RESOLUTION NO. RS2018-1447 (VERCHER, O'CONNELL, & SLEDGE) – This resolution would authorize the Metropolitan Mayor to make an application to the State of Tennessee's Clean Water State Revolving Fund Program and a Drinking Water State Revolving Fund Program (SRF Loan Program). The SRF Loan Program assists local governments in Tennessee to fund all or part of their clean water and safe drinking water project costs.

This resolution would authorize the Metropolitan Mayor, or his designee, to make application for and to execute all necessary documents to apply for a SRF Loan Program loan to fund the following eligible clean water and safe drinking projects:

Project Name	**Loan Amount**
12th Avenue Water Main Replacement - *Drinking Water*	$6,500,000
8th Avenue Water Reservoir - *Drinking Water*	$16,900,000
38th Avenue Water Reservoir - *Drinking Water*	$7,300,000
Shepherd Hills Sewer Rehabilitation - *Clean Water*	$4,000,000
Mill Creek Sewer Rehabilitation - *Clean Water*	$10,500,000
Smith Springs Sewer Rehabilitation - *Clean Water*	$10,500,000
Shelby Park Sewer Rehabilitation - *Clean Water*	$5,000,000
Dry Creek Sewer Rehabilitation - *Clean Water*	$4,500,000
Davidson Branch Pump Station and Equalization Facility - *Clean Water*	$25,000,000

Fiscal Note: SRF loans are administered by the Tennessee Department of Environment and Conservation (TDEC), but are part of a larger federal program that gives dollars to states to be loaned to Water/Wastewater Facilities for these purposes. As such, the Metropolitan Department of Water and Sewer Services (MWS) would follow all normal federal regulations such as The Davis-Bacon Act, The American Iron & Steel requirement, and others.

These loans, totaling $90,200,000, have favorable interest rates that may be as low as 1-2%. The maximum term for these loans is 20 years. MWS would begin loan repayment after completion of the projects or when the projects are substantially completed.

MWS revenues would be used to repay the loan. If these revenues were ever insufficient, there is a clause in the loan that pledges state shared taxes as security in the event of default. These state share taxes would include the state sales tax, litigation tax, wheel tax, etc.