TENNESSEE LOCAL DEVELOPMENT AUTHORITY
May 24, 2021

The Tennessee Local Development Authority (the "TLDA") met on Monday, May 24, 2021, at 2:15 p.m. in the Executive Conference Room, Ground Floor, State Capitol, 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
Ms. Paige Brown, House Appointee

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

Mr. Pat Wolfe, Senate 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 March 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 of a request from the Hallsdale-Powell Utility District ("the District") to issue refunding bonds in an amount not to exceed $36,685,000, and to simultaneously repay all its outstanding SRF loans in their entirety. He called upon Ms. Thompson to present the request. Ms. Thompson stated that as required by the guidelines set forth in the SRF/TLDA Policy and Guidance for Borrowers, the District was requesting approval from the TLDA to issue refunding bonds in an amount not to exceed $36,685,000 to repay all its outstanding SRF loans. She further stated that some of the District's information was put before the TLDA's Vice Chair to obtain preliminary approval as was also required by policy and guidance. Ms. Thompson reported that the District had timely repayments on its current SRF loans, had timely filed its audited financial statements, and that it had a security deposit in place as well. She stated that the District was not requesting modification of lien position and that the proposed debt would be structured in a manner that did not constitute balloon indebtedness. She reported that there were no ratings on the current debt outstanding. Ms. Thompson concluded by saying, based on the analysis conducted by the DSGF, the District would have sufficient revenues to meet its obligations, and it appeared to meet TLDA's guidelines for approval to issue the refunding bonds and repay all of its outstanding SRF loans. Therefore, she stated that staff recommended approval of the request. Mr. Hargett stated that it was his understanding that the savings incurred was about 1%, and Ms. Thompson responded affirmatively. He then stated that the TLDA typically tried to respect the autonomy of local government to be able to make those decisions. Mr. Hargett then made a motion to approve the request, and Mr. Mumpower seconded the motion. Mr. Hargett asked all in favor to say aye and all opposed to say no. By vote of 6 – 0, the motion carried and the request was unanimously approved.

Mr. Hargett stated that the next item on the agenda was consideration and approval of a Clean Water State Revolving Fund (CWSRF) loan. He recognized Mr. Adeniyi Bakare, SRF Program Manager for the Tennessee Department of Environment and Conservation (TDEC), to present the loan request. Mr. Bakare first presented the Report on Funds

Available for Loan Obligation for the CWSRF Loan Program. He stated the unobligated fund balance was $49,999,973 as of February 17, 2021. Since that time, the unobligated balance had increased by $712,262 with the return of previous (unused) funding from Jackson Energy Authority. Upon approval of the loan request to be presented, totaling $1,445,000, the remaining funds available for loan obligations would be $49,267,235. He then described the CWSRF loan request.

- **Selmer (SRF 2021-448)** Requesting $1,445,000 for a infiltration and inflow correction (sewer system evaluation to include manhole inspection, smoke testing, and closed-circuit television (CCTV) to prioritize sewer lines and manholes for rehabilitation to eliminate sources of infiltration and inflow and hydraulic restriction to prevent sanitary sewer overflows (SSOs); recommended interest rate of 0.07% based on the Ability to Pay Index (ATPI); Priority ranking 79 of 83 (FY 2019); Term: 5 years

Mr. Hargett asked if there was any discussion. Hearing none, Mr. Mumpower made a motion to approve the loan, 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 loan was unanimously approved.

Mr. Hargett stated that the next item of business was an update on the SRF program's Drinking Water priority ranking list (PRL). He called upon Mr. Bakare to present the item. Mr. Bakare stated that the FY2020 Drinking Water PRL had 48 projects. He stated that potential borrowers for 22 of the projects, totaling $123,905,253, were currently working with SRF in the funding process, and potential borrowers for nine of the 48 projects, totaling $102,020,500, were still interested in receiving SRF funding and had resubmitted for the FY2021 PRL. Mr. Bakare stated that three of the 48 projects, totaling $4,384,925, were anticipated to be funded once planning and design loan requirements were met. He stated that three of the 48 projects had already been funded in the amount of $3,721,000. He reported that potential borrowers for 11 of the projects on the PRL, totaling $47,640,560, had been contacted but the communities had not responded or resubmitted for the FY2021 PRL. Mr. Hargett thanked Mr. Bakare and asked if the TLDA had any questions. Hearing none, he then asked if there was other business to be presented. Mr. Bakare responded saying that he had an update on the Clean Water PRL as well. Mr. Hargett apologized and asked him to continue with the update. He stated that the Clean Water PRL had 64 projects. He continued saying, that potential borrowers for 22 of those projects, totaling $77,576,243, were still interested in receiving SRF funding and may have resubmitted their projects for the FY2021 PRL. He reported that potential borrowers for 20 of the 64 projects on the list were currently working with SRF in the funding process. Those loans represented $94,270,535. Mr. Bakare stated that five of the 64 projects, totaling $4,515,585, anticipated to be funded once the communities had completed the planning and design loan requirements. He stated that four of the 64 projects had already been funded by SRF in the amount of 3,275,000. He said that there were four potential borrowers that decided not to proceed with SRF funding for their projects in the amount of $14,255,000. Finally, he reported that potential borrowers for nine of the projects, totaling $14,376,000, had been contacted by SRF but had not responded. Mr. Hargett asked if there were any questions about the PRL. There were no questions. This report was for information only. No board action was needed.

Hearing no other business, Mr. Hargett asked for a motion to adjourn. Mr. Wolfe made a motion, 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 meeting was adjourned.

Approved on this 15th day of June, 2021.

Respectfully submitted,

Sandra Thompson

Sandra Thompson
Assistant Secretary