



JASON E. MUMPOWER
Comptroller

September 23, 2024

Mr. Terry Wimberley, President
and Board of Directors
Paris Utility Authority
P.O. Box 460
Paris, TN 38242

Dear Mr. Wimberley and Members of the Board:

Thank you for your request. We acknowledge receipt on September 11, 2024, of a request from the president and CEO of the Paris Utility Authority (the "Authority") for a report on a plan of finance (the "Plan") for the Authority's proposed and estimated indebtedness of \$2,965,000, secured by revenues from the water and sewer systems.

Pursuant to the provisions of Tenn. Code Ann. Title 7 Chapter 36, 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 the authorizing resolution.

This 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.

The Authority has requested approval from the Tennessee Local Development Authority ("TLDA") to incur the indebtedness and to issue the debt on parity with its outstanding State Revolving Fund loan agreements. The issuance and lien position are dependent on the TLDA's approval.

Publication Requirement

The enclosed report must be published once during the week following its receipt in a newspaper of general circulation in the county of the principal office of the Authority or the county the Authority primarily serves if its principal office is not also located in that county, and once on the Authority's website.

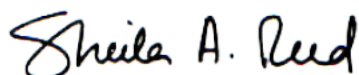
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After Issuance

Our website contains specific compliance requirements your local government will be responsible for once the debt is 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.

If you should have questions or need assistance, please refer to our online resources on our website or feel free to contact your financial analyst, Benjamin Johnson, at 615.747.8831 or Benjamin.S.Johnson@cot.tn.gov.

Sincerely,



Sheila Reed, Director
Division of Local Government Finance

cc: Mr. Jeff Oldham, Bass Berry & Sims
Ms. Elizabeth Zuelke, Vice President, Raymond James
Ms. Sandi Thompson, Director, Division of State Government Finance, COT

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

SR:at



**Report on Water and Sewer Revenue Indebtedness, Series 2024
The Paris Utility Authority, Paris, Tennessee**

This report is being issued pursuant to Tenn. Code Ann. Title 7 Chapter 36, and is based upon information as presented in a plan of finance (the “Plan”) received by our office on September 11, 2024, from the Paris Utility Authority (the “Authority”). 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 debt 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 Authority’s Plan must be presented to the governing body prior to the adoption of a resolution authorizing the indebtedness.

PROPOSED BORROWING AND PROJECT:

The Authority plans to issue an estimated \$2,965,000 Water and Sewer Revenue Bonds, Series 2024, at a premium of \$156,781, to finance capital improvements to the Authority’s water and sewer systems, and engineering costs for the water system. The portions for the water and sewer systems are \$1,860,000, and \$1,105,000, respectively. The bonds will be sold by competitive public sale, issued at a fixed interest rate, and structured to amortize the engineering costs in the first 5 years of the 20-year repayment schedule.

COSTS OF ISSUANCE:

The costs associated with the proposed debt are listed below and are based on the par amount of \$2,965,000.

	Amount	Price per \$1,000 Bond
Underwriter's Discount	\$ 44,475	\$ 15.00
Municipal Advisor	24,500	8.26
Bond Counsel (Bass, Berry, and Sims)	15,000	5.06
Bond Insurance	8,581	2.89
Miscellaneous	2,950	0.99
Total Cost of Issuance:	\$ 95,506	\$ 32.20

FINANCIAL POSITION:

The Authority is currently not under the oversight of the Tennessee Board of Utility Regulation. For fiscal year 2023, the Authority increased its Water Fund net position by \$102,997, and its Sewer Fund net position by \$278,659. Both funds reported current assets sufficient to pay current liabilities.

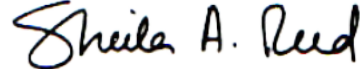
Debt Service Coverage Ratios:

For fiscal years 2023 through 2027, the Authority reported in its Plan the following debt service coverage ratios. Fiscal years 2023 and 2024 are before the issuance of the debt and fiscal years 2025-2027 are post issuance. The debt will be issued with a shared revenue pledge from both water and sewer; however, separate coverage ratios are shown because these independent funds must be maintained separately and cannot support one another.

Fiscal Year	Water Fund	Sewer Fund
2023	1.52	1.38
2024	1.55	1.41
2025	1.21	1.30
2026	1.28	1.38
2027	1.31	1.42

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.



Sheila Reed
Director of the Division of Local Government Finance
Date: September 23, 2024