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FIRST UTILITY OF KNOX COUNTY RECEIVES LOAN FOR SYSTEM IMPROVEMENTS, DEBT REDUCTION

FUNDING MADE POSSIBLE THROUGH TUPBA LOAN PROGRAM

MURFREESBORO, Tenn. – Officials at the Tennessee Utility Public Building Authority (TUPBA) recently announced the completion of a loan for the First Utility District of Knox County that has enabled the utility to issue \$28,340,000 in water and sewer revenue refunding and improvement bonds. The funds will be used for improvements to the district’s growing utilities system and refinancing existing debt at a lower cost.

The loan issue received Standard & Poor’s “AA+” credit rating, the same rating as the State of Tennessee. The “AA+” rating puts First Utility District in the same classification as the state’s most prestigious issuers of water and sewer utility debt including Knoxville Utilities Board and West Knox Utility District. Contributing to the excellent rating is the strong economics of the District’s service area, the ability for the District to cover its debt service requirements, sufficient cash on hand, and a moderate debt burden. This excellent rating is indicative of wise decision-making from the District’s Board of Commissioners, leadership from District management, and the accounting/budget department’s ability to foresee future needs and make ample preparations.

The District was able to secure a 20-year loan at a true interest cost of less than 3.9%. The District serves approximately 31,750 water and 28,700 sewer customers in an area west of Knoxville and nearby Oak Ridge.

The TUPBA loan program provides financial assistance to qualified water, wastewater and natural gas utility systems across Tennessee that need capital to begin or complete a project.

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Eligible water, wastewater and natural gas projects include infrastructure improvements, automated meter reading systems, headquarter renovations, construction, equipment purchases and various other projects.

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