

State of Tennessee

*Secretary of State Tre Hargett
State Comptroller Justin P. Wilson
State Treasurer David H. Lillard, Jr.*

For Immediate Release: Sept. 3, 2009

MORE THAN \$37 MILLION IN LOANS APPROVED BY THE TENNESSEE LOCAL DEVELOPMENT AUTHORITY FOR DRINKING WATER AND WASTEWATER PROJECTS

The Tennessee Local Development Authority (TLDA) today approved nine communities and two utility districts in Tennessee to receive a total of more than \$37 million in low-interest loans for drinking water and wastewater infrastructure projects. Of that amount, \$15 million is scheduled for principal forgiveness on debt, which will result in a financial windfall for the communities with the most urgent needs.

The loans are provided through Tennessee's Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) programs. The American Recovery and Reinvestment Act (ARRA) of 2009 provided additional funding for the two programs. The funding consists of 50 percent DWSRF/CWSRF program funds and 50 percent ARRA funds. In compliance with ARRA funding guidelines, only 60 percent of the total loan amounts will have to be repaid. The remaining 40 percent of the original loan amounts will be forgiven.

"This is the second of three allocations to be made for loans pursuant to the ARRA and the State Revolving Fund Loan Programs," said Comptroller Justin P. Wilson, Secretary of the TLDA. "They are receiving significant loan amounts at very low interest rates. Forty percent of the principal is forgiven and does not have to be repaid. And interest is based on a community's ability to repay the loan."

Wilson added that a third group of applicants will be considered for TLDA approval in October.

The General Assembly delegated to the Tennessee Local Development Authority the responsibility for issuing bonds and notes to provide funds to make loans to local governments for water and sewer facilities. As of June 30, 2009, the Authority's outstanding indebtedness was \$52,660,000 in bonds and \$52,845,000 in tax-exempt notes. The Authority also manages the two Revolving Loan portfolios, which totaled more than \$594 million as of June 30, 2009.

The TLDA is made up of the state's three constitutional officers – Comptroller Wilson, Secretary of State Tre Hargett and Treasurer David H. Lillard, Jr. – along with Governor

Phil Bredesen, Commissioner of Finance and Administration Dave Goetz and one representative each appointed by the House Speaker and the Senate Speaker. The House Speaker's appointment is Mr. Don Thornton, and the appointee for the Senate Speaker is Mr. Houston Naron, Jr.

The communities approved in this round for CWSRF/ARRA loans by the Tennessee Local Development Authority include:

City of Algood (Putnam County) – for collection system expansion to the Bear Creek Area Sewers including approximately 23,000 linear feet (LF) of gravity sewer collection lines, two pumping stations and approximately 13,000 LF of force main. Total: \$3,229,000. Loan: 20-year loan for \$1,937,400. Interest Rate: 2.14 percent. Principal Forgiveness: \$1,291,600.

City of Cookeville (Putnam County) – for collection system upgrade and expansion via the system-wide installation of telemetry to pumping stations and the construction of a 2.6 million gallons per day (MGD) submersible sewage pumping station, approximately 6,500 LF of 16-inch diameter force main and approximately 10,000 LF of 18- and 21-inch diameter gravity sewer lines in the south western part of Cookeville in the Hudgins Creek Drainage Basin area. Total: \$3,500,000. Loan: 20-year loan for \$2,100,000. Interest Rate: 2.50 percent. Principal Forgiveness: \$1,400,000.

City of Lenoir City (Loudon County) – for wastewater treatment plant improvements, upgrade and secondary treatment (digester rehabilitation, trickling filter rehab and miscellaneous upgrades). Total: \$4,500,000. Loan: 20-year loan for \$2,700,000. Interest Rate: 2.88 percent. Principal Forgiveness: \$1,800,000.

City of Madisonville (Monroe County) – for wastewater treatment plant (WWTP) improvements to increase the capacity of the equalization basin and pump station, construct approximately 8.3 miles of force main that will transport screened wastewater to the Tellico Reservoir. Development Agency's wastewater treatment plant for treatment, and eliminate Madisonville's wastewater treatment plant discharge to Bat Creek. Total: \$5,836,500. Loan: 20-year loan for \$3,501,900. Interest Rate: 2.14 percent. Principal Forgiveness: \$2,334,600.

Town of Monteagle (Grundy/Marion/Franklin Counties) – to replace the Town of Monteagle's two existing wastewater treatment plants with an improved sequencing batch reactor wastewater treatment plant and replacing the old existing clay pipe collection system with a new small-diameter low-pressure and conventional gravity collection system. Total: \$6,200,000. Loan: 20-year loan for \$3,720,000. Interest Rate: 1.79 percent. Principal Forgiveness: \$2,480,000.

Town of Smyrna (Rutherford County) –for green-treated wastewater reuse and new storage tank project. Total: \$5,750,000. Loan: 20-year loan for \$3,450,000. Interest Rate: 2.14 percent. Principal Forgiveness: \$2,300,000.

City of White House (Robertson/Sumner Counties) – for construction of approximately 2,500 LF of gravity sewer lines, 2,500 LF of force main, 16 manholes, and a new duplex sewer lift station at Copes Crossing to replace the existing Tyree Springs sewer lift station. Total: \$1,000,000. Loan: 20-year loan for \$600,000. Interest Rate: 1.77 percent. Principal Forgiveness: \$400,000.

Recipients receiving DWSRF/ARRA loan approvals today by the Tennessee Local Development Authority include:

Bloomington Utility District (Sullivan County) – for the GREEN project consisting of the system wide installation of automatic read meters and the construction of Phase I water line replacements. The installation of new automatic read meters will be for all meters in the system (throughout the entire system boundary) in the same meter vault (near the property lines) as the customer's existing meters. Total: \$3,000,000. Loan: 20-year loan for \$1,800,000. Interest Rate: 1.77 percent. Principal Forgiveness: \$1,200,000.

City of Jellico (Campbell County) – for water source and storage improvements via the construction of two new raw water wells, approximately 9,500 LF of raw water transmission lines and re-activating the Old City Water Storage Tank. Total: \$1,350,000. Loan: 20-year loan for \$810,000. Interest Rate: 0.71 percent. Principal Forgiveness: \$540,000.

Madison Suburban Utility District (Davidson County) – for green-water treatment plant improvements with sustainable practices for water and energy efficiency via the automation and integration of processes and equipment and the conversion from chlorine gas to liquid bleach. Total: \$1,100,000. Loan: 20-year loan for \$660,000. Interest Rate: 2.86 percent. Principal Forgiveness: \$440,000.

City of Morristown (Hamblen County) – for 12,800 green-water meter replacements. Total: \$2,000,000. Loan: 20-year loan for \$1,200,000. Interest Rate: 2.83 percent. Principal Forgiveness: \$800,000.

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