



JASON E. MUMPOWER
Comptroller

September 13, 2024

Mr. John Brown, General Manager
and Board of Commissioners
Harpeth Valley Utilities District
P.O. Box 210319
Nashville, TN 37221

Dear Mr. Brown and Members of the Board:

Thank you for your request. We acknowledge receipt on August 30th, 2024, of a request from the General Manager of the Harpeth Valley Utilities District (the "District") for a report on a plan of finance (the "Plan") for the District's proposed issuance of a maximum \$30,000,000 Utilities Revenue Bonds, Series 2024B.

Pursuant to the provisions of Tenn. Code Ann. Title 7 Chapter 82, enclosed is a report based upon our review of the District's Plan. The Plan, this letter, and the enclosed report should be made available on the District's website and must be presented to each member of the Commission for review prior to the adoption of the bond authorizing resolution.

This report does not address compliance with federal tax regulations and is not to be relied upon for that purpose. The District should discuss these issues with bond counsel.

Publication Requirement

The enclosed report must be published once during the week following its receipt in a newspaper of general circulation in the counties served by the District.

Balloon Indebtedness

The District currently has a S&P's rating of AA+ on some of its long-term debt, therefore, the proposed structure of the Series 2024B Bonds is not balloon indebtedness as defined in Tenn. Code Ann. § 9-21-133.

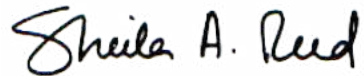
After Issuance

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 indebtedness.

Letter to Harpeth Valley Utilities District
September 13, 2024

If you should have questions or need assistance, please refer to our online resources or feel free to contact your financial analyst, Charlie Lester, at 615.401.7762 or Charlie.Lester@cot.tn.gov.

Sincerely,



Sheila Reed, Director
Division of Local Government Finance

cc: Mr. Samuel Crewse, Stephens Inc.
Mr. Jeff Oldham, Bass Berry & Sims

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



**Report on Utilities Revenue Bonds, Series 2024B
The Harpeth Valley Utilities District, Nashville, Tennessee**

This report is being issued pursuant to Tenn. Code Ann. Title 7 Chapter 82, and is based upon information as presented in a plan of finance (the “Plan”) received by our office on August 30th, from the Harpeth Valley Utilities District (the “District”). Our report provides information to assist the governing body in its responsibility to understand the nature of the transaction, including the costs, 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. This report and the District’s Plan must be presented to the governing body prior to the adoption of a resolution authorizing the bonds.

PROPOSED DEBT AND PROJECT:

The District stated it plans to issue an estimated \$30,000,000 Utilities Revenue Bonds, Series 2024B, to finance cost of new improvements and expansions to the water system, fund a debt service reserve fund, and pay costs of issuance.

COSTS:

Estimated costs of issuance for the Series 2024B Bonds are below and are based on a par amount of \$30,000,000:

	Amount	Price per \$1,000 Bond
Underwriters Discount (TBD)	\$ 150,000	\$ 5.00
Municipal Advisor (Stephens Inc.)	65,000	1.00
Bond Counsel (Bass, Berry & Sims PLC)	30,000	2.17
Rating Agency Fee	26,775	0.89
Miscellaneous Fees	3,225	0.11
Total Cost of Issuance	\$ 275,000	\$ 9.17

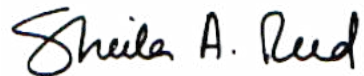
FINANCIAL POSITION:

The District is currently not under the oversight of the Tennessee Board of Utility Regulation. For fiscal year 2023, the District increased its total net position by \$6,759,676 and reported current assets sufficient to pay its current liabilities. In its preliminary official statement the District reported an audited debt service coverage ratio of 1.94x for fiscal year 2023, projects 1.92x for fiscal year 2024, and projects that after the debt is issued the debt service coverage ratio will be 1.84x, 1.74x, and 1.75x for fiscal years 2025, 2026, and 2027, respectively.

Report on Plan of Finance
Harpeth Valley Utilities District

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 District's governing body to review prior to adopting a new authorizing resolution for the bonds.



Sheila Reed
Director of the Division of Local Government Finance
Date: September 13, 2024