

REPORT ON DEBT OBLIGATION

(Pursuant to Tennessee Code Annotated Section 9-21-151)

1.	Public Entity:	Name: <u>Knoxville Utilities Board - Attn: President & CEO</u> Address: <u>445 Gay Street</u> <u>Knoxville, TN 37902</u> Debt Issue Name: <u>Wastewater System Revenue Bonds, Series 2019</u> If disclosing initially for a program, attach the form specified for updates, indicating the frequency required																				
2.	Face Amount:	<u>\$ 16,000,000</u> Premium/Discount: <u>\$ 970,122.15</u>																				
3.	Interest Cost:	<u>2.7887479 %</u> <input checked="" type="checkbox"/> Tax-exempt <input type="checkbox"/> Taxable <div style="display: flex; align-items: flex-start;"> <div style="margin-right: 10px;"> <input checked="" type="checkbox"/> TIC <input type="checkbox"/> NIC <input type="checkbox"/> Variable: Index _____ plus _____ basis points; or <input type="checkbox"/> Variable: Remarketing Agent _____ <input type="checkbox"/> Other: _____ </div> </div>																				
4.	Debt Obligation:	<div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <input type="checkbox"/> TRAN <input type="checkbox"/> BAN <input checked="" type="checkbox"/> BOND </div> <div style="width: 30%;"> <input type="checkbox"/> RAN <input type="checkbox"/> CRAN <input type="checkbox"/> Loan Agreement </div> <div style="width: 30%;"> <input type="checkbox"/> CON <input type="checkbox"/> GAN <input type="checkbox"/> Capital Lease </div> </div> <p style="font-size: small;">If any of the notes listed above are issued pursuant to Title 9, Chapter 21, enclose a copy of the executed note with the filing with the Official State and Local Finance ("OSFL")</p>																				
5.	Ratings:	<input type="checkbox"/> Unrated Moody's <u>Aa2</u> Standard & Poor's <u>AA+</u> Fitch _____																				
6.	Purpose:	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: black; color: white;"> <th style="width: 40%;"></th> <th style="width: 10%;"></th> <th style="width: 50%;">BRIEF DESCRIPTION</th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/> General Government</td> <td style="text-align: center;">%</td> <td>_____</td> </tr> <tr> <td><input type="checkbox"/> Education</td> <td style="text-align: center;">%</td> <td>_____</td> </tr> <tr> <td><input checked="" type="checkbox"/> Utilities</td> <td style="text-align: center;">100%</td> <td>Wastewater System Improvements & Renovations</td> </tr> <tr> <td><input type="checkbox"/> Other</td> <td style="text-align: center;">%</td> <td>_____</td> </tr> <tr> <td><input type="checkbox"/> Refunding/Renewal</td> <td style="text-align: center;">%</td> <td>_____</td> </tr> </tbody> </table>					BRIEF DESCRIPTION	<input type="checkbox"/> General Government	%	_____	<input type="checkbox"/> Education	%	_____	<input checked="" type="checkbox"/> Utilities	100%	Wastewater System Improvements & Renovations	<input type="checkbox"/> Other	%	_____	<input type="checkbox"/> Refunding/Renewal	%	_____
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7.	Security:	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> General Obligation <input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Annual Appropriation (Capital Lease Only) </div> <div style="width: 50%;"> <input type="checkbox"/> General Obligation + Revenue/Tax <input type="checkbox"/> Tax Increment Financing (TIF) Other (Describe): _____ </div> </div>																				
8.	Type of Sale:	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Competitive Public Sale <input type="checkbox"/> Negotiated Sale <input type="checkbox"/> Informal Bid </div> <div style="width: 50%;"> <input type="checkbox"/> Interfund Loan <input type="checkbox"/> Loan Program </div> </div>																				
9.	Date:	Dated Date: <u>8/20/2019</u> Issue/Closing Date: <u>8/20/2019</u>																				

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10. Maturity Dates, Amounts and Interest Rates*:

Year	Amount	Interest Rate
2020	\$ 250,000	5.000%
2021	\$ 300,000	5.000%
2022	\$ 315,000	5.000%
2023	\$ 330,000	5.000%
2024	\$ 345,000	5.000%
2025	\$ 360,000	5.000%
2026	\$ 380,000	5.000%
2027	\$ 400,000	5.000%
2028	\$ 420,000	5.000%
2029	\$ 435,000	5.000%
2030	\$ 455,000	4.000%
2031	\$ 475,000	4.000%
2032	\$ 495,000	4.000%

If additional space is needed, attach additional sheet

Year	Amount	Interest Rate
2033	\$ 515,000	3.000%
2034	\$ 530,000	3.000%
2035	\$ 545,000	3.000%
2036	\$ 560,000	3.000%
2037	\$ 580,000	3.000%
2038	\$ 595,000	3.000%
2039	\$ 615,000	3.000%
2045	\$ 4,000,000	3.000%
2049	\$ 3,100,000	3.000%

If (1) the debt has a final maturity of 31 or more years from the date of issuance, (2) principal repayment is delayed for two or more years, or (3) if debt service payments are not level throughout the retirement period, then a cumulative repayment schedule (grouped in 5 year increments out to 30 years) including this and all other entity debt secured by the same source **MUST BE PREPARED AND ATTACHED**. For purposes of this form, debt secured by an ad valorem tax pledge and debt secured by a dual ad valorem tax revenue pledge are secured by the same source. Also, debt secured by the same revenue stream, no matter what lien level, is considered secured by the same source.

*This section is not applicable to the Initial Report for Borrowing Program.

11. Cost of Issuance and Professionals:☐ No costs or professionals

	AMOUNT (round to nearest \$)	FIRM NAME
Financial Advisor Fees	\$ 28,750	Cumberland Securities Company, Inc.
Legal Fees		
Bond Counsel	\$ 20,750	Bass, Berry & Sims, PLC
Issuer's Counsel		
Trustee's Counsel		
Bank Counsel		
Disclosure Counsel		
Accounting Fees		
Paying Agent Fees	\$ 700	Regions Bank
Registrar Fees		
Trustee Fees		
Remarketing Agent Fees		
Liquidity Fees		
Rating Agency Fees	\$ 39,700	S&P/Moody's
Credit Enhancement Fees		
Bank Closing Costs		
Underwriter's Discount 0.769766%	\$ 27,163	FTN Financial
Take Down		
Management Fee		
Risk Premium		
Underwriter's Counsel		
Other Expenses		
Printing & Advertising Fees	\$ 6,000	News Sentinel , Print Shop, i-Deal, CUSIP, MuniHub
Issuer/Administrator Program Fees		
Escrow Bidding Agent Fees		
Sponsorship/Referral Fee		
Other Costs: Misc	\$ 4,995	structuring, postage, doc product, travel, etc.
TOTAL COSTS	\$ 128,058	

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12. Recurring Costs:☐ No Recurring Costs

	AMOUNT (Basis points/\$)	FIRM NAME (if different from #11)
Remarketing Agent		
Paying Agent/Registrar	\$ 500.00	Regions Bank
Trustee		
Liquidity/Credit Enhancement		
Escrow Agent		
Sponsorship/Program/Admin		
Other		

13. Disclosure Document/Official Statement:☐ None Prepared☒ EMMA Link <https://emma.msrb.org/ES1297285-ES1015197-ES1416538.pdf> or☐ Copy Attached**14. Continuing Disclosure Obligations:**Is there an existing continuing disclosure obligation related to the security for this debt? ☒ Yes ☐ NoIs there a continuing disclosure obligation agreement related to this debt? ☒ Yes ☐ NoIf yes to either question, date that disclosure is due 6/30/2020Name and title of person responsible for compliance Mark Walker, CFO, Knoxville Utilities Board**15. Written Debt Management Policy:**Governing Body's approval date of the current version of the written debt management policy 9/18/2012Is the Debt obligation in compliance with and clearly authorized under the policy? ☒ Yes ☐ No**16. Written Derivative Management Policy:**☒ No Derivative

Governing Body's approval date of the current version of the written derivative management policy _____

Date of Letter of Compliance for derivative _____

Is the derivative in compliance with and clearly authorized under the policy? ☐ Yes ☐ No**17. Submission of Report:**To the Governing Body: on 8/20/2019 and presented at the public meeting held on 9/19/2019Copy to Director of OSLF: on 8/20/2019 either by:☐ Mail to:☒ Email to:Cordell Hull Building
425 Fifth Avenue North
Nashville, TN 37243-3400StateAndLocalFinance.PublicDebtForm@cot.tn.gov**18. Signatures:**

	AUTHORIZED REPRESENTATIVE	PREPARER
Name		Scott P. Gibson
Title	Senior Vice President and CFO	Senior Vice President
Firm	Knoxville Utilities Board	Cumberland Securities Company, In
Email	mwalker@kub.org	scott.gibson@cumberlandsecurities.com
Date	8/20/2019	8/20/2019