

**Town of Thompson's Station
Utility Advisory Board
Virtual Meeting Agenda
September 30, 2020**

Call Meeting To Order

1. Consideration Of The Minutes Of The August 19, 2020, Remote Meeting.

Documents:

[ITEM 1 - UTILITY BOARD MINUTES 08_19_2020.PDF](#)

2. Presentation Of Financing Information: Whit Moloney/Russ Turrell Of Piper Sandler & Co. (Additional Information To Be Provided)

Documents:

[ITEM 2 - CASH FLOW PROJECTIONS WW SEPTEMBER 2020 \(2\).PDF](#)
[ITEM 2 - GENERIC EXAMPLE OF POTENTIAL RATES AND PAY SCHEDULE.PDF](#)
[ITEM 2 - TDEC CLEAN WATER STATE REVOLVING FUND.PDF](#)
[ITEM 2 - THOMPSONS STATION CLEAN WATER QUESTIONNAIRE_2020.PDF](#)
[ITEM 2 - THOMPSONS STATION MAP_2020.PDF](#)
[TN OVERVIEW_THOMPSON STATION_SEPTEMBER 2020.PDF](#)

3. Information Only - Ordinance No. 2020-008: An Ordinance Of The Town Of Thompson's Station, Tennessee To Amend Ordinance No. 10-007 And Title 18, Chapter 2 Of Thompson's Station's Municipal Code Regarding Wastewater System User Rate.

Documents:

[ITEM 3 - ORDINANCE NO. 2020-008 TO AMEND WASTEWATER SYSTEM USER RATES.PDF](#)
[ITEM 3 - CUSTOMER COUNT AND FEES ANALYSIS WW.PDF](#)
[ITEM 3 - THOMPSONS STA WSTWTR MTAS PRES 01 15 20.PDF](#)

4. Consideration Of A Waste Water Tap Transfer Policy.

Documents:

[ITEM 4 - WW TAP TRANSFER POLICY V2 9.21.20.PDF](#)

5. System Operator's Update – Kenny Bond:

6. Barge Design Updates – Matthew Johnson:

- a. Bridgemore I & I Update
- b. Hill Property Construction Update
- c. Alexander Property Update

d. MBR Project Update

7. Adjourn

Utility Board Finance Report August 2020

Documents:

[WASTEWATER DESIGN FLOW RATES SHEET.PDF](#)

[WW UB FINANCE REPORT AUGUST 2020.PDF](#)

This meeting will be held remotely due to the Emergency of COVID-19 and will be live streamed at

6:00 p.m. via our website www.thompsons-station.com

**Town of Thompson's Station
Utility Board
Virtual Meeting Minutes
August 19, 2020 6:00 p.m.**

Call to Order:

The remote meeting of the Utility Board of the Town of Thompson's Station was called to order at 6:00 p.m. on August 19, 2020, with the required quorum. The following statement was read by Chairman Ridsen:

This meeting is being conducted pursuant to the Guidance from the Comptroller's Office, and in accordance with Governor Lee's Executive Order No. 60 (which was previously extended by Executive Order Nos. 16, 34 & 51): due to the treatment and containment of COVID-19.

This regular monthly meeting for August 19, 2020, is being held by video conference with the Utility Board of Thompson's Station and live streamed, as necessary to protect the public's health, safety, and welfare in light of the coronavirus. Further it is requested that the governing body include this determination in the minutes for this meeting.

We understand, we the members of the Utility Board serve at the pleasure of the citizens of the Town of Thompson's Station, and due to the current situation, is why we are currently live streaming this meeting for the benefit of the public, through our website.

A recording of this meeting will be available on the Town of Thompson's Station website at thompsons-station.com within 24 hours of this meeting. Utility Board Members and staff virtually present were: Chairman Jeff Ridsen, Alderman Brian Stover, Utility Board Members Bruce Difrancisco, Skip Beasley, Finance Director Steve Banks, Wastewater Coordinator Kenny Bond, IT Coordinator Tyler Rainey, Town Recorder/Clerk Regina Fowler and Town Attorney Kirk Vandivort. Utility Board Members and Staff Mike Roberts, Charles Starck Brad Wilson and Ken McLawhon were absent. Additional virtual attendants were Matthew Johnson of Barge Design.

Minutes:

Consideration of the June 24, 2020 regular Utility Board meeting were presented.

Brian Stover made a motion to approve the June 24, 2020, regular Utility Board meeting minutes. The motion was seconded by Skip Beasley and carried unanimously.

Roll Call Vote:

	<u>VOTE</u>		<u>VOTE</u>		<u>VOTE</u>
Skip Beasley	Yea	Bruce Difrancisco	Yea	Jeff Ridsen	Yea
Mike Roberts	Absent	Charles Starck	Absent	Brian Stover	Yea
		Brad Wilson	Absent		
Yea	4	Nay	0	Absent	3

Motion carried.

1. System Operators Update:

Kenny Bond noted that the system is now running in sync with the other drip fields. The disposal elimination is approximately 70 – 80 thousand gallons.

2. Bridgemore I & I Update:

Matthew Johnson – Barge Design stated that the smoke testing has been completed. We should receive the CCTV reports next month. Some defects such as broken clean out caps were detected; however, no substantial defects were found.

3. Hill Property Construction Update:

Matthew Johnson – Barge Design updated the UB Board on the completion of Milestone 1. The project is on schedule according to the contract at this time. The strainers will be installed at the plant once they have been received. The installation of the strainers should take approximately two days. Between the Hill Property and the Ozzad Property there should be a total of 48.49 acres once it goes online. A rough timetable to complete this job is approximately 1.5 years.

4. Alexander Property Update:

Matthew Johnson – Barge Design mentioned that the surveys have been completed. The Soil Scientist have indicated that an additional 4 acres will be added to the site bringing the total to 36.4 acres. The next step should be the Design Phase.

5. MBR Project Update:

Barge Staff and the Town’s Wastewater staff recently met. Copies of deliverables were presented to staff for review. The Hill Property is projected to be 90% complete in early October. The UB Board noted the sense of urgency for this project and thinks that decisions should be discussed as to funding for this project (USDA was mentioned). Apparently there is a three month completion timeframe for paperwork to be completed. If the USDA is the direction that BOMA should choose to go, there is a requirement to review bid documents prior to the advertisement of a bid.

Announcements:

In reference to the MBR Project, and after much discussion, several Utility Board Members asked the following questions? “What is needed from BOMA? What is the estimate of cost for said project? What work can be completed concurrently? Also, a list of Milestones/Critical Path Schedule for this project needs to be completed immediately. Staff response was, BOMA will need to increase debt limit requirements to include two readings from BOMA for completion of said increase. Budget Amendments will also need to be determined.

Alderman Stover requested a weekly update from the Town Administrator for the MBR Project.

Skip Beasley inquired as to whether there was a Water Taps Policy in place. He wants to know once the drip fields are complete, who would receive water taps and in what order would they receive them?

Steve Banks noted that a new wastewater billing system will go on-line November 1, 2020 for ease of making wastewater payments.

Adjourn:

There being no further business, the meeting adjourned at 6:45 p.m.

Chairman, Jeff Riden

NEW MBR SYSTEM CASH FLOW PROJECTIONS

All projections are based on best information available from consulting engineers and other consulting sources. As well as base on past history of expenses. Intended as a guideline for management and BOMA .

1. Build New WW Facility.
2. Assumes Wastewater Fees at current rate for Residential (capped @ \$55/mth) and Commercial (No cap)
3. Assumes Operating Expense increase of 3.5%/Yr - This based on cost of living increases

Residential unit Wastewater Fee average for May 2020 is \$47.57
 Commercial Fees are not increased from year to year NOR assumed any increase of accounts
 New Building permits are listed below
 No. of Wastewater Accounts that exceed the max fee of \$55 is noted below.

	Current	Max Fee	Increase
	2.00%	\$55.00	
	2.00%	\$56.10	\$1.10
	2.00%	\$57.22	\$1.12
	2.00%	\$58.37	\$1.14
	2.00%	\$59.53	\$1.17

WW Residential Accounts as of 6/30/20
 (actual was 1813)

1,800

	150	150	150	150	150	150	150	150	150	150	150	150
New Building permits issued	150	150	150	150	150	150	150	150	150	150	150	150
Builder Effluent Fee	\$5,650.05	\$5,650.05	\$5,650.05	\$5,650.05	\$5,650.05	\$5,650.05	\$5,650.05	\$5,650.05	\$5,650.05	\$5,650.05	\$5,650.05	\$5,650.05
Wastewater Fee proposed increase	0.00%	2.00%	2.00%	2.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	500	500	500	500	500	500	500	500	500	500	500	500
Average No Accounts > \$55/mth	500	500	500	500	500	500	500	500	500	500	500	500
Raise max fee by	\$ -	\$ 1.10	\$ 2.22	\$ 3.36	\$ 3.36	\$ 3.36	\$ 3.36	\$ 3.36	\$ 3.36	\$ 3.36	\$ 3.36	\$ 3.36
Max Fee would be	\$ 55.00	\$ 56.10	\$ 57.22	\$ 58.36	\$ 58.36	\$ 58.36	\$ 58.36	\$ 58.36	\$ 58.36	\$ 58.36	\$ 58.36	\$ 58.36

Wastewater Fund	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
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Residential Accounts	1950	2100	2250	2400	2550	2700	2850	3000	3150	3300	3450
Commercial Accounts	48	48	48	48	48	48	48	48	48	48	48

Residential Average Fee (May 2020 avg)	\$ 47.57	\$ 48.52	\$ 49.49	\$ 50.48	\$ 50.48	\$ 50.48	\$ 50.48	\$ 50.48	\$ 50.48	\$ 50.48	\$ 50.48
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Residential Wastewater Fee	\$ 1,113,138	\$ 1,222,739	\$ 1,336,279	\$ 1,453,872	\$ 1,544,739	\$ 1,635,606	\$ 1,726,473	\$ 1,817,340	\$ 1,908,207	\$ 1,999,074	\$ 2,089,941
Commercial Fees	\$ 257,673	\$ 262,827	\$ 268,083	\$ 273,445	\$ 273,445	\$ 273,445	\$ 273,445	\$ 273,445	\$ 273,445	\$ 273,445	\$ 273,445
Other (Interest,Late Fees, Septage)	\$ 39,950	\$ 39,950	\$ 39,950	\$ 39,950	\$ 39,950	\$ 39,950	\$ 39,950	\$ 39,950	\$ 39,950	\$ 39,950	\$ 39,950

Over \$55 additional revenue	\$ -	\$ 6,600	\$ 13,320	\$ 20,160	\$ 20,160	\$ 20,160	\$ 20,160	\$ 20,160	\$ 20,160	\$ 20,160	\$ 20,160
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New Building Effluent Fees (disposal of effluents)	\$ 847,508	\$ 847,508	\$ 847,508	\$ 847,508	\$ 847,508	\$ 847,508	\$ 847,508	\$ 847,508	\$ 847,508	\$ 847,508	\$ 847,508
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TOTAL REVENUES	\$ 2,258,269	\$ 2,379,623	\$ 2,505,140	\$ 2,634,934	\$ 2,725,801	\$ 2,816,668	\$ 2,907,535	\$ 2,998,402	\$ 3,089,269	\$ 3,180,136	\$ 3,271,003
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*operating expenses increased by 3.5% each year

*add'l staff

Operating Expenses	690,594	714,765	800,000	828,000	856,980	886,974	918,018	950,149	983,404	1,017,823	1,053,447
Add'l Maint. Expenses (due to new MBR)			150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Depreciation Expense	530,000	530,000	915,000	1,095,000	1,095,000	1,095,000	1,095,000	1,095,000	1,095,000	1,095,000	1,095,000
Debt Service (Interest)	6,700	4,000	1,250	-	-	-	-	-	-	-	-
New Debt Service - MBR (Interest) @ 1.5%		231,000	224,846	215,135	205,371	195,606	185,841	176,076	166,311	156,545	146,780
New Debt Service- Alexander (Interest) @ 3%			216,000	211,460	200,303	188,949	177,588	166,227	154,866	143,505	132,144
TOTAL OPERATING EXPENSES	1,227,294	1,479,765	2,307,096	2,499,595	2,507,655	2,516,529	2,526,447	2,537,452	2,549,581	2,562,874	2,577,371

FY23 May have W/O of assets

CHANGE IN NET POSITION	1,030,975	899,859	198,044	135,339	218,147	300,139	381,088	460,951	539,689	617,263	693,632
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ADDS:

Sources of Cash

Change in Net Position	1,030,975	899,859	198,044	135,339	218,147	300,139	381,088	460,951	539,689	617,263	693,632
Loan Proceeds	15,400,000		7,200,000	-							
New Development Impact Fees (capital contributions)											
Depreciation Expense	530,000	530,000	915,000	1,095,000	1,095,000	1,095,000	1,095,000	1,095,000	1,095,000	1,095,000	1,095,000

LESS:

Uses of Cash

MBR Construction	2,000,000	13,400,000										
Alexander Drip Fields Const. ** avail usage of acres TBD			7,200,000									
Debt Service (Principle)	111,111	111,111	101,852									
New Debt Service - MBR (Principle)		410,243	416,397	426,108	435,872	445,638	455,403	465,168	474,933	484,698	494,463	
New Debt Service- Alexander (Principle)			151,339	155,879	167,035	178,390	189,751	201,112	212,473	223,834	235,195	
Net Cash Increase (Decrease)	14,849,864	(12,491,496)	443,456	648,352	710,239	771,112	830,935	889,671	947,283	1,003,731	1,058,974	
Beginning Available Cash	800,000	15,649,864	3,158,368	3,601,824	4,250,176	4,960,415	5,731,527	6,562,462	7,452,133	8,399,415	9,403,146	
End Available Cash	\$ 15,649,864	\$ 3,158,368	\$ 3,601,824	\$ 4,250,176	\$ 4,960,415	\$ 5,731,527	\$ 6,562,462	\$ 7,452,133	\$ 8,399,415	\$ 9,403,146	\$ 10,462,120	

NOTES and Additional Information

		Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20
No Accounts >\$55	702	522	372	654	377	401	806	676	975	737	699
Unbilled WW Fees	\$39,705.00	\$17,272.61	\$7,709.11	\$13,103.05	\$6,047.95	\$6,252.70	\$15,737.63	\$13,646.80	\$36,823.00	\$30,642.00	\$27,749.00

Current Depreciation Expense as FY20	\$530,000	\$530,000	\$530,000	\$530,000	\$530,000	\$530,000	\$530,000	\$530,000	\$530,000	\$530,000	\$530,000	\$530,000
ADD: New MBR system \$15,400,000			\$385,000	\$385,000	\$385,000	\$385,000	\$385,000	\$385,000	\$385,000	\$385,000	\$385,000	\$385,000
New Alexander drip fields				\$180,000	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000
TOTAL Depreciation Expense	\$530,000	\$530,000	\$915,000	\$1,095,000	\$1,095,000	\$1,095,000	\$1,095,000	\$1,095,000	\$1,095,000	\$1,095,000	\$1,095,000	\$1,095,000

Updated info received State of TN SRF 9/8/2020	Loan Proceeds	P&I	TOTAL Costs	Depreciation											
MBR Total est cost (Not including PM)	15,400,000.00	\$641,243.50	15,400,000.00	385,000.00											
Alexander Drip fields (Not including PM)	7,200,000.00	\$367,338.67	7,200,000.00	180,000.00											
	15,400,000.00	Interest @ 1.5%	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10				
		231,000.00	224,846.35	215,135.39	205,371.07	195,605.96	185,840.83	176,075.70	166,310.57	156,545.44	146,780.31				
	7,200,000.00	Interest @3%	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10				
		216,000.00	211,459.84	200,303.48	188,948.62	177,587.82	166,226.83	154,865.84	143,504.86	132,143.87	120,782.88				

**Generic Example of Potential Rates and Pay Schedule
Maximum GPR Rate Reduction (0.3%)**

PRINCIPAL		\$ 22,500,000		
			Reported Rate (9/8/2020)	1.32%
RATE OF INTEREST (monthly)		0.09%	ATPI=	90.00%
			Green Interest Rate Reduction	0.30%
MONTHS		360	Interest Rate	1.02000%
MONTHLY PAYMENTS		\$72,576	Annual Debt Svc	\$ 870,909
TOTAL INTEREST		\$3,627,281		
TOTAL PAYMENTS		\$26,127,281		
			<i>Loan Amount</i>	\$ 22,500,000
			<i>Total Interest</i>	\$3,627,281
			<i>Principal & Interest</i>	\$ 26,127,281

**Generic Example of Potential Rates and Pay Schedule
No Subsidy**

PRINCIPAL		\$ 22,500,000		
			Reported Rate (9/8/2020)	1.32%
RATE OF INTEREST (monthly)		0.11%	ATPI=	90.00%
			Green Interest Rate Reduction	
MONTHS		360	Interest Rate	1.32000%
MONTHLY PAYMENTS		\$75,724	Annual Debt Svc	\$ 908,683
TOTAL INTEREST		\$4,760,477		
TOTAL PAYMENTS		\$27,260,477		
			<i>Loan Amount</i>	\$ 22,500,000
			<i>Total Interest</i>	\$4,760,477
			<i>Principal & Interest</i>	\$ 27,260,477

Savings for a \$22,500,000 project maximizing the Green Infrastructure Subsidy

\$1,133,196



INTENDED USE PLAN
CLEAN WATER STATE REVOLVING FUND

STATE FISCAL YEAR (SFY) 2021
FEDERAL FISCAL YEAR (FFY) 2020



Clean Water State Revolving Fund

Draft Intended Use Plan

July 2020

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Clean Water State Revolving Fund

Draft Intended Use Plan

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Introduction

When the Tennessee General Assembly passed the “Wastewater Facilities Act of 1987,” it established the Tennessee Clean Water State Revolving Fund (CWSRF) as a way to provide low-interest loans to local governments and publicly owned treatment works to finance wastewater infrastructure improvement projects. Since its creation, the CWSRF, which is within the [State Revolving Fund \(SRF\)](#) program of the Tennessee Department of Environment and Conservation (TDEC) Division of Water Resources, has provided hundreds of millions of dollars in assistance to Tennessee communities. The SRF program provides low-interest loans and technical assistance to cities, counties, utility districts, and wastewater and energy authorities across the State for planning, design, and construction of wastewater infrastructure projects. The SRF program supports TDEC’s mission to protect and promote human health and safety, and to protect and improve water quality across the state by helping communities afford safe, sustainable, and resilient water systems. The CWSRF is designed as a federal-state partnership program to assist public water systems (PWS) with an independent source of low-cost financing for a wide range of water quality infrastructure projects. The program was created through the 1987 Amendments to the Clean Water Act (CWA) which authorized the US Environmental Protection Agency (EPA) to establish a CWSRF loan program to further the protection of public health and the water quality objectives of the CWA.

Elements of the Clean Water State Revolving Fund Intended Use Plan:

TDEC SRF long term and short-term goals

The financial status of the Clean Water SRF loan program

Description of the methods and criteria used to distribute funds

Automated Standard Application for Payments (ASAP) Schedule

Priority Ranking List (PRL) for FFY 2020

Description of non-point source (NPS) activities eligible for assistance under Section 319 of the CWA

TDEC’s new Small and Disadvantaged Community program

TDEC’s new Ability To Pay Index

The EPA awards a Clean Water Capitalization Grant annually to the State; in turn, the State obligates federal funds, along with a 20% state match, to provide financing to wastewater treatment systems for planning, design, and construction projects that include (but are

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not limited to): plant replacement and upgrade; collection system installation, repair, and upgrade; treatment; storage; water reuse; green infrastructure; energy optimization; and resilience. These funds are repaid over time, ensuring the long-term viability of the CWSRF program.

Section 606(c) of the CWA requires each state to annually prepare an Intended Use Plan (IUP) to outline the use of grant funds awarded to the state and to describe how those uses support the goal of protecting public health and the environment.

TDEC's [Clean Water IUP](#) serves as the planning document detailing how the federal fiscal year (FFY) 2020 appropriations for the CWSRF loan program will be used. The State of Tennessee's allotment of FFY 2020 CWSRF Loan Program dollars is \$23,085,000. The State is required to provide a 20% match of federal funds or \$4,617,000 to receive the full allotment. The state will apply for the full capitalization grant, however, due to state revenue shortfalls in SFY 2020 and projected shortfalls in SFY 2021, the state will not have the full match requirement at this time. The state intends to utilize capitalization funds as state match becomes available. It is projected that SRF will receive a state appropriation of \$3,319,700 for both the CW and DW SRF programs. Using historic information on program demand in CW and DW SRF, the state intends to use 55% of its state appropriation for matching a proportional amount of the Clean Water Capitalization Grant. SRF will allocate \$1,825,835 of our state appropriation to match the federal grant, thereby securing \$9,129,175 in total capitalization grant funding for SFY 2021. The EPA Capitalization Grant plus State match will provide an expected \$10,955,010 in funds available for CWSRF projects in SFY 2021.

Clean Water State Revolving Fund Goals and Objectives

Congress allows state CWSRF programs flexibility to design a program tailored to meet the needs of the state, local communities, and publicly owned wastewater treatment works. Tennessee's [CWSRF program](#) developed long and short-term goals as a framework for decisions Tennessee makes in the CWSRF program.

Long-Term CWSRF Goals

1. Protect and enhance the water quality in Tennessee by ensuring the technical integrity and long-term sustainability of funded projects.
 - a. Objective: ensure adequate and effective project planning, design, and construction management.

Clean Water State Revolving Fund

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- b. Objective: maintain a priority ranking system and offer available funds to projects with the highest priority points that are ready to proceed.
2. Maintain the long-term financial integrity of the CWSRF program through the judicious use and management of its assets and by realizing an adequate rate of return, preventing fraud, waste, and abuse.
3. Maintain a self-sustaining revolving fund through the CWSRF Loan Program to provide local governments in Tennessee with low-cost financial assistance for wastewater infrastructure projects.
 - a. Objective: Ensure the use of accounting, audit, and fiscal procedures that conform to generally accepted governmental accounting principles.
 - b. Objective: Ensure the financial stability of loan recipients by reviewing the financial history, loan security, and proposed user rates of loan applicants.
 - c. Objective: Obligate funds in a timely manner and provide technical and administrative assistance for efficient project management.
4. Facilitate allocation of program resources to address the most significant public health and water quality compliance problems by actively working with these systems and the TDEC regulatory staff.
5. Promote the development of the technical, managerial, and financial capability of all publicly owned wastewater treatment works to maintain or come into compliance with state and federal requirements.
6. Provide clean water assistance in an orderly and environmentally sound manner.
7. Assure that all new wastewater systems funded by the program demonstrate technical, managerial, and financial capability with respect to state and federal regulations.

Short Term Goals

1. Manage an effective and efficient CWSRF Loan Program
 - a. Objective: Update administrative policies and guidance including standard operating procedures for the CWSRF Loan Program.
 - b. Objective: Coordinate and work with the Comptroller of the Treasury to ensure the best financing alternative(s) to local governments.

Clean Water State Revolving Fund

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2. Assist the development and implementation of local water quality protection initiatives.
3. Partner with TN Department of Agriculture, Non-Point Source 319 program to promote water quality protection through use of 319 funds, CWSRF funds, and project leveraging.
4. Provide support and assistance to ensure compliance with state and federal water quality standards by all funded publicly owned wastewater treatment works.
5. Expand the use of [Green Project Reserve \(GPR\)](#) funding to include more projects and encourage innovative use of SRF funds following EPA's guidance. The SRF Program has elected to strive for a goal of up to 18% of grant funds to be used for innovative, green, or resilient projects.
6. Provide direct technical assistance to publicly owned wastewater treatment works.
7. Expand and broaden our community outreach activities to ensure that publicly owned wastewater treatment works are aware of and understand CWSRF assistance options and the loan application process by presenting an annual statewide workshop to publicize the CWSRF program in coordination with Tennessee Department of Economic & Community Development and USDA-Rural Development.
8. Develop a database for clean water project data and program management data to ensure effective and efficient program implementation.
9. Ensure that all funds in the SRF and grant award are appropriately expended in an expeditious and timely manner.
10. Review current CWSRF rules and statute for potential updates. Recommendations for updates may include improved clarity or language concerning stormwater project eligibilities, use of SRF funds for non-point source projects, and inclusive language for green infrastructure elements that improve hydrology and water quality.
11. Review and develop recommendations for updates to the CWSRF priority ranking system. These updates may include, but are not limited to, improved accounting for green infrastructure and stormwater management.
12. Research other state SRF Programs and conduct a cost benefit analysis to make recommendations for implementing a loan closing fee to support a sustainable funding

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source and reduce the SRF Program reliance on state appropriations for match funding.

Clean Water Priority Ranking System

TDEC's CWSRF program uses a priority ranking system to develop the [Priority Ranking List](#) (PRL). The State's CWSRF Priority Ranking System rules, Tenn. Comp. R. & Regs. ("Rule") Chapter 0400-46-01, provide a clear, objective order of ranking wastewater infrastructure projects. The PRL focuses on projects aiming to achieve optimum water quality management consistent with the goals and requirements of the CWA and the Tennessee Water Quality Control Act. The rationale for funding projects in an order other than that shown on the PRL shall be in accordance with the rules for the Priority Ranking System, Chapter 0400-46-01-.03. Exceptions to the order of funding may be allowed under special circumstances. Such projects would include those where unanticipated failures requiring immediate attention to protect public health occur.

Applicants seeking funding must submit a [CWSRF Questionnaire](#) which includes a detailed project description, explanation of project need, location of the project, cost estimate and project start and completion dates to the SRF Loan Program. Projects eligible for CWSRF funding are described in the [EPA eligibility handbook](#). Projects are prioritized by those that address reducing risks to human health or those working to maintain or improve water quality. All proposed projects will be assigned Project Criteria Points based on the project criteria established in Rule 0400-46-01-.02(2). Project Criteria Points will be assigned to individual wastewater facilities projects based on the following:

- Wastewater treatment plant (WWTP) discharges to a water-quality impaired stream segment will receive 100 Project Criteria Points in addition to any other applicable Project Criteria Points. WWTP projects with a compliance schedule in the NPDES permit requiring construction will receive 50 Project Criteria Points in addition to any other applicable Project Criteria Points;
- Wastewater collection system projects with a compliance schedule in the NPDES permit requiring construction will receive 50 Project Criteria Points in addition to any other applicable Project Criteria Points;
- Nonpoint Source (NPS) pollution projects affecting a water-quality impaired stream segment will receive 100 Project Criteria Points. Other NPS pollution projects will receive 25 Project Criteria Points. NPS pollution projects may be directed toward protection or improvement of the quality of groundwater, surface water, or wetlands. NPS pollution projects must be consistent with Tennessee's approved

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Nonpoint Source Management Program requirements and be included in the State's current EPA approved Nonpoint Source Management Plan;

- Effluent-trading projects will receive 50 Project Criteria Points in addition to any other applicable Project Criteria Points;
- Combined Sewer Overflow (CSO) projects will receive 25 Project Criteria Points;
- Infiltration/Inflow (I/I) correction projects and major sewer rehabilitation projects will receive 25 Project Criteria Points. Construction of projects that will transport and treat I/I at the WWTP will receive 10 Project Criteria Points;
- Stormwater management projects affecting a water-quality impaired stream segment will receive 100 Project Criteria Points. Stormwater management projects with a compliance schedule in the NPDES permit requiring construction will receive 50 Project Criteria Points. All other stormwater management projects will receive 25 Project Criteria Points;
- Collection lines to be constructed to address an existing public health problem caused by failed septic systems will receive a minimum of 40 Project Criteria Points up to a maximum of 100 Project Criteria Points;
- Any wastewater project proposed for development or growth potential, i.e., projects that were not planned to address a water quality problem or a public health problem, will receive 5 Project Criteria Points. WWTPs that are required to serve new collectors as part of the approved facilities plan will receive the same Project Criteria Points as the collectors;
- Interceptors and pump stations will receive varying Project Criteria Points. Interceptors or pump stations that eliminate a WWTP discharge point that was included in an approved facilities plan will receive the same Project Criteria Points as the WWTP. Interceptors or pump stations proposed as part of an I/I elimination project will receive the same Project Criteria Points as the I/I elimination project. Interceptors or pump stations proposed as part of a collection system project will receive the same Project Criteria Points as the collection system project;
- Planning/Design projects will receive Project Criteria Points based upon the proposed project type;
- CWA Section 212 projects that are also associated with the construction of nonpoint source projects shall have an additional 20 Project Criteria Points;
- CWA Section 212 projects with zoning that demonstrates preservation of greenspace

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shall have an additional 15 Project Criteria Points;

- CWA Section 212 projects with zoning that demonstrates riparian buffer zones of at least 150 feet shall have an additional 10 Project Criteria Points;
- CWA Section 212 projects demonstrating an enforced buffer zone ordinance shall have an additional 5 Project Criteria Points;
- Refinancing projects will receive 1 Project Criteria Point; and
- In accordance with Tenn. Code Ann. § 6-58-109(b), all SRF projects within counties that have an approved growth plan will receive 5 Project Criteria Points in addition to any other applicable Project Criteria Points.

The assigned Project Criteria Points are calculated to determine the Priority Point Value and are applicable only to WWTP projects. The Project Criteria Points are summed to establish a proposed project's Priority Rank. Projects will be placed on the PRL in ascending order by Priority Rank, i.e., in descending order by total project priority points. Projects requesting funds for ineligible activities will not be assigned priority points. Projects with the

same priority points will be ranked based on consideration of the Ability to Pay Index (ATPI) and population served to assist smaller and less affluent communities in addition to making the most targeted investment with the greatest potential outcome for Tennessee communities.

The CWSRF Loan Program may not provide assistance to any system that does not maintain an adequate level of financial capability to assure sufficient revenues to operate and maintain the wastewater facility for its useful life, agree to periodic adjustment of fees and services of the wastewater facility in order to repay the loan in a timely manner, agree to maintain financial records in accordance with governmental accounting standards, conduct an annual financial audit of the facility, and provide any additional assurances as requested by TDEC (Rule 0400-46-06-.04(1)).

Eligible Project Categories

- Construction of municipal wastewater facilities
- Control non-point source pollution
- Decentralized wastewater treatment systems
- Green infrastructure projects
- Water quality projects
- Stormwater management
- Brownfields
- Consolidation
- Recycled water
- Asset management
- Capacity management

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List of Projects

In accordance with section 606(c)(1) of the CWA, 40 CFR § 35.3150, the SRF Program has developed a list of projects to receive funding in the first year after the grant award and a comprehensive priority list of eligible projects for funding in future years (CWSRF will maintain past PRLs). The PRL includes community information, project description, related assigned points, the ATPI, watershed total project cost, amount of GPR (if applicable), anticipated construction start and end date, and EPA Needs Survey Category. The CWSRF PRL (Appendix) includes eligible projects for which the total cost of assistance requested is at least equal to the amount of the Capitalization Grant being applied for before the EPA awards the grant. In addition to the projects listed, the CWSRF loan program may consider loan increases for existing projects, projects carried forward from SFY 2020, and other CWSRF-eligible projects. The CWSRF project list may include NPS projects since the State's NPS Assessment and Management Program has been approved.

Criteria and Methods for Distributing Funds

The SRF Program will provide funding letters to all communities with projects on the state fiscal year (SFY) 2021 PRL after the EPA loan award date. For the FFY 2020 capitalization grant, funding priority will be directed to highest-ranked projects that are ready to proceed with construction. This includes small and disadvantaged communities, green and resilient infrastructure projects, and projects with subsidies. Communities with projects on the CWSRF PRL may be bypassed based on failure to submit a complete application 90 days after being notified or are not ready to proceed.

The primary use of capitalization grant funding is for assistance to stormwater and wastewater utilities for capital improvements (infrastructure projects). This assistance can be provided as planning and design loans or construction loans. Not all clean water compliance problems, however, can be solved through capital financing of infrastructure improvements.

TDEC has determined, based on the projected total award dollars and the previous year carry-forward balance, the State can provide up to \$111,894,010 to loan for projects ([Table 1](#)).

The State's NPS Management Program has been approved and the IUP may include NPS projects and activities for funding under the CWSRF when viable projects are identified.

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Interest Rates and Affordability Criteria

The SRF program has developed multiple ways for communities and utility systems to benefit from SRF financing. Reduced interest rates, principal forgiveness, and green project reserve subsidy are all financing options an applicant can explore in an attempt to reduce their overall financial burden for wastewater and stormwater infrastructure improvements. Communities and utility systems seeking infrastructure financing from SRF can take advantage of the following rate reducing strategies.

1. **ATPI Reduced Interest Rates:** The SRF program bases interest rates on a community's Ability To Pay Index and the Market Rate. Communities at a greater economic disadvantage will be awarded lower interest rates.
2. **Principal Forgiveness for Small and Disadvantaged Communities:** Small communities with low ATPIs may be eligible for principal forgiveness. Details on qualifications can be found in the [Principal Forgiveness for Small and Disadvantaged Communities](#) section of this document. Communities can qualify for both (1) ATPI Reduced Interest Rates and (2) principal forgiveness.
3. **Green Project Reserve (GPR) Interest Rate Reductions:** The SRF program may award additional interest rate reductions if the project proposal incorporates a significant amount of green infrastructure, water and energy efficiency, or sustainable, resilient, and innovative practices. Details on project requirements can be found in the [Green Project Reserve Interest Rate Reductions](#) section of this document. Communities can qualify for both (1) ATPI Reduced Interest Rates and (3) GPR Interest Rate Reductions if their proposal qualifies.
4. No single project submission is eligible for all three rate reducing strategies at one time.

ATPI Reduced Interest Rates

The State will use the ATPI for the allocation of CWSRF subsidies and interest rates. The development and use of the index are required for the administration of SRF loans by the Water Resources Reform and Development Act (WRRDA) of 2014, 33 U.S.C.A. §§ 2201 to 2355. The index is derived from a database of socioeconomic and financial data. It is used to assist in decision making regarding interest rates, allocation of subsidy, and identification of options intended to benefit communities most in need. The index is determined based on a normal distribution of affordability scores for cities and for counties. The affordability score is a simple average of seven (7) factors unique to each community. Together, these factors: median household income, unemployment, food stamp dependence, families in poverty, community bond rating, community debt, and change in population determine a community's Ability To Pay Index value. Tennessee intends to update the ATPI annually to

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capture the most current fiscal capacity, changes, and economic trends of communities across the state.

A community's interest rate will be based, in part, on their ATPI. Interest rates can vary from 40 percent of the interest rate reported to 100 percent of the interest rate reported on the 20-year, 25-year, and 30-year Bond Buyer Index and the Municipal Market Data General Obligation Yields published every Thursday. Communities that fall within the lower economic scale of the ATPI will be eligible for a lower interest rate.

The state has developed a tiered interest rate reduction methodology that corresponds to a community's ATPI. Low range ATPI's (0-20) will be awarded a 0.40 multiplier. ATPI scores with a range of 30 – 40 will be awarded a 0.60 multiplier, 50-60 will be awarded a 0.80 multiplier and ATPIs of 70 or greater will receive the standard reported interest rates. SRF interest rates are further stratified by the term of the loan. Once loan terms are established, the appropriate base interest rate is selected. The community ATPI is verified, then the multiplier corresponding to the ATPI is multiplied by the base interest rate to establish the SRF awarded interest rate.

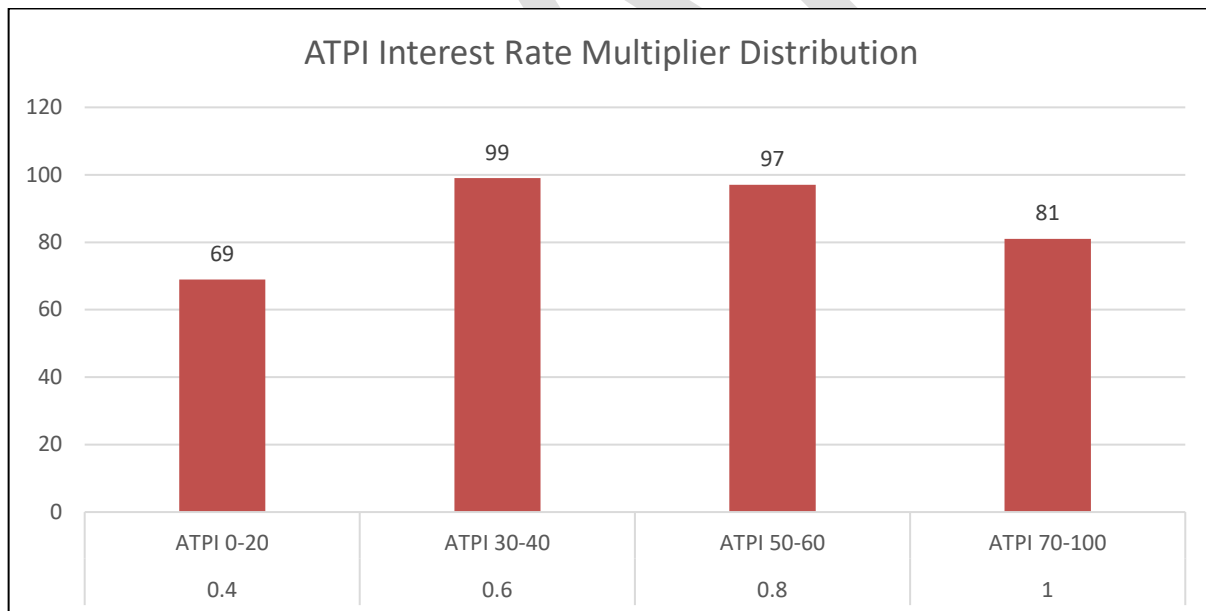


Figure 1: ATPI Interest Rate Multiplier Distribution

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The State may also recommend a reduction of the interest rate to incentivize [Green Project Reserve \(GPR\)](#) and sustainable & resilient projects, but not below zero percent. Interest rate reductions for GPR will be based on the scale, complexity, and environmental benefits of the proposed project. The GPR reductions will follow a process where first, the SRF awarded interest rates are determined based on a communities' ATPI, then if the project qualifies, rates can be further reduced from 0.1% - 0.3%. Amount of GPR rate reductions will be determined after an evaluation by SRF technical staff using the GPR interest rate reduction requirements and based on project descriptions from loan applicant Questionnaire submittals.

Principal Forgiveness for Small and Disadvantaged Communities

The SRF Program continues to respond to requests from Governor Lee regarding rural community assistance by prioritizing allocation of subsidy for water and wastewater infrastructure (in the form of principal forgiveness and lower interest rates) to communities identified as both small and economically disadvantaged. Eligibility of CWSRF principal forgiveness will be determined based on the most current ATPI. Small communities are those with a population of 10,000 or less per designation by EPA guidelines. To be considered disadvantaged, the community must score 50 or less on the ATPI. The affordability criteria from the ATPI will also be used to prioritize projects that have the same number of points from the PRL. Communities with greater economic need and smaller populations will be given a higher ranking. Standard principal forgiveness for eligible communities will be provided at 20% of the loan value (not to exceed \$2,500,000 in total principal discounted for a single loan or project within a year, and within total SRF allotted principal forgiveness for a given fiscal year).

As part of TDEC's effort to assist small, disadvantaged, and rural communities, SRF has developed a small and disadvantaged community subsidy of 50% principal forgiveness for planning or planning and design loans only. These projects are considered pilots and should address high priority water infrastructure challenges. Communities on the FFY 2020 PRL will be invited to compete for this opportunity. A small number of pilots may be selected for implementation based on funding availability. Cooperatively, communities and TDEC will develop pilot projects and in-kind efforts that allow the community to take a leadership position to develop innovative solutions and to educate other communities across the state. In-kind efforts will be included as part of the SRF loan agreement and considered a binding agreement at the time of loan approval.

The SRF Program will allocate proportional amounts of principal forgiveness on an annual basis for those communities in the lowest tier of ability to pay. This ensures the long-term

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stability of SRF Program. The SRF program will also develop a cash flow model to analyze the CWSRF funding base and forecast impacts to the overall SRF Program. This information will assist the State in program evaluation and make future programmatic decisions regarding fund management for GPR projects and small and disadvantaged communities.

Eligibility Requirements for Principal Forgiveness

Small and disadvantaged communities are eligible for standard principal forgiveness or the pilot project program if the proposed projects meet specific eligibility requirements:

1. Communities must have a population of 10,000 or less
2. Communities must have an ATPI of 50 or less
3. Projects must be on the current CWSRF Priority Ranking List (PRL)
4. Projects shall be ready to proceed (based on type of loan)
5. Entity must pass a financial sufficiency review by TDEC SRF
6. May not be combined with other forms of principle forgiveness

Standard Principal Forgiveness

1. 20% loan forgiveness not to exceed \$2,500,000 per project and shall apply as long as CWSRF has not already met the annual cap on principal forgiveness
2. Projects must include construction (planning, design, and construction projects or construction solely).
3. Standard principal forgiveness will not be given for planning and design loans (unless the project qualifies for the pilot program).

Pilot Project Principal Forgiveness

1. 50% loan forgiveness not to exceed \$500,000 per project
2. Projects are for planning, or planning and design loans
3. Pilot project loan forgiveness will not be available for construction projects
4. Utility system reporting must conform (or work to conform) to most current TDEC DWR reporting standards
5. Agree to a DWR/SRF led, water quality-based decision making, pre-coordination meeting
6. TN Utility Scorecard complete as part of the project
7. Implementation Plan- collaboration with SRF on a project plan outlining innovative and resilient practices
8. Partnering with SRF to ensure knowledge transfer through development of a case study of the pilot project

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9. Deliver 2 workshops in connection with pilot project
10. Maintains a social media campaign that highlights project progress

Green Project Reserve (GPR) Interest Rate Reductions

The FFY 2020 CWSRF Capitalization Grant requires that a portion of the funds must be allocated to GPR projects, which address green infrastructure, resilience, water or energy efficiency improvements, or other environmentally innovative activities. The State will allocate a minimum of 10% of the FFY 2020 project funds to fund eligible green projects. The State has elected to strive for a goal of 18% allocation for green projects.

Interest rate reductions for green projects will be awarded to communities that meet state criteria and eligibility requirements for [GPR projects](#). These reductions will be allocated after the SRF awarded interest rate, based on a community's ATPI, has been set. Therefore, interest rates can be further reduced by implementing activities that qualify as a green project. Selection and ranking of projects meeting GPR criteria will follow the same process as all other SRF projects. Additionally, green projects will be drawn separately from FFY 2020 project funds until the 18% allocation has been met.

The State will have met the GPR requirement when the minimum percentage of the capitalization grant for FFY 2020 is in executed assistance agreements for qualifying green projects. If a green project is underbid and the State has not met the required percentage for GPR, the difference between the amount in the executed assistance agreement and the winning bid must be used by the state for another green project(s).

Eligibility Requirements for Interest Rate Reductions for Green Projects

All communities, regardless of size and ATPI, are eligible for interest rate reductions if the projects proposed meet specific eligibility requirements. All eligible green projects must appear on the current PRL, meet the definition of a [Green Project Reserve](#) project, submit a business case to demonstrate green project costs and environmental benefits, and include construction. The amount of interest rate reduction will be based on the scale and complexity of the green project proposal. There are three primary project categories eligible for interest rate reductions. Projects should fall within at least one of the following categories: Water and Energy Efficiency, Green Infrastructure and Stormwater BMPs, or Resilient, Sustainable, and Environmentally Innovative.

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SRF projects should meet at least one criterion to qualify for green project subsidy:

1. Increase water efficiency
2. Increase energy efficiency
3. Reduce storm water runoff
4. Recycle/reuse water
5. Production/use of clean energy
6. Establish or restore wetlands
7. Reduce, prevent, or remove non-point source pollution
8. Build system resiliency from an identified hazard while addressing one or more criteria above

A detailed list of Green Project Reserve project eligibilities and examples of common practices can be found in the [EPA guidance](#) document.

Green projects eligible for 0.1% interest rate reduction, not to exceed \$250,000

Water Efficiency

1. 10%-20% water loss reduction.
2. Cost/benefit ratio (low benefit/value per dollar spent—possibly a 0-20% cost saving)

Energy Efficiency

1. 10%-20% reduction in energy savings or reduction.
2. Cost/benefit ratio (low benefit/value per dollar spent—possibly a 0-20% cost saving)

Green Infrastructure and Stormwater BMPs

1. Project increases pervious land cover at the site scale by 10-20% through installation of native vegetation, stream buffers, stream or wetland rehabilitation and the like **OR**
2. Increases infiltration, evapotranspiration, or reuse on-site through capture and treatment of 0.5 inches of runoff in a 1 year, 24-hour storm event **OR**
3. 20% of overall project costs are associated with green infrastructure practices as defined by [EPA guidance](#).

Resilient, Sustainable, and Environmentally Innovative

1. 20% of overall project costs are associated with components defined as resilient, sustainable, environmentally innovative and green according to [EPA guidance](#)

Green projects eligible for 0.2% interest rate reduction, not to exceed \$500,000

Water Efficiency

1. 21-40% in water loss savings or water loss reduction

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2. Cost/benefit ratio (low benefit/value per dollar spent—possibly a 21-30% cost saving)
3. Must meet at least three green criteria eligible activities from above list

Energy Efficiency

1. 21-40% in energy savings or reduction
2. Cost/benefit ratio (low benefit/value per dollar spent—possibly a 21-30% cost saving)
3. Must meet at least three green criteria eligible activities from above list

Green Infrastructure and Stormwater BMPs

1. Project increases pervious land cover at the site scale by 21- 30% through installation of native vegetation, stream buffers, stream or wetland rehabilitation and the like **OR**
2. Increases infiltration, evapotranspiration, or reuse on-site through capture and treatment of 0.75 inches of runoff in a 1 year, 24-hour storm event **OR**
3. 30% of overall project costs are associated with green infrastructure practices as defined by EPA guidance.

Resilient, Sustainable, and Environmentally Innovative

1. 30% of overall project costs are associated with components defined as resilient, sustainable, environmentally innovative and green according to [EPA guidance](#)

Green projects eligible for 0.3% interest rate reduction, not to exceed \$1,000,000

Water Efficiency

1. 41% or greater water loss reduction
2. Cost/benefit ratio (low benefit/value per dollar spent—greater than 31% cost saving)
3. Must meet at least four green criteria eligible activities from above list
4. Water meter replacement (WMR) projects not eligible

Energy Efficiency

1. 41% or greater energy savings or energy reduction
2. Cost/benefit ratio (low benefit/value per dollar spent—greater than 31% cost saving)
3. Must meet at least four green criteria eligible activities from above list

Green Infrastructure and Stormwater BMPs

1. Project increases pervious land cover at the site scale by 31% or more through installation of native vegetation, stream buffers, stream or wetland rehabilitation and the like **OR**
2. Increases infiltration, evapotranspiration, or reuse on-site through capture and

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treatment of 1 inch of runoff in a 1 year, 24-hour storm event **OR**

3. 40% or greater of overall project costs are associated with green infrastructure practices as defined by EPA guidance **OR**
4. Three (3) or more green infrastructure (stormwater) BMPs, as defined by EPA guidance, implemented at site scale

Resilient, Sustainable, and Environmentally Innovative

1. 40% or greater of overall project costs are associated with components defined as resilient, sustainable, environmentally innovative and green according to [EPA guidance](#)
2. Supports long term solutions or behavioral changes and strategies for change specific to the innovative nature of the project

Loan Terms and Fees

The term of the loan will be a maximum of 30 years or the useful life of the project, whichever is shorter. A loan fee of 8 basis points (0.08%) is charged by the Office of State and Local Finance for the CWSRF loans that are awarded on or after October 1, 2009. The interest rates for utility districts and water authorities that have service areas in more than one county will be evaluated and ranked by utilizing the lowest ATPI for the county or city that directly benefit from the project(s) associated with the loan.

Loan Recipient Project Requirements

All CWSRF projects are required to comply with all current CWSRF rules, regulations, policies, and procedures provided in this section and elsewhere in this document. In addition to this section, the [Federal Fiscal Year Appropriations Bill](#) outlines requirements for all federally funded projects. More information on those requirements is provided in that section of this document.

To be considered for FFY 2020 CWSRF GPR funding, not less than 20% of the total project cost must be used towards the green component. If the green component cost is less than 20%, the total project funding will be adjusted such that the green component cost will be equal to 20% of the funded project cost.

Cost and Effectiveness Analysis

Under the CWA section 602(b)(13), the statute requires all assistance recipients meeting the definition of municipality or inter-municipal, interstate, or state agency to certify that they have conducted the studies and evaluations referred to as a cost and effectiveness analysis. The statute requires that a cost and effectiveness analysis involve, at a minimum: the study and evaluation of the cost and effectiveness of the processes, materials, techniques, and

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technologies for carrying out the proposed project or activity for which assistance is sought under this title; and the selection, to the maximum extent practicable, of a project or activity that maximizes the potential for efficient water use, reuse, recapture, and conservation and energy conservation, taking into account –

- The cost to construct the project or activity
- The cost of to operate and maintain the project or activity over the life of the project or activity; and
- The cost to replace the project or activity

A cost and effectiveness analysis is an eligible cost, and CWSRFs can provide assistance for planning or engineering activities that involve this analysis; however, the certification must be provided before loan approval. This provision applies to all types of assistance provided to the public entities described above for which the recipient applies on or after October 1, 2015.

Generally Accepted Accounting Principles (GAAP)

The State requires assistance recipients to follow CWA section 602(b)(9) and maintain project accounts according to Generally Accepted Accounting Principles (GAAP) as issued by the [Government Accounting Standards Board \(GASB\)](#). This provision requires assistance recipients to use standards relating to the reporting of infrastructure assets. The most recent applicable standard is GASB Statement No. 34 (GASB 34), issued in June 1999, which details governmental reporting requirements including standards for reporting of infrastructure assets. Further details on the requirements, as well as the full text of GASB 34, can be obtained through the GASB.

Fiscal Sustainability Planning (FSP)

As amended, by the WRRDA, the CWA §603(d)(1)(E) requires a recipient of a loan for a project that involves the repair, replacement, or expansion of a publicly owned treatment works to develop and implement a fiscal sustainability plan (FSP) or certify that it has developed and implemented such a plan. This provision applies to all loans for which the borrower submitted an application on or after October 1, 2014.

FSPs should be treated as “living documents” that are regularly reviewed, revised, expanded, and implemented as an integral part of the operation and management of the system. At a minimum, the FSPs should include:

- An inventory of critical assets that are part of the treatment works;

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- An evaluation of the condition and performance of inventoried assets or asset groupings;
- A certification that the assistance recipient has evaluated and will implement water and energy conservation efforts as part of the plant; and
- A plan to maintain, repair, and, as necessary, replace the treatment works and a plan to fund such activities

The State has determined that certification will be submitted to SRF before loan approval, and the FSP must be completed and in place by the “Notice to Proceed” and made available for review by SRF staff upon the first interim construction inspection visit.

Architectural and Engineering Procurement

According to the Amendments to the Water Resources Reform and Development Act, any capitalization grant awarded after October 1, 2014, the State must ensure that all architectural and engineering (A/E) contracts for projects identified as using funds “directly made available by” a capitalization grant (i.e. equivalency projects) comply with the elements of the procurement processes for A/E services as identified in 40 U.S.C. 1101 et seq., or an equivalent state requirement.

To the extent possible, the State should identify all equivalency projects in its IUP. The State should also identify all equivalency projects in its Annual Report and specify whether those projects include any A/E services. Only the SRF-funded contracts for A/E services associated with equivalency projects must comply with this requirement.

The State intends to use one or a combination of the projects identified on the Clean Water Priority Ranking List (Attachment A) for the Cities of Cleveland, Springfield, or Kingsport to satisfy its CWSRF equivalency project requirements.

Financial Status of the CWSRF Loan Program

Required state match funds for the FFY 2020 Capitalization Grant is 20% of the Capitalization Grant. In SFY 2021 the state will match \$9,129,175 of CW Capitalization Grant dollars. This state match requirement is \$1,825,835 to the CWSRF Loan Program project fund. Based on the carry forward dollars and the available funds from the FFY 2020 Capitalization Grant, the State can provide up to \$111,894,010 for projects. These funds are expended, at the 80% federal and 20% state match. Reimbursements are submitted by loan recipients; once approved by the State, the funds are reimbursed to the recipient. Recipients repay the loans

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and these dollars are deposited into the Fund and interest is earned.

Financial Status of the CWSRF Loan Program		
Prior-Year (SFY2020) Carry-forward Funds*		\$ 45,438,000
Principal repayments and loan revenue**		46,271,000
Treasury Interest Income**		9,230,000
FFY 2020 Capitalization Grant		9,129,175
20% of FFY 2020 Capitalization Grant matched by State		1,825,835
CWSRF Loan Program Project Funds***		\$111,894,010
*Estimated balance at June 30, 2020 pre-year-end adjustments		
** Estimated principal, interest, and treasury interest for SFY 2020		
*** Pursuant to §603 (d)(7) of the CWA, the State intends to use up to 1/5 percent of the current valuation of the fund for administrative support.		

Table 1: Summary of CWSRF Financial Status

Administrative and Technical Assistance

The State intends to utilize up to 1/5 percent of the current valuation of the CWSRF Revolving Fund for administration and technical assistance, pursuant to section 603(d)(7) of the CWA. The valuation calculation shall be based upon "Total Net Position" of the Fund as determined by the Comptroller of the Treasury state fiscal yearend (June 30) and reported in the Annual Audit. The net position of the CWSRF fund balance for the State FY 2020 is yet to be available and therefore, we estimate up to \$2,500,000 may be allocated for administration, management, and operation of the CWSRF Loan Program.

The administrative support includes salaries and benefits of employees; travel of staff relating to project management, conferences, seminars, and workshops; technical assistance contracts, training for state employees; general office supplies; equipment purchases (as needed), communication and printing, and rent of office space. Funds may also be used for monitoring activities relative to nutrient / plant optimization projects.

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Program Assistance Contracts

Ability To Pay Index (ATPI)

The SRF Program is required by the EPA to use an appropriate ATPI in order to administer SRF clean water and drinking water loans. In addition, the WRRDA requires that all state SRF programs use relevant data associated with population trends, income, unemployment, and “other” metrics in the determination of priority ranking and project scoring, tiered interest rates, distribution of additional subsidy, and eligibility for planning and design loans or other benefits for disadvantaged communities. TDEC has contracted with the University of Tennessee Institute of Agriculture (UTIA) to update the ATPI annually for all TN counties, cities, and municipalities. The CWSRF will use \$45,000 in administrative funding from FFY 2020 for this purpose. The ATPI is a database of socioeconomic and financial data that serves as the foundation for an index used to help make decisions regarding determination interest rates, allocation of subsidy, and identification of options intended to benefit communities that need it the most. Through this contract, a consistent, transparent, and annually updated index is provided to improve decision making in loan and grant administration by TDEC and the Tennessee Department of Economic & Community Development (ECD). The ATPI will also enhance coordination between TDEC, ECD, and Tennessee USDA Rural Development regarding the potential use of resources to best serve disadvantaged communities.

Additionally, UTIA will develop recommendations to capture true cost of providing drinking water and wastewater services to communities and improve efficiency of these systems. This information will be used to create a survey and gather information from public drinking water and wastewater systems. The information will be utilized to assist programs responsible for providing affordable funding for water infrastructure projects to improve services and the application process timeline for communities and utilities. The CWSRF will use \$90,000 in allowable administrative funding for this purpose. A total amount of \$135,000 will be available for these services

Targeted Technical Assistance and Training for Small and Disadvantaged Communities

The SRF Program will contract with the Tennessee Association of Utility Districts (TAUD) to develop a consolidated technical assistance program to provide targeted technical assistance to distressed or disadvantaged communities. This contract (using \$100,000 from FFY 2020 CWSRF administrative funding) will focus on technical assistance needs for both public water and wastewater systems; managerial, financial, and technical capacities for systems; assist in reducing occurrence of health-based drinking water violations; optimize resources and support to small and disadvantaged communities and systems across the state; develop new capacity to make full use of Federal Capitalization Grant set-asides for

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drinking water; and implement priorities under [Tennessee's water plan, TN H2O](#). Technical assistance will be provided at no cost to eligible communities.

Water Loss Training for Tennessee Communities

The SRF Program is working to develop a contract focused on water loss training for TN communities, utilities, and commissions using a unique water loss data collection system and training methodology with a basic foundation in AWWA methods. This effort will aid utilities in determining where their water loss is originating and help them identify mitigation actions specifically for their systems. TDEC will work directly with a contractor to develop a customized training system based on the priorities of the Water and Wastewater Financing Board and the Utility Management Review Board of the Treasury to specifically address priorities related to water loss in the State of Tennessee, and to ensure objective and reproducible results that can be used to measure water loss in TN. The developed training program is tailored to issues researched by TDEC to address the needs of the state and incorporate the priorities of TNH20.

Annual Report Requirements

Section 606(d) of the CWA requires that, beginning the first fiscal year after receiving payments under the CWSRF, the State shall provide an Annual Report to EPA. The Annual Report shall be submitted to EPA within 90 days after the end of the fiscal year covered by the IUP. This report shall identify loan recipients (name and identification number), loan amounts and terms, Green Projects, projects receiving subsidization (principal forgiveness), amount of subsidy, similar details on other forms of financial assistance provided from CWSRF, population of the loan recipient, and other such information as EPA may require.

Assurances and Specific Proposals

The State shall provide the necessary assurances and certifications described in the Operating Agreement submitted as part of the Capitalization Grant Application. This Operating Agreement is the official agreement between the State and EPA and is incorporated herein by reference. Pursuant to sections 606(c)(4) (5) of the CWA, the State certifies that:

- The State will enter into binding commitments equal to at least 120% of each quarterly grant payment within one year after receipt of the payment
- The State will expend all funds in the CWSRF in an expeditious and timely manner
- Funds will first be used to assure maintenance of progress toward compliance with

Clean Water State Revolving Fund

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enforceable deadlines, goals, and requirements of the CWA

- The State agrees to commit or expend each quarterly capitalization grant payment in accordance with the state's own laws and procedures

In addition, the State certifies that it will conduct environmental reviews on wastewater facility projects in satisfying the National Environmental Policy Act (NEPA)-like requirements. The State's NEPA-like procedures are contained in the approved Operating Agreement.

Federal Fiscal Year 2020 Appropriations Bill and Other Requirements

Subsidization

The FFY 2020 CWSRF Capitalization Grant requires a portion of the funds to be allocated towards subsidy. The federally required minimum for subsidization is 10% of the grant award. The state intends to meet that obligation by providing 20% principal forgiveness subsidy to eligible small and disadvantaged communities with an ATPI of 50 or less and on the FFY 2020 PRL.

Davis-Bacon

The Davis-Bacon Act, 46 Stat. 1494 (Pub. Law 71-800), and Related acts apply to contractors and subcontractors performing on federally funded or assisted contracts in excess of \$2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works. The Davis-Bacon Act (DBA) and Related Acts require contractors and subcontractors to pay their laborers and mechanics employed under the contract no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area. The Davis-Bacon Act directs the Department of Labor to determine such locally prevailing wage rates. The Davis-Bacon Act applies to contractors and subcontractors performing work on federal or District of Columbia contracts. The prevailing Davis-Bacon Act wage provisions apply to the "Related Acts," under which federal agencies assist construction projects through grants, loans, loan guarantees, and insurance.

For prime contracts in excess of \$100,000, contractors and subcontractors must also, under the provisions of the Contract Work Hours and Safety Standards Act, as amended, pay laborers and mechanics, including guards and watchmen, at least one and one-half times their regular rate of pay for all hours worked over 40 in a workweek. The overtime provisions of the Fair Labor Standards Act may also apply to DBA-covered contracts.

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American Iron and Steel

The American Iron and Steel (AIS) provision requires CWSRF and DWSRF assistance recipients to use iron and steel products that are produced in the United States. This requirement applies to projects for the construction, alteration, maintenance, or repair of a public water system or treatment works and if the project is funded through an assistance agreement executed beginning January 17, 2014.

The AIS provision is a permanent requirement for all CWSRF projects. The America's Water Infrastructure Act of 2018 extends the AIS provision for DWSRF projects through Fiscal Year 2023.

Disadvantaged Business Enterprise (MBE)/Women's Business Enterprise (WBE) Goals

MBE/WBE reporting is required in annual reports. Reporting is required for assistance agreements where there are funds budgeted for procuring construction, equipment, services, and supplies, including funds budgeted for direct procurement by the recipient or procurement under sub-awards or loans in the "Other" category that exceed the threshold amount of \$150,000, including amendments or modifications.

The State of Tennessee has negotiated the following, applicable MBE/WBE fair share objectives/goals with EPA as follows:

MBE: CONSTRUCTION 2.6%; SUPPLIES 5.2%; SERVICES 5.2%; EQUIPMENT 5.2%

WBE: CONSTRUCTION 2.6%; SUPPLIES 5.2%; SERVICES 5.2%; EQUIPMENT 5.2%

In accordance with 40 CFR, Part 33, Subpart D, established goals/objectives remain in effect for three fiscal years unless there are significant changes to the data supporting the fair share objectives. The loan recipient is required to follow requirements as outlined in 40 CFR Part 33, Subpart D when renegotiating the fair share objectives/goals.

Pursuant to 40 CFR § 33.301, the recipient agrees to make the following good faith efforts whenever procuring construction, equipment, services, and supplies under an EPA financial assistance agreement, and to require that sub-recipients, loan recipients, and prime contractors also comply. Records documenting compliance with the six good faith efforts shall be retained:

1. Ensure Disadvantaged Business Enterprises (DBE) are made aware of contracting

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opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State, and Local and Government recipients, this will include placing DBEs on solicitation lists and soliciting them whenever they are potential sources.

2. Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.
3. Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs. For Indian Tribal, State, and local Government recipients, this includes dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.
4. Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.
5. Use the services and assistance of the Small Business Administration (SBA) and the Minority Business Development Agency of the Department of Commerce.
6. If the prime contractor awards subcontracts, require the prime contractor to take the steps in paragraphs (1) through (5).

Environmental Benefits

To conform to EPA's Policy for Environmental Results under EPA Assistance Agreements, EPA Order 5700.7, and the Consolidated Appropriations Act of 2017, P.L. 115-31, The SRF Program agrees to comply with all requests for data by EPA related to the use of the funds under Subchapter VI of the CWA, and to report all uses of the funds within the CWSRF Benefits Reporting database no less than quarterly. This reporting will include but not be limited to data with respect to compliance with the Green Project Reserve.

Amending the Intended Use Plan

The SRF Program reserves the ability to amend the IUP as needed to implement an efficient and effective program. Changes to the IUP that impact the administration of the program will be made public on the SRF website and through appropriate communication channels.

**Clean Water State Revolving Fund
Draft Intended Use Plan**
July 2020

Appendix

[Priority Ranking List](#) (PRL)

DRAFT



TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF WATER RESOURCES
State Revolving Fund Loan Program
 William R. Snodgrass Tower, 312 Rosa L. Parks Avenue, 12th Floor
 Nashville, Tennessee 37243
CLEAN WATER STATE REVOLVING FUND QUESTIONNAIRE

Section 1. Applicant Information *(authorized representative responsible for project, signs certification below)*

Applicant Name: Town of Thompson's Station		Signatory's Title or Position: Town Administrator	
Facility Name: Regional Wastewater Treatment Plant		Entity <i>(select from drop down)</i> : City	
Mailing Address: 1550 Thompson's Station Road West		City: Thompson's Station	State: TN Zip: 37179
Phone: 615-504-8425		E-mail: kmclawhon@thompsons-station.com	
DUNS Number: 946744351	Population Served: 2,300	County(ies) Served: Williamson	

Section 2. Contact/Consultant Information *(a consultant is not required)*

Alternate Contact Name: Matthew Johnson, PE			
Company: Barge Design Solutions		Title or Position: Project Manager	
Mailing Address: 615 3rd Ave. S, #700		City: Nashville	State: TN Zip: 37210
Phone: 615-252-4236		E-mail: matthew.johnson@bargedesign.com	

Section 3. Project Information

Primary Reason for the CW project <i>(select from drop down)</i> :	
Meet Future Requirements	Comments:
Project Location: 4549 Columbia Pike, Thompson's Station, TN 37179	Estimated Number of People who will benefit from this project: 10,000
MS4 Jurisdiction: Thompson's Station	
Project Type <i>(select from drop down)</i> :	
WWTP-Expansion from x MGD to y MGD (new)-Advanced Treatment / II	Cost: \$ 15,400,000.00
Other-Please explain in the detailed project description box	Cost: \$ 7,200,000.00
No additional project component	Cost: \$ 0.00
No additional project component	Cost: \$ 0.00
Total Estimated SRF Project Cost:	
\$ 22,600,000.00	
Additional Funding Sources:	Cost:
Additional Funding Sources:	Cost:
Additional Funding Sources:	Cost:
Additional Funding Sources:	Cost:
Total Estimated Project Cost:	
\$ 22,600,000.00	

Detailed Project Description:
 The project includes upgrades to the existing wastewater treatment facility including a new membrane bioreactor (MBR) to increase the capacity of the facility to 1.0 MGD. The project also includes the construction of effluent drip fields on approximately 33 acres of Town-owned property.

Section 4. Project Readiness

Construction Start date: **02/15/2021** Construction Completion date: **08/15/2022** Desired Loan Award Date: **01/01/2021**

Will this project be completed in phases? Yes No Detail project phasing and construction time frames:
 Construction on the WWTP project is tentatively scheduled to begin in Feb. 2021 and complete in August 2022. Construction of the drip field project will begin in September 2021 and complete in July 2022.

Section 5. Required Documents for Loan Consideration

	Yes	No
Has a facilities plan or comprehensive planning document been developed for this project?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have plans and specifications been developed for this project?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Attach a map or maps showing the location or proposed route of construction.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Have all real property and/or easements required for the project been obtained?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the project been evaluated for possible impediments to the project start such as acquiring real property, easements, moratoriums (including self-imposed), or other permit issues?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Section 6. Permits and Environmental

Does the proposed project require permits from U. S. Army Corps of Engineers, TVA, TDEC, or other regulatory authority? Yes No

Will there be any stream crossings or wetland impacts? If yes, please provide permit reference numbers.
 Yes No Unnamed Tributary to West Harpeth River (TN05130204013_0600)

State Operating Permit or NPDES permit number (*new or revised*): **SOP-04058**

Name of Receiving Stream: **N/A**

8-digit Hydrologic Unit Code: Is the receiving stream on the most current 303(d) list? Yes No

If there are enforcement issues, including Orders or Consent Decrees, please provide the State or Federal reference number and a description of the violation. **N/A**


Section 7. Green Project Reserve (GPR) Cost Information

Total Estimated Project Cost(\$):	\$ 22,600,000.00
Green Project Funding (GPR):	
Green Infrastructure(\$):	
Energy Efficiency(\$):	
Water Efficiency(\$):	\$ 15,400,000.00
Environmentally Innovative(\$):	
Total GPR(\$):	\$ 15,400,000.00

Certification and Signature

An application submitted by a corporation must be signed by a principal executive officer; from a partnership or proprietorship, by the partner or proprietor respectively; from a municipal, state, federal or other public agency or facility, the application must be signed by either a principal executive officer, ranking elected official, or other duly authorized employee.

"I am an authorized representative of the applicant and I certify that the information provided above is true and accurate to the best of my knowledge and that all warranted and necessary inquiries to employees, officers, and records of the applicant were made in good faith to provide the State Revolving Fund Loan Program with the most current and honest answers to each of the above questions."

Ken McLawhon	Town Administrator		9/22/20
Printed Name	Official Title	Signature	Date

CLEAN WATER SRF QUESTIONNAIRE INSTRUCTIONS

Describe the project as completely as possible. Attach additional pages as needed.

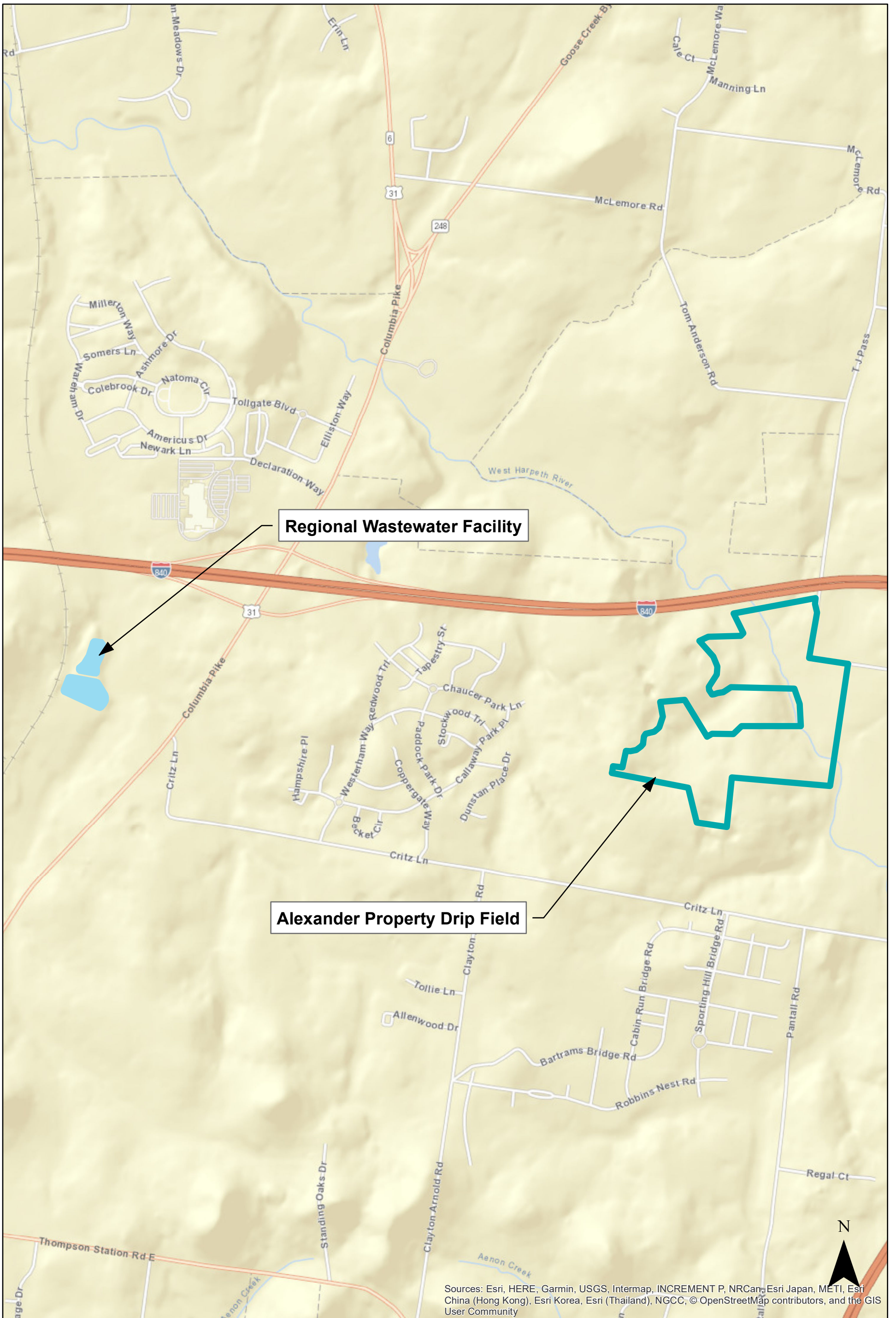
- Section 1:** Applicant Information. Provide the applicant's name, company, signatory's title or position, mailing address, city-state, zip code, phone number, email address, Data Universal Numbering System (DUNS) number, population served, and county(ies) served.
- Section 2:** Alternate Contact/Consultant Information. Provide the alternate's name, company, title or position, mailing address, city, state, zip code, phone number, and email address.
- Section 3:** Project Information. Select the primary reason for the purpose and need for the CW project from the drop-down box in the questionnaire, and provide an explanation for the selection in the space provided (this should be a brief explanation of any existing problems, inefficient designs, component failures, safety concerns, etc. - attach additional pages only if needed). The project location should be a description of the location/route(s) for the sewer line or site(s) of the proposed facilities to be constructed. Estimate the number of people in residential, industrial, commercial, and educational communities who will benefit from this project; and provide the MS4 Jurisdiction. Select the project type from the drop-down and type the estimated SRF project cost associated with the selection in the appropriate box. The total estimated SRF project cost will auto-populate when all estimated SRF project costs are added. Provide any additional funding sources and funding amounts. The total estimated project cost will auto-populate after the additional funding sources (if applicable) are added. In the space provided, give a detailed description of the proposed project(s) to include major system components to be constructed, renovated, rehabilitated, expanded, or removed from service; installation of new facilities, etc. Include any discussions of water and energy efficiency, green infrastructure, and resiliency or sustainability considerations, if applicable. (Attach additional pages as needed).
- Section 4:** Project Readiness. Indicate the estimated construction start date and end date. Provide an estimated desired loan award date (Minimum date accepted will be three months after the June IUP meeting). Select "yes" or "no" if any portion of the proposed project is completed now. Provide detailed project phasing and construction time frames in the space provided (attach additional pages as needed).
- Section 5:** Required Documents for Loan Consideration: Select "yes" or "no" to the questions in this section.
- Section 6:** Permits and Environmental: Does the proposed project require permits from U.S. Army Corps of Engineers, Tennessee Valley Authority, TDEC or other regulatory authority? Select "yes" or "no." Provide the State Operating Permit or NPDES permit number (new or revised) in the space provided. Provide the name of the receiving stream and the 8-digit Hydrologic Unit Code in the space provided. Is the receiving stream on the most current 303(d) list? Check "yes" or "no." Are there enforcement issues, including Orders or Consent Decrees? If so, provide the State or Federal reference number and a description of the violation in the space provided (attach additional pages if needed).
- Section 7:** Green Project Reserve (GPR) Cost Information. Complete this section if your project qualifies as a GPR (eligible activities can be found on the EPA SRF website). The Green component cost must comprise of at least 20% of the overall total project cost. Type the estimated green component cost(s) associated with each selection into the appropriate box. The total GPR will auto-populate as the estimated costs for the green components are entered. The costs for the green components should be included within the total estimated project costs

Certification and Signature:

Please print your name and title, and sign and date the form. Digital signatures are acceptable.

Follow the directions for submission that can be found on the SRF Website:

<https://www.tn.gov/environment/program-areas/wr-water-resources/srfp/srf-home/i-need-funding/funding-cw-projects.html>.



Town of Thompson Station, Tennessee

Public Market Borrowing vs. SRF Loan

Piper Sandler Overview



M. Whit Moloney

SENIOR VICE PRESIDENT

Tel: (615) 522-5010

Email: whit.moloney@psc.com

Jonathan McCoy

VICE PRESIDENT

Tel: (901) 302-1643

Email: jonathan.mccoy@psc.com

Table of Contents

- I. Public Market Borrowing vs. SRF Loan**
- II. Piper Sandler Overview**

Section I

Public Market Borrowing vs. SRF Loan

Public Market Borrowing vs. SRF Loan

- Working with the Town of Thompson Station (the “Town”), Piper Sandler has analyzed different options pertaining to the designing, construction and equipping of a new MBR Wastewater Treatment Facility (the “Project”).
- The Town has examined several options including a USDA loan, SRF Loan, Direct Borrowing and a Public Market Offering.
- As it currently stands now, the Town does not qualify for the USDA Loan.
- The Town has been in contact with the State (TDEC) regarding a SRF Loan with a term of 30 years.
- As of September 8, 2020, the terms of potential rates and pay schedule for the SRF Loan, as adjusted to reflect only the financing of the Project are as follows:
 - 30-Year Level Debt Service; 1.02% interest rate after Green Interest Rate Reduction (0.30%)
 - \$15,400,000 Project Fund; Monthly payment of \$49,674 (assumes fully drawn at closing)
 - Annual debt service of \$596,089
- Piper has analyzed a public market offering for the Town as well. Our assumptions are as follows:
 - \$15,400,000 Project Fund; 30-Year Level Debt Service; Underlying Rating of Aa3/AA- from one of the rating agencies; 1.22% cost of issuance
 - As of September 28, 2020, annual debt service averages \$799,436.

Public Market Borrowing

Cash-Flow Summary

Fiscal Year	Principal	Interest	Total Debt Service
2022	225,000	572,073	797,073
2023	215,000	585,050	800,050
2024	220,000	578,600	798,600
2025	225,000	572,000	797,000
2026	235,000	565,250	800,250
2027	240,000	558,200	798,200
2028	250,000	551,000	801,000
2029	260,000	538,500	798,500
2030	275,000	525,500	800,500
2031	285,000	511,750	796,750
2032	300,000	497,500	797,500
2033	315,000	482,500	797,500
2034	330,000	466,750	796,750
2035	350,000	450,250	800,250
2036	365,000	432,750	797,750
2037	385,000	414,500	799,500
2038	405,000	395,250	800,250
2039	425,000	375,000	800,000
2040	445,000	353,750	798,750
2041	465,000	331,500	796,500
2042	490,000	308,250	798,250
2043	515,000	283,750	798,750
2044	540,000	258,000	798,000
2045	570,000	231,000	801,000
2046	595,000	202,500	797,500
2047	625,000	172,750	797,750
2048	655,000	141,500	796,500
2049	690,000	108,750	798,750
2050	725,000	74,250	799,250
2051	760,000	38,000	798,000
2052	190,000	3,800	193,800
Total	\$12,570,000	\$11,580,223	\$24,150,223

Summary Statistics

Dated Date	1/13/2021
Delivery Date	1/13/2021
Last Maturity	1/1/2051
Arbitrage Yield	1.835776%
True Interest Cost (TIC)	3.095606%
Net Interest Cost (NIC)	3.625572%
All-In TIC	3.140500%
Average Coupon	4.959008%
Average Life (years)	18.856
Weighted Average Maturity (years)	19.004
Par Amount	12,380,000.00
Bond Proceeds	15,554,703.10
Project Fund	15,400,000.00
Total Interest	11,576,423.33
Net Interest	8,463,620.23
Total Debt Service	23,956,423.33
Maximum Annual Debt Service	801,000.00
Average Annual Debt Service	799,435.71

SRF Loan

Cash-Flow Summary

Fiscal Year	Principal	Interest	Total Debt Service
2022	183,232	65,139	248,370
2023	442,945	153,144	596,089
2024	447,484	148,605	596,089
2025	452,070	144,019	596,089
2026	456,703	139,386	596,089
2027	461,383	134,706	596,089
2028	466,111	129,978	596,089
2029	470,888	125,201	596,089
2030	475,713	120,376	596,089
2031	480,588	115,501	596,089
2032	485,513	110,576	596,089
2033	490,489	105,600	596,089
2034	495,515	100,574	596,089
2035	500,593	95,496	596,089
2036	505,723	90,366	596,089
2037	510,906	85,183	596,089
2038	516,141	79,948	596,089
2039	521,431	74,658	596,089
2040	526,774	69,315	596,089
2041	532,172	63,917	596,089
2042	537,626	58,463	596,089
2043	543,136	52,954	596,089
2044	548,702	47,388	596,089
2045	554,325	41,765	596,089
2046	560,005	36,084	596,089
2047	565,744	30,345	596,089
2048	571,542	24,547	596,089
2049	577,399	18,690	596,089
2050	583,316	12,773	596,089
2051	589,293	6,796	596,089
2052	346,539	1,179	347,719
Total	\$15,400,000	\$2,482,672	\$17,882,672

Summary Statistics

Dated Date	1/13/2021
Delivery Date	1/13/2021
Last Maturity	1/13/2051
Arbitrage Yield	1.022170%
True Interest Cost (TIC)	1.022170%
Net Interest Cost (NIC)	1.020000%
All-In TIC	1.022170%
Average Coupon	1.020000%
Average Life (years)	15.805
Weighted Average Maturity (years)	15.805
Par Amount	15,400,000.00
Bond Proceeds	15,400,000.00
Project Fund	15,400,000.00
Total Interest	2,482,672.35
Net Interest	2,482,672.35
Total Debt Service	17,882,672.35
Maximum Annual Debt Service	596,089.10
Average Annual Debt Service	596,089.08

Difference

Cash-Flow Summary			
Fiscal Year	Public Market	SRF Loan	Difference
2022	797,073	248,370	548,702.86
2023	800,050	596,089	203,960.92
2024	798,600	596,089	202,510.92
2025	797,000	596,089	200,910.91
2026	800,250	596,089	204,160.90
2027	798,200	596,089	202,110.90
2028	801,000	596,089	204,910.93
2029	798,500	596,089	202,410.92
2030	800,500	596,089	204,410.92
2031	796,750	596,089	200,660.91
2032	797,500	596,089	201,410.92
2033	797,500	596,089	201,410.95
2034	796,750	596,089	200,660.93
2035	800,250	596,089	204,160.93
2036	797,750	596,089	201,660.92
2037	799,500	596,089	203,410.93
2038	800,250	596,089	204,160.92
2039	800,000	596,089	203,910.91
2040	798,750	596,089	202,660.93
2041	796,500	596,089	200,410.92
2042	798,250	596,089	202,160.93
2043	798,750	596,089	202,660.92
2044	798,000	596,089	201,910.92
2045	801,000	596,089	204,910.93
2046	797,500	596,089	201,410.93
2047	797,750	596,089	201,660.93
2048	796,500	596,089	200,410.92
2049	798,750	596,089	202,660.93
2050	799,250	596,089	203,160.93
2051	798,000	596,089	201,910.92
2052	193,800	347,719	-153,918.63
Total	\$24,150,223	\$17,882,672	\$6,267,551

Section II

Piper Sandler Overview

Our Firm

Realize the Power of PartnershipSM

Piper Sandler is a leading investment bank



- Reputation for client-first approach and straightforward advice
- Deep expertise and market leadership in focus industry sectors
- Strategic advisory relationships and expert execution
- 125+ year track record of delivering results

INVESTMENT BANKING AND EQUITIES

Investment Banking

- M&A Advisory
- Capital Markets
- Restructuring
- Merchant Banking

Equities

- Institutional Sales & Trading
- Equity Research
- Technical Research

PUBLIC FINANCE AND FIXED INCOME SERVICES

- Public Finance
- Municipal Underwriting, Sales & Trading
- Taxable Sales & Trading
- Strategic Analytics

Guiding Principles

We create and implement superior financial solutions for our clients. Serving clients is our fundamental purpose.

We earn our clients' trust by delivering the best guidance and service. Great people working together as a team are our competitive advantage.

As we serve, we are committed to these core values:

- Always place our clients' interests first
- Conduct ourselves with integrity and treat others with respect
- Work in partnership with our clients and each other
- Maintain a high quality environment that attracts, retains and develops the best people
- Contribute our talents and resources to serve the communities in which we live and work



Commitment to Public Finance

Our Growing Footprint

- Despite industry volatility over the past decade, Piper Sandler has continued to thrive and grow
- Acquisitions of Seattle Northwest in 2013 and BMO Capital Markets GKST in 2015
- We have selectively added individual bankers or small groups of bankers that expand our geographic reach or enhance our specialty areas
- Most recently Piper Sandler hired four new bankers in Nebraska, opening offices in Lincoln and Omaha
- Our public finance group has grown from 93 professionals in 18 office locations in 2007 to 143 bankers in 40 locations today
- Our fixed income sales force has grown to 89 sales professionals in 20 locations



	2007	2010	2014	2019
Offices	18	23	36	40
States	15	18	27	27
Professionals	93	100	125	142
Negotiated Market Share	2.0%	1.8%	3.2%	4.3%

Source: Thomson Reuters, senior/sole managed, long-term

Piper Sandler Offers a Full Range of Products and Services

NEGOTIATED UNDERWRITING

- Fixed-rate (high-grade, bank-qualified and high-yield)
- Variable rate demand notes
- Ranked No. 3 nationally by number of senior managed long-term issues

VARIABLE RATE REMARKETING SERVICES

- More than 850 variable rate issues totaling over \$15 billion
- Ranked No. 8 nationally by number of issues in daily reset mode
- Ranked No. 10 nationally by number of VRDO issues

FINANCIAL ADVISORY

- Ranked No. 6 nationally by number of long-term issues

DERIVATIVE PRODUCTS

- Interest rate and basis swaps, rate locks, forward bond purchases, floors, caps and guaranteed investment contracts
- More than 1,900 derivative and reinvestment transactions totaling over \$51 billion, since 2004

DIRECT PLACEMENTS

- More than 1,200 placements totaling \$14.7 billion in aggregate loan value since 2013
- Over 200 different banks have participated in our loan programs



Industry-Leading Public Finance Franchise

Supported by a broad national platform, our expert teams leverage localized knowledge to facilitate the issuance of taxable and tax-exempt debt across a range of sectors.

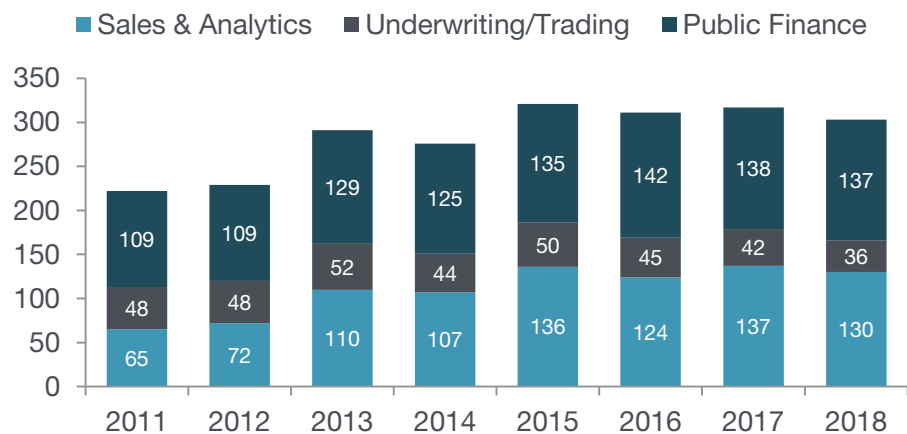
PUBLIC FINANCE SERVICES



NATIONAL PLATFORM, REGIONAL EXPERTISE



COMMITMENT TO PUBLIC FINANCE (HEADCOUNT)



SENIOR UNDERWRITER RANKINGS

Piper Sandler CONSISTENTLY RANKS AMONG THE NATION'S LEADING UNDERWRITERS.

Year	Ranked by # of Issues	# of Issues	Ranked Par Amt	Par Amount (\$MMs)
2019	3	568	11	11,900.0
2018	2	438	8	11,712.0
2017	2	638	9	15,454.4

Source: Thomson Reuters, negotiated and private placement, long-term transactions

Sharp Industry Focus

Expertise in our industries

EDUCATION:

Primary and Secondary Education	2,062 issues totaling \$57.6 billion
Higher Education	413 issues totaling \$26.9 billion
Charter Schools	77 issues totaling \$764.3 million

GOVERNMENT:

State and State Authorities	917 issues totaling \$152.5 billion
Cities, Counties, Districts and Local Authorities	5,127 issues totaling \$169.8 billion
Tax and Revenue Anticipation Notes (“TRANS”)	27 issues totaling \$19.8 billion

HEALTHCARE:

Healthcare/Hospital Finance	261 issues totaling \$12.4 billion
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HOUSING AND REAL ESTATE:

Multifamily Housing	21 issues totaling \$396.2 million
Single Family Housing	128 issues totaling \$5.6 billion
Senior Living	161 issues totaling \$3.4 billion

TRANSPORTATION:

Surface, Airports and Seaports	269 issues totaling \$58.5 billion
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Disclosure

Piper Sandler is providing the information contained herein for discussion purposes only in anticipation of being engaged to serve as underwriter or placement agent on a future transaction and not as a financial advisor or municipal advisor. In providing the information contained herein, Piper Sandler is not recommending an action to you and the information provided herein is not intended to be and should not be construed as a “recommendation” or “advice” within the meaning of Section 15B of the Securities Exchange Act of 1934. Piper Sandler is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act or under any state law to you with respect to the information and material contained in this communication. As an underwriter or placement agent, Piper Sandler’s primary role is to purchase or arrange for the placement of securities with a view to distribution in an arm’s-length commercial transaction, is acting for its own interests and has financial and other interests that differ from your interests. You should discuss any information and material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material.

The information contained herein may include hypothetical interest rates or interest rate savings for a potential refunding. Interest rates used herein take into consideration conditions in today’s market and other factual information such as credit rating, geographic location and market sector. Interest rates described herein should not be viewed as rates that Piper Sandler expects to achieve for you should we be selected to act as your underwriter or placement agent. Information about interest rates and terms for SLGs is based on current publically available information and treasury or agency rates for open-market escrows are based on current market interest rates for these types of credits and should not be seen as costs or rates that Piper Sandler could achieve for you should we be selected to act as your underwriter or placement agent. More particularized information and analysis may be provided after you have engaged Piper Sandler as an underwriter or placement agent or under certain other exceptions as describe in the Section 15B of the Exchange Act.

ORDINANCE NO. 2020-008

**AN ORDINANCE OF THE TOWN OF THOMPSON'S STATION, TENNESSEE TO
AMEND ORDINANCE NO. 10-007 AND TITLE 18, CHAPTER 2 OF THE THOMPSON'S
STATION'S MUNICIPAL CODE REGARDING WASTEWATER SYSTEM USER RATES**

WHEREAS, the Utility Board and Town Staff for the Town of Thompson's Station is recommending amendments to certain provisions of the Town's Ordinance No. 10-007 and Subsection 18-203 of Title 18, Chapter 2 of the Municipal Code for the Town of Thompson's Station, and

WHEREAS, the Board of Mayor and Aldermen have for their consideration the adoption of amendments to Ordinance No. 10-007 and Subsection 18-203 of Title 18, Chapter 2 as proposed herein to remove the maximum monthly residential sewer fee of user rate of \$55.00.

WHEREAS, the Board of Mayor and Alderman understand there exist growth in the population of the Town, and further, understand the occurrence of expansion of development to accommodate that growth in population, and further recognize a greater demand for wastewater treatment needs as a result of the growth and expansion; and

WHEREAS, the Board of Mayor and Alderman further believe and understand that growth should, where possible, pay for itself as to the expansion and demands on the Town of Thompson's Station's Wastewater System infrastructure; and

WHEREAS, the Board of Mayor and Alderman have further determined that it is in the best interest of the Town to amend the language of Ordinance No. 10-007 to remove the language of Section 2, of the "Maximum Monthly Residential Fee: \$55.00"; and

WHEREAS, the Board of Mayor and Alderman have further determined that it is in the best interest of Town to amend the current language in Subsection 18-203 of Title 18, Chapter 2, entitled, "Maximum Residential Fee" in its entirety and replace with the language as provided hereinafter ; and

NOW, THEREFORE, BE IT ORDAINED by the Board of Mayor and Aldermen of the Town of Thompson's Station, Tennessee, as follows:

Section 1. That the Town of Thompson's Station's Ordinance No. 10-007 is amended, as provided hereinafter, and Subsection 18-203 of Title 18, Chapter 2 is amended with replacement language as provided hereinafter.

Section 2. That Ordinance No. 10-007, Section 2, *User Rates*, is amended by striking the below language from the Ordinance:

Maximum Monthly Residential Fee: \$55.00

Section 3. That Title 18, Chapter 2, Subsection 18-203 is amended to remove the following language and to insert replacement language as provided:

Maximum residential fee: The maximum monthly sewer fee that will be assessed against one residential structure shall be fifty-five dollars (\$55.00). This maximum fee shall not apply to multi-unit structures, multi-family residences, multiple structures on the same property or any other

circumstances where residential structures represents more than one (1) residential unit. (Ord. #07-016, Jan.2008)

Replacement language as follows:

Residential and Nonresidential User Rates: 107.5% of water fees

Section 4. After final passage, Town Staff is directed to incorporate these changes into an updated ordinance document and municipal code.

Section 5. If any section or part of the Ordinance, including any amendments thereto, is determined to be invalid for any reason, such section or part shall be deemed to be a separate and independent provision. All other sections or parts shall remain in full force and effect. If any section or part of the Ordinance is invalid in one or more of its applications, that section or part shall remain in effect for all other valid applications.

Section 6. This ordinance shall take effect upon the final reading and approval by the Board of Mayor and Aldermen, the public welfare requiring it.

Duly approved and adopted by the Board of Mayor and Aldermen of the Town of Thompson's Station, Tennessee, on the ____ day of _____, 2020.

Corey Napier, Mayor

ATTEST:

Regina Fowler, Town Recorder

Passed First Reading: June 9, 2020

Passed Second Reading: August ____, 2020

APPROVED AS TO FORM AND LEGALITY:

Town Attorney

ORDINANCE NO. 10-007

**AN ORDINANCE OF THE TOWN OF THOMPSON'S STATION, TENNESSEE,
ESTABLISHING USER RATES FOR THOSE PERSONS UTILIZING THE TOWN'S
WASTEWATER TREATMENT FACILITIES**

WHEREAS, the Town of Thompson's Station has implemented a wastewater treatment facility for treatment of sewage and waste water; and

WHEREAS, the Town's wastewater treatment facility must be self-sustaining, it is necessary to establish sewer user rates, the same being in conformity with State law and provisions of the grants and bonds to which the Town is committed; and

WHEREAS, the Board of Mayor and Aldermen have determined that it is in the best interest of the Town to separate the wastewater tap fees into separate components: system development, access/tap, and effluent disposal fees to more efficiently plan for the growth of the wastewater system.

~~NOW, THEREFORE, BE IT ORDAINED~~ by the Board of Mayor and Aldermen of the Town of Thompson's Station as follows:

Section 1. All Prior Conflicting Ordinances Repealed. That upon the effective date of this ordinance, all prior ordinances and resolutions in conflict herewith be repealed.

Section 2. User rates. That from and after the date of adoption, the following become the user rates to be charged to customers of the Town's wastewater treatment facility, to wit:

Residential & Nonresidential Uses:	107.5% of water fees
Maximum Monthly Residential Fee:	\$55.00

Section 3. System Development, Access/Tap and Effluent Disposal Fee.

(a) Estimated water usage is based on calculations derived from several professional water use estimation formulas and a usage calculation worksheet is included in this ordinance as exhibit A. An equivalent dwelling unit (EDU) is based on an estimated single family dwelling water usage at three hundred fifty (350) gallons per day (GPD). Water usage calculations for the purpose of calculating fees shall deem any usage less than three hundred fifty (350) GPD as one (1) EDU and any usage calculated to exceed 350 GPD (or multiplies thereof) shall be counted as an additional EDU. For example, a proposed use calculated at 700 or less GPD would be 2 EDUs, but a use calculated at 701 GPD would be 3 EDUs.

(b) From and after the date of adoption, the following shall become the system development fee, access and tap fee, and effluent disposal fees to be charged to developers and builders proposing to connect to the Town's wastewater treatment facility, to wit:

System Development Fee: (To be paid in conjunction with Preliminary Plat submittal)	\$ 2,500.00 Per EDU
Access and Tap Fee: (To be paid prior to recordation of Final Plat)	\$ 1,100.00 Per EDU
Effluent Disposal Fee (To be paid prior to issuance of Building Permit)	\$ 1,700.00 Per EDU

(c) Any developer, builder or property owner who has purchased sewer taps before the effective date of this Ordinance shall be credited with the System Development Fee and Access and Tap Fee. From and after the effective date of this Ordinance, developers, builders, and property owners seeking the issuance of building permits shall be responsible for payment of the Effluent Disposal Fee in lieu of the dedication and deeding of property for effluent disposal, unless otherwise specifically approved by the Board of Mayor and Aldermen.

Section 4. Residential capacity letters. That from and after the date of adoption, the following become the fee to be charged for the initial capacity reservation letter for lots proposing to connect to the Town's wastewater treatment facility, to wit:

Residential Capacity Letter:	\$ 10.00 Per Lot
Nonresidential Capacity Letter: (To be paid prior to submittal of a Site Development Plan)	\$ 20.00 Per Lot


Section 5. Pump and Haul. Any developer, builder or property owner who proposes to provide sewage disposal service to their development, business or residence utilizing pump and haul must submit an application for approval to the Town. A non-refundable \$900.00 deposit will be required as part of application. Pump and haul service shall only be permitted when it is determined by the Town that: (1) sewer or septic service is not available to the property, (2) sewer service will be made available within a reasonable time, (3) that an adequate bond or surety has been provided by the property owner to the Town to ensure payment of the pump and haul service contract, and (4) that said service is in the best interest of the Town. Upon approval by the Town the property owner shall agree to the terms of the pump and haul contract. The pump and haul contracts shall be administered by the Town for treatment by the Town's wastewater system and shall be approved by the Board of Mayor and Aldermen.

Section 6. Violation and penalty. In addition to any other action the Town may take against a permit holder in violation of this chapter, such violation shall be punishable by civil penalty not to exceed \$50.00. Each day a violation occurs shall constitute a separate offense. Nothing herein shall prohibit the Town from seeking other remedies, including injunctive relief or claims for damages to its rights-of-way, to enforce the purposes of this ordinance.

Section 7. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this ordinance.

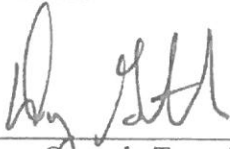
Section 8. Effective date. This ordinance shall take effect upon its passage on final reading by the governing body and upon publication in a newspaper of general circulation, the public welfare requiring.

Duly approved and adopted by the Board of Mayor and Aldermen of the Town of Thompson's Station, Tennessee, on the 18th day of January, 2011.



Corey Napier, Town Mayor

ATTEST:



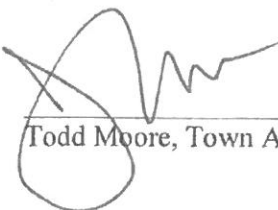
Doug Goetsch, Town Recorder

Passed First Reading: November 16, 2010

Passed Second Reading: January 18, 2011

Submitted to Public Hearing on the 18th day of January, 2011, at 7:00 p.m., after being advertised in the *Williamson AM* Newspaper on the 27th day of December, 2010.

APPROVED AS TO FORM AND LEGALITY:



Todd Moore, Town Attorney

Exhibit A (Water Usage Calculation Table)

The water usage table below is for non-residential and multifamily uses only. Residential uses shall constitute one (1) EDU for each separate living unit or quarters. Accessory living quarters both attached and detached also constitute one (1) EDU.

Type of Establishment	Design Unit	Design Flow Rate
Churches		
Church	Per Seat	5 GPD
Church with kitchen facility	Per Seat	8 GPD
Church with Daycare Facilities	Per Person (Children & Adults)	20 GPD
Church with Multiple Buildings	Calculate Uses Separately	-----
Commercial/Industrial Facilities		
Airports, Bus & Rail Depots – No Food	Per 1,000 Square Feet	150 GPD
Barber Shop	Per Chair	5 GPD
Beauty Salon	Per Chair	100 GPD
Bowling Alley	Per Lane	75 GPD
Child Day-care Facility (Commercial)	Per Person (Children & Adults)	20 GPD
Child Day-care Facility (Home)	Per Bedroom	170 GPD
Temp. Const. Offices/Work Camp (no showers)	Per Person	40 GPD
Temp. Const. Offices/Work Camp (showers)	Per Person	80 GPD
Factory or Plant (no showers)	Per Employee	20 GPD
Factory or Plant (showers)	Per Employee	40 GPD
Grocery Store (no food service)	Per 1,000 Square Feet	80 GPD
Grocery Store (food service)	Per 1,000 Square Feet	100 GPD
Highway Rest Area/Visitor Center	Per Square Foot	10 GPD
Laundry (self service)	Per Machine	500 GPD
Marina (no bathing facilities)	Per Boat Slip	25 GPD

Marina (with bathing facilities)	Per Boat Slip	50 GPD
Office Buildings	Per Total Number of Employees	20 GPD
Individual Retail Store (not mall or shopping center)	Per Square Foot	5 GPD
Vehicle Service Station (no food/public restroom)	Per Employee	20 GPD
Shopping Center or Mall	Per 1,000 Square Feet	150 GPD
Stadium, Auditorium, Theater (any type)	Per Seat	5 GPD
Veterinary Hospital	Per 1,000 Square Feet	200 GPD
Apartment Buildings		
For Each – One Bedroom	Per Apartment Unit	250 GPD
For Each – Two Bedroom	Per Apartment Unit	300 GPD
For Each – Three Bedroom	Per Apartment Unit	350 GPD
Bed & Breakfast Establishment	Per Bedroom (All)	175 GPD
Boarding or Rooming House (no meals)	Per Bedroom (All)	175 GPD
Boarding or Rooming House (meals)	Per Bedroom (All)	200 GPD
Hotels or Motels (with private bathrooms)	Per Room	150 GPD
Food Service/Drinking Establishments		
Ordinary Restaurant (not 24 hr.)	Per Seat	40 GPD
Restaurant Operating 24 Hrs. Per Day (no interstate)	Per Seat	80 GPD
Restaurant Operating 24 Hrs. Per Day (interstate)	Per Seat	150 GPD
Drive-in or Take-out Restaurant	Per Hour Open for Business	70 GPD
Tavern, Bar, Lounge (with no food)	Per Seat	40 GPD
Tavern, Bar, Lounge (with restricted food service)	Per Seat	60 GPD
Catering Business – Banquet Facilities	Per Person	30 GPD
Institutions		
Assembly Halls, Public Buildings	Per Seat	5 GPD
Home for the Aged	Per Bed	125 GPD
Medical Hospital	Per Bed	300 GPD

Mental Hospital	Per Bed	180 GPD
Nursing Home	Per Bed	180 GPD
Prison or Jail	Per Bed	125 GPD
Schools (with showers & cafeterias)	Per Person	16 GPD
Schools (without showers & cafeterias)	Per Person	12 GPD
Recreational Establishments		
Camps (Daytime Use Only-Toilets no meals)	Per Person	15 GPD
Camps (Daytime Use Only-Toilets meals)	Per Person	25 GPD
Fairgrounds or Mass Gathering Facility	Per Person	3 GPD
Golf Course Clubhouse (on peak daily attendance)	Per Person	10 GPD
Park – Public Restroom	Per Parking Space	5 GPD
Swimming Pool & Bathhouse (on peak attendance)	Per Person	10 GPD
Travel Trailer Park (water & sewer hookups)	Per Trailer Space	100 GPD
Travel Trailer Park (no water & sewer hookups)	Per Trailer Space	75 GPD

CHAPTER 2

WASTEWATER SYSTEM USER RATES

SECTION

- 18-201. Rates and tap fees by governing body.
- 18-202. Vacant or un-built lots.
- 18-203. Maximum residential fee.
- 18-204. Adjustment of bills.
- 18-205. Failure to pay bill when due.

18-201. Rates and tap fees by governing body. User rates and tap fees for the town's wastewater treatment services are set by the board, subject to the limitations in this chapter. A schedule of the current user rates and tap fees shall be maintained in the town recorder's office.

18-202. Vacant or un-built lots. There shall be no minimum monthly rates charged for vacant or un-built lots. Monthly rates shall begin to be assessed upon issuance of a building permit and connection to the public water system, regardless of whether the structure is occupied. (Ord. #07-016, Jan. 2008)

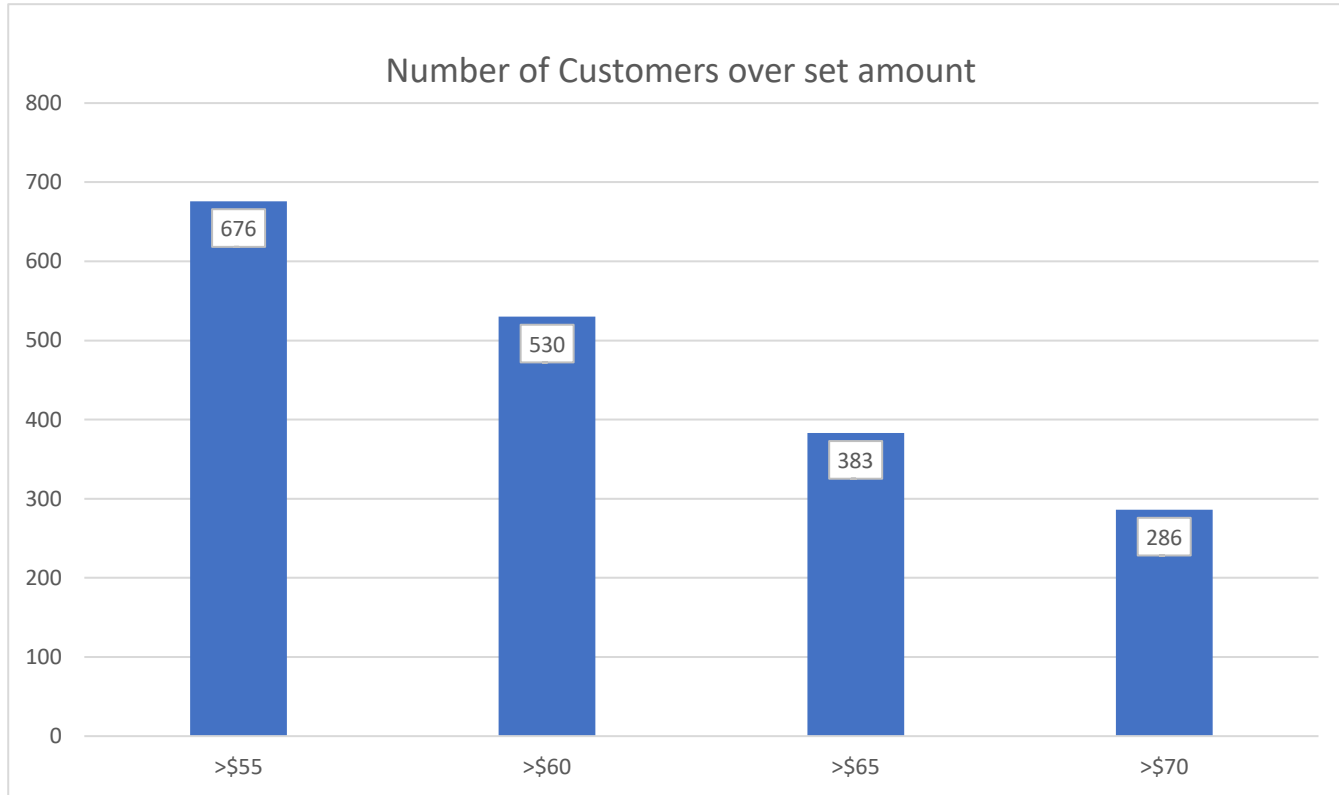
18-203. Maximum residential fee. The maximum monthly sewer fee that will be assessed against one residential structure shall be fifty-five dollars (\$55.00). This maximum fee shall not apply to multi-unit structures, multi-family residences, multiple structures on the same property or any other circumstances where the residential structure represents more than one (1) residential unit. (Ord. #07-016, Jan. 2008)

18-204. Adjustment of bills. The town administrator shall have the authority to make adjustments to sewer bills upon application of a customer and upon a showing that the calculation based upon water use is inaccurate for that billing period. Such adjustments shall be limited to one time per twelve (12) month period per customer. (Ord. #07-016, Jan. 2008)

18-205. Failure to pay bill when due. Any payment not received by the due date shall be assessed a ten percent (10%) penalty on all unpaid fees. (Ord. #07-016, Jan. 2008)

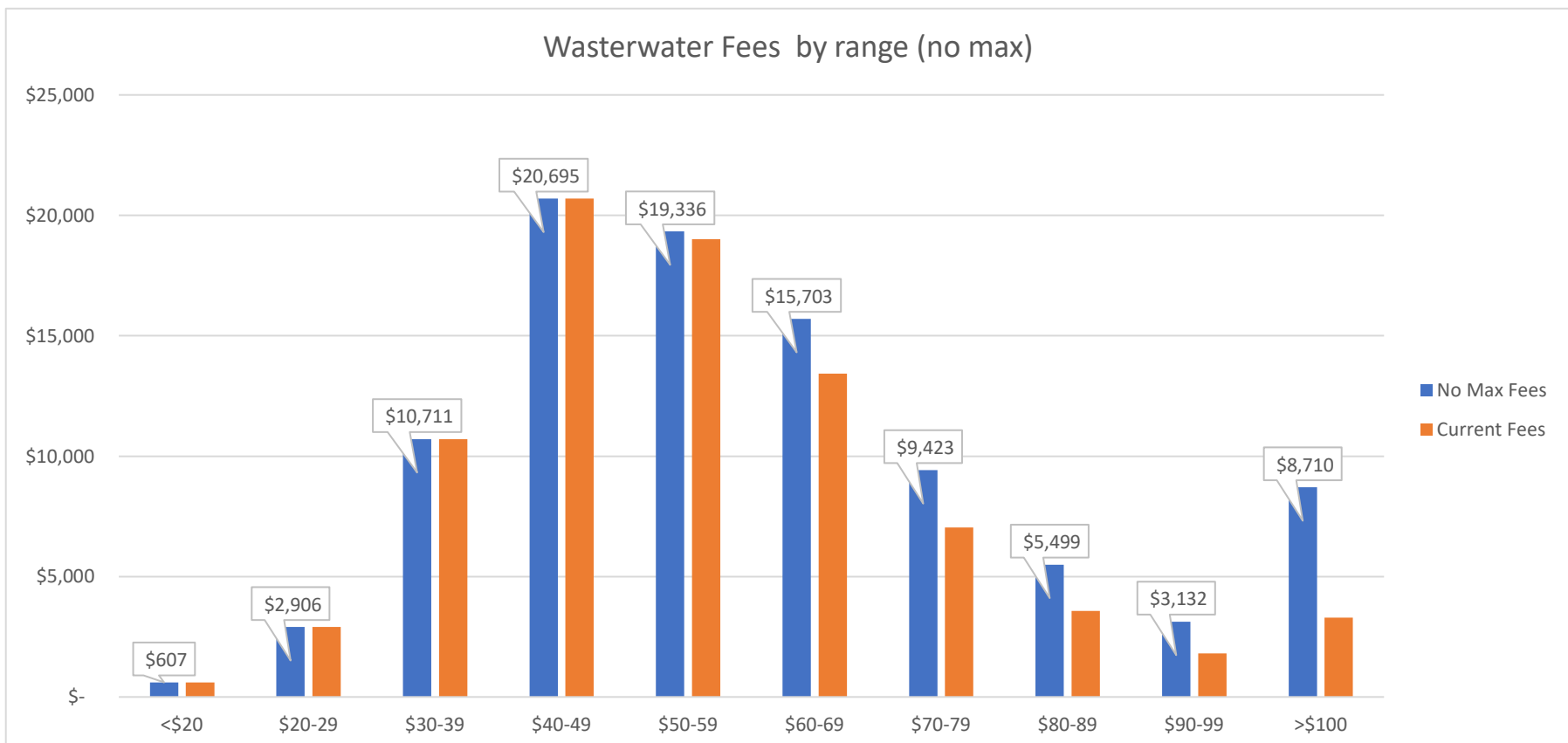
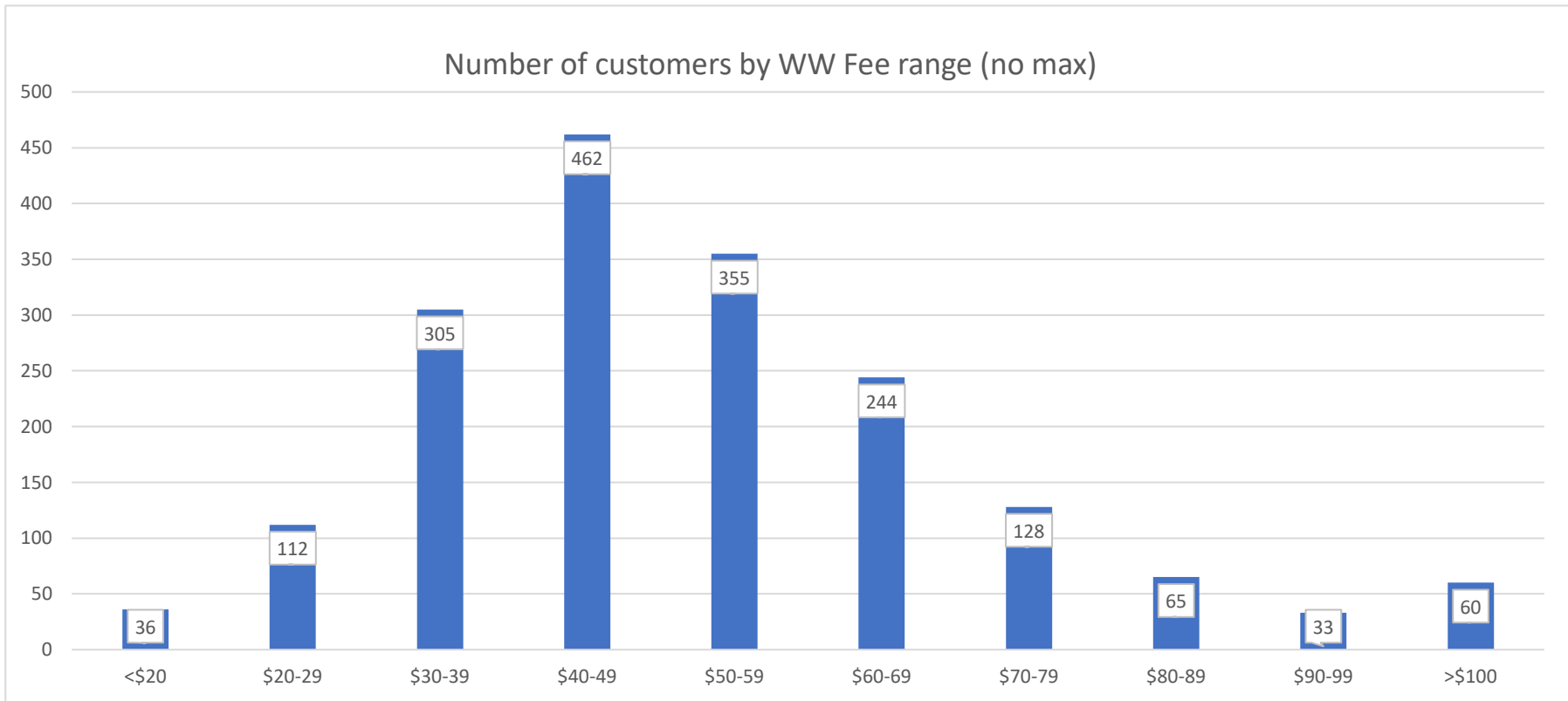
All data taken from May 31, 2020 billing for residential units only. (does not include builder accounts)

	>\$55	>\$60	>\$65	>\$70
Customers	676	530	383	286



All data taken from May 31, 2020 billing for residential units only. (does not include builder accounts)

	<\$20	\$20-29	\$30-39	\$40-49	\$50-59	\$60-69	\$70-79	\$80-89	\$90-99	>\$100	
Customers	36	112	305	462	355	244	128	65	33	60	1800
No Max Fees	\$ 607	\$ 2,906	\$ 10,711	\$ 20,695	\$ 19,336	\$ 15,703	\$ 9,423	\$ 5,499	\$ 3,132	\$ 8,710	\$ 96,722
Current Fees	\$ 607	\$ 2,906	\$ 10,711	\$ 20,695	\$ 19,006	\$ 13,420	\$ 7,040	\$ 3,575	\$ 1,815	\$ 3,300	\$ 83,075
	0.6%	3.0%	11.1%	21.4%	20.0%	16.2%	9.7%	5.7%	3.2%	9.0%	\$ 13,647



Town of Thompson's Station

Wastewater Utility Revenue Sufficiency Study

With Consideration of
Developer Contributions

Ralph Cross Consultant

January, 2020



1

MTAS Mission

- Update and expand the multi-year financial analysis of the wastewater utility from February, 2018.
- Consider the financial impact of the updated capital improvement plan (CIP).
- Evaluate impact of new debt issued to fund the CIP.
- Evaluate the depreciation costs for the updated CIP.
- Recommend the amount of additional revenue required to comply with state mandates.



2

- The Town of Thompson's Station is responsible for essential, complex, costly and highly regulated assets
 - EPA
 - TDEC
 - WWFB
- Customer base is growing.

Where do we start?

- Review the state requirements for the financial operation of public utilities.
- Focus
 - Bonded Debt
 - Total Net Position
 - Change in Net Position

Proprietary Fund State Funding Requirements

- Wastewater Facilities Act of 1987
 - Created a Board to oversee financially distressed water/wastewater systems
 - Financial Distress:
 - Default on debt
 - Deficit in total net position
 - 2 consecutive years of negative change to net position
 - Utilities under Board's oversight must submit a plan to eliminate losses or cure the default.

Debt

Debt Service

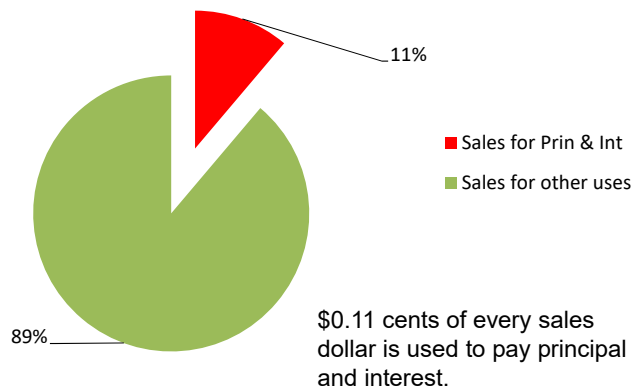
Existing Debt Service:

Amortized principal and interest payments on outstanding debt.

Future Debt Service:

Additional principal and interest payments projected on debt to be issued in the amount of \$13 million planned for Fiscal Year 2022-23.

Thompson's Station Wastewater Utility % of Sales Dollar to Prin & Int Payments Fiscal Year 2018-19

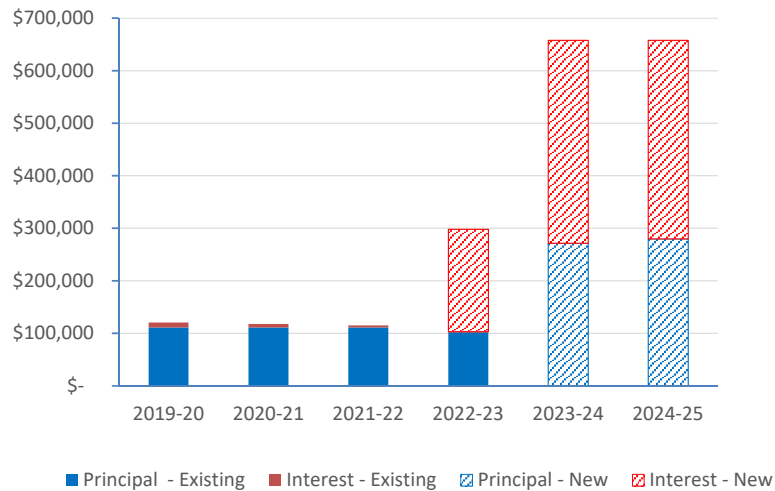


Debt Service

TYPE	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
EXISTING						
Principal	\$111,111	\$111,111	\$111,111	\$101,852	\$0	\$0
Interest	\$9,415	\$6,692	\$3,970	\$1,248	\$0	\$0
NEW						
Principal	\$0	\$0	\$0	\$0	\$271,414	\$279,669
Interest	\$0	\$0	\$0	\$195,000	\$386,288	\$378,033

9

Thompson's Station Wastewater Utility Principal and Interest Requirements



10

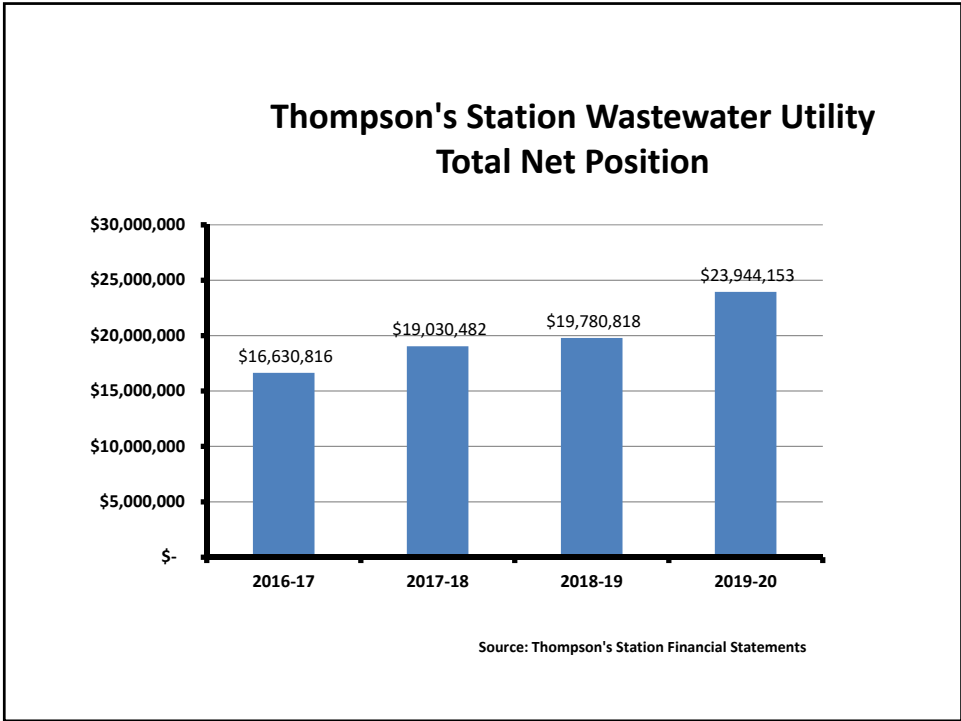
Total Net Position

11

Review of Total Net Position

“Total Net Position”, has experienced growth for the past three fiscal years and is expected to increase again in FY 2019-20.

12



Changes in Net Position

Review of “Changes in Net Position”

The Governmental Accounting Standards Board (GASB) and the State of Tennessee have different definitions for the term “Changes in Net Position”.

GASB Definition of Change in Net Position

- Items that have a positive effect on net position:
 - Positive income from operations
 - Positive nonoperating revenue (interest earnings)
 - Grants
 - Contributions
- Items that have a negative effect on net position:
 - Negative income from operations
 - Nonoperating expenses (interest payments)
 - Transfers out

Town of Thompson's Station Wastewater Utility Financial Review

	FY 2016-17	FY 2017-18	FY 2018-19
Operating Revenue	\$873,635	\$972,721	\$1,140,000
Operating Expenses	<u>\$1,105,810</u>	<u>\$988,163</u>	<u>\$898,274</u>
Operating Income(Loss)	(\$232,175)	(\$15,442)	\$241,726
Nonoperating Rev (Exp)	<u>(\$10,942)</u>	<u>\$22,126</u>	<u>\$6,110</u>
Income (Loss) Before Contr	(\$243,117)	\$6,684	\$247,836
Capital Contributions	\$2,750,000	\$1,861,468	\$0
Capital Contr – Tap Fees	<u>\$849,914</u>	<u>\$531,514</u>	<u>\$502,500</u>
Changes in Net Position *	\$3,356,797	\$2,399,666	\$750,336

*Change in Net Position as defined by the
Governmental Accounting Standards Board

Financial information from
Town of Thompson's Station
Audited Financial Reports

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State of Tennessee Definition of Change in Net Position

- Items that have a positive effect on net position:
 - Positive income from operations
 - Positive nonoperating revenue (interest earnings)
 - ~~Grants~~
 - ~~Contributions~~
- Items that have a negative effect on net position:
 - Negative income from operations
 - Nonoperating expenses (interest payments)
 - Transfers out

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Town of Thompson's Station Wastewater Utility Financial Review

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Operating Revenue	\$873,635	\$972,721	\$1,140,000
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Changes in Net Position *	\$3,356,797	\$2,399,666	\$750,336

**Change in Net Position as defined by the State of Tennessee*

Financial information from Town of Thompson's Station Audited Financial Reports

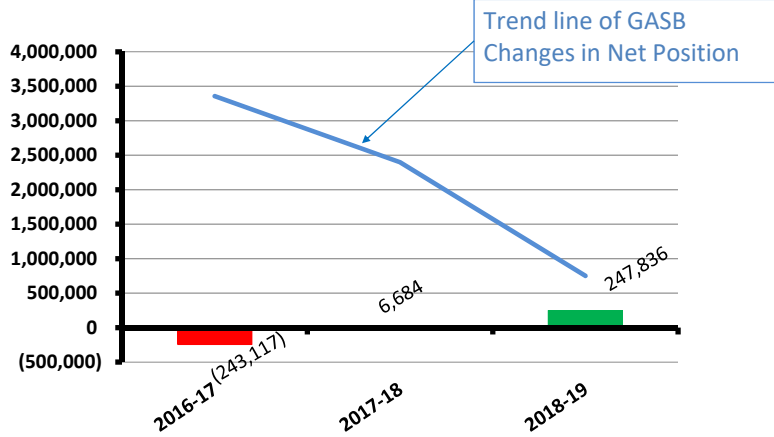
19

Comparison of the Difference in Definitions of Change in Net Position

	<u>FY 2016-17</u> Audit	<u>FY 2017-18</u> Audit	<u>FY 2018-19</u> Audit
<u>State of TN</u>	(\$243,117)	\$6,684	\$247,836
<u>GASB</u>	\$3,356,797	\$2,399,666	\$750,336

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Thompson's Station Wastewater Utility Changes in Net Position (State of Tennessee Definition)



Source: Thompson's Station Audited Financial Statements

21

OBSERVATION

Thompson's Station Wastewater Utility has experienced an upward trend in income while changes in net position, as defined by GASB, show a significant decline for the last two fiscal years.

22

Looking to the future

*Capital improvements needed for the
wastewater system are prioritized.*

Town of Thompson's Station Wastewater Utility Capital Projects

DESCRIPTION	PROJ COST FY 2019-20	PROJ COST FY 2020-21	PROJ COST FY 2021-22	PROJ COST FY 2022-23	PROJ COST FY 2023-24
1) Plant	\$3,101,500	\$4,000,000	\$4,000,000	\$13,000,000	\$0
3) Equipment					
- 20 year life	\$0	\$0	\$0	\$0	\$0
- 10 year life	\$566,435	\$0	\$50,000	\$0	\$50,000

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*Depreciation is forecast based on the
Capital Improvement Program.*

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Depreciation Projections

TYPE	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25
Existing	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000
Improvements	\$134,181	\$136,681	\$139,181	\$666,681	\$669,181
TOTAL	\$584,181	\$586,681	\$589,181	\$1,116,681	\$1,119,181

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CASE STUDY 1

*Five Year Financial Forecast
Without Consideration of Rate Adjustments*

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Revenue Assumptions – Case 1

- 8.5% annual growth in customer base
- No appreciable decline in sewer usage
- No rate increases
- Developers make significant contributions

FY 2019-20
\$3,400,000

FY 2020-21
\$3,200,000

Expense Assumptions – Case 1

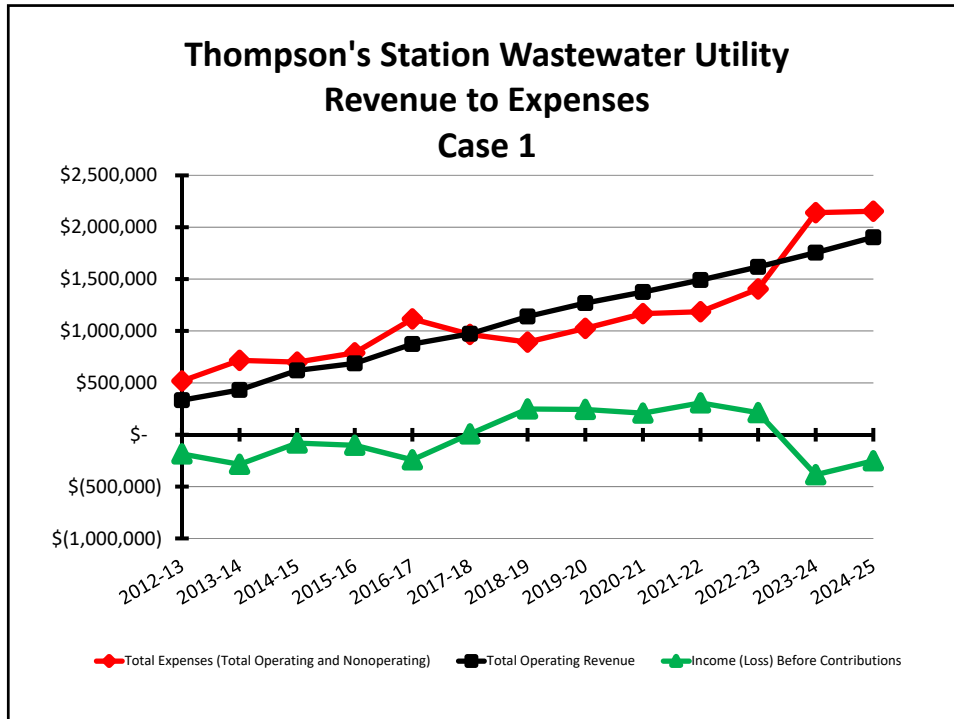
- Capital projects move forward as proposed (increasing depreciation expense)
- Additional debt issued in FY 2022-23
- Administration overhead expenses are applied
- Annual growth in expenses projected as follows:
 - Salaries 3%
 - Benefits 8%
 - Utilities 5%
 - Business Insurance 4%
 - Other 3%

Financial Review – Case 1

1. The wastewater utility has experienced significant annual growth in the customer base over the past few fiscal years.
2. The utility experienced a loss in FY 2016-17, but rebounded in FY 2017-18 and FY 2018-19, recovering from the loss and realizing positive income.
3. Expenses are projected to rise due to additional depreciation and demands for service.

Financial Review – Case 1 (continued)



4. Projections indicate, due to the steady growth in customers, that operating revenues will continue to exceed expenses until FY 2023-24.
5. At that time, the aggressive increase in depreciation expense (*which must be funded as additions to the plant go online*) and interest expense (*due to the issuance of additional debt to fund the CIP*) cause expenses to far exceed revenue.



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Observations for Funding Requirements of Case 1

1. The State of Tennessee's *new definition* of Change in Net Position requires the Town to address the financial condition of the Wastewater Utility without consideration of grants or contributions.
2. Projections indicate an inconsistent trend to Changes in Net Position until FY 2023-24 when the full impact of the rising costs of depreciation and interest expenses are realized.

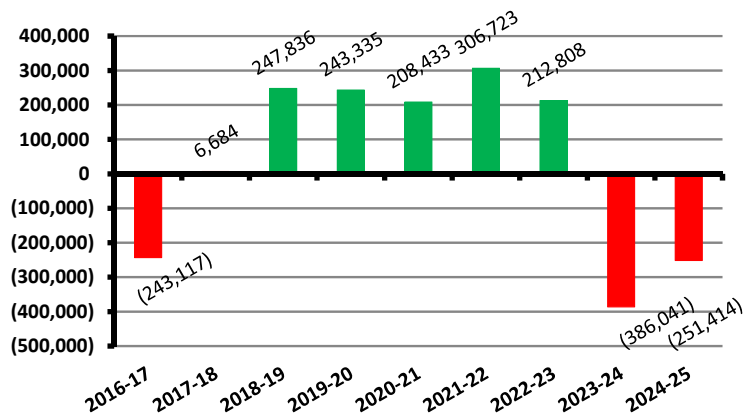
Municipal Technical Advisory Service
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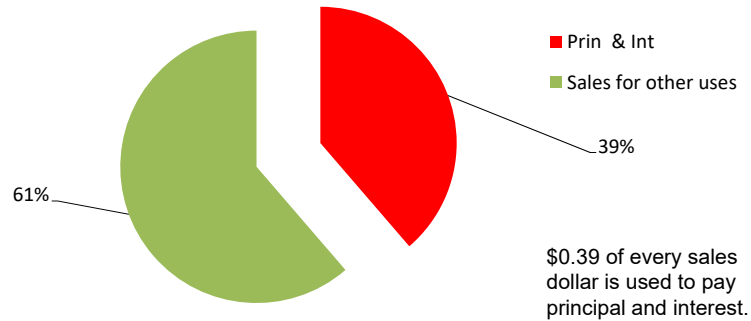
Observations for Funding Requirements of Case 1

3. Higher levels of expenses for depreciation and interest will result in a significant negative change to net position beginning in FY 2023-24.
4. MTAS recommends the Town be sensitive to negative changes to net position throughout the study period. Two consecutive years of negative change to net position will trigger compliance issues for the utility with the Wastewater Facilities Act of 1987.

Thompson's Station Wastewater Utility Projected Changes in Net Position Case 1 (State of Tennessee Definition)



**Thompson's Station Wastewater Utility
% of Sales Dollar to Prin & Int Payments
Fiscal Year 2023-24
Case 1**

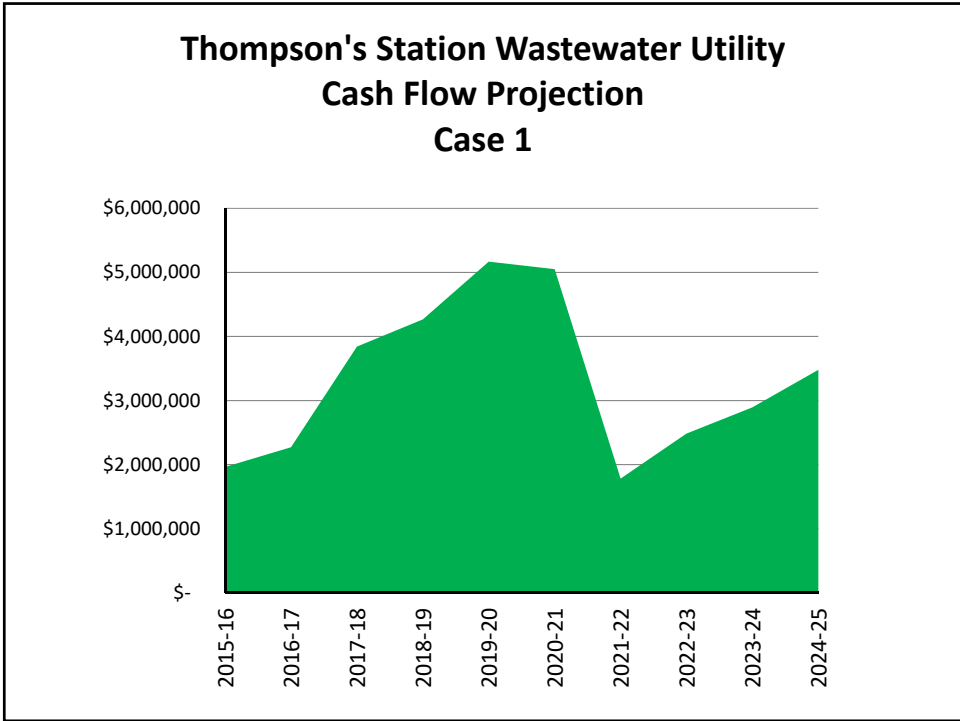


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**Cash Flow Observations for
Case 1**

1. If the developer contributions are received as expected and \$13 million of additional debt is issued in FY 2022-23, the cash balance is projected to remain positive throughout the study period.
2. Aggressive spending on the CIP plan will deplete the developer's capital contributions by the end of FY 2021-22.


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CASE STUDY 2

*Five Year Financial Forecast
With Consideration of Rate Adjustments*



Municipal Technical Advisory Service
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Revenue Assumptions – Case 2

- 8.5% growth in customer base
- No appreciable decline in sewer usage
- Developers make significant contributions

<u>FY 2019-20</u>	<u>FY 2020-20</u>
\$3,400,000	\$3,200,000

- Revenue increases are applied as follows:

Annual Wastewater Revenue Increases:

<u>07/01/20</u>	<u>07/01/21</u>	<u>07/01/22</u>	<u>07/01/23</u>	<u>07/01/24</u>
3%	3%	3%	3%	3%

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Expense Assumptions – Case 2

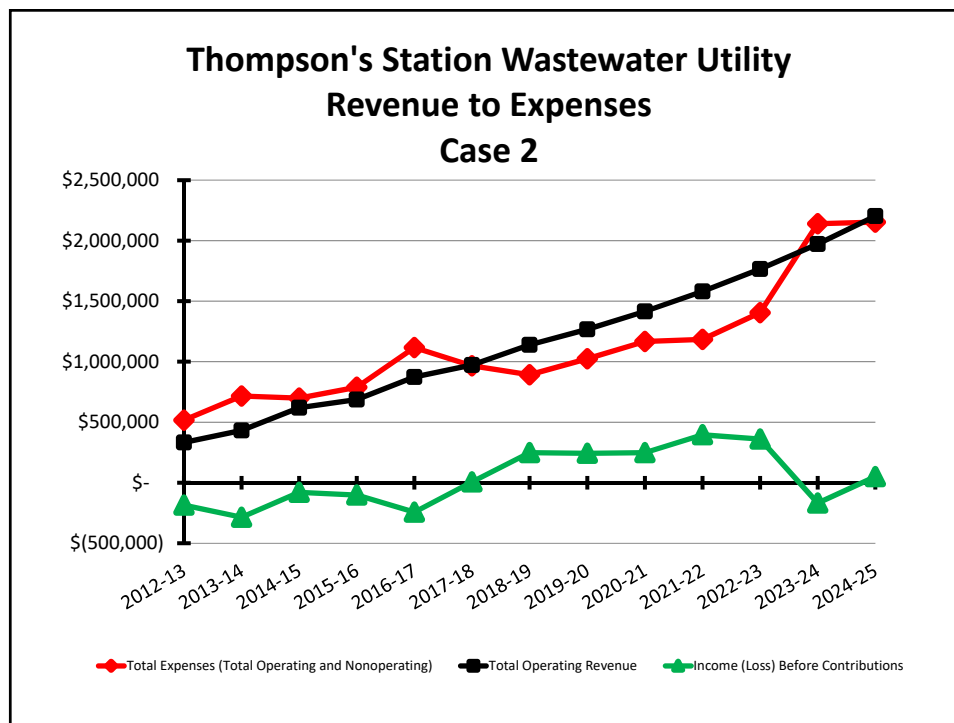
- Capital projects move forward as proposed (increasing depreciation expense)
- Additional debt is issued in FY 2022-23
- Administration overhead expenses are applied
- Annual growth in expenses projected as follows:
 - Salaries 3%
 - Benefits 8%
 - Utilities 5%
 - Business Insurance 4%
 - Other 3%

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Financial Review – Case 2

1. The same financial conditions hold as previously described for Case 1.
2. The implementation of annual adjustments to revenue provides for a gradual improvement of revenue performance over expenses during the study period.
3. Given the annual adjustments to revenue, the aggressive rise in expenses in FY 2023-24 is much more manageable.

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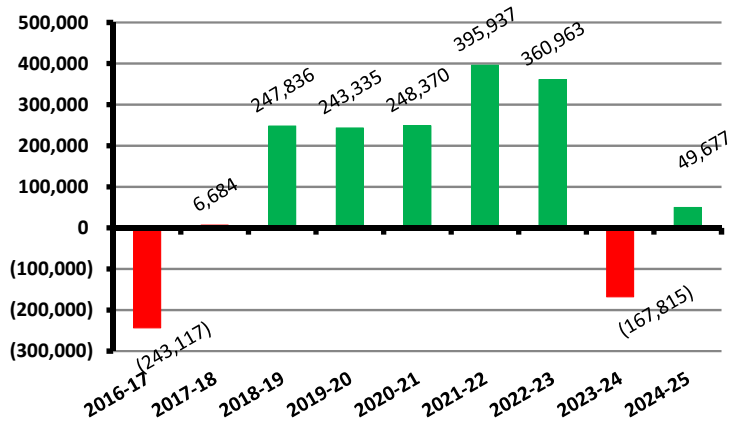
Observations for Funding Requirements for Case 2

1. Projections indicate the application of annual revenue adjustments moderates the inconsistent trend to Changes in Net Position during the study period.
2. MTAS recommends the Town monitor the financial performance of the Wastewater Utility in FY 2022-23 in an attempt to achieve a positive change in net position.

Observations for Funding Requirements for Case 2

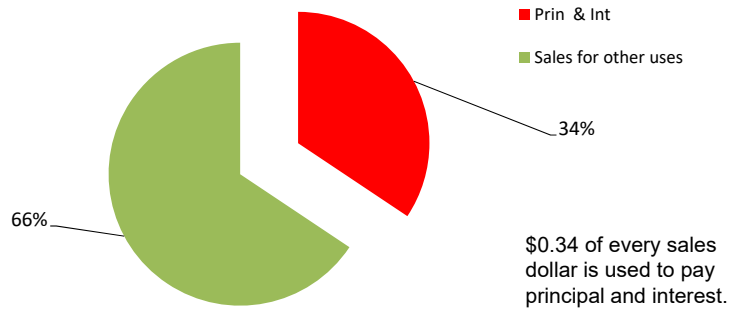
3. When the full impact of the rising costs of depreciation and interest expenses are realized in FY 2023-24, a negative change in net position is all but unavoidable.
4. If both FY 2022-23 and FY 2023-24 both have negative changes to net position, this would trigger compliance issues with the Wastewater Facilities Act of 1987.
5. MTAS recommends the Town attempt to avoid this situation.

**Thompson's Station Wastewater Utility
Projected Changes in Net Position
Case 2
(State of Tennessee Definition)**



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**Thompson's Station Wastewater Utility
% of Sales Dollar to Prin & Int Payments
Fiscal Year 2023-24
Case 2**

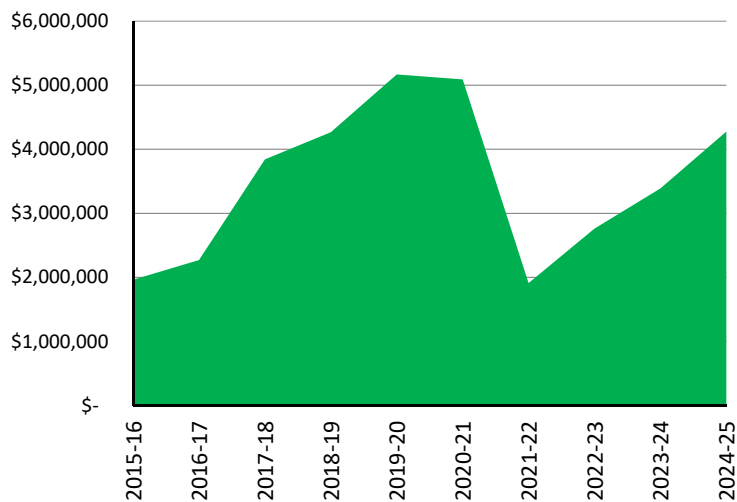


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Cash Flow Observations for Case 2

1. If the developer contributions are received as expected and \$13 million of additional debt is issued in FY 2022-23, the cash balance is projected to remain positive throughout the study period.
2. Aggressive spending on the CIP plan will deplete the developer's capital contributions by the end of FY 2021-22.

Thompson's Station Wastewater Utility Cash Flow Projection Case 2



Comments

1. To remain in compliance with the Wastewater Facilities Act of 1987, municipal utilities must have a positive change to net position at least every other year.
2. Current projections indicate, if revenue adjustments are enacted and the Town actively manages expenses, the Wastewater Utility can reasonably expect compliance within the state guidelines.
3. MTAS recommends the Town be sensitive to the financial performance of the Wastewater Utility.

*Thank you for the opportunity
to work with you!*

TOWN OF THOMPSON'S STATION
WASTE WATER TAP TRANSFER POLICY

The Town of Thompson's Station in connection with efforts to improve the process for the management and oversight of the infrastructure of the Town, namely the waste water taps allocated to existing Developers and the need of future and requesting Developers, and in conjunction with the newly created Capacity Reservation Ordinance (CRO), the Town of Thompson's Station does create, authorize and approve this Waste Water Tap Transfer Policy as provided hereinafter as follows:

Creation of a Database

1. The Town shall create a database that shall be maintained by the Office of Planning and Zoning for the Town, for the purpose of tracking and maintaining the inventory of waste water taps that are currently assigned to existing Developers, along with a database of those requesting Developers in need of tap allocation.

Notification by Developer of Unused Taps

2. Those Developers, who hold existing waste water tap commitments and will not be utilizing all of the assigned taps in their development, shall notify the town of their desire to make those taps available for other developments. The Town will, through the below referenced capacity review process, determine the transferability of those unused, assigned waste water taps and facilitate a possible transfer of those taps.

Reservation Application

3. Those developers in need of capacity for waste water taps (requesting developer) shall submit to the Town, pursuant to the Capacity Reservation Ordinance (CRO), a

capacity reservation application, along with the applicable fees for determination by the Town of the availability of capacity or the possibility of a transfer of assigned taps.

Capacity Review

4. The Town shall process the application pursuant to the Capacity Reservation Ordinance, to include the capacity review by the engineer, along with all considerations of the Land Development Ordinance or other applicable considerations, as determined by the Town.

Notification as to Capacity

5. If the Town is able to certify that capacity is available for the project, the applicant will be notified or if the determination is that such capacity does not exist, then such notification will be provided to the applicant or the requesting developer may be issued a conditional approval.

Notification of Transfer of Taps

6. Alternatively, if the Town, based on a review of the abovementioned database and considerations determines there exist available unused waste water taps from an existing tap holder that are available for transfer, the requesting developer shall be notified and those taps, at the discretion of the Town, will be utilized to satisfy the request of the applicant by the transfer of such taps from the holder of the taps to the requesting developer.

Payment and Reimbursement of Tap Fees

7. Should such assigned, unused taps be determined to be available for transfer, the Town will notify the requesting developer of the availability of those taps and the requesting developer shall pay the current existing tap fees to the Town for those taps. The Town shall then reimburse the existing tap holder/developer for the transferred wastewater taps for the value of the taps when acquired by the tap holder, upon and after the receipt of payment from the requesting developer for the transferred wastewater taps. The requesting developer shall have (30) days, from the date the Town provides written notification of the taps available for transfer, to make payment to the Town for the transferred taps. Should the requesting developer fail to make such payment within the allotted (30) days, the availability of the taps for transfer will be considered lapsed as to that requesting developer, and those taps identified for transfer shall be made available for consideration for other prospective requesting developers.

Miscellaneous

8. All transfer of taps shall be subject to approval by the Town Staff for which the Town shall maintain records by and through the above referenced database of such transfer of taps from an existing developer to a requesting developer.

APPENDIX 2-A

Design Basis for Wastewater Flow and Loadings

Table 2-A.1. Typical Wastewater Flow Rates from Commercial Sources
(Source: Crites and Tchobanoglous, 1998)

FACILITY	UNIT	Flow, gallons/unit/day	
		Range	Typical
Airport	Passenger	2 - 4	3
Apartment House	Person	40 - 80	50
Automobile Service Station	Vehicle served	8 - 15	12
	Employee	9 - 15	13
Bar	Customer	1 - 5	3
	Employee	10 - 16	13
Boarding House	Person	25 - 60	40
Department Store	Toilet Room	400 - 600	500
	Employee	8 - 15	10
Hotel	Guest	40 - 60	50
	Employee	8 - 13	10
Industrial Building (Sanitary waste only)	Employee	7 - 16	13
Laundry (self-service)	Machine	450 - 650	550
	Wash	45 - 55	50
Office	Employee	7 - 16	13
Public Lavatory	User	3 - 6	5
Restaurant (with toilet)	Meal	2 - 4	3
	Conventional Customer	8 - 10	9
	Short order Customer	3 - 8	6
	Bar/cocktail lounge Customer	2 - 4	3
Shopping Center	Employee	7 - 13	10
	Parking Space	1 - 3	2
Theater	Seat	2 - 4	3

Table 2-A.2. Typical Wastewater Flow Rates from Institutional Sources
(Source: Crites and Tchobanoglous, 1998)

FACILITY	UNIT	Flow, gallons/unit/day	
		Range	Typical
Assembly Hall	Seat	2 - 4	3
Hospital, Medical	Bed	125 - 240	165
	Employee	5 - 15	10
Hospital, Mental	Bed	75 - 140	100
	Employee	5 - 15	10
Prison	Inmate	80 - 150	120
	Employee	5 - 15	10
Rest Home	Resident	50 - 120	90
	Employee	5 - 15	10
School, day-only:			
	With cafeteria, gym, showers Student	15 - 30	25
	With cafeteria only Student	10 - 20	15
Without cafeteria, gym, or showers	Student	5 - 17	11
School, boarding	Student	50 - 100	75

Table 2-A.3. Typical Wastewater Flow Rates from Commercial Sources
(Source: Crites and Tchobanoglous, 1998)

FACILITY	UNIT	Flow, gallons/unit/day	
		Range	Typical
Apartment, resort	Person	50 - 70	60
Bowling Alley	Alley	150 - 250	200
Cabin, resort	Person	8 - 50	40
Cafeteria	Customer	1 - 3	2
	Employee	8 - 12	10
Camps:			
Pioneer Type	Person	15 - 30	25
Children's, with central toilet/bath	Person	35 - 50	45
Day, with meals	Person	10 - 20	15
Day, without meals	Person	10 - 15	13
Luxury, private bath	Person	75 - 100	90
Trailer Camp	Person	75 - 125	125
Campground-developed	Person	20 - 40	30
Cocktail Lounge	Seat	12 - 25	20
Coffee Shop	Customer	4 - 8	6
	Employee	8 - 12	10
Country Club	Guests on-site	60 - 130	100
	Employee	10 - 15	13
Dining Hall	Meal Served	4 - 10	7
Dormitory/bunkhouse	Person	20 - 50	40
Fairground	Visitor	1 - 2	2
Hotel, resort	Person	40 - 60	50
Picnic park, flush toilets	Visitor	5 - 10	8
Store, resort	Customer	1 - 4	3
	Employee	8 - 12	10
Swimming Pool	Customer	5 - 12	10
	Employee	8 - 12	10
Theater	Seat	2 - 4	3
Visitor Center	Visitor	4 - 8	5

Wastewater Fund info

The wastewater fee is calculated from monthly data received from HB&TS water utility. The data is reviewed by the Finance Director and the wastewater fee is calculated, sent out for printing and mailing of statements.

This is a summary of that data for the August 31, 2020 data.

Account Types	Service Areas						Grand Total
	AW	BV	FC	HC	RP	TV	
Builder		29	19			41	89
Commercial WW			1	11	33		45
Wastewater	11	450	696		1	595	1753
Grand Total	11	479	716	11	34	636	1887
As August 07, 2020 meter reading from HB & TS							
Area	Sum of Water Usage						
AW	67,100	Allenwood					
BV	2,882,000	Bridgemore					
FC	4,169,600	Canterbury					
HC	189,900	Heritage Commons					
No Serv	660,000	Septic					
RP	1,425,000	Regional Plant					
TV	2,849,100	Tollgate					
Grand Total	12,242,700						
WW Billing for August 31, 2020							
Commercial	\$	27,447					
Builder accounts	\$	2,246					
Residential	\$	78,942					
Total WW Fees - July 2020	\$	108,635					
Accounts at \$55 cap							
No of Accounts		699					
Amount over \$55	\$	27,749					
Percent of all Res. Accts		38%					

Wastewater Fund Budget VS Actuals

July - August, 2020

	Wastewater				Total	
	Actual	Budget	over Budget	% of Budget	Actual	% of Budget
INCOME						
34090 Total Wastewater Fees	224,331	218,828	5,503	103.00 %	224,331	103.00 %
341090 Total Tap Fees	72,151	52,084	20,067	139.00 %	72,151	139.00 %
34700 Total All Other Revenues	1,319	2,470	-1,151	53.00 %	1,319	53.00 %
Total Income	297,801	273,382	24,419	109.00 %	297,801	109.00 %
GROSS PROFIT	297,801	273,382	24,419	109.00 %	297,801	109.00 %
EXPENSES						
43100 Total Payroll Costs	24,098	49,101	-25,003	49.00 %	24,098	49.00 %
43300 Total Professional Fees	1,600	28,332	-26,732	6.00 %	1,600	6.00 %
43400 Total Operating Costs	22,711	32,804	-10,093	69.00 %	22,711	69.00 %
43600 Total Interest Expense	1,326	1,584	-258	84.00 %	1,326	84.00 %
49900 Total Capital Improvement Costs	589,139	580,834	8,305	101.00 %	589,139	101.00 %
Total Expenses	638,873	692,655	-53,782	92.00 %	638,873	92.00 %
NET OPERATING INCOME	-341,072	-419,273	78,201	81.00 %	-341,072	81.00 %
OTHER EXPENSES						
Depreciation	75,000	88,324	-13,324	85.00 %	75,000	85.00 %
Total Other Expenses	75,000	88,324	-13,324	85.00 %	75,000	85.00 %
NET OTHER INCOME	-75,000	-88,324	13,324	85.00 %	-75,000	85.00 %
NET INCOME	\$ -416,072	\$ -507,597	\$91,525	82.00 %	\$ -416,072	82.00 %
			\$91,525		\$ -507,597	82.00 %

Wastewater Fund Statement of Activities

July - August, 2020

	Jul 2020			Aug 2020			Total					
	Current	Jul 2019 (PY)	Change	% Change	Current	Aug 2019 (PY)	Change	% Change	Current	Jul - Aug, 2019 (PY)	Change	% Change
INCOME												
34090 Total Wastewater Fees	112,705	105,788	6,917	7.00 %	111,626	108,054	3,572	3.00 %	224,331	213,842	10,489	5.00 %
341090 Total Tap Fees	43,900	32,500	11,400	35.00 %	28,250	62,500	-34,250	-55.00 %	72,151	95,000	-22,849	-24.00 %
34700 Total All Other Revenues	682	1,986	-1,304	-66.00 %	637	2,088	-1,451	-69.00 %	1,319	4,073	-2,755	-68.00 %
Total Income	157,287	140,274	17,013	12.00 %	140,514	172,642	-32,129	-19.00 %	297,801	312,916	-15,115	-5.00 %
GROSS PROFIT	157,287	140,274	17,013	12.00 %	140,514	172,642	-32,129	-19.00 %	297,801	312,916	-15,115	-5.00 %
EXPENSES												
43100 Total Payroll Costs	12,049	11,722	327	3.00 %	12,049	12,011	38	0.00 %	24,098	23,733	365	2.00 %
43300 Total Professional Fees	10,188	23,266	-13,078	-56.00 %	12,523	13,954	-1,431	-10.00 %	22,711	37,220	-14,509	-39.00 %
43600 Total Interest Expense	662	889	-227	-26.00 %	664	899	-234	-26.00 %	1,326	1,787	-461	-26.00 %
49900 Total Capital Improvement Costs	231,077		231,077		358,062	8,412	349,650	4,157.00 %	589,139	8,412	580,727	6,904.00 %
Total Expenses	253,975	36,997	214,978	551.00 %	384,898	40,831	344,067	843.00 %	686,873	79,828	589,045	700.00 %
NET OPERATING INCOME	-96,688	101,277	-197,965	-195.00 %	-244,384	131,811	-376,196	-285.00 %	-341,072	233,088	-574,161	-246.00 %
OTHER EXPENSES												
Depreciation	37,500	37,500	0	0.00 %	37,500	37,500	0	0.00 %	75,000	75,000	0	0.00 %
Total Other Expenses	37,500	37,500	0	0.00 %	37,500	37,500	0	0.00 %	75,000	75,000	0	0.00 %
NET OTHER INCOME	-37,500	-37,500	0	0.00 %	-37,500	-37,500	0	0.00 %	-75,000	-75,000	0	0.00 %
NET INCOME	\$ -134,188	\$ 63,777	\$ -197,965	-310.00 %	\$ -281,884	\$ 94,311	\$ -376,196	-399.00 %	\$ -416,072	\$ 159,088	\$ -574,161	-363.00 %

	Jul 2020		Aug 2020		Total
	Current	Jul 2019 (PY)	Current	Aug 2019 (PY)	
41211 Postage, Freight & Express Chgs	698	456	456	669	1,154
41220 Lab Water Testing			325		325
41221 Printing, Forms & Photocopy Exp	486				486
41235 Memberships & Subscriptions	870				870
41241 Utilities - Electricity	6,442	8,314	6,288	7,726	12,730
41242 Utilities - Water	187	111	306	292	493
41245 Telecommunications Expense	155	155	155	155	310
41260 Repairs & Maint WW	686	12,256	2,006	3,984	2,692
41311 Office Expense	126		2,469		2,595
41320 Supplies Expense		629		607	0
41691 Bank Charges	538	518	518	521	1,056
42100 Permits and Fees		827			0
Total 43400 Total Operating Costs	10,188	23,266	12,523	13,954	22,711
43600 Total Interest Expense					0
41633 Interest Expense - Note Payable	662	889	664	899	1,326
Total 43600 Total Interest Expense	662	889	664	899	1,326
49900 Total Capital Improvement Costs					0
41940 Capital Projects					0
Approved Budget Capital Expenditures	231,077		358,062	8,412	589,139
Total 41940 Capital Projects	231,077		358,062	8,412	589,139
Total 49900 Total Capital Improvement Costs	231,077		358,062	8,412	589,139
Total Expenses	253,975	38,997	384,898	40,831	638,873
NET OPERATING INCOME	-96,688	101,277	-244,384	131,811	-341,072
OTHER EXPENSES					
Depreciation	37,500	37,500	37,500	37,500	75,000
Total Other Expenses	37,500	37,500	37,500	37,500	75,000
NET OTHER INCOME	-37,500	-37,500	-37,500	-37,500	-75,000
NET INCOME	\$ -134,188	\$63,777	\$ -281,884	\$94,311	\$ -416,072

Wastewater Fund Capital Projects Activity

July - August, 2020

Date	Transaction Type	Num	Name	Division	Memo/Description	Amount
Ordinary Income/Expenses						
Expenses						
49900 Total Capital Improvement Costs						
41940 Capital Projects						
Approved Budget Capital Expenditures						
07/07/2020	Bill	Pay #9	W & O Construction Co.	Wastewater	Hill Property Drip Fields installation	221,327
07/17/2020	Bill	20413	EarthSearch Soil Consulting LLC	Wastewater	Alexander property soil testing - addition	9,750
08/04/2020	Bill	Pmt 10	W & O Construction Co.	Wastewater	Hill Property Drip Fields installation	140,691
08/10/2020	Bill	180595	Barge Design Solutions, Inc.	Wastewater	Hill property Drip Field project management	14,300
08/10/2020	Bill	180596	Barge Design Solutions, Inc.	Wastewater	WWTP Design BOMA resolution 2020-007	203,071
Total for Approved Budget Capital Expenditures						\$589,139
Total for 41940 Capital Projects						\$589,139
Total for 49900 Total Capital Improvement Costs						\$589,139
Total for Expenses						\$589,139
Net Income						\$ -589,139

Unaudited CASH BALANCES

General Fund Cash Position	Jun	Jul	Aug
Checking	\$ 1,556,933	\$ 1,552,793	\$ 1,656,883
Savings	\$ 5,665,502	\$ 4,666,392	\$ 5,666,678
Less: Reserve	\$ (1,040,195)	\$ (1,040,195)	\$ (1,040,481)
Total Cash	\$ 6,182,240	\$ 5,178,990	\$ 6,283,080
<i>Less:</i>			
Note Balance (First Farmers)	\$ (461,200)	\$ (461,200)	\$ (461,200)
Note Balance (First Tennessee)	\$ (1,290,000)	\$ (1,290,000)	\$ (1,290,000)
Due to Wastewater Fund	\$ (116,110)	\$ (85,089)	\$ (70,793)
Accounts Payable	\$ (130,052)	\$ (11,081)	\$ (46,554)
Critz Lane Projects & related			\$ (1,528,900)
Committed	\$ (295,492)	\$ (295,492)	\$ (284,552)
Total Available Funds	\$ 3,889,386	\$ 3,036,128	\$ 2,601,081

Wastewater Funds Cash Position	Jun	Jul	Aug
Checking	\$ 147,870	\$ 342,485	\$ 61,564
Savings	\$ 3,839,492	\$ 3,340,174	\$ 3,090,174
Less: Reserve	\$ (522,069)	\$ (522,069)	\$ (522,158)
Total Cash	\$ 3,465,293	\$ 3,160,590	\$ 2,629,580
<i>Add:</i>			
Accounts Receivable	\$ 203,765	\$ 203,765	\$ 200,103
Due from Gen Fund	\$ 116,110	\$ 85,089	\$ 70,793
<i>Less:</i>			
Note Balance (Franklin Synergy)	\$ (324,074)	\$ (315,815)	\$ (305,556)
Accounts Payable	\$ (172,083)	\$ (1,413)	\$ (1,413)
Deposits	\$ (24,300)	\$ (24,450)	\$ (27,675)
<i>Less Committed:</i>			
Hill Prop Drip Fields	\$ (870,372)	\$ (870,372)	\$ (729,681)
Cell #1 repairs	\$ (300,000)	\$ (300,000)	\$ -
All Other	\$ (866,553)	\$ (874,053)	\$ (656,329)
Total Available Funds	\$ 1,227,786	\$ 1,063,341	\$ 1,179,822