

AGENDA
Lower Cape Fear Water & Sewer Authority
1107 New Pointe Boulevard, Suite # 17, Leland, North Carolina
8:30 a.m. – Finance Committee Meeting
January 8, 2024

MEETING CALL TO ORDER: Chairman Knight

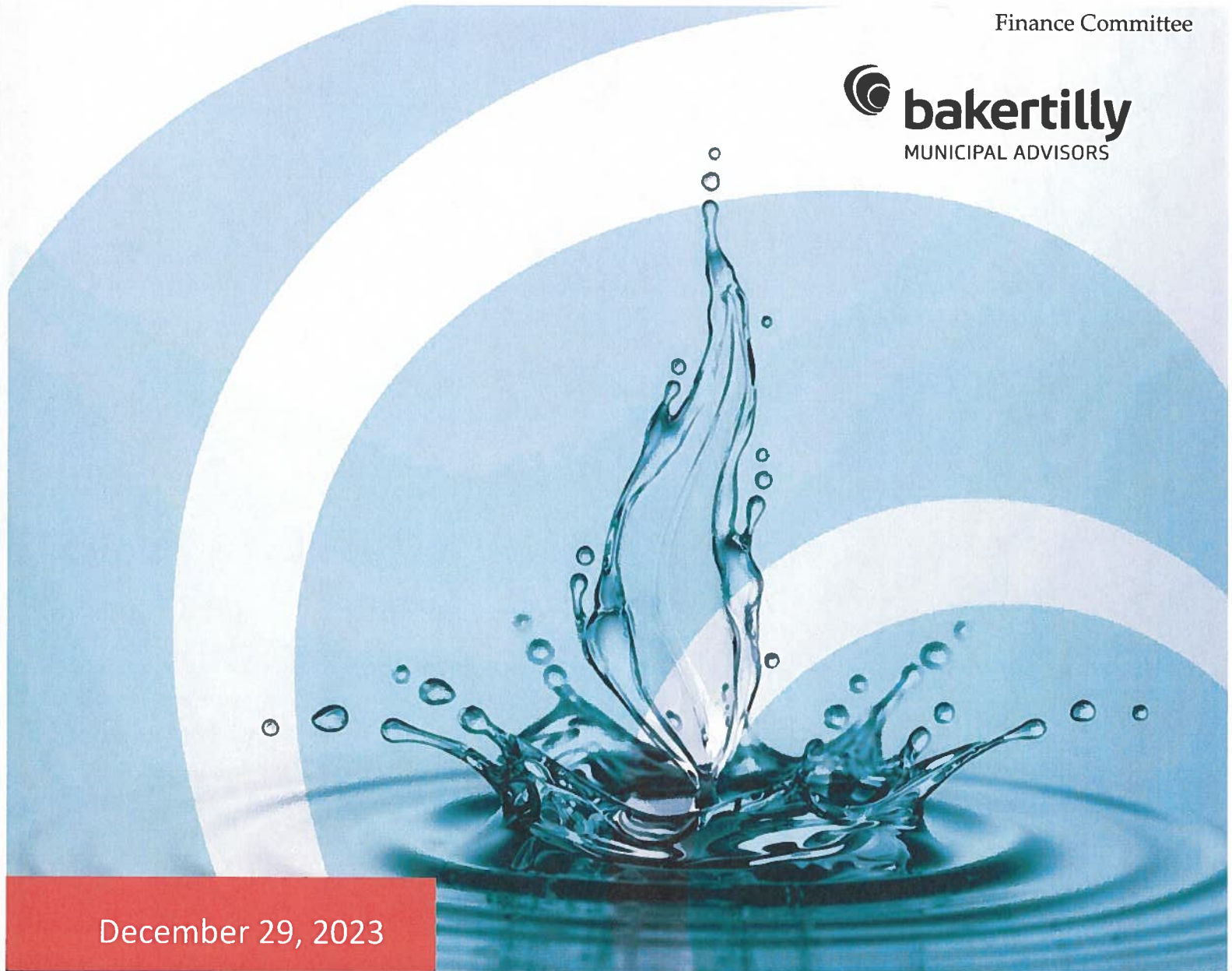
PRESENTATION: Review of the RFQ submittals for Financial Advisor

DISCUSSION: Directors' Comments and Questions

ACTION/DIRECTION: Recommendation for approval of Financial Advisor

ADJOURNMENT





December 29, 2023

Lower Cape Fear Water and Sewer Authority

Proposal for financial advisory services



Section 1: Letter of transmittal

December 29, 2023

Tim H. Holloman
 Executive Director
 Lower Cape Fear Water and Sewer Authority
 1107 New Pointe Blvd., Suite 17
 Leland, NC 28451
 Delivered electronically

Baker Tilly Municipal Advisors, LLC
 112 Ironworks Ave
 Suite C
 Mishawaka, IN 46544
 +1 (574) 935 5178
 bakertilly.com

Dear Mr. Holloman:

This proposal marks the beginning of a valuable relationship we plan to build with Lower Cape Fear Water and Sewer Authority (LCFWASA). Based on what we have learned from your request for qualifications (RFQ) process as well as review of the LCFWASA’s Annual Report and Annual Financial Report, we are confident we are the right fit to serve you with forward-thinking, comprehensive municipal advisory services – today, tomorrow and for many years to come. Our proposal meets your RFP requirements and describes how we can provide value and meet your key objectives.

Benefits of working with BTMA include:

<p>The right firm LCFWASA will benefit from the qualifications, technology tools and resources as part of a top 10 accounting firm, delivered with personalized attention and responsive service.</p>	<p>The right experience We specialize in serving state and local governments, allowing us to provide focused training and continuing education to our team members. Our understanding of local governments, specifically, paired with targeted experience, will help meet and exceed LCFWASA’s needs.</p>	<p>The right team Our team brings both technical and industry-specialized expertise in public finance, debt management and capital planning needs of municipal entities. We take a proactive, team approach, with senior members of the firm always available to respond and provide high-quality advice in a timely manner</p>	<p>The right resources We are known for our sophisticated financial abilities. By developing financing structures and reviewing alternative plans of finance using financial and analytical software, our quantitative skills help us provide solutions for new debt issuances, as well as refundings and restructurings. We are an independent advisor with a significant presence in the market</p>
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Lower Cape Fear Water and Sewer Authority
December 29, 2023

Recently, our colleagues with parent company Baker Tilly US, LLP (Baker Tilly) completed an economic development study for the Town of Leland. The study focused on the feasibility of a private developer proposing a minor league baseball team (affiliated with the Major League Baseball), baseball stadium and associated economic development growth opportunities to the Town.

Neither BTMA nor our key professionals have any known or perceived conflicts that would interfere with our firm serving as financial advisor to LCFWASA. As an independent public sector advisor, we were founded on the belief of the avoidance of conflicts of interest when representing our clients. In public finance, we do not buy or sell municipal bonds. We are not affiliated through ownership or otherwise with investment or commercial banks.

We acknowledge that all costs incurred in responding to this RFQ will be borne by our firm.

LCFWASA will be a valued client of Baker Tilly Municipal Advisors, LLC (BTMA), and I will be personally involved in all aspects of our relationship, from planning through completion. Thank you for the opportunity to make tangible contributions to your success. Our team is excited to earn your trust, and we look forward to discussing your questions and feedback.

Sincerely,



Jeffrey Rowe, CPA, Partner
Baker Tilly Municipal Advisors, LLC
+1 (574) 367 5368 | jeff.rowe@bakertilly.com

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The information provided here is of a general nature and is not intended to address the specific circumstances of any individual or entity. In specific circumstances, the services of a professional should be sought. © 2023 Baker Tilly US, LLP.

Baker Tilly Municipal Advisors, LLC is a registered municipal advisor and controlled subsidiary of Baker Tilly US, LLP, an accounting firm. Baker Tilly US, LLP trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

SECTION 3: Executive summary

In two pages or less, provide a brief statement explaining why LCFWASA should consider your firm for Financial Advisor Services. The Respondent must have significant experience and capacity to provide services related to public/governmental finance to LCFWASA pursuant to North Carolina State law.

As a regional water and sewer authority with complex operations and infrastructure, LCFWASA deserves to work with an experienced municipal advisor that goes beyond just meeting requirements to assist in you achieving your goals. In other words, LCFWASA deserves a municipal advisor that has significant national experience with debt issuance, expertise in serving utility sector issuers and the resources to provide innovative methodologies and expertise and services than the typical municipal advisor relationship.

The following details our understanding of your needs and how we plan to address them in a valuable way. From the following summary, LCFWASA can quickly see that different municipal advisor firms have different expertise and perspectives. Different municipal advisor firms will provide LCFWASA new and different ideas and experiences, different resources, and expanded approaches.

WHAT WE UNDERSTAND LCFWASA NEEDS	HOW BTMA WILL MEET YOUR NEEDS
<p>A firm with relevant public finance experience; debt issuance, debt refinancing, and debt policies and management</p>	<ul style="list-style-type: none"> • Specialized knowledge and direct experience gained from serving nearly 4,000 state and local government clients, including 1,300+ utility organizations • Support from 350+ team members, including nearly 90 registered municipal advisors, who are deeply entrenched in the local government industry and receive focused training and continuing education • Deep expertise in bond issuance; in the last three years we've provided municipal advisor services for an average of 350+ issuances of obligations each year
<p>An innovative, responsive, and collaborative engagement team dedicated to both government and utility industries</p>	<ul style="list-style-type: none"> • A team of municipal advisors who will deliver big-picture insights, innovative ideas and best practices • Significant experience issuing debt and developing financing plans for municipal and regional utilities across the country • Unique experiences developing new bond financing programs and other creative strategies to best address changing interest rate environments and, when applicable, refunding opportunities • Significant senior staff level involvement to deliver timely, responsive service

SECTION 3: EXECUTIVE SUMMARY

WHAT WE UNDERSTAND LCFWASA NEEDS	HOW BTMA WILL MEET YOUR NEEDS
<p>Other consultation and available services</p>	<ul style="list-style-type: none"> • You will receive meaningful insights and solutions from our industry experience and service expertise. One current example is public sector expertise on funding opportunities under the Inflation Reduction Act (IRA) for certain energy projects. This can help advance LCFWASA’s sustainability and environmental quality and protection initiatives. • BTMA also provides utility rate consulting services to municipal water, sewer and electric utilities bringing additional value and perspective to a utility financing.
<p>A focus on helping achieve your intended outcomes</p>	<ul style="list-style-type: none"> • As detailed in LCFWASA’s 2023 Annual Report, your strategic plan includes a commitment to stewardship and sustainability • BTMA has many services that align with your plans and goals to create a positive impact on the environment as well as the users and communities you serve • These services include assistance with planning, risk identification and disclosure designation considerations; our parent company, Baker Tilly, is even certified by the Climate Bond Initiative to provide independent verification for Green Bonds
<p>Independent advice and our fiduciary duty</p>	<ul style="list-style-type: none"> • As an independent municipal advisor, BTMA does not buy or sell bonds; our fiduciary duty is to you • In an increasingly consolidated industry, it is imperative for issuers to preserve access to underwriters to ensure optimal interest rates; engaging a firm that provides both municipal advisor and underwriting services limits that access • BTMA engagement team members have developed investor relation websites and led other actions to assist in better disclosures, which could lead to optimal interest rates

SECTION 4: Background and qualifications

Indicate your firm's closest physical office location to the Town of Leland, NC.

Serving LCFWASA effectively from anywhere

Our firm's two closest offices to Leland are in Tysons, Virginia and Atlanta, Georgia.

BTMA advisory teams are selected based on skill set rather than geographic location. Each team member selected to serve LCFWASA will bring individual strengths that directly benefit your engagement. Based on our understanding of your needs, we can provide the best service by managing our relationship with LCFWASA out of our Mishawaka and Indianapolis, IN, Columbus OH and Madison WI offices based on a similar client base and targeted experience serving organizations like yours.

Your engagement team has the technology tools to support LCFWASA in meeting objectives from anywhere. We have led a borderless client service approach for many years and are adept at providing a seamless remote experience for all clients, whether they are down the street or on the other side of the country.

Your team is only a day away for face-to-face meetings, if appropriate — the same level of commitment we provide "local" clients. When we are not able to meet in person, we leverage Microsoft Teams, our web conferencing software, to host remote meetings. It is almost as good as being in the same room and saves everyone time, cost and carbon footprint. This approach has been very successful for similar clients, and we will make sure it is successful for you.

Provide documentation showing compliance with the municipal advisor registration requirements of the MSRB and SEC.

Providing our MSRB and SEC registration information

BTMA is registered as an independent municipal advisor with the MSRB and SEC.

MSRB number: K1027

SEC number: 867-00880

SECTION 4: BACKGROUND AND QUALIFICATIONS

Provide a summary of the backgrounds and qualifications of the specific individuals at your firm who would be assigned to work with LCFWASA. Specify the person who will serve as the primary day-to-day contact person and discuss the primary roles of the other members of your professional team.

Offering our resources: BTMA at a glance

BTMA is one of the most active municipal advisory firms in the nation that is also part of a certified public accounting firm. We pair the independence, ethics, structure, quality control and business discipline of a certified public accounting firm with the skills and specialized knowledge of municipal advisors.

BTMA, and parent company Baker Tilly, offer a broad array of services that help local leaders resolve the financial issues they face as they work to improve the quality of life in their communities. The cornerstone of our services is financial analyses that assist our clients with resource allocation, bond ratings, financial planning, internal management, reporting and the many other influences that require comprehensive analysis. As experienced advisors, our specialized team works closely with clients to develop solutions driven by data and rooted in best practices — helping you succeed today and anticipate tomorrow.



COMPREHENSIVE EXPERIENCE TO SERVE YOU

LCFWASA will receive support and guidance from a respected firm that specializes in serving government entities and continues to grow.

Baker Tilly was founded in 1931 with one central objective: to use our industry specialization to help our clients improve their organizations. For more than 90 years, Baker Tilly has understood that our business demands absolute integrity, a belief in the value of trusted relationships and a willingness to collaborate with every client. We will strive to deepen and enhance our relationship with LCFWASA as we seek to become your **Value Architect™**.

SECTION 4: BACKGROUND AND QUALIFICATIONS

Aligning key engagement team members with LCFWASA's goals

While other firms may not always assign their best and most experienced people to public sector engagements, that is not the case at Baker Tilly. We believe in strong personal relationships, and this means a personal interest in LCFWASA from some of our most experienced team members. You will work with our best and brightest public sector professionals who will be dedicated to you and the industry you serve. This handpicked team offers a collaborative focus supported by the breadth and depth of our firm's resources. Engagement team members are introduced below.

INTENTIONALLY SELECTED ENGAGEMENT TEAM FOR LCFWASA



Jeffrey Rowe, CPA – Partner
Role: Lead advisor, day-to-day contact

Jeff has 25 years of experience and specializes in serving local government and public utilities. His experience includes assisting public utilities with the issuance of tax-exempt securities for the financing of construction projects and the refinancing of outstanding debt; providing utility rate making services to municipal water, sewer and stormwater utilities, assisting with wholesale contract negotiations for water and sewer treatment and conveyance contracts; and assisting local governments and public utilities access tax credits for qualified clean energy projects through the Federal Inflation Reduction Act (IRA). He is a member of the American Water Works Association and Water Environment Association. Jeff earned a bachelors degree in business from Indiana University South Bend. He is a licensed CPA and MSRB Municipal Advisor Series 50 and 54 Qualified.



David Erdman – Managing Director
Role: Large-issuer specialist

David joined Baker Tilly in July 2022. He was previously a member of the State of Wisconsin Capital Finance Office since 1994 and Director since 2015. During that time, David led a team responsible for the preparation, sale, issuance, disclosure and compliance of nearly 300 State of Wisconsin bond/notes issues in aggregate par amount of nearly \$50 billion. The Capital Finance Office is responsible for all State bond/note issuances over six different credits, the development of State-level borrowing credits, the Master Lease Program, the Environmental Improvement Fund and a venture capital fund of funds. Prior to working at the State of Wisconsin Capital Finance Office, David worked for five years assisting Wisconsin municipalities in securing loans from the State of Wisconsin Clean Water Fund. He is s past Chair of the State Debt Management Network (SDMN) and a past member of GFOA's Committee on Governmental Debt Management.

David earned a public administration/political science degree from the University of Wisconsin-La Crosse. He is also MSRB Municipal Advisor Series 50 Qualified. He is also Chair of the Utilities Committee and a volunteer Advanced Emergency Medical Technician for his hometown of Stoughton, Wisconsin.

SECTION 4: BACKGROUND AND QUALIFICATIONS

INTENTIONALLY SELECTED ENGAGEMENT TEAM FOR LCFWASA

Susan Reed, J.D. – Managing Director

Role: Bond rating specialist and green bond certification



Susan's practice area includes overseeing disclosure documents and rating preparation for clients issuing municipal bonds at the time of bond sales as well as post issuance. She works with issuers to assist with financial management policy development, including debt, liquidity and reserve and financial transparency, disclosure policy development and capital planning. Within the firm, Susan also assists with compliance efforts related to the firm's municipal advisory activities. She also is one Baker Tilly's leaders for ESG-related considerations for public sector clients, including considerations around green, social and sustainable bond issues, planning and disclosure considerations. Susan holds a bachelors degree in communication and political science from Purdue University and a Juris Doctorate from the Indiana University School of Law. She is a licensed attorney in Indiana and South Carolina and a Series 50 and 54 qualified municipal advisor.

Brian Cooper – Principal

Role: Pricing specialist



Brian is a veteran to the public finance and economic development arena and specializes in general obligation and revenue-based project financings. He consults on financial matters encompassing capital planning, credit strategy and debt issuance, as well as financial operations including budgeting, forecasting and management review. Brian advises cities, counties, schools and authorities on the bond issuance process, consults on economic development and tax increment financing projects, develops comprehensive plans of finance, credit strategy and capital planning models for municipal issuers and leads capital market bond pricing efforts. Brian holds a Bachelor of Science in Business Administration and a Bachelor of Arts in Spanish from The Ohio State University. He is also MSRB Municipal Advisor Series 50 and 54 Qualified.

LCFWASA WILL RECEIVE TANGIBLE RESULTS WITH BAKER TILLY

All engagement team members are committed to LCFWASA's success. Their industry experience and service expertise translates into tangible results for LCFWASA.

SECTION 5: Experience

List in tabular format relevant experience with bond financings over the last three years, including date of sale, issuer, program type, rating, sale type, and final maturity. (This information may be included as an appendix and is not applicable to the 30-page limit.)

Public sector specialization

State and local government is a complex, unique environment shaped by fiscal, regulatory and operational considerations not found in other industries. Recognizing this complexity and eagerness to serve as a true **Value Architect™** to the public sector, Baker Tilly formalized its dedicated public sector specialization more than 60 years ago. Baker Tilly provides a full range of services to local governments, including municipal advisory (through BTMA) as well as auditing, accounting and other consulting services. As an organization, we have worked with thousands of local governments across the country.



More than 350 Baker Tilly professionals — including nearly 30 partners and principals — focus directly on serving state and local governments, providing hundreds of thousands of client service hours annually to the public sector. Our practice serves nearly 4,000 state and local government entities nationwide, including cities, counties, municipalities, school districts, public utilities and transit organizations. Your engagement team is ready to help you find solutions to the obstacles that stand between you and your goals.

Municipal advisory qualifications

BTMA has 80+ registered municipal advisors on staff. Our bond market experience can best be summarized as comprehensive from concept to compliance, and tailored from straightforward to complex. In 2022, BTMA ranked fourth among all municipal advisors in the nation based on number of bond issues brought to market (Source: Thomson Reuters).

Our results are best illustrated by our clients' ongoing trust in us. We advise on per year cover the full range of municipal bond and leasing tools. With an **average of more than one bond sale per business day**, our experience covers all segments of the national and many regional markets we serve. To successfully perform at this level on an ongoing basis requires a range and depth of expertise.

A summary of our 2020-2022 bond market participation is included below and illustrates the variety and magnitude of our ability to help LCFWASA meet its current and future financial objectives. The decrease in calendar year 2022 is reflective of the decrease in issuance that the entire municipal market place experiences. Note that over the last five years, BTMA has served as municipal advisor on an average of 360 transactions per year.

SECTION 5: EXPERIENCE

THREE-YEAR TOTAL SALES (mil)						
Bond issue category	2022		2021		2020	
	Par Amount (mil)	Number of Issues	Par Amount (mil)	Number of Issues	Par Amount (mil)	Number of Issues
Competitive	\$2,627	205	\$3,389	280	\$4,248	361
Negotiated	\$2,161	59	\$3,156	102	\$2,123	73
Private Placement	\$429	19	\$55	11		
Tax-exempt	\$4,528	264	\$4,819	335	\$4,307	356
Taxable	\$689	19	\$1,782	58	\$2,166	87
General Obligation	\$3,398	224	\$4,361	291	\$4,001	325
Revenue	\$1,819	59	\$2,340	102	\$2,472	118
New Financing	\$4,574	261	\$4,398	266	\$3,222	278
Refunding	\$618	21	\$1,858	108	\$2,787	142
Refunding & New Financing	\$25	1	\$345	19	\$464	23
Total	\$5,217	283	\$6,601	393	\$6,376	443

Source: Thomson Reuters municipal advisor rankings

A tabular list of relevant financings is included in the Appendix.

In today's municipal bond market, BTMA's high-quality municipal advisory services mean being responsive to our clients' funding objectives, whether the issuance is straightforward or highly complex. For relatively straightforward financings, our expertise yields efficient and cost-effective bond structures and sales. For highly complex transactions, revenue-based, multi-modal interest rate options or derivative products, our expertise is reflected in the depth and sophistication of our analyses and market knowledge. The quality of our comprehensive service is a result of a large and multi-talented professional staff, state-of-the-art analytical resources and time-tested systems.

SECTION 5: EXPERIENCE

Relevant municipal advisory expertise

BTMA brings extensive expertise in employing creative financial solutions for issuers such as LCFWASA.

OUR FINANCE SPECIALISTS HAVE EXTENSIVE EXPERIENCE PROVIDING LEADERS WITH SERVICES INCLUDING:

Debt advisory	Rating strategy	Capital planning
Refinancing	Financial modeling	Investor relations

Our experience includes providing custom analyses for our clients that assists them in support of strategic, evidence-based decision-making. Some of the projects we have completed recently include reporting on variable rate debt, a qualitative analysis of taxable versus tax exempt issuance, and analysis of debt capacity for a special university revenue stream.

When it comes to debt management, we have modeled LCFWASA's current debt portfolio and reviewed your financing objectives. We stand ready to work with LCFWASA to evaluate a variety of financing scenarios, examining potential structures and methods of sales including negotiated versus competitive sales and capital markets versus direct bank purchase transactions.

Our goal is not to view each transaction in isolation, but to develop a debt structure that comfortably fits within both LCFWASA's existing debt portfolio and anticipated debt portfolio for the next five to 10 years. We continually monitor refunding candidates so that LCFWASA is prepared to move forward when an opportunity arises. We use a preliminary analysis to provide maturity by maturity results to begin the process of evaluating solutions to achieve LCFWASA's goals.

BTMA's high-quality municipal advisory services mean being responsive to LCFWASA's funding objectives, whether the transaction is straightforward or highly complex. For relatively straightforward financings, our expertise yields efficient and cost-effective bond structures and sales.

For highly complex transactions, revenue-based, multi-modal interest rate options or derivative products, our expertise is reflected in the depth and sophistication of our analyses and market knowledge. The quality of our comprehensive service is a result of a large and multi-talented professional staff, state-of-the-art analytical resources and time-tested systems.

SECTION 5: EXPERIENCE

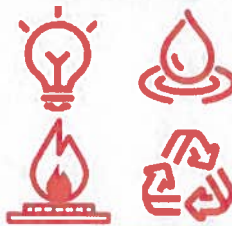
Nationally recognized energy and utility specialization

Our public sector practice group includes an extensive energy and utilities team. Dedicated to meeting the diverse needs of water, sewer, gas and electric utility service providers, and diverse local government organizations, Baker Tilly currently works with more than 1,300 utilities clients including public power and investor-owned utilities, water, wastewater and reclaimed water utilities, electric cooperatives, transit systems, renewable energy developers and joint action agencies.

Energy and utilities: Experience that matters



**1,700+ energy and
utilities clients**



**80+ years of industry
experience**



**Serving clients
nationwide**

Baker Tilly's depth of specialized expertise and knowledge of our energy and utilities industry team are recognized across the country. We provide accounting and advisory services to utilities throughout the United States and are sought out by leading organizations such as the American Water Works Association (AWWA) and American Public Power Association (APPA) to speak on hot topics, teach courses and represent the industry. Our team members are adept at communicating with federal, state and other regulatory agencies and stay current with issues that affect the industry.

This focus on industry specialization means Baker Tilly's energy and utilities team brings a balance of technical skill, industry insight and common sense to our work with you.

SECTION 5: EXPERIENCE

Describe two current financial advisor assignments involving your firm that are most relevant to debt issuance by large issuers in North Carolina. Please indicate the name of the issuer, a description(s) of the transaction(s), the individual(s) from your firm involved and the value added by your firm.

Similar financial advisory assignments

Below we provide two recent financial advisory assignments that demonstrate our experience, ability and capacity to provide the scope of work required by LCFWASA.

NORTHEAST OHIO REGIONAL SEWER DISTRICT, OHIO

\$244,895,000 Wastewater Improvement Refunding Revenue Bonds, Series 2020

BTMA team member: Brian Cooper

BTMA advised the Northeast Ohio Regional Sewer District (the NEORSD) on the issuance of \$244,895,000 Wastewater Improvement Refunding Revenue Bonds, Series 2020 (Federally Taxable) (the Series 2020 Bonds). The Series 2020 Bonds were issued for the purpose of (i) advance refunding and providing for the legal defeasance of \$208,720,000 of the NEORSD's Wastewater Improvement Revenue and Refunding Bonds, Series 2014, and (ii) paying costs of issuance of the Series 2020 Bonds. Taxable bonds were issued due to the elimination of tax-exempt advance refundings.

The NEORSD was able to accelerate the preparation and execution of this financing by using and/or updating key documents prepared for the September 2019 issuance of \$245,005,000 Wastewater Improvement Refunding Revenue Bonds, Series 2019, specifically, the credit rating presentation and preliminary official statement. In addition, in order to maximize the savings, the financing team monitored the cost/benefit of using open market securities versus state and local government series securities to fund the escrow.

On January 22, 2020, exactly five months after pricing the Series 2019 Bonds, the NEORSD priced the Series 2020 Bonds, taking advantage of the low interest rate environment and achieving net present value savings of approximately \$28.540 million (or 13.66% of the refunded par).

The Series 2020 Bonds and the Series 2019 Bonds (a tax-exempt current refunding of the NEORSD's callable Build America Bonds) produced approximately \$91 million of combined net present value savings.

SECTION 5: EXPERIENCE

CITY OF SAINT PAUL, MINNESOTA
\$7,975,000 Sewer System Revenue Bonds, Series 2023E (Green Bonds)
 BTMA team member: Susan Reed

Saint Paul has a central goal of facilitating sustainable environmental initiatives. In its public works and utility areas, this includes capital projects and related financings.

We have been working with the City since 2015 to issue sewer projects as “green bonds” with a self-designation. The “green bonds” issued in 2023 went a step further than other bond issues. Rather than a self-certification coupled with covenants to provide follow-up reports on use of proceeds, Saint Paul decided in 2023 to secure a second-party opinion on the “green bond” designation. BTMA worked with Saint Paul to address options for such opinion, timeline, and other requirements.

Saint Paul completed the procurement steps needed to validate its green bond program, with the designation being verified by a second party verifier. This verification opines that the bond aligns with the International Capital Markets Association Green Bond Principles and the United Nation’s Sustainable Development Goals. In a choppy market, these second-party verified designated bonds were successfully sold via competitive sale.

Provide five (5) client references. Include the name of the client, contact person, e-mail address, and phone number.

Demonstrating successful relationships with similar clients

We encourage you to connect with the clients below to learn more about the value of their relationship with Baker Tilly. Each client will offer a different perspective as you consider your own needs.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

Name	Kenneth Duplay	Title	Chief Financial Officer
Phone	+1 (216) 881 6600	Email	duplayk@neorsd.org
Services	Municipal advisory services		

CITY OF SAINT PAUL, MINNEOSTA

Name	Sarah Brown	Title	Treasurer
Phone	+1 (651) 266 8813	Email	sara.e.brown@ci.stpaul.mn.us
Services	Municipal advisory services		

SECTION 5: EXPERIENCE

CITY OF EVANSVILLE, INDIANA

Name	Lane Young	Title	Executive Director Evansville Water and Sewer Utility
Phone	+1 (812) 436 4560	Email	lyoung@ewsu.com
Dates	2004 to present		
Services	BTMA has assisted the City with the issuance of water and sewage works revenue bonds and notes and state revolving fund loans totaling more than \$375 million since 2016. We have also provided sewer and water rate study services.		

CITY OF FORT WAYNE UTILITIES, INDIANA

Name	Justin Brugger	Title	CFO - City Utilities
Phone	+1 (260) 427 2836	Email	Justin.Brugger@cityoffortwayne.org
Dates	2010 to present		
Services	BTMA has assisted the City Utilities with issuance of revenue bonds totaling more than \$687 million since 2016. We also provide rate planning and design services.		

METROPOLITAN COUNCIL OF MINNEAPOLIS/SAINT PAUL, MINNESOTA

Name	Mark Thompson	Title	Senior Manager, Treasury
Phone	+1 (651) 602 1629	Email	mark.thompson@metc.state.mn.us
Dates	Client since the 1970s		
Services	BTMA has assisted Met Council with the issuance of wastewater revenue bonds and notes and state revolving fund loans totaling more than \$700 million since 2016.		

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS
BOARD OF PUBLIC UTILITIES

Name	Lori Austin	Title	Chief Financial Officer
Phone	+1 (913) 573 9165	Email	laustin@bpu.com
Dates	1992 to present		
Services	BTMA has assisted the Board with the issuance of revenue bonds totaling more than \$460 million since 2016.		

SECTION 6: Rating agency and investor marketing approach

Please discuss any issues, benefits, or challenges associated with pricing and marketing bonds in the current market given the current rating levels and financial issues confronting LCFWASA.

Pricing and marketing bonds in the current market

In general, public utility bonds are typically attractive to investors who seek lower risk and steady income. That said, there are challenges, including regulatory oversight on the pricing, marketing of bonds as well as the use and allocation of the proceeds. Any bond issued by LCFWASA will need to balance the interests of the utility, your investors, and your customers, and avoid creating undue burdens or risks for these stakeholders. As your municipal advisor, BTMA is ready to help LCFWASA navigate the issues and challenges ahead and capitalize on new opportunities.

In the current market utilities are facing issues that could affect their rating and borrowing costs such as higher costs directly related to COVID-19, the energy transition and/or climate change. Additionally, public utility bonds may be subject to changes in tax laws, interest rates, and market liquidity, which can impact pricing and availability.

Dedicated market monitors

BTMA's project managers are dedicated to monitoring the markets on behalf of our clients. To that end, we maintain access to many market analyses and research tools.



DAILY

Treasury market yields, municipal market yields, changes to SOFR, LIBOR (1W, 1M, 3M), 30-day forward municipal supply, MMD, municipal yield curve slope and relative slope and spot rate probabilities

WEEKLY

SIFMA short term reset rate, net muni long-term fund flows, BBI Index, Fed rate expectations, market economic announcements calendar, LIBOR/SIFMA Swap rates, firm market summary

PERIODIC

Firm market update to municipal and treasury yield curves when significant changes occur, relative value pre-pricing analytics, credit spread monitoring

SECTION 6: RATING AGENCY AND INVESTOR MARKETING APPROACH

Analytical services include bond sizing and structuring, which are prepared using MUNEX™ software – recognized as the industry standard. Using a refined suite of BTMA-developed Microsoft® Excel workbook templates, as well as a suite of BTMA custom programs, our analytical staff are equipped to address all our clients' capital and operational needs, providing individually tailored financial planning models to tackle the most challenging and highly complex financing issues.

Information resources provide access to the latest financial and market news and data. BTMA maintains online services with a number of national industry market information resources, including Bloomberg® for multi-dimensional market rate and financial news, Municipal Market Data (MMD) for daily market interest rate scales, and Thomson Financial™ for general market data. Additional resources include access to each of the three major rating agencies, state and federal regulatory agencies and to the Municipal Securities Rulemaking Board's (MSRB) Electronic Municipal Market Access system (EMMA).

Please describe how your firm would assist LCFWASA in developing rating agency information as a part of an issuance.

Developing rating agency information

BTMA assists clients in obtaining bond ratings on average more than 350 times per year. The frequency and variety of our interactions with all three major rating agencies makes us deeply familiar with their procedures, methodologies and personnel. Our approach to pursuing rating upgrades is predicated on knowing the issuer better than the rating agency analyst.

The foundation of our experience is in mainstream governmental purpose ratings, such as general obligation, water, sanitary sewer and storm sewer revenue bonds. However, our experience also extends to the specialized rating areas of electric revenue, parking revenue, airport revenue, higher education revenue and the various economic activity revenue securities – TIF, Sales Tax, Hospitality Tax, Local Earnings Tax, etc.

To stay abreast, we maintain daily communications with the rating agencies as well as individual specialists within each agency. Our established lines of communications and volume permits us to offer perspectives to our clients relating to the outlooks and approaches of the particular agencies to different types of credits.

BTMA's resources includes former senior staff at Moody's, which provides special insights to better enable us to anticipate and address any questions or concerns our clients might encounter in the rating process. Using this knowledge, we have refined our in-house credit rating estimator tool that allows us to model the rating agency methodologies. This includes the ability to replicate the very complicated Moody's pension adjustments. The output and analysis are similar to the rating agencies' internal reports.

SECTION 6: RATING AGENCY AND INVESTOR MARKETING APPROACH

Achieving a favorable rating outcome is the result of planning and preparation. BTMA's goal is to identify any concerns the rating agencies might have about LCFWASA's credit in advance of interactions with the rating agencies. Our approach includes:

- We evaluate likely rating outcomes before engaging with the rating agencies to identify credit strengths or weakness in order to develop an effective rating strategy.
 - This evaluation includes completing detailed scorecards based on each rating agency's published criteria and assigning an estimated scorecard indicated outcome based on published data from LCFWASA's financial reports, socio-economic demographics and more.
 - BTMA can assess LCFWASA's credit strengths and weaknesses through use of this tool and by thoroughly reviewing financial reports to assist in creating a plan to address issues (if any) and ultimately rectify and/or improve them.
- Credit rating upgrades are often the result of a long-term and planned approach to improve credit metrics. BTMA assists in identifying and establishing these improvements, such as:
 - Writing or updating financial policies (debt, fund balances, capital improvement, etc.)
 - Establishing a plan to increase general fund cash and/or fund balances
 - Cash funding projects where and when possible, to keep debt levels low
 - Accelerating principal amortization where possible when issuing debt
- A best practice when seeking to avoid a potential downgrade is to exercise proactive communication with the rating agencies and accompany the dialogue with a plan of action to address the issue(s).
 - Assessing the reason(s) and implementing a plan is essential. Determining the extent that an issue can be resolved by taking action and the length of time needed is also a key component.
 - Following through and executing a plan
- BTMA has assisted clients with and would recommend pursuing, in certain circumstances, a private rating assessment to determine the rating impact (either negative or positive) of a prospective financing. This will allow LCFWASA to make informed decisions on the financing with a full understanding of the credit risk without making a rating public or official.

SECTION 6: RATING AGENCY AND INVESTOR MARKETING APPROACH

Please describe how your firm would assist LCFWASA in marketing bonds to both current and new investors.

Improving investor relations

While ratings from the municipal rating agencies are important and reflect an independent opinion of your organization's credit strength, remember that the credit opinion of investors is what drives the price of LCFWASA obligations. The following are some other options to enhance an investor relations program:

- **Internet roadshow.** This is a useful tool with a wide distribution net (further enhanced by use of any third-party internet service) which LCFWASA can use to provide investors with more relevant information about LCFWASA and any proposed sale/issuance of obligations. These roadshows also allow LCFWASA to differentiate itself from other comparable issuers and garner investor support for a financing. BTMA has the experiences to reflect on and create an online presentation that gets posted together with the POS and facilitates direct communication with desks and buyers.
- **One-on-one investor calls.** Following the release of any preliminary disclosure document, having such investor calls gives LCFWASA the ability to speak directly to institutional investors on any questions they may have about LCFWASA.
- **Investor transparency.** LCFWASA may want to work with its Bond Counsel and look at utilization of ongoing voluntary disclosures on the MSRB EMMA system, which disclosures would provide periodic information on credit-related matters of LCFWASA. Such information is likely available on LCFWASA's website and making such EMMA filings provides a quicker avenue for bond investors to access such information.

SECTION 7: Pricing approach and strategy

Please describe how you would advise LCFWASA in determining the best strategy about pursuing a competitive or negotiated deal.

Advising on method of sale: competitive or negotiated

As we prepare the plan of finance, we will carefully consider and present the relevant merits of a competitive or negotiated sale to LCFWASA . As an independent municipal advisor, BTMA is unencumbered by conflicts that would influence its recommendation on the method of bond sale.

Factors affecting our recommendation include the size and complexity of the deal, market conditions and demand, issuer reputation and relationship, costs and risks involved which are summarized below.

FEATURE / CHARACTERISTIC	NEGOTIATED SALE	COMPETITIVE SALE
Issuer	New or not well known in the marketplace	Issuer known in the marketplace
Issuance frequency	First-time or infrequent issuer	Frequent issuer
Credit rating	Lower credit rating(s)	Highly rated issuer
Security structure	Revenue backed or unusual structure	GO backed or common structure
Interest rate	Best deal offered by the underwriter	Best bid received
Who distributes marketing materials	Underwriter distributes	Issuer & MA distribute
Marketing materials distributed	POS and financial statements	Notice of Sale and Preliminary Official Statement
Market conditions	Unstable market conditions	Stable market conditions
Interest rate/cost achieved	Based on market conditions as well as the underwriter's marketing efforts, investor relationships and willingness to underwrite bonds	Based on market conditions and investors' awareness of the issue being offered for sale

Based on these factors, we would recommend the strategy that will favorably achieve LCFWASA's financing objectives and minimize financing costs and risks.

SECTION 7: PRICING APPROACH AND STRATEGY

Please describe how you would review and advise LCFWASA on proposed takedowns to confirm they are competitive with other issuers.

Advising on takedowns

The review and recommendations on takedowns is part of the negotiated sale process. LCFWASA will be served by a team of professionals that has extensive experience in negotiated sales following a well-defined process. This team understands the dynamics of the different types of credits and investor interests in such credits. BTMA's professionals help our clients secure low cost of funds on the day of pricing via a negotiated sale. This applies not only with advising on takedowns, but also to selection of underwriters and other pricing decisions. We leverage our industry experience and market intelligence to provide our clients with an independent view of fair pricing results given prevailing market conditions. We will work with LCFWASA by including you in any pricing discussions we have with an underwriter. BTMA will also take, if requested the lead role in the pre-pricing and post-pricing discussions, monitoring order flow, and aggressively defending your interests in situations where we feel that proposed interest rates could be improved upon.

As your municipal advisor, BTMA would take the following steps to review and advise my LCFWASA on proposed takedowns to confirm they are competitive with other issuers.

- **Analyze the current market conditions and the demand for LCFWASA securities.**
 - Compare LCFWASA's pending bond issue with comparable sales and credits that have been recently sold. This comparison will also consider credit rating, financial performance, market dynamics and risk profiles
- **Evaluate the terms and pricing of the proposed takedown.**
 - Assess the size, maturity, interest rate and covenants of the securities, and how they align with LCFWASA's capital structure, financing needs and strategic goals
 - Work with the underwriter to address feedback from investors
- **Advise LCFWASA on the optimal strategy of the proposed takedown.**
 - Recommend takedowns that reflect the current market and the opportunity to appeal to both investors and the underwriter/underwriting syndicate
 - Provide suggestions on the most suitable re-pricing reflecting the underwriter's proposed final book of orders to ensure the best price to LCFWASA for its bonds and that the bonds are distributed equitably among investors and that order priority rules that were set by the syndicate are being followed
- **Monitor the execution and performance of the proposed takedown.**
 - Track the initial and secondary market trading, liquidity, and valuation of the securities, and provide feedback and recommendations to LCFWASA for future takedowns

SECTION 8: Charges and fees

Explain your method of determining fees, including charges for travel and out-of-pocket expenses. Also explain your approach to billing miscellaneous calls from LCFWASA for which you would spend minimal time.

Determining bond issuance fees

Our fee for bond issuance will vary based on the size and method of sale (negotiated v. competitive) as well as the complexity of the issue. In general, LCFWASA could expect **our fee to range from \$75,000-\$100,000** based on those factors. Charges for travel and out-of-pocket expenses will be billed separately at the hourly rates listed below.

Providing our invoicing procedures

Invoices will be based on hours incurred at the rates in effect at the time services are performed. Out-of-pocket expenses, which may include travel, lodging, meals and other expenses reasonably and necessarily incurred in the performance of our work, will be included in our fee estimate for each project as a separate line item.

Our invoices for fees and expenses are typically rendered monthly as work progresses and are payable upon receipt. In accordance with our firm policies, work may be suspended if your account becomes overdue. If we elect to terminate our services for nonpayment, you will be obligated to compensate us for all time expended and reimburse us for all out-of-pocket expenditures incurred through the date of termination.

Please provide an hourly rate by participant level for work that is performed outside of bond issue.

Providing our standard hourly rates

For matters arise outside the scope of bond issuance, we will base our fees on our standard rates. When possible, we will provide an estimate in advance of the time and expense we believe necessary to achieve your objectives. Final billings are always evaluated in light of value delivered. Our standard hourly rates are located below.

STANDARD HOURLY RATES	
STAFF LEVEL	HOURLY RATES
Partners/Principals/Directors	\$400-\$600
Managers/Senior Managers	\$275-\$400
Consultants/Analysts/Senior Consultants	\$175-\$275
Support/Paraprofessionals/Interns	\$110-\$175

BTMA'S STANDARD HOURLY RATES

We will base additional services on our standard hourly rates. We will always tell you if the assistance you need is out of scope and never perform additional work without approval.

SECTION 9: Additional services

Describe other services provided by your firm and efficiencies or cost savings that may be gained by LCFWASA engaging your firm for these ancillary services.

BTMA and Baker Tilly provide a full range of advisory services to meet LCFWASA's needs to today and as they evolve in the future. This full range of services plus others highlighted in this section will assist LCFWASA's use of a municipal advisor. BTMA is a leading municipal advisory firm with significant experience advising municipalities throughout the U.S.; **not only on debt issuance but many other services beyond those typically provided by a municipal advisory firm.**



A few of these services that may interest LCFWASA are highlighted below.

Leveraging the Inflation Reduction Act (IRA). The IRA is the largest energy incentive legislative effort in U.S. history. For the first time, governments can obtain tax credit funding through direct payments — for qualifying energy projects. These tax credits can total as much as 50% or more of the qualifying project costs. BTMA can work with LCFWASA to determine if any current projects qualify for the new tax credits/direct payment, provide an estimate of the potential tax credit and provide expertise regarding IRA compliance and preservation of the tax credit.

Green bond certification. As worldwide efforts to reduce carbon emissions grow, governments and companies are increasingly turning to green bonds to finance major sustainability projects. Baker Tilly is an Approved Verifier status under the Climate Bonds Standard and Certification Scheme, an industry standard for labeling bonds, loans and other debt instruments. The Scheme is used globally by bond issuers, governments, investors and financial market participants to prioritize



SECTION 9: ADDITIONAL SERVICES

investments that contribute to addressing the transition from a high- to low-carbon economy. Launched in 2011, the Climate Bonds Standard represents the most detailed climate-aligned investment criteria available in the market and provides guidance to issuers, investors, governments and regulators.

AS AN APPROVED VERIFIER, BAKER TILLY ASSESSES THE ELIGIBILITY OF PROJECTS UNDER THE CLIMATE BONDS STANDARD CRITERIA FOR THE FOLLOWING U.S. SECTORS:

Agriculture	Bioenergy	Low-carbon buildings
Electrical grids and storage	Geothermal energy	Hydropower
Low-carbon transport	Solar	Wind
Waste	Water	

Baker Tilly may also produce pre-issuance and post-issuance verifier reports. Bond verification is one of many services we can provide as you navigate your ESG journey. For more information on ESG strategy and solutions, visit bakertilly.com/services/environmental-social-governance.

Investment services. Baker Tilly Investment Services (BTIS) provides fixed-income portfolio management and investment advice to cities, towns and counties, universities, school and library districts, and public utilities. BTIS currently has assets under management (AUM) of \$2.515 billion. BTIS integrates its efforts with BTMA's team to provide specialized public finance and investment expertise. Our strategies and decisions are guided only by your unique objectives.

Baker Tilly Investment Services, is a division of Baker Tilly Wealth Management, LLC, is a federally registered investment advisor.

Construction project monitoring. Lenders need to ensure loan performance and the ability to collect funds, while investors need to achieve maximum return on investment. These goals are achieved when construction project risks are monitored, known and minimized. Baker Tilly can help achieve project goals and minimize costs by assessing the project controls environment, monitoring project progress, costs, pay applications and the draw process. We monitor the project from pre-construction through occupancy, preventing overfunding incomplete, unsatisfactory or unnecessary work.

Contract compliance and cost control. Whether you are spending public or private funds for your construction project, look to Baker Tilly to ensure your initiative is not costing more than it should. We work hand in hand with your construction team from contract negotiation through the final pay application, mitigating project financial risk by providing independent financial oversight and financial controls to your construction project.

Community resiliency and sustainability. Baker Tilly and BTMA have teams that focus on how core functions of LCFWASA are impacted by resiliency and sustainability considerations which often involves critical governmental functions, management and mitigation of risk, and attracting and retaining talent. The challenge of many governments is how to address these challenges while maintaining fiscal and operational health. Baker Tilly and BTMA have industry specialists that can help build resiliency and sustainability into multiple facets of LCFWASA, while also addressing the resulting costs and benefits. Baker Tilly and BTMA are positioned to provide many services to LCFWASA in this area, with supplier diversity, redevelopment P3 projects, bond designations, and sustainable investor reports being just a few examples.

SECTION 10: Legal and firm issues

Please indicate if the Firm is any of the following:

MBE _____ WBE _____ SBE _____ None of the above X

If the Firm has been certified with the designations above, indicate which agency, and the effective and expiration dates of that certification below:

Agency Certifying: N/A

Effective Date: N/A

Expiration Date: N/A

Please disclose and explain any significant negative events in your firm's recent history including criminal charges, civil litigation, or administrative actions involving allegations of securities law violations by your firm or its employees during the past five (5) years. Please comment on the resolution and/or status of the actions.

None to disclose.

Are there any other lines of business conducted by your firm that could complement or conflict with your role on LCFWASA transactions? Please disclose any arrangements that might present an actual or apparent conflict of interest with this role.

None to disclose.

Disclose any existing or contemplated relationship with any other person or entity, including relationships with LCFWASA staff, which would constitute an actual or potential conflict of interest in connection with the rendering of services detailed in this response. If a conflict does or might exist, please describe how your firm would resolve the conflict.

None to disclose.

SECTION 11: Respondent's certification

The Respondent's Certification set forth below shall be completed and signed by the person submitting the response to the RFQ on behalf of your firm.

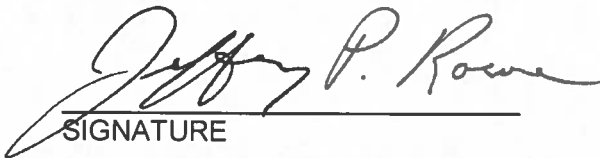
I have carefully examined the submittal to the Request for Qualifications, and any other documents accompanying or made a part of this submittal.

The firm identified below hereby proposes to furnish the services specified in the Request for Qualifications. I agree that the submittal will remain firm for a period of up to 150 days in order to allow LCFWASA adequate time to evaluate the responses submitted.

I verify that all information contained in this submittal is truthful to the best of my knowledge and belief. I further certify that I am duly authorized to submit this response to the Request for Qualifications on behalf of the firm as its act and deed and that the firm is ready, willing, and able to perform if selected.

I further certify that this submittal to the Request for Qualifications is made without prior understanding, agreement, connection, discussion, or collusion with any other person, firm or corporation submitting a Request for Qualifications for the same product or service; no officer, employee or agent of LCFWASA; and that I, the undersigned, executed this certification with full knowledge and understanding of the matters therein contained and was duly authorized to do so.

Baker Tilly Municipal Advisors, LLC
NAME OF BUSINESS


SIGNATURE

Jeffrey Rowe, CPA, Partner
NAME & TITLE, TYPED OR PRINTED

112 Ironworks Ave, Suite C
MAILING ADDRESS

Mishawaka, IN 46544
CITY, STATE, ZIP CODE

(574) 367 5368
TELEPHONE NUMBER



Appendix: Tabular list of relevant transactions

**APPENDIX:
TABULAR LIST OF RELEVANT TRANSACTIONS**

BTMA has served as municipal advisor for the following water, sewer and stormwater utility bonds (par amount \$10 million plus) over the past three years.

SALE DATE	ISSUER	STATE	PAR AMT	ISSUE NAME	METHOD OF SALE
11/15/2023	South Bend	IN	\$32,150,000	Sewage Works Revenue Bonds of 2023	Private
9/19/2023	Charlestown	IN	\$21,307,000	Sewage Works Rev & Ref Rev Bonds, Series 2023	Neg
9/19/2023	Terre Haute	IN	\$90,000,000	Sanitary BANs, Series 2023	Neg
9/13/2023	Fort Wayne Municipal Sewage Works	IN	\$34,449,000	Sewage Works Rev Bonds of 2023	Private
9/13/2023	Fort Wayne Municipal Sewage Works	IN	\$34,499,000	Sewage Works Rev Bonds of 2023	Private
9/8/2023	Saline	MI	\$65,000,000	Wastewater Treatment Plant Junior Lien Rev Bond, Series 2023	Private
7/12/2023	Saint Paul	MN	\$25,000,000	Water Rev Note, Series 2023	Private
5/30/2023	Fort Wayne Muni Water Utility	IN	\$11,000,000	Waterworks Forgivable BANs of 2023	Private
5/16/2023	Metropolitan Council	MN	\$89,765,000	GO Wastewater Rev Bonds, Series 2023C	Comp
5/10/2023	Mishawaka Muni Sewage Works	IN	\$33,775,000	Sewage Works Rev Bonds of 2023	Comp
5/5/2023	Southern Clinton Co Muni Utility Auth	MI	\$21,600,000	Sanitary Sewer Syst Junior Lien Rev Bonds, Series 2023	Private
4/28/2023	Elkhart	IN	\$20,725,000	Sewage Works Rev Bonds, Series 2023A	SRF
4/27/2023	Bluffton	IN	\$34,907,000	Sewage Works Rev Bonds of 2023	SRF
3/8/2023	Saint Paul	MN	\$93,415,000	Water Rev Bonds, Series 2023A	Comp
1/30/2023	Carmel Muni Sewage Works	IN	\$10,500,000	Sewage Works BANs	Comp
12/8/2022	Warsaw Muni Sewage Works	IN	\$31,643,911	Sewage Works Rev Bonds, Series 2018	Comp
12/6/2022	Madison	WI	\$13,960,000	Sewer Syst Rev Bonds, Series 2022-D	Comp
10/19/2022	Huntington	IN	\$48,952,000	Municipal Sewage Works Revenue Bonds of 2022	Private
9/20/2022	Jeffersonville	IN	\$25,000,000	Reissued Sewage Works Rev Bonds of 2022, Series B	Place
9/14/2022	Jeffersonville	IN	\$13,825,000	Sewage Works BANs of 2022	Neg
8/30/2022	Hobart Sanitary Dist	IN	\$46,065,000	Sanitary District Bonds, Series 2022	Place
8/12/2022	Columbus	IN	\$22,200,000	Waterworks Rev Bonds, Series 2022	Place

**APPENDIX:
TABULAR LIST OF RELEVANT TRANSACTIONS**

SALE DATE	ISSUER	STATE	PAR AMT	ISSUE NAME	METHOD OF SALE
7/1/2022	Saint Paul	MN	\$46,000,000	Water Rev Note, Series 2022	Private
6/27/2022	Evansville	IN	\$28,375,000	Sewage Works Rev Bonds, Series 2022A	Place
5/10/2022	Fort Wayne	IN	\$25,000,000	Sewage Works Rev Bonds of 2022 (Green Bonds)	Comp
5/6/2022	Benton Charter Township	MI	\$12,740,000	2022 Sewer Rev Bonds	Place
4/19/2022	Metropolitan Council	MN	\$47,920,000	GO Wastewater Rev Bonds, Series 2022C	Comp
3/14/2022	Bluffton	IN	\$12,681,000	Sewage Works Rev Bonds of 2022, Series A	Place
12/9/2021	Fishers	IN	\$88,055,000	Sewage Works Rev Bonds, Series 2021	Neg
12/8/2021	Fort Wayne Muni Sewage Works	IN	\$140,000,000	Sewage Works Rev Bonds of 2021	Place
12/7/2021	Lawrence	KS	\$46,560,000	Wtr & Sewer Imp Rev Bonds 2021-A	Comp
12/2/2021	Fort Wayne Muni Water Utility	IN	\$44,480,000	Waterworks Rev Bonds of 2021	Neg
11/18/2021	Fort Wayne Muni Sewage Works	IN	\$11,004,000	Sewage Works Rev Bonds. Series 2021 IFA Bonds	Place
11/18/2021	Fort Wayne Muni Sewage Works	IN	\$140,000,000	Sewage Works Rev Bonds of 2021	Place
11/17/2021	Wabash Muni Sewage Works	IN	\$13,090,000	Sewage Works Rev Bonds of 2021	Comp
9/23/2021	West Central Conserv Dist	IN	\$41,440,000	Sewage Works Rev & Ref Bonds of 2021	Comp
9/14/2021	South Bend	IN	\$12,450,000	Sewage Works Ref Rev Bonds of 2021	Comp
8/31/2021	Elkhart	IN	\$32,196,000	Sewage Works Rev Bonds of 2021	Neg
8/18/2021	Saint Paul	MN	\$14,665,000	Sewer Rev & Ref Bonds, Series 2021F (Green Bonds)	Comp
7/15/2021	Northeast Ohio Reg Sewer Dist	OH	\$114,295,000	Wastewater Impr Ref Rev Bonds, Series 2021 (Federally Taxable)	Neg
6/9/2021	Jeffersonville	IN	\$15,070,000	Sewage Works Ref Rev Bonds of 2021	Neg
5/28/2021	Allen Co Reg Water & Sewer Dist	IN	\$12,810,000	Sewage Works Ref Rev Bonds of 2021	SRF
5/6/2021	Roscommon	MI	\$15,700,000	Sewer USDA Jr. Lien Rev Bonds	Neg
5/5/2021	Mishawaka	IN	\$51,600,000	Waterworks Ref Rev Bonds of 2021	Comp
4/21/2021	Metropolitan Council	MN	\$101,265,000	Taxable GO Wastewater Rev Ref Bonds, Series 2021F	Comp
4/13/2021	Patoka Lake Reg Water and Sewer Dist	IN	\$10,745,000	Taxable Waterworks Rev & Ref Bonds of 2021	Neg

**APPENDIX:
TABULAR LIST OF RELEVANT TRANSACTIONS**

SALE DATE	ISSUER	STATE	PAR AMT	ISSUE NAME	METHOD OF SALE
3/15/2021	Sellersburg	IN	\$26,105,000	Sewage Works Rev Bonds, Series 2021	SRF
3/1/2021	Ramsey County	MN	\$32,720,000	GO Solid Waste Fac Rev Bonds, Series 2021A	Comp
2/10/2021	Evansville	IN	\$24,650,000	Taxable Waterworks Dist Ref Rev Bonds, Series 2021	Comp
12/9/2020	Munising	MI	\$11,695,000	Wtr Supply Syst Rev Ref Bonds, Series 2020A	Neg
12/7/2020	Goshen Muni Sewage Works	IN	\$20,415,000	Sewage Disp Syst Rev Ref Bonds, Series 2020A	Neg
12/2/2020	Dyer	IN	\$10,000,000	Sewage Works Ref Rev Bonds of 2020	Comp
12/1/2020	Madison	WI	\$17,440,000	Waterworks Spec Taxing Dist Bonds of 2020	Comp
11/18/2020	Metropolitan Council	MN	\$30,790,000	Sewer Syst Rev & Ref Bonds, Series 2020-D	Comp
11/17/2020	LaPorte	IN	\$19,575,000	GO Wastewater Rev Ref Bonds, Series 2020E	Comp
				Sewage Works Rev Bonds, Series 2020	Comp

**Response to Request for Qualifications for
Financial Advisor Services
for the
Lower Cape Fear Water and Sewer Authority, NC**

December 29, 2023



**SECTION 1: LETTER OF TRANSMITTAL**

December 29, 2023

Tim H. Holloman
Executive Director
Lower Cape Fear Water and Sewer Authority
1107 New Pointe Blvd., Suite 17
Leland, NC 28451

RE: RFQ to Provide Financial Advisor Services

Dear Mr. Holloman,

On behalf of Crews & Associates, Inc. ("Crews"), I am pleased to submit our qualifications to provide financial advisor services to the Lower Cape Fear Water and Sewer Authority ("LCFWASA" or the "Authority"). We are confident that our extensive experience with water and sewer utilities, broker/dealer operations, and local office location, provides a distinct advantage over other firms.

Crews and its professionals do not have and do not anticipate a potential conflict of interest with LCFWASA.

Crews acknowledges that all costs incurred by Crews in connection with responding to this RFQ shall be borne solely by Crews.

We appreciate the opportunity to respond to your RFQ and we enthusiastically look forward to the prospect of serving as the Authority's financial advisor.

Sincerely yours,

Ryan Higgins
Director
374 Mallard Landing Drive
Chapel Hill, NC 27516
857.408.5112
rhiggins@crewsfs.com



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SECTION 3: EXECUTIVE SUMMARY

Overview of Crews. Founded in 1979, Crews is a full-service investment banking firm and registered municipal advisor with the Municipal Securities Rulemaking Board. In 2000, Crews was acquired by a privately held bank holding company, First Security, which has aided Crews in growing its significant reputation in the U.S. fixed income-markets. First Security currently maintains over \$8 billion in assets and allows Crews to provide a variety of additional services including direct placements, LOCs and equipment leasing. Headquartered in Little Rock, Arkansas, Crews maintains over 20 additional offices located across the country including a public finance office in Chapel Hill, North Carolina. Crews has over 180 employees which includes 23 senior public finance bankers.

Crews Footprint



Crews Full Suite of Services	
Service	Description
Financial Advisory	Financial Advisor to over 125 clients nationwide; Since January 1, 2020, Crews has served as an advisor on 258 transactions for a total par amount of over \$2.61 billion.
Underwriting	Has participated in over 3,700 bond issues totaling over \$50 billion in par in the last 5 years as both a senior manager and co-manager on negotiated and competitive transactions; Regularly bids on competitive transactions in North Carolina and across the country either alone or as a member of the syndicates led by Baird or SAMCO
Placement Agent	Since 2020, Crews has served as placement agent on over 100 private placement transactions totaling over \$1.25 billion in par
Sales & Trading	Fixed income focused with over \$7.5 billion in annual municipal volume and \$5.5 billion in annual taxable volume
Dissemination Agent	Posting of continuing disclosure requirements on EMMA (often occurring in connection with our FA engagements)
Reinvestment Services	Purchasing securities on behalf of clients for debt service reserve funds, bond funds, unrestricted cash, etc.
Equipment Leasing	Providing financing for equipment leases including energy savings performance contracts

Broker/Dealer Advantage – Extensive Market Knowledge. As a registered broker/dealer, we believe that maintaining an underwriting and trading desk is essential to properly advise clients about market conditions. In our role as financial advisor, Crews capital markets group routinely provides recommendations regarding the following matters based on their active market involvement and extensive institutional investor relationships:

- Structure
- Call options and premiums
- Yields
- Coupons
- Placement of term bonds and pricing
- Serial bonds and pricing
- Credit aspects
- Underwriters' takedown and spread
- Syndicate rules
- Allocation of bonds



Our underwriting professionals work in partnership with our financial advisory professionals from the beginning preliminary structuring, providing current scales, coupon ideas and call features, to priority of order decisions and final allocations. They review recent comparable transactions as well as secondary market trading. They understand all facets of the underwriting process, from how to capture the largest retail sales percentage to working with the most difficult institutional orders. This unparalleled expertise has provided our financial advisory clients superior services compared to financial advisors that do not employ these professionals.

SECTION 4: BACKGROUND AND QUALIFICATIONS

Locations. Crews is headquartered in Little Rock, Arkansas, and maintains over 20 additional offices located across the country which includes specialists in Alabama, Arkansas, Florida, Georgia, Louisiana, Massachusetts, Mississippi, New York, North Carolina, Tennessee, Texas, Utah, Virginia, and West Virginia. The primary office dedicated to the engagement with LCFWASA will be the firm’s public finance office located in Chapel Hill, North Carolina.

Registration Requirements. Included below are links to the MSRB website and BrokerCheck that shows Crews as a registered Municipal Advisor as well as our state licenses including North Carolina.

<https://www.msrb.org/Municipal-Advisors>

<https://brokercheck.finra.org/firm/summary/8052>

Highly Experienced Team. Crews offers a staff of experienced and skilled professionals. Crews’ team for LCFWASA is led by **Ryan Higgins**, Director in the firm’s North Carolina office. Mr. Higgins will be assisted by a select group of financial specialists who will provide additional support to the Authority. The table provided depicts our talented team and their roles. We have also provided brief resumes for each of the team members dedicated to this engagement.



Ryan Higgins, Director (Primary Contact)

374 Mallard Landing Drive
 Chapel Hill, NC 27516
 P: 857.408.5112
 E: rhiggins@crewsfs.com

Ryan Higgins joined Crews in 2021, opening up the firm’s New York City office before relocating to Chapel Hill, North Carolina in July 2023. Prior to Crews, Mr. Higgins was a senior member at a top-ranked underwriting firm and a top-ranked advisory firm. In his 16-year career in public finance, Mr. Higgins has served as an advisor, underwriter or placement agent on over 500 transactions across the country with at least 400 of those transactions being advisory engagements. His past experience includes previously serving as financial advisor to over 100 local governments, school and utility districts in Massachusetts and New Hampshire including the Cities of Boston, MA and Concord, NH. He has also represented a number of states and state agencies as financial advisor including the states of Alaska, Hawaii, Maryland and North Carolina. Mr. Higgins prior experience in North Carolina includes previously serving as financial advisor to Broad River Water Authority, Wilkes County and the State of North Carolina. For the State of North Carolina,

Key Team Members	
Project Manager	
Ryan Higgins Director North Carolina Office	
Analytical Support	
Alyssa Arthur Analyst Arkansas Office	
Pricing Support	
Katie Eisenhart Head of Municipal Underwriting Arkansas Office	



Mr. Higgins personally structured over \$1.1 billion in Limited Obligation Refunding Bonds for the State through competitive bond sales. Mr. Higgins earned his bachelor's degree in business with honors from St. Anselm College in Manchester, New Hampshire and maintains his Series 7, Series 50, Series 52, Series 63 and Series 79 licenses.



Alyssa Arthur, Analyst

521 President Clinton Ave., Ste. 800
Little Rock, AR 72201
P: 501.978.6324
E: aarthur@crewsfs.com

Alyssa Arthur joined Crews in 2012 and serves as an analyst for the Public Finance group. In her 11-year career in public finance, Ms. Arthur has worked on a number of transactions providing support through credit analysis, bond/note structuring and reviewing of documents. Ms. Arthur also works with Crews' sales and trading teams to provide analytics and support to the firm's sales professionals. Before joining the Public Finance team, Ms. Arthur was a registered sales assistant on the trading floor. Ms. Arthur has an accounting degree from the University of Arkansas and maintains her Series 7 and Series 63 licenses.



Katie Eisenhart, Head of Municipal Underwriting

521 President Clinton Ave., Ste. 800
Little Rock, AR 72201
P: 501.978.7994
E: keisenhart@crewsfs.com

Katie Eisenhart joined Crews in 2007 and serves as the head of Municipal Underwriting. In her 16-year career in public finance, Ms. Eisenhart has served as senior managing underwriter or pricing support for financial advisory clients on hundreds of transactions. Ms. Eisenhart oversees all the competitive bidding and negotiated transactions that come to market through Crews. She serves as an invaluable resource, providing clients with the latest market information and investor sentiment. Ms. Eisenhart is a graduate of Arkansas Tech University with a Bachelor of Science in management and marketing and maintains her Series 7, Series 52, Series 53 and Series 63 licenses.

SECTION 5: EXPERIENCE

Transaction List. Crews has served as financial advisor on 126 transactions totaling over \$1.6 billion in par since January 1, 2021. Crews has not served as financial advisor to any North Carolina entities yet, but we expect that to change with the recent opening of our public finance office in Chapel Hill, North Carolina. We have gone ahead and included a list of our FA transactions since January 1, 2021 as **Appendix A**.

Additional Work in North Carolina. Although Crews has not served as financial advisor to a client in North Carolina, we are proud to report that Crews has been buying bonds sold competitively in North Carolina since 2006 as a member of the syndicate led by Baird. Over the last 10 years, Crews has successfully purchased 33 transactions totaling over \$636 million in par. If selected as financial advisor, Crews would abstain from bidding on any of the Authority's competitive bond sales. Additionally, Crews has served as placement agent to several entities in the State including the North Carolina State Ports Authority, Statesville Housing Authority and Vance County Schools. Crews provided Vance County Schools with \$5.5 million in financing for energy conservation improvements.



Provided below are several recent case studies highlighting our advisory work with water/sewer revenue bonds.

Mountain Green Sewer Improvement District, Utah



Crews has served as financial advisor to the Mountain Green Sewer Improvement District, Utah (the "District") since 2023 with the opening of our new office in Salt Lake City, Utah. The District is a Special Service District located in Morgan County Utah, that provides wastewater services to over 1,300 connections in unincorporated Morgan County. The District is experiencing high levels of growth and is projected to triple their number of connections over the next 20 years. In preparation for this massive growth, the District decided to plan ahead by building a new mechanical sewer treatment facility to replace their existing lagoons. In April 2023, Crews served as financial advisor to the District on \$14 million of Sewer Revenue Bonds through a direct purchase with a bank. Crews also assisted the District with obtaining subsidized low interest rate bonds through two state agencies to account for \$21 million of Sewer Revenue Bonds. The District is currently planning to use impact fees to cash flow the remaining portion of the project instead of issuing additional revenue bonds, but has the flexibility to do either, depending on future growth levels.

City of Hot Springs, Arkansas



Crews has served as financial advisor to the City of Hot Springs, Arkansas (the "City") for over nine years. It is recognized as a resort city with lakes, horse racing and national parks, which include thermal spas. Crews has assisted the City in evaluating hotel proposals as well as serving as financial advisor on numerous transactions, including their Waterworks Revenue, Wastewater Revenue, Construction Revenue, and Hotel and Restaurant Gross Tax Receipt Bonds. In January 2023, Crews served as financial advisor to the City on their \$47.93 million Waterworks Revenue Refunding and Construction Bonds, Series 2023. The Bonds were issued to refund the City's Series 2010A Bonds as well as finance a new water intake structure at Lake Ouachita, a raw water intake line between the new water intake and water treatment plant, a new water treatment plant and water line infrastructure to transfer the treated water into the System. With Crews assistance, the City was able to obtain insurance from Build America Mutual, qualifying the Bonds through their Greenstar program. This not only resulted in a "AA" rating with S&P but also a Green Bond designation that helps widen the City's investor base. Crews was also involved with the decision to fund the debt service reserve fund requirement of ½ maximum annual debt service with a surety policy which cost the City only a small premium as opposed to having the City tie up over \$1.6 million in funds. The efforts of Crews helped the transaction stay both in budget and on schedule, ensuring a successful pricing.

City of Barnesville, Georgia



Crews has served as financial advisor to the City of Barnesville, Georgia (the "City") since 2020. In November 2020, Crews served as financial advisor to the City on their \$21.94 million Water & Sewerage Revenue Refunding Bonds (Taxable), Series 2020A & Series 2020B. The Bonds carried an "A" underlying rating with S&P, but with the addition of bond insurance from Assured Guaranty Municipal, the City received a "AA" rating. At the beginning of the transaction, Crews evaluated both a forward delivery bond structure as well as a taxable advance refunding, ultimately recommending a taxable advance refunding because it was financially in the City's best interest. Crews also drafted and distributed the underwriting RFP, reviewed the proposals, prepared a matrix comparing the responses to one another and ultimately provided a recommendation for senior manager. Crews drafted the financing schedule, assisted with the rating process and had the Crews underwriting desk oversee pricing to make sure the City received the lowest rates.

Included on the following page are financial advisory client references for the firm.



Crews Advisory Clients References

Benchland Water District, Utah	
	<p>Mr. Scott Parsell District Manager 485 E Shephard Lane Kaysville, UT 84037 P: 801.540.3788 E: sparsell@benchlandwater.com</p>
Mountain Green Sewer Improvement District, Utah	
	<p>Mr. Jeremy Sorenson District Manager 5455 W Old Highway Road Morgan, UT 84050 P: 801.876.3416 E: manager@mgsid.com</p>
City of Hot Springs, Arkansas	
	<p>Mr. Bill Burrough City Manager 133 Convention Blvd. Hot Springs, AR 71901 P: 501.321.6810 E: bburrough@cityhs.net</p>
City of Barnesville, Georgia	
	<p>Ms. Tammy York CFO 109 Forsyth Street Barnesville, GA 30204 P: 770.358.0181 E: tammy.york@cityofbarnesville.com</p>
Monongalia County Commission, West Virginia	
	<p>Ms. Renetta McClure County Administrator 243 High Street, Rm 202 Morgantown, WV 26505 P: 304.291.7293 E: rmclure@moncommission.com</p>

6: RATING AGENCY AND INVESTOR MARKETING APPROACH

Rating Agency Experience. Crews recognizes the importance of the rating agencies and the effects they can have on an issuer's pricing. Because of this, whether serving as financial advisor or senior manager, Crews dedicates a tremendous amount of time to working with its clients on rating strategy. This includes developing rating presentations for the rating agencies as well as performing peer analysis, reviewing medians and developing rating scorecard models that mirror both Moody's and S&P's rating scorecards, including Moody's US Municipal Utility Revenue Debt Methodology and S&P's US Municipal Water, Sewer and Solid Waste Utilities Methodology that are specific to LCFWASA. Crews is able to input the Authority's metrics and adjust them at any time to stress test certain ratios, including debt service coverage ratios and days cash on hand, and in turn, show the potential impacts on the Authority's credit ratings. The models are also very useful in helping clients navigate large capital programs while assisting to limit any rating downgrades. We have included a sample of our Moody's based scoring model on the following page.



Water & Sewer Authority Example

US Municipal Utility Revenue Debt Scorecard Based on Moody's Scoring System	
Rating Factor	Commentary Weight Category Value
System Characteristics	FY 2022 Metrics 30%
Asset Condition (Remaining Useful Life)	15 years 10.0% A 3.35
System Size (O&M)	\$18 million 7.5% A 3.12
Service Area Wealth (Median Family Income)	88% of US Median 12.5% A 2.65
Subtotal	0.90
Financial Strength	FY 2022 Metrics 40%
Annual Debt Service Coverage	1.49x 15.0% A 2.96
Days Cash on Hand	288 days 15.0% Aaa 1.50
Debt to Operating Revenues	2.3x 10.0% Aa 1.65
Subtotal	0.83
Management	20%
Rate Management	Strong rate-setting record, little political, practical, or regulatory limits on rate increases 10.0% Aa 2.00
Regulatory Compliance and Capital Planning	Actively addressing minor compliance issues; Maintains comprehensive and manageable 10-year Capital Improvement Plan 10.0% Aa 2.00
Subtotal	0.40
Legal Provisions	10%
Rate Covenant	DSCR of at least 1.25x 5.0% Aa 2.00
Debt Service Reserve Requirement	Maximum Annual Debt Service ("MADS") *Moody's scores the Authority as "Aa"; however, their rating methodology calls for a DSRF requirement of MADS to be scored as "Aaa" (Worth a discussion with Moody's) 5.0% Aa 2.00
Subtotal	0.20
Aggregate Weighted Factor Score	2.33
Preliminary Grid-Indicated Rating	Aa3
Notching Factors	
Total Notching Adjustments	0.00
Total Factor Score	2.33
Final Grid-Indicated Score Rating	Based on the metrics, we see the Authority scoring as a "Aa3" credit; although Moody's scores the Authority as "A1" Moody's; however, does note the following which most likely is dragging down the rating to "A1": -Water and sewer systems in the state tend to be older than average and need significant ongoing maintenance -Financial metrics are generally weaker than US medians -Median debt service coverage and liquidity are modestly below the national median Aa3

Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3
0.50 to 1.50	1.50 to 1.83	1.83 to 2.17	2.17 to 2.50	2.50 to 2.83	2.83 to 3.17	3.17 to 3.50	3.50 to 3.83	3.83 to 4.17	4.17 to 4.50

¹For illustrative purposes only. While the information is believed to be reliable, Crews has not performed an independent review.



Investor Marketing Approach. In addition to providing advisory services to clients across the country, Crews is also an active underwriter, regularly pricing negotiated transactions and bidding, on average, 60 competitive transactions per week. Crews has over 130 sales professionals that cover retail and institutional investor accounts across the country. Over the past 12 months, Crews has placed over \$3.297 billion in bonds in the primary market to a wide array of investors which we have outlined in the included table. Other advisory firms that do not provide underwriting services, lack relationships with investors and rely heavily on the underwriter for real time market information and investor sentiment.

Marketing Strategy. Crews' general marketing approach is to utilize an aggressive pre-marketing plan to establish strong demand from retail, in-state middle market institutional investors such as North Carolina-based financial institutions and trust departments, and large institutional investors. Crews' advisory team, with help from its underwriting and sales desk, will work with the underwriter(s) to help build the Authority's institutional investor base to drive demand and lower the costs of funds.

Crews Distribution of Bonds to Investors (Past 12 Months)	
	All Bonds (Primary Market)
ARB	\$16,240,000
Bank Advisor	\$8,940,000
Bank Portfolio	\$177,130,000
Bank Trust	\$560,339,930
Broker / Dealer	\$379,720,000
Corporation	\$15,940,000
Credit Union	\$690,000
Hedge Fund	\$41,070,000
Insurance Company	\$57,240,000
Investment Advisor	\$1,431,404,200
Money Manager	\$570,970,000
Mutual Fund	\$7,035,000
Non-Profit	\$500,000
Other	\$425,000
Retail	\$29,510,000
Total	\$3,297,154,130

To generate the greatest amount of reception, Crews recommends the following strategies:

- **Investor internet roadshow/One-on-one calls:** Record an internet roadshow (slides without audio is sufficient) and be available for one-on-one investor calls.
- **Targeted marketing to institutional investors:** Crews looks to identify investors most likely to be interested in LCFWASA's bonds. We would plan to target the top bondholders of LCFWASA's bonds, North Carolina paper and water and sewer revenue bonds nationally which are outlined in the tables below.

LCFWASA Top Bondholders		North Carolina Issuers Top Bondholders		Water/Sewer Revenue Bonds Top Bondholders	
Firm	Holdings (\$000s)	Firm	Holdings (\$000s)	Firm	Holdings (\$000s)
JP Morgan Chase	13,445	Vanguard	1,806,107	Vanguard	11,048,924
American Century Companies	800	Travelers	1,229,003	BlackRock	8,101,768
FIL Limited	250	BlackRock	1,101,337	TIAA-CREF	4,323,172
Bank Of New York Mellon	120	TIAA-CREF	944,093	Travelers	3,382,860
		Northern Trust	773,370	Capital Group Companies	3,140,579
		Capital Group Companies	705,883	Franklin Resources	3,125,420
		FMR	643,224	Invesco	2,852,159
		Franklin Resources	577,335	Northern Trust	2,687,309
		Massachusetts Financial Services	478,930	Goldman Sachs	2,472,882
		Goldman Sachs	457,004	FMR	2,298,179

Source: Bloomberg. Only reflects reported holdings.

- **Tier 2 and Tier 3 Investors:** In addition to covering large institutional clients, Crews has strong relationships with Tier 2 and Tier 3 investors that are often overlooked by large broker-dealers to help create a wider distribution network for LCFWASA's bonds.



SECTION 7: PRICING APPROACH AND STRATEGY

Assemble an Experienced Working Group. Crews will work collectively with the Authority to assemble an experienced and knowledgeable working group, including but not limited to Bond Counsel, Underwriting Firms, Underwriter’s Counsel, Paying Agent/Trustee, Financial Printer, Rating Agencies and Liquidity Providers (as necessary). Crews is able to prepare an RFP, distribute to bidders, review proposals and provide award recommendations for all the services mentioned above. Additionally, Crews will negotiate fees with members of the working group, in an effort to minimize issuance costs.

Competitive Transactions. During a competitive transaction, Crews serves as the primary contact for the underwriting firms. In this role, our responsibilities include preparing the Notice of Sale and bidding provisions, distributing the POS and Notice of Sale to the printer for distribution to the underwriters, Bloomberg, the Bond Buyer, etc., independently evaluating and verifying bids, verifying the True Interest Cost (“TIC”) calculations and conformance with the bid parameters and recommending the awards. We also work in partnership with our underwriting desk to determine optimal market timing, address pre-sale market questions and execute a pre-marketing strategy to maximize investor participation. Crews remains alert to market or issue-specific factors that develop over the course of a transaction that may impact our clients. Accordingly, we work with our clients to develop forward-looking financing schedules that provide flexibility should we feel a client may need to change their method or date of sale. Although the timing of competitive sales is generally less flexible than for a negotiated transaction, Crews works with its clients to identify issuance windows that avoid periods of heavy competing supply, reduced demand, and/ or potentially market moving economic data.

We have provided the advantages and disadvantages of both negotiated and competitive sales in the table below.

Negotiated vs. Competitive Sales	
Negotiated Sale	
Advantages	
Pre-Sale	
<ul style="list-style-type: none"> ▪ Flexibility with regards to timing (selecting a date to price) ▪ Underwriters will generate new money and refunding proposals ▪ Flexibility with regards to structure ▪ Longer pre-sale market assessment 	
Sale Date	
<ul style="list-style-type: none"> ▪ Iterative process ▪ Greater control in allocating bonds to specific underwriters and investor groups ▪ Greater control in MBE/WBE participation, if desired 	
Disadvantages	
<ul style="list-style-type: none"> ▪ Less competition in pricing 	
Competitive Sale	
Advantages	
<ul style="list-style-type: none"> ▪ Assurance bonds priced at lowest rates in the market ▪ Promote fair process 	
Disadvantages	
<ul style="list-style-type: none"> ▪ Less flexibility with structure and timing ▪ Issuers who sell strictly on a competitive basis will not receive unsolicited financing analysis from underwriters ▪ Cost is likely higher during volatile markets ▪ Minimum control over underwriter selection and bond allocation 	



Advisory Approach. We identify the potential services to be completed by the Crews advisory team in the following table. The table outlines the various phases of each project which may be necessary for a financing for LCFWASA as well as ongoing services. Additional services may be performed that do not appear in the table.

Crews Advisory Approach	
Phase 1	<p>Planning Activities</p> <ul style="list-style-type: none"> ▪ Review current financial standing ▪ Perform in-depth analysis including analysis on refunding opportunities ▪ Create strategic planning model ▪ Review unsolicited proposals from underwriters ▪ Assist with creation of RFP for underwriting services, if necessary ▪ Review RFP responses and outline firm strengths and weaknesses in detailed matrix
Phase 2	<p>Set Financing Terms</p> <ul style="list-style-type: none"> ▪ Quantify benefits and costs of various structuring alternatives including the exploration of public markets transactions and private placements ▪ Work with the Authority on obtaining approvals ▪ Prepare cash flow forecasts to evaluate expected annual debt service requirements ▪ Provide recommendations on call and redemption features, reserve funds, coverage requirements, etc. ▪ Develop a financing schedule and distribution list ▪ Recommend method of sale
Phase 3	<p>Coordinate Related Service Providers</p> <ul style="list-style-type: none"> ▪ Keep costs low by securing competitive bids on ancillary services like financial printers, trustees/ paying agents, liquidity providers, outside consultants, etc. ▪ Collect and maintain cost of issuance information
Phase 4	<p>Prepare Documentation</p> <ul style="list-style-type: none"> ▪ Work with the Authority, bond counsel and potentially underwriter's counsel to prepare an Official Statement and other disclosure documents that fully describe all terms and conditions ▪ Set bid parameters for any competitive transactions with input from Crews' underwriting desk
Phase 5	<p>Coordinate Rating and Credit Enhancement Process</p> <ul style="list-style-type: none"> ▪ Develop rating scorecard analysis, highlighting credit strengths, weaknesses and anticipated ratings; allow the Authority to make informed decisions on selecting rating agencies ▪ Negotiate rating agency fees ▪ Prepare the rating presentation and assist with rating meetings/calls ▪ Monitor bond-rating progress ▪ Coordinate all efforts related to credit enhancers to ensure bids are based upon desired finance structure
Phase 6	<p>Conduct Marketing and Pricing</p> <ul style="list-style-type: none"> ▪ Assist with the investor presentation ▪ Participate in due diligence meetings ▪ Monitor existing transactions ▪ Arrange for publication of sale ▪ Provide pre-pricing book complete with comps ▪ Provide timely market developments ▪ Verify bids, create final structures for any competitive sales ▪ Recommend appropriate new structures ▪ Offer advice on timing of offerings and final pricing terms ▪ Advise on investment of bond proceeds



Crews Advisory Approach (continued)	
Phase 7	Provide Post Sale Documents <ul style="list-style-type: none"> ▪ Create or review flow of funds memorandum ▪ Provide a closing book summarizing the transaction
Phase 8	Provide Ongoing Services <ul style="list-style-type: none"> ▪ Attend all meetings at the request of the Authority ▪ Monitor and report local, State, and Federal regulations that may affect the Authority's debt ▪ Monitor secondary market transactions ▪ Assist with continuing disclosure services ▪ Create / review debt management and investment policies ▪ Advise on arbitrage rebate, swaps and other derivatives, if necessary ▪ Provide reinvestment services, if necessary

SECTION 8: CHARGES AND FEES

Crews proposes the following transaction fee schedule:

Transaction Fees
\$1.00 per \$1,000 of bonds/notes sold
\$7,500 minimum fee and \$35,000 maximum fee

Crews proposes the following hourly fee schedule:

Employee Classification	Rate/Hour
Managing Director / Director / Analyst	\$150

Crews would not plan to bill for any miscellaneous phone calls throughout the engagement.

Any travel expenses would be subject to preapproval from LCFWASA and would be billed at cost. Crews would plan to provide receipts for each incurred expense.

Should LCFWASA be interested in having Crews serve as dissemination agent, Crews would propose an annual fee of \$2,000.

For any reinvestment services in which Crews would purchase securities on behalf of the Authority for its bond funds, debt service reserve funds, unrestricted cash, etc., any commissions built into the pricing of the security shall be negotiated in a manner acceptable to LCFWASA.



SECTION 9: ADDITIONAL SERVICES

Ongoing Services. In addition to providing transaction specific advisory services to its clients, Crews also provides ongoing support throughout the year which includes but is not limited to updating capital planning models, rating models and refunding analysis, monitoring legislative, economic, budgetary and regulatory changes, secondary market trading and creating/ reviewing investment and debt management policies. The Crews advisory team has helped create policies from scratch as well as perform annual reviews to make sure the policies continue to stay current. Crews also acts as dissemination agent for its financial advisor clients, making sure they stay in compliance with any continuing disclosure requirements, and provides reinvestment services; whether it is bond proceeds, reserve funds or unrestricted cash, to make sure our clients funds are working for them.

SECTION 10: LEGAL AND FIRM ISSUES

Please indicate if the Firm is any of the following:

MBE _____ WBE _____ SBE _____ None of the above

If the Firm has been certified with the designations above, indicate which agency, and the effective and expiration dates of that certification below:

Agency Certifying: _____

Effective Date: _____

Expiration Date: _____

- Please disclose and explain any significant negative events in your firm's recent history including criminal charges, civil litigation, or administrative actions involving allegations of securities law violations by your firm or its employees during the past five (5) years. Please comment on the resolution and/or status of the actions.

Crews is not currently subject to any pending litigation by any governmental authority or regulatory body. However, within the last five years, Crews has been involved in the following regulatory issues.

- Circuit Court of Washington County, Arkansas (72CV-2017-1206-1). Crews was served with a Complaint from the City of Tontitown, Arkansas, on July 28, 2017, arising from the annexation of certain real estate formerly owned by a Crews' affiliate. The City of Tontitown has taken no further action since the filing of the Complaint. The complaint does not allege any sales-practice violations. On July 23, 2019, the Court sent a letter to the parties indicating that if no response was received by the Court within 30 days, the Court would assume there is no objection to the entry of an Order of Dismissal by the Court for lack of prosecution. On August 12, 2019, the Court entered an Order of Dismissal/Nonsuit Without Prejudice and closed the case.
- In the Matter of Crews & Associates, Inc.; Arkansas Securities Department Case No. S-19-0005; Order No. S-19-0005-19-OR01. Consent Order entered with Crews & Associates, Inc. for certain books and records violations of the Arkansas Securities Act and the Rules of the Arkansas Securities Commission. Crews self-reported CRD filing issues to the staff of the Arkansas Securities Department which had caused its applications for registrations in Arkansas for two non-sales, FINRA-registered broker-



dealer agents to be untimely filed after the agents had passed the Series 63 examination. The Department subsequently approved the applications of both agents upon entry of this Consent Order with Crews. Crews paid a fine of \$5,000.00 to the Department on April 11, 2019.

- The Securities and Exchange Commission issued Administrative Proceeding Order under File No. 3-20480 to Crews & Associates, Inc. – see **Appendix B** for a copy of the order. The matter has been closed.
- FINRA issued a letter of Acceptance, Waiver, and Consent (the “AWC”) on May 16, 2023, with Crews & Associates, Inc. – see **Appendix C** for a copy of the AWC.
- **Are there any other lines of business conducted by your firm that could complement or conflict with your role on LCFWASA transactions? Please disclose any arrangements that might present an actual or apparent conflict of interest with this role.**

Crews regularly serves as underwriter or placement agent to issuers across the country on competitive, negotiated and private placement transactions. If selected as financial advisor, Crews would abstain from partaking in any underwriting or placement agent activities involving LCFWASA.

- **Disclose any existing or contemplated relationship with any other person or entity, including relationships with LCFWASA staff, which would constitute an actual or potential conflict of interest in connection with the rendering of services detailed in this response. If a conflict does or might exist, please describe how your firm would resolve the conflict.**

Crews does not have any existing or contemplated relationship with any other person or entity, including relationships with LCFWASA staff, which would constitute an actual or potential conflict of interest in connection with the rendering of services detailed in this response.



SECTION 11: RESPONDENT'S CERTIFICATION

RESPONDENT'S CERTIFICATION

I have carefully examined the submittal to the Request for Qualifications, and any other documents accompanying or made a part of this submittal.

The firm identified below hereby proposes to furnish the services specified in the Request for Qualifications. I agree that the submittal will remain firm for a period of up to 150 days in order to allow LCFWASA adequate time to evaluate the responses submitted.

I verify that all information contained in this submittal is truthful to the best of my knowledge and belief. I further certify that I am duly authorized to submit this response to the Request for Qualifications on behalf of the firm as its act and deed and that the firm is ready, willing, and able to perform if selected.

I further certify that this submittal to the Request for Qualifications is made without prior understanding, agreement, connection, discussion, or collusion with any other person, firm or corporation submitting a Request for Qualifications for the same product or service; no officer, employee or agent of LCFWASA; and that I, the undersigned, executed this certification with full knowledge and understanding of the matters therein contained and was duly authorized to do so.

Crews & Associates, Inc.

NAME OF BUSINESS

Ryan Higgins

SIGNATURE

Ryan Higgins, Director

NAME & TITLE, TYPED OR PRINTED

374 Mallard Landing Drive

MAILING ADDRESS

Chapel Hill, NC 27516

CITY, STATE, ZIP CODE

(857) 408-5112

TELEPHONE NUMBER



**APPENDIX A
FA TRANSACTION LIST**

Crews FA Transactions Since January 1, 2021

Date Issuer	State	Par Amount	Transaction Description	Ratings	Sale Type	Final Maturity
11/9/2023 Monongalia County Commission	WV	36,811,269	Excise Tax Revenue Bonds and Convertible CABS	-	Negotiated	6/1/2053
11/2/2023 Greenland School District No. 95	AR	2,430,000	GO Bonds	Aa2	Competitive	6/1/2050
10/12/2023 Jacksonville North Pulaski County School District	AR	15,365,000	GO Bonds	Aa2	Competitive	6/1/2053
9/28/2023 Pine Bluff School District No. 3	AR	33,670,000	GO Bonds	Aa2	Competitive	6/1/2053
9/7/2023 Kirby School District No. 32	AR	2,350,000	GO Bonds	Aa2	Competitive	6/1/2051
9/7/2023 Westside School District No. 40	AR	4,500,000	GO Bonds	Aa2	Competitive	2/1/2053
8/10/2023 Alvin Independent School District	TX	29,220,000	GO Bonds	Aaa / AAA	Negotiated	2/15/2038
8/3/2023 Stuttgart School District No. 22	AR	20,735,000	GO Bonds	Aa2	Competitive	2/1/2053
7/28/2023 Monongalia County Commission	WV	53,040,000	Tax Increment Revenue Bonds	-	Negotiated	6/1/2053
7/18/2023 Richfield City	UT	1,680,000	Water Revenue Bonds	-	Private Placement	10/1/2053
6/29/2023 Concord School District No. 3	AR	6,320,000	GO Bonds	Aa2	Competitive	2/1/2053
6/15/2023 Benchland Water District	UT	2,440,000	Water Revenue Bonds	-	Private Placement	12/1/2039
6/1/2023 Hot Springs School District No. 6	AR	25,590,000	GO Bonds	Aa2	Competitive	6/1/2046
4/27/2023 City of Harrisville	UT	9,000,000	Sales & Franchise Tax Revenue Bonds	-	Private Placement	6/1/2048
4/18/2023 Mountain Green Sewer Improvement District	UT	14,000,000	Sewer Revenue Bonds	-	Private Placement	5/1/2053
3/30/2023 Batesville School District No. 1	AR	9,995,000	GO Bonds	Aa2	Competitive	3/1/2027
3/1/2023 Buffalo Island Central School District No. 40	AR	122,399	Lease Purchase Agreement	-	Private Placement	10/1/2052
1/31/2023 City of Hot Springs	AR	47,930,000	Waterworks Revenue Bonds	AA	Negotiated	6/1/2024
12/28/2022 Monongalia County Commission	WV	8,490,000	Subordinate Excise Tax Revenue BANS	-	Negotiated	6/1/2024
12/1/2022 Caddo Hills School District No. 28	AR	840,000	GO Bonds	-	Competitive	2/1/2037
9/29/2022 Cotter School District No. 60	AR	3,900,000	GO Bonds	Aa2	Competitive	2/1/2052
8/4/2022 Harmony Grove School District No. 1	AR	1,560,000	GO Bonds	Aa2	Competitive	2/1/2050
7/28/2022 City of Hot Springs	AR	27,300,000	Wastewater Revenue Bonds	AA	Negotiated	12/1/2052
7/28/2022 City of Hot Springs	AR	18,945,000	Wastewater Revenue Bonds	-	Private Placement	12/1/2039
7/7/2022 Rogers School District No. 30	AR	16,500,000	GO Bonds	-	Competitive	2/1/2037
7/7/2022 Western Yell County School District No. 9	AR	1,045,000	GO Bonds	-	Competitive	2/1/2038
6/16/2022 Atkins School District No. 18	AR	508,100	Lease Purchase Agreement	-	Private Placement	6/16/2032
6/2/2022 Lavaca School District No. 3	AR	1,560,000	GO Bonds	Aa2	Competitive	2/1/2037
5/5/2022 Mountainburg School District No. 16	AR	3,600,000	GO Bonds	Aa2	Competitive	2/1/2051
4/7/2022 Batesville School District No. 1	AR	34,255,000	GO Bonds	Aa2	Competitive	2/1/2052
4/7/2022 Harrison School District No. 1	AR	3,095,000	GO Bonds	Aa2	Competitive	2/1/2044
3/24/2022 Foreman School District No. 25	AR	709,300	Lease Purchase Agreement	-	Private Placement	6/1/2051
3/1/2022 Jacksonville North Pulaski County School District	AR	55,410,000	GO Bonds	Aa2	Competitive	3/24/2032
3/1/2022 Springdale School District No. 50	AR	171,345,000	GO Bonds	Aa2	Competitive	6/1/2042
2/8/2022 Decatur School District No. 17	AR	148,572	Lease Purchase Agreement	-	Private Placement	2/1/2048
1/1/2022 Des Arc School District No. 5	AR	6,885,000	GO Bonds	Aa2	Competitive	2/8/2029
1/1/2022 Alpena School District No. 5	AR	645,000	GO Bonds	Aa2	Competitive	12/1/2035
1/1/2022 Blytheville School District No. 5	AR	2,755,000	GO Bonds	Aa2	Competitive	2/1/2047
1/1/2022 Clarksville School District No. 17	AR	6,360,000	GO Bonds	Aa2	Competitive	2/1/2046
1/1/2022 Conway School District No. 1	AR	7,070,000	GO Bonds	Aa2	Competitive	2/1/2040
1/1/2022 Manila School District No. 15	AR	2,070,000	GO Bonds	Aa2	Competitive	2/1/2045
12/15/2021 North Little Rock School District No. 1	AR	18,830,000	GO Bonds	Aa2	Competitive	2/1/2029
12/1/2021 Bentonville School District No. 6	AR	20,480,000	GO Bonds	Aa2	Competitive	2/1/2047
12/1/2021 England School District No. 2	AR	6,355,000	GO Bonds	Aa2	Competitive	2/1/2036

Date Issuer	State	Par Amount	Transaction Description	Ratings	Sale Type	Final Maturity
12/1/2021 Kirby School District No. 32	AR	7,530,000	GO Bonds	Aa2	Competitive	6/1/2051
12/1/2021 Lead Hill School District No. 4	AR	3,065,000	GO Bonds	Aa2	Competitive	2/1/2049
12/1/2021 Magnolia School District No. 14	AR	10,175,000	GO Bonds	Aa2	Competitive	6/1/2051
12/1/2021 Nemo Vista School District No. 8	AR	1,030,000	GO Bonds	-	Competitive	2/1/2047
12/1/2021 White County Central School District No. 48	AR	9,520,000	GO Bonds	Aa2	Competitive	2/1/2051
11/22/2021 City of Cochran	GA	3,395,000	Water & Sewer Revenue Bonds	AA	Negotiated	4/1/2044
11/12/2021 City of Hot Springs	AR	10,030,000	Waterworks Revenue Bonds	-	Private Placement	2/1/2047
11/1/2021 Charleston School District No. 9	AR	8,910,000	GO Bonds	Aa2	Competitive	2/1/2047
11/1/2021 Clarendon School District No. 6	AR	5,165,000	GO Bonds	Aa2	Competitive	2/1/2045
11/1/2021 Conway School District No. 1	AR	35,580,000	GO Bonds	Aa2	Competitive	2/1/2049
11/1/2021 Cutter-Morning Star School District No. 21	AR	5,705,000	GO Bonds	Aa2	Competitive	10/1/2040
11/1/2021 Decatur School District No. 17	AR	9,160,000	GO Bonds	Aa2	Competitive	2/1/2045
11/1/2021 DeQueen School District No. 17	AR	6,430,000	GO Bonds	Aa2	Competitive	2/1/2049
11/1/2021 Dierks School District No. 2	AR	3,080,000	GO Bonds	Aa2	Competitive	2/1/2051
11/1/2021 Elkins School District No. 10	AR	21,570,000	GO Bonds	Aa2	Competitive	2/1/2049
11/1/2021 Foreman School District No.25	AR	7,840,000	GO Bonds	Aa2	Competitive	2/1/2034
11/1/2021 Harmony Grove School District No. 1	AR	5,180,000	GO Bonds	Aa2	Competitive	2/1/2031
11/1/2021 Manila School District No. 15	AR	9,630,000	GO Bonds	Aa2	Competitive	2/1/2049
11/1/2021 Marked Tree School District No. 28	AR	7,310,000	GO Bonds	Aa2	Competitive	2/1/2031
11/1/2021 Ozark School District No. 14	AR	10,280,000	GO Bonds	Aa2	Competitive	2/1/2045
11/1/2021 Prescott School District No. 14	AR	6,615,000	GO Bonds	Aa2	Competitive	2/1/2047
10/1/2021 Harmony Grove School District No. 1	AR	1,050,000	GO Bonds	-	Competitive	2/1/2050
9/1/2021 Cutter-Morning Star School District No. 21	AR	2,070,000	GO Bonds	Aa2	Competitive	6/1/2039
9/1/2021 Hot Springs School District No. 6	AR	69,110,000	GO Bonds	Aa2	Competitive	2/1/2041
9/1/2021 Huntsville School District No. 1	AR	3,095,000	GO Bonds	Aa2	Competitive	6/1/2046
9/1/2021 Mountainburg School District No. 16	AR	6,710,000	GO Bonds	Aa2	Competitive	6/1/2044
9/1/2021 Paris School District No. 7	AR	1,105,000	GO Bonds	-	Competitive	3/1/2049
9/1/2021 Trumann School District No. 21	AR	9,965,000	GO Bonds	Aa2	Competitive	2/1/2051
8/18/2021 Lavaca School District No. 3	AR	76,470	Lease Purchase Agreement	-	Private Placement	2/1/2039
8/1/2021 Harmony Grove School District No. 1	AR	345,000	GO Bonds	-	Competitive	3/1/2039
8/1/2021 Lavaca School District No. 3	AR	455,000	GO Bonds	-	Competitive	6/1/2039
8/1/2021 Poyen School District No. 1	AR	530,000	GO Bonds	-	Competitive	8/18/2026
8/1/2021 Siloam Springs School District No. 21	AR	8,315,000	GO Bonds	-	Competitive	6/1/2029
7/1/2021 DeQueen School District No. 17	AR	895,000	GO Bonds	Aa2	Competitive	2/1/2037
7/1/2021 Harmony Grove School District No. 1	AR	1,020,000	GO Bonds	-	Competitive	6/1/2029
7/1/2021 Mansfield School District No. 76	AR	7,445,000	GO Bonds	Aa2	Competitive	6/1/2051
7/1/2021 Springdale School District No. 50	AR	94,600,000	GO Bonds	Aa2	Competitive	2/1/2041
6/9/2021 Monongalia County Commission	WV	49,195,000	Excise Tax Revenue Bonds	-	Negotiated	3/1/2038
6/1/2021 Bentonville School District No. 6	AR	26,800,000	GO Bonds	Aa2	Competitive	6/1/2043
6/1/2021 Greenland School District No. 95	AR	1,355,000	GO Bonds	Aa2	Competitive	2/1/2043
6/1/2021 Lee County School District No. 1	AR	1,245,000	GO Bonds	Aa2	Competitive	6/1/2043
6/1/2021 Seary Special School District	AR	10,255,000	GO Bonds	Aa2	Competitive	2/1/2031
5/27/2021 Genoa Central School District No. 1	AR	725,000	GO Bonds	Aa2	Competitive	2/1/2032
5/1/2021 County Line School District No. 1	AR	4,925,000	GO Bonds	Aa2	Competitive	6/1/2044
5/1/2021 DeWitt School District No. 1	AR	1,045,000	GO Bonds	-	Competitive	2/1/2034
5/1/2021 Genoa Central School District No. 1	AR	5,780,000	GO Bonds	Aa2	Competitive	2/1/2039
						2/1/2045

Date Issuer	State	Par Amount	Transaction Description	Ratings	Sale Type	Final Maturity
5/1/2021 Junction City School District No. 75	AR	7,665,000	GO Bonds	Aa2	Competitive	2/1/2048
5/1/2021 Magazine School District No. 15	AR	780,000	GO Bonds	Aa2	Competitive	2/1/2044
5/1/2021 Parkers Chapel School District No. 35	AR	6,360,000	GO Bonds	Aa2	Competitive	6/1/2033
5/1/2021 Pea Ridge School District No. 109	AR	2,890,000	GO Bonds	Aa2	Competitive	2/1/2045
5/1/2021 Piggott School District No. 52	AR	6,290,000	GO Bonds	Aa2	Competitive	2/1/2045
5/1/2021 Riverview School District	AR	7,910,000	GO Bonds	Aa2	Competitive	2/1/2045
5/1/2021 Valley View School District No. 58	AR	15,085,000	GO Bonds	Aa2	Competitive	2/1/2041
4/28/2021 Ashdown School District No. 31	AR	195,820	Lease Purchase Agreement	-	Private Placement	6/1/2051
4/28/2021 DeQueen School District No. 17	AR	608,700	Lease Purchase Agreement	-	Private Placement	4/28/2026
4/20/2021 Foreman School District No. 25	AR	608,700	Lease Purchase Agreement	-	Private Placement	4/28/2031
4/1/2021 Fouke School District No. 15	AR	7,265,000	GO Bonds	Aa2	Competitive	4/20/2029
3/4/2021 Gravette School District No. 20	AR	1,275,000	GO Bonds	Aa2	Competitive	11/1/2034
3/1/2021 Gravette School District No. 20	AR	1,510,000	GO Bonds	Aa2	Competitive	6/1/2051
3/1/2021 Hampton School District No. 1	AR	530,000	GO Bonds	-	Competitive	2/1/2039
3/1/2021 Jacksonville North Pulaski County School District	AR	28,470,000	GO Bonds	Aa2	Competitive	2/1/2043
3/1/2021 North Little Rock School District No. 1	AR	169,985,000	GO Bonds	Aa2	Competitive	6/1/2042
2/1/2021 Osceola School District No. 1	AR	1,605,000	GO Bonds	Aa2	Competitive	6/1/2042
2/1/2021 Ashdown School District No. 31	AR	2,905,000	GO Bonds	Aa2	Competitive	4/1/2038
2/1/2021 Blytheville School District No. 5	AR	9,615,000	GO Bonds	Aa2	Competitive	12/1/2027
2/1/2021 Clarksville School District No. 17	AR	4,510,000	GO Bonds	Aa2	Competitive	2/1/2035
2/1/2021 Cutter-Morning Star School District No. 21	AR	1,520,000	GO Bonds	Aa2	Competitive	6/1/2038
2/1/2021 Dollanway School District No. 2	AR	6,730,000	GO Bonds	Aa2	Competitive	6/1/2045
2/1/2021 South Conway County School District No. 17	AR	6,970,000	GO Bonds	Aa2	Competitive	2/1/2047
1/1/2021 Atkins School District No. 18	AR	1,075,000	GO Bonds	Aa2	Competitive	2/1/2038
1/1/2021 Berryville School District No. 27	AR	2,945,000	GO Bonds	Aa2	Competitive	2/1/2036
1/1/2021 Bryant School District No. 25	AR	24,800,000	GO Bonds	Aa2	Competitive	2/1/2036
1/1/2021 Conway School District No. 1	AR	11,085,000	GO Bonds	Aa2	Competitive	2/1/2039
1/1/2021 Dover School District No. 17	AR	1,350,000	GO Bonds	Aa2	Competitive	2/1/2047
1/1/2021 Harmony Grove School District No. 1	AR	5,820,000	GO Bonds	Aa2	Competitive	2/1/2047
1/1/2021 Magnolia School District No. 14	AR	12,155,000	GO Bonds	Aa2	Competitive	2/1/2043
1/1/2021 Magnolia School District No. 14	AR	1,560,000	GO Bonds	Aa2	Competitive	2/1/2039
1/1/2021 Pea Ridge School District No. 109	AR	10,785,000	GO Bonds	Aa2	Competitive	2/1/2040
1/1/2021 Pea Ridge School District No. 109	AR	5,905,000	GO Bonds	Aa2	Competitive	2/1/2048
1/1/2021 Pea Ridge School District No. 109	AR	3,055,000	GO Bonds	Aa2	Competitive	2/1/2037
1/1/2021 Prairie Grove School District No. 23	AR	8,805,000	GO Bonds	Aa2	Competitive	2/1/2043
1/1/2021 Stuttgart School District No. 22	AR	4,775,000	GO Bonds	Aa2	Competitive	2/1/2042
Total		126 Transactions	\$1,616,369,330			



APPENDIX B
Crews SEC Order

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 92768 / August 26, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-20480

In the Matter of

CREWS & ASSOCIATES,
INC.

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE AND CEASE-AND-
DESIST PROCEEDINGS, PURSUANT TO
SECTIONS 15(b), 15B(c) AND 21C OF THE
SECURITIES EXCHANGE ACT OF 1934,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS AND A CEASE-
AND-DESIST ORDER

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 15(b), 15B(c) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Crews & Associates, Inc. (“Crews” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over it and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Sections 15(b), 15B(c) and 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds¹ that:

¹ The findings herein are made pursuant to Respondent’s Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

Summary

1. This matter involves unfair dealing by Crews, a regional broker-dealer headquartered in Little Rock, Arkansas. Crews works with local municipalities, across multiple states, that issue municipal securities, and often serves as underwriter on new issue municipal securities. Crews also trades municipal securities in the secondary market on behalf of itself and its customers.

2. In October 2015, Crews, at the direction of its then-CEO, recommended to The County Commission of Ohio County, West Virginia (the "County") that the County attempt to reduce the amount of its outstanding debt service expense through a tender offer for bonds issued in 2006. The County had previously retained Crews in 2012 and 2014 to complete tender offers for the same series of bonds. Crews and its then-CEO recommended that the County offer to pay bondholders a price higher than the current market price of its outstanding bonds, and sufficiently high to incentivize bondholders to tender their bonds. Crews also recommended that the County fund its purchase of those previously issued bonds through the sale of new, lower interest rate bonds, which Crews would underwrite. When Crews made these recommendations, Crews and its then-CEO did not disclose to the County that Crews had recently acquired more than \$1 million principal amount of the County's outstanding bonds at market prices and then sold them to two customers.

3. In the months following Crews' and the County's initial discussions of the tender offer, as Crews and the County finalized the terms of the proposed transaction, Crews purchased approximately \$4.8 million more of the County's outstanding bonds at market prices and sold them to an affiliated entity (the "Affiliate") and to Crews' customers. Almost all of the bonds Crews acquired (including those originally sold to customers) were eventually sold to the Affiliate and tendered back to the County by the Affiliate at a price that Crews had recommended to the County. In recommending the purchase price, Crews did not disclose to the County that the Affiliate had acquired bonds to be tendered, or the resulting conflict of interest created by the Affiliate's financial interest in the tender offer.

4. As a result of the conduct described herein, Crews willfully² violated Municipal Securities Rulemaking Board ("MSRB") Rules G-17 and G-27, and by reason of those violations, Section 15B(c)(1) of the Exchange Act.

Respondent

5. **Crews & Associates, Inc.** ("Crews" or "Respondent") is a registered broker-dealer and municipal advisor headquartered in Little Rock, Arkansas. Crews is a wholly-owned subsidiary

²"Willfully," for purposes of imposing relief under Section 15(b) of the Exchange Act, "means no more than that the person charged with the duty knows what he is doing." *Wonsover v. SEC*, 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting *Hughes v. SEC*, 174 F.2d 969, 977 (D.C. Cir. 1949)). There is no requirement that the actor "also be aware that he is violating one of the Rules or Acts." *Tager v. SEC*, 344 F.2d 5, 8 (2d Cir. 1965). The decision in *The Robare Group, Ltd. v. SEC*, which construed the term "willfully" for purposes of a differently structured statutory provision, does not alter that standard. 922 F.3d 468, 478-79 (D.C. Cir. 2019) (setting forth the showing required to establish that a person has "willfully omit[ted]" material information from a required disclosure in violation of Section 207 of the Advisers Act).

of a privately-held bank holding company. On September 30, 2015, the Commission instituted settled administrative and cease-and-desist proceedings against Crews captioned In the Matter of Crews & Associates, Inc., Admin Proc. File No. 3-16865, as part of the Commission's Municipalities Continuing Disclosure Cooperation Initiative.

Other Relevant Entity

6. **The County Commission of Ohio County, West Virginia** (the "County") is a public corporation and is the governing authority for Ohio County, West Virginia. The County Commission's offices are located in Wheeling, West Virginia.

Background

7. In 2006, the County issued \$81 million principal amount of taxable economic redevelopment bonds maturing in 2035 and bearing interest at 8.25% (the "2006A Bonds"). The bonds contained a make-whole call provision that rendered calling them cost-prohibitive. As interest rates declined in subsequent years, servicing the debt on the 2006A Bonds at that relatively high interest rate became an increasing burden on the County, and the make-whole call provision made an ordinary refunding or advance refunding impractical.

8. In 2007, Crews began a business relationship with the County. By late 2015, Crews had underwritten nine bond offerings for the County, including special district excise tax revenue bonds, tax increment financing bonds, and two tender offers in 2012 and 2014 to refinance portions of the 2006A Bonds. In the context of municipal bonds, a tender offer may be used by an issuer as part of a plan to restructure the issuer's outstanding debt. The issuer offers to purchase all or a portion of the outstanding bonds of an issue at a specified price not greater than a maximum acceptable premium price (the "Maximum Acceptable Price"). The Maximum Acceptable Price is generally a function of two variables: (1) the premium over the market price necessary to attract tender offers from bondholders; and (2) the cost to the issuer of the funds used to purchase the tendered bonds. These two variables must be considered in tandem to ensure the tender is sufficiently attractive to bondholders and still economically advantageous to the issuer. Bondholders wishing to participate in the tender offer "tender" their bonds to the issuer, on or before the specified tender date, at the price at which they are willing to sell the bonds (which can be no greater than the Maximum Acceptable Price). If a sufficient amount of bonds are tendered to make the restructuring practicable, the issuer purchases the tendered bonds from the bondholders in order of price, from the lowest to the highest. The issuer funds the purchases with the proceeds of the sale of new, lower interest rate bonds. If those proceeds are sufficient to cover the cost of purchasing the tendered bonds and the costs of issuance for the new bonds, and the interest rate of the new bonds is low enough to generate overall debt service savings, then all tendered bonds are purchased.

9. In similar 2012 and 2014 tender offers, the County bought back some of the higher interest rate 2006A Bonds at a range of premiums up to the Maximum Acceptable Price and funded the buyback with proceeds from the issuance of new, lower interest rate municipal bonds, underwritten by Crews. The County did not retain a municipal advisor to represent its interests in these offerings, relying instead on its relationship with, and the expertise of, Crews. The tenders in

2012 and 2014 resulted in substantial savings for the County on its debt service costs, incorporated a more favorable call option on the new bonds, and lowered the amount of the County's letter of credit with a bank.

The 2016 Tender Offer

10. On August 10, 2015, a Crews investment banker emailed the County administrator, proposing that the County consider an advanced refunding of the County's Series 2006B tax-exempt bonds (which had been issued at the same time in 2006 as the 2006A Bonds).

11. On October 7 and 8, 2015, Crews purchased approximately \$1 million principal amount of the County's outstanding 2006A Bonds from a broker-dealer in response to a request for a bid. Crews purchased the bonds at a price of 106.69% of par, took them into inventory, and then sold the bonds to two Crews customers.

Crews Recommended the County Conduct a Tender Offer for the 2006A Bonds While Making Undisclosed Purchases of the 2006A Bonds for its Affiliate

12. On October 9, 2015, Crews' then-CEO directed a Crews investment banker to "run some numbers" on the economic feasibility of the County doing another tender offer for the 2006A Bonds. Later that same day, a Crews investment banker emailed the County to propose that the County may be in a position to accomplish a third tender offer on the 2006A Bonds to further reduce the amount of its outstanding debt service and possibly combine the tender offer with the previously-proposed advanced refunding.

13. On December 2, 2015, the County administrator responded to the October 9, 2015 proposal by emailing the Crews investment banker, stating that he had reviewed Crews' proposal and indicating that the County wanted to schedule a conference call "to review the financing options that we have now reviewed." That conference call was held on December 9, 2015.

14. On December 4, 2015, in response to a customer's request for bids, Crews bid on, and ultimately purchased, \$3.12 million of the County's 2006A Bonds from a Crews customer at a price of 107.20% of par. Crews then sold \$2.5 million of those bonds to the Affiliate. Crews' then-CEO was also then the CEO of the Affiliate, and Crews and the Affiliate were both wholly-owned subsidiaries of the same company. Crews' then-CEO controlled the Affiliate's account at Crews. Crews also sold \$620,000 of the bonds to another Crews customer.

15. On December 14, 2015, pursuant to MSRB Rule G-17, Crews sent the County a letter which documented the relationship between Crews and the County in connection with the proposed tender offer. In the letter, Crews acknowledged its obligation as a broker-dealer under MSRB Rule G-17 to deal fairly at all times with the County. The letter stated, among other things, that Crews or its respective affiliates may at any time hold long or short positions in the 2006A Bonds and, through employees who do not have access to non-public information relating to the 2006A Bonds, may trade or otherwise effect transactions in the 2006A Bonds. The letter also stated that Crews was "acting for its own interests" and had "financial and other interests that differ[ed] from those of [the County]." Crews represented that it had "not identified any additional

potential or actual material conflicts that require[d] disclosure,” and that it would notify the County “if additional potential or actual material conflicts are identified” in the future. Crews did not disclose, in the letter or elsewhere, that it had, in fact, already acquired \$2.5 million of the 2006A Bonds for its Affiliate, or that its Affiliate had a financial interest in the tender offer. Moreover, Crews did not disclose that those transactions were effected by Crews’ then-CEO, who had earlier initiated discussions with a Crews investment banker regarding the possible financial benefits of a tender by the County.

16. In the following weeks, before the tender offer was publicly announced, Crews continued to purchase 2006A Bonds and to sell them to the Affiliate. Crews bought 2006A Bonds from third parties and from Crews’ customers at market prices, marked them up (in most cases), and sold them to the Affiliate. Every Crews purchase and sale of the 2006A Bonds was approved by its then-CEO. All of the bonds purchased first went into trading accounts controlled by Crews’ then-CEO. Crews’ then-CEO then sold the bonds from those accounts into the Affiliate’s account at Crews – which the then-CEO also controlled.

Crews Recommended a Maximum Acceptable Price That Would Result in Savings for the County and Profit for the Affiliate If the Tender Was Completed

17. At the end of December 2015, the County’s bond counsel began circulating drafts of the offering documents for the tender offer and the advanced refunding.

18. After consulting with Crews’ then-CEO on current market conditions and calculating the possible savings from a tender using several possible Maximum Acceptable Prices, including 110%, 111%, and 112% of par, a Crews investment banker proposed a Maximum Acceptable Price of 110% of par.

19. When recommending the Maximum Acceptable Price be set at 110% of par, Crews did not disclose to the County that, since October 7, 2015, it had purchased \$4.64 million in principal value of the 2006A Bonds at market prices, which were then lower than 110% of par, and sold them to its customers and its Affiliate. Further, Crews did not disclose that its Affiliate had a financial interest in the tender offer because it held nearly \$3 million of the 2006A Bonds, and that Crews therefore had a conflict of interest in recommending the Maximum Acceptable Price that the County would pay. Finally, Crews did not disclose that: (a) because its customers held 2006A Bonds in their Crews accounts, those bonds were available to be tendered by Crews customers in the tender offer; and (b) the Affiliate and Crews’ customers held nearly enough 2006A Bonds that, if they tendered all of the bonds they owned, the tender would likely meet the minimum number of bonds required by the County for the tender to be successful.

20. As it had done with the 2012 and 2014 tender offers, the County accepted Crews’ recommendation for the Maximum Acceptable Price. On January 12, 2016, the County board formally retained Crews to underwrite the new bond issuance that would fund the tender offer of the 2006A Bonds. The County also authorized the issuance of \$10 million of new municipal bonds to fund its purchase of the 2006A bonds. On January 13, 2016, the notice of tender was publicly posted, with the Maximum Acceptable Price set at 110% of par. The tender date was scheduled for February 16, 2016.

**Crews Continued to Make Purchases of the 2006A Bonds
and Its Affiliate Profited After the Close of the Tender Period**

21. After the notice of tender became public, Crews continued to buy 2006A Bonds in the open market from third parties and from Crews customers at market prices, in some cases mark them up, and sell them to the Affiliate. By the time of the tender date, Crews had purchased \$5.865 million in principal value of the 2006A Bonds on behalf of its Affiliate, more than enough to effectuate the tender offer if the County accepted the Affiliate's offer to tender.

22. On the tender date of February 16, 2016, the Affiliate offered to tender all of these bonds to the County's tender agent at the Maximum Acceptable Price. Since the County did not receive a sufficient number of tender offers at prices lower than the Maximum Acceptable Price, the County accepted the offer of the Affiliate. In all, the Affiliate tendered 71% of all 2006A Bonds that were tendered to the County in connection with the tender offer. The tender resulted in significant savings for the County.

23. As a result of the markups it charged on its transactions in the 2006A Bonds with its customers and the Affiliate, Crews made a net profit of \$34,631. The Affiliate made a net profit of \$27,153 as a result of its purchases of 2006A Bonds from Crews and its tender of those same bonds to the County.

24. Although its G-17 letter stated Crews and its affiliates "may" trade in and be long the 2006A bonds, Crews did not disclose to the County that it and its Affiliate had, in fact, acquired the 2006A Bonds. The County was unaware that Crews was purchasing 2006A Bonds from third parties and from Crews customers in the open market and at market prices and then selling them to the Affiliate. The County did not know that Crews and the Affiliate profited from these transactions.

Crews' Supervisory Procedures

25. Crews did not maintain a system to supervise the municipal securities activities of its associated persons that was reasonably designed to achieve compliance with applicable securities laws, regulations, and MSRB rules. During the relevant period, Crews' written supervisory procedures ("WSPs") required trades to be reviewed by compliance staff, created obligations for employees who came into possession of information through Crews' investment banking activities, and required disclosures of material information when making recommendations to customers. However, Crews did not implement a system of accountability or controls for following the WSPs.

26. As a result, no Crews compliance employee reviewed Crews' purchases of the 2006A bonds for Crews' accounts. Crews also did not disclose information to the County about the conflict created by Crews' trading of and the Affiliate's purchases of 2006A Bonds in advance of the tender, despite the disclosure requirements of Crews' WSPs. Under these circumstances, Crews failed to maintain a system to supervise the municipal securities activities of each associated

person that is reasonably designed to achieve compliance with applicable securities laws, regulations and MSRB rules.

Violations

Crews Violated MSRB Rule G-17

27. MSRB Rule G-17 provides that, in the conduct of its municipal securities business, every broker, dealer, municipal securities dealer, and municipal advisor shall deal fairly with all persons and shall not engage in any deceptive, dishonest, or unfair practice. Negligence is sufficient to establish a violation of MSRB Rule G-17. See Wheat, First Securities, Inc., Exch. Act Rel. No. 48378, 2003 WL 21990950, at *10 (Aug. 20, 2003). The MSRB has interpreted an underwriter's Rule G-17 duty to require the underwriter to "make certain disclosures to the issuer to clarify its role in an issuance of municipal securities and its actual or potential material conflicts of interest with respect to such issuance." Interpretive Notice Concerning the Application of MSRB Rule G-17 to Underwriters of Municipal Securities, MSRB (August 2, 2012).

28. During the relevant time period, as discussed above, Crews did not disclose its conflicts of interest to the County.

29. Through the conduct described above, Crews willfully violated MSRB Rule G-17.

Crews Violated MSRB Rule G-27

30. MSRB Rule G-27(a) obligates brokers, dealers, and municipal securities dealers to "supervise the conduct of the municipal securities activities of the firm and its associated persons to ensure compliance with [MSRB] rules and the applicable provisions of the [Exchange] Act and rules thereunder." MSRB Rule G-27(b) obligates brokers, dealers, and municipal securities dealers to establish and maintain a system to supervise the municipal securities activities of each associated person that is reasonably designed to achieve compliance with applicable securities laws, regulations and MSRB rules.

31. As described above, Crews did not maintain a system to supervise the municipal securities activities of its associated persons that was reasonably designed to achieve compliance with applicable securities laws, regulations, and MSRB rules. Crews did not implement a system of accountability or controls for following the WSPs. Therefore, Crews failed to maintain a system to supervise the municipal securities activities of each associated person that is reasonably designed to achieve compliance with applicable securities laws, regulations, and MSRB rules.

32. Through the conduct described above, Crews willfully violated MSRB Rule G-27.

Crews Violated Section 15B(c)(1) of the Exchange Act

33. Section 15B(c)(1) of the Exchange Act prohibits brokers, dealers, and municipal securities dealers from using the mails or any means or instrumentality of interstate commerce to

effect any transaction in, or to induce or attempt to induce the purchase and sale of, any municipal security in contravention of any MSRB Rule.

34. As a result of the willful violations of MSRB Rules G-17 and G-27, Crews willfully violated Section 15B(c)(1) of the Exchange Act.

Disgorgement

35. The disgorgement and prejudgment interest ordered in paragraph IV.C. is consistent with equitable principles and does not exceed Respondent's net profits from its violations, and will be distributed to harmed investors to the extent feasible. The Commission will hold funds paid pursuant to paragraph IV.C. in an account at the United States Treasury pending distribution. Upon approval of the distribution final accounting by the Commission, any amounts remaining that are infeasible to return to investors, and any amounts returned to the Commission in the future that are infeasible to return to investors, may be transferred to the general fund of the U.S. Treasury, subject to Section 21F(g)(3) of the Exchange Act.

Crews' Remedial Efforts

In determining to accept the Offer, the Commission considered remedial acts promptly undertaken by Crews, including the following:

- **Retention of an independent consultant:** Crews retained an independent consultant to conduct a review of Crews' written supervisory procedures and supervisory structure, with particular attention to procedures related to Crews' municipal securities business including: information barriers between capital markets/public finance and trading and sales; restricted trading; municipal advisory activity separation from underwriting; and supervision, supervisory processes, and training of supervisors.
- **Improvements to written supervisory procedures:** Based on the recommendations of the independent consultant, Crews implemented measures intended to improve its written supervisory procedures as well as its compliance and supervisory processes.
- **Changes to supervisory structure:** Crews made changes to its senior management and supervisory personnel and structure, including the appointment of a new chief executive officer and chief compliance officer in order to improve, among other things, its supervisory oversight and accountability.

IV.

In view of the foregoing, the Commission deems it appropriate, in the public interest to impose the sanctions agreed to in Respondent's Offer.

Accordingly, pursuant to Sections 15(b), 15B(c) and 21C of the Exchange Act, it is hereby ORDERED that:

A. Respondent Crews cease and desist from committing or causing any violations and any future violations of Section 15B(c)(1) of the Exchange Act.

B. Respondent Crews is censured.

C. Respondent Crews shall, within 10 days of the entry of this Order, pay disgorgement of \$34,631 and prejudgment interest of \$9,441 to the Securities and Exchange Commission. If timely payment is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600.

D. Respondent Crews shall, within 10 days of the entry of this Order, pay a civil money penalty in the amount of \$200,000 to the Securities and Exchange Commission, of which \$66,667 shall be transferred to the Municipal Securities Rulemaking Board in accordance with Section 15B(c)(9)(A) of the Exchange Act. If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717.

Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
 Accounts Receivable Branch
 HQ Bldg., Room 181, AMZ-341
 6500 South MacArthur Boulevard
 Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Crews as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Brian D. Fagel, Division of Enforcement, Securities and Exchange Commission, 175 W. Jackson Blvd., Suite 1450, Chicago, IL 60604.

E. Pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, a Fair Fund is created for the disgorgement, prejudgment interest and civil money penalty referenced in paragraphs C. and D. above. This Fair Fund will receive funds from the Fair Fund created in the Commission's related proceeding, *In the Matter of Rush F. Harding III*, simultaneously instituted with this matter, for distribution in accordance with further Commission Order. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, it shall not argue that it is entitled to, nor

shall it benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that it shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

By the Commission.

Vanessa A. Countryman
Secretary



APPENDIX C
FINRA Letter of Acceptance, Waiver & Consent

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2021072487002**

TO: Department of Enforcement
Financial Industry Regulatory Authority (FINRA)

RE: Crews & Associates, Inc. (Respondent)
Member Firm
CRD No. 8052

Pursuant to FINRA Rule 9216, Respondent Crews & Associates, Inc. submits this Letter of Acceptance, Waiver, and Consent (AWC) for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against Respondent alleging violations based on the same factual findings described in this AWC.

I.

ACCEPTANCE AND CONSENT

- A. Respondent accepts and consents to the following findings by FINRA without admitting or denying them:

BACKGROUND

Crews has been a FINRA member since September 1979. It is a broker-dealer headquartered in Little Rock, Arkansas, that specializes in fixed income products, including municipal bonds. Crews has 132 registered representatives in 23 branches.

In August 2021, Crews was sanctioned by the Securities and Exchange Commission for willfully violating MSRB Rule G-17 by recommending, at the direction of the firm's then-CEO, that a customer buy bonds through a tender offer without disclosing to the customer a conflict of interest arising from a Crews affiliate holding the same securities. Crews was also sanctioned for willfully violating MSRB Rule G-27 by failing to maintain a reasonably designed system to supervise the municipal securities activities of its associated persons, and willfully violating Section 15B(c)(1) of the Securities Exchange Act of 1934, which prohibits broker-dealers from effecting transactions in municipal securities in contravention of MSRB rules. The SEC censured the firm, ordered it to cease and desist from future violations of Section 15B(c)(1), and ordered it to pay a total of \$244,072 in disgorgement, prejudgment interest, and civil monetary penalties.¹

¹ For more information about the firm, including prior regulatory events, visit BrokerCheck® at www.finra.org/brokercheck.

OVERVIEW

From August 2015 through the present, Crews has sold municipal bonds to an affiliated bank while prohibiting markups when selling bonds to the affiliate. During that same period, the firm failed to implement a reasonable supervisory system, including written supervisory procedures, to address the conflict of interest in the selling arrangement between Crews and its affiliate and, thus, to monitor for potential violations of MSRB Rules G-18 and G-17 in connection with charging such markups. Crews therefore violated MSRB Rule G-27.

FACTS AND VIOLATIVE CONDUCT

This matter originated from a cause exam by FINRA's Department of Member Supervision following Crews' filing of a Uniform Termination Notice for Securities Industry Registration (Form U5) for its former head trader and CEO.

MSRB Rule G-18(a) requires that in any transaction in a municipal security for or with a customer or a customer of another broker, dealer, or municipal securities dealer, a dealer must use reasonable diligence to ascertain the best market for the subject security and buy or sell in that market so that the resultant price to the customer is as favorable as possible under prevailing market conditions. MSRB Rule G-18(b) provides that "a dealer must not interject a third party between itself and the best market for the subject security in a manner inconsistent with paragraph (a) of this rule."

MSRB Rule G-17 provides that each broker, dealer, municipal securities dealer, and municipal advisor, in the conduct of its municipal securities activities, "shall deal fairly with all persons and shall not engage in any deceptive, dishonest or unfair practice."

MSRB Rule G-27(a) requires each broker, dealer, and municipal securities dealer to supervise the conduct of its municipal securities activities to ensure compliance with MSRB rules and federal securities laws. MSRB Rules G-27(b) and G-27(c) require each firm to establish and maintain a system, and to establish, maintain and enforce written supervisory procedures, to supervise its municipal securities activities in a manner reasonably designed to achieve compliance with MSRB rules and the federal securities laws.

From August 2015 through the present, Crews has sold municipal bonds to a bank affiliate. The affiliate's banking regulators prohibited the affiliate from paying a markup when buying secondary market bonds from Crews. As a result, Crews agreed with its affiliate to not sell its secondary market bonds with a markup. Crews therefore created two trading accounts for traders involved in sourcing bonds for the affiliate: (i) an account for bonds Crews intended to sell to its affiliate, in which markups were not added, and (ii) a general inventory account, in which the firm added markups, intended for use when selling to other customers.

From August 2015 through the present, Crews failed to implement a reasonable supervisory system, including written supervisory procedures, to address the conflict of interest in the selling arrangement between Crews and its affiliate and, thus, to monitor

for potential violations of MSRB Rules G-18 and G-17 in connection with charging markups to the bank affiliate. The firm did not discover, and therefore did not review for, potential indirect sales of bonds in general inventory to its affiliate through third-party intermediaries until August 2021. In addition, the firm's written supervisory procedures to date do not address the conflict presented when placing bonds in the affiliate-related account (precluding a markup) versus general inventory (entailing a markup).

From January 2017 through June 2021, the firm, through its former head trader, failed to abide by the arrangement with the affiliate bank and third-party broker-dealers were interposed in 94 transactions. Specifically, bonds were allocated to general inventory, a markup was added, and then the bonds were indirectly sold to Crews' affiliate bank using third-party broker-dealers as intermediaries.²

Therefore, Crews violated MSRB Rule G-27.

B. Respondent also consents to the imposition of the following sanctions:

- a censure;
- a \$50,000 fine; and
- an undertaking that, within 60 days of the date of the notice of acceptance of this AWC, a member of Respondent's senior management who is a registered principal of the firm shall certify in writing that, as of the date of the certification, the firm has remediated the issues identified in this AWC and implemented a supervisory system, including written supervisory procedures, reasonably designed to achieve compliance with MSRB Rules G-18 and G-17 regarding the issues identified in this AWC. The certification shall include a narrative description and supporting exhibits sufficient to demonstrate Respondent's remediation and implementation. FINRA staff may request further evidence of Respondent's remediation and implementation, and Respondent agrees to provide such evidence. Respondent shall submit the certification to Jeffrey E. Baldwin, Senior Counsel, at 1601 Market Street, Suite 2700, Philadelphia, PA 19103 and/or Jeffrey.Baldwin@finra.org, with a copy to EnforcementNotice@finra.org. Upon written request showing good cause, FINRA staff may extend this deadline.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Respondent has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed. Respondent specifically and voluntarily waives any right to claim an inability to pay, now or at any time after the execution of this AWC, the monetary sanction imposed in this matter.

The sanctions imposed in this AWC shall be effective on a date set by FINRA.

² Crews, after discovery of these transactions, permitted the trader to resign and reimbursed its affiliate \$918,476 for markups and fees resulting from the trader's actions.

II.**WAIVER OF PROCEDURAL RIGHTS**

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a complaint issued specifying the allegations against it;
- B. To be notified of the complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made, and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council (NAC) and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondent specifically and voluntarily waives any right to claim bias or prejudice of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.**OTHER MATTERS**

Respondent understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondent; and
- C. If accepted:

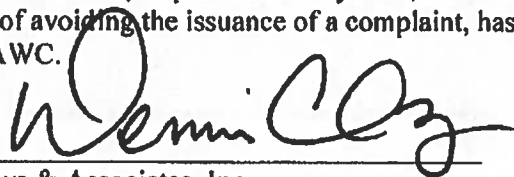
1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;
2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
3. FINRA may make a public announcement concerning this agreement and its subject matter in accordance with FINRA Rule 8313; and
4. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. Respondent may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party. Nothing in this provision affects Respondent's testimonial obligations in any litigation or other legal proceedings.

D. Respondent may attach a corrective action statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this statement. This statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA.

The undersigned, on behalf of Respondent, certifies that a person duly authorized to act on Respondent's behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Respondent has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce Respondent to submit this AWC.

4-25-2023

Date



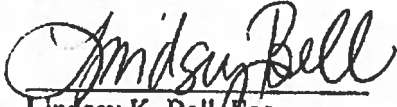
Crews & Associates, Inc.

Respondent

Print Name: Dennis Clay

Title: CEO

Reviewed by:



Lindsey K. Bell, Esq.
Legal Counsel
Crews & Associates, Inc.
314 N. Spring Street
Searcy, Arkansas 72143

Accepted by FINRA:

05/16/2023

Date

Signed on behalf of the
Director of ODA, by delegated authority



Jeffrey E. Baldwin
Senior Counsel
FINRA
Department of Enforcement
1601 Market Street
Suite 2700
Philadelphia, PA 19103



**APPENDIX D
G-42 DISCLOSURE**



Important Disclosure

Disclosure of Conflicts of Interest and Other Information

Pursuant to revised Municipal Securities Rulemaking Board ("MSRB") Rule G-42 (the "Rule"), Crews & Associates, Inc., ("Crews") at this time, has no known material conflicts of interest based on its initial exercise of reasonable due diligence. Crews will, prior to or upon engaging in municipal advisory activities, provide to you as the municipal entity or obligated person client full and fair disclosure in writing of all material conflicts of interest pursuant to MSRB Rule G-42 (b) (i) (A thru F)

While Crews does not deem any legal or disciplinary events to be material to the client's evaluation of it as a municipal advisor or the integrity of its management or advisory personnel, Crews does provide the following information where regulatory disclosure of disciplinary events may be found. Specifically, at www.sec.gov/edgar/searchedgar/companysearch.html clients may review Crews form MA and MA-I under crews & associates Inc. under Item 9 Disclosure Information.

Text of the Notice and the revised rule can be found at:

www.msrb.org/rules-and-interpretations

December 29, 2023



Request for Qualifications Submittal

First Tryon Advisors
SIMPLIFYING PUBLIC FINANCE

NORTH CAROLINA 704.926.2457 | 6101 Carnegie Blvd., Suite 210 | Charlotte, NC 28209
MARYLAND 410.267.8811 | 122 Severn Avenue | Annapolis, MD 21403

Lower Cape Fear Water and Sewer Authority



Office Location (Corporate Headquarters)
 6101 Carnegie Blvd, Suite 210
 Charlotte, NC 28209
 (704) 926-2457
<https://www.firsttryon.com/>

1. Letter of Transmittal

December 29, 2023

Mr. Tim H. Holloman, Executive Director
 Lower Cape Fear Water and Sewer Authority
 1107 New Pointe Blvd, Suite 17
 Leland, NC 28451

Dear Mr. Holloman,

On behalf of First Tryon Advisors, LLC (“First Tryon”), we are pleased to present our credentials to serve as Financial Advisor to Lower Cape Fear Water and Sewer Authority (“LCFWASA”). We have outlined several areas below and throughout our proposal that uniquely qualify First Tryon Advisors to meet the needs of LCFWASA. Additionally, as a Respondent to this RFQ, we acknowledge the following:

- The Respondent and Respondent’s key professionals do not have and do not anticipate a potential conflict of interest with LCFWASA.
- The Respondent acknowledges that all costs incurred by the Respondent in connection with responding to this RFQ shall be borne solely by the Respondent.

Throughout this document, there are references noted by “*” which means that we are referring to experience, transactions, etc. completed by First Tryon and First Tryon Securities, LLC (“First Tryon Securities”), a separate entity under common ownership with First Tryon.

First Tryon: First Tryon is a full-service financial advisory practice serving the needs of utility systems, state and local governments, school districts, independent K-12 schools, colleges & universities, special purpose districts, not-for-profit associations/foundations, charter schools, healthcare organizations, senior living communities, economic development agencies and transportation clients since 2014*.

Deep Bench of Professionals with Relevant Experience: First Tryon offers LCFWASA a client-first advisory platform led by a team of 13 professionals located within North Carolina. The team to be assigned to LCFWASA has extensive advisory experience working with utility systems within North Carolina and throughout the region. First Tryon currently provides advisory services to more than 125 clients throughout North Carolina and has developed positive relationships with other public finance professionals, lending partners, and credit rating analysts that cover North Carolina, including frequent contact with the Local Government Commission. These relationships give us key insights to personalities, preferences, or restrictions that help us better prepare clients for conversations and meetings.

Capital Planning: In addition to traditional bond-related advisory services, First Tryon has made key investments in product development to better serve our clients. For instance, we have invested significant time and resources in the development of our comprehensive capital planning model. To date, we have developed over 75 unique capital planning models for over 65 issuers in the Southeast* that allow our clients to determine financial and credit impacts of capital funding scenarios more easily.

Accessibility: Headquartered in Charlotte, North Carolina, we focus much of our practice on serving the needs of clients in the Carolinas. Our close proximity to LCFWASA, a deep bench of thirteen dedicated professionals in our

Lower Cape Fear Water and Sewer Authority

Charlotte office, and an existing schedule that already includes frequent travel to the area, will allow First Tryon to serve LCFWASA efficiently and cost effectively. First Tryon routinely attends Board or staff meetings and has found that in person meetings are an important way for us to get to know our clients, understand goals and objectives and provide the highest level of service and value.

Thank you for considering our proposal to provide financial advisory services to LCFWASA. As summarized above and detailed further herein, First Tryon's client-focused approach combined with our team of highly knowledgeable advisors offer LCFWASA what we believe is a powerful financial advisory platform. We look forward to the opportunity to discuss our qualifications further.

Sincerely,



J. Walter Goldsmith

President & COO



Amy Vitner

Managing Director

Lower Cape Fear Water and Sewer Authority

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Lower Cape Fear Water and Sewer Authority

3. Executive Summary

In two pages or less, provide a brief statement explaining why LCFWASA should consider your firm for Financial Advisor Services. The Respondent must have significant experience and capacity to provide services related to public/governmental finance to LCFWASA pursuant to North Carolina State law.

First Tryon offers LCFWASA a deep bench of highly experienced financial advisors with a long history of serving local governments and utilities in North Carolina. We highlight below First Tryon's significant experience and capacity to provide municipal advisory services to LCFWASA.

RELEVANT EXPERIENCE

- LCFWASA will have direct access to two senior professionals (Ms. Vitner and Mr. Goldsmith) who have dedicated their careers to serving tax-exempt issuers in the Carolinas, with additional senior personnel available to provide services as needed.
- First Tryon serves as financial advisor for over 125 clients in North Carolina.
- First Tryon serves as financial advisor for over 50 utility clients, including over 20 issuers in North Carolina.
 - Includes advanced utility rate modeling for the City of Charlotte and credit rating model (Moody's, S&P, and Fitch) for Fayetteville PWC.
- Since 2021, First Tryon has served as financial advisor on over 130 transactions in North Carolina totaling over \$6.0 billion in par amount*.
 - Includes 14 utility transactions totaling over \$715 million in par amount*.
- Since 2021, First Tryon has prepared clients for and participated in over 200 credit rating presentations*.
- Advisory experience with wholesale utility providers including:
 - Piedmont Triad Regional Water Authority – Wholesale water provider to six member agencies (Greensboro, High Point, Randolph Co, Archdale, Jamestown and Randleman)
 - Anderson Regional Joint Water System – Wholesale water provider to 14 members/customers including Clemson University
- Experience with utility projects involving multiple governmental units
 - City of Sanford, NC – Serving as financial advisor on a \$308 million water filtration facility expansion that will be owned and operated by the City, but will provide capacity to Fuquay-Varina and Holly Springs. Fuquay-Varina and Holly Springs will fund their respective portions of the debt and pay the City ongoing operational costs.
 - Town of Pendleton, SC – Serving as financial advisor on a \$50 million sewer treatment plant expansion that will be owned and operated by the Town of Pendleton, and provide capacity to Anderson County (SC) and City of Clemson (SC). Similar to Sanford, Anderson County and Clemson will fund their respective portions of the debt and pay the Town ongoing operational costs.

ACCESSIBILITY AND CLIENT SERVICE DRIVEN

- Deep bench of 13 senior advisors and support staff located in North Carolina to ensure the highest level of customer service and timely execution of deliverables.
- Frequently in the area with other clients such as New Hanover County, Town of Leland, and Columbus County, allowing our team regular in-person contact and local expertise.
- Client satisfaction evidenced by a growing client list (currently over 400 clients), the maintenance of long-term relationships such as Fayetteville PWC and Charleston County (both over 15 years*), and client testimonials that follow.
- Primary focus on the Carolinas allows us insight into credit characteristics, familiarity with financing professionals that serve the area, and understanding of the Local Government Commission.

Lower Cape Fear Water and Sewer Authority

FIRM EXPERTISE AND RESOURCES

- In-house proprietary pricing model that allows our advisors to advocate and negotiate with underwriters from a position of strength.
- Advanced quantitative modeling expertise, in-house capital planning, debt affordability and capacity modeling – over 75 unique capital planning models built to date* (see Section 9).
- Subscriptions to rating agency databases, Bloomberg, and other third-party resource data feeds.
- Ancillary services such as operational consulting, investment cashflow modeling, escrow bidding, among other services.

CLIENT TESTIMONIALS

First Tryon provides the following feedback it has received from clients as material indicative of our financial advisory capabilities.

- *“First Tryon has provided a high level of work to the City since becoming the debt modeling/capital plan development for the City's Water & Sewer and Storm Water utilities. First Tryon was able to develop a high quality model in a short time-frame as both enterprises needed models ready for bond sales that were occurring a little over two months after they were brought on board.” Matt Hastedt, Debt Manager at the City of Charlotte, North Carolina*
- *“First Tryon has provided excellent financial advice for us on many levels. They are always intricately involved in any debt offerings of the County. In recent years they have produced a Capital Planning Model. They keep it updated and are available to make presentations to our board as needed. This was used heavily in determining the amount of tax increase for our latest GO bond issue. First Tryon is always at the table for ratings calls. They provide essential information and support for myself and management on these calls. I highly recommend using First Tryon and would be happy to answer any further questions.” Debra L. Cheek, Finance Director at Iredell County, North Carolina*
- *“We have worked with First Tryon for a number of years. We have worked with Walter Goldsmith even longer. First Tryon is with us every step of the way when we are issuing bonds. They help us determine what we can afford to bond, work with us on cash flows, provide issuance calendars and manage the scheduling of all meeting necessary. They provide information needed for the POS and are part of that review process. They prepare the presentation for the rating agencies, schedule and participate in the presentations to these agencies. They are there when we need them, have always provided prompt service (such as running numbers for us), and provide sound advice. They are a fantastic team to work with and I highly recommend them to any entity looking for an FA.” Corine Altenhein, CFO at Charleston County, South Carolina*

Please note that the above testimonials were given by current municipal advisory clients and may not be representative of the experience of other clients, nor are they a guarantee of future performance or success.

Lower Cape Fear Water and Sewer Authority

4. Background and Qualifications

Indicate your firm's closest physical office location to the Town of Leland, NC.

FIRST TRYON BACKGROUND

First Tryon Securities, LLC, an independent and privately-owned financial services firm headquartered in Charlotte, North Carolina, was founded over 25 years ago in 1996. In November 2021, the legal entity, First Tryon Advisors, LLC, was formed upon closing of the acquisition of Wye River Capital (headquartered in Annapolis, MD). In January 2023, the Charlotte advisory practice was separated from the First Tryon Securities, LLC broker-dealer and the combined Charlotte and Annapolis practices began to operate combined under the legal entity, First Tryon Advisors, LLC.

OFFICE LOCATIONS

LCFWASA would be served primarily out of First Tryon's headquarters in Charlotte, NC, where 8 of our 22 advisors are located. **This office is our firm's closest physical office to the Town of Leland, NC.** However, we have several additional offices throughout the region in the following locations:

- Annapolis, MD (seven professional level advisors)
- Boone, NC (one professional level advisor)
- Columbia, SC (one professional level advisor)
- Greensboro, NC (one professional level advisor)
- Hertford, NC (one professional level advisor)
- Orlando, FL (one professional level advisor)
- Winston-Salem, NC (two professional level advisors)



ACCESSIBILITY

First Tryon places a high value on in-person meetings and believes that in-person interaction allows us a better understanding of our clients leading to better quality service. With this goal in mind, First Tryon is regularly in the area and confident in our ability to ensure a high level of customer service and high accessibility. The following provides a list of the clients we service in the area:

- Bald Head Island, Village of
- Carolina Beach, City of
- Chadbourn, Town of
- Columbus County
- Jacksonville, City of
- Leland, Town of
- New Hanover County
- Southport, City of
- Topsail Beach, Town of
- University of North Carolina at Wilmington
- YMCA of Southeastern North Carolina

Lower Cape Fear Water and Sewer Authority

Provide documentation showing compliance with the municipal advisor registration requirements of the MSRB and SEC.

Please see **Appendix A** for documentation showing compliance with the municipal advisor registration requirements of the MSRB and SEC.

Provide a summary of the backgrounds and qualifications of the specific individuals at your firm who would be assigned to work with LCFWASA. Specify the person who will serve as the primary day-to-day contact person and discuss the primary roles of the other members of your professional team.

Since 2014, First Tryon has grown rapidly from three advisors to a team of 22, including 9 individuals that joined our group through our merger with Wye River in November 2021. Our growth is a testament to the success of our advisory practice and allows us to provide a high level of customer service, efficient turn-around on projects, and proactive management and monitoring of client debt portfolios. Further, our success has enabled us to attract some of the top talent in the public finance industry to our firm.

The financial advisory team for LCFWASA would be led by **Ms. Amy Vitner** and **Mr. Walter Goldsmith**, with Ms. Vitner serving as the primary day-to-day contact person. Additionally, **Mr. David Cheatwood** will serve as secondary senior support to LCFWASA. These individuals have dedicated their careers to serving the needs of governmental issuers and utilities in the Carolinas. First Tryon’s familiarity with North Carolina finance will allow for a seamless transition of advisory services.

In addition to First Tryon’s senior advisors, secondary transactional support and financial modeling expertise would be provided by **Mr. Brandon DeCoste**, **Mr. Chazzo Habliston**, and **Mr. Jordan Keysor**. We believe our team approach will ensure that LCFWASA will always have access to an advisor familiar with LCFWASA’s capital funding needs and that projects and deliverables will always be completed in a timely manner.

All members of our primary banking team are registered as municipal advisors.

Walter Goldsmith
President & COO
Charlotte, NC

Amy Vitner
Managing Director
Charlotte, NC

David Cheatwood
Managing Director
Charlotte, NC

Brandon DeCoste
Vice President
Charlotte, NC

Chazzo Habliston
Vice President
Charlotte, NC

Jordan Keysor
Vice President
Charlotte, NC

Resumes and bios of LCFWASA’s proposed key personnel are provided on the following pages.

Lower Cape Fear Water and Sewer Authority



Amy Vitner
 Managing Director
 Main Point of Contact
 📞 704.926.2457
 ✉️ avitner@firsttryon.com

Amy Vitner
 Managing Director

- Ms. Vitner has over **25 years of public finance experience** directly serving clients in the Southeast. In her role as a public finance advisor, she assists clients in determining their available debt capacity, obtaining credit ratings for their bonds, structuring bond issues, and coordinating the issuance of the bonds.
- Ms. Vitner's utility experience consists of the following: Greenville Utilities Commission, Piedmont Triad Regional Water Authority, City of Concord, among others.
- Prior to joining First Tryon, Ms. Vitner worked at First Southwest Company (Hilltop) from 2019-2014, Banc of America Securities, First Union, and A.H. Williams from 1995-2008.
- Ms. Vitner is a graduate of Philadelphia University and is a Registered Representative of the Financial Industry Regulatory Authority and maintains the following licenses: Municipal Advisor Representative (Series 50), and Municipal Advisor Principal (Series 54).



Walter Goldsmith
 President & COO
 📞 704.926.2453
 ✉️ wgoldsmith@firsttryon.com

Walter Goldsmith
 President and COO

- Mr. Goldsmith has over **23 years of public finance experience** directly serving clients in the Southeast. In his role as a public finance advisor, he assists clients in determining their available debt capacity, obtaining credit ratings for their bonds, structuring bond issues, and coordinating the issuance of the bonds.
- Mr. Goldsmith's utility experience consists of the following: Fayetteville PWC, Greenville Water, Anderson Regional Joint Water System, among others.
- Prior to joining First Tryon, Mr. Goldsmith worked at Davenport and Company LLC from 2010-2014 and First Southwest Company from 2002-2010.
- Mr. Goldsmith is a graduate of Clemson University and maintains his Municipal Advisor Representative License (Series 50) and Municipal Advisor Principal License (Series 54).

Lower Cape Fear Water and Sewer Authority



David Cheatwood
Managing Director

704.926.2447

dcheatwood@firsttryon.com

David Cheatwood

Managing Director

➤ Mr. Cheatwood has over **16 years public finance experience** directly serving issuers in the Southeast. In his role as a public finance advisor, he provides clients with a wide range of services including evaluating debt capacity, structuring bond issues, monitoring refunding/restructuring opportunities, obtaining credit ratings, and coordinating the bond issuance process.

➤ Mr. Cheatwood's utility experience consists of the following: Fayetteville PWC, Orange Water & Sewer Authority, City of Charlotte, among others.

➤ Prior to joining First Tryon, Mr. Cheatwood worked in the public finance investment banking group at Wells Fargo Securities from 2009-2015 and at Bank of America Merrill Lynch from 2006-2009.

➤ Mr. Cheatwood holds an undergraduate and law degree from The University of North Carolina at Chapel Hill. He holds his Municipal Advisor Representative license (Series 50).



Brandon DeCoste
Vice President

704.926.2981

bdecoste@firsttryon.com

Brandon DeCoste

Vice President

➤ Mr. DeCoste has over 5 years of public finance experience directly serving clients in the Southeast. He provides qualitative and quantitative support to First Tryon's issuer clients, including complex Excel modeling, DBC analysis, capital planning, and financing execution work.

➤ Mr. DeCoste's utility experience consists of the following: Greenville Utilities Commission, Piedmont Triad Regional Water Authority, City of Concord, among others.

➤ Prior to joining First Tryon, Mr. DeCoste worked at Davenport and Company LLC from 2018-2021 serving governmental clients across North Carolina.

➤ Mr. DeCoste is a graduate of Wake Forest University earning a Bachelor of Science in finance. He is also a Registered Representative of the Financial Industry Regulatory Authority and maintains his Municipal Advisor Representative License (Series 50).

Lower Cape Fear Water and Sewer Authority



Chazzo Habliston
Vice President

704.926.2456
chabliston@firsttryon.com

Chazzo Habliston
Vice President

- Mr. Habliston has approximately 10 years public finance experience directly serving issuers in the Southeast. In his role, Mr. Habliston assists cities, counties, and utility systems with a wide range of debt related activities including bond structuring, debt capacity analysis, multi-variable capital planning models, transaction coordination and implementation, credit/rating strategy and development of debt policies.
- Mr. Habliston’s utility experience consists of the following: Fayetteville PWC, Orange Water & Sewer Authority, City of Charlotte, among others.
- Prior to joining First Tryon, Mr. Habliston worked at Davenport and Company LLC from 2013-2019.
- Mr. Habliston is a graduate of Davidson College and holds his Municipal Advisor Representative license (Series 50).



Jordan Keysor
Vice President

704.926.2459
jkeysor@firsttryon.com

Jordan Keysor
Vice President

- Mr. Keysor has over 5 years of public finance experience directly serving clients in the Southeast. He provides qualitative and quantitative support to First Tryon’s issuer clients, including complex Excel modeling, financial analysis, capital planning, and financing execution work.
- Prior to joining First Tryon, Mr. Keysor worked in wealth management with Merrill Lynch from 2013 to 2017 and SCS Financial from 2017 to 2018.
- Mr. Keysor is a graduate of Skidmore College and holds his Municipal Advisor Representative license (Series 50).

Lower Cape Fear Water and Sewer Authority

5. Experience

List in tabular format relevant experience with bond financings over the last three years, including date of sale, issuer, program type, rating, sale type, and final maturity. (This information may be included as an appendix and is not applicable to the 30-page limit.)

First Tryon has extensive experience with a wide range of bond offerings, structures and sale types. In fact, since 2021, First Tryon has served as financial advisor on 390 transactions totaling over \$13.4 billion par amount. Of these, over 130 transactions totaling over \$6.0 billion have been for North Carolina issuers and over 50 transactions totaling over \$1.6 billion have been for utilities. In **Appendix B**, we have provided a listing of our revenue bond transactions which would be most applicable to LCFWASA. We are happy to provide our longer list of financing experience upon request.

Describe two current financial advisor assignments involving your firm that are most relevant to debt issuance by large issuers in North Carolina. Please indicate the name of the issuer, a description(s) of the transactions(s), the individual(s) from your firm involved and the value added by your firm.



Greenville Utilities Commission
 Jeff McCauley, Chief Financial Officer
 (252) 551-1532
mccaulejw@guc.com

Client since 2022

Issuances Since 2022

- \$23,670,000 Combined Enterprise System Revenue Bonds, Series 2022

COMBINED ENTERPRISE SYSTEM REVENUE BONDS, SERIES 2022

First Tryon was hired as Financial Advisor to the Greenville Utilities Commission (“GUC”) in 2022. In 2022, First Tryon worked with GUC on the issuance of its Combined Enterprise System Revenue Bonds, Series 2022 (the “Bonds”) to fund various projects including a new transmission line, peak shaving generator replacements, lagoon improvements, substation improvements, and improvements to the wastewater treatment plant. As is our standard approach, First Tryon worked closely with GUC from the kickoff of the financing through closing, including developing the financing calendar, preparing GUC for discussions with the Local Government Commission and rating agencies, reviewing documents, and taking in active role leading up to and on the day of pricing to ensure GUC was receiving a favorable result from the underwriting team. Additionally, a key part of our role was to plan not only for the current issuance but evaluate its impacts on future debt capacity. To that end, we built an Excel-based model for GUC that shows existing debt along with a dashboard to build in future planned debt issuances, which has the functionality to tweak assumption such as financing amount, term, interest rate, and fund. Our work with GUC encapsulates our typical, wholistic approach to financial advisory services which consists of three prongs: (1) pre-planning and preparation for future debt issuances, (2) transaction implementation, and (3) ongoing advisory service beyond closing.

Lower Cape Fear Water and Sewer Authority



Piedmont Triad Regional Water Authority

Joy L. Sparks, Finance Officer

(336) 498.5510

jsparks@ptrwa.org

Client since 2021

Issuances Since 2021

- ~\$176,000,000 Revenue Bonds, Series 2024 (in progress)
- \$10,129,565 Interest Rate Modification (2021)

PLANNING WORK FOR WATER TREATMENT PLANT EXPANSION PROJECT

First Tryon was hired as Financial Advisor to the Piedmont Triad Regional Water Authority (“PTRWA”) in 2021. In 2022, we begun planning work with PTRWA related to their upcoming Water Treatment Plant expansion project, which will also include projects related to emerging contaminants. As with LCFWASA, PTRWA has a number of member units, each of whom receive certain allocations of water and are then responsible for varying levels of debt service payments due to PTRWA.

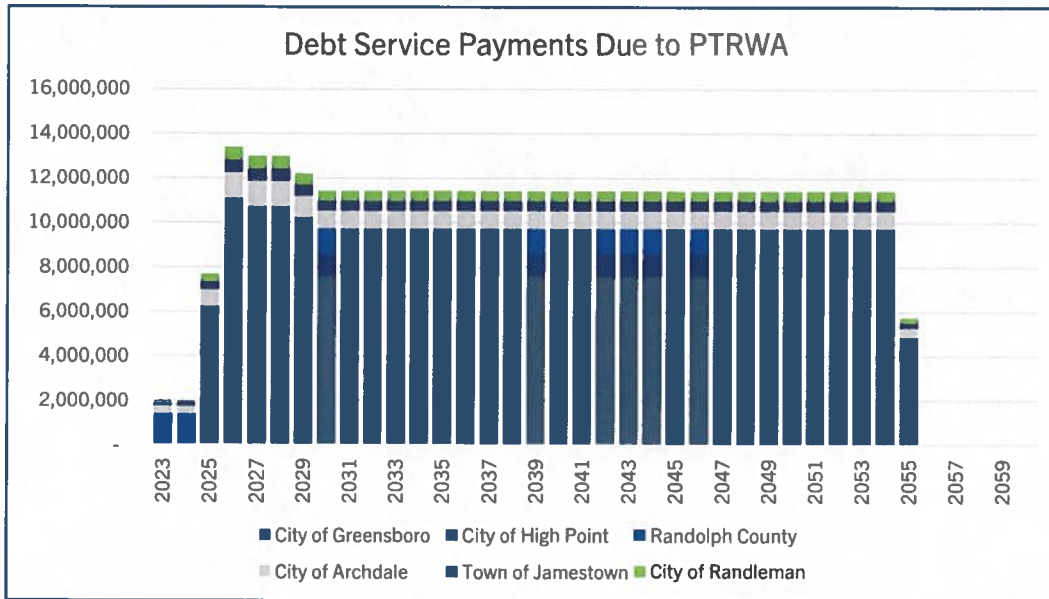
The upcoming projects require extensive planning as there are multiple components (plant expansion, emerging contaminants for current plant capacity, and emerging contaminants for additional plant capacity) for which each member unit will have varying levels of participation. To organize and think through the financing approach, First Tryon developed an Excel model (see screenshots below) in which PTRWA can see the existing debt service payments due from each member with proposed debt service related to these new projects layered in. Various input cells in the model allow First Tryon and/or PTRWA to toggle between different project assumptions (amounts, timing), ownership levels for each member, and potential cash contributions to see the debt service impacts in real time. As the project plans develop, this tool will be invaluable to evaluate the impacts of various funding scenarios and aid in structuring debt service as needed to meet any constraints.

Sample Screenshots of Model

Water Treatment Plant Project					
Project Cost		56,210,000			
Construction Start		7/1/2024			
<u>Member Allocations</u>	<u>% Ownership</u>	<u>Total Share</u>	<u>Cash Contribution</u>	<u>Debt Required</u>	<u>% Debt</u>
City of Greensboro	80.7%	45,361,470	-	45,361,470	80.7%
City of High Point	0.0%	-	-	-	0.0%
Randolph County	8.3%	4,684,167	-	4,684,167	8.3%
City of Archdale	7.4%	4,173,593	-	4,173,593	7.4%
Town of Jamestown	3.5%	1,990,771	-	1,990,771	3.5%
City of Randleman	0.0%	-	-	-	0.0%
Total	100.0%	56,210,000	-	56,210,000	
<u>Debt Assumptions</u>					
Par Amount		56,210,000			
Term		30 Years			
Interest Rate		5.00%			


Lower Cape Fear Water and Sewer Authority

Debt Service Payments Due to PTRWA							
FY	Series 2024 Bond						Total
	City of Greensboro	City of High Point	Randolph County	City of Archdale	Town of Jamestown	City of Randleman	
Total	227,117,575	31,350,441	33,546,754	24,201,016	12,452,658	13,750,193	342,418,636
2023	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-
2025	3,785,293	522,507	559,113	403,350	207,544	229,170	5,706,977
2026	7,570,586	1,045,015	1,118,225	806,701	415,089	458,340	11,413,955
2027	7,570,586	1,045,015	1,118,225	806,701	415,089	458,340	11,413,955
2028	7,570,586	1,045,015	1,118,225	806,701	415,089	458,340	11,413,955
2029	7,570,586	1,045,015	1,118,225	806,701	415,089	458,340	11,413,955
2030	7,570,586	1,045,015	1,118,225	806,701	415,089	458,340	11,413,955
2031	7,570,586	1,045,015	1,118,225	806,701	415,089	458,340	11,413,955
2032	7,570,586	1,045,015	1,118,225	806,701	415,089	458,340	11,413,955
2033	7,570,586	1,045,015	1,118,225	806,701	415,089	458,340	11,413,955
2034	7,570,586	1,045,015	1,118,225	806,701	415,089	458,340	11,413,955
2035	7,570,586	1,045,015	1,118,225	806,701	415,089	458,340	11,413,955



Provide five (5) client references. Include the name of the client, contact person, e-mail address, and phone number.

Client references and referrals are strong indicators of client satisfaction and customer service. As such, First Tryon has provided five references below and we strongly encourage LCFWASA to contact each of them and inquire about both their transaction related and capital planning model experience with our team. These references represent a cross-section of utility issuers throughout the Carolinas. First Tryon takes great pride in how our clients reflect upon our engagements. It speaks to the level of service and care we as a firm provide each and every day.



Greenville Utilities Commission
 Jeff McCauley, Chief Financial Officer
 (252) 551-1532
mccaulejw@guc.com

Client since 2022

Issuances Since 2022

- \$23,670,000 Combined Enterprise System Revenue Bonds, Series 2022

Lower Cape Fear Water and Sewer Authority



Piedmont Triad Regional Water Authority
 Joy L. Sparks, Finance Officer
 (336) 498.5510
jsparks@ptrwa.org

Client since 2021

Issuances Since 2021

- ~\$176,000,000 Revenue Bonds, Series 2024 (in progress)
- \$10,129,565 2021 Interest Rate Modification



Anderson Regional Joint Water System
 Scott Willett, Executive Director
 (864) 231-5987
swillett@arjwater.com

Client since 2016

Issuances Since 2016

- \$9,270,000 Waterworks System Refunding Revenue Bonds, Series 2020A
- \$12,515,000 Waterworks System Advance Refunding Revenue Bonds, Taxable Series 2020B
- \$22,262,000 Waterworks System Improvement and Refunding Revenue Bonds, Series 2017A&B
- \$3,700,000 Waterworks System Improvement and Refunding Revenue Bond, Series 2016



Concord, North Carolina
 Jessica Jones, Interim Finance Director
 (704) 920-5222
jonesj@concordnc.gov

Client since 2015

Issuances Since 2015

- ~\$25,000,000 Utilities Systems Revenue Bonds, Series 2024 (in progress)
- \$42,000,000 General Obligation Parks and Recreation Bonds, Series 2023
- \$6,200,000 2021 Installment Financing Contract
- \$910,000 Taxable Installment Financing, Series 2019
- \$6,572,000 Utilities Systems Revenue Refunding Bond, Series 2019
- \$6,553,517 Installment Financing Contract, Series 2017
- \$19,085,000 Utilities Systema Revenue Refunding Bonds, Series 2016
- \$5,759,000 Installment Financing Contract, Series 2015
- \$29,340,00 Limited Obligation Bonds, Series 2014A
- \$5,280,000 Taxable Limited Obligation Bonds, Series 2014B

In addition to debt issues, First Tryon has developed capital planning models for both the City's General Fund and Utility Enterprise Fund.

Lower Cape Fear Water and Sewer Authority



Mount Pleasant Waterworks, South Carolina

Mark Coffin, Chief Financial Officer

(843) 971-7529

mcoffin@mpwonline.com

Client since 2014

Issuances Since 2014

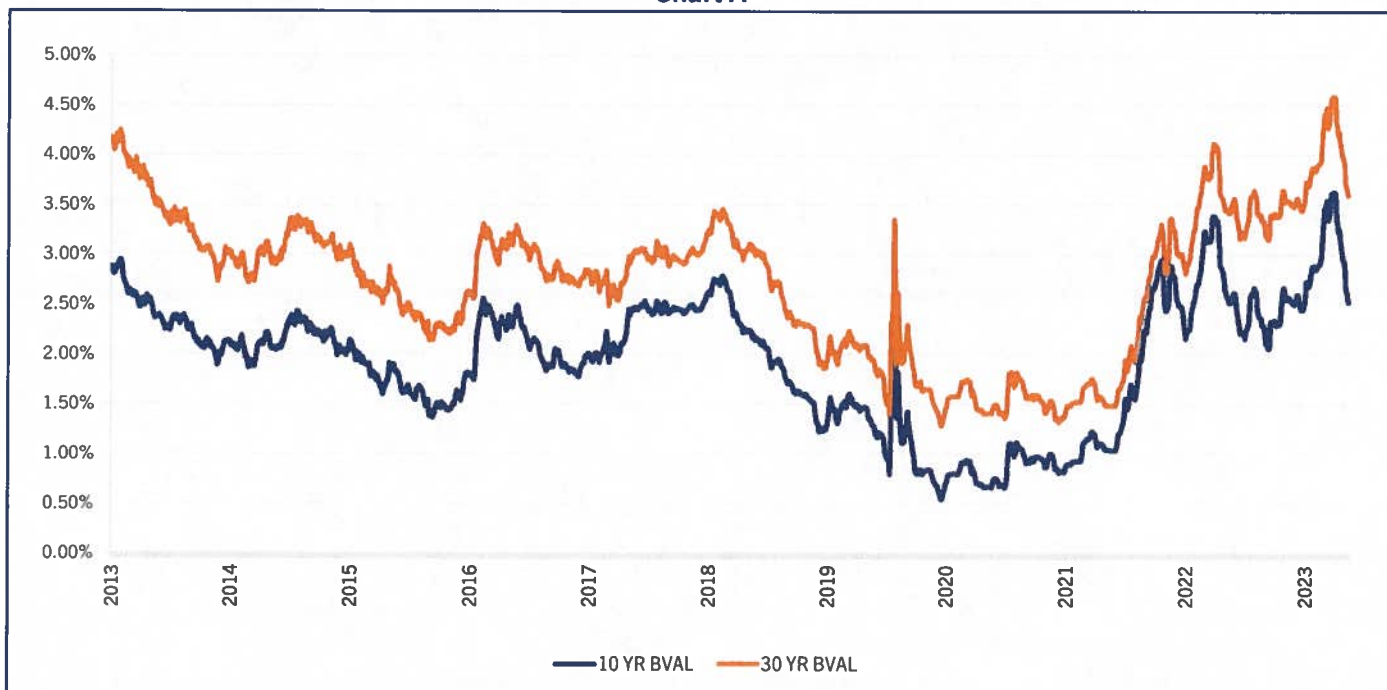
- \$111,000,000 Waterworks and Sewer System Revenue Bonds, Series 2017A
- \$7,000,000 Waterworks and Sewer System Revenue Bond, Series 2014A
- \$20,000,000 Waterworks and Sewer System Revenue Refunding Bond, Series 2014B

6. Rating Agency and Investor Marketing Approach

Please discuss any issues, benefits, or challenges associated with pricing and marketing bonds in the current market given the current rating levels and financial issues confronting LCFWASA.

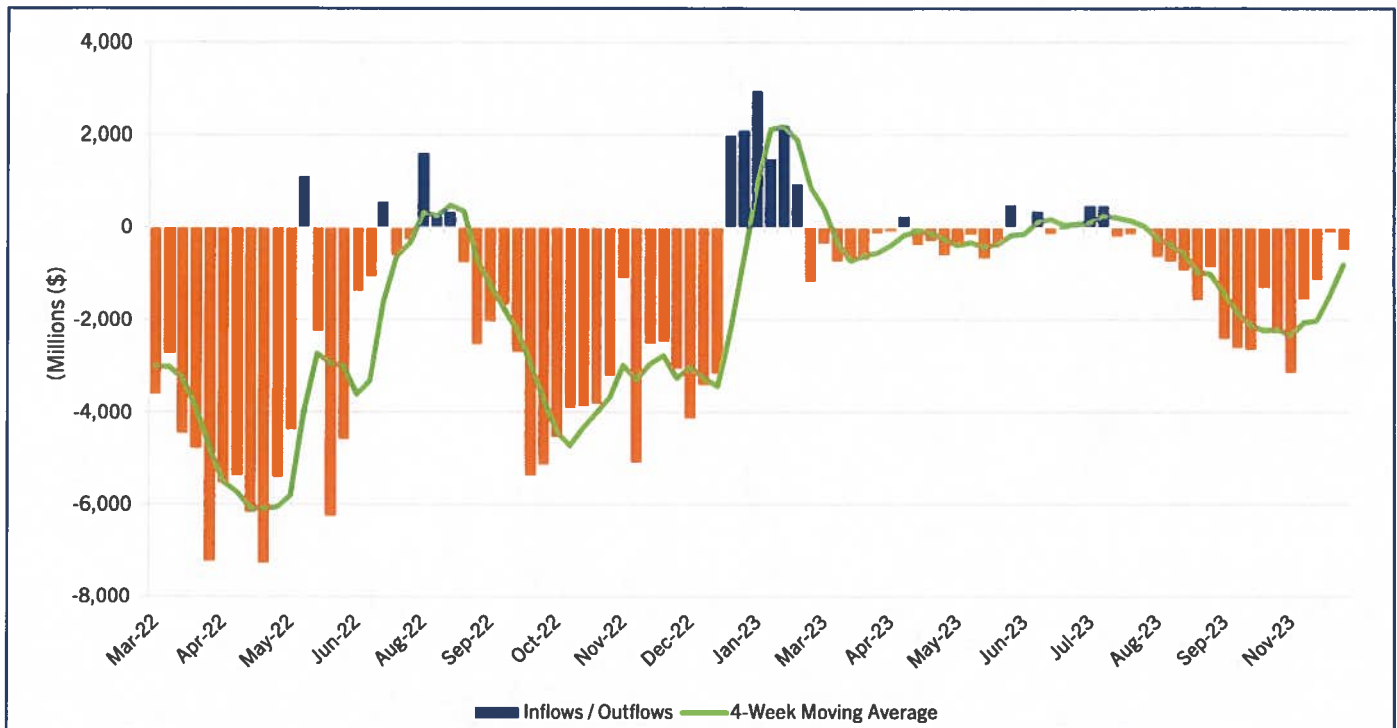
In terms of broad and general market conditions, we have recently seen interest rates begin to decline following a period of steady increases throughout most of 2023. As demonstrated in Chart A below, 10-year interest rates, while remaining elevated in comparison to recent years, are beginning to return to a level that is more in line with historical trends. As inflationary pressure begins to lessen and the Federal Reserve contemplates cutting its target interest rate, we will carefully monitor if bond rates follow suit and continue in a downward trajectory. A downward trajectory of interest rates may also lead to more demand for municipal bonds, which has been lower this year due to fears of a rising rate environment, as demonstrated by Chart B below, which demonstrates net weekly cash flows for municipal bond flows (outflows, which indicate low demand, are shown in orange).

Chart A



Lower Cape Fear Water and Sewer Authority

Chart B



With respect to the pricing and marketing of LCFWASA’s bonds, there are a number of positive attributes that, in our view, offset the challenges impacting in the general market:

- Strong Credit Profile:** While LCFWASA does not currently maintain a long-term debt rating from Moody’s, S&P Global, or Fitch, we estimate that the Authority is in a good position going into a future rating review. As demonstrated below, we estimate that LCFWASA would score out at the Aa3 level on the Moody’s rating scorecard, based on FY 2022 results. Additionally, the member units of LCFWASA maintain strong credit rating profiles (lowest Moody’s rating among the group is Aa3), which will also help to enhance LCFWASA’s rating outcome. In volatile markets, investors will place a greater value on the creditworthiness of an issuer. Credit rating strategy is an important service provided by First Tryon to help LCFWASA maximize its credit profile.

Broad Rating Factors	Rating Subfactors	2022					Implied Rating
		Subfactor Weighting	Issuer Value	Score	Weighted Scale		
System Characteristics	Asset Condition (Remaining Useful Life)	10%	23.24	2.64	0.26	A1	
	Service Area Wealth (Median Family Income)	12.5%	92%	2.46	0.31	Aa3	
	System Size (O&M)	7.5%	4,483,011	4.29	0.32	Baa3	
Financial Strength	Annual Debt Service Coverage	15%	2.00	1.50	0.23	Aa1	
	Days Cash on Hand	15%	276.60	0.50	0.08	Aaa	
	Debt to Operating Revenues	10%	2.41	1.71	0.17	Aa1	
Management	Rate Management ⁽¹⁾	10%	See Note 1	2.00	0.20	Aa2	
	Regulatory Compliance & Capital Planning ⁽²⁾	10%	See Note 2	3.00	0.30	A2	
Legal Provisions	Rate Covenant	5%	1.00	2.50	0.13	A1	
	Debt Service Reserve Requirement ⁽³⁾	5%	See Note 3	4.00	0.20	Baa2	
Average Score				2.19		2.19	
Implied Rating						Aa3	

(1) Strong rate-setting record; little political, practical, or regulatory limits on rate increases
 (2) Moderate violations with adopted plan to address issues; Maintains manageable 5-year Capital Improvement Plan
 (3) NO explicit DSRF; OR funded with speculative grade surety

Lower Cape Fear Water and Sewer Authority

Among LCFWASA's credit strengths are service area and financial performance, with strong debt service coverage and strong days cash on hand. As LCFWASA considers additional debt, First Tryon would work closely with its rate consultant to ensure these metrics remain strong. This will also be a good time to review or establish fiscal policies. The rating agencies ideally like to see formal policies in place as this often contributes to higher management scores on the rating scorecard. Fiscal policies also provide good guidance for financial decisions.

- **Infrequent Issuer:** LCFWASA only has one series of publicly sold debt outstanding, which are the Special Facility Revenue Bonds, Series 2010 (debt service paid by the Smithfield Farmland Corporation). As an infrequent issuer, the LCFWASA name will attract investors looking for a new name to diversify an investment portfolio.
- **Bank Market vs. Public Market:** Depending on the ultimate size of the borrowing, First Tryon would evaluate a bank market financing versus a public market financing. Historically, transactions under \$10 million and a 15-year or shorter amortization term have been good candidates for bank placed financing. This would allow LCFWASA to avoid the credit rating process, ongoing disclosure obligations and the need to draft an offering document for investors. Bank financing will incur lower upfront costs and less staff time than a publicly sold transaction. First Tryon will run a cost/benefit analysis early on in the financing process to ensure the plan of finance makes sense for the size of the borrowing and current market conditions. If a bank sale is deemed to be more cost effective, First Tryon would run a competitive process, distributing a bank RFP to our list of more than 30 local and regional banking institutions.

First Tryon has successfully advised clients in all kinds of interest rate environments – the good, the bad and the ugly. We don't always get the perfect market, but we can ensure that LCFWASA's bond issues are well-positioned for a successful sale. Factors that contribute to a successful sale include understanding the market environment, clearly communicating expectations with underwriters on a negotiated sale, ensuring adequate time for pre-marketing such as building in a little extra time between mailing of the POS and pricing date. First Tryon also uses in-house analytical tools such as our Pricing Model (described more fully in Section 9) to empower our advisors to negotiate with underwriters from a position of strength. On competitive sales, First Tryon reaches out to prospective underwriters to ensure they are looking at the transaction and to see if they have any questions ahead of the sale. We would also make sure that rating reports are released and available to investors at the time the POS is printed. With these additional planning steps, we do not anticipate LCFWASA having any difficulty pricing or marketing its bonds.

Please describe how your firm would assist LCFWASA in developing rating agency information as a part of an issuance.

Since 2021, First Tryon has prepared clients for and participated in over 200 credit rating presentations. As such, we have extensive knowledge and insight into key credit considerations and the analyst preferences that allow for a smooth and successful rating process.

First Tryon would take the following approach in developing rating agency strategy:

- Step 1:** Conduct a thorough review of LCFWASA and its member credit profiles using Moody's medians and peer comparisons.
- Step 2:** Note strengths and weaknesses, identify any areas for improvement, develop a regular communications strategy with the rating analysts, and keep LCFWASA informed of new "hot button" issues of the rating agencies or any updated credit methodologies.

Lower Cape Fear Water and Sewer Authority

- Step 3:** First Tryon provides logistical support, scheduling of calls and meetings. For any New York travel, First Tryon will assist in coordination of air travel, hotel, ground transportation and meals.
- Step 4:** Prior to any calls or meetings, develop a detailed credit rating presentation book that highlights each of the focus areas of the rating agencies (local demographics/economic development, fiscal management, financial performance and debt and liabilities).
- Step 5:** Schedule time to thoroughly review information with LCFWASA to ensure that LCFWASA is comfortable with information for presenting directly to the rating analysts.
- Step 6:** Coordinate any follow up information and assist in review and delivery of final credit rating reports. Take note of any feedback (positive or negative) and incorporate back into step 1.

First Tryon and the individual advisors that would work with LCFWASA have a great deal of experience working with a wide variety of entities and different types of financings. With this experience comes regular exposure to the rating agencies and the specific analysts covering issuers in the Southeast region. We meet frequently with these analysts over the phone or in person (onsite at the issuer's location or in New York at the rating agencies' offices) to obtain ratings for specific financings coming to market as well as periodic surveillance rating reviews.

Regular interaction with the rating agencies has provided First Tryon with a high level of understanding of the particular credit aspects unique to the Southeast region and the issues that are most frequently raised by the analysts. We take great pride in being able to anticipate these questions/issues and prepare our issuer clients accordingly. We work with our clients to craft their own unique credit stories so that they will be viewed in the best possible light and put in the strongest position to achieve a favorable result. An important element of our approach is not only highlighting credit strengths, but also addressing credit challenges head-on so that the rating analysts involved understand how management is mitigating particular concerns or compensating in other credit areas, particularly for credit characteristics that are difficult to change.

Following the steps above, First Tryon is able to create a feedback loop that will ensure LCFWASA is prepared and knows exactly where it stands. Creating and maintaining a strong credit profile is critically important to keeping LCFWASA's interest rates as low as possible. Additionally, the attributes that go hand-in-hand with a high credit rating (healthy days cash on hand, financial flexibility, strong management), afford LCFWASA flexibility to take advantage of opportunities or deal with an unexpected challenge. Credit rating monitoring is also a critical part of our interactive debt models.

Please describe how your firm would assist LCFWASA in marketing bonds to both current and new investors.

There are two approaches that are typically utilized when marketing LCFWASA's bonds to both current and new investors. First Tryon's traditional and enhanced approaches are outlined in the chart below and summarized in the paragraphs that follow.

Lower Cape Fear Water and Sewer Authority

Traditional Approach	Enhanced Investor Communication Strategy
EMMA Postings	EMMA Postings
Official Statements	Official Statements
Rating Agency Reports	Rating Agency Reports
	In Person Meetings with Investors
	Technology Platforms
	- BondLink
	- Ipreo (electronic investor roadshow)
	Enhanced issuer webpage
	Investor Conferences
	Presentations at Industry Conferences

Traditional Approach: On all transactions, First Tryon will, at a minimum, assist LCFWASA in developing the official statement in a manner that presents the best picture of LCFWASA and provides potential investors with the necessary information on the bonds, LCFWASA's finances, and LCFWASA's economy / demographics. First Tryon then ensures that the official statement, along with LCFWASA's ratings, are properly posted to the various repositories where underwriters and investors will go for information on the issuance. These repositories include EMMA, Ipreo, and Bloomberg, among others. First Tryon will also field and answer any questions received on the bonds to ensure that all interested parties are provided with sufficient and comprehensive information on the transaction.

Enhanced Investor Communication Strategy: If desired, First Tryon is also available to coordinate a more concerted effort to provide additional communication to potential investors. A number of approaches are available to LCFWASA under this strategy. If LCFWASA wanted to target a specific group of investors, individual meetings can be set up with these investors to provide details on the bonds and tell the story/vision behind the projects being financed with the particular issuance. There are also certain technology platforms that can be utilized such as BondLink, Ipreo's investor roadshow, or simply a dedicated page on LCFWASA's website to ensure that the LCFWASA bonds reach a wider investor audience. Additional avenues for enhanced marketing include presenting at investor and/or industry conferences to alert investors of an upcoming issuance. Depending on LCFWASA's desired investor outreach, First Tryon will help LCFWASA strategically utilize one or more of these approaches.

7. Pricing Approach and Strategy

Please describe how you would advise LCFWASA in determining the best strategy about pursuing a competitive or negotiated deal.

Every transaction is unique. Going into each new transaction, you can only be certain that (i) market conditions will not be identical, (ii) the regulatory and political environment will have evolved and (iii) that LCFWASA's financing team should draft a plan of finance tailored to each individual transaction. As such, First Tryon is committed to evaluating every transaction on a case-by-case basis, especially when considering the method of sale, a driver of the entire financing process.

In North Carolina historically, competitive sales have been reserved almost exclusively for general obligation credits while Limited Obligation Bonds or Revenue Bonds have been sold on a negotiated basis, even for highly rated issuers. The conventional wisdom has been that revenue bonds and appropriation-backed credits require more pre-marketing and the involvement of an underwriter on the front end to tell the issuer's story to investors. However, in other states, issuers have been selling revenue bonds competitively for years and with much success.

Lower Cape Fear Water and Sewer Authority

The advisors at First Tryon have been pioneers in rethinking this historical approach in North Carolina and have served as financial advisor on many non-GO competitive sales, including 13 since 2019*. Each of these issuances has received strong support from the competitive markets, receiving anywhere from 3 to 14 bids, and have priced favorably to comparable transactions that were sold on a negotiated basis during the same timeframe.

Competitive Revenue Bond Issuances Since 2019

Issuer	Sale Date	Par Amount	Term	Ratings (Moody's/S&P/Fitch)	Number of Bids	TIC	UW Discount (Per Bond)	% Impact to TIC
Fayetteville Public Works Commission	10/24/2023	\$169,420,000	30 Years	Aa2/AA/AA	9	4.677%	\$1.95	0.02%
City of Florence (SC)	9/7/2023	\$32,100,000	30 Years	Aa2/AA-/NR	11	4.138%	\$2.62	0.02%
Fayetteville Public Works Commission	10/19/2021	\$94,790,000	30 Years	Aa2/AA/AA	11	2.279%	\$3.47	0.03%
Orange Water and Sewer Authority	3/23/2021	\$18,840,000	25 Years	Aa1/AAA/AA+	9	1.900%	\$6.14	0.05%
North Charleston Sewer District	1/14/2021	\$8,320,000	10 Years	NR/AA-/NR	12	0.604%	\$2.46	0.04%
Isle of Palms Water and Sewer Commission	10/15/2020	\$14,770,000	19 Years	Aa2/NR/NR	5	1.727%	\$5.00	0.05%
Renewable Water Resources	9/17/2020	\$22,445,000	10 Years	Aa1/AAA/NR	12	0.496%	\$2.55	0.05%
Renewable Water Resources	9/17/2020	\$23,730,000	4 Years	Aa1/AAA/NR	9	0.389%	\$1.25	0.05%
Spartanburg Sanitary Sewer District	10/7/2019	\$7,635,000	8 Years	Aa3/AA/NR	3	1.587%	\$5.76	0.08%
Town of Mooresville (NC)	10/1/2019	\$14,075,000	17 Years	Aa2/AA+/NR	14	1.971%	\$7.31	0.09%
Berkeley County (SC)	9/24/2019	\$24,535,000	9 Years	Aa3/AA+/NR	13	1.450%	\$3.17	0.06%
City of Florence (SC)	9/19/2019	\$68,590,000	20 Years	Aa2/AA-/NR	9	2.464%	\$4.98	0.06%
Town of Fort Mill (SC)	3/28/2019	\$16,095,000	16 Years	NR/AA/NR	12	2.720%	\$8.50	0.08%

OUR APPROACH

In our experience, we have seen competitive sales do as well as negotiated sales in the marketplace and many times price better. Our approach for evaluating the appropriate method of sale involves the analysis and review of the following characteristics:

- **Issuer credit rating:** In our view, an issuer with a credit rating in the “AA” category or higher may be a good candidate for the competitive market
- **Market stability:** Competitive sales work best in a stable market environment with moderate to low levels of new issuance in the marketplace and a relatively stable bond market.
- **Issue size:** As a general rule of thumb, larger transactions with larger block sizes (i.e. maturities over \$1 million) generally garner more interest from competitive underwriters. Transactions with the majority of maturities above the \$1 million threshold make for ideal structures to be brought competitively.
- **Unique security structure:** If the security structure for the bonds is particularly complex, a transaction may lend itself to a negotiated sale.
- **Unique structuring requirements:** If an issuer desires specific or unique couponing or unusual redemption provisions, the transaction may be a better candidate for negotiated sale.

Given that LCFWASA would be a new credit to the market and has a unique credit structure, versus a more traditional utility revenue bond, First Tryon would likely recommend a negotiated sale for LCFWASA’s inaugural public market transaction. A negotiated underwriter will be able to provide additional insight from an investor perspective as certain legal covenant preferences and structuring decisions such as optional redemption provisions or funding a reserve fund are made. LCFWASA’s bonds may also benefit from more robust pre-marketing as its credit is introduced to the marketplace.

Lower Cape Fear Water and Sewer Authority

Please describe how you would review and advise LCFWASA on proposed takedowns to confirm they are competitive with other issuers.

If LCFWASA decided to sell its bonds on a negotiated basis, First Tryon would assist as needed in the underwriter selection process and corresponding fee discussions. As one of the primary municipal advisors in the region, First Tryon has frequent conversations with issuers and underwriters regarding underwriter discounts and takedowns. First Tryon has confidence in its ability to negotiate directly with a given underwriter or conduct an RFP process to solicit pricing information from underwriters.

While takedowns are an important part of the cost structure to LCFWASA, the more significant component will be the coupons and yields ultimately assigned to the bonds. Ensuring on-market takedowns that properly compensate the underwriter's sales force to aggressively market LCFWASA's bonds will most likely lead to the best overall result.

8. Charges and Fees

Explain your method of determining fees, including charges for travel and out-of-pocket expenses. Also explain your approach to billing miscellaneous calls from LCFWASA for which you would spend minimal time.

Please provide an hourly rate by participant level for work that is performed outside of bond issue.

In establishing fees, First Tryon takes into account multiple factors. While time commitment is one consideration, we also consider the efficiency with which the work was done, complexity of the project, value added, any special experience or expertise applied, and the liability undertaken by our firm, among other factors.

Our core beliefs on client fees are as follows:

- Every assignment and situation is different.
- Clients should only be charged for the services they need and benefit from.
- We strive to keep fees as low as possible while being fairly compensated for the services provided.
- There should never be surprises or hidden fees.
- The client always has the right to adjust the fee to any amount it deems appropriate.

For all of the reasons above, our approach is to review each assignment with the client at the beginning of the process before establishing a fixed fee. Once we have a better understanding of the wider plan of finance, tasks involved and LCFWASA's expectations, we can then propose a fee that is fair both to LCFWASA and our firm.

In addition, First Tryon's engagement letters are unique compared to other municipal advisory firms. We allow our clients to unilaterally adjust our fees as desired after completion of the assignment. The following provision exists in our contracts:

"If at any time the Client believes that the services provided are not consistent with the fees First Tryon has charged, the Client may adjust the fee for such services to any amount the Client deems appropriate."

Generally, First Tryon does not charge for miscellaneous calls, routine questions or minor tasks. We consider these types of requests to be a part of our ongoing relationship and want to encourage LCFWASA to pick up the phone and call anytime without the "meter ticking". However, with respect to larger scale assignments such as rating surveillance calls, capital planning models, extensive analysis, special projects, etc. First Tryon will work with LCFWASA to establish a fee (either fixed or hourly) that is fair to both parties. If it is determined that an assignment is suited for hourly billing, First Tryon offers our current hourly rates by professional:

Lower Cape Fear Water and Sewer Authority

Professional	Hourly Rate
Managing Director	\$425 / Hour
Director	\$375 / Hour
Vice President	\$325 / Hour
Associate/Analyst	\$250 / Hour

In addition to the fee, First Tryon also typically charges for out-of-pocket expenses incurred in connection with the services provided. Customary out-of-pocket expenses include, without limitation, costs of travel, meals, lodging, printing/copying, etc. First Tryon bills direct expenses at cost, with no mark-up. First Tryon will not bill for indirect costs such as telephone, subscriptions and conference call services; instead, First Tryon charges an administrative expense fee equal to 4% of any invoiced fee for services as reimbursement for costs not reasonably allocable on a client-by-client basis.

We appreciate the opportunity to have an open dialogue with LCFWASA about potential assignments and provide a fee proposal customized to LCFWASA's exact needs.

9. Additional Services

Describe other services provided by your firm and efficiencies or cost savings that may be gained by LCFWASA engaging your firm for these ancillary services.

To better and more thoroughly serve our advisory clients, First Tryon has made key investments in technology, personnel, and resources to add value beyond traditional advisory services on debt offerings. Additional services offered by our firm include operational consultant services, procurement services such as bidding of banking services, bidding of escrows or construction funds, and development of advanced modelling tools like our pricing model and capital planning models. The following provides some additional information about our modeling tools that we believe would be relevant to LCFWASA.

PRICING MODEL

Unique to First Tryon Advisors is our proprietary pricing model that was developed in-house and helps us evaluate and compare pricing on a public market bond sale. The model uses an algorithm to determine the best comparative financings for an issuer's proposed bond sale by comparing over 13 variables, including: state, security, tax status, rating, sale date, coupon, call provision and market sector of over 3,000 issuances. To the extent necessary, First Tryon also utilizes the sales and trading desk of First Tryon Securities, LLC for additional pricing guidance / oversight and to pull pricing data from specific primary or secondary trades.

First Tryon actively uses this model leading up to and on the date of a bond sale to 1) confirm that the underwriter's proposed pricing is at an acceptable level and 2) to highlight certain maturities where pricing could improve and work with the underwriter to get to that level. It helps us provide recommendations to our clients as to the key decisions points of a bond issuance, including sizing, maturity schedules, and call provisions. This innovative model has had direct impacts on issuer's pricings and resulted in debt service savings. A snapshot of the model is provided on the following page.

Lower Cape Fear Water and Sewer Authority



Lower Cape Fear Water and Sewer Authority										First Tryon Advisors Simplifying Public Finance										
State	NC	Include All								Not before	10/1/23									
Moody's	Aa2									Tax Status	TE									
S&P	AA									Payment dates	Apr									
Fitch	AA									Market	Current									
										# of Comps to Include	10									Version 6
										Sale Type	All									
Industries to Include										Security Types to Include										
Healthcare	No									General Obligation	No									
Higher Education	No									Limited Obligation	No									
Housing	No									Revenue Bonds	Yes									
Local Government	No									Special Tax	No									
NP/Ch Sch/Nur	No																			
School District	No																			
Transportation	No																			
Utility System	Yes																			
Proposed Pricing										Comps Ranked L5										
Tenor	Maturity	Par Amount (000's)	Coupon	Spread (bps)	MMD	Yield	Low	Median	High	Coupon	Spread	Coupon	Spread	Coupon	Spread	Coupon	Spread	Coupon	Spread	
1	2025		5.000%	0	2.80%	2.80%	-9	8	34	5.000%	12	5.000%	8					5.000%	25	
2	2026		5.000%	-4	2.73%	2.69%	-9	8	34	5.000%	18	5.000%	4	5.000%	8			5.000%	28	
3	2027		5.000%	14	2.59%	2.73%	-9	8	35	5.000%	14	5.000%	9	5.000%	6	5.000%	-4	5.000%	34	
4	2028		5.000%	15	2.50%	2.65%	-9	9	39	5.000%	10	5.000%	13	5.000%	4	5.000%	-2	5.000%	34	
5	2029		5.000%	18	2.46%	2.64%	-5	10	43	5.000%	16	5.000%	16	5.000%	6			5.000%	35	
6	2030		5.000%	19	2.47%	2.66%	-3	14	45	5.000%	19	5.000%	19	5.000%	9	5.000%	1	5.000%	39	
7	2031		5.000%	21	2.45%	2.66%	-3	15	47	5.000%	22	5.000%	25	5.000%	15	5.000%	3	5.000%	43	
8	2032		5.000%	24	2.48%	2.72%	-1	15	47	5.000%	23	5.000%	27	5.000%	13	5.000%	6	5.000%	45	
9	2033		5.000%	20	2.50%	2.70%	1	14	47	5.000%	19	4.000%	29	5.000%	8	5.000%	6	5.000%	47	
10	2034		5.000%	25	2.55%	2.80%	0	12	47	5.000%	18	5.000%	24	5.000%	5	5.000%	4	5.000%	43	
11	2035		5.000%	18	2.63%	2.81%	-2	10	47	5.000%	15	5.000%	28	5.000%	3	5.000%	3	5.000%	42	
12	2036		5.000%	20	2.76%	2.96%	-2	11	46	5.000%	16	5.000%	26	5.000%	15	5.000%	2	5.000%	42	
13	2037		5.000%	21	2.91%	3.12%	-2	15	49	5.000%	16	5.000%	22	5.000%	14	5.000%	2	5.000%	44	
14	2038		5.000%	13	3.03%	3.16%	-2	16	52			5.000%	17	5.000%	18	5.000%	0	5.000%	46	
15	2039		5.000%	13	3.11%	3.24%	-2	17	52	5.000%	22	5.000%	20	5.000%	19	5.000%	4	5.000%	49	
16	2040		5.000%	15	3.16%	3.31%	-1	19	52			5.000%	27	5.000%	19	5.000%	4	5.000%	52	
17	2041		5.000%	16	3.21%	3.37%	4	20	56	5.000%	27	5.000%	29	5.000%	21	5.000%	5	4.625%	60	
18	2042		5.000%	30	3.27%	3.57%	4	21	58	5.000%	32	5.000%	32	5.000%	21	5.000%	7	4.625%	61	
19	2043		5.000%	35	3.33%	3.68%	5	21	58	4.375%	55	5.000%	33	5.000%	23	5.000%	10	5.250%	56	
20	2044		5.000%	45	3.36%	3.81%	7	21	58	4.375%	53	5.000%	34	5.000%	22	5.000%	12	5.250%	58	
21	2045				3.40%	-								5.000%	22	5.000%	11			
22	2046				3.45%	-								5.000%	22	5.000%	11			
23	2047				3.49%	-														
24	2048				3.51%	-														
25	2049				3.54%	-														
26	2050				3.57%	-														
27	2051				3.59%	-								4.000%	29					
28	2052				3.60%	-								5.000%	23					
29	2053				3.61%	-														
30	2054				3.62%	-														
Par (000's)										21,835		48,415		169,420		51,515		14,485		

CAPITAL PLANNING MODEL

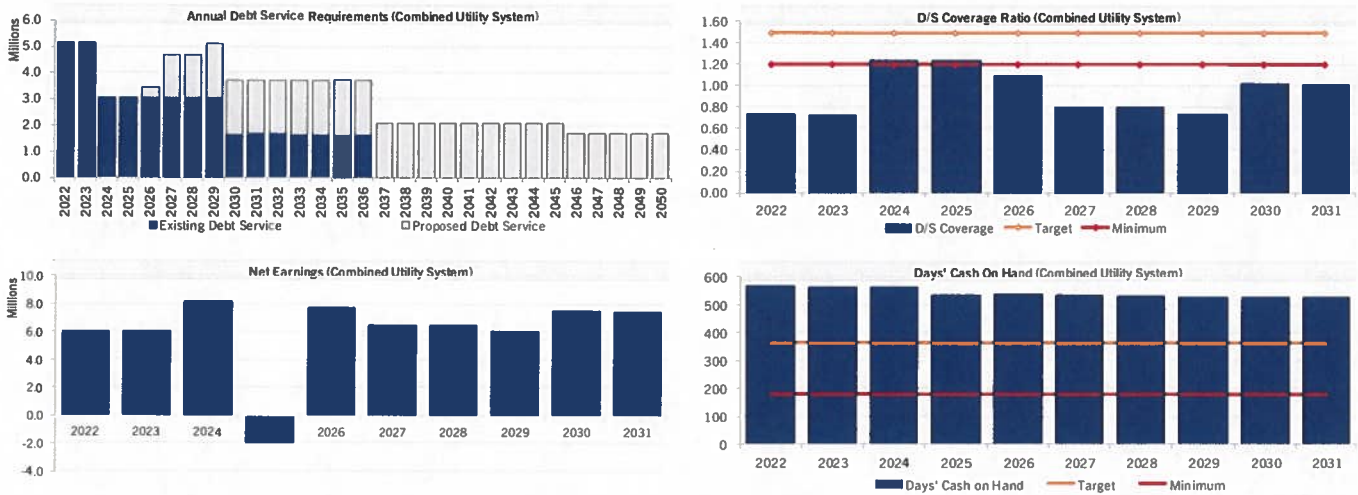
First Tryon's Capital Planning Model is a tool we developed that gives entities the ability to forecast the financial impact of capital projects over both a near-term and a long-term horizon, on a project-by-project basis. This interactive, dynamic tool allows an entity to quickly and easily run multiple scenarios with different assumptions, including project cost, timing, funding source, financing type, financing term and debt service structure, among others. We have found this model to be incredibly useful to our clients, many of which work with the model live in Board workshops/meetings.

Project Dashboard and Funding Assumptions: The primary functionality of the model comes from the analysis of various financing options: which projects are financed over what term and when. For illustrative purposes, we have provided a sample inputs table. First Tryon and/or LCFWASA can also input the entire capital improvement. For each project, we can specify their respective details, including (where relevant): cost, timing, debt service structure, term and interest rate. LCFWASA can also specify both the funding source (Enterprise Operating Fund or another fund, as applicable) as well as the funding type (general obligation bond, revenue bond, revolving loan, pay-go, etc.) on a project-by-project basis.

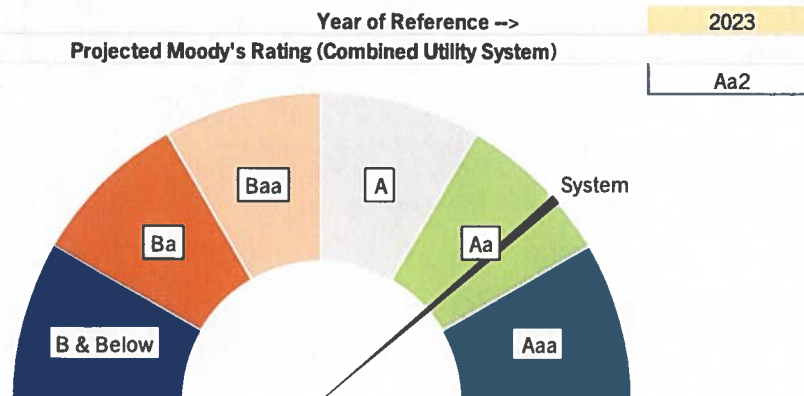
Lower Cape Fear Water and Sewer Authority

Turn Projects On/Off	Specify project description, amount, and timing	Select fund and funding type	Customize repayment structure						
Projects Under Consideration									
1	2	3	4	5	6	7	8	9	10
On/Off	Description	Amount	Timing (FY)	Fund / Revenue Source	Funding Type	Structure	Term	Principal Deferral	Rate
On	Sample Project #1	25,000,000	2026	Enterprise Operating Fund	Revenue Bond	Level D/S	30	2	5.00%
On	Sample Project #2	5,000,000	2025	Enterprise Operating Fund	SRF	Level D/S	20	0	4.50%
On	Sample Project #3	10,000,000	2025	Other Fund	Cash				
Off									
Off									

Outputs – Key Financial Metrics / Policies / Targets: The Capital Planning Model allows issuers to track the impact a plan of finance will have on their key financial ratios to ensure that they remain in compliance with any financial policies or internal targets. While all models include certain standard metrics, LCFWASA's Capital Planning Model can be customized to include any additional metrics monitored by LCFWASA, such as Total Coverage Ratio, Days Cash on Hand, Cash Balance, and Debt to Operating Revenues.

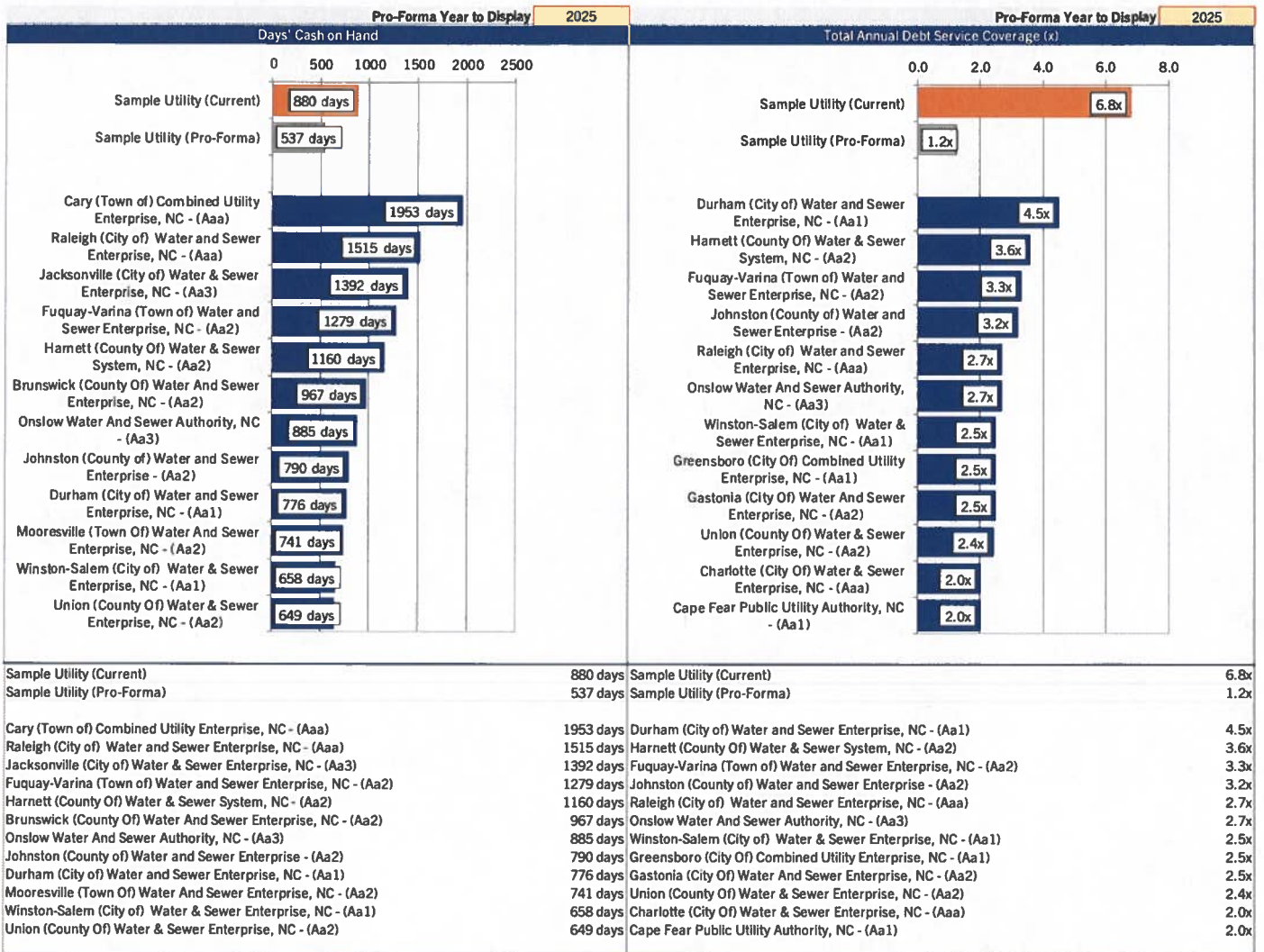


Outputs – Moody's Scorecard: Rating agency scorecard analysis can also be incorporated within the model. In addition to analyzing an issuer's current financial picture, the model can also run the analysis for future years to show how the long-term plan of finance affects the issuer's overall financial health.



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Outputs – Peer Comparisons: Not only will financial metrics be measured against LCFWASA's policies / internal targets, but each metric will be compared to LCFWASA's peers. The Capital Planning Model utilizes Moody's MRFA.



Lower Cape Fear Water and Sewer Authority

10. Legal and Firm Issues

Please indicate if the Firm is any of the following:

MBE _____ WBE _____ SBE _____ None of the above

If the Firm has been certified with the designations above, indicate which agency, and the effective and expiration dates of that certification below:

Agency Certifying: Not Applicable

Effective Date: Not Applicable

Expiration Date: Not Applicable

Please disclose and explain any significant negative events in your firm's recent history including criminal charges, civil litigation, or administrative actions involving allegations of securities law violations by your firm or its employees during the past five (5) years. Please comment on the resolution and/or status of the actions.

First Tryon as a firm nor has First Tryon employees have been engaged in any criminal charges, civil litigation, or administrative actions involving allegations of securities law violations in the past five years.

Are there any other lines of business conducted by your firm that could complement or conflict with your role on LCFWASA transactions? Please disclose any arrangements that might present an actual or apparent conflict of interest with this role.

First Tryon is not aware of any arrangements that might present an actual or apparent conflict of interest with this role.

Separate from First Tryon Advisors, First Tryon Securities, LLC maintains a fixed income sales and trading desk which will provide value for LCFWASA by offering a source of live, real-time market information. The desk operates only in the secondary market and does not participate in the underwriting of bonds, thereby avoiding any or actual perceived conflict of interest.

Disclose any existing or contemplated relationship with any other person or entity, including relationships with LCFWASA staff, which would constitute an actual or potential conflict of interest in connection with the rendering of services detailed in this response. If a conflict does or might exist, please describe how your firm would resolve the conflict.

First Tryon is not aware of any existing or contemplated relationships with any other person or entity, including relationships with LCFWASA staff, which would constitute an actual or potential conflict of interest in connection with the rendering of services detailed in this response.

Lower Cape Fear Water and Sewer Authority

11. Respondent's Certification

The Respondent's Certification set forth below shall be completed and signed by the person submitting the response to the RFQ on behalf of your firm.

RESPONDENT'S CERTIFICATION

I have carefully examined the submittal to the Request for Qualifications, and any other documents accompanying or made a part of this submittal.

The firm identified below hereby proposes to furnish the services specified in the Request for Qualifications. I agree that the submittal will remain firm for a period of up to 150 days in order to allow LCFWASA adequate time to evaluate the responses submitted.

I verify that all information contained in this submittal is truthful to the best of my knowledge and belief. I further certify that I am duly authorized to submit this response to the Request for Qualifications on behalf of the firm as its act and deed and that the firm is ready, willing, and able to perform if selected.

I further certify that this submittal to the Request for Qualifications is made without prior understanding, agreement, connection, discussion, or collusion with any other person, firm or corporation submitting a Request for Qualifications for the same product or service; no officer, employee or agent of LCFWASA; and that I, the undersigned, executed this certification with full knowledge and understanding of the matters therein contained and was duly authorized to do so.

First Tryon Advisors
NAME OF BUSINESS

AJ Vitner
SIGNATURE

Amy Vitner Managing Director
NAME & TITLE, TYPED OR PRINTED

6101 Carnegie Blvd, Suite 210
MAILING ADDRESS

Charlotte NC 28209
CITY, STATE, ZIP CODE

704-458-4759
TELEPHONE NUMBER

Lower Cape Fear Water and Sewer Authority

Appendix A – Municipal Advisor Registration



Municipal Securities Rulemaking Board

Certificate of Current MSRB Registration

The Municipal Securities Rulemaking Board (MSRB) certifies that the organization listed below is registered with the MSRB as of December 18, 2023 04:15:31 PM ET.

Registrant's Name:	First Tryon Advisors, LLC	Type of Registration Maintained with the MSRB:	Municipal Advisor
MSRB ID:	K1304	Date Registered with the MSRB:	October 29, 2021

This certificate may be confirmed by contacting the MSRB at 202-838-1330 or by email to MSRBsupport@msrb.org

Stephanie Braddell, Product Operations Manager

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1300 I Street NW, Suite 1000 | Washington, DC 20005 | 202-838-1500 | MSRB.org | EMMA.MSRB.org



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U.S. Securities and Exchange Commission

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First Thyon Advisors, LLC CIK#: 0001881014 ([see all company filings](#))

State location: [MD](#) | State of Inc.: [NC](#) | Fiscal Year End: 1231

[Give us feedback on EDGAR](#)

Business Address
122 SEVERN AVENUE
ANNAPOLIS MD 21403
7049283445

Mailing Address
6101 CARNEGIE BLDG.
SUITE 210
CHARLOTTE NC 28209

Lower Cape Fear Water and Sewer Authority

Appendix B – Revenue Bond Deal List Since 2021

FTA Revenue Bond Transactions since 2021

Date of Sale	Par Amount	Engagement Name	Issuer	Security Type	Rating	Public Offering/Private Offering	Sale Type	Final Maturity
10/24/23	\$169,420,000	Fayetteville PWC 2023 REV	Fayetteville Public Works Commission (NC)	Revenue	Aa2/AA/AA	Public Offering	Competitive	3/1/2053
10/16/23	\$1,600,000	Liberty-Chesnee-Fingerville 2023 REV	Liberty Chesnee Fingerville Water District (SC)	Revenue	NR	Private Offering	Competitive	11/1/2038
09/12/23	\$3,000,000	Georgetown 2023 CUS REV	Georgetown, City of (SC)	Revenue	NR	Private Offering	Competitive	6/1/2043
09/07/23	\$32,100,000	Florence, SC 2023 WS Rev	Florence, City of (SC)	Revenue	Aa2/AA-/NR	Public Offering	Competitive	9/1/2053
08/15/23	\$38,435,000	Myrtle Beach 2023 W&S REVs	Myrtle Beach, City of (SC)	Revenue	Aa3/AA-/NR	Public Offering	Negotiated	3/1/2048
07/19/23	\$37,055,000	Gastonia, NC 2023 Utility Rev	Gastonia, City of (NC)	Revenue	Aa2/NR/AA+	Public Offering	Negotiated	5/1/2043
05/24/23	\$28,220,000	Dorchester County 2023 W&S REV	Dorchester County (SC)	Revenue	NR/AA/NR	Public Offering	Negotiated	10/1/2048
04/24/23	\$96,525,000	Cherokee Co. W&S 2023 REV	Cherokee County Water and Sewerage Authority (GA)	Revenue	Aa1/AA/NR	Public Offering	Negotiated	8/1/2053
04/03/23	\$8,480,000	Hendersonville 2023 REV	Hendersonville, City of (NC)	Revenue	NR/NR/NR	Private Offering	Competitive	6/1/2043
02/22/23	\$2,067,000	Abbeville Co 2023 Solid Waste Revenue Bond	Abbeville County (SC)	Revenue	NR/NR/NR	Private Offering	Competitive	4/1/2038
01/18/23	\$4,090,000	LCNGA 2023 REV	Lancaster County Natural Gas Authority (SC)	Revenue	NR/NR/NR	Private Offering	Competitive	6/1/2033
12/01/22	\$23,670,000	GUC 2022 Rev Bond	Greenville Utilities Commission (NC)	Revenue	Aa1/NR/AA-	Public Offering	Negotiated	12/1/2046
10/11/22	\$8,000,000	YCONGA 2022 REV	York County Natural Gas Authority (SC)	Revenue	NR/NR/NR	Private Offering	Competitive	4/1/2033
10/06/22	\$71,505,000	South Island PSD 2022 Revenue bond	South Island Public Service District (SC)	Revenue	A1/AA+/NR	Public Offering	Negotiated	4/1/2052
09/28/22	\$4,150,000	Dorchester County 2022 Stormwater REV	Dorchester County (SC)	Revenue	NR/NR/NR	Private Offering	Competitive	4/1/2032
09/08/22	\$60,000,000	Horry Co 2022 Hospitality Fee Revenue Bond	Horry County (SC)	Revenue	NR/AA/AA	Public Offering	Negotiated	9/1/2052
08/08/22	\$22,154,000	Rock Hill 2022CD CUS REVs	Rock Hill, City of (SC)	Revenue	NR/NR/NR	Private Offering	Competitive	1/1/2042
07/27/22	\$120,000,000	ReWa 2022 REV (Interim)	Renewable Water Resources (SC)	Revenue	NR/NR/NR	Private Offering	Competitive	9/1/2026
07/11/22	\$1,500,000	Inman 2022 Hospitality REV	Inman, City of (SC)	Revenue	NR/NR/NR	Private Offering	Competitive	3/1/2037
05/05/22	\$18,558,000	Rock Hill 2022A CUS REVs	Rock Hill, City of (SC)	Revenue	NR/NR/NR	Private Offering	Competitive	1/1/2030
05/03/22	\$38,000,000	MetroConnects 2022 Revenue Bond	MetroConnects (Metropolitan Sewer Subdistrict of	Revenue	NR/NR/NR	Private Offering	Competitive	6/1/2042
04/21/22	\$33,670,000	Charleston 2022 Hospitality Revenue Bonds	Charleston, City of (SC)	Revenue	NR/AA/NR	Public Offering	Negotiated	9/1/2036
02/16/22	\$7,695,000	Greenville, SC 2022 Sewer Rev Bond	Greenville, City of (SC)	Revenue	NR	Private Offering	Competitive	4/1/2037
01/12/22	\$64,555,000	Winston-Salem, NC 2022 WS Rev Bonds	Winston Salem, City of (NC)	Revenue	Aa1/AA+/NR	Public Offering	Negotiated	6/1/2052
01/06/22	\$4,731,000	Thomasville 2022 Revenue Refunding Bond	Thomasville, City of (NC)	Revenue	NR	Private Offering	Competitive	5/1/2028
01/05/22	\$6,915,000	Hendersonville 2022 W&S Revenue Bond	Hendersonville, City of (NC)	Revenue	NR	Private Offering	Competitive	6/1/2041
11/30/21	\$55,000,000	Fulton Co 2021 Urban Redevelop Bonds	Fulton County (GA)	Revenue	NR	Private Offering	Competitive	8/1/2036
11/04/21	\$73,545,000	Charleston Co 2021 SSRB Refunding	Charleston County (SC)	Revenue	NR/AA+/AA+	Public Offering	Negotiated	12/1/2038
10/27/21	\$25,340,000	Cassatt Water 2021 Revenue Bonds	Cassatt Water Company (SC)	Revenue	A3/A+/NR	Public Offering	Negotiated	6/1/2051
10/26/21	\$10,129,565	Piedmont Triad Regional Water Authority - 2021 Modification	Piedmont Triad Regional Water Authority	Revenue	NR	Private Offering	Negotiated	9/1/2028
10/20/21	\$16,165,000	Richland County 2021 Assessment Revenue Refunding	Richland County (SC)	Revenue	NR	Public Offering	Negotiated	11/1/2036
10/19/21	\$94,790,000	Fayetteville PWC 2021 Revenue Bonds	Fayetteville Public Works Commission (NC)	Revenue	Aa2/AA/AA	Public Offering	Competitive	3/1/2051
10/13/21	\$20,425,000	Anderson 2022 W&S REV Refunding	Anderson, City of (SC)	Revenue	Aa3/A+/NR	Public Offering	Negotiated	7/1/2032
10/13/21	\$23,255,000	Anderson 2021 W&S REV Refunding	Anderson, City of (SC)	Revenue	Aa3/A+/NR	Public Offering	Negotiated	07/1/2039
09/23/21	\$10,747,000	City of Shelby - 2021 Revenue Bond Refunding	Shelby, City of (NC)	Revenue	NR	Private Offering	Competitive	11/1/2030
08/03/21	\$61,520,000	PEG 2021 Revenue Bonds	Patriots Energy Group (SC)	Revenue	A2/NR/NR	Public Offering	Negotiated	6/1/2051
07/29/21	\$241,795,000	Durham 2021 W&S Revs	Durham, City of (NC)	Revenue	Aa1/AAA/AA+	Public Offering	Negotiated	8/1/2051
06/29/21	\$7,000,000	Florence, City of 2021 Stormwater Rev	Florence, City of (SC)	Revenue	NR	Private Offering	Competitive	6/1/2036
06/28/21	\$7,000,000	Anderson 2021 Hospitality Fee Revenue Bond	Anderson, City of (SC)	Revenue	NR	Private Offering	Competitive	2/1/2037

Lower Cape Fear Water and Sewer Authority

FTA Revenue Bond Transactions since 2021 (continued)

Date of Sale	Par Amount	Engagement Name	Issuer	Security Type	Rating	Public Offering/Private Offering	Sale Type	Final Maturity
05/05/21	\$10,264,000	MetroConnects 2021 Sewer Bond	MetroConnects (Metropolitan Sewer Subdistrict of Greenville County)	Revenue	NR	Private Offering	Competitive	6/1/2023
04/12/21	\$19,510,000	Spartanburg Sewer 2021 Taxable Refunding Bonds	Spartanburg Sanitary Sewer District (SC)	Revenue	Aa3/AA/NR	Public Offering	Negotiated	3/1/2040
03/23/21	\$18,840,000	OWASA 2021 Revenue Bonds	Orange Water and Sewer Authority (NC)	Revenue	Aa1/AAA/AA+	Public Offering	Competitive	6/1/2046
03/15/21	\$17,689,000	North Augusta 2021 W&S Refunding Bond	North Augusta, City of (SC)	Revenue	NR	Private Offering	Competitive	5/1/2036
03/15/21	\$23,053,000	Mooresville 2021 REV Refunding	Mooresville, Town of (NC)	Revenue	NR	Private Offering	Competitive	5/1/2029
02/24/21	\$2,500,000	Liberty-Fingerville Water District 2021 Revenue Bond	Liberty Chesnee Fingerville Water District (SC)	Revenue	NR	Private Offering	Competitive	3/11/2036
02/17/21	\$3,227,000	Greenville, SC 2021 Hosp Tax Ref Bond	Greenville, City of (SC)	Revenue	NR	Private Offering	Competitive	4/1/2031
01/14/21	\$8,320,000	North Charleston Sewer Dist 2021 GO Ref	North Charleston Sewer District (SC)	Revenue	NR/AA+/NR	Public Offering	Competitive	1/1/2031
Total	\$1,656,209,565	47 Transactions						



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