

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE CITY FINANCE OFFICER TO EXECUTE ANY DOCUMENTS NECESSARY RELATED TO A LOAN AGREEMENT WITH THE TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION FOR FINANCING OF THE CONSTRUCTION OF CAPITAL PROJECTS REQUIRED BY THE CONSENT DECREE FOR THE INTERCEPTOR SEWER SYSTEM (ISS), IN THE AMOUNT OF SIXTY-SIX MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$66,800,000.00).

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, it is hereby authorizing the City Finance Officer to execute any documents necessary related to a loan agreement with the Tennessee Department of Environment and Conservation for financing of the construction of capital projects required by the Consent Decree for the Interceptor Sewer System (ISS), in the amount of \$66,800,000.00.

ADOPTED: _____, 2014

/mem

City of Chattanooga



Resolution Request Form

(This form is only required for resolutions requiring expenditure of City funds)

Date Prepared: April 16, 2014

Preparer: Alice L. Cannella, Director

Alice L. Cannella 4-16-14

Department: Waste Resources Division

Brief Description of Purpose for Resolution:

WRF 04-16-14

Resolution Number (if approved by Council):

Authorization for City Finance Officer to execute any documents necessary related to a loan agreement with the Tennessee

Department of Environment and Conservation for financing of the construction of capital projects required by the Consent

Decree for the Interceptor Sewer System (ISS).

Name of Vendor/Contractor/Grant, etc. TDEC
Total project cost \$ 66,800,000.00
Total City of Chattanooga Portion \$ _____
City Amount Funded \$ _____
New City Funding Required \$ _____
City's Match Percentage % _____

New Contract/Project? (Yes or No) _____
Funds Budgeted? (YES or NO) _____
Provide Fund 6012
Provide Cost Center _____
Proposed Funding Source if not budgeted TDEC
Grant Period (if applicable) _____

List all other funding sources and amount for each contributor.

Amount(s)	Grantor(s)
\$66,800,000.00	TDEC
\$ _____	_____
\$ _____	_____

Agency Grant Number _____

CFDA Number if known _____

ISS Consent Decree

Approved by: *[Signature]*

Reviewed by: FINANCE OFFICE

DESIGNATED OFFICIAL/ADMINISTRATOR

Please submit completed form to @budget, accounting, City Attorney, City Finance Officer and Deputy Administrator Finance

RESOLUTION NUMBER: _____

A RESOLUTION AUTHORIZING AND PROVIDING FOR THE FINANCING OF THE CONSTRUCTION OF CAPITAL PROJECTS FOR THE INTERCEPTOR SEWER SYSTEM (ISS) AND AUTHORIZING THE CITY FINANCE OFFICER TO EXECUTE A LOAN AGREEMENT WITH THE STATE OF TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION, NO. SRF # 2013-318, IN THE AMOUNT OF \$66,800,000, AND ANY AMENDMENTS, SUPPLEMENTS OR OTHER NECESSARY DOCUMENTS IN THE NAME AND ON BEHALF OF THE CITY OF CHATTANOOGA IN CONNECTION WITH THE SAME.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That the City Finance Officer be and is hereby authorized to execute a Loan Agreement with the State of Tennessee Department of Environment and Conservation, No. SRF# 2013-318, in the amount of \$66,800,000, and any amendments or supplements to the same, in the name and behalf of the City of Chattanooga, relative to providing for the financing of the construction of capital projects for the Interceptor Sewer System (ISS).

BE IT FURTHER RESOLVED, That the City Finance Officer be and is hereby authorized to execute any and all applications, contractual agreements and other necessary documents and make certain representations, certification and pledges of certain revenue in connection with such financing.

ADOPTED: _____, 2014

/kds



STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
Division of Water Resources
State Revolving Fund Loan Program
WRS, Tennessee Tower, 12th Floor
312 Rosa L. Parks Avenue
Nashville, TN 37243

April 02, 2014

Ms. Daisy W. Madison, Chief Finance Officer
City of Chattanooga
City Hall Annex
100 East 11th Street
Chattanooga, TN 37402

RE: Loan Package
City of Chattanooga (Hamilton County), Tennessee
SRF 2013-318, WWTP Improvements -- Advanced Treatment (Replacing/upgrading influent pumps); Collection System Rehab (Friars Branch and DuPont Pump Station & Sewer Rehab; Collegedale and Orchard Knob Pump Station Improvements; Chattanooga Creek 4, Dobbs Branch 3, South Chickamauga Creek 1 & 5, Tannery Flats, Chattanooga Creek Interceptor, and Highland Park Sewer Basins)

Dear Ms. Madison:

Enclosed for your review and signature is a completed Loan Package for the City of Chattanooga's Clean Water State Revolving Loan. Please sign and return the entire loan package to me at the above address. Please do not retype these documents. Also for your convenience, the signature pages were tabbed. Please refer to the enclosed Loan Application Guidance sheet for instructions on completing the loan package.

If you have any questions, please contact me at (615) 532-0501 or "Bagher.Sami@tn.gov".

Sincerely,

A handwritten signature in black ink, appearing to read "Bagher Sami".

Bagher Sami, Ph.D., Manager
State Revolving Fund Loan Program Admin and Financial Section

Enclosure: Loan Package

cc: Alice Cannella, P.E., Director-Waste Resources Division
Mike Marino, Chattanooga Operations Manager, Jacobs Engineering

STATE REVOLVING FUND LOAN PROGRAM

Items to be Submitted for a Loan

Technical

1. Planning Document (Please see the attached Suggested Outline for the Facilities Plan.)

Administrative

1. One original letter from the loan recipient's authorized representative requesting a specified loan amount, including a brief project description, and the projected construction start and end dates. (Please see the attached format for the Letter of Request for a Loan*.)

2. Loan Application Package

PLEASE NOTE: As a service to the loan recipient, the application package will be prepared by the SRF Loan Program's administrative staff and submitted to the loan applicant for signatures in designated places.

- a. Three originals of the Authorizing Resolution* approving the loan recipient's request for an SRF loan

The Resolution must be approved and passed before the local government can complete the loan application process.

- b. Three originals of the Application for Project Loan* signed by the loan recipient's authorized representative (dated on or after the date of the Authorizing Resolution)

- c. Three originals of the Revolving Fund Loan Agreement* or Amendment* (dated on or after the date of the Authorizing Resolution) -- *Includes verbiage on New Administration Fee*

PLEASE NOTE: The following items must be prepared by the loan applicant and submitted with the loan application package.

- d. One original of the State Revolving Fund Loan Budget/Re-budget Form* signed by either the loan recipient's authorized representative or the consulting engineer

- e. Three originals of the General Certificate* duly executed, witnessed, and sealed as required by Paragraph 9 of the Loan Agreement (dated on or after the adopted dates of the rate resolutions and the Authorizing Resolution)

- f. One original of the Attorney* Opinion Letter Form as required by Paragraph 9 of the Loan Agreement (dated on or after the date on the Loan Agreement or Amendment)

- g. One original of the Engineer* Opinion Letter Form (from a licensed, professional engineer or certified public accountant) as required by Paragraph 9 of the Loan Agreement (dated on or after the date on the Loan Agreement or Amendment) regarding the reasonableness of project costs, the sufficiency of user charges, and the estimated date of construction completion

3. One original of EPA's Preaward Compliance Review Report* (Form 4700-4) signed by the loan recipient's authorized representative

4. Project schedule from the consulting engineer (Please see the attached Project Schedule Format*.)

5. One original of the Representation of the Local Government as to Loans / State-Shared Taxes* signed by the loan recipient's authorized representative

6. One copy of the loan recipient's service agreement with the engineering firm

Financial

1. Audited financial statements for the most current three years and any projected financial information currently available.

2. Three originals of the existing, adopted user rate resolution or three originals of the proposed user rate resolution.

If user rates are increased in stages, a resolution must be adopted stating that the proposed rate increases are sufficient to repay the loan. The final stage of the user rate increases does not have to be implemented until the completion of the project.

AUTHORIZING RESOLUTION _____

RESOLUTION AUTHORIZING AND PROVIDING FOR THE FINANCING OF THE CONSTRUCTION OF A WASTEWATER FACILITIES PROJECT, INCLUDING AUTHORIZING THE EXECUTION OF APPLICATIONS, CONTRACTUAL AGREEMENTS, AND OTHER NECESSARY DOCUMENTS, AND MAKING CERTAIN REPRESENTATIONS, CERTIFICATIONS, AND PLEDGES OF CERTAIN REVENUE IN CONNECTION WITH SUCH FINANCING.

WHEREAS, the City of Chattanooga is a public and governmental body in Chattanooga, Tennessee (the "Local Government"); and

WHEREAS, the Local Government has determined that it is necessary and desirable to undertake certain activities or tasks in connection with a wastewater facilities project, Department of Environment and Conservation Number SRF 2013-318 (the "Project"), in and for the Local Government; and

WHEREAS, Tennessee Code Annotated, Section 68-221-1001 et. seq., provide for the lending of moneys in the wastewater facilities Revolving Loan Fund to Local Governments for the purpose of providing funds for Project Loans; and

WHEREAS, the local Government has determined that it is necessary and advisable to borrow funds for the Project pursuant to these sections.

NOW, THEREFORE, be it resolved as follows:

Section 1. Local Government hereby approves the creation of indebtedness on behalf of the Local Government in the principal amount of SIXTY SIX MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$66,800,000) by the obtaining of a Project Loan.

Section 2. The execution and delivery of the Application for a Project Loan in the principal amount of SIXTY SIX MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$66,800,000) for the purpose of funding all or a portion of the total estimated cost of the Project SIXTY SIX MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$66,800,000), by Daisy W. Madison, the Chief Finance Officer of the Local Government, is hereby ratified and approved in all respects.

Section 3. The form, terms, and provisions of the agreement for the Project Loan among the Local Government, the Tennessee Department of Environment and Conservation and the Tennessee Local Development Authority (the "Loan Agreement"), as presented at this meeting, are hereby approved.

Section 4. The Local Government hereby agrees to honor and accept the method of financing as may be determined by the Authority pursuant to the Loan Agreement.

Section 5. The Local Government hereby agrees to make the monthly payments on the Project Loan in accordance with the Payment Schedule to be attached to the Loan Agreement.

Section 6. The Local Government hereby agrees to levy fees, rates or charges for services provided by the Project and/or to levy ad valorem taxes sufficient to pay the interest on and principal of the Project Loan in accordance with the Loan Agreement. The Local Government also agrees to levy fees, rates, or charges and/or ad valorem taxes sufficient to pay the cost of operation and maintenance of the wastewater system of which the Project is a part, which cost shall include depreciation and all other debt service expense of the system.

Section 7. The Local Government assigns and pledges its State-Shared Taxes to the State and consents to the withholding and application of State-Shared Taxes in the event of failure by the Local Government to remit monthly payments in accordance with the terms of the Loan Agreement, as the Loan Agreement may be supplemented or amended from time to time.

Section 8. The Local Government hereby agrees that there are no local pledges of State-Shared Taxes other than those disclosed.

Section 9. The Local Government hereby agrees to obtain alternative methods of financing for all costs necessary for the completion of the Project which are in excess of the combined financing provided by any agency of the United States Government and by the Tennessee Local Development Authority.

Section 10. The Chief Finance Officer of the Local Government is authorized and directed to execute the Loan Agreement, and any amendments or supplements to the Loan Agreement, in the name and behalf of the Local Government; to deliver such documents to the other parties to such documents, such execution and delivery to be conclusive proof of the approval of the Local Government of such documents; and to take such further action and to execute and deliver such further instruments or documents as such officer may consider necessary or advisable in connection with the Loan Agreement. Provided, however, this resolution shall not be deemed to grant authority to the named officer to approve any increase in the amount of the Project Loan.

Section 11. All orders, resolutions, or ordinances in conflict with this resolution be and the same are repealed insofar as such conflict exists. This resolution shall become effective immediately upon its passage.

Duly passed and approved this _____ day of _____, 2014.

Daisy W. Madison, Chief Finance Officer

WITNESS:

(Affix Seal As Appropriate)

(Name and Title)

Section 7. The Local Government assigns and pledges its State-Shared Taxes to the State and consents to the withholding and application of State-Shared Taxes in the event of failure by the Local Government to remit monthly payments in accordance with the terms of the Loan Agreement, as the Loan Agreement may be supplemented or amended from time to time.

Section 8. The Local Government hereby agrees that there are no local pledges of State-Shared Taxes other than those disclosed.

Section 9. The Local Government hereby agrees to obtain alternative methods of financing for all costs necessary for the completion of the Project which are in excess of the combined financing provided by any agency of the United States Government and by the Tennessee Local Development Authority.

Section 10. The Chief Finance Officer of the Local Government is authorized and directed to execute the Loan Agreement, and any amendments or supplements to the Loan Agreement, in the name and behalf of the Local Government; to deliver such documents to the other parties to such documents, such execution and delivery to be conclusive proof of the approval of the Local Government of such documents; and to take such further action and to execute and deliver such further instruments or documents as such officer may consider necessary or advisable in connection with the Loan Agreement. Provided, however, this resolution shall not be deemed to grant authority to the named officer to approve any increase in the amount of the Project Loan.

Section 11. All orders, resolutions, or ordinances in conflict with this resolution be and the same are repealed insofar as such conflict exists. This resolution shall become effective immediately upon its passage.

Duly passed and approved this _____ day of _____, 2014.

Daisy W. Madison, Chief Finance Officer

WITNESS:

(Affix Seal As Appropriate)

(Name and Title)

Section 7. The Local Government assigns and pledges its State-Shared Taxes to the State and consents to the withholding and application of State-Shared Taxes in the event of failure by the Local Government to remit monthly payments in accordance with the terms of the Loan Agreement, as the Loan Agreement may be supplemented or amended from time to time.

Section 8. The Local Government hereby agrees that there are no local pledges of State-Shared Taxes other than those disclosed.

Section 9. The Local Government hereby agrees to obtain alternative methods of financing for all costs necessary for the completion of the Project which are in excess of the combined financing provided by any agency of the United States Government and by the Tennessee Local Development Authority.

Section 10. The Chief Finance Officer of the Local Government is authorized and directed to execute the Loan Agreement, and any amendments or supplements to the Loan Agreement, in the name and behalf of the Local Government; to deliver such documents to the other parties to such documents, such execution and delivery to be conclusive proof of the approval of the Local Government of such documents; and to take such further action and to execute and deliver such further instruments or documents as such officer may consider necessary or advisable in connection with the Loan Agreement. Provided, however, this resolution shall not be deemed to grant authority to the named officer to approve any increase in the amount of the Project Loan.

Section 11. All orders, resolutions, or ordinances in conflict with this resolution be and the same are repealed insofar as such conflict exists. This resolution shall become effective immediately upon its passage.

Duly passed and approved this _____ day of _____, 2014.

Daisy W. Madison, Chief Finance Officer

WITNESS:

(Affix Seal As Appropriate)

(Name and Title)

CHECK ONE

CWSRF
 DWSRF

**STATE REVOLVING FUND PROGRAM
APPLICATION FOR PROJECT LOAN**

Tennessee Department of Environment and Conservation
Division of Water Resources
State Revolving Fund Loan Program
WRS, Tennessee Tower, 12th Floor
312 Rosa L. Parks Avenue
Nashville, TN 37243

TO BE FILLED IN BY SRFLP OFFICE:

SRF 2013-318
Project Number
\$66,800,000
Loan Amount
20
Term of Loan in Years
2.74% As of March 31, 2014
Bond Buyer Index Rate and Date
(2.74 X 70%) - (0.25%) = 1.67%
Loan Interest Rate

Loan Approval by Department (date)
COMMISSIONER, DEPARTMENT OF
ENVIRONMENT & CONSERVATION

City of Chattanooga

LEGAL NAME OF APPLICANT

City Hall Annex, 100 East 11th Street

Address

Chattanooga, TN 37402

City / State and Zip Code

hereby makes application for a Project Loan to fund the following described activities or tasks concerning a facility (the "Project").

Project Description: WWTP Improvements - Advanced Treatment (Replacing/upgrading influent pumps);
Collection System Rehab (Friars Branch and DuPont Pump Station & Sewer Rehab; Collegedale and
Orchard Knob Pump Station Improvements; Chattanooga Creek 4, Dobbs Branch 3, South
Chickamauga Creek 1 & 5, Tannery Flats, Chattanooga Creek Interceptor, and Highland Park Sewer
Basins)

The entire scope of the Project is estimated to cost: \$ 66,800,000
 Amount of State Revolving Fund Loan Requested: \$ 66,800,000
 Requested Term of Loan (not to exceed 20 years): 20 years

PROGRAM LOANS THE TOTAL AMOUNT OF OUTSTANDING OR APPLIED FOR PROGRAM LOANS
UNDER THE HEALTH LOAN PROGRAMS OF THE TENNESSEE LOCAL
DEVELOPMENT AUTHORITY IS:

\$ -0-

PROJECT LOANS THE TOTAL AMOUNT OF OUTSTANDING OR APPLIED FOR PROJECT LOANS
UNDER THE STATE REVOLVING LOAN FUND IS: (this application excluded)

\$ 89,712,788.49

STATE-SHARED TAXES PLEDGED TO PAYMENT OF OUTSTANDING OBLIGATIONS OF THE LOCAL
GOVERNMENT UNIT IN ADDITION TO THE PROGRAM LOANS AND PROJECT LOANS LISTED ABOVE:

TYPE OF TAX*	AMOUNT PLEDGED
Sales	\$ _____
Gasoline	\$ _____
Beer	\$ _____
TVA Replacement	\$ _____
Mixed Drink	\$ _____
Alcoholic Beverage	\$ _____
Income Tax	\$ _____

***FOR U.D. NEED RECITAL OF ALL PRIOR LIENS**

Daisy W. Madison, Chief Finance Officer

Name and Title of Authorized Representative

Signature

Date

(Revised June 98)

Project Description: WWTP Improvements - Advanced Treatment (Replacing/upgrading influent pumps); Collection System Rehab (Friars Branch and DuPont Pump Station & Sewer Rehab; Collegedale and Orchard Knob Pump Station Improvements; Chattanooga Creek 4, Dobbs Branch 3, South Chickamauga Creek 1 & 5, Tannery Flats, Chattanooga Creek Interceptor, and Highland Park Sewer Basins)

The entire scope of the Project is estimated to cost: \$ 66,800,000
 Amount of State Revolving Fund Loan Requested: \$ 66,800,000
 Requested Term of Loan (not to exceed 20 years): 20 years

PROGRAM LOANS THE TOTAL AMOUNT OF OUTSTANDING OR APPLIED FOR PROGRAM LOANS UNDER THE HEALTH LOAN PROGRAMS OF THE TENNESSEE LOCAL DEVELOPMENT AUTHORITY IS:

\$ -0-

PROJECT LOANS THE TOTAL AMOUNT OF OUTSTANDING OR APPLIED FOR PROJECT LOANS UNDER THE STATE REVOLVING LOAN FUND IS: (this application excluded)

\$ 89,712,788.49

STATE-SHARED TAXES PLEDGED TO PAYMENT OF OUTSTANDING OBLIGATIONS OF THE LOCAL GOVERNMENT UNIT IN ADDITION TO THE PROGRAM LOANS AND PROJECT LOANS LISTED ABOVE:

TYPE OF TAX*	AMOUNT PLEDGED
Sales	\$ _____
Gasoline	\$ _____
Beer	\$ _____
TVA Replacement	\$ _____
Mixed Drink	\$ _____
Alcoholic Beverage	\$ _____
Income Tax	\$ _____

***FOR U.D. NEED RECITAL OF ALL PRIOR LIENS**

Daisy W. Madison, Chief Finance Officer

 Name and Title of Authorized Representative

 Signature

 Date

(Revised June 98)

Project Description: WWTP Improvements - Advanced Treatment (Replacing/upgrading influent pumps);
Collection System Rehab (Friars Branch and DuPont Pump Station & Sewer Rehab; Collegedale and
Orchard Knob Pump Station Improvements; Chattanooga Creek 4, Dobbs Branch 3, South
Chickamauga Creek 1 & 5, Tannery Flats, Chattanooga Creek Interceptor, and Highland Park Sewer
Basins)

The entire scope of the Project is estimated to cost: \$ 66,800,000
 Amount of State Revolving Fund Loan Requested: \$ 65,800,000
 Requested Term of Loan (not to exceed 20 years): 20 years

PROGRAM LOANS THE TOTAL AMOUNT OF OUTSTANDING OR APPLIED FOR PROGRAM LOANS
UNDER THE HEALTH LOAN PROGRAMS OF THE TENNESSEE LOCAL
DEVELOPMENT AUTHORITY IS:

\$ -0-

PROJECT LOANS THE TOTAL AMOUNT OF OUTSTANDING OR APPLIED FOR PROJECT LOANS
UNDER THE STATE REVOLVING LOAN FUND IS: (this application excluded)

\$ 89,712,788.49

STATE-SHARED TAXES PLEDGED TO PAYMENT OF OUTSTANDING OBLIGATIONS OF THE LOCAL
GOVERNMENT UNIT IN ADDITION TO THE PROGRAM LOANS AND PROJECT LOANS LISTED ABOVE:

TYPE OF TAX*	AMOUNT PLEDGED
Sales	\$ _____
Gasoline	\$ _____
Beer	\$ _____
TVA Replacement	\$ _____
Mixed Drink	\$ _____
Alcoholic Beverage	\$ _____
Income Tax	\$ _____

*FOR U.D. NEED RECITAL OF ALL PRIOR LIENS

Daisy W. Madison, Chief Finance Officer

 Name and Title of Authorized Representative

 Signature

 Date

(Revised June 98)

REVOLVING FUND LOAN AGREEMENT

This Agreement is among the Tennessee Department of Environment and Conservation (the "Department"), the Tennessee Local Development Authority (the "Authority") and the City of Chattanooga (the "Local Government"), which is a Tennessee governmental entity authorized to own, operate, and manage wastewater facilities. The purpose of this agreement is to provide for the financing of all or a portion of a wastewater facility (the "Project") by the Local Government. The Local Government submitted an application for the financing dated _____ which is made by reference a part of this Agreement.

1. **DEFINITIONS.** Unless the context in this Agreement indicates another meaning, the following terms shall have the following meaning:
 - (a) "Administrative fee" means the fee to be collected by the Authority for administration of the loan in accordance with TCA Sections 68-221-1004(a) and 68-221-1204(a);
 - (b) "Agreement" means this agreement providing financing for the Project from the Fund;
 - (c) "Clean Water Act" means the Water Pollution Control Act of 1972, PL 92-500, 33 U.S.C. Sections 1251 et seq., as amended, and rules and regulations promulgated thereunder;
 - (d) "Facility" means either a wastewater facility or a water system;
 - (e) "Fund" means:
 - (1) For wastewater projects, the wastewater revolving loan fund created by the Tennessee Wastewater Facilities Act of 1987, TCA Sections 68-221-1001, et seq., and rules and regulations promulgated thereunder, or
 - (2) For water projects, the drinking water revolving loan fund created by the Drinking Water Revolving Loan Fund Act of 1997, TCA Sections 68-221-1201, et seq., and rules and regulations promulgated thereunder;
 - (f) "Local Government" means the governmental entity borrowing under this Agreement described in (1) TCA Section 68-221-1003(7)(A), as amended, if a wastewater facility and (2) TCA Section 68-221-1203(6), as amended, if a water system.
 - (g) "Program Loan" and "Loan Program Agreement" have the meanings established by TCA Section 4-31-102, as amended;
 - (h) "Project" means the activities or tasks concerning a facility described in the Application to be financed pursuant to this Agreement;
 - (i) "Project Cost" means the total amount of funds necessary to complete the Project;
 - (j) "Project Loan" means the moneys loaned from the fund to finance the Project and required to be repaid pursuant to this Agreement;
 - (k) "Safe Drinking Water Act" means the Safe Drinking Water Act, Title XVI of Public Health Service Act, 42 U.S.C. Sections 300f et seq., as amended, and rules and regulations promulgated thereunder;

- (l) "State" shall mean the State of Tennessee acting through the Department and the Authority, jointly or separately, as the context requires;
- (m) "State-Shared Taxes" has the meaning established by TCA Section 4-31-102, as amended; and
- (n) "Unobligated State-Shared Taxes" means State-Shared Taxes which have not been pledged or applied to any other prior indebtedness"

2. PROJECT

- (a) Description. A description of the Project is contained in the Application.
- (b) Funding Sources. The Local Government estimates the Project Cost to be \$ 66,800,000 which is expected to be funded as follows:

(1) State Revolving Fund (SRF) Loan	\$ 66,800,000
(2) Local Funds	-0-
(3) Other Funds	-0-
 TOTAL	 <u>\$ 66,800,000</u>

3. LOAN

- (a) Loan and use of proceeds. The State shall lend to the Local Government from moneys available in the Fund an aggregate principal amount not to exceed SIXTY SIX MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$66,800,000) (the "Project Loan") to bear interest as described in (b) below. The loan shall be used by the Local Government for completion of the Project described in the Application and in accordance with plans and specifications and special conditions, approved and required by the Department. Interest on the Project Loan will begin to accrue upon the first disbursement of the Project Loan pursuant to Section 5 hereof.
- (b) Interest rate. The rate of interest for this Project Loan is that rate established by the Authority at the meeting at which this loan is approved and stated on the payment schedule which is incorporated into this Agreement and attached hereto.
- (c) Administrative fee. The Authority shall collect a fee equal to 8 basis points of the total Project Loan, where one basis point is equal to one-hundredth of one percent (0.01%). This fee shall be payable in monthly installments equal to one-twelfth (1/12) of the annual fee amount as stated on the payment schedule.
- (d) Payment schedule. The Local Government expressly agrees to make all payments of principal and interest in accordance with the Payment Schedule, including the form of payment (currently electronic funds transfer), as it is from time to time revised by the State. A revision of the Payment Schedule shall not be deemed to be an amendment of this Agreement.

4. REPAYMENT OF PROJECT LOAN.

- (a) Payments. The Local Government promises to repay to the order of the State the Project Loan plus interest, payable in installments on the 20th day of each month in accordance with the Payment Schedule established by the Authority. The Payment Schedule will require payments of interest to begin after the first disbursement pursuant to Section 5 of this Agreement. The Payment Schedule will require repayments of principal to begin either (1) within ninety (90) days after the Project is completed, or, if the Project consists solely of planning, replanning, or design work, after the Project is complete; or (2) within one hundred twenty (120) days after ninety percent (90%) of the Project Loan has been disbursed, whichever event occurs earlier. Provided, however, the Authority may agree in the instance of a newly created water system to defer the commencement of principal repayment for no more than one year after the Project is completed.
- (b) Reduction. The Project Loan, and the required payments made pursuant to the Payment Schedule, shall be reduced to reflect:
- (1) Funding not listed in Section 2(b) which subsequently becomes available, or
 - (2) The amount actually disbursed by the State to the Local Government pursuant to the Agreement as the Project Loan.

If any of the conditions set out above shall occur, a new Payment Schedule reflecting such changes shall be submitted to the Local Government to be attached to this Agreement, superseding any previous schedules.

- (c) Prepayment. The Local Government, at its option, may prepay all or any portion of the Project Loan.

5. DISBURSEMENT OF PROJECT LOAN. Each request by the Local Government for disbursement of the Project Loan shall constitute a certification by the Local Government that all representations made in this Agreement remain true as of the date of the request and that no adverse developments affecting the financial condition of the Local Government or its ability to complete the Project or to repay the Project Loan plus interest have occurred since the date of this Agreement unless specifically disclosed in writing by the Local Government in the request for disbursement. Submitted requests for disbursement must be supported by proper invoices and other documentation required by and acceptable to the Department and the Authority.

After the Department has certified and the Authority has approved a request for disbursement, the Authority will disburse the Project Loan during the progress of the Project. Each disbursement shall be by electronic funds transfer or such other form of payment as specified in the Payment Schedule and shall be equal to that portion of the unpaid principal amount incurred to the date of the Local Government's request for disbursement. No more than 90% of the Project Loan shall be paid to the Local Government prior to the time the construction of the Project has been completed, the facilities constituting the Project are in the opinion of the Department in proper operation, and the Project has been approved by the Department; at that time the remaining 10% of the Project Loan may be paid to the Local Government. Provided, however, that if this Project Loan is for planning or replanning and design, payments may be made prior to the completion of construction of the Project for the full amount of costs associated with the planning or replanning and design.

6. AMENDMENT.

- (a) Increase in Project Loan. If the final Project Cost is greater than is estimated in Section 2(b), then the Project Loan may be increased by a subsequent agreement executed by the parties hereto (the amount of such increase may be subject to a different interest rate) if the following conditions are fulfilled:
- (1) Amounts in the Fund are authorized and available for such increase;
 - (2) The increased Project Loan otherwise meets the applicable statutory requirements and the regulations adopted thereunder; and
 - (3) Such increase in this Project Loan does not result in any violation or breach of any contract, resolution or ordinance of the Local Government.
- (b) Other Amendments and Modifications. Any other amendment or modification of this Agreement must first be approved by the Authority and must be in writing executed by the parties hereto.

7. REPRESENTATIONS AND COVENANTS OF LOCAL GOVERNMENT. The Local Government hereby represents, agrees and covenants with the State as follows:

- (a) To construct, operate and maintain the Project in accordance, and to comply, with all applicable federal and State statutes, rules, regulations, procedural guidelines, and grant conditions;
- (b) To comply with the Project schedule, plans and specifications, and any and all special conditions established and/or revised by the Department;
- (c) To commence operation of the Project on its completion; and not to contract with others for the operation and management of or to discontinue operation or dispose of the Project without the prior written approval of the Department and the Authority;
- (d) To provide for the Local Government's share of the cost of the Project;
- (e) To advise the Authority before pledging or encumbering its State Shared Taxes;
- (f) To comply with applicable federal requirements including the laws and executive orders listed on Exhibit A to this Agreement;
- (g) To advise the Department before applying for federal or other State assistance for the Project;
- (h) To establish and maintain adequate financial records for the Project in accordance with generally accepted government accounting principles; to cause to be made an annual audit acceptable to the Comptroller of the Treasury of the financial records and transactions covering each fiscal year; and to furnish a copy of such audit to the Authority. In the event of the failure or refusal of the Local Government to have the annual audit prepared, then the Comptroller of the Treasury may appoint an accountant or direct the Department of Audit to prepare the audit at the expense of the Local Government;
- (i) To provide and maintain competent and adequate engineering supervision and inspection of the Project to insure that the construction conforms with the approved Plans and Specifications;

- (j) To abide by and honor any further guarantees or securities as may be required by the State which are not in conflict with State or federal law;
- (k) To do, file, or cause to be done or filed, any action or statement required to perfect or continue the lien(s) or pledge(s) granted or created hereunder;
- (l) To establish and collect, and to increase, user fees and charges and/or increase or levy, as the case may be, ad valorem taxes as needed to pay the monthly installments due under this Agreement, as well as the other costs of operation and maintenance including depreciation and debt service of the system of which the Project is a part.

8. SECURITY AND DEFAULT. As security for payments due under this Agreement, the Local Government pledges users fees and charges and/or ad valorem taxes, and covenants and agrees that it shall increase such fees or increase or levy, as the case may be, ad valorem taxes as needed to pay the monthly installments due here under, as well as the other costs of operation and maintenance of the system, including depreciation. The Local Government covenants to establish and collect such fees and taxes and to make such adjustments to raise funds sufficient to pay such monthly payments and costs but to create only a minimum excess.

The Local Government further pledges such other additional available sources of revenues as are necessary to meet the obligations of the Local Government under this Agreement.

As further security for this Project Loan, the Local Government pledges and assigns subject to the provisions herein its Unobligated State-Shared Taxes in an amount equal to the maximum annual debt service requirements under this Agreement. In the event the Local Government fails to remit the monthly payments as established in the Payment Schedule, the Authority shall deliver by certified mail a written notice of such failure to the Local Government within 5 days of such failure. In the event the Local Government shall fail to cure payment delinquency within 60 days of the receipt of such notice, the Authority shall so notify the Commissioner of Finance and Administration of the State of Tennessee of the default of the Local Government and the assignment of Unobligated State-Shared Taxes under this Agreement. Upon receipt of such notice, the Commissioner shall withhold such sum or part of such sum from any State-Shared Taxes which are otherwise apportioned to the Local Government and pay only such sums necessary to liquidate the delinquency of the Local Government to the Authority for deposit into the fund. The Local Government acknowledges that it has no claim on State-Shared Taxes withheld as permitted under this Agreement.

9. CONDITIONS PRECEDENT. This Agreement is further conditioned on the receipt of the following documents, in form and substance acceptable to the Authority, if applicable, on or before the date of the first disbursement of the Project Loan; each document is to be dated or certified, as the case may be, on or before the date of the first disbursement of the Project Loan:

- (a) A general certificate of the Local Government certifying the resolution or ordinance authorizing the Local Government to enter into this Agreement, the resolution or ordinance authorizing the rate and fee structure for the users of the system, and other matters;
- (b) An opinion of the Attorney or Special Counsel to the Local Government to the effect that:
 - (1) The Local Government has been duly created and is validly existing and has full power and authority (under its Charter and By-laws or general law, if applicable, and other applicable statutes) to enter into and carry out the terms of this Agreement;

- (2) This Agreement is duly executed and constitutes a valid and binding contract of the Local Government, enforceable in accordance with its terms except as the enforceability thereof may be limited by bankruptcy, reorganization, insolvency, moratorium or similar laws affecting the enforcement of creditors rights generally;
 - (3) This Agreement is not in conflict in any material way with any contracts or ordinances of the Local Government; and
 - (4) There is no litigation materially adversely affecting this Agreement or the financial condition of the Local Government.
- (c) An opinion of a licensed engineer or certified public accountant as to the sufficiency of the rates, fees and charges to meet costs of operation and maintenance, including depreciation and all debt service of the Local Government in Paragraph 7(f);
 - (d) An opinion of a licensed engineer as to the reasonableness of the project costs and as to the estimated completion date of the Project; and
 - (e) A representation of the Local Government as to loans and state shared taxes.
10. SEVERABILITY. In the event any covenant, condition or provision of this Agreement is held to be invalid or unenforceable by a final judgment of a court of competent jurisdiction, the invalidity thereof shall in no way affect any of the other covenants, conditions or provisions hereof.
11. NOTICES. Any notice shall be delivered to the parties at the addresses below (or such other addresses as the parties shall specify to each other in writing):

To Department: Tennessee Department of Environment and Conservation
401 Church Street, 8th Floor
Nashville, TN 37243
ATTN: State Revolving Fund Loan Program

To Authority: Tennessee Local Development Authority
Suite 1600, James K. Polk Building
Nashville, TN 37243-0273
ATTN: Assistant Secretary

To Local Government: City of Chattanooga
ATTN: Daisy W. Madison, Chief Finance Officer
City Hall Annex, 100 East 11th Street
Chattanooga, TN 37402

12. SECTION HEADINGS. Section headings are provided for convenience of reference only and shall not be considered in construing the intent of the parties to this Agreement.

13. EFFECTIVE DATE. The effective date of this Agreement shall be the date on which the Authority approves this Agreement as indicated below.

IN WITNESS WHEREOF, the parties to this Agreement have caused the Agreement to be executed by their respective duly authorized representatives.

LOCAL GOVERNMENT

NAME: City of Chattanooga
(City)

BY: _____
Daisy W. Madison, Chief Finance Officer

DATE: _____

TENNESSEE LOCAL DEVELOPMENT
AUTHORITY

BY: _____

TITLE: _____

MEETING APPROVAL DATE: _____

INTEREST RATE: _____

APPROVED AS TO FUNDING:

COMMISSIONER, DEPARTMENT OF
ENVIRONMENT AND CONSERVATION

BY: _____

DATE: _____

COMMISSIONER OF FINANCE AND
ADMINISTRATION

BY: _____

DATE: _____

13. EFFECTIVE DATE. The effective date of this Agreement shall be the date on which the Authority approves this Agreement as indicated below.

IN WITNESS WHEREOF, the parties to this Agreement have caused the Agreement to be executed by their respective duly authorized representatives.

LOCAL GOVERNMENT

NAME: City of Chattanooga
(City)

BY: _____
Daisy W. Madison, Chief Finance Officer

DATE: _____

TENNESSEE LOCAL DEVELOPMENT
AUTHORITY

BY: _____

TITLE: _____

MEETING APPROVAL DATE: _____

INTEREST RATE: _____

APPROVED AS TO FUNDING:

COMMISSIONER, DEPARTMENT OF
ENVIRONMENT AND CONSERVATION

BY: _____

DATE: _____

COMMISSIONER OF FINANCE AND
ADMINISTRATION

BY: _____

DATE: _____

13. EFFECTIVE DATE. The effective date of this Agreement shall be the date on which the Authority approves this Agreement as indicated below.

IN WITNESS WHEREOF, the parties to this Agreement have caused the Agreement to be executed by their respective duly authorized representatives.

LOCAL GOVERNMENT

NAME: City of Chattanooga
(City)

BY: _____
Daisy W. Madison, Chief Finance Officer

DATE: _____

TENNESSEE LOCAL DEVELOPMENT
AUTHORITY

BY: _____

TITLE: _____

MEETING APPROVAL DATE: _____

INTEREST RATE: _____

APPROVED AS TO FUNDING:

COMMISSIONER, DEPARTMENT OF
ENVIRONMENT AND CONSERVATION

BY: _____

DATE: _____

COMMISSIONER OF FINANCE AND
ADMINISTRATION

BY: _____

DATE: _____

GENERAL CONDITIONS

CHATTANOOGA

SRF # 2013-318

The Local Government hereby agrees to comply with the General Conditions attached to, and made a part of, this Loan Agreement.

1. The following project schedule is established:
 - a. Submit complete plans and specifications on or before mm/dd/yyyy.
 - b. Receive bids on or before mm/dd/yyyy.
 - c. Start construction on or before mm/dd/yyyy.
 - d. Complete construction on or before mm/dd/yyyy.
 - e. Initiate operation on or before mm/dd/yyyy.
 - f. Complete start up services on or before mm/dd/yyyy.
2. No date reflected in the loan agreement, or in the project completion schedule, or extension of any such date, shall modify any compliance date established in an NPDES Permit. It is the borrower's obligation to request any required modification of applicable permit terms or other enforcement requirements.
3. In accordance with federal Executive Order 11625 dated October 13, 1971, and Executive Order 12138 dated May 18, 1979, the local government must make a good faith effort to include participation from Disadvantaged Business Enterprises (DBE) in subagreement awards. The Minority Business Enterprises (MBE) fair share goal is 2.6% for construction and 5.2% for supplies, services and equipment. The Women's Business Enterprises (WBE) fair share goal is 2.6% for construction and 5.2% for supplies, services and equipment.

The following steps must be utilized in soliciting participation:

- a. Include qualified small, Disadvantaged Business Enterprises (DBE) on solicitation lists.
- b. Assure that small, Disadvantaged Business Enterprises (DBE) are solicited.
- c. Divide total project requirement, when economically feasible, into small tasks or quantities to permit maximum participation of small, Disadvantaged Business Enterprises (DBE).
- d. Establish delivery schedules, where requirements of the work permit, which will encourage participation by small, Disadvantaged Business Enterprises (DBE).
- e. Use services and assistance of the Small Business Administration and the Minority Business Development Agency of the U. S. Department of Commerce, as appropriate.
- f. Require construction contractors to solicit Disadvantaged Business Enterprises (DBE) participation utilizing above steps a. through e.

- g. Require the Loan Recipient to have the Prime Contractor provide EPA Form 6100-2 to any DBE Subcontractor(s) that will participate in the construction of the project. The DBE Subcontractor(s) will use this form to describe the work received from the Prime Contractor, how much the DBE Subcontractor(s) was/were paid, and describe any other concerns of the DBE Subcontractor(s). The DBE Subcontractor(s) will then mail the completed form(s) to the EPA DBE Coordinator; Small and Disadvantaged Business Program; EPA, Region IV; Office of Policy and Management; 61 Forsyth Street, SW; Atlanta, GA 30303-8960.
- h. Require the Loan Recipient to have the Prime Contractor provide EPA Form 6100-3 to any DBE Subcontractor(s) intending to participate in the construction of the project. The DBE Subcontractor(s) will use this form to describe (1) the intended work to be performed for, and (2) the price of the work submitted to, the Prime Contractor. The DBE Subcontractor(s) will then submit the completed form(s) to the Loan Recipient as part of an Authority To Award (ATA) Bid Package.
- i. Require the Loan Recipient to provide EPA Form 6100-4 to the Prime Contractor for completion. The Prime Contractor will use this form to identify each DBE Subcontractor that will participate in the construction of the project and the estimated dollar amount of each DBE subcontract. The Prime Contractor will then submit the completed form to the Loan Recipient as part of an Authority To Award (ATA) Bid Package.

4. The Local Government will comply with the following:

- a. The Local Government must adhere with the most current Wage Rate (Davis-Bacon Act) applicable to the project.
- b. The bid advertisement for construction must state the wage rate requirements. The wage rate needs to be current at the bid opening.
- c. The wage determination (including any additional classifications and wage rates conformed) and a Davis-Bacon poster (WH-1321) must be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen.
- d. The wage rate information can be obtained at:
www.gpo.gov/davisbacon/referencemat.html and www.wdol.gov/.

5. The Local Government will comply with the following new Buy American requirements:

H.R.3547, "Consolidated Appropriations Act, 2014," (Appropriations Act) was enacted on January 17, 2014. This law provides appropriations for both Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) for Fiscal Year of 2014, while adding a Buy American requirement to these already existing programs. H.R. 3547 provides that none of the funds made available by a State water pollution control revolving fund as authorized by title VI of the Federal Water Pollution Control Act (33 U.S.C. 1381 et seq.) or made available by a drinking water treatment revolving loan fund as authorized by Section 1452 of the Safe Drinking water Act (42 U.S.C. 300j-12) shall be used for a project for the construction, alteration, maintenance, or repair of a public water system or treatment works unless all of the iron and steel products used in the project are produced in the United States. This requirement shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency (EPA) finds that:

- 1) applying the Buy American requirements would be inconsistent with the public interest;
- 2) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or
- 3) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

If the Administrator receives a request for a waiver under this section, the Administrator shall make a copy of the request and information concerning the request available to the public and shall allow for informal public input on the request for at least 15 days prior to making a finding based on the request. The Administrator shall make the request and other information available on the official EPA Internet Web site and by other electronic means.

6. The local government will comply with the following OMB Circular A-133 audit requirements:

The funding for this loan could be disbursed from federal or state sources or both. Therefore, the recipient should consider that all funding received is a federal award and abide by all relevant federal and/or state compliance requirements.

CFDA Title: Capitalization Grants for Clean Water State Revolving Funds

CFDA #: 66.458

Research and Development Award: No

Grant Number: CS470001XX

Federal Awarding Agency: Environmental Protection Agency, Office of Water

Confirmations of actual federal funding can be obtained at fiscal year-end from the Tennessee Comptroller of the Treasury, Division of Municipal Audit's Website @ <http://www.tn.gov/comptroller>.

At fiscal year-end, contact state SRF Loan Program for a breakdown by specific grant period(s), number(s), and amount(s).

OMB Circular A-133 Audit Requirements

Section 200 states, "Non-federal entities that expend \$500,000 or more in a year in Federal awards shall have a single or program-specific audit conducted for that year..."

Section 320 states, "The audit shall be completed and the data collection form described in paragraph (b) of this section and reporting package described in paragraph (c) of this section shall be submitted within . . . nine months after the end of the audit period . . ."

Section 225 states, "In cases of continued inability or unwillingness to have an audit conducted in accordance with these requirements, Federal agencies and pass-through entities shall take appropriate action using sanctions such as (a) Withholding a percentage of Federal awards until the audit is completed satisfactorily; (b) Withholding or disallowing overhead costs; (c) Suspending Federal awards until the audit is conducted; or (d) Terminating the Federal award."

7. The State of Tennessee and/or The United States Environmental Protection Agency shall have access to the official project files and job site.

SPECIAL CONDITIONS

1. TWRA requests that the applicant coordinate with them regarding concerns for the Chickamauga Crayfish (*Cambarus extraneus*) and the Snail Darter (*Percina tanasi*) in certain project areas. (Please see the IER package for complete details.)
2. U.S. FWS requests that a qualified individual should assess potential impacts to the Large-flowered Skullcap (*Scutellaria montana*) and the Snail Darter (*Percina tanasi*) in certain project areas. (Please see the IER package for complete details.)
3. Division of Natural Areas requests that a biological survey be conducted for the Large-flowered Skullcap (*Scutellaria montana*) in certain project areas. (Please see the IER package for complete details.)
4. Section 10/404 Permits are required from the U.S. Army COE in certain project areas. (Please see the IER package for complete details.)

LIST OF CLOSING DOCUMENTS RELATED TO LOAN AGREEMENT

Copy of the Local Government's Application for Project Loan

Loan Conditions

Budget Sheet

General Certificate with copies of ordinances/resolution approving Loan Agreement and Rate Structure

Opinion as to Sufficiency of Rates, Fees and Charges and Opinion as to Cost and Completion

Representation as to Loans and State Shared Taxes

Legal Opinion of Counsel to Local Government

EXHIBIT A

FEDERAL LAWS AND EXECUTIVE ORDERS

ENVIRONMENTAL:

Archaeological and Historic Preservation Act of 1974, PL 86-523, as amended.

Clean Air Act, PL 84-159, as amended.

Endangered Species Act PL 93-205, as amended.

Environmental Justice, Executive Order 12898.

Executive Order 11988, Floodplain Management as amended by E.O. 12148.

Protection of Wetlands Executive Order 11990.

Farmland Protection Policy Act, PL 97-98.

Fish and Wildlife Coordination Act, PL 85-624, as amended.

National Historic Preservation Act of 1966, PL 89-665, as amended.

Safe Drinking Water Act, PL 93-523, as amended.

Water Pollution Control Act of 1972, PL 92-500, as amended.

Wild and Scenic Rivers Act, PL 90-542, as amended.

ECONOMIC AND MISCELLANEOUS AUTHORITIES

Demonstration Cities and Metropolitan Development Act of 1966, PL 89-754 as amended, Executive Order 12372.

Procurement Prohibitions under Section 306 of Clean Air Act and Section 508 of Clean Air Act, including Executive Order 11738, Administration of Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants and Loans.

Uniform Relocation and Real Property Acquisition Policies Act, PL 91-646, as amended.

Debarment and Suspension, Executive Order 12549.

SOCIAL POLICY AUTHORITIES

Age Discrimination Act, PL 94-135.

Title VI of Civil Rights Act of 1964, PL 88-352 and related anti-discrimination statues applied to all of the operations of the SRF Program.

Section 13 of PL 92-500; Federal Water Pollution Control Act Amendments of 1972, PL 92-500 (the Clean Water Act).

Section 504 of the Rehabilitation Act of 1973, PL 93-112 (including Executive Orders 11914 and 11250).

Equal Employment Opportunity, Executive Order 11246.

Women's and Minority Business Administration Reauthorization and Amendment Act of 1988, Executive Orders 11625, 12138, and 12432.

Section 129 of Small Business Administration Reauthorization and Amendment Act of 1988, PL 100-590.



DEPARTMENT OF ENVIRONMENT AND CONSERVATION
STATE REVOLVING FUND LOAN PROGRAM

STATE REVOLVING FUND LOAN
BUDGET-BUDGET FORM

LEGAL NAME OF APPLICANT:
ADDRESS:
CITY, STATE, ZIP:

City of Chattanooga
109 East 14th Street
Chattanooga, TN 37402

CHECK ONE:
 X

Clean Water
Drinking Water

CLASSIFICATIONS OF COSTS	(1)	(2)*	(3)*	(4)*	(5)*	(6)	(7)	(8)	(9)	(10)	(11)
	CURRENT SRF BUDGET (\$)	SRF ADJUSTMENT (\$)	REVISED SRF BUDGET* (\$)	LOCAL SHARE (\$)	LOCAL SHARE ADJUSTMENT* (\$)	REVISED LOCAL SHARE* (\$)	OTHER FUNDS (\$)	REVENUE LOCAL SHARE* (\$)	REVENUE LOCAL SHARE* (\$)	REVENUE LOCAL SHARE* (\$)	CURRENT TOTAL PROJECT COSTS (\$)
(a) Administrative & Legal Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(b) Land Costs, Appraisals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(c) Planning Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(d) Design Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(e) Engineering Basic Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(f) Other Engineering Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(g) Project Inspection Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(h) Construction and Project Improvement											
(h1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(h2)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(h3)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(h4)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(h5)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(h6)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(h7)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(h8)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(i) Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(j) Miscellaneous Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(k) Contingencies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTALS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

ENGINEER'S OR AUTHORIZED REPRESENTATIVE'S SIGNATURE: _____ DATE: _____

*Applicable only to budget revisions.
**Only forms submitted with original signatures will be processed.
NOTE: Additional columns may be added, if necessary, to accommodate additional funding agencies.
Form Revised 4-2002

GENERAL CERTIFICATE

The undersigned, Daisy W. Madison, the Chief Finance Officer of the City of Chattanooga, Tennessee ("Local Government"), DOES HEREBY CERTIFY as follows:

1. The Local Government is a validly created and duly organized and existing subdivision of the State of Tennessee.
2. The resolution or ordinance of the Local Government duly adopted on _____ (date), a copy of which is attached, authorizing the undersigned to execute in the name and behalf of the Local Government all documents in connection with the Project Loan with the State of Tennessee to finance a project under the Wastewater Facilities Act of 1987 ("Project") has not been amended, modified, supplemented or rescinded since its date of adoption.
3. The resolution or ordinance of the Local Government duly adopted on _____ (date), a copy of which is attached, establishing the rate and fee structure for the wastewater system of which the Project is a part has not been amended, modified, supplemented or rescinded since its date of adoption.
4. The Local Government is aware that each request for disbursement submitted pursuant to Section 5 of the Project Loan Agreement constitutes a reaffirmation by the Local Government as to the continuing truth and completeness of the statements and representations contained in the Project Loan Agreement.

IN WITNESS OF THE CERTIFICATE, the undersigned has executed this certificate and affixed the seal, if any, of the Local Government on this _____ day of _____, 2014.

S-E-A-L

Daisy W. Madison, Chief Finance Officer

ATTEST:

Name

Title or Office

GENERAL CERTIFICATE

The undersigned, Daisy W. Madison, the Chief Finance Officer of the City of Chattanooga, Tennessee ("Local Government"), DOES HEREBY CERTIFY as follows:

1. The Local Government is a validly created and duly organized and existing subdivision of the State of Tennessee.
2. The resolution or ordinance of the Local Government duly adopted on _____ (date), a copy of which is attached, authorizing the undersigned to execute in the name and behalf of the Local Government all documents in connection with the Project Loan with the State of Tennessee to finance a project under the Wastewater Facilities Act of 1987 ("Project") has not been amended, modified, supplemented or rescinded since its date of adoption.
3. The resolution or ordinance of the Local Government duly adopted on _____ (date), a copy of which is attached, establishing the rate and fee structure for the wastewater system of which the Project is a part has not been amended, modified, supplemented or rescinded since its date of adoption.
4. The Local Government is aware that each request for disbursement submitted pursuant to Section 5 of the Project Loan Agreement constitutes a reaffirmation by the Local Government as to the continuing truth and completeness of the statements and representations contained in the Project Loan Agreement.

IN WITNESS OF THE CERTIFICATE, the undersigned has executed this certificate and affixed the seal, if any, of the Local Government on this _____ day of _____, 2014.

S-E-A-L

Daisy W. Madison, Chief Finance Officer

ATTEST:

Name

Title or Office

GENERAL CERTIFICATE

The undersigned, Daisy W. Madison, the Chief Finance Officer of the City of Chattanooga, Tennessee ("Local Government"), DOES HEREBY CERTIFY as follows:

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2. The resolution or ordinance of the Local Government duly adopted on _____ (date), a copy of which is attached, authorizing the undersigned to execute in the name and behalf of the Local Government all documents in connection with the Project Loan with the State of Tennessee to finance a project under the Wastewater Facilities Act of 1987 ("Project") has not been amended, modified, supplemented or rescinded since its date of adoption.
3. The resolution or ordinance of the Local Government duly adopted on _____ (date), a copy of which is attached, establishing the rate and fee structure for the wastewater system of which the Project is a part has not been amended, modified, supplemented or rescinded since its date of adoption.
4. The Local Government is aware that each request for disbursement submitted pursuant to Section 5 of the Project Loan Agreement constitutes a reaffirmation by the Local Government as to the continuing truth and completeness of the statements and representations contained in the Project Loan Agreement.

IN WITNESS OF THE CERTIFICATE, the undersigned has executed this certificate and affixed the seal, if any, of the Local Government on this _____ day of _____, 2014.

S-E-A-L

Daisy W. Madison, Chief Finance Officer

ATTEST:

Name

Title or Office

(Please type on City Attorney's letterhead)

Date (On or after date Loan Agreement signed)

Tennessee Local Development Authority and
Tennessee Department of Environment and Conservation
C/o State Revolving Fund Loan Program
WRS, Tennessee Tower, 12th Floor
312 Rosa L. Parks Avenue
Nashville, TN 37243

RE: City of Chattanooga
Loan #SRF 2013-318

Dear Madam/Sir:

I am the City Attorney for Chattanooga, Tennessee, and I have reviewed the Revolving Fund Loan Agreement for the above referenced project (the "Agreement") in the amount of \$66,800,000. Pursuant to provisions of Paragraph 9 of the Loan Agreement, you have requested that the City of Chattanooga furnish you with my opinion as to certain matters. It is my opinion that:

1. The City of Chattanooga, Tennessee, a municipality, has been duly created and is validly existing and has full power and authority (under its Charter and By-laws or general law, if applicable, and other applicable statutes) to enter into and carry out the terms of the Agreement;
2. The Agreement is duly executed and constitutes a valid and binding contract to the City of Chattanooga, Tennessee, a municipality, enforceable in accordance with its terms except as the enforceability thereof may be limited by bankruptcy, reorganization, insolvency, moratorium or similar laws affecting the enforcement of creditors rights generally;
3. The Agreement is not in conflict in any material way with any contracts or ordinances of the City of Chattanooga, Tennessee, a municipality and
4. There is no litigation materially adversely affecting the Agreement or the financial condition of the City of Chattanooga, Tennessee, a municipality.

Sincerely,

Name, Title
Firm

(Please type on Engineer's letterhead)

Date (On or after date Loan Agreement signed)

Tennessee Local Development Authority and
Tennessee Department of Environment and Conservation
C/o State Revolving Fund Loan Program
WRS, Tennessee Tower, 12th Floor
312 Rosa L. Parks Avenue
Nashville, TN 37243

RE: City of Chattanooga
Loan #SRF 2013-318

Dear Madam/Sir:

We are the consulting engineers for the City of Chattanooga, Tennessee. Pursuant to Paragraph 9 of the Revolving Fund Loan Agreement in the amount of \$66,800,000 to finance the above referenced project you have requested that the City of Chattanooga furnish you with our opinion as to certain matters. We are of the opinion:

1. The user charges implemented by the City are sufficient based on a Rate Study dated _____ to meet costs of operation and maintenance including depreciation and all debt service of the system; and
2. The estimated project costs are reasonable; and
3. The estimated completion date of the Project will be _____.

Sincerely,

Name, Title
Firm

SAMPLE PROJECT SCHEDULE

- a. Submit complete plans and specifications on or before mm/dd/yyyy.
- b. Receive bids on or before mm/dd/yyyy.
- c. Start construction on or before mm/dd/yyyy.
- d. Complete construction on or before mm/dd/yyyy.
- e. Initiate operation on or before mm/dd/yyyy.
- f. Complete start up services on or before mm/dd/yyyy.

<p align="center">Preaward Compliance Review Report for All Applicants and Recipients Requesting EPA Financial Assistance <i>Note: Read instructions on other side before completing form.</i></p>		
I.	Applicant/Recipient (Name, Address, State, Zip Code).	DUNS No.
	City of Chattanooga, 455 Moccasin Bend Road, Chattanooga, TN 37405	
II.	Is the applicant currently receiving EPA assistance?	
III.	List all civil rights lawsuits and administrative complaints pending against the applicant/recipient that allege discrimination based on race, color, national origin, sex, age, or disability. (Do not include employment complaints not covered by 40 C.F.R. Parts 5 and 7. See instructions on reverse side.)	
IV.	List all civil rights lawsuits and administrative complaints decided against the applicant/recipient within the last year that allege discrimination based on race, color, national origin, sex, age, or disability and enclose a copy of all decisions. Please describe all corrective action taken. (Do not include employment complaints not covered by 40 C.F.R. Parts 5 and 7. See instructions on reverse side.)	
V.	List all civil rights compliance reviews of the applicant/recipient conducted by any agency within the last two years and enclose a copy of the review and any decisions, orders, or agreements based on the review. Please describe any corrective action taken. (40 C.F.R. § 7.80(c)(3))	
VI.	Is the applicant requesting EPA assistance for new construction? If no, proceed to VII; if yes, answer (a) and/or (b) below.	
	Yes No	
a.	If the grant is for new construction, will all new facilities or alterations to existing facilities be designed and constructed to be readily accessible to and usable by persons with disabilities? If yes, proceed to VII; if no, proceed to VI(b). Yes No	
b.	If the grant is for new construction and the new facilities or alterations to existing facilities will not be readily accessible to and usable by persons with disabilities, explain how a regulatory exception (40 C.F.R. § 7.70) applies. Yes No	
VII.*	Does the applicant/recipient provide initial and continuing notice that it does not discriminate on the basis of race, color, national origin, sex, age, or disability in its programs or activities? (40 C.F.R. § 5.140 and § 7.95) Yes No	
a.	Do the methods of notice accommodate those with impaired vision or hearing? Yes No	
b.	Is the notice posted in a prominent place in the applicant's offices or facilities or, for education programs and activities, in appropriate periodicals and other written communications? Yes No	
c.	Does the notice identify a designated civil rights coordinator? Yes No	
VIII.*	Does the applicant/recipient maintain demographic data on the race, color, national origin, sex, age, or handicap of the population it serves? (40 C.F.R. § 7.85(a))	
IX.*	Does the applicant/recipient have a policy/procedure for providing access to services for persons with limited English proficiency? (40 C.F.R. Part 7, E.O. 13166)	
X.*	If the applicant/recipient is an education program or activity, or has 15 or more employees, has it designated an employee to coordinate its compliance with 40 C.F.R. Parts 5 and 7? Provide the name, title, position, mailing address, e-mail address, fax number, and telephone number of the designated coordinator.	
XI.*	If the applicant/recipient is an education program or activity, or has 15 or more employees, has it adopted grievance procedures that assure the prompt and fair resolution of complaints that allege a violation of 40 C.F.R. Parts 5 and 7? Provide a legal citation or Internet address for, or a copy of, the procedures.	
For the Applicant/Recipient		
I certify that the statements I have made on this form and all attachments thereto are true, accurate and complete. I acknowledge that any knowingly false or misleading statement may be punishable by fine or imprisonment or both under applicable law. I assure that I will fully comply with all applicable civil rights statutes and EPA regulations.		
A. Signature of Authorized Official	B. Title of Authorized Official	C. Date
For the U.S. Environmental Protection Agency		
I have reviewed the information provided by the applicant/recipient and hereby certify that the applicant/recipient has submitted all preaward compliance information required by 40 C.F.R. Parts 5 and 7; that based on the information submitted, this application satisfies the preaward provisions of 40 C.F.R. Parts 5 and 7; and that the applicant has given assurance that it will fully comply with all applicable civil rights statutes and EPA regulations.		
A. Signature of Authorized EPA Official	B. Title of Authorized EPA Official	C. Date
See ** note on reverse side.		

Instructions for EPA FORM 4700-4 (Rev. 04/2009)

General

Recipients of Federal financial assistance from the U.S. Environmental Protection Agency must comply with the following statutes and regulations.

Title VI of the Civil Rights Act of 1964 provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. The Act goes on to explain that the statute shall not be construed to authorize action with respect to any employment practice of any employer, employment agency, or labor organization (except where the primary objective of the Federal financial assistance is to provide employment).

Section 13 of the 1972 Amendments to the Federal Water Pollution Control Act provides that no person in the United States shall on the ground of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under the Federal Water Pollution Control Act, as amended. Employment discrimination on the basis of sex is prohibited in all such programs or activities.

Section 504 of the Rehabilitation Act of 1973 provides that no otherwise qualified individual with a disability in the United States shall solely by reason of disability be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. Employment discrimination on the basis of disability is prohibited in all such programs or activities.

The Age Discrimination Act of 1975 provides that no person on the basis of age shall be excluded from participation under any program or activity receiving Federal financial assistance. Employment discrimination is not covered. Age discrimination in employment is prohibited by the Age Discrimination in Employment Act administered by the Equal Employment Opportunity Commission.

Title IX of the Education Amendments of 1972 provides that no person in the United States on the basis of sex shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance. Employment discrimination on the basis of sex is prohibited in all such education programs or activities. Note: an education program or activity is not limited to only those conducted by a formal institution.

40 C.F.R. Part 5 implements Title IX of the Education Amendments of 1972.

40 C.F.R. Part 7 implements Title VI of the Civil Rights Act of 1964, Section 13 of the 1972 Amendments to the Federal Water Pollution Control Act, and Section 504 of The Rehabilitation Act of 1973.

The Executive Order 13166 (E.O. 13166) entitled: "Improving Access to Services for Persons with Limited English Proficiency" requires Federal agencies work to ensure that recipients of Federal financial assistance provide meaningful access to their LEP applicants and beneficiaries.

Items

"Applicant" means any entity that files an application or unsolicited proposal or otherwise requests EPA assistance. 40 C.F.R. §§ 5.105, 7.25.

"Recipient" means any entity, other than applicant, which will actually receive EPA assistance. 40 C.F.R. §§ 5.105, 7.25.

"Civil rights lawsuits and administrative complaints" means any lawsuit or administrative complaint alleging discrimination on the basis of race, color, national origin, sex, age, or disability pending or decided against the applicant and/or entity which actually benefits from the grant, but excluding employment complaints not covered by 40 C.F.R. Parts 5 and 7. For example, if a city is the named applicant but the grant will actually benefit the Department of Sewage, civil rights lawsuits involving both the city and the Department of Sewage should be listed.

"Civil rights compliance review" means any review assessing the applicant's and/or recipient's compliance with laws prohibiting discrimination on the basis of race, color, national origin, sex, age, or disability.

Submit this form with the original and required copies of applications, requests for extensions, requests for increase of funds, etc. Updates of information are all that are required after the initial application submission.

If any item is not relevant to the project for which assistance is requested, write "NA" for "Not Applicable."

In the event applicant is uncertain about how to answer any questions, EPA program officials should be contacted for clarification.

* Questions VII - XI are for informational use only and will not affect an applicant's grant status. However, applicants should answer all questions on this form. (40 C.F.R. Parts 5 and 7).

** Note: Signature appears in the Approval Section of the EPA Comprehensive Administrative Review For Grants/Cooperative Agreements & Continuation/Supplemental Awards form.

Approval indicates, in the reviewer's opinion, questions 1 - VI of Form 4700-4 comply with the preaward administrative requirements for EPA assistance.

"Burden Disclosure Statement"

EPA estimates public reporting burden for the preparation of this form to average 30 minutes per response. This estimate includes the time for reviewing instructions, gathering and maintaining the data needed and completing and reviewing the form. Send comments regarding the burden estimate, including suggestions for reducing this burden, to U.S. EPA, Attn: Collection Strategies Division (MC 2822T), Office of Information Collection, 1200 Pennsylvania Ave., NW, Washington, D.C. 20460; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

The information on this form is required to enable the U.S. Environmental Protection Agency to determine whether applicants and prospective recipients are developing projects, programs and activities on a nondiscriminatory basis as required by the above statutes and regulations.

**REPRESENTATION OF THE LOCAL GOVERNMENT
AS TO LOANS AND STATE-SHARED TAXES
Chattanooga SRF 2013-318**

The Local Government hereby represents that:

- (1) The total amount of State-Shared Taxes received by the Local Government in the prior fiscal year of the State is \$22,861,293.
- (2) (a) The prior loans which have been funded for which the Local Government has pledged its State-Shared Taxes are as follows:

Loan Type	Loan #	Loan Amount	Principal Forgiven	Max. Annual Debt Service
SRF/Sewer	SRF 03-168	\$37,321,000	-	\$2,617,872
SRF/Sewer	SRF 07-204	\$13,000,000	-	\$848,868
SRF/Sewer	SRF 11-289	\$20,000,000	-	\$1,214,124
SRF/Sewer	SRF 12-307	\$33,100,000	-	\$1,853,404

- (b) The maximum aggregate annual debt service is \$6,534,268.
- (3) (a) The loans which have been applied for or have been approved with funding not yet provided, for which the Local Government has pledged its State-Shared Taxes are as follows:

Loan Type	Anticipated Interest Rate	Original \$/Amt	Principal Forgiven	Anticipated Max. Annual Debt Service
SRF/Sewer	1.67%	\$66,800,000	-	\$3,931,074

- (b) The anticipated maximum aggregate annual debt service is \$3,931,074.

- (4) (a) State-Shared Taxes have been pledged by the Local Government to secure other obligations describe below:

Type of Obligation	Identifying #	Original \$/Amt	Max. Annual Pledge of State-Shared Taxes
N/A			

- (b) The anticipated maximum aggregate annual pledge of State-Shared Taxes pursuant of other obligations is \$0.
- (5) The amount of Local Government indebtedness Subparagraphs (2)(b), (3)(b) and (4)(b) having a lien on the State-Shared Taxes referred above is \$10,465,342

(6) The amount set forth in Subparagraph (1) less the amount set forth in Subparagraph (5) is \$12,395,950.

Duly signed by an authorized representative of the Local Government on this _____ day of _____, 2014.

LOCAL GOVERNMENT

BY: _____
Daisy W. Madison, Chief Finance Officer

(6) The amount set forth in Subparagraph (1) less the amount set forth in Subparagraph (5) is \$12,395,950.

Duly signed by an authorized representative of the Local Government on this _____ day of _____, 2014.

LOCAL GOVERNMENT

BY: _____
Daisy W. Madison, Chief Finance Officer

(6) The amount set forth in Subparagraph (1) less the amount set forth in Subparagraph (5) is \$12,395,950.

Duly signed by an authorized representative of the Local Government on this _____ day of _____, 2014.

LOCAL GOVERNMENT

BY: _____
Daisy W. Madison, Chief Finance Officer