



**THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)**

\$300,000,000

**WATER AND SEWER REVENUE
EXTENDABLE COMMERCIAL PAPER NOTES,
2015 PROGRAM**

**Amended and
Restated Offering
Memorandum**

This Amended and Restated Offering Memorandum (the "Offering Memorandum") contains information regarding the Water and Sewer Revenue Extendable Commercial Paper Notes, 2015 Program (the "ECP Program") for The Metropolitan Government of Nashville and Davidson County (Tennessee) (the "Metropolitan Government"), which is issuing its Water and Sewer Revenue Extendable Commercial Paper Notes (the "ECP" or "ECP Notes") in the maximum aggregate principal amount of \$300,000,000, pursuant to certain provisions of Tennessee law and certain resolutions of the Metropolitan Government (as further defined herein, the "Extendable Commercial Paper Resolution" or the "ECP Resolution").

Purpose of Issuance

The ECP Notes will be issued: (i) to provide short-term financing of capital improvements to the Metropolitan Government's water and sewer system (the "System") in anticipation of the issuance of long-term water and sewer revenue bonds; (ii) to refund or renew ECP Notes previously issued under the ECP Resolution; and (iii) for such other purposes as set forth in the ECP Resolution.

**Security and Source
of Payment**

The ECP Notes shall constitute and be limited obligations of the Metropolitan Government payable from and secured solely by a pledge of the Revenues of the System, subject to the prior pledge of such Revenues in favor of the Prior Lien Bonds, as such terms are defined and more fully explained herein. The pledge of Revenues in favor of the ECP Notes is on parity with a pledge of Revenues in favor of the Metropolitan Government's Water and Sewer Revenue Commercial Paper Notes, Series 2022A. The ECP Notes do not constitute a general debt or liability of the Metropolitan Government for which there is a right to compel the exercise of the taxing power of the Metropolitan Government.

Denominations

The ECP Notes will be issued from time to time as fully registered interest-bearing obligations in denominations of \$100,000 and integral multiples of \$1,000 in excess of such amount.

Book-Entry-Only

The Depository Trust Company, New York, New York ("DTC") will act as securities depository for the ECP Notes. The ECP Notes will be issued as fully registered notes and registered in the name of Cede & Co., as registered owner and nominee for the DTC. Beneficial ownership interests in the ECP Notes will be available in book-entry-only form, and purchasers of the ECP Notes will not receive certificates representing their interests in the ECP Notes purchased.

**Interest
Payments**

Interest on the ECP Notes will be calculated on the basis of a year consisting of 365/366 days, as applicable, and the actual number of days elapsed. Interest on the ECP Notes is payable on the Original Maturity Date; however, if the Original Maturity Date is extended, then interest is not payable on the Original Maturity Date. When the Original Maturity Date is extended, interest is payable monthly as set forth herein and on any redemption date or the Extended Maturity Date and no additional interest shall accrue on the accrued but unpaid interest.

**Original Maturity
Date**

Original Maturity Dates are each a business day of not less than one (1) day and not greater than ninety (90) days from the original issue date of the ECP Notes.

**Extended Maturity
Date**

The Metropolitan Government has the option to extend the Original Maturity Date of the ECP Notes to a business day that is 270 days from the original date of issue. The Metropolitan Government intends to exercise this option to extend the maturity only in circumstances where there is a disruption in market liquidity. An ECP Note may not be extended to a date after the final maturity date of the ECP Program, which is March 1, 2031.

Redemption

The ECP Notes are not subject to redemption prior to the Original Maturity Date. If the Original Maturity Date is extended, the ECP Notes are subject to redemption in whole but not in part, on any date after the Original Maturity Date, at the option of the Metropolitan Government, prior to the Extended Maturity Date; provided, however, the Metropolitan Government must redeem all ECP Notes that have Extended Maturity Dates.

Dealer

Morgan Stanley & Co. LLC, New York, New York, will serve as the Dealer for the ECP Notes.

**Issuing and Paying
Agent**

U.S. Bank Trust Company, National Association, New York, New York, will serve as the Issuing and Paying Agent for the ECP Notes.

Tax Matters

In the opinion of Bass, Berry & Sims PLC, Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the Metropolitan Government, interest on the ECP Notes is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the ECP Notes may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. Under existing law, the ECP Notes and the interest thereon are exempt from Tennessee taxes, except Tennessee franchise and excise taxes. For a more detailed explanation of certain tax consequences which may result from ownership of the ECP Notes, see "TAX MATTERS" herein.

Securities Laws

The ECP Notes are exempt securities under Section 3(a)(2) of the Securities Act of 1933, as amended, and are exempt from the Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended.

This cover page is not a summary of this Offering Memorandum, it is intended only for quick reference and should not be considered to be a complete statement of facts material to making an investment decision. This offering of the ECP Notes to prospective investors is made only by means of this entire Offering Memorandum, including this cover page and the appendices attached hereto. No person is authorized to detach this cover page, nor the appendices attached hereto, from this Offering Memorandum or to otherwise use either without this entire Offering Memorandum.

MORGAN STANLEY

NOTICE TO INVESTORS

No dealer, broker, salesperson, or other person has been authorized to give information or to make any representation other than those contained in this Offering Memorandum, in connection with the issuance of the ECP Notes, and, if given or made, such information or representation must not be relied upon as having been authorized by the Metropolitan Government or the Municipal Advisor.

This Offering Memorandum does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

This Offering Memorandum contains certain information for quick reference only and is not a summary of the terms of the ECP Notes. The information set forth in this Offering Memorandum, including the appendices attached hereto, has been prepared by the Metropolitan Government from sources which are believed to be reliable. It is not guaranteed as to the accuracy or completeness by the Dealer for the ECP Notes. The order and placement of information contained in this Offering Memorandum, including the appendices attached hereto, are not an indication of relevance, materiality or relative importance and this Offering Memorandum, including the appendices attached hereto, must be read in its entirety. The captions and headings in this Offering Memorandum are for purposes of convenience only and in no way define, limit, or describe the scope or intent, or affect the meaning or construction, of any provision or section in this Offering Memorandum.

THIS OFFERING MEMORANDUM IS INTENDED TO REFLECT MATERIAL FACTS AND CIRCUMSTANCES AS THEY EXIST ON THE DATE OF THIS OFFERING MEMORANDUM OR ON SUCH OTHER DATE OR AT SUCH OTHER TIME AS IDENTIFIED HEREIN. NO ASSURANCE CAN BE GIVEN THAT SUCH INFORMATION WILL NOT BE MISLEADING AT A LATER DATE. CONSEQUENTLY, RELIANCE ON THIS OFFERING MEMORANDUM AT TIMES SUBSEQUENT TO THE ISSUANCE, FROM TIME TO TIME, OF THE ECP NOTES SHOULD NOT BE MADE ON THE ASSUMPTION THAT ANY SUCH FACTS OR CIRCUMSTANCES ARE UNCHANGED.

THE ECP NOTES HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ("SEC") BY REASON OF CERTAIN EXEMPTIONS CONTAINED IN THE SECURITIES ACT OF 1933, AS AMENDED. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE INFORMATION CONTAINED IN THIS OFFERING MEMORANDUM REGARDING THE METROPOLITAN GOVERNMENT, THE ECP NOTES AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY, NOR HAVE SUCH AUTHORITIES CONFIRMED THE ACCURACY OR DETERMINED THE ACCURACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE MUNICIPAL ADVISOR HAS BEEN EMPLOYED BY THE METROPOLITAN GOVERNMENT TO ADVISE IT WITH RESPECT TO CERTAIN MATTERS RELATING TO THE PROPOSED STRUCTURE OF THE ECP PROGRAM. THE MUNICIPAL ADVISOR HAS NOT BEEN EMPLOYED AND ASSUMES NO DUTY OR OBLIGATION TO ADVISE ANY OTHER PARTY AS TO ANY ASPECT OF THE TRANSACTION, INCLUDING THE HOLDERS OF THE ECP NOTES.

THE DEALER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFERING MEMORANDUM. THE DEALER HAS REVIEWED THE INFORMATION IN THE OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THE TRANSACTION, BUT THE DEALER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

The Metropolitan Government maintains a website at <https://www.nashville.gov> and certain social media accounts. References to website addresses presented herein are for informational purposes only and may be in the form of an electronic hyperlink solely for the reader's convenience. Information contained on the website and the social media accounts are not part of this Offering Memorandum, and unless specified otherwise, such websites and the information or links contained therein are not incorporated into and are not part of this Offering Memorandum.

For additional information regarding the Metropolitan Government, the ECP Notes, or this Offering Memorandum and the appendices attached hereto, please contact the following individuals:

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Director of Finance

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Jenneen.Reed@nashville.gov
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Seth Pilkington
Metropolitan Treasurer

Metro Department of Treasury
Office of the Treasurer
P.O. Box 196300
Nashville, Tennessee 37219-6300
Seth.Pilkington@nashville.gov
(615) 862-6154

[End of Section]

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY



Metropolitan Mayor
Freddie O'Connell

METROPOLITAN COUNTY COUNCIL

Metropolitan Vice-Mayor
Angie Emery Henderson

Council Member At-Large 1
Zulfat Suara

Council Member At-Large 2
Delishia Porterfield

Council Member At-Large 3
Quin Evans Segall

Council Member At-Large 4
Burkley Allen

Council Member At-Large 5
Olivia Hill

Council Member District 1 Joy Kimbrough	Council Member District 2 Kyonzté Toombs	Council Member District 3 Jennifer Gamble	Council Member District 4 Mike Cortese	Council Member District 5 Sean Parker
Council Member District 6 Clay Capp	Council Member District 7 Emily Benedict	Council Member District 8 Deonté Harrell	Council Member District 9 Tonya Hancock	Council Member District 10 Jennifer Frensley Webb
Council Member District 11 Jeff Eslick	Council Member District 12 Erin Evans	Council Member District 13 Russ Bradford	Council Member District 14 Jordan Huffman	Council Member District 15 Jeff Gregg
Council Member District 16 Ginny Welsch	Council Member District 17 Terry Vo	Council Member District 18 Tom Cash	Council Member District 19 Jacob Kupin	Council Member District 20 Rollin Horton
Council Member District 21 Brandon Taylor	Council Member District 22 Sheri Weiner	Council Member District 23 Thom Druffel	Council Member District 24 Brenda Gadd	Council Member District 25 Jeff Preptit
Council Member District 26 Courtney Johnston	Council Member District 27 Robert Nash	Council Member District 28 David Benton	Council Member District 29 Tasha Ellis	Council Member District 30 Sandra Sepulveda
Council Member District 31 John Rutherford	Council Member District 32 Joy Styles	Council Member District 33 Antoinette Lee	Council Member District 34 Sandy Ewing	Council Member District 35 Jason Spain

METROPOLITAN GOVERNMENT EXECUTIVE ADMINISTRATION

Director of Finance
Jeneen Reed

Metropolitan Treasurer
Seth Pilkington

Director of Law
Wallace W. Dietz

Metropolitan Clerk
Austin Kyle

DEPARTMENT OF WATER AND SEWERAGE SERVICES

Director
Scott Potter

Assistant Director, Business & Finance
Tony Vlascic

METROPOLITAN GOVERNMENT STAFF AND PROFESSIONAL CONSULTANTS

General Legal Counsel
Metropolitan Department of Law
Nashville, Tennessee

Bond Counsel
Bass, Berry & Sims PLC
Nashville, Tennessee

Disclosure Counsel
Carpenter Law, PLLC
Nashville, Tennessee

Municipal Advisor
Hilltop Securities Inc.
Dallas, Texas

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AMENDED AND RESTATED OFFERING MEMORANDUM

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)

\$300,000,000 WATER AND SEWER REVENUE EXTENDABLE COMMERCIAL PAPER NOTES, 2015 PROGRAM

INTRODUCTION

This Introduction is not a summary of this Offering Memorandum (as defined herein) and is intended only for quick reference. This offering of the ECP Notes (as defined herein) to prospective investors is made only by means of this entire Offering Memorandum, including the cover page and the appendices attached hereto. No person is authorized to detach this Introduction from this Offering Memorandum or to otherwise use it without this entire Offering Memorandum, including the cover page and the appendices attached hereto.

General

This Amended and Restated Offering Memorandum (the “Offering Memorandum”), including the appendices attached hereto, amends and restates that certain offering memorandum, dated April 15, 2015, as amended and restated on January 7, 2022, pertaining to The Metropolitan Government of Nashville and Davidson County (Tennessee) (the “Metropolitan Government”) and its Water and Sewer Revenue Extendable Commercial Paper Notes, 2015 Program (the “ECP Program”). Certain capitalized terms used within this Offering Memorandum not otherwise defined herein shall have the same meanings ascribed to them in the ECP Resolution (as defined herein).

This Offering Memorandum, including the appendices attached hereto, is being provided to furnish certain information in connection with the issuance, from time to time, by the Metropolitan Government of its Water and Sewer Revenue Extendable Commercial Paper Notes (the “ECP” or “ECP Notes”), authorized under the ECP Program, in the maximum aggregate principal amount of \$300,000,000. The Metropolitan Government has executed and delivered the following agreements in connection with the issuance of the ECP:

Issuing and Paying Agency Agreement – executed and delivered by and between the Metropolitan Government and U.S. Bank Trust Company, National Association, New York, New York (together with its successors and assigns, the “Issuing and Paying Agent”), as the same has been and may in the future be amended, supplemented and/or restated from time to time in accordance with its terms, and together with any other successor issuing and paying agency agreement (the “Issuing and Paying Agency Agreement”). See “EXTENDABLE COMMERCIAL PAPER PROGRAM” herein.

Commercial Paper Dealer Agreement – executed and delivered by and between the Metropolitan Government and Morgan Stanley & Co. LLC, New York, New York (together with its successors and assigns, the “Dealer”), as the same has been and may in the future be amended, supplemented, and/or restated from time to time in accordance with its terms, and together with any other successor commercial paper dealer agreement (the “Dealer Agreement”). See “EXTENDABLE COMMERCIAL PAPER PROGRAM” and “DEALER” herein.

Authority for Issuance of the Extendable Commercial Paper

The Metropolitan Government is authorized to issue and sell from time to time its water and sewer revenue bond anticipation notes, in the form of ECP, to: (i) to provide short-term financing of capital improvements to the Metropolitan Government's water and sewer system (the "System") in anticipation of the issuance of long-term water and sewer revenue bonds (the "Bonds"); (ii) to refund or renew ECP Notes previously issued under the ECP Resolution; and (iii) for such other purposes as set forth in the ECP Resolution. The proceeds of the ECP Notes shall be applied in the manner set forth in the ECP Resolution.

The ECP Notes will be issued under and subject to: (i) the Constitution and the laws of the State of Tennessee, including particularly the applicable provisions of the Local Government Public Obligations Act, codified at Title 9, Chapter 21, Part 5 of the Tennessee Code Annotated, as amended (the "Act"); (ii) the Charter of The Metropolitan Government of Nashville and Davidson County (the "Charter"); (iii) the Initial Resolutions; and (iv) Resolution No. RS2015-1417, as supplemented and amended by Resolution No. RS2018-1253, Substitute Resolution No. RS2021-906, Resolution No. RS2021-1281 and Resolution No. RS2025-1627 (collectively, the "ECP Resolution"), each duly adopted by the Metropolitan County Council of the Metropolitan Government (the "Metropolitan Council").

Security and Source of Payment for the Extendable Commercial Paper

The ECP Notes constitute water and sewer revenue bond anticipation notes and are payable primarily from the proceeds of subsequently issued ECP Notes and the Bonds. Additionally, the ECP Notes shall constitute and be limited obligations of the Metropolitan Government payable from and secured solely by a pledge of the Revenues of the System, subject to the application thereof pursuant to the Water and Sewer Bond Resolution, including but not limited to the payment of Operation and Maintenance Expenses, and subject to the prior pledge of such Revenues in favor of the Prior Lien Bonds (as defined herein). The pledge of Revenues in favor of the ECP Notes is on parity with a pledge of Revenues in favor of the Metropolitan Government's Water and Sewer Revenue Commercial Paper Notes, Series 2022A. The ECP Notes do not constitute a general debt or liability of the Metropolitan Government for which there is a right to compel the exercise of the taxing power of the Metropolitan Government. See "SECURITY AND SOURCE OF PAYMENT FOR THE EXTENDABLE COMMERCIAL PAPER" herein.

Description of the Extendable Commercial Paper

The ECP Notes will be dated as of their respective dates of issuance and will bear interest from the dated date thereof. The ECP Notes will be sold at par and issued from time to time in denominations of \$100,000 and integral multiples of \$1,000 in excess of such amount, with interest payable at maturity, unless the Metropolitan Government elects to extend the maturity of the ECP Notes, in which case interest on the ECP Notes shall be payable monthly through the Extended Maturity Date or any redemption date. The ECP Notes, when issued, will be in book-entry-only form and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York.

The ECP Notes will have Original Maturity Dates, each being a business day, of not less than one (1) day and not greater than ninety (90) days from the original issue date of the ECP Notes. The Metropolitan Government has the option to extend the Original Maturity Date of the ECP Notes to a business day that is 270 days from the original issue date and not later than March 1, 2031, which is the Final Maturity Date of the ECP Program. The ECP Notes are not subject to redemption prior to the Original Maturity Date. If the Original Maturity Date is extended, the ECP Notes are subject to redemption in whole but not in part, on any date after the Original Maturity Date, at the option of the

Metropolitan Government, prior to the Extended Maturity Date; provided, however, the Metropolitan Government must redeem all ECP Notes that have Extended Maturity Dates. See “EXTENDABLE COMMERCIAL PAPER PROGRAM” herein.

Extendable Commercial Paper Dealer

Morgan Stanley & Co. LLC, New York, New York, will serve as the Dealer for the ECP. Pursuant to the Dealer Agreement, the Dealer has agreed to accept and perform certain duties and responsibilities, including, among other things, the offering and sale, from time to time, of the ECP on behalf of the Metropolitan Government. See “EXTENDABLE COMMERCIAL PAPER PROGRAM” and “DEALER” herein.

Issuing and Paying Agent

U.S. Bank Trust Company, National Association, New York, New York, will serve as Issuing and Paying Agent for the ECP. The ECP shall be issued by the Issuing and Paying Agent in accordance with instructions given and/or confirmed by an Authorized Officer of the Metropolitan Government, as set forth and more fully described in the Issuing and Paying Agency Agreement. See “EXTENDABLE COMMERCIAL PAPER PROGRAM” herein.

Prospective Financial and Operating Information

All financial and other operating information presented in this Offering Memorandum has been compiled from the respective records of the Metropolitan Government and The Department of Water and Sewerage Services for the Metropolitan Government (the “Department”), except for information expressly attributed to other sources. All quotations from, and summaries and explanations of, provisions of statutes contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof. Recent historical information does not indicate future or continuing trends in the financial position or other affairs of the Metropolitan Government or the Department, unless specifically stated.

The respective forecasted financial information and operating data was prepared, in the views of the Metropolitan Government and the Department, on a reasonable basis, and reflects the best currently available estimates and judgments regarding the expected future financial performance of the Metropolitan Government and the Department, respectively. This information is not fact and should not be relied upon as necessarily indicative of future results, and potential investors are cautioned not to place undue reliance on the forecasted financial information or operating data. Neither of the Metropolitan Government’s independent auditor nor any professional consultants have compiled, examined, or performed any procedures with respect to the prospective financial information or operating data contained herein relating to the Metropolitan Government or the Department, nor have they expressed any opinion or any form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, such prospective information relating to the same.

The assumptions and estimates underlying the prospective financial information and operating data contained herein are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those forecasted. Accordingly, there can be no assurance that forecasted results contained herein are indicative of the future performance of the Metropolitan Government or the Department, or that actual results will not be materially higher or lower than those forecasted. Neither the Metropolitan Government nor the Department generally publish its business plans and strategies or make external forecasts of its anticipated financial position or results of operations. Accordingly, the Metropolitan Government or the

Department do not intend to update or otherwise revise the prospective financial information and operating data contained herein to reflect changes in general economic or industry conditions or to reflect the occurrence of unanticipated events, even if any or all of the respective underlying assumptions are shown to be in error. Furthermore, the Metropolitan Government or the Department do not intend to update or revise the prospective financial information and operating data contained herein to reflect changes in general economic or industry conditions.

Additional Information

All references in this Offering Memorandum referring to an electronic hyperlink to the Metropolitan Government's Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2024, are incorporated in **APPENDIX A** attached hereto.

Certain financial, demographic, and operating information related to the Department and the System is attached hereto as **APPENDIX B**. Certain financial, demographic, and operating information related to the Metropolitan Government is attached hereto as **APPENDIX C**.

The proposed form of opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, with respect to certain legal matters related to the validity and issuance of the ECP Notes is attached hereto as **APPENDIX D**. Certain information related to the summary of the ECP Resolution is attached hereto as **APPENDIX E**.

The descriptions contained herein do not purport to be comprehensive or definitive, and all references to the ECP Notes, the ECP Resolution, and various other documents and instruments referenced herein, are qualified in their entirety by reference to the respective document or instrument, copies of which are available from the Metropolitan Government and the Dealer.

INVESTORS SHOULD CONSIDER THIS ENTIRE OFFERING MEMORANDUM IN MAKING AN INVESTMENT DECISION AND SHOULD NOT CONSIDER INFORMATION MORE OR LESS IMPORTANT BECAUSE OF ITS LOCATION. INVESTORS SHOULD REFER TO THE LAWS, REPORTS OR OTHER DOCUMENTS DESCRIBED IN THIS OFFERING MEMORANDUM FOR MORE COMPLETE INFORMATION.

EXTENDABLE COMMERCIAL PAPER PROGRAM

General

The ECP Resolution authorizes and provides for: (i) the issuance and sale of the ECP Notes in an aggregate principal amount not to exceed \$300,000,000, at any one time, issued in the form and manner set forth in the ECP Resolution; (ii) the execution and delivery of one or more commercial paper dealer agreements and issuing and paying agency agreements; and (iii) certain other matters related thereto.

Purpose of the Extendable Commercial Paper Program

The Metropolitan Government is authorized to issue and sell from time to time the Bonds, and in anticipation thereof to issue and sell from time to time its water and sewer revenue bond anticipation notes in the form of ECP, to provide interim financing for such costs for which the Bonds and ECP Notes have been authorized by the Initial Resolutions and the ECP Resolution of the Metropolitan Council.

The ECP Notes will be issued to: (i) to provide short-term financing of capital improvements to the System in anticipation of the issuance of the Bonds; (ii) to refund or renew ECP Notes previously issued under the ECP Resolution; and (iii) for such other purposes as set forth in the ECP Resolution. The proceeds of the ECP Notes shall be applied in the manner set forth in the ECP Resolution.

Description of the Extendable Commercial Paper

The ECP Notes will be dated the date of their respective authentication and issuance and are to be issued in book-entry-only form, in denominations of \$100,000 and in integral multiples of \$1,000 in excess of \$100,000. The ECP Notes shall bear interest at an annual rate not to exceed the Maximum Rate allowed for the ECP Notes under the ECP Resolution. The Maximum Rate means, with respect to the ECP Notes, the rate equal to the lesser of (a) 9% per annum, calculated on the basis of actual days elapsed and a 365/366-day year, as applicable, or (b) the maximum rate of interest permitted by Section 47-14-103, Tennessee Code Annotated, as amended, or other applicable Tennessee law. Tennessee law currently prescribes a maximum rate equal to the prime rate in effect from time to time, plus 4.00%. The maximum rate under applicable Tennessee law in effect on the date hereof is 11.25%. The ECP Notes shall be sold by the Dealer pursuant to the Dealer Agreement at a price of not less than 100% of the principal amount of the ECP Notes.

The ECP Notes will mature on its Original Maturity Date, which may range from 1 to 90 days from its original Issue Date as determined by the Metropolitan Government upon the issuance of the applicable ECP Notes, unless the Metropolitan Government exercises its option to extend the maturity date. In that case, the ECP Notes will mature on the Extended Maturity Date, which will be the business day that is the earlier of: (i) 270 days from its original Issue Date, and (ii) the Final Maturity Date (March 1, 2031). The ECP Notes may bear different Issue Dates, Original Maturity Dates, Extended Maturity Dates and interest rates.

The ECP Notes shall bear interest from its Issue Date to its Original Maturity Date at an annual rate, which shall not in any event exceed the Maximum Rate, payable on its Original Maturity Date, unless the maturity date is extended, in which case interest will be paid on the dates described below. If the Metropolitan Government exercises its option to extend the maturity date of the ECP Notes, then the ECP Notes will bear interest from the Original Maturity Date at the applicable Extension Rate payable on the dates described below.

The Metropolitan Government may, from time to time, without the consent or notice to the Holders of the ECP Notes, amend certain provisions of the ECP Resolution, including, without limitation, amendments to the definitions of Maximum Rate or Extension Rate, that are only effective for the ECP Notes issued on or after the effective date of such amendment with appropriate disclosure. The ECP Notes shall be sold by the Dealer pursuant to the Dealer Agreement at a price of not less than 100% of the principal amount of the ECP Notes. The ECP Notes will be issued as fully registered notes and registered in the name of Cede & Co., as registered owner and nominee for the DTC. Beneficial ownership interests in the ECP Notes will be available in book-entry-only form, and purchasers of the ECP Notes will not receive certificates representing their interests in the ECP Notes purchased. See “EXTENDABLE COMMERCIAL PAPER PROGRAM – Book-Entry-Only System” herein. Also see “**APPENDIX E – SUMMARY OF EXTENDABLE COMMERCIAL PAPER RESOLUTION**” herein.

Extension of the Maturity Date

The Metropolitan Government is required to notify the Issuing and Paying Agent and the Dealer by 11:30 a.m. (New York, New York time) on the Original Maturity Date that it wishes to exercise its option to extend the maturity of the ECP Notes. The Issuing and Paying Agent shall correspondingly

notify (i) DTC by 12:00 noon on the Original Maturity Date and (ii) the Rating Agencies (as defined herein) then maintain a rating on the ECP Notes and EMMA (as defined herein) by the close of business on the Original Maturity Date, that the maturity is being extended. Even if the requisite notices are not given by the Metropolitan Government and/or the Issuing and Paying Agent, if payment of the principal of and interest on the ECP Notes does not occur on the Original Maturity Date, the maturity of the ECP Notes shall be extended automatically. With the consent of the Issuing and Paying Agent and the Dealer, the Metropolitan Government may modify the notification provisions contained in the ECP Resolution if deemed appropriate to conform to DTC's rules and procedures. In no event shall an extension of the Original Maturity Date constitute a default or a breach of any covenant under the ECP Resolution.

If the Metropolitan Government exercises its option to extend the maturity of an issue of the ECP Notes, then:

- (i) neither principal nor interest shall be paid on the Original Maturity Date for such issue of the ECP Notes;
 - (ii) the ECP Notes shall mature on the Extended Maturity Date;
 - (iii) the ECP Notes shall bear interest from the Original Maturity Date at the Extension Rate;
- and
- (iv) accrued but unpaid interest shall be paid on each Extended Period Interest Payment Date and on the Extended Maturity Date, and no additional interest shall accrue on the accrued but unpaid interest.

The Extension Rate shall be the rate of interest per annum determined by the following formula, provided that such Extension Rate shall not exceed the Maximum Rate:

The greater of (SIFMA Index + E) or F

The Extension Rate applicable to the ECP Notes will be determined by the Issuing and Paying Agent based on the Prevailing Ratings and other information available as of 11:00 a.m. on the Original Maturity Date of the ECP Notes and each Thursday thereafter and will apply from that date through the following Wednesday or, if earlier, the applicable Extended Maturity Date. As used in the formula, the *E* and *F* variables shall be the fixed percentage rates, expressed in basis points and yields, respectively, determined based on the Prevailing Ratings of the Rating Agencies then rating the ECP Notes, as follows:

Prevailing Ratings

Moody's	S&P	E Variable	F Variable
P-1	A-1+	250 basis points	7.00%
-	A-1	350 basis points	7.50%
P-2	A-2	550 basis points	8.00%
Lower than P-2 (or rating withdrawn for credit reasons)	Lower than A-2 (or rating withdrawn for credit reasons)	Maximum Rate	Maximum Rate

If the individual Prevailing Ratings indicate different *E* or *F* variables as a result of split ratings assigned to the Metropolitan Government, the *E* or *F* variable shall be the arithmetic average of those indicated by the Prevailing Ratings. If another credit rating agency becomes a Rating Agency, the Issuing and Paying Agent shall, upon written direction of the Metropolitan Government, following consultation with the Metropolitan Government and the Dealer, determine how the agency's rating categories shall be treated for the purpose of indicating an *E* or *F* variable.

Redemption of the Extendable Commercial Paper

The ECP Notes shall not be subject to redemption prior to their Original Maturity Date. In the event the Metropolitan Government exercises its option to extend the maturity of the ECP Notes, then the ECP Notes may be redeemed on any date after its Original Maturity Date, at the option of the Metropolitan Government at a redemption price equal to par, plus accrued and unpaid interest to the redemption date; provided that no ECP Notes with an Extended Maturity Date shall be redeemed unless all the ECP Notes then Outstanding that have been extended beyond their Original Maturity Date are redeemed simultaneously. To exercise its redemption option, the Metropolitan Government shall provide not less than five (5) nor more than twenty-five (25) calendar days' notice to the Issuing and Paying Agent. The Issuing and Paying Agent will notify DTC of the ECP Notes to be redeemed within one Business Day of receipt of such notice.

Extendable Commercial Paper Agreements

The Metropolitan Government has entered into the following agreements in connection with the issuance of the ECP Notes:

Issuing and Paying Agency Agreement – executed and delivered by and between the Metropolitan Government and the Issuing and Paying Agent, and amended and restated as of December 18, 2025, as the same may be further amended, supplemented and/or restated from time to time in accordance with its terms. Under the Issuing and Paying Agency Agreement, the Issuing and Paying Agent has agreed to accept and perform certain duties and responsibilities on behalf of the Metropolitan Government pertaining to the ECP Notes. The Metropolitan Government, pursuant to the ECP Resolution and the Issuing and Paying Agency Agreement, has authorized and directed the Issuing and Paying Agent to act as its paying agent in the issuance, authentication, delivery, and payment of the ECP Notes.

The ECP Notes shall be issued in accordance with the terms and conditions set forth in the ECP Resolution. The ECP Notes shall not be issued unless and until the Metropolitan Government delivers or causes to be delivered to the Dealer and the Issuing and Paying Agent an opinion of Bond Counsel regarding such ECP Notes in the form attached to this Offering Memorandum. See “**APPENDIX D – FORM OF BOND COUNSEL OPINION**” attached hereto.

Commercial Paper Dealer Agreement – executed and delivered by and between the Metropolitan Government and the Dealer, and amended and restated as of December 18, 2025, as the same may be further amended, supplemented and/or restated from time to time in accordance with its terms. Under the Dealer Agreement, the Dealer has agreed to accept and perform certain duties and responsibilities, including, among other things, the offering for sale from time to time of the ECP Notes on behalf of the Metropolitan Government. See “DEALER” herein.

In accordance with the ECP Resolution, the Dealer may resign at any time by giving written notice of such resignation to the Metropolitan Government and the Issuing and Paying Agent, specifying the date as of which the Dealer proposes that the same shall become effective, which date shall be not less

than thirty (30) days after the date of such notice. The Metropolitan Government shall give written notice of the appointment of a successor Dealer to the Issuing and Paying Agent.

Book-Entry-Only System

This section describes how ownership of the ECP Notes is to be transferred and how the principal and interest on the ECP Notes are to be paid to and credited by DTC while the ECP Notes are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Offering Memorandum. The Metropolitan Government believes the source of such information to be reliable but takes no responsibility for the accuracy or completeness thereof.

The Metropolitan Government cannot and does not give any assurance that (i) DTC will distribute payments of debt service on the ECP Notes, or redemption or other notices, to DTC Participants, (ii) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the ECP Notes), or redemption or other notices, to the Beneficial Owners or that they will do so on a timely basis, or (iii) DTC will serve and act in the manner described in this Offering Memorandum. The current rules applicable to DTC are on file with the SEC, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the ECP Notes. The ECP Notes will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered ECP Note will be issued for each maturity of the ECP Notes in the aggregate principal amount of each such maturity and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over \$3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges Direct Participants accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and together with the Direct Participants, the "DTC Participants"). DTC has a Standard and Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the ECP Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the ECP Notes on DTC's records. The ownership interest of each actual purchaser of each ECP Note (a "Beneficial Owner") is in turn to be recorded on the Direct

Participant's and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the ECP Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the ECP Notes, except in the event that use of the book-entry-only system for the ECP Notes is discontinued.

To facilitate subsequent transfers, all ECP Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the ECP Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the ECP Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such ECP Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the ECP Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the ECP Notes, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of the ECP Notes may wish to ascertain that the nominee holding the ECP Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Issuing and Paying Agent and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the ECP Notes within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series or maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the ECP Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Metropolitan Government as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the ECP Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal of or interest on the ECP Notes will be paid to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Metropolitan Government or the Issuing and Paying Agent on the payment date in accordance with their respective holdings as shown on DTC's records. Payments by Direct Participants or Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct Participant or Indirect Participant and not of DTC, the Issuing and Paying Agent or the Metropolitan Government, subject to any statutory or regulatory requirements as may be in effect from time to time.

Payment of redemption proceeds and principal or interest to, as applicable, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Metropolitan Government or the Issuing and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the ECP Notes at any time by giving reasonable notice to the Metropolitan Government and the Issuing and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, ECP Notes certificates are required to be printed and delivered. The Metropolitan Government may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, ECP Notes certificates will be printed and delivered to DTC.

In the event that DTC determines not to continue to act as securities depository for the ECP Notes, or the Metropolitan Government determines that the continuation of the book-entry-only system of evidence and transfer of ownership of the ECP Notes would adversely affect its interests or the interests of the Beneficial Owners of the ECP Notes, then the Metropolitan Government may discontinue the book-entry-only system with DTC.

THE ABOVE INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY-ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE METROPOLITAN GOVERNMENT, THE ISSUING AND PAYING AGENT, THE MUNICIPAL ADVISOR AND THE DEALER BELIEVE TO BE RELIABLE, BUT THE METROPOLITAN GOVERNMENT, THE ISSUING AND PAYING AGENT, THE MUNICIPAL ADVISOR AND THE DEALER TAKE NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

Use of Certain Terms in Other Sections of this Offering Memorandum

In reading this Offering Memorandum, it should be understood that while the ECP Notes are in the book-entry-only system, references in other sections of this Offering Memorandum to Beneficial Owners and Registered Owners should be read to include the person for which the DTC Participant acquires an interest in the ECP Notes, but (i) all rights of ownership must be exercised through DTC and the book-entry-only system, and (ii) except as described above, notices that are to be given to Registered Owners pursuant to the ECP Resolution will be given only to DTC.

Effect of Discontinuance of Book-Entry-Only System

In the event that the book-entry-only system is discontinued by DTC, or the use of the book-entry-only system is discontinued by the Metropolitan Government, printed ECP Notes will be issued to the Holders and the ECP Notes will be subject to transfer, exchange and registration provisions as set forth in the ECP Resolution.

SECURITY AND SOURCE OF PAYMENT FOR THE EXTENDABLE COMMERCIAL PAPER

General

The ECP Notes constitute bond anticipation notes and are payable primarily from the proceeds of subsequently issued ECP Notes and the Bonds. All capitalized terms used within this Offering Memorandum not otherwise defined herein shall have the same meanings ascribed to them in the ECP Resolution as set forth in **APPENDIX E** attached hereto. See “**APPENDIX E – SUMMARY OF EXTENDABLE COMMERCIAL PAPER RESOLUTION**” attached hereto.

Limited Obligations

The ECP Notes are limited obligations of the Metropolitan Government additionally payable from and secured solely by a pledge of the Revenues of the System, subject to the application thereof pursuant to the Water and Sewer Bond Resolution (as defined herein), including (but not limited to) the payment of Operation and Maintenance Expenses, and subject to the prior pledge of such Revenues in favor of the Prior Lien Bonds (as such terms are defined herein). None of the ECP Notes constitute a debt or liability of the Metropolitan Government for which there is a right to compel the exercise of the taxing power of the Metropolitan Government.

The pledge of the Revenues to the payment of the ECP Notes is on a parity with the pledge thereof in favor of the Metropolitan Government’s Water and Sewer Revenue Commercial Paper Notes, Series 2022A, which are authorized in a principal amount up to \$200,000,000 (the “Traditional Notes”).

For purposes of the Water and Sewer Bond Resolution and the ECP Resolution, “Revenues” means (a) all revenues, income, rents, service fees and receipts properly allocable to the System resulting from ownership and operation of the System, excluding any customer deposits or other deposits subject to refund, unless such deposits have become property of the Metropolitan Government, (b) the proceeds of any insurance covering business interruption loss relating to the System and (c) interest received or to be received on any moneys or securities held in any of the funds or accounts established by the Water and Sewer Bond Resolution, with the exception of (i) moneys held in any Construction Fund established under the Water and Sewer Bond Resolution, or any account thereof and (ii) moneys held in any Debt Service Reserve Fund established under the Water and Sewer Bond Resolution during any period in which the investment earnings thereon are directed by resolution supplemental thereto to any Construction Fund established under the Water and Sewer Bond Resolution, or any account thereof. The computation of Revenues with respect to any period of time shall be increased by the amount of transfers during such period from the Rate Stabilization Fund (as defined in the Water and Sewer Bond Resolution) to the Revenue Fund described in the Water and Sewer Bond Resolution, and decreased by the amount of any transfers during such period from the Revenue Fund to the Rate Stabilization Fund pursuant to the Water and Sewer Bond Resolution. "Revenues" shall not include any Tax Credit Payments (as defined in the Water and Sewer Bond Resolution), grant proceeds or, except as set forth in (b) above, insurance proceeds. See “**APPENDIX E – SUMMARY OF EXTENDABLE COMMERCIAL PAPER RESOLUTION**” attached hereto.

For purposes of the Water and Sewer Bond Resolution and the ECP Resolution, “Operation and Maintenance Expenses” means the current expenses, paid or accrued, of operation, maintenance and repair of the System, including administration costs, as calculated in accordance with generally accepted accounting principles. Notwithstanding the foregoing, Operation and Maintenance Expenses shall not include payments in lieu of taxes or any reserve for renewals or replacements or any allowance for depreciation or amortization, and there shall be included in Operation and Maintenance Expenses only

that portion of the total administrative, general and other expenses of the Metropolitan Government which are properly allocable to the System. See “**APPENDIX E – SUMMARY OF EXTENDABLE COMMERCIAL PAPER RESOLUTION**” attached hereto.

THE ECP NOTES DO NOT CONSTITUTE A DEBT OR LIABILITY OF THE METROPOLITAN GOVERNMENT FOR WHICH THERE IS A RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE METROPOLITAN GOVERNMENT.

Rate Covenant

The Water and Sewer Bond Resolution requires the Metropolitan Government to set and maintain rates sufficient to produce Revenues in each Fiscal Year at least equal to the greater of (i) 120% of the Debt Service Requirement on the Water and Sewer Bonds in such Fiscal Year; or (ii) 100% of the sum of (a) the Debt Service Requirement on the Prior Lien Bonds and any other indebtedness of the Metropolitan Government payable from and secured by Revenues, including commercial paper in such Fiscal Year, (b) the amounts required to be paid during such Fiscal Year into the debt service reserve fund established by the Water and Sewer Bond Resolution, and (c) the amount of all other charges and liens whatsoever payable out of Revenues during such Fiscal Year, including, but not limited to, payments in lieu of taxes.

Extendable Commercial Paper Notes Subordinate Lien Pledge

Prior Lien Bonds – The pledge of the Revenues in favor of the ECP Notes is subject and subordinate to a prior pledge of the Revenues to the payment of the Prior Lien Bonds. The application of Revenues pursuant to the terms of the ECP Resolution is subject to the prior application of the Revenues to certain funds and accounts pursuant to the Water and Sewer Bond Resolution authorizing the Prior Lien Bonds, as more fully described below. See “WATER AND SEWER SYSTEM OBLIGATIONS” herein.

Additional Prior Lien Bonds – The Prior Lien Bonds consist of bonds, notes and other debt obligations issued pursuant to the Water and Sewer Bond Resolution. Additional Water and Sewer Bonds may be hereafter issued pursuant to the Water and Sewer Bond Resolution upon certain terms provided in the Water and Sewer Bond Resolution.

The Water and Sewer Bond Resolution permits the Metropolitan Government to issue additional series of Bonds on a parity and equality of lien, as to the Revenues, with the Prior Lien Bonds if, among other things, the Metropolitan Government certifies that the Net Revenues for any twelve (12) consecutive month period within the twenty-four (24) consecutive months immediately preceding the date of issuance of the additional Bonds were at least equal to 120% of the maximum Debt Service Requirement on the Water and Sewer Bonds in any future Fiscal Year. The Water and Sewer Bond Resolution prohibits the future issuance of any debt obligations secured by a pledge of any portion of the Revenues on a basis senior to the Water and Sewer Bonds.

Remedies and Rights of Holders

The ECP Notes, when duly issued, will constitute a contract between the Metropolitan Government and each registered owner of the ECP Notes. Any registered owner or owner(s) of the ECP Notes, including a trustee or trustees for the registered owners, shall have the right, in addition to all other rights: (a) by mandamus or other suit, action or proceeding in any court of competent jurisdiction to enforce his or her rights against the Metropolitan Government and the Metropolitan Council and any officer, agent or employee of the Metropolitan Government, including, but not limited to, the right to require the Metropolitan Government and the Metropolitan Council and any proper officer, agent or

employee of the Metropolitan Government to carry out the covenants and agreements as set forth in the ECP Resolution and to perform its and their duties under the applicable provisions as set forth under the Act; and (b) by action or suit in equity to enjoin any acts or things which may be unlawful or a violation of the rights of such registered owners of the ECP Notes.

WATER AND SEWER SYSTEM OBLIGATIONS

Prior Lien Bonds

The pledge of the Revenues in favor of the ECP Notes is subject and subordinate to a prior pledge of the Revenues to the payment of the Metropolitan Government's outstanding: (i) Water and Sewer Revenue Bonds Federally Taxable, Series 2010B (Build America Bonds—Direct Payment) (the "Series 2010B Bonds"); (ii) Water and Sewer Revenue Bonds Federally Taxable, Series 2010C (Recovery Zone Economic Development Bonds) (the "Series 2010C Bonds"); (iii) Water and Sewer Revenue Bonds, Series 2017A (Green Bonds) (the "Series 2017A Bonds"); (iv) Water and Sewer Revenue Bonds, Series 2017B (the "Series 2017B Bonds"); (v) Water and Sewer Revenue Bonds, Series 2020A (the "Series 2020A Bonds"); (vi) Water and Sewer Revenue Bonds, Series 2020B (the "Series 2020B Bonds"); (vii) State Revolving Fund Loans Nos. 2020-223, 2020-224 and 2020-446 (the "2020 SRF Loans"); (xiii) Water and Sewer Revenue Bonds, Series 2021A (Green Bonds) (the "Series 2021A Bonds"); (ix) Federally Taxable Water and Sewer Revenue Refunding Bonds, Series 2021B (Green Bonds) (the "Series 2021B Bonds"); (x) Water and Sewer Revenue Bond, Series 2022 (WIFIA Project) (Federally Taxable) (the "Series 2022 WIFIA Bond") (x) Water and Sewer Revenue Refunding and Improvement Bonds, Series 2025 (the "Series 2025 Bonds"), and any other debt obligations hereafter issued by the Metropolitan Government pursuant to the Water and Sewer Bond Resolution (collectively, the "Prior Lien Bonds").

WIFIA Loan Agreement

On September 14, 2022, the Metropolitan Government entered into a loan agreement, as may be amended and supplemented from time to time (the "WIFIA Loan Agreement"), with the United States Environmental Protection Agency (the "EPA"), and issued the Series 2022 WIFIA Bond to memorialize its obligations under the WIFIA Loan Agreement. The Metropolitan Government plans to apply the proceeds of the Series 2022 WIFIA Bond to the improvement of the Omohundro Water Treatment Plant and the K.R. Harrington Water Treatment Plant.

The Series 2022 WIFIA Bond is structured as a draw-down bond with a maximum available principal amount of \$315,000,000. The Metropolitan Government anticipates drawing the proceeds of the Series 2022 WIFIA Bond in calendar year 2026. The Series 2022 WIFIA Bond is payable at a fixed interest rate of 3.54%, with principal repayments commencing July 1, 2028, and continuing through July 1, 2057, subject to earlier prepayment. Pursuant to the terms of the Series 2022 WIFIA Bond, the interest rate may increase to 5.54% upon the occurrence of a default.

State Revolving Loan Funds

In May 2020, the Metropolitan Government entered into the 2020 SRF Loans with the Tennessee Department of Environment and Conservation and the Tennessee Local Development Authority under the State of Tennessee's State Revolving Fund ("SRF") loan program to fund all or a portion of certain capital improvement projects for the System, each loan agreement being fully described below.

2020-223 SRF Loan Agreement – Under the 2020-223 SRF Loan Agreement, the Metropolitan Government entered into a \$5 million SRF Loan to fund green distribution system improvements including the construction and upgrade of one or more water storage tanks and the replacement of certain cast iron waterlines. The term of this loan agreement is 20 years with an interest rate of 0.65%.

2020-224 SRF Loan Agreement – Under the 2020-224 SRF Loan Agreement, the Metropolitan Government entered into a \$27.49 million SRF Loan to fund additional green distribution system improvements including the construction and upgrade of one or more water storage tanks and the replacement of certain cast iron waterlines. The term of this loan agreement is 20 years with an interest rate of 0.95%.

2020-446 SRF Loan Agreement – Under the 2020-446 SRF Loan Agreement, the Metropolitan Government entered into a \$11.6 million SRF Loan to fund a portion of certain wastewater facilities improvements (including the rehabilitation of certain sewer lines by cured in place pipelining certain sewer service renewals by lining and excavation and manholes in the System. The term of this loan agreement is 20 years with an interest rate of 0.95%.

Each of the foregoing SRF Loan Agreements is structured as a draw-down debt instrument. The 2020-223 SRF Loan Agreement and the 2020-446 SRF Loan Agreement have been fully drawn down and have final maturity dates of July 20, 2042, and January 20, 2043, respectively. The 2020-224 SRF Loan Agreement is still currently being drawn on and it will not have an amortization schedule until the loan has been fully drawn. See “Schedule of the Outstanding Water and Sewer System Obligations” below.

Water and Sewer Revenue Traditional Commercial Paper Notes

In accordance with certain resolutions of the Metropolitan Council, the Charter and the applicable provisions of the Act, the Metropolitan Government operates a water and sewer revenue commercial paper program consisting of the Traditional Notes to: (i) finance the costs of various capital improvements to the System; (ii) retire the principal and/or interest of previously issued Traditional Notes; and (iii) to refund or renew Traditional Notes previously issued under various resolutions of the Metropolitan Council duly and lawfully adopted for such purposes.

In connection with the Traditional Notes, as notes mature (prior to the issuance of the Bonds), new notes are issued to repay maturing obligations. If market conditions prevent the issuance of new notes, a bank has agreed to pay the principal amount of any maturing commercial paper notes under a revolving credit agreement. The Metropolitan Government has 180 days to reimburse the bank using proceeds from new Traditional Notes issuances, long-term water and sewer revenue bonds, or Metropolitan Government funds. Failure to reimburse within 180 days converts the bank advance into a term loan, payable in equal quarterly installments of principal over three years.

The Metropolitan Government’s existing debt obligations under its Traditional Notes and ECP Notes are payable from Revenues of the System on a basis subordinate to the Prior Lien Bonds. As of the date of this Offering Memorandum, there are \$60 million in Traditional Notes outstanding. The Metropolitan Government anticipates that it will continue to issue additional Traditional Notes and ECP Notes to fund various capital improvements for the System in the future.

Par Amount of Outstanding Water and Sewer Bonds

As described above, the ECP Notes are payable from Revenues on a subordinate basis to the Prior Lien Bonds. The total par amount of the outstanding Prior Lien Bonds, as of December 1, 2025, is \$1,863,401,063, as set forth and more particularly illustrated on the following page. Additional Water and

Sewer Bonds may be hereafter issued pursuant to the Water and Sewer Bond Resolution upon certain terms provided in the Water and Sewer Bond Resolution.

Schedule of the Outstanding Prior Lien Bonds

The following table illustrates the Outstanding Prior Lien Bonds, as of December 1, 2025, including their respective outstanding par amounts and the final maturity dates.

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
DEPARTMENT OF WATER AND SEWERAGE SERVICES
OUTSTANDING PRIOR LIEN BONDS**

OUTSTANDING PRIOR LIEN BONDS	OUTSTANDING PAR AMOUNT	FINAL MATURITY DATE
Series 2010B Bonds	\$135,000,000	July 1, 2037
Series 2010C Bonds	75,000,000	July 1, 2041
Series 2017A Bonds	53,605,000	July 1, 2046
Series 2017B Bonds	84,305,000	July 1, 2046
Series 2020A Bonds	149,910,000	July 1, 2045
Series 2020B Bonds	10,735,000	July 1, 2027
2020-223 SRF Loan	4,210,961	July 20, 2042
2020-224 SRF Loan	23,366,800	N/A
2020-446 SRF Loan	6,888,302	January 20, 2043
Series 2021A Bonds	350,965,000	July 1, 2051
Series 2021B Bonds	170,595,000	July 1, 2043
Series 2022 WIFIA Bond	315,000,000	July 1, 2057
Series 2025 Bonds	483,820,000	July 1, 2055
TOTAL	\$1,863,401,063	

Source: The Metropolitan Government of Nashville and Davidson County.

WATER AND SEWER SYSTEM FUTURE CAPITAL OBLIGATIONS

Water and Sewer System Capital Improvement Plan

The Charter requires the Metropolitan Government to annually prepare a five-year capital improvements budget. The Metropolitan Mayor submits the capital improvements budget to the Metropolitan Council, based on information received from all officers, departments, boards, commissions, and other agencies requesting funds from the Metropolitan Government for capital improvements, and the Metropolitan Mayor recommends those projects to be undertaken during the ensuing fiscal year and the method of financing them.

The Metropolitan Mayor’s recommendation notes the impact of proposed projects on the debt structure of the Metropolitan Government and includes in the appropriate current operating budget any projects to be financed from current revenues for the ensuing fiscal year. Not all projects included in the Department’s capital improvements budget are financed and/or completed. In order for a project included in the capital improvements budget to be financed with water and sewer revenue bonds, the Metropolitan Council must subsequently adopt an initial resolution, or capital spending plan, specifically authorizing the project and the amount of water and sewer revenue bonds that may be issued to finance various capital improvements to the System.

As part of its capital improvement budget for the System for the Fiscal Years ending June 30, 2025, through June 30, 2029, the Metropolitan Government plans to spend an additional amount of approximately \$3.231 billion for capital improvement projects for the System (not including projects related to the Consent Decree). These capital improvement projects are also expected to be primarily funded with long-term borrowings and Revenues of the System. The chart below illustrates the Metropolitan Government’s capital improvements budget for the System for the Fiscal Years ending June 30, 2025, through June 30, 2029:

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
DEPARTMENT OF WATER AND SEWERAGE SERVICES
CAPITAL IMPROVEMENTS BUDGET
(For the Fiscal Years Ending June 30, 2025, through June 30, 2029)**

FISCAL YEAR	AMOUNTS⁽¹⁾
Fiscal Year 2024-2025	\$ 923,633,000
Fiscal Year 2025-2026	309,635,000
Fiscal Year 2026-2027	450,370,000
Fiscal Year 2027-2028	1,057,847,000
Fiscal Year 2028-2029	490,005,000
TOTAL	\$3,231,490,700

⁽¹⁾ See “**APPENDIX B – FINANCIAL AND OPERATING INFORMATION REGARDING THE WATER AND SEWER SYSTEM**” attached hereto, for the complete chart of the capital improvement plan and the associated capital improvement budgets relating to the System.

Source: The Metropolitan Government of Nashville and Davidson County.

See “**APPENDIX B – FINANCIAL AND OPERATING INFORMATION REGARDING THE WATER AND SEWER SYSTEM**” attached hereto, for additional information regarding the capital improvement plan and the associated capital improvement budgets relating to the System.

United States Environmental Protection Agency Consent Decree

In December 2005, the Department received an inquiry from the United States Environmental Protection Agency's Region IV ("USEPA") headquarters. This inquiry requested certain documents and records pertaining to the Department's operations, capital plan, and stormwater management. The Department's response was submitted in January 2006. The Department, by the Tennessee Department of Environment and Conservation ("TDEC"), and the USEPA agreed on a recommended consent decree to address and correct deficiencies within the System that have caused violations of the Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, and the Water Quality Act of 1987 (collectively, the "CWA"), (the "Consent Decree").

The Consent Decree originally required that the Metropolitan Government fully develop, by March 12, 2011, a Corrective Action Plan/Engineering Report ("CAP/ER") for its Sewer System and a Long-Term Control Plan ("LTCP") for its combined System to achieve the goals of the CWA. Upon the submission and approval of the plans, the Metropolitan Government was originally obligated to complete the work as developed by the plans in nine years.

On May 14, 2010, the Metropolitan Government petitioned the USEPA and TDEC for a 6-month time extension for the delivery of both plans and a two year-extension for final compliance with the Consent Decree due to extreme flooding that occurred in May of 2010 within Nashville causing the Cumberland River to spill over its banks and temporarily impacted other areas in Nashville. The USEPA and TDEC granted the requested time extension to the Department. Both the CAP/ER and the LTCP were submitted on time based on the time extension to the EPA and TDEC in September of 2011.

On August 10, 2017, the USEPA approved the CAP/ER and the timeline (*i.e.*, 11 years) to complete the work, now officially commenced, yielding a deadline of August 2028 for final compliance. After extensive negotiation, the USEPA issued a partial conditional approval of the LTCP in December 2020, which required the Department to submit a revised LTCP within four years and allows 11 years from the date of the letter to complete the work. As required under the December 2020 conditional approval, the Department submitted an update to the LTCP in December 2024 that demonstrated compliance with water quality standards follow the completion of the applicable System projects currently underway. The Department is also required to submit an update to the CAP/ER in December 2025, which may recommend additional projects to mitigate sanitary sewer overflows. Among other requirements, the Consent Decree will require estimated capital expenditures to the System in a total amount of approximately \$3.1 billion.

See "**APPENDIX B** – FINANCIAL AND OPERATING INFORMATION REGARDING THE WATER AND SEWER SYSTEM" attached hereto, for additional information regarding the Consent Decree and the required capital expenditures regarding the System.

Future Anticipated Borrowings

The Metropolitan Government anticipates continuing to issue its Traditional Notes and ECP Notes for the purpose of providing interim financing for capital improvements to the System.

Additionally, the Metropolitan Government anticipates making capital improvements to the System, particularly to the Omohundro Water Treatment Plant and the K.R. Harrington Water Treatment Plant, through drawing down on the WIFIA Loan Agreement using the available amounts from the proceeds of the Series 2022 WIFIA Bond.

LITIGATION

At the time of the original delivery of the ECP Notes, there will be furnished a certificate of certain officers of the Metropolitan Government stating that except as disclosed in the Offering Memorandum there is no litigation then pending, or to their knowledge threatened, restraining, enjoining, or adversely affecting the issuance or delivery of the ECP Notes, the fixing or collecting of rates and charges for the services of the System, the proceedings and authority under which the ECP Notes are to be issued or which affect in any way the validity of the ECP Notes.

The Metropolitan Government, like other similar bodies, is a party to various lawsuits in the normal course of business. It is the opinion of the Director of Law of the Metropolitan Government that there is no pending litigation against the Metropolitan Government that, if decided adversely to the Metropolitan Government, would have a material adverse financial impact upon the Metropolitan Government or its operations.

TAX MATTERS

Federal Taxes

General. Bass, Berry & Sims PLC, Nashville, Tennessee, is Bond Counsel for the ECP Notes. Their opinion under existing law, relying on certain statements by the Metropolitan Government and assuming compliance by the Metropolitan Government with certain covenants, is that interest on the ECP Notes:

- is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and
- is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the ECP Notes may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations.

The Code imposes requirements on the ECP Notes that the Metropolitan Government must continue to meet after the ECP Notes are issued. These requirements generally involve the way that ECP Notes proceeds must be invested and ultimately used. If the Metropolitan Government does not meet these requirements, it is possible that an ECP Notes holder may have to include interest on the ECP Notes in its federal gross income on a retroactive basis to the date of issue. The Metropolitan Government has covenanted to do everything necessary to meet these requirements of the Code.

An ECP noteholder who is a particular kind of taxpayer may also have additional tax consequences from owning the ECP Notes. This is possible if an ECP noteholder is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit or
- a borrower of money to purchase or carry the ECP Notes.

If an ECP noteholder is in any of these categories, it should consult its tax advisor.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the ECP Notes or affect the market price of the ECP Notes. See “Changes in Federal and State Tax Law” below under this section.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the ECP Notes or under Tennessee, local or foreign tax law.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest on tax-exempt obligations, including the ECP Notes. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing ECP Notes through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the ECP Notes from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s federal income tax once the required information is furnished to the Internal Revenue Service.

State Taxes

Under existing law, the ECP Notes and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the ECP Notes during the period the ECP Notes are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the ECP Notes in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the ECP Notes or otherwise prevent holders of the ECP Notes from realizing the full benefit of the tax exemption of interest on the ECP Notes. Further, such proposals may impact the marketability or market value of the ECP Notes simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to ECP Notes issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or

commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the ECP Notes. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the ECP Notes would be impacted thereby. Purchasers of the ECP Notes should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the ECP Notes, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

APPROVAL OF LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and validity of the ECP Notes are subject to the approving opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, whose approving opinion, in substantially the form attached hereto as “**APPENDIX D – FORM OF OPINION OF BOND COUNSEL**” will be delivered concurrently with the issuance of the ECP Notes.

Certain legal matters will be passed upon for the Metropolitan Government by its Disclosure Counsel, Carpenter Law, PLLC, Nashville, Tennessee. Additionally, certain legal matters will be passed upon for the Metropolitan Government by its Director of Law, Wallace W. Dietz, Esquire. Certain legal matters will be passed upon for the Dealer by its counsel, Adams and Reese LLP, Nashville, Tennessee.

No representation is made to the holders of the ECP Notes that Bond Counsel has verified the accuracy, completeness or fairness of the statements contained in this Offering Memorandum, and Bond Counsel assumes no responsibility to the Holders of the ECP Notes except for the matters that will be set forth in its unqualified approving opinion.

The legal opinions to be delivered concurrently with the issuance of the ECP Notes express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering legal opinions, the attorneys providing such opinions do not become insurers or guarantors of the result indicated by that expression of professional judgment with respect to the transaction on which the opinions are rendered or of the future performance of parties to the transaction. Furthermore, the rendering of an opinion does not guarantee the outcome of any legal dispute that may arise out of the transaction.

FINANCIAL INFORMATION

In connection with the issuance of the ECP Notes, the Metropolitan Government is not required to and will not agree to provide any “annual financial information” (within the meaning of Securities and Exchange Commission Rule 15c2-12 (“Rule 15c2-12”)) or any other information or notices required by Rule 15c2-12 to the Municipal Securities Rulemaking Board (“MSRB”). However, the Metropolitan Government has agreed to provide such “annual financial information” and other information and notices required by Rule 15c2-12 to the Electronic Municipal Market Access of the MSRB (“EMMA”) in connection with the issuance of its various outstanding water and sewer revenue bonds, and such information is available from EMMA www.emma.msrb.org as long as the Metropolitan Government has outstanding water and sewer revenue bonds.

Audited financial statements of the Metropolitan Government and related supplementary information for each fiscal year are also available through the website of the Metropolitan Government’s

Department of Finance at <https://www.nashville.gov/departments/finance/office-treasurer/debt/investor-relations/documents>. Also, certain supplementary information regarding the Metropolitan Government can be provided by submitting a public records request through the website of hubNashville at https://hub.nashville.gov/s?language=en_US.

To the extent there are any differences between the audited financial statements posted on the website of the Metropolitan Government’s Department of Finance or from related documents received through a public records request as compared to the audited financial statements filed by the Metropolitan Government on EMMA, then the audited financial statements filed on EMMA shall control.

For additional information regarding the Metropolitan Government and its audited financial statements, the ECP Notes, or this Offering Memorandum and the appendices attached hereto, please contact: Seth Pilkington, Treasurer of the Metropolitan Government at Metro Department of Treasury P.O. Box 196300 Nashville, Tennessee 37219-6300.

This Offering Memorandum is not a summary of the terms of the ECP Notes, and information essential to the making of an informed decision with respect to the ECP Notes may be obtained in the manner described above. All references to documents and other materials not purporting to be quoted in full are qualified in their entirety by reference to the complete provisions of the documents and other materials referenced. The information and expressions of opinion in this Offering Memorandum are subject to change without notice, and future use of this Offering Memorandum shall not create any implication that there has been no change in the matters described herein since the date hereof.

INDEPENDENT AUDITOR

The electronic hyperlink containing the Metropolitan Government’s Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2024, which is inclusive of the audited financial statements for Fiscal Year 2024, is incorporated herein and has been audited by Crosslin & Associates, Certified Public Accountants, serving as independent auditors to the Metropolitan Government.

Crosslin & Associates, Certified Public Accountants has not been engaged to perform and has not performed, since the date of the Annual Comprehensive Financial Report, any review or analysis of the audited financial statements addressed within the Annual Comprehensive Financial Report and has not performed any review or analysis of the audited financial statements set forth and more fully described within this Offering Memorandum or the appendices attached hereto.

See “**APPENDIX A – ELECTRONIC HYPERLINK TO THE ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE METROPOLITAN GOVERNMENT FOR THE FISCAL YEAR ENDED JUNE 30, 2024**” attached hereto to access the electronic hyperlink pertaining to the Annual Comprehensive Financial Report and the audited financial statements of the Metropolitan Government.

RATINGS

Moody’s Investors Service, Inc. and S&P Global Ratings (together the “Rating Agencies”), have each assigned ratings of “P-1” and “A-1+”, respectively, to the ECP Notes.

The ratings reflect only the respective views of the Rating Agencies, and any explanation of the significance of such ratings may be obtained from the Rating Agencies at the following addresses:

Moody's Investors Services, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007; and S&P Global Ratings, 55 Water Street, New York, New York 10041.

The Metropolitan Government furnished to the Rating Agencies certain information and materials, some of which may not have been included in this Offering Memorandum, relating to the Metropolitan Government and its outstanding debt. Generally, rating agencies base their ratings upon such information and materials and upon investigations, studies and assumptions by the ratings agencies. The Metropolitan Government makes no representation as to the appropriateness of these ratings and is not required to maintain a specified rating with respect to the ECP Notes. There is no assurance that such ratings will remain unchanged for any given period of time or that the ratings will not be revised downward or withdrawn entirely by the Rating Agencies furnishing the same, if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings or other actions taken by the Rating Agencies, or any other rating agency, may have an adverse impact on the market price or marketability of the ECP Notes. The Metropolitan Government has not undertaken any responsibility to oppose any such revision, suspension, or withdrawal.

Additionally, due to the ongoing uncertainty regarding the debt of the United States of America, including without limitation, the general economic conditions in the country, and other political and economic developments that may affect the financial condition of the United States government, the United States debt limit, and the bond ratings of the United States and its instrumentalities, obligations issued by state and local governments, such as the ECP Notes, could be subject to a rating downgrade. Furthermore, if a significant default or other financial crisis should occur in the affairs of the United States or of any of its agencies or political subdivisions, then such event could also adversely affect the market for and ratings, liquidity, and market value of outstanding debt obligations, such as the ECP Notes.

MUNICIPAL ADVISOR

Hilltop Securities Inc., Dallas, Texas (the "Municipal Advisor"), is employed as Municipal Advisor to the Metropolitan Government in connection with the issuance of the ECP Notes. Hilltop Securities Inc., in its capacity as Municipal Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the ECP Notes or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies. In the normal course of business, the Municipal Advisor may from time to time sell investment securities to the Metropolitan Government for the investment of bond proceeds or other funds of the Metropolitan Government upon the request of the Metropolitan Government.

The Municipal Advisor has provided the following sentence for inclusion in this Offering Memorandum: The Municipal Advisor has reviewed the information in this Offering Memorandum in accordance with, and as part of, its responsibilities to the Metropolitan Government and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

DEALER

The Metropolitan Government has appointed Morgan Stanley & Co. LLC to serve as Dealer for the ECP Notes. Under the Dealer Agreement, the Dealer shall use its best efforts to arrange for the sale of the ECP Notes, but shall not be obligated to purchase any ECP Notes for its own account or arrange the

sale of any ECP Notes unless and until it is in accordance with the ECP Resolution, the Issuing and Paying Agency Agreement, and the Dealer Agreement and the Dealer has agreed to such purchase or arranged sale. Any inquiries to the Dealer pertaining to the ECP Notes may be directed as set forth below:

Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036
Attention: Municipal Short-Term Products
Telephone: (212) 761-2609
Fax: (212) 507-2103
Email: Muni-Short-Term@morganstanley.com

The Dealer and its affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Dealer and its affiliates have from time to time performed and may in the future perform various commercial and investment banking services for the Metropolitan Government for which they received or will receive customary fees and expenses.

In the ordinary course of their respective various business activities, the Dealer and its affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The Dealer and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities, and instruments. Such investment and security activities may involve securities and instruments of the Metropolitan Government.

FORWARD LOOKING STATEMENTS

The statements contained in this Offering Memorandum, and in any other information provided by the Metropolitan Government, that are not purely historical, are forward-looking statements, including certain statements regarding the Metropolitan Government's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Offering Memorandum are based on information available to the Metropolitan Government on the date hereof and the Metropolitan Government assumes no obligation to update any such forward-looking statements. It is important to note that the Metropolitan Government's actual results could differ materially from those in such forward-looking statements.

The forward-looking statements herein necessarily are based on various assumptions and estimates and inherently are subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are

difficult or impossible to predict accurately and many of which are beyond the control of the Metropolitan Government. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Offering Memorandum will prove to be accurate.

In considering the matters set forth in this Offering Memorandum, prospective investors should carefully review all information included herein (particularly the information under this caption) to identify any investment considerations. Potential investors should be thoroughly familiar with this entire Offering Memorandum and the appendices hereto and should have accessed whatever additional financial and other information any such investor may deem necessary, prior to making an investment decision with respect to the ECP Notes.

MISCELLANEOUS

The references, excerpts and summaries of all documents referred to in this Offering Memorandum, including the cover page and the appendices attached hereto, do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the ECP Notes, the security for the payment of the ECP Notes and the rights and obligations of the holders thereof.

The information contained in this Offering Memorandum, including the cover page and the appendices attached hereto, has been prepared by the Metropolitan Government and compiled from sources deemed by the Metropolitan Government to be reliable and, while not guaranteed as to completeness or accuracy, the information contained herein is believed by the Metropolitan Government to be correct as of the date of this Offering Memorandum.

Use of the words “shall” or “will” in this Offering Memorandum or in summaries of documents to describe future events or continuing obligations is not intended as a representation that such event or obligation will occur but only that the document contemplates or requires such event to occur or obligation to be fulfilled. Any statements made in this Offering Memorandum involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Offering Memorandum nor any statement, which may have been made verbally or in writing, is to be construed as a contract with the holders of the ECP Notes.

[Signatures on the Following Page]

**AUTHORIZATION OF AND CERTIFICATION REGARDING THE
AMENDED AND RESTATED OFFERING MEMORANDUM**

The execution and delivery of this Amended and Restated Offering Memorandum have been duly authorized and approved by the Metropolitan Government.

**THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY**

By: */s/ Freddie O'Connell* _____

**Freddie O'Connell
Metropolitan Mayor**

By: */s/ Jenneen Reed* _____

**Jenneen Reed
Director of Finance**

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APPENDIX A

**ELECTRONIC HYPERLINK TO THE ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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**ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR
THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**

The electronic hyperlink incorporated in this **APPENDIX A** contains the Metropolitan Government’s Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2024, which is inclusive of the audited financial statements for Fiscal Year 2024, and has been audited by Crosslin & Associates, Certified Public Accountants, serving as the independent auditor to the Metropolitan Government (the “ACFR”).

The ACFR is hereby incorporated by reference as a part of this **APPENDIX A** and is available either through the website of the Municipal Securities Rulemaking Board (“MSRB”) Electronic Municipal Market Access system (“EMMA”) at the following electronic hyperlink: <https://www.emma.msrb.org>, or through the website of the Metropolitan Government’s Department of Finance at the following electronic hyperlink: <https://www.nashville.gov/departments/finance/office-treasurer/debt/investor-relations/documents>.

To the extent there are any differences between the ACFR posted on the website of the Metropolitan Government’s Department of Finance as compared to the ACFR filed by the Metropolitan Government on the MSRB’s EMMA system, then the ACFR filed on the MSRB’s EMMA system shall control.

Crosslin & Associates, Certified Public Accountants, has not been engaged to perform and has not performed, since the date of the ACFR, any review or analysis of the audited financial statements addressed within the ACFR and has not performed any review or analysis of the audited financial statements set forth and more fully described within the Offering Memorandum or the appendices attached thereto.

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APPENDIX B

**FINANCIAL AND OPERATING INFORMATION REGARDING THE
WATER AND SEWER SYSTEM**

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**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
DEPARTMENT OF WATER AND SEWERAGE SERVICES**

The formation of the Metropolitan Government of Nashville and Davidson County (the “Metropolitan Government”), effective on April 1, 1963, resulted in the combination and consolidation of (i) the water and sewage system formerly maintained by the City of Nashville, and (ii) the sewage system formerly maintained by the Davidson County Improvement District No. 1 into the Department of Water and Sewerage Services (the “Department”). The Department, established under Section 8.501 of the Charter of the Metropolitan Government (the “Charter”), is charged with the responsibility for construction, operation and maintenance of all water and sanitary sewer facilities for the Water System (as defined herein) and the Sewer System (as defined herein), including the collection of all charges for the services of such utilities. The Department provides water and sewerage services to most of the Metropolitan Government and small portions of the surrounding counties.

In addition to the combined and consolidated facilities, the Water System and the Sewer System have been gradually expanded to include: (i) improvements financed by revenues; (ii) improvements resulting from capital contributions in aid of construction by private developers; (iii) all improvements, additions and extensions financed with the proceeds of outstanding bonds and governmental grants; and (iv) facilities acquired from (a) the Nashville Suburban Utility District, (b) the First Suburban Water Utility District of Davidson County, Tennessee, (c) the sewerage service of the Parkwood Service Company, (d) the Joelton Water Utility District, (e) the City of Lakewood water and sewerage system, (f) Rayon City Water Company, (g) the Cumberland Utility District, (h) the sewerage service of the Nolensville/College Grove Utility District in Williamson County, and (i) the Old Hickory Utility District of Davidson County.

Under the Charter and Section 7-3-302 of the Tennessee Code Annotated, as amended, the Metropolitan Government can assume and take over any water and/or sewer utility district located within its boundaries through ordinances adopted by the Metropolitan County Council of the Metropolitan Government (the “Metropolitan Council”). Several such systems currently operate inside Davidson County and if a decision is made to consolidate these operations into the Department, the Metropolitan Government will take subject to or retire all debts and liabilities of the systems. The economic impact of such an assumption or takeover would be evaluated prior to the submission of any legislation to the Metropolitan Council. By contract, dated February 1996, the Metropolitan Government has agreed not to take over the Harpeth Valley Utility District before February 2026.

Historically, the Department managed and partially funded the Stormwater operations of the Metropolitan Government. In 2009, the Metropolitan Government established a Stormwater Division of the Department as a stand-alone enterprise fund with its own set of service fees, which are now an itemized part of the water bill. Further funding of Stormwater operations will not be required of the Department. On July 2020, the Department assumed management of the Metropolitan Government of Nashville Davidson County District Energy System (“DES”). DES delivers heat, ventilation, and air conditioning (HVAC) to buildings in the downtown corridor through a series of closed-circuit pipe systems carrying cooled and heated water. DES activities are funded solely from fees/rates from the customers of the System and revenues generated from the Metropolitan Government.

On July 1, 2021, the Department assumed management of the Metropolitan Government of Nashville Davidson County Waste Services, which includes resident recycling and waste collection in the Urban Services District, commercial trash collection in the downtown corridors, county-wide refuse collection convenience centers and drop off points, and oversight of the county’s closed landfills. This is established as a stand-alone special revenue fund that is funded in part by proceeds from property taxes

and revenues received from waste operations. Waste Services activities are funded solely from Solid Waste fees and revenues generated from the Metropolitan Government.

THE WATER AND SEWER SYSTEM

The Water System

The water provided by the Department's Water System currently meets all physical, chemical, and bacteriological water quality standards established by the United States Environmental Protection Agency (the "EPA") under the Safe Drinking Water Act, as amended, by the Tennessee Department of Environment and Conservation and under the Tennessee Safe Drinking Water Act of 1983, as amended.

The Department's Water System draws water from the Cumberland River and processes it through modern filtration plants for delivery into the Metropolitan Government's water supply, transmission, treatment and distribution system (the "Water System"). Raw water is treated by chemical coagulation, flocculation, clarification, filtration, and disinfection. The existing water treatment plants and pumping facilities have a total delivery capacity of 202 million gallons per day. In Fiscal Year 2023, net sales to retail customers were 24.4 billion gallons. The peak demand for water from the Water System during Fiscal Year 2024 was 138.6 million gallons on August 26, 2024.

The Omohundro Water Treatment Plant, originally placed in service in 1889, has been extensively expanded and modernized over the years. This campus includes (i) the George Reyer Pumping Station, (ii) the Robert L. Lawrence Jr. Filtration Plant, and (iii) the Boiler House and a fairly recently built electrical substation. The electrical substation, completed in 2019, includes four 2.5 megawatt backup electrical generators that can run the entire Omohundro Water Treatment Plant at its rated maximum capacity of 90 million gallons per day. The central control room located at this plant provides constant monitoring of the status of all water pumping stations and reservoirs. The Omohundro Water Treatment Plant supports full-capacity operation with backup generators installed in 2018.

The K.R. Harrington Water Treatment Plant was completed and placed into operation in 1977. This plant provided an additional capacity of 60 million gallons per day to the Metropolitan Government's water treatment capabilities. The expansion of this plant's filtration capacity to 90 million gallons per day was completed in 1992 to ensure an adequate supply of potable water through the coming years. In 1999, as a precaution against prolonged power outages caused by ice storms, tornadoes, or other disasters, the K.R. Harrington Plant was equipped with four emergency generators with a capacity of 1,750 kW each. These generators allow the Department to operate this plant at a capacity of 72 million gallons per day. In 2023, clay filter underdrain systems were replaced with Orthos underdrains increasing the filtration capacity from 90 million gallons per day to 112 million gallons per day.

The water from the existing treatment plants is delivered into the distribution system through six major transmission mains. The distribution system contains approximately 3,123.2 miles of mains ranging in diameter from two inches to 60 inches. Storage facilities include the nearly completed 35-million-gallon Eighth Avenue Reservoir, and 35 additional reservoirs with a combined additional capacity of 48.7 million gallons along with various tanks and standpipes, many of which are utilized to provide water service in areas of higher elevation than the central urbanized area. The Water System operates 56 booster-pumping stations to deliver water to these higher regions and to ensure water reaches higher elevations effectively.

Although recent growth has been relatively flat, the Water System has experienced continuous growth over the past decade, and as of Fiscal Year 2024, provided direct service to 226,660 customers. In

Fiscal Year 2024, sixty-two percent (62%) of the water provided by the Water System was consumed by commercial and industrial customers (including residential apartment complexes), and thirty-eight percent (38%) was consumed by residential customers.

The following table illustrates the growth of the Metropolitan Government’s Water System over the past ten (10) fiscal years:

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
DEPARTMENT OF WATER AND SEWERAGE SERVICES
THE WATER SYSTEM
(For the Fiscal Years Ended June 30, 2014, through June 30, 2024)**

USE OF WATER:	Fiscal Year 2024	Fiscal Year 2014	Fiscal Years 2014-2024
Water Customers ⁽¹⁾	226,660	190,699	18.86%
Average Daily Finished (MGD)	109.5	85.8	27.72%
Water Sales for Fiscal Year ⁽²⁾ (billions of gallons)	24.4	22.1	10.41%
Maximum Daily Demand (millions of gallons)	137.8	106.4	29.50%
<u>GROWTH OF SYSTEM:</u>			
Utility Plant Value ⁽³⁾ (in millions)	2,817	1,778	58.40%
Reservoirs	35	36	-2.78%
Storage Capacity of Reservoirs (millions of gallons)	51.7	59.0	-12.32%
Water Pumping Stations	54	53	1.89%
Miles of Distribution Lines	3,123	3,042	2.66%
Fire Hydrants	22,433	20,855	7.57%

⁽¹⁾ As per billing records.

⁽²⁾ Excludes wholesale customers.

⁽³⁾ Property, Plant & Equipment of the Combined Water and Sewer System, net of depreciation.

Source: The Metropolitan Government of Nashville and Davidson County, Department of Water and Sewerage Services.

The Department has a contract with ESource to perform an independent water audit on an annual basis. The audit for Fiscal Year 2024 is complete. During the audit, the Water System input volume is categorized as revenue water and non-revenue water. Non-revenue water is further broken down into real losses (*i.e.*, leakage) and apparent losses (*i.e.*, meter error). For Fiscal Year 2024, the real losses were 33.71% of Water System input volume and the apparent losses were 1.30% of Water System input volume.

The Sewer System

The existing sewerage system consists of 3,085 miles of gravity sewers, 120 pumping stations, 171 miles of force main and four treatment plants, the three most important of which are (i) the Central

Wastewater Treatment Plant, (ii) the Dry Creek Wastewater Treatment Plant, and (iii) the Whites Creek Wastewater Treatment Plant (the “Sewer System”). The Central Wastewater Treatment Plant has a capacity of 250 million gallons per day plus an additional 80 million gallons per day used for stormwater treatment for a total capacity of 330 million gallons per day. The Dry Creek Wastewater Treatment Plant has a design capacity of 24 million gallons per day of secondary treatment while the Whites Creek Wastewater Treatment Plant has a capacity of 37.5 million gallons per day of secondary treatment.

The Department properly treats and disposes of sludge produced at its treatment plants consistent with state and federal law and has constructed a biosolids facility to stabilize and further treat sludge, including sludge thickening, anaerobic digestion and heat drying. The methane gas produced from the digesters is used to heat dry the sludge into pellets, which are considered a Class A material by the EPA and are a marketable agricultural product. The facility has significantly reduced the need to landfill the residuals.

The following table illustrates data on the use and facilities of the Sewer System over the last ten (10) fiscal years. The average number of customers served increased 16.03% since Fiscal Year 2014. Over the last ten (10) fiscal years, there has been a 7.1% increase in the number of sewerage pumping stations and a concurrent 4.9% increase in the miles of sewer lines. Wastewater treatment has decreased by approximately 10.1%. The figures set forth in the following table representing the wastewater treated are inclusive of the stormwater treated during the same period.

The volume of wastewater treated is highly dependent on the amount of rainfall received in Nashville. The amount of rainfall in Fiscal Year 2024 was below normal, and consequently the volume of wastewater treated was 10% less in Fiscal Year 2024 than Fiscal Year 2014.

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
DEPARTMENT OF WATER AND SEWERAGE SERVICES
THE SEWER SYSTEM
(For the Fiscal Years Ended June 30, 2014, through June 30, 2024)**

SEWER SYSTEM:	Fiscal Year 2024	Fiscal Year 2014	Fiscal Years 2014-2024
Sewer Customers	229,871	198,119	16.03%
Annual Sewage Treatment (billions of gallons)	55.3	61.5	-10.04%
Average Daily Treatment (millions of gallons)	151.6	168.6	-10.07%
GROWTH OF SYSTEM:			
Utility Plant Value ⁽¹⁾ (in millions)	2,817	1,778	58.40%
Total Miles of Sewer Lines	3,256	3,103	4.93%
Treatment Plants	4	4	-
Total Sewer Pumping Stations	120	112	7.1%

⁽¹⁾ Property, Plant & Equipment of the Combined Water and Sewer System, net of depreciation.

Source: The Metropolitan Government of Nashville and Davidson County, Department of Water and Sewerage Services.

Historical Water and Sewer System Financial Results

The following table illustrates a summary of the revenues, operating expenses, debt service and unrestricted fund balances for the System for the Fiscal Years ended June 30, 2019, through June 30, 2024. The following table is not necessarily indicative of the future financial performance of the System.

HISTORICAL STATEMENT OF REVENUES, OPERATING EXPENSES, DEBT SERVICE AND UNRESTRICTED FUND BALANCES⁽¹⁾

(For the Fiscal Years Ended June 30, 2019, through June 30, 2024)

REVENUES:	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Operating Water Revenues ⁽¹⁾	\$ 68,214,183	\$ 85,545,380	\$110,948,734	\$117,184,669	\$135,345,500	\$133,321,830
Operating Sewer Revenues ⁽¹⁾	152,625,516	171,825,505	199,008,074	218,255,472	232,384,600	237,332,338
Non-Operating Revenues	13,110,896	9,098,930	1,492,115	(2,674,036)	17,565,600	37,221,477
TOTAL REVENUES	\$233,950,595	\$266,469,815	\$311,448,923	\$332,766,105	\$385,295,700	\$407,875,644
OPERATING EXPENSES:						
Less Depreciation and Amortization	111,335,275	132,611,031	108,824,451	138,150,123	159,494,600	179,223,491
NET REVENUES	\$122,615,320	\$133,858,784	\$202,624,472	\$194,615,982	\$225,801,100	\$228,652,153
DEBT SERVICE:						
Debt Service on Prior First Lien Bonds	15,024,438	-	-	-	-	-
Debt Service on Current Senior Lien ⁽²⁾	42,540,608	47,120,736	56,256,927	80,835,232	80,825,766	80,827,136
Debt Service on Series 2012 Subordinate Lien Bonds	20,766,500	19,844,125	18,260,500	-	-	-
TOTAL DEBT SERVICE	\$78,331,546	\$66,964,861	\$74,517,427	\$80,835,232	\$80,825,766	\$80,827,136
UNDESIGNATED FUND BALANCE	\$57,426,839	\$120,629,850	\$94,913,396	\$143,429,637	\$147,476,196	\$158,040,711
DEBT SERVICE COVERAGE:						
Senior Lien Bonds ⁽³⁾	2.13	2.84	3.60	2.41	2.79	2.83
Total Debt Service Coverage ⁽⁴⁾	1.57	2.00	2.72	2.41	2.79	2.83

⁽¹⁾ As defined in the Bond Resolution.

⁽²⁾ Net of federal subsidy on direct payment bonds.

⁽³⁾ Net Revenue divided by the debt service on the Prior First Lien Bonds and the Current Senior Lien Bonds.

⁽⁴⁾ Net Revenue divided by the debt service on all debt.

Source: The Metropolitan Government of Nashville and Davidson County, Department of Water and Sewerage Services.

Historical Days Cash On Hand. The Department has used available funds of the System to fund various capital improvement projects to the System, including funding Operation and Maintenance Expenses, regular maintenance and repair to equipment and other needs of the System. The Department has retained sufficient levels of cash and liquidity for each of the last six (6) Fiscal Years, wherein the Department has maintained a minimum of 220 days cash on hand (“DCOH”) since Fiscal Year 2019. The Department calculates “DCOH” as Unrestricted Cash and Cash Equivalents divided by Annual Operating Expenses less Depreciation, expressed in days. The Department’s DCOH and Unrestricted Cash and Cash Equivalents, respectively, were: (i) 220 (*i.e.*, \$67.0 million) in Fiscal Year 2019; (ii) 358 (*i.e.*, \$130.0 million) in Fiscal Year 2020; (iii) 291 (*i.e.*, \$86.8 million) in Fiscal Year 2021; (iv) 327 (*i.e.*,

\$123.6 million) in Fiscal Year 2022; (v) 266 (*i.e.*, \$116.3 million) in Fiscal Year 2023; and (vi) 252 (*i.e.*, \$123.6 million) in Fiscal Year 2024. Though no assurances may be made, the Department expects the DCOH and Unrestricted Cash and Cash Equivalents for the System to remain stable in Fiscal Year 2025.

Major Customers

The following tables illustrate the largest customers of the Department for water services and sewer services, respectively, for the Fiscal Year ended June 30, 2024, and each table below illustrates the customers ranked according to the respective billings for the Water System and the Sewer System:

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
DEPARTMENT OF WATER AND SEWERAGE SERVICES
WATER SERVICES LARGEST CUSTOMERS
(For the Fiscal Year Ended June 30, 2024)
(Amounts in Thousands)**

WATER CUSTOMERS	AMOUNTS
RHP Operations OH, LLC	\$858
Metro District Energy System	663
Wometco Coca Cola	600
Metro WS-Central Wastewater	570
City of Brentwood	535
Cargill Meat Solutions Inc.	512
Bridgestone Tire & R C	389
David Lipscomb University	353
Purity Dairies, Inc.	344
Urban Housing Solutions	262

Source: The Metropolitan Government of Nashville and Davidson County, Department of Water and Sewerage Services.

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
DEPARTMENT OF WATER AND SEWERAGE SERVICES
SEWER SERVICES LARGEST CUSTOMERS
(For the Fiscal Year Ended June 30, 2024)
(Amounts in Thousands)**

SEWER CUSTOMERS	AMOUNTS
Hendersonville Utility District	\$3,288
Brentwood Lift Station	3,286
City of Mt. Juliet	3,350
City of Goodlettsville	2,613
City of Lavergne	2,083
RHP Operations OH, LLC	1,832
Cargill Meat Solutions Inc.	987
Urban Housing Solutions	772
Whispering Oaks/TWG Mgmt	713
White House Utility	450

Source: The Metropolitan Government of Nashville and Davidson County, Department of Water and Sewerage Services.

Management and Personnel

SCOTT A. POTTER, P.E., Director, graduated from Vanderbilt University with a Bachelor of Engineering Degree in Electrical Engineering in 1986 and was commissioned as an Ensign in the United States Navy. While serving in the Navy Mr. Potter received a master's degree in Mechanical Engineering from the Naval Postgraduate School in Monterey, California, in 1991. Mr. Potter served on two destroyers: USS COCHRANE (DDG 21) and USS CALLAGHAN (DDG 994). While stationed at the United States Naval Academy, he earned the academic rank of Master Instructor, teaching courses in Statics, Materials Science, Applied Fluid Mechanics, Thermodynamics, and Applied Thermodynamics. The Louisville Water Company, in Louisville, Kentucky, employed Mr. Potter as Manager of Distribution Operations from 1998 to 2001. He was also an adjunct member of the faculty of the Mechanical Engineering Department in the Speed Scientific School at the University of Louisville and is presently an adjunct instructor at Belmont University in the Mathematics Department.

DAVID M. TUCKER, Deputy Director (Operations), graduated from Tennessee State University with a Bachelor of Science Degree in Biological Sciences. He has thirty-seven years of experience in water and wastewater treatment plant operations and maintenance. Mr. Tucker holds a State of Tennessee Grade IV Operator's Certification in both water and wastewater treatment. The Operations division is responsible for the operation and maintenance of all water and wastewater treatment facilities, all associated pumping stations and reservoirs, Laboratory Services and Security. He joined the Department in 1987 as an Assistant Plant Manager and has progressed to his present position. He is a member of the Water Environmental Federation and the American Water Works Association.

CYRUS O. TOOSI, P.E., Assistant Director (Engineering), graduated from the University of Texas at Austin, in 1988, with a Bachelor of Science Degree in Civil Engineering. Mr. Toosi held a position with the City of Houston for two years prior to coming to Nashville. In 1990 he joined the Department as a hydraulic modeler, and as a flow monitoring, and planning specialist. He has since advanced to his present position. He has 35 years of experience in the engineering of water and wastewater systems. He has created the Department's Water Growth Master Plan, Asset Management Program, and the Water Infrastructure Rehabilitation Program. He also currently serves as the Chief Engineer for the Department. Also, oversees the Overflow Abatement- Clean Water Nashville Program. He holds a Professional Engineering License in the State of Tennessee and is a member of the American Water Works Association and Water Environment Federation.

FELIX HERNANDEZ III, CPII, Assistant Director (Repair and Maintenance of Distribution and Collection Systems) holds a Bachelor of Science degree in Natural Resources, Policy Emphasis from Oregon State University and is pursuing a Master of Science degree in Operational Performance and Workplace Learning from Boise State University. He has over twenty-five years of experience in water systems, wastewater systems, local government, and utility administration. Felix holds Grade 4 Water Treatment Operator, Grade 2 Water Distribution Operator and Grade 4 Wastewater Operator licenses in the state of Tennessee as well as Grade 4 Water Treatment Operator, Grade 4 Water Distribution Operator and Grade 3 Wastewater Operator licenses in the state of California. He is and Adjunct Professor at Santa Rosa Junior College teaching Water Treatment Plant Operator and Water Distribution Operator courses in the Engineering and Applied Technology Department. Felix is also a Certified Public Infrastructure Inspector through the American Public Works Association and holds Grade 4 Collection System Maintenance through the California Water Environment Association. He is a member of the Water Environment Federation, American Water Works Association, California Water Environment Association, American Public Works Association, and National Association of Clean Water Agencies.

BRENT R. FREEMAN, P.E., Assistant Director (Operations - Wastewater), holds a Bachelor of Science Degree in Civil Engineering from Tennessee Technological University. He is a licensed Professional Engineer, holds state operator certifications in Wastewater Operations, Collection, and Distribution, and is a Certified Energy Manager. He is a member of the Water Environment Federation, Association of Energy Engineers, and the American Water Works Association. Prior to joining the Department in 2002, Mr. Freeman worked as a consulting engineer; and he has 30 years of professional experience in municipal operations and engineering.

GLEN K. DOSS, Assistant Director (Water Operations), holds an Associate Degree in Electrical Engineering Technology and a Bachelor's Degree in Business Administration. He has 32 years of experience in water and wastewater treatment plant operations and maintenance. Mr. Doss holds a State of Tennessee Grade IV Operator's Certification in both water and wastewater treatment. He joined the Department in 1992 as a helper in the electric shop at the Central Wastewater Treatment and has progressed to his present position. He is the licensed operator in direct charge of the water treatment system as per Tennessee Department of Environment and Conservation rules and regulations.

STEVE MISHU, P.E., C.F.M., Special Projects Manager (Development Services) holds a Bachelor of Science Degree in Civil Engineering from Tennessee State University. He is a licensed Professional Engineer and a Certified Floodplain Manager. Mr. Mishu has been a Civil Servant for 20+ years as well as holding a Professional Engineer license for the last 20 years. Mr. Mishu also serves on the Town of Nolensville Stormwater Appeals Board.

ANTHONY J. VLASCIC, C.P.A., Assistant Director (Business and Finance), holds a Bachelor of Science Degree in Accounting from the University of Alabama, Birmingham. He is a licensed Certified Public Accountant in the State of Tennessee and is a member of the Tennessee Society of Certified Public Accountants. Mr. Vlasic joined the Department in 2007 as a Finance Manager and has progressed to his present position. He has over 25 years of professional experience in financial reporting, compliance, and internal auditing. Prior to transferring to Metro Water Services, Mr. Vlasic served as an Audit Manager for the Metropolitan Government of Nashville and Davidson County and was a regulatory accounting for a top 50 bank in Birmingham, Alabama.

SHANNON FRYE, Assistant Director (Customer Service & Information Services), graduated from Trevecca University with a Bachelor of Arts in Management and Human Relations. She joined the Department in 1988, beginning her career in Human Resources and then transitioned to Customer Service where she has been working for over 30 years. Ms. Frye has served several years on the AWWA Customer Service Committee. She is the Chair of the KY/TN AWWA Knowledge, Creation, and Exchange Council and is a member of the Water for People Committee.

PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS

At the end of Fiscal Year 2024, the Department employed 740 people. Employees of the Department are members of one of these pension plans:

Overview

Employees of the Department participate in one of two main pension plan groups:

1. Metro Active Plans; and
2. Closed Plans maintained under the Guaranteed Payment Program

The Department's expenses for the various pension plans are determined by the contribution rate established by the Metropolitan Employee Benefit Board (the "Benefit Board") and totaled \$7,141,200 for the Fiscal Year ended June 30, 2024.

The Metro Active Plans consist of two divisions – Division A and Division B. Metro Active Plan Division A was established at the inception of the Metropolitan Government on April 1, 1963, and implemented on November 4, 1964. At that time, all employees of the former city and county governments were given the option of continuing as participants of the pension plans of those organizations or transferring to the Metro Plan Division A. On July 1, 1995, Metro Active Plan Division A became closed to new members.

On July 1, 1995, Metro Active Plan Division B was established for all non-certificated employees of The Metropolitan Nashville Public Schools and all other Metropolitan Government employees. Metropolitan Government employees who were members of the Metro Active Plan Division A were given the option to transfer to Metro Active Plan Division B as of July 1, 1996. At that time, ninety-five percent (95%) of the approximately 11,300 employees elected to transfer to the Metro Active Plan Division B.

The Metro Active Plan Division B is a non-contributory, defined benefit plan, covering 12,900 current employees and 14,100 retired and deferred vested employees. The Metro Active Plan Division B covers all employees of the Metropolitan Government other than school teachers. Contributions to fund benefits for employees of the general government (approximately 75% of total contributions) are funded from the Metropolitan Government's operating fund and revenues. The balance of contributions (approximately 25%) to fund the benefits of Metropolitan Government employees is provided through enterprise funds and other non-operating funded agencies of the Metropolitan Government (e.g. contributions for the employees of the Department of Water and Sewerage Services are funded from water and sewer revenues).

The Closed Plans are defined benefit plans collectively covering no active employees and approximately a combined total of 900 retired employees and beneficiaries. Contributions to the Closed Plans are funded by the Metropolitan Government's operating fund through the Guaranteed Payment Plan and contributions from the State of Tennessee.

Metro Active Plans

Benefits

Normal retirement for employees other than police officers and fire fighters occurs at the unreduced retirement age which is the earlier of: (a) the date when the employee's age plus the completed years of credited employee service equals 85, but not before age 60; and (b) the date when the employee reaches age 65 and completes five years of credited employee service. The lifetime annual benefit is calculated as 1.75% multiplied by the final average earnings multiplied by the years of credited service. Final average earnings are the highest 60 consecutive months of credited service divided by five. Benefits fully vest on completing five years of service. Employees with a date of hire on or after July 1, 2013, will become fully vested on completing ten years of service.

Normal retirement for police officers and fire fighters occurs any time after attaining the unreduced retirement age which is the date when the employee's age plus completed years of credited police and fire service equals 75, but not before age 53 nor after age 60. The lifetime annual benefit is the sum of two percent (2%) of final average earnings multiplied by the years of credited police and fire service up to 25 years; plus 1.75% of final average earnings multiplied by the year of credited police and

fire service over 25 years. Final average earnings is the highest 60 consecutive months of credited service divided by five. Benefits fully vest upon completing five years of service. Employees with a date of hire on or after July 1, 2013, will become fully vested on completing ten years of service.

An early retirement pension is available for retired employees if the retirement occurs prior to the eligibility of normal retirement but after age 50 (45 for police and fire) and after the completion of ten years credited employee service. Benefits are reduced by four percent (4%) for each of the first five years by which the retirement date precedes the normal retirement age, and by eight percent (8%) for each additional year by which the retirement date precedes the normal retirement age.

Any employee who terminates after completion of required years of service to be vested and before eligibility for normal or early retirement is eligible to receive a monthly deferred pension commencing on the first (1st) day of the month following the attainment of unreduced retirement age computed and payable in accordance with the Metro Active Plans.

Funding

Minimum Required Employer Contribution: The Metropolitan Code of Ordinances requires the Metropolitan Government to contribute to the Metro Active Plans each fiscal year an amount equal to a percentage of the annual payroll of members who are eligible employees and who are covered for pension benefits. This contribution percentage is known as the “employer contribution rate.” The employer contribution rate applicable for any fiscal year is determined by resolution of the Metropolitan Employee Benefit Board at a public meeting held at least four months prior to the beginning date of such fiscal year and filed with the Metropolitan Clerk and must be no less than the smaller of (1) three-tenths of one percent plus the employer contribution rate applicable to the prior fiscal year, or (2) an employer contribution rate, which shall be the ratio of the actuarially determined contribution level to the amount of the valuation payroll, on the basis of an actuarial valuation of the system made as of the last day of the fiscal year preceding the adoption of the contribution rate. The actuarially determined contribution level equals the sum of normal cost and a percentage of unfunded past service liabilities, such percentage to be determined by the Metropolitan Employee Benefit Board at a level at least equal to the actuarial valuation interest rate. The actuarial valuation must be made by a qualified or accredited actuary according to accepted and sound actuarial principles and methods and based on actuarial assumptions which have been recommended by the actuary and approved by the Metropolitan Employee Benefit Board.

Historic Employer Contribution: The Metropolitan Government has historically made employer contributions at a rate higher than the minimum required contribution. The Metropolitan Government’s policy has been to make annual contributions to the Metro Active Plans equal to the actuary’s recommended rate, sufficient to amortize the unfunded liability over the 40-year period commencing in 1978. Beginning with the Metro Active Plan year ended June 30, 2006, the Metropolitan Benefit Board adopted a level unfunded liability amortization period of 15 years. The level amortization period is designed to reduce contribution volatility compared with a continuing decline in the amortization period. The resulting employer contribution rate may not be less than the contribution resulting from a 30-year closed amortization period as specified by Tennessee Code Annotated Section 9-3-501. The chart below illustrates the annual employer contribution rate (in both percentage of employee salary and aggregate dollar terms) for the past ten (10) years. The employer contribution rate for Fiscal Year 2022-2023 was 12.455%. The contribution rate for Fiscal Year 2023-2024 was 12.338%. Factors affecting the reduction in the contribution rate are investment returns, compensation increases were less than expected, and cost-of-living adjustments (COLA) were less than projected.

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
HISTORICAL METRO CONTRIBUTIONS
METRO ACTIVE PLANS
(For the Fiscal Years Ended June 30, 2015, through June 30, 2024)**

Fiscal Year Ending June 30	Contribution Rate	Contribution Amount
2024	12.338%	\$113,688,014
2023	12.455	104,562,723
2022	12.881	92,752,276
2021	12.340	86,414,449
2020	12.340	78,632,924
2019	12.340	77,242,171
2018	12.340	76,539,373
2017	12.340	73,868,818
2016	15.510	85,676,490
2015	17.987	94,045,896

Source: The Metropolitan Government of Nashville and Davidson County.

Key Actuarial Assumptions: Current actuarial assumptions include a discount rate of 7%, cost-of-living adjustments (COLA) of 2.50% for Division A and 1.25% for Division B, salary increases averaging 4.0% annually and five-year smoothing of gains and losses, and an inflation rate of 2.50%.

Schedule of Funding Progress

Effective June 30, 2014, the Metropolitan Government adopted GASB Statement No. 68, which revised the calculation and financial statement disclosure regarding the liability related to pensions. The table below illustrates a history of funding progress based on the Metropolitan Government’s net pension liability.

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
OPEN PENSION PLAN; SCHEDULE FUNDING PROGRESS
(For the Fiscal Years Ended June 30, 2020, through June 30, 2024)
(Amounts in Thousands)**

Fiscal Year Ending	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Plan Fiduciary Net Position as a Percentage of Total Pension Liability	Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll
June 30, 2020	3,489,331	3,272,530	216,801	93.79%	638,021	33.98%
June 30, 2021	3,632,594	4,204,832	-572,238	115.75%	662,804	-86.34%
June 30, 2022	3,883,879	4,052,835	-168,956	104.35%	687,540	-24.57%
June 30, 2023	4,122,612	3,965,902	156,710	96.20%	706,049	22.20%
June 30, 2024	4,388,530	4,166,504	222,027	94.94%	792,351	28.02%

Source: The Metropolitan Government of Nashville and Davidson County.

Tennessee Consolidated Retirement System

Closed TCRS Plan for Employees Hired on or before June 30, 2014.

Benefits

TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in performance of duty. Members joining the system after July 1, 1979, become vested after five years of service and members joining prior to July 1, 1979, were vested after four years of service. The plan was closed to new members on June 30, 2014. Benefit provisions are established in Tennessee statutes codified in Title 8, Chapter 34-37 of the Tennessee Code Annotated. The Tennessee Code Annotated is amended by the Tennessee General Assembly.

Funding Sources

Teachers contribute five percent (5%) of their salaries, and the Metropolitan Government, through its funding of the school budget, contributes an amount equal to the percentage of certified payroll set by the TCRS each fiscal year. The certified percentage results from a bi-annual TCRS actuarial report and equals normal cost, accrued liability cost and administrative costs (minus teacher contributions).

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
CLOSED TCRS PLAN ⁽¹⁾
(For the Plan Years Ended June 30, 2019, through June 30, 2023)
(Amounts in Thousands)**

Plan Year Ended	Proportion of Net Pension Liability (Asset)	Proportionate Share of Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Position as a Percentage of Total Pension Liability
June 30, 2019	-8%	(79,016)	257,691	(31%)	104%
June 30, 2020	-7%	(56,700)	247,479	(23%)	103%
June 30, 2021	-7%	(326,892)	248,751	(131%)	116%
June 30, 2022	-8%	(98,491)	264,350	(37%)	104%
June 30, 2023	-8%	(96,245)	264,901	(36%)	104%

⁽¹⁾ The plan measurement date is the end of the prior fiscal year.

Source: The Metropolitan Government of Nashville and Davidson County.

Open TCRS Defined Benefit Plan and Defined Contribution Plan for Employees Hired on or after July 1, 2014.

Benefits

Employees hired on or after July 1, 2014, became members of a new plan that consists of two components, a defined benefit plan and a defined contribution plan. TCRS members in the defined benefit plan are eligible to retire either at the age of 65 and vested with five years of service or under the rule of 90 where a combination of age and service credit totals 90. An actuarially reduced benefit is available at age 60 or the rule of 80. Disability benefits are available after five years of service for those who become disabled and cannot engage in gainful employment. Benefits are determined by a formula using the member’s high five-year average salary and years of service.

TCRS members in the defined contribution plan elect to participate in the Optional Retirement Program. Members are immediately vested in employer and employee contributions. Members make the determination as to how the employer contributions made on their behalf are invested. Members can choose from a variety of investment products. Benefit provisions are established in Tennessee statutes codified in Title 8, Chapter 34-37 of the Tennessee Code Annotated, as amended. The Tennessee Code Annotated is amended by the Tennessee General Assembly.

The maximum employer pension cost is a total of nine percent (9%) of salary for both the defined benefit plan and the defined contribution plan. Employer contributions to the defined benefit plan will be four percent (4%) of members’ salary, and employer contributions to the defined contribution plan will be five percent (5%) of members’ salary.

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
OPEN TCRS PLAN
(For the Fiscal Years Ended June 30, 2019, through June 30, 2023)
(Amounts in Thousands)**

Plan Year Ended	Proportion of Net Pension Liability (Asset)	Proportionate Share of Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Position as a Percentage of Total Pension Liability
June 30, 2019	(11%)	(6,018)	112,675	(5%)	123%
June 30, 2020	(10%)	(5,853)	129,891	(5%)	117%
June 30, 2021	(10%)	(11,223)	149,526	(8%)	122%
June 30, 2022	(10%)	(3,097)	174,530	(2%)	105%
June 30, 2023	(10%)	(4,209)	197,421	(2%)	105%

Source: The Metropolitan Government of Nashville and Davidson County.

Annual Contributions

Required TCRS contributions for the Closed Plan in 2023 and 2024 were 8.69% and 6.82% of covered payroll, or \$23,020,414 and \$18,236,093.

Required TCRS contributions for the Open Plan in 2023 and 2024 were 2.87% and 3.17% of covered payroll, or \$5,666,078 and 5,977,244.

Additional Information

Additional information about TCRS can be accessed at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Closed Plans – Guaranteed Payment Plan

The Metropolitan Council created the Guaranteed Payment Plan effective July 1, 2000, to ensure actuarially sound funding for a group of five closed plans supervised by the Metropolitan Benefit Board and the Metropolitan Board of Public Education. Under the Guaranteed Payment Plan, unfunded liabilities of the aggregate plan are amortized over a period of no more than thirty years beginning with the effective date. Payments for each constituent plan are transferred to a payment account from which distributions are disbursed to the constituent plans as necessary to satisfy current benefit needs and funding objectives of the Guaranteed Payment Plan. Appropriations made by the Metropolitan Government and the Metropolitan Board of Public Education to fund obligations of the aggregate plan may not be reduced until all plan obligations are fully amortized. Plan improvements adopted subsequent to inception are to be funded over a period ending June 30, 2030.

The five plans included in the Guaranteed Payment Plan are:

1. Metropolitan Board of Public Education Teacher Retirement Plan
2. Davidson County Board of Education Retirement Plan
3. Nashville City Teachers Retirement Plan
4. Former Davidson County Pension System
5. Former City of Nashville Pension System

Current Funded Status

The table on the following page provides a description of the status of the funding of the Metropolitan Government’s Closed Plans. This information was previously presented on an actuarial basis. As a result of GASB Statement No. 68, this table is now and will in the future be presented on the basis of the plan’s net position and net pension liability.

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**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
CLOSED PENSION PLANS
SCHEDULE FUNDING PROGRESS
(For the Fiscal Year Ended June 30, 2024)
(Amounts in Thousands)**

Teachers and Employees	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
Metro Teachers	\$189,870	\$199,387	\$-9,517	105.01%
County Teachers	16,580	1,178	15,402	7.10
City Teachers	6,733	963	5,770	14.30
City Employees	18,210	-	18,210	-
County Employees	2,439	-	2,439	-

Source: The Metropolitan Government of Nashville and Davidson County.

Historical Contributions

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
HISTORICAL CONTRIBUTIONS
METRO CLOSED PLANS
(For the Fiscal Years Ended June 30, 2015, through June 30, 2024)**

Fiscal Year Ended June 30	Metropolitan Government Contributions	State of Tennessee Contributions
2024	\$33,577,400	\$ 9,825,111
2023	33,577,400	10,542,237
2022	33,577,400	11,305,003
2021	33,577,400	12,291,240
2020	33,570,400	13,341,332
2019	33,577,400	14,096,974
2018	33,486,419	14,782,460
2017	33,490,352	15,484,346
2016	33,493,456	16,200,749
2015	33,524,016	16,902,423

Source: The Metropolitan Government of Nashville and Davidson County.

Additional statistical information pertaining to the Closed Plans can be found in the Metropolitan Government's Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2024.

Other Post-Employment Benefits

The Metropolitan Government currently provides various other post-employment benefits (“OPEB”) other than pensions, with healthcare representing the most significant portion of the OPEB cost. For any retiree in the Metro, City or County Plans who elects to participate in the Metropolitan Medical Benefit Plan, the Metropolitan Government contributes seventy-five percent (75%) of all premium payments, and the retiree contributes twenty-five percent (25%). For employees hired January 1, 2013, or later, the Metropolitan Government contribution is based on years of service and ranges from twenty-five percent (25%) for a retiree with less than 15 years of service to seventy-five percent (75%) for a retiree with 20 or more years of service. On July 1, 2021, the Metropolitan Council approved legislation to remove most Medicare-eligible Metro retirees from the self-insured medical plan and into a fully insured Medicare Advantage Plan effective January 1, 2022, and to terminate the Employer Group Waiver Plan (EGWP) on December 31, 2022. Beginning January 1, 2025, there will be two Medicare Advantage Plans offered to Medicare eligible retirees.

Funding is on a pay-as-you-go basis under which payments are made in amounts sufficient to cover benefits paid, administrative costs and anticipated inflationary increases. The Metropolitan Government also provides dental insurance for any retiree who elects to participate at no cost to the retiree and provides life insurance at no charge. During the Fiscal Year ended June 30, 2024, contributions totaled \$58,703,263. For any retiree in the Metro, City or County Education Plans who elects to participate in the medical and dental insurance plans of The Metropolitan Nashville Public Schools contribute seventy-five percent (75%) of all premium payments with the retiree contributing the remaining twenty-five percent (25%). Funding is on a pay-as-you-go basis under which payments are made in amounts sufficient to cover benefits paid. During the Fiscal Year ended June 30, 2024, contributions totaled \$26,777,519.

The Metropolitan Government adopted GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions, in Fiscal Year 2008. GASB Statement No. 45 addresses how governments should account for and report their costs and obligations related to post-employment healthcare and other non-pension benefits; it does not require that the liability be funded. GASB Statement No. 45 was later replaced by GASB Statement No. 75. The Metropolitan Government adopted GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions, in Fiscal Year 2018. This Statement addresses how governments should account for and report their costs and obligations related to post-employment healthcare and other non-pension benefits; it does not require that the liability be funded. No assets are set aside in a trust to fund the OPEB liability.

For June 30, 2024, the amounts related to OPEB under GASB Statement No.75 were (all amounts in thousands):

	Metro Plan	School Plan
Total OPEB Liability	\$1,689,672	\$647,847
Covered Payroll	787,011	413,878
Total OPEB Liability as a % of Covered Payroll	214.7%	156.5%

The key assumptions used in developing these amounts include:

- Current level of benefits provided;

- June 30, 2024, valuation and measurement date;
- Discount Rate: 4.21%;
- Administrative fee increases: 5.00% per annum; and
- Healthcare cost trend rate: 7.0% graded down to 4.05% for medical expenses and prescription drugs, 4% each year for dental expenses and 5% each year for vision expenses.

RATE SETTING PROCESS

General

The Charter provides that the Metropolitan Mayor and the Metropolitan Council have the authority and are directed to establish the rates for water and sewerage services and to provide methods of changes in such rates. Acting in accordance with this authority, the Metropolitan Council duly adopted Ordinance BL 2019-045, which beginning January 1, 2020, implemented a five-year plan of increases for both water and wastewater rates. Water and sewer rates were restructured in accordance with a cost of services study, completed in Fall of 2019. In addition to the restructuring, rates were increased, equivalent to 26.4%, to meet planned capital needs. Water and sewer rate increases were approved at 4% for calendar year 2021; and annual rate increases were approved at 3% for the calendar years 2022, 2023, and 2024. Beginning in calendar year 2025, annual rate increases based on the Consumer Price Index for all Urban Consumers will occur in perpetuity. The Ordinance requires cost of services studies to be completed at least every seven years to review and realign rates with capital and operating requirements.

The Metropolitan Council also duly adopted Ordinance BL 2010-790 on December 7, 2010, imposing a 10% sewer surcharge in lieu of the surcharge which had previously been imposed to secure the payment of the Tennessee Local Development Authority Loans (“TLDA Loans”). Therefore, the sewer surcharge had not been included as part of Revenues, and such funds were not available to pay the System’s Operation and Maintenance Expenses or the System’s outstanding debt service (other than the TLDA Loans). Ordinance BL 2019-045 renamed the 10% Sewer Surcharge to the “Sewer Infrastructure Replacement Fee” and added a 10% charge on water rates called the “Water Infrastructure Replacement Fee”. Revenue from the surcharges is available for payment of the System’s Operation and Maintenance Expenses and outstanding debt service. In addition to rate adjustments, Ordinance BL 2019-045 increased water capacity fees by 450% and sewer capacity fees by 207%.

Any change in the water and sewerage service rates established under the foregoing Metropolitan Council ordinances must be duly adopted by the Metropolitan Council through approval of an ordinance in the normal course as set forth in the Charter. As stated in Section 3.05 of the Charter: “No ordinance shall become effective unless it shall have passed by a majority vote on three (3) different days, on the final passage of which it shall have received a majority vote of all the members to which the Metropolitan County Council is entitled and until it shall have been signed by the Metropolitan County Mayor or become a law without his signature....”

An ordinance will not become law without the signature of the Metropolitan Mayor if the Metropolitan Mayor fails to approve or disapprove the ordinance and does not return it to the Metropolitan Council at or prior to the next regular meeting of the Metropolitan Council occurring ten days or more after the ordinance is delivered to the Metropolitan Mayor. If the Metropolitan Mayor vetoes the ordinance, such ordinance will become law if it is subsequently duly adopted by a two-thirds vote of all the members of the Metropolitan Council to which it is entitled.

Charges and Rates

Monthly service charges for water and sewerage services are generally based, in each case, upon a rate schedule consisting of a minimum charge and a quantity charge. The minimum charges vary according to meter size and account class, *i.e.*, residential, nonresidential/commercial. The quantity charge is dependent on use according to policy. Monthly rates for water sold are based on meter measurement. Monthly sewerage service charges for the use of the public sanitary sewerage system are set by water consumption as determined by meter measurement. Minimum charges per month are based on size of meter and customer class.

Water revenues from the Department’s customers include a fixed minimum charge per customer connection and a quantity charge per 100 cubic feet (cf) based upon the meter size and number of connections, and a 10% Water Infrastructure Replacement fee. The quantity charge is applied to all consumption in excess of 200 cf per month. The rates listed below were in effect as of January 1, 2024.

The following table illustrates the determination for each Class and the anticipated and historical usage for each Class:

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
DEPARTMENT OF WATER AND SEWERAGE SERVICES
WATER AND SEWERAGE RATE SCHEDULE BY CUSTOMER CLASS**

CLASS	ANTICIPATED/HISTORICAL USAGE
Residential Non-Residential	Up to Two Housing Units on a Common Meter All Others

Source: The Metropolitan Government of Nashville and Davidson County, Department of Water and Sewerage Services.

The following table illustrates the Water and Sewer System charges and rates, as of January 1, 2024:

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
DEPARTMENT OF WATER AND SEWERAGE SERVICES
CHARGES AND RATES
Minimum Charges per Month (Including 200 Cubic Feet Usage)
(As of January 1, 2024)**

METER SIZE	WATER	SEWER
5/8 inches	\$ 5.79	\$ 9.25
3/4 inches	13.78	40.91
1 inch	17.36	52.94
1 1/2 inches	30.51	103.04
2 inches	43.08	144.76
3 inches	68.85	180.22
4 inches	156.51	511.37
6 inches	195.39	609.63
8 and 10 inches	254.24	780.60

Source: The Metropolitan Government of Nashville and Davidson County, Department of Water and Sewerage Services.

The following table illustrates the volumetric rates, as of January 1, 2024:

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
DEPARTMENT OF WATER AND SEWERAGE SERVICES
VOLUMETRIC RATES ⁽¹⁾
Minimum Charges per Month (Including 200 Cubic Feet Usage)
(As of January 1, 2024)

RESIDENTIAL	WATER	SEWER
0-2 CCF	\$ 0	\$ 0
2-6 CCF	3.98	6.64
6-10 CCF	4.78	6.64
>11 CCF	5.97	6.64

NON-RESIDENTIAL	WATER	SEWER
0-2 CCF	\$ 0	\$ 0
>2 CCF	2.86	6.08

⁽¹⁾ The volumetric rates include a 10% Water Fee and a 10% Sewer Infrastructure Fee.

Source: The Metropolitan Government of Nashville and Davidson County, Department of Water and Sewerage Services.

Billing and Collection Procedures

The Charter provides that the Metropolitan Mayor and the Metropolitan Council have the authority and are directed to establish the rates for water and sewerage services and to provide methods of changes in such rates. With certain limited exceptions, the Department is required to charge for all water and sewerage services provided by it and consumed by, or, in the case of sewerage services, made available to each customer. Charges for water and sewerage services are generally based on metered measurement of water consumption, which includes a minimum monthly charge, and a separate assessment of a ten percent (10%) sewer surcharge fee and water surcharge fee, called the Sewer Infrastructure Replacement Fee and the Water Infrastructure Replacement Fee, respectively. The Department reads meters daily and renders bills to customers monthly.

The charges for water and sewerage services are included in a single, combined bill in terms of a “net billing,” which is the charge calculated at established rates, and a “gross billing,” which is the current net billing increased by 5% or by \$2.50, whichever is greater. This addition to the net billing is a form of penalty for the customer’s failure to promptly pay the monthly bill for services. The gross billing amount becomes applicable 20 days after the billing is mailed to the customer.

If a customer fails to timely pay a bill, a delinquency notice is included in the subsequent month’s bill. If the customer fails to pay the bill for a second time, the customer is notified of potential disconnect by letter and/or phone call advising that service will be discontinued if payment is not received within five days. If the customer does not pay the delinquent account within five days following the notice, the account is subject to immediate discontinuation of water and sewer service. To have the applicable services restored the customer must then pay the total delinquent amount plus a reconnection fee. If the Department is unable to collect the amount owed, the account is then turned over to a commercial collection agency.

These billing and collection procedures have resulted in the collection of approximately 99.58% of all amounts billed during the past five (5) fiscal years.

The Department has approximately 218,863 meters throughout the Metropolitan Government. Of those, more than 128,055 have Advanced Meter Infrastructure (“AMI”) technology, meaning readings and other vital data can be sent and received remotely through the cellular network. Beginning in 2018, the Department replaced about 88,115 meters with the AMI technology and will continue to replace the meters, on an annual basis, until the entire system is upgraded. Currently, the AMI system uses 18 antennae to receive data; this system will be expanded as the network needs to grow. Customer service has experienced a less than 1% failure rate with data reception from the AMI meters.

Rates and Affordability

The monthly service charges for residential water use and sewerage services assessed to the customers of the Department are significantly below average rates as compared to peer cities around the United States. As compared to such peer cities, the Department’s average monthly rate assessed for residential water use and sewerage services are as follows: (i) 2ccf, is currently assessed at \$15.43, which is almost less than half of the average monthly rate charged by the next closest peer city for such services; and (ii) 6ccf, is currently assessed at \$59.99, which is the lowest of the average monthly rate charged by the next closest peer city for such services, further illustrating relative affordability.

The following two charts illustrate the foregoing relating to the Department’s average monthly rate assessed for residential water use and sewerage services as compared to peer cities throughout the United States and the State of Tennessee.

RESIDENTIAL WATER & SEWER BILL COMPARISON UNITED STATES COMPARISON

Peer Cities	2 ccf	6 ccf
Nashville, TN	\$15.43	\$ 58.99
Proposed ⁽¹⁾	15.90	60.90
Memphis, TN	31.49	48.33
Raleigh, NC	37.60	73.59
Atlanta, GA	37.76	107.02
Jacksonville, FL	38.41	57.82
Charlotte, NC	39.06	71.86
Louisville, KY	51.29	81.49
Charleston, SC	54.50	107.46
New Orleans, LA	55.19	104.51
St. Louis, MO	56.28	89.48
Cincinnati, OH	59.15	93.20
Knoxville, TN	63.00	121.20
D.C. Water	63.34	157.06
Birmingham, AL	73.55	126.78
Average Monthly Rates⁽²⁾	\$46.13	\$ 90.65

⁽¹⁾ In Nashville, TN, beginning 2025, annual rate increases will occur in perpetuity based on the Consumer Price Index for all Urban Consumers.

⁽²⁾ This amount was determined using the arithmetic mean calculation methodology.

**RESIDENTIAL WATER & SEWER BILL COMPARISON
STATE OF TENNESSEE COMPARISON**

Peer Cities	2 ccf	6 ccf
Nashville, TN	\$15.43	\$58.99
Proposed ⁽¹⁾	15.90	60.90
Hendersonville, TN	29.59	65.58
Madison, TN	29.78	71.38
Memphis, TN	31.49	48.33
Brentwood, TN	32.23	60.34
Smyrna, TN	32.28	52.64
Murfreesboro, TN	35.76	63.29
Gallatin, TN	36.84	62.84
Clarksville, TN	36.94	86.78
Cookeville, TN	39.45	73.86
Herpeth Valley, TN	39.65	65.92
Chattanooga, TN	43.75	56.25
Dickson County, TN	46.29	112.86
White House, TN	49.75	108.57
Franklin, TN	54.29	89.30
Knoxville, TN	63.00	121.20
Average Monthly Rates⁽²⁾	\$37.20	\$ 74.06

⁽¹⁾ In Nashville, TN, beginning in 2025, annual rate increases will occur in perpetuity based on the Consumer Price Index for all Urban Consumers.

⁽²⁾ This amount was determined using the arithmetic mean calculation methodology.

The respective sources utilized to illustrate the information set forth in the foregoing charts were compiled from the respective public websites of the applicable water and sewerage departments for the above-listed United States cities and the cities within the State of Tennessee.

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Wholesale Customers

The Department provides sewage treatment services for the City of Brentwood, the City of Goodlettsville, the City of Millersville, the City of Belle Meade, the City of Lavergne, the City of Ridgetop, the City of Mount Juliet, the Hendersonville Utility District, and the White House Utility District (collectively the “Wholesale Sewer Customers”), pursuant to existing contracts between the Department and each of the foregoing Wholesale Sewer Customers.

Revenues collected from the Wholesale Sewer Customers represented 3.5% (or \$14.1 million) of revenue received in Fiscal Year 2024. Wholesale contracts have been updated to include an annual escalation based on the Consumer Price Index. Under the wholesale contracts, the Department is obligated to treat sewage (subject to volume limitations) from the Wholesale Sewer Customers, and the Wholesale Sewer Customers are required to pay a volumetric rate for sewage delivered to the Department.

Capital costs incurred by the Department to maintain capacity for the Wholesale Sewer Customers are recoverable under the contracts. None of the Wholesale Sewer Customers has ready access to other sewage treatment facilities. A cost of services study was conducted in Fiscal Year 2024 and the rates assessed to the Wholesale Sewer Customers were subsequently increased by 5.9% in October 2024. The Wholesale Sewer Customer flows were approximately 13.77% of total treated flows for Fiscal Year 2024.

The following table illustrates a summary of the respective effective dates, amendment dates and contract terms for each existing wholesale contracts by and between the Department and the Wholesale Sewer Customers:

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
DEPARTMENT OF WATER AND SEWERAGE SERVICES
WHOLESALE CUSTOMER CONTRACTS**

WHOLESALE CUSTOMERS	EFFECTIVE DATE	AMENDMENT DATE	TERM OF CONTRACT
City of Belle Meade	October 1, 2024	N/A	10 years
City of LaVergne	October 1, 2024	N/A	10 years
City of Millersville	October 1, 2024	N/A	10 years
City of Brentwood	October 1, 2024	N/A	10 years
City of Goodlettsville	October 1, 2024	N/A	10 years
Hendersonville Utility District	October 20, 2011	May 6, 2015	20 years
City of Ridgetop	October 1, 2024	N/A	9 years
City of Mount Juliet	June 22, 1999	N/A	30 years
White House Utility District	October 1, 2024	N/A	9 Years

Source: The Metropolitan Government of Nashville and Davidson County, Department of Water and Sewerage Services.

Operations and Maintenance

The Department has implemented operation and maintenance procedures with respect to the System and has undertaken several programs to upgrade performance, including a water quality testing program. Water quality within the water treatment facilities is tested on site on an hourly basis. Additional testing is conducted at a central laboratory maintained by the Department and certified by the State of Tennessee.

Water discharged from the plants into the water distribution system is monitored in accordance with the Federal Safe Drinking Water Act. Water discharged from the three wastewater treatment plants is tested to ensure compliance with the National Pollutant Discharge Elimination System as administered by the United States Environmental Protection Agency and Tennessee to the Tennessee Department of Environment and Conservation.

The Department takes every precaution to ensure that the water delivered to each customer is of the highest quality possible and meets all federal and State drinking water standards. Drinking water does not contain lead when it leaves the treatment plants but tap water can accumulate trace amounts of lead through the corrosion of plumbing materials containing lead.

The Department has had an intense corrosion control program since 1992 to prevent the possibility of lead leaching into the water. Following the United States Environmental Protection Agency and State guidelines, the Department regularly monitors drinking water in the distribution system for lead to determine the effectiveness of its corrosion control program. The Department replaces its portion of lead service lines prior to public works paving projects, during water main replacement projects, and when a lead service line is leaking, and repair would be required.

The Department performs regular maintenance and repair of equipment with outside contractors performing major repairs. To facilitate maintenance and repairs, the Department has established several inspection programs for the different areas of operation. Inspection programs include pumping station inspection, cross-connection protection testing, smoke testing for collection system integrity, water leak detection, fire hydrant testing and valve testing programs. Vans are equipped with closed circuit television cameras that can be maneuvered through the sewer mains to inspect the System.

Comprehensive training programs have been developed for employees, from unskilled to supervisory and management positions, covering many aspects of the operation and maintenance of the System. Although participation in the programs is not mandatory, employees who wish to be promoted to a higher job classification must demonstrate that they have the requisite knowledge and skills that such programs provide.

ENVIRONMENTAL REGULATIONS

General

The Federal Water Pollution Control Act of 1972 (“FWPCA”), as amended by the Clean Water Act of 1977, and the Water Quality Act of 1987 (collectively, the “CWA” or the “Clean Water Act”), provides for the restoration and maintenance of the chemical, physical and biological integrity of the nation’s waters. To achieve that end, the FWPCA established the National Pollution Discharge Elimination System (“NPDES”), a permit system administered by the United States Environmental Protection Agency (“EPA”) in conjunction with the states.

The EPA has delegated the NPDES program for the State of Tennessee to the Tennessee Department of Environment and Conservation (“TDEC”). The Tennessee General Assembly enacted the Tennessee Water Quality Control Act of 1977 to obtain the primary objectives of the CWA and to qualify for full participation in the NPDES program established under Section 402 of the FWPCA. Pursuant to the authority granted to it, the Tennessee Water Quality Control Board has enacted regulations consistent with the CWA.

In 1990, TDEC issued Order 88-3364 (the “1990 Order”) as a result of violations by the Metropolitan Government of the CWA from January 1987 through June 1989. The 1990 Order was, among other things, a result of the discharge of improperly treated wastewater into the waterways by the Metropolitan Government’s collection system and various wastewater treatment plants, leading to pollution in violation of the CWA. The 1990 Order also stated that the Metropolitan Government’s failure to comply with certain agreed upon orders entered by the Tennessee Water Quality Control Board in 1985 and 1987 was also a basis for the 1990 Order.

The 1990 Order identified specific problems regarding the Metropolitan Government’s collection system and wastewater treatment and required the Metropolitan Government to correct them. In response, the Department developed a detailed program, referred to as the Overflow Abatement Program (the “OAP”), for making System improvements to correct the problems identified in the 1990 Order. The OAP was approved by the TDEC. Although the Department substantially complied with the 1990 Order, it was not in full compliance with the CWA as of 1999.

On September 17, 1999, the TDEC issued Order 99-0390 (the “1999 Order”) replacing the 1990 Order and citing the Metropolitan Government in violation of Tennessee law. Effective July 1, 2001, the Metropolitan Government was to immediately not permit or allow any overflows of bypasses from its combined System (wastewater and storm water) during dry weather to any waters of the State of Tennessee, nor was it to allow any discharge from the Sewer System to any tributary of the Cumberland River. The current flow limits were imposed to ensure that the tie-in points from all contributing satellite sewage systems of the System were to be maintained.

The Metropolitan Government has substantially addressed the issues raised in the 1999 Order and continues to make capital improvements to the System in response thereto. TDEC has not assessed monetary penalties against the Metropolitan Government for failing to meet a scheduled compliance date, and the Metropolitan Government is currently in compliance with the requirements of the 1999 Order.

United States Environmental Protection Agency Consent Decree

In December 2005, the Department received an inquiry from the United States Environmental Protection Agency's Region IV headquarters ("Region IV" and together with the EPA is defined hereinafter as "USEPA"). This inquiry requested certain documents and records pertaining to the Department's operations, capital plan, and stormwater management. The Department's response was submitted in January 2006. The Department, TDEC, and USEPA agreed on a recommended consent decree to address and correct deficiencies within the Department's System that caused violations of the CWA (the "Consent Decree").

The Consent Decree originally required that the Metropolitan Government fully develop, by March 12, 2011, a Corrective Action Plan/Engineering Report ("CAP/ER") for its Sewer System and a Long-Term Control Plan ("LTCP") for its combined System to achieve the goals of the CWA. Upon the submission and approval of the plans, the Metropolitan Government was originally obligated to complete the work as developed by the plans in nine years.

On May 14, 2010, the Metropolitan Government petitioned the USEPA and the TDEC for a 6-month time extension for the delivery of both plans and a two-year extension for final compliance with the Consent Decree due to extreme flooding that occurred in May of 2010 within Nashville causing the Cumberland River to spill over its banks and temporarily impacted other areas in Nashville. The USEPA and TDEC granted the requested time extension to the Department. Both the CAP/ER and LTCP were submitted on time based on the time extension to the USEPA and the TDEC in September of 2011.

On August 10, 2017, the USEPA approved the CAP/ER and the timeline (*i.e.*, 11 years) to complete the work, now officially commenced, yielding a deadline of August 2028 for final compliance. After extensive negotiation, the USEPA issued a partial conditional approval of the LTCP in December 2020, which required the Department to submit a revised LTCP within four years and allowed 11 years from the date of the letter to complete the work. As required under the December 2020 conditional approval, the Department submitted an update to the LTCP in December 2024 that demonstrated compliance with water quality standards following the completion of the applicable System projects currently underway. The Department is also required to submit an update to the CAP/ER in December 2025, which may recommend additional projects to mitigate sanitary sewer overflows.

Among other requirements, the Consent Decree will require estimated capital expenditures to the System in a total amount of approximately \$3.1 billion. See "THE WATER AND SEWER SYSTEM CAPITAL IMPROVEMENT PLAN" within this **APPENDIX B**.

Failure to comply with the Consent Decree and meet future established deadlines could result in penalties up to \$3,000 per incident, and up to \$5,000 per day for failure to implement work in a timely manner. The Department has spent just under \$1 billion on System projects through March of 2025. The Department has been successful in meeting all the applicable deadlines established by the Consent Decree, and as of the date of the Official Statement is in compliance with the Consent Decree in all respects.

Other Regulations

Lead and Copper Regulations

Pursuant to regulations issued by USEPA (the “Lead and Copper Rule”), suppliers of drinking water are required to monitor for lead and copper that may have leached from pipes into the drinking water. In January 2021, USEPA issued revisions to the Lead and Copper Rule (the “LCRR”) to better protect children at schools and childcare facilities, address removal of lead pipes, and empower communities through information. In response to the LCRR, the Metropolitan Government began its P.I.P.E. Program with the goal of preventing metals from leaching into water by properly balancing water chemistry, informing the community through its website and service line inventory, protecting health with extensive sampling in the community and at schools and day cares, and eliminating risk with the removal of lead service lines. To reduce leaching of metals, the Metropolitan Government adds food grade orthophosphate and sodium hydroxide to the water before it enters the distribution system, which promotes the formation of a protective coating inside pipes and plumbing and minimizes corrosion. The Metropolitan Government is in the process of inspecting and updating its USEPA required service line inventory and regularly monitors its drinking water by sampling at household taps and other locations throughout its distribution system where lead service lines exist or may be suspected based on system age.

An update to the Lead and Copper Rule, referred to as the Lead and Copper Rule Improvements (the “LCRI”) became effective on December 30, 2024. The LCRI requires water systems to undertake a 10-year program to replace all lead service lines owned by the System beginning in 2027. Water service lines between the water main and the home within the System’s service area are owned by the property owners. The LCRI does not require water systems to pay for the cost of lead water line replacements at private properties, although the Metropolitan Government expects to make use of federal and state funds to pay for some private water line replacements when and if those funds become available.

The Metropolitan Government continues to analyze the impact of the LCRI on its operations, as well as the costs of any new programs required thereunder, including lead service line replacements that could be required. The Metropolitan Government is aware of the introduction in February 2025 of a joint resolution providing for congressional disapproval of the LCRI under Chapter 8 of Title 5 of the United States Code. That resolution has been referred to the United States Congress House Committee on Energy and Commerce. The Metropolitan Government is monitoring this legislation but currently has no plans to alter, discontinue or delay improvements to its P.I.P.E. Program.

PFAS National Primary Drinking Water Regulation

USEPA issued the PFAS National Primary Drinking Water Regulation, effective April 10, 2024 (the “PFAS Regulations”), set limits for five individual per- and polyfluoroalkyl (“PFAS”) chemicals and two or more of four PFAS as a mixture. The TDEC is currently conducting a statewide sampling effort to conduct sample testing on 29 different PFAS chemicals in raw, untreated water sources that supply public drinking water systems. In addition, the USEPA conducts sampling in accordance with its Unregulated Contaminant Monitoring Rule (“UCMR”). Results of sample testing conducted by TDEC and USEPA are provided to the System and published on TDEC’s interactive dashboard as they become available. The Metropolitan Government began voluntarily conducting sample testing for PFAS in 2015 and conducted tests on drinking water leaving the System’s treatment plants in 2015, 2019, 2021 and 2023. Those tests found no reportable levels of PFAS. The Metropolitan Government currently expects to continue periodic testing in accordance with the PFAS Regulations and in cooperation with TDEC and USEPA.

Payments in Lieu of Taxes, the Local Cost Allocation Plan, and Shared Government Services

Tennessee law, particularly the legal provisions set forth under Section 7-34-115(a)(9) Tennessee Code Annotated, as amended, provides that a municipality may require a municipally owned utility to make payments in lieu of ad valorem property taxes, for which the utility is exempt as a governmental entity, in an amount not to exceed the taxes payable on privately owned property of a similar nature. This payment is intended to help reimburse the municipality for the municipal services and support provided to the public works. In 1996, the Metropolitan Council duly and lawfully adopted Substitute Resolution Number RS96-177, which requires the Department to make an annual payment to the Metropolitan Government of \$4,000,000. In 2020, the Metropolitan Council duly and lawfully adopted Resolution Number RS2020-154, requiring the Department to make an annual payment to the Metropolitan Government of \$10,000,000. In 2024, the Metropolitan Council duly and lawfully adopted Resolution Number RS2024-468, requiring the Department to make an additional annual payment in the amount of \$4,760,000. The total amount of \$18,760,000 represents a payment in lieu of ad valorem taxes. This payment, made in monthly installments, is made after payments of debt service on the Metropolitan Government's outstanding water revenue bonds.

The Local Cost Allocation Plan ("LOCAP") for the Metropolitan Government is a method by which central service costs are distributed across the various departments of the Metropolitan Government. In Fiscal Year 2023 and in Fiscal Year 2024, the Department was charged \$7,454,900 and \$7,775,600 respectively. In Fiscal Year 2025, the LOCAP will cost the Department \$8,223,300. The Metropolitan Government charges the Department for additional "Shared Government Services" defined as fleet management, information systems, legal fees, insurance, and property services. The charges for the Shared Government Services totaled \$10,851,877 in Fiscal Year 2024, and in Fiscal Year 2025, the Shared Government Services charges will be \$10,065,800.

Payments in lieu of taxes, the LOCAP payments, as well as all Shared Services charges have been included in the historical and forecast expenses of the Department, all of which are set forth and more fully described in the Department's Forecast Statement.

THE WATER AND SEWER SYSTEM CAPITAL IMPROVEMENT PLAN

Water and Sewer System Capital Improvement Plan

The Charter requires the Metropolitan Government to annually prepare a five-year capital improvements budget. Also, under the Charter, the Metropolitan Mayor is obligated to submit an annual operating budget to the Metropolitan Council no later than May 1st of each fiscal year. The Metropolitan Mayor submits the capital improvements budget to the Metropolitan Council, based on information received from all officers, departments, boards, commissions, and other agencies requesting funds from the Metropolitan Government for capital improvements, and the Metropolitan Mayor recommends those projects to be undertaken during the ensuing fiscal year and the method of financing them. The Metropolitan Mayor's recommendation notes the impact of proposed projects on the debt structure of the Metropolitan Government and includes in the appropriate current operating budget any projects to be financed from current revenues for the ensuing fiscal year.

Not all projects included in the Department's capital improvements budget are financed and/or completed. In order for a project included in the capital improvements budget to be financed with water and sewer revenue bonds, the Metropolitan Council must subsequently adopt an initial resolution, or capital spending plan, specifically authorizing the project and the amount of water and sewer revenue bonds that may be issued to finance various capital improvements to the System.

As part of its capital improvement budget for the System for the Fiscal Years ending June 30, 2025 through June 30, 2029, the Metropolitan Government plans to spend an additional amount of approximately \$3.231 billion for capital improvement projects for the System (not including projects related to the Consent Decree). These capital improvement projects are also expected to be primarily funded with long-term borrowings, as well as Revenues of the System. The chart below illustrates the Metropolitan Government’s capital improvements budget for the System for the Fiscal Years ending June 30, 2025, through June 30, 2029:

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
DEPARTMENT OF WATER AND SEWERAGE SERVICES
CAPITAL IMPROVEMENTS BUDGET
(For the Fiscal Years Ending June 30, 2025, through June 30, 2029)**

FISCAL YEAR	AMOUNTS
Fiscal Year 2024-2025	\$ 923,633,000
Fiscal Year 2025-2026	309,635,000
Fiscal Year 2026-2027	450,370,000
Fiscal Year 2027-2028	1,057,847,000
Fiscal Year 2028-2029	490,005,000
TOTAL	\$3,231,490,700

Source: The Metropolitan Government of Nashville and Davidson County.

Capital Planning

Capital Budgeting Process

The Department officially commences its capital improvements budget (“CIB”) process in January of each year through the Department’s Asset Management Committee comprised of divisional leaders with each having voting responsibility. Divisions provide their list of projects to the Department’s Asset Management Committee categorized by refurbishment/replacement projects and large, system wide type projects for consideration. Projects are then aggregated, reviewed for overlap, risk-ranked to determine, and then prioritized for matching the Department’s spending priority. As the fiscal year progresses, each project that was approved through the CIB process is presented and voted on again when the division needs to begin work. The secondary voting process provides the Department’s Asset Management Committee and the Department’s Business and Finance Division with the opportunity to continuously monitor and report on the financial condition of the organization so spending decisions are made responsibly.

Route Services and each wastewater facility have an engineer that is responsible for facilitating the development, submission, and execution of the facilities CIB. In December of each budget year, the engineers facilitate a collaborative process for their facility that garners input from section superintendents, plant managers, operator and maintenance supervisors, Clean Water Nashville, and the Department Engineering for the purpose of developing an assessment of capital needs for a six- year planning horizon. The assessments use operational logs and trends, maintenance records, accounting records, first-hand knowledge from operators and maintenance staff, capacity modeling and projections conducted by Clean Water Nashville for the wastewater facilities and the collection system, and specific to Route Services capacity and modeling projections conducted by the Department Engineering for the

water distribution system. The six-year assessments of needs for Routes Services and each wastewater facility are reviewed, adjusted, and compiled by the Assistant Director of Wastewater in January and are submitted to the Director's office in February for review and inclusion in the departmental CIB.

Financial Oversight

The Department's Business and Finance Division works with outside consultants to maintain a forward-looking financial model built from operating revenues and expenditures, capital budgets and project spending forecasts, debt service projections, and fund balance. The forward-looking financial model also includes inflation and potential rate increases in future fiscal years to maintain fiscal responsibility and compliance with the applicable adopted financial policies. The financial information generated is used to project future cash positions and bond rate covenant ratios that guide overall budgeting, project planning, and spending decisions.

Distribution and Collection System

The three main types of projects that the Department's Engineering Division plans and includes in the CIB are:

1. Water Transmission and Distribution and Sewer Trunk Additions and Upgrades Projects;
2. Water Infrastructure Rehabilitation / Replacement (WIR) Projects; and
3. Clean Water Nashville Sewer Projects.

These capital projects account for more than 50% of the CIB for this current 6-year projection and have accounted for over 75% of the CIB in previous budgets.

Water Transmission and Distribution and Sewer Trunk Additions and Upgrades

The Department's Engineering Division produces on an approximate 5-year cycle, master plans for both the water distribution and sewer collection systems (together the "Master Plan"). Population forecasts are obtained from both the Metropolitan Government's Planning Commission and the Greater Nashville Regional Council. This data is converted into equivalent flows with peaks and input in the two hydraulic models that the Engineering Division uses to project remedial projects needed to account for the growth of the service area and still stay compliant with regulatory requirements. These Master Plan projects are developed by engineers and then submitted to the Chief Engineer for viability and costing as part of the process. The Chief Engineer then submits higher priority Master Plan projects for inclusion into the current CIB and defers others until the next cycle to match budget tolerances.

Water Infrastructure Rehabilitation / Replacement (WIR)

The goal of these types of projects is twofold. One is to replace old water mains that are past their useful life in the water distribution system and the second is to reduce leakage and the Department's overall Non-Revenue Water. The Department's Engineering Division ranks water with a selection matrix that includes factors such as age, material, fire flow capacity reduction, break frequency, water quality, etc. These factors have points associated with them and once the pipes are ranked by engineers, input is received from operators of the System and points are tweaked based on past experiences within certain areas. A new feature to this process is that engineering is in the process of installing permanent flow monitors in the system for District Measuring Areas (DMAs) to measure continuous flow and then to subtract it from meter AMR / AMI readings to calculate apparent losses (leakage) on a continuous

basis. This will allow the Engineering Division to give priority points to older mains that also have a history of leakage. These projects are formed by engineers of the Engineering Division and submitted to the Chief Engineer for viability and inclusion into the CIB, with the same caveat, to match budget tolerances.

Clean Water Nashville Projects

These projects are developed and managed by Clean Water Nashville with support from the Department's Engineering Division. To ensure compliance with the Clean Water Act, the Department's Engineering Division also plans and executes the Consent Decree projects required from the USEPA, TDEC and the United States Department of Justice ("DOJ").

The two plans that drive these projects are (i) the CAP/ER for the separate sanitary sewer system and (ii) the LTCP for the combined System. Budgetary requirements for Clean Water Nashville projects are carried as line items in Clean Water Nashville's capital budget, although the wastewater facilities may include funding in their budgets for plant activities required to support the Clean Water Nashville projects. Clean Water Nashville has been an intense program within the Department with past, current and future expenditures of over \$3 billion. These projects typically fall into 4 categories:

1. Rehabilitation – Cured-In-Place lining of old sewers to stop infiltration from entering the sewer pipes and extending the life of the sewer by forming a pipe within a pipe.
2. Equalization – Storing excess flow in a tank during rain events and then slowly releasing it back into the sewer once flows subside in the sewers.
3. Conveyance – Upsizing of trunk sewers to be able to get more flow to pumping stations, equalization tanks, and ultimately to the treatment plant for treatment.
4. Treatment Plant and Pumping Station Upgrades and Optimization – Making sure that plants and pumping stations are optimally performing to not be the bottleneck in the line of capacity needed during wet weather days.

Water Operations

The Department uses hydraulic modeling with synthesized design hydrographs to examine various scenarios to identify the most cost-effective projects to include in the CIB. The main types of projects that the Department's Operations Division plans and includes in the CIB are:

- Refurbishment/Replacement CIB Program Line Items
- Reservoir Projects
- Water Treatment Plant Projects

Refurbishment/Replacement CIB Program Line Items

The Department's plant maintenance and operations staff are responsible for observing, operating and maintaining all equipment at the water treatment plants and reservoir sites on an ongoing 24/7 basis. The equipment includes all tanks, pumps, motors, drives, valves, vaults, actuators, electrical components, treatment plant process equipment, general facility equipment, instrumentation, computer programming systems, piping, and all appurtenances. Plant staff inspect the equipment regularly in accordance with

preventative and predictive maintenance schedules for the specific type of equipment. The team meets as a group with operations, maintenance, and engineering personnel to prioritize the CIB program line items at the beginning of each year. The age of equipment, refurbishment/replacement records as well as the useful life of the asset are taken into consideration during the CIB planning process. The plant system is also monitored on an ongoing basis through the extensive Supervisory Control and Data Acquisition System (“SCADA System”) that gathers and analyzes real-time data continuously. Operators are on staff 24/7 and monitor the plant data as well as the System on a continuous basis. In addition, there is an extensive water quality monitoring effort that takes place continuously in the laboratory to maintain compliance.

Reservoir Projects

All 34 reservoirs in the distribution system are inspected on a rotational basis to assess the condition in accordance with TDEC rules. As part of the inspection, a “Condition and Maintenance Prioritization” system matrix is created that scores each reservoir based on six standardized criteria including safety, sanitary, structural, internal condition, external condition and coating condition. The operations and maintenance staff meet with engineers to discuss the matrix and prioritize the list of reservoir refurbishment projects for consideration each year as part of the CIB planning effort. In addition, maintenance and engineering staff visit the reservoir sites on a regular basis to monitor the condition of the assets. TDEC conducts an annual “Sanitary Survey” of the Water System, including the reservoir sites. Any findings during this Sanitary Survey are prioritized in the CIB planning process. Replacement and/or new reservoir projects are planned in collaboration with the Department’s Engineering Division based on hydraulic modeling and water Master Plan efforts.

Water Treatment Plant Projects

The Department’s Water Operations Division (“Water Operations”) operates and maintains two, 90-Million Gallons per Day (“MGD”) water treatment plants. The two plants are the Omohundro Water Treatment Plant (“OMO”) and K.R. Harrington Water Treatment Plant (“KRH”). Water treatment plant projects are larger CIB line items that involve major process refurbishments and/or replacements at OMO and KRH. The plant staff, including management, operations, maintenance and engineering staff are constantly evaluating the technologies in place at OMO and KRH plant sites. The raw water and finished water quality is monitored continuously at the water treatment plants. The plant staff take into consideration safety, water quality, water demand, current and future regulatory considerations, age of assets, useful life of the process equipment and overall performance.

Beginning in March of 2018, Water Operations initiated and operated a 2-year extensive Pilot Treatment Plant Study to explore emerging technologies to best provide safe and reliable drinking water to our customers.

A Pilot Plant Report document was created, that is a concise assessment of the data collected during the pilot plant operations. The purpose of this document was to evaluate each piloted option’s performance in the four-water quality and four process implementation parameters that were used as the basis for selection. Those 8 parameters are the following:

<u>Water Quality</u>	<u>Process Implementation</u>
Total Organic Carbon (TOC)	Capital cost
Disinfection By-Projects (DBPs)	Operations and Maintenance (O&M) cost
Taste and Odor	Process Implementation
Contaminants of Emerging Concern (CECs)	Ease of Operations

The report concludes with a final recommendation for full scale implementation at both plants based on water quality and process implementation rankings of each piloted treatment option.

Through the Department's Strategic Plan initiative, a Water Master Planning group was formed to review the pilot plant data, analysis, and final recommendation. This 15-member team consisted of experts throughout the Department in System Services, Regulatory Compliance, Laboratories, Operations, and Engineering. This extensive planning effort through the Water Master Planning Group endorsed the pilot plant study results and final recommendation. These exhaustive efforts to determine the best future treatment system for the Department and our customers concluded with the selection of granular activated carbon (GAC) post filter adsorbers as the selected enhanced treatment option at both water treatment plants.

This decision led to the Process Advancements at Omohundro and K.R. Harrington Water Treatment Plants Project, which is the Water Operation's current priority and will be for the foreseeable future due to the project's size and complexity. During the conceptual phase of the Process Advancements Project, plant capacities were also evaluated extensively. Operations staff in conjunction with an external engineering design team determined that to meet future water demands, OMO will be expanded to 150 MGD and KRH will be expanded to 120 MGD. This decision had a significant impact on the final project layout and design concepts at both facilities. Water Operations is currently under construction at OMO and plan to complete the new plant through the Pretreatment and Filter phase in 2031. The GAC post filter adsorbers and additional clearwell storage will be constructed after this phase at OMO. KRH will be phased after the completion of the OMO project due to the overall cost of the project.

Wastewater Operations

Background

The Department's Wastewater Operations Division is comprised of the Wastewater Section and Route Services Section. The Wastewater section is responsible for operating and maintaining three wastewater facilities. The Route Services Section is responsible for operating and maintaining all pump stations associated with the water distribution system and the wastewater collection system. Each wastewater facility has a SCADA System or Distributed Control System ("DCS") that is used for operating and monitoring facility equipment and processes. Each pump station has a control system that interfaces through telemetry to a centralized SCADA system. Operators are on staff 24/7 and monitor the equipment and processes using the SCADA and DCS systems. Additionally, operators at each wastewater facility collect periodic samples for process control and regulatory compliance. Routes Services and each wastewater facility have maintenance staff that perform inspections, preventive maintenance, and corrective maintenance on equipment.

Capital Project Categories

Needs for capital funding can be grouped into projects required to maintain or improve equipment and system reliability, projects required for unit process improvement, and strategic capacity and quality improvement projects.

Reliability

As equipment progresses through its life cycle, its operational and functional reliability diminishes. Reliability projects include the replacement or refurbishment of plant assets required to restore or improve reliability of the equipment and systems that they support. These projects are typically managed and executed by plant personnel. Budget projections for reliability projects are based on historical failure rates, vendor recommended refurbishment schedules, operational data, and intuitive assessments of the operators and maintenance technicians.

Unit Process Improvement

The engineers collaborate with operations and maintenance staff to gather, analyze, and model plant data to identify opportunities and needs for improvement of unit processes that support the overall treatment process. These projects may be small and manageable by plant personnel, or they may be moderate in scope and could require targeted support from architectural and engineering firms and general contractors. Once a need is identified, the engineer develops budgetary estimates for the project. The placement of the project within the six-year budget is based on the urgency of the need, the impact of the improvement, anticipated available funding, and trade-offs required to support the needs of other facilities.

Strategic Capacity and Quality Improvements

These capital projects are identified and driven by internal communication between engineers and the maintenance teams, as well as interaction with the Department's Engineering Division. Water distribution upgrades are identified in the water master plan, and Route Services works with Engineering to identify water pumping stations that need be constructed, upgraded, or replaced based upon capacity projections. Long-term wastewater improvements are discussed with the Clean Water Nashville team, and there is a subset of projects driven by the Biosolids Master Planning process.

Biosolids Master Planning Process

The Department completed Biosolids Master Plans in 2002 and in 2024 (the "BMP"). The BMPs project the capacity and quality needs for solids treatment for a twenty-year horizon. The existing solids processes for thickening, digestion, dewatering, and drying of solids at the Central Biosolids Facility and the Dry Creek Water Reclamation Facility were driven by the 2002 BMP. The 2024 BMP has documented immediate and long-term needs for expansion of the processes at the Central Biosolids Facility. The capital funding required to meet the needs identified through the BMP process are carried as line items in the capital budgets for the wastewater facilities. The estimates for capital funding needs are derived from Opinion of Probable Cost ("OPCC") presented in the BMP's and are updated as OPCCs are developed during design and bidding phases of the projects.

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Water and Sewer Capital Improvement Plan Chart

The following table illustrates the proposed spending for capital improvement projects by the Department for the Fiscal Years ending June 30, 2025, through June 30, 2029. Capital improvement projects in the forecast period will be funded from the Revenues of the Department, proceeds from Commercial Paper, issuance of new water and sewer revenue bonds, or a combination of these. The capital improvement plan as illustrated below assumes additional funding will be available from increases in water and sewer rates, thus increasing the amount of Revenues available to the Department and/or from the issuance of new water and sewer revenue bonds, with the resultant change to debt service requirements.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY DEPARTMENT OF WATER AND SEWERAGE SERVICES WATER AND SEWER CAPITAL IMPROVEMENT PLAN (For Fiscal Year 2025 through Fiscal Year 2029)

	2025	2026	2027	2028	2029	TOTAL
Consent Decree Program						
Program Management and Water Quality	14,000,000	12,500,000	14,000,000	16,000,000	24,500,000	81,000,000
Sanitary Sewer Rehabilitation	59,000,000	17,000,000	15,000,000	79,000,000	109,000,000	279,000,000
Combined Sewer Improvements	21,000,000	42,000,000	86,000,000	53,000,000	-	202,000,000
Total Consent Decree Program	94,000,000	71,500,000	115,000,000	148,000,000	133,500,000	562,000,000
Other						
Water Distribution System Improvements	134,690,000	87,500,000	126,000,000	69,000,000	127,000,000	544,190,000
Water Pump Station Improvements	1,200,000	1,525,000	825,000	875,000	900,000	5,325,000
Water Plant Improvements	349,000,000	32,100,000	15,050,000	615,700,000	14,350,000	1,026,200,000
Water Reservoir Improvements	5,480,000	4,500,000	12,650,000	4,650,000	650,000	27,930,000
Development Assistance	8,050,000	7,625,000	7,110,000	8,000,000	7,980,000	38,765,000
Customer Services/ Information Services	11,450,000	7,550,000	8,200,000	11,350,000	7,650,000	46,200,000
Vehicles and Equipment	20,250,000	21,330,000	22,500,000	23,000,000	23,500,000	110,580,000
Wastewater Collection System Improvements	20,100,000	20,100,000	35,050,000	35,050,000	35,000,000	145,300,000
Wastewater Plant Improvements	245,743,000	48,875,000	100,805,700	134,897,000	132,065,000	662,385,700
Wastewater Pump Station Improvements	30,170,000	3,530,000	3,680,000	3,825,000	3,910,000	45,115,000
Other	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	17,500,000
Total Other Capital Projects	829,633,000	238,135,000	335,370,700	909,847,000	356,505,000	2,669,490,700
TOTAL	923,633,000	309,635,000	450,370,700	1,057,847,000	490,005,000	3,231,490,700
Sources of Funds						
Extension and Replacement Fund	150,000,000	175,000,000	185,000,000	200,000,000	200,000,000	910,000,000
Proceeds from Long-term Debt	250,000,000	130,000,000	200,000,000	-	200,000,000	780,000,000
Commercial Paper Program	100,000,000	125,000,000	100,000,000	100,000,000	100,000,000	525,000,000
Other Short-term Financing	2,000,000	2,000,000	2,000,000	2,000,000	1,000,000	9,000,000
Water Impact Fees	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	25,000,000
Sewer Impact Fees	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	50,000,000
TOTAL	517,000,000	447,000,000	502,000,000	317,000,000	516,000,000	2,299,000,000

Source: The Metropolitan Government of Nashville and Davidson County, Department of Water and Sewerage Services.

APPENDIX C

**FINANCIAL AND DEMOGRAPHIC INFORMATION RELATED TO THE
METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**

**FINANCIAL AND DEMOGRAPHIC INFORMATION RELATED TO THE
METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**



The Metropolitan Government of Nashville and Davidson County (the “Metropolitan Government”) prepared its Annual Comprehensive Financial Report, the electronic hyperlink being attached as and incorporated into **APPENDIX A** of the Official Statement, which contains its audited financial statements for the Fiscal Year ended June 30, 2024. In addition to preparing the Annual Comprehensive Financial Report for Fiscal Year 2024, the Metropolitan Government has prepared this **APPENDIX C**, which includes certain financial, demographic, and operating information pertaining to the Metropolitan Government for the same period.

The Metropolitan Government undertakes no responsibility and has no obligation to update the information contained within this **APPENDIX C**. For additional information regarding the Metropolitan Government, the Annual Comprehensive Financial Report, and this **APPENDIX C**, please contact the following individuals:

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*The following information provided in this **APPENDIX C** is subject to change without notice and has been collected from sources that the Metropolitan Government considers to be reliable. The Metropolitan Government has made no independent verification of the information provided by non-Metropolitan Government sources, and the Metropolitan Government takes no responsibility for the completeness or accuracy thereof. Except as otherwise provided, the information contained in this **APPENDIX C** is often in relation to dates and periods prior to the onset of the Coronavirus Disease 2019 pandemic and the resulting measures instituted to mitigate it. Historical numbers, including but not limited to those regarding employment, transportation, and tourism, presented herein cannot be relied upon as reflective of current conditions or predictive of future results, which may be materially different from the information presented herein. The delivery by the Metropolitan Government of the information contained herein shall not, under any circumstances, create any implication that there has been no material change in the affairs of the Metropolitan Government.*

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INTRODUCTION

The Metropolitan Government of Nashville and Davidson County

The Metropolitan Government of Nashville and Davidson County (the “Metropolitan Government”) is the capital of and most populous city within the State of Tennessee. It is located on the Cumberland River in northern Middle Tennessee. Nashville is a center for the industries of music, healthcare, publishing, manufacturing, banking, transportation, and is home to numerous colleges and universities. Largely due to its association with the music industry, the Metropolitan Government has a vibrant tourism industry. The Metropolitan Government sits at the center of a 13-county Metropolitan Statistical Area located at the intersections of Interstate 24, Interstate 40, and Interstate 65. The Metropolitan Government and the Metropolitan Statistical Area each have an estimated population of 687,788 and 2,102,573, respectively, as of 2024 according to the United States Census Bureau. See “DEMOGRAPHIC AND STATISTICAL INFORMATION” within this **APPENDIX C**.

On June 28, 1962, the voters of the City of Nashville and Davidson County approved the Charter of the Metropolitan Government of Nashville and Davidson County (the “Charter”). On April 1, 1963, the governments of the City of Nashville and of Davidson County were consolidated to form “The Metropolitan Government of Nashville and Davidson County”, under which the boundaries of Nashville and Davidson County became co-extensive.

The executive and administrative powers are vested in the Metropolitan Government’s Mayor (the “Metropolitan Mayor”), who is elected at large for a four-year term. The Metropolitan Mayor is authorized to administer, supervise, and control all departments and to appoint all members of boards and commissions created by the Charter or by ordinance enacted pursuant to the Charter unless otherwise excepted. A two-thirds vote of the Metropolitan County Council of the Metropolitan Government (the “Metropolitan Council”) is required to override the Metropolitan Mayor’s veto. The Charter also provides for a Metropolitan Vice-Mayor, who is elected at large for a four-year term and is the presiding officer of the Metropolitan Council. The Metropolitan Council is the legislative body of the Metropolitan Government and is composed of forty (40) members who are elected for four-year terms, wherein thirty-five (35) members are elected from council districts and five (5) members are elected at-large.

General Services District and Urban Services District

The Charter provides a framework for the Metropolitan Government to serve the needs of two service districts: (i) the General Services District of the Metropolitan Government (“General Services District” or “GSD”) and (ii) the Urban Services District of the Metropolitan Government (“Urban Services District” or “USD”). The GSD embraces the entire area of Davidson County and is taxed to support general services, functions, and particular debt obligations, which are deemed properly chargeable to the whole population. Such services include general administration, police, fire protection, courts, jails, health and welfare, hospitals, streets and roads, traffic, schools, parks and recreation, auditoriums, public housing, urban renewal, planning and public libraries. The original USD conformed to the corporate limits of the City of Nashville and Davidson County as they existed on April 1, 1963, being the date of consolidation, as more fully described above.

The residents of the USD are charged an additional tax to support the above-mentioned general services, functions and particular debt obligations, which benefit only the USD. Such services include additional police and fire protection, storm sewers, street lighting and refuse collection. The Charter provides: “The area of the USD may be expanded, and its territorial limits extended by annexation whenever particular areas of the GSD come to need urban services, and the Metropolitan Government becomes able to provide such services within a reasonable period which shall be not greater than one year

after ad valorem taxes in the annexed area become due.” Since April 1, 1963, the area of the USD has been expanded from 72 square miles to 184 square miles.

As a consolidated government, the Metropolitan Government is responsible for providing all the services for its school system typically provided by cities, counties, and school districts. The Metropolitan Nashville Public Schools (“MNPS”) system is the second largest school system in the State of Tennessee. The Metropolitan Government provides tax-supported funding for the capital and operating expenses of the MNPS system. The system operations of the MNPS are managed by the Metropolitan Board of Public Education, which consists of nine (9) publicly elected members. See “DEMOGRAPHIC AND STATISTICAL INFORMATION – Education” within this APPENDIX C.

The Metropolitan Government provides water and wastewater services throughout the GSD and USD. Capital and operating costs of water and wastewater services are funded exclusively through revenues generated from water and wastewater rates, fees, and charges. Similarly, the Metropolitan Government funds the capital and operating costs of its electric system exclusively through revenues generated from electric system rates, fees, and charges. Because these utility systems are not tax-supported enterprises, detailed information regarding these utility systems is not included within this APPENDIX C.

Fiscal Year

The Metropolitan Government operates on a fiscal year, which commences July 1 and ends June 30.

Accounting

Pursuant to the Charter, independent auditors annually audit the financial statements of the Metropolitan Government. The Basic Financial Statements and other financial information, which are presented in the Annual Comprehensive Financial Report (“ACFR”), are prepared in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and with those standards and procedures recommended by the State Comptroller of the Treasury. Copies of the Metropolitan Government’s ACFRs are available on the Metropolitan Government’s website, <https://www.nashville.gov/departments/finance/office-treasurer/debt/investor-relations/documents>.

The Metropolitan Government reports on the following major governmental funds:

- **General Fund** – the Metropolitan Government’s primary operating fund which is used to account for all financial resources of the general operations of the Metropolitan Government, except those required to be accounted for in another fund.
- **General Purpose School Fund** – used to account for the receipt and disbursement of federal, state and local funds for education purposes, except those required to be accounted for in another fund.
- **Education Services Fund** – used to account for a variety of programs supporting education activities including various state and federal grant programs, funds reserved for unemployment claims of the Metropolitan Nashville Public School employees, food service operations of the school system, costs associated with charter schools, and fundraising activities of individual schools.

- **General Services District General Purposes Debt Service Fund** – used to account for the accumulation of resources and for the payment of principal and interest on the outstanding GSD general obligation debt.
- **General Services District School Purposes Debt Service Fund** – used to account for the accumulation of resources and for the payment of principal and interest on the outstanding debt related to schools.
- **Urban Services District General Purposes Debt Service Fund** – used to account for the accumulation of resources and for the payment of principal and interest on the outstanding USD general obligation debt.
- **General Services District Capital Projects Fund** – used to account for the use of bond proceeds for the construction and equipping of various public projects in the GSD.
- **Education Capital Projects Fund** – used to account for the use of bond proceeds for the construction and equipping of various school facilities.
- **Urban Services District Capital Projects Fund** – used to account for the use of bond proceeds for the construction and equipping of various public projects in the USD.

The Metropolitan Government reports on the following major enterprise funds:

- **Department of Water and Sewerage Services** – provides services to customers on a self-supporting basis utilizing a rate structure designed to produce revenues sufficient to fund debt service requirements, operating expenses, and adequate working capital.
- **District Energy System** – provides heating and cooling services to the Metropolitan Government and its downtown businesses. The District Energy System is managed by a third-party and is self-supporting by utilizing a rate structure designed to fund debt service requirements, pay for operating expenses and generate adequate working capital.
- **Stormwater Operations** – under the administrative responsibility of the Department of Water and Sewerage Services and accounts for activities surrounding the maintenance of the Metropolitan Government’s stormwater drainage system. Revenues are derived from a stormwater fee assessed on users of the system.

Additionally, the Metropolitan Government reports the following fund types:

- **Internal Service Funds** – used to account for the operations of self-sustaining agencies rendering services to other agencies of the Metropolitan Government on a cost reimbursement basis. These services included fleet management, information systems, insurance, treasury management and printing.
- **Pension (and other employee benefit) Trust Funds** – used to account for assets and liabilities held by the Metropolitan Government in a fiduciary capacity to provide retirement and disability benefits for employees and retirees.
- **Custodial Funds** – used to account for assets held by elected officials as agents for individuals, collections by the Metropolitan Government due to the purchasers of certain outstanding

property tax receivables, funds held by the Sheriff's Department for inmates, and funds held by the Planning Commission for performance bonds for contractors.

Operating Budgeting Process

The Charter requires the Director of Finance of the Metropolitan Government (the "Director of Finance") to obtain information necessary to compile the annual operating budget of the Metropolitan Government from all officers, departments, boards, commissions, and other agencies for which appropriations are made by the Metropolitan Government or which collect revenues for the Metropolitan Government.

The Metropolitan Mayor reviews the operating budget submitted by the Director of Finance and may make such revisions in the budget deemed necessary or desirable before it is submitted to the Metropolitan Council for consideration no later than May 1st of each year. In no event can the total appropriations from any fund exceed the total anticipated revenues plus the estimated unappropriated fund balance and applicable reserves. After the Metropolitan Council has passed the budget ordinance on the first reading, it will subsequently hold public hearings. After the conclusion of the public hearings, the Metropolitan Council may amend the operating budget prepared by the Metropolitan Mayor. However, the budget, as finally amended and adopted, must provide for all expenditures required by law or by provisions of the Charter and for all debt service requirements for the ensuing fiscal year as certified by the Director of Finance. If the Metropolitan Council fails to adopt a budget by July 1st, the budget submitted by the Metropolitan Mayor is deemed to be the adopted budget.

The Charter requires that following the adoption of the Metropolitan Government's annual operating budget, an annual tax is to be levied on all taxable property located within the GSD and an additional annual tax on all taxable property located within the USD. These annual taxes must be at rates sufficient to finance the GSD and USD budgets adopted for their respective service districts. See "CAPITAL FINANCING AND BONDS" within this **APPENDIX C**.

Historical Summary of Major Fund Results

The tables illustrated on the following three pages provide a five-year history of revenues, expenditures and changes in fund balances for the Metropolitan Government's: (i) General Fund; (ii) Special Revenue Funds; and (iii) Debt Service Funds, which are the primary tax-supported operating funds of the Metropolitan Government.

The Special Revenue Funds table includes the General Purpose School Fund and various other funds with specific revenues that are to be utilized in carrying out the requirements of statutes, ordinances, grants or other governing regulations. The Debt Service Funds table includes the GSD General Purposes Debt Service Fund, the GSD School Debt Service Fund, and the USD General Purposes Debt Service Fund.

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
GENERAL FUND⁽¹⁾
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(For the Fiscal Years Ended June 30, 2020, through June 30, 2024)**

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
GENERAL FUND

FIVE YEAR SUMMARY OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

	YEARS ENDED JUNE 30				
	2024	2023	2022	2021	2020
REVENUES:					
Property taxes	\$ 835,727,083	\$ 815,179,124	\$ 781,476,535	\$ 754,775,682	\$ 597,829,022
Local option sales tax	239,327,004	240,875,992	204,274,395	168,157,620	113,464,491
Other taxes, licenses and permits	204,964,314	194,639,712	191,691,975	159,909,219	159,918,852
Fines, forfeits and penalties	4,605,121	4,527,290	4,655,522	4,820,452	5,014,278
Revenue from use of money of property	21,193,880	15,207,168	92,145	190,700	376,653
Revenue from other governmental agencies	186,041,160	186,097,921	148,550,333	173,009,118	139,187,410
Commissions and fees	18,347,814	19,736,251	18,633,182	17,718,359	13,437,944
Charges for current services	49,559,319	46,987,945	42,306,233	37,102,858	36,498,952
Compensation for loss, sale or damage to property	462,416	733,874	700,747	1,108,900	513,104
Contributions and gifts	31,390	13,105	37,902	33,025	406,680
Miscellaneous	2,005,167	5,673,667	1,098,185	871,032	1,079,380
Total revenues	1,562,264,668	1,529,672,049	1,393,517,154	1,317,696,965	1,067,726,766
EXPENDITURES					
General government	75,962,604	68,622,952	59,437,051	53,109,511	52,446,684
Fiscal administration	35,325,193	32,031,952	28,386,656	26,274,627	24,620,447
Administration of justice	90,153,071	81,140,835	76,456,975	69,325,655	68,715,316
Law enforcement and care of prisoners	428,463,807	379,962,278	351,730,198	312,866,080	301,194,426
Fire prevention and control	202,610,246	172,978,973	156,953,762	138,443,891	136,829,267
Regulation and inspection	17,836,298	14,665,025	13,062,172	11,484,128	11,032,259
Conservation of natural resources	326,887	299,741	324,250	343,532	335,444
Public welfare	12,693,995	9,782,303	7,598,119	5,839,322	6,672,499
Public health and hospitals	92,124,191	83,388,263	75,554,608	64,863,227	66,919,483
Public library system	42,871,453	39,384,151	32,919,491	30,651,471	31,369,260
Public works, highway, and street	62,583,793	50,213,354	43,603,025	35,374,417	36,321,877
Recreational and cultural	71,044,237	62,181,963	49,084,856	43,779,702	42,072,126
Employee benefits	72,735,331	82,537,345	91,008,008	89,295,904	88,233,381
Miscellaneous	160,991,522	134,980,762	120,889,663	93,853,337	102,696,115
Capital outlay	66,251,996	31,343,368	10,615,724	-	-
Debt service:					
Principal retirement	12,536,502	10,754,135	-	-	21,230,100
Interest	652,181	456,323	-	-	16,669,900
Total expenditures	1,445,163,307	1,254,723,723	1,117,624,558	975,504,804	1,007,358,584
Excess (deficiency) of revenues over expenditures	117,101,361	274,948,326	275,892,596	342,192,161	60,368,182
OTHER FINANCING SOURCES (USES)					
Leases	66,038,772	253,016	10,615,724	-	-
Subscriptions	213,224	28,253,492	-	-	-
Transfers in	26,063,203	25,863,508	34,845,249	20,483,569	25,936,866
Transfers out	(341,044,167)	(254,515,763)	(180,604,653)	(150,964,244)	(103,974,920)
Total other financing sources (uses)	(248,728,968)	(200,145,747)	(135,143,680)	(130,480,675)	(78,038,054)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(131,627,607)	74,802,579	140,748,916	211,711,486	(17,669,872)
FUND BALANCE, beginning of year (1)	503,874,885	429,072,306	285,486,531	73,775,045	91,444,917
FUND BALANCE, end of year	\$ 372,247,278	\$ 503,874,885	\$ 426,235,447	\$ 285,486,531	\$ 73,775,045

(1) - The beginning fund balance was restated.

Source: The Metropolitan Government of Nashville and Davidson County Annual Comprehensive Financial Report 2024.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
SPECIAL REVENUE FUNDS⁽¹⁾
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(For the Fiscal Years Ended June 30, 2020, through June 30, 2024)

	Years Ended June 30				
	2024	2023	2022	2021	2020
REVENUES:					
Property taxes	\$ 477,709,415	\$ 477,100,857	\$ 479,124,651	\$ 436,064,759	\$ 331,591,099
Local option sales tax	363,309,842	364,223,197	345,730,678	244,212,837	242,743,133
Other taxes, licenses and permits	202,254,654	218,498,706	173,453,410	71,017,140	103,649,115
Fines, forfeits and penalties	2,061,662	1,879,570	1,019,255	1,736,460	1,858,881
Revenue from the use of money or property	46,651,452	25,268,936	86,873	1,768,870	3,349,841
Revenue from other governmental agencies	861,164,618	709,497,571	749,072,864	700,409,034	507,400,824
Commissions and fees	10,122,682	8,362,944	8,525,862	8,466,222	12,080,393
Charges for current services	45,740,467	38,057,495	27,245,384	18,544,545	29,383,312
Compensation for loss, sale or damage to property	2,845,247	11,425,795	2,272,631	4,336,452	1,982,404
Contributions and gifts	4,453,896	12,612,722	11,782,885	7,313,894	6,515,863
Miscellaneous	5,794,533	5,516,415	40,088	186,205	329,505
Total revenues	2,022,108,468	1,872,444,208	1,798,354,581	1,494,056,418	1,240,884,370
EXPENDITURES					
General government	210,937,406	172,064,809	126,306,016	63,733,177	103,282,752
Fiscal administration	6,804,795	206,981	96,788	234,154	343,633
Administration of justice	6,699,897	12,506,960	13,136,297	13,140,010	13,458,767
Law enforcement and care of prisoners	11,502,682	5,959,653	5,174,803	9,671,723	25,071,303
Fire prevention and control	460,854	811,018	273,482	958,372	23,954
Regulation and inspection	222,992	179,620	134,502	43,533	48,049
Public welfare	117,086,797	85,487,743	141,154,400	174,549,641	58,410,684
Public health and hospitals	38,212,616	37,524,517	42,988,455	32,081,393	23,969,614
Public library system	1,534,235	1,607,722	1,734,761	779,695	781,938
Public works, highways and streets	62,381,474	51,994,095	41,346,522	45,473,916	37,924,204
Recreational and cultural	3,292,765	1,959,712	2,362,134	1,815,558	1,694,001
Education	1,513,946,587	1,409,396,336	1,269,029,098	1,121,276,681	1,034,084,222
Debt service:					
Principal retirement	9,346,003	9,660,163	-	-	-
Interest	639,188	124,472	-	-	-
Capital outlay	54,125,019	66,005,255	31,551,010	27,639,968	24,544,427
Total expenditures	2,037,193,310	1,855,489,056	1,675,288,268	1,491,397,821	1,323,637,548
Excess (deficiency) of revenues over expenditures	(15,084,842)	16,955,152	123,066,313	2,658,597	(82,753,178)
OTHER FINANCING SOURCES (USES)					
Insurance recovery	-	-	-	-	4,000,000
Leases	-	1,294,988	861,989	-	-
Subscriptions	3,659,430	33,302,656	-	-	-
Transfers in	554,423,307	429,692,680	350,535,845	307,620,877	216,935,884
Transfers out	(419,308,694)	(282,005,378)	(264,270,585)	(200,691,303)	(175,665,100)
Total other financing sources (uses)	138,774,043	182,284,946	87,127,249	106,929,574	45,270,784
Excess (deficiency) of revenues and other sources over expenditures and other uses	123,689,201	199,240,098	210,193,562	109,588,171	(37,482,394)
FUND BALANCE, beginning of year, as restated (1)	667,470,522	468,219,054	257,220,955	147,632,784	180,497,282
FUND BALANCE, end of year	\$ 791,159,723	\$ 667,459,152	\$ 467,414,517	\$ 257,220,955	\$ 143,014,888

(1) - The beginning fund balance was restated.

Source: The Metropolitan Government of Nashville and Davidson County Annual Comprehensive Financial Report 2024.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
DEBT SERVICE FUNDS
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(For the Fiscal Years Ended June 30, 2020, through June 30, 2024)

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
DEBT SERVICE FUNDS
FIVE YEAR SUMMARY OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

	YEARS ENDED JUNE 30				
	2024	2023	2022	2021	2020
REVENUES:					
Property taxes	\$ 302,147,481	\$ 320,930,834	\$ 305,485,345	\$ 276,438,168	\$ 154,648,416
Local option sales tax	84,491,808	80,286,524	82,004,189	69,041,361	87,659,932
Other taxes, licenses and permits	1,240,077	469,007	467,930	188,681	239,243
Fines, forfeits and penalties	254,491	240,764	215,017	197,512	316,378
Revenue from the use of money of property	3,119,813	1,942,356	426,814	1,608,541	651,221
Revenue from other governmental agencies	11,937,249	1,177,497	1,285,943	-	9,733,881
Compensation for loss, sale, or damage to property	3,972,366	584,615	-	222,063	-
Bond interest tax credit	5,058,860	4,921,897	4,921,897	4,922,502	4,911,180
Miscellaneous	-	10,824	-	-	-
Total revenues	412,222,145	410,564,318	394,807,135	352,618,828	258,160,251
EXPENDITURES					
Principal retirement	268,234,132	266,213,241	229,274,217	191,390,744	162,282,384
Interest	142,048,348	128,338,724	122,323,012	137,569,537	129,539,635
Fiscal charges	2,082,379	2,437,455	2,109,128	6,569,561	3,687,504
Total expenditures	412,364,859	396,989,420	353,706,357	335,529,842	295,509,523
Excess (deficiency) of revenues over expenditures	(142,714)	13,574,898	41,100,778	17,088,986	(37,349,272)
OTHER FINANCING SOURCES (USES)					
Issuance of refunding debt	-	-	-	627,995,457	-
Payments to refunded bond escrow agent	(7,590,817)	-	-	(636,464,334)	-
Bond issue premium (discount)	-	-	-	11,178,482	-
Transfers in	87,358,052	16,168,653	16,873,289	15,751,555	53,712,523
Total other financing sources (uses)	79,767,235	16,168,653	16,873,289	18,461,160	53,712,523
Excess (deficiency) of revenues and other sources over expenditures and other uses	79,624,521	29,743,551	57,974,067	35,550,146	16,363,251
FUND BALANCE, beginning of year	157,583,515	127,839,964	69,865,897	34,315,751	17,952,500
FUND BALANCE, end of year	\$ 237,208,036	\$ 157,583,515	\$ 127,839,964	\$ 69,865,897	\$ 34,315,751

Source: The Metropolitan Government of Nashville and Davidson County Annual Comprehensive Financial Report 2024.

REVENUES

The Metropolitan Government derives its revenues from the following sources:

Property Taxation

The Tennessee Constitution provides counties and municipalities with the authority to levy real property taxes based on the value of the property. Title 67, Chapter 5, Tennessee Code Annotated (the “Property Tax Act”) details the process by which property taxes are levied. Pursuant to the Property Tax Act, counties, and municipalities of the State of Tennessee (the “State”) each will levy property taxes on a calendar year basis. The Metropolitan Government levies property taxes on a calendar year basis, with property tax bills being disbursed to local taxpayers by the first Monday in October each year with payment due before March 1 of the following year. The process for the (i) valuation of property, (ii) assessment of property values, (iii) levy of property taxes, (iv) collection of property taxes, (iv) remittance of incremental property taxes to the Metropolitan Government, and (v) the collection of delinquent property taxes each are more fully described within this section.

Property Valuation

Pursuant to the Property Tax Act, the Assessor of Property of the Metropolitan Government (the “Metropolitan Assessor”) has typically appraised the value of all real property (with the exception of public utility property) every four (4) years; however, the next reappraisal will occur in 2028. Except in certain circumstances where real property is subsequently improved or damaged, this appraised value serves as the basis for the assessment and levy of real property taxes through the ensuing four-year period. The goal of the Metropolitan Assessor is to estimate fair market value for each property. Fair market value is defined as the most probable price a property would sell for in an open market under normal conditions. In order to determine the appraisal, the Metropolitan Assessor’s office uses acceptable methods approved by the Tennessee State Comptroller’s Office to estimate the value of each property. Because all real properties need to be appraised as of January 1 in the year of a reappraisal, the Metropolitan Assessor uses mass appraisal techniques aided by appraisal models of benchmark properties developed by its staff and processed by computers into a value indication for each property.

The Metropolitan Assessor utilizes a mixture of appraisal methodologies to determine appraised real property value. The Metropolitan Assessor utilizes the “Comparable Sales Approach” by looking at the sales prices of comparable properties and then compares them according to (i) location, (ii) size (land and building), (iii) type of construction and (iv) condition of the property. The Metropolitan Assessor also utilizes the “Cost Approach” by tracking building permits and the cost of improvements made to properties. Finally, for commercial and retail properties, the Metropolitan Assessor utilizes the “Income Approach” by analyzing comparable properties such as offices, apartments, warehouses, retail stores, etc., and developing net income estimates that help determine a property’s value. A taxpayer wishing to protest the appraised value of its real property may request an informal review by the Metropolitan Assessor’s staff by the middle of May of each tax year, and Metropolitan Assessor’s staff may make adjustments to the appraised or assessed value of such real property in dispute. If the taxpayer remains unsatisfied, it may appeal its protest to the Metropolitan Board of Equalization, wherein the Metropolitan Board of Equalization will hold public protest hearings commencing after June 1st each tax year, but if necessary, the Metropolitan Board of Equalization may hold such protest hearings beyond the end of July, particularly in a year of reappraisal. If a taxpayer is still unsatisfied based on the ruling given from the Metropolitan Board of Equalization, then it may further appeal to the Tennessee State Board of Equalization on or about August 1 of the same year.

Assessed Value

Each year, the Metropolitan Assessor determines the “assessed value” of each parcel of real and personal property, based on the most recent valuation and the classification of the property under the Property Tax Act. Leased personal property is assessed against the lessee on the basis of the use of the property by the lessee. The assessed value of a parcel of property, rather than its appraised value, is the measure against which property taxes are levied. For real property, the Property Tax Act currently provides for the following classification and assessment of properties:

Classification of the Use of Property	Assessed Value as a Percentage of Appraised Value
Public Utility	55%
Industrial and Commercial	40%
Residential	25%
Farm Property	25%

Qualifying properties owned by governmental, religious, charitable, scientific, literary or educational institutions are exempt from assessment and, therefore, have no requirement to pay property taxes. If a parcel of real property is used for more than one purpose so that different assessment sub-classifications and percentages apply, then the tax is apportioned among the sub-classes according to the guidelines established by the Tennessee State Board of Equalization. If a parcel of real property is vacant, unused or held for use, it is classified according to its immediate most suitable economic use, after considering factors such as (i) immediate prior use, if any, (ii) location, (iii) zoning classification, (iv) other legal restrictions on use, (v) availability of utilities, (vi) size, (vii) access and (viii) other relevant factors. Real property not within any other definition and classification is classified and assessed as farm or residential property.

The Metropolitan Government-owned utility systems (*i.e.*, electric utilities with the Nashville Electric Service and water and sewer utilities with the Department of Water and Sewerage Services), are also exempt from assessment but are separately assessed through certain payments-in-lieu of ad valorem taxes (“PILOT”) payments, which is authorized pursuant to the Tennessee Code Annotated Section 7-34-115. Nashville Electric Service is taxed under Tennessee law pursuant to the provisions of the Municipal Electric System Tax Equivalent Law of 1987. Under this law, the annual tax equivalent is the sum of: (a) the equalized tax rate applied to the net plant value and book value of materials and supplies, and (b) four percent (4%) of the average of revenue minus power cost for the preceding three (3) fiscal years. The PILOT payments received from Nashville Electric Service and the Department of Water and Sewerage Services are accounted for in the Metropolitan Government’s annual financial statements as if the PILOT payments were regular ad-valorem property tax payments. For personal property, the Property Tax Act currently provides for the following classification and assessment of properties:

Classification of the Use of Property	Assessed Value as a Percentage of Appraised Value
Public Utility	55%
Industrial and Commercial	30%

Qualifying properties owned by governmental, religious, charitable, scientific, literary, or educational institutions are exempt from assessment and, therefore, have no requirement to pay property taxes.

Levy of Ad Valorem Taxes

The Metropolitan Government shall be unconditionally and irrevocably obligated to levy and collect ad valorem taxes without limit as to rate or amount on all taxable property within the Metropolitan Government to the full extent necessary to pay all debt service on outstanding general obligation debt, and the full faith and credit of the Metropolitan Government shall be pledged to the payment thereof. In addition to all other taxes, the ad valorem taxes shall be without limitation as to time, rate or amount; provided; however, the ad valorem taxes may be reduced to the extent of any appropriations to the payment of debt service on outstanding general obligation debt from other funds, taxes and revenues of the Metropolitan Government.

The Metropolitan Government is divided into two service districts, the GSD and the USD. The GSD embraces the entire area of Davidson County. Properties situated within the GSD are taxed to support the services, functions and debt obligations which are chargeable to the whole population, such as general government administration, police, fire protection, courts, jails, health, welfare, hospitals, streets and roads, traffic, schools, parks and recreation, airport facilities, auditoriums, public housing, urban renewal, planning and public libraries. Since April 1, 1963, the area of the USD has been expanded by annexation from 72 square miles to 199 square miles. Properties in the USD are subject to an additional tax to support additional police protection, storm sewers, street lighting and refuse collection.

The Metropolitan Government operates on a July 1 to June 30 fiscal year. Each year, as part of its budget process, the Metropolitan Mayor must submit the operating budget for the upcoming fiscal year to the Metropolitan Council. The Metropolitan Council may revise the proposed budget except that the budget as finally amended and adopted must provide for all expenditures required by law and for all debt service requirements for the ensuing fiscal year. The Metropolitan Council is required to finally adopt the annual operating budget not later than June 30. If the Metropolitan Council fails to adopt a budget prior to the beginning of the fiscal year, it shall be conclusively presumed to have adopted the budget as submitted by the Metropolitan Mayor. After the annual operating budget has been adopted, the Metropolitan Council is required to adopt a property tax levy sufficient to fund the adopted budget.

The ad valorem taxes shall be assessed, collected, and paid at the same time and in the same manner as the other taxes of the Metropolitan Government. The current property tax rate in the General Services District is \$2.782 per \$100 of assessed value and the additional property tax rate for the Urban Services District is \$0.032 per \$100 of assessed value, for a combined property tax rate of \$2.814 per \$100 of assessed value.

By referendum held on November 7, 2006, voters in the Metropolitan Government amended the Metropolitan Government's Charter to require that any future increase above the tax levy rate then in effect (\$4.69 per \$100 of assessed value for properties located in the USD) be first approved by voter referendum. The Department of Law of the Metropolitan Government has issued its opinion (Legal Opinion No. 2006-03) to the effect that such Charter amendment requiring a voter referendum is invalid because it violates the Tennessee Constitution, but the constitutionality of the voter referendum requirement has not been adjudicated.

The two following charts on the next two pages illustrate: (i) the assessed value and estimated actual value of taxable property located within the GSD for the last (10) fiscal years; and (ii) the assessed value and estimated actual value of taxable property located within the USD for the last (10) fiscal years. Both tables were included within the Metropolitan Government's Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2024, on pages H-16, H-17 and H-18, respectively, and the total estimated actual property value set forth therein was confirmed by the Tax Aggregate Reports for the State of Tennessee Board of Equalization.

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF
 GENERAL SERVICES DISTRICT TAXABLE PROPERTY
 (For Fiscal Year 2015 through Fiscal Year 2024)**

Fiscal Year	Realty	Personalty	Public Utility	Total GSD Taxable Assessed Value	Total GSD Tax Rate⁽¹⁾	Total Estimated Actual Property Value⁽²⁾	Assessed Value as a Percentage of Actual Value
2014-15	18,498,390,332	1,177,300,927	700,367,364	20,376,058,623	3.924	66,270,673,259	30.75
2015-16	18,866,789,974	1,209,436,393	666,469,036	20,742,695,403	3.924	67,533,296,332	30.71
2016-17	19,435,521,082	1,187,902,496	691,397,076	21,314,820,654	3.924	78,262,509,134	27.24
2017-18	28,945,737,943	1,419,531,774	779,345,451	31,144,615,168	2.755	99,659,583,923	31.25
2018-19	29,899,291,712	1,509,226,429	812,276,537	32,220,800,678	2.755	102,919,516,660	31.31
2019-20	30,860,833,673	1,416,975,564	737,873,399	33,015,682,636	2.755	123,954,384,027	26.64
2020-21	31,846,226,706	1,479,419,917	802,347,589	34,127,994,212	3.788	128,201,489,337	26.62
2021-22	43,582,416,191	1,770,480,399	937,257,515	46,284,154,105	2.953	147,996,606,294	31.27
2022-23	45,166,474,412	1,923,404,623	983,804,061	48,073,683,096	2.922	151,623,899,775	31.71
2023-24	46,467,918,388	1,538,639,517	771,662,875	48,778,220,780	2.922	216,962,222,177	22.48

⁽¹⁾ All properties located within the General Services District are taxed at the GSD rate. Only those properties located within the Urban Services District are taxed at the additional USD tax rate.

⁽²⁾ Based on Tax Aggregate Reports for the Tennessee State Board of Equalization.

Source: The Metropolitan Government of Nashville and Davidson County Annual Comprehensive Financial Report 2024.

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF
 URBAN SERVICES DISTRICT TAXABLE PROPERTY
 (For Fiscal Year 2015 through Fiscal Year 2024)⁽¹⁾**

Fiscal Year	Realty	Personalty	Public Utility	Total USD Taxable Assessed Value	Total USD Tax Rate
2014-15	12,895,435,922	983,507,268	526,411,427	14,405,354,617	0.592
2015-16	13,184,753,548	1,023,107,282	495,162,952	14,703,023,782	0.592
2016-17	13,644,574,094	971,185,978	510,672,763	15,126,432,379	0.592
2017-18	21,923,461,416	1,230,063,669	589,517,294	23,743,042,379	0.400
2018-19	22,661,863,522	1,306,900,935	577,480,937	24,546,245,394	0.400
2019-20	23,503,170,791	1,219,307,776	512,710,959	25,235,189,526	0.400
2020-21	24,340,041,756	1,270,663,485	548,585,744	26,159,290,985	0.433
2021-22	33,730,296,033	1,547,046,548	649,646,041	35,926,988,622	0.335
2022-23	35,089,921,493	1,678,725,287	698,193,342	37,466,840,122	0.332
2023-24	36,126,986,562	1,350,159,392	537,302,063	38,014,448,017	0.332

⁽¹⁾ The Urban Services District lies within the General Services District. The above illustrated chart reflects the assessed value of the properties located within the Urban Services District.

Source: The Metropolitan Government of Nashville and Davidson County Annual Comprehensive Financial Report 2024.

If valid, the 2006 Charter Amendment may limit the Metropolitan Government’s ability to raise additional revenues for governmental requirements – other than the payment of general obligation debt service – by increasing property tax rates. The 2006 Charter Amendment does not purport to specifically limit that portion of the tax rate allocable to the payment of debt service. The Metropolitan Government’s Department of Law and Bond Counsel have each opined that a court would likely find the 2006 Charter Amendment to be invalid as an unconstitutional limitation on the exercise of the Metropolitan Council’s taxing authority. The following table illustrates the property tax rates for the GSD and USD for the last ten (10) fiscal years, and also was included within the Metropolitan Government’s Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2024, on page H-19:

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
PROPERTY TAX RATES
(For Fiscal Year 2015 through Fiscal Year 2024)**

Fiscal Year	General Services District					Urban Services District			Total Direct Tax Rate
	GSD General Fund ⁽¹⁾	General Purpose School Fund	GSD Debt Service Fund	School Debt Service Fund	Total GSD Rate	USD General Fund ⁽¹⁾	USD Debt Service Fund	Total USD Rate	
2014-15	1.905	1.416	0.423	0.180	3.924	0.480	0.112	0.592	4.516
2015-16 ⁽²⁾	1.905	1.416	0.423	0.180	3.924	0.495	0.097	0.592	4.516
2016-17	1.905	1.416	0.423	0.180	3.924	0.495	0.097	0.592	4.516
2017-18	1.338	0.994	0.297	0.126	2.755	0.334	0.066	0.400	3.155
2018-19	1.338	0.994	0.297	0.126	2.755	0.334	0.066	0.400	3.155
2019-20	1.338	0.994	0.297	0.126	2.755	0.334	0.066	0.400	3.155
2020-21 ⁽⁴⁾	1.725	1.290	0.567	0.206	3.788	0.359	0.074	0.433	4.221
2021-22 ⁽³⁾	1.296	1.030	0.467	0.160	2.953	0.283	0.052	0.335	3.288
2022-23 ⁽⁴⁾	1.299	0.986	0.523	0.114	2.922	0.283	0.049	0.332	3.254
2023-24 ⁽⁴⁾	1.339	0.986	0.473	0.124	2.922	0.283	0.049	0.332	3.254

⁽¹⁾ A portion of the revenue of the GSD General Fund generated from the tax levy collected for the area of the USD is recorded in the USD General Fund. Referred to as the levy for fire protection service, this amount of the levy has ranged from \$.05 to \$.08 over the last ten years.

⁽²⁾ In these fiscal years, the property tax rate was reallocated among the funds receiving property tax revenue by the Metropolitan Council.

⁽³⁾ The State mandates a reappraisal valuation of property within Davidson County every four years resulting in a reduction of the combined GSD-USD tax rate. Also, the combined GSD-USD tax rate was reallocated among the funds receiving property tax revenue. The rates above reflect the net change of the reappraisal valuation and the reallocation by the Metropolitan Council.

⁽⁴⁾ In this year, the combined GSD-USD tax rate was adjusted by the Metropolitan Council and reallocated among the funds receiving property tax revenue. The rates above reflect the net change of the adjustment and reallocation by the Metropolitan Council.

Source: The Metropolitan Government of Nashville and Davidson County Annual Comprehensive Financial Report 2024.

Tax Abatement Programs

The Industrial Development Board of The Metropolitan Government of Nashville and Davidson County, Tennessee (the “IDB”), a public nonprofit corporation created pursuant to Tennessee Annotated Code Section 7-53-101 *et seq.*, as amended, serves as a conduit quasi-governmental entity and public instrumentality of the Metropolitan Government to, among other things, issue revenue bonds to foster economic development, acquire, own, lease, and dispose of properties that help to promote industry and develop trade by inducing manufacturing, industrial, and commercial enterprises to relocate to the Metropolitan Government. Under Tennessee law and as a further aid to foster economic development, the IDB can negotiate and consummate PILOT agreements (“PILOT agreements”) to maintain and increase employment opportunities and certain household incomes. The intent of the consummation of the PILOT agreements are to provide a financial incentive designed to encourage economic development through affording significant property tax relief for certain qualified projects and properties located within the GSD and USD of the Metropolitan Government.

The property tax abatements afforded through the PILOT agreements, which may be as much as 100% of the real and/or personal property taxes, may be granted to any qualified business located within or relocating to property within the Metropolitan Government, making significant capital investments and retaining or increasing a significant number of full-time employees. The approval of any PILOT agreements is given consideration on a case-by-case basis and includes the appropriate diligence of assessing the overall benefit to the Metropolitan Government through evaluating various factors, including but not limited to: (i) the positive advantages with job creation and increased wage rates; (ii) the level of local capital investment; and (iii) overall economic impact.

The Director of the Metropolitan Mayor’s Office of Economic and Community Development serves as the Executive Director of the IDB (the “Director”). The Director typically negotiates the PILOT agreements, then presents the PILOT agreements to the Metropolitan Council for approval, and if approved, subsequently presents the same to the Board of Directors of the IDB for final approval.

The Metropolitan Government tracks all active PILOT agreements, the PILOT payments applicable thereto, and the abated assessed property values generated in connection therewith, wherein all such information is reflected and included in the Metropolitan Government’s audited financial statements within its Annual Comprehensive Financial Report. A full list of the active IDB PILOTs is set forth and more fully described in the Notes incorporated in the audited financial statements within the Annual Comprehensive Financial Report which is qualified by reference and is hereby incorporated into **APPENDIX A** attached to the Official Statement.

Since 2015, the Metropolitan Government has authorized the Metropolitan Development and Housing Agency to accept and enter into PILOT agreements with private developers that operate multifamily housing facilities benefiting from the federal low-income housing tax credit program. The total annual tax abatement amount cannot exceed five million annually.

In addition, effective May 5, 2022, the Metropolitan Government adopted Ordinance BL2022-1170 authorizing the Health and Educational Facilities Board of The Metropolitan Government of Nashville and Davidson County to negotiate and accept payments-in-lieu of ad valorem taxes from its lessees operating mixed-income multifamily housing facilities including housing for low and moderate-income persons (the “Program”) and approving the Program for determining qualifications and eligibility for such payments. Per the terms of the Program, the total annual tax abatement amount cannot exceed three million dollars annually.

Historical Property Tax Rate Adjustments

Since 1997, the Metropolitan Council has adjusted property tax rates on seven (7) occasions, in each case increasing the property tax rate for the purpose of generating additional tax revenues to satisfy increased budgetary demands. The following table illustrates the tax year of the rate adjustment and the percentage adjustment with the GSD levy, the USD levy and the combined percent adjustment with both the GSD/USD levies. The Metropolitan Government cannot predict whether the historical pattern of property tax rate adjustments will continue. Any decision to increase or reduce the property tax rate must be approved by the Metropolitan Council.

Tax Year	GSD Adjustment	USD Adjustment	GSD/USD Combined Adjustment
1997	17.63%	6.25%	15.08%
1998	3.67	0.00	2.91
2001	29.73	0.00	23.78
2005	19.88	0.00	16.67
2012	13.48	8.77	12.83
2020	37.50	8.25	33.79
2025*	39.43	(85.91)	26.62

* The adjustment to the USD levy in Tax Year 2025 reflects a reallocation of revenues and expenses between the GSD and USD to reflect the services provided by the Metropolitan Government and paid for by property owners within each district.

Adjustment of Property Tax Rates as a Result of Reappraisal

As more fully discussed above, the Property Tax Act requires that real property (with the exception of public utility property) be reappraised every four (4) years, and the next reappraisal will occur in 2028. The Property Tax Act further requires that the result of the reappraisal be revenue neutral in the aggregate. As a result, upon the reappraisal of real property located within the GSD and USD of the Metropolitan Government, the property tax rate must be adjusted by the Metropolitan Council so that, when levied against the new aggregate assessed value of real property located within the GSD and USD of the Metropolitan Government, it generates revenues identical to the prior property tax rate, when levied against the prior aggregate assessed property value. For example, if a property reappraisal results in a higher aggregate assessed property value, then the property tax rate will be correspondingly reduced. Likewise, if a property reappraisal results in a lower aggregate assessed property value, then the property tax rate will be correspondingly increased. For any parcel of property, reappraisal can either increase or decrease the tax revenues generated by that parcel, based on that parcel’s growth or decline in appraised value, relative to the growth or decline in aggregate appraised property values. Moreover, after the property tax rate has been adjusted for revenue neutrality, the Metropolitan Government may subsequently adopt a property tax that is higher or lower than the revenue neutral property tax rate. Each of the last seven (7) reappraisals have resulted in a decrease in the property tax rate as illustrated in the chart below, reflecting in each case a proportionate increase in aggregate appraised property values. The next reappraisal year will take place in 2028 to be effective in Fiscal Year 2029.

Reappraisal Year	GSD/USD Combined Equalization Rate Adjustment
2001	(12.74)%
2005	(12.23)
2009	(11.94)
2013	(3.09)
2017	(30.14)
2021	(22.10)
2025	(31.70)

Billing, Collection and Delinquencies

Property taxes are collected by the Metropolitan Trustee, which is the office established as the property tax collection agency for the Metropolitan Government under Tennessee law. The Metropolitan Trustee sends a tax bill to local taxpayers by the first Monday in October each year. Property taxes must be paid before March 1 of the following year, after which they become delinquent. The Property Tax Act provides that delinquent property taxes are subject to paying a delinquent interest of one and one-half percent (1.5%). These delinquent interest amounts are thereafter added to delinquent tax bills on the first (1st) day of each succeeding month until the property taxes are paid in full.

To aid in the collection of property taxes, the Property Tax Act imposes a lien on the property to secure payment of the delinquent tax. The lien for taxes becomes a first lien on the property as of January 1 of each tax year and takes priority over any pre-existing liens on the property, with the exception of pre-filed federal liens. The Property Tax Act authorizes the Metropolitan Government, approximately one year after delinquency, to file suit in chancery or circuit court to collect the delinquent property taxes, as well as the penalties, interest, and costs of collection, including attorney’s fees. The Property Tax Act also authorizes the Metropolitan Government to seize and sell the property if the Metropolitan Government is unable to collect the delinquent property taxes. If the Metropolitan Government is unable to sell the seized real property for an amount equal to the amount of delinquent taxes (including penalties, interest, and expenses), then the Metropolitan Government is required to take ownership of the property. The Property Tax Act then requires the Metropolitan Government to arrange for the sale of the property or to put it to productive public use. The sale price of any acquired property is required to be no less than the amount of delinquent taxes, unless the Metropolitan Government certifies that a sale on such terms is not feasible. The proceeds from the sale are first applied to the payment of delinquent taxes.

Statistical Data Regarding Property Tax Collections and Concentration

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
TEN-YEAR HISTORY OF ASSESSED VALUATION
(For the Fiscal Years Ended June 30, 2015, through June 30, 2024)**

The following table illustrates a ten-year history of assessed property values for the Fiscal Years ended June 30, 2015, through June 30, 2024 (with numbers expressed in thousands):

Fiscal Year Ended June 30	Total Assessed Value (USD/GSD)	Growth (Decline) from Prior Year
2015	\$20,376,059	0.8%
2016	20,742,695	1.8
2017	21,314,821	2.8
2018	31,144,615	46.1
2019	32,220,800	3.5
2020	33,015,683	2.5
2021	34,127,994	3.3
2022	46,284,154	35.6
2023	48,073,683	3.9
2024	48,778,221	1.5

Source: The Metropolitan Government of Nashville and Davidson County.

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
PROPERTY TAX LEVIES AND COLLECTIONS
(For Fiscal Year 2015 through Fiscal Year 2024)**

The following table illustrates the property tax levies and collections for the taxable property located within the GSD and USD of the Metropolitan Government, and also was included within the Metropolitan Government’s Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2024, on page H-22:

Fiscal Year	Amount GSD Levy	Amount USD Levy	Total Tax Levy	Current Tax Amount⁽¹⁾	Percent of Levy
2014-15	788,032,918	96,803,988	884,836,906	876,959,909	99.11
2015-16	802,143,918	98,797,912	900,341,584	889,764,582	98.76
2016-17	824,429,176	101,837,165	926,266,341	918,570,697	99.17
2017-18	853,383,025	107,918,734	961,301,759	943,304,767	98.13
2018-19	875,613,206	110,487,794	986,101,000	981,026,792	99.49
2019-20	897,301,249	113,220,016	1,010,521,265	1,003,880,089	99.34
2020-21	1,279,689,584	126,349,445	1,406,039,029	1,374,980,097	97.79
2021-22	1,365,606,410	140,333,045	1,505,939,455	1,456,339,032	96.71
2022-23	1,385,980,110	143,123,376	1,529,103,486	1,493,041,448	97.64
2023-24	1,406,292,947	145,215,240	1,551,508,187	1,497,385,230	96.51

Source: Metropolitan Trustee's Office. The Metropolitan Government of Nashville and Davidson County Annual Comprehensive Financial Report 2024.

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
PRINCIPAL PROPERTY TAXPAYERS
(For the Calendar Year Ended December 31, 2023)**

The following table illustrates information regarding the ten largest property taxpayers of the Metropolitan Government for the Calendar Year ended December 31, 2023.

PRINCIPAL PROPERTY TAXPAYERS	2023 ASSESSED VALUATION	AMOUNT OF TAX	% OF TOTAL TAX LEVY
Electric Power Board ⁽¹⁾	N/A	\$35,386,071	2.28%
HCA Healthcare, Inc.	\$ 498,888,199	16,061,807	1.04
RHP Hotels Inc./Gaylord	91,296,217	12,679,524	0.82
Southwest Value Partners	305,397,290	9,937,628	0.64
Highwoods Properties	240,703,617	7,928,958	0.51
Vanderbilt University and Medical Center	187,096,871	6,087,486	0.39
NW 5+B Multifamily LLC	161,753,560	5,472,770	0.35
Mid-America Apartments	166,543,808	5,221,752	0.34
Green Hills	135,339,998	4,403,964	0.28
Piedmont Gas	135,677,329	4,297,079	0.28
TOTAL	\$1,992,696,889	\$72,090,968	6.93%

⁽¹⁾ As described above, the amount of taxes for the Electric Power Board represents a payment-in-lieu of ad valorem property taxes and is not based on an assessed valuation.

⁽²⁾ Values for taxpayers that are outside the top ten ranking are excluded.

Source: The Metropolitan Government of Nashville and Davidson County, Office of the Metropolitan Assessor and Office of the Metropolitan Trustee.

Local Option Sales Tax

Under this revenue category, a local option sales tax is collected at the rate of two and one-fourth percent (2.25%) on all sales of tangible personal property and certain services, except for sales of certain energy sources and other limited exemptions. This local option sales tax is currently levied, in accordance with Tennessee law, only on the first \$1,600 of a transaction. To fund the Transportation Improvement Plan, the Metropolitan Government placed a 0.5% local sales tax surcharge on the election November 5, 2024, ballot for the Metropolitan Government and it was approved. See “THE METROPOLITAN GOVERNMENT ECONOMY—Transportation” within this **APPENDIX C**.

Other Taxes, Licenses, and Permits

Under this revenue category, the Metropolitan Government charges for licenses and permits issued by its departments, agencies, boards, and commissions. Additionally, the Metropolitan Government, pursuant to Metropolitan Code of Laws in Section 5.12.020 and Metropolitan Council Ordinance No. BL2007-1557 and by Ordinance No. BL2022-1529, levies a seven percent (7%) surcharge tax with hotels and motels located within the GSD and USD, which assessed against the gross receipts of such hotels and motels (the “the Hotel/Motel Tax”).

Three percent (3%) of the revenues derived from the Hotel/Motel Tax are required to be annually allocated to The Convention Center Authority of The Metropolitan Government of Nashville and Davidson County for payment on the debt service of its outstanding bonds. Two percent (2%) of the Hotel/Motel Tax is required to be appropriated for tourist promotion, and one percent (1%) balance of the Hotel/Motel Tax is allocated to the general fund of the Metropolitan Government. The remaining 1% was approved by the Tennessee General Assembly, pursuant to Tennessee Code Annotated Section 67-4-1415, authorized the Metropolitan Government, of the Metropolitan Council, to levy an additional 1% hotel occupancy tax (the “Stadium Hotel Tax”) within the entirety of the boundary of the Metropolitan Government. The statutes prohibit the application of the proceeds of the Stadium Hotel Tax for any purpose other than funding capital improvements for a new football stadium, including the payment of debt service on any bonds issued in connection therewith.

Fines, Forfeits and Penalties

Under this revenue category, the Metropolitan Government performs collections of obligations imposed by the courts, law enforcement and related agencies charged with the care and oversight of incarcerated persons.

Revenue from Use of Money or Property

Under this revenue category, the Metropolitan Government receives interest on investments, rentals and commissions for the use of Metropolitan Government property or rights.

Revenue from Other Governmental Agencies and Contributions and Gifts

Under this revenue category, the Metropolitan Government receives payments from other public divisions (Federal, State of Tennessee or other governmental units or agencies) and receives gifts or donations from individuals or citizens groups.

Charges for Current Services

This revenue category includes fees and charges for certain activities and services provided by agencies of the Metropolitan Government.

Other Revenue Sources

This revenue category includes: (i) commissions and fees collected by certain officials for certain activities of the Metropolitan Government; (ii) proceeds from confiscation of property; (iii) compensation for loss, sale or damage to property; and (iv) any miscellaneous fees.

Transfers In

Under this revenue category, transfers are attributable to the budgeted allocation of resources from one fund to another for items such as the general fund’s portion of Hotel/Motel Taxes, debt service requirements, and indirect cost recovery.

EXPENDITURES

Overview

With being categorized as a metropolitan government under Tennessee law, the Metropolitan Government must provide the same or similar public services typically provided by cities, counties and school districts. These public services include police, fire and public safety, mental health and other social services, courts, jails, and juvenile justice, secondary education, public works, streets and transportation, construction of all public buildings and facilities, parks and recreation, libraries and cultural facilities and events, and zoning and planning. The tables set forth within this **APPENDIX C** more fully describing the Metropolitan Government's (i) General Fund; (ii) Special Revenue Funds; and (iii) Debt Service Funds, found on pages C-5, C-6, and C-7, highlight the amounts of costs and services funded from the three major tax-supported operating funds of the Metropolitan Government.

Public Employees and Employees' Costs

Employee costs account for approximately fifty-seven percent (57%) of all General Fund expenditures. As of June 30, 2024, the Metropolitan Government, and the Metropolitan Board of Education employed approximately 20,216 persons full-time, of whom approximately 9,201 worked full-time for the Metropolitan Board of Public Education and 11,015 worked full-time for the Metropolitan Government, respectively.

Pension Plan Overview

Metropolitan Government employees/retirees participate in one of three main pension plan groups:

1. Metro Active Plans;
2. Tennessee Consolidated Retirement System (TCRS) for Metropolitan Nashville Public Schools Certificated Employees (Teachers); and
3. Closed Plans maintained under the Guaranteed Payment Plan.

The Metro Active Plans consist of two divisions – Division A and Division B. Metro Active Plan Division A was established at the inception of the Metropolitan Government on April 1, 1963, and implemented on November 4, 1964. At that time, all employees of the former city and county governments were given the option of continuing as participants of the pension plans of those organizations or transferring to the Metro Plan Division A. On July 1, 1995, Metro Active Plan Division A became closed to new members.

On July 1, 1995, Metro Active Plan Division B was established for all non-certified employees of The Metropolitan Nashville Public Schools and all other Metropolitan Government employees. Metropolitan Government employees who were members of the Metro Active Plan Division A were given the option to transfer to Metro Active Plan Division B as of July 1, 1996. At that time, ninety-five percent (95%) of the approximately 11,300 employees elected to transfer to the Metro Active Plan Division B.

The Metro Active Plan Division B is a non-contributory, defined benefit plan, covering 12,900 current employees and 14,100 retired and deferred vested employees. The Metro Active Plan Division B covers all employees of the Metropolitan Government other than school teachers. Contributions to fund

benefits for employees of the general government (approximately 75% of total contributions) are funded from the Metropolitan Government's operating fund and revenues. The balance of contributions (approximately 25%) to fund the benefits of Metropolitan Government employees is provided through enterprise funds and other non-operating funded agencies of the Metropolitan Government (e.g. contributions for the employees of the Department of Water and Sewerage Services are funded from water and sewer revenues).

The teachers currently employed within and retired from The Metropolitan Nashville Public Schools participate in the Tennessee Consolidated Retirement System ("TCRS") a component of RetireReadyTN. TCRS is a cost-sharing multiple-employer, contributory, defined benefit plan administered by the Tennessee Consolidated Retirement System Board of Trustees. Approximately 6,500 currently employed and retired teachers are covered by TCRS. TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the State's retirement plan. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor Andrew Jackson Building, Nashville, Tennessee 37243-0230 or can be accessed at <https://treasury.tn.gov/Retirement/Retire-Ready-Tennessee/for-Teachers>.

The TCRS employer contribution rate is established at an actuarially determined rate and set annually by the TCRS Board of Trustees. Metropolitan Nashville Public Schools is required to make contributions directly to TCRS, based on the established rate. The Metropolitan Government funds this contribution from its operating funds and revenues, through its annual funding of Metropolitan Nashville Public Schools education budget. The employer rate for the Teacher Legacy Plan for Fiscal Years ending June 30, 2024, and June 30, 2023, were 6.82% and 8.69%, respectively, of annual covered payroll. The employer's contributions to TCRS for the Fiscal Years ending June 30, 2024, and June 30, 2023, were \$18,236,093 and \$23,020,487, respectively, equal to the required contributions for each fiscal year. The employer rate for the Teacher Retirement Plan for Fiscal Years ending June 30, 2024, and June 30, 2023, were 3.17% and 2.87%, respectively, of annual covered payroll. The employer's contributions to TCRS for the Fiscal Years ending June 30, 2024, and June 30, 2023, were \$5,977,244 and \$5,666,078, respectively, equal to the required contributions for each fiscal year. Teachers are required by Tennessee law to contribute five percent (5%) of their salary to the plan.

The Closed Plans are defined benefit plans collectively covering no active employees and approximately a combined total of 900 retired employees and beneficiaries. Contributions to the Closed Plans are funded by the Metropolitan Government's operating fund through the Guaranteed Payment Plan and contributions from the State of Tennessee.

Metro Active Plans

Benefits

Normal retirement for employees other than police officers and fire fighters occurs at the unreduced retirement age which is the earlier of: (a) the date when the employee's age plus the completed years of credited employee service equals 85, but not before age 60; and (b) the date when the employee reaches age 65 and completes five years of credited employee service. The lifetime annual benefit is calculated as 1.75% multiplied by the final average earnings multiplied by the years of credited service. Final average earnings are the highest 60 consecutive months of credited service divided by five. Benefits fully vest on completing five years of service. Employees with a date of hire on or after July 1, 2013, will become fully vested on completing ten years of service.

Normal retirement for police officers and fire fighters occurs any time after attaining the unreduced retirement age which is the date when the employee's age plus completed years of credited

police and fire service equals 75, but not before age 53 nor after age 60. The lifetime annual benefit is the sum of two percent (2%) of final average earnings multiplied by the years of credited police and fire service up to 25 years; plus 1.75% of final average earnings multiplied by the year of credited police and fire service over 25 years. Final average earnings is the highest 60 consecutive months of credited service divided by five. Benefits fully vest upon completing five years of service. Employees with a date of hire on or after July 1, 2013, will become fully vested on completing ten years of service.

An early retirement pension is available for retired employees if the retirement occurs prior to the eligibility of normal retirement but after age 50 (45 for police and fire) and after the completion of ten years credited employee service. Benefits are reduced by four percent (4%) for each of the first five years by which the retirement date precedes the normal retirement age, and by eight percent (8%) for each additional year by which the retirement date precedes the normal retirement age. Any employee who terminates after completion of required years of service to be vested and before eligibility for normal or early retirement is eligible to receive a monthly deferred pension commencing on the first (1st) day of the month following the attainment of unreduced retirement age computed and payable in accordance with the Metro Active Plans.

Funding

Minimum Required Employer Contribution: The Metropolitan Code of Ordinance requires the Metropolitan Government to contribute to the Metro Active Plans each fiscal year an amount equal to a percentage of the annual payroll of members who are eligible employees and who are covered for pension benefits. This contribution percentage is known as the “employer contribution rate.” The employer contribution rate applicable for any fiscal year is determined by resolution of the Metropolitan Benefit Board at a public meeting held at least four months prior to the beginning date of such fiscal year and filed with the Metropolitan Clerk and must be no less than the smaller of (1) three-tenths of one percent plus the employer contribution rate applicable to the prior fiscal year, or (2) an employer contribution rate, which shall be the ratio of the actuarially determined contribution level to the amount of the valuation payroll, on the basis of an actuarial valuation of the system made as of the last day of the fiscal year preceding the adoption of the contribution rate. The actuarially determined contribution level equals the sum of normal cost and a percentage of unfunded past service liabilities, such percentage to be determined by the Metropolitan Benefit Board at a level at least equal to the actuarial valuation interest rate. The actuarial valuation must be made by a qualified or accredited actuary according to accepted and sound actuarial principles and methods and based on actuarial assumptions which have been recommended by the actuary and approved by the Metropolitan Benefit Board.

Historic Employer Contribution: The Metropolitan Government has historically made employer contributions at a rate higher than the minimum required contribution. The Metropolitan Government’s policy has been to make annual contributions to the Metro Active Plans equal to the actuary’s recommended rate, sufficient to amortize the unfunded liability over the 40-year period commencing in 1978. Beginning with the Metro Active Plan year ended June 30, 2006, the Metropolitan Benefit Board adopted a level unfunded liability amortization period of 15 years. The level amortization period is designed to reduce contribution volatility compared with a continuing decline in the amortization period. The resulting employer contribution rate may not be less than the contribution resulting from a 30-year closed amortization period as specified by Tennessee Code Annotated Section 9-3-501. The chart below illustrates the annual employer contribution rate (in both percentage of employee salary and aggregate dollar terms) for the past ten (10) years. The employer contribution rate for Fiscal Year 2022-2023 was 12.455%. The contribution rate for Fiscal Year 2023-2024 was 12.338%. Factors affecting the reduction in the contribution rate are investment returns, compensation increases were less than expected, and cost-of-living adjustments (COLA) were less than projected.

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
HISTORICAL METRO CONTRIBUTIONS
METRO ACTIVE PLANS
(For the Fiscal Years Ended June 30, 2015, through June 30, 2024)**

Fiscal Year Ending June 30	Contribution Rate	Contribution Amount
2024	12.338%	\$113,688,014
2023	12.455	104,562,723
2022	12.881	92,752,276
2021	12.340	86,414,449
2020	12.340	78,632,924
2019	12.340	77,242,171
2018	12.340	76,539,373
2017	12.340	73,868,818
2016	15.510	85,676,490
2015	17.987	94,045,896

Source: The Metropolitan Government of Nashville and Davidson County.

Key Actuarial Assumptions: Current actuarial assumptions include a discount rate of 7.0%, cost-of-living adjustments (COLA) of 2.50% for Division A and 1.25% for Division B, salary increases averaging 4.0% annually and five-year smoothing of gains and losses, and an inflation rate of 2.50%.

Schedule of Funding Progress

Effective June 30, 2014, the Metropolitan Government adopted GASB Statement No. 68, which revised the calculation and financial statement disclosure regarding the liability related to pensions. The table below illustrates a history of funding progress based on the Metropolitan Government's net pension liability.

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
OPEN PENSION PLAN; SCHEDULE FUNDING PROGRESS
For the Fiscal Years Ended June 30, 2020, through June 30, 2024
(Amounts in Thousands)**

Fiscal Year Ending	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Plan Fiduciary Net Position as a Percentage of Total Pension Liability	Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll
June 30, 2020	3,489,331	3,272,530	216,801	93.79%	638,021	33.98%
June 30, 2021	3,632,594	4,204,832	-572,238	115.75%	662,804	-86.34%
June 30, 2022	3,883,879	4,052,835	-168,956	104.35%	687,540	-24.57%
June 30, 2023	4,122,612	3,965,902	156,710	96.20%	706,049	22.20%
June 30, 2024	4,388,530	4,166,504	222,027	94.94%	792,351	28.02%

Source: The Metropolitan Government of Nashville and Davidson County.

Tennessee Consolidated Retirement System

Closed TCRS Plan for Employees Hired on or before June 30, 2014.

Benefits

TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in performance of duty. Members joining the system after July 1, 1979, become vested after five years of service and members joining prior to July 1, 1979, were vested after four years of service. The plan was closed to new members on June 30, 2014. Benefit provisions are established in Tennessee statutes codified in Title 8, Chapter 34-37 of the Tennessee Code Annotated. The Tennessee Code Annotated is amended by the Tennessee General Assembly.

Funding Sources

Teachers contribute five percent (5%) of their salaries, and the Metropolitan Government, through its funding of the school budget, contributes an amount equal to the percentage of certified payroll set by the TCRS each fiscal year. The certified percentage results from a bi-annual TCRS actuarial report and equals normal cost, accrued liability cost and administrative costs (minus teacher contributions).

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
CLOSED TCRS PLAN ⁽¹⁾
(For the Plan Years Ended June 30, 2019, through June 30, 2023)
(Amounts in Thousands)**

Plan Year Ended	Proportion of Net Pension Liability (Asset)	Proportionate Share of Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Position as a Percentage of Total Pension Liability
June 30, 2019	-8%	(79,016)	257,691	(31%)	104%
June 30, 2020	-7%	(56,700)	247,479	(23%)	103%
June 30, 2021	-7%	(326,892)	248,751	(131%)	116%
June 30, 2022	-8%	(98,491)	264,350	(37%)	104%
June 30, 2023	-8%	(96,245)	264,901	(36%)	104%

⁽¹⁾ The plan measurement date is the end of the prior fiscal year.

Source: The Metropolitan Government of Nashville and Davidson County.

Open TCRS Defined Benefit Plan and Defined Contribution Plan for Employees Hired on or after July 1, 2014.

Benefits

Employees hired on or after July 1, 2014, became members of a new plan that consists of two components, a defined benefit plan and a defined contribution plan. TCRS members in the defined benefit plan are eligible to retire either at the age of 65 and vested with five years of service or under the rule of 90 where a combination of age and service credit totals 90. An actuary reduced benefit is available at age 60 or the rule of 80. Disability benefits are available after five years of service for those who become disabled and cannot engage in gainful employment. Benefits are determined by a formula using the member’s high five-year average salary and years of service.

TCRS members in the defined contribution plan elect to participate in the Optional Retirement Program. Members are immediately vested in employer and employee contributions. Members make the determination as to how the employer contributions made on their behalf are invested. Members can choose from a variety of investment products. Benefit provisions are established in Tennessee statutes codified in Title 8, Chapter 34-37 of the Tennessee Code Annotated. The Tennessee Code Annotated is amended by the Tennessee General Assembly.

The maximum employer pension cost is a total of nine percent (9%) of salary for both the defined benefit plan and the defined contribution plan. Employer contributions to the defined benefit plan will be four percent (4%) of members’ salary, and employer contributions to the defined contribution plan will be five percent (5%) of members’ salary.

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
OPEN TCRS PLAN
(For the Fiscal Years Ended June 30, 2019, through June 30, 2023)
(Amounts in Thousands)**

Plan Year Ended	Proportion of Net Pension Liability (Asset)	Proportionate Share of Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Position as a Percentage of Total Pension Liability
June 30, 2019	(11%)	(6,018)	112,675	(5%)	123%
June 30, 2020	(10%)	(5,853)	129,891	(5%)	117%
June 30, 2021	(10%)	(11,223)	149,526	(8%)	122%
June 30, 2022	(10%)	(3,097)	174,530	(2%)	105%
June 30, 2023	(10%)	(4,209)	197,422	(2%)	105%

Source: The Metropolitan Government of Nashville and Davidson County.

Annual Contributions

Required TCRS contributions for the Closed Plan in 2023 and 2024 were 8.69% and 6.82% of covered payroll, or \$23,020,414 and \$18,236,093.

Required TCRS contributions for the Open Plan in 2023 and 2024 were 2.87% and 3.17% of covered payroll, or \$5,666,078 and 5,977,244.

Additional Information

Additional information about TCRS can be accessed at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Closed Plans – Guaranteed Payment Plan

The Metropolitan Council created the Guaranteed Payment Plan effective July 1, 2000, to ensure actuarially sound funding for a group of five closed plans supervised by the Metropolitan Benefit Board and the Metropolitan Board of Public Education. Under the Guaranteed Payment Plan, unfunded liabilities of the aggregate plan are amortized over a period of no more than thirty years beginning with the effective date. Payments for each constituent plan are transferred to a payment account from which distributions are disbursed to the constituent plans as necessary to satisfy current benefit needs and funding objectives of the Guaranteed Payment Plan. Appropriations made by the Metropolitan Government and the Metropolitan Board of Public Education to fund obligations of the aggregate plan may not be reduced until all plan obligations are fully amortized. Plan improvements adopted subsequent to inception are to be funded over a period ending June 30, 2030.

The five plans included in the Guaranteed Payment Plan are:

1. Metropolitan Board of Public Education Teacher Retirement Plan
2. Davidson County Board of Education Retirement Plan
3. Nashville City Teachers Retirement Plan
4. Former Davidson County Pension System
5. Former City of Nashville Pension System

Current Funded Status

The table on the following page provides a description of the status of the funding of the Metropolitan Government's Closed Plans. This information was previously presented on an actuarial basis. As a result of GASB Statement No. 68, this table is now and will in the future be presented on the basis of the plan's net position and net pension liability.

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**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
CLOSED PENSION PLANS
SCHEDULE FUNDING PROGRESS
(For the Fiscal Year Ended June 30, 2024)
(Amounts in Thousands)**

Teachers and Employees	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
Metro Teachers	\$189,870	\$199,387	\$-9,517	105.01%
County Teachers	16,580	1,178	15,402	7.10
City Teachers	6,733	963	5,770	14.30
City Employees	18,210	-	18,210	-
County Employees	2,439	-	2,439	-

Source: The Metropolitan Government of Nashville and Davidson County.

Historical Contributions

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
HISTORICAL CONTRIBUTIONS
METRO CLOSED PLANS
(For the Fiscal Years Ended June 30, 2015, through June 30, 2024)**

Fiscal Year Ended June 30	Metropolitan Government Contributions	State of Tennessee Contributions
2024	\$33,577,400	\$9,825,111
2023	33,577,400	10,542,237
2022	33,577,400	11,305,003
2021	33,577,400	12,291,240
2020	33,570,400	13,341,332
2019	33,577,400	14,096,974
2018	33,486,419	14,782,460
2017	33,490,352	15,484,346
2016	33,493,456	16,200,749
2015	33,524,016	16,902,423

Source: The Metropolitan Government of Nashville and Davidson County.

Additional statistical information pertaining to the Closed Plans can be found in the Metropolitan Government’s Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2024.

Other Post-Employment Benefits

The Metropolitan Government currently provides various other post-employment benefits (“OPEB”) other than pensions, with healthcare representing the most significant portion of the OPEB cost. For any retiree in the Metro, City or County Plans who elects to participate in the Metropolitan Medical Benefit Plan, the Metropolitan Government contributes seventy-five percent (75%) of all premium payments, and the retiree contributes twenty-five percent (25%). For employees hired January 1, 2013, or later, the Metropolitan Government contribution is based on years of service and ranges from twenty-five percent (25%) for a retiree with less than 15 years of service to seventy-five percent (75%) for a retiree with 20 or more years of service. On July 1, 2021, the Metropolitan Council approved legislation to remove most Medicare-eligible Metro retirees from the self-insured medical plan and into a fully insured Medicare Advantage Plan effective January 1, 2022, and to terminate the Employer Group Waiver Plan (EGWP) on December 31, 2022. Beginning January 1, 2025, there will be two Medicare Advantage Plans offered to Medicare eligible retirees.

Funding is on a pay-as-you-go basis under which payments are made in amounts sufficient to cover benefits paid, administrative costs and anticipated inflationary increases. The Metropolitan Government also provides dental insurance for any retiree who elects to participate at no cost to the retiree and provides life insurance at no charge. During the Fiscal Year ended June 30, 2024, contributions totaled \$58,703,263. For any retiree in the Metro, City or County Education Plans who elects to participate in the medical and dental insurance plans of The Metropolitan Nashville Public Schools, Schools contribute seventy-five percent (75%) of all premium payments with the retiree contributing the remaining twenty-five percent (25%). Funding is on a pay-as-you-go basis under which payments are made in amounts sufficient to cover benefits paid. During the Fiscal Year ended June 30, 2024, contributions totaled \$26,777,519.

The Metropolitan Government adopted GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions, in Fiscal Year 2008. GASB Statement No. 45 addresses how governments should account for and report their costs and obligations related to post-employment healthcare and other non-pension benefits; it does not require that the liability be funded. GASB Statement No. 45 was later replaced by GASB Statement No. 75. The Metropolitan Government adopted GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions, in Fiscal Year 2018. This Statement addresses how governments should account for and report their costs and obligations related to post-employment healthcare and other non-pension benefits; it does not require that the liability be funded. No assets are set aside in a trust to fund the OPEB liability.

For June 30, 2024, the amounts related to OPEB under GASB Statement No.75 were (all amounts in thousands):

	Metro Plan	School Plan
Total OPEB Liability	\$1,689,672	\$647,847
Covered Payroll	787,011	413,878
Total OPEB Liability as a % of Covered Payroll	214.7%	156.5%

The key assumptions used in developing these amounts include:

- Current level of benefits provided;
- June 30, 2024, valuation and measurement date;

- Discount Rate: 4.21%;
- Administrative fee increases: 5.00% per annum; and
- Healthcare cost trend rate: 7% graded down to 4.04% for medical expenses and prescription drugs, 4% each year for dental expenses and 5% each year for vision expenses.

New Developments in State Law and Reporting

Under current Tennessee law and except as more fully described below, the Metropolitan Government is generally not permitted to change the terms of a pension plan to reduce an accrued benefit, or the right to accrue future benefits, of any participant who is eligible to receive benefits under the plan (*i.e.*, any vested participant) unless that participant consents to the decrease or reduction in benefits. However, a pension plan can be amended so as to exclude new employees. In addition, “The Public Employee Defined Benefit Financial Security Act of 2014” (the “2014 Act”), was signed into law by the Governor of Tennessee on May 22, 2014. The 2014 Act provides that for all affected employees of any political subdivision (such as the Metropolitan Government) hired on or after the effective date of the 2014 Act, the political subdivision may freeze, suspend, or modify benefits, employee contributions and plan terms and design on a prospective basis (except as to those employees employed prior to the effective date of the 2014 Act where applicable law provides otherwise).

The 2014 Act also requires each political subdivision which provides its own defined benefit plan (such as Metro’s Active Plans and Closed Plans) to annually make a payment to its pension plan of no less than 100% of the actuarially-determined contribution that incorporates both the normal cost of benefits and amortization of the pension plan’s unfunded accrued liability, if any. As described more fully above, the Metropolitan Government has historically funded at least 100% of the actuarially-determined contribution. The Metropolitan Government is in compliance with the 2014 Act and does not anticipate that continued compliance will materially affect the financial condition of the Metropolitan Government.

INVESTMENT POLICY

The Metropolitan Cash Investment Committee has approved a comprehensive Investment Policy governing the overall administration and investment management of those funds held in the Short-Term Investment Portfolio (the “Investment Policy”). The objective of the Investment Policy is to preserve the safety of principal, maintain adequate liquidity and maximize the rate of return on its portfolio, which aligns with the State of Tennessee’s conservative, low risk investment strategy and does not permit the use of high-risk instruments to enhance investment returns. The Investment Policy applies to all short-term financial assets of the Metropolitan Government from the time of receipt until the time the funds ultimately leave the Metropolitan Government accounts. These assets include, but are not limited to, all operating funds, bond funds, debt service reserve funds, water and sewer funds, USD and GSD funds, those pension monies not yet allocated to money managers, all float and certain school funds.

The Short-Term Investment Portfolio of the Metropolitan Government is managed to accomplish the following hierarchy of objectives:

1. Preservation of principal
2. Maintenance of liquidity
3. Maximize returns

The Cash Investment Committee meets periodically to review the position of the portfolio and to discuss investment strategies. The Cash Investment Committee reviews investment policy and procedures at least once each year. The Metropolitan Treasurer is responsible for the investment process, carries out the daily operational requirements, and maintains written administrative procedures for the operation of the investment program that are consistent with the Investment Policy.

The Metropolitan Investment Pool has been established to meet investment objectives in the most cost-effective way. All payments and receipts of income on pool investments are allocated on a pro-rata basis among the accounts invested in the pool on the daily invested balance in each fund. Earnings are calculated and distributed on a monthly basis.

DEBT MANAGEMENT POLICY

The Metropolitan Council passed legislation, Ordinance BL2023-1872, authorizing the Metropolitan Government Debt Management Policy (the “Debt Management Policy”). The Debt Management Policy provides written guidance about the amount and type of debt issued by governments, the issuance process, and the management of the debt portfolio. The Debt Management Policy: (i) identifies policy goals and demonstrates a commitment to long-term financial planning; including a multi-year capital plan; (ii) improves the quality of decisions; and (iii) provides justification for the structure of debt issuance.

The debt programs for the Metropolitan Government include general obligation debt issued by the Metropolitan Government for which the Metropolitan Government has pledged its full faith and credit for the payment of both principal and interest; and (ii) revenue debt issued by the Metropolitan Government for which the Metropolitan Government has pledged the revenues of one or more or revenue-generating systems or facilities for the payment of both principal and interest. The Metropolitan Government maintains a debt policy as a tool to ensure that financial resources are adequate to meet the Metropolitan Government’s long-term capital programs and financial planning.

The main objectives of the Debt Management Policy is to establish clear criteria and promote prudent financial management for the issuance of all debt obligations; identify legal and administrative limitations on the issuance of debt; ensure the legal use of the Metropolitan Government’s debt issuance authority; maintain appropriate resources and funding capacity for present and future capital needs; protect and enhance the Metropolitan Government’s credit ratings; evaluate debt issuance options; promote cooperation and coordination with other stakeholders in the financing and delivery of services; manage interest rate exposure and other risks; and to comply with applicable federal laws and Generally Accepted Accounting Principles. The Debt Management Policy is aligned with the Tennessee Comptroller of the Treasury Debt Manual and State Law.

The Debt Management Policy does not apply to the revenue bonds issued on behalf of Nashville Electric Service or to any other instrumentality of the Metropolitan Government which is authorized to issue debt without the approval of the Metropolitan Council, including, without limitation (i) The Metropolitan Nashville Airport Authority, (ii) the Metropolitan Government’s Industrial Development Board, and (iii) the Metropolitan Government’s Health and Educational Facilities Board.

TAX ANTICIPATION NOTES

The Metropolitan Government believes that it has sufficient liquidity to meet its financial obligations in the current fiscal year. Property taxes, which account for a significant portion of the Metropolitan Government's revenues, are billed to local taxpayers by the first Monday in October each year with payment due before March 1 of the following year. To date, current year property tax collections are consistent with prior years. Tennessee local governments are permitted to maintain liquidity by issuing tax anticipation notes to fund appropriations pending the receipt of budgeted revenues. In order to fund a portion of budgeted appropriations in anticipation of the collection of tax revenue, the Metropolitan Government has issued tax anticipation notes.

Under Tennessee law, a local government may not use tax anticipation notes to fund more than sixty percent (60%) of budgeted appropriations from any particular fund. For Fiscal Year 2026, the Metropolitan Council has authorized the issuance of up to \$158 million of tax anticipation notes to fund a portion of appropriations from its MNPS General Purpose Debt Service Fund, General Services District General Purpose Debt Service Fund, and Urban Services District General Purpose Debt Service Fund (collectively, the "Tax-Supported Funds"). The tax anticipation notes will be borrowed on an interfund basis, in which the Tax-Supported Funds will borrow from other eligible Metropolitan Government funds, such as the Metropolitan Government's Water and Sewer Surplus Fund. Under Tennessee law, any tax anticipation notes: (i) are payable solely from the revenues collected to the borrowing funds in the fiscal year of issuance; and (ii) must be repaid in full prior to the conclusion of the fiscal year of issuance. The Metropolitan Government anticipates that revenue collections in the current fiscal year will provide sufficient funds to retire the tax anticipation notes at or prior to maturity.

CAPITAL FINANCING AND BONDS

Capital Improvements Budget Process

The Charter requires the Metropolitan Government to annually prepare a five-year capital improvements budget. The Metropolitan Mayor submits the capital improvements budget to the Metropolitan Council, based on information received from all officers, departments, boards, commissions, and other agencies requesting funds from the Metropolitan Government for capital improvements, and the Metropolitan Mayor recommends those projects to be undertaken during the ensuing fiscal year and the method of financing them. The Metropolitan Mayor's recommendation notes the impact of proposed projects on the debt structure of the Metropolitan Government and includes in the appropriate current operating budget any projects to be financed from current revenues for the ensuing fiscal year.

The Metropolitan Council has the power to accept, with or without amendment, or reject, the proposed program and proposed means of financing. The Metropolitan Council cannot authorize an expenditure for the construction of any building, structure, work, or improvement, unless the appropriation for such project is included in its capital improvements budget, except to meet a public emergency threatening the lives, health or property of the inhabitants, when passed by two-thirds vote of the Metropolitan Council. Not all projects included in the capital improvements budget are financed and/or completed. In order for a project included in the capital improvements budget to be financed with general obligation bonds, the Metropolitan Council must subsequently adopt an initial resolution, or capital spending plan, specifically authorizing the project and the amount of general obligation bonds that may be issued to finance the project.

Additionally, certain projects in the capital improvements budget would not be funded with general obligation bonds. Water and sewer improvements will be funded from water and sewer system

revenues and/or proceeds from water and sewer system revenue bonds. Stormwater improvements would be funded with general obligation bonds but would be additionally payable from stormwater fees, which are set at rates sufficient to provide for the payment of a significant portion of stormwater-related debt service. Similarly, certain projects of The Sports Authority of The Metropolitan Government of Nashville and Davidson County would likely be funded with facility-specific revenue streams, rather than general obligation bonds.

The public infrastructure improvements related to the potential development of the East Bank (as defined herein) would be funded from a variety of federal, state, local, and private revenue sources. The East Bank, the area lying immediately to the east of the Cumberland River and adjacent to Downtown Nashville, is poised to experience rapid development and growth, resulting from the development of the Oracle Corporation campus and the potential development of the campus surrounding the new Tennessee Titans Stadium, among other things (the “East Bank”).

For more information regarding the new Tennessee Titans Stadium and the related construction therewith, see “CONTINGENT DEBT AND PAYMENT LIABILITIES – The Sports Authority of The Metropolitan Government of Nashville and Davidson County” within this APPENDIX C. For more information regarding the East Bank development, see “THE METROPOLITAN GOVERNMENT ECONOMY” below within this APPENDIX C.

Current Capital Improvements Budget

The information illustrated on the capital improvements budget chart on the following page sets forth the recommended capital improvement projects as more fully described within the currently proposed Fiscal Year 2025-2026 Capital Improvements Budget, which are given priority for funding by the Metropolitan Mayor and the Metropolitan Council for Fiscal Year 2025-2026 through Fiscal Year 2030-2031. Most spending requests in the Capital Improvements Budget reflect major ongoing capital programs that work throughout the Metropolitan Government, including capital improvement projects approved for: (i) The Metropolitan Nashville Public Schools for various district-wide projects with capital expansions and renovations; (ii) the Department of Parks & Recreation for various capital improvements to the community centers, public parks for new greenways, parkland acquisition, and general park improvements including the completion of deferred maintenance therewith; (iii) the Nashville Department of Transportation and Multimodal Infrastructure for its Transportation Improvement Program to increase overall safety and provide enhancements to public sidewalks, traffic signals, intersections and streets through expansion of the essential infrastructure that supports the transportation network of the Metropolitan Government; and (iv) other capital projects for the various Departments of the Metropolitan Government as illustrated on the capital improvements budget chart on the following page.

PROPOSED CAPITAL IMPROVEMENTS BUDGET (FISCAL YEAR 2025-2026 TO FISCAL YEAR 2030-2031)

Departments	% of '25-'26									% of '27-'31	
	FY2025-26	Total	FY2026-27	FY2027-28	FY2028-29	FY2029-30	FY2030-31	Total	Total		
Administrative	\$ 290,500,000	4.146%	\$ 5,150,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 305,650,000	1.408%		
Arts Commission	19,826,000	0.283%	9,820,000	2,820,000				32,466,000	0.150%		
Assessor of Property	20,000	0.000%						20,000	0.000%		
Council Office	1,018,437,300	14.534%	829,873,800	483,916,700.00	465,000.00			2,332,692,800	10.744%		
County Clerk	2,000,000	0.029%						2,000,000	0.009%		
Fairgrounds Nashville (State Fair)	196,000,000	2.797%						196,000,000	0.903%		
Farmers Market	16,200,000	0.231%	100,000	500,000				16,800,000	0.077%		
Finance	7,500,000	0.107%	5,000,000	5,000,000	5,000,000	5,000,000		27,500,000	0.127%		
Fire Department - GSD	578,900,000	8.262%	205,000,000	215,410,000	86,000,000	86,000,000	86,000,000	1,257,310,000	5.791%		
General Hospital	34,791,400	0.497%	11,800,000	2,000,000				48,591,400	0.224%		
General Services	1,304,464,400	18.616%	455,000,000	55,000,000	55,000,000			1,869,464,400	8.610%		
Health Department	27,000,000	0.385%	70,000,000					97,000,000	0.447%		
Historical Commission	8,192,500	0.117%						8,192,500	0.038%		
Human Relations Commission	28,000,000	0.400%						28,000,000	0.129%		
Information Technology Services	44,483,600	0.635%						44,483,600	0.205%		
Justice Integration Services	200,000	0.003%						200,000	0.001%		
MDHA	70,850,000	1.011%	70,000,000	57,593,900	35,000,000	10,000,000	10,000,000	253,443,900	1.167%		
Metro Action Commission	34,000,000	0.485%	29,025,000	28,000,000	28,000,000	28,025,000		147,050,000	0.677%		
Metro Transit Authority	145,909,000	2.082%	169,318,000	280,707,000	256,875,000	341,825,000	48,143,000	1,242,777,000	5.724%		
Municipal Auditorium	11,750,000	0.168%						11,750,000	0.054%		
Nashville Dept of Transportation	745,732,300	10.642%	722,857,600	733,395,900	609,755,600	546,691,700	290,300,600	3,648,733,700	16.805%		
Parks & Recreation	1,471,648,700	21.002%	587,352,900	567,402,900	567,402,900	510,702,900	510,702,900	4,215,213,200	19.414%		
Planning	58,000,000	0.828%	15,000,000	10,000,000				83,000,000	0.382%		
Police	120,825,000	1.724%	419,498,000	4,510,000				544,833,000	2.509%		
Public Library	105,523,400	1.506%	175,485,200	108,511,200	155,345,300	78,901,500	19,824,400	643,591,000	2.964%		
Social Services	772,500	0.011%						772,500	0.004%		
Sports Authority	600,000	0.009%	4,600,000	1,520,000	1,520,000	1,000,000	2,000,000	11,240,000	0.052%		
State Trial Courts	600,000	0.009%						600,000	0.003%		
Water & Sewer - GSD	608,455,000	8.683%	1,054,740,000	680,740,000	718,291,000	776,217,500	748,575,000	4,587,018,500	21.126%		
Waste Services - GSD	56,000,000	0.799%						56,000,000	0.258%		
Totals - Gen Govt - GSD	\$7,007,181,100	100.000%	\$4,839,620,500	\$3,239,527,600	\$2,521,154,800	\$2,386,863,600	\$1,718,045,900	\$21,712,393,500	100.000%		
Fire Department - USD	9,000,000	21.189%						9,000,000	11.784%		
District Energy System (DES)	5,475,000	12.890%	8,200,000	7,200,000	6,500,000	6,000,000	6,000,000	39,375,000	51.555%		
Waste Services - USD	28,000,000	65.921%						28,000,000	36.661%		
Totals - Gen Govt - USD	\$42,475,000	100.000%	\$8,200,000	\$7,200,000	\$6,500,000	\$6,000,000	\$6,000,000	\$76,375,000	100.000%		
MNPS (Schools)	3,122,106,000	100.000%	935,833,400	1,030,591,400	795,393,400	919,198,800	409,425,800	7,212,548,800	100.000%		
Totals - MNPS	\$3,122,106,000	100.000%	\$935,833,400	\$1,030,591,400	\$795,393,400	\$919,198,800	\$409,425,800	\$7,212,548,800	100.000%		
GRAND TOTALS	\$10,171,762,100		\$5,783,653,900	\$4,277,319,000	\$3,323,048,200	\$3,312,062,400	\$2,133,471,700	\$29,001,317,300			

Source: The Metropolitan Government of Nashville and Davidson County.

Commercial Paper and General Obligation Bonds

In accordance with certain resolutions of the Metropolitan Council, the Charter and the applicable provisions of the Act, the Metropolitan Government is authorized to issue and sell from time to time its general obligation bonds, and in anticipation thereof to issue and sell from time to time Commercial Paper, consisting of the TCP Notes (as defined herein) and the ECP Notes (as defined herein) to: (i) finance the costs of various capital improvement projects of the Metropolitan Government; (ii) retire the principal and/or interest of previously issued Commercial Paper; and (iii) to refund or renew Commercial Paper previously issued under various initial resolutions of the Metropolitan Council duly and lawfully adopted for such purposes.

The Metropolitan Government operates a General Obligation Commercial Paper Program authorized to have a maximum outstanding principal of \$700 million. This program allows the Metropolitan Government to issue short-term notes to provide interim financing for various capital projects until long-term bonds can be issued for permanent project financing. The program consists of two separate obligations: (i) Traditional Commercial Paper Notes (“TCP”) and (ii) Extendable Commercial Paper Notes (“ECP”). The TCP is an interest-bearing instrument authorized up to a maximum principal amount of \$375 million. As notes mature before long-term bonds are issued, new notes are issued to repay maturing notes. If market conditions prevent the issuance of new notes, the bank providing the credit facility for TCP agrees to pay the principal amount of maturing commercial paper notes under a revolving credit agreement. If the bank advances funds under this agreement, the Metropolitan Government has 180 days to reimburse the bank, using proceeds from new commercial paper notes, long-term bonds, or Metropolitan Government funds. Failure to reimburse within 180 days converts the bank advance into a term loan, repayable in equal semi-annual installments of principal over three years. The Metropolitan Government can prepay this term loan at any time using proceeds from new commercial paper notes or long-term bonds.

The ECP is an interest-bearing instrument authorized up to a maximum principal amount of \$325 million. The ECP dealer issues commercial paper notes with original maturities ranging from 1 to 90 days. If the ECP dealer is unable to market notes in the required amount to pay maturing notes, the Metropolitan Government can extend the original maturity date to 270 days from the issue date, during which long-term financing would be arranged to repay the notes. General obligation commercial paper notes are federally tax-exempt and are sold at par in minimum denominations of \$100,000, with interest payable at maturity. These notes have maturities ranging up to 270 days. The State approved final maturity date of the TCP is January 31, 2028, and January 31, 2029, for the ECP. Interest rates vary based on market conditions. As of June 30, 2024, the Metropolitan Government had outstanding general obligations commercial paper totaling \$550,000,000 with an average interest rate of 3.75%.

Tennessee law does not impose any limit on the amount of general obligation bonds that may be issued by Tennessee local governments, including the Metropolitan Government. No voter referendum is required for a Tennessee local government to issue general obligation bonds. Tennessee law does require that a local government’s issuance of general obligation bonds (other than for school projects) be preceded by the adoption and publication of a resolution evidencing the local government’s intent to issue general obligation bonds. If ten percent (10%) of the voters of the local government sign a petition protesting the issuance of the general obligation bonds, then such bonds may not be issued until the proposed bond issue has been approved by voter referendum. The necessary resolutions for the Series 2025 Bonds have been duly adopted by the Metropolitan Council with no protest from the voters of the Metropolitan Government.

Debt Calculations

The tables illustrated on the following pages only reflect the Metropolitan Government's computation of its: (i) Long-Term General Obligation Bonded Indebtedness as of June 30, 2024, including the Metropolitan Government's District Energy System Revenue and Tax Refunding Bonds, Series 2012A; (ii) Debt Ratios as of June 30, 2024; and (iii) Historical Debt Ratios for the last ten fiscal years.

The tables illustrated on the following pages do not reflect:

(1) the issuance of the Metropolitan Government's Water and Sewer Revenue Refunding and Improvement Bonds, Series 2025, nor its related aggregate annual debt obligations; or

(2) the current outstanding principal amount of Commercial Paper. See "Commercial Paper and General Obligation Bonds" hereinabove within this APPENDIX C; or

(3) the Metropolitan Government's financing obligations under any tax anticipation notes. See "TAX ANTICIPATION NOTES" hereinabove within this APPENDIX C; or

(4) the Metropolitan Government's financing obligations to the Tennessee State School Bond Authority (the "TSSBA") with respect to approximately \$10 million of outstanding Qualified Zone Academy Bonds and Qualified School Construction Bonds issued by the TSSBA on behalf of the Metropolitan Government. See "DEMOGRAPHIC AND STATISTICAL INFORMATION – Education" within this APPENDIX C; or

(5) the financing obligations of the Metropolitan Government for the capital and operating costs of water and wastewater services and the electric system each of which are payable solely from the revenues of one or more utility systems (*i.e.*, water, sewer and electric); or

(6) the financing obligations of The Metropolitan Nashville Airport Authority, wherein the capital and operating costs are payable solely from the revenues derived from the operating income of the Nashville International Airport. See "DEMOGRAPHIC AND STATISTICAL INFORMATION – Transportation" within this APPENDIX C; or

(7) the tax increment financing obligations of the Metropolitan Development and Housing Agency and the Metropolitan Government's Industrial Development Board, which both are more fully described in this APPENDIX C under "CONTINGENT DEBT AND PAYMENT LIABILITIES"; or

(8) the financing obligations of The Sports Authority of The Metropolitan Government of Nashville and Davidson County and The Convention Center Authority of The Metropolitan Government of Nashville and Davidson County, which both are more fully described in this APPENDIX C, under the heading "CONTINGENT DEBT AND PAYMENT LIABILITIES".

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**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
LONG-TERM GENERAL OBLIGATION BONDED INDEBTEDNESS
(For the Fiscal Year Ended June 30, 2024)**

Gross General Obligation Debt	Amount
General Obligation Bonds Payable	
<u>General Services District:</u>	
For School Purposes	\$ 948,365,436
For General Purposes	2,099,345,452
<u>Urban Services District:</u>	
For General Purposes	122,635,377
Deferred premium (discount)	306,170,759
Total Gross General Obligation Debt	\$3,476,517,024
Less:	
Amounts Available in Debt Service Funds	Amount
<u>General Services District:</u>	
For School Purposes	\$10,230,184
For General Purposes	67,597,151
<u>Urban Services District:</u>	
For General Purposes	12,123,384
Total Amounts Available in Debt Service Funds	\$ 89,950,719
Net General Obligation Debt	\$3,264,544,388

Source: The Metropolitan Government of Nashville and Davidson County Annual Comprehensive Financial Report 2024.

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
DEBT RATIOS
(For the Fiscal Year Ended June 30, 2024)**

	Debt to Estimated Market Value ^(a)	Debt to Assessed Value ^(b)	Debt per capita ^(c)
TOTAL DEBT	1.60%	7.13%	\$4,880.46
NET DEBT	1.50%	6.69%	4,582.88

^(a) 2024 Estimated Market Value – (\$216,962,222,177).

^(b) 2024 Assessed Value – (\$48,778,220,780).

^(c) Population of Nashville and Davidson County, Tennessee, United States Census Bureau, Population Estimates Program 2023 – (712,334).

Source: The Metropolitan Government of Nashville and Davidson County Annual Comprehensive Financial Report 2024.

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
HISTORICAL DEBT RATIOS**

**(For the Fiscal Years Ended June 30, 2015, through June 30, 2024)
(Dollar Amounts, other than Net Debt Per Capita, Expressed in Thousands)**

The following table illustrates certain debt ratios of the Metropolitan Government for the past ten fiscal years:

Fiscal Year Ended	Metropolitan Government Population	Estimated Market Valuation	Assessed Valuation	Net General Obligation Debt	Ratio of Net Debt to Market Valuation	Ratio of Net Debt to Assessed Valuation	Net Debt Per Capita
2014-2015	668,347	66,270,673	20,376,059	2,096,000	3.69	12.01	3,686.22
2015-2016	678,889	67,533,296	20,742,695	2,659,665	3.94	12.82	3,917.67
2016-2017	684,410	78,262,509	21,314,821	3,004,256	3.84	14.09	4,389.56
2017-2018	691,243	99,659,583	31,144,615	2,837,200	2.85	9.11	4,104.49
2018-2019	692,587	102,919,516	32,220,800	3,417,129	3.32	10.61	4,933.86
2019-2020	708,041	123,954,384	33,015,683	3,184,525	2.57	9.65	4,497.74
2020-2021	715,491	128,201,489	34,127,994	3,642,076	2.84	10.67	5,090.32
2021-2022	715,884	147,996,606	46,284,154	3,316,674	2.24	7.17	4,632.98
2022-2023	708,144	151,623,899	48,073,683	3,631,345	2.39	7.55	5,127.97
2023-2024	712,334	216,962,222	48,778,221	3,264,544	1.50	6.69	4,582.88

Source: The Metropolitan Government of Nashville and Davidson County Annual Comprehensive Financial Report 2024.

SCHEDULE OF THE OUTSTANDING GENERAL OBLIGATION BONDS

The following table illustrates each series of the Metropolitan Government’s outstanding General Obligation Bonds, as of June 30, 2024, including the respective outstanding par amounts and the final maturity dates of each series of the following bonds, being the Metropolitan Government’s: (i) General Obligation Improvement and Refunding Bonds, Series 2010B (Build America Bonds - Direct Payment); (ii) District Energy System Revenue and Tax Refunding Bonds, Series 2012A; (iii) General Obligation Refunding Bonds, Series 2012B (Taxable); (iv) General Obligation Improvement Bonds Federally Taxable, Series 2012 (Qualified Energy Conservation Bonds - Direct Payment); (v) General Obligation Refunding Bonds, Series 2013; (vi) General Obligation Refunding Bonds, Series 2015A; (vii) General Obligation Refunding Bonds, Series 2015B (Taxable); (viii) General Obligation Improvement Bonds, Series 2015C; (ix) General Obligation Refunding Bonds, Series 2016; (x) General Obligation Improvement Bonds, Series 2017; (xi) General Obligation Improvement Bonds, Series 2018; (xii) General Obligation Refunding Bonds, Series 2021A; (xiii) General Obligation Refunding Bonds, Series 2021B; (xiv) General Obligation Improvement Bonds, Series 2021C; (xv) General Obligation Improvement Bonds, Series 2022A; and (xvi) General Obligation Improvement Bonds, Series 2022B.

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
OUTSTANDING GENERAL OBLIGATION BONDS
(As of June 30, 2024)**

GENERAL OBLIGATION BONDS	OUTSTANDING PAR AMOUNTS	FINAL MATURITY DATES
Series 2010B Bonds	\$ 252,005,000	July 1, 2034
Series 2012A Bonds	28,405,000	October 1, 2033
Series 2012B Bonds	29,425,000	July 1, 2024
Series 2012 Bonds	6,440,000	August 1, 2027
Series 2013 Bonds	29,905,000	July 1, 2024
Series 2015A Bonds	26,315,000	July 1, 2026
Series 2015B Bonds	29,145,000	July 1, 2029
Series 2015C Bonds	95,705,000	July 1, 2028
Series 2016 Bonds	261,840,000	January 1, 2033
Series 2017 Bonds	356,915,000	July 1, 2036
Series 2018 Bonds	595,330,000	July 1, 2038
Series 2021A Bonds	27,785,000	July 1, 2026
Series 2021B Bonds	400,290,000	July 1, 2034
Series 2021C Bonds	510,890,000	January 1, 2041
Series 2022A Bonds	301,395,000	January 1, 2042
Series 2022B Bonds	258,935,000	January 1, 2042
TOTAL	\$3,210,725,000	

Source: The Metropolitan Government of Nashville and Davidson County.

CONTINGENT DEBT AND PAYMENT LIABILITIES

As of the date of the Official Statement, the Metropolitan Government has the following outstanding contingent obligations payable from certain moneys of the Metropolitan Government as more fully described within this APPENDIX C.

Convention Center Authority of The Metropolitan Government of Nashville and Davidson County

The Convention Center Authority of The Metropolitan Government of Nashville and Davidson County (“CCA”) is a nonprofit public corporation created in 2009 by the Metropolitan Government pursuant to Chapter 89 of Title 7 of the Tennessee Code Annotated, as amended (the “Act”), for the purposes set forth in the Act, including, without limitation, owning, operating and financing a convention center in order to promote economic development and to stimulate business and commercial activity in Nashville. The Metropolitan Council duly and lawfully approved the creation of the CCA, its respective charter, and the appointment of its Board of Directors by the Metropolitan Mayor.

On April 21, 2010, the CCA issued \$51,730,000 of its Tourism Tax Revenue Bonds, Series 2010A-1 and \$152,395,000 Tourism Tax Revenue Bonds Federally Taxable, Series 2010A-2 (Build America Bonds-Direct Payment) (together, the “CCA Series 2010A Bonds”), and \$419,090,000 Subordinate Tourism Tax Revenue Bonds Federally Taxable, Series 2010B (Build America Bonds-Direct Payment) (the “CCA Series 2010B Bonds”), to finance the development, construction, equipping, furnishing, repair, refurbishment and opening of a new downtown convention center facility (the “Convention Center” or “Music City Center”).

The CCA Series 2010A Bonds are payable solely from certain Hotel/Motel Tax revenues, incremental sales tax revenues and certain other designated tourism tax revenues (the “Tourism Tax Revenues”). The CCA Series 2010B Bonds are payable from Tourism Tax Revenues, subordinate to the payment of the CCA Series 2010A Bonds, and from Convention Center operating income. If those funds are insufficient to pay debt service when due on the CCA Series 2010B Bonds, then the Metropolitan Government has pledged its GSD Non-Tax Revenues (as it has with respect to the Sports Authority bonds as more fully described below) to the payment of debt service on the CCA Series 2010B Bonds. The maximum annual debt service on the CCA Series 2010B Bonds is approximately \$27.1 million, net of direct payment subsidies payable by the federal government because of the CCA Series 2010B Bonds being issued as Build America Bonds. The CCA established a debt service reserve equal to \$26.5 million.

The Omni Nashville Hotel (“Omni”) operates an 800-room full-service hotel adjacent to the Convention Center that serves as the Convention Center’s headquarters hotel. The Omni opened on October 1, 2013. The CCA has entered into a development agreement with Omni, under which the CCA has agreed to pay approximately \$100 million in present value financial incentives to develop the Omni, which incentives are payable over the course of approximately 20 years from the completion date of the Omni. The Metropolitan Government has pledged its GSD Non-Tax Revenues (as it has with respect to the Sports Authority bonds and the CCA Series 2010B Bonds as more fully described below) to the payment of these incentives, in the event the CCA is unable to make payment. The maximum annual incentive payment is approximately \$15 million. The incentive payments are conditioned upon the continued operation of Omni. The obligation of the Metropolitan Government to make the payments on the above-mentioned debt is not a general obligation of the Metropolitan Government but rather is required to be paid solely from GSD Non-Tax Revenues pledged by the Metropolitan Government for such payments.

Non-Tax Revenues have since Fiscal Year 2020 included a payment-in-lieu of tax from the CCA, which the CCA has agreed to make annually through 2043 in amounts that fluctuate in proportion to changes in the Metropolitan Government’s ad valorem property tax rates, to the extent the CCA has funds available after payment of operating expenses and debt service obligations. These payments-in-lieu of

taxes have historically corresponded to a portion of Metropolitan Government operating and capital costs attributable to Convention Center operations (e.g. downtown safety and security expenses attributable to CCA operations). These costs have been funded with general fund dollars through the annual Metropolitan Government budgeting process. In 2023, the Tennessee General Assembly amended the CCA's enabling act to expressly prohibit future transfers of CCA funds to the Metropolitan Government, except to the extent necessary to fund operating and capital expenditures attributable to Convention Center operations. The Metropolitan Government's current intention is to continue to collect payments-in-lieu of taxes from the CCA, as agreed, and to annually appropriate available Metropolitan Government general fund moneys to the Convention Center, for the permitted purposes, in an amount not less than the annual payment-in-lieu of taxes. As such, the CCA's payments-in-lieu of taxes will continue to be reflected in Non-Tax Revenues in future years (to the extent collected) but will be subject to the statutory restriction that the proceeds thereof, or an equivalent amount of other Metropolitan Government general fund dollars, be spent for statutorily permitted Convention Center purposes.

The Metropolitan Government has not been called upon to make a payment under the outstanding CCA debt. However, the Metropolitan Government can offer no assurance as to whether there will be future calls on the Metropolitan Government to make a payment under these debt obligations. Such adverse impact could decrease tourism and subsequently reduce the Tourism Tax Revenues increasing the likelihood that the Metropolitan Government's GSD Non-Tax Revenues or USD Non-Tax Revenues will be called upon for the payment of debt service on outstanding CCA debt and incentives.

The Sports Authority of The Metropolitan Government of Nashville and Davidson County

The Sports Authority of The Metropolitan Government of Nashville and Davidson County (the "Sports Authority") is a public non-profit corporation and instrumentality of the Metropolitan Government organized in 1995 pursuant to Chapter 67, Title 7 of Tennessee Code Annotated, as amended. The Sports Authority is a Component Unit of the Metropolitan Government and is included in the Metropolitan Government's Annual Comprehensive Financial Report each fiscal year. The statutory and public purpose of the Sports Authority is to plan, promote, finance, construct, and acquire sports complexes, stadiums, arenas, and facilities for public participation and enjoyment of professional and amateur sports activities for the people in the State of Tennessee, particularly the citizens located within the Metropolitan Government. The Sports Authority has no taxing power. The Sports Authority owns, and has provided financing for, various facilities located in the Metropolitan Government. Below are descriptions of each of the financings and associated debt liabilities of the Metropolitan Government in connection with the Sports Authority.

Tennessee Titans Stadium: The Sports Authority, through an intergovernmental agreement with the Metropolitan Government, was conveyed 95 acres of land located on the East Bank of the Cumberland River where the existing Tennessee Titans Stadium is located. The existing Tennessee Titans Stadium, which is the current home of the National Football League's Tennessee Titans, is owned by the Sports Authority and leased to Cumberland Stadium, Inc. The existing facility has no outstanding bonds. On August 31, 2023, the Sports Authority issued its \$705,440,000 Stadium Project Revenue Bonds for, among other things, the purpose of financing: (i) the design, engineering, construction, equipping, and furnishing of a new, first class, state-of-the-art, enclosed stadium (the "new Tennessee Titans Stadium") and certain other improvements related to the new Stadium located in Nashville, Tennessee, to be used as the home venue of the National Football League's Tennessee Titans and for other entertainment, cultural, sporting and civic events; (ii) certain costs of issuance related to the issuance and delivery of the bonds.

This debt is payable primarily from dedicated revenue streams (consisting of hotel tax revenues, in-stadium sales tax revenues, a payment in lieu of tax from the Water and Sewerage Department through 2027, stadium lease payments and ticket tax revenues). In the event of a deficiency in such revenues to pay debt service, the new Tennessee Titans Stadium's debt: (i) for the Series A/B Bonds is covered by a

municipal bond insurer (Assured Guarantee); and (ii) for the Series C/D Bonds is payable from the Metropolitan Government's non-ad valorem tax General Services District General Fund revenues (the "GSD Non-Tax Revenues") in the amount up to \$280,015,000.

Bridgestone Arena: The Authority also owns Bridgestone Arena, which is the home of the National Hockey League's Nashville Predators and a large-scale concert venue that hosts other sporting and entertainment events in Downtown Nashville. The Metropolitan Government financed the construction of Bridgestone Arena with a portion of its general obligation bonds. The Authority financed certain expenses associated with the Nashville Predators and their relocation to the Bridgestone Arena with the issuance of its 1998 Authority Bonds, which have since been retired.

Ford Ice Centers: The Sports Authority also owns or operates two community ice hockey and recreational skating facilities municipally known as Ford Ice Center-Antioch and Ford Ice Center-Bellevue. The Ford Ice Center-Antioch, a two-sheet ice skating and hockey facility located in the southeastern part of Nashville that is leased to, and operated by, Mid-Ice, LLC, an affiliate of the Predators. The Sports Authority has financed the construction of Ford Ice Center-Antioch with the issuance of its 2021B Bonds. The debt service is payable primarily from lease payments and surcharges levied on patrons attending events at the Bridgestone Arena, the venue for Nashville Predators' home games and other sporting and entertainment events. In the event of a deficiency in such revenues, the debt is payable from the Metropolitan Government's GSD Non-Tax Revenues. The Sports Authority also leases from the Metropolitan Government space to operate Ford Ice Center-Bellevue, a two-sheet ice skating and hockey facility located in the southwestern part of Nashville. The Authority has a facility management and use agreement with Mid-Ice, LLC to operate Ford Ice Center-Bellevue.

Major League Soccer Stadium (GEODIS Park): The Sports Authority owns GEODIS Park, which is the home of Major League Soccer's ("MLS") Nashville Soccer Club, which commenced MLS play in 2020 at the existing Tennessee Titans Stadium and transitioned to GEODIS Park in May of 2022. The MLS Stadium includes 30,000 seats and an MLS regulation-size natural grass playing surface and is LEED Silver certified (the "MLS Stadium"). On December 17, 2020, the Metropolitan Government issued \$225 million of revenue bonds through the Sports Authority to finance the construction of the MLS Stadium. These revenue bonds are payable primarily from MLS team rents, sales taxes resulting from ticket, concession and merchandise sales at the MLS Stadium events, and ticket taxes levied on MLS Stadium patrons. Any deficiency in such revenues is payable from GSD Non-Tax Revenues.

First Horizon Ballpark: The Sports Authority also owns the First Horizon Ballpark, the downtown baseball park that is the home of the Nashville Sounds, the AAA affiliate of the Major League Baseball's Milwaukee Brewers. The First Horizon Ballpark was financed (or refinanced) by the Sports Authority's the Series 2021C Bonds. Debt service on the Series 2021C Bonds is primarily payable by incremental First Horizon Ballpark sales tax revenues, tax increment financing payments from development adjacent to the First Horizon Ballpark, and Nashville Sounds lease payments. Any deficiency in such revenues is payable from the Metropolitan Government's Non-Tax Urban Services District General Fund revenues ("USD Non-Tax Revenues").

The Metropolitan Government has not directly appropriated funds to make a payment under the outstanding Sports Authority debt except with respect to the First Horizon Ballpark Bonds, where the Metropolitan Government has been required to contribute between \$500,000 and \$1,550,000 for Fiscal Year 2018 through Fiscal Year 2022 to fund annual debt service. In Fiscal Year 2023 and in Fiscal Year 2024 no additional contribution has been needed. The Metropolitan Government can offer no assurance as to whether annual contributions with respect to the First Horizon Ballpark Bonds will remain in this range or whether or not there will be future calls on the Metropolitan Government to make additional payments under other Sports Authority debt obligations. Due to the implementation of certain social distancing measures, events scheduled for the existing Tennessee Titans Stadium, the Bridgestone Arena, the Ford

Ice Centers, the MLS Stadium and the First Horizon Ballpark were adversely impacted as a result of the COVID-19 pandemic and in the event of any future pandemic, epidemic or public health emergency.

District Energy System

The Metropolitan Government owns a District Energy System (“DES”), which provides steam and chilled water to approximately 42 buildings in Downtown Nashville for the purposes of general heating and air conditioning. DES is operated by Constellation Energy Solutions, LLC (“CES”) of Baltimore, Maryland. The Metropolitan Government is a customer of DES and purchased approximately 40.0% of the steam and 44.5% of the chilled water sold by the system for the Fiscal Year ended June 30, 2024. The Metropolitan Government has covenanted to provide funding in an amount equal to any shortage in revenues necessary to pay debt service on outstanding DES obligations and/or necessary to pay operating expenses (the “Metro Funding Amount”). The budgeted Metro Funding Amount for Fiscal Year 2024 is \$384,400. The proposed budgeted Metro Funding Amount for Fiscal Year 2025 is \$385,000. In addition to covering any DES operating shortfalls, the Metro Funding Amount also provides for the payment of debt service on the DES.

Metropolitan Development and Housing Agency

In December 2014, the Metropolitan Development and Housing Agency (“MDHA”) entered into a lease arrangement pursuant to which MDHA constructed and currently operates an approximately 1,000-space parking facility in Downtown Nashville. The lease arrangements obligate MDHA to make annual lease payments of approximately \$2.9 million through 2044. The lease payments are payable primarily from parking revenues generated from the parking facility, which are projected to be sufficient revenues to pay the debt. In the event of a deficiency, such debt shall be payable from a subordinate pledge of the USD Non-Tax Revenues. The obligation of the Metropolitan Government to make the payments on MDHA’s outstanding debt is not a general obligation of the Metropolitan Government but rather is required to be paid solely from USD Non-Tax Revenues appropriated by the Metropolitan Government for such payments. The Metropolitan Government has not been called upon to make a payment under the MDHA’s outstanding debt. However, the Metropolitan Government can offer no assurance as to whether there will be future calls on the Metropolitan Government to make a payment under these debt obligations. Future tourism traffic could be reduced as a result of the COVID-19 pandemic and in the event of any future pandemic, epidemic or public health emergency. This adverse impact may cause an increased likelihood that the Metropolitan Government’s USD Non-Tax Revenues will be called upon for the payment of the outstanding debt service relating to these debt obligations of the MDHA.

Tax Increment Financing

The Metropolitan Government routinely participates in tax increment financings (“TIFs”) related to redevelopment projects. In a TIF, an instrumentality of the Metropolitan Government (e.g. the MHDA or the IDB) will issue its tax increment financing bonds or notes and grant the proceeds to a developer to incentivize the completion of a redevelopment project. To secure payment of the TIF bonds or notes, the Metropolitan Government agrees to divert all, or a portion of the incremental real and personal property tax revenues related to the project for the payment of debt service on the TIF bonds. The Metropolitan Government is obligated to divert certain incremental real and personal property taxes to the payment of debt service on the following TIFs:

Metropolitan Development and Housing Agency TIFs: As of the end of its Fiscal Year ended September 30, 2024, MDHA had outstanding approximately \$103.5 million of TIF bonds and notes previously issued to finance redevelopment projects in and around the Downtown Nashville area. The Metropolitan Government funded approximately \$11.5 million of debt service payments on these bonds and notes during Fiscal Year 2024.

Bellevue Mall TIF: On December 31, 2015, the IDB issued its \$21,935,000 Tax Increment Financing Revenue Bonds (Bellevue Mall Project), Series 2015, to finance the redevelopment of the Bellevue Mall. This TIF bond matures on June 1, 2038, and the maximum annual debt service is approximately \$2.5 million. The Metropolitan Government funded approximately \$1.5 million of debt service payments on these TIF bonds in Fiscal Year 2024.

Oracle Corporation TIF: In 2021, the IDB and the Metropolitan Council each duly approved the TIF development plan and an economic incentive deal for the Oracle Corporation intended for the construction of its new 65+ acre campus located within the River North area of the East Bank. As of the date of this Official Statement, an economic impact analysis estimated that the Oracle Corporation campus and associated development, when completed, will generate an additional \$18 million annually in ad valorem real property tax revenue for the Metropolitan Government. See “THE METROPOLITAN GOVERNMENT ECONOMY – Nashville Business Investment and Job Creation” herein.

Madison Station TIF: In 2023, the IDB and Metropolitan Council each duly approved an economic incentive deal to redevelop the Madison Square Shopping Center located in the Madison neighborhood in northeast Nashville. As of the date of this Official Statement, it is estimated that the Madison Square Shopping Center and associated development, when completed, will generate \$255 million in ad valorem property tax revenue over the thirty-year period for the Metropolitan Government. See “THE METROPOLITAN GOVERNMENT ECONOMY – Other Notable Nashville Economic Developments Projects” herein.

Rivergate Mall TIF: In May 2025, the IDB and Metropolitan Council each duly approved an economic incentive deal to redevelop the Rivergate Mall located in the Goodlettsville neighborhood in northeast Nashville. Should the development proceed as currently proposed, it is currently estimated that the redeveloped mall and associated development, when completed, will generate \$84 million in ad valorem property tax revenue over the twenty-year period following completion. The economic incentive approved by the IDB and Metropolitan Council would allocate approximately half of this incremental tax revenue to fund debt service incurred to fund public infrastructure for the development.

Additional Contingent Debt Obligations

The Metropolitan Government may fund, from time to time, additional projects payable from specific dedicated revenues. To the extent the Metropolitan Government elects to fund all or a portion of such projects, the Metropolitan Government may incur additional debt supported by certain of its revenues, including but not limited to its GSD Non-Tax Revenues and USD Non-Tax Revenues.

Nashville General Hospital: The Metropolitan Government continues to provide supplemental funding to the Nashville General Hospital (“General Hospital”). General Hospital received supplemental funding of approximately \$54 million for Fiscal Year 2023, and approximately \$57.3 for Fiscal Year 2024 as of the date of this Official Statement. The adopted budget for Fiscal Year 2025 allocates supplemental funding of \$59.6 million to General Hospital. The Metropolitan Government cannot predict the amount of funding that will be budgeted to support General Hospital in future years.

Nashville Fairgrounds Speedway: The Metropolitan Government is continuing to review the future of the Nashville Fairgrounds Speedway, an auto-racing facility located within the Nashville Fairgrounds (the “Speedway”), including the feasibility of renovation of the Speedway. One possibility for a potential renovation of the Speedway might involve a public-private partnership and funded in part with the proceeds of the Sports Authority’s revenue bonds. Under this possibility, a finance plan for the Speedway could contemplate revenue bonds that are supported by a pledge of the Metropolitan Government’s Non-Tax Revenues.

DEMOGRAPHIC AND STATISTICAL INFORMATION

Population Growth

The following table illustrates information regarding the estimated population growth in the Metropolitan Government (*i.e.*, Nashville/Davidson County), including a comparison with the Nashville Metropolitan Statistical Area (the “Nashville MSA”), the State of Tennessee and the United States for the Calendar Year 2020-2023, which serves to illustrate relative growth:

NASHVILLE METROPOLITAN STATISTICAL AREA POPULATION GROWTH (For the Calendar Years 2020-2024 Estimates)

Geographical Areas	April 1, 2020 Estimates Base	July 1, 2024 Population Estimates	2020 – 2024 Percentage Changes
Nashville/Davidson	715,884	729,505	1.9%
MSA	2,014,425	2,150,553	6.8%
State of Tennessee	6,912,347	7,227,750	4.6%
United States	331,515,736	340,110,988	2.6%

Source: United States Census Bureau (www.census.gov).

The following table illustrates the per capita personal income figures in the Metropolitan Government (*i.e.*, Nashville/Davidson County), the Nashville MSA, the State of Tennessee and the United States for the Calendar Years 2014-2023. Additionally, the following chart illustrates the per capita personal income growth within the Nashville MSA that has occurred to the greatest extent in surrounding communities; notwithstanding, the suburbs of Nashville are in themselves residential, manufacturing, and agricultural communities:

NASHVILLE METROPOLITAN STATISTICAL AREA PER CAPITA PERSONAL INCOME (For the Calendar Years 2014- 2023)

Geographical Areas	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Nashville/Davidson	\$51,490	\$53,757	\$56,482	\$60,052	\$65,594	\$69,909	\$73,726	\$83,008	\$87,568	\$92,496
MSA	50,712	50,712	52,406	54,263	57,340	60,678	63,959	71,439	75,477	79,453
State of Tennessee	40,225	41,937	42,938	44,407	46,449	48,903	51,959	57,508	59,210	62,229
United States	48,062	48,062	48,974	51,006	53,311	55,567	59,151	64,692	66,298	70,002

Source: United States Bureau of Economic Analysis (www.bea.gov).

Employment

The following table illustrates the labor force segments and employment industries operating within the Nashville MSA for the Calendar Years 2020-2024:

NASHVILLE METROPOLITAN STATISTICAL AREA EMPLOYMENT INDUSTRIES (For the Calendar Years 2020-2024)

Employment Industries	2020	2021	2022	2023	2024
Total Employed – All Industries ⁽¹⁾ (In Percentages):	1003	1056	1126	1164	1186
Education & Health Services	15.25%	14.96%	14.59%	14.77%	15.03%
Financial Activities	6.95%	7.08%	7.19%	7.10%	6.84%
Government	12.00%	11.31%	10.75%	10.74%	11.01%
Information	2.34%	2.48%	2.83%	2.77%	2.69%
Leisure & Hospitality	9.73%	10.16%	10.86%	11.32%	11.34%
Manufacturing	7.87%	7.81%	7.62%	7.45%	7.47%
Professional & Business Services	16.93%	17.19%	17.35%	16.98%	16.50%
Trade, Transportation, Utilities	21.79%	21.17%	20.33%	20.46%	20.00%
Other	7.14%	7.84%	8.47%	8.41%	9.13%

⁽¹⁾ Total Nonfarm Employment in Thousands.

Source: United States Bureau of Labor Statistics (www.bls.gov)

The following table illustrates the unemployment percentage rates within the Metropolitan Government (*i.e.*, Nashville/Davidson County), the Nashville MSA, the State of Tennessee and the United States for the Calendar Years 2015-2024:

NASHVILLE METROPOLITAN STATISTICAL AREA UNEMPLOYMENT RATES (For the Calendar Years 2015-2024)

Geographical Areas	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Nashville/Davidson	4.3%	3.6%	2.8%	2.6%	2.5%	8.1%	4.4%	2.8%	2.7%	2.9%
Nashville MSA	4.5	3.8	3.0	2.7	2.6	7.1	3.8	2.8	2.6	2.8
State of Tennessee	5.5	4.7	3.7	3.5	3.3	7.4	4.5	3.4	3.2	3.4
United States	5.3	4.9	4.4	3.9	3.7	8.1	5.3	3.6	3.6	4.0

Source: United States Bureau of Labor Statistics (www.bls.gov)

Largest Employers

The following table from the *Nashville Business Journal: Book of Lists 2024-2025* illustrates the top 25 largest employers operating within the Nashville MSA (each being ranked by the estimated number of local full-time employees):

NASHVILLE BUSINESS JOURNAL NASHVILLE METROPOLITAN STATISTICAL AREA TOP 25 LARGEST EMPLOYERS

	Employer Names	Local Employees ⁽¹⁾	Type of Business
1	Vanderbilt University Medical Center & Monroe Carrell Jr. Children's Hospital at Vanderbilt	30,324	Academic medical center
2	HCA Healthcare Inc.	27,694	Operates hospitals, surgery centers, freestanding ERs, urgent care centers and physician clinics
3	State of Tennessee	26,431 ⁽²⁾	State government
4	U.S. Government	13,459 ⁽²⁾	Federal government
5	Nissan Americas	11,000	Automotive styling; engineering; financing;
6	Metro Nashville Public Schools	10,513	Public Education
7	Metropolitan Government of Nashville and Davidson County	9,852	Government
8	Ascension Saint Thomas	8,900	Hospitals and physician practices
9	The Kroger Co.	8,100	Grocery, pharmacy and fuel retailer
10	Williamson County Schools	7,211	Public Education
11	Amazon.com	7,200 ⁽³⁾	E-commerce retailer
12	Rutherford County Government and Board of Education	7,186 ⁽⁴⁾	County government
13	Vanderbilt University	5,947	Education and research
14	Clarksville – Montgomery County School System	5,100 ⁽⁴⁾	Public education
15	Community Health Systems Inc.	5,004	Operates health care delivery systems
16	Western Express Inc.	4,743	Transportation/Logistics
17	Sumner County Government and Public Schools	4,675 ⁽⁴⁾	County government and public schools
18	Fresh Hospitality	3,500	Restaurant group
19	Asurion	3,400 ⁽³⁾	Tech support, insurance and warranties for tech devices and appliances
20	Bridgestone Americas Inc.	3,037	Manufactures tires; produces air springs, roofing materials, industrial fibers and textiles
21	National Healthcare Corp.	3,028 ⁽³⁾	Post-acute health care
22	Dollar General Corp.	3,000	Discount retailer
23	Tractor Supply Co.	2,771	Operates rural lifestyle retail stores
24	City of Murfreesboro	2,569 ⁽⁴⁾	City government and services
25	United Healthcare	2,500	Health insurance

⁽¹⁾ As of March 1, 2023.

⁽²⁾ 2022 year-end employee counts are the latest available.

⁽³⁾ These companies did not respond to surveys or declined to provide information necessary for this list. All information listed is taken from information they previously provided to Nashville Business Journal, directly from the company's website or news releases.

⁽⁴⁾ These companies did not respond to surveys or declined to provide information necessary for this list. Employee counts are taken from the company's respective city or county organization (Clarksville-Montgomery County Economic Development Council, Forward Sumner Economic Partnership, Robertson County Economic Development, Rutherford Works and Williamson Inc.), the company's respective community profile with the Middle Tennessee Industrial Development Association or annual reports filed with Tennessee Comptroller. Other information beyond employee counts is taken from information they previously supplied to Nashville Business Journal or directly from the company's website.

Source: *Nashville Business Journal: Book of Lists 2024-2025*.

Education

The Metropolitan Nashville Public Schools (“MNPS”) system is committed to delivering a great public education to every student in Davidson County, every day. Through innovative programs and individualized learning, they ensure that every student is known and that every child becomes a life-long learner prepared for success in college, career, and life. To meet the needs of their diverse student population, the MNPS works to challenge their learners academically while also supporting them emotionally and socially.

The system operations of the MNPS are managed by the Metropolitan Board of Public Education, which consists of nine (9) publicly elected members, one member being elected from each of the nine school districts. The term of office is four years, with the terms staggered so that no fewer than four members are elected every two years.

The MNPS is led by its Director of Schools and is Tennessee’s second largest school district, wherein it currently: (i) has 160 schools and learning centers; (ii) employs around 10,500 individuals; and (iii) has an operating budget of around \$1.25 billion.

As more fully described above, The MNPS makes up the second largest school system in Tennessee. The following table illustrates Metropolitan Nashville’s School System’s enrollment and attendance trends:

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
PUBLIC SCHOOLS ENROLLMENT AND ATTENDANCE
(For the School Years 2015-2016 through 2024-2025)**

School Year	Total Enrollment	Average Attendance
2015-2016	85,797	77,791
2016-2017	86,633	78,098
2017-2018	85,379	77,117
2018-2019	86,292	77,218
2019-2020	84,358	77,474
2020-2021	80,118	74,577
2021-2022	79,651	77,030
2022-2023	80,701	73,292
2023-2024	78,709	71,713
2024-2025	80,593	73,114

Source: The Metropolitan Government of Nashville and Davidson County.

Construction

Construction in the Metropolitan Government is illustrated by the table set forth below describing the number and value of building permits issued by the Department of Codes Administration of the Metropolitan Government:

**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
NUMBER AND VALUE OF BUILDING PERMITS
(For the Calendar Years 2015-2024)**

Calendar Year	RESIDENTIAL CONSTRUCTION		NON-RESIDENTIAL CONSTRUCTION		REPAIRS, ALTERATIONS, AND INSTALLATIONS		OTHER ⁽¹⁾		Total Number of Permits	Total Permit Value
	Number of Permits	Permit Value	Number of Permits	Permit Value	Number of Permits	Permit Value	Number of Permits	Permit Value		
2015	5,774	1,428,091,853	762	937,747,113	2,988	441,598,956	2,862	38,771,613	12,386	2,846,209,535
2016	5,858	1,751,681,098	1,136	1,607,184,808	2,737	562,151,606	2,694	21,911,674	12,425	3,942,929,186
2017	5,537	1,084,398,438	1,196	1,996,276,985	2,342	572,053,980	2,642	24,394,733	11,717	3,677,124,136
2018	5,536	989,334,771	866	1,931,789,059	2,458	639,160,352	2,771	15,622,773	11,431	3,575,906,955
2019	5,195	968,600,069	1,056	2,598,254,537	2,374	607,178,804	2,388	26,243,063	11,013	4,200,276,473
2020	5,065	1,087,364,258	1,262	2,849,430,768	2,245	637,530,427	2,893	48,416,444	11,465	4,658,741,897
2021	5,840	1,354,609,341	1,422	3,233,814,213	1,935	849,251,371	2,877	59,010,065	12,074	5,496,684,990
2022	5,536	1,522,597,575	1,235	3,148,493,682	1,956	620,952,445	2,708	77,395,665	12,333	5,369,439,067
2023	5,237	1,158,284,840	1,151	2,747,824,413	1,995	927,124,866	1,982	56,243,509	10,365	4,889,477,628
2024	5,489	1,132,124,208	930	1,981,475,145	1,553	894,237,032	1,806	37,471,152	9,778	4,045,304,537

⁽¹⁾ Includes moved residential buildings, house trailers, and the demolition of residential and non-residential buildings and signs & billboard permits.

Source: The Metropolitan Government of Nashville and Davidson County Department of Code Administration.

Tourism

Tourism is a major industry in Nashville consistently ranking in the top three producers. The Nashville Convention and Visitors Corporation and Tourism Economics estimate that visitors spent \$10.56 billion in 2023. As of February 2024, the Nashville MSA has 511 hotels offering 58,736 rooms.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY MSA HOTEL AND MOTEL ROOMS AND OCCUPANCY RATE (For the Calendar Years 2015-2024)

Calendar Year	Rooms Available	Occupancy Rate
2015	38,721	73.70%
2016	40,558	75.10%
2017	41,733	74.10%
2018	44,335	73.30%
2019	47,676	73.50%
2020 ⁽¹⁾	50,654	40.88%
2021 ⁽¹⁾	54,499	59.10%
2022	57,576	68.60%
2023	57,476	68.69%
2024	59,971	66.40%

⁽¹⁾ Hotels experienced declines in their occupancy rates due to the impact of the COVID-19 pandemic.

Source: The Metropolitan Nashville and Davidson County Conventions and Visitors Corporation.

Conventions and Corporate Meetings

Nashville’s Music City Center opened in May 2013 and features a 350,000 square foot exhibit hall, 75,000 square feet of ballroom space (consisting of a 57,000 square foot grand ballroom and an 18,000 square foot junior ballroom), 90,000 square feet of meeting rooms, 31 loading docks and a parking garage with 1,800 spaces. The Music City Center celebrated its 10th anniversary in May of 2023, and continues to serve the Metropolitan Government by attracting various local and national events. Over the last 10 years, the Music City Center hosted 2,335 events, including 462 local nonprofit events, with an attendance record of 4.4 million people, equating to \$3.3 billion in direct economic impact for the greater Nashville region.

The Music City Center’s location created a high demand for hotel rooms, particularly full-service properties. The 800-room full-service hotel called the “Omni Nashville Hotel” opened in September 2013 next to the Music City Center. In the fall of 2016, the 456-room full-service hotel called “The Westin Nashville” opened adjacent to the Music City Center. The 533-room full-service hotel called the “JW Marriott Nashville” opened in 2018. Also, the 673-room full-service hotel called “Renaissance Nashville Hotel”, the 591-room full-service hotel called the “Grand Hyatt Nashville”, several other full-service hotels have opened near the Music City Center. Also, several smaller hotels have also opened near the Music City Center. The Music City Center and its adjacent hotels are located within walking distance of the Downtown Entertainment District, as described below.

Located approximately ten miles from Downtown Nashville is the Gaylord Opryland Resort & Convention Center, the third largest hotel/convention center under one roof in the United States. The complex features 2,881 hotel rooms, 263,000 square feet of exhibit space and 300,000 square feet of

meeting space. A \$90 million indoor water park was completed in December 2018. Adjacent to the Gaylord Opryland Resort & Convention Center is the Grand Ole Opry, a 4,372-seat theater venue, and Opry Mills Mall, a 1.1 million square foot megamall, which opened in May 2000. The Opry Mills Mall contains 200 stores, theme restaurants, a 20-screen multi-theater complex and an IMAX theater. In early 2025, Ryman Hospitality Properties, Inc., the Nashville-based ownership group for the Gaylord Opryland Resort & Convention Center, announced that a \$131 million expansion is planned for completion in the spring of 2027. The expansion includes a new approximately 31,000-square-foot ballroom, 38,000 square feet of breakout space and 39,000 square feet of pre-function space.

Downtown Entertainment District

The Downtown Entertainment District encompasses approximately 20 square blocks centered around historic Lower Broadway (“Lower Broad”). Lower Broad consists primarily of historic brick restaurants and bars that feature live music and entertainment. Many of the restaurants and bars are owned and/or sponsored by current and former music artists. Lower Broad is a short walk to the Music City Center and its adjacent hotels, the existing Tennessee Titans Stadium, the Country Music Hall of Fame and Museum and most other Downtown Nashville attractions. The Music City Center, the Omni Nashville Hotel, The Westin Nashville, the Grand Hyatt Nashville, the JW Marriott Nashville, and other full-service adjacent hotels are each located Downtown Nashville within the Central Business District, and are within walking distance of many notable attractions, including but not limited to, the Bridgestone Arena, the existing Tennessee Titans Stadium, the Ryman Auditorium, Frist Center for the Visual Arts, Schermerhorn Symphony Center, Musicians Hall of Fame and Museum and the Johnny Cash Museum. In addition to Lower Broad, Nashville’s Downtown Entertainment District also includes Second Avenue, Riverfront and Printers Alley, being collectively known as “The District”. The District is commonly known for its nightlife, bars and clubs that offer a unique experience that includes different shopping and dining options.

Seasonal, Festival and Sporting Events

Nashville has various musical attractions showcasing various genres of the music industry, a creative community of art galleries, theaters, and performance stages, various themed festivals, professional sporting events taking place year-round. Nashville hosts these seasonal, festival and sporting events to entertain Nashvillians and attract visitors to generate economic activity and tax revenue for the Metropolitan Government. Some notable events include, but are not limited to, the following:

Seasonal Events: Nashville hosts one of the nation’s largest New Year’s Eve parties each year, with approximately 100,000 people migrating to the downtown area for fireworks, live music and other entertainment. The Music City Inc., through the Nashville Convention and Visitors Corporation, hosts the Let Freedom Sing! Music City July 4th, which is a free family-friendly annual event held in Downtown Nashville featuring a firework show and live musical performances.

Festival Events: Nashville hosts a four-day music festival each June known as the Country Music Association (“CMA”) Music Fest. The CMA Music Fest includes performances by more than 100 entertainers and groups, autograph sessions and activities directed at the attendees.

Sporting Events: The existing Tennessee Titans Stadium hosts the National Collegiate Athletic Association (“NCAA”) college football’s Music City Bowl each December, and the Bridgestone Arena is a regular host for the NCAA and its Southeastern Conference (SEC) men’s and women’s basketball tournaments.

For additional information pertaining to Nashville’s tourism, including the various seasonal, festival and sporting events, see the sections “Professional Sports”, “Performing Arts”, “Museums and Visual Arts”, and “Music Concert Venues” under “THE METROPOLITAN GOVERNMENT ECONOMY” herein and visit <https://www.visitmusiccity.com>.

THE METROPOLITAN GOVERNMENT ECONOMY

General

The Metropolitan Government is a well-balanced blend of financial, wholesale, retail, manufacturing, and service industries and has the highest concentration of the music industry in the United States. Computer technology, automotive, healthcare, insurance, banking, publishing, telecommunications, supply chain management, entertainment companies, and private educational institutions all find a home in Nashville. The local mix of these industries roughly reflects the national economy, with no single industry being predominant in the region. According to the Nashville Area Chamber of Commerce 2023 Regional Economic Development Guide, Nashville region's economy continues to be a key driver of business activity in Tennessee and the southeast region through robust healthcare, technology, corporate operations, manufacturing, and supply chain management sectors make Nashville one of the country's most dynamic growth centers. Nashville has ranked within the top 10 large metropolitan areas for job growth and population growth for the past 10 years. The Nashville MSA experiences low unemployment, steady in-migration, and a favorable business climate, making it a top location for companies looking to relocate or expand their businesses.

Nashville region's job growth has been in the top five percent (5%) of all metro areas in the United States over the last five-year period. Nashville has the strongest job market in the country, one of the lowest unemployment rates, below average cost of living, and wages are rising at the fifth highest clip in the nation. Nashville remains the lowest tax city in the lowest tax state in the country. With a rich economic, social, and cultural environment, the Metropolitan Government consistently scores high in national rankings of preferred business locations, best places to live and favorable environments for the creation and development of businesses.

Office of Economic and Community Development

The Metropolitan Mayor's Office of Economic and Community Development is the strategic arm that supports the sustainable development of local industries to create opportunities for all Nashvillians. This work includes attracting and retaining businesses in key industries, supporting the growth of small businesses and startups, and aligning workforce assets for an efficient talent pipeline. The office works in partnership with many local, state, and federal agencies.

East Bank Development

The East Bank is the 550-acre site area lying immediately to the east of the Cumberland River and adjacent to Downtown Nashville is currently comprised of mostly asphalt parking lots, industrial and commercial uses, and the existing Tennessee Titans Stadium. The Metropolitan Government owns approximately 130 acres of the 550-acre site and the East Bank is poised to experience rapid development and growth, resulting from the development of the Oracle Corporation campus, the construction of the new Tennessee Titans Stadium (scheduled for completion in the Spring of 2027), and other economic development.

The East Bank development project (*i.e.*, Imagine East Bank) is being led the East Bank Development Authority, a newly-created instrumentality of the Metropolitan Government to reimagine the East Bank, which has been underutilized for decades, into a transformational and multi-use area that will have various public and private components to it. The public infrastructure improvements related to the potential development of the East Bank would be funded from a variety of federal, state, local, and private revenue sources. To date, the Metropolitan Government preliminary anticipates the funding for the East Bank public infrastructure to be in excess of \$700 million and overall funding is estimated to be around \$1.55 billion; however, these estimated numbers should be expected to grow as the development on the East Bank becomes more intense in the coming years.

The overall plan is to improve the East Bank into a mixed-use development that will include the new construction of affordable housing, hotels, retail and entertainment facilities. The current focus for the Metropolitan Government in 2024 is the development of the Initial Development Area (the “IDA”) of Metropolitan Government-owned land.

This IDA is approximately 30 of the 130 Metropolitan Government-owned acres and focuses on the development of seven parcels for development. These parcels are separate from the development and construction of the new Tennessee Titans Stadium, which was approved by Metropolitan Council in April 2023. The Metropolitan Government has engaged The Fallon Company, based in Boston, Massachusetts, to serve as master developer for the IDA.

On April 16, 2024, the Metropolitan Council duly adopted RS2024-270, which approved a non-binding Memorandum of Understanding for the potential construction of the Tennessee Performing Arts Center’s (“TPAC”) new performing arts facility within the East Bank. Nashville is now a major market for Broadway touring productions, and TPAC presents a variety of special engagements from iconic performers, musicians, comedians, dance companies, and more. As of the date of this Official Statement, the negotiations continue with TPAC relating to various components of the proposed performing arts facility.

According to the *Nashville Business Journal*, two other economic development projects that are anticipated to be located in the East Bank are: (i) The Landings, which is anticipated to be a \$260 million investment, is proposed to be a 1.3 million square foot mixed-use development project with 651 apartment units, 83,000 square feet of office space and 85,000 square feet of retail space; and (ii) Stillwater East Bank, which is anticipated to be a \$120 million investment, is proposed to be a 5-story apartment building comprised of 370-units residential rental units.

Other Notable Nashville Economic Developments Projects

Century Farms: located in southeast Nashville, has an estimated investment of \$1 billion, and includes a 300 acre master-planned mixed-use community featuring retail, hotels, entertainment, restaurants, multifamily homes and office space. This project obtained zoning approval for more than 20,000,000 square feet of space that is centered around the full-access Century Farms Parkway interchange that opened to the public in 2022. The development is the home to: (i) Tanger Outlets, which opened a 290,000 square foot Outlet Center in October 2023, (ii) Community Health Systems, a team headquarters for the MLS’ Nashville Soccer Club, and (iii) HCA Healthcare Inc.’s new freestanding emergency room and adjacent 60,000 square feet medical plaza.

Nashville Yards: is located in Downtown Nashville, has an estimated investment of \$1 billion, and is a 19-acre master-planned development project led by California-based Southwest Value Partners. As of the date hereof, this project is expected to consist of: (i) apartment buildings, (ii) office towers, (iii) retail shops, (iv) restaurants, (v) entertainment and music venues, (vi) and a 1.3-acre park that will be situated between the railroad tracks and the Nashville Yards development. Presently, several prominent aspects of this proposed development are already open to the public including the remodeled Union Station Hotel, the Grand Hyatt Hotel, the new headquarters for Pinnacle Financial Partners and office facilities for Amazon.

Paseo South Gulch: will be located in the Gulch area of Nashville (*i.e.*, south of Downtown Nashville), has an estimated investment of \$1 billion and, as of the date hereof, will be a four-tower development being spearheaded by the New York based firm Somera Road that has a development plan consisting of two towers that are centered around two historic buildings, the Voorhees and the Antiques Mall. The first two towers feature a 16 story, 278-unit residential tower and a tower including a hotel, residences and retail space. The third tower will include apartments, and the fourth tower will include office space as well as a parking garage and retail.

Nashville Business Investment and Job Creation

The Metropolitan Government is one of the country's most attractive growth centers. According to local non-profit business federations and organizations, Nashville has ranked within the top ten large metros for job growth and population growth for the past ten years and is home to more than 52,000 businesses. The Nashville MSA economy has historically been healthier than the national and State economies, with lower unemployment than the State as a whole. Over the past several years, many sizable corporate headquarters, shared service operations, and manufacturing operations have relocated and/or expanded in the Nashville MSA or announced their intention to do so, including but not limited to, the Oracle Corporation, Amazon, AllianceBernstein L.P., Asurion, Bridgestone Americas, Inc., Genesco, HCA Healthcare Inc., and iHeartMedia. This diverse mix of national and global brands creates an environment rich for continued growth, international trade and investment.

Since July 1, 2024, the Nashville Area Chamber of Commerce announced 2 business relocations or expansions into Davidson County, collectively bringing 177 new jobs into the Metropolitan Government. Continued expansion has occurred in recent years in corporate and regional headquarters, the technology industry, manufacturing, health care management and many areas where the local economy has established strength and growth potential.

Oracle Corporation (Oracle TIF): Oracle Corporation (“Oracle”) is a multi-national computer technology corporation best known for its software products, cloud-engineering services and systems and database management systems. In 2024, Oracle announced that it was moving its headquarters from Austin, Texas to Nashville, making Nashville its future world headquarters. In 2021, the IDB and the Metropolitan Council each duly approved the development plan and an economic incentive deal for Oracle intended for the construction of its new 65+ acre campus located within the River North area of the East Bank.

As part of this TIF development plan and economic incentive deal: (i) Oracle agreed to upfront fund a maximum \$175 million investment into the public infrastructure located in and around the Oracle campus, which includes the new construction of a pedestrian bridge positioned over the Cumberland River, and the development of a riverfront park and greenway, streets, and other related public infrastructure components; and (ii) the Metropolitan Government agreed, for a period of 25 years, to divert fifty percent (50%) of Oracle's ad valorem property tax increment revenue generated from this development area to reimburse Oracle for the eligible costs expended towards these public infrastructure improvements funded from the maximum \$175 million upfront investment.

The Oracle campus will consist of nearly 1.2 million square feet of office space and also include parking facilities, potential retail space, and other improvements. As of the date of this Official Statement, the development of the Oracle campus contemplates a private investment of approximately \$1.2 billion and is anticipated to create around 8,500 new permanent jobs (of which 700 have currently been filled) by the end of 2031 that pay an average annual wage of \$110,000. This development is also anticipated to create around 11,500 ancillary jobs and around 10,000 temporary jobs during the construction period. As of the date of this Official Statement, an economic impact analysis estimated that the Oracle campus and associated development, when completed, will generate an additional \$18 million annually in ad valorem real property tax revenue for the Metropolitan Government.

Amazon: In 2018, the American multinational e-commerce and technology company, Amazon.com, Inc. (“Amazon”), announced its plans to invest \$230 million in Nashville to build its newest operations center to be located at Nashville Yards in Downtown Nashville. This mixed-use development included plans for a new operations center combined with a massive complex of hotels, shops, restaurants, apartments, offices and a 1.3-acre park. The new Amazon operations site includes management and tech-focused jobs, including software developers, customer fulfillment, transportation, supply chain, and various other employment opportunities.

The \$230 million investment created approximately 7,200 new permanent jobs at the Amazon operations center. These innovative and highly compensated employment opportunities are expected to continue to boost the Nashville economy, provide workers with attractive and equitable opportunities, and distinguish Nashville from other major cities by making it a premiere location for business investment and career opportunities. Since 2010, Amazon has invested nearly \$13 billion in Tennessee and \$530 billion in the United States subsequently creating more than 25,000 jobs in Tennessee in its operations, logistics, corporate and technology functions.

Amazon Air: In 2021, the first Amazon Air cargo aircraft (“Amazon Air”) was introduced at the Nashville International Airport. Amazon Air will use over 39,000 square feet of space at the airport. Amazon Air’s Nashville gateway at the airport will include an onsite area to sort packages bound for its next destination and will be managed by an Amazon logistics partner, LGSTX Cargo Services. The Amazon Air’s Nashville gateway is anticipated to create and support more than 70 jobs. Amazon Air owns and leases an aircraft fleet and works with third-party carriers to provide dedicated air cargo services for Amazon packages. See “THE METROPOLITAN GOVERNMENT ECONOMY – Transportation” below.

AllianceBernstein L.P.: In 2018, the global asset management firm, AllianceBernstein L.P. (“AllianceBernstein”), announced its plans to invest \$70 million and create 1,050 in Nashville as it relocates its corporate headquarters from New York to Downtown Nashville. Just two years later in 2020, AllianceBernstein announced plans to invest another \$10 million and add another 200 jobs to its downtown operations. These two investments represent a combined \$80 million and 1,250 jobs. AllianceBernstein serves as the corporate tenant anchor for Fifth + Broadway in Downtown Nashville. Fifth + Broadway is a \$450 million public-private partnership redevelopment of the former Nashville Convention Center. Fifth + Broadway features more than 380 residential units, a 26-story, 385,000-square-foot office tower, Assembly Food Hall, a renovated conference center, and the National Museum of African American Music.

Ascension Saint Thomas Health (“Ascension”): Ascension is headquartered in St. Louis, Missouri, and operates physician practices and the Ascension Saint Thomas Hospital Midtown located in Nashville through providing 24/7 comprehensive healthcare services, including emergency care for life-threatening injuries and illnesses. According to the *Nashville Business Journal* Book of Lists published in 2023-2024, this company was ranked amongst the top 25 largest employers in Nashville with an estimated local employment of 8,900 individuals. See “Healthcare” below.

Asurion: In 2021, Asurion opened a new, state-of-the-art facility in Nashville where it is currently headquartered. Asurion operates as a company that offers technical assistance and support for various tech devices and appliances. According to the *Nashville Business Journal* Book of Lists published in 2023-2024, this company was ranked amongst: (i) the top 25 largest employers in Nashville with an estimated local employment of 3,400 individuals; and (ii) the top 25 largest private companies with an estimated revenue of \$8.4 billion in 2022. In the fall of 2024, Asurion announced a 3% reduction in its global workforce, including its Nashville operations. This reduction followed a 2022 reduction in Asurion’s Nashville workforce.

August BioServices, LLC: Is a contract development and manufacturing organization (CDMO) in support of the global pharmaceutical industry, announced plans to invest \$130 million and create 270 jobs. This two-phased growth plan will construct a new, state-of-the-art, drug development and manufacturing facility that will feature multiple high-speed production lines capable of delivering commercial scale throughput across a wide array of sterile injectables containers, including vials, IV bags and prefilled syringes.

Bridgestone Americas, Inc. (“Bridgestone”): Bridgestone is currently headquartered in Tokyo, Japan and operates as a company that manufactures tires, produces air springs, roofing materials, industrial fibers and textiles. According to the *Nashville Business Journal* Book of Lists published in 2023-2024, this company was ranked amongst: (i) the top 25 largest employers in Nashville with an estimated local employment of 3,037 individuals; and (ii) the top 25 largest manufacturers.

Capgemini: Is the global information technology consulting firm, announced it will invest \$20.1 million to establish operations in Nashville. Headquartered in France and located in 50 countries, Capgemini will create a minimum of 500 new jobs, with projected growth of up to 1,000 jobs, as the company launches its first Tennessee delivery center at Broadwest in Nashville.

Genesco: Genesco is a footwear focused specialty retailer and branded company with more than 1,400 stores in the United States, Canada, the United Kingdom, and Republic of Ireland. Genesco is a leading Nashville-based specialty retailer and branded company with nearly 100 years of success selling footwear and accessories. In 2022, Genesco unveiled its new 7-floor 182,000 square foot headquarters in Nashville which currently houses an estimated 850 employees.

Firestone Building Products (“Firestone”): Headquartered in Nashville with operations worldwide, Firestone was recently acquired by Holcim Participations (US) Inc., a global leader in sustainable building solutions. This Firestone project will create 28 new permanent jobs and yield an estimated \$13 million investment into Nashville.

Harrow, Inc. (Nasdaq: HROW): announced the expansion of their corporate headquarters in Nashville. Harrow, one of the leading U.S. eyecare pharmaceutical companies, will invest nearly \$3 million and create 147 new jobs as part of the project, increasing its current headcount in Tennessee by nearly 70%.

Holley: officials announced that the company will be locating an office in Nashville. Founded in 1903, Holley is a leading designer, marketer, and manufacturer of high-performance automotive aftermarket products, featuring the largest portfolio of iconic brands serving car and truck enthusiasts. Holley is a publicly traded company and currently headquartered in Bowling Green, KY. Holley will be creating 30 jobs and investing \$1.25 million in Nashville.

HCA (Hospital Corporation of America) Healthcare Inc.: Is headquartered in Nashville and is a company that operates various hospitals, surgery centers, freestanding clinics, emergency rooms, urgent care centers and physician clinics. According to the *Nashville Business Journal* Book of Lists published in 2023-2024, this company was ranked amongst: (i) the top 25 largest employers in Nashville with an estimated local employment of 27,694 individuals; and (ii) the largest public healthcare companies with an estimated revenue of \$60.23 billion in 2022. See “Healthcare” below.

iHeartMedia: In 2019, iHeartMedia, the leading audio company in the United States selected Nashville as the location for iHeartRadio’s second digital headquarters, further expanding its current New York-based digital team; creating new jobs; and building on iHeartRadio’s continued growth and innovation as the leading audio platform for consumers across the country.

Nashville Record Pressing: Will establish operations in Nashville, which includes relocating its headquarters, and establishing certain manufacturing, distribution, and back-office functions. Nashville Record Pressing is estimated to invest \$13.3 million into this expansion which is estimated to create 255 new permanent jobs in Nashville.

Smart: The London-based retirement fintech company has chosen Nashville for its United States headquarters. The Smart relocation project is anticipated to create nearly 130 new jobs and yield a \$2.2 million investment into Nashville.

The Kroger Co.: In 2022, America's largest grocery retailer, opened its first spoke delivery hub in the region in Nashville. The approximately 40,000-square-foot facility serves as a last-mile cross-dock location that efficiently extends the fulfillment network reach to customers up to 200 miles away from a state-of-the-art, robotically automated Atlanta fulfillment center, and employs more than 180 individuals.

United Record Pressing: Is the oldest and largest vinyl record pressing plant in North America, announced the company will expand manufacturing operations at its headquarters to create 209 additional jobs.

Agriculture

Nashville is surrounded by agricultural-based economies. The area encompassing middle Tennessee produces livestock, dairy products, soybeans, small grain, feed lot cattle, strawberries, hay and tobacco. Nashville's agricultural identity in the state is further established by the fact that it is the home of the Ellington Agricultural Center, which is the headquarters for the Tennessee Department of Agriculture, the Tennessee Agricultural Museum, and the Tennessee Wildlife Resources Agency. The Ellington Agricultural Center is located 10 miles south of Downtown Nashville and is the heart of the state's agricultural interests.

Manufacturing

As of May 2024, approximately 87,600 persons were employed in the manufacturing industries in the Nashville MSA, engaging in a wide range of activities and producing a variety of products, including food, tobacco, textiles and furnishings, lumber and paper, printing and publishing, chemical and plastics, leather, concrete, glass, stone, primary metals, machinery and electronics, motor vehicle equipment, measuring and controlling devices, and consumer products. Nashville MSA's largest manufacturing employers include Nissan North America, Bridgestone Americas, Electrolux Home Products, A.O. Smith Water Products and Vought Aircraft Industries.

The table on the following page is from the Nashville *Business Journal*: Book of Lists 2023-2024 illustrates the: top 25 largest manufacturing companies operating within the Nashville MSA (each being ranked by the estimated number of local full-time employees):

**NASHVILLE BUSINESS JOURNAL
NASHVILLE METROPOLITAN STATISTICAL AREA
TOP 25 MANUFACTURING COMPANIES**

	Employer Names	Local Employees⁽¹⁾	Type of Products
1	Nissan Americas	11,000	Automotive styling; engineering; financing; sales/marketing; distribution/manufacturing
2	Bridgestone Americas Inc.	3,037	Manufactures tires; produces air springs, roofing materials and textiles
3	A. O. Smith Corp. ⁽²⁾	2,215	Residential and commercial water heating equipment and boilers
4	Electrolux Home Products North America	2,184 ⁽³⁾	Manufactures electric and gas ranges
5	Trane Technologies	2,017 ⁽³⁾	Manufactures commercial HVAC systems
6	Schneider Electric	1,998 ⁽³⁾	Energy management and automation
7	Tyson Foods Inc.	1,961	Produces case-ready beef, pork, ground beef
8	Hankook Tire America Corp.	1,117	Manufactures tires
9	Mars Petcare US	1,103	Pet food manufacturing
10	ABC Technologies	1,000 ⁽³⁾	Manufactures automotive systems and components
10	General Mills Inc.	1,000 ⁽³⁾	Food manufacturer
10	SmileDirectClub Inc.	1,000	Provides clear aligner therapy for teeth straightening
13	LG Electronics USA	980	Manufactures washing machines
14	Vi-Jon	728 ⁽³⁾	Manufactures health and beauty care products
15	Tennsco	604	Manufactures steel storage products
16	Josten's Printing & Publishing Division	580 ⁽³⁾	Manufactures school yearbooks and other commercial printing
17	Adient	545	Manufactures automobile seating
18	Nashville Wire Products Manufacturing Co.	535	Manufactures wire and steel products
19	North American Stamping Group	505	Automotive metal stampings and assemblies
20	Bridgestone Metalpha	466 ⁽³⁾	Manufactures radial tire steel cord
21	UniPres USA Inc.	461 ⁽³⁾	Manufactures automotive parts
22	Mahle Filter Systems North America	457 ⁽³⁾	Manufactures automotive parts and accessories
23	Hendrickson Trailer Commercial Vehicle Systems	450 ⁽³⁾	Manufactures suspension systems and components for heavy duty trucks and trailers
24	Autokiniton ⁽⁴⁾	350 ⁽³⁾	Manufactures welded assemblies and metal stampings
25	ABB Installation Products	342 ⁽⁵⁾	Manufactures electrical boxes and fittings

⁽¹⁾ As of March 1, 2023.

⁽²⁾ A. O. Smith Corp. and subsidiary, Lochinvar. Lochinvar address: 300 Maddox Simpson Pkwy., Lebanon, TN 37090; URL: lochinvar.com.

⁽³⁾ These companies did not respond to surveys or declined to provide information necessary for this list. Employee counts are taken from the company's respective city or county organization (Clarksville-Montgomery County Economic Development Council, Forward Sumner Economic Partnership, Robertson County Economic Development, Rutherford Works and Williamson Inc.), the company's respective community profile with the Middle Tennessee Industrial Development Association or annual reports filed with Tennessee Comptroller. Other information beyond employee counts is taken from information they previously supplied to Nashville Business Journal or directly from the company's website.

⁽⁴⁾ Formerly L&W Engineering Plant 5.

⁽⁵⁾ These companies did not respond to surveys or declined to provide information necessary for this list. All information listed is taken from information they previously provided to Nashville Business Journal, directly from the company's website or news releases.

Source: *Nashville Business Journal: Book of Lists 2024-2025.*

Financial Institutions

There are more than 25 financial institutions operating within the Metropolitan Government and the Nashville MSA with a total amount of deposits around \$93.6 billion. The following table illustrates the 25 financial institutions, including their respective (i) total market share in Nashville and (ii) total amount of deposits:

NASHVILLE BUSINESS JOURNAL NASHVILLE METROPOLITAN STATISTICAL AREA FINANCIAL INSTITUTIONS

Names of Financial Institutions	Corporate Headquarters	Total Market Share in Nashville	Total Amount of Deposits in Nashville MSA
Pinnacle Bank	Nashville, Tennessee	20.83%	\$ 19.49 billion
Bank of America	Charlotte, North Carolina	14.48	13.55 billion
Regions Bank	Birmingham, Alabama	10.72	10.03 billion
Truist Bank	Charlotte, North Carolina	8.76	8.2 billion
First Horizon Bank ⁽¹⁾	Memphis, Tennessee	6.18	5.79 billion
FirstBank	Nashville, Tennessee	5.19	4.86 billion
Wilson Bank & Trust	Lebanon, Tennessee	3.99	3.73 billion
U.S. Bank	Cincinnati, Ohio	3.66	3.43 billion
Fifth Third Bank	Cincinnati, Ohio	3.24	3.03 billion
CapStar Bank ⁽²⁾	Nashville, Tennessee	1.72	1.61 billion
Wells Fargo Bank	Sioux Falls, South Dakota	1.6	1.49 billion
United Community Bank	Greenville, South Carolina	1.36	1.27 billion
First Farmers & Merchants Bank	Columbia, Tennessee	1.24	1.16 billion
Simmons Bank	Pine Bluff, Arkansas	1.14	1.06 billion
Volunteer State Bank ⁽³⁾	Portland, Tennessee	0.94	877.54 million
JPMorgan Chase Bank	Columbus, Ohio	0.93	873.75 million
Studio Bank	Nashville, Tennessee	0.9	842.49 million
City National Bank	Los Angeles, California	0.85	797.25 million
Truxton Trust Co.	Nashville, Tennessee	0.84	786.55 million
The Farmers Bank	Portland, Tennessee	0.81	754.73 million
Renasant Bank	Tupelo, Mississippi	0.71	667.98 million
InsBank	Nashville, Tennessee	0.7	656.55 million
ServisFirst Bank	Birmingham, Alabama	0.7	651.58 million
Macon Bank and Trust Co.	Lafayette, Tennessee	0.55	519.36 million
Citizens Bank of Lafayette	Lafayette, Tennessee	0.53	500.41 million

⁽¹⁾ In May 2023, First Horizon and Toronto-based TD Bank Group terminated a planned merger, announced in March 2022.

⁽²⁾ In October 2023, Evansville, Ind.-based Old National Bancorp announced its acquisition of Capstar Financial Holdings Inc. The deal is expected to close in the second quarter of 2024.

⁽³⁾ In August 2023, Gaylon Lawrence Jr. announced his intention to merge Fourth Capital Bank into Volunteer State Bank. Lawrence owns both banks. The deal is subject to regulatory approval.

Source: *Nashville Business Journal: Book of Lists 2024-2025*.

Transportation

Nashville serves as a conduit or trans-shipment point for much of the traffic between the northeast and southeast United States. Three interstate highways extending in six directions intersect in Nashville in addition to nine Federal highways and four State highways. Barge service on the Cumberland River, together with good rail and air services, gives Nashville an excellent four-way transportation network.

The Cumberland River, connecting Nashville and the surrounding area to the Gulf of Mexico and intermediate points on the Ohio and Mississippi Rivers, is used by 51 commercial operators, 18 of which serve Nashville. With the completion of the Tennessee-Tombigbee Waterway in 1985, Cumberland River freight is able to reach the Port of Mobile, thereby eliminating approximately 600 miles of the distance from Nashville to the open sea and contributing to the development of foreign trade in Nashville. In addition, the Federal Government in 1982 approved Nashville as a Foreign Trade Zone, a secured area supervised by the United States Customs Service, which provides for the storing of foreign merchandise without duty payments.

The CSX System, a major national railroad, serves Nashville. In addition, five major rail lines link Nashville to all major markets in the nation. Rail carriers interchange freight and cooperate in providing and extending transit privileges covering both dry and cold storage and the processing or conversion of materials.

A commuter rail service from Lebanon, Tennessee to Nashville, approximately 32 miles, known as the Music City Star, commenced transportation services in the September of 2006. It is operated under the direction of the Regional Transportation Authority, a multi-county agency. The ticket price includes bus service from The Metropolitan Transit Authority on circulator routes in the downtown area.

The Metropolitan Transit Authority

In 1973, the Metropolitan Government acquired the net assets of the Nashville Transit Company, and The Metropolitan Transit Authority (the "MTA") was established. The MTA provides a comprehensive public transportation system covering the entire metropolitan area. In addition to regularly scheduled bus routes, the MTA provides special transportation services for the handicapped and operates bus service in the downtown area for shoppers, tourists and downtown workers. The revenues derived from the transit system are not sufficient to pay the expenses incurred in the operation of the system. During the Fiscal Year ended June 30, 2024, the Metropolitan Government and the State of Tennessee contributed approximately \$74.691 million and \$5.340 million, respectively, to pay approximately 66.5% of the MTA's operating expenses. The State of Tennessee directs revenues from a two cent per gallon gasoline tax, which it imposes on local governments that may be applied to mass transit. The contribution of the Metropolitan Government was paid from its general revenues.

The MTA received an additional \$3 million in its Fiscal Year 2025 operating budget. A portion of this budget increase will cover operating costs for the new Dr. Ernest Rip Patton, Jr. North Nashville Transit Center, which is opening later this year located at 6th Avenue and Clarksville Highway. This transit center is part of a larger effort to enhance public transit accessibility citywide. This transit center will feature an air-conditioned waiting room, restrooms, and multiple bus bays, enabling seamless connections between routes spanning throughout the Metropolitan Government. During Fiscal Year 2024, the MTA implemented several service enhancements as part of its "Better Bus" initiative. These improvements included increased route frequency, extended routes, introduction of new bus routes, and the addition of new WeGo Link Zones. The Fiscal Year 2025 budget includes funding to sustain these enhanced services.

Transit Program (Choose How Your Move)

In November 2024, Metropolitan Government voters approved, by referendum, the imposition of a 0.5% surcharge on retail sales to fund the construction and operation of a transit program for the Metropolitan Government (the “Transit Program”). The Transit Program envisions utilizing this new funding source, in combination with federal formula funds, federal competitive grants, state funding, transit fares, and other agency revenue, to fund a multi-modal transit system, including 24/7/365 bus transit service for the first time in Nashville’s history with better frequency and more crosstown and local routes, 86 miles of related connecting sidewalks, smart traffic signals, and improvements to roads and streets.

Choice Lanes

The Tennessee Department of Transportation (“TDOT”) is considering implementing new, additional lanes that use pricing to proactively manage demand and provide travel-time reliability through the three Tennessee Regions (*i.e.*, West, Middle and East) (the “Choice Lanes”). Choice Lanes will be new lanes that will allow motorists to maintain consistent travel speeds, at around 45 mph, when the adjacent existing lanes are congested or even at a standstill during peak periods, including during rush hours. The contemplated benefits of the Choice Lanes are that it will: (i) provide more balance to quality of life due to less time spent in traffic; (ii) offer enhanced transit options as transit buses can use the Choice Lanes to also benefit from the reliable travel speed and travel time; (iii) impact regional economic prosperity positively; (iv) improve air quality due to less idling as a result of reduced traffic congestion; and (v) generate revenue from the customers that can be used to offset the costs of constructing the Choice Lanes. For additional information regarding this initiative of the TDOT and how the Metropolitan Government may be impacted, visit https://www.tn.gov/content/dam/tn/tdot/region-3-documents/interstate-24-choice-lanes-/Choice%20Lanes%20FAQs_15.pdf.

The Metropolitan Nashville Airport Authority

The Metropolitan Nashville Airport Authority (the “Airport Authority”) is a metropolitan airport authority created, pursuant to The Metropolitan Airport Authority Act, Tennessee Code Annotated §§ 42-4-101 *et seq.*, as amended (the “Airport Act”), as a public and governmental body acting as an agency and instrumentality of the Metropolitan Government. The principal purpose of the Airport Authority is the management and operation of the Nashville International Airport (the “BNA”), John C. Tune Airport, a 372-acre general aviation reliever airport located in west Nashville (the “Reliever Airport”), and other airports and auxiliary fields, either acquired or placed under its control.

The Board of Directors for the Airport Authority, who serve without compensation, consists of seven directors, who are appointed by the Metropolitan Mayor and are confirmed by the Metropolitan Council. The board terms are staggered to provide for continuity of the development, operation and management of the airports and their associated systems and facilities. The Board of Directors for the Airport Authority appoints, through execution of contract, its administrative staff, including but not limited to, the President and Chief Executive Officer, who is the chief executive officer responsible for day-to-day operations and planning for all Airport Authority entities, airports and auxiliary fields.

The Airport Authority is empowered under the Airport Act to construct, improve and operate airports and to establish and charge fees, rentals, rates and other charges. The Airport Authority is self-supporting, exclusively using revenues collected from: (i) aircraft landing fees; (ii) fees from terminal and other rentals; (iii) parking; (iv) concessions; and (v) various additional sources to fund its various capital and operating expenses. Pursuant to the Airport Act, the Airport Authority is also authorized to issue revenues bonds for the purposes authorized therein, whereby its capital improvement program is funded by such revenue bonds, federal and state grants, passenger facility charges, and other discretionary funds

of the Airport Authority. S&P Global Ratings raised its long-term rating and underlying rating to “AA-” from “A+” on the Airport Authority’s senior-lien airport revenue bonds, with a stable financial outlook on February 7, 2023.

Nashville International Airport: BNA is the primary commercial air service facility serving the Nashville MSA and the surrounding region and is situated approximately six miles from Downtown Nashville. BNA is classified by the Federal Aviation Administration as a large-hub airport based upon its share of nationwide enplaned passengers. Prior to the COVID-19 pandemic, BNA was classified as a medium-hub airport. As a result of BNA’s rapid pace of passenger recovery as compared to other major airports around the United States, BNA was first classified as a large-hub airport in calendar year 2020 and presently maintains this classification. The Airport Authority celebrated 85 years at BNA as the gateway to Nashville in June 2022.

The existing airfield consists of four runways, three of which are in a parallel northeast-southwest alignment (“Runways 2R-20L, 2C-20C, and 2L-20R”) and one crosswind carrier runway oriented in a northwest/southeast direction (“Runway 13-31”). Runway 2R-20L is 8,001 feet in length, Runway 2C-20C is 8,001 feet in length, Runway 2L-20R is 7,704 feet in length, and Runway 13 31 is BNA’s longest at 11,030 feet in length. All four runways are 150 feet wide and are equipped with high intensity runway lighting systems. Parallel Runways 2L-20R and 2R-20L are equipped with centerline lighting, and touchdown zone lights are installed on Runway ends 2L-20R and 2R-20L. Precision instrument landing systems were installed on all ends of each runway for approaches during instrument flight rules conditions with the exception of Runway ends 20C and 13. The existing runways have adequate capacity to meet forecast operations throughout the foreseeable future.

BNA continues to experience record-breaking growth with 23.7 million total travelers at the end of Fiscal Year 2024. Also, BNA completed another record-breaking year in Fiscal Year 2024 with 11.8 million enplanements, an 8.3% increase from the 10.9 million enplanements recorded in Fiscal Year 2023. Currently, BNA averages 660 daily airline arrivals and departures to 98 nonstop destinations to 37 states, District of Columbia, Puerto Rico, and four countries. Various international flights continue to be added to BNA including services connecting to Vancouver and Delaware for easy access to Canada and Philadelphia, which were added in 2023. WestJet announced a new international route starting Fall 2024, beginning direct service from BNA to Winnipeg and marking BNA’s 6th Canadian city with nonstop service.

Capital Improvement Program– In June 2022 the Airport Authority announced a new capital initiative, New Horizon, which includes additional expansion projects to accommodate future demand beyond what was contemplated when the BNA Vision program was developed. The New Horizon design phase began in August 2022. Construction of Concourse D began in late 2023, and all projects are targeted for completion by late 2028. The projects include additional gates, moving walkways, additional concession, upgrades to baggage handling, and ramp expansion. During Fiscal Year 2024, the Airport Authority completed the BNA Vision capital program, which was an extensive multi-phased capital improvement program totaling \$1.5 billion. The projects included the expansion of the parking facilities, concourse and lobby areas, adding new gates, developing a state-of-the-art international arrivals facility, an on-site hotel, and increasing federal security lanes, a free-standing satellite concourse, runway expansion and more.

Additionally, “**New Horizon**” is the newest construction phase under the BNA Vision and will include expansion of Concourse A and Concourse D, including the addition of additional gates, moving walkways, and new concessions; a new air freight building to better support airline cargo requirements; terminal roadway improvements to ease traffic flow into and out of BNA’s terminal and parking garages; and upgrades to the baggage handling system which will ultimately deliver passenger luggage to and from aircraft faster. The **New Horizon** design phase began in August 2022, is expected to cost an additional \$1.5 billion, and all projects are expected to be complete in late 2028.

BNA's newly renovated 200,000-square-foot Grand Lobby opened in January 2023, reuniting the north and south terminals. The Grand Lobby includes 24 Transportation Security Administration security lanes, immersive art displays, and a pedestrian bridge which connects the terminal to a plaza, the terminal parking garage, and the new on-site Hilton Hotel which opened in February 2024. BNA opened its newest parking garage, "Garage B", in April 2023. The new Garage B has added 1,800 additional covered parking spaces and is connected to the new on-site Hilton Hotel. BNA was proud to erect a 40-foot-tall monument sign which illuminates at night and welcomes passengers from its Interstate 40 exit.

BNA's continued expansions inside its Concourses with reimagined concessions opening 49 new food, beverage, and retail spaces. Nashville's legendary Bluebird Café performed its first concert series away from its historical venue live at BNA. For additional details regarding BNA's overall development plan with the BNA Vision and its current status, please visit www.bnavisionnashville.com.

John C. Tune Airport: The Airport Authority also owns and operates the Reliever Airport, a 372-acre facility which is a general aviation airport and serves the needs of corporate and private aircraft users. The Reliever Airport is located on the west side of Nashville approximately five miles from downtown. The Reliever Airport is designated as a reliever airport to BNA pursuant to the Federal Aviation Administration's National Plan of Integrated Airport Systems.

Reliever airports are specially designated general aviation airports intended to reduce congestion at larger commercial service airports primarily by providing an option for accommodating general aviation traffic. The Reliever Airport, which opened in 1986, has a single runway of 6,000 feet long, 360,000 square feet of aircraft ramp space, 3,000 square feet of office space, a terminal building, and other hangar space for corporate and general aviation aircraft. On March 3, 2020, the Reliever Airport sustained significant damage from one of several tornadoes that devastated areas throughout Nashville and the surrounding communities.

In June 2022, the Reliever Airport completed the redevelopment of approximately 21 acres of terminal apron area previously destroyed by the tornado, in addition to, the construction of a new maintenance facility, 100 new aircraft hangars, shade hangars, and aircraft tie-downs; apron expansion; and entrance road improvements.

Healthcare

When it comes to healthcare, Nashville is among the top cities in the United States. In 1968, HCA Healthcare, Inc. was established. As of May 2020, the Nashville, Tennessee-based company owned and operated 186 hospitals as well as around 2,000 healthcare locations, including urgent care facilities, surgery centers, freestanding emergency rooms, and physician clinics spread across 21 states within the United States and the United Kingdom. Middle Tennessee's Ascension Saint Thomas Health is a faith-based, nonprofit health system with 125 years of history, and its main office is located in Nashville. With more than 250 places of care covering a 45-county area in Tennessee, including 16 hospitals and a network of connected joint ventures, medical practices, clinics, and specialty institutions, the health system currently provides a comprehensive system of care.

The Vanderbilt University Medical Center ("VUMC") is a Middle Tennessee-based healthcare organization that operates many hospitals in Nashville, in addition to clinics and other services. Despite being a separate non-profit, VUMC is associated academically with Vanderbilt University. The health system employed 40,000 people, saw more than 3 million patient visits annually, and had 1,741 licensed hospital beds as of 2023.

According to the Tennessee Department of Health’s 2022 Joint Annual Report of Hospitals, the total gross patient revenue for all healthcare institutions operating within the Metropolitan Government and the Nashville MSA was \$41.34 billion. The following table illustrates the healthcare institutions operating within the Metropolitan Government and the Nashville MSA, ranked by gross patient revenue.

**NASHVILLE BUSINESS JOURNAL
NASHVILLE METROPOLITAN STATISTICAL AREA
HEALTHCARE INSTITUTIONS**

Names of Healthcare Institutions	Gross Patient Revenue	Total Employees
Vanderbilt University Medical Center and Monroe Carell Jr. Children’s Hospital at Vanderbilt	\$ 12.82 billion	15,360
TriStar Centennial Medical Center	6.89 billion	2,850
TriStar Skyline Medical Center	2.86 billion	903
Ascension Saint Thomas West Hospital	2.7 billion	1,250
Ascension Saint Thomas Midtown Hospital	2.29 billion	1,330
TriStar Summit Medical Center	2.19 billion	889
Ascension Saint Thomas Rutherford Hospital	1.93 billion	1,269
Tennova Healthcare – Clarksville	1.58 billion	975
TriStar Hendersonville Medical Center	1.48 billion	565
TriStar StoneCrest Medical Center	1.1 billion	544
TriStar Southerm Hills Medical Center	1.03 billion	518
TriStar Horizon Medical Center	1.02 billion	529
Sumner Regional Medical Center	947.64 million	506
Williamson Health	826.21 million	1,420
Vanderbilt Wilson County Hospital	702.34 million	644
TriStar Northcrest Medical Center	329.8 million	312
Select Specialty Hospital – Nashville	276.68 million	213
Nashville General Hospital	263.98 million	663
TriStar Ashland City Medical Center	91.31 million	40

⁽¹⁾ Employee totals are estimated.

Source: *Nashville Business Journal: Book of Lists 2024-2025.*

Higher Education

Nashville was dubbed The Athens of the South in 1891 following the founding several of higher education schools and their respective educational opportunities. Between 1864 and 1912, nine higher education schools opened in Nashville anchored by Vanderbilt University and Fisk University. Today the higher education network within the Nashville MSA has 20 colleges and universities with more than 120,000 students currently enrolled, wherein about 25,000 graduate each year. Some of the colleges and universities include Vanderbilt University, Belmont University, Tennessee State University, David Lipscomb University, Meharry Medical College, Nashville State Community College, American Baptist College, and Fisk University. Several of these Nashville educational institutions of higher education offer various graduate programs.

Nashville is also a leading center for medical research and education with Vanderbilt University emphasizing medical research in addition to its programs in other disciplines and with Meharry Medical College specializing in health care delivery.

The following table illustrates a full listing of the 20 colleges and universities existing within the Nashville MSA, including their respective geographical locations and total student enrollment, as of 2022. The following table was created by The Nashville Area Chamber of Commerce and all information is complete and accurate to the best of their knowledge.

NASHVILLE METROPOLITAN STATISTICAL AREA COLLEGES AND UNIVERSITIES⁽¹⁾

Names of Educational Institutions (4-Year and Postgraduate)	Geographical Location	2022 Total Student Enrollment⁽¹⁾
Austin Peay State University	Clarksville, Tennessee	9,326
Belmont University	Nashville, Tennessee	8,910
Bethel University	McKenzie, Tennessee	4,686
Cumberland University	Lebanon, Tennessee	2,588
Fisk University	Nashville, Tennessee	1,055
Lipscomb University	Nashville, Tennessee	4,704
Meharry Medical College	Nashville, Tennessee	962
Middle Tennessee State University	Murfreesboro, Tennessee	20,086
Tennessee State University	Nashville, Tennessee	9,218
Tennessee Technological University	Cookeville, Tennessee	9,902
The University of the South	Sewanee, Tennessee	1,704
Trevecca Nazarene University	Nashville, Tennessee	3,327
Vanderbilt University	Nashville, Tennessee	13,710

Names of Educational Institutions (2-Year and Tech Schools)	Geographical Location	2022 Total Student Enrollment⁽¹⁾
Columbia State Community College	Columbia, Tennessee	4,954
Motlow State Community College	Lynchburg, Tennessee	5,636
Nashville State Community College	Nashville, Tennessee	6,617
Tennessee College of Applied Technology	Nashville, Tennessee	1,016
Tennessee College of Applied Technology	Dickson, Tennessee	982
Tennessee College of Applied Technology	Murfreesboro, Tennessee	337
Volunteer State Community College	Gallatin, Tennessee	6,957

⁽¹⁾ The 2023 Student Enrollment information is anticipated to be released late 2024 or early 2025.

Source: The Nashville Area Chamber of Commerce.

Library System

The Nashville Public Library system includes a 300,000 square foot downtown main library and 20 community branches located across the county. In addition, an extensive online offering of books and resources has extended its reach beyond the traditional branch system. The library facilities host numerous in-house programs and community events throughout the year. In the Fall of 2019, the State of Tennessee completed the construction in Downtown Nashville of a 165,000 square foot library and archives.

Professional Sports

The Metropolitan Government is home to four professional sports franchises, all of which are located in or near Downtown Nashville. The National Football League's Tennessee Titans have played their football games in the existing Tennessee Titans Stadium since 1999, and the Metropolitan Government hosted the National Football League draft in 2019. The National Hockey League's Nashville Predators currently play their hockey games in the Bridgestone Arena, and the Metropolitan Government hosted the National Hockey League's All-Star game in 2017. The Nashville Sounds, the AAA affiliate of the Milwaukee Brewers, play their baseball games in First Horizon Ballpark. The MLS' Nashville Soccer Club plays its soccer games at GEODIS Park. See "CONTINGENT DEBT AND PAYMENT LIABILITIES" above.

Performing Arts

The Tennessee Performing Arts Center is the first state-funded facility of its kind in the nation and is home to the Nashville Ballet, the Nashville Opera Association, and the Tennessee Repertory Theatre. The arts center occupies an entire city block, and its venues include Andrew Jackson Hall (2,472 seats), the James Polk Theater (1,075 seats), the Andrew Johnson Theater (264 seats), and the War Memorial Auditorium (1,661 seats). The Tennessee Performing Arts Center plays host to numerous events each year, including an annual series of Broadway plays. The Nashville Children's Theater is home to the oldest professional theater for children in the county. Thousands of school age children and adults are treated to a variety of productions each year. The Schermerhorn Symphony Center is located in Downtown Nashville and consists of numerous spaces with its main venue being the 1,844-seat Laura Turner Concert Hall, which hosts the Nashville Symphony.

Museums and Visual Arts

The Frist Art Museum occupies the former Nashville's historic downtown former post office building. A public-private partnership between the Metropolitan Government, the Frist Foundation and the Dr. Thomas F. Frist, Jr. family, the Frist Center contains more than 24,000 square feet of gallery space capable of showcasing major national and international visual arts exhibitions.

The Parthenon, located in Nashville's Centennial Park, is a full-scale replica of the original building in Athens, Greece. The reproduction was built to honor Nashville's reputation for education and has attracted visitors since 1897. The recently restored building serves as Nashville's permanent art museum, holding a collection of paintings by 19th and 20th century American artists.

Cheekwood Botanical Garden and Art Museum is a 55-acre site that includes the original Cheek gardens, with pools, fountains, statuary, extensive boxwood plantings and breathtaking views of the rolling Tennessee hills. The Museum of Art is housed in a 30,000-square foot Georgian-style mansion and contains world-class collections of American and contemporary painting and sculpture, English and American decorative arts and traveling exhibitions. Collections also include silver, and the most comprehensive collection of Worcester porcelain in America.

Vanderbilt University's Fine Arts Gallery showcases six exhibitions each year that represent Eastern and Western art and an international collection of works. The Van Vechten Gallery at Fisk University houses more than 100 pieces by artists like Picasso, Renoir, and O'Keeffe. For religious art, there's a wooden 8-foot-by-17-foot carving of "The Last Supper" based on Leonardo da Vinci's masterpiece at The Upper Room Chapel, along with a striking 9,000 pieces of mosaic-stained glass called the World Christian Fellowship Window. The museum at the Upper Room also has outstanding religious works, besides two annual displays of nearly 70 Ukrainian Easter eggs in April and more than 100 Nativity scenes in December.

The Country Music Hall of Fame and Museum is one of the world's largest and most active popular music research centers and the world's largest repository of country music artifacts. In May 2001, the Museum moved to a new 130,000 square foot facility in Downtown Nashville. In 2014, the Museum expanded to 350,000 feet to connect to the new Omni headquarters hotel described below.

The Adventure Science Center features a state-of-the-art Planetarium as well as exhibits and programs which focus on geology, zoology, ecology, physics and other sciences. The Nashville Zoo at Grassmere is a zoological garden and historic plantation farmhouse located six miles from downtown. The Zoo contains over 6,000 individual animals and attracts approximately 950,000 visitors each year. The Tennessee State Museum celebrates its 85th anniversary this year. The museum opened in the Bill Haslam Center in October 2018 with 137,000 square feet of administration and gallery space.

The National Museum of African American Music in 2021. This museum celebrates the history of Black music in America and has the mission to educate the world, preserve the legacy, and educate visitors on the central role African Americans played in creating American music. The National Museum of African American Music is an over 56,000 square feet venue located in Downtown Nashville. It is the only museum dedicated to preserving and celebrating the many music genres created, influenced, and inspired by African Americans. The National Museum of African American Music markets itself as the premier global destination for music lovers of all generations.

Music Concert Venues

The Metropolitan Government hosts large concert events at either the Bridgestone Arena or the existing Tennessee Titans Stadium. Smaller indoor venues include the Nashville Schermerhorn Symphony, a 1,844 seat multi-level venue, the Pinnacle, a 4,500 seat venue located in Nashville Yards, Ryman Auditorium – the 2,362-seat original home of the Grand Ole Opry – and the new Grand Ole Opry, a 4,372-seat theater venue located near Gaylord Opryland Resort & Convention Center that hosts America's longest running live radio show. The Metropolitan Government opened the Ascend Amphitheater in 2015, which maintains capacity of 6,800 and is located downtown, adjacent to the Cumberland River. The 4,500-seat Woods Amphitheatre at Fontanel is located nine miles north of Downtown Nashville.

[End of Appendix C]

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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Proposed Form of Opinion of Bond Counsel

[], 2025

The Metropolitan Government of Nashville
and Davidson County
Nashville, Tennessee
Morgan Stanley & Co. LLC
New York, New York

U.S. Bank Trust Company National Association
New York, New York

**The Metropolitan Government of Nashville and Davidson County
Water and Sewer Revenue Extendable Commercial Paper Notes, 2015 Program**

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by The Metropolitan Government of Nashville and Davidson County (the “Metropolitan Government”) of up to \$300,000,000 in aggregate principal amount of its Water and Sewer Revenue Extendable Commercial Paper Notes, 2015 Program (the “Notes”). In such capacity, we have examined the law and such certified proceedings and other documents as we deemed necessary to render this opinion, including, but not limited to, Resolution No. RS2015-1417, as supplemented and amended and as particularly amended by Resolution No. RS2025-___ (the “Resolution”), authorizing the issuance and sale of the Notes. The terms used herein, but not defined herein, shall have the respective meanings given such terms in the Resolution.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify such facts by independent investigation.

Based on the foregoing, we are of the opinion, as of the date hereof, as follows:

1. The Notes have been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and are valid and binding obligations of the Metropolitan Government.
2. The Resolution authorizing the Notes has been duly and lawfully adopted, is in full force and effect and is the valid and binding agreement of the Metropolitan Government enforceable in accordance with its terms.
3. The Notes constitute limited obligations of the Metropolitan Government, payable from and secured solely by a pledge of the revenues of the Metropolitan Government’s water and sewer system, subject to costs of operating the system and subject to prior pledges of such revenues in favor of (a) the Metropolitan Government’s Water and Sewer Revenue Bonds Federally Taxable, Series 2010B (Build America Bonds – Direct Payment), Water and Sewer Revenue Bonds Federally Taxable, Series 2010C (Recovery Zone Economic Development Bonds), Water and Sewer Revenue Bonds, Series 2017A (Green Bonds), Water and Sewer Revenue Bonds, Series 2017B, Water and Sewer Revenue Bonds, Series 2020A, Water and Sewer Revenue Bonds, Series 2020B and State Revolving Fund Loans Nos. 2020-223, 2020-224 and 2020-446, Water and Sewer Revenue Bonds, Series 2021A (Green Bonds), Federally Taxable Water and Sewer Revenue Refunding Bonds, Series 2021B (Green Bonds), Water and Sewer Revenue Bond, Series

2022 (WIFIA Project) (Federally Taxable), and Water and Sewer Revenue Refunding and Improvement Bonds, Series 2025 (collectively, the “Prior Lien Bonds”) and (b) any other long-term bonds hereafter issued by the Metropolitan Government on parity with the Prior Lien Bonds. The pledge of revenues to the payment of the Notes is on parity with the pledge in favor of the Metropolitan Government’s Water and Sewer Revenue Commercial Paper Notes, Series 2022A.

4. Interest on the Notes is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Notes may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Metropolitan Government comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. Failure to comply with certain of such requirements could cause interest on the Notes to be so includable in gross income for federal income tax purposes retroactively to the date of issuance of the Notes. The Metropolitan Government has covenanted to comply with all such requirements.
5. Under existing law, the Notes and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on the Notes during the period such Notes are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Notes in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

The rights of the owners of the Notes and the enforceability of the Notes and the resolution authorizing the Notes may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors, and by equity principles, whether considered at law or in equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Offering Memorandum relating to the Notes. Further, we express no opinion herein regarding tax consequences arising with respect to the Notes other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

BASS, BERRY & SIMS PLC

APPENDIX E

SUMMARY OF THE EXTENDABLE COMMERCIAL PAPER RESOLUTION

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Definitions

"Act" means Title 9, Chapter 21, Tennessee Code Annotated, as amended from time to time.

"Authorized Officer" means the Director of Finance of the Metropolitan Government and any other persons authorized in writing by the Director of Finance of the Metropolitan Government to act as an Authorized Officer under the Resolution.

"Bond Counsel" means Bass, Berry & Sims PLC or any other firm of attorneys specializing in the field of municipal finance law, selected by the Metropolitan Government.

"Bonds" means water and sewer revenue bonds of the Metropolitan Government authorized by the Initial Resolutions.

"Book-Entry ECP" means ECP issued in book-entry only form through the Depository.

"Business Day" means any day other than (i) a Saturday, (ii) a Sunday, (iii) a State legal holiday, (iv) a day on which banking institutions in Nashville, Tennessee, New York, New York, or the city in which the Office of the Issuing and Paying Agent is located, or the city in which the principal office of the Dealer is located, are authorized or obligated by law or executive order to be closed, (v) a day on which the New York Stock Exchange is not open for trading, or (vi) with respect to the Book-Entry ECP, a day on which the Depository is not scheduled to be open for money market instrument settlement services.

"Code" means the Internal Revenue Code of 1986, including regulations, rulings and judicial decisions promulgated thereunder.

"Costs" shall mean any of the costs of Projects permitted to be financed by the Act.

"Current Initial Resolutions" means Resolution No. RS2009-994, Resolution No. RS2013-620, Resolution No. RS2020-214, Resolution No. RS2021-1147 and Resolution No. RS2022-1694 of the Metropolitan Government.

"Dealer" means Morgan Stanley & Co. LLC, appointed by the Metropolitan Government pursuant to the Resolution to serve as dealer for the ECP Program in accordance with the Dealer Agreement, and any other dealer for the ECP Program or any successor to any of them appointed pursuant to the Resolution.

"Dealer Agreement" means each Dealer Agreement authorized by the Resolution, as the same may be amended or supplemented, and any other dealer agreement which the Metropolitan Government determines to be in replacement thereof as may be entered into by the Metropolitan Government from time to time with respect to the ECP Program.

"Depository" means (i) DTC, (ii) any other Person appointed by the Metropolitan Government to serve as securities depository for the Master Note, and (iii) in each such case, its successors and assigns.

"Director of Law" means the Director of Law of the Metropolitan Government appointed pursuant to the provisions of the Charter of the Metropolitan Government or, in the absence of such appointment or in the event the person so appointed is unable or incapable of acting in such capacity, the person appointed by the Metropolitan Mayor to undertake the duties otherwise performed by the Director of Law, or his designee or the Deputy Director of Law acting as the Director in the event of a vacancy in that position under the authority of Section 8.604 of the Charter of the Metropolitan Government.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"ECP" or "ECP Notes" means water and sewer revenue bond anticipation notes of the Metropolitan Government issued in the form of extendable commercial paper in accordance with the Resolution.

"ECP Fund" means the special purpose trust fund described below to be held by the Issuing and Paying Agent for the benefit of the Holders from time to time of ECP for the deposit of proceeds of ECP and other moneys to be used to pay the principal of and interest on Outstanding ECP, and the payment therefrom of principal of and interest on Outstanding ECP.

"ECP Program" means a program of the Metropolitan Government consisting of the issuance from time to time of ECP.

"Electronic Means" means telecopy, facsimile transmission, e-mail transmission or other similar electronic means of communication providing evidence of transmission, including a telephonic communication confirmed by any other method set forth in this definition.

"EMMA" means the Electronic Municipal Market Access of the Municipal Securities Rulemaking Board.

"Extended Maturity Date" means, for each ECP Note, a Business Day that is the earlier of: 1) 270 days after its Issue Date and 2) the Final Maturity Date.

"Extended Period Interest Payment Date" means: (i) if the applicable Original Maturity Date is before the 15th day of the month, the first Business Day of the next month and the first Business Day of each month thereafter; and (ii) if the applicable Original Maturity Date is on or after the 15th day of the month, the first Business Day of the second succeeding month and the first Business Day of each month thereafter.

"Extension Rate" means, for each ECP Note, the rate of interest per annum established under the Resolution for each weekly period from and after the Original Maturity Date.

"Final Maturity Date" means March 1, 2031.

"Holder" means any Person who is in possession of any ECP issued or endorsed to such Person or to the order of such Person or to bearer or in blank; provided, however, that "Holder", when used with reference to Book-Entry ECP evidenced by a Master Note, and such Master Note, shall mean the registered owner of such Master Note as shown on the books of the Issuing and Paying Agent kept pursuant to the Resolution.

"Initial Resolutions" means, collectively, (i) the Current Initial Resolutions; and (ii) future initial resolutions adopted by the Metropolitan County Council of the Metropolitan Government for the purpose of financing capital improvements to the System; provided that any future initial resolution must first be published as prescribed by the Act.

"Issuance Request" means a request made by the Metropolitan Government, acting through an Authorized Officer, to the Issuing and Paying Agent for the delivery of ECP Notes, as described below.

"Issue Date" means, for each ECP Note, the date on which beneficial ownership is transferred to the original purchaser thereof.

"Issuing and Paying Agency Agreement" means the Issuing and Paying Agency Agreement authorized by the Resolution, as the same may be amended or supplemented, and any other issuing and paying agency agreement which the Metropolitan Government determines to be in replacement thereof as may be entered into by the Metropolitan Government from time to time with respect to the ECP Program.

"Issuing and Paying Agent" means U.S. Bank National Association, appointed by the Metropolitan Government pursuant to the Resolution to serve as Issuing and Paying Agent and registrar in accordance with the Issuing and Paying Agency Agreement, and any successor thereto appointed pursuant to the Resolution.

"Master Note" means a master note issued pursuant to the Resolution.

"Maximum Rate" means, as of any time, the rate equal to the lesser of (a) 9% per annum, calculated on the basis of actual days elapsed and a 365 or 366 day year, or (b) the maximum rate of interest at the time permitted by Section 47-14-103, Tennessee Code Annotated, or other applicable State law.

"Metropolitan Government" means The Metropolitan Government of Nashville and Davidson County.

"Moody's" means Moody's Investors Service, Inc., or any successor, then maintaining a rating on ECP at the request of the Metropolitan Government.

"Office" means, when used with reference to the Issuing and Paying Agent, such address as the Issuing and Paying Agent may designate from time to time by notice in writing to the Metropolitan Government and the Dealer.

"Operation and Maintenance Expenses" shall mean the current expenses, paid or accrued, of operation, maintenance and repair of the System, including administration costs, as calculated in accordance with generally accepted accounting principles. Notwithstanding the foregoing, Operation and Maintenance Expenses shall not include payments in lieu of taxes or any reserve for renewals or replacements or any allowance for depreciation or amortization, and there shall be included in Operation and Maintenance Expenses only that portion of the total administrative, general and other expenses of the Metropolitan Government which are properly allocable to the System.

"Original Maturity Date" means, for each ECP Note, a Business Day not less than 1 day and not greater than: i) the 90th day after the Issue Date, or ii) the 90th day preceding the Final Maturity Date.

"Original Rate" means, for each ECP Note, the rate of interest per annum borne by such ECP Note to the Original Maturity Date.

"Outstanding" means, when used as of any particular time with reference to ECP, all ECP theretofore or thereupon issued pursuant to the Resolution except (i) ECP theretofore canceled by the Issuing and Paying Agent or surrendered to the Issuing and Paying Agent for cancellation; (ii) ECP with respect to which, and only to the extent, all liability of the Metropolitan Government shall have been discharged in accordance with the defeasance provisions described below; and (iii) ECP in lieu of, or in substitution for, which other ECP has been or is then being issued by the Issuing and Paying Agent pursuant to the terms of the Resolution.

"Person" means an individual, corporation, firm, association, partnership, limited liability company, trust, or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Prevailing Rating" means, at the time of determination and with respect to a Rating Agency, the rating assigned to the ECP Notes by the Rating Agency or any comparable future designation by the Rating Agency.

"Prior Lien Bonds" means, collectively, all bonds, notes or other debt obligations issued pursuant to the Water and Sewer Bond Resolutions, and any other bonds, notes or debt obligations issued on parity therewith.

"Program Documents" means, collectively, the Resolution, the Dealer Agreement and the Issuing and Paying Agency Agreement.

"Projects" means those capital improvements to the System described in the Initial Resolutions.

"Rating Agency" means either or both of Moody's and S&P, and/or such other securities rating agencies providing a rating on ECP, at the request of the Metropolitan Government.

"Resolution" means the Resolution, as the same may be amended or supplemented.

"Revenues" means (a) all revenues, income, rents, service fees and receipts properly allocable to the System resulting from ownership and operation of the System, excluding any customer deposits or other deposits

subject to refund, unless such deposits have become property of the Metropolitan Government, (b) the proceeds of any insurance covering business interruption loss relating to the System and (c) interest received or to be received on any moneys or securities held in any of the funds or accounts established by the Prior Lien Bond Resolutions, with the exception of (i) moneys held in any Construction Fund established under the Prior Lien Bond Resolutions, or any account thereof and (ii) moneys held in any Debt Service Reserve Fund established under the Prior Lien Bond Resolutions during any period in which the investment earnings thereon are directed by resolution supplemental thereto to any Construction Fund established under the Prior Lien Bond Resolutions, or any account thereof. The computation of Revenues with respect to any period of time hereunder shall be increased by the amount of transfers during such period from the Rate Stabilization Fund (as defined in the Water and Sewer Bond Resolution) to the Revenue Fund described in the Prior Lien Bond Resolutions pursuant to Section 509(a) of the Water and Sewer Bond Resolution, and decreased by the amount of any transfers during such period from the Revenue Fund to the Rate Stabilization Fund pursuant to Section 506(e) of the Water and Sewer Bond Resolution. "Revenues" shall not include any Tax Credit Payments (as defined in the Prior Lien Bond Resolutions), grant proceeds or, except as set forth in (b) above, insurance proceeds.

"S&P" means S&P Global Ratings, or any successor, then maintaining a rating on ECP at the request of the Metropolitan Government.

"SIFMA" means the Securities Industry and Financial Markets Association (formerly the Bond Market Association) or any successor thereto.

"SIFMA Index" means (i) the seven-day high grade market index of tax-exempt variable rate demand obligations, as produced by Municipal Market Data and published or made available by SIFMA or any Person acting in cooperation with or under the sponsorship of SIFMA or (ii) if such index is not published, such other publicly available rate as the Dealer shall deem most nearly equivalent thereto. Such index may be expressed as a percentage of (more or less than, or equal to, 100%) and/or a fixed spread to another index.

"State" means the State of Tennessee.

"System" means each and every part of the water system and sewer system of the Metropolitan Government that shall be owned and operated by the Metropolitan Government for water supply, transmission, treatment and distribution and for sewage collection, transmission, treatment and disposal or distribution now existing and hereafter acquired by lease, contract, purchase or otherwise or constructed, including any interest or participation of the Metropolitan Government in any facilities in connection with said system, together with all additions, betterments, extensions and improvements to said system or any part thereof hereafter constructed or acquired and together with all lands, easements, licenses and rights of way and all other works, property or structures and contract rights and other tangible and intangible assets now or hereafter owned or used in connection with or related to said system. Notwithstanding the foregoing definition of the term "System", such term shall not include any properties or interests in properties of the Metropolitan Government (a) which the Metropolitan Government determines shall not constitute a part of the System for the purpose of the Water and Sewer Bond Resolution at the time of the acquisition thereof by the Metropolitan Government or (b) as to which there shall be filed with the records of the Metropolitan Government a certificate of a Consultant (as defined in the Water and Sewer Bond Resolution) stating, in its opinion, that the exclusion of such properties or interests in properties from the System will not materially impair the ability of the Metropolitan Government to comply during the current or any future Fiscal Year with the provisions of Sections 711 of the Water and Sewer Bond Resolution.

"Tax Certificate" means a certificate, as amended from time to time, executed and delivered on behalf of the Metropolitan Government by an Authorized Officer on the date upon which ECP Notes are initially issued and delivered, or any functionally equivalent certificate subsequently executed and delivered on behalf of the Metropolitan Government by an Authorized Officer with respect to the requirements of Section 148 (or any successor section) of the Code relating to the ECP Notes.

"Traditional Notes" means the Metropolitan Government's Water and Sewer Revenue Commercial Paper Notes, Series 2022A.

“Water and Sewer Bond Resolution” means Substitute Resolution No. RS2010-1442 of the Metropolitan Government, as supplemented and amended.

“Water and Sewer Bonds” means bonds, notes or other obligations issued pursuant to the Water and Sewer Bond Resolution.

References to Time

All references to time shall, unless otherwise stated, be deemed to be to the prevailing time in New York, New York.

Security and Sources of Payment

The ECP Notes are payable primarily from the proceeds of subsequently issued ECP Notes and the proceeds of the Bonds. Additionally, the ECP Notes shall constitute and be limited obligations of the Metropolitan Government payable from and secured solely by a pledge of the Revenues of the System, subject to the application thereof pursuant to the terms of the Water and Sewer Bond Resolution (including, without limitation, to the payment of Operation and Maintenance Expenses) and subject to the prior pledge of such Revenues in favor of the Prior Lien Bonds. The pledge of Revenues to the payment of the ECP Notes is on parity with the pledge thereof in favor of the Traditional Notes.

ECP Fund

(a) The Resolution creates and establishes with the Issuing and Paying Agent a separate and special purpose trust fund for the benefit of the Holders to be designated as the "Metropolitan Government Water and Sewer Revenue Extendable Commercial Paper Fund" (the "ECP Fund"). The Issuing and Paying Agent shall have the sole right of withdrawal over the moneys in the ECP Fund, except as may otherwise be described below.

(b) Subject to the application of Revenues in the manner described above, the Metropolitan Government may deposit Revenues or proceeds of its Bonds or other indebtedness into the ECP Fund for the purpose of paying the principal of and/or interest on Outstanding ECP.

(c) The Issuing and Paying Agent, as agent for the Holders from time to time of ECP, shall:

(i) Upon the sale of ECP on any day, deposit to the ECP Fund an amount of the proceeds thereof, which, together with any funds otherwise on deposit in the ECP Fund on such day is sufficient to pay the principal of and interest on Outstanding ECP maturing or being redeemed on such day, and use such proceeds and other funds (if applicable) to pay the principal of and interest on such Outstanding ECP;

(ii) Upon the sale of ECP on any day, to the extent the proceeds thereof are in excess of the amount required by subsection (i), transfer the balance of such excess to the Metropolitan Government;

(iii) deposit into the ECP Fund the proceeds of Bonds, notes or other evidences of indebtedness transferred to the Issuing and Paying Agent by or on behalf of the Metropolitan Government, and apply such deposits to the payment of the principal of and interest on Outstanding ECP, or otherwise, as an Authorized Officer shall specify from time to time in written instructions filed with the Issuing and Paying Agent; and

(iv) apply the moneys on deposit in the ECP Fund solely to the payment of the principal of and interest on the ECP, as aforesaid, as the same mature and become due and payable, or otherwise as provided above.

(d) Amounts on deposit in the ECP Fund as proceeds of ECP to be used to pay the principal of and/or interest on other ECP as required by subsection (c)(i) of this Section shall not be invested prior to their application for such purposes. Other amounts on deposit in the ECP Fund may be invested prior to their application for authorized purposes, but only at the direction of an Authorized Officer, and only in securities held in the name of the Metropolitan Government or the Issuing and Paying Agent as trustee for

(e) the Metropolitan Government (in either case, either as registered or beneficial owner), and otherwise shall not earn interest.

The ECP Fund, and all moneys and securities on deposit therein, shall be held by the Issuing and Paying Agent in a fiduciary capacity and shall not be commingled with the assets of the Issuing and Paying Agent or any other person. It is the intent of the Metropolitan Government that the ECP Fund, and all moneys and securities on deposit therein, shall constitute a special deposit and not a general deposit of the Issuing and Paying Agent.

Issuance Requests

(a) The Issuing and Paying Agent shall authenticate and deliver ECP Notes from time to time for the consideration and in the manner hereinafter provided, but only upon receipt by the Issuing and Paying Agent of an Issuance Request, no later than 12:00 Noon on the Business Day on which ECP Notes are to be delivered, directing the Issuing and Paying Agent to authenticate the ECP Notes referred to therein and to deliver the same to or upon the order of the Dealer. Each Issuance Request shall include:

- (i) the aggregate principal amount of ECP Notes then to be issued;
- (ii) the denominations in which they are to be issued;
- (iii) the Original Rate;
- (iv) the Issue Date;
- (v) the Original Maturity Date;
- (vi) the Extended Maturity Date; and
- (vii) any additional designations thereof.

(b) The delivery of any Issuance Request under subsection (a) hereof to the Issuing and Paying Agent by an Authorized Officer in the manner provided therein shall constitute the certification and representation of the Metropolitan Government to the Issuing and Paying Agent that, as of the date thereof:

(i) after the issuance of such ECP Notes and the application of the proceeds thereof, (1) the sum of the aggregate principal amount of ECP Notes Outstanding will not exceed \$300,000,000 and (2) the sum of the aggregate principal amount of ECP Notes Outstanding, together with all other Bonds, notes or other indebtedness issued pursuant to the Initial Resolutions, will not exceed the amount of indebtedness authorized by the Initial Resolutions;

(ii) to the Metropolitan Government's knowledge there has been no change in the facts, estimates, circumstances and representations of the Metropolitan Government set forth or made in the Tax Certificate;

(iii) the Original Maturity Date set forth in the Issuance Request does not extend beyond 90 days prior to the Final Maturity Date;

(iv) the Extended Maturity Date of such Commercial Paper Notes set forth in the Issuance Request does not extend beyond the Final Maturity Date;

(v) the Metropolitan Government has not been notified by Bond Counsel that its opinion with respect to the validity of the ECP Notes and the tax treatment of the interest thereon has been revised or withdrawn or, if any such revision or withdrawal has occurred, the revised opinion or a substitute opinion acceptable to the Dealer has been delivered;

(vi) to the actual knowledge of the Metropolitan Government, the Metropolitan Government in in compliance with the terms of the Resolution; and

(vii) all of the conditions precedent to the issuance of such ECP Notes set forth in this Section of the Resolution have been satisfied.

(c) The Metropolitan Government may deliver an Issuance Request for the issuance of multiple ECP Notes on multiple dates in the future, and shall have the right to rescind such notice with respect to any issue of ECP Notes to be issued until 11:00 a.m. on any date ECP Notes are to be issued.

(d) No later than 2:30 p.m. on each Business Day on which the Metropolitan Government proposes to issue ECP Notes, the Dealer shall report to the Metropolitan Government each transaction made with or arranged by it or shall notify the Metropolitan Government and the Issuing and Paying Agent of the difference, if any, between the amount of maturing ECP Notes and the amount of ECP Notes which the Dealer has arranged to sell or has agreed to purchase.

(e) Upon receipt of such Issuance Request (which may be transmitted by mail, telecopy or other electronic communications method, or by telephone, promptly confirmed in writing by 2:00 p.m.), the Issuing and Paying Agent shall, by 3:00 p.m. on such day, complete each ECP Note as to amount, Issue Date, Original Maturity Date, Extended Maturity Date and Original Rate specified in such Issuance Request, and deliver each such ECP Note to or upon the order of the Dealer upon receipt of payment therefor. If an Issuance Request is received after 12:00 Noon on a given day, the Issuing and Paying Agent shall not be obligated to deliver the requested ECP Notes until the next succeeding Business Day.

(f) Notwithstanding the foregoing, the Issuing and Paying Agent shall not deliver any ECP Notes if:

(i) such delivery would cause the sum of the aggregate principal amount of ECP Notes Outstanding to exceed \$300,000,000;

(ii) the Issuing and Paying Agent shall have received notice from an Authorized Officer directing the Issuing and Paying Agent to cease authenticating and delivering ECP Notes until such time as such direction is withdrawn by similar notice;

(iii) the Issuing and Paying Agent shall have received notice from Bond Counsel that its opinion regarding the exclusion of interest on the ECP Notes from gross income for Federal income tax purposes of the holders thereof is being withdrawn;

(iv) the Original Maturity Date of such ECP Notes would extend beyond the 90th day preceding the Final Maturity Date; or

(v) the Extended Maturity Date of such ECP Notes would extend beyond the Final Maturity Date.

(g) Any Issuance Request made by telephone pursuant to this Section may be recorded by the Issuing and Paying Agent and shall be confirmed promptly in writing by an Authorized Representative;

(h) provided, however, that any conflict between any recorded oral Issuance Request and the written confirmation thereof, shall not affect the validity of any recorded oral Issuance Request received by the Issuing and Paying Agent as provided in the Resolution. If the Issuing and Paying Agent does not record an oral Issuance

Request, and a conflict exists between such oral Issuance Request and the written confirmation thereof, the terms of the written confirmation shall control.

(i) The purchase price of each Note shall be 100% of the principal amount thereof, and no Note shall be deemed to be issued until payment for its purchase has been made in lawful money of the United States of America.

Proceeds of Sale of ECP

The proceeds of the sale under the Resolution of ECP shall be applied as follows:

(a) The proceeds of each sale of ECP on any day in an amount not in excess of the principal of Outstanding ECP becoming due and payable on such day, and for the payment of which the Metropolitan Government has not theretofore deposited other amounts into the ECP Fund, shall be deemed to have been issued for the purpose of paying such principal, and such proceeds shall be deposited into the ECP Fund and used to pay such principal.

(b) The proceeds of each sale of ECP on any day in an amount in excess of the principal of Outstanding ECP becoming due and payable on such day, if any, and for the payment of which the Metropolitan Government has not theretofore deposited other amounts into the ECP Fund, shall be deemed to have been issued for the purpose of paying Costs and shall be transferred to the Metropolitan Government as directed in writing by an Authorized Officer. Such proceeds shall be held and invested in a segregated fund of the Metropolitan Government in accordance with applicable law and applied exclusively to the Costs.

Issuing and Paying Agent

(a) The Metropolitan Government covenants to maintain and provide an Issuing and Paying Agent at all times while the ECP is Outstanding, which shall be a bank, trust company or national banking association (and, except in the case of Book-Entry ECP, having an office for delivery of ECP in New York, New York), in each case with trust powers. Should a change in the Issuing and Paying Agent for the ECP Program occur, the Metropolitan Government agrees to promptly cause a notice thereof to be posted on EMMA; provided however, that such notice shall not be required to be posted, but shall be delivered to the Depository, if the ECP are being issued as Book-Entry ECP at such time. Such notice shall specify the Office of the successor Issuing and Paying Agent. A successor Issuing and Paying Agent may be appointed without the consent of the Holders.

(b) The Metropolitan Government may remove any Issuing and Paying Agent by giving not less than fifteen (15) days advance written notice to the Issuing and Paying Agent and the Dealer. The Metropolitan Government shall give written notice of the appointment of a successor Issuing and Paying Agent to the Dealer.

(c) The Issuing and Paying Agent may resign at any time by giving written notice of such resignation to the Metropolitan Government and the Dealer specifying the date as of which the Issuing and Paying Agent proposes that the same shall become effective, which date shall be not less than 30 days after the date of such notice. The Metropolitan Government shall give written notice of the appointment of a successor Issuing and Paying Agent to the Dealer.

(d) Notwithstanding subsections (b) and (c) above, no such removal or resignation shall be effective unless and until a successor has been appointed and shall have accepted the duties and obligations of Issuing and Paying Agent under the Resolution. If no successor has been appointed within 30 days as aforesaid, the Issuing and Paying Agent shall have the right to petition a court of competent jurisdiction for the appointment of a successor Issuing and Paying Agent, and the Issuing and Paying Agent shall be reimbursed by the Metropolitan Government for any and all expenses in connection with any such petition and appointment. On the effective date of any such removal or resignation, the Issuing and Paying Agent shall deliver to the successor Issuing and Paying Agent, if any,

at the direction of the Metropolitan Government, or otherwise to the Metropolitan Government, all canceled or unissued ECP instruments then held by the Issuing and Paying Agent for disposition in accordance with the Resolution, and shall transfer the funds then held by it to the successor Issuing and Paying Agent, if any, at the direction of the Metropolitan Government, or otherwise to the Metropolitan Government. The Metropolitan Government shall pay all outstanding fees and expenses due and owed to the Issuing and Paying Agent following such removal or resignation.

Covenants

Punctual Payment

The Metropolitan Government will punctually pay or cause to be paid the principal of and interest on the ECP in conformity with the Resolution. For the purpose of providing for the payment of the principal of and interest on Outstanding ECP on the date that the same shall become due and payable, the Metropolitan Government, on or prior to such date, will pay or cause to be paid to the Issuing and Paying Agent for deposit in the ECP Fund, amounts which, together with other amounts then on deposit in such ECP Fund, will be sufficient and available to make such payment on such date. The foregoing is not intended to preclude the Metropolitan Government from extending the maturity date of ECP Notes in the manner described in the Resolution.

Covenant to Refinance

With respect to any ECP Notes the maturity of which has been extended pursuant to the Resolution, the Metropolitan Government covenants that it will promptly seek approval of the Metropolitan County Council for the issuance of Bonds or other debt obligations to refinance such ECP Notes and, provided such approval is received, to offer and sell such Bonds or other debt obligations upon reasonable and customary terms and conditions so that the proceeds thereof may be applied to the payment of such ECP Notes on or prior to the applicable Extended Maturity Date.

Compliance With Agreements and Other Documents

The Metropolitan Government will comply with the terms and provisions of the Dealer Agreement, the Issuing and Paying Agency Agreement, the Water and Sewer Bond Resolution and any other resolution or contract to which the Metropolitan Government is a party, the non-compliance with which would materially adversely affect the ability of the Metropolitan Government to make payment of the principal of and interest on the ECP as and when the same becomes due and payable.

ECP to Remain Tax-Exempt

The Metropolitan Government covenants that it will execute and deliver a Tax Certificate in the form prescribed by Bond Counsel in connection with the first issuance of ECP, and that in connection with any subsequent issuance of ECP it will, if requested by Bond Counsel, execute and deliver either written confirmation that the facts, estimates, circumstances and reasonable expectations contained therein continue to be accurate as of such issue date or a revised Tax Certificate dated such issue date. Each Issuance Request by an Authorized Officer given or made pursuant to the Resolution shall constitute a representation by the Metropolitan Government that the facts, estimates, circumstances and reasonable expectations contained in the latest of such Tax Certificates continues to be true and accurate as of the date of such Issuance Request, and that no fact material to the exclusion of the interest on the ECP from gross income for federal income tax purposes exists which has not been reflected in a revised Tax Certificate. The Metropolitan Government represents and covenants that it will not expend, or permit to be expended, the proceeds of any ECP in any manner inconsistent with its reasonable expectations as certified in the Tax Certificates to be executed from time to time with respect to the ECP Program; provided however, that the

Metropolitan Government may expend ECP proceeds in such manner if the Metropolitan Government first obtains an unqualified opinion of Bond Counsel that such expenditure will not impair the exclusion of interest on the ECP from gross income for federal income tax purposes.

The Metropolitan Government further covenants that no use of the proceeds of any of the ECP or any other funds of the Metropolitan Government will be made which will cause any ECP to be "arbitrage bonds" subject to federal income taxation by reason of Section 148 of the Code. To that end, the Metropolitan Government shall comply with all requirements of said Section 148 and of all regulations issued thereunder or otherwise applicable thereto.

The Metropolitan Government covenants that it will not use any proceeds of the ECP or any other funds held under the Resolution for any purpose which would cause any ECP to be subject to treatment as a "private activity bond" defined in Section 141 of the Code.

Reservation of Right to Issue Other Obligations

The Metropolitan Government expressly reserves the right to issue future Bonds, notes or other evidences of indebtedness in addition to the ECP, secured by Revenues of the System, and additionally secured as may be required by the Act or other provisions of law or as determined by the Metropolitan Government, when and as the Metropolitan Government shall determine and authorize.

Amendments and Supplements to the Resolution

The Metropolitan Government, from time to time and at any time, (i) without the consent or concurrence of any Holder of any ECP, may adopt a resolution for the purpose of providing for the issuance of any Bonds, notes or other evidences of indebtedness, and (ii) without the consent or concurrence of any Holder of any ECP, may adopt a resolution amendatory of or supplemental to the Resolution, if the provisions of such resolution shall not materially adversely affect the rights of the Holders of the ECP then Outstanding, for any one or more of the following purposes:

1. to make any changes or corrections in the Resolution as to which the Metropolitan Government shall have been advised by counsel that the same are verbal corrections or changes or are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provision or

2. omission or mistake or manifest error contained in the Resolution, or to insert in the Resolution such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable;

3. to add additional covenants and agreements of the Metropolitan Government for the purpose of further securing the payment of the ECP;

4. to confirm as further assurance any lien, pledge or charge, or the subjection to any lien, pledge or charge, created or to be created by the provisions of the Resolution;

5. to grant to or confer upon the Holders of the ECP any additional rights, remedies, powers, authority or security that lawfully may be granted to or conferred upon them;

6. to comply with any request by or requirement of any Rating Agency which is necessary, or which the Metropolitan Government reasonably believes is necessary, to prevent a downward revision by such Rating Agency in the rating of ECP;

7. to provide for the issuance, transfer, exchange, registration, discharge from registration and replacement of ECP other than Book-Entry ECP; and

8. to increase the maximum aggregate principal amount of ECP that may be Outstanding at any time; provided however, that prior to the effectiveness thereof the Metropolitan Government shall have received written evidence from each Rating Agency to the effect that such increase will not, by itself, result in a reduction, withdrawal or suspension of such Rating Agency's rating of the ECP Program which then prevails; and

9. to modify any of the provisions of the Resolution in any other respect if such modification shall be effective only with respect to ECP issued subsequent to the effectiveness of such resolution or modification, in which case any ECP instrument (except any Master Note) issued subsequent to the effectiveness of any such modification shall contain a specific reference to, and the Metropolitan Government shall give written notice to the Depository of Book-Entry ECP of, the modifications contained in such resolution; *provided, however*, that nothing contained in the Resolution shall permit or be construed to permit the amendment of the terms and conditions of the Resolution or of the ECP Program so as to:

- a. make any change in the maturity of any Outstanding ECP;
- b. reduce the rate of interest borne by any Outstanding ECP;
- c. reduce the amount of the principal payable on any Outstanding ECP;
- d. modify the terms of payment of principal of or interest on any Outstanding ECP, or impose any conditions with respect to such payment;
- e. affect the rights of the Holders of less than all Outstanding ECP; or
- f. reduce or restrict the provision made in the Resolution for payment of Outstanding ECP.

Defeasance

ECP Deemed Paid; Discharge of Resolution

ECP will be deemed paid for all purposes of the Resolution when (a) payment of the principal of and interest on such ECP to the due date of such principal and interest (whether at maturity or otherwise) either (1) has been made in accordance with the terms of such ECP or (2) has been provided for by depositing with the Issuing and Paying Agent (A) moneys sufficient to make such payment and/or (B) direct obligations of, or obligations the

principal of and interest on which are unconditionally guaranteed by, the United States of America ("Government Obligations") maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment, and (b) all compensation and expenses of the Issuing and Paying Agent pertaining to the ECP Program in respect of which such deposit is made have been paid or provided for to the satisfaction of the Issuing and Paying Agent. When ECP is deemed paid, it will no longer be secured by or entitled to the benefits of the Resolution or be an obligation of the Metropolitan Government, except for payment from such moneys or Government Obligations, and no additional ECP may be issued except that it may be transferred, exchanged, registered, discharged from registration or replaced.

When all outstanding ECP are deemed paid under the foregoing provisions, the Issuing and Paying Agent will, upon the request of the Metropolitan Government, acknowledge the discharge of the Metropolitan Government's obligations under the Resolution and the ECP Program.

No such deposit will be made or used in any manner which, in the opinion of Bond Counsel, would cause any ECP to be treated as "arbitrage bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

Application of Trust Moneys

The Issuing and Paying Agent will hold in trust moneys or Government Obligations deposited with it and apply the deposited money and the proceeds from the Government Obligations in accordance with the Resolution only to the payment of principal of and interest on the ECP with respect to which the same was deposited.

Repayment to Metropolitan Government

The Issuing and Paying Agent will pay to the Metropolitan Government promptly upon its request any excess moneys or securities held by the Issuing and Paying Agent at any time, and any moneys held by the Issuing and Paying Agent under any provision of the Resolution for the payment of principal or interest on ECP that remains unclaimed for one year or such other shorter or longer period, or to such other Person, as may at the time be prescribed by State law with respect to unclaimed property.

Miscellaneous

Notices to Rating Agencies

The Metropolitan Government shall give each Rating Agency, the Dealer and the Issuing and Paying Agent advance notice in writing of any (i) change of Dealer, (ii) change of Issuing and Paying Agent, (iii) amendment or material change to the Program Documents, and (iv) termination or defeasance of the ECP Program; *provided however*, that if the Metropolitan Government does not have advance actual notice of any such event, notice shall be given by the Metropolitan Government as soon as practicable after the Metropolitan Government has actual notice thereof.

Resolution to Constitute a Contract; Equal Security

In consideration of the acceptance of the ECP, the issuance of which is authorized under the Resolution, by those who shall hold the same from time to time, the Resolution shall be deemed to be and shall constitute a contract between the Metropolitan Government and the Holders from time to time of the ECP, and the pledge made by the Resolution by the Metropolitan Government and the covenants and agreements set forth in the Resolution to be performed by the Metropolitan Government shall be for the equal and proportionate benefit, security and protection of all Holders of the ECP, without preference, priority or distinction as to security or otherwise of any of the ECP authorized under the Resolution over any of the others by reason of time of issuance, sale or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by the Resolution.

Payment and Performance on Business Days

Whenever under the terms of the Resolution or the ECP Program, the performance date of any provision of the Resolution or ECP Program, including the payment of principal of or interest on the ECP, shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the ECP, need not be made on such day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the originally scheduled date of performance or payment, and, with respect to any payment, without any additional interest accruing after the originally scheduled date of payment.

No Personal Recourse

No recourse shall be had for any claim based on the Resolution or the ECP Program against any member, officer or employee, past, present or future, of the Metropolitan Government, the Metropolitan County Council of the Metropolitan Government or of any successor body under any constitutional provision, statute or rule of law or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise.

Disclosure of Liability

All covenants, stipulations, promises, agreements and obligations of the Metropolitan Government contained in the Resolution shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Metropolitan Government and not of any member, officer or employee of the Metropolitan Government in his individual capacity, and no recourse shall be had for the payment of the principal of or interest on the ECP or for any claim based thereon or on the Resolution against any member, officer, or employee of the Metropolitan Government, or against any Person executing the ECP.

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