



JASON E. MUMPOWER
Comptroller

Agenda
Water and Wastewater Financing Board
March 24, 2022
10:00 AM

- | | | |
|-------|---------------------------------|----------|
| I. | Call to Order | |
| II. | Approval of Minutes | |
| III. | Financial Distress | |
| | a. Orders | |
| | i. Erin | Page 11 |
| | ii. Parrottsville | Page 14 |
| | iii. Puryear | Page 19 |
| | b. Update Cycle Orders | |
| | i. Bruceton | Page 22 |
| | ii. Goodlettsville | Page 52 |
| | iii. Lincoln County | Page 78 |
| | iv. Tellico Plains | Page 106 |
| | v. Trimble | Page 134 |
| | c. Release | Page 161 |
| IV. | Board Investigations | |
| | a. Mason | Page 182 |
| | b. Spencer | Page 309 |
| V. | City of Friendship | Page 512 |
| VI. | Annual Information Report | Page 514 |
| | a. Water Loss Standards | |
| | b. Changes to the Report | |
| VII. | Updated Questionnaire | Page 525 |
| VIII. | Legislative Update | |
| IX. | Conflict of Interest Statements | |
| X. | Board Discussion | |

MINUTES
WATER and WASTEWATER FINANCING BOARD MEETING
September 16, 2021
10:00 am

Chair Betsy Knotts detected a quorum and called to order the meeting of the Water and Wastewater Financing Board (“the Board”) in the Volunteer Conference Center in the Cordell Hull Building in Nashville, TN at 10:00 am.

Board Members Present

Betsy Knotts, Chair, Comptroller Designee
Tom Moss, Department of Environment and Conservation (“TDEC”), Commissioner Designee
Eugene Hampton, representing government finance
Jim Redwine, representing environmental interests
Mike Adams, representing utility districts
Mike Goodman, representing manufacturing interests

Members Absent

Rick Graham, representing municipalities
Drexel Heidel, active employee of a water utility district
Nick Newman, active employee of municipal water system

Staff Present

Ross Colona, Comptroller’s Office
Meghan Huffstutter, Comptroller’s Office

Counsel Present

Rachel Buckley, Comptroller’s Office

Others Present & Addressing the Board

Approval of Minutes

Ms. Knotts presented the April 29, 2021 minutes for approval. Mr. Redwine moved to approve the minutes. Mr. Moss seconded, and the motion passed unanimously.

Update Cycle

Staff indicated that the following entities had complied with or were nearing completion of all Board directives. Staff recommended that the Board monitor the progress of the entities by requiring twice-yearly financial updates. Mr. Moss moved to combine the following items into one vote as the staff recommendation was the same for each entity and to adopt Staff’s recommendation.

Marshall County
Mount Juliet
Newbern
Rogersville
Trezevant

Watertown

Mr. Redwine seconded, and the motion passed unanimously.

Financial Distress

Copperhill

Mr. Colona explained the staff recommendations. Mr. Goodman moved to order the following:

1. By January 7, 2022, the City shall send Board staff proof that it has implemented the recommendations contained in the January 21, 2020, TAUD report.
2. The City shall send financial updates to Board staff by March 1st and September 1st of each year, beginning March 1, 2022, until the Board releases the City from its oversight.

Mr. Adams seconded, and the motion passed unanimously.

Englewood

Mr. Colona explained the staff recommendations. Mr. Redwine moved to order the following:

1. The Town shall have TAUD, or another qualified expert as approved by Board staff, perform a rate study that includes the following:
 - a. a review of the debt management policy, including any recommended modifications;
 - b. a review of the capitalization policy, including any recommended modifications;
 - c. creation of a five-year capital asset budget, to be taken from the current capital asset list and to include future anticipated needs;
 - d. a review of all water and sewer fees, including any recommended modifications; and
 - e. a review of the leak adjustment policy, including any recommended modifications.

Mr. Moss seconded, and the motion passed unanimously.

Lynnville

Mr. Colona explained the staff recommendations. Mr. Goodman moved to order the following:

1. The Town shall have TAUD, or another qualified expert as approved by Board staff, perform a rate study that includes the following:
 - a. a review of the debt management policy, including any recommended modifications;
 - b. a review of the capitalization policy, including any recommended modifications;

- c. creation of a five-year capital asset budget, to be taken from the current capital asset list and to include future anticipated needs;
 - d. a review of all water and sewer fees, including any recommended modifications; and
 - e. a review of the leak adjustment policy, including any recommended modifications.
2. By October 29, 2021, the Town shall send Board staff a copy of the contract between the Town and the qualified expert who is to perform the tasks in paragraph 1.
3. By December 31, 2021, the Town shall send Board staff proof that all members of the utility system's governing body have complied with the training requirements set out in Tenn. Code Ann. § 7-34-115(j).
4. By July 1, 2022, the Town shall provide Board staff with the completed rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation.
5. Board staff is given the authority to grant one extension of up to six months of the foregoing deadlines upon a showing of good cause by the Town.

Mr. Moss seconded, and the motion passed unanimously.

Red Boiling Springs

Mr. Colona explained the staff recommendations. Mr. Adams moved to order the following:

1. The City shall have the Tennessee Association of Utility Districts, or another qualified expert as approved by Board staff, perform a rate study that includes the following:
 - a. a review of the debt management policy, including any recommended modifications;
 - b. a review of the capitalization policy, including any recommended modifications;
 - c. creation of a five-year capital asset budget, to be taken from the current capital asset list and to include future anticipated needs;
 - d. a review of all water and sewer fees, including any recommended modifications; and
 - e. a review of the leak adjustment policy, including any recommended modifications.
2. By October 29, 2021, the City shall send Board staff a copy of the contract between the City and the qualified expert who is to perform the tasks in paragraph 1.
3. By December 31, 2021, the City shall send Board staff proof that all members of the utility system's governing body have complied with the training requirements set out in Tenn. Code Ann. § 7-34-115(j).
4. By July 1, 2022, the City shall provide Board staff with the completed rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation.

5. Board staff is given the authority to grant one extension of up to six months of the foregoing deadlines upon a showing of good cause by the City.

Mr. Redwine seconded, and the motion passed unanimously.

Saint Joseph

Mr. Colona explained the staff recommendations. Mr. Moss moved to order the following:

1. The City shall have the Tennessee Association of Utility Districts, or another qualified expert as approved by Board staff, perform a rate study that includes the following:
 - a. a review of the debt management policy, including any recommended modifications;
 - b. a review of the capitalization policy, including any recommended modifications;
 - c. creation of a five-year capital asset budget, to be taken from the current capital asset list and to include future anticipated needs;
 - d. a justification for the differing rate classes, or if no justification is possible, recommendations for an appropriate rate structure;
 - e. a review of all water and sewer fees, including any recommended modifications; and
 - f. a review of the leak adjustment policy, including any recommended modifications.
2. By October 29, 2021, the City shall send Board staff a copy of the contract between the City and the qualified expert who is to perform the tasks in paragraph 1.
3. By December 31, 2021, the City shall send Board staff proof that all members of the utility system's governing body have complied with the training requirements set out in Tenn. Code Ann. § 7-34-115(j).
4. By July 1, 2022, the City shall provide Board staff with the completed rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation.
5. Board staff is given the authority to grant one extension of up to six months of the foregoing deadlines upon a showing of good cause by the City.

Mr. Adams seconded and the motion passed unanimously. Mr. Moss noted that the commissioners had not completed their training and made a motion to require the training and proof of completion by December 31, 2021.

Tellico Plains

Mr. Colona explained the staff recommendations. Mr. Redwine moved to order the following:

1. By October 15, 2021, the Town shall provide Board staff with proof of implementation of the resulting recommendations of the TAUD rate study.
2. The Town shall send financial updates to Board staff by March 1st and September 1st of each year, beginning March 1, 2022, until the Board releases the Town from

its oversight.

Mr. Moss seconded, and the motion passed unanimously.

Tennessee Ridge

Mr. Colona explained the staff recommendations. Mr. Goodman moved to order the following:

1. The Town shall have TAUD, or another qualified expert as approved by Board staff, perform a rate study that includes the following:
 - a. a review of the debt management policy, including any recommended modifications;
 - b. a review of the capitalization policy, including any recommended modifications;
 - c. creation of a five-year capital asset budget, to be taken from the current capital asset list and to include future anticipated needs;
 - d. a review of all water and sewer fees, including any recommended modifications;
 - e. a review of the leak adjustment policy, including any recommended modifications; and
 - f. a review of the feasibility of the Town's plan to improve inflow and infiltration.
2. By October 29, 2021, the Town shall send Board staff a copy of the contract between the Town and the qualified expert who is to perform the tasks in paragraph 1.
3. By July 1, 2022, the Town shall provide Board staff with the completed rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation.
4. Board staff is given the authority to grant one extension of up to six months of the foregoing deadlines upon a showing of good cause by the Town.

Mr. Goodman seconded, and the motion passed unanimously.

Tiptonville

Mr. Colona explained the staff recommendations. Mr. Adams moved to order the following:

1. The Town shall have TAUD, or another qualified expert as approved by Board staff, perform a rate study that includes the following:
 - a. a review of the debt management policy, including any recommended modifications;
 - b. a review of the capitalization policy, including any recommended modifications;
 - c. creation of a five-year capital asset budget, to be taken from the current capital asset list and to include future anticipated needs;
 - d. a review of all water and sewer fees, including any recommended modifications; and

- e. a review of the leak adjustment policy, including any recommended modifications.
- 2. By October 29, 2021, the Town shall send Board staff a copy of the contract between the Town and the qualified expert who is to perform the tasks in paragraph 1.
- 3. By July 1, 2022, the Town shall provide Board staff with the completed rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation.
- 4. Board staff is given the authority to grant one extension of up to six months of the foregoing deadlines upon a showing of good cause by the Town.

Mr. Moss seconded, and the motion passed unanimously.

Order Extensions

Staff indicated that the following entities required an extension of previous Board directives. Mr. Moss moved to combine the following items into one vote as the staff recommendation was the same for each entity and to adopt Staff’s recommendation.

- Atoka**
- Bruceton**
- Collinwood**
- Erin**
- Lincoln County**
- Puryear**
- Rutledge**
- Trimble**
- Vanleer**

Mr. Redwine seconded, and the motion passed unanimously.

2022 Meeting Dates

Mr. Colona presented the Board with potential meeting dates for 2022. Mr. Goodman moved to accept the meeting dates.

- March 24**
- August 18**
- November 17**

Mr. Hampton seconded, and the motion passed unanimously.

Board Discussion

Mr. Redwine asked about what insight this Board could provide to entities regarding the American Rescue Plan funds that are available for utilities. Chairman Knotts said that the Comptroller's office is already playing a large part in helping to educate utilities about the opportunities that are available to them. Chairman Knotts offered to give an update regarding the ARP funds at the next Board meeting in 2022.

Adjournment

Chairman Knotts adjourned the meeting at 10:34 AM.

MINUTES
WATER and WASTEWATER FINANCING BOARD MEETING
November 10, 2021
10:00 am

Chair Betsy Knotts detected a quorum and called to order the special called meeting of the Water and Wastewater Financing Board (“the Board”) in the Audit Training Room in the Cordell Hull Building in Nashville, TN at 10:00 am. This meeting was called to address two items: the City of Spencer, Tennessee and the Town of Mason, Tennessee.

Board Members Present

Betsy Knotts, Chair, Comptroller Designee

Tom Moss, Department of Environment and Conservation (“TDEC”), Commissioner Designee

Eugene Hampton

Jim Redwine

Mike Adams

Mike Goodman

Members Absent

Drexel Heidel

Nick Newman

Staff Present

Ross Colona, Comptroller’s Office

Meghan Huffstutter, Comptroller’s Office

Counsel Present

Rachel Buckley, Comptroller’s Office

Others Present & Addressing the Board

Nathaniel Green, James C. Hailey Company, Engineer for Spencer, TN

Ronda Hughey, Financial Consultant for Mason, TN

City of Spencer

The Board previously investigated the Utility and worked with the town to stabilize its financial condition. The Utility was then moved to the “update cycle”, where its financial condition was monitored by the Board, but further action was not taken. Board staff have recently learned that the city is in violation of directives from the EPA and TDEC, and the town’s budget was not approved by the Comptroller’s Office of Local Government Finance.

Mr. Nathaniel Green of James C. Hailey Company addressed the Board on behalf of the City as its utility engineering consultant. Mr. Green explained some historical issues that has caused the distress that Spencer has encountered. Mr. Green expressed that there is definitely work that needs to be done in Spencer, and the City welcomes any assistance from the State that it can receive.

Mr. Colona explained the staff recommendations:

1. Board staff shall investigate the Utility to address the financial, technical, and managerial capacity of the Utility to comply with the requirements of any applicable federal and state acts.
2. Board staff shall, with the full authority of the Board, issue subpoenas for the town's mayor, governing body, utility manager, and any other necessary staff, to appear in-person before the Board at its first meeting of 2022 if the Utility does not comply fully with the Board's investigation.
3. Board staff shall update the Board as to the status of this investigation at its next meeting on March 24, 2022.

Mr. Redwine made a motion to accept staff recommendations. Mr. Moss seconded. The motion passed unanimously.

Town of Mason

Mr. Colona told the Board that staff recommends to open a Board investigation into the Town of Mason. The Town has been unable to timely file an audit since at least 2001. The Town's general fund has an outstanding debt to the water and sewer fund that should have been paid back by 2021.

Ms. Ronda Hughey on behalf of the Town of Mason addressed the Board. She stated that the Town has complied with the Comptroller's corrective action plan to pay back the debt between the general fund and the water and sewer fund. She stated that the Town is working diligently with the auditor to get their audits caught back up.

Board staff is unable to determine the overall financial health of the utility because the Utility has not submitted its 2020 or 2021 audits. The Comptroller's Local Government Audit has expressed other concerns with the financial management of the Utility which call into question its financial health.

Based on Board staff's statements and recommendations the Board orders the following:

1. Board staff shall investigate the Utility to address its financial, technical, and managerial capacity to comply with any applicable federal and state acts.
2. Board staff shall, with the full authority of the Board, issue subpoenas for the town's mayor, governing body, utility manager, and any other necessary staff, to appear in-person before the Board at its first meeting of 2022 if the Utility does not comply fully with the Board's investigation.
3. Board staff shall update the Board as to the status of this investigation at its next meeting on March 24, 2022.

Ms. Knotts motioned to accept staff recommendations. Mr. Moss seconded. The motion passed unanimously.

Adjournment

Chairman Knotts adjourned the meeting at 10:56 AM.



Jason E. Mumpower
Comptroller

Entity Referred: **City of Erin**

Referral Reason: **Decrease In Net Position**

Utility Type Referred: **Water And Sewer**

Staff Summary:

The City of Erin ("the Entity") has been referred to the Water and Wastewater Financing Board ("the Board") for financial distress since their fiscal year 2019 audit. The Entity has not complied with the most recent order from the Board. TAUD is still completing work with the Entity. The rate study has not been completed because some of the reports provided from the Entity have not been clear. Once the issues regarding the purchase and sale of water have been clarified, the rate study will be completed.

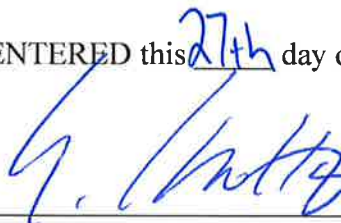
Board staff finds that the Entity needs to be diligent in its efforts to provide timely, accurate information to TAUD to complete the work as ordered. TAUD should have the rate study completed by July 1, 2022 assuming the Entity provides TAUD the correct information. The Board should order the Entity to send proof of implementation of TAUD's recommendations by July 1, 2022. If the Entity does not comply, the Board should order Board staff to issue subpoenas for the Entity's governing body to appear before the Board.

Staff Recommendation:

The Board should order the following:

1. By July 1, 2022, the Entity shall provide Board staff with the completed rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation.
2. Should the Entity fail to comply with any directive in this order, Board staff and Counsel shall issue subpoenas for the Entity's governing body and Manager to appear in-person before the Board during its next meeting following non-compliance of this order.

ENTERED this 27th day of September, 2021.

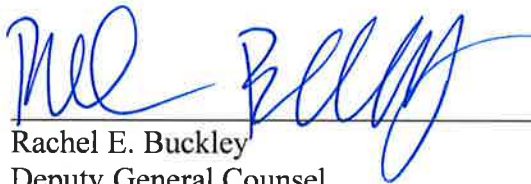


BETSY KNOTTS, Chair
Water and Wastewater Financing Board

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served via certified mail return receipt requested and U.S. mail to the following on this 27th day of September, 2021:

Mayor Paul Bailey
Ms. Angela Neilson, City Recorder
15 Hill St.
P.O. Box 270
Erin, TN 37061



Rachel E. Buckley
Deputy General Counsel



Jason E. Mumpower
Comptroller

Entity Referred: **Town of Parrottsville**

Referral Reason: **Decrease In Net Position**

Utility Type Referred: **Sewer**

Staff Summary:

The Town of Parrottsville ("the Entity") has been referred to the Water and Wastewater Financing Board ("the Board") for financial distress since the 2019 fiscal year audit. The Entity has demonstrated inability to comply with Board orders in the past. The Entity currently operates a very small sewer system, and the rates are not sufficient to cover the cost of the system. Under the current order of the Entity, the Board has indicated to staff that if the Entity does not comply with the Board order, staff should refer the matter to the Attorney General's office for enforcement through Chancery. While Board staff believed prior this measure was necessary, there has been a development in which this may not be necessary.

Board staff has been informed that the City of Newport is now in talks with the Entity to help with the sewer system. Newport currently provides the water to the Entity's wastewater customers. The Entity has made efforts for Newport to take over the billing for the Entity's wastewater system, which should help enforcement of payment against delinquent customers. Further, by taking over the billing, Newport may find that they are able to take over the system entirely from the Entity. The Entity should continue pursuit of Newport billing for the Entity, and seek an outside opinion on the benefits of a merger between the Entity and Newport.

Staff Recommendation:

The Board should order the following:

1. By July 1, 2022, the Entity shall provide an update to Board staff regarding Newport's billing of the Entity's sewer system customers.
2. By July 1, 2022, the Entity shall contract with TAUD, or another qualified expert, to conduct a feasibility study of the potential merger between the Entity's utility and the City of Newport's utility.
3. Should the Entity fail to comply with any directive in this order, Board staff and Counsel shall issue subpoenas for the Entity's governing body and Manager to appear in-person before the Board during its next meeting following non-compliance of this order.
4. The Board rescinds its prior order directing staff to refer the matter for enforcement through Chancery Court.

BEFORE THE TENNESSEE WATER AND WASTEWATER FINANCING BOARD

IN THE MATTER OF:

TOWN OF PARROTTSVILLE

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**TENN. CODE ANN. § 68-221-1010
-FINANCIAL DISTRESS**

ORDER

On April 29, 2021, the Tennessee Water and Wastewater Financing Board (“the Board”) reviewed the financially distressed status of the Town of Parrottsville (“the Town”) pursuant to Tenn. Code Ann. § 68-221-1010. Board staff reminded that Board that it had previously ordered the Town to comply with a series of directives, including to obtain a rate study by an approved expert. The Town directed Staff to Mike Callahan of CE Designers, Inc. for an update on the Town’s compliance. However, Staff never approved Mr. Callahan as a qualified expert, and Callahan informed Staff that the Town never hired him to assist in completing the Board’s directives.

Therefore, based on Staff’s statements, recommendations, and all supporting documentation, the Board hereby orders the following:

1. By June 11, 2021, the Town shall send Board staff a copy of the contract between the Town and the qualified expert who is to perform the tasks in paragraph 1 of the September 2020 order.
2. By November 1, 2021, the Town shall provide Board staff with the completed rate study, and either proof of implementation of the resulting recommendations or a proposed plan of implementation.

- 3. If the Town fails to comply with the directives of this order or those of the September 18, 2020 order, Staff shall refer this matter to the Tennessee Attorney General for enforcement through chancery court.

ENTERED this 10th day of May, 2021.

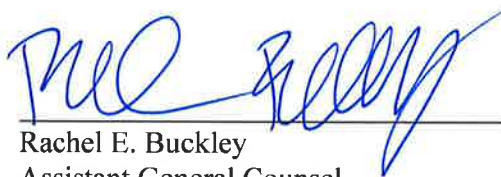


BETSY KNOTTS, Chair
Water and Wastewater Financing Board

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served via U.S. mail to the following on this 10th day of May, 2021:

Mayor Dewayne Daniel
Ms. Jayne Ragan, City Recorder
P.O. Box 300
Parrottsville, TN 37843



Rachel E. Buckley
Assistant General Counsel

BEFORE THE TENNESSEE WATER AND WASTEWATER FINANCING BOARD

IN THE MATTER OF:)	
)	TENN. CODE ANN. § 68-221-1010
)	FINANCIAL DISTRESS
CITY OF FRIENDSHIP)	

ORDER

On March 24, 2022, the Tennessee Water & Wastewater Financing Board (the “Board”) reviewed the financially distressed status of the City of Friendship (the “City”) pursuant to Tenn. Code Ann. § 68-221-1010. Board staff updated the Board on certain steps the City has taken as a result of the Board’s Order entered on September 18, 2020 (“September 18 Order”), and on litigation involving the City. Based on Board staff’s statements and recommendations the Board hereby modifies its September 18 Order as follows:

1. The requirement for the City to implement water rate option 4 of the TAUD report and TAUD’s sewer rate recommendation is hereby stayed indefinitely pending further order of the Board. The Board reserves the right to reinstate or modify said requirement in any such subsequent order.
2. By June 30, 2022, the City shall implement, or adopt a plan for implementing that is acceptable to the Board staff, the recommendations listed under “Other Suggestions” on page 18 of the TAUD report and shall send Board staff proof of the same by July 31, 2022.
3. Notwithstanding the above, the City may proceed to install Zenner water meters in lieu of those currently used by Countywide Utility District.
4. The City shall provide Board staff regular updates on the status of litigation related to its water system and the City’s progress in complying with this Order on at least a monthly basis.

5. Unless specifically modified herein, the provisions of the September 18 Order shall remain in full force and effect.

ENTERED this ___ day of March, 2022.

BETSY KNOTTS, Chair
Water & Wastewater Financing Board

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served via certified mail return receipt requested to the following on this ___ day of March, 2022:

Friendship
Address
City, State, Zip

J. Seth May
Assistant General Counsel



Jason E. Mumpower
Comptroller

Entity Referred: **City of Puryear**

Referral Reason: **Decrease In Net Position**

Utility Type Referred: **Water And Sewer**

Staff Summary:

The City of Puryear ("the Entity") has been referred to the Water and Wastewater Financing Board ("the Board") for financial distress since their fiscal year 2019 audit. The Entity has not complied with the most recent order from the Board. TAUD is still completing work with the Entity. The rate study has not been completed because some of the reports provided from the Entity have not been clear. Once the issues regarding the cost of water have been clarified, the rate study will be completed.

Board staff finds that the Entity needs to be diligent in its efforts to provide timely, accurate information to TAUD to complete the work as ordered. TAUD should have the rate study completed by July 1, 2022 assuming the Entity provides TAUD the correct information. The Board should order the Entity to send proof of implementation of TAUD's recommendations by July 1, 2022. If the Entity does not comply, the Board should order Board staff to issue subpoenas for the Entity's governing body to appear before the Board.

Staff Recommendation:

The Board should order the following:

1. By July 1, 2022, the Entity shall provide Board staff with the completed rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation.
2. Should the Entity fail to comply with any directive in this order, Board staff and Counsel shall issue subpoenas for the Entity's governing body and Manager to appear in-person before the Board during its next meeting following non-compliance of this order.

BEFORE THE TENNESSEE WATER AND WASTEWATER FINANCING BOARD

IN THE MATTER OF:

CITY OF PURYEAR

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**TENN. CODE ANN. § 68-221-1010
-FINANCIAL DISTRESS**

ORDER

On September 16, 2021, the Tennessee Water and Wastewater Financing Board (“the Board”) reviewed the financially distressed status of the City of Puryear (“the City”) pursuant to Tenn. Code Ann. § 68-221-1010. Board staff informed the Board that the City had contracted with the Tennessee Association of Utility Districts (“TAUD”) to complete the Board’s previous directives. TAUD later requested an extension to complete those directives, which Staff granted. However, due to unforeseen staffing issues, TAUD still needs more time. Because the delay has not been caused by any noncompliance by the City, Staff recommends that the Board provide an extension, which should allow ample time for TAUD to finish the report and for the City to begin implementing the resulting recommendations.

Therefore, based on Staff’s statements, recommendations, and all supporting documentation, the Board hereby orders that Paragraph 4 of its September 18, 2020 order is amended to the following:

By December 3, 2021, the City shall provide Board staff with the completed rate study, and either proof of implementation of the resulting recommendations or a proposed plan of implementation.

ENTERED this 27th day of September, 2021.

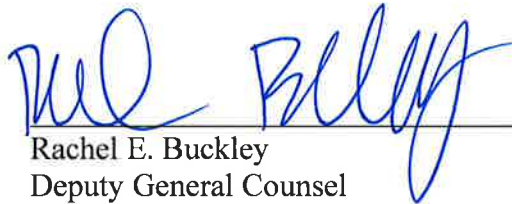


BETSY KNOTTS, Chair
Water and Wastewater Financing Board

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served via certified mail return receipt requested and U.S. mail to the following on this 27th day of September, 2021:

Mayor David Varner
Ms. Verla Smith, City Recorder
P.O. Box 278
Puryear, TN 38251-0278



Rachel E. Buckley
Deputy General Counsel



Jason E. Mumpower
Comptroller

Entity Referred: **Town of Bruceton**
Referral Reason: **Decrease In Net Position**
Utility Type Referred: **Water And Sewer**

Staff Summary:

The Town of Bruceton ("the Entity") has been referred to the Water and Wastewater Financing Board ("the Board") for financial distress since its fiscal year 2019 audit. The Entity has complied with prior directives of the Board. The Entity has shown progress in correcting their financial distress, and Board staff believes the Entity should be required to submit biannual financial updates to the Board. These updates will consist of changes in fund balance, changes in revenues, pro-forma statements of revenues, expenses, and changes in net position, or other financial documents that indicate the Entity's financial distress is being remedied.

Staff Recommendation:

The Board should order the following:

1. The Entity shall send financial updates to Board staff by March 1st and September 1st of each year beginning September 1, 2022, until the Board releases the Entity from its oversight.

BEFORE THE TENNESSEE WATER AND WASTEWATER FINANCING BOARD

IN THE MATTER OF:

TOWN OF BRUCETON

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**TENN. CODE ANN. § 68-221-1010
-FINANCIAL DISTRESS**

ORDER

On September 16, 2021, the Tennessee Water and Wastewater Financing Board (“the Board”) reviewed the financially distressed status of the Town of Bruceton (“the Town”) pursuant to Tenn. Code Ann. § 68-221-1010. Board staff informed the Board that the Town had contracted with the Tennessee Association of Utility Districts (“TAUD”) to complete the Board’s previous directives. TAUD later requested an extension to complete those directives, which Staff granted. However, due to unforeseen staffing issues, TAUD still needs more time. Because the delay has not been caused by any noncompliance by the Town, Staff recommends that the Board provide an extension, which should allow ample time for TAUD to finish the report and for the Town to begin implementing the resulting recommendations.

Therefore, based on Staff’s statements, recommendations, and all supporting documentation, the Board hereby orders that Paragraph 4 of its December 3, 2020 order is amended to the following:

By December 3, 2021, the Town shall provide Board staff with the completed rate study, and either proof of implementation of the resulting recommendations or a proposed plan of implementation.

ENTERED this 27th day of September, 2021.

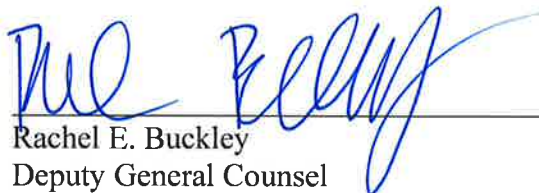


BETSY KNOTTS, Chair
Water and Wastewater Financing Board

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served via certified mail return receipt requested and U.S. mail to the following on this 27th day of September, 2021:

Mayor Robert T. Keeton, III
Ms. Annie Hand, Finance Director
209 Cheatham St.
Bruceton, TN 38317

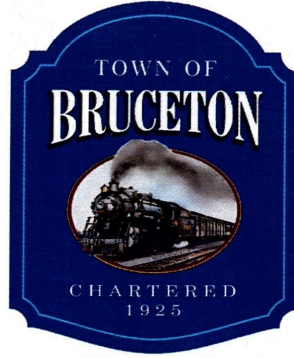


Rachel E. Buckley
Deputy General Counsel

ROBERT T. KEETON III
Mayor

CLIFF STURDIVANT
Vice Mayor

ANNIE HAND
Town Recorder



ALDERMEN
Scotty Higdon
James Butler
Chris Cole
Jack Blocker

10th February, 2022

Via Email: Ross.Colona@cot.tn.gov

TN Comptroller of the Treasury
Attention: John Greer/Ross Colona
Cordell Hull Building
425 Fifth Avenue North
Nashville, TN 37243

Re: Tennessee Water and Wastewater Financing Board Order Tenn. Code Anno. §68-221-1010 – Financial Distress Town of Bruceton Order Dated December 3, 2020

Dear Sirs,

In regard to the above Order, please find enclosed the Report prepared by the Tennessee Association of Utility Districts (TAUD) on the directives of the Water and Wastewater Financing Board (WWFB), Attachment 1.

The recommendations noted on Page 5 of the Report have been initiated in the following ways:

Recommendation #1

Five-Year Capital Asset Plan. The Five-Year Capital Asset Plan was approved during the Regular Meeting of the Mayor and Board of Alderman on February 8th, 2022, see Attachment 2.

Recommendation #2

The Town instigates a COLA increase as part of it's annual budget and will continue this practice, noting TAUD did not recommend a rate increase at this time.

Recommendation #3

The Town will make a change to the Rate Schedule on the next budget cycle YE2023 to correct that the inside and outside-town residential rates be standardized. Outside Rate class will be removed from the schedule.

Recommendation #4

Tap Fee Worksheets will be used to Track all actual cost of sewer and water tap installation expenditures through June 30th, 2022. These will be forwarded to TAUD for analysis and recommendation.

Recommendation #5

Capitalization Policy. Resolution 22-02-08 was approved during the Regular Meeting of the Mayor and Board of Alderman on February 8th, 2022, see Attachment 3.

We appreciate the work that the Staff at TAUD put into completing the review for the Town and expect that this review and the completion of the Recommendations will finalize this Order.

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Keeton III", with a stylized flourish at the end.

Robert T. Keeton III
Mayor

Enc.

TENNESSEE ASSOCIATION OF UTILITY DISTRICTS

Phone: (615) 896-9022
Fax: (615) 898-8283
Web: www.taud.org



Post Office Box 2529
Murfreesboro, TN 37133-2529

840 Commercial Court
Murfreesboro, TN 37129

January 26, 2022

Via email

Mayor and Board of Aldermen
Town of Bruceton
209 Cheatham Street
Bruceton, TN 38317

Re: Town of Bruceton – Compliance with WWFB Order Dated December 3, 2020

Dear Board Members:

I have enclosed the Report for the Town of Bruceton prepared by the Tennessee Association of Utility Districts (TAUD) on the directives of the Water and Wastewater Financing Board (WWFB) in its December 3, 2020 Order.

The recommendations in the Report are on page 5. TAUD is not recommending any rate increases in the Town's water and sewer rates. If you have any questions on the Report, please contact Melanie Sain or me.

You should email this Report to Ross Colona at Ross.Colona@cot.tn.gov who works with the WWFB after you review it and take action on the Report's recommendations.

Thank you for allowing TAUD to assist you with complying with the UMRB's Order.

Sincerely yours,

A handwritten signature in blue ink that reads "Donald L. Scholes". The signature is written in a cursive style.

Donald L. Scholes

Enclosure



**REPORT FOR TOWN OF BRUCETON,
TENNESSEE**

**WATER AND WASTEWATER
FINANCING BOARD
ORDER DATED DECEMBER 3, 2020**

January 26, 2021

INTRODUCTION

Description of the Bruceton Water System and Sewer System

The Town of Bruceton, Tennessee (Town or Bruceton) is located in Carroll County. The governing board of the Town's water and sewer system is its Mayor and Board of Aldermen. The Town gets its raw water supply from five wells and operates a water treatment plant. The Town operates a wastewater treatment plant with an average design capacity of 0.572 MGD which discharges into Big Sandy River.

The Town was referred to the Water and Wastewater Financing Board (WWFB) upon the submission of its audit for its fiscal year ending June 30, 2019, because it met the statutory definition for a financially distressed municipal water and sewer system. The system had a negative change in net position for two consecutive years without regard to any grants or capital contributions for its fiscal years ending June 30, 2018 and June 30, 2019.

Existing Rate Structure and Current Financial Condition of the Town's Water and Sewer Fund

The Town's current water and sewer rates are set forth below which became effective on July 1, 2021:

Water Rates

Residential – Inside Town:

Customer charge	\$14.06
Per 1,000 gallons	\$ 5.15 per 1,000 gallons

Residential – Outside Town

Customer charge	\$14.85
Per 1,000 gallons	\$ 6.21per 1,000 gallons

Small Business/Churches:

Customer charge	\$14.06
Per 1,000 gallons	\$ 5.30 per 1,000 gallons

Large Business:

Customer charge	\$18.04
Per 1,000 gallons	\$ 5.30 per 1,000 gallons

Industrial:

Customer charge	\$175.05
Per 1,000 gallons	\$ 4.78 per 1,000 gallons

Sewer Rates**Residential:**

Customer charge	\$14.06
Per 1,000 gallons	\$ 5.15 per 1,000 gallons

Small Business/Churches:

Customer charge	\$14.06
Per 1,000 gallons	\$ 5.30 per 1,000 gallons

Large Business:

Customer charge	\$18.04
Per 1,000 gallons	\$ 5.30 per 1,000 gallons

Industrial:

Customer charge	\$18.04
Per 1,000 gallons	\$ 5.30 per 1,000 gallons

Except for its one industrial customer, the Town's water and sewer rates are the same for each customer class.

The Town implemented cost of living rates increases on July 1, 2018 and on July 1 of 2020 and 2021. As a result of these rates increases, the Town's water and sewer fund had a positive change in net position for its fiscal year ending June 30, 2021 in the amount of \$105,042.

The Town's water and sewer fund has no debt.

The Town had a healthy balance of \$1,725,236 in the cash and investments accounts of the water and sewer fund as of June 30, 2021.

Water and Wastewater Financing Board Order

On December 3, 2020, the Water and Wastewater Financing Board (WWFB) issued an order directing the Town of Bruceton do the following items.

- 1) The Town was directed to hire a qualified expert to perform a rate study to include the following items:
 - a. A justification for the differing rate classes, or if no justification is possible, recommendations for an appropriate rate structure;
 - b. a review of all water and sewer fees, including any recommended modifications;
 - c. a justification for the differing fee classes, or if no justification is possible, recommendations for an appropriate fee structure;
 - d. a review of unbilled customers, including any recommended modifications;
 - e. creation of a capitalization policy;
 - f. creation of a five-year capital asset budget to be taken from the current capital asset list and to include future anticipated needs;
 - g. a review of the leak adjustment policy, including any recommended modifications; and
 - h. creation of a corrective action plan for the Town's water loss.
- 2) By December 31, 2020, the Town shall send Board staff a copy of the contract between the Town and the qualified expert who is to perform the tasks in paragraph 1.
- 3) By December 31, 2020, the Town shall send Board staff proof that all members of the utility system's governing body have complied with the training requirements set out in Tenn. Code Ann. § 7-34-115(j)).
- 4) By April 1, 2021, the Town shall provide Board staff with the completed rate study, and either proof of implementation of the resulting recommendations or a proposed plan of implementation.

RECOMMENDATIONS

Recommendation #1

The Town needs to approve the Five-Year Capital Asset Plan attached as **Exhibit 1**.

Recommendation #2

Because TAUD projects the Town will have a positive change in net position at existing rates for the next five fiscal years, TAUD does not recommend any rate increases for the Town.

Recommendation #3

The Town only has three customers in its residential outside-town rate class which has a higher customer charge and usage rate than its residential inside-town customers. With so few residential outside-town customers, the Town really cannot show a cost basis for these higher rates. Therefore, TAUD recommends that the Town delete this residential outside-town rate class and change these customers to the residential inside-town class.

Recommendation #4

Historically, the Town has not kept records of its actual costs to install water and sewer taps. TAUD recommends that the Town to use the Tap Fee Worksheets attached as **Exhibit 5** to track its actual costs incurred in setting taps from the date of the next WWFB order through June 30, 2022. TAUD will review the worksheets and make a recommendation on any changes to existing tap fees which are justified based upon the actual costs incurred to install new water and sewer taps.

Recommendation #5

The Town should adopt a resolution to establish a capitalization policy which incorporates the capitalization cost thresholds and service lives the Town currently uses for all capital assets except its water and sewer system assets. The Town's capitalization policy should include the service lives for its water and sewer system using the recommended service lives adopted by the WWFB for municipal water and sewer systems. TAUD prepared a suggested resolution which the Town can adopt to establish the recommended capitalization policy.

FIVE YEAR CAPITAL ASSET PLAN

On April 26, 2021, John Hall met with Brian Edwards, the Town's Public Works Director, Annie Hand, the Town Recorder, and Mayor Robert Keeton to discuss potential capital improvements and capital purchases the Town was planning to make or should consider making to its water and sewer system over the next five years. They discussed the options for funding these capital expenditures. Mr. Hall prepared a Five-Year Capital Asset Plan based upon these discussions which was used in the TAUD financial projections.

The Town should approve the Five-Year Capital Asset Plan attached to this Report as **Exhibit 1**.

RATE STUDY AND PROPOSED PLAN OF ACTION

To determine whether existing rates will produce sufficient revenues to make the Town's water and sewer system self-supporting, TAUD first projected a Statement of Revenues and Expenses and Changes in Net Position for the Town's water and sewer fund for its fiscal year ending June 30, 2022, to use as its test year. TAUD projected the revenues for the system using existing rates. TAUD projected operation and maintenance expenses by: (1) reviewing historical information from the five previous years; (2) reviewing the Town's budget for its water and sewer fund for the fiscal year ending June 30, 2022; and (3) considering any known and anticipated changes during the test year.

Then, TAUD projected Statements of Revenues and Expenses and Changes in Net Position for the Town's water and sewer fund for its fiscal years ending June 30 of 2022, 2023, 2024, and 2025. See **Exhibit 2** attached to this Report.

Revenue Projections:

- Water and sewer revenues (metered sales) for the test year ending June 30, 2022, were projected by taking the Town's actual annual water usage reports as of June 30, 2021, and applying the Town's water and sewer rates in effect on July 1, 2021, to this actual usage.
- TAUD increased water and sewer revenues by \$40,000 (approximately 8% of metered sales) to account for the anticipated revenue increases the Town will receive from its new meters to be installed during its fiscal year ending July 1, 2023.
- Installation and tap fees revenue was projected based upon the average of installation and tap fees revenue the Town had for its fiscal years ending June 30 of 2020 and 2021.
- Since 2016 the Town has experienced minimal annual customer growth and does not plan to materially expand its existing water or sewer system to add new customers during the five-year projection period. Therefore, the water and sewer revenues for the remaining four years of the five-year projection period do not include any revenue increases based annual customer growth.

- Interest income for the test year was projected based upon the average of interest income the Town water and sewer fund had for its fiscal years ending June 30 of 2020 and 2021.

Expense Projections:

- All operating expenses for the test year are projected based upon the average of these expenses for the fiscal years ending June 30 of 2020 and 2021. See the Test Year Schedule attached as **Exhibit 3**.
- For the remaining four years in the five-year projection period, all operating expenses, except depreciation, are increased by 2% annually over the projected amount for the test year.
- Annual depreciation expenses for the remaining four years of the five-year projection period are projected based upon the Town's existing fixed asset schedule and the service lives used on this schedule for depreciation. Annual depreciation on the new capital assets included in the capital asset plan during the five-year projection period are based upon the service lives set forth in the suggested capitalization policy recommended by TAUD.

Revenue Sufficiency and Rate Modifications Required

TAUD projects that the Town's water and sewer fund will have a positive change in net position of \$82,697 for the test year ending June 30, 2022, not including capital contributions and grant revenue.

Based upon the projected Statements, the Town's water and sewer fund should continue to have positive changes in net position for the remaining four years in the five-year projection period at current rates. The Town indicates that it will continue to implement small rate increases every year to account for inflation and other expense increases as a part of its annual budgeting process for its water and sewer fund.

Therefore, no rate increases in water and sewer rates are recommended at the present time.

Projected Cash and Investments Schedule

Even if the Town does not implement any rate increases through June 30, 2026, the water fund and sewer fund should have a cash and investments balance of \$2,261,926 as of June 30, 2026, based upon the projections. The Water and Sewer Fund - Projected Cash and Investments Balance Schedule is attached as **Exhibit 4**.

JUSTIFICATION FOR DIFFERING RATE CLASSES

The Town has five rate classes of water customers and four rate classes of sewer customers:

- Residential Inside-Town
- Residential Outside-Town (water only)
- Small Businesses/Churches
- Large Business
- Industrial.

The monthly bill to each customer has a flat rate customer charge for water and sewer which does not include any gallons of usage. The Town only has one water and one sewer usage rate tier for each customer class. The water usage rate for small businesses/churches class and the large business class is the same. The sewer usage rate for small businesses/churches customers, large business customers, and the one industrial customer is the same.

The water and sewer usage rate for residential customers is \$0.15 less than the water and sewer usage rate for small businesses/churches and large business customers. The difference between the bill of a residential customer and a small businesses/churches or large business customer attributable to the usage rate is minimal. The portion of the bill of a residential customer using 5,000 gallons of water a month from the water and sewer usage rate is \$50.00. The portion of the bill of a small businesses/churches or large business customer using 5,000 gallons of water a month is \$51.50. The slight difference in the usage portion of the residential customer's bill and the small businesses/churches or large business customer's bill falls within the range of being just and reasonable. Therefore, TAUD does not recommend changing this usage rate differential.

The monthly water and sewer customer charge for the Town's large business customers is \$17.51. The monthly water and sewer customer charge for the Town's residential and small businesses/churches customers is \$14.06. The Town's large business customers have larger meters due to the water demand of these customers. This higher demand on the Town's water and sewer system justifies the higher customer charge for its large business customers.

The Town has only one industrial customer. This customer is served by a 6 inch meter which places a greater demand on the system than the Town's large business customers; therefore, the higher customer charge is justified. This industrial customer accounts for about 25-30% of the Town's water sales; therefore, the lower usage rate is justified.

The Town only has three customers in its residential outside-town rate class which has a higher customer charge and usage rate than the residential inside-town customers. With so few residential outside-town customers, the Town really cannot show a cost basis for these higher rates. Therefore, TAUD recommends that the Town delete this residential outside-town rate class.

TAP FEES

Tap fees should be set to cover the Town's cost of installing new water and sewer taps. The Town's current taps fees are:

Water:

¾ inch tap	\$475
1 inch tap	\$525
Greater than 1 inch tap	\$650

Plus installation as determined by the Public Works Director.

Sewer	\$450
-------	-------

The Town only installs one or two water and sewer taps per year. Historically, the Town has not kept records of its actual costs to install water and sewer taps. Therefore, TAUD recommends that the Town to use the Tap Fee Worksheets attached as **Exhibit 5** to track its actual costs incurred in setting taps from July 1, 2021 through June 30, 2022. TAUD will review the worksheets and make a recommendation on any changes to existing tap fees which are justified based upon the actual costs incurred to install new water and sewer taps.

UTILITY FEES

The Town has the following fees for the initiation of water and sewer service:

Water Processing Fee (Connection Fee) – Property Owner	\$ 50
Water Processing Fee (Connection Fee) – Renter	\$200.

TAUD compared the bad debts of rental customers to those of property owner customers and found that the delinquency rate was significantly higher. Therefore, the higher water processing fee for renters appears to be justified.

The Town charges a secondary processing fee to open a new account for existing customers who request a second meter for pools and irrigation. These fees are:

Secondary Processing Fee – Property Owner	\$25
Secondary Processing Fee – Renter	\$50

The Town charges a fee of \$150 to cover the cost of the installation of the second meter. Based upon the administrative and labor needed for the installation of a second meter, these fees appear to be just and reasonable.

LEAK ADJUSTMENT POLICY

TAUD reviewed the Town's leak adjustment policy which is attached as **Exhibit 6**. The Town only makes an adjustment to a customer's water bill for leaks under very limited circumstances. The Town only makes an adjustment to a water bill when a leak occurs in the customer's public building or private residence, and the water from the leak does not enter the Town's sewer system.

The Town does adjust a customer's sewer bill for a water leak which occurs past the customer's meter and outside the customer's public building or private residence provided: (1) the Town is notified immediately upon the customer's discovery of the leak; and (2) the Town's employee confirms the water leak has been fixed. TAUD recommends no changes to the Town's leak adjustment policy.

When a utility reduces a customer's water or sewer bill due to a water leak, the remaining customers of the utility are subsidizing the cost of the leak. Therefore, a utility should have broad discretion in determining the extent to which it will make bill adjustments for water leaks. The Town's policy requires the customer who experiences a water leak to pay for the cost of all water which passes through the meter except for water lost when a leak occurs inside a public building or private residence and does not enter the sewer system. Similarly, a customer with a water leak is only given an adjustment to the customer's sewer bill when the water from a leak occurs outside the customer's public building or private residence and does not enter the Town's sewer system. Therefore, TAUD does not recommend any changes to the Town's leak adjustment policy.

CAPITALIZATION POLICY

The Town was not able to locate a resolution or other action which set forth its capitalization policy. The Town should adopt a resolution which incorporates the capitalization cost thresholds and service lives the Town currently uses for all capital assets except its water and sewer system assets. The Town's capitalization policy should include the service lives for its water and sewer system using the recommended service lives adopted by the WWFB for municipal water and sewer systems. TAUD prepared a suggested resolution which the Town can adopt to establish this recommended capitalization policy which is attached as **Exhibit 7** to this Report.

REVIEW OF UNBILLED CUSTOMERS

TAUD reviewed the Town's billing records with the Annie Hand, Town Recorder. The Town has 3 unbilled water customers. Two of the unbilled accounts are the Town's water office and water treatment plant. The third unbilled water customer is a customer who has a spring on his property which the Town uses for its water supply. The Town compensates this water customer for this water by not charging the customer a water bill each month. All sewer customers are being billed by the Town.

WATER LOSS

The Town believes that a material amount of its water loss is related to the inaccuracy of its older meters. The Town plans to install a new AMR metering system with all new water meters in its fiscal year beginning July 1, 2022. The Town will replace the master meter at the water plant as well. TAUD suggests that the Town see how these two changes affect its water loss after these projects have been completed and in place for one year. The Town can then develop a reasonable corrective action plan based upon the continuing water loss at that time.

Over the next five years, the Town intends to use its own workforce to replace water lines which have ongoing water leaks which should further improve its water loss.

Bruceton, Tennessee - Water & Sewer Fund
Five Year Capital Asset Plan

	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2024</u>	<u>6/30/2025</u>	<u>6/30/2026</u>
Meter Replacement AMR	200,000	-	-	-	-
Master Meter Replacement Plant	10,000	-	-	-	-
Water Plant Upgrades - Waterproof & Paint	25,000	-	-	-	-
Rehab Sewer Lift Station	-	525,000	-	-	-
Replace Electrical Controls at Plant	-	-	100,000	-	-
Water Line Replacement	-	-	15,000	-	-
Water Line Replacement	-	-	-	15,000	-
2 Pickup Trucks	-	-	-	30,000	-
Water Line Replacement	-	-	-	-	15,000
Rehab Lexington Rd Sewer Line	-	-	-	-	500,000
Total	235,000	525,000	115,000	45,000	515,000
Cumulative Depreciation	18,500	36,000	39,157	42,457	52,757
Total Capital Outlay & Depreciation	253,500	561,000	154,157	87,457	567,757
<u>Source of Funds</u>					
Loans	-	-	-	-	-
Grants	-	525,000	-	-	-
Cash	235,000	-	115,000	45,000	515,000
Total Funding Sources	235,000	525,000	115,000	45,000	515,000

Bruceton, Tennessee - Projected Statements of Revenues and Expenses and Changes in Net Position
Water & Sewer Fund

	Projected 6/30/2022	Projected 6/30/2023	Projected 6/30/2024	Projected 6/30/2025	Projected 6/30/2026
Operating Revenues:					
Metered Sales	515,535	515,535	515,535	515,535	515,535
Installation & Tap Fees	5,183	8,210	8,210	8,210	8,210
Additional Revenue due to Meter Replaceme	-	40,000	40,000	40,000	40,000
Total Operating Revenues	520,718	563,745	563,745	563,745	563,745
Operating Expenses:					
Personnel Costs	75,709	77,223	78,768	80,343	81,950
Repairs & Maintenance	70,489	71,899	73,337	74,803	76,300
Office Expense	4,581	4,673	4,766	4,861	4,959
Materials & Supplies	28,314	28,880	29,458	30,047	30,648
Professional Services	16,788	17,124	17,466	17,816	18,172
Utilities	27,395	27,943	28,502	29,072	29,653
Insurance	37,394	38,142	38,905	39,683	40,476
Vehicle Expenses	2,333	2,380	2,427	2,476	2,525
Depreciation	182,657	200,157	203,314	206,614	216,914
Training	1,358	1,385	1,413	1,441	1,470
Dues & Fees	1,511	1,541	1,572	1,603	1,636
Miscellaneous	329	336	342	349	356
Total Operating Expenses	448,858	471,682	480,270	489,109	505,059
Operating Income (Loss)	71,860	92,063	83,475	74,636	58,686
Nonoperating Revenues (Expenses)					
Interest Income	10,837	10,837	10,837	10,837	10,837
Other	-	532	532	532	532
Total Nonoperating Revenues (Expenses)	10,837	11,369	11,369	11,369	11,369

Change in Net Position before Suggested Rate Increase	82,697	103,432	94,844	86,005	70,055
Revenue from Suggested Rate Increase	N/A	N/A	N/A	N/A	N/A
Change in Net Position	82,697	103,432	94,844	86,005	70,055

NOTE: The Town indicated it considers increasing rates every year for COLA by 2-3%. Such COLA increases may not be needed based upon current projections.

Bruceton, Tennessee - Test Year

Water & Sewer Fund

	<u>City</u> <u>Budget</u>	<u>Last 2 Year</u> <u>Average</u>	<u>Recalculated</u> <u>for 21-22</u>	<u>Explanation</u>
Operating Revenues:				
Metered Sales	471,056	518,059	515,535	Calculated from usage
Installation & Tap Fees	8,175	5,183	5,183	Used 2 year average
Additional Revenue due to Meter Replacemer	-	-	-	Estimated to be 8% of sales, start 22-23
Total Operating Revenues	479,231	523,242	520,718	
Operating Expenses:				
Personnel Costs	109,108	75,709	75,709	Used 2 year average
Repairs & Maintenance	49,671	70,489	70,489	Used 2 year average
Office Expense	4,550	4,581	4,581	Used 2 year average
Materials & Supplies	23,700	28,314	28,314	Used 2 year average
Professional Services	22,800	16,788	16,788	Used 2 year average
Utilities	34,220	27,395	27,395	Used 2 year average
Insurance	54,582	37,394	37,394	Used 2 year average
Vehicle Expenses	3,850	2,333	2,333	Used 2 year average
Depreciation	168,840	164,157	182,657	Used 2 year average plus new
Training	-	1,358	1,358	Used 2 year average
Dues & Fees	1,560	1,511	1,511	Used 2 year average
Miscellaneous	-	329	329	Used 2 year average
Total Operating Expenses	472,881	430,355	448,858	
Operating Income (Loss)	6,350	92,887	71,860	
Nonoperating Revenues (Expenses)				
Interest Income	16,000	10,837	10,837	Used 2 year average
Other	-	-	-	N/A
Total Nonoperating Revenues (Expenses)	16,000	10,837	10,837	
Change in Net Position	22,350	103,724	82,697	

Bruceton, Tennessee - Water & Sewer Fund - Projected Cash & Investment Schedule

	Projected <u>6/30/2022</u>	Projected <u>6/30/2023</u>	Projected <u>6/30/2024</u>	Projected <u>6/30/2025</u>	Projected <u>6/30/2026</u>
Beginning Balance	1,725,236	1,755,590	2,059,179	2,242,337	2,489,957
Sources of Funds					
Metered Sales	515,535	515,535	515,535	515,535	515,535
Installation & Tap Fees	5,183	8,210	8,210	8,210	8,210
Additional Revenue Meter					
Replacements	-	40,000	40,000	40,000	40,000
Interest Revenue	10,837	10,837	10,837	10,837	10,837
Other Revenue	-	532	532	532	532
Grants	-	525,000	-	-	-
Total Sources of Funds	531,555	1,100,114	575,114	575,114	575,114
Uses of Funds					
Operating Expenses	448,858	471,682	480,270	489,109	505,059
Depreciation	(182,657)	(200,157)	(203,314)	(206,614)	(216,914)
Capital Outlay	235,000	525,000	115,000	45,000	515,000
Total Uses of Funds	501,201	796,525	391,956	327,495	803,145
Ending Balance	1,755,590	2,059,179	2,242,337	2,489,957	2,261,926

NOTE: This synopsis from beginning funds to ending funds does not include accounts receivable, accounts payable, fixed asset or any other adjustments made to the balance sheet. This is a "cash basis" summary.

Cost of Tap Installation

Name of Utility _____

Prepared By: _____ Title : _____

Date Prepared: _____

Type of Tap Water Tap

COMPLETE ALL THAT APPLY

Quantity	Itemized Description	Cost	Total Cost
----------	----------------------	------	------------

MATERIALS

_____	Water Meter @	_____ each	_____ \$0.00
_____	Meter Box @	_____ each	_____ \$0.00
_____	Meter setter/Check Valve @	_____ each	_____ \$0.00
_____	Corporation Stop @	_____ each	_____ \$0.00
_____	Feet of Service Line @	_____ per foot	_____ \$0.00
_____	Feet of Location Wire/Tape @	_____ per foot	_____ \$0.00
_____	connection meter fitting @	_____ each	_____ \$0.00
_____	Saddle @	_____ each	_____ \$0.00
_____	Air Compressors @	_____ each	_____ \$0.00
_____	Valve or Valve Parts @	_____ each	_____ \$0.00
_____	1000 gallons flushing @	_____ per 1000	_____ \$0.00
_____	Miscellaneous	_____	_____ \$0.00

EQUIPMENT RENTAL - OUTSIDE

_____	Backhoe Hours @	_____ per hour	_____ \$0.00
_____	Boring @	_____ per foot	_____ \$0.00
_____	Truck and Trailer Hours @	_____ per mile	_____ \$0.00

LABOR - INTERNAL

_____	Locate Cost @	_____ per hour	_____ \$0.00
_____	Installation Labor for _____ men x _____ hour	_____ per hour	_____
_____	Seed Straw@	_____	_____ \$0.00
_____	Final clean -up/&inspection	_____	_____ \$0.00
_____	Administrative Hours @	_____ per hour	_____ \$0.00

LABOR - EXTERNAL

Contractor _____ Amount _____

Total \$0.00

Cost of Tap Installation

Name of Utility _____

Prepared By: _____ Title : _____

Date Prepared: _____

Type of Tap Sewer Tap _____

COMPLETE ALL THAT APPLY

Quantity	Itemized Description	Cost	Total Cost
<u>MATERIALS</u>			
_____	Tap into main @	_____ each	#VALUE!
_____	Feet of Service Line @	_____ per foot	#VALUE!
_____	Feet of Location Wire/Tape @	_____ per foot	#VALUE!
_____	connection sewer main fitting @	_____ each	#VALUE!
_____	Saddle @	_____ each	#VALUE!
_____	Air Compressors @	_____ each	#VALUE!
_____	Valve or Valve Parts (if used) @	_____ each	#VALUE!
_____	Clean out at customer connection point @	_____ each	#VALUE!
_____	Gravel in protection if over 5' deep	_____ each	#VALUE!
_____	Miscellaneous	_____	#VALUE!

EQUIPMENT RENTAL - OUTSIDE

_____	Backhoe Hours @	_____ per hour	#VALUE!
_____	Boring @	_____ per foot	#VALUE!
_____	Truck and Trailer Hours @	_____ per hour	\$0.00

LABOR - INTERNAL

_____	Locate Cost @	_____ per hour	#VALUE!
_____	Installation Labor for _____ men x _____ hours @	_____ per hour	#VALUE!
_____	Final clean -up/&inspection	_____ per hour	#VALUE!
_____	Seed Straw@	_____ per hour	#VALUE!
_____	Administrative Hours @	_____ per hour	#VALUE!

LABOR - EXTERNAL

Contractor _____ Amount _____

Total per hour #VALUE!

Exhibit 6

**ORDINANCE NO. 15-05
TOWN OF BRUCETON, TENNESSEE**

**ORDINANCE REPEALING ORDINANCE 05-05 AND REPLACING IT WITH THE
FOLLOWING REGARDING WATER LEAKS RATE ADJUSTMENT POLICY
SECTION 1 OF THE BRUCETON MUNICIPAL CODE §18-116(1)**

Be it ordained by the Governing Body of the Town of Bruceton, Tennessee

Section 1. Ordinance 15-05 is hereby added to the Code of the Town of Bruceton, Tennessee read as follows:

WATER LEAK RATE ADJUSTMENT POLICY

In the event of a water leak at a public building or private residence, the following shall apply:

- 1) No adjustment shall be made to any utility bill (water or wastewater) if a water leak occurs where the water went into the wastewater system included but not limited to commode leak, faucet leak, appliance leaks etc.
- 2) No adjustment shall be made to any utility bill for water use if the water leak occurs outside a public building or private residence between the structure and the city owned water meter, including but not limited to supply lines, meter to residence, supply lines residence to outbuildings, pools, outside faucets/hydrants or hot tubs etc.
- 3) An adjustment may be made with the approval of the Director of Public Services or appointee to a utility bill for wastewater (not water use) use if a water leak occurs outside a public building or private residence if the following criteria are met:
 - a) Upon discovery of the leak, the Town Hall is notified immediately.
 - b) Water Department inspection satisfactory proves to the Town that the leak has been fixed.
- 4) Upon approval of the Director of Public Services or appointee an adjustment to the fee for wastewater usage may be as follows:
 - a) The usage may be adjusted to the average of the last 3 months including the high usage month.
 - b) No wastewater adjustment will be made for water use after the Town inspection has taken place.
 - c) Only one (1) adjustment per twelve (12) month revolving calendar.
 - d) The past due balances must be paid in full prior to any adjustment being granted.
 - e) The Public Services Director's decision on the adjustment will be final.
- 5) The Town Clerk may also adjust a bill to correct a misreading if it shall appear to him/her that a misreading has occurred.

Section 2. Effective Date.

The provision hereof shall take effect immediately upon final passage, the public welfare requiring it.

Passed by the Board of Mayor and Aldermen of the Town of Bruceton First Reading 9th day of June, 2015
Passed by the Board of Mayor and Aldermen of the Town of Bruceton Second Reading 14th day of July, 2015

ATTEST:



**ANNIE M. HAND
CITY RECORDER**





**ROBERT KEETON III
MAYOR**

Exhibit 7**RESOLUTION NO. 2022-_____****A RESOLUTION TO ESTABLISH CAPITALIZATION THRESHOLDS FOR ASSETS TO BE RECORDED AS CAPITAL ASSETS IN THE CITY'S FINANCIAL STATEMENTS**

WHEREAS, the Town of Bruceton, Tennessee (the City) desires to formally adopt the capitalization thresholds at which its assets have historically been capitalized and recorded as capital assets in the City's financial statements; and

WHEREAS, the City desires to establish appropriate capitalization thresholds and service lives for its water system assets which are consistent with the directives of the Water and Wastewater Financing Board for municipal water and sewer systems.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Board of Alderman that:

(a) **Capitalization Thresholds.** City assets with an estimated useful life of three years will be capitalized when the cost of the asset is \$3,000 or more. Land and Construction in Progress are capitalized but not depreciated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

(b) **Asset Cost Basis.** Capital assets shall be recorded at historical cost when the cost is reasonably determinable. If historical cost data is not determinable, an estimated historical cost will be used.

- (1) Actual Cost – This cost will include the purchase or construction cost (which can be obtained through invoice, purchase order, and paid check files) and charges necessary to place the asset into service at its intended location. Such necessary costs may include costs such as freight and transportation, site preparation expenditures, interest costs, professional fees, and legal claims directly attributable to asset acquisition.
- (2) Estimated Cost – This cost will be based on as much documentary evidence as can be found to support the cost, such as interviews with vendors selling such assets engineers, or other personnel and price level adjustments based on the Consumer Price Index for each asset.
- (3) Donated Cost – These assets will be based on their estimated fair market value at time of acquisition. A determination as to the fair market value basis will be included with property records.
- (4) Interest on Debt Issued – Interest on debt issued for the construction of an asset will be capitalized as part of the asset's cost to the extent of the interest that was incurred during the construction period only.

(c) **Depreciation.**

- (1) Depreciation is a method for allocating the cost of capital assets over their useful lives. Generally accepted accounting principles dictate that the value of the capital asset must be written off as an expense over the useful life of the asset.
- (2) Annual depreciation expense will be calculated using the straight-line method.
- (3) When the asset is disposed of, the actual date of disposal is disregarded, and the disposal date is the end of the month prior to the month of disposal (i.e. no depreciation is taken for the month of disposal).
- (4) The salvage value of an asset is an estimate made by management of what the value of an asset will be at the end of its useful life. If the City intends to utilize a capital asset until it is literally worthless, a salvage value of zero (0) will be assigned.

(d) **Useful Lives of Capital Assets**

<u>Asset Type</u>	<u>Useful Life in Years</u>
Land and Easements	No depreciation
Infrastructure (other than water and sewer system)	40-50
Buildings and improvements (other than water and sewer)	10-50
Furniture, machinery and equipment (other than water and sewer)	5-10
Water System:	
Buildings (Office and Plant)	20-50
Equipment and Tools	3-10
Furniture and Fixtures	3-10
Machinery, Equipment and Service Vehicles	3-10
Pumps and Treatment Equipment	3-10
Transportation Equipment	3-10
Water Lines and Storage	20-50
Well / Dam	Engineer's Estimate

Sewer System:

Buildings (Office and Plant)	20-50
Equipment and Tools	3-10
Furniture and Fixtures	3-10
Machinery, Equipment and Service Vehicles	3-10
Pumps and Treatment Equipment	3-10
Transportation Equipment	3-10
Wastewater (Sewer) System	20-50

Adopted this _____ day of _____ 2022.

Mayor

Attest: _____
Town Recorder

- (2) Annual depreciation expense will be calculated using the straight-line method.
- (3) When the asset is disposed of, the actual date of disposal is disregarded, and the disposal date is the end of the month prior to the month of disposal (i.e., no depreciation is taken for the month of disposal).
- (4) The salvage value of an asset is an estimate made by management of what the value of an asset will be at the end of its useful life. If the City intends to utilize a capital asset until it is literally worthless, a salvage value of zero (0) will be assigned.

(d) **Useful Lives of Capital Assets**

<u>Asset Type</u>	<u>Useful Life in Years</u>
Land and Easements	No Depreciation
Infrastructure (other than water and sewer system)	40-50
Buildings and improvements (other than water and sewer)	10-50
Furniture, machinery and equipment (other than water and sewer)	5-10
Water System:	
Buildings (Office and Plant)	20-50
Equipment and Tools	3-10
Furniture and Fixtures	3-10
Machinery, Equipment and Service Vehicles	3-10
Pumps and Treatment Equipment	3-10
Transportation Equipment	3-10
Water Lines and Storage	20-50
Well/Dam	Engineer's Estimate
Sewer System:	
Buildings (Office and Plant)	20-50
Equipment and Tools	3-10
Furniture and Fixtures	3-10
Machinery, Equipment and Service Vehicles	3-10
Pumps and Treatment Equipment	3-10
Transportation Equipment	3-10
Wastewater (Sewer) System	20-50

This resolution will take effect immediately upon its passage, the public welfare requiring it.

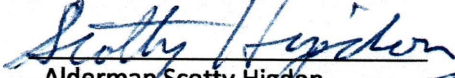
TOWN OF BRUCETON, TENNESSEE
A RESOLUTION TO ESTABLISH CAPITALIZATION THRESHOLDS FOR ASSETS TO BE
RECORDED AS CAPITAL ASSETS IN THE CITY'S FINANCIAL STATEMENTS

3

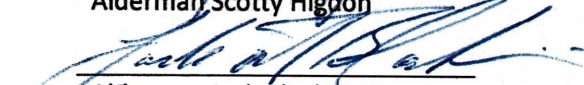
Passed and Approved this 8th day of February, 2022, by roll call vote of the Mayor and Board of Alderman of the Town of Bruceton.



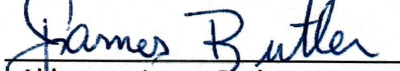
Vice Mayor Cliff Sturdivant



Alderman Scotty Higdon



Alderman Jack Blocker



Alderman James Butler



Alderman Chris Cole

ATTEST:



Annie Hand, City Recorder



Robert T. Keeton III, Mayor

Michael King, City Attorney
as to form



Jason E. Mumpower
Comptroller

Entity Referred: **City of Goodlettsville**

Referral Reason: **Decrease In Net Position**

Utility Type Referred: **Sewer**

Staff Summary:

The City of Goodlettsville ("the Entity") has been referred to the Water and Wastewater Financing Board ("the Board") for financial distress since its fiscal year 2019 audit. The Entity has complied with prior directives of the Board. The Entity has shown progress in correcting their financial distress, and Board staff believes the Entity should be required to submit biannual financial updates to the Board. These updates will consist of changes in fund balance, changes in revenues, pro-forma statements of revenues, expenses, and changes in net position, or other financial documents that indicate the Entity's financial distress is being remedied.

Staff Recommendation:

The Board should order the following:

1. The Entity shall send financial updates to Board staff by March 1st and September 1st of each year beginning September 1, 2022, until the Board releases the Entity from its oversight.

BEFORE THE TENNESSEE WATER AND WASTEWATER FINANCING BOARD

IN THE MATTER OF:

CITY OF GOODLETTSVILLE

)
)
)
)
)
)
)

**TENN. CODE ANN. § 68-221-1010
-FINANCIAL DISTRESS**

ORDER

On April 29, 2021, the Tennessee Water and Wastewater Financing Board (“the Board”) reviewed the financially distressed status of the City of Goodlettsville (“the City”) pursuant to Tenn. Code Ann. § 68-221-1010. Board staff informed the Board that upon its referral, the City preemptively contracted with Blankenship CPA Group, PLLC for a rate study that will contain a review of capital needs. The City expects the rate study will be completed by August 2021. The City has also increased its rates by 7% to cover increased fees for wastewater treatment.

Therefore, based on Staff’s statements, recommendations, and all supporting documentation, the Board hereby orders the following:

1. By November 1, 2021, the City shall provide Board staff with the completed rate study, and either proof of implementation of the resulting recommendations or a proposed plan of implementation.
2. Board staff is given the authority to grant one extension of up to six months of the foregoing deadlines upon a showing of good cause by the City.

ENTERED this 10th day of May, 2021.

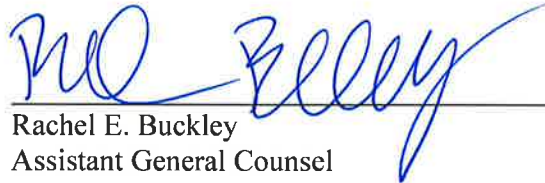


BETSY KNOTTS, Chair
Water and Wastewater Financing Board

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served via certified mail return receipt requested to the following on this 10th day of May, 2021:

Mayor Rusty Tinnin
Ms. Allison Baker, City Recorder
105 S. Main St.
Goodlettsville, TN 37072



Rachel E. Buckley
Assistant General Counsel



March 14, 2022

**Mr. Ross Colona
Technical Secretary, Local Government Finance
Comptroller of the Treasury
425 Rep. John Lewis Way North
Nashville, TN 37243**

Dear Ross,

On behalf of the City of Goodlettsville Board of Commissioners, I am pleased to submit the following documentation for you and the Water & Wastewater Financing Board's reference:

- 1. Cover Letter**
- 2. Wastewater Rate Study.**

This study was conducted by Mr. Bob Adams from the firm, Blankenship CPA Group, PLLC. The completion of this study was conducted in regards to the city's compliance with the Water & Wastewater Financing Boards requirements.

Also, prior to the rate study being completed, the City of Goodlettsville Board of Commissioners voted to raise the wastewater rates seven percent (7%). This rate was only in effect for approximately two (2) months prior to the end of the fiscal year. I am happy to report that we closed the fiscal year 2021 with a change in our net position of +\$330,629.00.

The City of Goodlettsville is committed to keeping our wastewater collection system in a strong financial position.

If you should have any questions please feel free to contact me at your convenience.

Sincerely,

**Timothy J. Ellis
City Manager**



**Wastewater Rate Design Analysis Report
February 28, 2022**

Prepared by:





February 28, 2022

City of Goodlettsville
105 S. Main Street
Goodlettsville, Tennessee 37072

Attn: Tim Ellis, City Manager

Subject: Wastewater Rate Design Analysis Report

Blankenship CPA Group (BCPAG) is pleased to provide a rate design analysis for the City of Goodlettsville (the City).

The rate design analysis results are as of the date of this letter. In our analysis, we used June 30, 2021 as a base year for the analysis performed.

It has been a pleasure working with you and your team. We thank you and your team for the support provided during the course of this analysis.

Sincerely,

Bob Adams, CPA
Senior Consulting Manager
Blankenship CPA Group

City of Goodlettsville

Wastewater Rate Design Analysis

February 28, 2022

Executive Summary

The City of Goodlettsville (the City) is a municipality governed by an elected five-member commission. The City has a sewer fund which is used to account for the revenues generated from the charges for sanitary sewer services provided to the residential and commercial users of the City. A June 30, 2021 the City's Sewer Fund had approximately 5,000 customers.

The City contracted with Blankenship CPA Group to perform a rate study analysis of wastewater rates. The rate study analysis was requested by the State of Tennessee Water and Wastewater Financing Board as a result of a negative change in net position related to the City's Sewer Fund for the years ended June 30, 2020 and June 30, 2019. The Financing Board staff requested the following:

- The City shall provide Tennessee Water and Wastewater Financing Board staff with a completed rate study, and either proof of implementation of the resulting recommendations or a proposed plan of implementation.

Upon reviewing the request, following goals were set in the rate study analysis:

- Evaluation of rates since the last rate study which was performed in 2014.
- Evaluate revenue contribution from each customer class.
- Evaluate the cost of service to ensure a positive system rate of return on an annual basis.

During the course of performing the rate study analysis, we identified areas that can significantly impact the City's rate of return:

- Summer billing adjustment program
- Annual Consumer Price Index (CPI) adjustments related to cost of sales
- Shifts in volumes each year

The base year for evaluation initially used was the fiscal year ending June 30, 2020, however as the analysis progressed, it was decided that the fiscal year ending June 30, 2021 would be a better period to use mainly due to a significant reduction of the Summer billing adjustment program.

Evaluation of Rates since Previous Rate Study

We noted that the City had not adjusted its sewer rates since 2014. During this same time we noted cost of services, which typically range from 55-65% of the Sewer Fund annual expenses, increased by a cumulative amount of approximately 7% during this time. Additionally, other operating expenses incurred cost of living increases over time.

Based on this data, the City elected to implement a 7 percent rate increase that was passed in Spring 2021. The increase was gradually implemented from Spring 2021 through late Fall 2021.

City of Goodlettsville

Wastewater Rate Design Analysis

February 28, 2022

The 7 percent rate increase was primarily driven by the cumulative CPI adjustments from Metro Nashville Water since 2014 that had not been passed on to the City's sewer customers.

Refer to **Exhibit 1** for information on the utility rate structure.

Evaluation of Initial Base Year (June 30, 2020)

Through analysis, observation, and discussions with management, we noted the potential for shifts in volumes from one year to the next which can have significant impacts on the Sewer Fund's ability to produce an annual positive return on Statutory Net Position. Additionally, some of the City's large customers have implemented processes to reduce wastewater that flows through the City's wastewater system. It was determined the analysis would be performed on volumetric and fixed charges of the Sewer Fund.

For the past few years the City has offered a summer sewer discount available for residential customers. The discount program was offered from April through November each year. Below is an excerpt of the terms of the program

Sewer charges are calculated based on the amount of water used under most circumstances. An exception is made for residential customers during the months of April through November, when water is used to sprinkle lawns or wash cars. Since the water used for these purposes does not go into the sewer, sewer service charges for residential bills are automatically adjusted during these months to reflect a "sprinkler credit." The winter quarter average (January, February, and March) plus 30 percent will be the maximum sewer charges billed. As a result of this program, the City no longer provided "Sewer Adjustments" due to things like watering lawns and filling up pools.

Through an internal analysis done by the City's management team, it was determined the summer sewer discount had a significant negative impact on the Sewer Fund's Statutory Net Position of the fiscal year ending June 30, 2020. The City's management team determined that this discount program would be significantly scaled back for the June 30, 2021 fiscal year. It was also determined with this change, the June 30, 2021 fiscal year would be a better indicator of how the current rate structure was operating.

City of Goodlettsville

Wastewater Rate Design Analysis

February 28, 2022

Evaluation of Base Year (June 30, 2021)**Analysis of Volumetric and Customer Rates and Expenses**

As supported by **Exhibit 2**, we performed an analysis and noted the following information:

Cost of Services

In 2010, the City executed an agreement with the Metro Nashville Department of Water and Sewerage Services for the transport and treatment of sewage flows. In 2014, an Annual Wholesale Rate Adjustment agreement was also executed. The terms of the agreement shall end on October 1, 2024, but may be extended by the parties upon such terms as they may then agree. On October 1 of each year, the price shall be adjusted for the following calendar year the smaller of a Service Charge Index or a Consumer Price Index.

Through review of the contracts and analysis of monthly invoices from Metro Nashville in the June 30, 2020 and 2021 fiscal years, our estimate is that 100% of these charges are volumetric in nature.

Operations & Maintenance

Through analysis of expense categories, our estimate is that 51% of these charges are volumetric and the remaining 49% are customer in nature.

Operating Expenses (includes Cost of Services and Operations and Maintenance)

Through analysis of expense categories, our estimate is that 78% of these charges are volumetric and the remaining 22% are customer in nature.

Additionally, it should be noted the 55% of total operating expenses relate to cost of services and 45% relate to operations and maintenance.

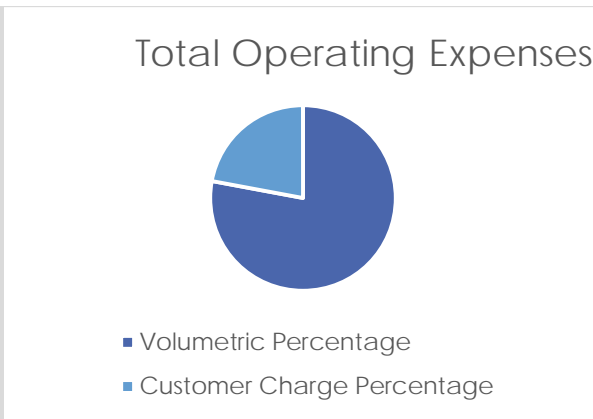
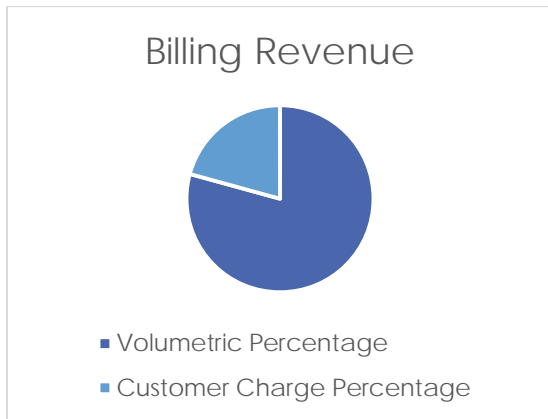
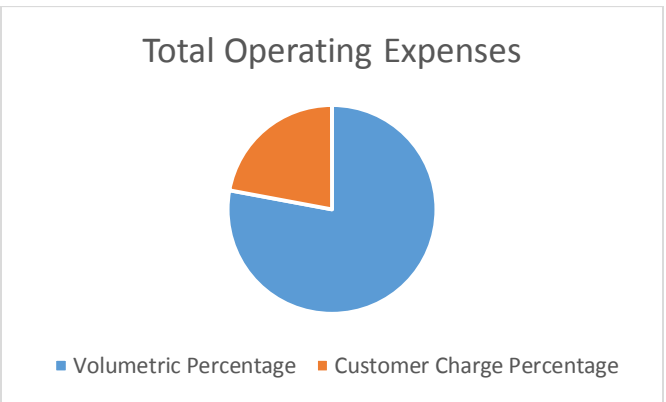
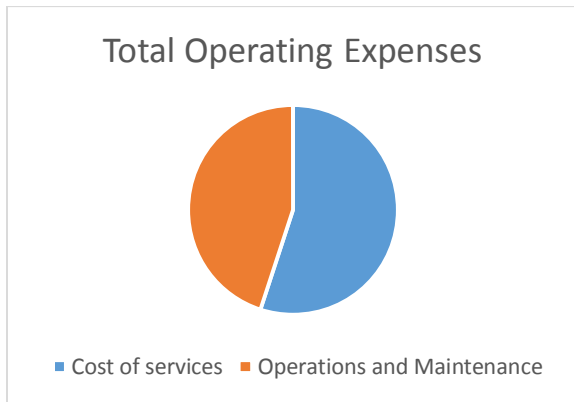
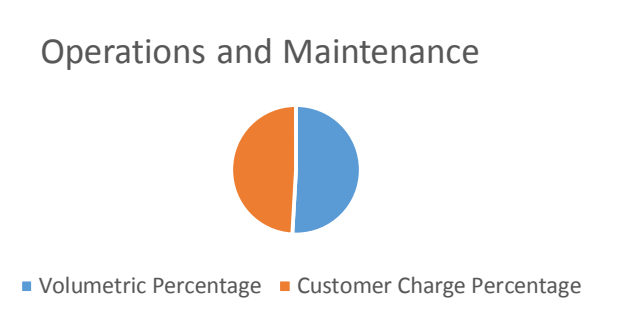
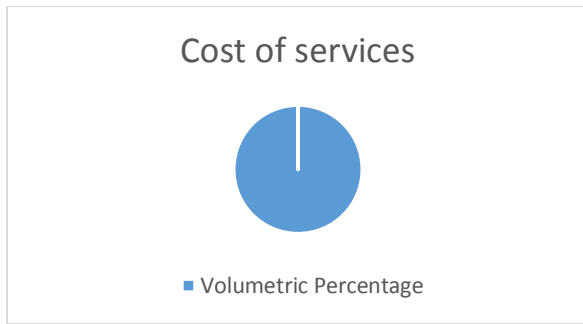
Operating Revenues

Through analysis of billing registers, 79% of revenues are volumetric and 21% are customer charges.

Total Operating Revenues and Expenses

Based on the analysis of both revenues and expenses, it appears that the City's ratio of revenues between volumetric and customer are supported by nature of the related expenses.

City of Goodlettsville
Wastewater Rate Design Analysis
February 28, 2022



Rate Design

Cost of Service to Actual

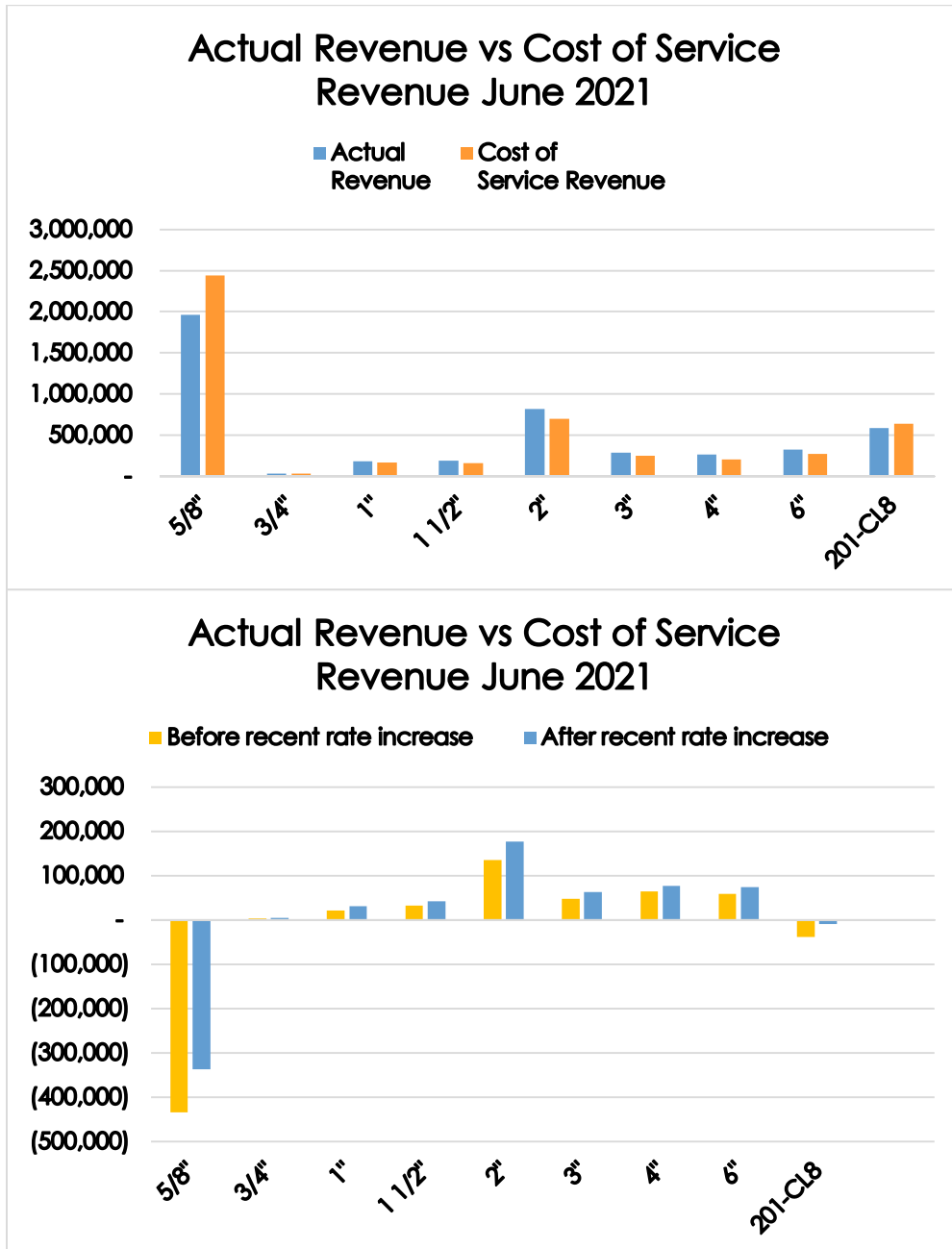
The study shows cost of service revenue and actual revenue for the year ended June 30, 2021, which is our test year. The variance is about a \$100 thousand deficit. There are 2 rate classes that did not generate a positive operating result based on our estimates. Those rate classes are the 5/8" meter class which are primarily residential customers and the 201-CL8 rate class which are industrial customers.

City of Goodlettsville
Wastewater Rate Design Analysis
February 28, 2022

Rate Design

Cost of Service to Actual

With the 7% increase in rates passed in the Spring 2021, we estimate actual revenue for the June 30, 2021 test year would increase by approximately \$200 thousand dollars. This would allow for actual revenue to exceed cost of service by approximately \$100 thousand, thereby creating a positive variance. See **Exhibit 3** for additional details.

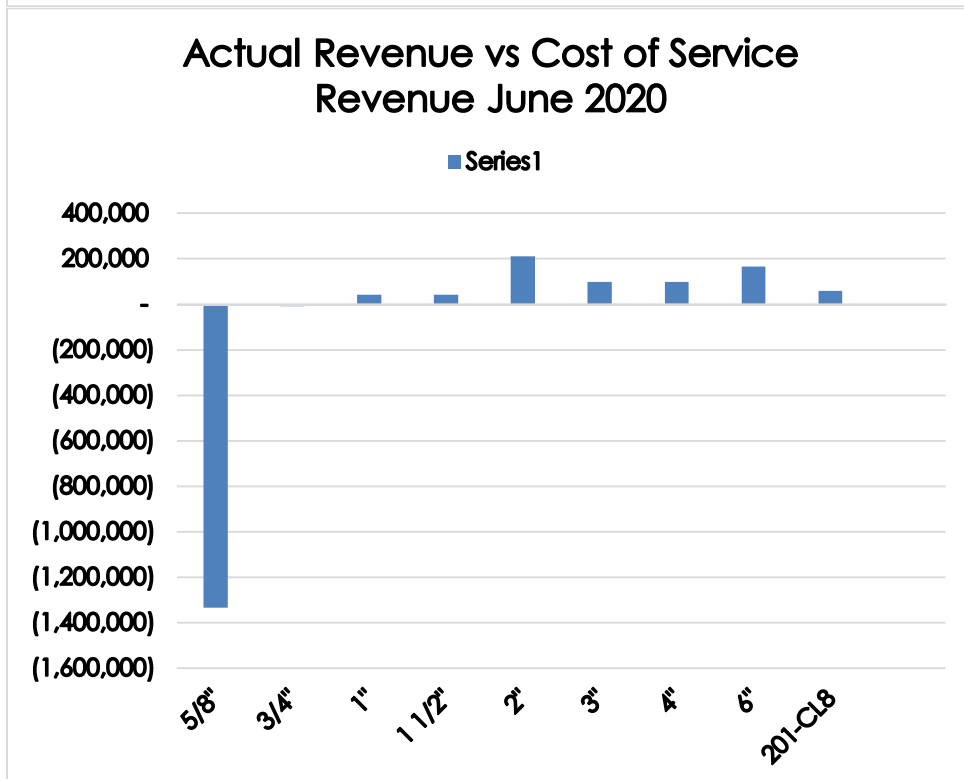
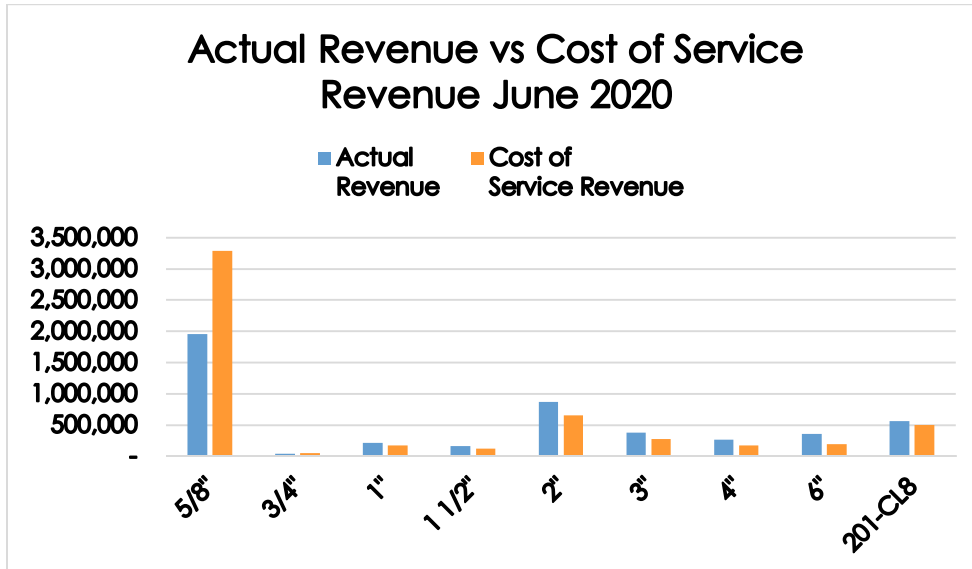


City of Goodlettsville
Wastewater Rate Design Analysis
February 28, 2022

Rate Design

Cost of Service to Actual

Additionally, we performed the same analysis for the fiscal year ended June 30, 2020. The variance is about a \$600 thousand deficit. There was 1 rate class that did not generate a positive operating result based on our estimates. The rate classes is the 5/8" meter class which was primarily residential customers.



City of Goodlettsville
Wastewater Rate Design Analysis
February 28, 2022

Flow Analysis

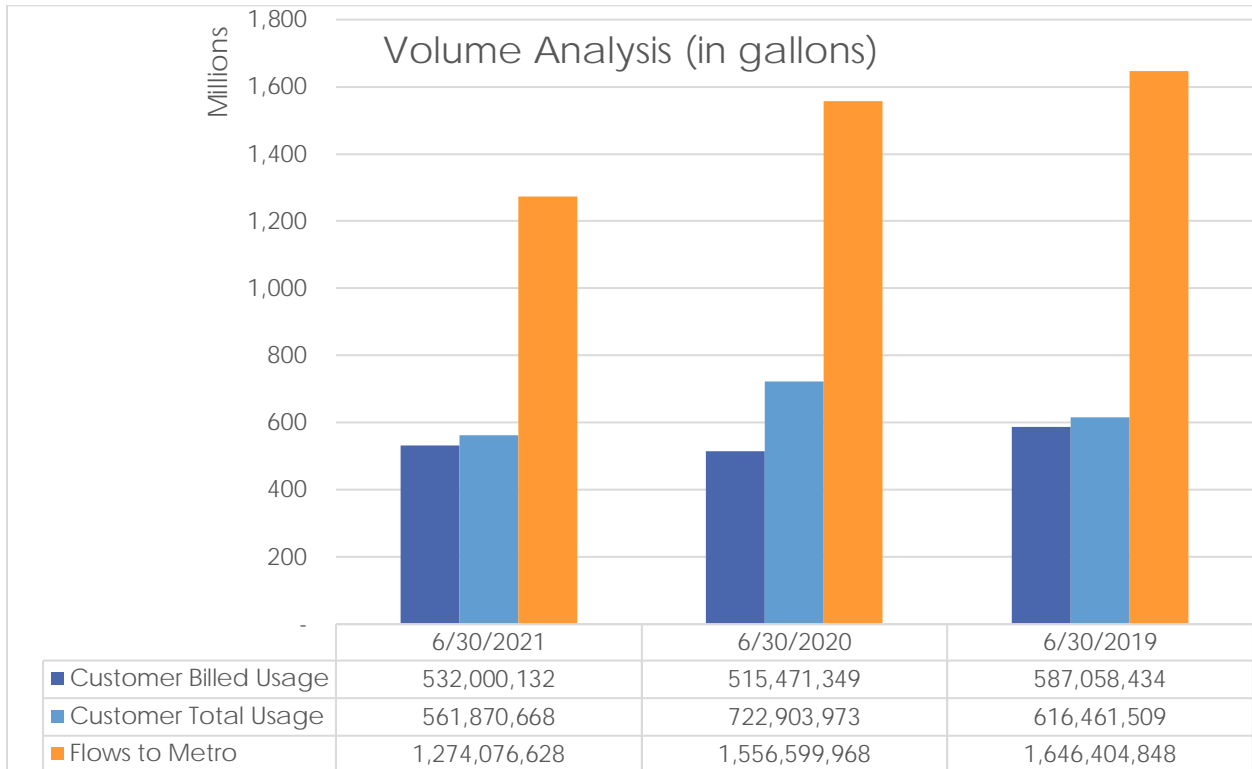
In our analysis we looked at flow for the fiscal years ending June 30, 2021, 2020 and 2019. For the following periods we noted the following trends:

For the fiscal year ending June 2020 compared to 2019:

- Customer billed usage decreased 12%.
- Customer total usage increased 17%.
- Flows to Metro decreased 5%.

For the fiscal year ending June 2021 compared to 2020:

- Customer billed usage increased 3%.
- Customer total usage decreased 22%.
- Flows to Metro decreased 18%.



City of Goodlettsville
Wastewater Rate Design Analysis
February 28, 2022

Below is a five year lookback of the City's sewer fund

	Actual				
	FYE 2017	FYE 2018	FYE 2019	FYE 2020	FYE 2021
Operating Revenues	5,580,205	5,673,775	5,063,090	4,624,403	4,729,494
Cost of Services	2,563,679	3,200,179	3,179,004	3,041,942	2,555,393
Gross Margin	3,016,526	2,473,596	1,884,086	1,582,461	2,174,101
Operating Expenses	2,241,057	2,292,474	2,383,431	1,873,085	1,761,324
Operating Income (Loss)	775,469	181,122	(499,345)	(290,624)	412,777
Non-operating revenues (expenses)	(63,971)	(13,677)	67,540	(14,074)	(151,727)
Capital grants and contributions	228,800	73,000	53,500	259,850	215,000
Transfers	(143,730)	(142,073)	(126,942)	(122,677)	(145,421)
GAAP Change in Net Position	796,568	98,372	(505,247)	(167,525)	330,629
Less capital contributions and pension/OPEB adjustments	228,800	73,000	(63,064)	366,811	215,000
Statutory Net Position	567,768	25,372	(442,183)	(534,336)	115,629
Gross Margin / Operating Revenues	54%	44%	37%	34%	46%
Operating Expenses /Gross Margin	74%	93%	127%	118%	81%
Statutory Net Position / Operating Revenues	10%	0%	-9%	-12%	2%

Five Year Projections

Three scenarios about future rate setting were discussed. At minimum, all scenarios include the 7% rate increase that was fully implemented in December 2021. They are as follows:

- **Scenario 1** – No further rate adjustments
- **Scenario 2** - Pass through of annual CPI adjustments from Metro Nashville to City of Goodlettsville customers on an annual basis. We assumed a 1.5 percent annual increase.
- **Scenario 3** – Pass through of annual CPI adjustments discussed in Scenario 2 plus an additional annual rate increase to cover other operating cost increases related to inflation.

For each scenario, a 5-year projection was constructed. Statutory net positions and cash flow projections are provided in each scenario.

Assumptions used for Statutory Net Position Projections:

- Operating Revenues were computed by using the Revenues Factor multiplied by the previous year.
- Cost of Services were computed by using the Costs Factor multiplied by the previous year.
- Unless noted below, Operating Expenses were computed by using the Expenses Factor multiplied by the previous year.
 - Depreciation expense was computed based on projected amounts for future years. Estimated annual depreciation amounts related to capital additions in the 5-year capital plan were added to the projections each year.
 - Interest expense for each year is equal to the Sewer Fund's Schedule of Long-Term Debt, Principal, and Interest as of June 30, 2021.

City of Goodlettsville
Wastewater Rate Design Analysis
February 28, 2022

Five Year Projections

Assumptions used for Cash Flow Projections:

- Capital additions in the 5-year capital plan were added to the projections for each year. The projections are net of anticipated grant funding.
- Debt principal for each year is equal to the Sewer Fund's Schedule of Long-Term Debt, Principal, and Interest as of June 30, 2021.

A detailed 5-year capital plan and the Schedule of Long-term Debt, Principal, and Interest have been provided in **Exhibit 4**.

City of Goodlettsville
Wastewater Rate Design Analysis
February 28, 2022

Scenario 1

	Statutory Net Position Projections				
	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Operating Revenues	\$4,847,731	\$4,993,163	\$4,993,163	\$4,993,163	\$4,993,163
Cost of Services	2,593,724	2,632,630	2,672,119	2,712,201	2,752,884
Gross Margin	2,254,007	2,360,534	2,321,044	2,280,962	2,240,279
Operating Expenses	1,850,515	1,924,820	2,037,174	2,118,927	2,172,460
Operating Income (Loss)	403,492	435,713	283,870	162,035	67,819
Non-operating revenues (expenses)	(136,292)	(121,343)	(106,951)	(92,056)	(76,018)
Capital grants and contributions	160,117	1,060,117	1,060,117	160,117	160,117
Transfers	(152,692)	(160,327)	(168,343)	(176,760)	(185,598)
GAAP Change in Net Position	274,625	1,214,160	1,068,693	53,336	(33,680)
Less capital contributions	160,117	1,060,117	1,060,117	160,117	160,117
Statutory Net Position	<u>\$114,508</u>	<u>\$154,044</u>	<u>\$8,577</u>	<u>(\$106,781)</u>	<u>(\$193,796)</u>
Gross Margin / Operating Revenues	46%	47%	46%	46%	45%
Operating Expenses /Gross Margin	82%	82%	88%	93%	97%
Statutory Net Position / Operating Revenues	2%	3%	0%	-2%	-4%
Revenues Factor	102.5%	103.0%	100.0%	100.0%	100.0%
Costs Factor	101.5%	101.5%	101.5%	101.5%	101.5%
Expenses Factor	105.0%	104.0%	104.0%	104.0%	104.0%

	Cash Flow Projections				
	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Beginning Cash	\$11,577,195	\$12,134,431	\$11,020,237	\$10,011,318	\$9,960,773
Statutory Net Position	114,508	154,044	8,577	(106,781)	(193,796)
Depreciation	1,039,136	1,080,986	1,159,586	1,206,236	1,223,261
Capital expenditures	(75,000)	(1,815,000)	(1,625,000)	(585,000)	(550,000)
Debt Principal	(521,408)	(534,224)	(552,082)	(565,000)	(582,970)
Ending cash	<u>\$12,134,431</u>	<u>\$11,020,237</u>	<u>\$10,011,318</u>	<u>\$9,960,773</u>	<u>\$9,857,268</u>
# of months cash available to fund total operating expenses	<u>31</u>	<u>27</u>	<u>24</u>	<u>23</u>	<u>23</u>
# of months cash available to fund total expenditures plus capital outlay and debt service	<u>34</u>	<u>22</u>	<u>20</u>	<u>24</u>	<u>23</u>

In the above projections scenario, the following were noted:

- Operating income starts at approximately \$400 thousand in 2022 and declines down to \$67,000 in 2026. This amount is before annual interest costs and annual transfers to the governmental funds.
- Statutory Net Position declines each year after 2023, with a break-even position in 2024, and a negative position in subsequent years.
- Rate of return for statutory net position / operating revenues starts at 2% in 2022 and declines ending up a negative 4% in 2026.
- Cash available to fund total operating expenses starts at 31 months and declines to 23 months in 2026.

City of Goodlettsville
Wastewater Rate Design Analysis
February 28, 2022

Scenario 2

	Statutory Net Position Projections				
	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Operating Revenues	\$4,847,731	\$5,041,641	\$5,117,265	\$5,194,024	\$5,271,935
Cost of Services	2,593,724	2,632,630	2,672,119	2,712,201	2,752,884
Gross Margin	2,254,007	2,409,011	2,445,146	2,481,823	2,519,051
Operating Expenses	1,850,515	1,924,820	2,037,174	2,118,927	2,172,460
Operating Income (Loss)	403,492	484,190	407,972	362,896	346,591
Non-operating revenues (expenses)	(136,292)	(121,040)	(106,176)	(90,802)	(74,732)
Capital grants and contributions	160,117	1,060,117	1,060,117	160,117	160,117
Transfers	(152,692)	(160,327)	(168,343)	(176,760)	(185,598)
GAAP Change in Net Position	274,625	1,262,940	1,193,570	255,451	246,377
Less capital contributions	160,117	1,060,117	1,060,117	160,117	160,117
Statutory Net Position	<u>\$114,508</u>	<u>\$202,824</u>	<u>\$133,453</u>	<u>\$95,334</u>	<u>\$86,260</u>
Gross Margin / Operating Revenues	46%	48%	48%	48%	48%
Operating Expenses /Gross Margin	82%	80%	83%	85%	86%
Statutory Net Position / Operating Revenues	2%	4%	3%	2%	2%
Revenues Factor	102.5%	104.0%	101.5%	101.5%	101.5%
Costs Factor	101.5%	101.5%	101.5%	101.5%	101.5%
Expenses Factor	105.0%	104.0%	104.0%	104.0%	104.0%
	Cash Flow Projections				
	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Beginning Cash	\$11,577,195	\$12,134,431	\$11,069,017	\$10,184,975	\$10,336,545
Statutory Net Position	114,508	202,824	133,453	95,334	86,260
Depreciation	1,039,136	1,080,986	1,159,586	1,206,236	1,223,261
Capital expenditures	(75,000)	(1,815,000)	(1,625,000)	(585,000)	(550,000)
Debt Principal	(521,408)	(534,224)	(552,082)	(565,000)	(582,970)
Ending Cash	<u>\$12,134,431</u>	<u>\$11,069,017</u>	<u>\$10,184,975</u>	<u>\$10,336,545</u>	<u>\$10,513,096</u>
# of months cash available to fund total operating expenses	<u>31</u>	<u>27</u>	<u>25</u>	<u>24</u>	<u>24</u>
# of months cash available to fund total expenditures plus capital outlay and debt service	<u>34</u>	<u>22</u>	<u>20</u>	<u>25</u>	<u>25</u>

In the above projections scenario, the following were noted:

- Operating income starts at approximately \$400 thousand in 2022 and slightly decreases to \$350 thousand in 2026. This amount is before annual interest costs and annual transfers to the governmental funds.
- Statutory Net Position declines each year after 2023, starting at approximately \$200 thousand in 2023 and ending at \$86 thousand in 2026.
- Rate of return for statutory net position / operating revenues starts at 2% in 2022, increases to 4 percent in 2023 declining to 2% in 2026.
- Cash available to fund total operating expenses starts at 31 months and declines to 24 months in 2026.

City of Goodlettsville
Wastewater Rate Design Analysis
February 28, 2022

Scenario 3

Statutory Net Position Projections					
	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Operating Revenues	\$4,847,731	\$5,041,641	\$5,142,473	\$5,245,323	\$5,350,229
Cost of Services	2,593,724	2,632,630	2,672,119	2,712,201	2,752,884
Gross Margin	2,254,007	2,409,011	2,470,354	2,533,122	2,597,345
Operating Expenses	1,850,515	1,924,820	2,037,174	2,118,927	2,172,460
Operating Income (Loss)	403,492	484,190	433,180	414,195	424,885
Non-operating revenues (expenses)	(136,292)	(121,040)	(106,019)	(90,482)	(74,404)
Capital grants and contributions	160,117	1,060,117	1,060,117	160,117	160,117
Transfers	(152,692)	(160,327)	(168,343)	(176,760)	(185,598)
GAAP Change in Net Position	274,625	1,262,940	1,218,935	307,070	325,000
Less capital contributions	160,117	1,060,117	1,060,117	160,117	160,117
Statutory Net Position	<u>\$114,508</u>	<u>\$202,824</u>	<u>\$158,819</u>	<u>\$146,953</u>	<u>\$164,883</u>
Gross Margin / Operating Revenues	46%	48%	48%	48%	49%
Operating Expenses /Gross Margin	82%	80%	82%	84%	84%
Statutory Net Position / Operating Revenues	2%	4%	3%	3%	3%
Revenues Factor	102.5%	104.0%	102.0%	102.0%	102.0%
Costs Factor	101.5%	101.5%	101.5%	101.5%	101.5%
Expenses Factor	105.0%	104.0%	104.0%	104.0%	104.0%
Cash Flow Projections					
	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Beginning Cash	\$11,577,195	\$12,134,431	\$11,069,017	\$10,210,340	\$10,413,529
Statutory Net Position	114,508	202,824	158,819	146,953	164,883
Depreciation	1,039,136	1,080,986	1,159,586	1,206,236	1,223,261
Capital expenditures	(75,000)	(1,815,000)	(1,625,000)	(585,000)	(550,000)
Debt Principal	(521,408)	(534,224)	(552,082)	(565,000)	(582,970)
Ending Cash	<u>\$12,134,431</u>	<u>\$11,069,017</u>	<u>\$10,210,340</u>	<u>\$10,413,529</u>	<u>\$10,668,704</u>
# of months cash available to fund total expenses	31	27	25	25	25
# of months cash available to fund total expenditures plus capital outlay and debt service	34	22	20	25	25

In the above projections scenario, the following were noted:

- Operating income starts at approximately \$400 thousand in 2022 and slightly increases to \$425 thousand in 2026. This amount is before annual interest costs and annual transfers to the governmental funds.
- Statutory Net Position declines each year after 2023, starting at approximately \$200 thousand in 2023 and ending at \$165 thousand in 2026.
- Rate of return for statutory net position / operating revenues starts at 2% in 2022, increases to 4 percent in 2023 and then holds fairly steady at 3% in the 3 subsequent years.
- Cash available to fund total operating expenses starts at 31 months and declines to 25 months in 2026.

City of Goodlettsville

Wastewater Rate Design Analysis

February 28, 2022

Recommendations*Rate Setting*

Of the three 5-year projections presented in this report, we recommend the City choose Scenario 3. Scenario 3 provides the most consistent return on revenues over a 5 year period of the 3 scenarios listed. With inflation being a key driver of increased costs we recommend the City increase overall revenues per volume sold and customer charge revenues by a minimum of 2% each year. Much of the annual rate increases (approximately 1.5%) would be to fund the automatic annual CPI adjustment related to cost of services to its customers. This adjustment occurs in October of each year. In the other 2 scenarios presented there is a declining return on revenues each year.

Additionally, operations and maintenance costs should be monitored in future years. For the purposes of this rate study, we projected these costs would be projected to increase by an average of 4.2% per year. If these costs increase by more than this amount, then adjustments higher than the recommendation should be considered.

Summer Billing Adjustment Program

We recommend the City eliminate or significantly scale back the Summer billing adjustment program for residential customers as it played a significant role in the negative statutory change in net position in the 2019 and 2020 fiscal year. We noted the City significantly scaled back the program in the 2021 fiscal year which was a significant factor in the improved statutory net position. Currently the City reduces volumes billed to qualifying customers in the program. If the City continues the program, we recommend the City bill the full amount of the volumes from meter readings to customers. Any amounts discounted or rebated should be setup as a separate billing code in the billing software as this will assist in analysis of monthly billings. Additionally, the City should budget for this program and determine how the program will be funded.

Cost of Service

With the 7% increase in rates enacted in 2021, we noted there is a significant deficit between actual revenues and cost of service revenues for the 5/8" Residential class of customers. The deficit is made up by positive rates for return from other rate classes. We recommend the City take steps to reduce the deficit over the next several years through a more detailed rate design analysis.

Rate Design

The City currently has 4 customer categories with 10 additional rate classes within these categories. We recommend the City simplify its rate structure in future years. At minimum the City should consider reducing the 4 customer categories down to 1 category. We estimated that almost 80% of the City's costs are volumetric which are fairly consistent with the distribution of revenue billed. Under the City's current agreement with Metro Nashville for cost of services, volumetric costs are the same for each customer category. Customer charges, which comprise the remaining 20% of costs, can vary by customer class.

City of Goodlettsville

Wastewater Rate Design Analysis

February 28, 2022

Recommendations*Cash Flows*

The City Sewer Fund's cash balances appear to be very strong as of June 30, 2021, which gives the City the ability to provide some funding for future capital projects with current cash reserves without having to raise customer rates to fund planned projects over the next 5 years. We recommend the City establish a policy designating amounts of cash funds to fund future capital projects.

Monthly review of billing versus cost volumes

The City relies on water readings from 3 different water utility systems to generate the volumetric portion of customer wastewater bills. The City's cost of service volumes are measured by Metro Nashville by the measurement of wastewater flow. We recommend the City compare these readings each month and investigate any unusual trends. Since we estimated approximately 80% of the City's expenses and revenues are volumetric in nature, any unexpected and undetected trends can have a significant impact on the City's ability to generate an annual positive statutory net position.

Conclusion

The results of the Rate Study are based on several factors, assumptions, and estimates. Actual results can vary from the projections due to a variety of factors. Variations of flow volumes and inflation are 2 factors that could have a significant impact on future results. The City will need to monitor results throughout the 5 year projection period and make adjustments if results vary significantly from the projections.

City of Goodlettsville, Tennessee

Operating Information

Utility Rate Structure

As of June 30, 2021

Exhibit 1

Residential

*(Minimum Charges per Month up to 200
Cubic Feet Usage)*

Meter Size	Rate (\$)
5/8"	10.98
3/4"	31.15
1"	37.52
1 1/2"	55.16
2"	74.28
3"	98.01
4"	159.72
6"	250.80
8"	392.22
10"	392.22

Usage over 200
Cubic Feet 6.82 per 100 cu.ft.

Small Commercial and Industrial

*(Minimum Charges per Month up to 200
Cubic Feet Usage)*

Meter Size	Rate (\$)
5/8"	12.27
3/4"	34.89
1"	42.02
1 1/2"	61.78
2"	83.19
3"	109.77
4"	178.88
6"	280.91
8"	439.28
10"	439.28

Usage over 200
Cubic Feet 7.64 per 100 cu.ft.

Intermediate Commercial and Industrial

*(Minimum Charges per Month up to 200
Cubic Feet Usage)*

Meter Size	Rate (\$)
5/8"	40.17
3/4"	55.97
1"	62.41
1 1/2"	77.51
2"	94.68
3"	118.50
4"	187.57
6"	289.60
8"	450.81
10"	450.81

Usage over 200
Cubic Feet 6.23 per 100 cu.ft.

Large Commercial and Industrial

*(Minimum Charges per Month up to 200
Cubic Feet Usage)*

Meter Size	Rate (\$)
5/8"	1,550.46
3/4"	1,567.22
1"	1,572.67
1 1/2"	1,587.75
2"	1,604.93
3"	1,620.00
4"	1,689.17
6"	1,791.17
8"	1,961.07
10"	1,961.07

Usage over 200
Cubic Feet 4.70 per 100 cu.ft.

City of Goodlettsville
Operating Information
Sewer Rates
January 1, 2022

Exhibit 1 - New rate structure

Residential <i>(Minimum Charges per Month up to 200 Cubic Feet Usage)</i>		Small Commercial and Industrial <i>(Minimum Charges per Month up to 200 Cubic Feet Usage)</i>	
Meter Size	Rate (\$)	Meter Size	Rate (\$)
5/8"	11.75	5/8"	13.13
3/4"	33.33	3/4"	37.33
1"	40.15	1"	44.96
1 1/2"	59.02	1 1/2"	66.10
2"	79.48	2"	89.01
3"	104.87	3"	117.45
4"	170.90	4"	191.40
6"	268.36	6"	300.57
8"	419.68	8"	470.03
10"	419.68	10"	470.03
Usage over 200 Cubic Feet	7.30 per 100 cu.ft.	Usage over 200 Cubic Feet	8.17 per 100 cu.ft.

Intermediate Commercial and Industrial <i>(Minimum Charges per Month up to 200 Cubic Feet Usage)</i>		Large Commercial and Industrial <i>(Minimum Charges per Month up to 200 Cubic Feet Usage)</i>	
Meter Size	Rate (\$)	Meter Size	Rate (\$)
5/8"	42.98	5/8"	1,658.99
3/4"	59.89	3/4"	1,676.93
1"	66.78	1"	1,682.76
1 1/2"	82.94	1 1/2"	1,698.89
2"	101.31	2"	1,717.28
3"	126.80	3"	1,733.40
4"	200.70	4"	1,807.41
6"	309.87	6"	1,916.55
8"	482.37	8"	2,098.34
10"	482.37	10"	2,098.34
Usage over 200 Cubic Feet	6.67 per 100 cu.ft.	Usage over 200 Cubic Feet	5.03 per 100 cu.ft.

City of Goodlettsville
Expense allocations
Year Ended June 30, 2021

Exhibit 2

Line No.	(1) Description	(2) Expenses	(3) Volumetric Percentage	Volumetric Dollars	(4) Customer Charge Percentage	(5) Customer charge Dollars
1	Cost of services	100% 2,555,393	100%	2,555,393	0%	-
2	Percentage	55%				
3	Administration	100% 708,386	20%	141,677	80%	566,709
4	Depreciation and amortization	100% 988,582	80%	790,866	20%	197,716
5	Insurance	100% 19,708	20%	3,942	80%	15,766
6	Repairs and maintenance	100% 44,648	80%	35,718	20%	8,930
7	Interest expense	100% 181,254	50%	90,627	50%	90,627
8	In lieu of tax	100% 145,421	0%	-	100%	145,421
9	Operations and Maintenance	100% 2,087,999	51%	1,062,830	49%	1,025,169
10	Percentage	45%				
11	Total Operating Expenses	100% <u>4,643,392</u>	78%	<u>3,618,223</u>	22%	<u>1,025,169</u>
12	Billing Revenue	100% <u>4,640,569</u>	79%	<u>3,678,676</u>	21%	<u>961,893</u>

City of Goodlettsville
 Comparison of Cost of Service Revenue and Actual Revenue
 Year Ended June 30, 2021

Exhibit 3

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
						Estimated Actual Revenue under New Rate Schedule	Cost of Service Exceeds Actual New Rate Schedule
Line No.	Description	Cost of Service Revenue	Actual Revenue	Cost of Service Exceeds Actual	Cost of Service Gross Margin		
1	5/8"	\$ 2,398,107	1,963,442	\$ (434,665)	\$ 766,281	\$ 2,061,614	\$ (336,493)
2	3/4"	30,533	33,247	2,714	14,789	34,909	4,377
3	1"	160,392	182,029	21,637	49,647	191,130	30,739
4	1 1/2"	154,015	186,045	32,030	23,651	195,347	41,332
5	2"	680,298	815,915	135,617	144,538	856,711	176,413
6	3"	239,741	287,781	48,040	37,868	302,170	62,429
7	4"	196,122	260,107	63,985	29,097	273,112	76,991
8	6"	267,156	325,269	58,113	29,425	341,532	74,376
9	201-CL8	625,316	586,734	(38,582)	38,160	616,071	(9,246)
10				-			-
11	Total	\$ <u>4,751,680</u>	<u>4,640,569</u>	\$ <u>(111,111)</u>	\$ <u>1,133,457</u>	\$ <u>4,872,597</u>	\$ <u>120,918</u>

City of Goodlettsville, Tennessee
Schedule of Long-term Debt, Principal,
and Interest Requirements
Business-type Activities, by Fiscal Year
June 30, 2021

Year Ended June 30,	SRL 2018-420 (\$3.2 million)		SRL 2018-419 (\$1 million)		General Obligation Public Improvement Bonds, Series 2020		Total Business-type Activities		Total Indebtedness	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 108,356	\$ 46,659	\$ 38,052	\$ 16,068	\$ 375,000	\$ 103,830	\$ 521,408	\$ 166,557	\$ 892,408	\$ 240,505
2023	110,440	44,600	38,784	15,336	385,000	92,580	534,224	152,516	811,104	216,337
2024	112,554	42,502	39,528	14,592	400,000	81,030	552,082	138,124	747,082	194,447
2025	114,716	40,363	40,284	13,836	410,000	69,030	565,000	123,229	760,000	175,202
2026	116,906	38,184	41,064	13,056	425,000	56,730	582,970	107,970	782,970	155,593
2027	119,155	35,962	41,844	12,276	435,000	43,980	595,999	92,218	805,999	135,391
2028	121,432	33,698	42,648	11,472	450,000	30,930	614,080	76,100	824,080	114,373
2029	123,757	31,391	43,464	10,656	455,000	21,930	622,221	63,977	837,221	97,570
2030	126,130	29,040	44,304	9,816	460,000	17,380	630,434	56,236	850,434	85,204
2031	128,551	26,643	45,156	8,964	465,000	12,780	638,707	48,387	863,707	72,605
2032	131,010	24,201	46,020	8,100	470,000	7,665	647,030	39,966	877,030	58,822
2033	133,538	21,712	46,896	7,224	150,000	2,025	330,434	30,961	565,434	44,267
2034	136,083	19,175	47,796	6,324	-	-	183,879	25,499	238,879	33,042
2035	138,697	16,589	48,708	5,412	-	-	187,405	22,001	242,405	28,801
2036	141,348	13,954	49,644	4,476	-	-	190,992	18,430	245,992	24,130
2037	144,058	11,268	50,604	3,516	-	-	194,662	14,784	249,662	19,384
2038	146,825	8,531	51,564	2,556	-	-	198,389	11,087	253,389	14,587
2039	149,630	5,742	52,560	1,560	-	-	202,190	7,302	262,190	9,702
2040	152,556	2,899	53,736	557	-	-	206,292	3,456	266,292	4,656
Total	\$ 2,455,742	\$ 493,113	\$ 862,656	\$ 165,797	\$ 4,880,000	\$ 539,890	\$ 8,198,398	\$ 1,198,800	\$ 11,376,278	\$ 1,724,618



Jason E. Mumpower
Comptroller

Entity Referred: **Lincoln County**
Referral Reason: **Decrease In Net Position**
Utility Type Referred: **Water And Sewer**

Staff Summary:

Lincoln County ("the Entity") has been referred to the Water and Wastewater Financing Board ("the Board") for financial distress since 2019. The Entity has complied with prior directives of the Board. The Entity has shown progress in correcting their financial distress, and Board staff believes the Entity should be required to submit biannual financial updates to the Board. These updates will consist of changes in fund balance, changes in revenues, pro-forma statements of revenues, expenses, and changes in net position, or other financial documents that indicate the Entity's financial distress is being remedied.

Staff Recommendation:

The Board should order the following:

The Entity shall send financial updates to Board staff by March 1st and September 1st of each year beginning September 1, 2022, until the Board releases the Entity from its oversight.

BEFORE THE TENNESSEE WATER AND WASTEWATER FINANCING BOARD

IN THE MATTER OF:)	
)	
)	
LINCOLN COUNTY BOARD OF)	TENN. CODE ANN. § 68-221-1010
PUBLIC UTILITIES)	-FINANCIAL DISTRESS
)	
)	

ORDER

On September 16, 2021, the Tennessee Water and Wastewater Financing Board (“the Board”) reviewed the financially distressed status of Lincoln County (“the County”) pursuant to Tenn. Code Ann. § 68-221-1010. Board staff informed the Board that the County had contracted with the Tennessee Association of Utility Districts (“TAUD”) to complete the Board’s previous directives. TAUD later requested an extension to complete those directives, which Staff granted. However, due to unforeseen staffing issues, TAUD still needs more time. Because the delay has not been caused by any noncompliance by the County, Staff recommends that the Board provide an extension, which should allow ample time for TAUD to finish the report and for the County to begin implementing the resulting recommendations.

Therefore, based on Staff’s statements, recommendations, and all supporting documentation, the Board hereby orders that Paragraph 4 of its December 3, 2020 order is amended to the following:

By December 3, 2021, the County shall provide Board staff with the completed rate study, and either proof of implementation of the resulting recommendations or a proposed plan of implementation.

ENTERED this 27th day of September, 2021.



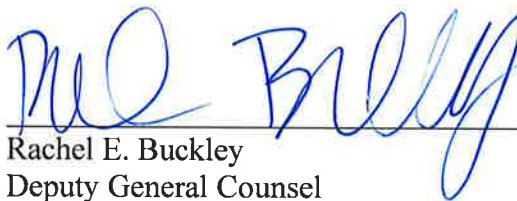
BETSY KNOTTS, Chair
Water and Wastewater Financing Board

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served via certified mail return receipt requested and U.S. mail to the following on this 27th day of September, 2021:

Chris Merz, Superintendent
Lincoln County Board of Public Utilities
2863 Huntsville Highway
Fayetteville, TN 37334-6681

Mayor Bill Newman
112 Main Ave S., Room 101
Fayetteville, TN 37334



Rachel E. Buckley
Deputy General Counsel



REPORT FOR LINCOLN COUNTY BOARD OF PUBLIC UTILITIES

WATER AND WASTEWATER FINANCING BOARD ORDER DATED DECEMBER 3, 2020

February 15, 2022

INTRODUCTION

Description of the Lincoln County Board of Public Utilities Water System and Sewer System

The Lincoln County Board of Public Utilities (LCBPU or the Board) operates a water and sewer system primarily in unincorporated areas of Lincoln County pursuant to T.C.A. §§ 5-16-101 through 5-16-112. The governing board of the LCBPU is a five-member board appointed by the County Mayor pursuant to T.C.A. § 5-16-103. The Board gets its raw water supply from wells and operates a water treatment plant which produces approximately 90% of the water sold to its customers. The Board purchases approximately 10% of its water from Fayetteville Public Utilities (FPU). The wastewater from the Board's collection system is treated by the FPU pursuant to an agreement between Lincoln County and FPU dated July 25, 2018, as amended by an amendment to this agreement dated May 18, 2021, between the LCBPU and FPU.

As of June 30, 2021, the Board had the following rate classes for water service and sewer service with the following number of customers in each rate class:

Water

Residential and Commercial – 9,333 customers

Monthly service charge	\$24.19
Usage charge	\$ 5.46 per 1,000 gallons

Industrial - 2 customers

Monthly service charge	\$50.00
Usage charge	\$ 5.70 per 1,000 gallons

Sewer

Residential - 136 customers

Monthly service charge	\$25.88
Usage charge after 750 gallons	\$10.53 per 1,000 gallons

Commercial - 99 customers

Monthly service charge	\$35.00
Usage charge after 750 gallons	\$11.59 per 1,000 gallons

Industrial - 1 customer

Monthly service charge	\$50.00
Usage charge after 750 gallons	\$ 9.50 per 1,000 gallons

The balance of the Board's cash and cash equivalents accounts as of July 1, 2021, was \$8,115,996.

Water and Wastewater Financing Board Order

On December 3, 2020, the Water and Wastewater Financing Board (WWFB) issued an order directing the Lincoln County Board of Public Utilities to do the following items.

- 1) The Board shall have the Tennessee Association of Utility Districts, or another qualified expert as approved by Board staff, perform a rate study that includes the following:
 - a. A review of all water and sewer fees, including any recommended modifications;
 - b. A review of unbilled customers, including any recommended modifications;
 - c. A review of the capitalization policy, including any recommended modifications;
 - d. Creation of a five-year capital asset budget to be taken from the current capital asset list and to include future anticipated needs; and
 - e. A review of the leak adjustment policy, including any recommended modifications.
- 2) By December 31, 2020, the LCBPU shall send Board staff a copy of the contract between the LCBPU and the qualified expert who is to perform the tasks in paragraph 1.
- 3) By December 31, 2020, the LCBPU shall send Board staff proof that all members of the utility systems' governing body have complied with the training requirements set forth in Tenn. Code Ann. 7-34-115(j).
- 4) By April 1, 2021 the LCBPU shall provide Board staff with the completed rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation
- 5) The LCBPU shall consult with legal counsel on its options regarding terminating the contract with FPU or renegotiating said contract.
- 6) By January 31, 2021, the LCBPU shall provide an update from counsel regarding the LCBPU's exercise of its viable legal options and remedies pursuant paragraph 5.
- 7) By October 31, 2020, the Board shall send Board staff a copy of the contract between the Board and the qualified expert who is to perform the tasks in paragraph 1.

- 8) By February 28, 2021, the Board shall provide Board staff with the completed rate study, and either proof of implementation of the resulting recommendations or a proposed plan of implementation.

RECOMMENDATIONS

Recommendation #1

The Board should begin reporting its water and wastewater operations as a combined, single enterprise fund beginning July 1, 2022.

Recommendation #2

The Board should adopt a resolution to establish a capitalization policy which incorporates a new capitalization cost threshold of \$5,000 and the service lives for its water and sewer system assets using the recommended service lives adopted by the WWFB for municipal water and sewer systems. TAUD prepared a suggested resolution which the Board can adopt to establish this new recommended capitalization policy.

ACQUISITION OF LINCOLN COUNTY SEWER SYSTEM BY LCBPU AND AMENDMENT TO AGREEMENT FOR COLLECTION, ACCEPTANCE AND TREATMENT

On January 1, 2019, the Board acquired a small wastewater collection system which had been owned and operated by Lincoln County for several years. Since it acquired the wastewater system from Lincoln County, the Board has been reporting its wastewater operations as a separate enterprise fund. Under T.C.A. § 7-34-115(a), a municipal or county utility may report its water and sewer operations individually or as combined entities.

The revenues and expenses of the Board's wastewater system are a very small part of its overall revenues and expenses. For the Board's fiscal year ending June 30, 2021, wastewater revenues were only 3.1% of the Board's total revenues, and wastewater operating expenses were only 4.5% of the Board's total operating expenses.

TAUD recommends that the Board begin reporting its water and wastewater operations as a combined entity effective July 1, 2022. Because the wastewater operations are such a small part of the Board's overall utility operations, the allocation of expenses to the wastewater system is not practical and is not in the best interest of the Board's ratepayers.

TAUD's financial projections for the Board's test year ending June 30, 2022 and for the next four years of the projection period assumes the Board will be operating its water and wastewater systems as a combined, single enterprise fund as permitted by T.C.A. § 7-34-115(a).

On May 18, 2021, the LCBPU and FPU amended the Agreement for Collection, Acceptance and Treatment between Lincoln County and FPU dated July 25, 2018, which reduced the treatment plant and trunk line capacity guarantees to be used for calculation of the Board's treatment plant and trunk line capacity charges from the capacity guarantees in the 2018 agreement.

RATE STUDY AND PROPOSED PLAN OF ACTION

To determine whether existing rates will produce sufficient revenues to make the Board's water and sewer system self-supporting, TAUD first projected a Statement of Revenues and Expenses and Changes in Net Position for the Board for its fiscal year ending June 30, 2022, to use as a test year. See **Exhibit 1** attached to this Report. Then, TAUD projected Statements of Revenues and Expenses and Changes in Net Position for the Board's water and sewer system for its fiscal years ending June 30 of 2023, 2024, 2025, and 2026. See **Exhibit 2** attached to this Report.

TAUD projected the revenues for the test year and the four-year projection period using existing rates. TAUD projected operation and maintenance expenses and debt service payments for the test year by reviewing historical information from the five previous years and any known and anticipated changes during the test year. The LCBPU Superintendent, Chris Merz, provided TAUD with the Board's capital improvement plan for its fiscal years ending June 30, 2021 through June 30, 2026. See **Exhibit 3** attached to this Report.

Revenue Projections:

- Water and wastewater revenues (Sales, net of bad debts) for the test year ending June 30, 2022, were projected by taking the Board's actual water usage reports for all rate classes as of June 30, 2020, and applying the Board's water and sewer rates in effect on July 1, 2021, to this actual usage.
- Water and wastewater revenues (Sales, net of bad debts) for the remaining four years of the projection period were increased by 1.75% annually to reflect the Board's annual customer growth rate during its last five fiscal years.
- Penalties, service charges, other revenue and connection fee revenues for the test year and for the remaining four years of the projection period were projected based upon the average of these revenues for the fiscal years ending June 30 of 2020 and 2021.
- Interest income and tap fees in excess of costs for the test year and for the remaining four years of the projection period were projected based upon the average of these non-operating revenues for the fiscal years ending June 30 of 2020 and 2021.

Expense Projections:

- Except for depreciation and plant repair and maintenance for wastewater (payments to FPU), all operating expenses for the test year are projected based upon the average of these expenses for the fiscal years ending June 30 of 2020 and 2021.
- Depreciation for the test year is based upon the Board's fixed asset schedule which includes the annual depreciation of its capital assets plus depreciation on the capital assets added during the fiscal year ending June 30, 2021.

- For the remaining four years in the five-year projection period, all operating expenses, except depreciation and plant repair and maintenance for wastewater (payments to FPU), are increased by 2% annually over the projected amount for the test year.
- The plant repair and maintenance for wastewater expense is the amount paid to FPU for wastewater treatment services. This expense for the test year and for the remaining four years in the projection period reflect the reduction in the capacity guarantees to be used for the calculation of the Board's treatment plant and trunk line capacity charges which are incorporated in the 2021 amendment.
- Annual depreciation expenses for the remaining four years of the projection period are projected based upon the Board's existing fixed asset schedule and the service lives used on this schedule for depreciation. Depreciation on new capital assets included in the capital asset plan during the five-year projection period are based upon the Board's current capitalization policy and the service lives recommended in the Board's new suggested capitalization policy.
- Interest expense is based on the debt amortization schedules of existing debt during the remaining four years projection period. All capital improvements in the Board's capital improvement planned are being funded with cash reserves except for the capital improvements planned for fiscal year ending June 30, 2026.

Revenue Sufficiency and Rate Modifications Required

TAUD projects that the Board will have a positive change in net position of \$1,284,408 for the test year ending June 30, 2022, not including capital contributions and grant revenue. TAUD projects that the Board will continue to have healthy positive changes in its net position for the remaining four years of the projection period. Therefore, TAUD does not recommend any rate increases in monthly water or wastewater rates.

TAUD's projections of positive annual changes in the Board's net position at existing rates are based upon revenue and expense projections which are subject to change. Therefore, the Board should review existing rates as a part of the budgetary process for future fiscal years to ensure that existing rates will continue to produce sufficient revenues to give the Board a positive change in net position for these fiscal years.

Projected Cash and Investments Schedule

Based upon TAUD's projections, the Board's balance in its cash and cash equivalents accounts should be \$15,022,864 as of June 30, 2026. The Board's Projected Cash and Cash Equivalents Balance Schedule is attached as **Exhibit 4**.

REVIEW OF UNBILLED CUSTOMERS

TAUD requested that the Board review its unbilled customers for its fiscal year ending June 30, 2020. The only unbilled accounts in the Board's billing system are the Board's own facilities. Therefore, no action needs to be taken in regard to unbilled accounts by the Board.

BOARD'S CAPITALIZATION POLICY

The WWFB requested that the Board have TAUD review the Board's capitalization policy and make any recommendation for changes. The Board provided TAUD with a Fixed Asset Policy which is attached as **Exhibit 5**.

TAUD reviewed the description of how the Board capitalizes assets in its audit for its fiscal year ending June 30, 2021. This description is as follows:

Water and Wastewater Plant and Equipment

The Board's water and wastewater plant assets are capitalized at cost at the time they become part of operations. Donated capital assets are recorded at estimated current cost of construction. Extensions and betterments are capitalized at cost.

Depreciation of water and wastewater plant capital cost is provided on a group straight-line basis over the estimated useful lives of the assets. Under the group depreciation method, gains and losses on asset dispositions are applied against accumulated depreciation and are not reflected as gains or losses in the statement of revenues, expenses, and changes in net position. Equipment and buildings are depreciated on the straight-line basis over their estimated useful lives as follows: buildings – 15 - 40 years, vehicles and construction equipment – 7 - 15 years, all other equipment – 6 - 20 years, water and wastewater distribution plant – 10 - 50 years. The Board capitalizes equipment additions with a cost in excess of \$500 and plant additions in excess of \$2,000.

The Fixed Asset Policy provided to TAUD and the description of how the Board capitalizes fixed assets in its audit are not consistent.

TAUD suggests that the Board consider adopting a new capitalization policy to address the inconsistencies in these two documents and which includes the recommended service lives for the assets of water and sewer systems adopted by the WWFB for municipal and water and sewer systems. Currently, the Board capitalizes equipment additions with a cost in excess of \$500 and plant additions in excess of \$2,000. For a water and wastewater utility the size of the Board's system, a \$500 capitalization threshold is way too low. TAUD believes that \$2,000 is low as well. TAUD suggests that the Board adopt a new cost threshold for the capitalization of all assets of \$5,000.

TAUD prepared a suggested resolution which the Board can adopt to establish this recommended capitalization policy which is attached as **Exhibit 6** to this Report.

REVIEW OF WATER AND SEWER FEES

New Service Charge and Reconnection Fee

When the Board was referred to the WWFB, the Board charged the following customer fees to initiate service and to reconnect service after the termination of service for non-payment:

Non-refundable service charge	\$50
Reconnection fee	\$25

At a minimum, utility fees should cover the cost of the service being provided for the fee. The Board's non-refundable service charge is the fee the Board charges for the establishment of new service for a customer. The Board's reconnection fee is charged to customers whose service is terminated for nonpayment and then reconnected upon the payment of the delinquent bill. Based upon a review of the work involved in providing these two services, TAUD believes the fees are just and reasonable.

Tap Fees

The Board's tap fees for new water and sewer connections are as follows:

Water Individual lot - ¾ inch tap	\$1,600
Individual lot – 1 inch tap	\$2,000
Sewer Individual lot – 1 ½ inch force main tap	\$1,800
Individual lot – 6 inch gravity sewer tap	\$2,000

TAUD recommended that the Board review the average material and labor costs it incurs in installing water and sewer taps to ensure the current tap fees are covering the cost of making taps. The Board estimated the labor and material costs it incurs to install its water and sewer taps which are set forth in **Exhibit 7** attached to this Report. The current tap fees appear to cover their costs. Therefore, TAUD recommends no changes in the Board's tap fees.

REVIEW OF LEAK ADJUSTMENT POLICY

TAUD reviewed the Board's leak adjustment policy. When a utility reduces a customer's water or sewer bill due to a water leak, the remaining customers of the utility are subsidizing the cost of the leak. Therefore, a utility should have broad discretion in determining the extent to which it will make water and sewer bill adjustments for water leaks.

The Board's leak adjustment policy is reasonable. To qualify for a bill adjustment for a water leak, the "leak must not be readily evident to a reasonable person (such as leaks that are underground, within walls or under floors) or the leak must occur while occupants are away from the premises." The customer's bill must be at least \$100 over the customer's average monthly bill. The amount of the adjustment is equal to the gallons used in excess of the customer's average water use over the previous 12 months times \$1.50 per 1,000 gallons. This adjustment allows the Board to at least recover its production cost of water per 1,000 gallons for the excessive water used. When water from the leak does not enter the Board's wastewater system, the customer's sewer bill is reduced to the customer's average sewer bill for the previous 12 months. TAUD recommends no change to the current leak adjustment policy.

Lincoln County Board of Public Utilities - Test Year

	<u>Last 2 Year Average</u>	<u>Test Year For FY 21-22</u>	<u>Explanation</u>
Operating Revenues:			
Sales, net of bad debts	5,750,292	5,732,864	Calculated from Usage Reports
Penalties, Service Charges, Other	247,351	249,225	Based on 2 year average
Connection Fees	<u>152,569</u>	<u>97,800</u>	Based on 2 year average
Total Operating Revenue	<u>6,150,212</u>	<u>6,079,889</u>	
Operating Expenses:			
Salaries & Wages	1,187,172	1,187,172	Based on 2 year average
Employee Taxes & Benefits	295,426	295,426	Based on 2 year average
Water Purchases	502,940	502,940	Based on 2 year average
Plant Repair & Maintenance	270,805	226,684	Based on 2 year average - payments to FPU
Utilities	313,431	313,431	Based on 2 year average
Vehicle & Equipment	91,375	91,375	Based on 2 year average
Connection Materials	24,487	24,487	Based on 2 year average
Insurance	121,815	121,815	Based on 2 year average
Professional Fees	33,666	33,666	Based on 2 year average
Chemicals & Testing	61,359	61,359	Based on 2 year average
Office Supplies	52,381	52,381	Based on 2 year average
Postage	49,338	49,338	Based on 2 year average
Telephone	32,871	32,871	Based on 2 year average
Advertising	1,940	1,940	Based on 2 year average
Miscellaneous	111,816	111,816	Based on 2 year average
Depreciation	1,407,948	1,564,449	2021 Depreciation plus additions from 5 year plan
Payments to FPU	<u>-</u>	<u>27,179</u>	from calculations for projected payments
Total Operating Expenses	<u>4,558,766</u>	<u>4,698,325</u>	
Operating Income (Loss)	<u>1,591,446</u>	<u>1,381,564</u>	

Nonoperating Revenues (Expenses)			
Interest Income	28,514	28,514	Based on 2 year average
Tap Fees in Excess of Costs	68,572	68,572	Based on 2 year average
Gain on Sale of Equipment	28,673	-	N/A - this varies from year to year
Insurance Recoveries	4,134	-	N/A - this varies from year to year
Interest Expense	<u>(183,843)</u>	<u>(194,241)</u>	From Amortization Schedule
Total Nonoperating Revenues (Expenses)	<u>(53,951)</u>	<u>(97,156)</u>	
Change in Net Position before Contributed Capital & Grants	1,537,495	1,284,408	
Transfers In	-	-	
Contributed Capital & Grants	<u>55,338</u>	<u>-</u>	
Change in Net Position	<u><u>1,592,833</u></u>	<u><u>1,284,408</u></u>	

Note: Budget not available

Lincoln County Board of Public Utilities- Projected Statements of Revenues and Expenses and Changes in Net Position

	Projected 6/30/2022	Projected 6/30/2023	Projected 6/30/2024	Projected 6/20/2025	Projected 6/20/2026
Operating Revenues:					
Sales, net of bad debts	5,732,864	5,732,864	5,732,864	5,732,864	5,732,864
Sales from 1.75% growth per year	-	100,325	100,325	100,325	100,325
Penalties, Service Charges, Other	249,225	249,225	249,225	249,225	249,225
Connection Fees	97,800	97,800	97,800	97,800	97,800
Total Operating Revenue	6,079,889	6,180,214	6,180,214	6,180,214	6,180,214
Operating Expenses:					
Salaries & Wages	1,187,172	1,210,915	1,235,133	1,259,836	1,285,033
Employee Taxes & Benefits	295,426	301,335	307,361	313,508	319,779
Water Purchases	502,940	512,998	523,258	533,723	544,398
Plant Repair & Maintenance	226,684	231,217	235,842	240,558	245,370
Utilities	313,431	319,700	326,094	332,615	339,268
Vehicle & Equipment	91,375	93,203	95,067	96,968	98,907
Connection Materials	24,487	24,977	25,476	25,986	26,506
Insurance	121,815	124,251	126,736	129,271	131,856
Professional Fees	33,666	34,339	35,026	35,727	36,441
Chemicals & Testing	61,359	62,586	63,837	65,114	66,416
Office Supplies	52,381	53,428	54,497	55,587	56,698
Postage	49,338	50,324	51,331	52,357	53,404
Telephone	32,871	33,528	34,199	34,883	35,581
Advertising	1,940	1,978	2,018	2,058	2,099
Miscellaneous	111,816	114,052	116,333	118,660	121,033
Depreciation	1,564,449	1,604,449	1,681,854	1,810,854	1,810,854
Risk & Resilience Plan	-	15,900	-	-	-
Emergency Response Plan	-	10,600	-	-	-
Payments to FPU	27,179	37,496	47,497	57,180	66,546
	-	-	-	-	-
Total Operating Expenses	4,698,325	4,837,276	4,961,559	5,164,886	5,240,189
Operating Income (Loss)	1,381,564	1,342,938	1,218,655	1,015,328	940,025
Nonoperating Revenues (Expenses)					
Interest Income	28,514	49,238	49,238	49,238	49,238
Tap Fees in Excess of Costs	68,572	85,291	85,291	85,291	85,291
Interest Expense	(194,241)	(181,509)	(168,365)	(154,797)	(140,617)
Total Nonoperating Revenues (Expenses)	(97,156)	(46,980)	(33,836)	(20,268)	(6,088)
Change in Net Position before Suggested Rate Increase	1,284,408	1,295,958	1,184,819	995,060	933,937
Revenue from Suggested Rate Increase	N/A	N/A	N/A	N/A	N/A
Change in Net Position	1,284,408	1,295,958	1,184,819	995,060	933,937

Lincoln County Board of Public Utilities
Five Year Capital Asset Plan

	<u>Estimated Cost</u>					
	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2024</u>	<u>6/30/2025</u>	<u>6/30/2026</u>
2 4 x 4 Trucks	55,826					
Backhoe	110,000					
20 ft 20-ton Backhoe Trailer	28,877					
500 gallon Vacuum Unit	33,134					
12" Water Main Upgrade - Phase II	78,106					
Belleville Pump Station Upgrade		95,000				
Pump Station - Gunter Hollow Rd		200,000				
Pump Station - to Hot Rock Tank		200,000				
2 Full Size Trucks		60,000				
8 SCADA Meters		120,000				
Raise & Rehab Crystal Springs Water Tank		500,000				
5 Acre - Airport Road		150,000				
1MG Concrete Ground Storage Tank			1,200,000			
Dump Truck				155,000		
Crew Cab Truck w/ 9" utility bed				60,000		
2 Pump Stations				400,000		
Generators - Flintville WTP				400,000		
John Deer 410 Backhoe					115,000	
20 ft 20-ton Backhoe Trailer					30,000	
8 Generators Taft WTP					500,000	
Well - Elora WTP					50,000	
Steel Building - Airport Rd					100,000	
Water Line - Blanche Rd w/ Hwy 110					350,000	
WTP & Raw Intake - Old Molino Rd						7,000,000
WTP & Raw Intake - Old Molino Rd						5,000,000
Total	305,943	1,325,000	1,200,000	1,015,000	1,145,000	12,000,000
Cumulative Depreciation	28,158	93,896	133,896	211,301	340,301	340,301

Total Capital Outlay & Depreciation

	334,101	1,418,896	1,333,896	1,226,301	1,485,301	12,340,301
Source of Funds						
Loans	-	-	-	-	-	12,000,000
Grants	-	-	-	-	-	-
Cash	305,943	1,325,000	1,200,000	1,015,000	1,145,000	-
Total Funding Sources	305,943	1,325,000	1,200,000	1,015,000	1,145,000	12,000,000

(no depreciation until 2027)

Lincoln County Board of Public Utilities - Projected Cash Balance Schedule

	Projected <u>6/30/2022</u>	Projected <u>6/30/2023</u>	Projected <u>6/30/2024</u>	Projected <u>6/30/2025</u>	Projected <u>6/30/2026</u>
Beginning Balance	8,115,996	9,150,794	10,350,209	11,688,947	12,819,957
Sources of Funds					
Sales, net of bad debts	5,732,864	5,833,189	5,833,189	5,833,189	5,833,189
Penalties, Service Charges	249,225	249,225	249,225	249,225	249,225
Connection Fees	97,800	97,800	97,800	97,800	97,800
Interest Revenue	28,514	49,238	49,238	49,238	49,238
Tap Fees in Excess of Costs	68,572	85,291	85,291	85,291	85,291
SRF Loan	-	-	-	-	12,000,000
Total Sources of Funds	6,176,975	6,314,743	6,314,743	6,314,743	18,314,743
Uses of Funds					
Operating Expenses	4,698,325	4,837,276	4,961,559	5,164,886	5,240,189
Depreciation	(1,564,449)	(1,604,449)	(1,681,854)	(1,810,854)	(1,810,854)
Debt Service - Principal	489,060	500,992	512,936	529,904	541,884
Debt Service - Interest	194,241	181,509	168,365	154,797	140,617
Capital Outlay	1,325,000	1,200,000	1,015,000	1,145,000	12,000,000
Total Uses of Funds	5,142,177	5,115,328	4,976,006	5,183,733	16,111,836
Ending Balance	9,150,794	10,350,209	11,688,947	12,819,957	15,022,864

NOTE: This synopsis from beginning funds to ending funds does not include accounts receivable, accounts payable, fixed asset or any other adjustments made to the balance sheet. This is a "cash basis" summary.

LINCOLN COUNTY BOARD OF PUBLIC UTILITIES

Fixed Assets Policy

Purpose:

To define guidelines for the capitalization of purchases of land, buildings, land improvements, pipes, infrastructure, equipment and other materials.

Policy Statement:

Fixed assets consist of all capitalized assets with an estimated useful life of at least one year and cost \$2,000 or more.

Procedure:

Land includes all real property owned by the *Lincoln County Board of Public Utilities*, purchased or donated, and used, rented, or held for investment.

Buildings include all buildings owned by the *LCBPU*, either purchased or donated, and any building improvements costing *\$10,000* or more.

Land Improvements include all improvements to land owned by the *LCBPU*, costing more than \$10,000. Land improvements include all cost necessary to prepare the land for use such as grading, blasting and clearing.

Infrastructure includes all items of utility systems improvements owned by the *LCBPU*, costing more than \$5,000. Infrastructure items include utilities including, sewer systems and water system

Equipment is defined as any movable property i.e., machinery, vehicles, computers and furniture costing at least \$2,000 that is not a replacement part. Component items that form one working equipment system are combined for capitalization purposes. The "system" definition applies to computer configurations, electronic & laboratory equipment and other portable equipment. Additions to equipment that become either component parts or permanently connected to existing equipment items are also defined as equipment and should be capitalized, regardless of cost. The cost of repairs should be capitalized if such repairs "significantly extend the life of the asset".

Equipment Inventory

All equipment being *LCBPU* property must be inventoried annually according to the utilities policy. Department heads are responsible for conducting an inventory of all taggable equipment regardless of acquisition method (purchase, transfer, and donation). The individual conducting the physical inventory should identify items that are missing or were sold, traded-in, discarded, or transferred to other departments.

LINCOLN COUNTY BOARD OF PUBLIC UTILITIES

Fixed Assets Policy (cont.)

Depreciation

All fixed assets will be depreciated at cost on a straight-line basis using estimated useful lives as follows:

<i>Buildings, pipes</i>	<i>40-50 years</i>
<i>Land improvements</i>	<i>20-50 years</i>
<i>Infrastructure</i>	<i>20-50 years</i>
<i>Equipment</i>	<i>5-10 years</i>
<i>Vehicles</i>	<i>5-10 years</i>

The *LCBPU* does not capitalize items that are valued at less than **\$2,000**. However, these items will be accounted for stewardship purposes. This inventory shall include such "sensitive items," such as cellular phones, laptop computers and other items that are especially susceptible to theft.

Assets that are to be surpluses or disposed of will be accounted for in accordance with the *Utility's Surplus Property Disposal Policy*.

Exhibit 6**RESOLUTION NO. 2022-_____**

WHEREAS, the Lincoln County Board of Public Utilities (the Board) desires to formally adopt the new capitalization policy to establish appropriate capitalization thresholds and service lives for its water and wastewater system assets which are consistent with the directives of the Water and Wastewater Financing Board for municipal and county water and sewer systems.

NOW, THEREFORE, BE IT RESOLVED by the Lincoln County Board of Public Utilities that it adopt the following capitalization policy:

(a) **Capitalization Thresholds.** Board assets with an estimated useful life of at least two years will be capitalized when the cost of the asset is \$5,000 or more. Land and Construction in Progress are capitalized but not depreciated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

(b) **Asset Cost Basis.** Capital assets shall be recorded at historical cost when the cost is reasonably determinable. If historical cost data is not determinable, an estimated historical cost will be used.

- (1) Actual Cost – This cost will include the purchase or construction cost (which can be obtained through invoice, purchase order, and paid check files) and charges necessary to place the asset into service at its intended location. Such necessary costs may include costs such as freight and transportation, site preparation expenditures, interest costs, professional fees, and legal claims directly attributable to asset acquisition.
- (2) Estimated Cost – This cost will be based on as much documentary evidence as can be found to support the cost, such as interviews with vendors selling such assets engineers, or other personnel and price level adjustments based on the Consumer Price Index for each asset.
- (3) Donated Cost – These assets will be based on their estimated fair market value at time of acquisition. A determination as to the fair market value basis will be included with property records.
- (4) Interest on Debt Issued – Interest on debt issued for the construction of an asset will be capitalized as part of the asset's cost to the extent of the interest that was incurred during the construction period only.

(c) **Depreciation.**

- (1) Depreciation is a method for allocating the cost of capital assets over their useful lives. Generally accepted accounting principles dictate that the value of the capital asset must be written off as an expense over the useful life of the asset.
- (2) Annual depreciation expense will be calculated using the straight-line method.

(3) When the asset is disposed of, the actual date of disposal is disregarded, and the disposal date is the end of the month prior to the month of disposal (i.e. no depreciation is taken for the month of disposal).

(4) The salvage value of an asset is an estimate made by management of what the value of an asset will be at the end of its useful life. If the Board intends to utilize a capital asset until it is literally worthless, a salvage value of zero (0) will be assigned.

(d) **Useful Lives of Capital Assets**

<u>Asset Type</u>	<u>Useful Life in Years</u>
Land and Easements	No depreciation
Water System:	
Buildings (Office and Plant)	20-50
Equipment and Tools	3-10
Furniture and Fixtures	3-10
Machinery, Equipment and Service Vehicles	3-10
Pumps and Treatment Equipment	3-10
Transportation Equipment	3-10
Water Lines and Storage	20-50
Well / Dam	Engineer's Estimate

Sewer System:

Buildings (Office and Plant)	20-50
Equipment and Tools	3-10
Furniture and Fixtures	3-10
Machinery, Equipment and Service Vehicles	3-10
Pumps and Treatment Equipment	3-10
Transportation Equipment	3-10
Wastewater (Sewer) System	20-50

Adopted this ____ day of _____ 2022.

Chairman

Cost of Tap Installation

Name of Utility Lincoln County Board of Public Utilities

Prepared By: Chris Merz Title : Superintendent

Date Prepared: 4/14/2021

Type of Tap Water Tap - 3/4 " Tap

Quantity	Itemized Description	Cost	Total Cost
1	Water Meter @	\$166.30 each	\$166.30
1	Meter Box @	\$30.95 each	\$30.95
1	Meter setter/Check Valve @	\$30.00 each	\$30.00
1	Corporation Stop @	\$30.59 each	\$30.59
40	Feet of Service Line @	\$0.90 per foot	\$36.00
46	Feet of Location Wire/Tape @	\$0.09 per foot	\$4.00
1	connection meter fitting @	\$37.43 each	\$37.43
1	Saddle @	\$41.25 each	\$41.25
0	Air Compressors @	\$0.00 each	\$0.00
0	Valve or Valve Parts @	\$0.00 each	\$0.00
6	Backhoe Hours @	\$36.00 per hour	\$216.00
0	Boring @	\$0.00 per foot	\$0.00
24	Truck and Trailer Hours @	\$0.60 per mile	\$14.40
0.5	Locate Cost @	\$34.00 per hour	\$17.00
0	Miscellaneous	\$0.00	\$0.00
1	Seed Straw@	\$35.00	\$35.00
1	1000 Gallons Flushing @	\$5.46 per 1000	\$5.46
1	Administrative Hours @	\$38.00 per hour	\$38.00
	Final clean -up/&inspection	\$35.00	\$35.00
	Installation Labor for <u>3 men x 5 hours @</u>	\$33.00 per hour	\$495.00
	Overhead <u>included</u>		\$0.00
	Total		\$1,232.38

Cost of Tap Installation

Name of Utility Lincoln County Board of Public Utilities

Prepared By: Chris Merz Title : Superintendednt

Date Prepared: 4/14/2021

Type of Tap Water Tap - 1 " Tap

<i>Quantity</i>	<i>Itemized Description</i>	<i>Cost</i>	<i>Total Cost</i>
1	Water Meter @	\$234.45 each	\$234.45
1	Meter Box @	\$30.95 each	\$30.95
1	Meter setter/Check Valve @	\$39.41 each	\$39.41
1	Corporation Stop @	\$47.91 each	\$47.91
40	Feet of Service Line @	\$1.18 per foot	\$47.20
46	Feet of Location Wire/Tape @	\$0.09 per foot	\$4.14
1	connection meter fitting @	\$78.00 each	\$78.00
1	Saddle @	\$43.00 each	\$43.00
0	Air Compressors @	\$0.00 each	\$0.00
0	Valve or Valve Parts @	\$0.00 each	\$0.00
6	Backhoe Hours @	\$36.00 per hour	\$216.00
0	Boring @	\$0.00 per foot	\$0.00
6	Truck and Trailer Hours @	\$35.00 per hour	\$210.00
0.5	Locate Cost @	\$34.00 per hour	\$17.00
0	Miscellaneous	\$0.00	\$0.00
1	Seed Straw@	\$35.00	\$35.00
1	1000 Gallons Flushing @	\$5.46 per 1000	\$5.46
1	Administrative Hours @	\$38.00 per hour	\$38.00
	Final clean -up/&inspection	\$35.00	\$35.00
	Installation Labor for <u>3 men x 5 hours @</u>	\$33.00 per hour	\$495.00
	Overhead <u>Included</u>		\$0.00
	Total		\$1,576.52

Cost of Tap Installation

Name of Utility Lincoln County Board of Public Utilities

Prepared By: Chris Merz Title : Superintendent

Date Prepared: 4/14/2021

Type of Tap Sewer Tap - 1 1/2 " Tap

Quantity	Itemized Description	Cost	Total Cost
MATERIALS			
0	Tap into main @	\$0.00 each	\$0.00
40	Feet of Service Line @	\$1.10 per foot	\$44.00
46	Feet of Location Wire/Tape @	\$0.09 per foot	\$4.14
1	connection sewer main fitting @	\$75.00 each	\$75.00
1	Saddle @	\$65.00 each	\$65.00
0	Air Compressors @	\$0.00 each	\$0.00
1	Valve or Valve Parts (if used) @	\$35.00 each	\$35.00
6	Backhoe Hours @	\$36.00 per hour	\$216.00
0	Boring @	\$0.00 per foot	\$0.00
6	Truck and Trailer Hours @	\$35.00 per hour	\$210.00
1	Locate Cost @	\$34.00 per hour	\$34.00
1	Seed Straw@	\$35.00 per hour	\$35.00
1	Administrative Hours @	\$38.00 per hour	\$38.00
0	Clean out at customer connection point @	\$0.00 each	\$0.00
1	Cavel in protection if over 5' deep	\$50.00 each	\$50.00
1	Jumbo Valve Box	\$208.00	\$208.00
0		\$0.00	\$0.00
0	Miscellaneous	\$0.00	\$0.00
	Final clean -up/&inspection	\$35.00 per hour	\$35.00
	Installation Labor for <u>3 men x 6 hours @</u>	\$33.00 per hour	\$594.00
	Overhead <u>Included</u>	each	\$0.00
	Total	per hour	\$1,643.14

3: Labor can vary significantly depending on soil conditions (rock) and depth of main line.

Cost of Tap Installation

Name of Utility Lincoln County Board of Public Utilities

Prepared By: Chris Merz Title : Superintendent

Date Prepared: 4/14/2021

Type of Tap **Sewer Tap - 6" Tap**

Quantity	Itemized Description	Cost	Total Cost
MATERIALS			
1	Tap into main @	\$500.00 each	\$500.00
20	Feet of Service Line @	\$6.00 per foot	\$120.00
0	Feet of Location Wire/Tape @	\$0.00 per foot	\$0.00
0	connection sewer main fitting @	\$0.00 each	\$0.00
0	Saddle @	\$0.00 each	\$0.00
0	Air Compressors @	\$0.00 each	\$0.00
0	Valve or Valve Parts (if used) @	\$0.00 each	\$0.00
6	Backhoe Hours @	\$36.00 per hour	\$216.00
0	Boring @	\$0.00 per foot	\$0.00
6	Truck and Trailer Hours @	\$35.00 per hour	\$210.00
0.5	Locate Cost @	\$34.00 per hour	\$17.00
1	Seed Straw@	\$35.00 per hour	\$35.00
1	Administrative Hours @	\$38.00 per hour	\$38.00
1	Clean out at customer connection point @	\$75.00 each	\$75.00
1	Cavel in protection if over 5' deep	\$50.00 each	\$50.00
0	Miscellaneous	\$0.00	\$0.00
	Final clean -up/&inspection	\$35.00 per hour	\$35.00
	Installation Labor for <u>3 men x 6 hours @</u>	\$33.00 per hour	\$594.00
	Overhead Included	each	\$0.00
	Total	per hour	\$1,890.00

x: Labor can vary significantly depending on soil conditions (rock) and depth of main line.



Jason E. Mumpower
Comptroller

Entity Referred: **Town of Tellico Plains**

Referral Reason: **Decrease In Net Position**

Utility Type Referred: **Water And Sewer**

Staff Summary:

The Town of Tellico Plains ("the Entity") has been referred to the Water and Wastewater Financing Board ("the Board") for financial distress since its fiscal year 2018 audit. The Entity has complied with prior directives of the Board. The Entity has shown progress in correcting their financial distress, and Board staff believes the Entity should be required to submit biannual financial updates to the Board. These updates will consist of changes in fund balance, changes in revenues, pro-forma statements of revenues, expenses, and changes in net position, or other financial documents that indicate the Entity's financial distress is being remedied.

Staff Recommendation:

The Board should order the following:

1. The Entity shall send financial updates to Board staff by March 1st and September 1st of each year beginning September 1, 2022, until the Board releases the Entity from its oversight.

ENTERED this 27th day of September, 2021.

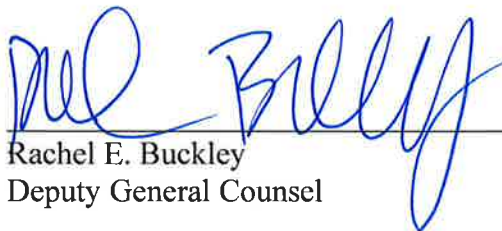


BETSY KNOTTS, Chair
Water and Wastewater Financing Board

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served via certified mail return receipt requested and U.S. mail to the following on this 27th day of September, 2021:

Mayor Marilyn Parker
Ms. Debra Burris, City Clerk
405 Veterans Memorial Dr.
Tellico Plains, TN 37385



Rachel E. Buckley
Deputy General Counsel

UTILITY RATES AS OF JULY 01, 2021

WATER RATES

	INSIDE TOWN	OUTSIDE TOWN	COMMERCIAL
First 1,000 gallons each month	\$13.00	\$13.00 minimum	\$17.00 minimum
All over 1,000 gallons each month	\$ 4.50	\$ 4.50 per 1000	\$ 4.75 per 1000

SEWER RATES

	INSIDE TOWN	COMMERCIAL
First 1,000 gallons each month	\$13.00	\$17.00 minimum
All over 1,000 gallons each month	\$ 4.50	\$ 4.75 per 1,000

GARBAGE COLLECTIONS

Age 62 and over	\$ 8.81
Residential	\$13.65
Commercial	\$19.87
Schools	\$75.00

UTILITY RATES AS OF MARCH 05, 2020

WATER RATES

	INSIDE TOWN	OUTSIDE TOWN	COMMERCIAL
First 1,000 gallons each month	\$9.00	\$14.00 minimum	\$16.00 minimum
All over 1,000 gallons each month	\$3.00	\$4.00 per 1000 gal	\$ 4.00 per 1000 gal.

SEWER RATES

	INSIDE TOWN	COMMERCIAL
First 1,000 gallons each month	\$9.00	\$16.00 minimum
All over 1,000 gallons each month	\$3.00	\$ 4.00 per 1,000 gal.

GARBAGE COLLECTIONS

Age 62 and over	\$ 8.81
Residential	\$13.65
Commercial	\$19.87
Schools	\$75.00

ADJUSTMENT POLICY – 07/01/21

The customer is responsible for paying all metered water usage at their service address and paying all sewer charges based on metered water usage (if applicable). Customers are responsible for keeping their plumbing repaired and in good working order.

To qualify for a leak adjustment, the following conditions must be met:

- Water loss from a leak must result in a monthly bill which is at least 1 ½ times more than the average monthly bill for the past 12 months. If there is not 12 months of service, the average will be based upon the months customer has actually received service at the service address where leak occurred
- The customer must locate and timely repair the water leak which must be verified by the Town. Methods to verify repair can include either written statement from a plumber or a copy of an invoice for materials used to repair leak. A Town employee has to verify with the leak report received each month that the leak has been repaired.
- Customer must submit a leak adjustment request form to the Town office which can be obtained by contacting the office
- The leak must have been concealed and not readily detectable such as a leak in an underground water service line between the meter and the exterior of a building, within walls or under floors of a building.

No adjustment will be made for leaks which are readily detectable by the customer. These include the following:

- Leaking faucets and toilets
- Faucets, hoses and other water outlets left running, intentional or otherwise
- Leaks from frozen pipes
- Water used for filling pools, washing cars, or watering lawns and/or gardens
- Leaks from swimming pool systems or irrigation systems

If the Town determines the water from a qualifying leak did NOT enter the Town's sewer system (if applicable), the Town will adjust the customer's high sewer bill to the customer's average sewer bill.

If a high sewer bill is caused by a water leak which does NOT qualify for a water leak adjustment, and the Town determines the water from the non-qualifying leak did NOT enter the Town's sewer system, the Town will adjust the customer's high sewer bill to the customer's average bill.

In hardship cases, the Town's Mayor and Board of Aldermen may approve monthly installment payments for the adjusted bill not to exceed 12 consecutive monthly installments.

CUT OFF POLICY (10-07-21)

NO REMINDERS WILL BE SENT

BILLS ARE DUE ON THE 15TH OF EACH MONTH

BILLS UNPAID BY THE 15TH WILL HAVE A PENALTY

AFTER THE 25TH, SERVICES WILL BE DISCONNECTED

TO HAVE SERVICES REINSTATED, BALANCE WILL NEED TO BE PAID ALONG WITH A \$35 RECONNECTION FEE.

WE HAVE SEVERAL WAYS TO PAY YOUR BILL:

- BANK DRAFT - NO CHARGE TO YOU – VERY EASY AND CONVENIENT – NEVER WORRY ABOUT LATE FEES AGAIN!
- ONLINE - [HTTPS://TOWNOFTELLICOPLAINS.QPAYBILL.COM](https://townoftellicoplains.qpaybill.com)
- PAY BY PHONE: (833) 686-0612
- PAY AT OUR OFFICE - WE ACCEPT CASH OR CHECK
- PAY AT PEOPLES BANK OR VOLUNTEER FEDERAL (IF BILL IS LATE, THEY WILL NOT ACCEPT YOUR PAYMENT)

Exhibit 6

RESOLUTION NO. 2021-

060321

A RESOLUTION TO ESTABLISH CAPITALIZATION THRESHOLDS FOR ASSETS TO BE RECORDED AS CAPITAL ASSETS IN THE CITY'S FINANCIAL STATEMENTS

WHEREAS, the Town of Tellico Plains, Tennessee (the Town) desires to formally adopt the capitalization thresholds at which its assets have historically been capitalized and recorded as capital assets in the City's financial statements; and

WHEREAS, the City desires to establish appropriate capitalization thresholds and service lives for its water system assets which are consistent with the directives of the Water and Wastewater Financing Board for municipal water and sewer systems.

NOW, THEREFORE, BE IT RESOLVED by the Board of Mayor and Commissioners that:

(a) **Capitalization Thresholds.** City assets with an estimated useful life of two years will be capitalized when the cost of the asset is \$1,000 or greater. Land and Construction in Progress are capitalized but not depreciated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

(b) **Asset Cost Basis.** Capital assets shall be recorded at historical cost when the cost is reasonably determinable. If historical cost data is not determinable, an estimated historical cost will be used.

(1) Actual Cost – This cost will include the purchase or construction cost (which can be obtained through invoice, purchase order, and paid check files) and charges necessary to place the asset into service at its intended location. Such necessary costs may include costs such as freight and transportation, site preparation expenditures, interest costs, professional fees, and legal claims directly attributable to asset acquisition.

(2) Estimated Cost – This cost will be based on as much documentary evidence as can be found to support the cost, such as interviews with vendors selling such assets engineers, or other personnel and price level adjustments based on the Consumer Price Index for each asset.

(3) Donated Cost – These assets will be based on their estimated fair market value at time of acquisition. A determination as to the fair market value basis will be included with property records.

(4) Interest on Debt Issued – Interest on debt issued for the construction of an asset will be capitalized as part of the asset's cost to the extent of the interest that was incurred during the construction period only.

(c) **Depreciation.**

- (1) Depreciation is a method for allocating the cost of capital assets over their useful lives. Generally accepted accounting principles dictate that the value of the capital asset must be written off as an expense over the useful life of the asset.
- (2) Annual depreciation expense will be calculated using the straight-line method.
- (3) When the asset is disposed of, the actual date of disposal is disregarded, and the disposal date is the end of the month prior to the month of disposal (i.e. no depreciation is taken for the month of disposal).
- (4) The salvage value of an asset is an estimate made by management of what the value of an asset will be at the end of its useful life. If the City intends to utilize a capital asset until it is literally worthless, a salvage value of zero (0) will be assigned.

(d) Useful Lives of Capital Assets

<u>Asset Type</u>	<u>Useful Life in Years</u>
Land and Easements	No depreciation
Buildings and improvements (other than water and sewer)	15-40
Land improvements	30
Machinery and equipment (other than water and sewer)	5-20
Vehicles	5-10
Furniture and fixtures	5-10
Streets	10-100
Water System:	
Buildings (Office and Plant)	20-50
Equipment and Tools	3-10
Furniture and Fixtures	3-10
Machinery, Equipment and Service Vehicles	3-10
Pumps and Treatment Equipment	3-10
Transportation Equipment	3-10
Water Lines and Storage	20-50
Well / Dam	Engineer's Estimate

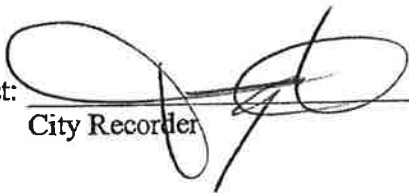
Sewer System:

Buildings (Office and Plant)	20-50
Equipment and Tools	3-10
Furniture and Fixtures	3-10
Machinery, Equipment and Service Vehicles	3-10
Pumps and Treatment Equipment	3-10
Transportation Equipment	3-10
Wastewater (Sewer) System	20-50

Adopted this 06 day of 03, 2021.



Mayor

Attest: 

City Recorder

060321
Ordinance No. #####

An Ordinance Authorizing Leak Adjustments for Water and Sewer Customers of the Town of Tellico Plains, Tennessee

Whereas, the Town Council desires to have a fair, consistent and equitable procedure to adjust high water and sewer bills caused by leak on the customer's side of the Town's water meter.

Be It Ordained by Town Council of the Town of Tellico Plains, Tennessee, that the following policy be adopted for the adjustment of high water and sewer bills caused by a leak on the customer's side of the meter as a new Section _____ to the Tellico Plains Municipal Code.

_____. Leak Adjustments

- (1) The customer is responsible for paying for all metered water usage at the customer's service address and for paying all sewer charges based upon metered water usage. Customers are responsible for keeping their plumbing repaired and in good working order.
- (2) To qualify for a leak adjustment, the following conditions must be met.
 - (a) Water loss from a leak must result in a monthly water bill which is at least one and half times more than the customer's average monthly water bill for the previous 12 months. The month in which the leak occurred shall be excluded. When a customer does not have 12 months of water usage history, the customer's average monthly water bill will be based upon the customer's average water bill for the number of full months the customer has actually received water service at the service address.
 - (b) The customer must locate and timely repair the water leak which must be verified by the Town. The repair may be verified one of the following methods.
 - (i) The customer must present the City with an affidavit or written statement from a plumber that the leak has been located and repaired.
 - (ii) The customer provides a copy of an invoice for the materials used to fix the leak and verifies that the customer fixed the leak.
 - (iii) A Town employee is able to verify that the customer was able to repair the leak.
 - (c) A leak must be repaired within 30 days of the due date of the bill which shows the customer has a water leak. When a customer is notified of a leak by the Town, the leak must be repaired within 30 days of receiving such notice. The customer must submit a leak adjustment request form to the Town office which form can be obtained by calling the Town's office.

(d) When the customer has a chronic leak, the Town may require the replacement of the customer's service line before a leak adjustment is made.

(e) The leak must have been concealed and not readily detectable by a reasonable person such as a leak in an underground water service line between the meter and the exterior of a building or within walls or under the floors of a building.

(f) No leak adjustment will be made for leaks which are readily detectable by the customer. These include the following:

- i. Leaking faucets and toilets;
- ii. Faucets, hoses and other water outlets left running;
- iii. Leaks from frozen pipes;
- iv. Water used for filling swimming pools, washing cars and irrigating lawns gardens; or
- v. Leaks from swimming pool systems and from irrigation systems.

(g) Only one bill will be adjusted for a qualifying leak in any consecutive twelve-month period. The leak adjustment will only be made in the billing cycle in which the leak is repaired.

(4) The leak adjustment for the water bill will be calculated as follows:

STEP 1: Determine the customer's average monthly water usage from the customer's 12 preceding monthly bills, excluding the month in which the leak occurred. When a customer does not have 12 months of water usage history, the customer's average monthly water bill will be based upon the customer's average water bill for the number of full months the customer has actually received water service at the service address.

STEP 2: Subtract the customer's average monthly water usage from STEP 1 from the total water usage included in the high bill being adjusted to establish the amount of the overage gallons.

STEP 3: Divide the overage gallons by two to determine the amount of gallons to be used to make the leak adjustment to the bill.

STEP 4: The adjusted water billing amount will include the average monthly bill plus the adjustment from STEP 3, plus sales tax and any other charges that may apply.

Example: The customer's water usage on the high bill being adjusted is 20,000 gallons. The customer's average monthly water usage is 4,000 gallons. The leak adjustment is computed as follows:

Water usage included in high bill	20,000
Average monthly water usage	<u>-4,000</u>
Overage gallons	16,000

$(16,000)/2 = 8,000$ – Overage gallons used to make water bill adjustment

$(8,000)(\$3.00 \text{ per } 1,000 \text{ gallons}) = \24.00 - Adjusted bill amount of gallons above average monthly water usage

(5) When the Town determines that the water from the qualifying leak did not enter the Town's sewer system, the Town will adjust the customer's high sewer bill to the customer's average sewer bill using the customer's average monthly water usage as defined in section 4.

(6) When a high sewer bill is caused by a water leak which does not qualify for a water leak adjustment under section (2) and the Town determines the water from the non-qualifying leak did not enter the Town's sewer system, the Town will adjust the customer's high sewer bill to the customer's average sewer bill using the customer's average monthly water usage as defined in section 4.

(7) In hardship cases the Town's Mayor and Board of Aldermen may approve monthly installment payments for the adjusted bill not to exceed twelve (12) consecutive monthly installments.

Marilyn Paul

- Mayor

First Reading

6-3-21

Attest:

[Signature]
City Recorder

Second Reading

6-28-21

MEETING OF TOWN OF TELlico PLAINS

Thursday, June 3, 2021

The Tellico Plains City Alderman convened for a public hearing and regular business meeting on June 3, 2021.

The meeting was called to order at 7:02pm, by Mayor Marilyn Parker. Prayer & Pledge of Allegiance to the American Flag followed.

Present: Mayor Marilyn Parker, Alderman Robert Hamilton, Alderwoman Joyce McDaniel, City Recorder Jo Cagle, Alderwoman Cynthia McDaniel and Alderman Perry Brake. **Roll call was taken with all YEAS.**

Alderman Perry Brake spoke reminding everyone of the sign-up sheet for anyone wanting to speak to the board. Which allows them an allotted time to speak after the meeting.

City Recorder Jo Cagle read the previous minutes. A motion was made by Alderwoman Joyce McDaniel to accept the minutes as read. Motion was seconded by Alderman Robert Hamilton.

Motion passed with all YEAS. NAYS none.

Old Business:

Yard Sale:

Alderwoman Cynthia McDaniel felt like we should open up the time frame of the yard sale to Monday thru Saturdays. Concern was a question of overlapping parking on weekends. City Recorder Jo Cagle mentioned that in the past during ball tournaments they had informed the City if they were having an event and needed extra parking. Police Chief Jeb Brown said there would be options to inform the yard sale participants of events if need be. One was walk thru and inform them. He suggested that signs be made and put that it could be subject to closure for events. It was pointed out by the Board that the yard sale permit needed to be rewritten. Alderwoman Cynthia McDaniel made a motion to change the yard sale times to Monday thru Saturday, and that signage be in place at the yard sale location. Motion was seconded by Alderman Perry Brake. **Motion passed with all YEAS. NAYS none.**

NEW BUSINESS:

BJ Wall:

Mr. Wall brought up the signage on Scott Street for discussion and his opinion along with speaking on the behalf of several citizens. Mr. Wall discussed how the town had never had this in the past and was concerned. He felt that with the signs being in the middle of the road it caused issues, being hit and drivers stopping for no reason. He said the signs were resented and questioned the integrity of the town. The people were courteous. He gave a brief history of the town. He said there

was more traffic when it was the only road and that no one had ever been ran over. He also felt the signs were an insult to the town. Alderman Robert Hamilton that the signs had been put up to get the people to slow down and that this was better than speed bumps or one-way streets. Alderwoman Cynthia McDaniel pointed out that Sweetwater had the same signage in their town. Mayor Parker noted that we had to slow people down, meetings were made with the merchants, the town had met with MTAS, and the liability issues. City Recorder mentioned how the board had spent several months on this topic. Alderman Perry Brake mentioned that it was part of the traffic calming measures. Discussion continued. Alderwoman Cynthia McDaniel thanked BJ Wall for coming to the meeting and being a voice. BJ Wall said he understood the liability reasoning. Discussion ended.

Stokley Building:

Discussion of use of Stokley Building, Mayor Parker informed the board of four groups that were interested in using the building. THE GROUPS ARE Coon Hunters, Bear and Boar, Ruritan Club & Am Vets. The board noted that a schedule needed to be in place just as the Community Center Building. There was much discussion over usage of the building and clean up. The one and main thing noted was the building is to be used for community service and events. This was an agreement with Stokley when he deeded the property over. The board decided that they needed to look at everything before proceeding. Alderwoman Cynthia McDaniel made a motion to

table this item. Motion was seconded by Alderman Robert Hamilton. **Motion passed with all YEAS. NAYS none.**

Dean Donnaly – Veterans Memorial:

Mr. Donnaly discussed the Veterans Memorial. He would like to see upgrades and repairs done. Donnaly along with a committee (committee members are Harvey McDaniel, Dean Donnaly, Mike Atkins, Bill Withers & Larry Harris) purposed a plan to add a sidewalk in front of the gazebo along with a K-9 Memorial along with a watering trough. Donnaly purposed his plans, along with no cost to the city. There was much discussion by the board. Alderwoman Joyce McDaniel made a motion to table this item and allow the board to go downtown and look at the area. Alderwoman Cynthia McDaniel seconded the motion. **Motion passed with all YEAH. NAYS none.**

Beaty's Chapel Property:

Mayor Parker spoke about the property at Beaty's Chapel – landfill. A couple was interested in purchasing the property. Concern about the property being a landfill and how to go about selling this piece of property. Mayor Parker was still trying to come up with answers to proceed.

Repaving 5th Street:

Paving on 5th Street is not what was proposed in the contract and that it would be repaved to meet the contract.

Jeb Brown:

Police Chief Jeb Brown spoke and informed the board that the Chargers had been surplused. He informed the board he had found thru Nashville Surplus some vehicles at a good price. Looking at Explorers with a price range from \$10,000 to \$14,000.00. Tahoes ranged from \$16,000 to \$16,800. Discussion continued about the vehicles. Alderwoman Cynthia McDaniel made a motion to go ahead and purchase a Tahoe up to \$17,000. Or less. Alderwoman Joyce McDaniel seconded the motion. **Motion passed with all YEAS. NAYS none.**

TAUD REPORT:

Mayor Marilyn Parker reported that the TAUD report had come in. Floor was turned over to Robert Patty to discuss. Robert explained the report and findings. The comptroller had asked the town to do a rate study and TAUD was the only one allowed to use. TAUD provided a five-year plan. There were lots of findings and the report shows rate increases, leaks, along with aligning fees for everyone. Cynthia McDaniel pointed out that we had no choice we had to make the changes. The new policy will go into effect July 1, 2021.

The board looked at the **Resolution 060321**. A Resolution to adopt the new policy for the water system and the capitalization of thresholds. First Resolution exhibit 6. Motion was made by Alderwoman Cynthia McDaniel to accept as read. Alderman Perry Brake seconded the motion. **Motion passed with all YEAS. NAYS none.**

First reading of **Ordinance #060321 Exhibit 7**. Mayor Marilyn Parker read the Ordinance. City Recorder Jo Cagle made a motion to accept the policy as read. Alderwoman Cynthia McDaniel seconded the motion. **Motion passed with all YEAS. NAYS NONE.**

LEASE:

Robert Patty discussed the lease on the Trac Hoe and the need for a ditch witch. Patty also said he would like to purchase a hammer, along with a Skid Steer with attachments. These are leased equipment. Discussion continued. Alderman Robert Hamilton made a motion to lease both pieces of equipment along with attachments. Alderwoman Joyce McDaniel seconded the motion. **Motion passed with all YEAS. NAYS none.**

Discussion:

Mayor Parker discussed the July meeting, informing the board that there is usually no meeting in July. Mayor Parker expressed that there had to be a second reading on the Ordinance and that the board needed to look at the budget. A special called meeting will be planned to do this. The board agreed to not to have the July meeting and to meet in a special called meeting.

Discussion was brought up on late notices for the water bills, the board agreed to send out post cards noticing for late payments.

A motion was made by Alderwoman Cynthia McDaniel to adjourn. Seconded by Alderman Perry Brake. **Motion passed with all YEAS. NAYS none.**

Meeting adjourned at 9:19PM.

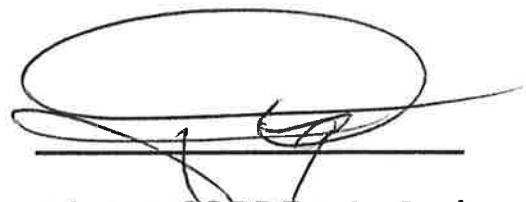
There was to speakers signed up to speak after the meeting.

Diane Murphy spoke about her ministry and the doors would be closing on June 30,2021. She will be selling her building and moving to Coker Creek to continue her ministry.

Cheryl Elliot, Thanked the police department for stopping and offering her rides when she was out. Very Thankful for the kindness and how the police patrolled.

A handwritten signature in black ink, appearing to read 'Marilyn Parker', written over a horizontal line.

MAYOR: Marilyn Parker

A handwritten signature in black ink, appearing to read 'Jo Cagle', written over a horizontal line.

CITY RECORDER: Jo Cagle

MEETING OF TOWN OF TELLICO PLAINS

Monday, June 28th, 2021

The Tellico Plains City Alderman convened for a special business meeting on June 28th, 2021, for review and first reading of the Town of Tellico Plains Proposed Budget for Fiscal Year 2022. Viewing and presenting of the Town of Tellico Plains Tax Rate of .4410. Second reading of Town of Tellico Plains Ordinance No. 060321.

Minutes were recorded by Alderwoman Cynthia McDaniel.

The meeting was called to order at 7:00pm, by Mayor Marilyn Parker.

Present: Mayor Marilyn Parker, Alderman Robert Hamilton, Alderwoman Joyce McDaniel, Alderman Perry Brake & Alderwoman Cynthia McDaniel.

Absent: Jo Cagle

The minutes from the previous meeting were read were not read.

Old Business:

Town of Tellico Plains Ordinance No. 060321

Second reading of Ordinance No. 060321 was read by Marilyn Parker. Motion was may by Alderwoman Joyce McDaniel. Perry Brake made the second motion. **Motion passed with all YEAS. NAYS none.**

NEW BUSINESS:

Town of Tellico Plains Annual Budget 2021-2022

Mayor Parker provided the Proposed Budget for Fiscal Year Ending 2022. A breakdown of Town of Tellico Plains employee's benefit package was reviewed in detail.

Motion was made by Cynthia McDaniel to increase the pay of employee's in the Police Department both hourly and salary. Streets Department increase for hourly employees. Administrative Staff increase for hourly employees. Water and Waste wages increased to the proposed hourly employees with an additional \$40.00 a week for Water and Waste Department On call staff carrying the City cell phone and answering calls 24/7 for the Water Department. A second was made by Alderwoman Joyce McDaniel. **Motion passed with the following:**

Cynthia McDaniel – Yea

Perry Brake – Yea

Joyce McDaniel – Yea

Robert Hamilton – Nay

Yeas Carried

DISCUSSION:

- Concerning job descriptions and professionalism understanding were needed for all departments.
- Accountability for time during employee work schedule while not working on specific work assignments.
- Second reading of Proposed Budget would allow for additional discussion.

Town of Tellico Plains Taxes:

Reading of Tax Rate for the Town of Tellico Plains. Tax Rate will remain .4410 without an increase from Fiscal Year ending 2021.

Motion was made by Robert Hamilton to approve the Town of Tellico Plains Tax Rate of .4410. Second was made by Alderwoman Cynthia McDaniel. **Motion passed with the following:**

Cynthia McDaniel – Yea

Perry Brake – Yea

Joyce McDaniel – Yea

Robert Hamilton – Yea

Yeas Carried

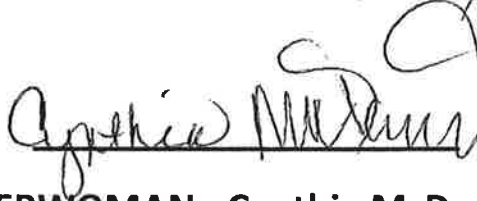
Meeting adjourned at 9:07 PM.

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MAYOR: Marilyn Parker

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CITY RECORDER: Jo Cagle

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ALDERWOMAN: Cynthia McDaniel

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Present: Mayor Marilyn Parker, Alderman Robert Hamilton, Alderwoman Joyce McDaniel, Alderman Perry Brake & Alderwoman Cynthia McDaniel.

Absent: Jo Cagle

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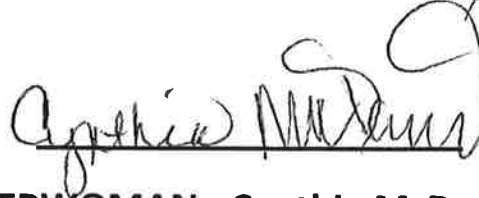
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CITY RECORDER: Jo Cagle

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ALDERWOMAN: Cynthia McDaniel



Jason E. Mumpower
Comptroller

Entity Referred: **Town of Trimble**
Referral Reason: **Decrease In Net Position**
Utility Type Referred: **Water And Sewer**

Staff Summary:

The Town of Trimble ("the Entity") has been referred to the Water and Wastewater Financing Board ("the Board") for financial distress since its fiscal year 2019 audit. The Entity has complied with prior directives of the Board. The Entity has shown progress in correcting their financial distress, and Board staff believes the Entity should be required to submit biannual financial updates to the Board. These updates will consist of changes in fund balance, changes in revenues, pro-forma statements of revenues, expenses, and changes in net position, or other financial documents that indicate the Entity's financial distress is being remedied.

Staff Recommendation:

The Board should order the following:

1. The Entity shall send financial updates to Board staff by March 1st and September 1st of each year beginning September 1, 2022, until the Board releases the Entity from its oversight.

BEFORE THE TENNESSEE WATER AND WASTEWATER FINANCING BOARD

IN THE MATTER OF:

TOWN OF TRIMBLE

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**TENN. CODE ANN. § 68-221-1010
-FINANCIAL DISTRESS**

ORDER

On September 16, 2021, the Tennessee Water and Wastewater Financing Board (“the Board”) reviewed the financially distressed status of the Town of Trimble (“the Town”) pursuant to Tenn. Code Ann. § 68-221-1010. Board staff informed the Board that the Town had contracted with the Tennessee Association of Utility Districts (“TAUD”) to complete the Board’s previous directives. TAUD later requested an extension to complete those directives, which Staff granted. However, due to unforeseen staffing issues, TAUD still needs more time. Because the delay has not been caused by any noncompliance by the Town, Staff recommends that the Board provide an extension, which should allow ample time for TAUD to finish the report and for the Town to begin implementing the resulting recommendations.

Therefore, based on Staff’s statements, recommendations, and all supporting documentation, the Board hereby orders that Paragraph 3 of its September 18, 2020 order is amended to the following:

By December 3, 2021, the Town shall provide Board staff with the completed rate study, and either proof of implementation of the resulting recommendations or a proposed plan of implementation.

ENTERED this 27th day of September, 2021.

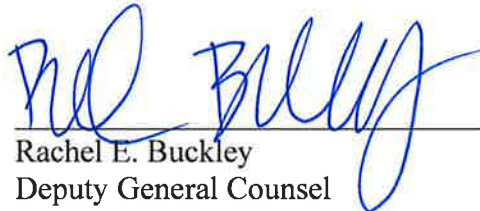


BETSY KNOTTS, Chair
Water and Wastewater Financing Board

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served via certified mail return receipt requested and U.S. mail to the following on this 27th day of September, 2021:

Mayor Christy Belonio
Mr. David Norsworthy, City Manager
P.O. Box 215
Trimble, TN 38259



Rachel E. Buckley
Deputy General Counsel



REPORT FOR TOWN OF TRIMBLE, TENNESSEE

WATER AND WASTEWATER FINANCING BOARD ORDER DATED SEPTEMBER 18, 2020

February 28, 2022

INTRODUCTION

Description of the Trimble Water System and Sewer System

The Town of Trimble, Tennessee (Town or Trimble) is located in Dyer and Obion Counties. The governing board of the Town's water and sewer system is its Mayor and Board of Aldermen. The Town gets its raw water supply from two wells and operates a water treatment plant with a design capacity of 1.5 MGD. The Town operates a wastewater treatment plant with an average design capacity of 0.2 MGD which discharges into the Obion River.

The Town was referred to the Water and Wastewater Financing Board (WWFB) upon the submission of its audit for its fiscal year ending June 30, 2019, because it met the statutory definition for a financially distressed municipal water and sewer system. The system had a negative change in net position for two consecutive years without regard to any grants or capital contributions for its fiscal years ending June 30, 2018 and June 30, 2019.

The Town's water and sewer fund had a negative change in net position of (\$18,863) for its fiscal year ending June 30, 2020.

History of Rates and Existing Rate Structure

The Town charges all of its water and sewer customers the same rates. Since the Town was referred to the WWFB, it increased rates effective July 1, 2021.

Water Rates

Minimum charge	\$22.50
Per 1,000 gallons	\$ 3.50 per 1,000 gallons

Sewer Rates

Minimum bill (includes 2,800 gallons)	\$14.00
Over 2,800 gallons	\$ 3.00 per 1,000 gallons

The balance of the Cash and Investments accounts of the water and sewer fund as of July 1, 2021, was \$290,219.

Water and Wastewater Financing Board Order

On September 18, 2020, the Water and Wastewater Financing Board (WWFB) issued an order directing the Town of Trimble do the following items.

- 1) The Town was directed to hire a qualified expert to perform a rate study to include the following items:

- The creation of a five-year capital asset budget to be taken from the current capital asset list and to include future anticipated needs;
 - A review of new customer contract to include recommended modifications if needed;
 - A review of tap fees to include recommended modifications if needed; and
 - A review of the leak adjustment policy to include recommended modifications if needed.
- 2) By October 31, 2020, the Town shall send Board staff a copy of the contract between the Town and the qualified expert who is to perform the tasks in the Board's September 18, 2020 order.
- 3) By February 28, 2021, the Town shall provide Board staff with the completed rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation.

RECOMMENDATIONS

Recommendation #1

The Town needs to adopt the Five-Year Capital Asset Plan attached as **Exhibit 1**.

Recommendation #2

The Town should adopt the increases in water and sewer rates for its fiscal years beginning July 1, 2022, and July 1, 2023, as set forth on page 7 of this Report.

Recommendation #3

TAUD suggests the Town get its attorney to review and prepare new applications for service if the Town attorney deems the changes discussed in this Report and other changes would be beneficial. TAUD is willing to work with the Town or its attorney on new service application forms.

Recommendation #4

TAUD recommends that the Town's "tap fee" for a new water or sewer tap be the actual cost the Town incurs to have a contractor install the new water or sewer tap.

Recommendation #5

TAUD recommends that the Town have its attorney prepare an ordinance for adoption by the Town's Board which includes the terms and conditions for leak adjustments which it has in its current policies.

FIVE YEAR CAPITAL ASSET PLAN

John Hall met with Town representatives to discuss potential capital improvements and capital purchases the Town was planning to make or should consider making to its water and sewer system over the next five years. They discussed the options for funding these capital expenditures. Mr. Hall prepared a Five-Year Capital Asset Plan based upon these discussions which was used in the TAUD financial projections.

The Town should adopt the Five-Year Capital Asset Plan attached to this Report as **Exhibit 1**.

RATE STUDY AND PROPOSED PLAN OF ACTION

To determine whether existing rates will produce sufficient revenues to make the Town's water and sewer system self-supporting, TAUD first projected a Statement of Revenues and Expenses and Changes in Net Position for the Town's water and sewer fund for its fiscal year ending June 30, 2022, to use as its test year. TAUD projected the revenues for the system using existing rates. TAUD projected operation and maintenance expenses and debt service payments by: (1) reviewing historical information from the five previous years; (2) reviewing the Town's budget for its water and sewer fund for its fiscal year ending June 30, 2022; and (3) considering any known and anticipated changes during the test year. See **Exhibit 2** attached to this Report.

Then, TAUD projected Statements of Revenues and Expenses and Changes in Net Position for the Town's water and sewer fund for its fiscal years ending June 30 of 2023, 2024, 2025, and 2026. See **Exhibit 3** attached to this Report.

Revenue Projections:

- Water and sewer revenues (water and sewer sales) for the test year, were projected by taking the Town's actual annual water usage reports as of June 30, 2021, and applying the Town's water and sewer rates in effect on July 1, 2021, to this actual usage.
- Penalty and interest income for the test year was projected using the Town's budget for its fiscal year ending June 30, 2022.
- Miscellaneous revenue for the test year was projected using the Town's budget for its fiscal year ending June 30, 2022.
- Since 2016 the Town has experienced minimal annual customer growth and does not plan to expand its existing water or sewer system in the near future to add new customers. Therefore, the water and sewer revenues for the remaining four years of the five-year projection period do not include any revenue increases based upon annual customer growth.
- Interest income and rental income were projected using the Town's budget for its fiscal year ending June 30, 2022.

Expense Projections:

- The following operating expenses for the test year are projected based upon the average of these expenses for the fiscal years ending June 30 of 2020 and 2021:

Wages
Insurance
Professional fees
Payroll taxes
Dues and conferences
Miscellaneous
Chemicals

- The following operating expenses for the test year are projected based upon the average of these expenses for the Town's last four fiscal years:

Repair and maintenance
Supplies

- Depreciation for the test year is based upon the Town's fixed asset schedule which includes the annual depreciation of its capital assets plus depreciation on the capital assets added during the fiscal year ending June 30, 2021.
- For the remaining four years in the five-year projection period, all operating expenses, except depreciation, are increased by 2% annually over the projected amount for the test year.
- Annual depreciation expenses for the remaining four years of the five-year projection period are projected based upon the Town's existing fixed asset schedule and on the new capital assets included in the capital asset plan during the five-year projection period.
- Interest expense during the five-year projection period is based on the debt amortization schedules of existing debt.

Revenue Sufficiency and Rate Modifications Required

TAUD projects that the Town's water and sewer fund will have a positive change in net position of \$14,353 for the test year ending June 30, 2022, not including capital contributions and grant revenue. While the Town's water and sewer fund should continue to have a positive change in net position for its fiscal years ending June 30 of 2023 and 2024, the Town should set rates to continue to give it an operating ratio of around 1.1. Rates should be set to produce revenues to achieve an operating ratio of around 1.1 and to cover the annual interest expenses of the Town's water and sewer fund.

To achieve these results, TAUD recommends that the Town adopt the following water and sewer rate increases effective July 1, 2022, and July 1, 2023.

TAUD recommends the Town adopt the following rates effective July 1, 2022:

Water Rates

Minimum charge	\$22.50
Per 1,000 gallons	\$ 3.85 per 1,000 gallons

Sewer Rates

Minimum bill (includes 2,800 gallons)	\$14.00
Over 2,800 gallons	\$ 3.35 per 1,000 gallons

TAUD recommends the Town adopt the following rates effective July 1, 2023:

Water Rates

Minimum charge	\$22.50
Per 1,000 gallons	\$ 3.95 per 1,000 gallons

Sewer Rates

Minimum bill (includes 2,800 gallons)	\$14.00
Over 2,800 gallons	\$ 3.45 per 1,000 gallons

Based upon its projections, TAUD anticipates that the Town will need additional water and sewer rate increases for its fiscal years beginning July 1 of 2024 and 2025. The annual rate recommendations for the fiscal years beginning July 1, 2024, are based upon revenue and expense projections which are subject to change. Therefore, these rate recommendations should be reviewed annually as a part of the budgetary process each year to ensure that the rates recommended will continue to produce sufficient revenues to give the water and sewer fund a positive change in net position and an appropriate operating ratio.

Projected Cash and Investments Schedule

If the Town adopts TAUD's suggested rate increases through July 1, 2025, the water and sewer fund should have a cash and investments balance of \$668,449 as of June 30, 2026. The Water and Sewer Fund - Projected Cash and Investments Balance Schedule is attached as **Exhibit 4**.

CUSTOMER CONTRACT

The Town has two separate applications for water and sewer service, one for property owner customers and one for rental property customers. These applications are attached as **Exhibit 5**. The Town uses these same applications for solid waste services.

TAUD has reviewed these applications and suggests the Town considers the following:

- The property owner application contemplates that a new tap is being installed for the applicant. However, most of the Town's new customers are moving into residences and businesses with existing taps. The Town may want to include the tap provisions in a separate addendum or agreement.
- The Town may want to consider having a single application form for all customers. A new application form can simply have the applicant indicate whether the applicant is a property owner or rental applicant.
- The renter's application has some provisions in it which the property owner's application does not such as the reconnection fee.

TAUD suggests the Town get its attorney to review and prepare new applications for service if the Town attorney deems the above provisions and other changes would be beneficial. TAUD is willing to work with the Town or its attorney on new service application forms.

TAP FEES

Tap fees should be set to cover the Town's cost of installing new water and sewer taps. According to the Town, it has only installed five water and sewer taps in the last 20 years. Because new taps are installed so infrequently, the Town hires a contractor to install water and sewer taps when service to a new customer requires a new water or sewer tap. TAUD recommends that the Town's "tap fee" for a new water or sewer tap be the actual cost the Town incurs to install the new water or sewer tap.

LEAK ADJUSTMENT POLICY

TAUD reviewed the Town's water and sewer leak adjustment policies which are attached as **Exhibit 6**. When a utility reduces a customer's water or sewer bill due to a water leak, the remaining customers of the utility are subsidizing the cost of the leak. Therefore, the amount of any leak adjustment should reflect a fair and reasonable sharing of the loss of revenue resulting from a leak adjustment. The terms and conditions of the Town's leak adjustment policies appear to be reasonable.

The Town's leak adjustment policies do not appear to have been adopted by ordinance and incorporated in the Town's Municipal Code. TAUD recommends that the Town have its

attorney prepare an ordinance to adopt the terms and conditions for leak adjustments as set forth in **Exhibit 6**.

Trimble, Tennessee
Five Year Capital Asset Plan

	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2024</u>	<u>6/30/2025</u>	<u>6/30/2026</u>
Filter Support Repair & Paint	-	40,000	-	-	-
Clearwell Painting & Concrete Coating	-	41,000	-	-	-
Elevated Tank Inspection	-	-	-	200,000	-
Generator Control Switch	-	-	-	-	-
Total	-	81,000	-	200,000	-
Cumulative Depreciation	-	2,700	2,700	12,700	12,700
Total Capital Outlay & Depreciation	-	83,700	2,700	212,700	12,700
Source of Funds					
Loans	-	-	-	-	-
Grants	-	-	-	200,000	-
Cash	-	81,000	-	-	-
Total Funding Sources	-	81,000	-	200,000	-

Trimble, TN - Test Year

	<u>Budget</u> <u>21-22</u>	<u>Last 2 Year</u> <u>Average</u>	<u>Test Year</u> <u>21-22</u>	<u>Explanation</u>
Operating Revenues:				
Water & Sewer Sales	189,500	194,256	211,858	From revenue calculated based on usage
Penalty & Interest Income	3,150	3,028	3,150	From budget
Miscellaneous Revenue	<u>900</u>	<u>768</u>	<u>900</u>	From budget
Total Operating Revenue	<u>193,550</u>	<u>198,052</u>	<u>215,908</u>	
Operating Expenses:				
Wages	39,522	42,572	42,500	From 2 year average
Depreciation & Amortization	82,000	82,185	82,402	From budget plus new additions
Insurance	6,225	6,476	6,500	From 2 year average
Professional Fees	2,700	2,700	2,700	From 2 year average
Payroll Taxes	3,025	3,313	3,300	From 2 year average
Repair & Maintenance	3,600	10,679	6,000	From prior 4 year average
Supplies	1,550	7,857	12,800	From prior 4 year average
Office Expenses	700	352	700	From budget
Travel	925	828	925	From budget
Bad Debt Expense	100	775	100	From budget
Dues & Conferences	2,450	3,477	3,400	From 2 year average
Miscellaneous	500	164	200	From 2 year average
Utilities	17,750	16,202	17,750	From budget
Laboratory Expenses	1,500	1,574	1,500	From budget
Chemicals	3,500	4,064	4,000	From 2 year average
Gas & Oil	1,500	1,257	1,500	From budget
Wastewater Expenses	<u>10,000</u>	<u>-</u>	<u>-</u>	Reclassified on audit
Total Operating Expenses	<u>177,547</u>	<u>184,473</u>	<u>186,277</u>	
Operating Income (Loss)	<u>16,003</u>	<u>13,579</u>	<u>29,631</u>	

Nonoperating Revenues (Expenses)			
Interest Income	1,525	2,244	1,525 From budget
Interest Expenses	(20,753)	(22,446)	(20,753) From amortization schedule
Rental Income	<u>3,950</u>	<u>2,705</u>	<u>3,950</u> From budget
Total Nonoperating Revenues (Expenses)	<u>(15,278)</u>	<u>(17,498)</u>	<u>(15,278)</u>
Change in Net Position	<u><u>725</u></u>	<u><u>(3,919)</u></u>	<u><u>14,353</u></u>

<u>NOTE: Purchased in FY 20-21</u>	<u>Cost</u>	<u>Life</u>	<u>Depreciation</u>
Generator Control Switch	\$ <u>16,072</u>	40	\$ <u>402</u>
	\$ 16,072		\$ 402

Trimble, TN - Projected Statements of Revenues and Expenses and Changes in Net Position

	Projected 6/30/2022	Projected 6/30/2023	Projected 6/30/2024	Projected 6/30/2025	Projected 6/30/2026
Operating Revenues:					
Water & Sewer Sales	211,858	211,858	211,858	211,858	211,858
Penalty & Interest Income	3,150	3,150	3,150	3,150	3,150
Miscellaneous Revenue	900	900	900	900	900
Total Operating Revenue	215,908	215,908	215,908	215,908	215,908
Operating Expenses:					
Wages	42,500	43,350	44,217	45,101	46,003
Depreciation & Amortization	82,402	85,102	85,102	95,102	95,102
Insurance	6,500	6,630	6,763	6,898	7,036
Professional Fees	2,700	2,754	2,809	2,865	2,923
Payroll Taxes	3,300	3,366	3,433	3,502	3,572
Repair & Maintenance	6,000	6,120	6,242	6,367	6,495
Supplies	12,800	13,056	13,317	13,583	13,855
Office Expenses	700	714	728	743	758
Travel	925	944	962	982	1,001
Bad Debt Expense	100	102	104	106	108
Dues & Conferences	3,400	3,468	3,537	3,608	3,680
Miscellaneous	200	204	208	212	216
Utilities	17,750	18,105	18,467	18,836	19,213
Laboratory Expenses	1,500	1,530	1,561	1,592	1,624
Chemicals	4,000	4,080	4,162	4,245	4,330
Gas & Oil	1,500	1,530	1,561	1,592	1,624
Total Operating Expenses	186,277	191,055	193,174	205,335	207,540
Operating Income (Loss)	29,631	24,854	22,734	10,573	8,368
Nonoperating Revenues (Expenses)					
Interest Income	1,525	1,525	1,525	1,525	1,525
Interest Expenses	(20,753)	(20,113)	(19,443)	(18,742)	(18,009)
Rental Income	3,950	3,950	3,950	3,950	3,950
Total Nonoperating Revenues (Expenses)	(15,278)	(14,638)	(13,968)	(13,267)	(12,534)
Change in Net Position before Suggest Rate Increase	14,353	10,216	8,766	(2,694)	(4,166)
Revenue from Suggested Rate Increase	N/A	8,834	11,359	22,447	23,709
Change in Net Position	14,353	19,050	20,125	19,753	19,543
Projected Grant Revenue	-	-	-	200,000	-

Trimble, TN - Projected Cash Balance Schedule

	Projected 6/30/2022	Projected 6/30/2023	Projected 6/30/2024	Projected 6/30/2025	Projected 6/30/2026
Beginning Balance	290,219	373,034	381,606	471,583	570,487
Sources of Funds					
Water & Sewer Charges ***	211,858	220,692	223,217	234,305	235,567
Penalty & Interest	3,150	3,150	3,150	3,150	3,150
Other Revenue	900	900	900	900	900
Interest Revenue	1,525	1,525	1,525	1,525	1,525
Rental Income	3,950	3,950	3,950	3,950	3,950
Grants	-	-	-	200,000	-
Total Sources of Funds	221,383	230,217	232,742	443,830	245,092
Uses of Funds					
Operating Expenses	186,277	191,055	193,174	205,335	207,540
Depreciation	(82,402)	(85,102)	(85,102)	(95,102)	(95,102)
Debt Service - Principal	13,940	14,580	15,250	15,951	16,684
Debt Service - Interest	20,753	20,113	19,443	18,742	18,009
Capital Outlay over \$5,000	-	81,000	-	200,000	-
Total Uses of Funds	138,568	221,646	142,765	344,926	147,131
Ending Balance	373,034	381,606	471,583	570,487	668,449

NOTE: This synopsis from beginning funds to ending funds does not include accounts receivable, accounts payable, fixed asset or any other adjustments made to the balance sheet. This is a "cash basis" summary.

*** Includes revenue from suggested rate increase

Exhibit 5

HOME OWNERS APPLICATION FOR UTILITIES

The undersigned hereby applies for water and/or sewer and solid waste services from the Town of Trimble and agrees to abide by and to be subject to all codes, rules and regulations- The undersigned hereby authorizes and directs the Town of Trimble to go on his premises for the purpose of installing service and to make all necessary excavations on his premises for laying said service line. The undersigned releases and discharges said Town of Trimble from any and all obligations to preserve or replace sod, shrubs or trees removed or damaged in excavating for said service lines. The location of said excavation shall be determined by the Town of Trimble. Employees of the Town of Trimble are hereby granted the privilege of going on the undersigned premises for the purpose of making all necessary inspections and repairs. Homeowner will be responsible for damages done to city property. The undersigned also agrees to the policies of the city water and sewer ordinances:

BILL DUE 1ST DAY OF MONTH AND THE FIRST DAY OF EACH MONTH THEREAFTER. PAST DUE AFTER 5:00 PM ON THE 15TH DAY OF MONTH. PENALTIES SHALL BE ADDED TO THE BILL AFTER THE 15TH DAY OF THE MONTH. SERVICE SHALL BE DISCONTINUED ON THE 21ST DAY OF THE MONTH FOR NON-PAYMENT OF UTILITY BILL.

A \$25.00 FEE WILL BE CHARGED FOR PROCESSING A RETURNED CHECK. IF AN ACCOUNT HAS TWO OR MORE RETURNED CHECKS, PAYMENTS MUST BE MADE WITH CASH OR MONEY ORDERS.

ON-REFUNDABLE CONNECTION FEES FOR PROPERTY OWNERS WITH RECORDED DEED:

WATER \$25.00

Undersigned understands and agrees that all charges will be paid or services SHALL be refused.

"I HEREBY CERTIFY THAT ALL INFORMATION PROVIDED ON THIS FORM IN SUPPORT OF MY APPLICATION FOR MUNICIPAL UTILITIES IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE AND BELIEF. I FURTHER CERTIFY MY UNDERSTANDING AND AGREEMENT THAT FAILURE TO PAY ALL UTILITY BILLS PROMPTLY AND IN FULL SHALL RESULT IN THE TERMINATION OF SERVICE. PAYMENT OF LATE FEES AND COLLECTION FEES. AND PAYMENT OF RECONNECTION FEES."

SIGNATURE OF APPLICANT _____

SIGNATURE OF CO-APPLICANT _____

PROPERTY ADDRESS _____

MAILING ADDRESS: _____

CUSTOMER ACCOUNT NUMBER _____

PHONE NUMBER: _____

DATE PAID _____

NONREFUNDABLE FEE _____

**TOWN OF TRIMBLE, TN.
P .0. BOX 215
TRIMBLE, TN. 38259**

RENTER'S APPLICATION FOR UTILITIES

The undersigned hereby applies for water and/or sewer, solid waste services from the Town of Trimble and agrees to abide by and to be subject to all codes, rules and regulations- The undersigned also agrees to the policy of the city water and sewer ordinances:

ALL UTILITY BILLS ARE DUE ON 1ST DAY OF MONTH. A LATE FEE WILL BE ADDED AFTER 5:00 PM ON THE 15TH DAY OF MONTH. SERVICE SHALL BE DISCONTINUED IF NOT PAID BY THE 21ST DAY OF THE MONTH.

RECONNECT FEE (after cut off for nonpayment) \$25.00. Normal business hours 10:00 am to-3:00pm. After hours reconnect fees \$35.00 paid in advance. Undersigned understands and agrees that all charges will be paid or services SHALL be refused.

A \$25.00 FEE WILL BE CHARGED FOR PROCESSING A RETURNED CHECK. IF AN ACCOUNT HAS TWO OR MORE RETURNED CHECKS, PAYMENTS MUST BE MADE IN CASH OR WITH MONEY ORDERS.

RENTERS WITH LETTER OF GOOD-PAYMENT HISTORY:

Establishment of good credit status is based on the following conditions:

1. No more than two (2) payments made after the due date
2. No payments made past the grace period
3. No checks returned for insufficient funds
4. No disconnections in the most recent twelve (12) month period.

Each letter of credit must state that the customer has had twelve (12) months of continuous utility service within the last eighteen (18) months, be on a utility supplier's letterhead and be signed by an official of that utility supplier.

NON-REFUNDABLE CONNECTIONS FEES REQUIRED FOR ALL RENTERS:

WATER - \$25.00

REFUNDABLE DEPOSIT FEES:

WATER \$50.00

RENTERS WITHOUT SATISFACTORY PAYMENT HISTORY AND VALID DRIVERS LICENSES:

Water deposits will be \$175.00

OR:

Landlord may co-sign account and accept responsibility for final payment of unpaid utilities.

"I HEREBY CERTIFY THAT ALL INFORMATION PROVIDED ON THIS FORM IN SUPPORT OF MY APPLICATION FOR MUNICIPAL UTILITIES IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE AND BELIEF. I FURTHER CERTIFY MY UNDERSTANDING AND AGREEMENT THAT FAILURE TO PAY ALL UTILITY BILLS PROMPTLY AND IN FULL SHALL RESULT IN THE TERMINATION OF SERVICE, PAYMENT OF LATE FEES AND COLLECTION FEES, AND PAYMENT OF RECONNECTION FEES."

SIGNATURE OF APPLICANT _____

SIGNATURE OF CO-APPLICANT _____

SIGNATURE OF LANDLORD AS CO-SIGNER _____

DATE _____

CUSTOMER ACCOUNT NO. _____

DEPOSITS PAID:

WATER

DEPOSIT: _____

NON-REFUND FEE _____

TOTAL _____

A RENTAL AGREEMENT IS REQUIRED FOR SERVICES.

Exhibit 6

Town of Trimble Water Dept.**WATER LEAK ADJUSTMENT POLICY****(Revised September 2010)****Summary**

This policy provides for a billing adjustment for residential customers only who have experienced a large and unexpected increase in their water consumption due to fixture leaks, pipe breaks, vandalism, or similar occurrence(s). The billing adjustment is limited to a maximum of \$300 and is calculated at 60% of the excess water use over a maximum two-month period. It is only available once every five years for the same customer at the same location.

Scope

Water is a limited resource and it is the responsibility of all water customers to maintain their home irrigation systems, pipes and fixtures to minimize the unintended loss of water.

Nevertheless, on rare occasions, unexpected water use can occur through no fault of the customer. It is Trimble Water dept. policy to provide a partial credit to the water bill for eligible water loss.

A water customer shall be eligible for an adjustment, under this policy, if he or she has not had a prior adjustment for the same meter location in the prior five years.

Utility Billing Customer Service Staff shall determine if the water customer is eligible for an adjustment and then proceed to calculate the adjustment. If the excess water use is due to a leak at the meter connection, it is the Water dept. responsibility and the limit on eligibility shall not apply.

This Water Leak Adjustment policy applies only to residential and commercial water customers as follows:

- 1 For excessive water use, due to fixture leaks, pipe breaks, vandalism or similar Unexpected loss of water limited to a two-month period. The policy does not apply to new landscaping irrigation, pool / spa filling/ spray tank filling or other similar uses of water.
2. To receive a credit, water customers must complete an Excess Water Use Adjustment Claim form and correct the cause of the excess water use prior to any adjustment to the water bill. Excessive water use is defined as greater than 7500 gallons over the average monthly use calculated from The three prior years for the same month.
3. Adjustment is limited to once every five years for the same customer at the same meter location.
3. Adjustments to water account billings are limited to the volume charges for water use and are based on the average monthly use. The credit to the customer's account will be 60% of the excess water use leaving 40% of the cost to be paid by the customer.
4. This policy is applicable only for leaks on the customer's side of the water meter. Any leaks on City water mains and connections leading up to the customer's meter and the meter connections up to the customer service line connection will be the responsibility of the City. Customers will receive a 100%

credit for excessive water use resulting from faulty meter connection. The calculation of the billing adjustment shall be based on the water rate applied to the excess use and limited to a maximum of \$300.

Procedure:

Eligible water customer who suspects or discovers a leak shall contact Trimble Water Dept at 297 3955 to request an inspection by water dept personal. As a Customer courtesy, the cost of the first visit to the customer's property will be provided at no charge.

Trimble staff will prepare a work order requesting Public Works staff to contact the customer for a consultation and inspection of the property to determine if there is a leak. If a leak is found at the meter, it is a city responsibility and Public Works staff shall repair the leak, and request Utility Billing Staff to make an adjustment, if necessary, to the next billing. If there is no leak at the meter and with the customer's permission, Public Works staff will perform a brief survey of the property for any fixtures, pipes or irrigation systems that may visibly be leaking and shall inform customers of the results. Any repairs or a more comprehensive surveying or testing of the customer's water System is the responsibility of the customer. Public Works staff shall write a note on the work order explaining the result of the visit and whether an Adjustment to the customer's water bill is recommended.

In order to receive a leak credit, the customer must complete an Excess Water Use Adjustment form indicating the problem and provide a contractor's invoice, repair parts invoice or other documentation that the leak was repaired. These documents may be scanned and E-mailed to trimble@west-tenn.com. Documentation may also be faxed to 731 297 3172 or mailed to Po Box 215 Trimble TN. 38259 The Mayor or his designee will be responsible for adjudicating the request and notifying the customer.

The billing adjustment shall be calculated only for the excess water use up to a two-month period. The excess shall be calculated on a monthly basis and the average of the same months in the prior three years for the service at the meter location. The excess water use must be greater than 7,500 gallons over the average monthly use. If the customer has not lived at the address for three years, then water usage from the prior customer will be used in the adjustment calculation. If this is a new tap credit may be received after a three month billing history is generated.

If the excess water use is greater than 7,500 for the month, then the adjustment to the billing, for a one or two month period, shall be made as follows:

1. Schedule the excess consumption along with the same month(s) for the prior three years.
2. Determine the average monthly use over the past three years.
3. Subtract the average use from the total consumption to determine excess Consumption. If amount is 7,500 gallons or less, customer is not eligible for a credit.
4. If excess consumption is over 7,500 gallons, multiply the excess consumption by the water rate to determine the cost of the excess water use. Multiply it by the Leak Credit of 60% to determine customer's credit.

5. Notify the customer of the adjustment and apply it on the next billing cycle .The customer that receives water credit may be eligible for a sewer credit.
See adjustment form and sample calculation.

Water Leak Calculation Example

	December 2009	December 2008	December 2007	December 2006
Assume leak in December 2009				
Consumption in gallons	50,000	6,000	5,000	7,000
Average monthly use over prior 3 years	6,000			
Excess Consumption for DEC 2009	44,000			
Water rate per 1,000 gallons	\$ 2.50			
Cost of Excess Consumption	\$110.00			
Trimble Credit Percentage	60 %			
Customer Credit Excess Water	\$66.00			
Cost of Excess Consumption	\$110.00			
Customer Credit Excess Water	\$66.00			
Customer would pay difference of	\$44.00			
Plus min bill of	\$22.00			
Plus avg bill for 6000 gal of	\$15.00			
Customer Total for Dec 2009	\$81.00			
Customers original bill	\$147.00			

**Town of Trimble
Excess Water Use Adjustment Form**

Customer Name:

Service Address:

Mailing Address if

Different:

No. Street City ZIP

Water Service Account Number:

I have read the City's Water Leak adjustment policy and confirm that I am eligible for a credit based on the following situation:

I certify that the above information is true and accurate. I have not had a water leak credit at the above service address for the past five years and understand that there is only one credit allowed every five years. I have attached invoices and receipts to document my request.

Signature: _____ Date: _____

Trimble Water Dept. USE ONLY

Request Approved Not Approved

Signature: _____

Date: _____

Trimble Wastewater Billing Adjustments Policy:

The purpose of this procedure is to establish Town of Trimble policy regarding adjustments to customers' monthly billing for sewer usage; to establish guidelines for application of adjustments to customers' monthly bills; and to ensure that the use of billing adjustments is correctly authorized and applied.

It is Trimble's policy to provide the highest standard of service to our community in a customer friendly manner. The application of adjustments to customers' monthly billings provides assistance to those customers who may have experienced hidden plumbing problems or to those customers who own and fill a swimming pool. Utilizing an adjustment process supports Trimble Water Dept's efforts to provide high quality, customer friendly service delivery to the public. For this reason, establishing guidelines should help preserve the benefits provided to our customers from billing adjustments.

Procedure:

Leaks that are in an outside line or due to a faulty water heater (i.e. water used does not enter into the wastewater collection system) will be adjusted. The following process must be followed:

Complete a sanitary sewer credit application form if approved then, an adjustment will be made by reviewing the previous 12-month period and using the average of the lowest 6 months as the Adjusted Consumption for the billing cycle in question. Sewer customers shall only be charged for the Adjusted Consumption based on current rates and no additional amount shall be charged for the excess water used. Only one sewer adjustment will be made during any 12-month period.

Customers who have residential swimming pools will be allowed one adjustment per calendar year. The Adjusted Consumption shall be computed and charged as discussed above, after the customer fills out a Sewer credit for pool filling request form and is approved for credit.

Further, adjustments for leaks created by faulty inside plumbing (i.e. faucets, toilets, etc.) and adjustments for gardening/lawn maintenance will not be considered. If gardening/lawn maintenance are metered separately, that usage would be eligible for credit.

**Town of Trimble
Water and Wastewater Dept
SANITARY SEWER CREDIT APPLICATION FORM**

Date of Application: _____
Account number: _____
Applicant's name: _____
Phone: _____
Address: _____

City/State/Zip: _____

Account address if different than above:

Reason for request: ___ water did not enter sewer and was discharged on the ground
___ water did not enter sewer, went to basement no floor drain/sump
___ water meter not functioning properly
___ water did not enter sewer-other. Please explain where the water went:

Date(s) of occurrences: _____ **Amount of credit requested**
\$ _____

Applicant's signature: _____
Date _____

City use only
Comments

Credit approved Credit not approved Amount of credit \$ _____
for _____ Gallons

Public Works Director

Date

SEWER CREDIT FOR POOL FILLING REQUEST FORM

Name: _____

Town of Trimble Utilities Account Number: _____

Address: _____

Phone: _____

Pool Information

Does pool have drain which empties into a sanitary sewer? YES NO

Dimensions of pool in feet: _____

Capacity of pool in gallons: _____

Does the pool have a drain? YES NO

Where is discharge location of the drain? _____

Pool Filling Start Date: _____

Pool Filling End Date: _____

If filled out completely, this form will provide enough information for the City of Trimble Water Department to issue a credit to your wastewater account. The credit will be posted after your next meter reading is posted.

Due to automated billing, it is not possible to get a credit on the month containing the extra charges for filling your pool. It will be on next month's bill.

If you have any questions, please call 297 3955 between the hours of 10 a.m. and 5 p.m.

Thank you!

Signature: _____

Date: _____

Mail this form to:

Trimble Water Dept

PO Box 215

Trimble Tn 38259



JASON E. MUMPOWER
Comptroller

Staff Summary:

The following Entities were Water and Wastewater Financing Board ("the Board") for financial distress. The Entities have complied with prior directives of the Board. The Entities shown in consecutive audits positive changes in net position, and Board staff believes the Entities should be released from Board oversight.

Staff Recommendation:

The Board should order the following:

1. The Entity is officially released from the Board's oversight.
2. Staff and Counsel shall close the case.

1. Alexandria
2. Allardt
3. Clinton
4. Cowan
5. Greenfield
6. Huntland
7. Jasper
8. Kenton
9. La Grange
10. Michie
11. Millersville
12. Mount Juliet
13. Mountain City
14. New Johnsonville
15. Pikeville
16. Oakdale
17. Rocky Top
18. Spring Hill
19. Tracy City
20. Woodland Mills

Alexandria

	Category: Water And Sewer		County: Dekalb	
	2018	2019	2020	2021
Net Assets	\$3,135,528.00	\$2,938,751.00	\$2,959,165.00	\$3,127,981.00
Deferred Outflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Net Liabilities	\$834,782.00	\$800,494.00	\$782,414.00	\$749,648.00
Deferred Inflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Total Net Position	\$2,300,746.00	\$2,138,257.00	\$2,176,751.00	\$2,378,333.00
Operating Revenues	\$702,683.00	\$765,137.00	\$829,413.00	\$873,240.00
Net Sales	\$678,683.00	\$689,020.00	\$785,095.00	\$837,395.00
Operating Expenses	\$804,844.00	\$900,022.00	\$773,219.00	\$723,103.00
Depreciation Expenses	\$153,044.00	\$154,889.00	\$156,846.00	\$157,741.00
Non Operating Revenues	-\$29,122.00	-\$27,604.00	-\$28,150.00	\$20,095.00
Capital Contributions	\$0.00	\$0.00	\$10,450.00	\$31,350.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	-\$131,283.00	-\$162,489.00	\$38,494.00	\$201,582.00
Statutory Change In Net Position	-\$131,283.00	-\$162,489.00	\$28,044.00	\$170,232.00

Allardt

	Category: Water		County: Fentress	
	2018	2019	2020	2021
Net Assets	\$1,834,423.00	\$1,823,796.00	\$1,932,428.00	\$2,211,270.00
Deferred Outflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Net Liabilities	\$71,259.00	\$68,649.00	\$75,345.00	\$68,622.00
Deferred Inflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Total Net Position	\$1,763,164.00	\$1,755,147.00	\$1,857,083.00	\$2,142,648.00
Operating Revenues	\$565,287.00	\$610,957.00	\$671,060.00	\$853,042.00
Net Sales	\$533,622.00	\$581,811.00	\$628,817.00	\$798,617.00
Operating Expenses	\$651,582.00	\$624,832.00	\$574,992.00	\$606,588.00
Depreciation Expenses	\$101,505.00	\$101,232.00	\$102,221.00	\$103,882.00
Non Operating Revenues	\$3,434.00	\$5,857.00	\$5,868.00	\$39,111.00
Capital Contributions	\$0.00	\$0.00	\$0.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	-\$82,861.00	-\$8,018.00	\$101,936.00	\$285,565.00
Statutory Change In Net Position	-\$82,861.00	-\$8,018.00	\$101,936.00	\$285,565.00

Clinton

	Category: Water And Sewer		County: Anderson	
	2018	2019	2020	2021
Net Assets	\$24,992,384.00	\$24,845,444.00	\$25,063,519.00	\$25,581,090.00
Deferred Outflow Resources	\$660,514.00	\$594,218.00	\$748,670.00	\$868,435.00
Net Liabilities	\$2,169,211.00	\$1,861,538.00	\$1,838,105.00	\$1,943,048.00
Deferred Inflow Resources	\$64,697.00	\$83,531.00	\$75,784.00	\$183,521.00
Total Net Position	\$23,418,990.00	\$23,494,593.00	\$23,898,300.00	\$24,322,956.00
Operating Revenues	\$4,983,462.00	\$5,052,219.00	\$5,707,091.00	\$5,825,693.00
Net Sales	\$4,983,462.00	\$5,052,219.00	\$5,707,091.00	\$5,726,848.00
Operating Expenses	\$5,131,278.00	\$5,446,072.00	\$5,382,104.00	\$5,503,741.00
Depreciation Expenses	\$1,077,441.00	\$1,072,527.00	\$1,131,234.00	\$1,109,679.00
Non Operating Revenues	\$23,403.00	\$60,062.00	\$33,456.00	\$13,196.00
Capital Contributions	\$283,750.00	\$409,394.00	\$45,264.00	\$89,508.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$159,337.00	\$75,603.00	\$403,707.00	\$424,656.00
Statutory Change In Net Position	-\$124,413.00	-\$333,791.00	\$358,443.00	\$335,148.00

Cowan

	Category: Water And Sewer		County: Franklin	
	2018	2019	2020	2021
Net Assets	\$5,118,349.50	\$5,115,248.70	\$5,131,498.71	\$5,336,102.61
Deferred Outflow Resources	\$40,311.38	\$25,475.57	\$20,059.51	\$22,798.62
Net Liabilities	\$480,498.04	\$493,988.52	\$440,727.54	\$554,180.48
Deferred Inflow Resources	\$59,069.44	\$33,006.05	\$63,592.10	\$42,374.82
Total Net Position	\$4,619,093.40	\$4,613,729.70	\$4,647,238.58	\$4,762,345.93
Operating Revenues	\$601,663.71	\$587,173.67	\$616,663.94	\$690,319.82
Net Sales	\$572,692.96	\$577,742.22	\$602,469.98	\$659,694.48
Operating Expenses	\$573,032.77	\$601,268.16	\$597,283.41	\$580,539.09
Depreciation Expenses	\$163,819.81	\$168,791.22	\$160,869.92	\$162,945.56
Non Operating Revenues	-\$475.70	\$8,730.79	\$14,128.35	\$5,326.62
Capital Contributions	\$315,100.49	\$0.00	\$0.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$343,255.73	-\$5,363.70	\$33,508.88	\$115,107.35
Statutory Change In Net Position	\$28,155.24	-\$5,363.70	\$33,508.88	\$115,107.35

Greenfield

	Category: Water And Sewer		County: Weakley	
	2018	2019	2020	2021
Net Assets	\$4,768,693.00	\$4,749,216.00	\$4,801,628.00	\$4,877,464.00
Deferred Outflow Resources	\$51,360.00	\$49,188.00	\$43,909.00	\$42,583.00
Net Liabilities	\$310,173.00	\$156,326.00	\$100,434.00	\$73,530.00
Deferred Inflow Resources	\$19,551.00	\$19,666.00	\$35,874.00	\$49,384.00
Total Net Position	\$4,490,329.00	\$4,622,412.00	\$4,709,229.00	\$4,797,133.00
Operating Revenues	\$497,400.00	\$541,511.00	\$653,025.00	\$588,027.00
Net Sales	\$487,823.00	\$531,784.00	\$634,587.00	\$577,172.00
Operating Expenses	\$567,507.00	\$613,019.00	\$567,153.00	\$508,363.00
Depreciation Expenses	\$178,526.00	\$179,019.00	\$184,108.00	\$184,824.00
Non Operating Revenues	\$8,142.00	\$203,591.00	\$945.00	\$8,908.00
Capital Contributions	\$66,407.00	\$0.00	\$0.00	\$40,745.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$4,442.00	\$132,083.00	\$86,817.00	\$129,317.00
Statutory Change In Net Position	-\$61,965.00	\$132,083.00	\$86,817.00	\$88,572.00

Huntland

	Category: Water		County: Franklin	
	2018	2019	2020	2021
Net Assets	\$1,493,827.00	\$1,497,343.00	\$1,563,099.58	\$2,039,601.00
Deferred Outflow Resources	\$16,953.00	\$61,208.00	\$52,577.80	\$50,021.00
Net Liabilities	\$29,884.00	\$74,919.00	\$98,291.14	\$297,781.00
Deferred Inflow Resources	\$12,203.00	\$3,512.00	\$3,343.78	\$0.00
Total Net Position	\$1,451,740.00	\$1,480,120.00	\$1,514,042.46	\$1,791,841.00
Operating Revenues	\$271,284.00	\$337,855.00	\$344,470.06	\$373,094.54
Net Sales	\$271,164.00	\$3,778,555.00	\$344,470.06	\$373,095.00
Operating Expenses	\$358,202.00	\$310,392.00	\$316,673.31	\$323,255.00
Depreciation Expenses	\$64,183.00	\$65,385.00	\$64,536.34	\$69,463.00
Non Operating Revenues	\$947.00	\$917.00	\$6,124.18	-\$101.00
Capital Contributions	\$0.00	\$0.00	\$5,700.00	\$228,060.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	-\$85,971.00	\$28,380.00	\$39,620.93	\$277,798.54
Statutory Change In Net Position	-\$85,971.00	\$28,380.00	\$33,920.93	\$49,738.54

Jasper

	Category: Water		County: Marion	
	2018	2019	2020	2021
Net Assets	\$9,656,949.00	\$9,342,976.00	\$9,420,580.00	\$9,495,629.00
Deferred Outflow Resources	\$209.00	\$0.00	\$2,492.00	\$13,620.00
Net Liabilities	\$2,481,522.00	\$1,926,470.00	\$1,745,556.00	\$1,553,539.00
Deferred Inflow Resources	\$829.00	\$0.00	\$0.00	\$0.00
Total Net Position	\$7,174,807.00	\$7,416,506.00	\$7,677,516.00	\$7,955,710.00
Operating Revenues	\$1,244,691.00	\$1,302,685.00	\$1,364,392.00	\$1,311,314.00
Net Sales	\$1,081,503.00	\$1,152,688.00	\$1,203,348.00	\$1,164,004.00
Operating Expenses	\$1,089,424.00	\$1,052,866.00	\$1,092,382.00	\$1,016,726.00
Depreciation Expenses	\$257,130.00	\$256,979.00	\$254,275.00	\$254,781.00
Non Operating Revenues	-\$38,217.00	-\$30,936.00	-\$8,732.00	-\$16,394.00
Capital Contributions	\$0.00	\$0.00	\$2,268.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$117,050.00	\$218,883.00	\$265,546.00	\$278,194.00
Statutory Change In Net Position	\$117,050.00	\$218,883.00	\$263,278.00	\$278,194.00

Kenton

	Category: Water And Sewer		County: Obion; Gibson	
	2018	2019	2020	2021
Net Assets	\$2,745,624.00	\$2,678,125.00	\$2,661,723.00	\$2,695,541.00
Deferred Outflow Resources	\$15,060.00	\$12,753.00	\$12,077.00	\$11,360.00
Net Liabilities	\$536,237.00	\$467,351.00	\$392,987.00	\$334,630.00
Deferred Inflow Resources	\$15,272.00	\$16,889.00	\$14,391.00	\$12,174.00
Total Net Position	\$2,209,175.00	\$2,206,638.00	\$2,266,422.00	\$2,360,097.00
Operating Revenues	\$328,463.00	\$353,747.00	\$377,777.00	\$381,533.00
Net Sales	\$258,725.00	\$269,503.00	\$307,701.00	\$354,668.00
Operating Expenses	\$338,980.00	\$321,620.00	\$325,298.00	\$322,381.00
Depreciation Expenses	\$102,480.00	\$110,518.00	\$110,356.00	\$111,210.00
Non Operating Revenues	-\$19,015.00	-\$18,152.00	-\$16,617.00	-\$13,897.00
Capital Contributions	\$0.00	\$0.00	\$25,666.00	\$48,420.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	-\$29,532.00	\$13,975.00	\$61,528.00	\$93,675.00
Statutory Change In Net Position	-\$29,532.00	\$13,975.00	\$35,862.00	\$45,255.00

La Grange

	Category: Water		County: Fayette	
	2018	2019	2020	2021
Net Assets	\$1,238,949.00	\$1,238,580.00	\$1,244,198.00	\$1,253,878.00
Deferred Outflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Net Liabilities	\$4,220.00	\$5,289.00	\$6,012.00	\$6,776.00
Deferred Inflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Total Net Position	\$1,234,729.00	\$1,233,291.00	\$1,238,186.00	\$1,247,102.00
Operating Revenues	\$58,261.00	\$66,286.00	\$66,288.00	\$72,416.00
Net Sales	\$55,679.00	\$64,595.00	\$64,889.00	\$69,023.00
Operating Expenses	\$67,130.00	\$67,938.00	\$64,968.00	\$67,348.00
Depreciation Expenses	\$35,430.00	\$3,540.00	\$35,430.00	\$35,430.00
Non Operating Revenues	\$352.00	\$214.00	\$3,575.00	\$3,848.00
Capital Contributions	\$0.00	\$0.00	\$0.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	-\$8,517.00	-\$1,438.00	\$4,895.00	\$8,916.00
Statutory Change In Net Position	-\$8,517.00	-\$1,438.00	\$4,895.00	\$8,916.00

Millersville

	Category: Sewer		County: Robertson; Sumner	
	2018	2019	2020	2021
Net Assets	\$6,497,246.00	\$6,693,778.00	\$7,188,764.00	\$7,245,456.00
Deferred Outflow Resources	\$5,974.00	\$2,526.00	\$12,036.00	\$10,770.00
Net Liabilities	\$213,400.00	\$340,559.00	\$610,599.00	\$472,914.00
Deferred Inflow Resources	\$12,255.00	\$14,693.00	\$11,278.00	\$12,886.00
Total Net Position	\$6,277,565.00	\$6,341,052.00	\$6,578,923.00	\$6,770,426.00
Operating Revenues	\$1,017,720.00	\$1,175,411.00	\$1,245,877.00	\$1,256,314.00
Net Sales	\$1,017,720.00	\$1,096,238.00	\$1,196,699.00	\$1,217,654.00
Operating Expenses	\$1,062,481.00	\$1,102,244.00	\$1,040,654.00	\$1,087,111.00
Depreciation Expenses	\$246,189.00	\$253,705.00	\$264,185.00	\$305,617.00
Non Operating Revenues	\$8,288.00	\$2,745.00	\$2,976.00	\$987.00
Capital Contributions	\$0.00	\$0.00	\$58,872.00	\$21,313.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	-\$29,200.00	\$0.00
GAAP Change In Net Position	-\$36,473.00	\$75,912.00	\$237,871.00	\$191,503.00
Statutory Change In Net Position	-\$36,473.00	\$75,912.00	\$178,999.00	\$170,190.00

Michie

	Category: Water		County: McNairy	
	2018	2019	2020	2021
Net Assets	\$2,614,565.00	\$2,590,442.00	\$2,659,627.00	\$3,090,846.00
Deferred Outflow Resources	\$0.00	\$574.00	\$0.00	\$0.00
Net Liabilities	\$145,118.00	\$78,964.00	\$73,634.00	\$83,724.00
Deferred Inflow Resources	\$281.00	\$255.00	\$0.00	\$0.00
Total Net Position	\$2,469,166.00	\$2,511,797.00	\$2,585,993.00	\$3,007,122.00
Operating Revenues	\$402,897.00	\$458,246.00	\$487,168.00	\$503,724.00
Net Sales	\$385,011.00	\$436,222.00	\$468,434.00	\$485,254.00
Operating Expenses	\$439,515.00	\$454,817.00	\$427,105.00	\$433,902.00
Depreciation Expenses	\$85,493.00	\$92,142.00	\$98,010.00	\$92,759.00
Non Operating Revenues	\$2,988.00	\$12,649.00	\$5,463.00	\$6,269.00
Capital Contributions	\$414,618.00	\$26,553.00	\$3,229.00	\$345,038.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$380,988.00	\$42,631.00	\$68,755.00	\$421,129.00
Statutory Change In Net Position	-\$33,630.00	\$16,078.00	\$65,526.00	\$76,091.00

Mount Juliet

	Category: Sewer		County: Wilson	
	2018	2019	2020	2021
Net Assets	\$67,513,405.00	\$71,673,968.00	\$74,287,880.00	\$90,464,014.00
Deferred Outflow Resources	\$137,776.00	\$138,082.00	\$114,826.00	\$100,788.00
Net Liabilities	\$1,512,569.00	\$1,271,854.00	\$672,957.00	\$2,483,444.00
Deferred Inflow Resources	\$24,170.00	\$105,061.00	\$160,382.00	\$129,718.00
Total Net Position	\$66,114,442.00	\$70,435,135.00	\$73,569,367.00	\$87,951,640.00
Operating Revenues	\$6,366,595.00	\$6,772,059.00	\$7,264,283.00	\$8,376,888.00
Net Sales	\$5,941,979.00	\$6,299,905.00	\$6,773,908.00	\$7,448,399.00
Operating Expenses	\$6,606,103.00	\$6,950,514.00	\$7,400,424.00	\$7,095,212.00
Depreciation Expenses	\$1,685,859.00	\$1,836,205.00	\$1,913,867.00	\$2,096,401.00
Non Operating Revenues	\$86,568.00	\$121,433.00	\$162,093.00	\$98,102.00
Capital Contributions	\$3,282,210.00	\$4,377,715.00	\$3,108,280.00	\$13,002,495.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$3,129,270.00	\$4,320,693.00	\$3,134,232.00	\$14,382,273.00
Statutory Change In Net Position	-\$152,940.00	-\$57,022.00	\$25,952.00	\$1,379,778.00

Mountain City

	Category: Water And Sewer		County: Johnson	
	2018	2019	2020	2021
Net Assets	\$28,333,757.00	\$29,479,460.00	\$29,616,015.00	\$29,616,091.00
Deferred Outflow Resources	\$309,364.00	\$158,682.00	\$122,356.00	\$156,177.00
Net Liabilities	\$3,256,377.00	\$3,062,300.00	\$2,758,539.00	\$2,596,297.00
Deferred Inflow Resources	\$77,678.00	\$135,758.00	\$158,004.00	\$94,180.00
Total Net Position	\$25,309,066.00	\$26,440,084.00	\$26,821,828.00	\$27,081,791.00
Operating Revenues	\$3,355,248.00	\$3,194,699.00	\$3,248,500.00	\$3,523,924.00
Net Sales	\$3,313,858.00	\$3,127,190.00	\$3,147,892.00	\$3,413,226.00
Operating Expenses	\$3,167,028.00	\$3,192,207.00	\$2,977,633.00	\$3,388,979.00
Depreciation Expenses	\$942,611.00	\$969,277.00	\$938,747.00	\$1,002,718.00
Non Operating Revenues	-\$6,581.00	-\$33,096.00	-\$20,142.00	-\$34,133.00
Capital Contributions	\$266,484.00	\$1,017,072.00	\$131,019.00	\$180,170.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$448,123.00	\$986,468.00	\$381,744.00	\$280,982.00
Statutory Change In Net Position	\$181,639.00	-\$30,604.00	\$250,725.00	\$100,812.00

New Johnsonville

	Category: Water And Sewer		County: Humphreys	
	2018	2019	2020	2021
Net Assets	\$8,293,810.00	\$8,272,533.00	\$8,507,116.00	\$9,247,633.00
Deferred Outflow Resources	\$54,101.00	\$52,395.00	\$97,145.00	\$94,545.00
Net Liabilities	\$3,098,688.00	\$3,002,508.00	\$2,810,844.00	\$3,300,938.00
Deferred Inflow Resources	\$82,206.00	\$87,266.00	\$87,337.00	\$94,047.00
Total Net Position	\$5,167,017.00	\$5,235,154.00	\$5,706,080.00	\$5,947,193.00
Operating Revenues	\$1,330,584.00	\$1,284,660.00	\$1,557,876.00	\$1,553,850.00
Net Sales	\$1,301,560.00	\$1,258,780.00	\$1,531,862.00	\$1,521,995.00
Operating Expenses	\$1,521,958.00	\$1,204,425.00	\$1,201,234.00	\$1,204,428.00
Depreciation Expenses	\$0.00	\$287,677.00	\$296,343.00	\$312,878.00
Non Operating Revenues	\$0.00	-\$73,098.00	-\$61,007.00	-\$108,309.00
Capital Contributions	\$0.00	\$6,100.00	\$1,500.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	-\$191,374.00	\$13,237.00	\$297,135.00	\$241,113.00
Statutory Change In Net Position	-\$191,374.00	\$7,137.00	\$295,635.00	\$241,113.00

Oakdale

	Category: Sewer		County: Morgan	
	2018	2019	2020	2021
Net Assets	\$459,688.00	\$498,696.00	\$500,001.00	\$505,210.00
Deferred Outflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Net Liabilities	\$1,531.00	\$1,531.00	\$1,880.00	\$1,028.00
Deferred Inflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Total Net Position	\$458,157.00	\$497,165.00	\$498,121.00	\$504,182.00
Operating Revenues	\$24,345.00	\$36,595.00	\$41,504.00	\$42,189.00
Net Sales	\$24,345.00	\$36,595.00	\$41,504.00	\$42,189.00
Operating Expenses	\$37,989.00	\$36,154.00	\$40,548.00	\$36,128.00
Depreciation Expenses	\$11,661.00	\$12,625.00	\$12,625.00	\$12,625.00
Non Operating Revenues	\$0.00	\$0.00	\$0.00	\$0.00
Capital Contributions	\$358,983.00	\$38,567.00	\$0.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	-\$89,884.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$255,455.00	\$39,008.00	\$956.00	\$6,061.00
Statutory Change In Net Position	-\$103,528.00	\$441.00	\$956.00	\$6,061.00

Pikeville

	Category: Water And Sewer		County: Bledsoe	
	2018	2019	2020	2021
Net Assets	\$17,219,372.00	\$17,206,685.00	\$17,338,909.00	\$17,625,622.00
Deferred Outflow Resources	\$65,335.00	\$36,781.00	\$54,519.00	\$65,317.00
Net Liabilities	\$2,976,037.00	\$2,915,078.00	\$2,865,560.00	\$2,812,377.00
Deferred Inflow Resources	\$0.00	\$80,063.00	\$73,664.00	\$41,001.00
Total Net Position	\$14,210,257.00	\$14,248,325.00	\$14,454,204.00	\$14,837,561.00
Operating Revenues	\$1,650,531.00	\$1,797,887.00	\$1,991,041.00	\$2,200,282.00
Net Sales	\$1,599,563.00	\$1,737,173.00	\$1,944,949.00	\$2,135,701.00
Operating Expenses	\$1,842,809.00	\$1,853,247.00	\$1,687,078.00	\$1,972,298.00
Depreciation Expenses	\$496,908.00	\$498,681.00	\$499,855.00	\$495,758.00
Non Operating Revenues	-\$73,374.00	-\$68,460.00	-\$98,084.00	-\$79,733.00
Capital Contributions	\$379,073.00	\$128,478.00	\$0.00	\$236,772.00
Transfers In	\$0.00	\$70,000.00	\$0.00	\$0.00
Transfers Out	-\$70,000.00	-\$36,590.00	\$0.00	-\$1,666.00
GAAP Change In Net Position	\$43,421.00	\$38,068.00	\$205,879.00	\$383,357.00
Statutory Change In Net Position	-\$335,652.00	-\$160,410.00	\$205,879.00	\$146,585.00

Rocky Top

	Category: Water And Sewer		County: Anderson; Campbell	
	2018	2019	2020	2021
Net Assets	\$5,849,046.00	\$6,136,678.00	\$6,191,909.00	\$6,336,694.00
Deferred Outflow Resources	\$35,456.00	\$26,942.00	\$19,772.00	\$15,856.00
Net Liabilities	\$453,649.00	\$585,787.00	\$570,598.00	\$623,607.00
Deferred Inflow Resources	\$29,042.00	\$32,706.00	\$48,196.00	\$41,643.00
Total Net Position	\$5,401,810.00	\$5,545,126.00	\$5,592,887.00	\$5,687,297.00
Operating Revenues	\$1,094,843.00	\$1,165,253.00	\$1,159,130.00	\$1,238,560.00
Net Sales	\$1,038,308.00	\$1,104,227.00	\$1,110,294.00	\$1,177,398.00
Operating Expenses	\$1,110,634.00	\$1,012,169.00	\$1,137,634.00	\$1,184,944.00
Depreciation Expenses	\$308,671.00	\$312,004.00	\$326,121.00	\$320,741.00
Non Operating Revenues	-\$20,336.00	-\$9,770.00	-\$8,812.00	\$3,635.00
Capital Contributions	\$454,040.00	\$0.00	\$35,078.00	\$37,160.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$417,913.00	\$143,314.00	\$47,762.00	\$94,411.00
Statutory Change In Net Position	-\$36,127.00	\$143,314.00	\$12,684.00	\$57,251.00

Spring Hill

	Category: Water And Sewer		County: Williamson; Maury	
	2018	2019	2020	2021
Net Assets	\$86,930,307.00	\$95,852,806.00	\$104,006,506.00	\$114,263,083.00
Deferred Outflow Resources	\$360,635.00	\$485,559.00	\$475,885.00	\$477,140.00
Net Liabilities	\$16,883,428.00	\$14,979,583.00	\$13,835,793.00	\$12,613,459.00
Deferred Inflow Resources	\$7,060.00	\$21,911.00	\$39,670.00	\$67,197.00
Total Net Position	\$70,400,454.00	\$81,336,871.00	\$90,606,928.00	\$102,059,567.00
Operating Revenues	\$9,375,044.00	\$10,701,850.00	\$11,899,186.00	\$14,724,142.00
Net Sales	\$8,772,251.00	\$9,920,008.00	\$11,135,946.00	\$13,972,624.00
Operating Expenses	\$9,542,157.00	\$10,935,768.00	\$10,966,294.00	\$11,228,531.00
Depreciation Expenses	\$1,971,804.00	\$2,328,196.00	\$2,455,684.00	\$2,511,092.00
Non Operating Revenues	-\$385,502.00	-\$167,871.00	-\$97,360.00	-\$90,871.00
Capital Contributions	\$6,774,059.00	\$9,877,477.00	\$3,204,710.00	\$8,047,899.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$6,221,444.00	\$9,475,688.00	\$4,040,242.00	\$11,452,639.00
Statutory Change In Net Position	-\$552,615.00	-\$401,789.00	\$835,532.00	\$3,404,740.00

Tracy City

	Category: Water And Sewer		County: Grundy	
	2018	2019	2020	2021
Net Assets	\$13,732,825.00	\$13,889,328.00	\$13,841,321.00	\$14,025,468.00
Deferred Outflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Net Liabilities	\$4,191,133.00	\$4,093,758.00	\$3,954,773.00	\$3,826,948.00
Deferred Inflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Total Net Position	\$9,541,692.00	\$9,795,570.00	\$9,886,548.00	\$10,198,520.00
Operating Revenues	\$1,287,021.00	\$1,370,086.00	\$1,367,691.00	\$1,627,769.00
Net Sales	\$1,115,309.00	\$1,184,366.00	\$1,284,429.00	\$1,389,644.00
Operating Expenses	\$1,145,063.00	\$1,126,498.00	\$1,152,698.00	\$1,198,070.00
Depreciation Expenses	\$279,973.00	\$294,544.00	\$308,716.00	\$317,664.00
Non Operating Revenues	-\$180,920.00	\$735.00	-\$124,015.00	-\$117,727.00
Capital Contributions	\$0.00	\$9,555.00	\$0.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	-\$38,962.00	\$253,878.00	\$90,978.00	\$311,972.00
Statutory Change In Net Position	-\$38,962.00	\$244,323.00	\$90,978.00	\$311,972.00

Woodland Mills

	Category: Sewer		County: Obion	
	2018	2019	2020	2021
Net Assets	\$805,932.00	\$806,292.00	\$842,935.00	\$908,827.00
Deferred Outflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Net Liabilities	\$30.00	\$2,138.00	\$4,215.00	\$734.00
Deferred Inflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Total Net Position	\$805,902.00	\$804,154.00	\$838,720.00	\$908,093.00
Operating Revenues	\$233,285.00	\$263,871.00	\$293,168.00	\$285,111.00
Net Sales	\$44,682.00	\$44,048.00	\$45,178.00	\$285,111.00
Operating Expenses	\$236,002.00	\$260,299.00	\$254,458.00	\$250,593.00
Depreciation Expenses	\$30,639.00	\$31,909.00	\$22,267.00	\$32,443.00
Non Operating Revenues	-\$5,379.00	-\$5,320.00	-\$4,144.00	-\$3,023.00
Capital Contributions	\$0.00	\$0.00	\$0.00	\$37,878.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	-\$8,096.00	-\$1,748.00	\$34,566.00	\$69,373.00
Statutory Change In Net Position	-\$8,096.00	-\$1,748.00	\$34,566.00	\$31,495.00



JASON E. MUMPOWER
Comptroller

On November 18th 2021, Board staff travelled to the Town of Mason, (“the Town”), to conduct interviews for the Board investigation. On January 14th 2022, Reva Marshall on behalf of the Town of Mason returned the investigative questionnaire to Board staff in a timely manner. Reva Marshall serves the Town as finance staff. She is currently pursuing her Certified Municipal Financial Officer designation. Upon Board staff’s review of the questionnaire, below are the findings from staff based on the interviews and questionnaire.

Board Training and Governing Body

The governing body of Mason is in compliance with the training requirements.

Title	Name	Initial Election Month and Year	Most Recent Prior Election Month and Year	Upcoming Term Expiration Month and Year
Mayor	Emmitt Gooden	Nov – 2014	Nov – 2018	Nov – 2022
Vice-Mayor	Virginia Rivers	Nov – 2016	Nov – 2020	Nov – 2024
Alderman	Carolyn Catron	Nov – 2018	Nov – 2018	Nov – 2022
Alderman	Sylvester Harvey	Nov – 2018	Nov – 2018	Nov – 2022
Alderman	Celia Jones Chastain	Nov – 2020	Nov – 2020	Nov – 2024
Alderman	Eddie Noeman	Nov – 2015	Nov – 2018	Nov – 2022
Alderman	Shate Toliver	Nov – 2020	Nov – 2020	Nov - 2024

Utility Rates

The Town includes 3,000 gallons in the minimum water bill. The Town implemented rate increases to take effect in January and July of 2022. The Town has also implemented an automatic 2% increase in their utility billing beginning every fiscal year. The Town charges

customers 40% more if they live outside of the city limits. The Town justifies this because it costs more to travel outside the city limits. The Town has retained the correctional facility in their rate ordinance, but as of January 18, 2022, the facility is vacant and no new tenants are currently planned.

The Town's rates do not appear to be reasonable or justifiable. The rates do not appear to have been set based on any recent rate study or cost of service study. The Town has instituted a large rate gap between inside and outside customers, and Board staff is not able to determine if the current rates are set in a manner to manage long term growth.

Water Operations

The Town indicated in its investigative questionnaire that there are no concerns with the ability to provide safe water in compliance with environmental regulations to current or future customers. The Town indicated that the Highway 59 Booster Station will be rebuilt within the next year in order to improve the reliability of water for its customers. In discussions with Town employees, the Town requires water system upgrades in order to adequately serve the projected growth from the Megasite. Further, in an engineering report from Gresham Smith Engineering, there appears to be \$12 million dollars worth of upgrades necessary for the water system.

Sewer Operations

The Town is currently under a Consent Order from TDEC that must be complied with by January 2024. The cost of compliance with the order is estimated to be roughly \$7.5 million dollars. There is currently a drafted plan to improve the system to prepare for the growth expected from the Blue Oval City development of the Memphis Regional Megasite. The current utility in Mason does not appear to have been designed to handle rapid growth which the area could experience due to the Megasite development. The cost of this plan is roughly \$40 million

dollars. While the correctional facility in the Town is no longer in full operation, the correctional facility is the minimum bill still as set forth in their rate structure.

The utility could experience a financial setback due to the loss of this customer, but the full future impact of this loss is as of yet unknown if the prison were to close in its entirety.

Financial Information

The Town has submitted its audits late since at least 2001. Local Government Audit has disclaimed the Town's audits from 2004 to 2016, indicating they could not provide an audit opinion due to insufficient financial documentation from the Town. The Town's general fund owes the water and sewer fund \$584,723 according to the draft FY 2020 audit results provided to the Comptroller's Office. These funds were being transferred from the water and sewer fund to the general fund to pay for general fund expenses. Governmental utility funds in Tennessee are meant to be maintained separately from the general fund to ensure that water and sewer funds are used strictly for water and sewer purposes. The current debt from the general fund to the water and sewer fund has hampered the utility from general maintenance and repairs as the cash made available to the utility has been decreased since it was being transferred away from the utility.

Staff Summary

The Town of Mason requires extensive infrastructure upgrades to prepare for anticipated growth. The Town needs more internal controls, policies, and procedure to ensure improved administrative management. The Town needs to conduct rate studies to accurately evaluate its rates. The Town should adjust rates for individuals outside city limits or should provide sufficient justification for the disparity in rates. The Town's local government needs to provide the utility operation adequate support and resources to facilitate adequate maintenance and growth for the utility system. The Town is at risk of future decline if its utility issues are

ignored or infrastructure upgrades are not funded.

Staff Recommendation

1. The Town shall have the Tennessee Association of Utility Districts, or another qualified expert as approved by Board staff, perform a rate study that includes the following:
 - a. A review of the Town's capitalization policy, including any recommended modifications;
 - b. A justification for the disparity in rates between customers inside the city limits and outside the city limits;
 - c. A review of the Town's capital asset list, including any recommended modifications or upgrades;
 - d. A review of the Town's debt management policy, including any recommended modifications;
 - e. A review of the Town's purchasing policy, including any recommended modifications;
 - f. Creation of a five-year capital asset budget, to be taken from the current capital asset list and to include future anticipated needs;
 - g. And a review of connection fees, tap fees, and required deposit amounts including any recommended modifications;
2. By June 3, 2022, the Town shall send Board staff a copy of the contract between the Town and the qualified expert who is to perform the tasks in paragraph 1. This qualified expert must be approved by Board staff if it is other than the Tennessee Association of Utility Districts.

3. By December 31, 2022, the Town shall provide Board staff with the completed rate study, and either proof of implementation of the resulting recommendations or a proposed plan of implementation.
4. Board staff is given the authority to grant one extension of up to six months of the foregoing deadlines upon a showing of good cause by the Town.
5. Should the Town fail to comply with any directive in this order, Board staff and Counsel shall issue subpoenas for the Town's governing body and Manager to appear in-person before the Board during its next meeting following non-compliance of this order.

Timeline Prior to WWFB Special Called Meeting

August 2, 2012- Mason 2011 audit filed. This audit was due December 31, 2011. Mason General Fund owes the Water and Sewer Fund \$17,468.

May 7, 2013- Corrective active plan submitted to the Comptroller's Office for the repayment of the money owed from the General Fund to the Water and Sewer Fund. Payments were to begin July 1, 2013 for a period of five years.

August 15, 2014- Mason 2012 audit filed. This audit was due December 31, 2012. Mason General Fund owes the Water and Sewer Fund \$76,117.

February 1, 2015- Mason 2013 audit filed. This audit was due December 31, 2013. Mason General Fund owes the Water and Sewer fund \$57,002.

May 21, 2015- Letter from the Comptroller's Office instructs the Town to repay any monies illegally transferred by August 2015 or adopt a corrective action plan ordinance.

November 30, 2015- The Town adopts Ordinance No 2015-11-09 to outline a five-year repayment plan for monies illegally transferred from enterprise to operating funds. The first repayment was to begin July 1, 2016. Under this plan, the general fund should have had the repayment completed by Fiscal Year 2021.

January 30, 2017- Mason 2014 and 2015 audits filed. These audits were due December 31, 2014 and December 31, 2015 respectively. As of the 2015 audit, the General Fund owes the Water and Sewer Fund \$31,764.

January 29, 2019- Tennessee Department of Environment and Conservation delivers a Consent Order and Assessment of Civil Penalty to the Town of Mason with full compliance necessary by January 31, 2024.

January 31, 2019- Mason 2016 audit filed with 25 findings. This audit was due December 31, 2016. Mason General Fund owes the Water and Sewer Fund \$104,261.

June 24, 2020- Mason 2017 audit filed with 16 findings. This audit was due December 31, 2017. Mason General Fund owes the Water and Sewer Fund \$112,068.

November 6, 2020- Mason 2018 audit filed with 14 findings. This audit was due December 31, 2018. Mason General Fund owes the Water and Sewer Fund \$355,867.

November 9, 2020- Comptroller staff writes letter to the Town requiring a response regarding budgetary issues. The issues identified include: delinquent audits, covenant debt default, potentially overly optimistic revenue estimates, lack of CMFO, and improper transfers of utility revenue.

January 12, 2021- The Town of Mason responds to the November 9, 2020 letter with a corrective action plan. In this letter, the Town stated that 2019's audit will be submitted by March 31, 2021 and 2020's audit will be submitted by June 30, 2021. The Town also assured that beginning fiscal year 2020, the Finance Director and team has worked to ensure that interfund transfers are being performed appropriately and allocated correctly across multiple funds.

January 25, 2021- Comptroller staff conditionally approves Mason's Corrective Action Plan. This approval included delinquent audits being submitted according to the March and June due dates as indicated prior and a detailed assessment of interfund balances due to the Comptroller's Office no later than March 31, 2021.

June 9, 2021- Comptroller staff visit with Mason officials. The Town informs Comptroller staff that there is no interfund balance between the General Fund and Water and Sewer fund and the corrective action plan has been followed.

June 22, 2021- Mason 2019 audit filed with 13 findings. This audit was originally due December 31, 2019. The Town informed Board staff that this audit would be filed by March 31, 2021 in its corrective action plan. Mason General Fund owes the Water and Sewer Fund \$608,047.

November 10, 2021- Water and Wastewater Financing Board (“WWFB”) holds special called meeting. The Water and Wastewater Financing Board votes to open a board investigation into the Town of Mason.

Water and Wastewater Financing Board Investigative Questionnaire

Please fill out the following questionnaire and include any supporting documents that have been requested. Based on the information provided, more documentation may be requested at a later date upon receipt of the completed questionnaire.

Section 1. Utility Training Requirements pursuant to Tenn. Code Ann. § 7-34-115(j)

If any of the pre-filled elected official information is incorrect, please note the changes needed to ensure that we have the correct list of elected officials for the Town.

1. Fill out the following table:

Title	Name	Initial Election Month and Year	Most Recent Prior Election Month and Year	Upcoming Term Expiration Month and Year
Mayor	Emmitt Gooden	Nov – 2014	Nov – 2018	Nov – 2022
Vice-Mayor	Virginia Rivers	Nov – 2016	Nov – 2020	Nov – 2024
Alderman	Carolyn Catron	Nov – 2018	Nov – 2018	Nov – 2022
Alderman	Sylvester Harvey	Nov – 2018	Nov – 2018	Nov – 2022
Alderman	Celia Jones Chastain	Nov – 2020	Nov – 2020	Nov – 2024
Alderman	Eddie Noeman	Nov – 2015	Nov – 2018	Nov – 2022
Alderman	Shate Toliver	Nov – 2020	Nov – 2020	Nov - 2024

Note: The initial election date is the first election date in the elected official's current line of service history. For example, if someone was elected in November of 2012, and has consistently been re-elected, please list November of 2012 as their initial election month and year. If someone was elected in November of 2012, did not run in 2016, then decided to run again in 2020, please list November 2020 as the initial election month and year.

2. Provide proof of Mayor Gooden's compliance with the 12-hour training requirement in their most recent training period. Label this as **Exhibit 1**. If this individual is out of compliance with the training requirements, please provide a written explanation. [See attached document.](#)
3. Provide proof of Vice-Mayor Rivers' compliance with the 12-hour training requirement in their most recent training period. Label this as **Exhibit 2**. If this individual is out of compliance with the training requirements, please provide a written explanation. [See attached document.](#)
4. Provide proof of Alderman Catron's compliance with the 12-hour training requirement in their most recent training period. Label this as **Exhibit 3**. If this individual is out of compliance with the training requirements, please provide a written explanation. [See attached document.](#)
5. Provide proof of Alderman Harvey's compliance with the 12-hour training requirement in their most recent training period. Label this as **Exhibit 4**. If this individual is out of compliance with the training requirements, please provide a written explanation. [See attached document.](#)
6. Provide proof of Alderman Chastain's compliance with the 12-hour training requirement in their most recent training period. Label this as **Exhibit 5**. If this individual is out of compliance with the training requirements, please provide a written explanation. [See attached document.](#)
7. Provide proof of Alderman Noeman's compliance with the 12-hour training requirement in their most recent training period. Label this as **Exhibit 6**. If this individual is out of compliance with the training requirements, please provide a written explanation. [See attached document.](#)

8. Provide proof of Alderman Toliver’s compliance with the 12-hour training requirement in their most recent training period. Label this as **Exhibit 7**. If this individual is out of compliance with the training requirements, please provide a written explanation. [See attached document.](#)

Section 2. Utility Rates

1. Provide the most recent rate ordinance(s) for the water and sewer rates. Label this as **Exhibit 8**. [See attachment](#)
2. Provide a justification for the rate difference between the inside the city limit water rate versus the outside the city limit water rate. Label this as **Exhibit 9**. [See attached statement](#)
3. Provide a written statement as to any future rate increases that are currently planned. If there are no rate increases planned, please indicate so. Label this as **Exhibit 10**. [See attached statement](#)

Section 3. Capital Assets and Improvements

1. Provide a copy of the capital asset list for the water and sewer utilities. Label this as **Exhibit 11**. [See attached statement.](#)
2. Provide a copy of the utility 5-year capital asset plan. If such a plan does not exist, please detail the capital improvements that are necessary for continued operation of the water and sewer systems that are necessary in the next 5 years. Label this as **Exhibit 12**. [See attached statement.](#)

Section 4. Water Operations

1. Provide a copy of the most recent test of the master water meter to ensure that the meter is accurately functioning. Label this as **Exhibit 13**. [See attached document.](#)
2. Fill out the following table:

Fiscal Year	Total Gallons of Water Produced	Total Gallons of Water Sold
2016	100.157 mg	N/A
2017	108.281 mg	14,099,376
2018	127.57 mg	76,251,150
2019	142.785 mg	99,376,209
2020	154.290 mg	71,512,274

3. On the below line, provide the average cost to produce 1,000 gallons of water for the utility system. If this number is unknown, please indicate so.
[Unknown](#)

4. Provide a written statement concerning the following labelled as **Exhibit 14**: [See attachment statement](#)
 - a. Does the utility operation currently have any concern with the ability to provide safe water in compliance with all related environmental regulations to **current** customers?
 - b. Does the utility operation currently have any concern with the ability to provide safe water in compliance with all related environmental regulations to **future** customers?
 - c. If there are any concerns with the current or future ability to provide safe water at normal pressure, is there a plan in place to improve the system to alleviate the concerns?

Section 5: Sewer Operations

1. During the November 18th meeting between Water and Wastewater Financing Board staff and the Town, staff was informed that the town is currently experiencing issues with their wastewater treatment operations. Provide a written statement of the timeline of these issues, what (if any) deadlines exist for the corrections of these problems, any state or federal environmental orders relating to these issues, and where the funding will come from to treat these issues. Label this as **Exhibit 15. See attached statement.**
 2. Provide a written statement regarding the inflow and infiltration and other operational deficiencies that the sewer system currently experiences. If a plan exists to fix these problems, provide insight into this as well. Label this as **Exhibit 16. See attached statement.**
 3. On the below line, provide the average cost to treat 1,000 gallons of wastewater for the utility system. If this number is unknown, please indicate so.
Unknown
-

Section 6: Financial Consultants

1. Provide the employment history between Ms. Ronda Hughey and the Town and Mr. Cortez Hughey. Included in this employment history provide title(s) held, length of employment for each role, and the salary or wage information for each entry. Label this as **Exhibit 17. See attached statement.**
2. Provide a written statement regarding the nature of the relationship between Hughey's Debits and Credits, LLC, Ronda Hughey, Cortez Hughey, and the Town. This description should include when the relationship between all parties began, the responsibilities of the consultants, employment history between the individuals and the town, and any other relevant information Label this as **Exhibit 18. See attached statement.**
3. Does a contract currently exist between the Town and Hughey's Debits and Credits, LLC? If so, provide a copy of the contract. If not, does a contract currently exist between the Town and Ronda Hughey and/or Cortez Hughey individually instead of contracted between the Town and the LLC? If so, provide a copy of the contract. If no such contract exists between the Town and these financial consultants, provide a written statement as to the compensation and any other benefits offered to Ronda and Cortez Hughey, and detail whether these benefits are to be paid out to the individuals or to the LLC on behalf of the individuals. Label this as **Exhibit 19. See attached statement and document.**
4. Provide a record of all disbursements and reimbursements made to Hughey's Debits and Credits, LLC, Ronda Hughey, and Cortez Hughey from January 2016 until current. Label this as **Exhibit 20. See attached document.**

Section 7: Other Financial Information

1. Provide a 5-year history of the Town's water and sewer rates. Include any relevant ordinances that show when the rates were voted in. Please include copies of any rate studies that were used to set these rates. Label this as **Exhibit 21. See attached documents (4).**

2. Provide a 5-year history of the Town's property tax rates. Include any relevant ordinances that show when the rates were voted in. Label this as **Exhibit 22**. [See attached documents \(2\)](#).
3. Does the Town provide health insurance for the Board of Mayor and Aldermen? If yes, please provide the cost of premiums for the relevant parties. Label this as **Exhibit 23**. [See attached statement](#).
4. Provide a written response to summarize the Town's current plan to pay back the debt between the General Fund and the Water and Sewer Fund. If budget cuts were necessary to be able to afford this repayment, please include information as to what was cut in order to afford these repayments. Label this as **Exhibit 24**. [See attached document and statement](#).

Exhibits	Document
Exhibit 1	Emmitt Gooden Training Proof
Exhibit 2	Virginia Rivers Training Proof
Exhibit 3	Carolyn Catron Training Proof
Exhibit 4	Sylvester Harvey Training Proof
Exhibit 5	Celia Jones Chastain Training Proof
Exhibit 6	Eddie Noeman Training Proof
Exhibit 7	Shate Toliver Training Proof
Exhibit 8	Rate Ordinance
Exhibit 9	Rate Difference Justification
Exhibit 10	Future Rate Increase Plan
Exhibit 11	Capital Asset List
Exhibit 12	Capital Asset Plan
Exhibit 13	Most Recent Water Meter Test
Exhibit 14	Current and Future Water System Abilities
Exhibit 15	Sewer Treatment Issue Statement
Exhibit 16	Inflow and Infiltration Statement
Exhibit 17	Hughey and Town Employment History
Exhibit 18	D&C and/or Hughey's Debits and Credits Summary
Exhibit 19	D&C and/or Hughey Contract(s)
Exhibit 20	D&C and/or Hughey Disbursement History
Exhibit 21	Water and Sewer Rate History
Exhibit 22	Property Tax History
Exhibit 23	Board of Mayor and Aldermen Insurance Cost
Exhibit 24	Water and Sewer Fund Repayment Plan

Town of Mason
Water and Wastewater Financing Board Investigative Questionnaire
Exhibit Statements

- Exhibit 9** Inside customer have water and sewer services; outside customers have water services only. The additional cost was placed there because it cost the Town more to travel in the rural areas than in the inner city.
- Exhibit 10** On December 13, 2021, the Board of Aldermen had a first reading to increase water/wastewater rates. On December 16, 2021, the second reading was passed, and rate increase was voted upon. Rate increase of 3% will begin January 2022 and in July 2022 there will be a 2% rate increase. The 2% increase will be applied annually every Fiscal year beginning July 2022. **Also see exhibit 8 attachment.**
- Exhibit 11** At the end of fiscal year 2019, the Town had invested \$4.04 million net of accumulated depreciation in a variety of capital assets and infrastructure. The most significant additions amounted to \$516 thousand related to the Community Development Block Grant projects in the Water and Sewer fund. Other Capital Assets would be the work trucks, equipment purchased through the CDBG Project, and other equipment used to perform daily duties.
- Exhibit 12** *5-Year Capital Improvement Plan* – We plan to purchase 2 new trucks and make up grades to all sewer lift stations. This estimated cost for trucks are \$68,000.00. The estimate cost for lift station maintenance is approximately \$200,000. There was 1 water pump purchased in the last five years the cost of the pump was \$1,690.59.
- Exhibit 14**
- a. No
 - b. No
 - c. Yes, plans are to rebuild Highway 59 Booster Station within the next year.
- Exhibit 15** Current issue will be corrected by December 2024. A consent order was given to the Town until 2024 to correct issues. The Town of Mason has made an Application with TDEC for Clean Water SRF Funding for Planning and Design of Wastewater System Improvements.
- Exhibit 16** The Town replaced all broken sewer clean outs within system after smoke testing. There are plans to upgrade all sewer lift stations in system by June 2024. This also includes, checking sewer mains to see if there are any storm drains connected to sewer lines.
- Exhibit 17** Mr. Cortez Hughey is a former Aldermen for the Town of Mason. He was sworn in November 2013 and served through November 2014. The salary for Aldermen was \$50/month. Mr. Hughey received a total salary of \$600 as an Aldermen.
- Exhibit 18** The relationship between Hughey's Debits and Credits, LLC and the Town began April 5, 2016. See attached contracts for scope of work and responsibilities. See attached contracts as Exhibit 18-A and 18-B.

- Exhibit 19** Yes, a contract does exist with the Town of Mason and Hughey's Debits and Credit, LLC. Please see attached contract as Exhibit 19.
- Exhibit 23** No, the Town does not provide health insurance for the Mayor or Board of Aldermen.
- Exhibit 24** The Finance Team has proposed budget cuts to the Board of Aldermen for the Town General Fund for the next 5 years to pay back the debt between General Fund and Water and Sewer Fund. The proposed cuts will allow the Town to make a payment of \$8,583.33 (bank auto transfer) each month. The current bank auto transfer is \$3,163.75. We propose to increase the draft an additional \$5,419.58 each month. Please see budget cuts attachment exhibit 24.



Certificate of Achievement

**THIS ACKNOWLEDGES THAT
Virginia Rivers**

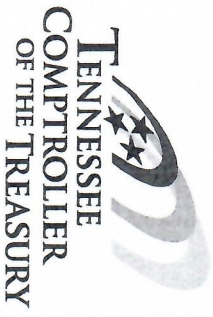
**HAS SUCCESSFULLY COMPLETED
Cyber Security (1 hour credit)**

A handwritten signature in black ink, appearing to read "Jason E. Mumpower", written over a horizontal line.

Jason E. Mumpower, Comptroller of the Treasury

4/23/2021

Date of Completion



Certificate of Achievement

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Virginia Rivers

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Introduction to Depreciation (1 hour credit)

A handwritten signature in black ink, appearing to read 'Jason E. Mumpower', written over a horizontal line.

Jason E. Mumpower, Comptroller of the Treasury

1/13/2022

Date of Completion



Certificate of Achievement

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Virginia Rivers

HAS SUCCESSFULLY COMPLETED

in Keys to a Fiscally Well-Managed Government (1 hour cr

A handwritten signature in black ink, appearing to read 'Jason E. Mumpower', written over a horizontal line.

Jason E. Mumpower, Comptroller of the Treasury

4/23/2021

Date of Completion



Certificate of Achievement

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Production to the Comptroller's Utility Office (1 Hour of Credit)

A handwritten signature in black ink, appearing to read "Jason E. Mumpower", written over a horizontal line.

Jason E. Mumpower, Comptroller of the Treasury

4/23/2021

Date of Completion



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Communicating with Customers (1 Hour of Credit)

A handwritten signature in black ink, appearing to read "Jason E. Numpower", written over a horizontal line.

Jason E. Numpower, Comptroller of the Treasury

4/23/2021

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Budgeting for WWFB Utilities (1 Hour of Credit)

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Jason F. Mumpower, Comptroller of the Treasury

4/23/2021

Date of Completion



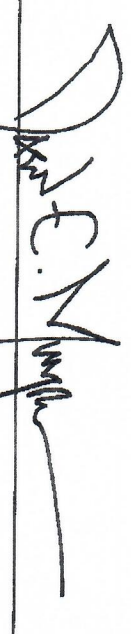
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A Debt Overview for Utilities (1 Hour of Credit)

A handwritten signature in black ink, appearing to read "Jason E. Mumpower", written over a horizontal line.

Jason E. Mumpower, Comptroller of the Treasury

4/23/2021

Date of Completion



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**THIS ACKNOWLEDGES THAT
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Financial Accountability and Fraud Awareness (1 Hour of Cre

A handwritten signature in black ink, appearing to read "Jason E. Mumpower", written over a horizontal line.

Jason E. Mumpower, Comptroller of the Treasury

4/23/2021

Date of Completion



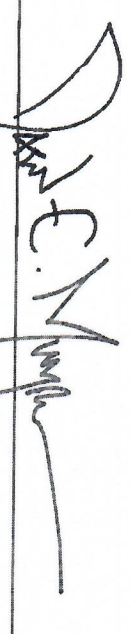
Certificate of Achievement

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Virginia Rivers

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Fraud Can't Happen Here (1 Hour of Credit)



Jason E. Mumpower, Comptroller of the Treasury

4/23/2021

Date of Completion



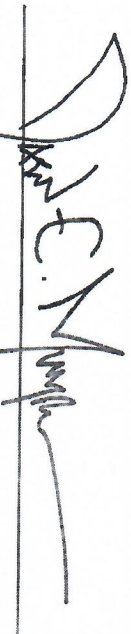
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THIS ACKNOWLEDGES THAT

Virginia Rivers

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Internal Controls and Fraud in Utilities (1 Hour of Credit)



Jason E. Mumpower, Comptroller of the Treasury

4/23/2021

Date of Completion



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Virginia Rivers

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GASB Basics 101 Part 1 (1 Hour of Credit)

A handwritten signature in black ink, appearing to read "Jason E. Mumpower", written over a horizontal line.

Jason E. Mumpower, Comptroller of the Treasury

4/23/2021

Date of Completion



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GASB Basics 101 Part 2 (1 Hour of Credit)

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Jason E. Mumpower, Comptroller of the Treasury

4/23/2021

Date of Completion

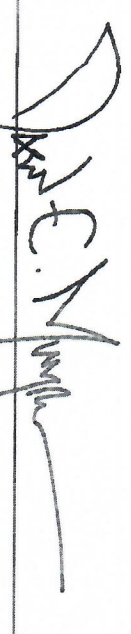


Certificate of Achievement

**THIS ACKNOWLEDGES THAT
Virginia Rivers**

HAS SUCCESSFULLY COMPLETED

Public Records and Open Meetings Part 1 (1 Hour of Credit)



Jason E. Mumpower, Comptroller of the Treasury

4/23/2021

Date of Completion



Certificate of Achievement

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Virginia Rivers

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Public Records and Open Meetings Part 2 (1 Hour of Credit

A handwritten signature in black ink, appearing to read 'Jason E. Mumpower', written over a horizontal line.

Jason E. Mumpower, Comptroller of the Treasury

4/24/2021

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Virginia Rivers

HAS SUCCESSFULLY COMPLETED

Water Loss Assessment Part 1 (1 Hour of Credit)

A handwritten signature in black ink, appearing to read 'Jason E. Mumpower', written over a horizontal line.

Jason E. Mumpower, Comptroller of the Treasury

4/24/2021

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Virginia Rivers

HAS SUCCESSFULLY COMPLETED

Water Loss Assessment Part 2 (1 Hour of Credit)



Jason E. Mumpower, Comptroller of the Treasury

4/24/2021

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Virginia Rivers

HAS SUCCESSFULLY COMPLETED

Inventory System; I&I and Water Loss Reduction (1 Hour)

A handwritten signature in black ink, appearing to read "Jason E. Mumpower", written over a horizontal line.

Jason E. Mumpower, Comptroller of the Treasury

4/24/2021

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Carolyn Catron

HAS SUCCESSFULLY COMPLETED

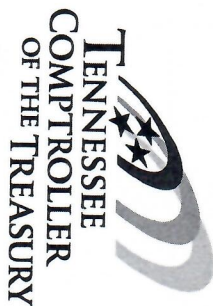
Cyber Security (1 hour credit)

A handwritten signature in black ink, appearing to read 'Jason E. Mumpower', written over a horizontal line.

Jason E. Mumpower, Comptroller of the Treasury

6/6/2021

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Carolyn Catron

HAS SUCCESSFULLY COMPLETED

Introduction to Depreciation (1 hour credit)

A handwritten signature in black ink, appearing to read 'Jason E. Mumpower', written over a horizontal line.

Jason E. Mumpower, Comptroller of the Treasury

6/6/2021

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Carolyn Catron

HAS SUCCESSFULLY COMPLETED

in Keys to a Fiscally Well-Managed Government (1 hour cr



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TENNESSEE
COMPTROLLER
OF THE TREASURY

Certificate of Achievement

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Communicating with Customers (1 Hour of Credit)

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Budgeting for WWFB Utilities (1 Hour of Credit)



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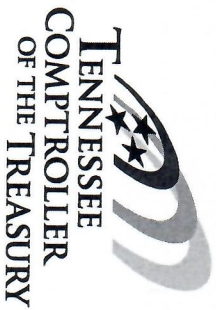
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Water Loss Assessment Part 2 (1 Hour of Credit)

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Jason E. Mumpower, Comptroller of the Treasury

6/7/2021

Date of Completion



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Inventory System; I&I and Water Loss Reduction (1 Hour

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Jason E. Mumpower, Comptroller of the Treasury

6/7/2021

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Sylvester Harvey

HAS SUCCESSFULLY COMPLETED

Cyber Security (1 hour credit)



Jason E. Mumpower, Comptroller of the Treasury

5/6/2021

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

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Introduction to Depreciation (1 hour credit)

Jason E. Munnpower, Comptroller of the Treasury

5/5/2021

Date of Completion



Certificate of Achievement

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in Keys to a Fiscally Well-Managed Government (1 hour cr



City

Date of Completion

5/6/2021



Certificate of Achievement

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Production to the Comptroller's Utility Office (1 Hour of Credit)

[Handwritten signature]

5/5/2021

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Sylvester Harvey

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Communicating with Customers (1 Hour of Credit)



Jason E. Mummpower, Comptroller of the Treasury

5/3/2021

Date of Completion



Certificate of Achievement

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Public Records and Open Meetings Part 1 (1 Hour of Credit)



Jason E. Mumpower, Comptroller of the Treasury

5/3/2021

Date of Completion



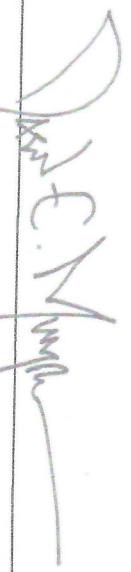
Certificate of Achievement

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Public Records and Open Meetings Part 2 (1 Hour of Credit)



Jason E. Munnpower, Comptroller of the Treasury

5/4/2021

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Sylvester Harvey

HAS SUCCESSFULLY COMPLETED

Water Loss Assessment Part 1 (1 Hour of Credit)



City

5/4/2021

Date of Completion



Certificate of Achievement

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Water Loss Assessment Part 2 (1 Hour of Credit)



Signature

5/5/2021

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Jason E. Mumpower, Comptroller of the Treasury

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Cyber Security (1 hour credit)

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5/13/2021

Date of Completion



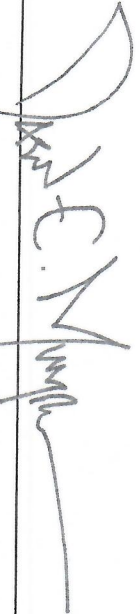
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Introduction to Depreciation (1 hour credit)



Jason E. Mumpower, Comptroller of the Treasury

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Budgeting for WWFB Utilities (1 Hour of Credit)

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A Debt Overview for Utilities (1 Hour of Credit)

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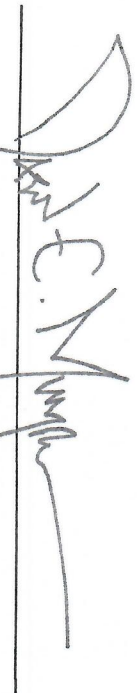
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Fraud Can't Happen Here (1 Hour of Credit)



Jason E. Mumpower, Comptroller of the Treasury

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Internal Controls and Fraud in Utilities (1 Hour of Credit)

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GASB Basics 101 Part 1 (1 Hour of Credit)

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GASB Basics 101 Part 2 (1 Hour of Credit)

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Jason E. Mumpower, Comptroller of the Treasury

6/26/2021

Date of Completion



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Public Records and Open Meetings Part 1 (1 Hour of Credit)

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5/10/2021

Date of Completion



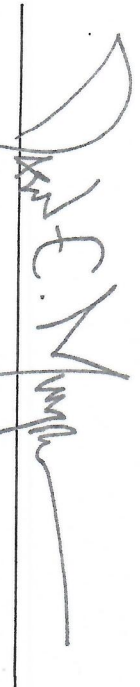
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Public Records and Open Meetings Part 2 (1 Hour of Credit



Jason E. Mumpower, Comptroller of the Treasury

5/14/2021

Date of Completion



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Water Loss Assessment Part 2 (1 Hour of Credit)



Jason E. Mumpower, Comptroller of the Treasury

1/13/2022

Date of Completion



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Cyber Security (1 hour credit)

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Water Loss Assessment Part 1 (1 Hour of Credit)

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Jason E. Mumpower, Comptroller of the Treasury

6/7/2021

Date of Completion

ORDINANCE NUMBER 12162021-1**AN ORDINANCE TO ESTABLISH WATER AND SEWER RATES FOR THE TOWN OF MASON.**

WHEREAS, the water and sewer rates for the Town of Mason have not been increased in several years; and

WHEREAS, the Board of Mayor and Aldermen of the Town of Mason agree that the water and sewer rates no longer meet the needs of the citizens or the requirements of the state law to operate the systems on a sound financial basis;

NOW, THEREFORE BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE TOWN OF MASON THAT:

SECTION 1. Rates for water and sewer service furnished by the Town of Mason are hereby adopted to be effective with the meter reading occurring in the month of January 2022.

The rates established are as follows:

**Mason, Tennessee
Water & Sewer
Schedule of Rates
Effective January 2022**

IN TOWN

Water Rate:

Residential and Commercial:

Minimum Bill includes 3000 gallons	\$20.60
All Over 3,000 gallons	\$ 2.97 per 1,000 gallons

Multi-Unit Residential Water Rate:

Where not individually metered

Minimum Bill

Includes 3,000 gallons Per Residential Unit:	\$20.60
All Over 3,000 gallons	\$ 2.97 per 1,000 gallons

Correctional Facility Water Rate:

Minimum Bill includes 480,000 gallons	\$3,461.80
All Over 480,000 gallons	\$ 2.97 per 1,000 gallons

OUT OF TOWN

Water Rate:

Residential and Commercial:

Minimum Bill includes 3,000 gallons	\$28.84
All Over 3,000 gallons	\$ 3.85 per 1,000 gallons

Two Inch Meter:

Minimum Bill includes 2,000 gallons	\$74.98
Next 2,000 gallons	\$ 4.72 per 1,000 gallons
Next 8,000 gallons	\$ 3.21 per 1,000 gallons
Next 40,000 gallons	\$ 3.03 per 1,000 gallons
Next 50,000 gallons	\$ 2.52 per 1,000 gallons
Over 102,000 gallons	\$ 2.41 per 1,000 gallons

ALL SEWER RATES:

Sewer Rate:	100% of Water Bill
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SECTION 2. Rates for water and sewer service furnished by the Town of Mason are hereby adopted to be effective with the meter reading occurring in the month of July 2022. The rates established are as follows:

**Mason, Tennessee
Water & Sewer
Schedule of Rates
Effective July 2022**

IN TOWN

Water Rate:

Residential and Commercial:

Minimum Bill includes 3000 gallons	\$21.01
All Over 3,000 gallons	\$ 3.03 per 1,000 gallons

Multi-Unit Residential Water Rate:

Where not individually metered

Minimum Bill

Includes 3,000 gallons Per Residential Unit:	\$21.01
All Over 3,000 gallons	\$ 3.03 per 1,000 gallons

Correctional Facility Water Rate:

Minimum Bill includes 480,000 gallons	\$3,530.02
All Over 480,000 gallons	\$ 3.03 per 1,000 gallons

OUT OF TOWN

Water Rate:

Residential and Commercial:

Minimum Bill includes 3,000 gallons	\$29.42
All Over 3,000 gallons	\$ 3.93 per 1,000 gallons

Two Inch Meter:

Minimum Bill includes 2,000 gallons	\$76.48
Next 2,000 gallons	\$ 4.81 per 1,000 gallons
Next 8,000 gallons	\$ 3.28 per 1,000 gallons
Next 40,000 gallons	\$ 3.09 per 1,000 gallons
Next 50,000 gallons	\$ 2.57 per 1,000 gallons
Over 102,000 gallons	\$ 2.46 per 1,000 gallons

ALL SEWER RATES:

Sewer Rate:	100% of Water Bill
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SECTION 3 . Repealer Provisions. That all ordinances or parts of ordinances in conflict herewith, are to the extent of such conflict, hereby repealed.

SECTION 4. This ordinance shall take effect upon final reading, the public welfare requiring it.

Passed 1st reading Dec. 13, 2021



Mayor

Passed 2nd reading Dec. 16, 2021



City Recorder



Contract with Hughey's Debits & Credits, LLC (HDC)

This contract is for Certified Municipal Finance Officer (CMFO) services

Between: Town of Mason, hereinafter referred to as the "Client" a Client organized and existing under the laws of the state of Tennessee, located at 12157 Main St, Mason, TN 38049

And: Hughey's Debits and Credits, LLC hereinafter referred to as the "HDC" Elcanius Cortez Hughey and/or Ronda Hughey, owners of HDC, a Client organized and existing under the laws of the State of Tennessee, with its head office located at 216 Friendship Circle, Mason, TN 38049.

NOW, therefore, in consideration of the mutual covenants set forth herein and intending to be legally bound, the parties hereto agree as follows:

1. PARTIES TO THIS CONTRACT

The Client, in order to properly conduct its business, hires HDC for CMFO services.

2. INDEPENDENT CONTRACTORS

Both the HDC and the Client agree that the relationship created by this contract is that of independent contractor and not that of employee and employer. HDC is responsible for the payment of any taxes, including without limitation, all Federal, State and local personal and business income taxes, sales and use taxes, other business taxes and license fees arising out of the activities of HDC.

3. SERVICES TO BE PROVIDED

During the length of this contract, HDC shall serve the Client and perform all services in the bookkeeping and/or fiscal duties as the Client requires in connection with the Client's business including the duties listed below and any supervisory and advisory services to the Client when requested.

A. Update and review internal controls systems

- Create plan to separate duties
- Enhance file maintenance
- Create financial checkpoints
- Improve on deposit procedures
- Implement cross-training



- Incorporate petty cash journal
- Update Password Management
- B. Contact technology partners to find the best governmental/municipality accounting software
- C. Apply for necessary Client credit cards, with board approval
- D. Prepare annual budgets for each department plus city's budget
- E. Create system to verify vendor authenticity
- F. Work with Internal Revenue Service to ensure previous debt has been paid
- G. Maintain accounting software for accuracy and management
- H. Update and reconcile accounting software
- I. Connect software with local bank to reduce errors
- J. Coordinate with office staff to match payments to what is being recorded
- K. Process payroll via direct deposit
- L. Pay all payroll taxes promptly
- M. Prepare all state required taxes and reports such as unemployment, litigation, sales & use etc.
- N. Prepare all federal required taxes such as Form 941
- O. Pay all approved bills through automatic payment or bill payment to reduce late payments (Board would receive a list of bills and payments monthly for approval)
- P. Reconciliation of all business accounts including credit cards
- Q. Monthly Financial Statements and Reports Development
- R. Present financial statements at monthly board meetings
- S. Work with the auditors for future audits to ensure a clean bill of financial health
- T. Rework FY16 for the entire year to ensure accuracy
- U. Preparation of 1099/1096 for year-end reporting

4. PAYMENTS TERMS

The Client agrees to pay HDC for services for **\$35,100** annually to be paid weekly in the amount of **\$675** when payroll is disbursed. Payments will be considered late after 14 days past the payroll date and fee of 1% of outstanding will be assessed.

HDC will be responsible for the Certified Municipal Financial Officer (CMFO) classes, training, and continued education requirements with no additional costs to the Town of Mason. CMFO certification will be completed by June 30, 2017.

5. CONFIDENTIALITY

- A. HDC hereby acknowledges that Client has made, or may make, available to HDC certain customer lists, pricing data, supply sources, techniques, computerized data, maps, methods, product design information, market information, technical information, benchmarks, performance standards and other confidential and/or



Proprietary information of, or licensed to, the Client or its clients, including without limitation, trade secrets, inventions, patents, and copyrighted materials.

- B. HDC acknowledges that this information has independent economic value, actual or potential, that is not generally known to the public or to others who could obtain economic value from their disclosures or use, and that this information is subject to a reasonable effort by the Client to maintain its secrecy and confidentiality. Except as essential to HDC obligations pursuant to their relationship with the Client, HDC shall not make any duplications or other copy of the Confidential Material.
- C. HDC shall not remove Confidential Material or proprietary property or documents without written authorization. Immediately upon request from Client, HDC shall return to Client all Confidential Material or proprietary property or documents. HDC shall notify each person to whom any disclosure is made that such disclosure is made in confidence, that the Confidential Materials shall be kept in confidence by such persons, and that such persons shall be bound by the provisions of this Contract. HDC further promises and agrees not to solicit Customers or potential Customers of the Client, after the termination of this Contract, while making use of Client's Confidentiality Material.

6. PROPRIETARY INFORMATION

- A. For the purpose of this Contract, "Proprietary Information" shall include, but not limited to any information, observation, data, written material, record, document, drawing, photograph, layout, computer program, software, multimedia, firmware, invention, discovery, improvement, development, tool, machine, apparatus, appliance, design, work of authorship, logo, system, promotional idea, customer list, customer need, practice, pricing information, process, test, concept, formula method, market information, technique, trade secret, product and/or research related to the actual or anticipated research development, products, marketing, advertising, business, or finances of Client, its affiliates or related entities.
- B. All right, title and interest of every kind and nature whatsoever in and to the Proprietary information made, written, discussed, developed, secured, obtained or learned by HDC during the term of the relationship with the Client or the one-month period immediately following termination of that relationship shall be a contract made between Client and HDC. The covenants set forth in the preceding sentence shall apply regardless of whether any Propriety information is made written, discussed, developed, secured, obtained or learned (a) solely or jointly with others, (b) during the usual hours of work or otherwise, (c) at the request and upon the suggestion of Client or otherwise, (d) with Client's materials, tools, instruments, or (e) on Client's premises or otherwise.



7. TERM OF CONTRACT

This contract shall is for the period commencing on April 5, 2016 and ending on April 4, 2017. Contract can be renewed annually.

8. ENTIRE CONTRACT

This contract expresses the entire contract between the Client and HDC regarding this matter. This contract can only be modified with another written contract signed by both the Client and HDC. This contract shall be binding upon the Client and HDC, and their respective heirs, legal representative and successors in interest.

9. TERMINATION OF THIS AGREEMENT

This agreement may be terminated by either party in writing. All such notices shall be sent by certified mail or delivered personally. In addition, the remaining balance under this contract will have to be paid in full in order to terminate agreement.

10. LEGAL FEES

If either party brings a law suit in order to enforce or interpret the provision of this contract, the prevailing party shall be entitled to reasonable attorney's fees in addition to any other relief to which that party may be entitled.

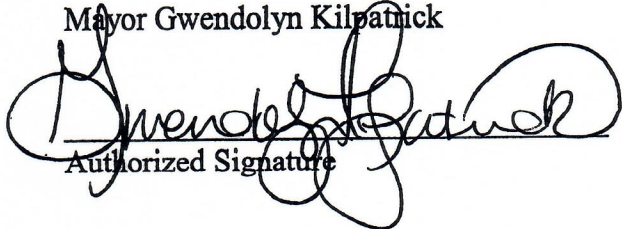
11. GOVERNING LAW

This contract shall be interpreted according to the laws of the State of Tennessee.

12. SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the day and year first above written.

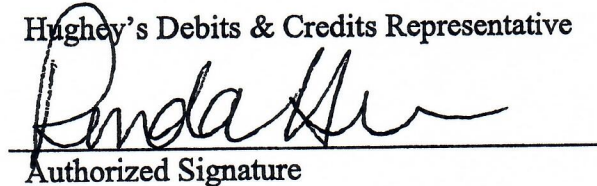
Mayor Gwendolyn Kilpatrick


Authorized Signature

4-5-2016

Date

Hughey's Debits & Credits Representative


Authorized Signature

4/5/16

Date



Town of Mason

12157 Main Street
Mason TN 38049
901-294-3525 Phone
901-294-2307 Fax

August 14, 2017

Cortez & Ronda Hughey
Hughey's Debits and Credits
216 Friendship Cove
Mason, TN 38049

Dear Mr. & Mrs. Hughey,

Effective Monday, August 21, 2017, the weekly contracted amount to be paid to Hughey's Debits and Credits is being reduced from \$675 weekly to a monthly amount of \$500 due to the following processes being removed from your scope of responsibilities:

- Administration to include human resources and office management
- Billing (bills are not being entered for payment internally)
- Reconciliation is being completed internally for years 2015/2016 & 2016/2017

The following processes are expected to be completed and a contract will be created to include these responsibilities, monthly payment for services and conditions of continuation of contract:

1. Reconcile bank statements to the General Ledger (all funds)
2. General Vouchers (Doe To's & Doe From's)
3. Monthly Financials to be completed one week prior to the Mayor and Board Meeting
4. Assist with Comptroller Budget Reconciliation
5. Available to assist external Auditors

Hughey's Debits and Credits will report to Stephanie Taylor, Human Resources Manager.

Sincerely,

Mayor Gwendolyn Kilpatrick



Contract with Hughey's Debits & Credits, LLC (HDC)

This contract is for bookkeeping services

Between: Town of Mason, hereinafter referred to as the "Client" organized and existing under the laws of the state of Tennessee, located at 12157 Main St, Mason, TN 38049

And: Hughey's Debits and Credits, LLC hereinafter referred to as the "HDC" Elcanius Cortez Hughey and/or Ronda Hughey, owners of HDC, a Client organized and existing under the laws of the State of Tennessee, with its head office located at 6061 Stage Road Suite 1, Bartlett, TN 38134.

NOW, therefore, in consideration of the mutual covenants set forth herein and intending to be legally bound, the parties hereto agree as follows:

1. PARTIES TO THIS CONTRACT

The Client, to properly conduct its business, hires HDC for bookkeeping services.

2. INDEPENDENT CONTRACTORS

Both the HDC and the Client agree that the relationship created by this contract is that of independent contractor and not that of employee and employer. HDC is responsible for the payment of any taxes, including without limitation, all Federal, State, and local personal and business income taxes, sales and use taxes, other business taxes and license fees arising out of the activities of HDC.

3. SERVICES TO BE PROVIDED

During the length of this contract, HDC shall serve the Client and perform services as the Client requires about the Client's business including the duties listed below to the Client when requested. If any services are added, an amendment is required.

- Assist with the annual budget to be submitted on time per state guidelines.
- Maintain accounting software for accuracy and management.
- Update and reconcile accounting software.
- Monthly Reconciliation of all business accounts including credit cards.
- Monthly Financial Statements for each fund for Board Meetings
- Review and manage General Ledger transactions monthly.
- Enter journal entries, when necessary
- Work with the auditors directly for future audits to ensure financial point of contact.



4. TERM OF CONTRACT

This contract is for the period commencing on July 1, 2021, ending on June 30, 2022. Contract to be renewed annually, at the option of the Client.

5. PAYMENTS TERMS

The Client agrees to pay HDC for services to be paid via direct deposit in the amount of **\$2,700/month for 30 hours per month but not to exceed 35 hours. Any hours more than 35 hours per month will be billed on an hourly rate of \$90/per hour.** An invoice with the details breakdown of hours spent will be sent to the Town of Mason monthly to verify hours. If funds are rejected due to insufficient funds, a \$30 fee will be added to the payment. All unpaid balances are subject to 1.5% interest per month after 30 days.

6. CONFIDENTIALITY

- A. HDC hereby acknowledges that Client has made, or may make, available to HDC certain customer lists, pricing data, supply sources, techniques, computerized data, maps, methods, product design information, market information, technical information, benchmarks, performance standards and other confidential and/or Proprietary information of, or licensed to, the Client or its clients, including without limitation, trade secrets, inventions, patents, and copyrighted materials.
- B. HDC acknowledges that this information has independent economic value, actual or potential, that is not generally known to the public or to others who could obtain economic value from their disclosures or use, and that this information is subject to a reasonable effort by the Client to maintain its secrecy and confidentiality. Except as essential to HDC obligations pursuant to their relationship with the Client, HDC shall not make any duplications or other copy of the Confidential Material.
- C. HDC shall not remove Confidential Material or proprietary property or documents without authorization. Immediately upon request from Client, HDC shall return to Client all Confidential Material or proprietary property or documents. HDC shall notify each person to whom any disclosure is made that such disclosure is made in confident, that the Confidential Materials shall be kept in confidence by such persons, and that such persons shall be bound by the provisions of this Contract.

7. PROPRIETARY INFORMATION

- A. For the purpose of this Contract, "Proprietary Information" shall include, but not limited to any information, observation, data, written material, record, document, drawing, photograph, layout, computer program, software, multimedia, firmware, invention, discovery, improvement, development, tool, machine, apparatus, appliance, design, work of authorship, logo, system, promotional idea, customer list,



customer need, practice, pricing information, process, test, concept, formula method, market information, technique, trade secret, product and/or research related to the actual or anticipated research development, products, marketing, advertising, business, or finances of Client, its affiliates or related entities.

- B. All right, title and interest of every kind and nature whatsoever in and to the Proprietary information made, written, discussed, developed, secured, obtained or learned by HDC during the term of the relationship with the Client or the one-month period immediately following termination of that relationship shall be a contract made between Client and HDC. The covenants set forth in the preceding sentence shall apply regardless of whether any Propriety information is made written, discussed, developed, secured, obtained, or learned (a) solely or jointly with others, (b) during the usual hours of work or otherwise, (c) at the request and upon the suggestion of Client or otherwise, (d) with Client's materials, tools, instruments, or (e) on Client's premises or otherwise.

8. ENTIRE CONTRACT

This contract expresses the entire contract between the Client and HDC regarding this matter. This contract can only be modified with another written contract signed by both the Client and HDC. This contract shall be binding upon the Client and HDC, and their respective heirs, legal representative, and successors in interest.

9. TERMINATION OF THIS AGREEMENT

This agreement may be terminated by either party in writing. All such notices shall be sent by certified mail or delivered personally. Notices must be given a 30-day notice. If Client decides to terminate this agreement, the remaining balance of performed work from HDC under this contract must be paid in full to terminate this agreement. If Client provides written communication of the termination within the required timeframe, all future invoices may be waived. However, all outstanding invoices must be paid within 10 days. If HDC terminates contract, all future invoices may be waived.

10. LEGAL FEES

If either party brings a lawsuit to enforce or interpret the provision of this contract, the prevailing party shall be entitled to reasonable attorney's fees in addition to any other relief to which that party may be entitled.

11. GOVERNING LAW

This contract shall be interpreted according to the laws of the State of Tennessee.



12. SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the day and year first above written.

Mayor Emmitt Gooden

Hughey's Debits & Credits Representative

A handwritten signature in blue ink, appearing to be 'Emmitt Gooden', written over a horizontal line.

A handwritten signature in blue ink, appearing to be 'R. Maddox', written over a horizontal line.

Authorized Signature

Authorized Signature

7-22-21
Date

7/22/21
Date

Town of Mason TN Vendor History Report

Order By Vendor Number
 Vendor Number Range 132 To 132
 Vendor Name Range Not Applicable
 Vendor Type All Vendor Types
 Transaction Date Range 01/01/2016 To 01/01/2022
 Include Miscellaneous Vendors
 Include Checks
 Include Vouchers Print Voucher Expense Detail
 Print Vendor Totals Only

Check Type	Check Number	Check Date	Checking Account	Check Amount	Void
Vendor	132	Hughey's Debits and Credits LLC	6061 Stage Road Suite # 1	Memphis, TN 38134	
Bank Draft	0	07/01/2016	100-11100-0100	\$675.00	<input checked="" type="checkbox"/>
Bank Draft	0	07/08/2016	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	07/15/2016	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	07/22/2016	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	07/29/2016	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	08/05/2016	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	08/12/2016	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	08/19/2016	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	08/26/2016	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	09/02/2016	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	09/09/2016	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	09/16/2016	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	09/23/2016	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	09/30/2016	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	10/06/2016	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	10/13/2016	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	10/20/2016	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	10/27/2016	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	11/03/2016	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	11/10/2016	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	11/17/2016	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	11/24/2016	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	12/01/2016	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	12/08/2016	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	12/15/2016	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	12/22/2016	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	12/29/2016	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	01/05/2017	100-11100-0100	\$675.00	<input type="checkbox"/>
Manual	1203	01/13/2017	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	01/19/2017	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	01/27/2017	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	02/02/2017	100-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	02/03/2017	410-11100-0100	\$675.00	<input type="checkbox"/>
Direct Deposit	0	02/10/2017	410-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	02/14/2017	100-11100-0100	\$675.00	<input type="checkbox"/>
Direct Deposit	0	02/15/2017	410-11100-0100	\$675.00	<input type="checkbox"/>
Bank Draft	0	02/21/2017	100-11100-0100	\$675.00	<input type="checkbox"/>
Direct Deposit	0	02/24/2017	410-11100-0100	\$675.00	<input type="checkbox"/>
Direct Deposit	0	03/03/2017	410-11100-0100	\$675.00	<input type="checkbox"/>

Direct Deposit	0	03/10/2017	410-11100-0100	\$675.00	<input type="checkbox"/>
Direct Deposit	0	03/17/2017	410-11100-0100	\$675.00	<input type="checkbox"/>
Regular	3394	03/24/2017	410-11100-0100	\$675.00	<input checked="" type="checkbox"/>
Direct Deposit	0	03/31/2017	410-11100-0100	\$675.00	<input type="checkbox"/>
Direct Deposit	0	04/07/2017	410-11100-0100	\$675.00	<input type="checkbox"/>
Direct Deposit	0	04/14/2017	410-11100-0100	\$675.00	<input type="checkbox"/>
Direct Deposit	0	04/21/2017	410-11100-0100	\$675.00	<input type="checkbox"/>
Direct Deposit	0	04/28/2017	410-11100-0100	\$675.00	<input type="checkbox"/>
Direct Deposit	0	05/05/2017	410-11100-0100	\$675.00	<input type="checkbox"/>
Direct Deposit	0	05/12/2017	410-11100-0100	\$675.00	<input type="checkbox"/>
Direct Deposit	0	05/19/2017	410-11100-0100	\$675.00	<input type="checkbox"/>
Direct Deposit	0	05/26/2017	410-11100-0100	\$675.00	<input type="checkbox"/>
Direct Deposit	0	06/02/2017	410-11100-0100	\$675.00	<input type="checkbox"/>
Direct Deposit	0	06/09/2017	410-11100-0100	\$675.00	<input type="checkbox"/>
Direct Deposit	0	06/16/2017	410-11100-0100	\$675.00	<input type="checkbox"/>
Direct Deposit	0	06/23/2017	410-11100-0100	\$675.00	<input type="checkbox"/>
Regular	3460	06/23/2017	410-11100-0100	\$3,000.00	<input checked="" type="checkbox"/>
Regular	3465	06/28/2017	410-11100-0100	\$3,000.00	<input checked="" type="checkbox"/>
Direct Deposit	0	06/30/2017	410-11100-0100	\$675.00	<input type="checkbox"/>
Direct Deposit	0	07/07/2017	410-11100-0100	\$675.00	<input type="checkbox"/>
Direct Deposit	0	07/14/2017	410-11100-0100	\$675.00	<input type="checkbox"/>
Direct Deposit	0	07/21/2017	410-11100-0100	\$675.00	<input type="checkbox"/>
Direct Deposit	0	07/28/2017	410-11100-0100	\$675.00	<input type="checkbox"/>
Direct Deposit	0	08/04/2017	410-11100-0100	\$675.00	<input type="checkbox"/>
Direct Deposit	0	08/11/2017	410-11100-0100	\$675.00	<input checked="" type="checkbox"/>
Direct Deposit	0	08/18/2017	410-11100-0100	\$675.00	<input type="checkbox"/>
Direct Deposit	0	10/20/2017	410-11100-0100	\$750.00	<input type="checkbox"/>
Direct Deposit	0	11/22/2017	410-11100-0100	\$500.00	<input type="checkbox"/>
Direct Deposit	0	12/15/2017	410-11100-0100	\$776.30	<input type="checkbox"/>
Direct Deposit	0	12/22/2017	410-11100-0100	\$500.00	<input type="checkbox"/>
Direct Deposit	0	01/30/2018	410-11100-0100	\$1,029.90	<input type="checkbox"/>
Direct Deposit	0	03/30/2018	410-11100-0100	\$1,000.00	<input type="checkbox"/>
Direct Deposit	0	04/20/2018	410-11100-0100	\$500.00	<input type="checkbox"/>
Direct Deposit	0	05/15/2018	410-11100-0100	\$1,362.75	<input type="checkbox"/>
Bank Draft	0	06/13/2018	100-11100-0100	\$500.00	<input checked="" type="checkbox"/>
Direct Deposit	0	06/20/2018	410-11100-0100	\$500.00	<input checked="" type="checkbox"/>
Direct Deposit	0	07/13/2018	100-11100-0100	\$500.00	<input type="checkbox"/>
Direct Deposit	0	08/15/2018	100-11100-0100	\$639.00	<input type="checkbox"/>
Direct Deposit	0	09/18/2018	100-11100-0100	\$1,504.50	<input type="checkbox"/>
Direct Deposit	0	10/17/2018	410-11100-0100	\$6,000.00	<input type="checkbox"/>
Direct Deposit	0	02/15/2019	100-11100-0100	\$3,500.00	<input type="checkbox"/>
Direct Deposit	0	03/21/2019	100-11100-0100	\$500.00	<input type="checkbox"/>
Direct Deposit	0	04/15/2019	100-11100-0100	\$500.00	<input type="checkbox"/>
Direct Deposit	0	05/15/2019	100-11100-0100	\$500.00	<input type="checkbox"/>
Direct Deposit	0	06/19/2019	100-11100-0100	\$3,500.00	<input type="checkbox"/>
Direct Deposit	0	07/17/2019	100-11100-0100	\$2,000.00	<input type="checkbox"/>
Direct Deposit	0	08/15/2019	100-11100-0100	\$2,000.00	<input type="checkbox"/>
Direct Deposit	0	09/16/2019	100-11100-0100	\$2,000.00	<input checked="" type="checkbox"/>
Regular	2205	09/16/2019	100-11100-0100	\$2,000.00	<input type="checkbox"/>
Regular	2242	10/14/2019	100-11100-0100	\$2,000.00	<input type="checkbox"/>
Direct Deposit	0	10/15/2019	100-11100-0100	\$2,000.00	<input checked="" type="checkbox"/>
Direct Deposit	0	11/15/2019	100-11100-0100	\$2,000.00	<input type="checkbox"/>

Regular	2297	12/16/2019	100-11100-0100	290	
Direct Deposit	0	01/15/2020	100-11100-0100	\$2,000.00	<input type="checkbox"/>
Direct Deposit	0	02/14/2020	100-11100-0100	\$2,000.00	<input type="checkbox"/>
Direct Deposit	0	02/14/2020	100-11100-0100	\$2,000.00	<input checked="" type="checkbox"/>
Direct Deposit	0	02/14/2020	100-11100-0100	\$2,000.00	<input type="checkbox"/>
Regular	2414	03/16/2020	100-11100-0100	\$2,000.00	<input type="checkbox"/>
Regular	2443	04/07/2020	100-11100-0100	\$2,000.00	<input type="checkbox"/>
Regular	2474	05/13/2020	100-11100-0100	\$2,000.00	<input type="checkbox"/>
Regular	2507	06/10/2020	100-11100-0100	\$2,000.00	<input type="checkbox"/>
Direct Deposit	0	06/30/2020	100-11100-0100	\$2,000.00	<input checked="" type="checkbox"/>
Direct Deposit	0	07/15/2020	100-11100-0100	\$2,000.00	<input type="checkbox"/>
Direct Deposit	0	08/14/2020	100-11100-0100	\$2,000.00	<input type="checkbox"/>
Direct Deposit	0	09/16/2020	100-11100-0100	\$2,000.00	<input type="checkbox"/>
Direct Deposit	0	10/16/2020	100-11100-0100	\$2,000.00	<input type="checkbox"/>
Direct Deposit	0	11/13/2020	100-11100-0100	\$2,000.00	<input type="checkbox"/>
Direct Deposit	0	12/15/2020	100-11100-0100	\$2,000.00	<input type="checkbox"/>
Direct Deposit	0	01/15/2021	100-11100-0100	\$2,000.00	<input type="checkbox"/>
Direct Deposit	0	02/12/2021	100-11100-0100	\$2,000.00	<input type="checkbox"/>
Direct Deposit	0	03/18/2021	100-11100-0100	\$2,000.00	<input type="checkbox"/>
Direct Deposit	0	04/15/2021	100-11100-0100	\$2,000.00	<input type="checkbox"/>
Direct Deposit	0	05/14/2021	100-11100-0100	\$2,000.00	<input type="checkbox"/>
Direct Deposit	0	06/15/2021	100-11100-0100	\$2,000.00	<input type="checkbox"/>
Direct Deposit	0	07/15/2021	100-11100-0100	\$2,000.00	<input type="checkbox"/>
Direct Deposit	0	08/17/2021	100-11100-0100	\$2,700.00	<input type="checkbox"/>
Direct Deposit	0	09/15/2021	100-11100-0100	\$2,700.00	<input type="checkbox"/>
Direct Deposit	0	10/15/2021	100-11100-0100	\$2,700.00	<input type="checkbox"/>
Direct Deposit	0	11/15/2021	100-11100-0100	\$2,700.00	<input type="checkbox"/>
Direct Deposit	0	12/16/2021	100-11100-0100	\$2,700.00	<input type="checkbox"/>
Check Totals For Vendor	132	Hughey's Debits and Credits LLC	107 Checks	\$127,562.45	
			11 Checks	\$17,025.00	

Town of Mason Rate Chart

Rates To Print	Service Type Rates
Service Type	WA Water
Rate	02 Wtr RES/COM Outside
Addon Type	Not Applicable
Addon Rate	Not Applicable
Print Usage Tables	No
Usage Range	Not Applicable
Usage Increment	Not Applicable
Include Inactive Rates	Yes

Service Type WA Water	Rate Code 02	Description Wtr RES/COM Outside	
Print Description On Bill <input type="checkbox"/>	Is Service Charge <input type="checkbox"/>	Is Metered <input checked="" type="checkbox"/>	Is Inactive <input type="checkbox"/>
	Is Accumulate Minimum <input type="checkbox"/>	Is Single Calculation <input type="checkbox"/>	
Bill Code WA			
AR Code WAT Water Billing		Units Of Measure Gallons	
GL Revenue Account 410-43000-2100		Water & Sewer Revenue	
GL AR Account 410-11200-0201		Water Receivable	
GL Liability Account 410-11200-0201		Water Receivable	
GL Cash Account 410-11100-0100		Cash	
GL Deposit Refundable Account			
GL Bad Debt Writeoff Account			
GL Bad Debt Recovery Account			
Calculation Method Usage			
Based On Service Type WA Water		Reading Factor 100.000	
Base Amount \$28.00		Prorate Minimum \$0.00	
Maximum Charge \$0.00		Minimum Charge \$0.00	
	Cutoff	Add Amount	Rate / 1000
	3,000	\$0.00	0.0000
	999,999,999	\$0.00	3.7400

Town of Mason Rate Chart

Rates To Print	Service Type Rates
Service Type	WA Water
Rate	03 Water CCA(Prison)
Addon Type	Not Applicable
Addon Rate	Not Applicable
Print Usage Tables	No
Usage Range	Not Applicable
Usage Increment	Not Applicable
Include Inactive Rates	Yes

Service Type WA Water	Rate Code 03	Description Water CCA(Prison)	
Print Description On Bill <input type="checkbox"/>	Is Service Charge <input type="checkbox"/>	Is Metered <input checked="" type="checkbox"/>	Is Inactive <input type="checkbox"/>
	Is Accumulate Minimum <input type="checkbox"/>	Is Single Calculation <input type="checkbox"/>	
Bill Code WA			
AR Code WAT Water Billing		Units Of Measure Gallons	
GL Revenue Account 410-43000-2100		Water & Sewer Revenue	
GL AR Account 410-11200-0201		Water Receivable	
GL Liability Account 410-11200-0201		Water Receivable	
GL Cash Account 410-11100-0100		Cash	
GL Deposit Refundable Account			
GL Bad Debt Writeoff Account			
GL Bad Debt Recovery Account			
Calculation Method Usage			
Based On Service Type WA Water		Reading Factor 100.000	
Base Amount \$3,360.00		Prorate Minimum \$0.00	
Maximum Charge \$0.00		Minimum Charge \$0.00	
	Cutoff	Add Amount	Rate / 1000
	480,000	\$0.00	0.0000
	999,999,999	\$0.00	2.8800

Town of Mason Rate Chart

Rates To Print	Service Type Rates
Service Type	WA Water
Rate	04 Water Interest
Addon Type	Not Applicable
Addon Rate	Not Applicable
Print Usage Tables	No
Usage Range	Not Applicable
Usage Increment	Not Applicable
Include Inactive Rates	Yes

Service Type WA Water		Rate Code 04	Description Water Interest	
Print Description On Bill	<input type="checkbox"/>	Is Service Charge	<input type="checkbox"/>	Is Metered <input checked="" type="checkbox"/>
		Is Accumulate Minimum	<input type="checkbox"/>	Is Single Calculation <input type="checkbox"/>
				Is Inactive <input type="checkbox"/>
Bill Code	WA			
AR Code	WAT Water Billing	Units Of Measure	Gallons	
GL Revenue Account	410-43000-2100	Water & Sewer Revenue		
GL AR Account	410-11200-0201	Water Receivable		
GL Liability Account	410-11200-0201	Water Receivable		
GL Cash Account	410-11100-0100	Cash		
GL Deposit Refundable Account				
GL Bad Debt Writeoff Account				
GL Bad Debt Recovery Account				
Calculation Method	Usage			
Based On Service Type	WA Water	Reading Factor	100.000	
Base Amount	\$336.00	Prorate Minimum	\$0.00	
Maximum Charge	\$0.00	Minimum Charge	\$0.00	
	Cutoff	Add Amount		Rate / 1000
	48,000	\$0.00		0.0000
	999,999,999	\$0.00		2.8800

Town of Mason Rate Chart

Rates To Print	Service Type Rates
Service Type	WA Water
Rate	All
Addon Type	Not Applicable
Addon Rate	Not Applicable
Print Usage Tables	No
Usage Range	Not Applicable
Usage Increment	Not Applicable
Include Inactive Rates	Yes

Service Type WA Water		Rate Code 01		Description Water RES/Com Inside	
Print Description On Bill	<input type="checkbox"/>	Is Service Charge	<input type="checkbox"/>	Is Metered	<input checked="" type="checkbox"/> Is Inactive
		Is Accumulate Minimum	<input type="checkbox"/>	Is Single Calculation	<input type="checkbox"/>
Bill Code	WA				
AR Code	WAT Water Billing	Units Of Measure	Gallons		
GL Revenue Account	410-43000-2100		Water & Sewer Revenue		
GL AR Account	410-11200-0201		Water Receivable		
GL Liability Account	410-11200-0201		Water Receivable		
GL Cash Account	410-11100-0100		Cash		
GL Deposit Refundable Account					
GL Bad Debt Writeoff Account					
GL Bad Debt Recovery Account					
Calculation Method	Usage				
Based On Service Type	WA Water	Reading Factor	100.000		
Base Amount	\$20.00	Prorate Minimum	\$0.00		
Maximum Charge	\$0.00	Minimum Charge	\$0.00		
	Cutoff		Add Amount		Rate / 1000
	3,000		\$0.00		0.0000
	999,999,999		\$0.00		2.8800

Service Type WA Water		Rate Code 02		Description Wtr RES/COM Outside	
Print Description On Bill	<input type="checkbox"/>	Is Service Charge	<input type="checkbox"/>	Is Metered	<input checked="" type="checkbox"/> Is Inactive
		Is Accumulate Minimum	<input type="checkbox"/>	Is Single Calculation	<input type="checkbox"/>
Bill Code	WA				
AR Code	WAT Water Billing	Units Of Measure	Gallons		
GL Revenue Account	410-43000-2100		Water & Sewer Revenue		
GL AR Account	410-11200-0201		Water Receivable		
GL Liability Account	410-11200-0201		Water Receivable		
GL Cash Account	410-11100-0100		Cash		
GL Deposit Refundable Account					
GL Bad Debt Writeoff Account					
GL Bad Debt Recovery Account					
Calculation Method	Usage				
Based On Service Type	WA Water	Reading Factor	100.000		
Base Amount	\$28.00	Prorate Minimum	\$0.00		
Maximum Charge	\$0.00	Minimum Charge	\$0.00		
	Cutoff		Add Amount		Rate / 1000
	3,000		\$0.00		0.0000

999,999,999

\$0.00

295

3.7400

Service Type WA Water Rate Code 03 Description Water CCA(Prison)

Print Description On Bill Is Service Charge Is Metered Is Inactive
 Is Accumulate Minimum Is Single Calculation

Bill Code WA
 AR Code WAT Water Billing Units Of Measure Gallons
 GL Revenue Account 410-43000-2100 Water & Sewer Revenue
 GL AR Account 410-11200-0201 Water Receivable
 GL Liability Account 410-11200-0201 Water Receivable
 GL Cash Account 410-11100-0100 Cash
 GL Deposit Refundable Account
 GL Bad Debt Writeoff Account
 GL Bad Debt Recovery Account

Calculation Method Usage
 Based On Service Type WA Water Reading Factor 100.000
 Base Amount \$3,360.00 Prorate Minimum \$0.00
 Maximum Charge \$0.00 Minimum Charge \$0.00

Cutoff	Add Amount	Rate / 1000
480,000	\$0.00	0.0000
999,999,999	\$0.00	2.8800

Service Type WA Water Rate Code 04 Description Water Interest

Print Description On Bill Is Service Charge Is Metered Is Inactive
 Is Accumulate Minimum Is Single Calculation

Bill Code WA
 AR Code WAT Water Billing Units Of Measure Gallons
 GL Revenue Account 410-43000-2100 Water & Sewer Revenue
 GL AR Account 410-11200-0201 Water Receivable
 GL Liability Account 410-11200-0201 Water Receivable
 GL Cash Account 410-11100-0100 Cash
 GL Deposit Refundable Account
 GL Bad Debt Writeoff Account
 GL Bad Debt Recovery Account

Calculation Method Usage
 Based On Service Type WA Water Reading Factor 100.000
 Base Amount \$336.00 Prorate Minimum \$0.00
 Maximum Charge \$0.00 Minimum Charge \$0.00

Cutoff	Add Amount	Rate / 1000
48,000	\$0.00	0.0000
999,999,999	\$0.00	2.8800

Service Type WA Water Rate Code 05 Description Water RES/Com Inside

Print Description On Bill Is Service Charge Is Metered Is Inactive
 Is Accumulate Minimum Is Single Calculation

Bill Code WA
 AR Code WAT Water Billing Units Of Measure Gallons
 GL Revenue Account 410-43000-2100 Water & Sewer Revenue
 GL AR Account 410-11200-0201 Water Receivable

GL Liability Account 410-11200-0201
 GL Cash Account 410-11100-0100
 GL Deposit Refundable Account
 GL Bad Debt Writeoff Account
 GL Bad Debt Recovery Account

Water Receivable
 Cash

Calculation Method Usage
 Based On Service Type WA Water Reading Factor 1.000
 Base Amount \$20.00 Prorate Minimum \$0.00
 Maximum Charge \$0.00 Minimum Charge \$0.00

Cutoff	Add Amount	Rate / 1000
3,000	\$0.00	0.0000
999,999,999	\$0.00	2.8800

Service Type WA Water

Rate Code 06 Description 2in WTR RES/COM OUT

Print Description On Bill Is Service Charge Is Metered Is Inactive
 Is Accumulate Minimum Is Single Calculation

Bill Code WA
 AR Code WAT Water Billing Units Of Measure Gallons
 GL Revenue Account 410-43000-2100 Water & Sewer Revenue
 GL AR Account 410-11200-0201 Water Receivable
 GL Liability Account 410-11200-0201 Water Receivable
 GL Cash Account 410-11100-0100 Cash

GL Deposit Refundable Account
 GL Bad Debt Writeoff Account
 GL Bad Debt Recovery Account

Calculation Method Usage
 Based On Service Type WA Water Reading Factor 100.000
 Base Amount \$72.80 Prorate Minimum \$0.00
 Maximum Charge \$0.00 Minimum Charge \$0.00

Cutoff	Add Amount	Rate / 1000
2,000	\$0.00	4.5800
8,000	\$9.16	3.1200
40,000	\$34.12	2.9400
50,000	\$151.72	2.4500
999,999,999	\$274.22	2.3400

Service Type WA Water

Rate Code 99 Description Unknown Water

Print Description On Bill Is Service Charge Is Metered Is Inactive
 Is Accumulate Minimum Is Single Calculation

Bill Code WA
 AR Code WAT Water Billing Units Of Measure Gallons
 GL Revenue Account 410-43000-2100 Water & Sewer Revenue
 GL AR Account 410-11200-0201 Water Receivable
 GL Liability Account 410-11200-0201 Water Receivable
 GL Cash Account 410-11100-0100 Cash

GL Deposit Refundable Account
 GL Bad Debt Writeoff Account
 GL Bad Debt Recovery Account

Calculation Method Usage

Based On Service Type		Reading Factor	1.000	297
Base Amount	\$0.00	Prorate Minimum	\$0.00	
Maximum Charge	\$0.00	Minimum Charge	\$0.00	
	Cutoff	Add Amount		Rate / 1000
	999,999,999	\$0.00		0.0000

BOARD OF MAYOR AND ALDERMAN MINUTES
MONDAY, JULY 20, 2015
7:00pm

Call to Order: The meeting was called to order by Mayor Gwendolyn Kilpatrick at 7:00 pm. Members of the Board in attendance were: Vice-Mayor Sandra Norvell, Alderwoman Virginia Rivers, Alderwoman Gloria Whitley, Alderwoman Linnie Waddell, Alderman Joe Nelson and Alderman DeWayne Gooden.

Vice-Mayor Sandra Norvell motioned to approve the Board Minutes of June 8, 2015; and the Special Call Meeting Minutes of July 13, 2015. (The Special Call Meeting Minutes of July 6, 2015 are not available at this time.)

2nd by Alderman Nelson

Vote: 6 – 0 Unanimous

Acting Chief of Police Moore report covered from June/July, 2015. Please see attached.

Mr. Randall Sensabaugh, Acting Director of Public Works report covered the attached agenda items. To stop the use of fluoride in water was tabled for further discussion. The small truck engine need to be repaired. The cost of the used engine is \$850.00, with a 30 day warranty. The pump board that was struck by lightning will be reported to Public Risk Insurors for repair coverage. Utility meter re-reads have grown to over 100 per month. This is very costly on manpower and loss of production. If it is found that the Public Works Department made a mistake then there is no cost to the constituent. Attorney Whitaker stated this should be administered in the form of a resolution.

Vice-Mayor Norvell motioned to table this for further discussion at the next meeting. There was no second.

Alderman Gooden motioned there should be two free re-reads in a calendar year, then a \$10.00 charge for every re-read thereafter.

2nd by Alderman Nelson

Vote: 6 – 0 Unanimous

Alderman Gooden motioned to repair the engine in the small truck for \$850.00.

2nd by Alderwoman Whitley

Vote: 6 – 0 Unanimous

If we discontinue the use of fluoride in our drinking water, we must publish it in the newspaper for 30 days. The fluoride promotes strong teeth. In the age group between 4 and 10 it helps to prevent cavities. But now you have chloride in toothpaste, mouth wash and milk. Mr. Lew Hoffman from the State is the person that suggested this. He is the person we report to every month. It is not a requirement.

Alderman Gooden motioned to table the discontinuance of the use of fluoride in the drinking water until the next meeting.

2nd by Vice-Mayor Norvell

Vote: 6 – 0 Unanimous

Alderman Gooden requested Public Works to spray for mosquitos. Mr. Sensebaugh stated they would be spraying this week.

-2-

A Public Notice was printed in the newspaper pertaining to the Budget on Thursday, July 9, 2015 stated Mayor Kilpatrick. The floor was extended to Dr. Gordon, the Certified Municipal Financial Officer (CMFO). Dr. Gordon asked for a moment of remembrance of Mr. Quincy Barlow, a very dear friend of his who was a faithful servant to so many. Dr. Gordon requested the floor to be open for public hearing in order for constituents to express their concerns and ask questions about the water, sewer and tax rate increases. Twenty-five cents per 100 acres which is 8.6 cents per day. With the new water rate you pay \$20.00 for a minimum usage but you will be able to use 3,000 gallons of water instead of 2,000 gallons. The reconnect fee will go up from \$25.00 to \$50.00. These new rates will be effective August 1, 2015. Dr. Gordon recommended that the passage of the rate increases be taken separately and by a roll call vote. Vice Mayor Norvell motioned to pass the new water rate increase.

2nd by Alderman Nelson

Roll call vote:

Vice Mayor Norvell – Yes

Alderwoman Waddell – No

Alderwoman Whitley – Yes

Alderman Gooden – Yes

Alderwoman Rivers – Yes

Alderman Nelson – Yes

There are 5 Yes votes and 1 No Vote. The motion is passed to increase the water rate.

Vice Mayor Norvell motioned to pass the new property tax increase.

2nd by Alderman Gooden

Roll call vote:

Vice Mayor Norvell – Yes

Alderwoman Waddell – No

Alderwoman Whitley – Yes

Alderman Gooden – Yes

Alderwoman Rivers – Yes

Alderman Nelson – Yes

There are 5 Yes votes and 1 No Vote. The motion is passed to increase the property tax.

Mayor Kilpatrick announced this is a public hearing for the Budget at this time, are there any questions or concerns? No questions, the public hearing is closed.

Alderman Gooden motioned to accept the third reading of the 2015–2016 Budget.

2nd by Vice Mayor Sandra Norvell

Roll call Vote:

Vice Mayor Sandra Norvell – Yes

Alderwoman Waddell – Yes

Alderwoman Whitley – Yes

Alderman Gooden – Yes

Alderwoman Rivers – Yes

Alderman Nelson – Yes

Unanimous vote of 6 – 0

-3-

There a list of bills that need vote approval explained Dr. Gordon. Some of the bills have been paid due to time restraints. But most of the bills are still outstanding. These are all legitimate bills and we have the money to pay them.

Alderwoman Waddell motion to pay the bills.

2nd by Alderman Nelson

Vote: 6 – 0 Unanimous

Dr. Gordon mentioned the increase in credit card payment. If you pay your bill by a credit card it is recommended that the interest charge is 2.5% which is probably the lowest rate around. The reason is the service is being used in having the convenience of paying the credit card. If not, those persons paying by cash or check is subsidizing those who pay by credit card.

Alderman Nelson motioned to adopt the charge of a 2.5% credit card usage.

2nd by Alderwoman Rivers

Vote: 6 – 0 Unanimous

The Audit will be done by ATA Accounting Firm from Jackson, TN. We have discovered that the bank reconciliation on our bank accounts have probably not been done in 3 and 1/2 to 4 years. This will delay the process and increase the cost. The Comptroller's Office for the State of Tennessee recommended Ms. 'Z'ulfat Suara, who is a CPA. She has given us a very reasonable quote of \$7,500 with a maximum of \$10,000, this includes reconciling up to 8 bank statements per month, and at the same time they will make sure our general ledger and entries are intact. This is a very reasonable fee in order to save time and be caught up. There is money in the budget to complete this project.

Vice Mayor Norvell motioned to have Ms. 'Z'ulfat Suara to reconcile the Town's Bank Statements.

2nd by Alderwoman Rivers

Vote: 6 – 0 Unanimous

Attorney Whitaker stated that a 3rd reading of an Ordinance to establish a procedure for the adoption of Ordinances for the Town of Mason from 3 readings to 2 readings was needed.

Vice Mayor Norvell motioned to pass the reading on an Ordinance from 3 readings to 2 readings.

2nd by Alderman Gooden.

Vote: 6 – 0 Unanimous

Public Risk Insurors Representative and Travelers Insurance Representative will meet in City Hall on July 27, 2015 at 9:30 am to discuss the Town's insurance policies. Everyone is invited to attend stated Attorney Whitaker.

The IRS Appeal – We were told that we did not owe any penalties for not filing past forms. Then we received a letter from the Office in Memphis on June 12th stating that we owe \$13,446.24 for failing to file 2009 tax forms W2 and W4 in a timely manner. We are going to appeal it.

Mayor Kilpatrick stated that Ms. Davis researched profusely for a Fireworks Ordinance and Resolution and nothing was found. Therefore, an Ordinance or Resolution is needed.

-4-

Alderwoman Waddell motioned that we have an Ordinance or Resolution for Fireworks. There was no second.

Mayor Kilpatrick will contact Mr. Ronnie Neill concerning an Ordinance or Resolution for Fireworks. If fireworks are still in use what do we do? It is a fire hazard stated Attorney Whitaker, when this grass is dry it burns, we have to ask the person not to do so. Don't arrest anyone for fireworks, there is a burn band, so just ask the person(s) to refrain from this activity. Attorney Whitaker stated we have a Codes Book dated 2008 that is out dated but has every code imaginable except the North Carolina Handicap Code and he is going to research that.

Mr. Pate, Chairman of the Municipal Planning Committee has an Ordinance amending the membership of the Municipal Planning Commission from seven (7) to five (5) members.

Vice Mayor Sandra Norvell motioned to pass the first reading on of this Ordinance amending the membership of the Municipal Planning Commission from seven (7) to five (5) members.

2nd by Alderman Gooden

Vote: 5 – 1 Unanimous

Rev. Billy Jackson of the Mason Care Givers Corp. states this is their 4th year of bringing the community together for a positive celebration on September 19, 2015 from 1:00 – 6:00 pm in the entertainment district of Mason. Their goal is to build a Community Life Center. They are requesting police security, electricity for the stage, not the Vendors. The Fire Department to provide first aide. Maintenance Department put up their banners and set out 12 garbage cans. They will purchase liability insurance and put the City on as a rider. All Vendors will supply their own electricity. There will be 36 vendors and live entertainment. The Mayor recommends that the City sponsors the electricity for the stage but not for the Vendors. Dr. Gordon recommended \$25.00 for any Vendor who want to use the City's electricity. Alderman Gooden motioned to pass Mr. Jackson's request for the festival on September 19th, and also making this an annual event, also to charge any Vendor's usage of electricity a cost of \$25.00 per Vendor.

2nd by Alderman Nelson

Vote: 6 – 0 Unanimous

The Tipton County Sheriff's Office is working with the National Child Safety Council to provide safety handouts to children in communities. Mayor Kilpatrick suggested we support 75 children at a cost of \$133.50.

Alderwoman Rivers motioned that \$133.50 be donated to the Tipton County Sheriff's Office for the National Child Safety Council to provide safety handouts to children.

2nd by Alderwoman Whitley

Vote: 6 – 0 Unanimous

Tennessee State University and UT Extension of Tipton County is sponsoring families with limited income with children, also for expecting mothers, a "Fit and Fine From The Inside" benefits program for calorie counting, body image, food groups, shopping tips, food storage and much more. Interested persons may pick up a form now or from City Hall or contact Jacqueline Lemons in Covington, TN at 901-476-0231.

-5-

Greenleaf Community Church is having their 1st Back To School Extravaganza, August 8th from 10:00am to 4:00pm. They are giving out school supplies while they last, and everything is free. The address is 9703 Hwy. 59 South, Mason, TN, the Pastor is Rev. L. C. McBride, Jr. Mayor Kilpatrick encouraged everyone to support this event. The Mayor recommended the Town support this event by donating 75 backpacks because normally the Town of Mason would have a back to school festival but is not doing that this year.

Alderman Nelson motioned for the Town to purchase 75 backpacks for the Greenleaf Community Church Back To School Extravaganza on August 8th.

2nd by Vice Mayor Sandra Norvell

Vote: 6 – 0 Unanimous

The Fire Department – Adam Lindsey standing for Acting Fire Chief Rueban Myers, Jr. stated that the Acting Chief want to thank everyone for participating in the fundraiser on Saturday, June 27th. Monies will be used for maintenance of the fire trucks. There was a total of 8 calls last month, 6 were EMS calls which we are not equipped to do at this time; one call was a motor vehicle accident and the other was an animal resistance call which we did respond to. The Mayor stated the total amount raised from the fundraiser was \$975.00. There is another fundraiser in August. Please come out and support our Fire Department.

If there is anyone that would like to be a volunteer Fireman please contact the Volunteer Fire Department or City Hall. Acting Chief Meyers has a passion for this Fire Department and is working diligently and very hard for this Department, and to get the necessary training. This helps all of our constituents with their homeowner's insurance. Mr. Terry Watts is a certified fire fighter with the Shelby County Fire Department who is here in Mason to help out and to get the firemen where they need to be to operate the Department efficiently. He is also a Fire Inspector and a Code Enforcer. We are hoping in the near future that Mason will have a Code Enforcement Officer to help Mason to move forward stated Mayor Kilpatrick.

Constituents Concerns

Ms. Cathy Johnson co-owner of the Low End Club want to know if there is a law passed for loitering? There is not a law in Mason per say but we don't encourage loitering, stated Attorney Whitaker. We request everyone to be concerned about the rated occupancy. People are free to gather in public places and talk all night. Usually when people loiter there is a problem. Our Officers don't provide a security for any place of business. They are here to protect the citizens. That's the reason why they are so strict so that no citizen is harmed. Loitering is a State Law. Acting Chief Moore stated there is more to loitering because we may have 20 or 30 people doing unlawful things while standing around on the outside. With that we have to do mass patrol before it gets to a point whereby it is hard to control. It puts MPD at risk when 10 officers have to try to control 500 people. The Mayor requested the Board Members to go on patrol with the Officers so they can see just what these Officers endure.

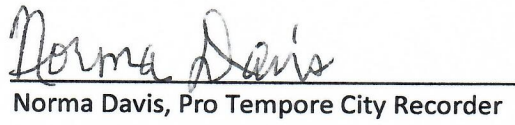
Aldermoman Waddell asked if the pictures of past Mayors will be placed back on the Wall in City Hall. The Mayor responded yes, they will be.

Closing prayer by Vice Mayor

The meeting was adjourned at 9:00 pm



Gwendolyn Kilpatrick, Mayor



Norma Davis, Pro Tempore City Recorder

ORDINANCE NUMBER 2017-6-28

AN ORDINANCE TO AMEND TITLE 18 CHAPTER 1 SECTION 18-103 OF THE MASON MUNICIPAL CODE, RELATIVE TO WATER CONNECTION FEES AND DEPOSITS.

WHEREAS, the Board of Mayor and Aldermen have determined that the water deposits should be increased due to increased losses to the Town;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE TOWN OF MASON, TENNESSEE, THAT:

Section 1. Title 18 Chapter 1 section 18-103 of the Mason municipal code is hereby amended by deleting the current language and substituting the following:

18-103. Obtaining service. (1) A formal application for either original or additional service must be made and be approved by the town before connection or meter installation orders will be issued and work performed.

(2) Each prospective customer desiring water service will be required to sign a standard form contract and pay a nonrefundable customer connection fee of \$50.00 before service is supplied.

The receipt of a prospective customer's application for service shall not obligate the city to render the service applied for. If the service applied for cannot be supplied in accordance with the provisions of this chapter, the liability of the city to the applicant shall be limited to the return of any connection fee and deposit made by such applicant.

(3) The above application must be accompanied by a water meter deposit of \$50.00 for a homeowner, \$200.00 for a residential renter, or \$500.00 for a commercial customer. Said deposit must be paid to the Mason Water Department at the time of the filing of said application or the application will not be submitted to the Town of Mason for approval.

(4) When a water customer has been disconnected and appears on the cut off list three (3) times in one calendar year, the customer will be required to pay an additional deposit of \$100.00 not to exceed the maximum deposit of \$200.00 dollars.

(5) Water bore fee is \$350.00 dollars.

Section 2. This ordinance shall take effect upon final reading, the public welfare requiring it.

Passed 1st reading June 19, 2017
Passed 2nd reading June 26, 2017

[Signature]
Mayor
[Signature]
City Recorder

ORDINANCE NUMBER 2017-6-29

AN ORDINANCE TO AMEND TITLE 18 CHAPTER 1 SECTION 18-106 OF THE MASON MUNICIPAL CODE, RELATIVE TO WATER TAP FEES.

WHEREAS, the Board of Mayor and Aldermen have determined that the water tap fees should be increased due to increased costs to the Town;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE TOWN OF MASON, TENNESSEE, THAT:

Section 1. Title 18 Chapter 1 section 18-106 of the Mason municipal code is hereby amended by deleting the current language and substituting the following:

18-106. Tap charges. Service lines will be laid by the town from the water main to the property line at the expense of the applicant for service. The location of such lines will be determined by the town. Before a new service line will be laid by the town, the applicant shall pay a tap fee in accordance with the following schedule:

WATER TAP FEE IN TOWN:

- ½" or ¾" inch tap \$750.00
- 1" or larger \$750.00 plus labor, materials and meter

WATER TAP FEE OUT OF TOWN:

- ½" or ¾" inch tap \$750.00
- 1" or larger \$750.00 plus labor, materials and meter

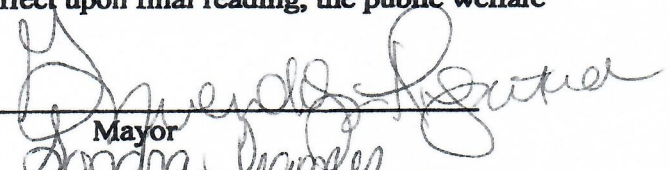
This tap fee shall be used to pay the cost of laying such a new service line (not to exceed thirty (30) feet) and appurtenant equipment. If more than thirty (30) feet of line is laid the applicant shall pay to the town the costs thereof.


When a service line is completed, the town shall be responsible for the maintenance and upkeep of such service line from the main to and including the meter and meter box, and such portion of the service line shall belong to the town. The remaining portion of the service line beyond the meter box shall belong to and be the responsibility of the customer.

Section 2. This ordinance shall take effect upon final reading, the public welfare requiring it.

Passed 1st reading June 19, 2017

Passed 2nd reading June 26, 2017



 Mayor


 City Recorder

ORDINANCE NUMBER 2017-1-09

AN ORDINANCE TO AMEND ORDINANCE 2016-25-10 ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2017 AND SETTING THE TAX RATE FOR 2016.

Whereas, the Town of Mason Board of Mayor and Aldermen approved Ordinance 2016-25-10 on final reading on October 25, 2016; and

Whereas, it has been determined that the 2016 tax rate was entered incorrectly in section 9 of the ordinance due to a clerical error; and

Whereas, the Board of Mayor and Aldermen wish to correct Ordinance 2016-25-10 by correcting the tax rate to reflect the correct amount passed by the Board of Mayor and Aldermen, rather than the amount that was incorrectly entered in the document;

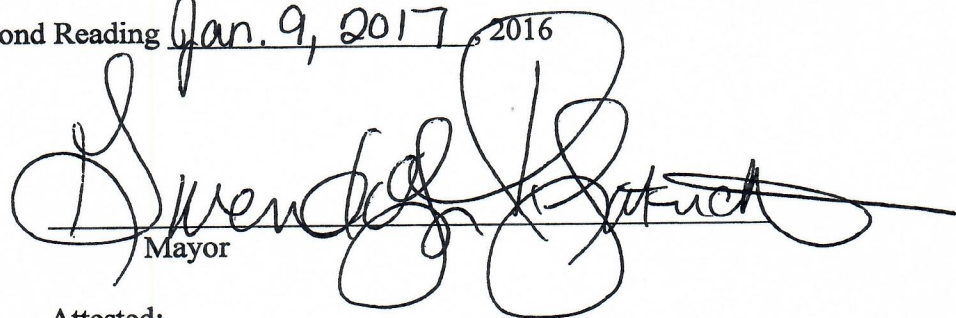
NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE TOWN OF MASON, TENNESSEE; that

Section 1. Ordinance Number 2016-25-10 is amended by deleting the incorrect tax rate entered in Section 9 and inserting the correct tax rate of \$1.2135.

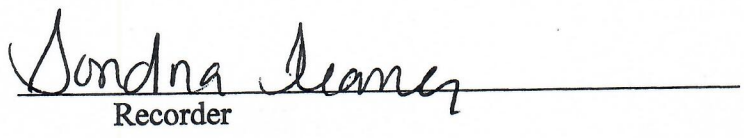
Section 2. This ordinance shall take effect upon final passage, the public welfare requiring it.

First Reading Dec. 12, 2016, 2016

Second Reading Jan. 9, 2017, 2016


Mayor

Attested:


Recorder

ORDINANCE NUMBER 2017-06-19

AN ORDINANCE TO ADOPT SETTING THE TAX RATE FOR 2018

Whereas, the Board of Mayor and Aldermen of the Town of Mason, Tennessee, adopted to the rate; and

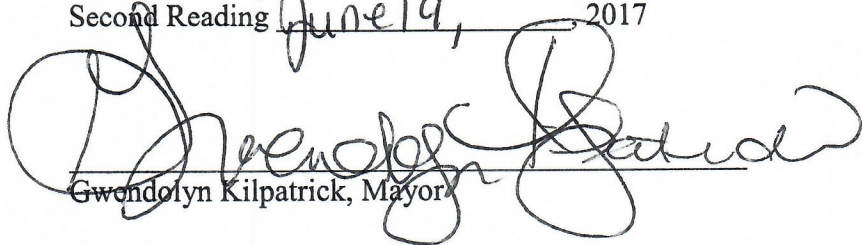
Whereas, The Board of Mayor and Aldermen has determined a need for a \$.25 cents increase from \$1.2135 to \$1.4635 in the tax rate for FY18; and

Whereas, the Board of Mayor and Aldermen has authorized this increase and requests the required approval of the tax increase by the Board of Mayor and Aldermen; and


BE IT FURTHER ORDAINED that this Ordinance shall take effect upon its second and final passage.

First Reading June 15, _____, 2017

Second Reading June 19, _____, 2017


Gwendolyn Kilpatrick, Mayor

Attested:


Sondra Teamer, City Recorder

Town of Mason
Reduce Budget Items

Category	FY22 Budgeted	FY22 New Budget Amont	Funds for Proposed Payment
GENERAL FUNDS			
Administration			
General Supplies	\$ 4,000.00	\$ 3,000.00	\$ 1,000.00
Training	\$ 1,000.00	\$ 500.00	\$ 500.00
Postage & Freight	\$ 2,000.00	\$ 1,000.00	\$ 1,000.00
Insurance-Prop, Liab, WC	\$ 7,000.00	\$ 6,200.00	\$ 800.00
Internet & Network	\$ 1,500.00	\$ 1,000.00	\$ 500.00
Office Equipment	\$ 1,000.00	\$ -	\$ 1,000.00
Janitorial Service	\$ 7,000.00	\$ 6,000.00	\$ 1,000.00
Computer & Software	\$ 2,000.00	\$ 1,000.00	\$ 1,000.00
Equipment	\$ 2,000.00	\$ -	\$ 2,000.00
Rental - Equipment	\$ 3,000.00	\$ 2,000.00	\$ 1,000.00
Administration Total			\$ 9,800.00
Police Department			
Wages - Police	\$ 296,600.00	\$ 282,400.00	\$ 14,200.00
Wages - Overtime	\$ 5,300.00	\$ 3,500.00	\$ 1,800.00
Wages - Holidays	\$ 11,750.00	\$ 3,750.00	\$ 8,000.00
Frienge Benefits	\$ 35,000.00	\$ 33,000.00	\$ 2,000.00
Training	\$ 3,000.00	\$ 1,000.00	\$ 2,000.00
Travel	\$ 1,500.00	\$ 1,000.00	\$ 500.00
Insurance - Prop, Liab, WC	\$ 24,000.00	\$ 23,000.00	\$ 1,000.00
Computer & Software	\$ 17,500.00	\$ 15,300.00	\$ 2,200.00
Uniforms	\$ 3,000.00	\$ 2,000.00	\$ 1,000.00
Police Department			\$ 32,700.00
Fire Department			
Frienge Benefits - Frie	\$ 6,500.00	\$ 5,000.00	\$ 1,500.00
Supplies & Materials	\$ 1,500.00	\$ 500.00	\$ 1,000.00
Training	\$ 1,000.00	\$ 500.00	\$ 500.00
Telephone	\$ 4,000.00	\$ 2,500.00	\$ 1,500.00
Repairs & Maintenance - Bldg	\$ 6,000.00	\$ 4,000.00	\$ 2,000.00
Repairs & Maintenance - Equip	\$ 2,000.00	\$ 1,000.00	\$ 1,000.00
Fire Department			\$ 7,500.00
Debt Services			
Interest - Gen OBL Bonds	\$ 15,200.00	\$ 10,000.00	\$ 5,200.00
Reimbursement to Water	\$ 22,300.00	\$ 11,700.00	\$ 10,600.00
Current Bank Auto Transfer of \$3,163.75/month			
\$ 974.38 Genral to Water			
\$ 2,189.37 General to Gas (revise to General to Water)			\$ 37,200.00
Debt Service			\$ 53,000.00

Grand Total \$ 103,000.00

\$ 8,583.33 monthly auto payment



JASON E. MUMPOWER
Comptroller

On February 24th 2022 Board staff travelled to the City of Spencer, (“the City”), to conduct interviews for the Board investigation. On February 24th 2022, Crystal Crain on behalf of the City returned the investigative questionnaire to Board staff in a timely manner. Upon Board staff’s review of the questionnaire, below are the findings from staff based on the interviews and questionnaire.

Board Training and Governing Body

The governing body of the City is in compliance with the training requirements with the exception of Alderman Darrell Nance. Alderman Nance’s training history was not included with the investigative questionnaire. If Alderman Nance was elected in November of 2020 as indicated by the City’s questionnaire, then Alderman Nance had until November of 2021 to receive 12 hours of training. The Board should impose reasonable sanctions on the City until compliance is met.

1. Fill out the following table:

Title	Name	Initial Election Month and Year	Most Recent Prior Election Month and Year	Upcoming Term Expiration Month and Year
Mayor	Mickey Robinson	11-2014	11-2018	11-2022
Vice-Mayor	Drew Campbell	11-2016	11-2020	11-2024
Alderman	Bonnie Adcock	11-2014	11-2018	11-2022
Alderman	Jerry Blankenship	11-2018	11-2018	11-2022
Alderman	Jody Hensley	11-2018	11-2018	11-2022
Alderman	Darrell Nance	11-2020	11-2020	11-2024

Utility Rates

The last time the City's rates have changed is April of 2017. In the financial distress questionnaire from February of 2019, The City indicated to Board staff that the rates have been adjusted using numbers from FY 2017 and FY 2018 that should remedy the City's financial distress. The City's financial distress has not been remedied. The City had a rate study performed by Jackson Thornton using their FY 2020 financials. The recommendations of the rate study were not implemented by the City.

Water Operations

The City has previously had issues with water loss and disinfectant byproducts in the water supply. The City has worked with James C. Hailey and Company and Rye Engineering to help find leaks in the City's water infrastructure. The City claims that many water leaks have been detected and repaired which caused a decrease in raw water withdrawal from the city lake by roughly 26% between January 2021 to January 2022. The City currently faces a massive hurdle regarding its water supply. The City pumps water from the city lake to treat for its water system. When this lake runs low, the City is able to pump water from the Caney Fork into the lake to ensure the lake stays at reasonable levels. However, the cost to pump this water is high and is only done in emergency situations. In order to sustain the utility and provide safe water to the community, the City has contracted with James C. Hailey to search for solutions regarding its water supply issue.

Board staff believes that the best long-term solution for the City is to find a way for Warren County Utility District to be the sole supplier of water to the City. This would potentially allow for the City to decommission its water treatment plant. However, Mr. Nathaniel Green from James C. Hailey and Company does not believe that this is the best long-term solution for

the city. Mr. Green has created a plan to assist with the water supply issue of the City. The City should engage in talks with both James C. Hailey and Warren County Utility District to provide a long-term solution for the City and surrounding community.

Sewer Operations

The City is currently in compliance with an EPA order regarding the sewer operation. The City indicated to Board staff that it is cooperating with TDEC to ensure compliance with all TDEC requirements. The City is working with TDEC to discharge treated wastewater in the original design location from original plant designs from 2006. The City does not believe it has large issues with infiltration and inflow due to a pressurized sewer system with grinder pumps. The City has concerns with funding availabilities to ensure full compliance and support with the water and sewer system.

Financial Information

The city has consistently had negative GAAP and negative Statutory Changes in Net Position since 2019. The city has been referred to the Water and Wastewater Financing Board since its FY 2017 audit. In its interviews with the City's staff, Board staff learned that many of the employees do work for both the general government and for the utilities. The City indicated that this is rectified by one employee being paid out of the general fund and the rest of the employees being paid out of the water and sewer fund. Board staff does not have enough information to be confident that this correctly allocates costs across the funds of the City. Further, the City uses the water and sewer office building as its main location for operations. Board staff does not know if costs associated with the general fund are being adequately segregated. The City should ensure that all costs are being appropriated to the correct funds

adequately. If they are not being adequately appropriately, the City should adjust their operating expenses accordingly and have a new rate study performed.

Staff Summary

The City has one Board member that is out of compliance with the Board training requirements- the City should not be able to access sources of funding until the City is in compliance with applicable state laws regarding governing body member training. The City should work with outside parties to help rectify their water supply issues. The City should continue to work with TDEC to ensure compliance with their sewer issues. The City should ensure all costs of each governmental fund are adequately charged to the correct accounts. The Water and Sewer fund should not fund General Government operations. The City should work with a third party to ensure correct cost allocation and to perform another rate study, if the cost allocation in previous studies was inaccurate.

Staff Recommendation

1. The City shall have the Tennessee Association of Utility Districts, or another qualified expert, determine if costs attributed to the utility in previous rate studies are appropriate. If it is determined that the costs previously attributed to the utility are inaccurate the City shall have the Tennessee Association of Utility Districts, or another qualified expert as approved by Board staff, perform a rate study.
2. The City shall have the Tennessee Association of Utility Districts, or another qualified expert, review the following:
 - a. A justification for the City's inside the city limits and outside the city limits rate differences;

- b. A review of the City's utility expenses to ensure that costs are being adequately allocated to the proper City funds;
- c. A review of the City's capital asset list, including any recommended modifications
- d. A review of the City's debt management policy, including any recommended modifications;
- e. A review of the City's purchasing policy, including any recommended modifications;
- f. A review of connection fees, tap fees, and required deposit amounts including any recommended modifications; and,
- g. An evaluation of the potential of a merger of the City's utility with a surrounding utility system.

Experts contracted to assist with any of the above must be approved by Boards staff.

The above may be reviewed as part of a rate study, or independent of a rate study if a new rate study is not required.

- 3. By June 3, 2022, the City shall send Board staff a copy of the contract between the City and the qualified expert who is to perform the tasks in paragraph 1.
- 4. By December 31, 2022, the City shall provide Board staff with the completed rate study, and either proof of implementation of the resulting recommendations or a proposed plan of implementation.
- 5. Board staff is given the authority to grant one extension of up to six months of the foregoing deadlines upon a showing of good cause by the City.

6. Should the City fail to comply with any directive in this order, Board staff and Counsel shall issue subpoenas for the City's governing body and Manager to appear in-person before the Board during its next meeting following non-compliance of this order.

Water and Wastewater Financing Board Investigative Questionnaire

Please fill out the following questionnaire and include any supporting documents that have been requested. Based on the information provided, more documentation may be requested at a later date upon receipt of the completed questionnaire.

Section 1. Utility Training Requirements pursuant to Tenn. Code Ann. § 7-34-115(j)

If any of the pre-filled elected official information is incorrect, please note the changes needed to ensure that we have the correct list of elected officials for the Town.

1. Fill out the following table:

Title	Name	Initial Election Month and Year	Most Recent Prior Election Month and Year	Upcoming Term Expiration Month and Year
Mayor	Mickey Robinson	11-2014	11-2018	11-2022
Vice-Mayor	Drew Campbell	11-2016	11-2020	11-2024
Alderman	Bonnie Adcock	11-2014	11-2018	11-2022
Alderman	Jerry Blankenship	11-2018	11-2018	11-2022
Alderman	Jody Hensley	11-2018	11-2018	11-2022
Alderman	Darrell Nance	11-2020	11-2020	11-2024

Note: The initial election date is the first election date in the elected officials current line of service history. For example, if someone was elected in November of 2012, and has consistently been re-elected, please list November of 2012 as their initial election month and year. If someone was elected in November of 2012, did not run in 2016, then decided to run again in 2020, please list November 2020 as the initial election month and year.

Please see exhibits 1-5 for your review.

2. Provide proof of Mayor Robinson's compliance with the 12-hour training requirement in their most recent training period. Label this as Exhibit 1. If this individual is out of compliance with the training requirements, please provide a written explanation.
3. Provide proof of Vice-Mayor Campbell's compliance with the 12-hour training requirement in their most recent training period. Label this as Exhibit 2. If this individual is out of compliance with the training requirements, please provide a written explanation.
4. Provide proof of Alderman Adcock's compliance with the 12-hour training requirement in their most recent training period. Label this as Exhibit 3. If this individual is out of compliance with the training requirements, please provide a written explanation.
5. Provide proof of Alderman Blankenship's compliance with the 12-hour training requirement in their most recent training period. Label this as Exhibit 4. If this individual is out of compliance with the training requirements, please provide a written explanation.
6. Provide proof of Alderman Hensley's compliance with the 12-hour training requirement in their most recent training period. Label this as Exhibit 5. If this individual is out of compliance with the training requirements, please provide a written explanation.

Section 2. Utility Rates

1. Provide the most recent rate ordinance(s) for the water and sewer rates. Label this as Exhibit 6.

Original Ordinance 2006-5 was updated on 4/27/2017.

2. Provide a justification for the rate difference between the inside the city limit water rate versus the outside the city limit water rate. Label this as Exhibit 7.

It costs approximately \$28.62 more per month to serve "Outside City" customers than "Inside City" customers. Meanwhile, the average "Outside City" customer is charged ONLY \$7.70 more per month than the average "Inside City" customer. The average customer consumes approximately 3,700 gallons of potable water each month. Please see Exhibit 7 for more information.

3. Provide a written statement as to any future rate increases that are currently planned. If there are no rate increases planned, please indicate so. Label this as Exhibit 8.

The City has had a Jackson Thornton rate study and this information has been provided to the board of Alderman for review. Rate study is provided for review.

Section 3: Capital Assets

1. Provide insight into the utility's 5-year capital asset plan. If such a plan does not exist, please detail some of the larger capital projects that are necessary for the continued operation of the water and sewer systems within the next 5 years. Label this as Exhibit 9.

See attached "Capital Improvements Plan" exhibit by James C. Hailey & Company.

Section 4: Water Operations

1. Provide a copy of the most recent test of the master water meter to ensure that the meter is accurately functioning. Label this as Exhibit 10.

Please see exhibit 10 for review. Information was provided by the water plant operator.

2. Provide a written statement regarding water loss and other operational deficiencies that the water system currently experiences. If a plan exists to fix these problems, provide insight into this as well. Label this as Exhibit 11.

We are aware of the amount of water loss we are currently experiencing in the system. The utility department is working daily to find leaks and are repairing the leaks as they are detected. James C. Hailey and Company coordinated with Rye Engineering to provide leak detection services within the water system. Many leaks have been discovered and repaired. In fact, the raw water withdrawal from the city lake has reduced by 26.4% from January 2021 to January 2022. Without the reduction in withdrawal from the city lake, Spencer would have ran out of water during the summer months. James C. Hailey and Company is currently coordinating with Rye Engineering to test meters. James C. Hailey & Company has also recommended that Rye Engineering assist Spencer in providing a third-party AWWA water loss assessment. See Exhibit 11 for a 10-day moving average of raw water pumpage for more information.

3. Fill out the following table:

Fiscal Year	Total Gallons of Water Produced	Total Gallons of Water Sold
2017	162.0197 MG/YR	80.278 MG/YR
2018	165.684 MG/YR	74.995 MG/YR
2019	155.616 MG/YR	73.437 MG/YR
2020	158.428 MG/YR	72.259 MG/YR
2021	170.010 MG/YR	77.853 MG/YR

4. On the below line, provide the average cost to produce 1,000 gallons of water for the utility system. If this number is unknown, please indicate so.

The average cost to produce and distribute 1,000 gallons of water is \$7.33/1,000. This figure assumes 70% of the overall operational cost is associated with water supply.

Section 5: Sewer Operations

1. Provide a written statement regarding the inflow and infiltration and other operational deficiencies that the sewer system currently experiences. If a plan exists to fix these problems, provide insight into this as well. Label this as Exhibit 12.

The City does not have many operational deficiencies with our I&I due to the pressurized system through the grinders. Most, if not all, overflows are associated with the lack of redundant pumps within existing sewer lift stations. Please note that the maximum influent flow is less than the rated capacity of the sewer treatment plant.

2. On the below line, provide the average cost to treat 1,000 gallons of wastewater for the utility system. If this number is unknown, please indicate so.

The average cost to collect and treat 1,000 gallons of sewage is \$16.91/1,000. This figure assumes 30% of the overall operational cost is associated with sewer collection/disposal.

Section 6: Environmental Concerns

1. Provide a comprehensive update regarding the City's current status with any EPA, TDEC, or other environmental orders. Utilize this summary to discuss what actions are currently being taken for compliance, and what actions needs to be taken to be in compliance moving forward. Label this as Exhibit 13.

The city is currently up to date on the order with the EPA, by submitting quarterly reports containing the some of the following information discharge compliance summary, copies of the DMRs, the sludge measurement monitoring report, and the daily lagoon sheet. The next quarterly report is due February 24, 2022.

The city is currently cooperating with TDEC regarding the September 2021 NOV. We met in Nashville on February 11, 2022 for a meeting with TDEC staff, to discuss the plan to correct and prevent this moving forward. TDEC proposes to allow Spencer to discharge treated wastewater in the manner

proposed by James C. Hailey & Company and the City of Spencer in 2006 (prior to the implementation of the infiltration ponds).

2. If any work needs to be performed to comply with orders, how will these projects be funded? Label this as Exhibit 14.

At this time, it is unknown how these projects will be funded. James C. Hailey & Company has begun coordination with USDA Rural Utilities Service to fund a portion of proposed work. The TDEC State Revolving Fund Loan program also suggested that the City of Spencer submit projects for the priority ranking list, which James C. Hailey & Company plans to complete in March. Unfortunately, the depreciation associated with any capital improvements will require additional rate increases.

Section 7: Financial Distress

1. As of the 2021 financial audit, the City's utilities are still in financial distress. The City had a rate study performed several years ago which resulted in rate increases. Why were these rate increases not sufficient enough to remedy the City's financial distress? Label this as Exhibit 15.

Previously, James C. Hailey & Company assisted in providing a rate schedule that would provide approximately \$310,000 in additional revenue by 2019. The board implemented this rate study and generated \$319,978.27 in additional revenue by 2019, but still faced a budget shortfall. Please see Exhibit 15 for more information.

2. Outside of any orders from the WWFB, is there anything being completed to remedy this financial distress? Label this as Exhibit 16

As part of the WIIN Grant, James C. Hailey & Company assisted Spencer in coordinating with Jackson Thornton, CPAs to provide a Cost of Service analysis for the water and sewer systems. These studies considered proposed capital improvements and were provided to the City Council for review in late 2021. Copies will be provided and included with Exhibit 8, requested previously in this document.

Section 8: State of Tennessee

1. At the November Special Called Meeting of the WWFB, representatives of the City spoke at length regarding infrastructure projects that were initially undertaken and completed by the State of Tennessee. The representatives of the City then shared that the plan was originally for the State to retain ownership of these assets that were in use by the City's utility. However, it appears that these assets are now under ownership of the City. Provide a written statement regarding this series of events, a timeline of what projects were included in this, any proof of an agreement that the state will retain ownership of the capital assets, evidence showing the eventual agreement for the City to take ownership of these capital assets, and anything else that can help provide insight into this matter. Label this as Exhibit 17.

Please see Exhibit 17, will be provided at a later date. We are still compiling information.

Exhibit	Item
Exhibit 1	Mayor Robinson's Training
Exhibit 2	Vice-Mayor Campbell's Training
Exhibit 3	Alderman Adcock's Training
Exhibit 4	Alderman Blankenship's Training
Exhibit 5	Alderman Hensley's Training
Exhibit 6	Rate Ordinance
Exhibit 7	Rate Difference Explanation
Exhibit 8	Future Rate Increases
Exhibit 9	Capital Asset Plan
Exhibit 10	Water Meter Test
Exhibit 11	Water Operational Issues
Exhibit 12	Sewer Operational Issues
Exhibit 13	Environmental Order Compliance
Exhibit 14	Project Funding Method
Exhibit 15	Rate Insufficiency Justification
Exhibit 16	Financial Distress Remedy Plan
Exhibit 17	State of Tennessee Timeline

Exhibit 1

Mayor Robinson's Training



Certificate of Achievement

THIS ACKNOWLEDGES THAT

mickey robinson

HAS SUCCESSFULLY COMPLETED

Fraud Can't Happen Here (1 Hour of Credit)

Justin P. Wilson
Justin P. Wilson, Comptroller

10/29/2019

Date of Completion




Certificate of Achievement

THIS ACKNOWLEDGES THAT

mickey robinson

HAS SUCCESSFULLY COMPLETED

Internal Controls and Fraud in Utilities (1 Hour of Credit)


Justin P. Wilson, Comptroller

10/29/2019

Date of Completion



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THIS ACKNOWLEDGES THAT

mickey robinson

HAS SUCCESSFULLY COMPLETED

GASB Basics 101 Part 1 (1 Hour of Credit)

Justin P. Wilson
Justin P. Wilson, Comptroller

10/29/2019

Date of Completion



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THIS ACKNOWLEDGES THAT

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HAS SUCCESSFULLY COMPLETED

GASB Basics 101 Part 2 (1 Hour of Credit)

Justin P. Wilson
Justin P. Wilson, Comptroller

10/29/2019

Date of Completion



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mickey robinson

HAS SUCCESSFULLY COMPLETED

Public Records and Open Meetings Part 1 (1 Hour of Credit)


Justin P. Wilson, Comptroller

10/29/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

mickey robinson

HAS SUCCESSFULLY COMPLETED

Water Loss Assessment Part 1 (1 Hour of Credit)


Justin P. Wilson, Comptroller

10/29/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

mickey robinson

HAS SUCCESSFULLY COMPLETED

Utility Conveyance System; I&I and Water Loss Reduction (1 Hour of Credit)

Justin P. Wilson
Justin P. Wilson, Comptroller

10/29/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

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HAS SUCCESSFULLY COMPLETED

Water Loss Assessment Part 2 (1 Hour of Credit)

Justin P. Wilson
Justin P. Wilson, Comptroller

10/29/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

mickey robinson

HAS SUCCESSFULLY COMPLETED

Communicating with Customers (1 Hour of Credit)

Justin P. Wilson
Justin P. Wilson, Comptroller

10/29/2019

Date of Completion



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HAS SUCCESSFULLY COMPLETED

Budgeting for WWFB Utilities (1 Hour of Credit)


Justin P. Wilson, Comptroller

10/29/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

mickey robinson

HAS SUCCESSFULLY COMPLETED

A Debt Overview for Utilities (1 Hour of Credit)

Justin P. Wilson
Justin P. Wilson, Comptroller

10/29/2019

Date of Completion



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THIS ACKNOWLEDGES THAT

mickey robinson

HAS SUCCESSFULLY COMPLETED

Introduction to the Comptroller's Utility Office (1 Hour of Credit)

Justin P. Wilson
Justin P. Wilson, Comptroller

10/29/2019

Date of Completion




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THIS ACKNOWLEDGES THAT

mickey robinson

HAS SUCCESSFULLY COMPLETED

Public Records and Open Meetings Part 2 (1 Hour of Credit)


Justin P. Wilson, Comptroller

10/29/2019

Date of Completion




Certificate of Achievement

THIS ACKNOWLEDGES THAT

mickey robinson

HAS SUCCESSFULLY COMPLETED

Financial Accountability and Fraud Awareness (1 Hour of Credit)


Justin P. Wilson, Comptroller

10/29/2019

Date of Completion

Exhibit 2

Vice-Mayor Campbell's Training



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Drew Campbell

HAS SUCCESSFULLY COMPLETED

Communicating with Customers (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/21/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Drew Campbell

HAS SUCCESSFULLY COMPLETED

Introduction to the Comptroller's Utility Office (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/21/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Drew Campbell

HAS SUCCESSFULLY COMPLETED

Budgeting for WWFB Utilities (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/22/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Drew Campbell

HAS SUCCESSFULLY COMPLETED

Financial Accountability and Fraud Awareness (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/22/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Drew Campbell

HAS SUCCESSFULLY COMPLETED

Fraud Can't Happen Here (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/23/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Drew Campbell

HAS SUCCESSFULLY COMPLETED

Internal Controls and Fraud in Utilities (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/23/2019

Date of Completion



TENNESSEE
COMPTROLLER
OF THE TREASURY

Certificate of Achievement

THIS ACKNOWLEDGES THAT

Drew Campbell

HAS SUCCESSFULLY COMPLETED

A Debt Overview for Utilities (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/23/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Drew Campbell

HAS SUCCESSFULLY COMPLETED

Public Records and Open Meetings Part 1 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/24/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Drew Campbell

HAS SUCCESSFULLY COMPLETED

GASB Basics 101 Part 1 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/24/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Drew Campbell

HAS SUCCESSFULLY COMPLETED

GASB Basics 101 Part 2 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/24/2019

Date of Completion



Certificate of Achievement

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Drew Campbell

HAS SUCCESSFULLY COMPLETED

Public Records and Open Meetings Part 2 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/25/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Drew Campbell

HAS SUCCESSFULLY COMPLETED

Water Loss Assessment Part 1 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/25/2019

Date of Completion

Exhibit 3

Alderman Adcock's Training



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Bonnie Adcock

HAS SUCCESSFULLY COMPLETED

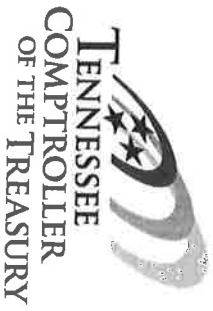
Introduction to the Comptroller's Utility Office (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/29/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Bonnie Adcock

HAS SUCCESSFULLY COMPLETED

Communicating with Customers (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/30/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Bonnie Adcock

HAS SUCCESSFULLY COMPLETED

Budgeting for WWFB Utilities (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/30/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Bonnie Adcock

HAS SUCCESSFULLY COMPLETED

A Debt Overview for Utilities (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/30/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Bonnie Adcock

HAS SUCCESSFULLY COMPLETED

Financial Accountability and Fraud Awareness (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/30/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Bonnie Adcock

HAS SUCCESSFULLY COMPLETED

Fraud Can't Happen Here (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/30/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Bonnie Adcock

HAS SUCCESSFULLY COMPLETED

Internal Controls and Fraud in Utilities (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/30/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Bonnie Adcock

HAS SUCCESSFULLY COMPLETED

GASB Basics 101 Part 1 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/30/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Bonnie Adcock

HAS SUCCESSFULLY COMPLETED

GASB Basics 101 Part 2 (1 Hour of Credit)

Justin P Wilson

Justin P. Wilson, Comptroller

10/30/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Bonnie Adcock

HAS SUCCESSFULLY COMPLETED

Public Records and Open Meetings Part 1 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/30/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Bonnie Adcock

HAS SUCCESSFULLY COMPLETED

Public Records and Open Meetings Part 2 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/30/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Bonnie Adcock

HAS SUCCESSFULLY COMPLETED

Water Loss Assessment Part 1 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/30/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Bonnie Adcock

HAS SUCCESSFULLY COMPLETED

Water Loss Assessment Part 2 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/30/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Bonnie Adcock

HAS SUCCESSFULLY COMPLETED

Utility Conveyance System; I&I and Water Loss Reduction (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/30/2019

Date of Completion

Exhibit 4

Alderman Blankenship's Training



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Jerry Blankenship

HAS SUCCESSFULLY COMPLETED

Introduction to the Comptroller's Utility Office (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/27/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Jerry Blankenship

HAS SUCCESSFULLY COMPLETED

Communicating with Customers (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/27/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Jerry Blankenship

HAS SUCCESSFULLY COMPLETED

Budgeting for WWFB Utilities (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/27/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Jerry Blankenship

HAS SUCCESSFULLY COMPLETED

Financial Accountability and Fraud Awareness (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/28/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Jerry Blankenship

HAS SUCCESSFULLY COMPLETED

Fraud Can't Happen Here (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/29/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Jerry Blankenship

HAS SUCCESSFULLY COMPLETED

Internal Controls and Fraud in Utilities (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/29/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Jerry Blankenship

HAS SUCCESSFULLY COMPLETED

GASB Basics 101 Part 1 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/29/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Jerry Blankenship

HAS SUCCESSFULLY COMPLETED

GASB Basics 101 Part 2 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/29/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Jerry Blankenship

HAS SUCCESSFULLY COMPLETED

Public Records and Open Meetings Part 1 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/30/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Jerry Blankenship

HAS SUCCESSFULLY COMPLETED

Public Records and Open Meetings Part 2 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/30/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Jerry Blankenship

HAS SUCCESSFULLY COMPLETED

Water Loss Assessment Part 1 (1 Hour of Credit)

Justin P Wilson

Justin P. Wilson, Comptroller

10/30/2019

Date of Completion

Exhibit 5

Alderman Hensley's Training



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Joseph Hensley

HAS SUCCESSFULLY COMPLETED

Introduction to the Comptroller's Utility Office (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/31/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Joseph Hensley

HAS SUCCESSFULLY COMPLETED

Communicating with Customers (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/26/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Joseph Hensley

HAS SUCCESSFULLY COMPLETED

Utility Conveyance System; I&I and Water Loss Reduction (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/31/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Joseph Hensley

HAS SUCCESSFULLY COMPLETED

Public Records and Open Meetings Part 1 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/26/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Joseph Hensley

HAS SUCCESSFULLY COMPLETED

Public Records and Open Meetings Part 2 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/28/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Joseph Hensley

HAS SUCCESSFULLY COMPLETED

Water Loss Assessment Part 1 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/29/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Joseph Hensley

HAS SUCCESSFULLY COMPLETED

Water Loss Assessment Part 2 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/30/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Joseph Hensley

HAS SUCCESSFULLY COMPLETED

A Debt Overview for Utilities (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/31/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Joseph Hensley

HAS SUCCESSFULLY COMPLETED

Budgeting for WWFB Utilities (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/31/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Joseph Hensley

HAS SUCCESSFULLY COMPLETED

Internal Controls and Fraud in Utilities (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

11/1/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Joseph Hensley

HAS SUCCESSFULLY COMPLETED

GASB Basics 101 Part 1 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

11/11/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Joseph Hensley

HAS SUCCESSFULLY COMPLETED

GASB Basics 101 Part 1 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

11/11/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Joseph Hensley

HAS SUCCESSFULLY COMPLETED

GASB Basics 101 Part 2 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

11/1/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Joseph Hensley

HAS SUCCESSFULLY COMPLETED

Financial Accountability and Fraud Awareness (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

11/1/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Joseph Hensley

HAS SUCCESSFULLY COMPLETED

Fraud Can't Happen Here (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

11/1/2019

Date of Completion

Exhibit 6

Rate Ordinance
Amended 4-27-17

ORDINANCE 2006-5

AMENDED SEPTEMBER 25, 2008
AMENDED MARCH 26, 2009
AMENDED SEPTEMBER 13, 2010
AMENDED JULY 26, 2012
AMENDED JULY 1, 2013
AMENDED DECEMBER 17, 2015
AMENDED APRIL 28, 2016
AMENDED 2-24-17 VETO

OVERRIDE OF VETO 4-27-17 RATE INCREASE

Amended
4-27-17
Rate increase
for April 2017
& April 2018

AN ORDINANCE OF THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF SPENCER, TENNESSEE, SETTING WATER AND SEWER RATES, AND RELATED SERVICES PROVIDED AND/OR FURNISHED BY THE SPENCER UTILITY DISTRICT TO CUSTOMERS OF THE SPENCER UTILITY DISTRICT.

WHEREAS, the Board of Mayor and Alderman of the City of Spencer find it necessary to the financial future of the Spencer Utility District, and

WHEREAS, from time to time the Board is required to adjust the rates charged for water, sewer, and related services to reflect the costs of operation of the water department and sewer department, and capital improvements needed to keep the systems in proper working order;
and

NOW THEREFORE, BE IT ORDAINED by Board of Mayor and Alderman of the City of Spencer that water and sewer rates, and related fees and service charges are established as follows:

TITLE 18, WATER AND SEWER, CHAPTER 2, OF THE CITY OF SPENCER MUNICIPAL CODE IS HEREBY ADOPTED.

CHAPTER 2

WATER AND SEWER RATES

SECTION

- 18-201. Purpose
- 18-202. Water Rates.
- 18-203. Sewer Rate
- 18-204. Service and Tap Fee

18-201. Purpose. The following rate and fee structures are adopted so that safe and efficient water and sewer services may be provided to Spencer Utility District, and in other circumstances where services may be provided as have been or will be approved by the Spencer Board of Mayor and Aldermen.

18-202. Water Rates. The following water rates shall apply for all user classification for the fiscal years indicated below:

		FY 06/07	Effective 09-13-10	Effective 08-1-12	Effective 7- 2-13	Effective 12-18-15	Effective 4-27-17	Effective 4-27-18
Inside City	Flat rate per meter	\$5.00	\$7.50	\$7.50	7.00	7.00	8.00	9.00
	Rate @100 gls	\$0.55	\$0.55	\$0.60	0.65	0.75	0.85	0.95
Outside City	Flat rate per meter	\$5.50	\$10.00	\$10.00	10.00	10.00	11.50	13.00
	Rate @100 gls	\$0.60	\$0.60	\$0.70	\$0.75	0.86	0.95	1.05

18-203. Sewer Rates. The SEWER RATE shall be one hundred percent (100%) of the water bill.

18-204. Service and Tap Fees. The ACTUAL cost of road bore (if required) will be added to the cost of water & sewer tap fee. The footage and cost will be determined by the utility department.

(1)	Water Service	Non-refundable Service Fee	\$ 50.00
	¾ inch water service		
	Inside City Limits		\$ 950.00
	Outside City Limits		\$1100.00
	1 inch water service		
	Inside City Limits		\$1200.00
	Outside City Limits		\$1350.00
	2 inch water service		
	Inside City Limits		\$2200.00
	Outside City Limits		\$2400.00
	Over 2 inch		Determine by Utility Manager

Water customers will be billed the flat rate for each active multiple connection to one meter, plus consumption.

(2)	Sewer Service	
	Residential	\$4200.00
	Commercial (other than single family residential)	\$8500.00

(3) Water and sewer service (if available) will be provided to the customer's property line, or in the case of force main (grinder pump) to a suitable location on customer's property. The customer will be responsible from that point or from the meter (for water service).

(4) Tape fees for apartment buildings

(a) Individual Meters

Water tap \$950.00 per unit – ¾ inch line

Sewer tap \$4200.00 per unit.

Meters and service line to meters provided and install by utility department. Plans must be approved by utility manager. Customer will be billed a flat rate for each unit, plus consumption. (Ex: Apartment complex with 4 units will be charged \$3800.00 for water taps, and \$16800.00 for sewer taps.)

(b) Master Meter

Water Tap \$2200.00 plus \$50.00 per unit (6 inch line)

Meter is to be provided and installed by owner.

(Ex: Apartment complex with 4 units will be charged \$2400.00 for water taps.

Sewer Tap Minimum \$5500.00 plus \$50.00 per unit

Collection system to be provided and installed by the owner. Plans must be approved by utility manager. Customer will be billed the flat rate for each unit, plus consumption. (Ex: Apartment complex will be charged a minimum \$5700.00 for a single commercial sewer tap. Capacity requirements beyond, plus additional costs based on capacity requirements)

This ordinance shall take effect upon final passage by the Board and Mayor of Aldermen, the public welfare requiring it.

PASSED 1ST READING: July 27, 2006

YEA 3 NAY 2

PASSED 2nd READING August 10, 2006

YEA 4 NAY 0

Mayor

Recorder

AMENDMENTS :

PASSED 1ST READING : September 11, 2008

PASSED 2ND READING : September 25, 2008 Increased Tap Fees

PASSED 1ST READING: October 30, 2008

PASSED 2ND READING: November 24, 2008

Effective Date : November 25, 2008 Landlord/Renter Agreement

PASSED 1ST READING : February 26,2009

PASSED 2ND READING: March 26, 2009 Multiple Connections

PASSED 1ST READING: August 26,2010

PASSED 2ND READING: September 13, 2010 Flat Rate Increase

PASSED 1ST READING: June 29, 2012

PASSED 2ND READING: July 26, 2012 Increased Consumption Rate

PASSED 1ST READING June 27, 2013

PASSED 2ND READING July 1, 2013

Reduced flat rate inside by .50 (water & sewer /total 1.00) & added .05 to usage Inside and Outside.

PASSED 1ST READING November 19th, 2015

PASSED 2ND READING December 17th 2015 15% Increase on water & sewer Consumption only. Flat rate to Remain the same.

PASSED 1ST READING March 31, 2016

PASSED 2ND READING April 28, 2016 To add the actual cost of a road Bore to the tap fee for water and/ Or sewer tap. Footage & cost to to determined by the utility dept.

PASSED 1 ST READING January 26 th , 2017	Option "B" rate increase	2017	&	2018
PASSED 2 ND READING February 24 th , 2017	inside flat rate	8.00		9.00
	consumption	.85		.95
VETO BY MAYOR 3-30-17	outside flat rate	11.50		13.00
VETO OVERRIDDEN BY BOARD 4-27-17	consumption	.95		1.05
RATE INCREASED PASSED				

 Mayor

 Recorder

Exhibit 7

Rate Difference Explanation

	CURRENT RATES	
	Inside	Outside
Flat Rate	\$ 9.00	\$ 13.00
Cost Per 1,000 gallons	\$ 0.95	\$ 1.05

Gallons	Cost	Cost	Difference
0	\$ 9.00	\$ 13.00	
1,000	\$ 18.50	\$ 23.50	\$ 5.00
2,000	\$ 28.00	\$ 34.00	\$ 6.00
3,000	\$ 37.50	\$ 44.50	\$ 7.00
3,700	\$ 44.15	\$ 51.85	\$ 7.70
4,000	\$ 47.00	\$ 55.00	\$ 8.00
5,000	\$ 56.50	\$ 65.50	\$ 9.00
6,000	\$ 66.00	\$ 76.00	\$ 10.00
7,000	\$ 75.50	\$ 86.50	\$ 11.00
8,000	\$ 85.00	\$ 97.00	\$ 12.00
9,000	\$ 94.50	\$ 107.50	\$ 13.00
10,000	\$ 104.00	\$ 118.00	\$ 14.00
15,000	\$ 151.50	\$ 170.50	\$ 19.00
20,000	\$ 199.00	\$ 223.00	\$ 24.00
30,000	\$ 294.00	\$ 328.00	\$ 34.00

←-- Average Bill

NUMBER OF CUSTOMERS	
Inside	676
Outside	1,188

MILES OF WATER LINE	
Inside	27.50
Outside	106.00

WATER USE PER DAY	
Inside	84,500.00
Outside	148,500.00

DEPRECIATION	
Inside	192,209.00
Outside	252,447.85

2021 Operational Expense (Less Water Depreciation) = \$ 1,344,553.39
 Assume 70% Water Cost = \$ 941,187.37

Operational Expense as a Function of % Water Line			
Inside City =	\$	193,877.55 / 676 Customers	/ 12 months = \$ 23.90
Outside City =	\$	747,309.82 / 1,188 Customers	/ 12 months = \$ 52.42
			Difference = \$ 28.52

Currently, the City of Spencer charges Outside City Customers an average of \$7.70 per month (assuming 3,700 gallons per month average consumption). Meanwhile, the cost to serve Outside City Customers is projected to be \$28.52 per month greater than inside City Customer. Please note that this does not take into consideration the anticipation that if the water system served only "Inside City" customers, that no additional pumping from the emergency source would be required (i.e. the existing City Lake would be a sufficient source). This calculation also does not take into consideration the fact that Outside City water loss and required maintenance (line breaks) would be greater in areas "outside the city".

Exhibit 8

Future Rate Increase

Jackson Thornton Rate Study

Has been provided to the Board of Alderman for review.

Certified Public Accountants
& Consultants

**JACKSON
THORNTON**

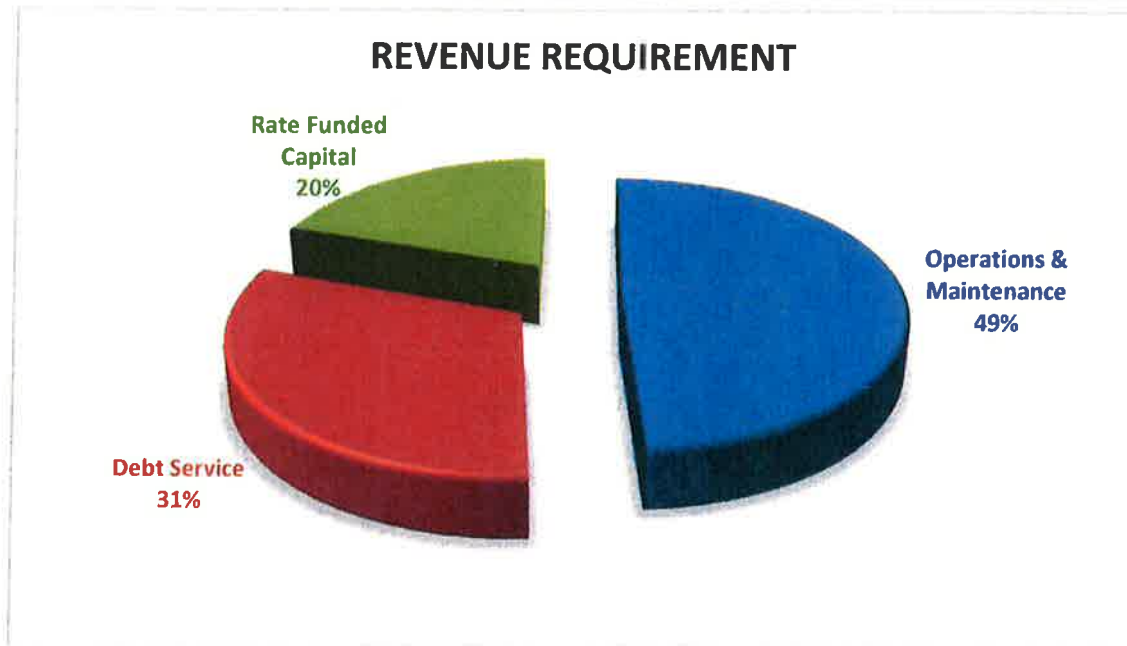
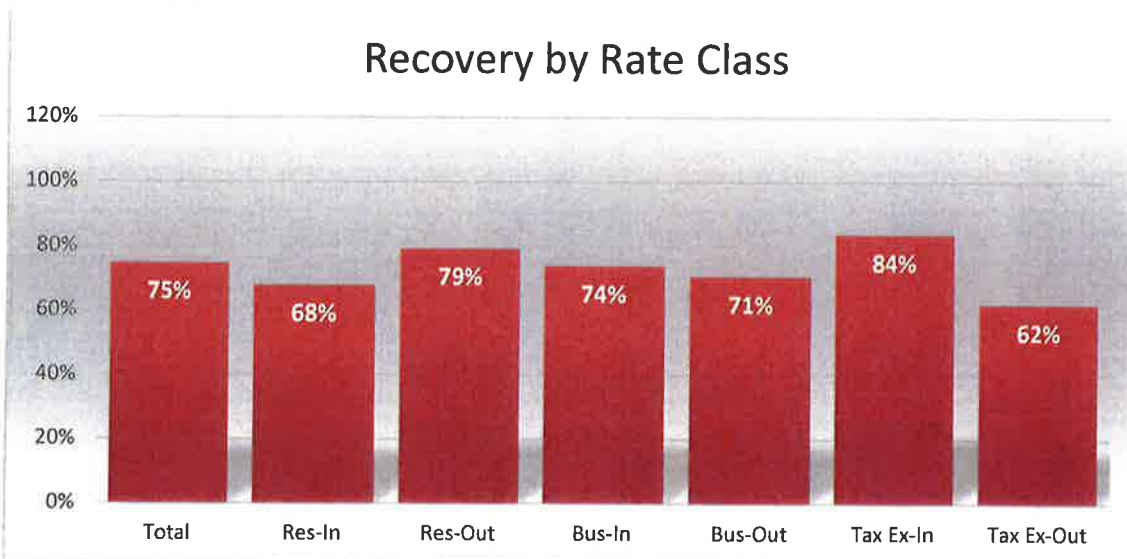
**2021 Water Cost of Service Study
12 Months Ended June 30, 2020**
City of Spencer, TN

Summary

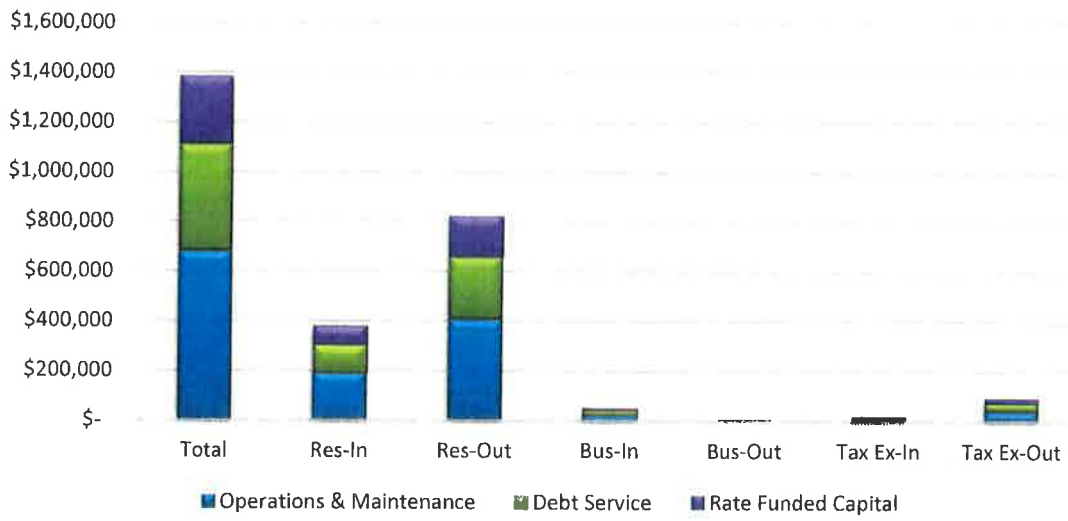
City of Spencer, TN
Water Cost of Service-12-Months Ending June 2020
Summary of Cost of Service Allocation
 Main Menu

TOTAL REV. REQ.	Total	1 Res-In	2 Res-Out	3 Bus-In	4 Bus-Out	5 Tax Ex-In	6 Tax Ex-Out	Total
Operations & Maintenance	\$ 679,059	\$ 190,970	\$ 406,161	\$ 24,402	\$ 4,571	\$ 10,804	\$ 42,150	\$ 679,059
Plus: Debt Service	\$ 429,898	\$ 113,524	\$ 252,901	\$ 19,203	\$ 3,410	\$ 6,891	\$ 33,969	\$ 429,898
Plus: Rate Funded Capital	\$ 274,201	\$ 75,702	\$ 163,200	\$ 10,574	\$ 1,946	\$ 4,365	\$ 18,415	\$ 274,201
Total Revenue Requirement	\$ 1,383,159	\$ 380,196	\$ 822,262	\$ 54,179	\$ 9,927	\$ 22,060	\$ 94,535	\$ 1,383,159
Less: Other Revenue	\$ 35,129	\$ 11,193	\$ 21,767	\$ 594	\$ 145	\$ 547	\$ 883	\$ 35,129
Rate Requirement	\$ 1,348,030	\$ 369,003	\$ 800,495	\$ 53,585	\$ 9,782	\$ 21,513	\$ 93,652	\$ 1,348,030
Annual Sales (Kgal)	72,264	19,249	42,555	3,110	543	1,271	5,538	72,264
Rate Rev. Req./Kgal	\$ 18.65	\$ 19.17	\$ 18.81	\$ 17.23	\$ 18.02	\$ 16.93	\$ 16.91	\$ 18.65
Rate Rev. Req./Customer	\$ 61.14	\$ 52.53	\$ 58.60	\$ 143.66	\$ 107.50	\$ 62.72	\$ 169.05	\$ 61.14
CUSTOMER	Total	Res-In	Res-Out	Bus-In	Bus-Out	Tax Ex-In	Tax Ex-Out	Total
Operations & Maintenance	\$ 212,969	\$ 67,860	\$ 131,962	\$ 3,603	\$ 879	\$ 3,313	\$ 5,352	\$ 212,969
Plus: Debt Service	\$ 429,898	\$ 113,524	\$ 252,901	\$ 19,203	\$ 3,410	\$ 6,891	\$ 33,969	\$ 429,898
Plus: Rate Funded Capital	\$ 60,377	\$ 19,238	\$ 37,412	\$ 1,021	\$ 249	\$ 939	\$ 1,517	\$ 60,377
Total Revenue Requirement	\$ 703,245	\$ 200,622	\$ 422,275	\$ 23,828	\$ 4,539	\$ 11,143	\$ 40,838	\$ 703,245
Less: Other Revenue	\$ 35,129	\$ 11,193	\$ 21,767	\$ 594	\$ 145	\$ 547	\$ 883	\$ 35,129
Rate Requirement	\$ 668,116	\$ 189,429	\$ 400,508	\$ 23,233	\$ 4,394	\$ 10,597	\$ 39,955	\$ 668,116
Annual Billings	22,047	7,025	13,661	373	91	343	554	22,047
Calculated Customer Charge	\$ 26.97	\$ 29.32	\$ 62.29	\$ 48.28	\$ 30.89	\$ 72.12		
CONSUMPTION	Total	Res-In	Res-Out	Bus-In	Bus-Out	Tax Ex-In	Tax Ex-Out	Total
Operations & Maintenance	\$ 466,090	\$ 123,110	\$ 274,199	\$ 20,799	\$ 3,692	\$ 7,491	\$ 36,799	\$ 466,090
Plus: Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plus: Rate Funded Capital	\$ 213,824	\$ 56,463	\$ 125,788	\$ 9,553	\$ 1,697	\$ 3,426	\$ 16,898	\$ 213,824
Total Revenue Requirement	\$ 679,914	\$ 179,573	\$ 399,987	\$ 30,352	\$ 5,389	\$ 10,917	\$ 53,697	\$ 679,914
Less: Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rate Requirement	\$ 679,914	\$ 179,573	\$ 399,987	\$ 30,352	\$ 5,389	\$ 10,917	\$ 53,697	\$ 679,914
Calculated Water Rate (Kgal)	\$ 9.33	\$ 9.40	\$ 9.76	\$ 9.93	\$ 8.59	\$ 9.70		
Current Rate Revenue	\$ 996,742	\$ 246,153	\$ 628,906	\$ 39,331	\$ 6,856	\$ 17,888	\$ 57,608	\$ 996,742
Over/(Under) Recovery	\$ (351,288)	\$ (122,850)	\$ (171,589)	\$ (14,254)	\$ (2,926)	\$ (3,625)	\$ (36,044)	\$ (351,288)
Total Revenue	\$ 1,031,871	\$ 257,346	\$ 650,673	\$ 39,926	\$ 7,001	\$ 18,435	\$ 58,490	\$ 1,031,871
Over/(Under) Recovery	\$ (351,288)	\$ (122,850)	\$ (171,589)	\$ (14,254)	\$ (2,926)	\$ (3,625)	\$ (36,044)	\$ (351,288)

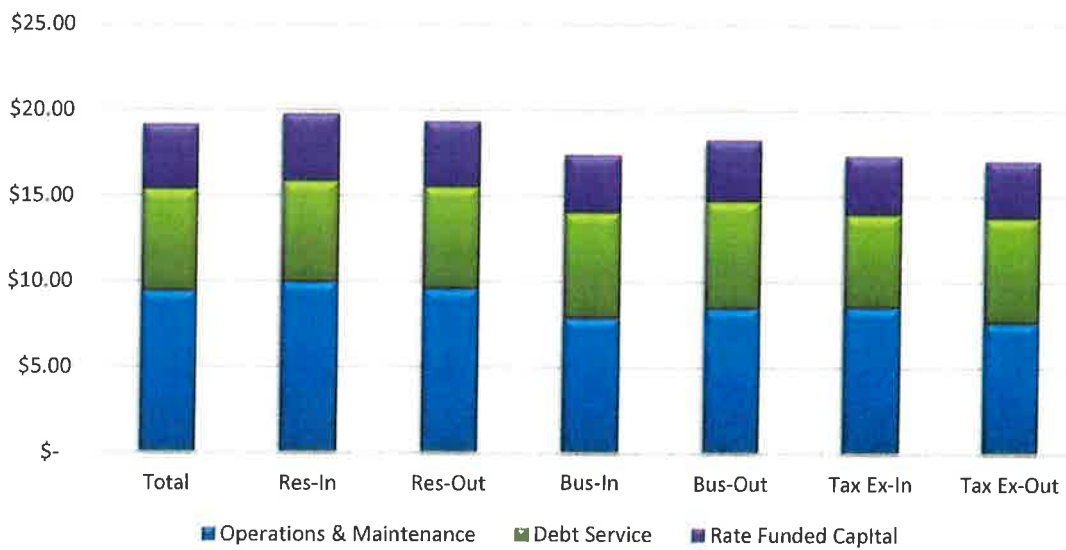
City of Spencer, TN
Water Cost of Service-12-Months Ending June 2020
Summary of Results
[Main Menu](#)

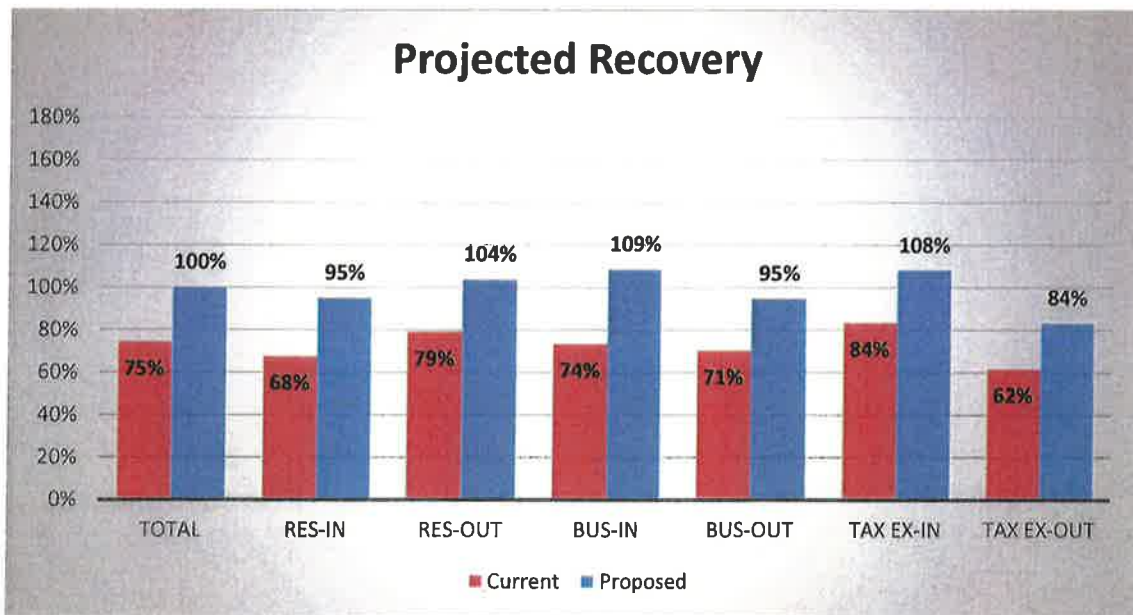
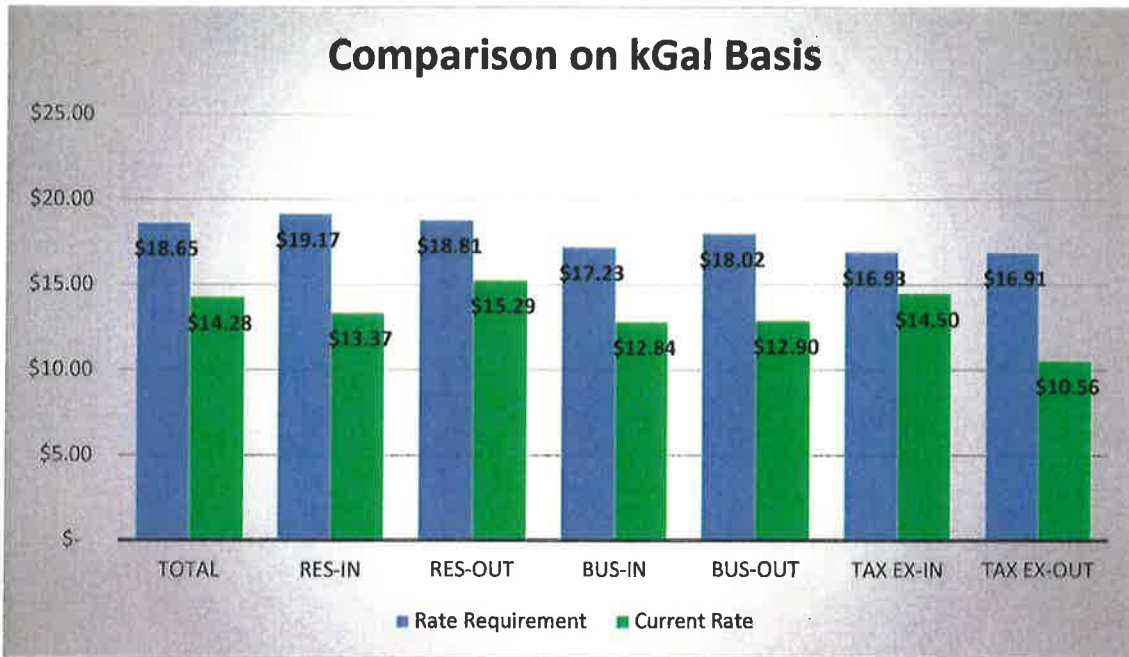


Rev. Req. by Rate Class



Rev. Req./Kgal

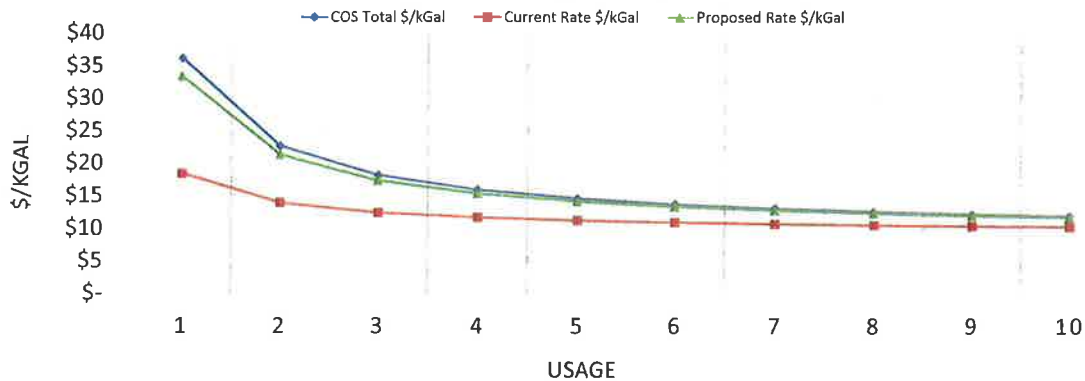




City of Spencer, TN
 Water Cost of Service-12-Months Ending June 2020
 Res-in
[Main Menu](#)

	Cost of Service	Current Rate	Proposed Rate	Difference
Service Charge	\$ 26.97	\$ 9.00	\$ 24.00	\$ 15.00
All Usage (per kGal)	\$ 9.33	\$ 9.50	\$ 9.50	\$ -

RESIDENTIAL INSIDE COST CURVE

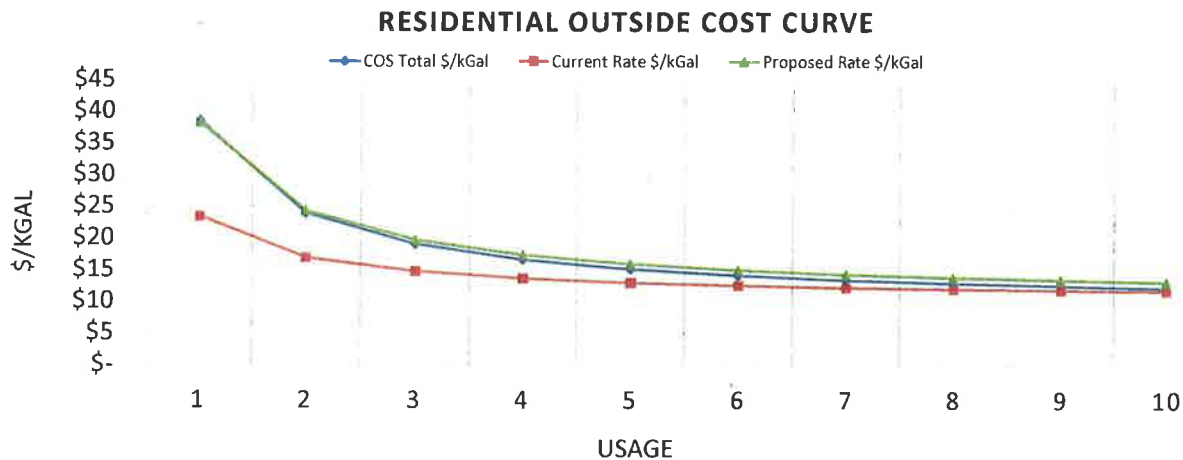


Usage	COS Rates	Current Rates	Proposed Rates	Monthly Change	Daily Change	Current \$/kGal	Proposed \$/kGal
1	\$ 36.30	\$ 18.50	\$ 33.50	\$ 15.00	\$ 0.50	\$ 18.50	\$ 33.50
2	\$ 45.63	\$ 26.00	\$ 43.00	\$ 15.00	\$ 0.50	\$ 14.00	\$ 21.60
3	\$ 54.96	\$ 37.50	\$ 52.50	\$ 15.00	\$ 0.50	\$ 12.50	\$ 17.50
4	\$ 64.29	\$ 47.00	\$ 62.00	\$ 15.00	\$ 0.50	\$ 11.75	\$ 15.50
5	\$ 73.62	\$ 56.50	\$ 71.50	\$ 15.00	\$ 0.50	\$ 11.30	\$ 14.30
6	\$ 82.95	\$ 66.00	\$ 81.00	\$ 15.00	\$ 0.50	\$ 11.00	\$ 13.50
7	\$ 92.28	\$ 75.50	\$ 90.50	\$ 15.00	\$ 0.50	\$ 10.79	\$ 12.93
8	\$ 101.61	\$ 85.00	\$ 100.00	\$ 15.00	\$ 0.50	\$ 10.63	\$ 12.50
9	\$ 110.94	\$ 94.50	\$ 109.50	\$ 15.00	\$ 0.50	\$ 10.50	\$ 12.17
10	\$ 120.27	\$ 104.00	\$ 119.00	\$ 15.00	\$ 0.50	\$ 10.40	\$ 11.90
Average Usage		2.710					

Additional Customer Revenue	\$ 105,375
Additional Usage Revenue	\$ -
	<u>\$ 105,375</u>
Current Recovery	\$ (122,850)

City of Spencer, TN
 Water Cost of Service-12-Months Ending June 2020
 Res-Out
[Main Menu](#)

	Cost of Service	Current Rate	Proposed Rate	Difference
Customer Charge	\$ 29.32	\$ 13.00	\$ 28.00	\$ 15.00
All Additional Usage	\$ 9.40	\$ 10.50	\$ 10.50	\$ -



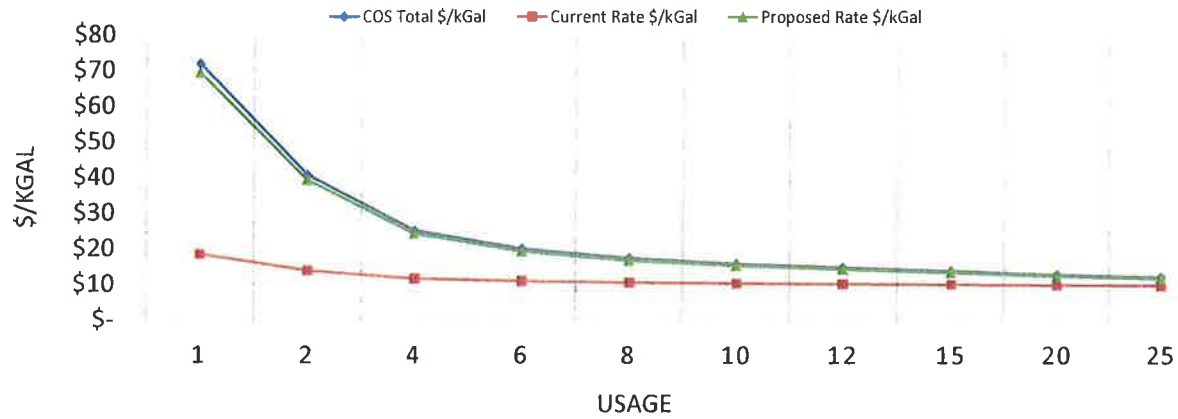
Usage	COS Rates	Current Rates	Proposed Rates	Monthly Change	Daily Change	Current \$/kGal	Proposed \$/kGal
1	\$ 38.72	\$ 23.50	\$ 38.50	\$ 15.00	\$ 0.50	\$ 23.50	\$ 38.50
2	\$ 48.12	\$ 34.00	\$ 49.00	\$ 15.00	\$ 0.50	\$ 17.00	\$ 24.50
3	\$ 57.52	\$ 44.50	\$ 59.50	\$ 15.00	\$ 0.50	\$ 14.83	\$ 19.83
4	\$ 66.92	\$ 55.00	\$ 70.00	\$ 15.00	\$ 0.50	\$ 13.75	\$ 17.50
5	\$ 76.32	\$ 65.50	\$ 80.50	\$ 15.00	\$ 0.50	\$ 13.10	\$ 16.10
6	\$ 85.72	\$ 76.00	\$ 91.00	\$ 15.00	\$ 0.50	\$ 12.67	\$ 15.17
7	\$ 95.12	\$ 86.50	\$ 101.50	\$ 15.00	\$ 0.50	\$ 12.36	\$ 14.50
8	\$ 104.52	\$ 97.00	\$ 112.00	\$ 15.00	\$ 0.50	\$ 12.13	\$ 14.00
9	\$ 113.92	\$ 107.50	\$ 122.50	\$ 15.00	\$ 0.50	\$ 11.94	\$ 13.61
10	\$ 123.32	\$ 118.00	\$ 133.00	\$ 15.00	\$ 0.50	\$ 11.80	\$ 13.30
Average Usage		3,115					

Additional Customer Revenue	\$ 204,915
Additional Usage Revenue	\$ -
	<u>\$ 204,915</u>
Current Recovery	\$ (171,589)

City of Spencer, TN
 Water Cost of Service-12-Months Ending June 2020
 Bus-In
[Main Menu](#)

	Cost of Service	Current Rate	Proposed Rate	Difference
Customer Charge	\$ 62.29	\$ 9.00	\$ 60.00	\$ 51.00
All Usage	\$ 9.76	\$ 9.50	\$ 9.50	\$ -

BUSINESS INSIDE COST CURVE

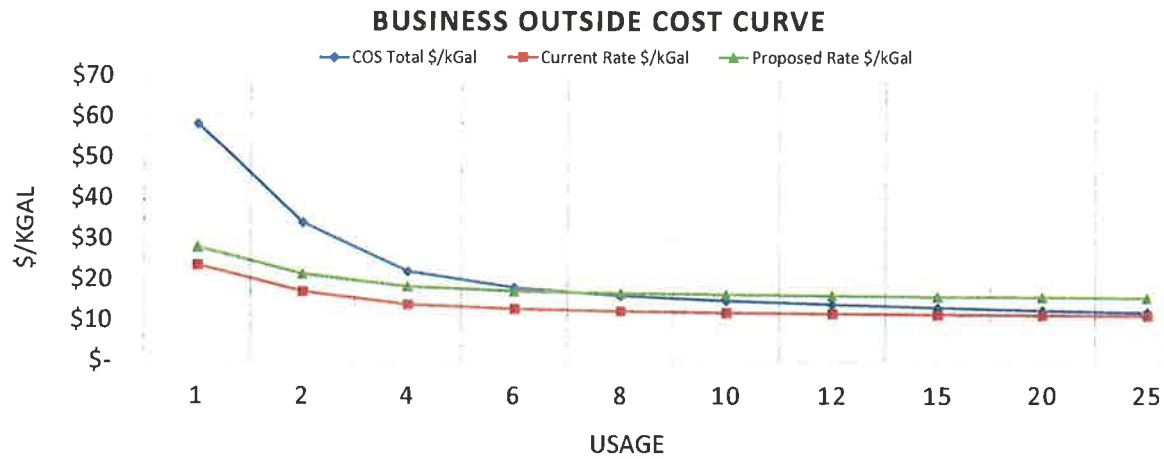


Usage	COS Rates	Current Rates	Proposed Rates	Monthly Change	Daily Change	Current \$/kGal	Proposed \$/kGal
1	\$ 72.05	\$ 18.50	\$ 69.50	\$ 51.00	\$ 1.70	\$ 18.50	\$ 69.50
2	\$ 81.81	\$ 28.00	\$ 79.00	\$ 51.00	\$ 1.70	\$ 14.00	\$ 39.50
4	\$ 101.33	\$ 47.00	\$ 98.00	\$ 51.00	\$ 1.70	\$ 11.75	\$ 24.50
6	\$ 120.85	\$ 66.00	\$ 117.00	\$ 51.00	\$ 1.70	\$ 11.00	\$ 19.50
8	\$ 140.37	\$ 85.00	\$ 136.00	\$ 51.00	\$ 1.70	\$ 10.63	\$ 17.00
10	\$ 159.89	\$ 104.00	\$ 155.00	\$ 51.00	\$ 1.70	\$ 10.40	\$ 15.50
12	\$ 179.41	\$ 123.00	\$ 174.00	\$ 51.00	\$ 1.70	\$ 10.25	\$ 14.50
15	\$ 208.69	\$ 151.50	\$ 202.50	\$ 51.00	\$ 1.70	\$ 10.10	\$ 13.50
20	\$ 257.49	\$ 199.00	\$ 250.00	\$ 51.00	\$ 1.70	\$ 9.95	\$ 12.50
25	\$ 306.29	\$ 246.50	\$ 297.50	\$ 51.00	\$ 1.70	\$ 9.86	\$ 11.90
Average Usage		8.337					

Additional Customer Revenue	\$ 19,023
Additional Usage Revenue	\$ -
	<u>\$ 19,023</u>
Current Recovery	\$ (14,254)

City of Spencer, TN
 Water Cost of Service-12-Months Ending June 2020
 Bus-Out
[Main Menu](#)

	Cost of Service	Current Rate	Proposed Rate	Difference
Customer Charge	\$ 48.28	\$ 13.00	\$ 13.00	\$ -
All Usage	\$ 9.93	\$ 10.50	\$ 15.00	\$ 4.50

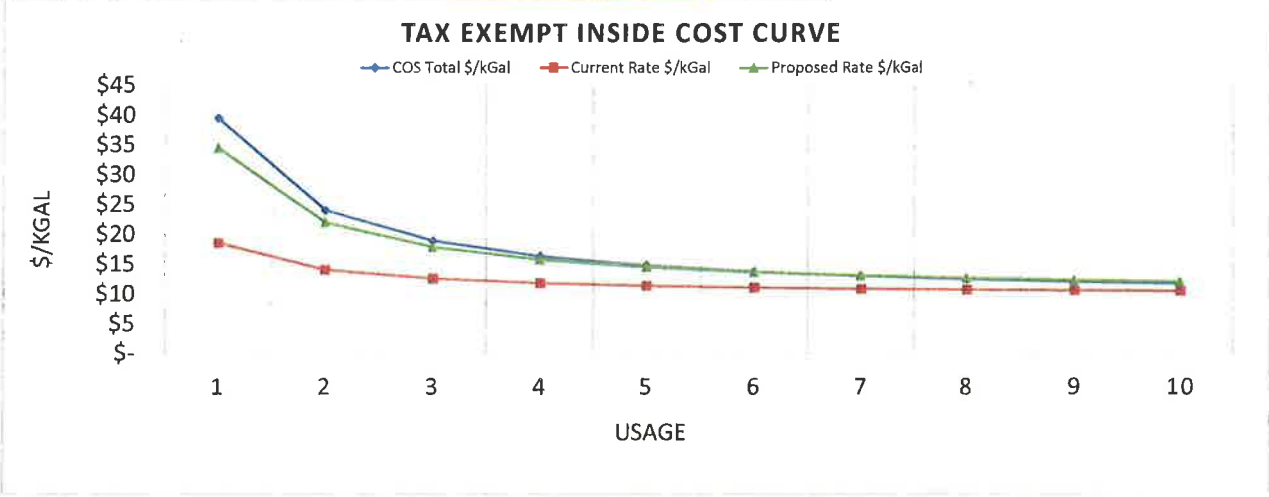


Usage	COS Rates	Current Rates	Proposed Rates	Monthly Change	Daily Change	Current \$/kGal	Proposed \$/kGal
1	\$ 58.21	\$ 23.50	\$ 28.00	\$ 4.50	\$ 0.15	\$ 23.50	\$ 28.00
2	\$ 68.14	\$ 34.00	\$ 43.00	\$ 9.00	\$ 0.30	\$ 17.00	\$ 21.50
4	\$ 88.00	\$ 55.00	\$ 73.00	\$ 18.00	\$ 0.60	\$ 13.75	\$ 18.25
6	\$ 107.86	\$ 76.00	\$ 103.00	\$ 27.00	\$ 0.90	\$ 12.67	\$ 17.17
8	\$ 127.72	\$ 97.00	\$ 133.00	\$ 36.00	\$ 1.20	\$ 12.13	\$ 16.63
10	\$ 147.58	\$ 118.00	\$ 163.00	\$ 45.00	\$ 1.50	\$ 11.80	\$ 16.30
12	\$ 167.44	\$ 139.00	\$ 193.00	\$ 54.00	\$ 1.80	\$ 11.58	\$ 16.08
15	\$ 197.23	\$ 170.50	\$ 238.00	\$ 67.50	\$ 2.25	\$ 11.37	\$ 15.87
20	\$ 246.88	\$ 223.00	\$ 313.00	\$ 90.00	\$ 3.00	\$ 11.15	\$ 15.65
25	\$ 296.53	\$ 275.50	\$ 388.00	\$ 112.50	\$ 3.75	\$ 11.02	\$ 15.52
Average Usage		5.966					

Additional Customer Revenue	\$ -
Additional Usage Revenue	\$ 2,443
	<u>\$ 2,443</u>
Current Recovery	\$ (2,926)

City of Spencer, TN
 Water Cost of Service-12-Months Ending June 2020
 Tax Ex-In
[Main Menu](#)

	Cost of Service	Current Rate	Proposed Rate	Difference
Customer Charge	\$ 30.89	\$ 9.00	\$ 25.00	\$ 16.00
All Usage	\$ 8.59	\$ 9.50	\$ 9.50	\$ -

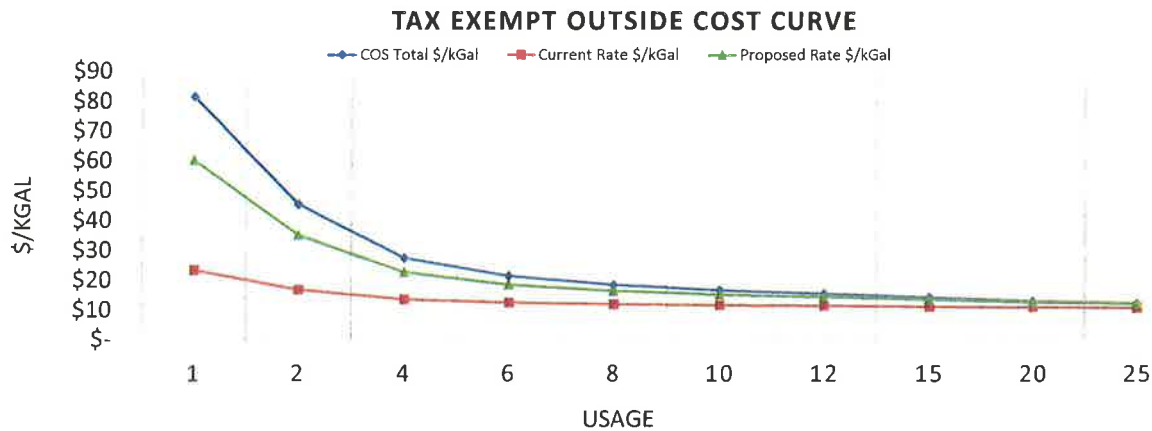


Usage	COS Rates	Current Rates	Proposed Rates	Monthly Change	Daily Change	Current \$/kGal	Proposed \$/kGal
1	\$ 39.48	\$ 18.50	\$ 34.50	\$ 16.00	\$ 0.53	\$ 18.50	\$ 34.50
2	\$ 48.07	\$ 28.00	\$ 44.00	\$ 16.00	\$ 0.53	\$ 14.00	\$ 22.00
3	\$ 56.66	\$ 37.50	\$ 53.50	\$ 16.00	\$ 0.53	\$ 12.50	\$ 17.83
4	\$ 65.25	\$ 47.00	\$ 63.00	\$ 16.00	\$ 0.53	\$ 11.75	\$ 15.75
5	\$ 73.84	\$ 56.50	\$ 72.50	\$ 16.00	\$ 0.53	\$ 11.30	\$ 14.50
6	\$ 82.43	\$ 66.00	\$ 82.00	\$ 16.00	\$ 0.53	\$ 11.00	\$ 13.67
7	\$ 91.02	\$ 75.50	\$ 91.50	\$ 16.00	\$ 0.53	\$ 10.79	\$ 13.07
8	\$ 99.61	\$ 85.00	\$ 101.00	\$ 16.00	\$ 0.53	\$ 10.63	\$ 12.63
9	\$ 108.20	\$ 94.50	\$ 110.50	\$ 16.00	\$ 0.53	\$ 10.50	\$ 12.28
10	\$ 116.79	\$ 104.00	\$ 120.00	\$ 16.00	\$ 0.53	\$ 10.40	\$ 12.00
Average Usage		3.706					

Additional Customer Revenue	\$ 5,488
Additional Usage Revenue	\$ -
	<u>\$ 5,488</u>
Current Recovery	\$ (3,625)

City of Spencer, TN
 Water Cost of Service-12-Months Ending June 2020
 Tax Ex-Out
[Main Menu](#)

	Cost of Service	Current Rate	Proposed Rate	Difference
Customer Charge	\$ 72.12	\$ 13.00	\$ 50.00	\$ 37.00
All Usage	\$ 9.70	\$ 10.50	\$ 10.50	\$ -



Usage	COS Rates	Current Rates	Proposed Rates	Monthly Change	Daily Change	Current \$/kGal	Proposed \$/kGal
1	\$ 81.82	\$ 23.50	\$ 60.50	\$ 37.00	\$ 1.23	\$ 23.50	\$ 60.50
2	\$ 91.52	\$ 34.00	\$ 71.00	\$ 37.00	\$ 1.23	\$ 17.00	\$ 35.50
4	\$ 110.92	\$ 55.00	\$ 92.00	\$ 37.00	\$ 1.23	\$ 13.75	\$ 23.00
6	\$ 130.32	\$ 76.00	\$ 113.00	\$ 37.00	\$ 1.23	\$ 12.67	\$ 18.83
8	\$ 149.72	\$ 97.00	\$ 134.00	\$ 37.00	\$ 1.23	\$ 12.13	\$ 16.75
10	\$ 169.12	\$ 118.00	\$ 155.00	\$ 37.00	\$ 1.23	\$ 11.80	\$ 15.50
12	\$ 188.52	\$ 139.00	\$ 176.00	\$ 37.00	\$ 1.23	\$ 11.58	\$ 14.67
15	\$ 217.62	\$ 170.50	\$ 207.50	\$ 37.00	\$ 1.23	\$ 11.37	\$ 13.83
20	\$ 266.12	\$ 223.00	\$ 260.00	\$ 37.00	\$ 1.23	\$ 11.15	\$ 13.00
25	\$ 314.62	\$ 275.50	\$ 312.50	\$ 37.00	\$ 1.23	\$ 11.02	\$ 12.50
Average Usage		9.996					

Additional Customer Revenue	\$ 20,498
Additional Usage Revenue	\$ -
	<u>\$ 20,498</u>
Current Recovery	\$ (36,044)

Billing Data

City of Spencer, TN
Water Cost of Service-12-Months Ending June 2020
Customer Billing Data

[Main Menu](#)

Customer Billings	1 Res-In	2 Res-Out	3 Bus-In	4 Bus-Out	5 Tax Ex-In	6 Tax Ex-Out	Total
Jan-20	587	1,134	31	8	29	46	1,835
Feb-20	584	1,134	31	8	29	46	1,832
Mar-20	587	1,140	31	7	29	46	1,840
Apr-20	587	1,144	31	7	29	46	1,844
May-20	590	1,146	31	7	29	46	1,849
Jun-20	590	1,146	31	6	29	46	1,848
Jul-19	583	1,137	32	8	26	46	1,832
Aug-19	586	1,135	32	8	28	47	1,836
Sep-19	581	1,135	31	8	28	46	1,829
Oct-19	582	1,137	31	8	29	47	1,834
Nov-19	579	1,139	31	8	29	46	1,832
Dec-19	589	1,134	30	8	29	46	1,836
Total Customers	7,025	13,661	373	91	343	554	22,047
Business Customers			373	91			464
Weighting Factor	2.00	2.00	1.00	1.00	1.00	1.00	
Weighted Customers	14,050	27,322	373	91	343	554	42,733

AF

21	Total Customers	32%	62%	2%	0%	2%	3%	100%
24	Business Customers	0%	0%	80%	20%	0%	0%	100%
25	Weighted Customers	33%	64%	1%	0%	1%	1%	100%

City of Spencer, TN
 Water Cost of Service-12-Months Ending June 2020
 Water Billing Data
[Main Menu](#)

Water Billings	1 Res-In	2 Res-Out	3 Bus-In	4 Bus-Out	5 Tax Ex-In	6 Tax Ex-Out	Total
Jan-20	1,443,100	3,130,100	234,142	31,477	50,000	460,789	5,349,608
Feb-20	1,930,900	3,614,900	257,648	40,751	45,600	542,235	6,432,034
Mar-20	1,501,400	3,189,900	225,931	36,761	52,500	451,851	5,458,343
Apr-20	1,373,600	2,509,900	227,901	28,199	36,100	453,903	4,629,603
May-20	1,813,700	3,927,500	246,784	39,257	74,200	405,121	6,506,562
Jun-20	1,501,700	3,680,800	226,768	30,181	56,300	292,972	5,788,721
Jul-19	1,689,100	4,071,500	281,458	49,107	258,500	408,182	6,757,847
Aug-19	1,653,000	3,881,100	249,560	68,600	281,000	479,957	6,613,217
Sep-19	1,587,500	3,461,200	301,024	59,258	125,500	449,263	5,983,745
Oct-19	1,603,100	3,873,400	295,631	54,699	168,900	553,593	6,549,323
Nov-19	1,864,100	4,262,600	364,700	67,923	78,500	632,727	7,270,550
Dec-19	1,287,300	2,951,900	198,111	36,680	43,900	406,999	4,924,890
Total Water Sales	19,248,500	42,554,800	3,109,658	542,893	1,271,000	5,537,592	72,264,443
1-CP	1,864,100	4,262,600	364,700	67,923	78,500	632,727	7,270,550
12-NCP	1,930,900	4,262,600	364,700	68,600	281,000	632,727	7,540,527

AF								
30	Total Water Sales	27%	59%	4%	1%	2%	8%	100%
33	1-CP	26%	59%	5%	1%	1%	9%	100%
34	12-NCP	26%	57%	5%	1%	4%	8%	100%

City of Spencer, TN
Water Cost of Service-12-Months Ending June 2020
Average Usage per Customer

Main Menu

	1	2	3	4	5	6
	Res-In	Res-Out	Bus-In	Bus-Out	Tax Ex-In	Tax Ex-Out
Jan-20	2,458	2,760	7,553	3,935	1,724	10,017
Feb-20	3,306	3,188	8,311	5,094	1,572	11,788
Mar-20	2,558	2,798	7,288	5,252	1,810	9,823
Apr-20	2,340	2,194	7,352	4,028	1,245	9,867
May-20	3,074	3,427	7,961	5,608	2,559	8,807
Jun-20	2,545	3,212	7,315	5,030	1,941	6,369
Jul-19	2,897	3,581	8,796	6,138	9,942	8,874
Aug-19	2,821	3,419	7,799	8,575	10,036	10,212
Sep-19	2,732	3,050	9,710	7,407	4,482	9,767
Oct-19	2,754	3,407	9,536	6,837	5,824	11,779
Nov-19	3,220	3,742	11,765	8,490	2,707	13,755
Dec-19	2,186	2,603	6,604	4,585	1,514	8,848
Average	2,740	3,115	8,337	5,966	3,706	9,996
Summer Average (Jun-Oct)	2,750	3,334	8,631	6,798	6,445	9,400
Winter Average	2,735	2,959	8,119	5,285	1,876	10,415

City of Spencer, TN
 Water Cost of Service-12-Months Ending June 2020
 Revenue Billing Data

[Main Menu](#)

Revenue Billings	1 Res-In	2 Res-Out	3 Bus-In	4 Bus-Out	5 Tax Ex-In	6 Tax Ex-Out	Total
Jan-20	\$ 19,077	\$ 48,209	\$ 3,052	\$ 434	\$ 915	\$ 4,809	\$ 76,496
Feb-20	\$ 23,684	\$ 53,286	\$ 3,275	\$ 532	\$ 869	\$ 5,583	\$ 87,229
Mar-20	\$ 19,631	\$ 48,902	\$ 2,974	\$ 477	\$ 941	\$ 4,724	\$ 77,649
Apr-20	\$ 18,417	\$ 41,827	\$ 2,993	\$ 387	\$ 769	\$ 4,744	\$ 69,136
May-20	\$ 22,625	\$ 56,737	\$ 3,172	\$ 503	\$ 1,169	\$ 4,280	\$ 88,486
Jun-20	\$ 19,670	\$ 54,121	\$ 2,982	\$ 395	\$ 981	\$ 3,215	\$ 81,363
Jul-19	\$ 21,378	\$ 58,171	\$ 3,511	\$ 620	\$ 3,065	\$ 4,309	\$ 91,054
Aug-19	\$ 21,062	\$ 56,133	\$ 3,208	\$ 824	\$ 3,327	\$ 5,009	\$ 89,563
Sep-19	\$ 20,395	\$ 51,373	\$ 3,687	\$ 726	\$ 1,695	\$ 4,709	\$ 82,585
Oct-19	\$ 20,552	\$ 56,065	\$ 3,636	\$ 678	\$ 2,163	\$ 5,709	\$ 88,803
Nov-19	\$ 23,005	\$ 60,178	\$ 4,293	\$ 817	\$ 1,214	\$ 6,443	\$ 95,949
Dec-19	\$ 17,615	\$ 46,351	\$ 2,701	\$ 489	\$ 851	\$ 4,298	\$ 72,304
Total Revenue	\$ 247,110	\$ 631,351	\$ 39,484	\$ 6,883	\$ 17,958	\$ 57,832	\$ 1,000,617
							Booked Revenue
							\$ 996,742

AF

50 Total Revenue 25% 63% 4% 1% 2% 6% 100%

City of Spencer, TN
Water Cost of Service-12-Months Ending June 2020
Revenue per Kgal

Main Menu

	1	2	3	4	5	6
	Res-In	Res-Out	Bus-In	Bus-Out	Tax Ex-In	Tax Ex-Out
Jan-20	\$ 13.22	\$ 15.40	\$ 13.04	\$ 13.80	\$ 18.30	\$ 10.44
Feb-20	\$ 12.27	\$ 14.74	\$ 12.71	\$ 13.05	\$ 19.05	\$ 10.30
Mar-20	\$ 13.08	\$ 15.33	\$ 13.16	\$ 12.97	\$ 17.92	\$ 10.46
Apr-20	\$ 13.41	\$ 16.66	\$ 13.13	\$ 13.72	\$ 21.30	\$ 10.45
May-20	\$ 12.47	\$ 14.45	\$ 12.85	\$ 12.82	\$ 15.75	\$ 10.57
Jun-20	\$ 13.10	\$ 14.70	\$ 13.15	\$ 13.08	\$ 17.42	\$ 10.97
Jul-19	\$ 12.66	\$ 14.29	\$ 12.47	\$ 12.62	\$ 11.86	\$ 10.56
Aug-19	\$ 12.74	\$ 14.46	\$ 12.85	\$ 12.02	\$ 11.84	\$ 10.44
Sep-19	\$ 12.85	\$ 14.84	\$ 12.25	\$ 12.25	\$ 13.50	\$ 10.48
Oct-19	\$ 12.82	\$ 14.47	\$ 12.30	\$ 12.40	\$ 12.81	\$ 10.31
Nov-19	\$ 12.34	\$ 14.12	\$ 11.77	\$ 12.03	\$ 15.47	\$ 10.18
Dec-19	\$ 13.68	\$ 15.70	\$ 13.63	\$ 13.33	\$ 19.38	\$ 10.56
Average	\$ 12.84	\$ 14.84	\$ 12.70	\$ 12.68	\$ 14.13	\$ 10.44

City of Spencer, TN
 Water Cost of Service-12-Months Ending June 2020
 Allocation of Other Revenues

[Main Menu](#)

	Actual	Adj.	Total Yr.	Res-In	Res-Out	Bus-In	Bus-Out	Tax Ex-In	Tax Ex-Out	Total	Cust	Res-In	Res-Out	Bus-In	Bus-Out	Tax Ex-In	Tax Ex-Out	Total
Operating Income																		
Service Charge	\$ 5,726	\$ (1,457)	\$ 4,269	21 \$ 1,360	\$ 2,645	\$ 72	\$ 18	\$ 66	\$ 107	\$ 4,269	100%	\$ 1,360	\$ 2,645	\$ 72	\$ 18	\$ 66	\$ 107	\$ 4,269
Forfeited Discounts	\$ 16,888	\$ (4,298)	\$ 12,590	21 \$ 4,012	\$ 7,801	\$ 213	\$ 52	\$ 196	\$ 316	\$ 12,590	100%	\$ 4,012	\$ 7,801	\$ 213	\$ 52	\$ 196	\$ 316	\$ 12,590
Tap Fees	\$ 21,859	\$ (21,859)	\$ -	21 \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	100%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special District Tap Fee	\$ 100	\$ (100)	\$ -	21 \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	100%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reconnect Fees	\$ 3,592	\$ (914)	\$ 2,678	21 \$ 853	\$ 1,659	\$ 45	\$ 11	\$ 42	\$ 67	\$ 2,678	100%	\$ 853	\$ 1,659	\$ 45	\$ 11	\$ 42	\$ 67	\$ 2,678
Returned Check Fee	\$ 255	\$ (65)	\$ 190	21 \$ 61	\$ 118	\$ 3	\$ 1	\$ 3	\$ 5	\$ 190	100%	\$ 61	\$ 118	\$ 3	\$ 1	\$ 3	\$ 5	\$ 190
Miscellaneous Income	\$ 15,037	\$ (3,827)	\$ 11,210	21 \$ 3,572	\$ 6,946	\$ 190	\$ 46	\$ 174	\$ 282	\$ 11,210	100%	\$ 3,572	\$ 6,946	\$ 190	\$ 46	\$ 174	\$ 282	\$ 11,210
Infrastructure Planning Grant	\$ 4,500	\$ (4,500)	\$ -	21 \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	100%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WIIIN Grant Revenue	\$ 10,000	\$ (10,000)	\$ -	21 \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	100%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recovery of Bad Debt	\$ 2,276	\$ (579)	\$ 1,697	21 \$ 541	\$ 1,051	\$ 29	\$ 7	\$ 26	\$ 43	\$ 1,697	100%	\$ 541	\$ 1,051	\$ 29	\$ 7	\$ 26	\$ 43	\$ 1,697
Subtotal Operating	\$ 80,233	\$ (47,599)	\$ 32,634	\$ 10,398	\$ 20,221	\$ 552	\$ 135	\$ 508	\$ 820	\$ 32,634		\$ 10,398	\$ 20,221	\$ 552	\$ 135	\$ 508	\$ 820	\$ 32,634
Non-Operating Income																		
Sale of Fixed Assets	\$ 14,100	\$ (14,100)	\$ -	21 \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	100%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income	\$ 3,346	\$ (851)	\$ 2,494	21 \$ 795	\$ 1,546	\$ 42	\$ 10	\$ 39	\$ 63	\$ 2,494	100%	\$ 795	\$ 1,546	\$ 42	\$ 10	\$ 39	\$ 63	\$ 2,494
Subtotal Non-Operating	\$ 17,446	\$ (14,951)	\$ 2,494	\$ 795	\$ 1,546	\$ 42	\$ 10	\$ 39	\$ 63	\$ 2,494		\$ 795	\$ 1,546	\$ 42	\$ 10	\$ 39	\$ 63	\$ 2,494
Total Other Revenue	\$ 97,679	\$ (62,550)	\$ 35,129	\$ 11,193	\$ 21,767	\$ 594	\$ 145	\$ 547	\$ 883	\$ 35,129		\$ 11,193	\$ 21,767	\$ 594	\$ 145	\$ 547	\$ 883	\$ 35,129
				32%	62%	2%	0%	2%	3%	100%								

Allocation Factors

City of Spencer, TN
 Water Cost of Service-12-Months Ending June 2020
 Allocation Factors
 Main Menu

	1	2	3	4	5	6	Total		55,555,236	16,709,207				72,264,443
	Res-In	Res-Out	Bus-In	Bus-Out	Tax Ex-In	Tax Ex-Out			Base	Ex-Cap	Cust	FP	RR	Total
CUSTOMER								Load Curve						
Res-In	1	100%	0%	0%	0%	0%	100% *	MSC	77%	23%				100%
Res-Out	2	0%	100%	0%	0%	0%	100% *	FP	51%	15%	33%			100%
Bus-In	3	0%	0%	100%	0%	0%	100% *	All	77%	23%		0%		100%
Bus-Out	4	0%	0%	0%	100%	0%	100% *		51%	15%	33%	0%		100%
Tax Ex-In	5	0%	0%	0%	0%	100%	100% *							
Tax Ex-Out	6	0%	0%	0%	0%	0%	100% *							
Total Customers	21	32%	62%	2%	0%	2%	100% *							
Retail Customers	22	32%	62%	2%	0%	2%	100% *							
BASE/EXTRA CAPACITY														
Total Water Sales	30	27%	59%	4%	1%	2%	100% *							
1-CP	33	26%	59%	5%	1%	1%	100% *							
12-NCP	34	26%	57%	5%	1%	4%	100% *							
REVENUE														
Total Revenue	50	25%	63%	4%	1%	2%	100% *							
PLANT														
Treat & Dist Plant	60	28%	60%	4%	1%	2%	100% *							
Total Utility Plant	62	28%	60%	4%	1%	2%	100% *							
Net Utility Plant	63	28%	60%	4%	1%	2%	100% *							
Debt Service	64	26%	59%	4%	1%	2%	100% *							

City of Spencer, TN
Water Cost of Service-12-Months Ending June 2020
Development of Minimum System
Main Menu

<u>Size</u>	<u>Feet</u>	<u>\$/Foot</u>	<u>Extended Cost</u>
2	92,872	\$ 3.00	\$ 278,616
3	5,026	\$ 4.00	\$ 20,104
4	240,091	\$ 4.00	\$ 960,364
6	52,250	\$ 6.00	\$ 313,500
8	52,250	\$ 10.00	\$ 522,500
10	40,071	\$ 42.00	\$ 1,682,982
12	14,303	\$ 49.00	\$ 700,847
	<u>496,863</u>		<u>\$ 4,478,913</u>
Miles	94		

Minimum Plant 496,863 \$ 3.00 \$ 1,490,589
 Minimum System Percentage 33%

Plant Accounts

City of Spencer, TN
 Water Cost of Service-12-Months Ending June 2020
 Classification of Plant

[Main Menu](#)

	Actual	Adj.	Test Yr.	Base	Ex-Cap	Cust	Total	Description	Base	Ex-Cap	Cust	Total
Treatment												
Land	\$ 31,805		\$ 31,805	100%	0%	0%	100%		\$ 31,805	\$ -	\$ -	\$ 31,805
Buildings	\$ 768,252		\$ 768,252	77%	23%	0%	100% As SLC		\$ 590,614	\$ 177,638	\$ -	\$ 768,252
Improvements	\$ 3,796,926		\$ 3,796,926	77%	23%	0%	100% As SLC		\$ 2,918,989	\$ 877,937	\$ -	\$ 3,796,926
Equipment	\$ 140,881		\$ 140,881	77%	23%	0%	100% As SLC		\$ 108,306	\$ 32,575	\$ -	\$ 140,881
Subtotal Treatment	\$ 4,737,864	\$ -	\$ 4,737,864						\$ 3,649,715	\$ 1,088,149	\$ -	\$ 4,737,864
				77%	23%	0%						100%
Distribution												
Land	\$ 32,622		\$ 32,622	51%	15%	33%	100% As SLC/MSC		\$ 16,733	\$ 5,033	\$ 10,857	\$ 32,622
Improvements	\$ 8,805,283		\$ 8,805,283	51%	15%	33%	100% As SLC/MSC		\$ 4,516,466	\$ 1,358,406	\$ 2,930,411	\$ 8,805,283
Equipment	\$ 426,442		\$ 426,442	51%	15%	33%	100% As SLC/MSC		\$ 218,734	\$ 65,788	\$ 141,921	\$ 426,442
Subtotal Distribution	\$ 9,264,347	\$ -	\$ 9,264,347						\$ 4,751,932	\$ 1,429,226	\$ 3,083,189	\$ 9,264,347
				51%	15%	33%						100%
Total Utility Plant in Service	\$ 14,002,211	\$ -	\$ 14,002,211						\$ 8,401,646	\$ 2,517,376	\$ 3,083,189	\$ 14,002,211
				60%	18%	22%						100%
Constr. Work In Progress	\$ -	\$ -	\$ -	60%	18%	22%	100% As Outside Pll		\$ -	\$ -	\$ -	\$ -
Total Utility Plant	\$ 14,002,211	\$ -	\$ 14,002,211						\$ 8,401,646	\$ 2,517,376	\$ 3,083,189	\$ 14,002,211
				60%	18%	22%						100%
Accum. Depr. - Treat	\$ 2,438,502		\$ 2,438,502	77%	23%	0%	100% As Treat Pll		\$ 1,878,449	\$ 560,053	\$ -	\$ 2,438,502
Accum. Depr. - Dist	\$ 3,326,991		\$ 3,326,991	51%	15%	33%	100% As Dist Pll		\$ 1,706,503	\$ 513,260	\$ 1,107,228	\$ 3,326,991
Accumulated Depreciation	\$ 5,765,493	\$ -	\$ 5,765,493						\$ 3,584,952	\$ 1,073,313	\$ 1,107,228	\$ 5,765,493
				62%	19%	19%						100%
Net Utility Plant	\$ 8,236,718	\$ -	\$ 8,236,718						\$ 4,816,695	\$ 1,444,062	\$ 1,975,961	\$ 8,236,718
				58%	18%	24%						100%

City of Spencer, TN
 Water Cost of Service-12-Months Ending June 2020
 Allocation of Base Plant
[Main Menu](#)

	Test Yr.	Res-In	Res-Out	Bus-In	Bus-Out	Tax Ex-In	Tax Ex-Out	Total
Treatment								
Land	\$ 31,805 30	\$ 8,472	\$ 18,729	\$ 1,369	\$ 239	\$ 559	\$ 2,437	\$ 31,805
Buildings	\$ 590,614 30	\$ 157,317	\$ 347,799	\$ 25,415	\$ 4,437	\$ 10,388	\$ 45,259	\$ 590,614
Improvements	\$ 2,918,989 30	\$ 777,508	\$ 1,718,923	\$ 125,609	\$ 21,929	\$ 51,340	\$ 223,681	\$ 2,918,989
Equipment	\$ 108,306 30	\$ 28,849	\$ 63,779	\$ 4,661	\$ 814	\$ 1,905	\$ 8,299	\$ 108,306
Subtotal Treatment	\$ 3,649,715	\$ 972,145	\$ 2,149,229	\$ 157,053	\$ 27,419	\$ 64,192	\$ 279,676	\$ 3,649,715
Distribution								
Land	\$ 16,733 30	\$ 4,457	\$ 9,853	\$ 720	\$ 126	\$ 294	\$ 1,282	\$ 16,733
Improvements	\$ 4,516,466 30	\$ 1,203,015	\$ 2,659,638	\$ 194,351	\$ 33,930	\$ 79,436	\$ 346,095	\$ 4,516,466
Equipment	\$ 218,734 30	\$ 58,262	\$ 128,807	\$ 9,412	\$ 1,643	\$ 3,847	\$ 16,761	\$ 218,734
Subtotal Distribution	\$ 4,751,932	\$ 1,265,734	\$ 2,798,299	\$ 204,483	\$ 35,699	\$ 83,578	\$ 364,138	\$ 4,751,932
Total Utility Plant in Service	\$ 8,401,646	\$ 2,237,879	\$ 4,947,528	\$ 361,537	\$ 63,118	\$ 147,770	\$ 643,814	\$ 8,401,646
Constr. Work in Progress	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Utility Plant	\$ 8,401,646	\$ 2,237,879	\$ 4,947,528	\$ 361,537	\$ 63,118	\$ 147,770	\$ 643,814	\$ 8,401,646
Accum. Depr. - Treat	\$ 1,878,449 30	\$ 500,347	\$ 1,106,174	\$ 80,833	\$ 14,112	\$ 33,039	\$ 143,945	\$ 1,878,449
Accum. Depr. - Dist	\$ 1,706,503 30	\$ 454,547	\$ 1,004,919	\$ 73,434	\$ 12,820	\$ 30,014	\$ 130,769	\$ 1,706,503
Accumulated Depreciation	\$ 3,584,952	\$ 954,895	\$ 2,111,092	\$ 154,266	\$ 26,932	\$ 63,053	\$ 274,713	\$ 3,584,952
Net Utility Plant	\$ 4,816,695	\$ 1,282,984	\$ 2,836,436	\$ 207,270	\$ 36,186	\$ 84,717	\$ 369,101	\$ 4,816,695

City of Spencer, TN
 Water Cost of Service-12-Months Ending June 2020
 Allocation of Extra Capacity Plant
[Main Menu](#)

	Test Yr.	Res-In	Res-Out	Bus-In	Bus-Out	Tax Ex-In	Tax Ex-Out	Total
Treatment								
Land	\$ - 33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings	\$ 177,638 33	\$ 45,545	\$ 104,146	\$ 8,911	\$ 1,660	\$ 1,918	\$ 15,459	\$ 177,638
Improvements	\$ 877,937 33	\$ 225,095	\$ 514,720	\$ 44,038	\$ 8,202	\$ 9,479	\$ 76,403	\$ 877,937
Equipment	\$ 32,575 33	\$ 8,352	\$ 19,098	\$ 1,634	\$ 304	\$ 352	\$ 2,835	\$ 32,575
Subtotal Treatment	\$ 1,088,149	\$ 278,991	\$ 637,964	\$ 54,583	\$ 10,166	\$ 11,749	\$ 94,697	\$ 1,088,149
Distribution								
Land	\$ 5,033 33	\$ 1,290	\$ 2,951	\$ 252	\$ 47	\$ 54	\$ 438	\$ 5,033
Improvements	\$ 1,358,406 33	\$ 348,282	\$ 796,410	\$ 68,139	\$ 12,691	\$ 14,667	\$ 118,217	\$ 1,358,406
Equipment	\$ 65,788 33	\$ 16,867	\$ 38,570	\$ 3,300	\$ 615	\$ 710	\$ 5,725	\$ 65,788
Subtotal Distribution	\$ 1,429,226	\$ 366,440	\$ 837,931	\$ 71,692	\$ 13,352	\$ 15,431	\$ 124,380	\$ 1,429,226
Total Utility Plant in Service	\$ 2,517,376	\$ 645,431	\$ 1,475,895	\$ 126,275	\$ 23,518	\$ 27,180	\$ 219,077	\$ 2,517,376
Constr. Work in Progress	\$ - 33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Utility Plant	\$ 2,517,376	\$ 645,431	\$ 1,475,895	\$ 126,275	\$ 23,518	\$ 27,180	\$ 219,077	\$ 2,517,376
Accum. Depr. - Treat	\$ 560,053 33	\$ 143,592	\$ 328,350	\$ 28,093	\$ 5,232	\$ 6,047	\$ 48,739	\$ 560,053
Accum. Depr. - Dist	\$ 513,260 33	\$ 131,595	\$ 300,916	\$ 25,746	\$ 4,795	\$ 5,542	\$ 44,667	\$ 513,260
Accumulated Depreciation	\$ 1,073,313	\$ 275,187	\$ 629,265	\$ 53,839	\$ 10,027	\$ 11,589	\$ 93,406	\$ 1,073,313
Net Utility Plant	\$ 1,444,062	\$ 370,244	\$ 846,629	\$ 72,436	\$ 13,491	\$ 15,592	\$ 125,671	\$ 1,444,062

City of Spencer, TN
 Water Cost of Service-12-Months Ending June 2020
 Allocation of Customer Plant
[Main Menu](#)

	Test Yr.	Res-In	Res-Out	Bus-In	Bus-Out	Tax Ex-In	Tax Ex-Out	Total
Treatment								
Land	\$ - 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings	\$ - 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Improvements	\$ - 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment	\$ - 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Treatment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution								
Land	\$ 10,857 21	\$ 3,459	\$ 6,727	\$ 184	\$ 45	\$ 169	\$ 273	\$ 10,857
Improvements	\$ 2,930,411 21	\$ 933,739	\$ 1,815,773	\$ 49,578	\$ 12,095	\$ 45,590	\$ 73,636	\$ 2,930,411
Equipment	\$ 141,921 21	\$ 45,221	\$ 87,938	\$ 2,401	\$ 586	\$ 2,208	\$ 3,566	\$ 141,921
Subtotal Distribution	\$ 3,083,189	\$ 982,419	\$ 1,910,439	\$ 52,163	\$ 12,726	\$ 47,967	\$ 77,475	\$ 3,083,189
Total Utility Plant in Service	\$ 3,083,189	\$ 982,419	\$ 1,910,439	\$ 52,163	\$ 12,726	\$ 47,967	\$ 77,475	\$ 3,083,189
Constr. Work in Progress	\$ - 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Utility Plant	\$ 3,083,189	\$ 982,419	\$ 1,910,439	\$ 52,163	\$ 12,726	\$ 47,967	\$ 77,475	\$ 3,083,189
Accum. Depr. - Treat	\$ - 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accum. Depr. - Dist	\$ 1,107,228 21	\$ 352,804	\$ 686,072	\$ 18,733	\$ 4,570	\$ 17,226	\$ 27,823	\$ 1,107,228
Accumulated Depreciation	\$ 1,107,228	\$ 352,804	\$ 686,072	\$ 18,733	\$ 4,570	\$ 17,226	\$ 27,823	\$ 1,107,228
Net Utility Plant	\$ 1,975,961	\$ 629,615	\$ 1,224,366	\$ 33,430	\$ 8,156	\$ 30,741	\$ 49,652	\$ 1,975,961

City of Spencer, TN
 Water Cost of Service-12-Months Ending June 2020
 Allocation of Plant
 Main Menu

	Test Yr.	Res-In	Res-Out	Bus-In	Bus-Out	Tax Ex-In	Tax Ex-Out	Total
Treatment								
Land	\$ 31,805	\$ 8,472	\$ 18,729	\$ 1,369	\$ 239	\$ 559	\$ 2,437	\$ 31,805
Buildings	\$ 768,252	\$ 202,862	\$ 451,945	\$ 34,326	\$ 6,097	\$ 12,306	\$ 60,718	\$ 768,252
Improvements	\$ 3,796,926	\$ 1,002,602	\$ 2,233,642	\$ 169,647	\$ 30,131	\$ 60,819	\$ 300,084	\$ 3,796,926
Equipment	\$ 140,881	\$ 37,201	\$ 82,877	\$ 6,295	\$ 1,118	\$ 2,257	\$ 11,134	\$ 140,881
Subtotal Treatment	\$ 4,737,864	\$ 1,251,136	\$ 2,787,193	\$ 211,636	\$ 37,585	\$ 75,941	\$ 374,373	\$ 4,737,864
Distribution								
Land	\$ 32,622	\$ 9,207	\$ 19,531	\$ 1,156	\$ 218	\$ 518	\$ 1,993	\$ 32,622
Improvements	\$ 8,805,283	\$ 2,485,036	\$ 5,271,822	\$ 312,068	\$ 58,716	\$ 139,693	\$ 537,947	\$ 8,805,283
Equipment	\$ 426,442	\$ 120,351	\$ 255,316	\$ 15,114	\$ 2,844	\$ 6,765	\$ 26,053	\$ 426,442
Subtotal Distribution	\$ 9,264,347	\$ 2,614,593	\$ 5,546,669	\$ 328,338	\$ 61,777	\$ 146,976	\$ 565,993	\$ 9,264,347
		28%	60%	4%	1%	2%	6%	100%
Total Utility Plant In Service	\$ 14,002,211	\$ 3,865,730	\$ 8,333,862	\$ 539,974	\$ 99,362	\$ 222,917	\$ 940,366	\$ 14,002,211
Constr. Work in Progress	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Utility Plant	\$ 14,002,211	\$ 3,865,730	\$ 8,333,862	\$ 539,974	\$ 99,362	\$ 222,917	\$ 940,366	\$ 14,002,211
		28%	60%	4%	1%	2%	7%	100%
Accum. Depr. - Treat	\$ 2,438,502	\$ 643,940	\$ 1,434,523	\$ 108,926	\$ 19,344	\$ 39,085	\$ 192,684	\$ 2,438,502
Accum. Depr. - Dist	\$ 3,326,991	\$ 938,947	\$ 1,991,907	\$ 117,912	\$ 22,185	\$ 52,782	\$ 203,258	\$ 3,326,991
Accumulated Depreciation	\$ 5,765,493	\$ 1,582,886	\$ 3,426,430	\$ 226,838	\$ 41,530	\$ 91,867	\$ 395,942	\$ 5,765,493
Net Utility Plant	\$ 8,236,718	\$ 2,282,843	\$ 4,907,432	\$ 313,136	\$ 57,832	\$ 131,050	\$ 544,424	\$ 8,236,718
		28%	60%	4%	1%	2%	7%	100%

Operating Expenses

City of Spencer, TN
 Water Cost of Service-12-Months Ending June 2020
 Classification of Operating Expenses

Main Menu

	Actual	Adj.	Test Yr.	Base	Ex-Cap	Cust	Total	Description	Base	Ex-Cap	Cust	Total
Treatment												
Water Purchases	\$ 6,956		\$ 6,956	77%	23%	0%	100%	As SLC	\$ 5,347	\$ 1,608	\$ -	\$ 6,956
Wages - Plant	\$ 80,313	\$ 44,260	\$ 124,572	77%	23%	0%	100%	As SLC	\$ 95,768	\$ 28,804	\$ -	\$ 124,572
Water Plant Operations Cost	\$ 15,289		\$ 15,289	77%	23%	0%	100%	As SLC	\$ 11,754	\$ 3,535	\$ -	\$ 15,289
Water Testing	\$ 15,767		\$ 15,767	100%	0%	0%	100%		\$ 15,767	\$ -	\$ -	\$ 15,767
Chemicals	\$ 61,570		\$ 61,570	77%	23%	0%	100%	As SLC	\$ 47,334	\$ 14,236	\$ -	\$ 61,570
Electric Utilities	\$ 131,758	\$ (68,514)	\$ 63,244	77%	23%	0%	100%	As SLC	\$ 48,621	\$ 14,623	\$ -	\$ 63,244
Contract Labor	\$ 44,260	\$ (44,260)	\$ -	77%	23%	0%	100%	As SLC	\$ -	\$ -	\$ -	\$ -
Subtotal Treatment	\$ 355,913	\$ (68,514)	\$ 287,398						\$ 224,591	\$ 62,808	\$ -	\$ 287,398
				78%	22%	0%	100%					
Distribution												
Wages - Maint	\$ 135,144	\$ (40,543)	\$ 94,600	51%	15%	33%	100%	AS LC/MSC	\$ 48,523	\$ 14,594	\$ 31,483	\$ 94,600
Electric Utilities	\$ 131,758	\$ (63,244)	\$ 68,514	51%	15%	33%	100%	AS LC/MSC	\$ 35,143	\$ 10,570	\$ 22,802	\$ 68,514
Fuel Expense	\$ 8,311	\$ (2,115)	\$ 6,196	51%	15%	33%	100%	AS LC/MSC	\$ 3,178	\$ 956	\$ 2,062	\$ 6,196
Water Tank Maintenance	\$ 39,633		\$ 39,633	51%	15%	33%	100%	AS LC/MSC	\$ 20,329	\$ 6,114	\$ 13,190	\$ 39,633
Operating Supplies & Maint	\$ 57,057		\$ 57,057	51%	15%	33%	100%	AS LC/MSC	\$ 29,266	\$ 8,802	\$ 18,989	\$ 57,057
Equipment Expense	\$ 1,823		\$ 1,823	51%	15%	33%	100%	AS LC/MSC	\$ 935	\$ 281	\$ 607	\$ 1,823
Subtotal Distribution	\$ 373,726	\$ (105,902)	\$ 267,823						\$ 137,374	\$ 41,318	\$ 89,132	\$ 267,823
				51%	15%	33%	100%					
Subtotal Treat & Dist	\$ 729,638	\$ (174,417)	\$ 555,222						\$ 361,964	\$ 104,125	\$ 89,132	\$ 555,222
				65%	19%	16%	100%					
Admin & General												
TN Unemployment Tax	\$ 463	\$ (118)	\$ 345	0%	0%	100%	100%		\$ -	\$ -	\$ 345	\$ 345
Audit/Accounting Services	\$ 8,350	\$ (2,125)	\$ 6,225	0%	0%	100%	100%		\$ -	\$ -	\$ 6,225	\$ 6,225
Legal	\$ 2,185	\$ (556)	\$ 1,629	0%	0%	100%	100%		\$ -	\$ -	\$ 1,629	\$ 1,629
Annual Fees	\$ 10,615	\$ (2,701)	\$ 7,914	0%	0%	100%	100%		\$ -	\$ -	\$ 7,914	\$ 7,914
IT Services	\$ 954	\$ (243)	\$ 711	0%	0%	100%	100%		\$ -	\$ -	\$ 711	\$ 711
Pre-Employment Exams	\$ 115	\$ (29)	\$ 86	0%	0%	100%	100%		\$ -	\$ -	\$ 86	\$ 86
Utility Clerk	\$ 26,161	\$ (6,658)	\$ 19,504	0%	0%	100%	100%		\$ -	\$ -	\$ 19,504	\$ 19,504
Water Dept Payroll Taxes	\$ 18,533	\$ (4,716)	\$ 13,816	0%	0%	100%	100%		\$ -	\$ -	\$ 13,816	\$ 13,816
Water Dept Retirement	\$ 14,954	\$ (3,806)	\$ 11,148	0%	0%	100%	100%		\$ -	\$ -	\$ 11,148	\$ 11,148
Publishing	\$ 561	\$ (143)	\$ 418	0%	0%	100%	100%		\$ -	\$ -	\$ 418	\$ 418
Natural Gas Utilities	\$ 224	\$ (57)	\$ 167	0%	0%	100%	100%		\$ -	\$ -	\$ 167	\$ 167
Phone Utilities	\$ 2,673	\$ (680)	\$ 1,992	0%	0%	100%	100%		\$ -	\$ -	\$ 1,992	\$ 1,992
Travel & Mileage	\$ 2,362	\$ (601)	\$ 1,761	0%	0%	100%	100%		\$ -	\$ -	\$ 1,761	\$ 1,761
Certification/Training	\$ 4,317	\$ (1,099)	\$ 3,218	0%	0%	100%	100%		\$ -	\$ -	\$ 3,218	\$ 3,218
Office Supplies	\$ 1,854	\$ (472)	\$ 1,382	0%	0%	100%	100%		\$ -	\$ -	\$ 1,382	\$ 1,382
Miscellaneous Expense	\$ 836	\$ (213)	\$ 624	0%	0%	100%	100%		\$ -	\$ -	\$ 624	\$ 624
Postage & Freight	\$ 446	\$ (113)	\$ 332	0%	0%	100%	100%		\$ -	\$ -	\$ 332	\$ 332
Billing	\$ 9,641	\$ (2,453)	\$ 7,187	0%	0%	100%	100%		\$ -	\$ -	\$ 7,187	\$ 7,187
Liability Insurance	\$ 37,595	\$ (9,568)	\$ 28,027	0%	0%	100%	100%		\$ -	\$ -	\$ 28,027	\$ 28,027
Surety Bonds Insurance	\$ 88	\$ (22)	\$ 66	0%	0%	100%	100%		\$ -	\$ -	\$ 66	\$ 66
Convenience Fees	\$ 389	\$ (99)	\$ 290	0%	0%	100%	100%		\$ -	\$ -	\$ 290	\$ 290
Vehicle Maintenance	\$ 5,992	\$ (1,525)	\$ 4,467	0%	0%	100%	100%		\$ -	\$ -	\$ 4,467	\$ 4,467
Uniform Expense	\$ 7,334	\$ (1,866)	\$ 5,467	0%	0%	100%	100%		\$ -	\$ -	\$ 5,467	\$ 5,467
Paying Agent Fees	\$ 9,471	\$ (2,410)	\$ 7,060	0%	0%	100%	100%		\$ -	\$ -	\$ 7,060	\$ 7,060
Subtotal Admin & General	\$ 166,111	\$ (42,273)	\$ 123,837						\$ -	\$ -	\$ 123,837	\$ 123,837
Total Operating Expenses	\$ 895,749	\$ (216,690)	\$ 679,059						\$ 361,964	\$ 104,125	\$ 212,969	\$ 679,059
				53%	15%	31%	100%					

City of Spencer, TN
Water Cost of Service-12-Months Ending June 2020
Allocation of Base Expenses
[Main Menu](#)

	Test Yr.	Res-In	Res-Out	Bus-In	Bus-Out	Tax Ex-In	Tax Ex-Out	Total
Treatment								
Water Purchases	\$ 5,347 30	\$ 1,424	\$ 3,149	\$ 230	\$ 40	\$ 94	\$ 410	\$ 5,347
Wages - Plant	\$ 95,768 30	\$ 25,509	\$ 56,396	\$ 4,121	\$ 719	\$ 1,684	\$ 7,339	\$ 95,768
Water Plant Operations Cost	\$ 11,754 30	\$ 3,131	\$ 6,922	\$ 506	\$ 88	\$ 207	\$ 901	\$ 11,754
Water Testing	\$ 15,767 30	\$ 4,200	\$ 9,285	\$ 678	\$ 118	\$ 277	\$ 1,208	\$ 15,767
Chemicals	\$ 47,334 30	\$ 12,608	\$ 27,874	\$ 2,037	\$ 356	\$ 833	\$ 3,627	\$ 47,334
Electric Utilities	\$ 48,621 30	\$ 12,951	\$ 28,631	\$ 2,092	\$ 365	\$ 855	\$ 3,726	\$ 48,621
Contract Labor	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Treatment	\$ 224,591	\$ 59,822	\$ 132,256	\$ 9,665	\$ 1,687	\$ 3,950	\$ 17,210	\$ 224,591
Distribution								
Wages - Maint	\$ 48,523 30	\$ 12,925	\$ 28,574	\$ 2,088	\$ 365	\$ 853	\$ 3,718	\$ 48,523
Electric Utilities	\$ 35,143 30	\$ 9,361	\$ 20,695	\$ 1,512	\$ 264	\$ 618	\$ 2,693	\$ 35,143
Fuel Expense	\$ 3,178 30	\$ 847	\$ 1,872	\$ 137	\$ 24	\$ 56	\$ 244	\$ 3,178
Water Tank Maintenance	\$ 20,329 30	\$ 5,415	\$ 11,971	\$ 875	\$ 153	\$ 358	\$ 1,558	\$ 20,329
Operating Supplies & Maint	\$ 29,266 30	\$ 7,795	\$ 17,234	\$ 1,259	\$ 220	\$ 515	\$ 2,243	\$ 29,266
Equipment Expense	\$ 935 30	\$ 249	\$ 551	\$ 40	\$ 7	\$ 16	\$ 72	\$ 935
Subtotal Distribution	\$ 137,374	\$ 36,591	\$ 80,896	\$ 5,911	\$ 1,032	\$ 2,416	\$ 10,527	\$ 137,374
Subtotal Treat & Dist	\$ 361,964	\$ 96,414	\$ 213,152	\$ 15,576	\$ 2,719	\$ 6,366	\$ 27,737	\$ 361,964
Admin & General								
TN Unemployment Tax	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Audit/Accounting Services	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Fees	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IT Services	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pre-Employment Exams	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility Clerk	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Dept Payroll Taxes	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Dept Retirement	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Publishing	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Natural Gas Utilities	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Phone Utilities	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel & Mileage	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Certification/Training	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office Supplies	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Expense	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Postage & Freight	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Billing	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Liability Insurance	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Surety Bonds Insurance	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Convenience Fees	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Maintenance	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uniform Expense	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Paying Agent Fees	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Admin & General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Expenses	\$ 361,964	\$ 96,414	\$ 213,152	\$ 15,576	\$ 2,719	\$ 6,366	\$ 27,737	\$ 361,964

City of Spencer, TN
 Water Cost of Service-12-Months Ending June 2020
 Allocation of Extra-Capacity Expenses

[Main Menu](#)

	Test Yr.		Res-In	Res-Out	Bus-In	Bus-Out	Tax Ex-In	Tax Ex-Out	Total
Treatment									
Water Purchases	\$ 1,608	33	\$ 412	\$ 943	\$ 81	\$ 15	\$ 17	\$ 140	\$ 1,608
Wages - Plant	\$ 28,804	33	\$ 7,385	\$ 16,887	\$ 1,445	\$ 269	\$ 311	\$ 2,507	\$ 28,804
Water Plant Operations Cost	\$ 3,535	33	\$ 906	\$ 2,073	\$ 177	\$ 33	\$ 38	\$ 308	\$ 3,535
Water Testing	\$ -	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Chemicals	\$ 14,236	33	\$ 3,650	\$ 8,347	\$ 714	\$ 133	\$ 154	\$ 1,239	\$ 14,236
Electric Utilities	\$ 14,623	33	\$ 3,749	\$ 8,573	\$ 734	\$ 137	\$ 158	\$ 1,273	\$ 14,623
Contract Labor	\$ -	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Treatment	\$ 62,808		\$ 16,103	\$ 36,823	\$ 3,151	\$ 587	\$ 678	\$ 5,466	\$ 62,808
Distribution									
Wages - Maint	\$ 14,594	33	\$ 3,742	\$ 8,556	\$ 732	\$ 136	\$ 158	\$ 1,270	\$ 14,594
Electric Utilities	\$ 10,570	33	\$ 2,710	\$ 6,197	\$ 530	\$ 99	\$ 114	\$ 920	\$ 10,570
Fuel Expense	\$ 956	33	\$ 245	\$ 560	\$ 48	\$ 9	\$ 10	\$ 83	\$ 956
Water Tank Maintenance	\$ 6,114	33	\$ 1,568	\$ 3,585	\$ 307	\$ 57	\$ 66	\$ 532	\$ 6,114
Operating Supplies & Maint	\$ 8,802	33	\$ 2,257	\$ 5,161	\$ 442	\$ 82	\$ 95	\$ 766	\$ 8,802
Equipment Expense	\$ 281	33	\$ 72	\$ 165	\$ 14	\$ 3	\$ 3	\$ 24	\$ 281
Subtotal Distribution	\$ 41,318		\$ 10,593	\$ 24,224	\$ 2,073	\$ 386	\$ 446	\$ 3,596	\$ 41,318
Subtotal Treat & Dist	\$ 104,125		\$ 26,697	\$ 61,047	\$ 5,223	\$ 973	\$ 1,124	\$ 9,062	\$ 104,125
Admin & General									
TN Unemployment Tax	\$ -	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Audit/Accounting Services	\$ -	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal	\$ -	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Fees	\$ -	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IT Services	\$ -	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pre-Employment Exams	\$ -	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility Clerk	\$ -	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Dept Payroll Taxes	\$ -	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Dept Retirement	\$ -	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Publishing	\$ -	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Natural Gas Utilities	\$ -	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Phone Utilities	\$ -	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel & Mileage	\$ -	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Certification/Training	\$ -	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office Supplies	\$ -	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Expense	\$ -	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Postage & Freight	\$ -	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Billing	\$ -	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Liability Insurance	\$ -	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Surety Bonds Insurance	\$ -	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Convenience Fees	\$ -	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Maintenance	\$ -	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uniform Expense	\$ -	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Paying Agent Fees	\$ -	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Admin & General	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Expenses	\$ 104,125		\$ 26,697	\$ 61,047	\$ 5,223	\$ 973	\$ 1,124	\$ 9,062	\$ 104,125

City of Spencer, TN
 Water Cost of Service-12-Months Ending June 2020
 Allocation of Customer Expenses

[Main Menu](#)

	Test Yr.	Res-In	Res-Out	Bus-In	Bus-Out	Tax Ex-In	Tax Ex-Out	Total
Treatment								
Water Purchases	\$ - 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wages - Plant	\$ - 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Plant Operations Cost	\$ - 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Testing	\$ - 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Chemicals	\$ - 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Electric Utilities	\$ - 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contract Labor	\$ - 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Treatment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution								
Wages - Maint	\$ 31,483 21	\$ 10,032	\$ 19,508	\$ 533	\$ 130	\$ 490	\$ 791	\$ 31,483
Electric Utilities	\$ 22,802 21	\$ 7,265	\$ 14,129	\$ 386	\$ 94	\$ 355	\$ 573	\$ 22,802
Fuel Expense	\$ 2,062 21	\$ 657	\$ 1,278	\$ 35	\$ 9	\$ 32	\$ 52	\$ 2,062
Water Tank Maintenance	\$ 13,190 21	\$ 4,203	\$ 8,173	\$ 223	\$ 54	\$ 205	\$ 331	\$ 13,190
Operating Supplies & Maint	\$ 18,989 21	\$ 6,050	\$ 11,766	\$ 321	\$ 78	\$ 295	\$ 477	\$ 18,989
Equipment Expense	\$ 607 21	\$ 193	\$ 376	\$ 10	\$ 3	\$ 9	\$ 15	\$ 607
Subtotal Distribution	\$ 89,132	\$ 28,401	\$ 55,229	\$ 1,508	\$ 368	\$ 1,387	\$ 2,240	\$ 89,132
Subtotal Treat & Dist	\$ 89,132	\$ 28,401	\$ 55,229	\$ 1,508	\$ 368	\$ 1,387	\$ 2,240	\$ 89,132
Admin & General								
TN Unemployment Tax	\$ 345 21	\$ 110	\$ 214	\$ 6	\$ 1	\$ 5	\$ 9	\$ 345
Audit/Accounting Services	\$ 6,225 21	\$ 1,984	\$ 3,857	\$ 105	\$ 26	\$ 97	\$ 156	\$ 6,225
Legal	\$ 1,629 21	\$ 519	\$ 1,009	\$ 28	\$ 7	\$ 25	\$ 41	\$ 1,629
Annual Fees	\$ 7,914 21	\$ 2,522	\$ 4,904	\$ 134	\$ 33	\$ 123	\$ 199	\$ 7,914
IT Services	\$ 711 21	\$ 227	\$ 441	\$ 12	\$ 3	\$ 11	\$ 18	\$ 711
Pre-Employment Exams	\$ 86 21	\$ 27	\$ 53	\$ 1	\$ 0	\$ 1	\$ 2	\$ 86
Utility Clerk	\$ 19,504 21	\$ 6,215	\$ 12,085	\$ 330	\$ 81	\$ 303	\$ 490	\$ 19,504
Water Dept Payroll Taxes	\$ 13,816 21	\$ 4,402	\$ 8,561	\$ 234	\$ 57	\$ 215	\$ 347	\$ 13,816
Water Dept Retirement	\$ 11,148 21	\$ 3,552	\$ 6,908	\$ 189	\$ 46	\$ 173	\$ 280	\$ 11,148
Publishing	\$ 418 21	\$ 133	\$ 259	\$ 7	\$ 2	\$ 7	\$ 11	\$ 418
Natural Gas Utilities	\$ 167 21	\$ 53	\$ 103	\$ 3	\$ 1	\$ 3	\$ 4	\$ 167
Phone Utilities	\$ 1,992 21	\$ 635	\$ 1,235	\$ 34	\$ 8	\$ 31	\$ 50	\$ 1,992
Travel & Mileage	\$ 1,761 21	\$ 561	\$ 1,091	\$ 30	\$ 7	\$ 27	\$ 44	\$ 1,761
Certification/Training	\$ 3,218 21	\$ 1,025	\$ 1,994	\$ 54	\$ 13	\$ 50	\$ 81	\$ 3,218
Office Supplies	\$ 1,382 21	\$ 440	\$ 857	\$ 23	\$ 6	\$ 22	\$ 35	\$ 1,382
Miscellaneous Expense	\$ 624 21	\$ 199	\$ 386	\$ 11	\$ 3	\$ 10	\$ 16	\$ 624
Postage & Freight	\$ 332 21	\$ 106	\$ 206	\$ 6	\$ 1	\$ 5	\$ 8	\$ 332
Billing	\$ 7,187 21	\$ 2,290	\$ 4,453	\$ 122	\$ 30	\$ 112	\$ 181	\$ 7,187
Liability Insurance	\$ 28,027 21	\$ 8,931	\$ 17,367	\$ 474	\$ 116	\$ 436	\$ 704	\$ 28,027
Surety Bonds Insurance	\$ 66 21	\$ 21	\$ 41	\$ 1	\$ 0	\$ 1	\$ 2	\$ 66
Convenience Fees	\$ 290 21	\$ 92	\$ 179	\$ 5	\$ 1	\$ 5	\$ 7	\$ 290
Vehicle Maintenance	\$ 4,467 21	\$ 1,423	\$ 2,768	\$ 76	\$ 18	\$ 69	\$ 112	\$ 4,467
Uniform Expense	\$ 5,467 21	\$ 1,742	\$ 3,388	\$ 92	\$ 23	\$ 85	\$ 137	\$ 5,467
Paying Agent Fees	\$ 7,060 21	\$ 2,250	\$ 4,375	\$ 119	\$ 29	\$ 110	\$ 177	\$ 7,060
Subtotal Admin & General	\$ 123,837	\$ 39,459	\$ 76,733	\$ 2,095	\$ 511	\$ 1,927	\$ 3,112	\$ 123,837
Total Operating Expenses	\$ 212,969	\$ 67,860	\$ 131,962	\$ 3,603	\$ 879	\$ 3,313	\$ 5,352	\$ 212,969

City of Spencer, TN
Water Cost of Service-12-Months Ending June 2020
Allocation of Operating Expenses
[Main Menu](#)

	Test Yr.	Res-In	Res-Out	Bus-In	Bus-Out	Tax Ex-In	Tax Ex-Out	Total
Treatment								
Water Purchases	\$ 6,956	\$ 1,837	\$ 4,092	\$ 311	\$ 55	\$ 111	\$ 550	\$ 6,956
Wages - Plant	\$ 124,572	\$ 32,894	\$ 73,283	\$ 5,566	\$ 989	\$ 1,995	\$ 9,845	\$ 124,572
Water Plant Operations Cost	\$ 15,289	\$ 4,037	\$ 8,994	\$ 683	\$ 121	\$ 245	\$ 1,208	\$ 15,289
Water Testing	\$ 15,767	\$ 4,200	\$ 9,285	\$ 678	\$ 118	\$ 277	\$ 1,208	\$ 15,767
Chemicals	\$ 61,570	\$ 16,258	\$ 36,220	\$ 2,751	\$ 489	\$ 986	\$ 4,866	\$ 61,570
Electric Utilities	\$ 63,244	\$ 16,700	\$ 37,205	\$ 2,826	\$ 502	\$ 1,013	\$ 4,998	\$ 63,244
Contract Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Treatment	\$ 287,398	\$ 75,926	\$ 169,079	\$ 12,815	\$ 2,274	\$ 4,628	\$ 22,676	\$ 287,398
		26%	59%	4%	1%	2%	8%	100%
Distribution								
Wages - Maint	\$ 94,600	\$ 26,698	\$ 56,638	\$ 3,353	\$ 631	\$ 1,501	\$ 5,779	\$ 94,600
Electric Utilities	\$ 68,514	\$ 19,336	\$ 41,020	\$ 2,428	\$ 457	\$ 1,087	\$ 4,186	\$ 68,514
Fuel Expense	\$ 6,196	\$ 1,749	\$ 3,710	\$ 220	\$ 41	\$ 98	\$ 379	\$ 6,196
Water Tank Maintenance	\$ 39,633	\$ 11,185	\$ 23,729	\$ 1,405	\$ 264	\$ 629	\$ 2,421	\$ 39,633
Operating Supplies & Maint	\$ 57,057	\$ 16,103	\$ 34,160	\$ 2,022	\$ 380	\$ 905	\$ 3,486	\$ 57,057
Equipment Expense	\$ 1,823	\$ 514	\$ 1,091	\$ 65	\$ 12	\$ 29	\$ 111	\$ 1,823
Subtotal Distribution	\$ 267,823	\$ 75,585	\$ 160,349	\$ 9,492	\$ 1,786	\$ 4,249	\$ 16,362	\$ 267,823
		28%	60%	4%	1%	2%	6%	100%
Subtotal Treat & Dist	\$ 555,222	\$ 151,511	\$ 329,428	\$ 22,307	\$ 4,060	\$ 8,877	\$ 39,038	\$ 555,222
		27%	59%	4%	1%	2%	7%	100%
Admin & General								
TN Unemployment Tax	\$ 345	\$ 110	\$ 214	\$ 6	\$ 1	\$ 5	\$ 9	\$ 345
Audit/Accounting Services	\$ 6,225	\$ 1,984	\$ 3,857	\$ 105	\$ 26	\$ 97	\$ 156	\$ 6,225
Legal	\$ 1,629	\$ 519	\$ 1,009	\$ 28	\$ 7	\$ 25	\$ 41	\$ 1,629
Annual Fees	\$ 7,914	\$ 2,522	\$ 4,904	\$ 134	\$ 33	\$ 123	\$ 199	\$ 7,914
IT Services	\$ 711	\$ 227	\$ 441	\$ 12	\$ 3	\$ 11	\$ 18	\$ 711
Pre-Employment Exams	\$ 86	\$ 27	\$ 53	\$ 1	\$ 0	\$ 1	\$ 2	\$ 86
Utility Clerk	\$ 19,504	\$ 6,215	\$ 12,085	\$ 330	\$ 81	\$ 303	\$ 490	\$ 19,504
Water Dept Payroll Taxes	\$ 13,816	\$ 4,402	\$ 8,561	\$ 234	\$ 57	\$ 215	\$ 347	\$ 13,816
Water Dept Retirement	\$ 11,148	\$ 3,552	\$ 6,908	\$ 189	\$ 46	\$ 173	\$ 280	\$ 11,148
Publishing	\$ 418	\$ 133	\$ 259	\$ 7	\$ 2	\$ 7	\$ 11	\$ 418
Natural Gas Utilities	\$ 167	\$ 53	\$ 103	\$ 3	\$ 1	\$ 3	\$ 4	\$ 167
Phone Utilities	\$ 1,992	\$ 635	\$ 1,235	\$ 34	\$ 8	\$ 31	\$ 50	\$ 1,992
Travel & Mileage	\$ 1,761	\$ 561	\$ 1,091	\$ 30	\$ 7	\$ 27	\$ 44	\$ 1,761
Certification/Training	\$ 3,218	\$ 1,025	\$ 1,994	\$ 54	\$ 13	\$ 50	\$ 81	\$ 3,218
Office Supplies	\$ 1,382	\$ 440	\$ 857	\$ 23	\$ 6	\$ 22	\$ 35	\$ 1,382
Miscellaneous Expense	\$ 624	\$ 199	\$ 386	\$ 11	\$ 3	\$ 10	\$ 16	\$ 624
Postage & Freight	\$ 332	\$ 106	\$ 206	\$ 6	\$ 1	\$ 5	\$ 8	\$ 332
Billing	\$ 7,187	\$ 2,290	\$ 4,453	\$ 122	\$ 30	\$ 112	\$ 181	\$ 7,187
Liability Insurance	\$ 28,027	\$ 8,931	\$ 17,367	\$ 474	\$ 116	\$ 436	\$ 704	\$ 28,027
Surety Bonds Insurance	\$ 66	\$ 21	\$ 41	\$ 1	\$ 0	\$ 1	\$ 2	\$ 66
Convenience Fees	\$ 290	\$ 92	\$ 179	\$ 5	\$ 1	\$ 5	\$ 7	\$ 290
Vehicle Maintenance	\$ 4,467	\$ 1,423	\$ 2,768	\$ 76	\$ 18	\$ 69	\$ 112	\$ 4,467
Uniform Expense	\$ 5,467	\$ 1,742	\$ 3,388	\$ 92	\$ 23	\$ 85	\$ 137	\$ 5,467
Paying Agent Fees	\$ 7,060	\$ 2,250	\$ 4,375	\$ 119	\$ 29	\$ 110	\$ 177	\$ 7,060
Subtotal Admin & General	\$ 123,837	\$ 39,459	\$ 76,733	\$ 2,095	\$ 511	\$ 1,927	\$ 3,112	\$ 123,837
Total Operating Expenses	\$ 679,059	\$ 190,970	\$ 406,161	\$ 24,402	\$ 4,571	\$ 10,804	\$ 42,150	\$ 679,059
		28%	60%	4%	1%	2%	6%	100%

Debt Service

City of Spencer, TN
Water Cost of Service-12-Months Ending June 2020
Classification of Debt Service

[Main Menu](#)

	<u>Actual</u>	<u>Adj.</u>	<u>Test Yr.</u>	<u>Base</u>	<u>Ex-Cap</u>	<u>Cust</u>	<u>Total</u>	<u>Description</u>	<u>Base</u>	<u>Ex-Cap</u>	<u>Cust</u>	<u>Total</u>
Debt Service												
Series 2006	\$ 102,216	\$ (102,216)	\$ -	100%	0%	0%	100%	100%	\$ -	\$ -	\$ -	\$ -
State Revolving Loan Fund	\$ 9,346	\$ (9,346)	\$ -	100%	0%	0%	100%	100%	\$ -	\$ -	\$ -	\$ -
TN Municipal Bond Fund	\$ 62,200		\$ 62,200	77%	23%	0%		100% As Treat Plt	\$ 47,914	\$ 14,286	\$ -	\$ 62,200
Treatment Related Debt		\$ 367,698	\$ 367,698	77%	23%	0%		100% As Treat Plt	\$ 283,249	\$ 84,450	\$ -	\$ 367,698
Subtotal Debt Service	\$ 173,762	\$ 256,136	\$ 429,898						\$ 331,163	\$ 98,735	\$ -	\$ 429,898
									77%	23%	0%	100%
Total Debt Service	\$ 173,762	\$ 256,136	\$ 429,898						\$ 331,163	\$ 98,735	\$ -	\$ 429,898
									77%	23%	0%	100%

City of Spencer, TN
 Water Cost of Service-12-Months Ending June 2020
 Allocation of Base P&I
[Main Menu](#)

	<u>Test Yr.</u>	Res-In	Res-Out	Bus-In	Bus-Out	Tax Ex-In	Tax Ex-Out	Total
Debt Service								
Series 2006	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Revolving Loan Fund	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TN Municipal Bond Fund	\$ 47,914 30	\$ 12,763	\$ 28,216	\$ 2,062	\$ 360	\$ 843	\$ 3,672	\$ 47,914
Treatment Related Debt	\$ 283,249 30	\$ 75,447	\$ 166,798	\$ 12,189	\$ 2,128	\$ 4,982	\$ 21,705	\$ 283,249
Subtotal Debt Service	<u>\$ 331,163</u>	<u>\$ 88,209</u>	<u>\$ 195,014</u>	<u>\$ 14,250</u>	<u>\$ 2,488</u>	<u>\$ 5,825</u>	<u>\$ 25,377</u>	<u>\$ 331,163</u>
Total Debt Service	<u>\$ 331,163</u>	<u>\$ 88,209</u>	<u>\$ 195,014</u>	<u>\$ 14,250</u>	<u>\$ 2,488</u>	<u>\$ 5,825</u>	<u>\$ 25,377</u>	<u>\$ 331,163</u>

City of Spencer, TN
 Water Cost of Service-12-Months Ending June 2020
 Allocation of Extra Capacity P&I
[Main Menu](#)

	<u>Test Yr.</u>		Res-In	Res-Out	Bus-In	Bus-Out	Tax Ex-In	Tax Ex-Out	Total
Debt Service									
Series 2006	\$ -	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Revolving Loan Fund	\$ -	33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TN Municipal Bond Fund	\$ 14,286	33	\$ 3,663	\$ 8,375	\$ 717	\$ 133	\$ 154	\$ 1,243	\$ 14,286
Treatment Related Debt	\$ 84,450	33	\$ 21,652	\$ 49,511	\$ 4,236	\$ 789	\$ 912	\$ 7,349	\$ 84,450
Subtotal Debt Service	<u>\$ 98,735</u>		<u>\$ 25,315</u>	<u>\$ 57,887</u>	<u>\$ 4,953</u>	<u>\$ 922</u>	<u>\$ 1,066</u>	<u>\$ 8,593</u>	<u>\$ 98,735</u>
Total Debt Service	<u>\$ 98,735</u>		<u>\$ 25,315</u>	<u>\$ 57,887</u>	<u>\$ 4,953</u>	<u>\$ 922</u>	<u>\$ 1,066</u>	<u>\$ 8,593</u>	<u>\$ 98,735</u>

City of Spencer, TN
 Water Cost of Service-12-Months Ending June 2020
 Allocation of Customer P&I
[Main Menu](#)

	<u>Test Yr.</u>		Res-In	Res-Out	Bus-In	Bus-Out	Tax Ex-In	Tax Ex-Out	Total
Debt Service									
Series 2006	\$ -	21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Revolving Loan Fund	\$ -	21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TN Municipal Bond Fund	\$ -	21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Treatment Related Debt	\$ -	21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Debt Service	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Debt Service	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Spencer, TN
 Water Cost of Service-12-Months Ending June 2020
 Allocation of P&I
[Main Menu](#)

	<u>Test Yr.</u>	Res-In	Res-Out	Bus-In	Bus-Out	Tax Ex-In	Tax Ex-Out	Total
Debt Service								
Series 2006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Revolving Loan Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TN Municipal Bond Fund	\$ 62,200	\$ 16,425	\$ 36,591	\$ 2,778	\$ 493	\$ 997	\$ 4,915	\$ 62,200
Treatment Related Debt	\$ 367,698	\$ 97,099	\$ 216,310	\$ 16,425	\$ 2,917	\$ 5,894	\$ 29,055	\$ 367,698
Subtotal Debt Service	\$ 429,898	\$ 113,524	\$ 252,901	\$ 19,203	\$ 3,410	\$ 6,891	\$ 33,969	\$ 429,898
Total Debt Service	\$ 429,898	\$ 113,524	\$ 252,901	\$ 19,203	\$ 3,410	\$ 6,891	\$ 33,969	\$ 429,898
		26%	59%	4%	1%	2%	8%	100%

Fixed Expenses

City of Spencer, TN
Water Cost of Service-12-Months Ending June 2020
Classification of Fixed Expenses

[Main Menu](#)

	<u>Actual</u>	<u>Adj.</u>	<u>Test Yr.</u>	<u>Base</u>	<u>Ex-Cap</u>	<u>Cust</u>	<u>Total</u>	<u>Description</u>	<u>Base</u>	<u>Ex-Cap</u>	<u>Cust</u>	<u>Total</u>
Depreciation												
Depreciation	\$ 470,562	\$ (196,361)	\$ 274,201	60%	18%	22%	100%	As TUPIS	\$ 164,527	\$ 49,297	\$ 60,377	\$ 274,201
Subtotal Depreciation	\$ 470,562	\$ (196,361)	\$ 274,201						\$ 164,527	\$ 49,297	\$ 60,377	\$ 274,201
									60%	18%	22%	100%
Total Fixed Expenses	\$ 470,562	\$ (196,361)	\$ 274,201						\$ 164,527	\$ 49,297	\$ 60,377	\$ 274,201

City of Spencer, TN
 Water Cost of Service-12-Months Ending June 2020
 Allocation of Base Fixed Expenses

[Main Menu](#)

	<u>Test Yr.</u>	Res-In	Res-Out	Bus-In	Bus-Out	Tax Ex-In	Tax Ex-Out	Total	
Depreciation									
Depreciation	\$ 164,527	30	\$ 43,824	\$ 96,886	\$ 7,080	\$ 1,236	\$ 2,894	\$ 12,608	\$ 164,527
Subtotal Depreciation	<u>\$ 164,527</u>		<u>\$ 43,824</u>	<u>\$ 96,886</u>	<u>\$ 7,080</u>	<u>\$ 1,236</u>	<u>\$ 2,894</u>	<u>\$ 12,608</u>	<u>\$ 164,527</u>
Total Fixed Expenses	<u>\$ 164,527</u>		<u>\$ 43,824</u>	<u>\$ 96,886</u>	<u>\$ 7,080</u>	<u>\$ 1,236</u>	<u>\$ 2,894</u>	<u>\$ 12,608</u>	<u>\$ 164,527</u>

City of Spencer, TN
Water Cost of Service-12-Months Ending June 2020
Allocation of Extra Capacity Fixed Expenses

[Main Menu](#)

	<u>Test Yr.</u>	Res-In	Res-Out	Bus-In	Bus-Out	Tax Ex-In	Tax Ex-Out	Total	
Depreciation									
Depreciation	\$ 49,297	33	\$ 12,639	\$ 28,902	\$ 2,473	\$ 461	\$ 532	\$ 4,290	\$ 49,297
Subtotal Depreciation	<u>\$ 49,297</u>		<u>\$ 12,639</u>	<u>\$ 28,902</u>	<u>\$ 2,473</u>	<u>\$ 461</u>	<u>\$ 532</u>	<u>\$ 4,290</u>	<u>\$ 49,297</u>
Total Fixed Expenses	<u>\$ 49,297</u>		<u>\$ 12,639</u>	<u>\$ 28,902</u>	<u>\$ 2,473</u>	<u>\$ 461</u>	<u>\$ 532</u>	<u>\$ 4,290</u>	<u>\$ 49,297</u>

City of Spencer, TN
 Water Cost of Service-12-Months Ending June 2020
 Allocation of Customer Fixed Expenses

[Main Menu](#)

	<u>Test Yr.</u>	Res-In	Res-Out	Bus-In	Bus-Out	Tax Ex-In	Tax Ex-Out	Total	
Depreciation									
Depreciation	\$ 60,377	21	\$ 19,238	\$ 37,412	\$ 1,021	\$ 249	\$ 939	\$ 1,517	\$ 60,377
Subtotal Depreciation	<u>\$ 60,377</u>		<u>\$ 19,238</u>	<u>\$ 37,412</u>	<u>\$ 1,021</u>	<u>\$ 249</u>	<u>\$ 939</u>	<u>\$ 1,517</u>	<u>\$ 60,377</u>
Total Fixed Expenses	<u>\$ 60,377</u>		<u>\$ 19,238</u>	<u>\$ 37,412</u>	<u>\$ 1,021</u>	<u>\$ 249</u>	<u>\$ 939</u>	<u>\$ 1,517</u>	<u>\$ 60,377</u>

City of Spencer, TN
Water Cost of Service-12-Months Ending June 2020
Allocation of Fixed Expenses
[Main Menu](#)

	<u>Test Yr.</u>	Res-In	Res-Out	Bus-In	Bus-Out	Tax Ex-In	Tax Ex-Out	Total
Depreciation								
Depreciation	\$ 274,201	\$ 75,702	\$ 163,200	\$ 10,574	\$ 1,946	\$ 4,365	\$ 18,415	\$ 274,201
Subtotal Depreciation	<u>\$ 274,201</u>	<u>\$ 75,702</u>	<u>\$ 163,200</u>	<u>\$ 10,574</u>	<u>\$ 1,946</u>	<u>\$ 4,365</u>	<u>\$ 18,415</u>	<u>\$ 274,201</u>
Total Fixed Expenses	<u>\$ 274,201</u>	<u>\$ 75,702</u>	<u>\$ 163,200</u>	<u>\$ 10,574</u>	<u>\$ 1,946</u>	<u>\$ 4,365</u>	<u>\$ 18,415</u>	<u>\$ 274,201</u>
		28%	60%	4%	1%	2%	7%	100%

Capital Improvements

City of Spencer, TN
 Water Cost of Service-12-Months Ending June 2020
 Classification of CIP

[Main Menu](#)

CIP	Actual	TYA	Growth	Test Yr.	Base	Ex-Cap	Cust	Total	Description	Base	Ex-Cap	Cust	Total
Current Depreciation	\$ 274,201		\$ -	\$ 274,201	60%	18%	22%	100%	As TUPIS	\$ 164,527	\$ 49,297	\$ 60,377	\$ 274,201
Subtotal CIP	\$ 274,201	\$ -	\$ -	\$ 274,201						\$ 164,527	\$ 49,297	\$ 60,377	\$ 274,201
RR&Ext. Amount Workplan Period	\$ 274,201 1			\$ 274,201					Amount R&R Related	60%	18%	22%	100%
				\$ 274,201	100%				Forced into Rates Depreciation Check				

City of Spencer, TN
 Water Cost of Service-12-Months Ending June 2020
 Allocation of Base CIP

[Main Menu](#)

	<u>Test Yr.</u>	Res-In	Res-Out	Bus-In	Bus-Out	Tax Ex-In	Tax Ex-Out	Total	
CIP									
Current Depreciation	\$ 164,527	30	\$ 43,824	\$ 96,886	\$ 7,080	\$ 1,236	\$ 2,894	\$ 12,608	\$ 164,527
Subtotal CIP	<u>\$ 164,527</u>		<u>\$ 43,824</u>	<u>\$ 96,886</u>	<u>\$ 7,080</u>	<u>\$ 1,236</u>	<u>\$ 2,894</u>	<u>\$ 12,608</u>	<u>\$ 164,527</u>
		27%	59%	4%	1%	2%	8%	100%	

City of Spencer, TN
Water Cost of Service-12-Months Ending June 2020
Allocation of Extra Capacity CIP

[Main Menu](#)

	<u>Test Yr.</u>	Res-In	Res-Out	Bus-In	Bus-Out	Tax Ex-In	Tax Ex-Out	Total
CIP								
Current Depreciation	\$ 49,297	\$ 12,639	\$ 28,902	\$ 2,473	\$ 461	\$ 532	\$ 4,290	\$ 49,297
Subtotal CIP	\$ 49,297	\$ 12,639	\$ 28,902	\$ 2,473	\$ 461	\$ 532	\$ 4,290	\$ 49,297
		26%	59%	5%	1%	1%	9%	100%

City of Spencer, TN
Water Cost of Service-12-Months Ending June 2020
Allocation of Customer CIP

[Main Menu](#)

	<u>Test Yr.</u>	Res-In	Res-Out	Bus-In	Bus-Out	Tax Ex-In	Tax Ex-Out	Total
CIP								
Current Depreciation	\$ 60,377	\$ 19,238	\$ 37,412	\$ 1,021	\$ 249	\$ 939	\$ 1,517	\$ 60,377
Subtotal CIP	\$ 60,377	\$ 19,238	\$ 37,412	\$ 1,021	\$ 249	\$ 939	\$ 1,517	\$ 60,377
		32%	62%	2%	0%	2%	3%	100%

City of Spencer, TN
Water Cost of Service-12-Months Ending June 2020
Allocation of CIP
Main Menu

	<u>Test Yr.</u>	Res-In	Res-Out	Bus-In	Bus-Out	Tax Ex-In	Tax Ex-Out	Total
CIP								
Current Depreciation	\$ 274,201	\$ 75,702	\$ 163,200	\$ 10,574	\$ 1,946	\$ 4,365	\$ 18,415	\$ 274,201
Subtotal CIP	<u>\$ 274,201</u>	<u>\$ 75,702</u>	<u>\$ 163,200</u>	<u>\$ 10,574</u>	<u>\$ 1,946</u>	<u>\$ 4,365</u>	<u>\$ 18,415</u>	<u>\$ 274,201</u>
		28%	60%	4%	1%	2%	7%	100%

Certified Public Accountants
& Consultants

**JACKSON
THORNTON**

**2021 Sewer Cost of Service Study
12 Months Ended June 30, 2020**
City of Spencer, TN

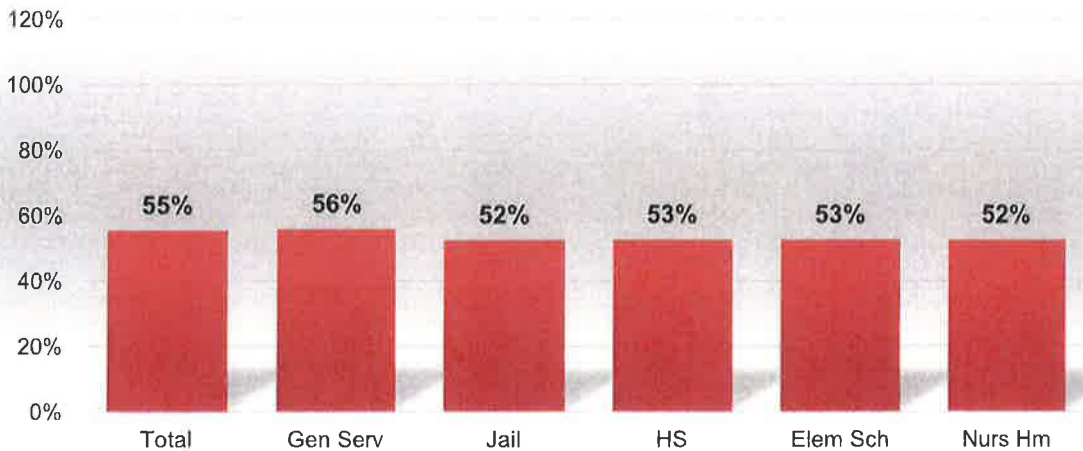
Summary

City of Spencer, TN
 Sewer Cost of Service-12-months Ending June 2020
 Summary of Cost of Service Allocation
[Main Menu](#)

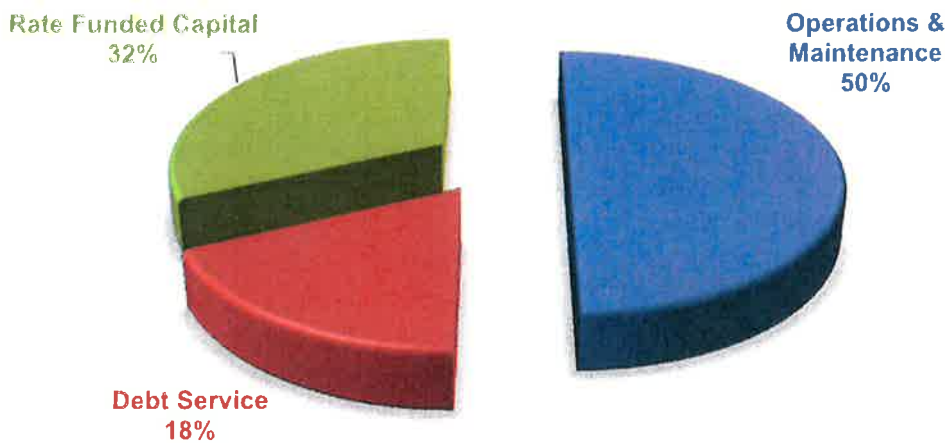
	Total	1 Gen Serv	2 Jail	3 HS	4 Elem Sch	5 Nurs Hm	Total
TOTAL REV. REQ.							
Operations & Maintenance	\$ 307,480	\$ 267,872	\$ 14,220	\$ 5,608	\$ 5,792	\$ 13,989	\$ 307,480
Plus: Debt Service	\$ 111,562	\$ 96,090	\$ 5,561	\$ 2,184	\$ 2,257	\$ 5,470	\$ 111,562
Plus: Rate Funded Capital	\$ 196,361	\$ 169,128	\$ 9,788	\$ 3,845	\$ 3,972	\$ 9,629	\$ 196,361
Total Revenue Requirement	\$ 615,403	\$ 533,089	\$ 29,568	\$ 11,637	\$ 12,020	\$ 29,088	\$ 615,403
Less: Other Revenue	\$ 12,017	\$ 11,940	\$ 19	\$ 19	\$ 19	\$ 19	\$ 12,017
Rate Requirement	\$ 603,386	\$ 521,149	\$ 29,549	\$ 11,618	\$ 12,001	\$ 29,069	\$ 603,386
Annual Sales (Kgal)	27,369	22,832	1,634	637	658	1,608	27,369
Rate Rev. Req./Kgal	\$ 22.05	\$ 22.82	\$ 18.08	\$ 18.25	\$ 18.24	\$ 18.08	\$ 22.05
Rate Rev. Req./Customer	\$ 80.17	\$ 69.69	\$ 2,462.43	\$ 968.18	\$ 1,000.07	\$ 2,422.40	\$ 80.17
CUSTOMER							
	Total	Gen Serv	Jail	HS	Elem Sch	Nurs Hm	Total
Operations & Maintenance	\$ 71,264	\$ 70,810	\$ 114	\$ 114	\$ 114	\$ 114	\$ 71,264
Plus: Debt Service	\$ 111,562	\$ 96,090	\$ 5,561	\$ 2,184	\$ 2,257	\$ 5,470	\$ 111,562
Plus: Rate Funded Capital	\$ 33,348	\$ 33,136	\$ 53	\$ 53	\$ 53	\$ 53	\$ 33,348
Total Revenue Requirement	\$ 216,175	\$ 200,035	\$ 5,728	\$ 2,351	\$ 2,423	\$ 5,637	\$ 216,175
Less: Other Revenue	\$ 12,017	\$ 11,940	\$ 19	\$ 19	\$ 19	\$ 19	\$ 12,017
Rate Requirement	\$ 204,158	\$ 188,095	\$ 5,709	\$ 2,332	\$ 2,404	\$ 5,618	\$ 204,158
Annual Billings	7,526	7,478	12	12	12	12	7,526
Calculated Customer Charge	\$ 25.15	\$ 475.71	\$ 194.34	\$ 200.35	\$ 468.17		
CONSUMPTION							
	Total	Gen Serv	Jail	HS	Elem Sch	Nurs Hm	Total
Operations & Maintenance	\$ 236,216	\$ 197,062	\$ 14,106	\$ 5,494	\$ 5,678	\$ 13,875	\$ 236,216
Plus: Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plus: Rate Funded Capital	\$ 163,013	\$ 135,992	\$ 9,735	\$ 3,792	\$ 3,919	\$ 9,575	\$ 163,013
Total Revenue Requirement	\$ 399,228	\$ 333,054	\$ 23,841	\$ 9,286	\$ 9,597	\$ 23,451	\$ 399,228
Less: Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rate Requirement	\$ 399,228	\$ 333,054	\$ 23,841	\$ 9,286	\$ 9,597	\$ 23,451	\$ 399,228
Calculated Water Rate (Kgal)	\$ 14.59	\$ 14.59	\$ 14.59	\$ 14.59	\$ 14.59	\$ 14.59	
	Total	Gen Serv	Jail	HS	Elem Sch	Nurs Hm	Total
Current Rate Revenue	\$ 328,812	\$ 285,705	\$ 15,486	\$ 6,097	\$ 6,298	\$ 15,226	\$ 328,812
Over/(Under) Recovery	\$ (274,575)	\$ (235,444)	\$ (14,063)	\$ (5,521)	\$ (5,703)	\$ (13,843)	\$ (274,575)
Total Revenue	\$ 340,829	\$ 297,645	\$ 15,505	\$ 6,116	\$ 6,317	\$ 15,245	\$ 340,829
Over/(Under) Recovery	\$ (274,575)	\$ (235,444)	\$ (14,063)	\$ (5,521)	\$ (5,703)	\$ (13,843)	\$ (274,575)

City of Spencer, TN
Sewer Cost of Service-12-months Ending June 2020
Summary of Results
[Main Menu](#)

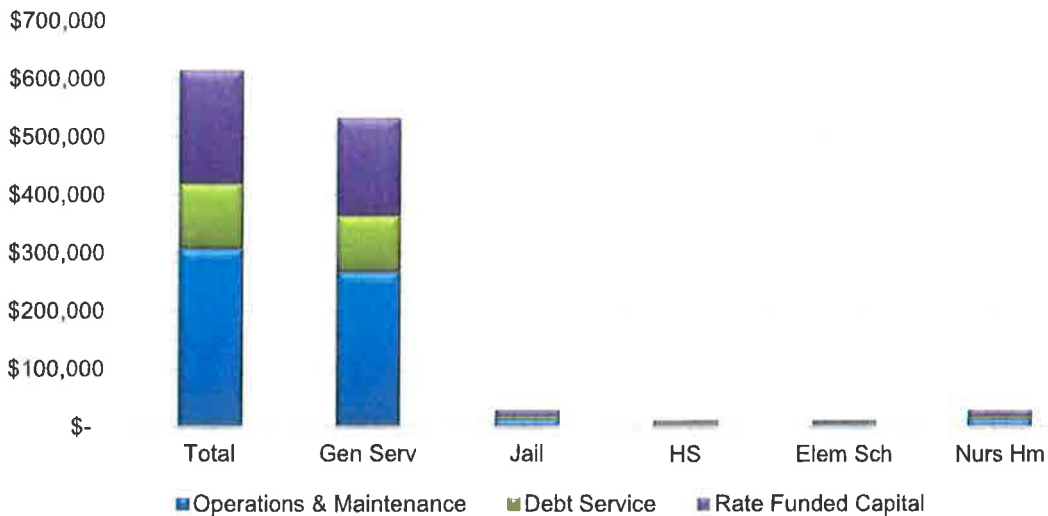
Recovery by Rate Class



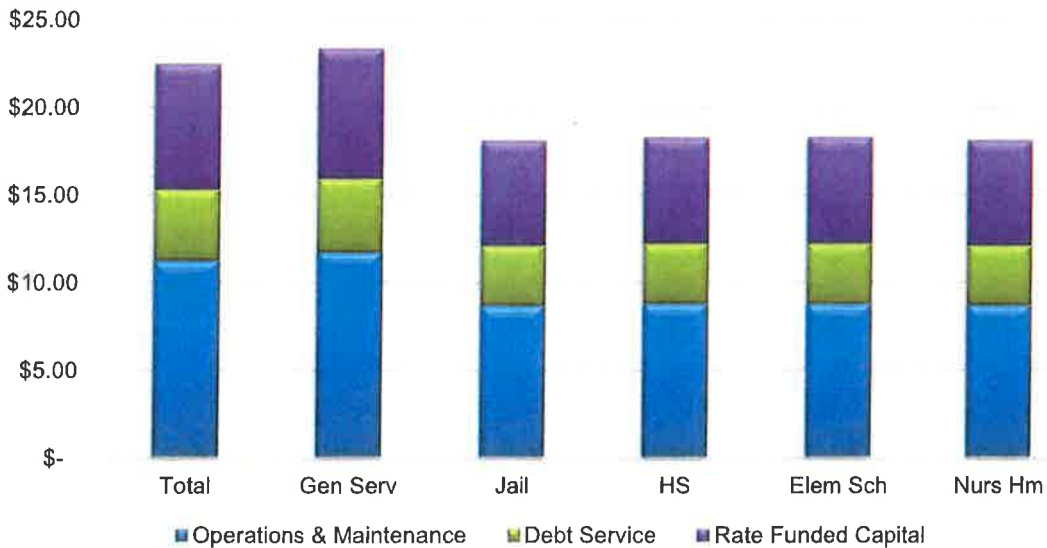
REVENUE REQUIREMENT

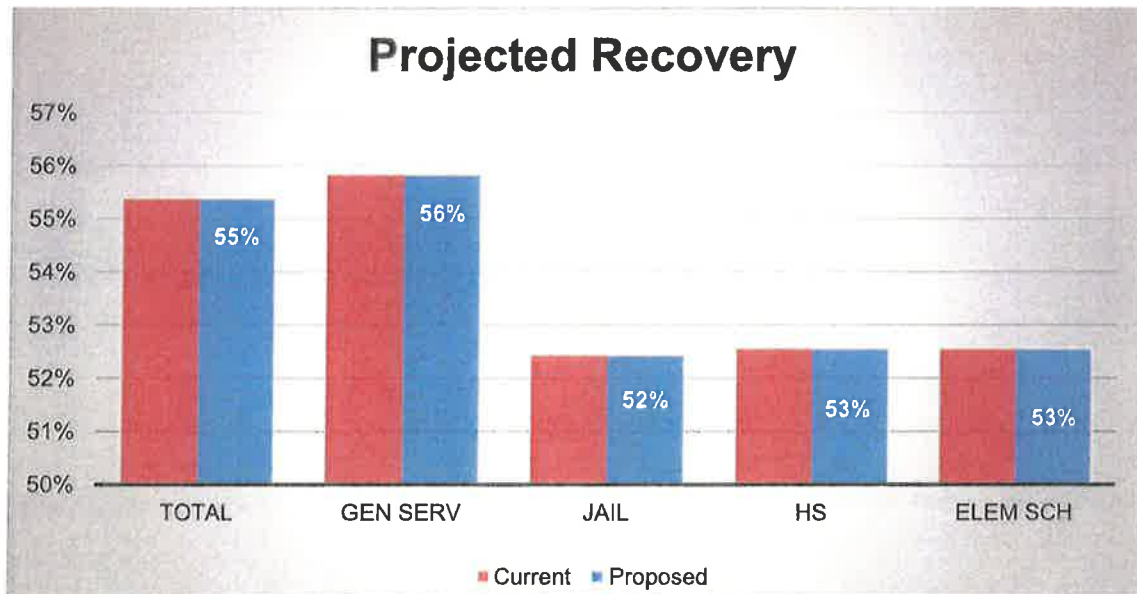
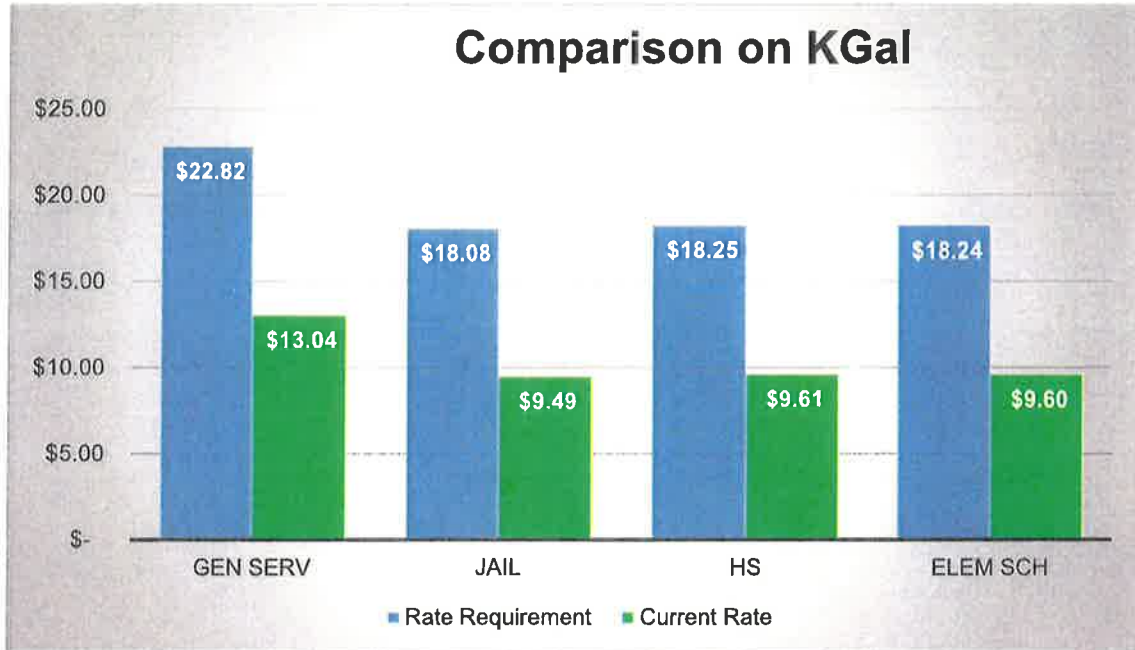


Rev. Req. by Rate Class



Rev. Req./Kgal

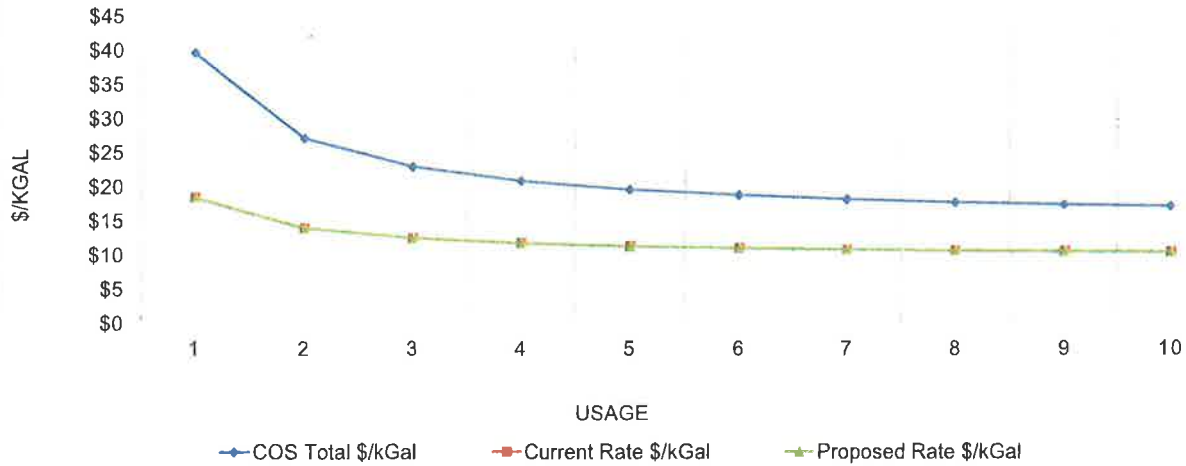




City of Spencer, TN
 Sewer Cost of Service-12-months Ending June 2020
 Gen Serv
[Main Menu](#)

	Cost of Service	Current Rate	Proposed Rate	Difference
Customer Charge	\$ 25.15	\$ 9.00	\$ 9.00	\$ -
All Additional Usage	\$ 14.59	\$ 9.50	\$ 9.50	\$ -

GENERAL SERVICE COST CURVE



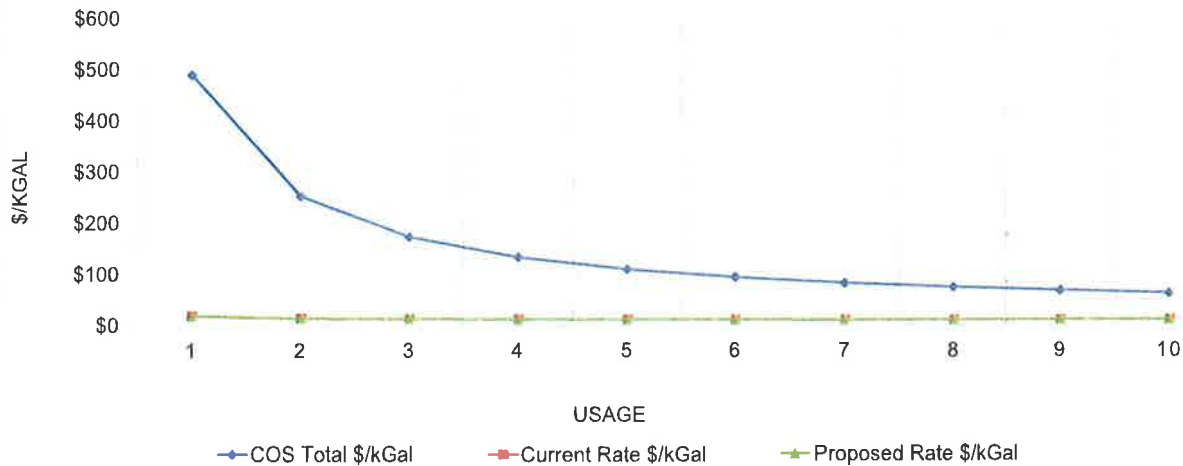
Usage	COS Rates	Current Rates	Proposed Rates	Monthly Change	Daily Change	Current \$/kGal	Proposed \$/kGal
1	\$ 39.74	\$ 18.50	\$ 18.50	\$ -	\$ -	\$ 18.50	\$ 18.50
2	\$ 54.33	\$ 28.00	\$ 28.00	\$ -	\$ -	\$ 14.00	\$ 14.00
3	\$ 68.91	\$ 37.50	\$ 37.50	\$ -	\$ -	\$ 12.50	\$ 12.50
4	\$ 83.50	\$ 47.00	\$ 47.00	\$ -	\$ -	\$ 11.75	\$ 11.75
5	\$ 98.09	\$ 56.50	\$ 56.50	\$ -	\$ -	\$ 11.30	\$ 11.30
6	\$ 112.67	\$ 66.00	\$ 66.00	\$ -	\$ -	\$ 11.00	\$ 11.00
7	\$ 127.26	\$ 75.50	\$ 75.50	\$ -	\$ -	\$ 10.79	\$ 10.79
8	\$ 141.85	\$ 85.00	\$ 85.00	\$ -	\$ -	\$ 10.63	\$ 10.63
9	\$ 156.44	\$ 94.50	\$ 94.50	\$ -	\$ -	\$ 10.50	\$ 10.50
10	\$ 171.02	\$ 104.00	\$ 104.00	\$ -	\$ -	\$ 10.40	\$ 10.40
Average Usage		3.053					

Additional Customer Revenue	\$ -
Additional Usage Revenue	\$ -
	<u>\$ -</u>
Current Recovery	\$ (235,444)

City of Spencer, TN
 Sewer Cost of Service-12-months Ending June 2020
 Jail
[Main Menu](#)

	Cost of Service	Current Rate	Proposed Rate	Difference
Customer Charge	\$ 475.71	\$ 9.00	\$ 9.00	\$ -
All Additional Usage	\$ 14.59	\$ 9.50	\$ 9.50	\$ -

JAIL COST CURVE



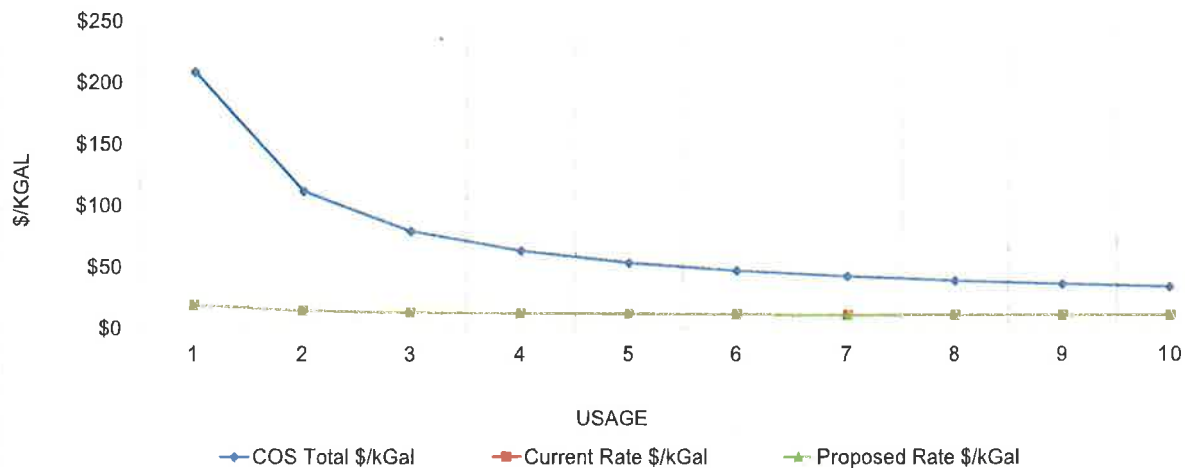
Usage	COS Rates	Current Rates	Proposed Rates	Monthly Change	Daily Change	Current \$/kGal	Proposed \$/kGal
1	\$ 490.30	\$ 18.50	\$ 18.50	\$ -	\$ -	\$ 18.50	\$ 18.50
2	\$ 504.89	\$ 28.00	\$ 28.00	\$ -	\$ -	\$ 14.00	\$ 14.00
3	\$ 519.47	\$ 37.50	\$ 37.50	\$ -	\$ -	\$ 12.50	\$ 12.50
4	\$ 534.06	\$ 47.00	\$ 47.00	\$ -	\$ -	\$ 11.75	\$ 11.75
5	\$ 548.65	\$ 56.50	\$ 56.50	\$ -	\$ -	\$ 11.30	\$ 11.30
6	\$ 563.23	\$ 66.00	\$ 66.00	\$ -	\$ -	\$ 11.00	\$ 11.00
7	\$ 577.82	\$ 75.50	\$ 75.50	\$ -	\$ -	\$ 10.79	\$ 10.79
8	\$ 592.41	\$ 85.00	\$ 85.00	\$ -	\$ -	\$ 10.63	\$ 10.63
9	\$ 606.99	\$ 94.50	\$ 94.50	\$ -	\$ -	\$ 10.50	\$ 10.50
10	\$ 621.58	\$ 104.00	\$ 104.00	\$ -	\$ -	\$ 10.40	\$ 10.40
Average Usage		136,199					

Additional Customer Revenue	\$ -
Additional Usage Revenue	\$ -
	<u>\$ -</u>
Current Recovery	\$ (14,063)

City of Spencer, TN
 Sewer Cost of Service-12-months Ending June 2020
 HS
[Main Menu](#)

	Cost of Service	Current Rate	Proposed Rate	Difference
Customer Charge	\$ 194.34	\$ 9.00	\$ 9.00	\$ -
All Additional Usage	\$ 14.59	\$ 9.50	\$ 9.50	\$ -

HIGH SCHOOL COST CURVE



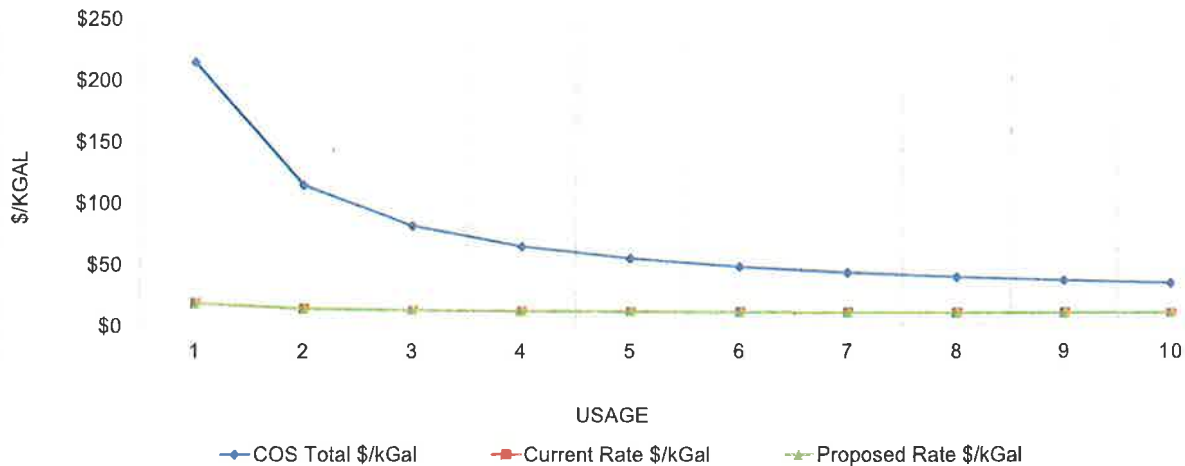
Usage	COS Rates	Current Rates	Proposed Rates	Monthly Change	Daily Change	Current \$/kGal	Proposed \$/kGal
1	\$ 208.93	\$ 18.50	\$ 18.50	\$ -	\$ -	\$ 18.50	\$ 18.50
2	\$ 223.51	\$ 28.00	\$ 28.00	\$ -	\$ -	\$ 14.00	\$ 14.00
3	\$ 238.10	\$ 37.50	\$ 37.50	\$ -	\$ -	\$ 12.50	\$ 12.50
4	\$ 252.69	\$ 47.00	\$ 47.00	\$ -	\$ -	\$ 11.75	\$ 11.75
5	\$ 267.27	\$ 56.50	\$ 56.50	\$ -	\$ -	\$ 11.30	\$ 11.30
6	\$ 281.86	\$ 66.00	\$ 66.00	\$ -	\$ -	\$ 11.00	\$ 11.00
7	\$ 296.45	\$ 75.50	\$ 75.50	\$ -	\$ -	\$ 10.79	\$ 10.79
8	\$ 311.04	\$ 85.00	\$ 85.00	\$ -	\$ -	\$ 10.63	\$ 10.63
9	\$ 325.62	\$ 94.50	\$ 94.50	\$ -	\$ -	\$ 10.50	\$ 10.50
10	\$ 340.21	\$ 104.00	\$ 104.00	\$ -	\$ -	\$ 10.40	\$ 10.40
Average Usage		63,050					

Additional Customer Revenue	\$ -
Additional Usage Revenue	\$ -
	<u>\$ -</u>
Current Recovery	\$ (5,521)

City of Spencer, TN
 Sewer Cost of Service-12-months Ending June 2020
 Elem Sch
[Main Menu](#)

	Cost of Service	Current Rate	Proposed Rate	Difference
Customer Charge	\$ 200.35	\$ 9.00	\$ 9.00	\$ -
All Additional Usage	\$ 14.59	\$ 9.50	\$ 9.50	\$ -

ELEMENTARY SCHOOL COST CURVE



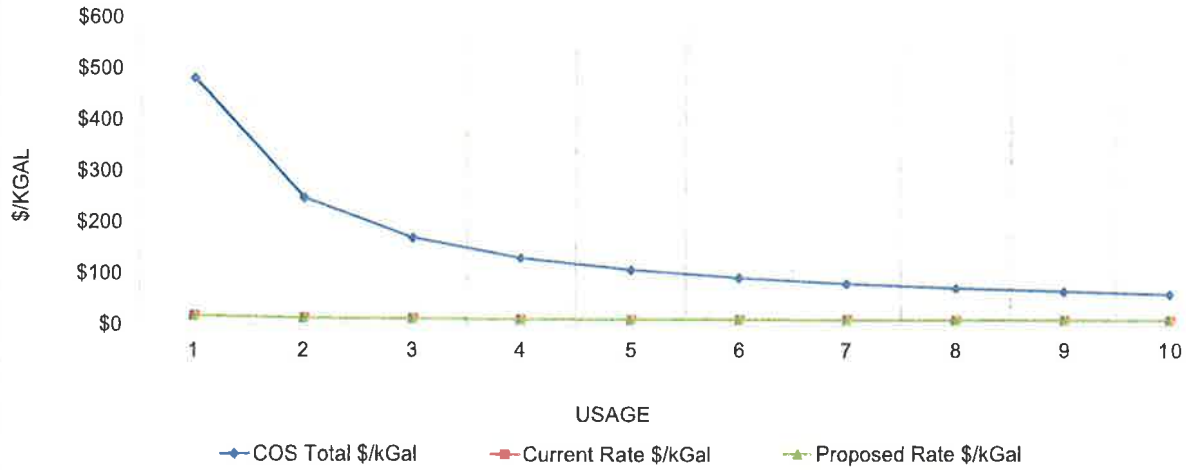
Usage	COS Rates	Current Rates	Proposed Rates	Monthly Change	Daily Change	Current \$/kGal	Proposed \$/kGal
1	\$ 214.93	\$ 18.50	\$ 18.50	\$ -	\$ -	\$ 18.50	\$ 18.50
2	\$ 229.52	\$ 28.00	\$ 28.00	\$ -	\$ -	\$ 14.00	\$ 14.00
3	\$ 244.11	\$ 37.50	\$ 37.50	\$ -	\$ -	\$ 12.50	\$ 12.50
4	\$ 258.69	\$ 47.00	\$ 47.00	\$ -	\$ -	\$ 11.75	\$ 11.75
5	\$ 273.28	\$ 56.50	\$ 56.50	\$ -	\$ -	\$ 11.30	\$ 11.30
6	\$ 287.87	\$ 66.00	\$ 66.00	\$ -	\$ -	\$ 11.00	\$ 11.00
7	\$ 302.45	\$ 75.50	\$ 75.50	\$ -	\$ -	\$ 10.79	\$ 10.79
8	\$ 317.04	\$ 85.00	\$ 85.00	\$ -	\$ -	\$ 10.63	\$ 10.63
9	\$ 331.63	\$ 94.50	\$ 94.50	\$ -	\$ -	\$ 10.50	\$ 10.50
10	\$ 346.21	\$ 104.00	\$ 104.00	\$ -	\$ -	\$ 10.40	\$ 10.40
Average Usage		54.825					

Additional Customer Revenue	\$ -
Additional Usage Revenue	\$ -
	<u>\$ -</u>
Current Recovery	\$ (5,703)

City of Spencer, TN
 Sewer Cost of Service-12-months Ending June 2020
 Nurs Hm
[Main Menu](#)

	Cost of Service	Current Rate	Proposed Rate	Difference
Customer Charge	\$ 468.17	\$ 9.00	\$ 9.00	\$ -
All Additional Usage	\$ 14.59	\$ 9.50	\$ 9.50	\$ -

NURSING HOME COST CURVE



Usage	COS Rates	Current Rates	Proposed Rates	Monthly Change	Daily Change	Current \$/kGal	Proposed \$/kGal
1	\$ 482.76	\$ 18.50	\$ 18.50	\$ -	\$ -	\$ 18.50	\$ 18.50
2	\$ 497.35	\$ 28.00	\$ 28.00	\$ -	\$ -	\$ 14.00	\$ 14.00
3	\$ 511.93	\$ 37.50	\$ 37.50	\$ -	\$ -	\$ 12.50	\$ 12.50
4	\$ 526.52	\$ 47.00	\$ 47.00	\$ -	\$ -	\$ 11.75	\$ 11.75
5	\$ 541.11	\$ 56.50	\$ 56.50	\$ -	\$ -	\$ 11.30	\$ 11.30
6	\$ 555.70	\$ 66.00	\$ 66.00	\$ -	\$ -	\$ 11.00	\$ 11.00
7	\$ 570.28	\$ 75.50	\$ 75.50	\$ -	\$ -	\$ 10.79	\$ 10.79
8	\$ 584.87	\$ 85.00	\$ 85.00	\$ -	\$ -	\$ 10.63	\$ 10.63
9	\$ 599.46	\$ 94.50	\$ 94.50	\$ -	\$ -	\$ 10.50	\$ 10.50
10	\$ 614.04	\$ 104.00	\$ 104.00	\$ -	\$ -	\$ 10.40	\$ 10.40
Average Usage		133.972					

Additional Customer Revenue	\$ -
Additional Usage Revenue	\$ -
	<u>\$ -</u>
Current Recovery	\$ (13,843)

Billing Data

City of Spencer, TN
Sewer Cost of Service-12-months Ending June 2020
Customer Billing Data

[Main Menu](#)

Customer Billings	1 Gen Serv	2 Jail	3 HS	4 Elem Sch	5 Nurs Hm	Total
Jan-20	623	1	1	1	1	627
Feb-20	620	1	1	1	1	624
Mar-20	624	1	1	1	1	628
Apr-20	624	1	1	1	1	628
May-20	627	1	1	1	1	631
Jun-20	630	1	1	1	1	634
Jul-19	623	1	1	1	1	627
Aug-19	626	1	1	1	1	630
Sep-19	618	1	1	1	1	622
Oct-19	621	1	1	1	1	625
Nov-19	617	1	1	1	1	621
Dec-19	625	1	1	1	1	629
Total Customers	7,478	12	12	12	12	7,526
Retail Customers	7,478	12	12	12	12	7,526
General Customers			12	12		24
Weighting Factor	2.00	1.00	1.00	1.00	1.00	
Weighted Customers	14,956	12	12	12	12	15,004

AF

21	Total Customers	99%	0%	0%	0%	0%	100%
25	Weighted Customers	100%	0%	0%	0%	0%	100%

City of Spencer, TN
Sewer Cost of Service-12-months Ending June 2020
Sewer Billing Data

[Main Menu](#)

Sewer Volume	1 Gen Serv	2 Jail	3 HS	4 Elem Sch	5 Nurs Hm	Total
Jan-20	1,634,696	197,810	44,755	50,400	146,270	2,073,931
Feb-20	2,269,032	145,760	60,871	53,100	127,120	2,655,883
Mar-20	1,755,179	141,870	52,553	46,400	125,480	2,121,482
Apr-20	1,661,183	150,660	18,251	15,600	151,610	1,997,304
May-20	2,130,033	88,550	13,632	5,500	128,090	2,365,805
Jun-20	1,655,576	91,360	40,294	14,000	156,110	1,957,340
Jul-19	1,919,903	113,450	49,197	38,600	184,390	2,305,540
Aug-19	1,969,234	120,990	53,203	46,700	119,670	2,309,797
Sep-19	1,773,394	134,590	90,983	125,700	124,120	2,248,787
Oct-19	2,191,497	172,710	98,007	142,200	130,510	2,734,924
Nov-19	2,413,698	118,970	55,499	67,400	100,430	2,755,997
Dec-19	1,459,021	157,670	59,359	52,300	113,860	1,842,210
Total Sewer Sales	22,832,446	1,634,390	636,604	657,900	1,607,660	27,369,000
1-CP	2,413,698	118,970	55,499	67,400	100,430	2,755,997
12-NCP	2,413,698	197,810	98,007	142,200	184,390	3,036,105

AF

30 Total Sewer Sales 83% 6% 2% 2% 6% 100%

City of Spencer, TN
Sewer Cost of Service-12-months Ending June 2020
Average Usage per Customer

Main Menu

	1	2	3	4	5
	Gen Serv	Jail	HS	Elem Sch	Nurs Hm
Jan-20	2,624	197,810	44,755	50,400	146,270
Feb-20	3,660	145,760	60,871	53,100	127,120
Mar-20	2,813	141,870	52,553	46,400	125,480
Apr-20	2,662	150,660	18,251	15,600	151,610
May-20	3,397	88,550	13,632	5,500	128,090
Jun-20	2,628	91,360	40,294	14,000	156,110
Jul-19	3,082	113,450	49,197	38,600	184,390
Aug-19	3,146	120,990	53,203	46,700	119,670
Sep-19	2,870	134,590	90,983	125,700	124,120
Oct-19	3,529	172,710	98,007	142,200	130,510
Nov-19	3,912	118,970	55,499	67,400	100,430
Dec-19	2,334	157,670	59,359	52,300	113,860
Average	3,053	136,199	53,050	54,825	133,972
Summer Average (Jun-Oct)	3,051	126,620	66,337	73,440	142,960
Winter Average	3,057	143,041	43,560	41,529	127,551

City of Spencer, TN
Sewer Cost of Service-12-months Ending June 2020
Revenue per Kgal

Main Menu

	1	2	3	4	5
	Gen Serv	Jail	HS	Elem Sch	Nurs Hm
Jan-20	\$ 13.32	\$ 9.55	\$ 9.70	\$ 9.68	\$ 9.50
Feb-20	\$ 12.24	\$ 9.56	\$ 9.65	\$ 9.67	\$ 9.57
Mar-20	\$ 13.06	\$ 9.56	\$ 9.67	\$ 9.69	\$ 9.57
Apr-20	\$ 13.26	\$ 9.56	\$ 9.99	\$ 10.08	\$ 9.56
May-20	\$ 12.45	\$ 9.60	\$ 10.16	\$ 11.13	\$ 9.57
Jun-20	\$ 13.32	\$ 9.60	\$ 9.72	\$ 10.14	\$ 9.56
Jul-19	\$ 12.75	\$ 9.58	\$ 9.68	\$ 9.73	\$ 9.55
Aug-19	\$ 12.69	\$ 9.57	\$ 9.67	\$ 9.69	\$ 9.58
Sep-19	\$ 13.00	\$ 9.57	\$ 9.60	\$ 9.57	\$ 9.57
Oct-19	\$ 10.78	\$ 9.55	\$ 9.59	\$ 9.56	\$ 9.57
Nov-19	\$ 12.06	\$ 9.58	\$ 9.66	\$ 9.63	\$ 9.59
Dec-19	\$ 13.79	\$ 9.56	\$ 9.65	\$ 9.67	\$ 9.58
Average	\$ 12.63	\$ 9.57	\$ 9.67	\$ 9.66	\$ 9.56

City of Spencer, TN
 Sewer Cost of Service-12-months Ending June 2020
 Allocation of Other Revenues
[Main Menu](#)

	Actual	Adj.	Test Yr.	Gen Serv	Jail	HS	Elem Sch	Nurs Hm	Total
Operating Income									
Sewer Tap Fees	\$ 137,986	\$ (137,986)	\$ -	22	\$ -	\$ -	\$ -	\$ -	\$ -
Service Charge	\$ 5,726	\$ (4,269)	\$ 1,457	22	\$ 1,448	\$ 2	\$ 2	\$ 2	\$ 1,457
Forfeited Discounts	\$ 16,888	\$ (12,590)	\$ 4,298	22	\$ 4,270	\$ 7	\$ 7	\$ 7	\$ 4,298
Sewer Tap Fees	\$ 21,291	\$ (21,291)	\$ -	22	\$ -	\$ -	\$ -	\$ -	\$ -
Special District Tap Fee	\$ 100	\$ (75)	\$ 25	22	\$ 25	\$ 0	\$ 0	\$ 0	\$ 25
Reconnect Fees	\$ 3,592	\$ (2,678)	\$ 914	22	\$ 908	\$ 1	\$ 1	\$ 1	\$ 914
Returned Check Fee	\$ 255	\$ (190)	\$ 65	22	\$ 64	\$ 0	\$ 0	\$ 0	\$ 65
Miscellaneous Income	\$ 15,037	\$ (11,210)	\$ 3,827	22	\$ 3,802	\$ 6	\$ 6	\$ 6	\$ 3,827
Infrastructure Planning Grant	\$ 4,500	\$ (4,500)	\$ -	22	\$ -	\$ -	\$ -	\$ -	\$ -
WIIN Grant Revenue	\$ 10,000	\$ (10,000)	\$ -	22	\$ -	\$ -	\$ -	\$ -	\$ -
Recovery of Bad Debt	\$ 2,276	\$ (1,697)	\$ 579	22	\$ 576	\$ 1	\$ 1	\$ 1	\$ 579
Subtotal Operating	\$ 217,652	\$ (206,486)	\$ 11,166		\$ 11,094	\$ 18	\$ 18	\$ 18	\$ 11,166
Non-Operating Income									
Sale of Fixed Assets	\$ 14,100	\$ (14,100)	\$ -	21	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income	\$ 3,346	\$ (2,494)	\$ 851	21	\$ 846	\$ 1	\$ 1	\$ 1	\$ 851
Subtotal Non-Operating	\$ 17,446	\$ (16,594)	\$ 851		\$ 846	\$ 1	\$ 1	\$ 1	\$ 851
Total Other Revenue	\$ 235,097	\$ (223,080)	\$ 12,017		\$ 11,940	\$ 19	\$ 19	\$ 19	\$ 12,017
					99%	0%	0%	0%	100%

Allocation Factors

City of Spencer, TN
Sewer Cost of Service-12-months Ending June 2020
Allocation Factors

[Main Menu](#)

	1	2	3	4	5	Total	Sales	27,369,000		
	Gen Serv	Jail	HS	Elem Sch	Nurs Hm		Base	Cust	Total	
CUSTOMER							Load Curve	100%		100%
Gen Serv	1	100%	0%	0%	0%	100% *	MSC	79%	21%	100%
Jail	2	0%	100%	0%	0%	100% *	WWS	100%		100%
HS	3	0%	0%	100%	0%	100% *	All	79%	21%	100%
Elem Sch	4	0%	0%	0%	100%	100% *				
Nurs Hm	5	0%	0%	0%	0%	100% *				
Total Customers	21	99%	0%	0%	0%	100% *				
BASE/EXTRA CAPACITY										
Total Sewer Sales	30	83%	6%	2%	2%	100% *				
REVENUE										
Total Revenue	50	87%	5%	2%	2%	100% *				
PLANT										
Treat & Coll Plant	60	86%	5%	2%	2%	100% *				

City of Spencer, TN
Sewer Cost of Service-12-months Ending June 2020
Development of Minimum System

Main Menu

<u>Size</u>	<u>Feet</u>	<u>\$/Foot</u>	<u>Extended Cost</u>
1.25	3,890	\$ 2.00	\$ 7,780
1.5	12,475	\$ 2.00	\$ 24,950
2	24,365	\$ 3.00	\$ 73,095
2.5	23,035	\$ 3.00	\$ 69,105
3	26,316	\$ 4.00	\$ 105,264
4	8,068	\$ 4.00	\$ 32,272
6	19,070	\$ 6.00	\$ 114,420
8	45,550	\$ 24.00	\$ 1,093,200
8" Gravity	4,949	\$ 11.00	\$ 54,439
	<u>167,718</u>		<u>\$ 1,574,525</u>
Miles	32		

Minimum Plant	167,718	\$ 2.00	\$ 335,436
Minimum System Percentage			21%

Plant Accounts

City of Spencer, TN
 Sewer Cost of Service-12-months Ending June 2020
 Classification of Plant

[Main Menu](#)

	Actual	Adj.	Test Yr.	Vol	Cust	Total	Description	Vol	Cust	Total
Treatment										
Land	\$ 370,429		\$ 370,429	100%	0%	100%		\$ 370,429	\$ -	\$ 370,429
Buildings	\$ 1,598,869		\$ 1,598,869	100%	0%	100%		\$ 1,598,869	\$ -	\$ 1,598,869
Improvements	\$ 27,225		\$ 27,225	100%	0%	100%		\$ 27,225	\$ -	\$ 27,225
Equipment	\$ 37,166		\$ 37,166	100%	0%	100%		\$ 37,166	\$ -	\$ 37,166
Subtotal Treatment	\$ 2,033,689	\$ -	\$ 2,033,689					\$ 2,033,689	\$ -	\$ 2,033,689
				100%	0%	100%				
Collection										
Land	\$ 42,326		\$ 42,326	79%	21%	100%	As MSC	\$ 33,309	\$ 9,017	\$ 42,326
Improvements	\$ 5,498		\$ 5,498	79%	21%	100%	As MSC	\$ 4,327	\$ 1,171	\$ 5,498
Equipment	\$ 22,684		\$ 22,684	79%	21%	100%	As MSC	\$ 17,851	\$ 4,833	\$ 22,684
Collection System	\$ 7,923,046		\$ 7,923,046	79%	21%	100%	As MSC	\$ 6,235,125	\$ 1,687,922	\$ 7,923,046
Subtotal Collection	\$ 7,993,554	\$ -	\$ 7,993,554					\$ 6,290,612	\$ 1,702,943	\$ 7,993,554
				79%	21%	100%				
Subtotal Outside	\$ 10,027,244	\$ -	\$ 10,027,244					\$ 8,324,301	\$ 1,702,943	\$ 10,027,244
				83%	17%	100%				
Constr. Work in Progress			\$ -	83%	17%	100%	As TUPIS	\$ -	\$ -	\$ -
Total Utility Plant	\$ 10,027,244	\$ -	\$ 10,027,244					\$ 8,324,301	\$ 1,702,943	\$ 10,027,244
				83%	17%	100%				
Accum. Depr. - Treat	\$ 596,029		\$ 596,029	100%	0%	100%	As Treat Plt	\$ 596,029	\$ -	\$ 596,029
Accum. Depr. - Coll	\$ 2,461,361		\$ 2,461,361	83%	17%	100%	As TUPIS	\$ 2,043,344	\$ 418,017	\$ 2,461,361
Accumulated Depreciation	\$ 3,057,390	\$ -	\$ 3,057,390					\$ 2,639,373	\$ 418,017	\$ 3,057,390
				86%	14%	100%				
Net Utility Plant	\$ 6,969,853	\$ -	\$ 6,969,853					\$ 5,684,928	\$ 1,284,926	\$ 6,969,853
				82%	18%	100%				

City of Spencer, TN
Sewer Cost of Service-12-months Ending June 2020
Allocation of Volume Plant

[Main Menu](#)

	Test Yr.		Gen Serv	Jail	HS	Elem Sch	Nurs Hm	Total
Treatment								
Land	\$ 370,429	30	\$ 309,028	\$ 22,121	\$ 8,616	\$ 8,904	\$ 21,759	\$ 370,429
Buildings	\$ 1,598,869	30	\$ 1,333,848	\$ 95,479	\$ 37,190	\$ 38,434	\$ 93,918	\$ 1,598,869
Improvements	\$ 27,225	30	\$ 22,712	\$ 1,626	\$ 633	\$ 654	\$ 1,599	\$ 27,225
Equipment	\$ 37,166	30	\$ 31,006	\$ 2,219	\$ 864	\$ 893	\$ 2,183	\$ 37,166
Subtotal Treatment	\$ 2,033,689		\$ 1,696,595	\$ 121,445	\$ 47,304	\$ 48,886	\$ 119,459	\$ 2,033,689
Collection								
Land	\$ 33,309	30	\$ 27,788	\$ 1,989	\$ 775	\$ 801	\$ 1,957	\$ 33,309
Improvements	\$ 4,327	30	\$ 3,610	\$ 258	\$ 101	\$ 104	\$ 254	\$ 4,327
Equipment	\$ 17,851	30	\$ 14,892	\$ 1,066	\$ 415	\$ 429	\$ 1,049	\$ 17,851
Collection System	\$ 6,235,125	30	\$ 5,201,620	\$ 372,342	\$ 145,029	\$ 149,881	\$ 366,252	\$ 6,235,125
Subtotal Collection	\$ 6,290,612		\$ 5,247,910	\$ 375,655	\$ 146,320	\$ 151,215	\$ 369,512	\$ 6,290,612
Subtotal Outside	\$ 8,324,301		\$ 6,944,505	\$ 497,101	\$ 193,624	\$ 200,101	\$ 488,971	\$ 8,324,301
Constr. Work in Progress	\$ -	30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Utility Plant	\$ 8,324,301		\$ 6,944,505	\$ 497,101	\$ 193,624	\$ 200,101	\$ 488,971	\$ 8,324,301
Accum. Depr. - Treat	\$ 596,029	30	\$ 497,234	\$ 35,593	\$ 13,864	\$ 14,327	\$ 35,011	\$ 596,029
Accum. Depr. - Coll	\$ 2,043,344	30	\$ 1,704,649	\$ 122,022	\$ 47,528	\$ 49,118	\$ 120,026	\$ 2,043,344
Accumulated Depreciation	\$ 2,639,373		\$ 2,201,883	\$ 157,615	\$ 61,392	\$ 63,446	\$ 155,037	\$ 2,639,373
Net Utility Plant	\$ 5,684,928		\$ 4,742,621	\$ 339,486	\$ 132,232	\$ 136,655	\$ 333,934	\$ 5,684,928
			83%	6%	2%	2%	6%	100%

City of Spencer, TN
 Sewer Cost of Service-12-months Ending June 2020
 Allocation of Customer Plant

[Main Menu](#)

	Test Yr.	Gen Serv	Jail	HS	Elem Sch	Nurs Hm	Total
Treatment							
Land	\$ - 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings	\$ - 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Improvements	\$ - 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment	\$ - 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Treatment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collection							
Land	\$ 9,017 21	\$ 8,960	\$ 14	\$ 14	\$ 14	\$ 14	\$ 9,017
Improvements	\$ 1,171 21	\$ 1,164	\$ 2	\$ 2	\$ 2	\$ 2	\$ 1,171
Equipment	\$ 4,833 21	\$ 4,802	\$ 8	\$ 8	\$ 8	\$ 8	\$ 4,833
Collection System	\$ 1,687,922 21	\$ 1,677,156	\$ 2,691	\$ 2,691	\$ 2,691	\$ 2,691	\$ 1,687,922
Subtotal Collection	\$ 1,702,943	\$ 1,692,082	\$ 2,715	\$ 2,715	\$ 2,715	\$ 2,715	\$ 1,702,943
Subtotal Outside	\$ 1,702,943	\$ 1,692,082	\$ 2,715	\$ 2,715	\$ 2,715	\$ 2,715	\$ 1,702,943
Constr. Work in Progress	\$ - 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Utility Plant	\$ 1,702,943	\$ 1,692,082	\$ 2,715	\$ 2,715	\$ 2,715	\$ 2,715	\$ 1,702,943
Accum. Depr. - Treat	\$ - 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accum. Depr. - Coll	\$ 418,017 21	\$ 415,351	\$ 667	\$ 667	\$ 667	\$ 667	\$ 418,017
Accumulated Depreciation	\$ 418,017	\$ 415,351	\$ 667	\$ 667	\$ 667	\$ 667	\$ 418,017
Net Utility Plant	\$ 1,284,926	\$ 1,276,731	\$ 2,049	\$ 2,049	\$ 2,049	\$ 2,049	\$ 1,284,926
		99%	0%	0%	0%	0%	100%

City of Spencer, TN
 Sewer Cost of Service-12-months Ending June 2020
 Allocation of Plant
 Main Menu

	Test Yr.	Gen Serv	Jail	HS	Elem Sch	Nurs Hm	Total
Treatment							
Land	\$ 370,429	\$ 309,028	\$ 22,121	\$ 8,616	\$ 8,904	\$ 21,759	\$ 370,429
Buildings	\$ 1,598,869	\$ 1,333,848	\$ 95,479	\$ 37,190	\$ 38,434	\$ 93,918	\$ 1,598,869
Improvements	\$ 27,225	\$ 22,712	\$ 1,626	\$ 633	\$ 654	\$ 1,599	\$ 27,225
Equipment	\$ 37,166	\$ 31,006	\$ 2,219	\$ 864	\$ 893	\$ 2,183	\$ 37,166
Subtotal Treatment	\$ 2,033,689	\$ 1,696,595	\$ 121,445	\$ 47,304	\$ 48,886	\$ 119,459	\$ 2,033,689
Collection							
Land	\$ 42,326	\$ 36,747	\$ 2,003	\$ 789	\$ 815	\$ 1,971	\$ 42,326
Improvements	\$ 5,498	\$ 4,773	\$ 260	\$ 103	\$ 106	\$ 256	\$ 5,498
Equipment	\$ 22,684	\$ 19,694	\$ 1,074	\$ 423	\$ 437	\$ 1,056	\$ 22,684
Collection System	\$ 7,923,046	\$ 6,878,777	\$ 375,033	\$ 147,721	\$ 152,572	\$ 368,944	\$ 7,923,046
Subtotal Collection	\$ 7,993,554	\$ 6,939,991	\$ 378,371	\$ 149,035	\$ 153,930	\$ 372,227	\$ 7,993,554
Subtotal Outside	\$ 10,027,244	\$ 8,636,586	\$ 499,816	\$ 196,339	\$ 202,816	\$ 491,686	\$ 10,027,244
Constr. Work In Progress	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Utility Plant	\$ 10,027,244	\$ 8,636,586	\$ 499,816	\$ 196,339	\$ 202,816	\$ 491,686	\$ 10,027,244
		86%	5%	2%	2%	5%	100%
Accum. Depr. - Treat	\$ 596,029	\$ 497,234	\$ 35,593	\$ 13,864	\$ 14,327	\$ 35,011	\$ 596,029
Accum. Depr. - Coll	\$ 2,461,361	\$ 2,120,000	\$ 122,689	\$ 48,195	\$ 49,785	\$ 120,693	\$ 2,461,361
Accumulated Depreciation	\$ 3,057,390	\$ 2,617,234	\$ 158,282	\$ 62,058	\$ 64,112	\$ 155,704	\$ 3,057,390
Net Utility Plant	\$ 6,969,853	\$ 6,019,352	\$ 341,535	\$ 134,280	\$ 138,704	\$ 335,982	\$ 6,969,853
		86%	5%	2%	2%	5%	100%

Operating Expenses

City of Spencer, TN
Sewer Cost of Service-12-months Ending June 2020
Classification of Operating Expenses
Main Menu

	Actual	Adj.	Test Yr.	Vol	Cust	Total	Description	Vol	Cust	Total
Treatment										
WWTP Wages	\$ 40,758		\$ 40,758	100%	0%	100%	As Treat Plt	\$ 40,758	\$ -	\$ 40,758
WWTP SS&MC	\$ 3,076		\$ 3,076	100%	0%	100%	As Treat Plt	\$ 3,076	\$ -	\$ 3,076
WWTP Retirement	\$ 2,849		\$ 2,849	100%	0%	100%	As Treat Plt	\$ 2,849	\$ -	\$ 2,849
WW Testing/Fed-Ex	\$ 2,123		\$ 2,123	100%	0%	100%	As Treat Plt	\$ 2,123	\$ -	\$ 2,123
Electric - Plant & Collect	\$ 38,195		\$ 38,195	100%	0%	100%	As Treat Plt	\$ 38,195	\$ -	\$ 38,195
WWTP Plant Operation Cost	\$ 10,040		\$ 10,040	100%	0%	100%	As Treat Plt	\$ 10,040	\$ -	\$ 10,040
WWTP New Operator		\$ 44,229	\$ 44,229	100%	0%	100%	As Treat Plt	\$ 44,229	\$ -	\$ 44,229
Subtotal Treatment	\$ 97,040	\$ 44,229	\$ 141,269					\$ 141,269	\$ -	\$ 141,269
								100%	0%	100%
Collection										
Wages - Maint	\$ 135,144	\$ (94,600)	\$ 40,543	79%	21%	100%	As Coll Plt	\$ 31,906	\$ 8,637	\$ 40,543
Collection System	\$ 52,138		\$ 52,138	79%	21%	100%	As Coll Plt	\$ 41,031	\$ 11,107	\$ 52,138
Pump Station Maint	\$ 27,969		\$ 27,969	79%	21%	100%	As Coll Plt	\$ 22,011	\$ 5,959	\$ 27,969
Fuel Expense	\$ 8,311	\$ (6,196)	\$ 2,115	0%	100%	100%		\$ -	\$ 2,115	\$ 2,115
Subtotal Collection	\$ 223,562	\$ (100,797)	\$ 122,766					\$ 94,947	\$ 27,818	\$ 122,766
								77%	23%	100%
Subtotal Treatment & Collection	\$ 320,602	\$ (56,568)	\$ 264,034					\$ 236,216	\$ 27,818	\$ 264,034
								89%	11%	100%
Administrative & General										
Annual Permits	\$ 1,173		\$ 1,173	0%	100%	100%		\$ -	\$ 1,173	\$ 1,173
TN Unemployment Tax	\$ 463	\$ (345)	\$ 118	0%	100%	100%		\$ -	\$ 118	\$ 118
Audit/Accounting Services	\$ 8,350	\$ (6,225)	\$ 2,125	0%	100%	100%		\$ -	\$ 2,125	\$ 2,125
Legal	\$ 2,185	\$ (1,629)	\$ 556	0%	100%	100%		\$ -	\$ 556	\$ 556
Annual Fees	\$ 10,615	\$ (7,914)	\$ 2,701	0%	100%	100%		\$ -	\$ 2,701	\$ 2,701
IT Services	\$ 954	\$ (711)	\$ 243	0%	100%	100%		\$ -	\$ 243	\$ 243
Pre-Employment Exams	\$ 115	\$ (86)	\$ 29	0%	100%	100%		\$ -	\$ 29	\$ 29
Utility Clerk	\$ 26,161	\$ (19,504)	\$ 6,658	0%	100%	100%		\$ -	\$ 6,658	\$ 6,658
Water Dept Payroll Taxes	\$ 18,533	\$ (13,816)	\$ 4,716	0%	100%	100%		\$ -	\$ 4,716	\$ 4,716
Water Dept Retirement	\$ 14,954	\$ (11,148)	\$ 3,806	0%	100%	100%		\$ -	\$ 3,806	\$ 3,806
Publishing	\$ 561	\$ (418)	\$ 143	0%	100%	100%		\$ -	\$ 143	\$ 143
Natural Gas Utilities	\$ 224	\$ (167)	\$ 57	0%	100%	100%		\$ -	\$ 57	\$ 57
Phone Utilities	\$ 2,673	\$ (1,992)	\$ 680	0%	100%	100%		\$ -	\$ 680	\$ 680
Travel & Mileage	\$ 2,362	\$ (1,761)	\$ 601	0%	100%	100%		\$ -	\$ 601	\$ 601
Certification/Training	\$ 4,317	\$ (3,218)	\$ 1,099	0%	100%	100%		\$ -	\$ 1,099	\$ 1,099
Office Supplies	\$ 1,854	\$ (1,382)	\$ 472	0%	100%	100%		\$ -	\$ 472	\$ 472
Miscellaneous Expense	\$ 836	\$ (624)	\$ 213	0%	100%	100%		\$ -	\$ 213	\$ 213
Postage & Freight	\$ 446	\$ (332)	\$ 113	0%	100%	100%		\$ -	\$ 113	\$ 113
Billing	\$ 9,641	\$ (7,187)	\$ 2,453	0%	100%	100%		\$ -	\$ 2,453	\$ 2,453
Liability Insurance	\$ 37,595	\$ (28,027)	\$ 9,568	0%	100%	100%		\$ -	\$ 9,568	\$ 9,568
Surety Bonds Insurance	\$ 88	\$ (66)	\$ 22	0%	100%	100%		\$ -	\$ 22	\$ 22
Convenience Fees	\$ 389	\$ (290)	\$ 99	0%	100%	100%		\$ -	\$ 99	\$ 99
Vehicle Maintenance	\$ 5,992	\$ (4,467)	\$ 1,525	0%	100%	100%		\$ -	\$ 1,525	\$ 1,525
Uniform Expense	\$ 7,334	\$ (5,467)	\$ 1,866	0%	100%	100%		\$ -	\$ 1,866	\$ 1,866
Paying Agent Fees	\$ 9,471	\$ (7,060)	\$ 2,410	0%	100%	100%		\$ -	\$ 2,410	\$ 2,410
Subtotal Administrative & General	\$ 167,283	\$ (123,837)	\$ 43,446					\$ -	\$ 43,446	\$ 43,446
Total Operating Expenses	\$ 487,885	\$ (180,405)	\$ 307,480					\$ 236,216	\$ 71,264	\$ 307,480
								77%	23%	100%

City of Spencer, TN
Sewer Cost of Service-12-months Ending June 2020
Allocation of Volume Expenses

[Main Menu](#)

	Test Yr.	Gen Serv	Jail	HS	Elem Sch	Nurs Hm	Total
Treatment							
WWTP Wages	\$ 40,758 30	\$ 34,002	\$ 2,434	\$ 948	\$ 980	\$ 2,394	\$ 40,758
WWTP SS&MC	\$ 3,076 30	\$ 2,566	\$ 184	\$ 72	\$ 74	\$ 181	\$ 3,076
WWTP Retirement	\$ 2,849 30	\$ 2,376	\$ 170	\$ 66	\$ 68	\$ 167	\$ 2,849
WW Testing/Fed-Ex	\$ 2,123 30	\$ 1,771	\$ 127	\$ 49	\$ 51	\$ 125	\$ 2,123
Electric - Plant & Collect	\$ 38,195 30	\$ 31,864	\$ 2,281	\$ 888	\$ 918	\$ 2,244	\$ 38,195
WWT Plant Operation Cost	\$ 10,040 30	\$ 8,375	\$ 600	\$ 234	\$ 241	\$ 590	\$ 10,040
WWTP New Operator	\$ 44,229 30	\$ 36,898	\$ 2,641	\$ 1,029	\$ 1,063	\$ 2,598	\$ 44,229
Subtotal Treatment	\$ 141,269	\$ 117,853	\$ 8,436	\$ 3,286	\$ 3,396	\$ 8,298	\$ 141,269
Collection							
Wages - Maint	\$ 31,906 30	\$ 26,617	\$ 1,905	\$ 742	\$ 767	\$ 1,874	\$ 31,906
Collection System	\$ 41,031 30	\$ 34,230	\$ 2,450	\$ 954	\$ 986	\$ 2,410	\$ 41,031
Pump Station Maint	\$ 22,011 30	\$ 18,362	\$ 1,314	\$ 512	\$ 529	\$ 1,293	\$ 22,011
Fuel Expense	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Collection	\$ 94,947	\$ 79,209	\$ 5,670	\$ 2,208	\$ 2,282	\$ 5,577	\$ 94,947
Subtotal Treatment & Collection	\$ 236,216	\$ 197,062	\$ 14,106	\$ 5,494	\$ 5,678	\$ 13,875	\$ 236,216
Administrative & General							
Annual Permits	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TN Unemployment Tax	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Audit/Accounting Services	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Fees	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IT Services	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pre-Employment Exams	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility Clerk	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Dept Payroll Taxes	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Dept Retirement	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Publishing	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Natural Gas Utilities	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Phone Utilities	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel & Mileage	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Certification/Training	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office Supplies	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Expense	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Postage & Freight	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Billing	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Liability Insurance	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Surety Bonds Insurance	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Convenience Fees	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Maintenance	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uniform Expense	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Paying Agent Fees	\$ - 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Administrative & General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Expenses	\$ 236,216	\$ 197,062	\$ 14,106	\$ 5,494	\$ 5,678	\$ 13,875	\$ 236,216
		83%	6%	2%	2%	6%	100%

City of Spencer, TN
 Sewer Cost of Service-12-months Ending June 2020
 Allocation of Customer Expenses

[Main Menu](#)

	Test Yr.	Gen Serv	Jail	HS	Elem Sch	Nurs Hm	Total
Treatment							
WWTP Wages	\$ - 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WWTP SS&MC	\$ - 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WWTP Retirement	\$ - 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WW Testing/Fed-Ex	\$ - 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Electric - Plant & Collect	\$ - 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WWT Plant Operation Cost	\$ - 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WWTP New Operator	\$ - 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Treatment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collection							
Wages - Maint	\$ 8,637 21	\$ 8,582	\$ 14	\$ 14	\$ 14	\$ 14	\$ 8,637
Collection System	\$ 11,107 21	\$ 11,037	\$ 18	\$ 18	\$ 18	\$ 18	\$ 11,107
Pump Station Maint	\$ 5,959 21	\$ 5,921	\$ 10	\$ 10	\$ 10	\$ 10	\$ 5,959
Fuel Expense	\$ 2,115 21	\$ 2,102	\$ 3	\$ 3	\$ 3	\$ 3	\$ 2,115
Subtotal Collection	\$ 27,818	\$ 27,641	\$ 44	\$ 44	\$ 44	\$ 44	\$ 27,818
Subtotal Treatment & Collection	\$ 27,818	\$ 27,641	\$ 44	\$ 44	\$ 44	\$ 44	\$ 27,818
Administrative & General							
Annual Permits	\$ 1,173 21	\$ 1,165	\$ 2	\$ 2	\$ 2	\$ 2	\$ 1,173
TN Unemployment Tax	\$ 118 21	\$ 117	\$ 0	\$ 0	\$ 0	\$ 0	\$ 118
Audit/Accounting Services	\$ 2,125 21	\$ 2,111	\$ 3	\$ 3	\$ 3	\$ 3	\$ 2,125
Legal	\$ 556 21	\$ 553	\$ 1	\$ 1	\$ 1	\$ 1	\$ 556
Annual Fees	\$ 2,701 21	\$ 2,684	\$ 4	\$ 4	\$ 4	\$ 4	\$ 2,701
IT Services	\$ 243 21	\$ 241	\$ 0	\$ 0	\$ 0	\$ 0	\$ 243
Pre-Employment Exams	\$ 29 21	\$ 29	\$ 0	\$ 0	\$ 0	\$ 0	\$ 29
Utility Clerk	\$ 6,658 21	\$ 6,615	\$ 11	\$ 11	\$ 11	\$ 11	\$ 6,658
Water Dept Payroll Taxes	\$ 4,716 21	\$ 4,686	\$ 8	\$ 8	\$ 8	\$ 8	\$ 4,716
Water Dept Retirement	\$ 3,806 21	\$ 3,781	\$ 6	\$ 6	\$ 6	\$ 6	\$ 3,806
Publishing	\$ 143 21	\$ 142	\$ 0	\$ 0	\$ 0	\$ 0	\$ 143
Natural Gas Utilities	\$ 57 21	\$ 57	\$ 0	\$ 0	\$ 0	\$ 0	\$ 57
Phone Utilities	\$ 680 21	\$ 676	\$ 1	\$ 1	\$ 1	\$ 1	\$ 680
Travel & Mileage	\$ 601 21	\$ 597	\$ 1	\$ 1	\$ 1	\$ 1	\$ 601
Certification/Training	\$ 1,099 21	\$ 1,092	\$ 2	\$ 2	\$ 2	\$ 2	\$ 1,099
Office Supplies	\$ 472 21	\$ 469	\$ 1	\$ 1	\$ 1	\$ 1	\$ 472
Miscellaneous Expense	\$ 213 21	\$ 211	\$ 0	\$ 0	\$ 0	\$ 0	\$ 213
Postage & Freight	\$ 113 21	\$ 113	\$ 0	\$ 0	\$ 0	\$ 0	\$ 113
Billing	\$ 2,453 21	\$ 2,438	\$ 4	\$ 4	\$ 4	\$ 4	\$ 2,453
Liability Insurance	\$ 9,568 21	\$ 9,506	\$ 15	\$ 15	\$ 15	\$ 15	\$ 9,568
Surety Bonds Insurance	\$ 22 21	\$ 22	\$ 0	\$ 0	\$ 0	\$ 0	\$ 22
Convenience Fees	\$ 99 21	\$ 98	\$ 0	\$ 0	\$ 0	\$ 0	\$ 99
Vehicle Maintenance	\$ 1,525 21	\$ 1,515	\$ 2	\$ 2	\$ 2	\$ 2	\$ 1,525
Uniform Expense	\$ 1,866 21	\$ 1,854	\$ 3	\$ 3	\$ 3	\$ 3	\$ 1,866
Paying Agent Fees	\$ 2,410 21	\$ 2,395	\$ 4	\$ 4	\$ 4	\$ 4	\$ 2,410
Subtotal Administrative & General	\$ 43,446	\$ 43,169	\$ 69	\$ 69	\$ 69	\$ 69	\$ 43,446
Total Operating Expenses	\$ 71,264	\$ 70,810	\$ 114	\$ 114	\$ 114	\$ 114	\$ 71,264
		99%	0%	0%	0%	0%	100%

City of Spencer, TN
Lower Cost of Service-12-months Ending June 2020
Allocation of Operating Expenses
Main Menu

	<u>Test Yr.</u>	Gen Serv	Jail	HS	Elem Sch	Nurs Hm	Total
Treatment							
WWTP Wages	\$ 40,758	\$ 34,002	\$ 2,434	\$ 948	\$ 980	\$ 2,394	\$ 40,758
WWTP SS&MC	\$ 3,076	\$ 2,566	\$ 184	\$ 72	\$ 74	\$ 181	\$ 3,076
WWTP Retirement	\$ 2,849	\$ 2,376	\$ 170	\$ 66	\$ 68	\$ 167	\$ 2,849
WW Testing/Fed-Ex	\$ 2,123	\$ 1,771	\$ 127	\$ 49	\$ 51	\$ 125	\$ 2,123
Electric - Plant & Collect	\$ 38,195	\$ 31,864	\$ 2,281	\$ 888	\$ 918	\$ 2,244	\$ 38,195
WWT Plant Operation Cost	\$ 10,040	\$ 8,375	\$ 600	\$ 234	\$ 241	\$ 590	\$ 10,040
WWTP New Operator	\$ 44,229	\$ 36,898	\$ 2,641	\$ 1,029	\$ 1,063	\$ 2,598	\$ 44,229
Subtotal Treatment	\$ 141,269	\$ 117,853	\$ 8,436	\$ 3,286	\$ 3,396	\$ 8,298	\$ 141,269
Collection							
Wages - Maint	\$ 40,543	\$ 35,199	\$ 1,919	\$ 756	\$ 781	\$ 1,888	\$ 40,543
Collection System	\$ 52,138	\$ 45,266	\$ 2,468	\$ 972	\$ 1,004	\$ 2,428	\$ 52,138
Pump Station Maint	\$ 27,969	\$ 24,283	\$ 1,324	\$ 521	\$ 539	\$ 1,302	\$ 27,969
Fuel Expense	\$ 2,115	\$ 2,102	\$ 3	\$ 3	\$ 3	\$ 3	\$ 2,115
Subtotal Collection	\$ 122,766	\$ 106,850	\$ 5,714	\$ 2,253	\$ 2,327	\$ 5,622	\$ 122,766
Subtotal Treatment & Collection	\$ 264,034	\$ 224,703	\$ 14,150	\$ 5,539	\$ 5,723	\$ 13,920	\$ 264,034
Administrative & General							
Annual Permits	\$ 1,173	\$ 1,165	\$ 2	\$ 2	\$ 2	\$ 2	\$ 1,173
TN Unemployment Tax	\$ 118	\$ 117	\$ 0	\$ 0	\$ 0	\$ 0	\$ 118
Audit/Accounting Services	\$ 2,125	\$ 2,111	\$ 3	\$ 3	\$ 3	\$ 3	\$ 2,125
Legal	\$ 556	\$ 553	\$ 1	\$ 1	\$ 1	\$ 1	\$ 556
Annual Fees	\$ 2,701	\$ 2,684	\$ 4	\$ 4	\$ 4	\$ 4	\$ 2,701
IT Services	\$ 243	\$ 241	\$ 0	\$ 0	\$ 0	\$ 0	\$ 243
Pre-Employment Exams	\$ 29	\$ 29	\$ 0	\$ 0	\$ 0	\$ 0	\$ 29
Utility Clerk	\$ 6,658	\$ 6,615	\$ 11	\$ 11	\$ 11	\$ 11	\$ 6,658
Water Dept Payroll Taxes	\$ 4,716	\$ 4,686	\$ 8	\$ 8	\$ 8	\$ 8	\$ 4,716
Water Dept Retirement	\$ 3,806	\$ 3,781	\$ 6	\$ 6	\$ 6	\$ 6	\$ 3,806
Publishing	\$ 143	\$ 142	\$ 0	\$ 0	\$ 0	\$ 0	\$ 143
Natural Gas Utilities	\$ 57	\$ 57	\$ 0	\$ 0	\$ 0	\$ 0	\$ 57
Phone Utilities	\$ 680	\$ 676	\$ 1	\$ 1	\$ 1	\$ 1	\$ 680
Travel & Mileage	\$ 601	\$ 597	\$ 1	\$ 1	\$ 1	\$ 1	\$ 601
Certification/Training	\$ 1,099	\$ 1,092	\$ 2	\$ 2	\$ 2	\$ 2	\$ 1,099
Office Supplies	\$ 472	\$ 469	\$ 1	\$ 1	\$ 1	\$ 1	\$ 472
Miscellaneous Expense	\$ 213	\$ 211	\$ 0	\$ 0	\$ 0	\$ 0	\$ 213
Postage & Freight	\$ 113	\$ 113	\$ 0	\$ 0	\$ 0	\$ 0	\$ 113
Billing	\$ 2,453	\$ 2,438	\$ 4	\$ 4	\$ 4	\$ 4	\$ 2,453
Liability Insurance	\$ 9,568	\$ 9,506	\$ 15	\$ 15	\$ 15	\$ 15	\$ 9,568
Surety Bonds Insurance	\$ 22	\$ 22	\$ 0	\$ 0	\$ 0	\$ 0	\$ 22
Convenience Fees	\$ 99	\$ 98	\$ 0	\$ 0	\$ 0	\$ 0	\$ 99
Vehicle Maintenance	\$ 1,525	\$ 1,515	\$ 2	\$ 2	\$ 2	\$ 2	\$ 1,525
Uniform Expense	\$ 1,866	\$ 1,854	\$ 3	\$ 3	\$ 3	\$ 3	\$ 1,866
Paying Agent Fees	\$ 2,410	\$ 2,395	\$ 4	\$ 4	\$ 4	\$ 4	\$ 2,410
Subtotal Administrative & General	\$ 43,446	\$ 43,169	\$ 69	\$ 69	\$ 69	\$ 69	\$ 43,446
Total Operating Expenses	\$ 307,480	\$ 267,872	\$ 14,220	\$ 5,608	\$ 5,792	\$ 13,989	\$ 307,480
		87%	5%	2%	2%	5%	100%

Debt Service

City of Spencer, TN
 Sewer Cost of Service-12-months Ending June 2020
 Classification of Debt Service
 Main Menu

	<u>Actual</u>	<u>Adj.</u>	<u>Test Yr.</u>	<u>Vol</u>	<u>Cust</u>	<u>Total</u>	<u>Description</u>	<u>Vol</u>	<u>Cust</u>	<u>Total</u>
Principal & Interest										
Series 2006	\$ 102,216		\$ 102,216	83%	17%	100%	As Outside Plt *	\$ 84,856	\$ 17,360	\$ 102,216
State Revolving Loan Fund	\$ 9,346		\$ 9,346	83%	17%	100%	As Outside Plt *	\$ 7,759	\$ 1,587	\$ 9,346
Subtotal Principal & Interest	\$ 111,562	\$ -	\$ 111,562					83%	17%	100%
Total Debt Service	\$ 111,562	\$ -	\$ 111,562					83%	17%	100%

City of Spencer, TN
Sewer Cost of Service-12-months Ending June 2020
Allocation of Volume P&I

[Main Menu](#)

	<u>Test Yr.</u>	Gen Serv	Jail	HS	Elem Sch	Nurs Hm	Total
Principal & Interest							
Series 2006	\$ 84,856 30	\$ 70,791	\$ 5,067	\$ 1,974	\$ 2,040	\$ 4,984	\$ 84,856
State Revolving Loan Fund	\$ 7,759 30	\$ 6,473	\$ 463	\$ 180	\$ 187	\$ 456	\$ 7,759
Subtotal Principal & Interest	<u>\$ 92,615</u>	<u>\$ 77,264</u>	<u>\$ 5,531</u>	<u>\$ 2,154</u>	<u>\$ 2,226</u>	<u>\$ 5,440</u>	<u>\$ 92,615</u>
Total Debt Service	<u>\$ 92,615</u>	<u>\$ 77,264</u>	<u>\$ 5,531</u>	<u>\$ 2,154</u>	<u>\$ 2,226</u>	<u>\$ 5,440</u>	<u>\$ 92,615</u>

City of Spencer, TN
Sewer Cost of Service-12-months Ending June 2020
Allocation of Customer P&I

[Main Menu](#)

	<u>Test Yr.</u>	Gen Serv	Jail	HS	Elem Sch	Nurs Hm	Total
Principal & Interest							
Series 2006	\$ 17,360	21	\$ 17,249	\$ 28	\$ 28	\$ 28	\$ 17,360
State Revolving Loan Fund	\$ 1,587	21	\$ 1,577	\$ 3	\$ 3	\$ 3	\$ 1,587
Subtotal Principal & Interest	<u>\$ 18,947</u>		<u>\$ 18,826</u>	<u>\$ 30</u>	<u>\$ 30</u>	<u>\$ 30</u>	<u>\$ 18,947</u>
Total Debt Service	<u>\$ 18,947</u>		<u>\$ 18,826</u>	<u>\$ 30</u>	<u>\$ 30</u>	<u>\$ 30</u>	<u>\$ 18,947</u>

City of Spencer, TN
Sewer Cost of Service-12-months Ending June 2020
Allocation of P&I
Main Menu

	<u>Test Yr.</u>	Gen Serv	Jail	HS	Elem Sch	Nurs Hm	Total
Principal & Interest							
Series 2006	\$ 102,216	\$ 88,040	\$ 5,095	\$ 2,001	\$ 2,067	\$ 5,012	\$ 102,216
State Revolving Loan Fund	\$ 9,346	\$ 8,050	\$ 466	\$ 183	\$ 189	\$ 458	\$ 9,346
Subtotal Principal & Interest	<u>\$ 111,562</u>	<u>\$ 96,090</u>	<u>\$ 5,561</u>	<u>\$ 2,184</u>	<u>\$ 2,257</u>	<u>\$ 5,470</u>	<u>\$ 111,562</u>
Total Debt Service	<u>\$ 111,562</u>	<u>\$ 96,090</u>	<u>\$ 5,561</u>	<u>\$ 2,184</u>	<u>\$ 2,257</u>	<u>\$ 5,470</u>	<u>\$ 111,562</u>
		86%	5%	2%	2%	5%	100%

Fixed Expenses

City of Spencer, TN
Water Cost of Service-12-months Ending June 2020
Classification of Fixed Expenses

[Main Menu](#)

	<u>Actual</u>	<u>Adj.</u>	<u>Test Yr.</u>	<u>Vol</u>	<u>Cust</u>	<u>Total</u>	<u>Description</u>	<u>Vol</u>	<u>Cust</u>	<u>Total</u>
Depreciation										
Depreciation	\$ 470,562	\$ (274,201)	\$ 196,361	83%	17%	100%	As Outside Pft *	\$ 163,013	\$ 33,348	\$ 196,361
Subtotal Depreciation	\$ 470,562	\$ (274,201)	\$ 196,361					\$ 163,013	\$ 33,348	\$ 196,361
								83%	17%	100%
Total Fixed Expenses	\$ 470,562	\$ (274,201)	\$ 196,361					\$ 163,013	\$ 33,348	\$ 196,361

City of Spencer, TN
 Sewer Cost of Service-12-months Ending June 2020
 Allocation of Volume Fixed Expenses

[Main Menu](#)

	<u>Test Yr.</u>		Gen Serv	Jail	HS	Elem Sch	Nurs Hm	Total
Depreciation								
Depreciation	\$ 163,013	30	\$ 135,992	\$ 9,735	\$ 3,792	\$ 3,919	\$ 9,575	\$ 163,013
Subtotal Depreciation	<u>\$ 163,013</u>		<u>\$ 135,992</u>	<u>\$ 9,735</u>	<u>\$ 3,792</u>	<u>\$ 3,919</u>	<u>\$ 9,575</u>	<u>\$ 163,013</u>
Total Fixed Expenses	<u>\$ 163,013</u>		<u>\$ 135,992</u>	<u>\$ 9,735</u>	<u>\$ 3,792</u>	<u>\$ 3,919</u>	<u>\$ 9,575</u>	<u>\$ 163,013</u>

City of Spencer, TN
Sewer Cost of Service-12-months Ending June 2020
Allocation of Customer Fixed Expenses

[Main Menu](#)

	<u>Test Yr.</u>	Gen Serv	Jail	HS	Elem Sch	Nurs Hm	Total
Depreciation							
Depreciation	\$ 33,348	21	\$ 33,136	\$ 53	\$ 53	\$ 53	\$ 33,348
Subtotal Depreciation	<u>\$ 33,348</u>		<u>\$ 33,136</u>	<u>\$ 53</u>	<u>\$ 53</u>	<u>\$ 53</u>	<u>\$ 33,348</u>
Total Fixed Expenses	<u>\$ 33,348</u>		<u>\$ 33,136</u>	<u>\$ 53</u>	<u>\$ 53</u>	<u>\$ 53</u>	<u>\$ 33,348</u>

City of Spencer, TN
Sewer Cost of Service-12-months Ending June 2020
Allocation of Fixed Expenses

Main Menu

	<u>Test Yr.</u>	Gen Serv	Jail	HS	Elem Sch	Nurs Hm	Total
Depreciation							
Depreciation	\$ 196,361	\$ 169,128	\$ 9,788	\$ 3,845	\$ 3,972	\$ 9,629	\$ 196,361
Subtotal Depreciation	<u>\$ 196,361</u>	<u>\$ 169,128</u>	<u>\$ 9,788</u>	<u>\$ 3,845</u>	<u>\$ 3,972</u>	<u>\$ 9,629</u>	<u>\$ 196,361</u>
Total Fixed Expenses	<u>\$ 196,361</u>	<u>\$ 169,128</u>	<u>\$ 9,788</u>	<u>\$ 3,845</u>	<u>\$ 3,972</u>	<u>\$ 9,629</u>	<u>\$ 196,361</u>
		86%	5%	2%	2%	5%	100%

Capital Improvements

City of Spencer, TN
Sewer Cost of Service-12-months Ending June 2020

Classification of CIP

[Main Menu](#)

	<u>Actual</u>	<u>TYA</u>	<u>Growth</u>	<u>Test Yr.</u>	<u>Vol</u>	<u>Cust</u>	<u>Total</u>	<u>Description</u>	<u>Vol</u>	<u>Cust</u>	<u>Total</u>
CIP											
Current Depreciation	\$ 196,361		\$ -	\$ 196,361	83%	17%	100%	As Outside Plt *	\$ 163,013	\$ 33,348	\$ 196,361
Subtotal CIP	\$ 196,361	\$ -	\$ -	\$ 196,361					\$ 163,013	\$ 33,348	\$ 196,361
									83%	17%	100%
RR&Ext. Amount	\$ 196,361										
Workplan Period	1			\$ 196,361				Amount R&R Related			
				\$ 196,361				Forced into Rates			
		100%		\$ 196,361				Depreciation check			

City of Spencer, TN
 Sewer Cost of Service-12-months Ending June 2020
 Allocation of Volume CIP

[Main Menu](#)

	<u>Test Yr.</u>		Gen Serv	Jail	HS	Elem Sch	Nurs Hm	Total
CIP								
Current Depreciation	\$ 163,013	30	\$ 135,992	\$ 9,735	\$ 3,792	\$ 3,919	\$ 9,575	\$ 163,013
Subtotal CIP	<u>\$ 163,013</u>		<u>\$ 135,992</u>	<u>\$ 9,735</u>	<u>\$ 3,792</u>	<u>\$ 3,919</u>	<u>\$ 9,575</u>	<u>\$ 163,013</u>
			83%	6%	2%	2%	6%	100%

City of Spencer, TN
Sewer Cost of Service-12-months Ending June 2020
Allocation of Customer CIP

[Main Menu](#)

	<u>Test Yr.</u>		Gen Serv	Jail	HS	Elem Sch	Nurs Hm	Total
CIP								
Current Depreciation	\$ 33,348	21	\$ 33,136	\$ 53	\$ 53	\$ 53	\$ 53	\$ 33,348
Subtotal CIP	<u>\$ 33,348</u>		<u>\$ 33,136</u>	<u>\$ 53</u>	<u>\$ 53</u>	<u>\$ 53</u>	<u>\$ 53</u>	<u>\$ 33,348</u>
			99%	0%	0%	0%	0%	100%

City of Spencer, TN
 Sewer Cost of Service-12-months Ending June 2020
 Allocation of CIP
 Main Menu

	<u>Test Yr.</u>	Gen Serv	Jail	HS	Elem Sch	Nurs Hm	Total
CIP							
Current Depreciation	\$ 196,361	\$ 169,128	\$ 9,788	\$ 3,845	\$ 3,972	\$ 9,629	\$ 196,361
Subtotal CIP	<u>\$ 196,361</u>	<u>\$ 169,128</u>	<u>\$ 9,788</u>	<u>\$ 3,845</u>	<u>\$ 3,972</u>	<u>\$ 9,629</u>	<u>\$ 196,361</u>
		86%	5%	2%	2%	5%	100%

Exhibit 9

Capital Assets Plan

CAPITAL IMPROVEMENTS

<u>Task No.</u>	<u>Task Description</u>	<u>Estimated Cost</u>	<u>Estimated Grant</u>	<u>Begin Date</u>	<u>End Date</u>
1	Upgrade Raw Water Source (River Source)	\$ 5,800,000.00	\$ 1,740,000.00	1-Oct-21	30-Jul-24
2	Water Treatment Plant - Enhanced Quality Upgrades	\$ 3,225,000.00	\$ 967,500.00	1-Oct-22	31-Dec-25
3	Water Distribution Upgrades	\$ 4,800,000.00	\$ 1,440,000.00	1-Apr-22	1-Dec-31
4	AMR Meters	\$ 990,000.00	\$ 594,000.00	1-Jan-23	31-Dec-24
5	New Water Tank	\$ 1,185,000.00	\$ 355,500.00	1-Jun-26	31-Dec-31

PROJECT SCHEDULE

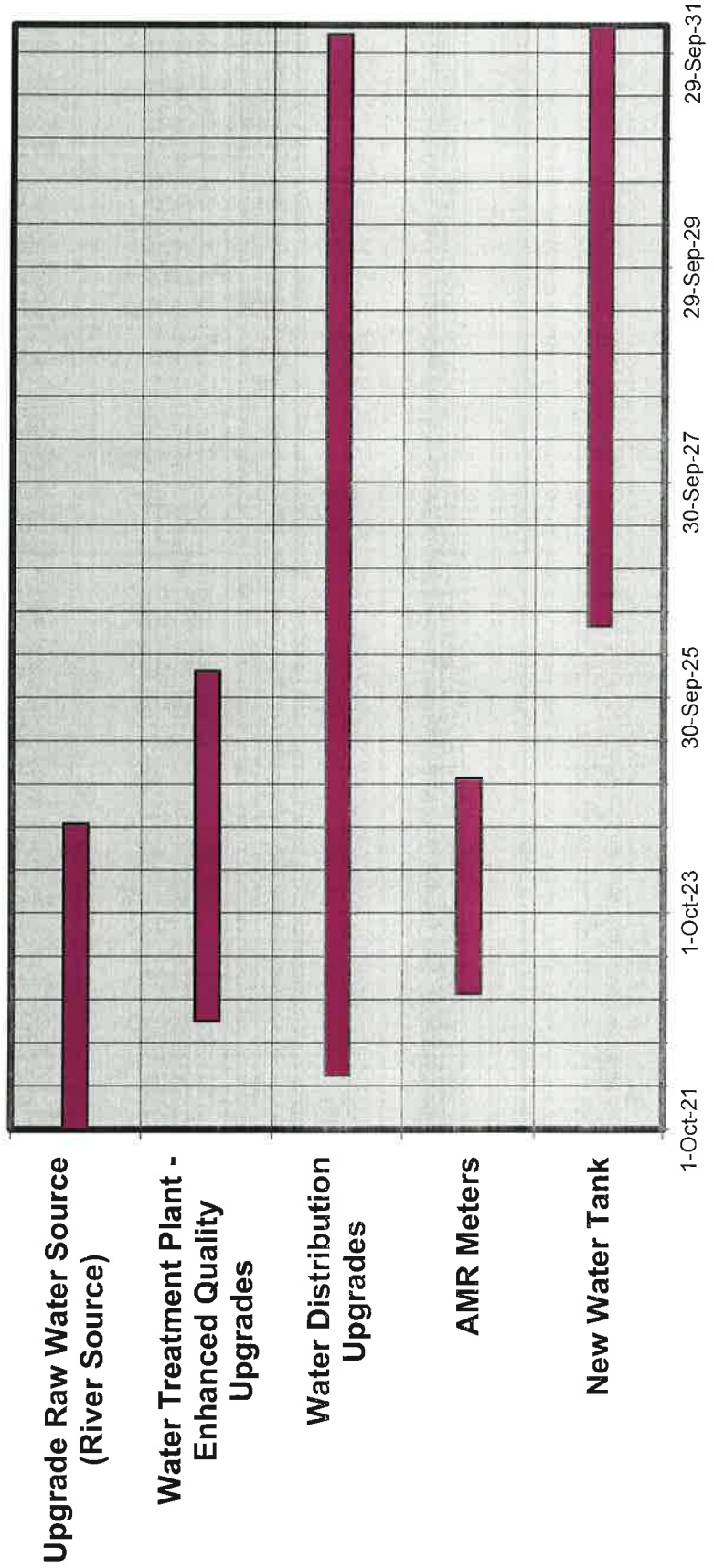


Exhibit 10

Water Meter Test

Obtained from the Water Plant Operator



LABTRONX

501 Metroplex Dr. Suite 109
Nashville, TN 37211
615-831-2554 (Fax) 615-831-2498

Accuracy Assurance Program

Test Data Sheet

Participant:	Spencer, TN WTP				Contact:	Tammy Sullivan			
Location:	Spencer, TN				Job#:	J11995			
Equipment	Type	ID	As Found	Pass	As Left	Correction Factor/Pass	Nominal Value	Standard / ID	
Hach 2100N Turb	#050600020213		19.5 NTU	✓	20.0 NTU	-	20 NTU	StabCal #A0330B-B	
Celex Sid #A7100	for #050600020213		SI = 0.059 NTU	-	0.3 = 1.55 NTU	0.20 = 16.5 NTU	0.22 = 15.7 NTU	200-4000 = 1996 NTU	
Hach DR3900 Spec	#1716626		5.51 nm	✓	5.51 nm	-	5.52 nm	Filter #409	
"	"		0.605 ABS	✓	0.605 ABS	-	0.588 ABS	DR #A1020FK @ 420 nm	
"	"		1.840 ABS	✓	1.840 ABS	-	1.810 ABS	"	
Hach HQ 11d pH meter	#130400082020		OP/CK	✓	OP/CK	-	OP/CK	OP/CK	
Hach PHE201 pH probe	#191643618949		4.09 pH	✓	4.00 pH	-	4.01 pH	Buffer #A1032B S=99%	
"	"		7.20 pH	✓	7.04 pH	-	7.00 pH	" #A1040B	
"	"		10.45 pH	X	10.14 pH	-	10.01 pH	" #A1034B	
"	"		18.0 °C	✓	18.0 °C	-	18.08 °C	Therm #2286030	
Lab Therm # T1			17.5 °C	✓	17.5 °C	+0.5	18.20 °C	"	
Hach SST Turb #061200000184			Low temp voltage	X	Low voltage	-	300 NTU	Formazin #A1169	
Hach Filtertrak 660 #0709000002815	5151A		0.922 NTU	X	0.805 NTU	-	0.8 NTU	"	
Hach Filtertrak 660 #0612000009945	5151B		0.952 NTU	X	0.797 NTU	-	0.8 NTU	"	
Hach Filtertrak 660 #070100010012			1.012 NTU	X	0.801 NTU	-	0.8 NTU	"	
Hach CL17 CL2 #140500498560			2.49 mg/L	✓	2.47 mg/L	-	2.6 mg/L	Rocket 2 #09060E126335	
"	"		2.57 mg/L	✓	2.47 mg/L	-	2.4 mg/L	"	
Honeywell STD924 DP Meter #SI3000			2075 GPM	✓	2079 GPM	-	2083 GPM	Fluke Validator #4540887	
"	"		1030 GPM	✓	1041 GPM	-	1041 GPM	"	
"	"		-10 GPM	-	0.4 GPM	-	0 GPM	"	
Rosemount Mag Meter #880122417511A			29.8 GPM	✓	29.8 GPM	-	29.2 GPM	GE Flowmeter #M01200033	
Rosemount Mag Meter #8801307209511A			300 GPM	✓	300 GPM	-	302 GPM	"	

✓ = in tolerance X = out of tolerance OP/CK = operations check (##) = Calculated Value PM = Preventative Maintenance
 Technician: Felicia Knight
 Signature: [Signature]
 Test Kit: FK-LX016
 Date: 12/14/21
 Page 1 of 1

✓	In tolerance	X	out of tolerance	OP/CK	operations check	(##)	Calculated Value	PM	Preventative Maintenance
✓							1030 GPM	✓	1041 GPM
							-10 GPM	-	0 GPM
							298 GPM	✓	292 GPM
							300 GPM	✓	302 GPM

✓ = In tolerance X = out of tolerance OP/CK = operations check (##) = Calculated Value PM = Preventative Maintenance

Technician: Felicia Knight
 Signature: [Handwritten Signature]
 Test Kit: FK-LX016
 Date: 12/14/21

Page 1 of 1

GE Flowmeter #M01200033

1041 GPM

0 GPM

292 GPM

302 GPM

1030 GPM

-10 GPM

298 GPM

300 GPM

OP/CK

(##)

PM

Exhibit 11

Water Operational Issues

Water Loss - 10 Day Moving Average

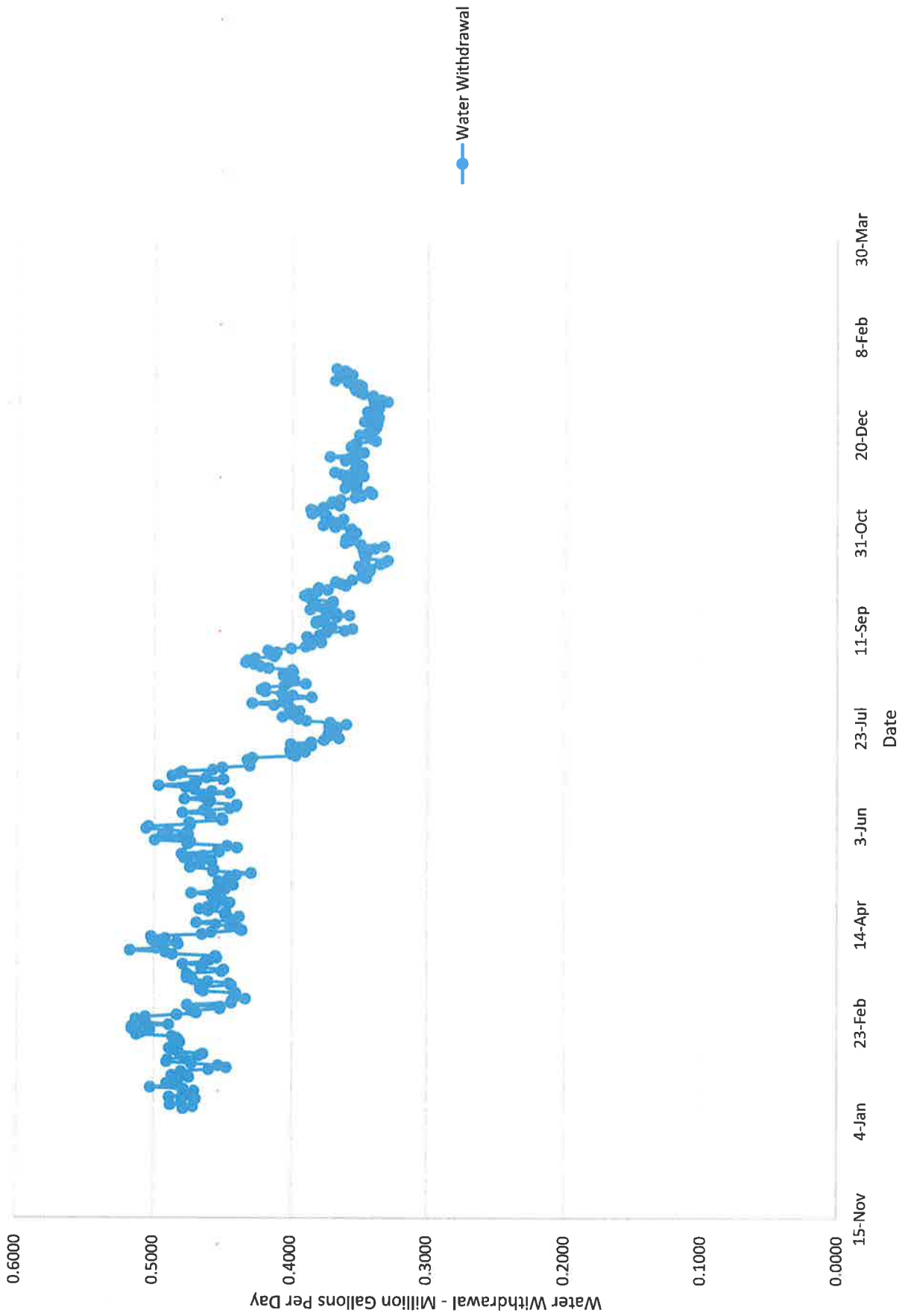


Exhibit 12

Sewer Operational Issues
Answered in Questionnaire

Exhibit 13

Environmental Order Compliance
Answered in Questionnaire

Exhibit 14

Project Funding Method
Answered in Questionnaire

Exhibit 15

Rate Insufficiency Justification

OPTION B

INSIDE CITY RATES

	Current	2017	2018
Service Charge	\$ 7.00	\$ 8.00	\$ 9.00
Price per 100 gallons	\$ 0.75	\$ 0.85	\$ 0.95
Sewer Charge (% of Water Charge)	100%	105%	110%

OUTSIDE CITY RATES

Service Charge	\$ 10.00	\$ 11.50	\$ 13.00
Price per 100 gallons	\$ 0.86	\$ 0.95	\$ 1.05

Sales Tax	9.75%	9.75%	9.75%
-----------	-------	-------	-------

INSIDE CITY CUSTOMERS (AVERAGE CUSTOMER)

Volume 3700 gallons

	Current	2017	2018
Water	\$ 38.14	\$ 43.30	\$ 48.45
Sewer	\$ 34.75	\$ 41.42	\$ 48.57
Total	\$ 72.89	\$ 84.72	\$ 97.02
\$ Increase/ Month	\$	\$ 11.83	\$ 12.30
% Increase		16.23%	14.52%

OUTSIDE CITY CUSTOMERS (AVERAGE CUSTOMER)

Volume 3600 gallons

	Current	2017	2018
Water	\$ 40.96	\$ 45.70	\$ 50.80
\$ Increase/ Month	\$	\$ 4.74	\$ 5.10
% Increase		11.57%	11.16%

REVENUE GENERATED (APPROXIMATE)

	2017	2018	TOTAL
\$	150,000.00	\$ 160,000.00	\$ 310,000.00

James C. Hailey & Company provided three alternatives for rate increases at this time, this was the 2nd most aggressive, and additional rate increases were recommended in 2019 and 2020. At the time the rate increases were fully realized (June 30, 2019 Audit), \$319,978.27 in additional revenue was generated. The later rate increases were not given additional consideration. Following receipt of the WIIN Grant, James C. Hailey & Company received permission from Spencer to seek assistance from Jackson Thornton, CPAs to provide a Cost of Service Study based on current conditions as well as projected capital improvements. These documents were provided to the Spencer City Council in October 2021 for review.

Nathaniel Green, P.E. - James C. Hailey & Company

Exhibit 16

Financial Distress Remedy Plan Answered in Questionnaire

Exhibit 17

State of Tennessee Timeline

Will provide at a later date, we are still compiling information.

SPENCER TIMELINE OF EVENTS

		Total Cost	Water Portion	Sewer Portion	
2002 - Sewer Treatment Plant and Collection System	Sewer Plant	1,581,512.74	-	1,581,512.74	
	Collection System	5,145,847.16	-	5,145,847.16	
2002 - Highway 111 Relocation - Phase I	Relocation Phase I	84,590.70	-	28,196.90	
2002 - State requested revocation of Spencer's effluent permit.					
2007 - State finally allows Spencer a discharge permit for all effluent.	Bass, Berry, Sims	500,000.00	-	500,000.00	<-- Attorney's Fees estimated.
2007 - James C. Hailey & Company opposed the addition of infiltration ponds and refused to design.					
2008 - Effluent Line to Caney Fork	Effluent Line	2,524,725.03	-	2,524,725.03	
2008 - "Innovative" infiltration ponds built by State for effluent disposal.		286,550.00	-	286,550.00	
2008 - State added berm around infiltration ponds due to runoff.					
2010 - State turned over ponds to City of Spencer (something they were told would not happen - State said they would own and maintain from outset).					
2011 - First repairs to infiltration ponds were required (sinkhole).				7,150.00	
2013 - Highway 111 Relocation - Phase II	Relocation Phase II	1,452,155.19	968,103.46	484,051.73	
2015 - Highway 111 Relocation - Phase III	Relocation Phase III	1,171,769.82	1,171,769.82	-	
		\$ 12,747,150.64		\$ 10,558,033.56	

BEFORE THE TENNESSEE WATER AND WASTEWATER FINANCING BOARD

IN THE MATTER OF:)	
)	TENN. CODE ANN. § 68-221-1010
)	FINANCIAL DISTRESS
CITY OF FRIENDSHIP)	

ORDER

On March 24, 2022, the Tennessee Water & Wastewater Financing Board (the “Board”) reviewed the financially distressed status of the City of Friendship (the “City”) pursuant to Tenn. Code Ann. § 68-221-1010. Board staff updated the Board on certain steps the City has taken as a result of the Board’s Order entered on September 18, 2020 (“September 18 Order”), and on litigation involving the City. Based on Board staff’s statements and recommendations the Board hereby modifies its September 18 Order as follows:

1. The requirement for the City to implement water rate option 4 of the TAUD report and TAUD’s sewer rate recommendation is hereby stayed indefinitely pending further order of the Board. The Board reserves the right to reinstate or modify said requirement in any such subsequent order.
2. By June 30, 2022, the City shall implement, or adopt a plan for implementing that is acceptable to the Board staff, the recommendations listed under “Other Suggestions” on page 18 of the TAUD report and shall send Board staff proof of the same by July 31, 2022.
3. Notwithstanding the above, the City may proceed to install Zenner water meters in lieu of those currently used by Countywide Utility District.
4. The City shall provide Board staff regular updates on the status of litigation related to its water system and the City’s progress in complying with this Order on at least a monthly basis.

5. Unless specifically modified herein, the provisions of the September 18 Order shall remain in full force and effect.

ENTERED this ___ day of March, 2022.

BETSY KNOTTS, Chair
Water & Wastewater Financing Board

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served via certified mail return receipt requested to the following on this ___ day of March, 2022:

Friendship
Address
City, State, Zip

J. Seth May
Assistant General Counsel



JASON E. MUMPOWER
Comptroller

Water Loss Changes

The WWFB and UMRB currently have the established parameters for a water loss referral:

Non-Revenue Water by Cost greater than or equal to 20%

Validity Score less than or equal to 80

Board staff recommends changing the parameter to:

Water Loss by Volume greater than 40% based on the values provided by the entities in their Annual Information Report which is submitted to the Comptroller's Office.

Board staff is recommending the following questions to be added to the Annual Information Report to gather this information along with gathering information to develop future water loss criteria.

1. How much water did the utility purchase or produce last fiscal year?
2. How much water did the utility sell last fiscal year?
3. What were the total operating expenses including depreciation last fiscal year for the water utility?
4. What is the billed amount for the average customer that uses 1,000 gallons of water?
5. What is the billed amount for the average customer that uses 3,000 gallons of water?
6. What is the billed amount for the average customer that uses 5,000 gallons of water?

Annual Information Report

* Required

Basic Utility Information

If you have any questions regarding this questionnaire, please feel free to contact us at utilities@cot.tn.gov (<mailto:utilities@cot.tn.gov>).

1. Please Enter Your Utility ID Code Provided to You *

If you do not know your Utility ID Code, please reach out to Comptroller Utility Staff at utilities@cot.tn.gov (<mailto:utilities@cot.tn.gov>).

2. Legal Name of Utility *

3. Office Location- Address Line 1 *

4. Office Location- Address Line 2

5. Office Location- City, State *

516

6. Office Location- Zip Code *

7. Current Fiscal Year End Date *



Format: M/d/yyyy

8. Has the utility filed its most recent budget with the Comptroller's office within 15 days of adopting the budget? *

Yes

No

9. Has the utility filed its most recent audit with the Comptroller's office within 6 months of the last fiscal year end? *

Yes

No

Contact Information for Utility

Please enter information for the utility and the individual responsible for communication for the utility.

10. Contact Person- First Name

11. Contact Person- Last Name

12. Utility Email Address

13. Utility Phone Number

14. Utility Mailing Address- Line 1

15. Utility Mailing Address- Line 2

16. Utility Mailing Address- City, State

17. Utility Mailing Address- Zip Code

18. Roughly how many years ago was the last rate study or cost of service study performed by a third party for this utility?

- Less than 1
- 1
- 2
- 3
- 4
- 5
- More than 5
- Never

19. Which Tennessee county has your largest amount of customers? *

20. How many counties does your utility serve? *

- Only 1
- 2
- 3
- 4
- 5
- 6 or More

21. Which Tennessee Counties do you serve? *

520

22. Does your utility offer water service? *

Yes

No

23. How much water did the utility purchase or produce last fiscal year? *

24. How much water did the utility sell last fiscal year? *

25. What were the net water sales for the last fiscal year for the water utility? *

26. What were the total operating expenses including depreciation for the last fiscal year for the water utility? *

If this utility operates a combined fund (Water and Sewer combined), please isolate water expenses from sewer expenses and provide the actual operating cost for the water system.

27. What is the billed amount for the average customer that uses 1,000 gallons? * 521

28. What is the billed amount for the average customer that uses 3,000 gallons? *

29. What is the billed amount for the average customer that uses 5,000 gallons? *

30. Water Customer Count *

31. Does your water utility have connections to other utilities? If so, which ones. *

32. Do you purchase more than 50% of the water that you sell to customers? *

Yes

No

33. If yes, please upload a copy of any contracts that you may have regarding the purchase⁵²² of water for sale to customers. *

34. Does your utility offer wastewater service? *

Yes

No

35. Wastewater Customer Count *

36. Does your wastewater utility have connections to other utilities? If so, which ones. *

37. Does your utility offer gas service? *

Yes

No

38. Gas Customer Count *

39. How is your utility governed? *

- City Council/Board of Mayor and Aldermen
- Appointed Board by Local Government
- Utility District Board
- Authority
- County Commission

40. Is your governing body in compliance with the training requirements pursuant to Tenn. Code Ann. § 7-82-308(f) for Utility Districts? *

- Yes
- No

41. Is your governing body in compliance with the training requirements pursuant to Tenn. Code Ann. §§ 7-82-308(f), 68-221-605(f), & 68-221-1305(f) for Authorities? *

- Yes
- No

42. Is your governing body in compliance with the training requirements pursuant to Tenn. Code Ann. § 7-34-115(j) for Municipal and County systems? *

- Yes
- No

Financial Distress Questionnaire

* Required

* This form will record your name, please fill your name.

Comptroller Filings

1. Has the utility filed an annual information report by the first day of its current fiscal year?

Yes

No

2. Has the utility filed its most recent budget with the Comptroller's office within 15 days of adoption?

Yes

No

3. Has the utility filed its most recent audit with the Comptroller's office within 6 months of the last fiscal year end?

Yes

No

Please file the Annual Information Report prior to completing this questionnaire.

The annual information report can be found here: **xxxxxxx**. You will require a Utility ID code to fill out this report. If you do not know the code for your utility, please reach out to Comptroller staff at utilities@cot.tn.gov (mailto:utilities@cot.tn.gov) or 615-747-5260.

4. Does the utility have a plan to remedy the current financial distress? *

Yes

No

5. Please provide a detailed copy of the current plan to remedy the financial distress of the utility.

 Upload file

File number limit: 1 Single file size limit: 100MB Allowed file types: Word,PDF

6. Please provide a written statement concerning why a plan has not been generated to remedy the financial distress.

Rate Study

7. Has a third party completed a rate study for the utility in the previous 5 years?

Yes

No

8. Please upload a copy of the most recent rate study.

 Upload file

File number limit: 1 Single file size limit: 100MB Allowed file types: PDF

Utility Information

9. Does this utility offer water service? *

Yes

No

10. Does this utility offer wastewater service? *

Yes

No

Water Utility Questions

11. Has the utility implemented any water rate changes in the previous 5 years? *

Yes

No

12. Were these water rate changes based on a rate study by a third party? *

Yes

No

13. Please upload a copy of your most recent rate ordinance or resolution. *

 Upload file

File number limit: 1 Single file size limit: 100MB Allowed file types: PDF

14. How many billed customers do you have? *

The value must be a number

15. How many unbilled customers do you have? *

The value must be a number

16. How many metered customers do you have? *

531

The value must be a number

17. How many unmetered customers do you have? *

The value must be a number

18. What percentage of your sales do your largest 10 customers account for annually? *

(Annual revenue from largest 10 customers / total wastewater revenue)

19. What percentage of your volume do your largest 10 customers account for annually? *

(Annual gallons of water sold to largest 10 customers / total water revenue)

20. Does this utility produce its entire water supply without purchasing water from another utility? *

Yes

No

21. Does this utility have a water connection to another utility? *

Yes

No

22. List the other utility or utilities that this water system has a connection to. *

23. Is it feasible for this utility to regionalize, merge, or consolidate with a surrounding utility to improve water service to its current or future customer base? *

Yes

No

24. Does this utility wholesale water to any customers? *

Yes

No

25. Does a contract exist for these wholesale rates? *

Yes

No

26. Are there any environmental concerns for the water utility that will put a financial ⁵³³ burden on the system? *

Yes

No

27. Please describe these environmental concerns and the extend of the financial burden that will be placed on the system. *

Wastewater Utility Questions

28. Has the utility implemented any wastewater rate changes in the previous 5 years? *

- Yes
- No

29. Were these wastewater rate changes based on a rate study by a third party? *

- Yes
- No

30. Please upload a copy of your most recent rate ordinance or resolution. *

 Upload file

File number limit: 1 Single file size limit: 100MB Allowed file types: PDF

31. How many billed customers do you have? *

The value must be a number

32. How many unbilled customers do you have? *

The value must be a number

33. How many metered customers do you have? *

535

The value must be a number

34. How many unmetered customers do you have? *

The value must be a number

35. What percentage of your sales do your largest 10 customers account for annually? *
(Annual revenue from largest 10 customers / total wastewater revenue)

36. Excluding any customers on wells, are all customers billed based on water usage? *

Yes

No

37. Since customer bills are not based on water usage, please explain how customer sewer bills are derived. *

38. Does this utility have any wastewater customers on wells? *

Yes

No

39. How are the customers on wells billed? *

40. Does this utility treat its own wastewater? *

Yes

No

41. What is the design capacity of the treatment facility? *

42. What is the average operating capacity of the treatment facility? *

43. What utility treats the wastewater collected by this utility? *

537

44. Is it feasible for this utility to regionalize, merge, or consolidate with a surrounding utility to improve wastewater service to its current or future customer base? *

45. Are there any environmental concerns for the wastewater utility that will put a financial burden on the system? *

Yes

No

46. Please describe these environmental concerns and the extent of the financial burden that will be placed on the system. *

47. Does this utility have a sewer use ordinance or resolution? *

Yes

No

48. Please provide a copy of the sewer use ordinance or resolution. *

538

↑ Upload file

File number limit: 1 Single file size limit: 10MB Allowed file types: Word,Excel,PPT,PDF,Image,Video,Audio

49. How is this sewer use ordinance or resolution enforced? *

50. Does the utility's governing body have any plans to implement a rate increase in the next 6 months?

Yes

No

51. Is this rate increase based on a rate study conducted by a third party?

Yes

No

52. Does this utility have a rate structure with differing rates based on geographical location?

For example: Inside/Outside City Limits or Communities or Neighborhoods with Differing Rates

Yes

No

53. Please provide a document showing the customer counts for each of these rate classes.

 Upload file

File number limit: 1 Single file size limit: 100MB Allowed file types: Word,Excel,PDF

54. Please explain the method in which these differing rate structures have been deemed reasonable and justifiable.

If unknown, please answer "Unknown".

55. Has your utility had any changes to fees in the last 5 years? *

Yes

No

56. Please describe the changes to the fees as indicated in the previous question.

57. Please upload a copy of the current utility fee schedule.

 Upload file

File number limit: 1 Single file size limit: 10MB Allowed file types: Word,Excel,PPT,PDF,Image,Video,Audio

58. Please provide a written rationale for the current charges for the fees contained in the current fee schedule.

A large, empty rectangular box with a thin black border, intended for the user to provide a written rationale for the current charges for the fees contained in the current fee schedule.

59. Does this utility have a debt management policy?

Yes

No

60. Please provide a copy of the utility's debt management policy.

 Upload file

File number limit: 1 Single file size limit: 10MB Allowed file types: Word,Excel,PPT,PDF,Image,Video,Audio

61. Please provide a written rationale for why a debt management policy has not been adopted.

62. Does this utility have a capitalization policy?

Yes

No

63. Please provide a copy of the capitalization policy.

 Upload file

File number limit: 1 Single file size limit: 10MB Allowed file types: Word,Excel,PPT,PDF,Image,Video,Audio

64. Please provide a written rationale for why a capitalization policy has not been adopted.

65. Does this utility have a leak adjustment policy?

Yes

No

66. Please provide a copy of the leak adjustment policy.

 Upload file

File number limit: 1 Single file size limit: 10MB Allowed file types: Word,Excel,PPT,PDF,Image,Video,Audio

67. Please provide a written rationale for why a capitalization policy has not been adopted.

68. Does this utility keep a copy of its capital asset list on file?

Yes

No

69. Does the staff or governing body of the utility review its capital asset list regularly?

Yes

No

70. How often is this list reviewed and by whom?

71. Does the utility have a capital asset management plan?

Yes

No

72. Provide a copy of the most recent asset management plan.

 Upload file

File number limit: 1 Single file size limit: 100MB Allowed file types: Word,Excel,PPT,PDF,Image,Video,Audio

73. Has the utility incurred any new debt during the current fiscal year, or does the utility plan on incurring any new debt during the current or next fiscal year.

Yes

No

74. What will this debt be used for? What is the source of this debt?

75. Has the utility received any grants or capital contributions during the current fiscal year, or does the utility plan on applying for any grants or capital contributions during the current or next fiscal year?

Yes

No

76. What will the grant or capital contribution be used for? What is the source of these grants or capital contributions?