Budget</i> | <u>FY 2027</u> <i>Projected</i> | <u>FY 2028</u> <i>Projected</i> | <u>FY 2029</u> <i>Projected</i> | <u>FY 2030</u> <i>Projected</i> |
|--|--|--|--|---|---|---|---|
| Enterprise System Revenues | | | | | | | |
| Operating Revenues (1) | \$ 350,924,718 | \$ 364,294,641 | \$ 387,266,419 | \$ 403,114,896 | \$ 419,694,168 | \$ 436,965,806 | \$ 454,940,525 |
| Non-Operating Revenues | 28,186,017 | 32,214,315 | 32,214,315 | 32,214,315 | 32,214,315 | 32,214,315 | 32,214,315 |
| Interest Income | 27,954,963 | 19,486,659 | 9,743,330 | 9,743,330 | 9,743,330 | 9,743,330 | 9,743,330 |
| Total Revenues | \$ 407,065,698 | \$ 415,995,616 | \$ 429,224,064 | \$ 445,072,541 | \$ 461,651,813 | \$ 478,923,450 | \$ 496,898,170 |
| Operating Expenses: | | | | | | | |
| Excludes PILOT | \$ (162,566,108) | \$ (170,815,132) | \$ (175,293,389) | \$ (181,264,691) | \$ (187,415,131) | \$ (193,750,085) | \$ (200,275,088) |
| Net Revenues (2) | \$ 216,544,627 | \$ 225,693,824 | \$ 244,187,345 | \$ 254,064,521 | \$ 264,493,352 | \$ 275,430,036 | \$ 286,879,752 |
| Debt Service: | | | | | | | |
| <u>Parity Debt</u> | | | | | | | |
| Existing - Revenue Bonds | \$ 80,825,766 | \$ 80,827,136 | \$ 80,811,878 | \$ 80,790,358 | \$ 80,800,410 | \$ 81,609,209 | \$ 81,587,432 |
| Existing - Revenue Bonds (Tender Savings) (3) | - | - | - | - | - | - | - |
| Existing - SRF Loans | 1,250,223 | 1,250,031 | 1,249,839 | 1,249,647 | 1,249,455 | 1,249,263 | 1,249,059 |
| Proposed - CP Refunding Bonds Series 2025 (4) | - | - | 9,569,125 | 23,968,875 | 23,967,625 | 23,967,000 | 23,966,250 |
| Proposed - WIFIA Loan Series 2029 (5) | - | - | 1,584,631 | 9,014,383 | 11,151,000 | 17,105,614 | 17,101,815 |
| Proposed - Future Revenue Bonds (6) | - | - | - | - | - | - | 14,140,000 |
| | \$ 82,075,989 | \$ 82,077,167 | \$ 93,215,473 | \$ 115,023,263 | \$ 117,168,490 | \$ 123,931,086 | \$ 138,044,556 |
| <u>Subordinate Debt</u> | | | | | | | |
| Projected Commercial Paper Interest | 4,837,500 | 3,222,827 | 650,790 | 1,286,154 | 3,357,869 | 2,908,744 | 2,307,147 |
| | 4,837,500 | 3,222,827 | 650,790 | 1,286,154 | 3,357,869 | 2,908,744 | 2,307,147 |
| Total Debt Service | \$ 86,913,489 | \$ 85,299,994 | \$ 93,866,264 | \$ 116,309,417 | \$ 120,526,359 | \$ 126,839,830 | \$ 140,351,703 |
| Extension and Replacement Fund Balance (7) | \$ 385,381,329 | \$ 334,540,306 | \$ 366,851,494 | \$ 405,273,608 | \$ 383,455,073 | \$ 364,747,077 | \$ 337,401,029 |
| Debt Service Coverage Ratio for Parity Debt (8) | 2.64 | 2.75 | 2.62 | 2.21 | 2.26 | 2.22 | 2.08 |
| Total Debt Service Coverage (9) | 2.49 | 2.65 | 2.60 | 2.18 | 2.19 | 2.17 | 2.04 |
| Additional Bonds Test | | | | | | | |
| Additional Bonds Test Part 1 - MADS | \$ 99,964,086 | \$ 123,931,086 | \$ 123,931,086 | \$ 123,931,086 | \$ 123,931,086 | \$ 150,153,939 | \$ 150,153,939 |
| Additional Bonds Test Part 2 - MADS | 107,720,196 | 131,687,571 | 131,687,571 | 131,687,571 | 131,687,571 | 157,968,351 | 157,968,351 |
| Additional Bonds Test Part 1 - Coverage | 2.17 | 1.82 | 1.97 | 2.05 | 2.13 | 1.83 | 1.91 |
| Additional Bonds Test Part 2 - Coverage | 2.01 | 1.71 | 1.85 | 1.93 | 2.01 | 1.74 | 1.82 |

1) Includes retail user charge and infrastructure replacement fee revenues from water and sewer customers. Water and Sewer rate adjustments are projected at 3% annually.

2) Net Revenues as defined by the Bond Resolution. Payment in lieu of taxes is not included in operating expenses per Resolution.

3) Savings from Tender Refunding of Series 2017A, Series 2017B, and Series 2021B Revenue Bonds.

4) Debt schedules for Commercial Paper Refunding Bonds provided by Hilltop Securities.

5) WIFIA Loan amortization schedule provided by Metro Government staff.

6) Additional Commercial Paper Revenue Refunding Bonds projected for FY 2029.

7) E&R Fund Balance provided by Staff and represents end of year June 30 funds available. E&R Fund Balance is subject to change based on end of year adjustments.

8) Net Revenues divided by annual debt service on Parity debt.

9) Net Revenues divided by annual debt service on all debt.

Presented to:



The State of Tennessee
Office of the Division of Local Government Finance

By:

The Metropolitan Government of
Nashville and Davidson County

March 25, 2025

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Executive Summary

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Executive Summary

Tab A

Executive Summary

Structuring Goals

- Tender Refunding of up to \$50,885,000 in Series 2017A Water and Sewer Revenue Refunding Bonds for savings through tax-exempt refunding bonds,
- Tender Refunding of up to \$89,680,000 in Series 2017B Water and Sewer Revenue Refunding Bonds, for savings through tax-exempt refunding, and
- Tender Refunding of up to \$166,030,000 in Series 2021B Water and Sewer Revenue Refunding Bonds for savings through tax-exempt refunding bonds

Exhibit A

Estimated Sources and Uses

| | CP Refunding | Tender Refunding (1) | Total |
|---------------------------------|-----------------------|-------------------------|-----------------------|
| Bonding Sources of Funds | | | |
| Par Amount | \$ 372,055,000 | \$ 263,470,000 | \$ 635,525,000 |
| Bond Premium | <u>30,479,578</u> | <u>32,571,741</u> | <u>63,051,319</u> |
| Total Bonding Sources of Funds | \$ 402,534,578 | \$ 296,041,741 | \$ 698,576,319 |
| Other Sources of Funds | | | |
| Debt Service Fund Deposit | <u>-</u> | <u>5,234,412</u> | <u>5,234,412</u> |
| Total Sources of Funds | <u>\$ 402,534,578</u> | <u>\$ 301,276,153</u> | <u>\$ 703,810,731</u> |
| Uses of Funds | | | |
| Commercial Paper Takeout | \$ 400,000,000 | \$ - | \$ 400,000,000 |
| Refunding Deposit | - | \$ 298,683,587 | 298,683,587 |
| Cost of Issuance (0.477%) | 648,501 | 1,255,722 | 1,904,223 |
| Underwriter Discount (0.506%) | 1,884,347 | 1,334,397 | 3,218,744 |
| Additional Proceeds | <u>1,730</u> | <u>2,447</u> | <u>4,177</u> |
| Total Uses of Funds | <u>\$ 402,534,578</u> | <u>\$ 301,276,153</u> | <u>\$ 703,810,731</u> |

(1) Assumes 100% Tender Participation

Executive Summary

Taxable Refunding Candidates

| Bond Series | Maturity Date | Coupon | Refunded Par Amount | Call Date | Call Price |
|-------------|---------------|--------|----------------------|-----------|------------|
| 2017A | 7/1/2029 | 5.000% | \$ 2,560,000 | 6/26/2025 | 105.384 |
| 2017A | 7/1/2030 | 5.000% | 2,690,000 | 6/26/2025 | 105.384 |
| 2017A | 7/1/2031 | 5.000% | 2,830,000 | 6/26/2025 | 105.384 |
| 2017A | 7/1/2032 | 5.000% | 2,605,000 | 6/26/2025 | 105.312 |
| 2017A | 7/1/2033 | 5.000% | 3,120,000 | 6/26/2025 | 105.220 |
| 2017A | 7/1/2034 | 5.000% | 3,280,000 | 6/26/2025 | 105.131 |
| 2017A | 7/1/2035 | 5.000% | 3,445,000 | 6/26/2025 | 105.032 |
| 2017A | 7/1/2036 | 5.000% | 3,625,000 | 6/26/2025 | 104.961 |
| 2017A | 7/1/2037 | 5.000% | 3,810,000 | 6/26/2025 | 104.683 |
| 2017A | 7/1/2038 | 5.000% | 3,925,000 | 6/26/2025 | 103.623 |
| 2017A | 7/1/2039 | 5.000% | 4,130,000 | 6/26/2025 | 103.623 |
| 2017A | 7/1/2040 | 5.000% | 4,335,000 | 6/26/2025 | 103.623 |
| 2017A | 7/1/2043 | 5.000% | 5,135,000 | 6/26/2025 | 103.061 |
| 2017A | 7/1/2044 | 5.000% | 5,395,000 | 6/26/2025 | 103.061 |
| | | | \$ 50,885,000 | | |

| Bond Series | Maturity Date | Coupon | Refunded Par Amount | Call Date | Call Price |
|-------------|---------------|--------|----------------------|-----------|------------|
| 2017B | 7/1/2029 | 5.000% | \$ 4,445,000 | 6/26/2025 | 105.384 |
| 2017B | 7/1/2030 | 5.000% | 4,675,000 | 6/26/2025 | 105.384 |
| 2017B | 7/1/2031 | 5.000% | 4,915,000 | 6/26/2025 | 105.384 |
| 2017B | 7/1/2032 | 5.000% | 5,165,000 | 6/26/2025 | 105.312 |
| 2017B | 7/1/2033 | 5.000% | 5,430,000 | 6/26/2025 | 105.220 |
| 2017B | 7/1/2034 | 5.000% | 5,710,000 | 6/26/2025 | 105.133 |
| 2017B | 7/1/2035 | 5.000% | 6,005,000 | 6/26/2025 | 105.042 |
| 2017B | 7/1/2036 | 5.000% | 6,310,000 | 6/26/2025 | 104.973 |
| 2017B | 7/1/2037 | 5.000% | 6,635,000 | 6/26/2025 | 104.702 |
| 2017B | 7/1/2038 | 5.000% | 6,975,000 | 6/26/2025 | 103.623 |
| 2017B | 7/1/2039 | 5.000% | 7,335,000 | 6/26/2025 | 103.623 |
| 2017B | 7/1/2040 | 5.000% | 7,710,000 | 6/26/2025 | 103.623 |
| 2017B | 7/1/2043 | 5.000% | 8,955,000 | 6/26/2025 | 103.061 |
| 2017B | 7/1/2044 | 5.000% | 9,415,000 | 6/26/2025 | 103.061 |
| | | | \$ 89,680,000 | | |

| Bond Series | Maturity Date | Coupon | Refunded Par Amount | Call Date | Call Price |
|-------------|---------------|--------|-----------------------|-----------|------------|
| 2021B | 7/1/2026 | 1.181% | \$ 9,610,000 | 6/26/2025 | 97.684 |
| 2021B | 7/1/2027 | 1.466% | 9,735,000 | 6/26/2025 | 96.053 |
| 2021B | 7/1/2028 | 1.616% | 9,885,000 | 6/26/2025 | 94.446 |
| 2021B | 7/1/2029 | 1.781% | 10,060,000 | 6/26/2025 | 93.097 |
| 2021B | 7/1/2030 | 1.881% | 10,240,000 | 6/26/2025 | 91.619 |
| 2021B | 7/1/2031 | 1.931% | 10,440,000 | 6/26/2025 | 89.945 |
| 2021B | 7/1/2032 | 2.131% | 10,655,000 | 6/26/2025 | 89.178 |
| 2021B | 7/1/2033 | 2.281% | 10,895,000 | 6/26/2025 | 88.350 |
| 2021B | 7/1/2034 | 2.381% | 11,150,000 | 6/26/2025 | 87.382 |
| 2021B | 7/1/2035 | 2.481% | 11,425,000 | 6/26/2025 | 86.549 |
| 2021B | 7/1/2036 | 2.611% | 11,720,000 | 6/26/2025 | 86.030 |
| 2021B | 7/1/2037 | 2.681% | 12,035,000 | 6/26/2025 | 85.118 |
| 2021B | 7/1/2038 | 2.731% | 12,360,000 | 6/26/2025 | 84.093 |
| 2021B | 7/1/2039 | 2.942% | 12,720,000 | 6/26/2025 | 81.682 |
| 2021B | 7/1/2040 | 2.942% | 13,100,000 | 6/26/2025 | 81.682 |
| | | | \$ 166,030,000 | | |

| | |
|-----------------------------|-----------------------|
| Total Bonds Refunded | \$ 50,885,000 |
| Series 2017A | 89,680,000 |
| Series 2017B | 166,030,000 |
| Series 2021B | \$ 306,595,000 |

Refunding Information

Tab B

Exhibit B

Aggregate Cash Flow Summary – Water and Sewer Revenue Bonds 2025 ⁽¹⁾

| Fiscal Year End (June 30) | All Outstanding Debt Service (2) | Series 2025 New Money CP Refunding | Aggregate Debt Service Post CP New Money Issuance | Refunded Debt Service | Refunding Debt Service (3) | Debt Service (Savings) or Increase (4) | Aggregate Debt Service Post 2025 Refunding |
|---------------------------|----------------------------------|------------------------------------|---|-----------------------|----------------------------|--|--|
| 2025 | \$ - | \$ - | \$ - | \$ (5,234,412) | \$ - | \$ 5,234,412 | \$ 5,234,412 |
| 2026 | 83,646,349 | 9,559,747 | 93,206,095 | 10,767,933 | 6,769,715 | (3,998,217) | 89,207,878 |
| 2027 | 91,054,389 | 23,945,750 | 115,000,139 | 20,321,185 | 19,082,000 | (1,239,185) | 113,760,953 |
| 2028 | 93,200,865 | 23,944,750 | 117,145,615 | 20,318,081 | 19,076,375 | (1,241,706) | 115,903,910 |
| 2029 | 99,964,086 | 23,944,375 | 123,908,461 | 20,316,853 | 19,075,000 | (1,241,853) | 122,666,608 |
| 2030 | 99,938,307 | 23,943,875 | 123,882,182 | 27,152,272 | 25,468,000 | (1,684,272) | 122,197,909 |
| 2031 | 99,903,660 | 23,942,500 | 123,846,160 | 27,147,131 | 25,456,375 | (1,690,756) | 122,155,404 |
| 2032 | 99,869,510 | 23,944,375 | 123,813,885 | 27,152,276 | 25,464,125 | (1,688,151) | 122,125,735 |
| 2033 | 99,839,281 | 23,943,625 | 123,782,906 | 26,790,073 | 25,098,500 | (1,691,573) | 122,091,333 |
| 2034 | 99,810,780 | 23,944,375 | 123,755,155 | 27,164,287 | 25,483,375 | (1,680,912) | 122,074,243 |
| 2035 | 99,814,246 | 23,945,625 | 123,759,871 | 27,163,789 | 25,477,500 | (1,686,289) | 122,073,582 |
| 2036 | 99,847,566 | 23,941,500 | 123,789,066 | 27,163,321 | 25,473,250 | (1,690,071) | 122,098,995 |
| 2037 | 99,881,915 | 23,941,000 | 123,822,915 | 27,163,964 | 25,478,125 | (1,685,839) | 122,137,076 |
| 2038 | 99,899,439 | 23,942,875 | 123,842,314 | 27,165,130 | 25,479,625 | (1,685,505) | 122,156,809 |
| 2039 | 99,919,793 | 23,941,000 | 123,860,793 | 27,081,400 | 25,392,625 | (1,688,775) | 122,172,017 |
| 2040 | 99,927,847 | 23,944,125 | 123,871,972 | 27,091,388 | 25,399,500 | (1,691,888) | 122,180,084 |
| 2041 | 99,911,647 | 23,941,000 | 123,852,647 | 27,083,826 | 25,395,500 | (1,688,326) | 122,164,321 |
| 2042 | 99,915,409 | 23,945,250 | 123,860,659 | 1,445,000 | 1,359,250 | (85,750) | 123,774,909 |
| 2043 | 80,899,750 | 23,945,375 | 104,845,125 | 1,445,000 | 1,359,250 | (85,750) | 104,759,375 |
| 2044 | 79,937,964 | 23,945,000 | 103,882,964 | 15,182,750 | 14,282,875 | (899,875) | 102,983,089 |
| 2045 | 65,397,007 | 23,942,625 | 89,339,632 | 15,180,250 | 14,278,250 | (902,000) | 88,437,632 |
| 2046 | 65,399,055 | 23,941,625 | 89,340,680 | - | - | - | 89,340,680 |
| 2047 | 54,122,168 | 23,945,125 | 78,067,293 | - | - | - | 78,067,293 |
| 2048 | 37,339,045 | 23,941,375 | 61,280,420 | - | - | - | 61,280,420 |
| 2049 | 37,331,051 | 23,943,500 | 61,274,551 | - | - | - | 61,274,551 |
| 2050 | 37,320,066 | 23,944,375 | 61,264,441 | - | - | - | 61,264,441 |
| 2051 | 37,315,686 | 23,942,000 | 61,257,686 | - | - | - | 61,257,686 |
| 2052 | 37,307,509 | 23,944,125 | 61,251,634 | - | - | - | 61,251,634 |
| 2053 | 16,965,636 | 23,943,375 | 40,909,011 | - | - | - | 40,909,011 |
| 2054 | 16,956,882 | 23,942,375 | 40,899,257 | - | - | - | 40,899,257 |
| 2055 | 16,947,819 | 23,943,500 | 40,891,319 | - | - | - | 40,891,319 |
| 2056 | 16,938,435 | 23,944,000 | 40,882,435 | - | - | - | 40,882,435 |
| 2057 | 16,928,718 | - | 16,928,718 | - | - | - | 16,928,718 |
| 2058 | 16,918,658 | - | 16,918,658 | - | - | - | 16,918,658 |
| Total | \$ 2,300,370,535 | \$ 727,864,122 | \$ 3,028,234,657 | \$ 425,061,496 | \$ 400,349,215 | \$ (24,712,281) | \$ 3,003,522,376 |

(1) All of Fiscal Year 2025 debt service has been paid.

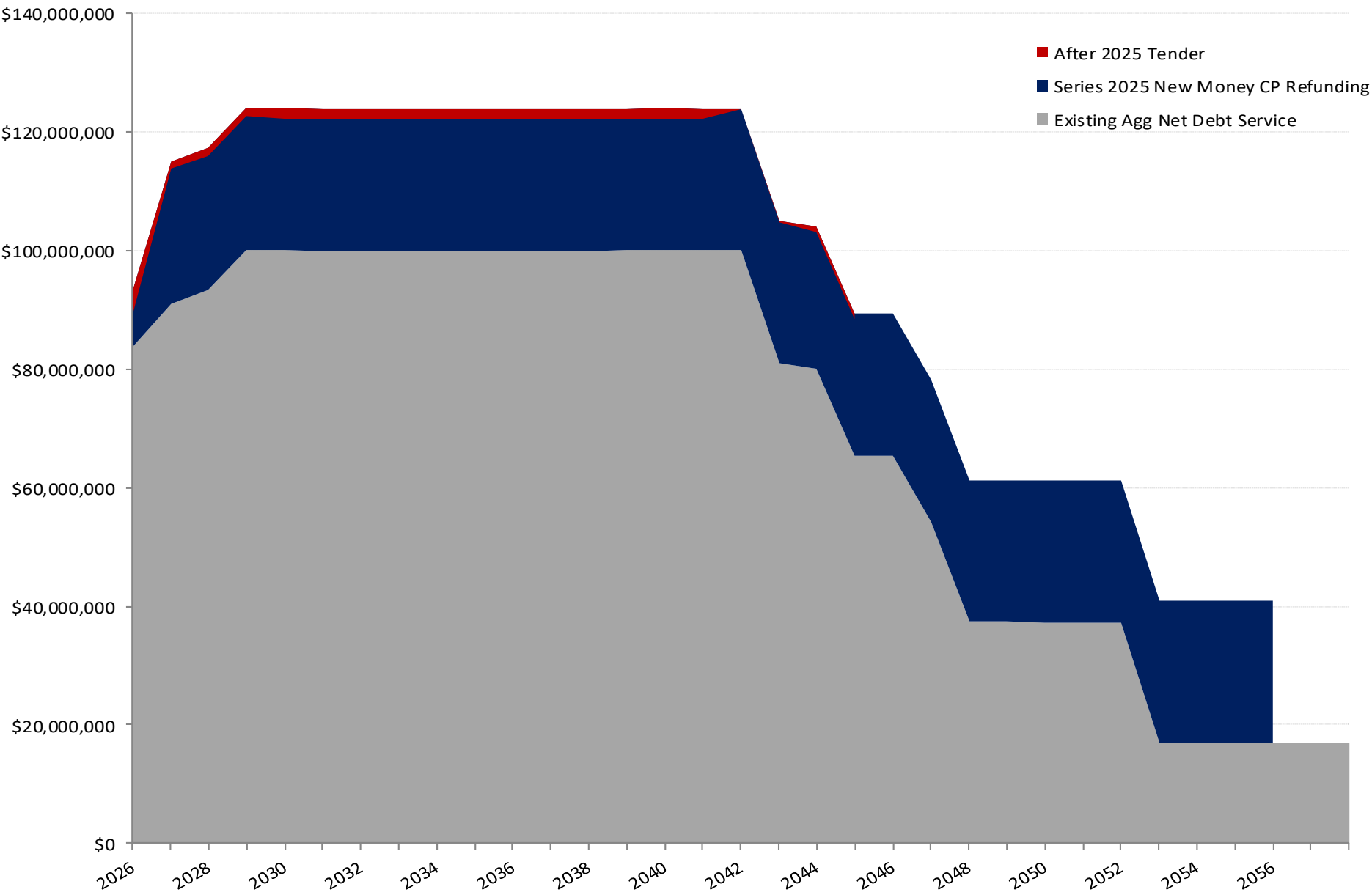
(2) Net of Federal Subsidy payments associated with the outstanding Build America Bonds and Recovery Zone Economic Development Bonds.

(3) Assumes Aa2/AA uninsured rates as of March 7, 2025.

(4) Assumes 100% Tender participation with total Net Present Value Savings of \$17,866,331.69, including \$2,447.26 of bond rounding proceeds, represents 5.827% of refunded par amount..

Exhibit B

Aggregate W&S Debt Impact from Series 2025



Executive Summary

2025 Issuance Cost Breakdown

Cost of Issuance

| | |
|---|----------------------------|
| • Financial Advisory Fee (includes Expenses): | \$ 288,322 |
| • Bond Counsel Fee (includes Expenses): | 288,322 |
| • Disclosure Counsel Fee (includes Expenses): | 216,241 |
| • Rating Agency Fees: | 297,350 |
| • Paying Agent Fees: | 2,500 |
| • Verification Agent Fees: | 5,000 |
| • Printing: | 5,000 |
| • Tender Dealer Fee: | 766,488 |
| • Tender Agent Fee: | 25,000 |
| • Information Agent Fee: | 5,000 |
| • Miscellaneous Fee: | <u>9,177</u> |
| TOTAL: | <u>\$ 1,908,400</u> |

Average Life Comparison

| | |
|---|--------------|
| • Weighted Average Maturity of the refunded bonds: | 9.993 years |
| • Weighted Average Maturity of the refunding bonds: | 10.390 years |



DISCOVER MORE BY THE LAKESHORE!.

March 18, 2025

Ms. Sandra Thompson,
Director
Tennessee Local Development Authority
Cordell Hull Building
425 Rep John Lewis Way N
Nashville, Tennessee 37243

Re: City of Winchester, Tennessee not to exceed \$3,130,500 Water and Wastewater System
PBA Loan

Dear Ms. Thompson:

The City of Winchester (the "City"), intends to enter into a loan agreement with the PBA City of Clarksville and the purchaser of the PBA's bond, in the amount of not to exceed \$3,130,500, to finance a portion of the costs of improvements to the water and wastewater systems of the City, including but not limited to, upsizing of the wastewater force main beginning at Old Estill Springs Road to Highway 130 and tie into the existing trunk line, the completion of the improvement, enhancement, and upgrade of the Mountain View wastewater lift station, the acquisition of all property real and personal appurtenant thereto and connected with such work, to pay all legal, fiscal, administrative, architectural, and engineering costs incident thereto, and costs in connection with the loan (the "Water/Wastewater Loan").

The City understands that TLDA must be notified of the incurrence of debt by the City, even if the Water/Wastewater Loan will not be on a parity with any SRF loans the City has outstanding.

Therefore, this is to give notice that the City acknowledges that this Water/Wastewater Loan will be issued subordinate to its any outstanding SRF Loans.

The bank, as the purchaser of the bond to be issued by the PBA, and as the lender under the Loan Agreement, has agreed that the Water/Wastewater Loan will be subordinate to the City's outstanding SRF Loans.

The City adopted the Initial Resolution at its March 11, 2025 meeting and it will be published in the local paper on March 20, 2025. The City also adopted the Loan Resolution at its March 11, 2025 meeting. As soon as the 20 day protest period is up, a request for PBA loan approval will be submitted to the Comptroller's office. The purchaser has agreed to hold the existing rate of 4.35% through May 6, 2025.

CITY OF WINCHESTER

17 South High Street • Winchester, TN 37398 • (931) 967-2532 • www.winchester-tn.com

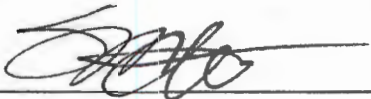


DISCOVER MORE BY THE LAKESHORE!..

If you have any questions or need any additional information, please let me know.

Yours truly,

CITY OF WINCHESTER, TENNESSEE

By: 

Sean Crabtree, Mayor

CITY OF WINCHESTER

7 South High Street • Winchester, TN 37398 • (931) 967-2532 • www.winchester-tn.com