

**TENNESSEE LOCAL DEVELOPMENT AUTHORITY**  
**August 21, 2023**

The Tennessee Local Development Authority (the "TLDA") met on Monday, August 21, 2023, at 3:27 p.m. in the Volunteer Conference Center, 2<sup>nd</sup> 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 Jason E. Mumpower, Comptroller of the Treasury  
 The Honorable David H. Lillard, Jr., State Treasurer  
 Commissioner Jim Bryson, Department of Finance and Administration

The following members were absent:

The Honorable Bill Lee, Governor  
 Mayor Paige Brown, House Appointee<sup>i</sup>  
 Mayor Rollen "Buddy" Bradshaw, Senate Appointee<sup>ii</sup>

Recognizing a physical quorum present, Mr. Hargett called the meeting to order, and asked Ms. Sandra Thompson, TLDA Assistant Secretary and the Director of the Division of State Government Finance ("SGF") to conduct a roll call:

Mr. Hargett—Present  
 Mr. Lillard—Present  
 Mr. Mumpower—Present  
 Mr. Bryson—Present

Mr. Hargett, in accordance with Public Chapter 300 and Board guidelines, asked Ms. Thompson if any requests for public comment had been received. Ms. Thompson responded that no requests had been received.

Mr. Hargett stated that the first item on the agenda was approval of the minutes from the June 27, 2023, TLDA meeting. Mr. Lillard motioned to approve the minutes, and Mr. Bryson seconded the motion. Mr. Hargett asked all in favor to say aye and all opposed to say no.

The minutes were unanimously approved.

Mr. Hargett stated that the next item on the agenda was a report on the notification from the Town of Oakland submitted to comply with TLDA SRF Policy and Guidance for Borrowers. He recognized Ms. Thompson to present the report. Ms. Thompson stated that the Town of Oakland had notified the TLDA of its intent to enter into a loan agreement with the Public Building Authority (PBA) of the City of Clarksville and with the PBA's bond purchaser. She further stated that the loan amount would not exceed \$18,000,000 and would be used to finance water and sewer system improvements. Ms. Thompson explained that pursuant to the TLDA SRF Policy and Guidance for Borrowers, the Town was required to notify the TLDA of its intent to incur debt. She also noted that the Town will issue the debt subordinate to its current SRF loans. Ms. Thompson requested that TLDA acknowledge the notification. Mr. Hargett thanked Ms. Thompson for the report and stated that it was a non-voting item. No further action was required by the TLDA. Mr. Hargett then moved on to the next agenda item.

Mr. Hargett stated that the next item on the agenda was notification of revisions to the SRF loan agreement. He recognized Ms. Vena Jones, Program Manager, Division of Water Resources, for the Tennessee Department of Environment and Conservation, to present the item. Ms. Jones informed the TLDA that TDEC had revised the SRF loan agreement in three different sections. On page 14, item number four, she pointed out that the terminology had

<sup>i</sup> Due to technical difficulties, Mayor Brown was able to join the meeting via audio only but was not able to vote.

<sup>ii</sup> Due to technical difficulties, Mayor Bradshaw could not join the meeting.

been updated from “Fiscal Sustainability Plan Requirements” to “Asset Management Plan Requirements” to align with SRF’s asset management plan goals. She also mentioned that the Asset Management Plan Guidance had been uploaded to the SRF website. She stated that the second revision on page 15, item number five, “Cost and Effectiveness Analysis,” would allow entities to indicate by checking a box that they had conducted a cost and effectiveness analysis on their product. Ms. Jones concluded that the final change to the loan agreement appeared on page 30, item number 23, to include the phrase “Build America, Buy America,” as mandated by the federal government. Mr. Hargett asked if that concluded the report. Ms. Jones responded affirmatively. Mr. Hargett inquired if there were any questions or comments. Hearing none, he stated that this was an informational item, and no board action was needed. Mr. Hargett then moved on to the next agenda item.

Mr. Hargett stated that the next item on the agenda was the consideration and approval of Clean Water State Revolving Fund (CWSRF) loans and said that, unless there were any objections, the TLDA would hear the two loan requests prior to asking for a motion to approve. Hearing none, he recognized Ms. Jones to present the loan requests. Ms. Jones first presented the Report on Funds Available for Loan Obligation for the CWSRF Loan Program. She stated the unobligated fund balance was \$205,696,268 as of April 26, 2023. Since that time, the unobligated had increased by \$1,240,746 with the return of unused funding from the City of Dyersburg. Upon approval of the loan requests to be presented totaling \$2,325,000, the remaining funds available for loan obligations would be \$204,612,014. She then presented the CWSRF loan requests.

- **Rocky Top (CG21 2023-482)** Requesting \$1,162,500 (\$697,500 (60%) loan; \$465,000 (40%) principal forgiveness) for green – infiltration and inflow (I/I) correction (Rehabilitation of approximately 33,000 linear feet (LF) of sewer lines by methods of cured in place pipe (CIPP), pipe bursting, and/or open cut, and manhole rehabilitation) Construction only; recommended interest rate of 1.73% based on the Ability to Pay Index (ATPI); Priority ranking 35 of 104 (FY2022); Term: 20 years
- **Rocky Top (CGB22 2023-483)** Requesting \$1,162,500 (\$697,500 (60%) loan; \$465,000 (40%) principal forgiveness) for green – I/I correction (Rehabilitation of approximately 33,000 LF of sewer lines by methods of CIPP, pipe bursting, and/or open cut, and manhole rehabilitation) Construction only; recommended interest rate of 1.73% based on the ATPI; Priority ranking 35 of 104 (FY2022); Term: 20 years

Mr. Hargett inquired if there were any questions or comments. Hearing none, he motioned to approve the loans, and Mr. Lillard seconded the motion. Mr. Hargett asked all in favor to say aye and all opposed to say no.

The loans were 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. Jones 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 \$98,348,313 as of May 31, 2023. Upon approval of the loan request to be presented totaling \$75,000, the remaining funds available for loan obligations would be \$98,273,313. She then presented the DWSRF loan request.

- **Maynardville (DW9 2023-257)** Requesting \$75,000 (\$37,500 (50%) loan; \$37,500 (50%) principal forgiveness) for green – water meter replacement (Installation of approximately 2,700 advanced metering infrastructure meters throughout the distribution system) Planning and Design; recommended interest rate of 1.14% based on the ATPI; Priority ranking 76 of 143 (FY2022); Term: 5 years

Mr. Hargett inquired if there were any questions. Hearing none, he motioned to approve the loans, and Mr. Bryson seconded the motion. Mr. Hargett asked all in favor to say aye and all opposed to say no.

The loan was unanimously approved.

Mr. Hargett stated that the next item on the agenda was TDEC's presentation on the Asset Management Planning Grants Manual (AMP Grants Manual). He recognized Ms. Jones to present the item. Ms. Jones stated that the meeting materials included TDEC's final draft of the AMP Grants Manual. She also said that TDEC was finalizing the grant opportunity announcement on the SRF webpage and that it would be ready by the end of this week or early next week. Mr. Hargett requested that TDEC inform the TLDA when the announcement was available for final viewing on the website, and Ms. Jones agreed. Mr. Hargett then inquired if there were any questions or comments. Mr. Bryson asked a question about the demand for the grant and stated that it appeared about 20 grants could be funded in this round. Ms. Jones replied that requests totaled between \$20,000,000 and \$25,000,000, but the exact number of grant awards was still being determined as many applicants were still deciding if they would use some of their ARP money. Ms. Jones further stated that the estimated demand was \$20-\$25 million at an amount up to \$250,000 per grant. Mr. Bryson observed that that would result in a lot of grant awards. Ms. Jones agreed and then mentioned that the previous SRF manager had initially set a higher limit of \$500,000 per grant, which TDEC was required to continue to support for the entities on the prior funding list. Mr. Bryson asked why the limit was lowered. Ms. Jones explained that it was to align with other state programs nationwide. Mr. Hargett inquired if there were any more questions. There were no further questions. This item was for informational purposes only, and no action was required from the TLDA.

Hearing no other business, Mr. Hargett asked for a motion to adjourn the meeting. Mr. Bryson motioned to adjourn, and Mr. Mumpower seconded the motion. Mr. Hargett asked all in favor to say aye and all opposed to say no.

The meeting was adjourned.

Approved on this 20<sup>th</sup> day of September 2023.

Respectfully submitted,

  
Sandra Thompson  
Assistant Secretary