



UTILITY BOARDS

2021 Annual Report

Jason E. Mumpower
Comptroller of the Treasury



Ross Colona
Technical Secretary to the Utility Boards

Pursuant to Tenn. Code Ann. § 7-82-705, this report provides an overview of the activities of the Utility Management Review Board for the period ending December 31, 2021. In addition, the report summarizes the activities of the Water & Wastewater Financing Board for the same period.

MESSAGE FROM THE UTILITY BOARDS STAFF



Ross Colona
*Technical Secretary to
the Utility Boards*

Dear Members of the 112th General Assembly,

Over the past year, the Comptroller's Office has staffed the Water & Wastewater Financing Board (WWFB) and the Utility Management Review Board (UMRB) to make utilities work better across the state. Utilities play an important part in the wellbeing of Tennessee citizens, and the services they provide help drive growth for the state. Our Office works to ensure that Tennessee's water, wastewater, and natural gas systems have rates that are justifiable and reasonable to ensure the long-term health of these utilities.

Utilities are an essential part of everyday life. By helping them stay financially healthy, and stepping in when they run into trouble, the Comptroller's Office helps ensure that all Tennesseans have access to water, sewer, and natural gas services.

Utility systems have the challenge of balancing ratepayers' desires for low rates with the revenues necessary to fund current and future needs. Prudent financial management is essential to a well-run public utility. Nothing less than clean, accessible, and affordable utility services are acceptable to Tennesseans.

Supporting the financial health of utility systems today, while also planning for tomorrow's needs, allows Tennessee to maintain its position as a leader in economic development and quality of life.

Thank you,

A handwritten signature in blue ink that reads "Ross Colona". The signature is fluid and cursive.

Ross Colona
*Technical Secretary to the Utility Boards,
Comptroller's Division of Local Government Finance*

Utility Boards

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*For additional information about the
Water & Wastewater Financing Board and the
Utility Management Review Board, visit:
www.comptroller.tn.gov/boards/utilities*

CURRENT CASES BEFORE THE BOARDS

Our Office works diligently to provide financial, managerial, and technical guidance to 251 municipal systems, 13 county systems, 10 authorities, and 173 utility districts. The WWFB has jurisdiction over all of these entities except utility districts; the UMRB is the regulatory body for utility districts in the state.

The table below demonstrates the number of cases the Boards addressed in the 2021 calendar year. Here is a brief summary of the types of cases listed.

- A **financial distress case** is the most common case that comes before the Boards. In these instances, a utility has been deemed to be in financial distress per state statute (Tenn. Code Ann. §§ 68-221-1010(a) and 7-82-401(g)), and the Boards are charged with helping the utility remedy its financial issues.
- An **update cycle case** indicates the utility has complied with all orders from either the UMRB or WWFB regarding its financial distress status. After a utility has complied with the directives of the Board, the utility is placed on an update cycle, which requires biannual updates from the utility outside of its typical audit cycle to ensure the remedies for financial distress are working.
- A **customer complaint case** is unique to the UMRB. The WWFB does not have the authority to hear customer complaints. There are certain complaints the UMRB is able to hear from customers of a utility district in an attempt to settle disputes between the customer and the utility.
- A **board appointment change case** refers to instances when a utility district wishes to change the methodology by which its Board of Commissioners is appointed. There are requirements in state statute (Tenn. Code Ann. § 7-32-307) detailing the appointment process for commissioners by county mayors. However, there are a small number of utility districts that have exceptions to this method. If a utility district wishes to abandon its exception to following the provisions of the current statutes regarding appointment, it must bring its case before the UMRB for approval.
- A **board investigation case** is opened when either the UMRB or WWFB votes to open an investigation into the financial, managerial, or technical competencies of a utility.



CASES PRESENTED

	WWFB	UMRB
Financial Distress	35	13
Update Cycle	13	8
Customer Complaint	N/A	1
Board Appointment Change	N/A	1
Board Investigation	2	0

WATER & WASTEWATER FINANCING BOARD MEMBERS

Betsy Knotts

Chair, Comptroller's Designee

Tom Moss

*Vice Chair,
Tennessee Department of Environment
and Conservation Designee*

Michael Adams

Utility Districts Representative

Mike Goodman

Manufacturing Interests Representative

Rick Graham

Manufacturing Interests Representative

Eugene S. Hampton II

Government Finance Representative

Drexel Heidel

Active Employee of a Utility District

Nick Newman

Active Employee of a Municipal Water System

Jim Redwine

Environmental Interests Representative

UTILITY MANAGEMENT REVIEW BOARD MEMBERS

Betsy Knotts

Chair, Comptroller's Designee

Tom Moss

*Vice Chair,
Tennessee Department of Environment
and Conservation Designee*

Kevin Botts

Consumer Interests Representative

Dan Coley

Utility District Commissioner

Phillip Combs

Utility District Manager

Bruce Giles

Utility District Manager

Rebecca Hunter

Utility District Commissioner

Pat Riley

Utility District Manager

Jason West

Utility District Commissioner

