



JASON E. MUMPOWER
Comptroller

June 1, 2021

Mr. Michael Adams, Executive Director
and Board of Commissioners
Water Authority of Dickson County
101 Cowan Road
Dickson, TN 37055

Dear Mr. Adams and Members of the Board:

Thank you for your recent correspondence. We acknowledge receipt on May 21, 2021, of a request from the Water Authority of Dickson County (the "Authority") for a report on a plan of finance (the "Plan") for the Authority's proposed issuance of a maximum of \$23,000,000 Water and Wastewater Revenue Refunding and Improvement Bonds, Series 2021.

Pursuant to the provisions of Tennessee Code Annotated Title 68, Chapter 221, enclosed is a report based upon our review of the Authority's Plan. The Plan, this letter, and the enclosed report should be made available on the Authority's website and must be presented to each member of the Board for review prior to the adoption of an authorizing resolution for the bonds.

Publication Requirement

The enclosed report does not address compliance with federal tax regulations and is not to be relied upon for that purpose. The Authority should discuss these issues with bond counsel. This report must be published once during the week following its receipt in a newspaper of general circulation in the counties served by the Authority.

If you should have questions or need assistance, please feel free to contact your financial analyst, Steve Osborne, at 615.747.5343 or Steve.Osborne@cot.tn.gov.

Very truly yours,

A handwritten signature in blue ink, appearing to read "B. Knotts".

Betsy Knotts
Director of the Division of Local Government Finance

Cc: Ms. Jean Suh, Audit Review Manager, Division of Local Government Audit, COT
Ms. Sandi Thompson, Assistant Secretary, Tennessee Local Development Authority
Ms. Julianne Graham, Oakdale Municipal Advisors
Mr. Ben Regen, White & Regen, PLC

Enclosure: Report of the Director of the Division of Local Government Finance

BK:so



**Report on Water and Wastewater Revenue Refunding and Improvement Bonds, Series 2021
The Water Authority of Dickson County, Tennessee**

This report is being issued pursuant to Tenn. Code Ann. Title 68, Chapter 221 and is based upon information as presented in a plan of finance (the “Plan”) received by our office on May 21, 2021, from the Water Authority of Dickson County, Tennessee (the “Authority”). Our report provides information to assist the governing body in its responsibility to understand the nature of the transaction, including the costs and benefits, prior to approving the issuance of the bonds and is designed to provide consistent and comparable information for all local governments in Tennessee. This report does not constitute approval or disapproval of the Plan or a determination that a refunding is advantageous or necessary. This report and the Authority’s Plan must be presented to the governing body prior to the adoption of a resolution authorizing the bonds.

The Authority plans to issue \$19,370,000 in bonds consisting of \$10,900,000 to finance capital improvements to the water and wastewater system and \$8,470,000 to refund current outstanding loans.

COSTS:

Estimated costs of issuance are summarized below and based upon the par amount of the bonds being issued:

	<u>\$8,470,000 Refunding Portion</u>		<u>\$10,900,000 New Money Portion</u>		<u>Series 2021 Bonds</u>	
	<u>Amount</u>	<u>Price per \$1,000 Bond</u>	<u>Amount</u>	<u>Price per \$1,000 Bond</u>	<u>Amount</u>	<u>Price per \$1,000 Bond</u>
Underwriter (TBD)	\$ 42,350.00	\$ 5.00	\$ 54,500.00	\$ 5.00	\$ 96,850.00	\$ 5.00
Municipal Advisor (Oakdake)	16,397.78	1.94	21,102.22	1.94	37,500.00	1.94
Bond Counsel (White & Regen)	10,587.50	1.25	13,625.00	1.25	24,212.50	1.25
Rating Agency Fees	10,931.85	1.29	14,068.15	1.29	25,000.00	1.29
Other Fees	1,377.42	0.16	1,772.58	0.16	3,150.00	0.16
Total Cost of Issuance	\$ 81,644.55	\$ 9.64	\$ 105,067.95	\$ 9.64	\$186,712.50	\$ 9.64

The Authority plans to contribute \$740,000 from prior issue debt service reserve funds toward the refunding portion of the transaction.

BENEFITS:

The Authority’s stated objectives for the bond issuance is to fund capital improvements and to refund existing debt to remove restrictive covenants and to achieve savings. The anticipated net present value savings are \$381,449.

FINANCIAL POSITION:

The Authority is currently not under the oversight of the Water and Wastewater Financing Board. For fiscal year 2020, the Authority increased its total net position by \$230,094 and reported current assets sufficient to pay its current liabilities.

Balloon Indebtedness

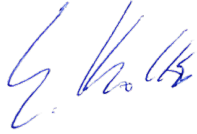
The proposed structure of the Series 2021 Bonds is not balloon indebtedness as defined in Tenn. Code Ann. § 9-21-133 because the structure is level or declining.

Effective Date for this Report

This report is effective for a period of ninety (90) days from the date of the report. If the transaction has not been priced during this ninety (90) day period, a new plan, with new analysis and estimates based on market conditions at that time, must be submitted to our office. We will then issue a report on the new plan for the Authority's governing body to review prior to adopting a new authorizing resolution for the bonds.

Requirements After Debt is Issued

Our website contains specific compliance requirements your local government will be responsible for once the bonds are issued: <http://tncot.cc/debt>. The listing is not all inclusive and you should work with your financial advisor and bond counsel to ensure compliance with legal and regulatory requirements related to the proposed bond transaction.



Betsy Knotts
Director of the Division of Local Government Finance
Date: June 1, 2021