TENNESSEE LOCAL DEVELOPMENT AUTHORITY
May 31, 2023

The Tennessee Local Development Authority (the "TLDA") met on Wednesday, May 31, 2023, at 2:38 p.m. in the Volunteer Conference Center, 2nd Floor, Cordell Hull Building, Nashville, Tennessee. The Honorable Tre Hargett, Secretary of State, was present and presided over the meeting.

The following members were also present:

The Honorable David H. Lillard, Jr., State Treasurer
Commissioner Jim Bryson, Department of Finance and Administration
Mayor Paige Brown, House Appointee
Mayor Rollen "Buddy" Bradshaw, Senate Appointee

The following members were absent:

The Honorable Bill Lee, Governor
The Honorable Jason E. Mumpower, Comptroller of the Treasury

Recognizing a physical 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 April 26, 2023, TLDA meeting. Ms. Brown motioned to approve the minutes, and Mr. Bradshaw seconded the motion. Mr. Hargett asked all in favor to say aye and all opposed to say no. By a vote of 5 – 0, the motion was carried, and the minutes were unanimously approved.

Mr. Hargett stated that the next item on the agenda was consideration of a request from the Cumberland Utility District (the "District") to issue United States Department of Agriculture ("USDA") Rural Development Waterworks Revenue Bonds in an amount not to exceed $600,000 on parity with two of its outstanding SRF loan agreements. He recognized Ms. Sandra Thompson, TLDA Assistant Secretary and the Director of the Division of State Government Finance ("SGF") to present the item. Ms. Thompson stated that the District proposed to issue USDA bonds to provide funding for improvements and extensions to its waterworks system. Ms. Thompson stated the District's letter noted that the project would replace a water line that was vitally important to the health and welfare of the citizens within its service area. Ms. Thompson explained that the bonds would be payable solely from and secured by a lien on the net revenues of the system and would remain subject to prior liens in favor of the District's SRF loan DWF 2001-043 and the Series 2012 waterworks revenue and refunding bonds. Furthermore, she stated that all the District's obligations would be secured by a shared lien position after the maturity of the series 2012 bonds in 2025. She said that the District believed the TLDA's consent to this request would be in the public's interest as it would preserve the District's ability to incur future debt on a shared lien basis, thereby minimizing interest costs to ratepayers. Ms. Thompson noted that the District's 2012 bonds have a AA- rating by Standard and Poor's. She reported that the District had a history of timely repayments, had timely filed its audit report for FY2022, and would have sufficient revenues to cover its debt service based on financial projections. Ms. Thompson stated that the District's current and projected debt service coverage ratios met or exceeded the required 1.2 times coverage. She reported that it had a security deposit on file in the amount of $227,036. However, she noted that the District was currently under the administrative review of the Utility Management Review Board. Ms. Thompson stated that based on analysis conducted, the District appeared to meet the TLDA's criteria to issue the bonds on parity with its 2013 SRF loans. Mr. Hargett inquired if there was any discussion. Hearing none, Mr. Bryson motioned to approve the request, and Mr. Lillard seconded the motion. Mr. Hargett asked all in favor to say aye and all opposed to say no. By a vote of 5 – 0, the motion was carried, and the request was unanimously approved.

Mr. Hargett stated that the next item on the agenda was the consideration of a request from the Paris Utility Authority (the "Authority") to issue Water and Wastewater Revenue Bonds in an amount not to exceed $520,000 subordinate to its outstanding SRF loans. He called upon Ms. Thompson to present the item. Ms. Thompson stated that the Authority proposed to issue bonds to finance the cost and design of construction of extensions and

improvements to its water and wastewater system. Furthermore, she noted that costs associated with the bonds included legal fees and issuance costs. Ms. Thompson said that the bonds would be sold by private placement to Foundation Bank at an interest rate of 4.99%. She noted that there was no debt rating on the bonds. She reported that the Authority had a history of timely repayments of its outstanding debt, had timely filed its FY2022 audit report, and would have sufficient revenues to cover its debt service based on financial projections. Ms. Thompson reported that the Authority had a security deposit on file in the amount of $430,966. She stated that its debt service coverage ratios met or exceeded the 1.2 times coverage requirement. Additionally, she noted that the Authority was not under the jurisdiction of any of the utility boards. Ms. Thompson stated that based on analysis, the Authority appeared to meet the TLDA's criteria to issue the bonds subordinate to its SRF loans. Mr. Hargett inquired if there were any questions or discussion. Hearing none, Mr. Lillard motioned to approve the request, and Mr. Bryson seconded the motion. Mr. Hargett asked all in favor to say aye and all opposed to say no. By a vote of 5 – 0, the motion was carried, and the request was unanimously approved.

Mr. Hargett stated that the next item on the agenda was the consideration and approval of a Drinking Water State Revolving Fund ("DWSRF") loan. He recognized Ms. Vena Jones, Program Manager, Division of Water Resources, for the Tennessee Department of Environment and Conservation ("TDEC"), to present the loan request. Ms. Jones first presented the Report on Funds Available for Loan Obligation for the DWSRF Loan Program. She stated the unobligated fund balance was $99,448,313 as of March 27, 2023. Upon approval of the loan request to be presented totaling $1,100,000, the remaining funds available for loan obligations would be $98,348,313. She then presented the DWSRF loan request.

- **Smyrna (DWF 2022-246-01)** Requesting $1,100,000 for waterline replacements: replacing approximately 7,800 linear feet of 8-inch diameter lines with 24-inch diameter waterlines by methods of open cut and pipe bursting; recommended interest rate of 3.10% based on the Ability to Pay Index (ATPI); Priority ranking 27 of 72 (FY2021); Term: 20 years

Mr. Hargett inquired if there were any questions. Hearing none, Ms. Brown motioned to approve the loan, and Mr. Bryson seconded the motion. Mr. Hargett asked all in favor to say aye and all opposed to say no. By a vote of 5 – 0, the motion was carried, and the loan was unanimously approved.

Hearing no other business, Mr. Hargett asked for a motion to adjourn the meeting. Mr. Lillard motioned to adjourn, and Mr. Bryson seconded the motion. Mr. Hargett asked all in favor to say aye and all opposed to say no. By a vote of 5 – 0, the motion was carried, and the meeting was adjourned.

Approved on this 27th day of June, 2023.

Respectfully submitted,

Sandra Thompson

Sandra Thompson
Assistant Secretary