TENNESSEE LOCAL DEVELOPMENT AUTHORITY
April 15, 2015

The Tennessee Local Development Authority (the "Authority" or "TLDA") met on Thursday, April 15, 2015, at 1:00 p.m. in the Executive Conference Room, State Capitol, Nashville, Tennessee. The Honorable Tre Hargett, Secretary of State, was present and presided as Vice-Chair.

The following members were also present:

The Honorable Justin Wilson, Comptroller of the Treasury
The Honorable David Lillard, State Treasurer*
Angela Scott, Proxy for Commissioner Larry Martin, Department of Finance and Administration

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

Mr. Pat Wolfe, Senate Appointee

The following members were absent:

The Honorable Bill Haslam, Governor
Dr. Kenneth Moore, House Appointee

Recognizing a physical quorum present, Mr. Hargett called the meeting to order and performed a roll-call. Notice was posted stating that Mr. Wolfe would be participating by telephone.

Mr. Wolfe – Present
Ms. Scott – Present
Mr. Wilson – Present
Mr. Hargett – Present

Mr. Hargett asked for a motion to approve the minutes of the February 26, 2015, meeting. Mr. Wilson made a motion to approve the minutes, and Ms. Scott seconded the motion. A roll-call vote was taken:

Mr. Wolfe – Aye
Ms. Scott – Aye
Mr. Wilson– Aye
Mr. Hargett – Aye

The minutes were unanimously approved. *[i]

Mr. Hargett stated that the next item of business was an update on Qualified Energy Conservation Bond (QECB) projects. He recognized Senior Program Manager Mr. Luke Gebhard of the Office of Energy Programs (OEP) in the Tennessee Department of Environment and Conservation (TDEC). Mr. Gebhard stated that the City of Clarksville is still working to finalize details for the bond issuance associated with the city's Large Local Jurisdiction (LLJ) allocation of $1,241,344 to be used for a street lighting improvement project. Next, Mr. Gebhard provided an update on the City of Memphis' green community projects. He stated that the bond issuance for the Crosstown project, which was approximately $8.1 million, closed on February 11, 2015, and that OEP has scheduled a compliance review with the city. He then provided an update on the city's Self Tucker/Universal Light and Knowledge Quest projects which had allocations of $3.8 million and $350,000 respectively. He stated that a third and final 60-day extension had been granted by OEP giving the city until May 3, 2015 to issue the bonds. He said that the city has indicated to OEP that the deadline would be met. Mr. Gebhard stated that as

[i] Mr. Lillard joined the meeting at this time.

discussed at the February 26, 2015, TLDA meeting, the Southbrook Mall allocation had been returned to the State, but Memphis was eligible to reapply under a third and final Request for Proposal (RFP) and has expressed its intention to submit an application to OEP in the near future. He noted that both a press release announcing the RFP and a copy of an application form were included in the meeting materials. This RFP is to remain open until all QECB allocations have been made. Mr. Gebhard stated that no applications had been received as of the date of this meeting, although Memphis has expressed intent to reapply with a new conduit issuer for the Southbrook Mall project. Lastly, Mr. Gebhard stated that OEP approved 60-day extensions for the City of Lebanon and Knox County which extended issuance deadlines to June 5, 2015 and July 18, 2015, respectively. (Documents pertaining to approval were included in the meeting materials.). Mr. Gebhard notified the Authority that his last day with TDEC would be April 30, 2015. He introduced Ms. Alexa Voytek as a point of contact for OEP in addition to Director Molly Cripps. There was no further discussion.

Mr. Hargett stated that the next item was approval of Clean Water State Revolving Fund (SRF) loans. He acknowledged representatives from the Town of Smyrna: Mr. Michael Strange, Utilities Director, and Ms. Emily Kelly, a project consultant with Civil Infrastructure Associates, LLC. Mr. Hargett noted that the Town of Smyrna was applying for both Clean Water and Drinking Water SRF loans. Mr. Hargett recognized Mr. Sherwin Smith, Director of TDEC's SRF loan program, to present the Clean Water SRF loan requests. Mr. Smith stated the unobligated fund balance was $183,229,847 as of February 26, 2015. If all requests were approved as presented, the funds available for loan obligations would be $170,700,409. He then described each loan request:

- Hallsdale-Powell Utility District (SRF 2011-279)—Requesting a loan increase of $3,800,000 for a total loan amount of $8,600,000 for expansion of the Raccoon Valley Wastewater Treatment Plant (WWTP) from 0.15 millions of gallons per day (MGD) to 0.3 MGD and solids handling facilities improvements at the Beaver Creek WWTP; recommended interest rate of 0.95% based on the Ability to Pay Index (ATPI).
- Lenoir City (SRF 2015-342)—Requesting $1,833,160 for infiltration/inflow (I/I) correction (Phase I—SSES and Phase II—collection system rehabilitation); recommended interest rate of 1.33% based on the ATPI.
- McMinnville (CG3 2015-353)—Requesting $4,000,000 ($3,800,000 loan; $200,000 principal forgiveness) for WWTP improvements and upgrade—repair headworks and grit removal system, concrete basins, aeration equipment; and upgrade supervisory control and data acquisition (SCADA) system; plus refurbish lab equipment; recommended interest rate of 0.88% based on the ATPI.
- Smyrna (CW4 2014-343) Requesting $2,896,278 ($2,693,539 loan; $202,739 principal forgiveness) for collection system relocation and expansion (Nissan Drive/Jefferson Pike along State Road 266 to Interstate 840 interchange); recommended rate 1.24% based on the ATPI.

Mr. Wolfe moved for approval of the Clean Water SRF loans, and Mr. Wilson seconded the motion. Mr. Hargett performed a roll-call vote:

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

The motion passed unanimously.

Mr. Hargett stated that the next item of business was consideration for approval of Drinking Water SRF loan requests. He asked Mr. Smith to present the requests. Mr. Smith first presented the unobligated fund balance. He stated the balance was $52,073,839 as of February 26, 2015. The balance increased a total of $107 due to a loan reduction. This brought the unobligated balance to $52,073,946 as of the date of this meeting. Upon approval of the loan requests to be presented, the funds available for loan obligations would decrease to $48,404,625. He then described each loan request:

- Englewood (DG1 2015-160)—Requesting $775,000 ($542,500 loan; $232,500 principal forgiveness) for Water Treatment Plant (WTP) improvements (Replace raw water pumps and filter system, electrical upgrades, and other miscellaneous improvements); recommended interest rate of 0.20% based on the ATPI.
- Smyrna (DW4 2015-154)—Requesting $1,950,600 ($1,462,950 loan; $487,650 principal forgiveness) for waterline relocation and expansion (Nissan Drive/Jefferson Pike along State Road 266 to Interstate 840 interchange); recommended rate 1.00% based on the ATPI.
- Smyrna (DWF 2014-153)—Requesting $668,721 for waterline relocation and expansion (Nissan Drive/Jefferson Pike along State Road 266 to Interstate 840 interchange); recommended rate 1.00% based on the ATPI.

Mr. Wolfe asked why the two loans for Smyrna were not combined into one loan since they are for the same purpose. Mr. Smith explained that they are listed as separate companion loans because funding for the principal forgiveness portion of loan DW4 2015-154 is from the 2014 capitalization grant; whereas, loan DWF 2014-153 is funded solely from the SRF with no associated principal forgiveness. Mr. Smith presented the final loan request.

- Troy (DW1 2015-155)—Requesting $275,000 ($192,500 loan; $82,500 principal forgiveness) for water distribution system improvements (new waterline); recommended interest rate of 0.43% based on the ATPI.

Mr. Lillard moved for approval of the Drinking Water SRF loans, and Mr. Wilson seconded the motion. Mr. Hargett performed a roll-call vote:

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

The motion passed unanimously.

Mr. Hargett asked for further business. There was none. Mr. Lillard made a motion to adjourn, and Mr. Wilson seconded the motion. Mr. Hargett performed a roll-call vote:

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

The meeting was unanimously adjourned.

Approved on this 23rd day of June, 2015.

Respectfully submitted,

Sandra Thompson

Sandra Thompson
Assistant Secretary