



Report on Water and Sewer Revenue Bonds, Series 2025 The Watts Bar Utility District of Kingston, Tennessee

This report is being issued pursuant to Tenn. Code Ann. Title 7, Chapter 82, and is based upon information as presented in a plan of finance (the “Plan”) received by our office on September 10, 2025, from the Watts Bar Utility District (the “District”). Our report provides information to assist the governing body in its responsibility to understand the nature of the transaction, including the costs, prior to approving the issuance of the bonds and is designed to provide consistent and comparable information for all local governments in Tennessee. This report does not constitute approval or disapproval of the Plan. This report and the District’s Plan must be presented to the governing body prior to the adoption of a resolution authorizing the bonds.

PROPOSED DEBT AND PROJECT:

The District plans to issue an estimated \$13,465,000 Water and Sewer Revenue Bonds, Series 2025, to finance improvements to the system, fund a debt service reserve, and pay costs of issuance.

COSTS:

Estimated costs of issuance for the Series 2025 Bonds are based on the par amount of \$13,465,000:

	Amount	Price per \$1,000 Bond
Underwriter's Discount (Wiley Bros. Aintree Capital)	\$ 168,313	\$ 12.50
Bond Counsel (Bass Berry & Sims)	30,000	2.23
Rating Agency Fees	27,000	2.00
Bond Insurance	78,863	5.86
Miscellaneous	11,500	0.85
Total Cost of Issuance:	\$ 315,675	\$ 23.44

FINANCIAL POSITION:

The District is currently not under the oversight of the Tennessee Board of Utility Regulation. For fiscal year ended September 30, 2024, the District increased its total net position by \$1,165,707 and reported current assets sufficient to pay current liabilities. For fiscal year 2025 the District projects a debt service coverage ratio of 2.05x prior to the issuance of the Series 2025 Bonds and estimates that after the debt is issued the coverage ratio will be 1.53x and 1.56x for fiscal years 2026 and 2027, respectively.

Effective Date for this Report

This report is effective for a period of ninety (90) days from the date of the report. If the transaction has not been priced during this ninety (90) day period, a new plan, with new analysis and estimates based on market conditions at that time, must be submitted to our office. We will then issue a report

September 12, 2025
Watts Bar Utility District
Report on a Plan of Finance

on the new plan for the District's governing body to review prior to adopting a new authorizing resolution for the bonds.

Sheila Reed, Director
Division of Local Government Finance
September 12, 2025