



JASON E. MUMPOWER
Comptroller

March 12, 2026

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 March 5, 2026, 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 an estimated \$1,720,000 Waterworks Revenue Bonds, Series 2026.

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 an S&P rating of AA+ on some of its revenue debt, therefore, the proposed structure of the Series 2026 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.

Harpeth Valley Utilities District
March 12, 2026

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. Jeff Oldham, Bass Berry & Sims
Mr. Jeff Dykstra, Harpeth Valley Utilities District

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



**Report on \$1,720,000 Waterworks Revenue Bonds, Series 2026
The Harpeth Valley Utilities District of Davidson and Williamson Counties**

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 March 5, 2026, 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 \$1,720,000 Waterworks Revenue Bonds, Series 2026, to finance the replacement of a water transmission main for the District. The bonds will have a 40-year maturity, will be guaranteed by the USDA for 90% of the payment, and will pay interest at a taxable rate estimated at the current market to be 7.633%, but subject to market conditions at the time of closing.

COSTS:

Estimated costs of issuance for the Series 2026 Bonds are:

	Amount	Price per \$1,000 Bond
Bank Fees/Cossts (X-Caliber Rural Capital LLC)	\$ 78,300	\$ 45.52
USDA Guarantee Fees	15,480	\$ 9.00
Bond Counsel (Bass, Berry & Sims PLC)	15,000	\$ 8.72
Bank Searches & Escrow Expenses	11,220	\$ 6.52
Miscellaneous Fees	1,750	\$ 1.02
Total Cost of Issuance	\$ 121,750	\$ 70.78

FINANCIAL POSITION:

The District is currently not under the oversight of the Tennessee Board of Utility Regulation. For fiscal year ended December 31, 2024, the District increased its total net position by \$7,128,376 and reported current assets sufficient to pay its current liabilities. For fiscal year 2025 the District projected a debt service coverage ratio of 1.74x prior to the issuance of the Series 2026 Bonds and estimates that after the debt is issued the debt service coverage ratio will be 1.72x, 1.66x and 1.60x for fiscal years 2026, 2027 and 2028, respectively.

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: March 12, 2026