

TENNESSEE LOCAL DEVELOPMENT AUTHORITY
August 19, 2024

The Tennessee Local Development Authority (the “TLDA”) met on Monday, August 19, 2024, at 2:45 p.m., CT, in the Volunteer Conference Center, 2nd Floor, Cordell Hull Building, Nashville, Tennessee. Secretary Hargett was present and presided over the meeting.

The following members or proxies were also present¹:

Mr. Jamie Wayman, proxy for the Honorable David H. Lillard, Jr., State Treasurer
Commissioner Jim Bryson, Department of Finance and Administration
Mayor Paige Brown, House Appointee

The following member participated electronically as authorized by Tennessee Code Annotated § 8-44-108:

Mayor Rollen “Buddy” Bradshaw, Senate Appointee

The following members were absent:

The Honorable Bill Lee, Governor
Honorable Jason E. Mumpower, Comptroller of the Treasury¹

Recognizing a physical quorum present, Secretary 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 perform a roll call:

Mayor Bradshaw—Present
Jamie Wayman—Present
Secretary Hargett—Present
Commissioner Bryson—Present
Mayor Brown— Present

Secretary 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 for public comment had been received.

Secretary Hargett stated that the next item of business was approval of the minutes from the July 22, 2024, TLDA meeting. Secretary Hargett asked for a motion to approve the minutes. Mayor Brown moved approval, and Commissioner Bryson seconded the motion. Secretary Hargett asked if there was any discussion. Hearing none, he asked Ms. Thompson to conduct a roll call vote:

Mayor Bradshaw—Aye
Mr. Jamie Wayman—Aye
Secretary Hargett—Aye
Commissioner Bryson—Aye
Mayor Brown—Aye

The minutes were unanimously approved.

Secretary Hargett stated that the next item on the agenda was the consideration and approval of Clean Water State Revolving Fund (CWSRF) loans. Secretary Hargett recognized Ms. Vena Jones, Program Manager, Tennessee

¹ Comptroller Jason Mumpower was initially present virtually via TEAMS, but upon the acknowledgment of a physical quorum, he stated that he would exit the meeting because he was attending a conference in another State.

Department of Environment and Conservation, 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 \$128,578,037, as of June 24, 2024. Since that time, the unobligated balance had increased by \$113,515,236 which was comprised of the interest and principal from loan repayments, as well as capitalization grants and Infrastructure Investment and Jobs Act (IIJA) general supplemental grants for fiscal year 2023. Upon approval of the loan requests to be presented totaling \$47,000,000, the remaining funds available for loan obligations would be \$195,093,273. Secretary Hargett asked if there were any questions on the report, and there were none. Secretary Hargett said that unless there were any objections, the TLDA would hear both loan requests prior to asking for a motion to approve. There were no objections. Ms. Jones then presented the CWSRF loan requests.

- **Springfield (CWB22 2024-489)** Requesting \$10,000,000 (\$5,000,000 (50%) loan and \$5,000,000 (50%) principal forgiveness) for a new Wastewater Treatment Plant (WWTP)/Advanced Treatment: construction of a new 7.0 million gallons per day (MGD) WWTP to include a new biological treatment system, influent pump stations, headworks, activated sludge treatment, and sludge digestion/management; recommended interest rate of 2.49% based on the Ability to Pay Index (ATPI); Priority ranking 5 of 104 (FY2022); Term: 20 years
- **Springfield (CW9 2024-489-01)** Requesting \$37,000,000 for a new WWTP/Advanced Treatment: construction of a new 7.0 MGD WWTP to include a new biological treatment system, influent pump stations, headworks, activated sludge treatment, and sludge digestion/management; recommended interest rate of 2.49% based on the ATPI; Priority ranking 5 of 104 (FY2022); Term: 20 years

Secretary Hargett confirmed that Springfield had principal forgiveness on its loan of \$5,000,000, and Ms. Jones responded affirmatively. Secretary Hargett made a motion to approve the loans, and Mr. Wayman seconded the motion. Secretary Hargett asked if there were any questions or discussion. Commissioner Bryson responded affirmatively and stated that he observed that the City's rates were higher than the rates of other municipalities. He then asked if the City could repay its loans without increasing rates. Ms. Jones responded affirmatively. There was no further discussion. Secretary Hargett asked Ms. Thompson to conduct a roll call vote:

Mayor Bradshaw—Aye
 Mr. Jamie Wayman—Aye
 Secretary Hargett—Aye
 Commissioner Bryson—Aye
 Mayor Brown—Aye

The loans were unanimously approved.

Secretary Hargett stated that the next item on the agenda was the consideration and approval of Drinking Water State Revolving Fund (DWSRF) loans. Secretary Hargett recognized Ms. Vena Jones to present the loan requests. Ms. Jones first presented the Report on Funds Available for Loan Obligation for the DWSRF Loan Program. She stated the unobligated fund balance was \$38,104,267, as of July 22, 2024. Since that time, the unobligated balance had increased by \$51,532,343 which was comprised of the interest and principal from loan repayments, as well as capitalization grants, IIJA general supplemental grants for fiscal year 2023, and an amount of unused funding from the City of Fayetteville. Upon approval of the loan requests to be presented totaling \$1,686,173, the remaining funds available for loan obligations would be \$87,950,437. Secretary Hargett asked if there were any questions on the report, and there were none. Secretary Hargett said that unless there were any objections, the TLDA would hear both loan requests prior to asking for a motion to approve. There were no objections. Ms. Jones then presented the DWSRF loan requests.

- **Erwin Utilities Authority (DWB22 2024-267)** Requesting \$1,354,000 (\$677,000 (50%) loan and \$677,000 (50%) principal forgiveness) for a waterline extension: installation of approximately 15,000 linear feet of 2-inch through 6-inch diameter PVC and ductile iron pipe (DIP) waterlines along Lower Higgins

Creek, Sandy Bottom, McInturff Springs, and Canah Hollow Road; recommended interest rate of 1.24% based on the ATPI; Priority ranking 52 of 143 (FY2022); Term: 20 years

- **Northwest Dyersburg Utility District (DWB22 2024-268)** Requesting \$332,173 (\$166,086.50 (50%) loan and \$166,086.50 (50%) principal forgiveness) for water treatment plant improvements: rebuilding two high service pumps, rehabilitating of two pressure filters, and replacing a 4-inch valve; recommended interest rate of 1.87% based on the ATPI; Priority ranking 32 of 143 (FY2022); Term: 20 years

Secretary Hargett made a motion to approve the loans, and Mayor Brown seconded the motion. Secretary Hargett asked if there were any questions or discussion. Hearing none, he asked Ms. Thompson to conduct a roll call vote:

Mayor Bradshaw—Aye
 Mr. Jamie Wayman—Aye
 Secretary Hargett—Aye
 Commissioner Bryson—Aye
 Mayor Brown—Aye

The loans were unanimously approved.

Secretary Hargett stated that the next item of business was consideration of a request from the Paris Utility Authority (the “Authority”) to issue debt in an amount not to exceed \$2,600,000 subordinate to its existing State Revolving Fund loans (SRF). He recognized Ms. Thompson to present the request. Ms. Thompson stated that the Authority had requested approval to issue revenue debt for \$2,600,000 subordinate to its current SRF loans. She explained that this would be a new money issuance, with the funds to be used for replacing and repairing the Authority’s water and wastewater systems, including replacing cast iron lines, galvanized service lines, and a failed sewer service line. Additionally, Ms. Thompson also mentioned that there was a list of the Authority’s current outstanding SRF loans included with the meeting materials. She assured the TLDA that the Authority had consistently repaid its loans on time, had a security deposit on file, and had filed its audited financial statements in a timely manner. Ms. Thompson stated that the Authority would have sufficient revenues to cover its loan debt service. She also noted that Local Government Finance had reviewed the Authority’s debt service coverage ratios and found they were sufficient for the current and new debt. Ms. Thompson stated that the Authority was not currently under the jurisdiction of the Tennessee Board of Utility Regulation and had filed its budget with the Comptroller’s Office. Ms. Thompson stated that based on the analysis conducted by SGF, it appeared that the Authority met the TLDA’s criteria for issuing additional debt subordinate to its existing SRF loans. Secretary Hargett recognized Commissioner Bryson. Commissioner Bryson stated that the request was for \$2,600,000. He then pointed out that the back of the letter indicated a total of \$2,500,000 for the two projects and sought clarification on the difference. Ms. Thompson explained that the \$2,500,000 was for the projects, and an additional \$100,000 was required to cover bond issuance cost, bringing the total to \$2,600,000. Commissioner Bryson thanked Ms. Thompson for the clarification. Secretary Hargett asked for a motion to approve the request. Commissioner Bryson made a motion to approve the request, and Mr. Wayman seconded the motion. Secretary Hargett asked if there were any questions or discussion. Hearing none, he asked Ms. Thompson to conduct a roll call vote:

Mayor Bradshaw—Aye
 Mr. Jamie Wayman—Aye
 Secretary Hargett—Aye
 Commissioner Bryson—Aye
 Mayor Brown—Aye

The request was unanimously approved.

Hearing no further business, Secretary Hargett asked for a motion to adjourn the meeting. Mayor Brown motioned to adjourn the meeting, and Commissioner Bryson seconded the motion. Secretary Hargett asked Ms. Thompson to conduct a roll call vote:

Mayor Bradshaw—Aye
Mr. Jamie Wayman—Aye
Secretary Hargett—Aye
Commissioner Bryson—Aye
Mayor Brown—Aye

The meeting was adjourned.

Approved on this 2nd day of October, 2024.

Respectfully submitted,


Sandra Thompson
Assistant Secretary