

PLAN OF REFUNDING

A) Identification of Key Professionals (including financial advisors, bond counsel, underwriters, or lenders) who have provided advice or proposals on which the Entity relied to prepare the Plan):

1. Financial Advisor: Kidwell and Company
2. Bond Counsel: Nelson Mullins Riley & Scarborough LLP
3. Underwriter: TBD
4. Lender: N/A

B) Purpose(s) of Refunding, including parameters:

1. **Cost Savings: include a projection of the savings and amortization schedules for both refunding and refunded debt:** The Bonds will result in a cost savings to the District in the amount of \$1,104,886.43 as reflected in the attached Schedule A.
2. **Restructuring: provide a comparison of existing and proposed structures, describing why debt is being structured:**
3. **Covenant change: Clearly describe covenant to be eliminated or revised and any change in the structure:**
 - a. The District is required to maintain a debt service reserve fund with respect to the: (i) United States Department of Agriculture Series 1977 Waterworks Revenue Bond; (ii) United States Department of Agriculture Series 1979 Waterworks Revenue Bond; (iii) Series 1988 United States Department of Agriculture Waterworks Revenue Bond; (iv) Series 2001 United States Department of Agriculture Waterworks Revenue Bond; (v) Series 2002 Gladeville Utility District Waterworks Revenue Refunding and Improvement Bonds (collectively, the "Refunded Bonds"); and (vi) SRF Loan DWF 00-021 (the "SRF Loan"). The Bonds will eliminate the requirement to fund and maintain a debt service reserve fund. A copy of the resolutions and specimen bonds for each of the Refunded Bonds is attached hereto as Schedule B.
 - b. The District is restricted from entering into additional debt payable from the revenues of the system unless it meets a debt service coverage to net revenues of "at least one and one-half times the average annual requirements for principal and interest on all obligations then outstanding payable from the revenues of the system; and the estimated annual net revenues of the system, plus the estimated average annual net revenues to be derived from the improvements to be financed by such additional bonds, all as forecast over a period not exceeding ten years from the date of such additional bonds..." with respect to: (i) the Series 1977 United States Department of Agriculture Waterworks Revenue Bond and (ii) the Series 1979 United States Department of Agriculture Waterworks Revenue Bond. The Bonds will eliminate the above-described restrictions associated with issuance of additional debt payable from the revenues of the system.

- c. The District is required “to establish and collect, and to increase user fees and charges sufficient to meet a 1.20X debt service coverage to net revenues” with respect to the SRF Loan. The additional Series 2013 Bonds will require the District to maintain a debt service coverage to net revenues of 1.10X.
- d. The District may not issue or enter into additional debt payable from the revenues of the system unless it meets a debt service coverage to net revenues of 1.20x for the most recent fiscal year and for the next three years after issuance of the additional debt, with respect to: (i) the Series 1988 United States Department of Agriculture Waterworks Revenue Bond; (ii) the Series 2002 Gladeville Utility District Waterworks Revenue Refunding and Improvement Bonds; and (iii) the SRF Loan. The Bonds will eliminate the above-described restrictions associated with issuance of additional debt payable from the revenues of the system.

4. Reduction or elimination of risk: describe risk to be reduced or eliminated:

- C) Statement that the proposed refunding complies with the Entity’s adopted debt management policy and a description of how the transaction is consistent with the policy, including any savings threshold. If there is no adopted policy or the transaction is not consistent, the Entity shall provide a detailed explanation.**

The proposed refunding is consistent with the District’s adopted debt management policy in that such refunding is in the District’s best interest, and seeks to preserve financial and management flexibility within acceptable risk parameters.

D) Other Information

1. Amortization schedules for both (proposed) refunding and (outstanding) debt to be refunded.

- a. Proposed refunding debt schedule: See attached Schedule A
- b. Outstanding debt schedule(s): See attached Schedule B

As well as the following:

2. Refunding Debt:

- a. **Maximum size to be authorized by the governing body, identifying all outstanding debt that could be included in the refunding:** \$12,500,000. To refund any or all of the District’s (i) Series 1977 United States Department of Agriculture Waterworks Revenue Bond; (ii) Series 1979 United States Department of Agriculture Waterworks Revenue Bond; (iii) Series 1988 United States Department of Agriculture Waterworks Revenue Bond; (iv) Series 2001 United States Department of Agriculture Waterworks Revenue Bond; (v) Series 2002 Waterworks Revenue Refunding and Improvement Bonds; and (vi) SRF Loan DWF 00-21.
- b. **Anticipated Size:** \$10,045,000

- c. **Anticipated final maturity and weighted average maturity.** If the final maturity is extended beyond the fiscal year of final maturity of debt to be refunded or the weighted average maturity is increased, list the projects as required below for refunded debt:
 - i. **Final Maturity=** September 1, 2038
 - ii. **Weighted Average Maturity=** 13.920 years
 - d. **Breakdown of Costs of Issuance-** See attached Schedule C
 - e. **Sources and Uses of Funds-** See attached Schedule D
- 3. Refunded Debt: Information must be provided with respect to each debt issue to be refunded; (if all currently outstanding debt will not be refunded, identify maturities that are candidates for refunding).**
- a. **Name of issue, type of debt, original terms, including whether the debt is federally tax-exempt or taxable.**
 - i. Series 1977 United States Department of Agriculture Waterworks Revenue Bond. This debt is federally tax exempt, with a maturity date of January 1, 2017.
 - ii. Series 1979 United States Department of Agriculture Waterworks Revenue Bond. This debt is federally tax exempt, with a maturity date of January 1, 2019.
 - iii. Series 1988 United States Department of Agriculture Waterworks Revenue Bond. This debt is federally tax exempt, with a maturity date of April 14, 2028.
 - iv. Series 2001 United States Department of Agriculture Waterworks Revenue Bond. This debt is federally tax exempt, with a maturity date of September 10, 2041.
 - v. Series 2002 Gladeville Utility District of Wilson County, Tennessee Waterworks Revenue Refunding and Improvement Bonds. This debt is federally tax exempt, with a maturity date of August 1, 2022.
 - vi. Gladeville Utility District DWF 00-21. State Revolving Fund Loan in the amount of \$1,000,000. This debt is federally tax exempt with a maturity date of September 1, 2022.
 - b. **Date of issue and copy of CT-0253 filed.**
 - i. Date of issue= September 28, 1978. No CT-0253 was filed or required to be filed.
 - ii. Date of issue= December 18, 1980. No CT-0253 was filed or required to be filed.
 - iii. Date of issue= March 14, 1990. No CT-0253 was filed or required to be filed.
 - iv. Date of issue= September 10, 2004. No CT-0253 was filed or required to be filed.

- v. Date of issue= September 26, 2002. A copy of Form CT-0253 is attached hereto as Schedule E.
- vi. Date of issue= December 18, 2001. No CT-0253 was filed. As of the date of issue, there was a separate Bond Finance Office and Local Finance Office. During this time period, the office of Local Finance deemed it not necessary to file Form CT-0253 for loan agreements.

c. Date of authorization by the governing body.

- i. October 13, 1977.
- ii. October 16, 1979.
- iii. March 25, 1988.
- iv. June 7, 2001.
- v. April 4, 2002.
- vi. August 2, 2001.

d. Whether bank-qualified or under other small issuer exception.

- i. No.
- ii. No.
- iii. No.
- iv. No.
- v. No.
- vi. No.

e. Projects funded with proceeds of issue and remaining average life of projects (if final maturity or weighted average maturity of debt is extended).

- i. Obtaining funds to aid in financing the construction of extension and improvements to the waterworks system.
- ii. Obtaining funds to aid in financing the construction of extension and improvements to the waterworks system.
- iii. Obtaining funds to aid in financing the construction of extension and improvements to the waterworks system.
- iv. Obtaining funds to aid in financing the construction of extension and improvements to the waterworks system.
- v. Construct improvements and extensions to the system and refinance certain outstanding indebtedness.
- vi. Construction of additions and improvements to the system.

f. Derivative product, if any, and copy of Report of Compliance:

N/A.

- i. Describe current and future monitoring process: N/A.
 - ii. Statement whether swap agreement will be terminated or continued: N/A.
 - iii. Commitment to file with the Office, along with the Form CT-0253, a copy of the minutes of the government body meeting where the decision regarding the continuation or termination of the derivative product is made, with sufficient detail of the discussion, including the explanation of the effect on the financial statements of an ineffective swap, if applicable: N/A.
4. If the proposed refunded debt was a refunding of prior debt, provide the same information for each general of debt back to the original new money debt issuance; and provide a copy of the Report of Review of the Plan of Refunding.
- i. N/A.
 - ii. N/A.
 - iii. N/A.
 - iv. N/A.
 - v. N/A.
 - vi. N/A.