

**BEFORE THE TENNESSEE UTILITY MANAGEMENT REVIEW BOARD**

**In the matter of:**

**WITT UTILITY DISTRICT**                    )  
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  )   **TENN. CODE ANN. §§ 7-82-308, 702**  
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**ORDER**

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On June 16, 2023, the Tennessee Utility Management Review Board (“the Board”) held a special-called meeting to determine whether to initiate a contested case hearing on the question of the removal of the commissioners of Witt Utility District (“Witt”) from office pursuant to Tenn. Code Ann. §§ 7-82-307 and 702 in light of a recent Comptroller investigative report.

Witt is a water-only utility district that serves roughly 2,100 customers in Hamblen and Jefferson Counties. Witt’s Board of Commissioners is comprised of three individuals: Michael Rouse, Michael Phagan, and Terry Sellars, Mr. Sellars having served for less than a year.

The Division of Investigations within the Tennessee Comptroller’s Office released a report on May 17, 2023 (“the Report”), summarizing its investigation into Witt. The Report described several instances of alleged malfeasance which resulted in the indictments of Witt’s manager, Benjamin Harris, and his brother, Joseph Harris, who serves as the district water treatment operator.

The Board heard the summary and recommendation of Board staff, the testimony of Benjamin Harris and a number of citizens from the service area of Witt and the East Sevier County Utility District, and claims by Witt’s counsel that they have information to present that

has not been previously considered. In consideration of everything presented, the Board orders as follows:

1.
  - a. The UMRB directs Board staff to meet with representatives of Witt Utility District to review the allegations contained in the Comptroller's May 17, 2023 report and to review any evidence indicating that either the allegations are false, or that they do not demonstrate a failure of oversight on the part of Commissioners Michael Rouse and Michael Phagan.
  - b. If, on September 1, 2023, Board staff believes the evidence still demonstrates a failure of oversight, Board staff will initiate a contested case on behalf of the Board, to determine whether Commissioners Michael Rouse and Michael Phagan should be removed as Commissioners, pursuant to Tenn. Code Ann. §§ 7-82-307 and 702.
  - c. Board staff shall prepare the matter for hearing, including having the matter docketed with the Secretary of State's Administrative Procedures Division.
2. UMRB staff is authorized to close the contested case should Commissioners Michael Rouse and Michael Phagan resign, including by nonsuit, motion to dismiss, or whatever other action is necessary.
3. UMRB staff shall determine the total amount of illegal pay and benefits Commissioners Michael Rouse and Michael Phagan have received during the period in which they have served and not filed an annual training statement.

So ORDERED on this, the 23 day of June, 2023.

  
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Greg Moody, Chair  
Utility Management Review Board