

**TENNESSEE LOCAL DEVELOPMENT AUTHORITY****November 12, 2020**

Pursuant to the provisions of Executive Order 16, as amended by Executive Orders 34, 51, 60 and further amended by Executive Order 65, the Tennessee Local Development Authority (the "Authority" or "TLDA") met on Thursday November 12, at 11:39 a.m. via WebEx Events with certain members being physically present in Room G3, Ground Floor, State Capitol, Nashville, Tennessee. Interested members of the public were only able to observe and listen to the meeting through electronic means. The Honorable Tre Hargett, Secretary of State, was present and presided over the meeting.

The following members were also present:

The Honorable Justin P. Wilson, Comptroller of the Treasury  
The Honorable David H. Lillard, Jr., State Treasurer (participated electronically)  
Commissioner Butch Eley, Department of Finance and Administration  
Ms. Paige Brown, House Appointee (participated electronically)  
Mr. Pat Wolfe, Senate Appointee (participated electronically)

The following member were absent:

The Honorable Bill Lee, Governor

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

Mr. Eley—Present  
Mr. Wilson—Present  
Mr. Hargett—Present  
Mr. Lillard—Present  
Mr. Wolfe—Present  
Ms. Brown—Present

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

*"Governor Bill Lee, a member of this entity, has previously declared a state of emergency to facilitate Tennessee's response to Coronavirus Disease 2019 (COVID-19). His Executive Order No. 16, as amended by Executive Order Nos. 34, 51, 60, and further amended by Executive Order No. 65, allows governing bodies to meet electronically regarding essential business in light of COVID-19, so long as they provided electronic access to the public and met certain safeguards established in that Order to ensure the openness and transparency of the proceedings. In the Notice for this meeting, we indicated the meeting would be held in Room G3, Ground Floor of the State Capitol, which is currently closed to the public, as well as conducted through WebEx Events and provided information and the steps for public electronic participation. At this time we need a motion to make a determination pursuant to the provisions of Executive Order 16, as amended, that meeting electronically and electronic access is necessary to protect the health, safety, and welfare of Tennesseans in light of the COVID-19 outbreak and the matters listed on the agenda for this meeting relate to the essential business of this board and the necessary safeguards have been taken."*

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



Mr. Eley—Aye  
 Mr. Wilson—Aye  
 Mr. Hargett—Aye  
 Mr. Lillard—Aye  
 Mr. Wolfe—Aye  
 Ms. Brown—Aye

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

Mr. Hargett stated that the first item on the agenda was approval of the minutes from the October 19, 2020, TLDA meeting. Mr. Hargett made a motion to approve the minutes, and Mr. Eley seconded the motion. Mr. Hargett called upon Ms. Thompson to conduct a roll-call vote:

Mr. Eley—Aye  
 Mr. Wilson—Aye  
 Mr. Hargett—Aye  
 Mr. Lillard—Aye  
 Mr. Wolfe—Aye  
 Ms. Brown—Aye

The minutes were unanimously approved.

Mr. Hargett stated that the next item on the agenda was a request from the Hallsdale-Powell Utility District for consideration and approval to issue USDA Rural Development Bonds in an amount not to exceed \$21,841,100. He recognized Ms. Thompson to present the item. Ms. Thompson stated that the District's attorney, Alex Buchanan, was on the line. She then stated that in accordance with the TLDA/SRF Policy and Guidance for Borrowers, the District had submitted a request to issue United States Department of Agriculture (USDA) Rural Development Bonds in an amount not to exceed \$21,841,100 to finance sewer system improvements. Ms. Thompson further stated that the USDA Bonds would be secured by a pledge of the District's sewer revenues subordinate to its outstanding SRF loans. She reported that this was a new money issuance and the District was not requesting a modification of lien position. Furthermore, it was determined that the District had made timely repayments on its current outstanding SRF loan agreements, had timely filed its annual audited financial statements, and that it had a security deposit on file in the amount of \$2.6 million. She continued, stating that the District's debt service coverage met or exceeded the 1.2 times requirement. Ms. Thompson stated that based on analysis conducted by the DSGF, it appeared the District would have sufficient cash and revenues to meet its obligations.

Mr. Hargett asked if there were any questions. Hearing none, he moved approval. Mr. Wilson seconded the motion. Mr. Hargett called upon Ms. Thompson to conduct a roll-call vote:

Mr. Eley—Aye  
 Mr. Wilson—Aye  
 Mr. Hargett—Aye  
 Mr. Lillard—Aye  
 Mr. Wolfe—Aye  
 Ms. Brown—Aye

Mr. Hargett stated that the next item regarding a request for a State Revolving Fund loan was being deferred to the next meeting.

Mr. Hargett stated that the next item on the agenda was a report on SRF borrowers that have not submitted request for project expense reimbursement. He called upon Ms. Felicia Freeman, Environmental Manager for the Tennessee



Department of Environment and Conservation (TDEC), to present the report. Ms. Freeman stated that the “No Activity” report was a list of communities that had been awarded an SRF loan but no funds had been drawn against the loan. She continued saying, that the SRF program reviews this report on a quarterly basis to ensure compliance to the schedule within each of the loan agreements. Ms. Freeman stated that the communities were asked why no draw down had been made to the loan and when a reimbursement request would be submitted to the SRF loan program. She explained that the SRF loan program does this to ensure loan funds are used in a timely manner so that monies are returned back to the program to fund other eligible projects. She stated that Caryville-Jacksboro was the first community on the report and said that it was in compliance and planned to submit its first pay request by December 2020. Next on the list, she reported that Hampton County Water (HCW) was a companion loan to a grant and stated that the grant would be used completely before HCW would draw down on its SRF loan. She explained that Jasper also had a companion loan and had already submitted its final pay request in October 2020. The loan would be closed once the funds paid out and the remaining monies would then be returned back to the SRF program. Ms. Freeman stated that the City of Johnson City was also in compliance but the project came in overbid and the City sent it out for bid again in October. She concluded by reporting that Metro Nashville had three projects that were in compliance with their schedules. She stated that the City planned to submit a pay request to the SRF loan program in March 2021. She stated that Metro Nashville also had a DW loan in compliance as well and a request for funds would be submitted in March 2021. The last loan on the report was also Metro Nashville and was in compliance with its loan agreement. Mr. Hargett then asked if the Authority members had any questions for Ms. Freeman. Hearing none, he moved on to the next agenda item.

Mr. Hargett stated that the next item on the agenda was an update on the CWSRF priority ranking list (CWPR). He called upon Ms. Freeman to present the update. Ms. Freeman stated that the SRF program had received capitalization grants from the federal government which required the SRF loan program to prepare a comprehensive list of eligible SRF projects that would receive funding. She further stated that the SRF loan program had conducted a solicitation for clean water projects on February 19, 2020 to communities across Tennessee. Ms. Freeman said the deadline for communities to submit requests was March 20, 2020, but that deadline had been extended to April 24, 2020 because of the virus pandemic. She stated that the SRF program received 61 project requests for the CWPR, totaling \$186,688,878. Mr. Hargett inquired about the communities on the report highlighted in green, and Ms. Freeman responded saying, that those projects were eligible to receive green funding because clean components were used. Mr. Hargett thanked her for the update.

Mr. Hargett stated that the next item was an update on the DWSRF priority ranking list (DWPR). Again, he called on Ms. Freeman to present the information. Ms. Freeman stated that in addition to the CWPR, the SRF loan program also conducted a solicitation for drinking water projects in August 2020. She stated that a second solicitation was sent out September 30, 2020 to give communities the opportunity to add projects to the DWPR. She further stated that as a result of both solicitations for DW projects, the SRF loan program had received 48 project requests totaling \$281,981,388. Mr. Hargett inquired if there were any questions on the CWPR or DWPR. Hearing none, he thanked Ms. Freeman for the updates.

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

Mr. Eley—Aye  
 Mr. Wilson— Aye  
 Mr. Hargett— Aye  
 Mr. Lillard—Aye  
 Mr. Wolfe—Aye  
 Ms. Brown—Aye

The meeting was adjourned.



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Approved on this 14<sup>th</sup> day of December, 2020.

Respectfully submitted,

  
Sandra Thompson  
Assistant Secretary





**TENNESSEE LOCAL DEVELOPMENT AUTHORITY**  
**November 24, 2020**

The Tennessee Local Development Authority (the "TLDA") met on Tuesday November 24, at 12:30 p.m. via live stream with certain members being physically present in the Senate Hearing Room I, First Floor, Cordell Hull Building, Nashville, Tennessee. Interested members of the public were only able to observe and listen to the meeting through electronic means. The Honorable Tre Hargett, Secretary of State, was present and presided over the meeting.

The following members were also present:

The Honorable Justin P. Wilson, Comptroller of the Treasury  
 The Honorable David H. Lillard, Jr., State Treasurer  
 Commissioner Butch Eley, Department of Finance and Administration  
 Ms. Paige Brown, House Appointee (participated electronically)  
 Mr. Pat Wolfe, Senate Appointee (participated electronically)

The following member was absent:

The Honorable Bill Lee, Governor

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

Mr. Hargett stated that the first item on the agenda was consideration and approval for a CWSRF loan. He called upon Ms. Felicia Freeman, Environmental Manager for the Tennessee Department of Environment and Conservation (TDEC), to present the loan request. Ms. Freeman first presented the unobligated fund balance. She stated the balance was \$33,720,663 as of September 21, 2020. Since that time, the unobligated balance had increased by \$11,968,200 due to FY2020 partial EPA Capitalization Grant and the available State Match. Upon approval of the loan request to be presented totaling \$15,000,000, the remaining funds available for loan obligations would be \$30,688,863. She then described the CWSRF loan request.

- **Chattanooga (SRF 2020-440)** Requesting \$15,000,000 for Water and Wastewater Treatment Plant (WWTP) improvements and infiltration and inflow correction – (Moccasin Bend WWTP EQ-UNOX improvements would include the installation of approximately 900 linear feet (LF) of conveyance piping; replacing approximately 2,200 LF of the 30-inch diameter Citico force main; and construction of a 30 million gallon (MG) equalization basin, 20 MG pump station, and associated appurtenances.); recommended interest rate of 0.61% based on the Ability to Pay Index (ATPI); Priority ranking 6, 18, 64 of 78 (FY 2019); Term 20 years.

Mr. Hargett made a motion to approve the loan, and Mr. Wilson seconded the motion. Mr. Hargett asked if there was any discussion. Hearing none, he asked that all in favor say aye and all opposed say no. By a vote of 6 – 0, the loan was approved.

Mr. Hargett stated that the next item on the agenda was consideration of a request for approval from Jackson Energy Authority ( the "Authority") to issue Wastewater System Revenue Bonds, Series 2020, in an amount not to exceed \$16,500,000 on parity with its outstanding SRF loans. He called upon Ms. Sandi Thompson, TLDA Assistant Secretary and the Director of the Division of State Government Finance (DSGF) to present the request. Ms. Thompson stated that the TLDA had received a request from the Jackson Energy Authority to issue Wastewater System Revenue Refunding Bonds, Series 2020, on parity with its current outstanding SRF loans. She stated that the proposed bonds would be issued in an amount not to exceed \$16,500,000. She continued saying, that a formal

request from the Authority was required by the provisions set forth in the SRF loan agreements and the guidelines set forth in the TLDA/SRF Policy and Guidance for Borrowers. Ms. Thompson stated that the Authority would use the proceeds of the bonds along with other available funds to refund all or a portion of the Wastewater System Revenue Bonds, Series 2012 and that this would result in debt service savings to the Authority. She stated that the DSGF had reviewed information in regard to the Authority's request and determined that its debt would be secured by the Wastewater System, that it had a history of timely repayments on its current SRF loans, and its audited financial statements had been filed within six months of fiscal year end as required. She stated that the Authority had a security deposit in place in the amount of \$1,271,892. Ms. Thompson reported that the Authority had an operating income of \$7,123,186 with a positive net change in position of \$10,459,333. She stated that the Authority had unrestricted cash in the amount of \$10,103,943 and \$2,110,646 in cash that was restricted for debt service. She further stated that the Authority was not under the jurisdiction of the Utility Board, and its current and projected debt service coverage for the next three fiscal years met or exceeded the 1.2 times requirement. Ms. Thompson stated that based on the analysis conducted by the DSGF, the Authority would have sufficient cash and revenues to meet its obligations and it appeared to meet TLDA's guidelines for approval to issue the refunding bonds on parity with its outstanding SRF loans. Therefore, she stated that staff recommended approval of the request.

Mr. Hargett moved approval of the request, and Mr. Wilson seconded the motion. Mr. Hargett asked if there was any discussion. Hearing none, he asked that all in favor say aye and all opposed say no. By a vote of 6 – 0, the item was approved.

Mr. Hargett then acknowledged Ms. Paula Mitchell, Deputy Director of Operations with TDEC, to make a recognition. Ms. Mitchell stated that she wanted to bring the Board's attention to the new manager for the SRF program. She stated that he was listening to the live-stream and his name was Mr. Adeniyi Bakare. She explained that although he was new to TDEC, he was not new to state service. She reported that he previously worked as the Chief Business Officer at Vanderbilt and prior to his service there, he worked for the State of Tennessee in the Department of Human Services, the Department of Finance and Administration, as well as the Department of Health in the area of finance and economics. Ms. Mitchell stated that the Board would have the opportunity to interact with Mr. Bakare at the next TLDA board meeting in December. Mr. Hargett thanked her for the introduction and stated that the TLDA looked forward to working with him.

Hearing no other business, Mr. Hargett moved to adjourn. Mr. Wilson seconded the motion.

The meeting was adjourned.

Approved on this 14<sup>th</sup> day of December, 2020.

Respectfully submitted,

Sandra Thompson  
Assistant Secretary