



UTILITY BOARDS

2022 Annual Report

Jason E. Mumpower
Comptroller of the Treasury



Ross Colona

*Assistant Director of Local Government Finance
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, 2022. 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
*Assistant Director of Local
Government Finance,
Technical Secretary to the
Utility Boards*

Dear Members of the 113th General Assembly,

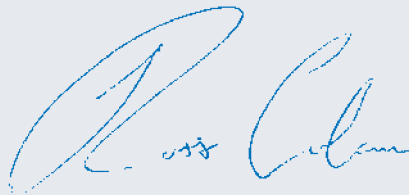
Over the past year, the Comptroller's Office has staffed the Water & Wastewater Financing Board (WWFB) and the Utility Management Review Board (UMRB) to make utilities work better across the state. Utilities play an important part in the wellbeing of Tennessee citizens, and the services they provide 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,



Ross Colona
*Assistant Director of Local Government Finance
Technical Secretary to the Utility Boards*

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 247 municipal systems, 12 county systems, 14 authorities, and 172 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 2022 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 **water loss case** refers to instances when a water utility is out of compliance with water loss standards in Tennessee. The UMRB and WWFB have set the water loss standard to be 40% or more of non-revenue water by volume based on water supplied compared to water sold.
- 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	16	5
Update Cycle	11	3
Water Loss	11	14
Investigations	2	3

WATER & WASTEWATER FINANCING BOARD MEMBERS

Greg Moody

Chair, Comptroller's Designee

Betsy Knotts

Chair through October 2022, Comptroller's Designee

Tom Moss

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

Michael Adams

Utility Districts Representative

Mike Goodman

Manufacturing Interests Representative

Vacant

Municipal 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

Greg Moody

Chair, Comptroller's Designee

Betsy Knotts

Chair through October 2022, 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

Anthony Pelham

Utility District Manager

Steve Stone

Utility District Commissioner

