



AGENDA
Utility Management Review Board

February 7, 2013

10:00 am

Room 31, Legislative Plaza

301 Sixth Avenue North

(6th Avenue between Charlotte Avenue and Union Street)

Nashville, Tennessee

Call to Order

Approval of Minutes

October 4, 2012

Election of officers

Cases:

Carderview Utility District
Natural Gas Utility District

Johnson County
Hawkins County

Status:

Bedford County Utility District
Iron City Utility District
Lone Oak Utility District

Bedford County
Lawrence County
Sequatchie County

Cases – Water loss:

Cherokee Hills Utility District
Mooreburg Utility District
West Point Utility District
Samburg Utility District

Polk County
Hawkins County
Lawrence County
Obion County

Status – Water loss:

Minor Hill Utility District
Double Springs Utility District
Quebeck-Walling Utility District

Giles County
Putnam County
White County

Compliance:

Cedar Grove Utility District
Claiborne County Utilities District
Harbor Utility District

Carroll County
Claiborne County
Benton County

Miscellaneous:

Name change and merger
Pending legislation
Complaint log
Jurisdiction list

Hamilton County

Next UMRB regular meeting

April 5, 2012

To be held in Smithville re: DeKalb UD rate review petition
2013 meeting dates

Open Discussion

Visitors to the Legislative Plaza are required to pass through a metal detector and must present photo identification. Individuals with disabilities who wish to participate in this meeting or to review filings should contact the Division of Local Government Audit to discuss any auxiliary aids or services need to facilitate such participation. Such contact may be in person or by writing, telephone or other means, and should be made prior to the scheduled meeting date to allow time to provide such aid or service. Contact the Division of Local Government Audit (Ms. Joyce Welborn) for further information.

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MINUTES
of the
UTILITY MANAGEMENT REVIEW BOARD MEETING
October 4, 2012
10:00 am

Chairperson Ann Butterworth opened the meeting of the Utility Management Review Board (UMRB) in Room 31 of the Legislative Plaza in Nashville, Tennessee.

Board members present and constituting a quorum:

Ann Butterworth, Chairperson, Comptroller Designee

Tom Moss, Vice-Chairman, Commissioner of the Department of Environment and Conservation (TDEC) Designee

Donnie Leggett, Hardeman-Fayette Utility District Manager

Charlie Anderson, Bloomingdale Utility District Commissioner

Troy Roach, New Market Utility District Manager

Donald Stafford, Eastside Utility District Manager

Jason West, Second South Cheatham Utility District Commissioner

Rebecca Hunter, Hixson Utility District Commissioner

Staff present:

Joyce Welborn, Comptroller's Office

Greg Cothron, Assistant General Counsel, Comptroller's Office

Sheila Reed, Division of Local Government Audit, Comptroller's Office

Ms. Butterworth welcomed new member Rebecca Hunter, a commissioner from Hixson Utility District in Chattanooga.

Approval of Minutes

Mr. Anderson moved approval of the minutes of August 9, 2012. Mr. Stafford seconded the motion, which was unanimously approved.

Rate review petition DeKalb Utility District ratepayers vs. DeKalb Utility District

Mr. Cothron explained the request before the Board as a petition filed under TCA 7-82-102 by the ratepayers of the DeKalb Utility District. Mr. Cothron's opinion is that the petition is not requesting a rate review, but is requesting a review of the services being provided by the DeKalb Utility District, specifically those related to the construction of a water treatment facility. The District has for many years purchased its water from the City of Smithville.

Mr. Jason Holleman, attorney for the ratepayers, stated that the petition requested a rate review of the District as well as the review of the decision of the Commissioners of the District to build the treatment facility. The bond issue had been approved, although the issuance is pending the actions of the UMRB. Mr. Holleman also stated the ratepayers believe the construction of the plant is redundant, unnecessary and will cause rate increases to ratepayers of both the District and the City of Smithville. He also asked, if the petition is found to not be sufficient based on Board counsel's opinion, it be allowed to be amended.

Mr. Keith Blair, attorney for the DeKalb Utility District, stated that the commissioners of the District made a management decision they feel is in the best interest of the customers of the District. He asked the Board do support the Board counsel's opinion and dismiss the petition.

Mr. West moved to take no action on the petition as presented, withdrawn. Mr. Anderson moved to continue any action until the next meeting, Mr. West seconded the motion. Motion and second were withdrawn.

After questions from Board members, Mr. Roger Turney, Chairman of the District's Board of Commissioners, spoke, stating that every delay is costing the District's customers money because of the interest rates and costs related to the bond issue. He asked that the Board not overrule the management decision of the Board of Commissioners.

Mr. Leggett called for the question. The continuing motion failed by vote voice. Mr. Moss stated that he did not believe it is within the statutory authority of the UMRB to override the management decisions of the Board of Commissioners and moved to dismiss the request to evaluate the need for a new treatment plant, but recommend the rate study be done as referenced in TCA 7-82-102. Mr. Stafford seconded the motion which passed with Mr. Leggett voting no.

Customer complaint reviews

Clayton vs. Bedford County Utility District

Mr. John Clayton filed a complaint stating that the Bedford County Utility District had not followed its policies by not notifying him promptly, either by door hanger or a phone call, of a possible leak. If proper procedures of the District had been followed he would not be required to pay over \$700 for water leakage. The District appears to follow its procedures regarding a phone call, but the phone number on file had been disconnected by Mr. Clayton. The District had not been notified of any change in the contact information.

Mr. Roach asked Mr. Clayton why he hadn't noticed the increased amount on the water bill for the first month and corrected the issue. Mr. Clayton stated that he had been in the hospital and had simply misread his water bill, paying the normal amount. Mr. Martin Davis, Manager of the District stated that the District attempted to follow its policies in place at the time and, since the incident with Mr. Clayton, have clarified and updated those policies. Mr. Roach moved to accept the staff

recommendation to find in favor of the District. Mr. Stafford seconded the motion which was carried unanimously.

Gambrel vs. Arthur Shawanee Utility District

Mr. and Mrs. Gambrel filed a complaint stating that Arthur Shawanee Utility District had not followed its policies by discontinuing water service without notice and causing damage inside the house because of the pressure release during reconnection. Although the Gambrels were not present, Mr. Eric Garland, manager of the District stated that they try very hard to follow their own policies and felt like they had done so. He also stated that employees of the District had been to Ms. Gambrels property several times dealing with additional leaks in her plumbing. Mr. Stafford moved to accept the staff recommendation to find in favor of the District. Mr. Anderson seconded the motion which carried unanimously.

Stark vs. First Utility District of Hardin County

Mr. Don Stark filed a complaint stating that First Utility District of Hardin County had not followed its policies. The meter readings at his cabin reflected abnormal usage at least four times since 2001. The property is rarely used and the District accepts no blame and won't test the meter at its expense. Information provided by the District appeared to reflect that its policies were followed. Representatives from the District were present. Ms. Hunter moved to accept the staff recommendation to find in favor of the District. Mr. Leggett seconded the motion which carried unanimously.

Grimm vs. H. B. & T. S. Utility District

Ms. Barbara Grimm filed a complaint stating that H. B. & T. S. Utility District had not followed its policies regarding the adjustment of water leaks because the District should have located the leaks. Ms. Grimm was not present. Mr. Dewey Branstetter, attorney for the District, stated that the proper adjustments had been made. In fact, the District had made repairs to the Grimm property which should have been paid for by the Grimm. Mr. Anderson moved to accept the staff recommendation to find in favor of the District. Mr. Moss seconded the motion which carried unanimously.

Cases – Financial

Clarksburg Utility District

Clarksburg Utility District had been reported to the Board for two consecutive years with a negative change in net assets in its water system. Effective October 1, 2012, the commissioners voted to increase the minimum bill by \$1.00 and all usage over 2,500 gallons by \$0.25 per thousand. Staff had recommended to the District an 8% increase. The increase passed was approximately 5.4%. Although this is marginal, staff recommended the Board endorse the actions of the District and continue to monitor it. Mr. Leggett moved to accept staff's recommendation. Mr. Stafford seconded the motion which was carried unanimously.

Siam Utility District

The Siam Utility District had been reported to the Board for two consecutive years with a negative change in net assets and excessive water loss of 39.81%. This case had been postponed from the previous meeting because current information had not been submitted. Effective April 2012, rates were increased approximately 24% on a 5,000 gallon water bill. Expenses are being reduced in the future by the purchase of water from the Watauga River Regional Water Authority, resulting in savings of \$3,500 monthly in electrical (pumping) costs and eliminating the use of chemicals. One-time expenses related to the installation of a water line and replacement of some 4" or 6" lines should be eliminated. The District has also started an aggressive leak detection program. Mr. Leggett moved to endorse the actions of the Siam Utility District. Ms. Hunter seconded the motion which carried unanimously.

Cases - Water Loss

Cherokee Hills Utility District

Cherokee Hills Utility District had been reported as having an excessive water loss of 100%. This is a non-metered system that was developed many years ago by the copper company. District officials have stated that meters are not necessary and wish to be exempted from, or grandfathered in, the water loss requirements. Mr. Moss moved to require District officials to attend the next board meeting to explain why meters are not necessary and why the average customer use exceeds 9,000 gallons per month. Mr. Leggett seconded the motion. Motion carried unanimously.

Hampton Utility District

Hampton Utility District had been reported as having excessive water loss of 35.49%. The case had been postponed from the last meeting of the Board because of questions related to the water loss information that had been submitted. The three commissioners of the District, the manager and the engineer were present. They explained that the District has installed over 1,300 new radio-read meters and still have about 250 to install. A major leak had been repaired this week under a four-lane highway that was a major contributor to the water loss. For projects had been completed recently (totaling over \$1,300,000 that should assist in water loss reduction. Two more projects are underway. Mr. Moss moved to endorse the actions of the District and continue to monitor the water loss issues. Mr. Stafford seconded the motion which was carried unanimously.

Jackson County Utility District

Jackson County Utility District had been reported to the Board as having excessive water loss of 36.93%. Mr. Moss the AWWA information was incorrect because of the Infrastructure Leakage Index (ILI) of less than "1." Mr. Chris Leauber, water loss consultant, stated that he had spoken with the District and it was nothing to worry about in this case. The pressure levels will reduce the ILI. The District has zones established that allows them to better monitor the situation. Mr. Moss moved to accept the actions of the District and continue to monitor the situation. Mr. Stafford seconded the motion. Motion was carried unanimously.

South Giles Utility District

South Giles Utility District had been reported for excessive water loss of 40.744%. The District submitted the information required by the Board. Mr. Leggett moved to accept the information submitted and continue to monitor in conjunction with the annual audit. Mr. Roach seconded the motion which carried unanimously.

Woodlawn Utility District

Woodlawn Utility District had been reported for excessive water loss of 37%. The District submitted the information required by the Board. Mr. Roach moved to accept the information submitted and continue to monitor in conjunction with the annual audit. Ms. Hunter seconded the motion which carried unanimously

Status Reports

The Board received status reports from Bloomingdale, Fall River Road, and Gibson County Municipal Water utility districts.

Compliance reports

The Savannah Valley Utility District was presented to the Board as compliance reports. This district has submitted financial statements which reflect both compliance with water loss and a positive change in net assets.

Miscellaneous

Ms. Welborn stated that the jurisdiction list and the water loss sheets were in the packet. She distributed a complaint log and a new listing of the board members.

The next meeting is currently set for February 7, 2013. No cases have been scheduled for December 6, 2012.

Mr. Leggett moved to adjourn the meeting. Mr. Anderson seconded the motion. The meeting adjourned at 12:05 pm CT

Respectfully submitted,

Ann Butterworth
Chairperson

Joyce Welborn
Board Coordinator

UTILITY MANAGEMENT REVIEW BOARD
Case Study

Case: Carderview Utility District, Johnson County
Manager: Sharon Church
Customers: 403 water
Water loss: 19.92%

The Carderview Utility District has been reported to the Board as having two consecutive years with a negative change in net assets in its water system as of June 30, 2012.

The financial and rate history is reflected on the attached sheet. The system has two wells and approximately fifty miles of water line.

District officials attribute the financial condition to the fact that there have been no new tap – in fact, they have lost customers – and no awards of grant funds. However, a new USDA Rural Development loan/grant of \$280,000/\$130,000 closed on October 31, 2012. The interest rate is set at 3.45% for 38 years. That project is to make repairs at the plant, install an aerator for iron, and build a much larger water tank. The old tank had been leaking which resulted in a higher water loss for 2011.

In July 2012, the minimum water bill was increased by \$2.00, but the usage was also increased from 2,000 gallons to 2,500 gallons. Effective January 1, 2013, the minimum usage was again set at 2,000 gallons.

Relatively new meters, purchased from Consolidated Utility District in Rutherford County, were recently installed.

Staff recommends the Board endorse the actions of the Carderview Utility District. The District will remain under the jurisdiction until an audit is received which reflects compliance.

CARDERVIEW UTILITY DISTRICT					
HISTORY FILE					
	Audited	Audited	Audited	Audited	Audited
Fiscal Year June 30	2008	2009	2010	2011	2012
Water revenues	\$ 116,944	\$ 119,969	\$ 159,648	\$ 155,365	\$ 148,299
Other revenues	\$ 5,263	\$ 14,688	\$ 29,514	\$ 19,075	\$ 13,262
Grant revenue	\$ 51,836	\$ 56,733	\$ 4,002		
Total Operating Revenues	\$ 174,043	\$ 191,390	\$ 193,164	\$ 174,440	\$ 161,561
Total Operating Expenses	\$ 148,971	\$ 176,214	\$ 195,100	\$ 169,757	\$ 173,029
Operating Income	\$ 25,072	\$ 15,176	\$ (1,936)	\$ 4,683	\$ (11,468)
Interest Expense	\$ 9,395	\$ 8,854	\$ 9,047	\$ 14,260	\$ 8,298
Change in Net Assets	\$ 15,677	\$ 6,322	\$ (10,983)	\$ (9,577)	\$ (19,766)
<u>Supplemental Information</u>					
Principal payment	\$ 2,022	\$ 2,530	\$ 5,034	\$ 10,300	\$ 2,870
Depreciation	\$ 35,224	\$ 35,779	\$ 35,518	\$ 39,308	\$ 41,374
Water Rates					
Residential					
0 - 2,000 gallons	\$ 22.85	\$ 25.66	\$ 27.16	\$ 27.16	\$ 27.16
All over	\$ 3.50	\$ 3.75	\$ 5.50	\$ 5.50	\$ 5.50
Commercial					
0 - 2,000 gallons	\$ 29.20	\$ 25.66	\$ 32.00	\$ 32.00	\$ 32.00
All over	\$ 6.75	\$ 3.75	\$ 9.00	\$ 9.00	\$ 9.00
Water customers	333	347	347	403	343
Water Loss	10.330%	12.450%	9.800%	25.450%	19.920%
Tap fee	\$ 1,500.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00
Address change	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Turn on after non payment	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
Returned check fee	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00
Late payment fee - residential	\$ 3.00	\$ 7.00	\$ 5.00	\$ 5.00	\$ 5.00
Late payment fee - commercial	\$ 5.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00
Connection fee - owner			\$ 50.00	\$ 50.00	\$ 50.00
Connection fee - renter			\$ 100.00	\$ 100.00	\$ 100.00
Reconnection fee			\$ 50.00	\$ 50.00	\$ 50.00
Payment by debit card				\$ 1.00	\$ 1.00
Cleaning around meters				\$ 25.00	\$ 25.00

Carderview Utility District

DEC 28 2012

P O Box 210
Butler, TN 37640
Phone (423)-768-2527
Fax (423)-370-1303
cndb@embarqmail.com

December 20, 2012

Joyce Wellborn
Division of Local Finance
Suite 1700 James K Polk State Office Building
505 Deadrick St.
Nashville, TN 37243-0274

Dear Joyce

As promised I am writing to let you know that the board of commissioners made a small but hopeful change in the rates for the utility in hopes that the change will be sufficient to show a profit in revenue for the years 2012-2013.

The change is in the gallons used, we went back to the 2,000 gallons from what was 2,500 changed in July, effective January 1, 2013. They will watch to see if this is enough revenue and make any necessary changes in June when they begin a new budget.

*Thank you for assisting me with this matter.
Merry Christmas and Happy New Year.*

Sincerely,



Sharon Church
Carderview Utility District
Manager

Carderview Utility District

Business Meeting Minutes

December 3, 2012

The utility commissioners met for the last quarterly meeting for 2012 with our president absent. We had David Markland to oversee the meeting with Katie Harrell, Sharon Church, manager, Michael Jackson, operator, and David Wykle of W&W Engineers LLC. Visitors are Merry Murdock and Earl Garland present representing the Butler Ruritan Club. The meeting was called to order.

The representatives from the Ruritan Club were recognized first so that they could attend their meeting that was to start later this afternoon. Merry wanted to present a letter of recommendation asking about the recently removed meter in the Butler Park be partially replaced. They wanted the water fountain removed and the water disconnected they don't intend to use the water but they wanted to leave the meter intact for future use if they wanted and would not have to pay for another tap fee. They were granted this request. The utility would put the tap back in and it would be locked until they decided to use it again.

David Wykle was next on the agenda to talk with; he recommended a resolution to the commissioners to adopt stating that the commissioners award the contract to the low bidders in the Projector work to be done on the utility. Welding Inc. was low bidder on the construction of a 150,000 gallon water storage tank located in the Hill St area. The second contract awarded was to Tipton Construction, they we low bidders to make change new and repairs to the pumps and water line changes in Horseshoe Cove Sub-division. The resolutions were approved by the commissioners results were, Aye – 2, Nay- 0, and absent- 1. The resolution will be designed as such and signed by the commissioners and recorded as is. Motion was made by David Markland to accept and second by Katie S Harrell. We talked with the engineer about making the necessary changes to save money on the two projects and the Rural Development approved this proposal. We will start with the two contractors and start by making a few work order changes that they have agreed to.

The financial report and the adjustments report were presented along with the minutes of the last meeting and were all approved as presented. The commissioners signed off on all reports.

The manager reported that a letter from USDA/RUD was received about the funds for the Loan Myer Grant money of \$112,000.00. The letter states that the emergency funds would be taken from the Utility because the funds were for that project only and couldn't be used somewhere else. The commissioners didn't see any cause to try to keep the funds since the project is complete and the funds were for that purpose only.

Page 2

Minutes of Dec 3, 2012

An adjustment was made by the commissioners to change the gallons used for all customers back to 2,000 gallons instead of the 2,500 gallons changed in July 2012. The revenue wasn't enough of a change to help the utility to show enough income to aid in the deficit shown in the last two audits. This will be assessed in July to see how the revenue has changed. A letter will be sent to Joyce Welborn at the Comptroller's office about this change. This change is approved by Katie Harrell and David Markland, commissioners.

Lastly a State Form CT0253 was presented at the meeting to show the public for closing certificate on the loan closing of our #230,000.00 loan from USDA/RUD. After the meeting the form is to be sent to the Director's office in Nashville, TN, for State and Local Finance. It was presented to public

Being no more business the meeting was adjourned at about 8:15p.m.

Submitted by Sharon Church



CUD Manager

Katie Shoun Harrell , Commissioner

David Markland, Commissioner

UTILITY MANAGEMENT REVIEW BOARD
Case Study

Case: Natural Gas Utility District, Hawkins County
Manager: Patrick Lund
Customers: 7,000 natural gas; 1,500 propane

The Hawkins County Gas Utility has been reported to the Board as having two consecutive years with a negative change in net assets in its gas system as of March 31, 2012.

The financial and rate history is reflected on the attached sheet. The District has been debt free since 2000.

An uncollectable account written off in FY 11 and collected in FY 12 resulted in the negative change in FY 11. District officials explained that the sales of natural gas were down 18% and propane gas sales were down 20% from FY 11 to FY 12 due to an unseasonable warm winter

The Board deferred a natural gas rate increase until April 2013 to help customers through the winter. A propane rate increase had taken effect the previous year. The wholesale cost of propane has declined from the previous year, but the rates were not reduced. The District has sufficient cash reserves to weather another loss. In the meantime, the District is studying a weather normalization rate. Those rates will result in a cheaper base rate during cold weather and a higher base rate during warmer weather.

A new customer will be added in the first quarter of 2013 that will result in 15% more gas sales. The District installed the new line to provide the service, but the customer will pay base rates plus a surcharge of ninety cents per dekatherm (plus gas costs) and \$9,040 per month for five years in order to reimburse the District for the line.

Additional information regarding a recent rate study is included in the packet within the letter from the District.

Staff recommends the Board endorse the actions of the Natural Gas Utility District. The District will remain under the jurisdiction until an audit is received which reflects compliance.

HAWKINS COUNTY GAS UTILITY DISTRICT				
HISTORY FILE				
	Audited	Audited	Audited	Audited
Fiscal Year March 31	2009	2010	2011	2012
Gas revenues	\$ 13,737,714	\$ 11,007,681	\$ 10,448,366	\$ 8,913,755
Other revenues	\$ 375,912	\$ 274,090	\$ 232,069	\$ 163,752
Total Operating Revenues	\$ 14,113,626	\$ 11,281,771	\$ 10,680,435	\$ 9,077,507
Total Operating Expenses	\$ 13,644,186	\$ 10,789,086	\$ 10,705,949	\$ 9,663,675
Operating Income	\$ 469,440	\$ 492,685	\$ (25,514)	\$ (586,168)
Interest Expense				
Change in Net Assets	\$ 469,440	\$ 492,685	\$ (25,514)	\$ (586,168)
<u>Supplemental Information</u>				
Principal payment				
Depreciation	\$ 661,729	\$ 635,689	\$ 604,239	\$ 549,464
<u>Gas Rates</u>		<u>10/1/2004</u>		
<u>Residential</u>				
First therm		\$ 4.95	\$ 4.95	\$ 4.95
1- 50 therms		\$ 0.577	\$ 0.577	\$ 0.577
51 - 150 therms		\$ 0.567	\$ 0.567	\$ 0.567
over 150 therms		\$ 0.557	\$ 0.557	\$ 0.557
The average cost of gas is added to these rates monthly				
Customers	6,852	6,914	7,025	7,127



HAWKINS COUNTY GAS UTILITY

P.O. BOX 667 • 202 PARK BOULEVARD • ROGERSVILLE, TN 37857

TELEPHONE 272-8841 • 246-4212

December 31, 2012

Joyce Welborn
Legislative Auditor
Utility Management Review Board
Division of Local Government Audit
Suite 1500, James K. Polk Building
505 Deaderick Street
Nashville, TN 37243-1402

RE: Remediation of Being Financially Distressed

Dear Ms. Welborn,

The District has had a rate study conducted by an outside consultant who specializes in natural gas affairs. This rate study was presented to the Board and discussed. The study found that the District had actually reduced its operating expenses that it can control by over \$200,000 since 2004. However, expenses it has little or no control over like transmission pipeline charges, insurance, etc., have increased considerably.

The study recommended the following changes:

- 1) Increase the base rate by \$0.06/therm across all rate classes. This will generate approximately \$455,900/yr.
- 2) Increase the minimum monthly bill by \$1.00 for all rate classed except industrial. This will generate approximately \$81,800/yr.
- 3) Maintain current propane pricing. This will generate approximately \$269,700 more than last year due to lower wholesale costs.

In total these proposed changes would increase the District's annual revenue by approximately \$807,435. In addition the District is constructing a 9-mile pipeline to a new customer that would increase the District natural gas sales by 15% to 18% or 1.2 to 1.4 million therms per year. The revenues from this new customer will be around \$450,000 to \$500,000 per year which will go back to paying off the cost of the pipeline project.

The District has had no outstanding bonds, loans or other indebtedness for over 10 years save small leases on office equipment. The new 9-mile pipeline is being paid totally by the District and the new customer. The same goes for all system expansions or purchases of new equipment. The Board believes in "paying as you go" and not incurring any debt if it can be avoided at all. They feel this is what is best for the District and its customers.

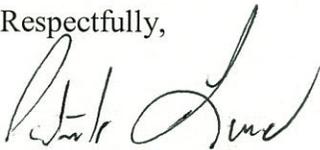
December 31, 2012

- page 2 -

With this in mind and being the start of winter, the Board decided to put off any rate increase until at least April. They felt this will give the District's customers much needed relief for a hard winter and still lackluster economy. The District's cash reserves are such that it can sustain another loss and still have adequate monies to continue to operate smoothly. The Board did, however, state that they would look each month at the possibility of instituting the rate increase sooner if they felt it was necessary.

If you have questions concerning the recommendations and decisions of the Board please do not hesitate to contact me at (423)-272-8841 or by email at plund@hcgas.com.

Respectfully,

A handwritten signature in black ink, appearing to read "Patrick Lund". The signature is written in a cursive style with a large initial "P" and "L".

Patrick Lund
General Manager
Hawkins County Gas Utility District

**BEDFORD COUNTY UTILITY DISTRICT
214 BETHANY LANE
P.O. BOX 2755
SHELBYVILLE, TENNESSEE
931-684-1667
MARTIN DAVIS, GENERAL MANAGER**

January 24, 2013

Joyce Welborn, Board Coordinator
Office of the Comptroller of the Treasury, Division of Local Finance
Utility Management Review Board
505 Deaderick Street, Suite 1700
Nashville, TN 37243-0274

Dear Ms. Welborn:

Bedford County Utility District (BCUD) added to our system a new grower complex with eight (8) 55' X 600' chicken barns in January 2012. A small two (2) chicken barn farm that closed in 2009 has sold and the new owner has built ten (10) new 55' X 600' chicken barns each with a 1.3 Mil. BTU load, which came on line in March 2012. However natural gas sales lagged behind the previous year due the mild winter 2011-12. The District also had two small old farms to close in the year ending June 30, 2012. However, the before mentioned 18 new barns will more than make up the difference in volume of the barns closing in coming years.

The Board of Commissioners increased the base price of natural gas in December, 2011 by \$1.00 per MCF and the wholesale cost of natural gas this fiscal year was lower than 2010-11 allowing BCUD to realize an improvement in net margins. However, the District had a net loss of \$-139,752.29 (July1, 2011-June 30, 2012) vs. a net loss of \$-109,601.59 (July1, 2010-June 30, 2011). This additional loss was due to timing of new load and a mild winter.

BCUD continues to focus on getting new customers. BCUD has negotiated with two (2) chicken farmers to connect thirty eight (38) new 55'X600' chicken barns when complete. Construction on these new barns has been delayed until March of 2013 due to weather. These new barns should start coming on midsummer 2013 and more than double the District's agriculture load.

The District continues to work with the local Industrial Recruiter and has provided volume and availability information to a perspective industry interested in locating in the Industrial Park with natural gas available.

If you have any questions please call.

Sincerely Yours,

Martin Davis

"This institution is an equal opportunity provider, and employer."

**BEDFORD COUNTY UTILITY DISTRICT
GAS HISTORY FILE**

	Audited 2004	Audited 2005	Audited 2006	Audited 2007	Audited 2008	Audited 2009	Audited 2010	Audited 2011	Audited 2012
Fiscal Year June 30									
Gas revenues	\$ 162,342	\$ 222,104	\$ 341,948	\$ 262,496	\$ 377,280	\$ 454,127	\$ 471,622	\$ 454,897	\$ 332,839
Other revenues			\$ 2,900	\$ 4,900	\$ 3,950	\$ 26,976	\$ 1,800	\$ 2,000	\$ 2,050
Capital Contr									\$ 10,000
Operating Rev	\$ 162,342	\$ 222,104	\$ 344,848	\$ 267,396	\$ 381,230	\$ 481,103	\$ 473,422	\$ 456,897	\$ 344,889
Expenses	\$ 297,885	\$ 348,350	\$ 445,996	\$ 352,324	\$ 416,386	\$ 456,226	\$ 426,064	\$ 378,291	\$ 299,412
Operating Income	\$ (135,543)	\$ (126,246)	\$ (101,148)	\$ (84,928)	\$ (35,156)	\$ 24,877	\$ 47,358	\$ 78,606	\$ 45,477
Interest Expense	\$ 163,012	\$ 164,638	\$ 182,154	\$ 187,777	\$ 194,753	\$ 193,769	\$ 191,052	\$ 188,208	\$ 185,229
Net Assets - Gas	\$ (298,555)	\$ (290,884)	\$ (283,302)	\$ (272,705)	\$ (229,909)	\$ (168,892)	\$ (143,694)	\$ (109,602)	\$ (139,752)
Restatement					\$ 90,851	\$ -	\$ -	\$ -	\$ -
Net Assets - Gas	\$ (717,741)	\$ (1,009,210)	\$ (1,292,512)	\$ (1,565,217)	\$ (1,704,275)	\$ (1,873,167)	\$ (2,016,861)	\$ (2,126,463)	\$ (2,266,215)
<u>Supplemental Info</u>									
Principal payment	\$ 31,559	\$ 33,091	unknown	unknown	\$ 56,876	unknown	unknown	unknown	unknown
Depreciation	\$ 110,291	\$ 115,245	\$ 119,249	\$ 125,196	\$ 112,212	\$ 116,757	\$ 119,279	\$ 116,757	\$ 120,647
Gas Rates									
Monthly charge			\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 10.00	\$ 10.00
Per MCF			varies thru year						
Customers - gas	221	208	221	232	239	249	261	286	290

Utility Management Review Board Status Report

Case: Iron City Utility District, Lawrence County
President: Tim Lamprecht
Customers: 257 water
Water Loss: 29.9%

The Iron City Utility District has shown a negative change in net assets many years as reflected in the attached history file.

The population in the area has decreased to the point that there are approximately 400 water taps in the system, but only 257 customers. All water is purchased from the City of St. Joseph for \$2.35 per thousand gallons.

In the last few years, improvements have been made as follows:

1. Financial improvement;
2. Decreasing water losses;
3. Commissioner training up to date;
4. The meters are changed every 30,000 gallons;
5. All new meters will be installed in 2014 because of the lead free rule;
6. Iron City UD is helping West Point UD in loss detection;
7. The UD has purchased leak detection equipment and is considering buying a valve locator;
8. A leak survey is done by District personnel each quarter;
9. A 2002 Chevrolet truck with a camper top has been purchased;
10. A 4-wheeler has been purchased for meter reading and savings on gasoline;
11. They are considering selling the donated truck that is very rarely used;
12. They have cash available to repay the USDA loan in lieu of payments continuing until 2016;
13. The commissioners do not take the full \$300 monthly allowance;
14. Actual cash in the bank has increased over \$25,000;
15. The water tank was inspected in September 2012; and,
16. Fiscal year 2013 is projected to have a smaller negative change in net assets than 2012 by approximately \$4,000

The District needs to have all its policies in writing and adopted. Staff suggested that they contact TAUD for assistance with the policies. The \$500 tap fee should probably be adjusted to better reflect any costs of the system, but with the lack of growth, that is not a priority.

In lieu of a rate increase, the District is considering lowering the minimum bill usage to 1,500 gallons per month or less.

Staff is continuing to monitor the condition of the District.

**IRON CITY UTILITY DISTRICT
HISTORY FILE**

	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited
FYE Dec 31	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Water revenues	\$ 62,486	\$ 61,427	\$ 65,624	\$ 77,226	\$ 76,098	\$ 82,794	\$ 87,325	\$ 129,821	\$ 152,642	\$ 150,766	\$ 154,561
Other revenues	\$ 2,020	\$ 2,795	\$ 714	\$ 5,300	\$ -	\$ 2,648	\$ 4,457	\$ 9,181	\$ 5,148	\$ 7,209	\$ 3,726
Total Revenues	\$ 64,506	\$ 64,222	\$ 66,338	\$ 82,526	\$ 76,098	\$ 85,442	\$ 91,782	\$ 139,002	\$ 157,790	\$ 157,975	\$ 158,287
Total Expenses	\$ 73,618	\$ 73,082	\$ 78,294	\$ 88,963	\$ 110,791	\$ 131,379	\$ 157,087	\$ 200,903	\$ 202,127	\$ 186,249	\$ 181,667
Operating Income	\$ (9,112)	\$ (8,860)	\$ (11,956)	\$ (6,437)	\$ (34,693)	\$ (45,937)	\$ (65,305)	\$ (61,901)	\$ (44,337)	\$ (28,274)	\$ (23,380)
Interest Expense	\$ 2,359	\$ 1,983	\$ 1,526	\$ 1,388	\$ 1,257	\$ 1,198	\$ 993	\$ 855	\$ 1,274	\$ 754	\$ 342
Change in Net Assets	\$ (11,471)	\$ (10,843)	\$ (13,482)	\$ (7,825)	\$ (35,950)	\$ (47,135)	\$ (66,298)	\$ (62,756)	\$ (45,611)	\$ (29,028)	\$ (23,722)
<u>Supplemental Info</u>											
Principal payment	\$9,188	\$9,592	\$ 5,338	\$ 2,442	\$ 2,631	\$ 2,710	\$ 2,815	\$ 791	\$ 2,569	\$ 2,395	\$ 1,525
Depreciation	\$ 32,014	\$ 31,567	\$ 31,027	\$ 34,303	\$ 40,143	\$ 40,143	\$ 39,492	\$ 39,479	\$ 39,196	\$ 39,172	\$ 36,477
Water Rates											
First 2,000 gallons			\$ 13.24	\$ 14.24	\$ 14.24	\$ 14.24	\$ 15.99	\$ 26.00	\$ 30.00	\$ 30.00	\$ 30.00
All over 2,000 gallons			\$ 4.80	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 6.20	\$ 8.80	\$ 8.80	\$ 8.80
Customers			240	266	263	259	258	260	257	252	257
Connection fee										\$ 75.00	\$ 75.00
Renter connection fee										\$ 150.00	\$ 150.00
Re-connection fee										\$ 50.00	\$ 50.00
Tap fee										\$ 500.00	\$ 500.00
Water Loss								53.32%	45.78%	38.40%	29.90%

Utility Management Review Board Status Report

Case: Lone Oak Utility District, Sequatchie County
Chairman: John Lyman
Customers: 125 water
Water Loss: 16.38%

The Lone Oak Utility District has been reported to the Board as having a negative change in net assets since as of December 31, 2004. The financial and rate history is attached.

A creation petition was presented to the UMRB in December 1999. The entire system was built with EPA and CDBG funds. Tennessee American also made a "like kind investment in the Company's system in the amount of approximately \$260,000."

The Operation and Management Agreement is for a period of forty years and gives Tennessee American the right to install lines and taps within the service area of the District and own those lines and taps. Although Lone Oak water is purchased from Walden's Ridge Utility District, the agreement provides that Tennessee American is the "exclusive provider for the total water requirements of the customers served" from the Lone Oak system. Walden's Ridge purchases 100% of their water from Tennessee American. If Tennessee American is required to install, relocate and/or replace capital items (unit of property), "in every such instance, the unit of property shall be and remain the property of" Tennessee American.

The agreement allows Tennessee American to bill and collect on behalf of the District. The accountants of the District are to review – at least annually – the system of accounts maintained by Tennessee American and report the results to both parties. Tennessee American is to pay the District no more than \$12,000 annually to pay reasonable costs of: 1) Board of Director expenses, 2) Engineering, Legal and Accounting Expenses, 3) Liability Insurance and Bonds and 4) Miscellaneous Supplies and Expenses.

The Board voted at the April 2010 meeting to require the District to have discussions with Sequatchie County regarding a solution to the financially distressed condition of the District and to require the District to review the possibility of becoming something other than a utility district.

Staff has been told that nothing has changed in the status of the District. Officials have met with Sequatchie County and the City of Dunlap. It appears that the hindrance in any sort of takeover of the District is prevented by the fact that any assets that must be assumed have a high depreciation expense associated with them.

Staff has no further suggestions except the consolidation with Walden's Ridge Utility District. That consolidation has been deemed unacceptable by the Lone Oak commissioners and the Sequatchie County commissioners.

**LONE OAK UTILITY DISTRICT
HISTORY FILE**

	Audited							
Fiscal Year December 31	2004	2005	2006	2007	2008	2009	2010	2011
Water revenues	\$ 16,556	\$ 9,174	\$ 9,790	\$ 10,702	\$ 11,588	\$ 12,061	\$ 11,242	\$ 12,508
Other revenues	\$ -	\$ -	\$ 19,361	\$ 11,217	\$ 10,480	\$ 10,325	\$ 10,803	\$ 11,167
Total Operating Revenues	\$ 16,556	\$ 9,174	\$ 29,151	\$ 21,919	\$ 22,068	\$ 22,386	\$ 22,045	\$ 23,675
Total Operating Expenses	\$ 66,902	\$ 66,717	\$ 70,307	\$ 69,716	\$ 72,309	\$ 69,064	\$ 70,594	\$ 77,623
Operating Income	\$ (50,346)	\$ (57,543)	\$ (41,156)	\$ (47,797)	\$ (50,241)	\$ (46,678)	\$ (48,549)	\$ (53,948)
Interest Expense	\$ 1,016	\$ 2,980	\$ 2,368	\$ 1,708	\$ 1,001	\$ 248		
TCA Reportable Income	\$ (51,362)	\$ (60,523)	\$ (43,524)	\$ (49,505)	\$ (51,242)	\$ (46,926)	\$ (48,549)	\$ (53,948)
<u>Supplemental Information</u>								
Principal payment	\$ 1,800	\$ 7,884	\$ 8,497	\$ 9,156	\$ 9,863	\$ 7,900		
Depreciation	\$ 54,005	\$ 54,765	\$ 54,765	\$ 54,875	\$ 54,885	\$ 54,562	\$ 54,383	\$ 54,113
Water Rates								
First 2,000 gallons	\$ 31.39	\$ 31.39	\$ 31.39	\$ 31.39	\$ 31.39	\$ 31.39	\$ 31.39	\$ 31.39
over 2,000 gallons	\$ 5.25	\$ 5.25	\$ 5.25	\$ 5.25	\$ 5.25	\$ 5.25	\$ 5.25	\$ 5.25
Customers	106	106	101	112	120	120	121	125
Water Loss					18.50%	18.27%	18.58%	16.38%

Cherokee Hills Utility District
P.O. Box 228
Copperhill, TN 37317
Phone (423)496-3074 Fax (423)-496-7120

August 6, 2012

Ms. Joyce Welborn
Utility Management Review Board
James K. Polk State Office Building
505 Deaderick Street, Suite 1500
Nashville, TN 37243-1402

Dear Ms. Welborn:

The Cherokee Hills Utility District is located off Highway 64 west of Ducktown, Tennessee. It was established in 1957 by the Tennessee Copper Company and with the help of engineering and the state approving the water system Cherokee Hills Utility District was developed.

The homeowners own this utility; the Commission oversees the utility and its restrictions. The Cherokee Hills Utility is not governed by a city or a county. The Cherokee Hills Utility has always complied with state regulations and has an outstanding record. To verify this you can call Mr. Gary K. Burriss, Manager with the Division of Water Supply Chattanooga Environmental Field Office (423-634-5745).

We now have 121 subscribers, 81 of those are senior citizens living on fixed income.

In your review of our utilities audit for 2011, you see that we are making a small profit. If we have to put in meters it will liquidate all our money. We have never borrowed money nor have we applied for a grant.

If we show a loss we would then be required to increase our water bills. It would take years to make up the loss if we have to install meters.

Our utility has gone through droughts, blizzards and broken lines like every other utility. Our tanks are full; we have always had water for our customers. Our water comes from four springs; we have been approved as true ground water.

(2)

We do not believe that adding meters to Cherokee Hills Utility District would benefit our users (owners).

The only unaccounted for water the Cherokee Hills Utility District has is when the tanks are full the pumps automatically shut off and the spring overflow goes into the Ocoee River. Is there any way the Review Board would approve one meter at the overflow?

The Cherokee Hills Utility Districts licensed water operator is paid before taxes \$600.00 a month and is on call twenty four seven; the utilities clerk is paid \$125.00 a month.

Meters would be an added expense to maintain and read. If meters are installed, it would be detrimental to our utility if a main pipe breaks or we need to purchase a new pump with little or no funds, what would we do?

Would there be any way we could be grandfathered in?

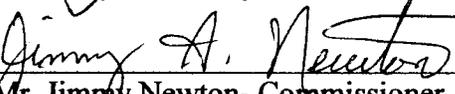
The Management Review Board shall be deemed to be acting for the public welfare and in furtherance of the legislature's intent that utility districts be operated as self-sufficient enterprises 1715-01.01.

We need the Boards approval as of now for the Cherokee Hills Utility District to be excused from installing meters.

Your help with this matter would be greatly appreciated.

Sincerely,


Mr. Terry Abernathy - Chairman


Mr. Jimmy Newton- Commissioner


Mr. L. J. Hoogendoorn - Operator

CC: R. B.
G. B.
J. H.
B. H.

Town/Utility District of
Cherokee Hills Utility District

AUG 27 2012

Schedule of Unaccounted For Water

Enter Month and or Year here

2011

(All amounts in gallons)

A	Water Treated and Purchased:		
B	Water Pumped (potable)	<u>13,980,200</u>	
C	Water Purchased	<u>0</u>	
D	Total Water Treated and Purchased (Sum Lines B and C)		<u>13,980,200</u>
E	Accounted for Water:		
F	Water Sold	<u>0</u>	
G	Metered for Consumption (in house usage)	<u>0</u>	
H	Fire Department(s) Usage	<u>0</u>	
I	Flushing	<u>4,500</u>	
J	Tank Cleaning/Filling	<u>50,750</u>	
K	Street Cleaning	<u>0</u>	
L	Bulk Sales	<u>0</u>	
M	Water Bill Adjustments	<u>0</u>	
N	Total Accounted for Water (Sum Lines F thru M)		<u>55,250</u>
O	Unaccounted for Water (Line D minus Line N)		<u>0</u>
P	Percent Unaccounted for Water (Line O divided by Line D times 100)		<u>0.99</u>

Q Other (explain)

See Below

Explain Other:

Please see attached letter, it will explain more about our utility.

All amounts included in this schedule are supported by documentation on file at the water system. If no support is on file for a line item or if the line item is not applicable, a "0" is shown.

Cherokee Hills Utility District
P.O. Box 228
Copperhill, TN 37317
Phone 423-496-3074 Fax 423-496-7120

Answers to Initial Check List for Addressing Water Loss

1. N/A
2. No
3. Yes
4. No
5. Age
6. No
7. No
8. No
9. No
10. No
11. No
12. Gravity flow to the system
13. Yes
14. Water Operator calls them or they call us.
15. Yes, a notice is in our water bills.
16. No
17. \$165.00
18. Leak repair is justified any time one is found.

October 5, 2012

Mr. L. J. Hoogendoorn Manager
Cherokee Hills Utility District
P. O. Box 328
Copperhill, TN 37317

Dear Mr. Hoogendoorn:

The Utility Management Review Board (Board) met on October 4, 2012, in part, to discuss the reported excessive water loss of the Cherokee Hills Utility District. At that meeting, the Board voted to require District representatives to attend the February 7, 2013, meeting of the Board to explain why meters have not, or will not, be installed and how the average customer bill is over 9,000 gallons per month.

The February meeting will begin at 10:00 am CT in Room 31 of the Legislative Plaza in Nashville, Tennessee.

If you have any questions, please feel free to contact me at 615-401-7864 or Joyce.Welborn@cot.tn.gov

Sincerely,

Joyce Welborn
Board Coordinator

Cherokee Hills Utility District
P.O. Box 228
Copperhill, TN 37317
Phone (423)496-3074 Fax (423)496-7120

DEC 20 2012

December 19, 2012

Ms. Joyce Welborn
Utility Management Review Board
James K. Polk State Office Building
505 Deaderick Street, Suite 1500
Nashville, TN 37243-1402

Dear Ms. Welborn:

Thank you for the invitation for February 7, 2013.

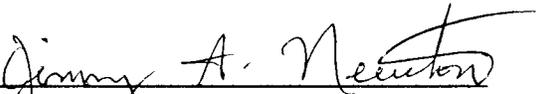
At the Cherokee Hills Utility District quarterly meeting on December 18, 2012 the Commission wants to ask you to visit our unique water system. This is the only utility in Tennessee that is owned by the homeowners. By coming here and doing a walk through of the utility you can see the sizable cost to install meters.

We need the Review Boards help on this. Please set a time and visit the Cherokee Hills Utility District before your meeting on February 7, 2013.

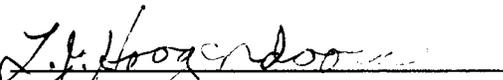
Sincerely,



Terry Abernathy - Chairman



Jimmy Newton - Commissioner



L.J. Hoogendoorn - Operator

January 3, 2013

RETURN RECEIPT REQUESTED

Mr. L. J. Hoogendoorn, Manager
And Board of Commissioners
Cherokee Hills Utility District
P. O. Box 328
Copperhill, TN 37317-0328

Dear Sirs:

I appreciate the invitation to visit your system, however, it will not be possible for me to make the trip prior to your appearance before the Utility Management Review Board (UMRB) next month.

At the October 4, 2012, meeting of the UMRB, it voted to ***require*** representatives of the Cherokee Hills Utility District to attend its meeting on February 7, 2013. That was not simply an invitation. Staff has no authority to reverse that decision.

According to your audit, the Cherokee Hills Utility District was created, in 1957 as a utility district. It is also on file with the Tennessee Secretary of State as a utility district. There appears to be no difference in Cherokee Hills Utility District or any of the other 180 districts in regards to its creation or responsibilities or compliance with Tennessee state law.

If you have any questions, please feel free to contact me at 615-401-7864 or Joyce.Welborn@cot.tn.gov

Sincerely,

Joyce Welborn
Board Coordinator

**MOORESBURG UTILITY DISTRICT
SCHEDULE OF UNACCOUNTED FOR WATER
December 31, 2011**

(All amounts in gallons)

A Water Treated and Purchased:		
B	Water Pumped (potable)	2,569,300
C	Water Purchased	1,212,100
D	Total Water Treated and Purchased	3,781,400
E Accounted for Water:		
F	Water Sold	1,398,500
G	Metered for Consumption (in house usage)	0
H	Fire Department(s) Usage	31,000
I	Flushing	0
J	Tank Cleaning/Filling	19,300
K	Street Cleaning	0
L	Bulk Sales	0
M	Water Bill Adjustments	0
N	Total Accounted for Water	1,448,800
O	Unaccounted for Water	2,332,600
P	Percent Unaccounted for Water	61.686%
Q Other	See Below	

Explain Other: Leaks and water loss

All amounts included in this schedule are supported by documentaiton on file at the water system. If no support is on file for a line item or if the line item is not applicable, a "0" is shown.

AWWA WLCC Free Water Audit Software: Reporting Worksheet

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WAS v4.2

[Back to Instructions](#)

[Click to access definition](#)

Water Audit Report for: **Mooreburg Utility**

Reporting Year: **2011** | **1/2011 - 12/2011**

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

WATER SUPPLIED

<< Enter grading in column 'E'

Volume from own sources:	<input type="text" value="5"/>	<input type="text" value="38.364"/>	Million gallons (US)/yr (MG/Yr)
Master meter error adjustment (enter positive value):	<input type="text" value="3"/>	<input type="text" value="0.785"/>	under-registered MG/Yr
Water imported:	<input type="text" value="5"/>	<input type="text" value="13.515"/>	MG/Yr
Water exported:	<input type="text" value="n/a"/>	<input type="text" value="0.000"/>	MG/Yr
WATER SUPPLIED:		<input type="text" value="52.664"/>	MG/Yr

AUTHORIZED CONSUMPTION

Billed metered:	<input type="text" value="7"/>	<input type="text" value="20.982"/>	MG/Yr
Billed unmetered:	<input type="text" value="n/a"/>	<input type="text" value="0.000"/>	MG/Yr
Unbilled metered:	<input type="text" value="n/a"/>	<input type="text" value="0.000"/>	MG/Yr
Unbilled unmetered:	<input type="text" value="9"/>	<input type="text" value="0.892"/>	MG/Yr

Click here: [?](#) for help using option buttons below

Pcnt: Value:

Use buttons to select percentage of water supplied OR value

AUTHORIZED CONSUMPTION: MG/Yr

WATER LOSSES (Water Supplied - Authorized Consumption)

MG/Yr

Apparent Losses

Unauthorized consumption:	<input type="text" value="1"/>	<input type="text" value="0.132"/>	MG/Yr
---------------------------	--------------------------------	------------------------------------	-------

Default option selected for unauthorized consumption - a grading of 1 is applied but not displayed

Customer metering inaccuracies:	<input type="text" value="5"/>	<input type="text" value="1.104"/>	MG/Yr
Systematic data handling errors:	<input type="text" value="1"/>	<input type="text" value="0.000"/>	MG/Yr

Pcnt: Value:

Value:

Systematic data handling errors are likely, please enter a non-zero value otherwise grade = 1

Apparent Losses: MG/Yr

Choose this option to enter a percentage of billed metered consumption. This is NOT a default value

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: MG/Yr

WATER LOSSES: MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: MG/Yr

= Total Water Loss + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	<input type="text" value="7"/>	<input type="text" value="35.0"/>	miles
Number of active AND inactive service connections:	<input type="text" value="7"/>	<input type="text" value="500"/>	
Connection density:	<input type="text" value="14"/>	<input type="text" value="14"/>	conn./mile main
Average length of customer service line:	<input type="text" value="8"/>	<input type="text" value="0.0"/>	ft (pipe length between curbstop and customer meter or property boundary)
Average operating pressure:	<input type="text" value="4"/>	<input type="text" value="90.0"/>	psi

COST DATA

Total annual cost of operating water system:	<input type="text" value="10"/>	<input type="text" value="\$198,167"/>	\$/Year
Customer retail unit cost (applied to Apparent Losses):	<input type="text" value="10"/>	<input type="text" value="\$9.97"/>	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	<input type="text" value="10"/>	<input type="text" value="\$974.76"/>	\$/Million gallons

PERFORMANCE INDICATORS

Financial Indicators

Non-revenue water as percent by volume of Water Supplied:	<input type="text" value="60.2%"/>
Non-revenue water as percent by cost of operating system:	<input type="text" value="21.2%"/>
Annual cost of Apparent Losses:	<input type="text" value="\$12,323"/>
Annual cost of Real Losses:	<input type="text" value="\$28,808"/>

Operational Efficiency Indicators

Apparent Losses per service connection per day:	<input type="text" value="6.77"/>	gallons/connection/day
Real Losses per service connection per day*:	<input type="text" value="N/A"/>	gallons/connection/day
Real Losses per length of main per day*:	<input type="text" value="2,313.43"/>	gallons/mile/day
Real Losses per service connection per day per psi pressure:	<input type="text" value=""/>	gallons/connection/day/psi

Unavoidable Annual Real Losses (UARL):

*** UARL cannot be calculated as either average pressure, number of connections or length of mains is 0. See UARL DEFINITION ***

From Above, Real Losses = Current Annual Real Losses (CARL):

Infrastructure Leakage Index (ILI) [CARL/UARL]:

* only the most applicable of these two indicators will be calculated

WATER AUDIT DATA VALIDITY SCORE:

***** YOUR SCORE IS: 62 out of 100 *****

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

- 1: Volume from own sources
- 2: Master meter error adjustment
- 3: Water imported

[For more information, click here to see the Grading Matrix worksheet](#)

Mooresburg Utility District

Initial Check list for Addressing Water Loss

1. Are you billing for all general government water use? Examples: City Hall, Parks, Community Centers, etc. **YES (Mooresburg Elem. School) Postoffice, Ball Field**
2. Are you accounting for the water used by the water and/or sewer department? **yes**
3. Do you periodically check or inspect all 2" and larger meters? **Will BEGIN IN 2013**
4. Do you have a recalibration policy and procedure in place? **Will instate in JAN. 2013**
5. Do you have a meter replacement policy? Is the trigger based on age (length of time in service) or on gallons? **yes**
6. Do you have a process to inspect for unauthorized consumption? What are the consequences if unauthorized consumption is discovered? **yes**
M.U.D. Will evolute and possible PROSECUTION
7. Do you have a leak detection program currently in place? **yes**
8. Do you have written policies, including a policy for billing adjustments? Are the written policies followed correctly by all levels of staff? **yes**
9. Do you have authorized non-customer users (volunteer fire departments, etc)? Do you account for the use? Do you have a method for the user to report water usage? **-ESTIMATION**
10. Is your system "zoned" to isolate water loss? **yes**
11. Do you search for leaks at night when there is little traffic or small household usage? **yes**
12. Do you or can you control pressure surges? **yes**
13. Do you have or have access to leak detection equipment? **yes**
14. What is your policy for notifying customers they have a leak? **Telephone**
15. Do you have a public relations program to encourage citizens to report leaks? **yes**
16. Do you have a policy to prosecute water theft or meter tampering/damage? **-Will instate Policy**
17. What is the monetary value of the lost water? **Approx. \$12,323**
18. Is the cost to repair the leak justified based on the amount of water being lost? **M.U.D. will ASSESS THIS At the JAN 2013 Meeting.**

Suggestion: The Division of Water Supply requires a specific person(s) be assigned to the cross connection program. It may be beneficial to assign the same person to account for water loss.

Eddie Douglas - Dist. II - 423-921-2066
PATRICIA (Deb) Douglas - Water Treatment #
423-921-2065

12-27-12

Mooresburg Utility District Plan of Action To Reduce Water Loss

#1.M.U.D. has already installed a V.F.D. system on the north side of the system to stabilize water pressure and prevent water hammer it is working, also M.U.D. suspects that the contractor installed inferior pipe on this contract it being investigated.

#2.M.U.D. has already installed a P.R.V. on the south side of the system to also stabilize pressure.

#3.M.U.D. has contracted a third party to help find leaks that is not a total blow out on a main line such as meter leaks, old service lines not on the beaten path, etc. M.U.D. has already found numerous leaks.

#4.M.U.D. will replace 5% of the old meters to begin with in 2013 then instate a policy to replace 10% per year until all old meters are replaced.

#5.M.U.D. will begin testing the master meter at the water plant immediately to insure accuracy then test annually.

#6.M.U.D. goal is to continue to find leaks that is not a total main line blow out M.U.D. has currently located three and were waiting on the weather to fix them.

#7.M.U.D. and the third party goal is to have our water loss down to at least 35% by mid 2013.

#8.M.U.D. has reduced our water purchased from an alternate source 30,000 gallons per day.

#9.M.U.D. has already found and fixed 8 leaks since October 2012.

WEST POINT UTILITY DISTRICT											
HISTORY FILE											
	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited
Fiscal Year December 31	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Water revenues	\$ 41,032	\$ 43,413	\$ 44,822	\$ 49,204	\$ 52,286	\$ 48,591	\$ 56,115	\$ 50,935	\$ 47,225	\$ 59,824	\$ 48,679
Other revenues	\$ 1,023	\$ 1,002	\$ 1,110	\$ -	\$ 1,359	\$ 1,464	\$ 46	\$ 48	\$ 34	\$ 36	\$ 27
Contributions (Loretto & county)								\$ 340,868			
Total Operating Revenues	\$ 42,055	\$ 44,415	\$ 45,932	\$ 49,204	\$ 53,645	\$ 50,055	\$ 56,161	\$ 391,851	\$ 47,259	\$ 59,860	\$ 48,706
Total Operating Expenses	\$ 48,104	\$ 41,661	\$ 41,385	\$ 40,901	\$ 45,308	\$ 39,470	\$ 54,054	\$ 48,533	\$ 50,014	\$ 39,621	\$ 41,845
Operating Income	\$ (6,049)	\$ 2,754	\$ 4,547	\$ 8,303	\$ 8,337	\$ 10,585	\$ 2,107	\$ 343,318	\$ (2,755)	\$ 20,239	\$ 6,861
Interest Expense	\$ 4,566	\$ 3,370	\$ 4,905	\$ 3,910	\$ 3,802	\$ 3,598	\$ 3,551	\$ 3,579	\$ 3,066	\$ 4,468	\$ 9,569
Loss on Abandonment	\$ (2,028)										
Change in Net Assets	\$ (12,643)	\$ (616)	\$ (358)	\$ 4,393	\$ 4,535	\$ 6,987	\$ (1,444)	\$ 339,739	\$ (5,821)	\$ 15,771	\$ (2,708)
Ret. Earn./Total Assets	\$ (35,908)	\$ (36,383)	\$ (36,699)	\$ (21,572)	\$ (13,178)	\$ (6,192)	\$ (7,636)	\$ 332,104	\$ 326,283	\$ 342,054	\$ 339,346
<u>Supplemental Information</u>											
Defaulted debt		?	?	\$ 14,545	\$ 16,405	\$ 20,379	\$ 25,922	\$ 31,690	\$ 26,756	\$ 24,740	
Principal payment	\$ 6,336	\$ 1,098	\$ 6,587	\$ 3,870	\$ 3,661	\$ 1,187	\$ -	\$ -	\$ -	\$ 12,541	\$ 15,905
Depreciation	\$ 5,706	\$ 5,778	\$ 5,785	\$ 5,751	\$ 5,386	\$ 5,386	\$ 5,386	\$ 5,386	\$ 12,756	\$ 12,756	\$ 12,756
Water Rates											
First 2,000 gallons				\$ 23.00	\$ 23.00	\$ 23.00	\$ 23.00	\$ 23.00	\$ 23.00	\$ 23.00	\$ 23.00
First 2,500 gallons	\$ 20.00	\$ 20.00	\$ 20.00								
over 2,000 gallons				\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50
over 2,500 gallons	\$ 3.00	\$ 3.00	\$ 3.00								
Customers	136	122	132	124	128	140	141	145	130	134	122
Water loss	70%	69%	66%	64%	65%	67.37%	65.92%	67.53%	67.00%	41.00%	45.00%

Initial Check list for Addressing Water Loss

1. Are you billing for all general government water use? Examples: City Hall, Parks, Community Centers, etc.
2. Are you accounting for the water used by the water and/or sewer department?
3. Do you periodically check or inspect all 2" and larger meters?
4. Do you have a recalibration policy and procedure in place?
5. Do you have a meter replacement policy? Is the trigger based on age (length of time in service) or on gallons?
6. Do you have a process to inspect for unauthorized consumption? What are the consequences if unauthorized consumption is discovered?
7. Do you have a leak detection program currently in place?
8. Do you have written policies, including a policy for billing adjustments? Are the written policies followed correctly by all levels of staff?
9. Do you have authorized non-customer users (volunteer fire departments, etc)? Do you account for the use? Do you have a method for the user to report water usage?
10. Is your system "zoned" to isolate water loss?
11. Do you search for leaks at night when there is little traffic or small household usage?
12. Do you or can you control pressure surges?
13. Do you have or have access to leak detection equipment?
14. What is your policy for notifying customers they have a leak?
15. Do you have a public relations program to encourage citizens to report leaks?
16. Do you have a policy to prosecute water theft or meter tampering/damage?
17. What is the monetary value of the lost water?
18. Is the cost to repair the leak justified based on the amount of water being lost?

Suggestion: The Division of Water Supply requires a specific person(s) be assigned to the cross connection program. It may be beneficial to assign the same person to account for water loss.

* West Point Utility District *

1. Yes
2. Yes (We are the Water dept.
We have no sewer dept.)
3. Yes (We only have one 2" line,
one customer on this line
and short distance footage
of water line.)
4. Yes (This is within Loretto's
jurisdiction.)
5. Yes 8-10 years (>300,000 gallons
change) As of 2011 - all
our meters were replaced
with new meters.
6. Yes Each month we read all
meters. We also check the
dry meter boxes. Our district
is so small - it is easy to
keep tabs on all meters or
water taps. If unauthorized
consumption occurs - customer
is billed for damages and
water used.

7. Yes

8. No

Yes

9. @ Yes, only 1 - Fire Dept.

Certified letters were sent to all Fire Depts, which might use our water- and the certified tab is on file. Volunteer Fire Dept. are not very dependable, so when we receive papers we account for this or when we know there's been a fire we contact the West Point fire chief and get a file sheet on the gallonage used.

10. Yes Our areas can be narrowed to three

2. Yes By the pressure regulator located at 1932 Tenn. Street
3. Yes We have been diligently looking for leaks. We have recently repaired one major leak within the box housing the pressure regulator. The high water pressure had destroyed ~~the~~ a part within the pressure regulator and had to be replaced. This is the 2nd time this has happened.
4. Yes We leave a door knocker. We also check back with the customer for further contact. If still no contact w/home owner is made we turn the water off outside the meter and leave current "info."
5. Yes
6. No Our district is so small we have only once had a problem for a month period of time. A picture was taken of the tampering set-up. Customer was made

17. We have not figured the monetary value of the water lost. We know there is some loss in water but can not understand how the loss could really be as much as noted. We have talked with John Hall from TAUD. Contact with Tony White's schedule planning and Ken Bond's schedule - for a meeting on learning the correct method of compiling info on the AWWA methodology - for a more accurate water loss on a monthly basis. If purchasing software is necessary we will do this.

18. Yes Anytime we are aware of a leak we think each leak merits repair. We do evaluate whether the repair needs to be by manual labor or backhoe.

* Steps to Curb Water Leaks *

1. We do a daily read of the Master meter and calculate the usage, and then compare to average daily amount of gallons of customers.
2. We have been working more with public relations encouraging water customers to be more aware of possible water leaks and them reporting any info to the team leader on water.
3. We have used leak detection listening device to check each meter for possible leakage.
4. We are also working with a team using the ~~leak detection~~ leak detection device for possible leaks while a valve has been cut off. We are continuing to ^{do} zone area checks by cutting off valves. There are plans to do this at night or very early morning to detect leaks.
5. Problems = Problems!! Just recently discovered two leaks which surfaced during dry weather. Leaks were

each customer's meter. (These were installed in a box beside each individual meter.) Also in the project were main line installations on four streets. Britt's Construction Co. was in charge of the project. Terry Staggs was the inspector of the project. DISCOVERY on the 2 leaks (just recently) + the old service lines had not been properly disconnected - valve corp not cut off at/from old line - at the time new line was installed. Faulty workmanship from both Fritt's Construction and Mr. Staggs. (Mr. Staggs had another project at the same time which was not a good idea.) Now, we are going to focus on the newest line areas for leaks which is a shame because of professionals' errors or sloven work.

6. We are considering the possibility of hiring Daniel Weaver to search lines for water leaks.

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Water Audit Report for: **West Point Utility District**
 Reporting Year: **2011** / 1/2011 - 12/2011

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

WATER SUPPLIED

<< Enter grading in column 'E'

Volume from own sources:	<input type="button" value="7"/>	n/a	0.000	Million gallons (US)/yr (MG/Yr)
Master meter error adjustment (enter positive value):	<input type="button" value="7"/>	n/a		MG/Yr
Water imported:	<input type="button" value="3"/>	3	9.890	MG/Yr
Water exported:	<input type="button" value="7"/>	n/a	0.000	MG/Yr
WATER SUPPLIED:			9.890	MG/Yr

AUTHORIZED CONSUMPTION

Billed metered:	<input type="button" value="7"/>	7	5.391	MG/Yr
Billed unmetered:	<input type="button" value="7"/>	n/a	0.000	MG/Yr
Unbilled metered:	<input type="button" value="7"/>	n/a	0.000	MG/Yr
Unbilled unmetered:	<input type="button" value="7"/>	10	0.124	MG/Yr
Enter a positive value, otherwise a default percentage of 1.25% and a grading of 5 is applied				
AUTHORIZED CONSUMPTION:	<input type="button" value="7"/>		5.514	MG/Yr

Click here: for help using option buttons below

Pcnt: Value:

Use buttons to select percentage of water supplied OR value

WATER LOSSES (Water Supplied - Authorized Consumption)

4.376 MG/Yr

Apparent Losses

Unauthorized consumption:	<input type="button" value="10"/>	10	0.025	MG/Yr
Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed				
Customer metering inaccuracies:	<input type="button" value="3"/>	3	0.284	MG/Yr
Systematic data handling errors:	<input type="button" value="10"/>	10	0.000	MG/Yr
Systematic data handling errors are likely, please enter a non-zero value; otherwise grade = 5				
Apparent Losses:	<input type="button" value="7"/>		0.308	MG/Yr

Pcnt: Value:

Choose this option to enter a percentage of billed metered consumption. This is NOT a default value

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses:	<input type="button" value="7"/>		4.067	MG/Yr
WATER LOSSES:			4.376	MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: **4.499** MG/Yr

= Total Water Loss + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	<input type="button" value="7"/>	7	8.0	miles
Number of active AND inactive service connections:	<input type="button" value="7"/>	7	155	
Connection density:			19	conn./mile main
Average length of customer service line:	<input type="button" value="7"/>	10	0.0	ft (pipe length between curbstop and customer meter or property boundary)
Average operating pressure:	<input type="button" value="7"/>	5	100.0	psi

COST DATA

Total annual cost of operating water system:	<input type="button" value="10"/>	10	\$67,319	\$/Year
Customer retail unit cost (applied to Apparent Losses):	<input type="button" value="7"/>	9	\$8.00	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	<input type="button" value="7"/>	10	\$612.38	\$/Million gallons

PERFORMANCE INDICATORS

Financial Indicators

Non-revenue water as percent by volume of Water Supplied:	45.5%
Non-revenue water as percent by cost of operating system:	7.5%
Annual cost of Apparent Losses:	\$2,468
Annual cost of Real Losses:	\$2,491

Operational Efficiency Indicators

Apparent Losses per service connection per day:	5.45	gallons/connection/day
Real Losses per service connection per day*:	N/A	gallons/connection/day
Real Losses per length of main per day*:	1,392.85	gallons/mile/day
Real Losses per service connection per day per psi pressure:		gallons/connection/day/psi
<input type="button" value="7"/> Unavoidable Annual Real Losses (UARL):	Not Valid	
*** UARL cannot be calculated as either average pressure, number of connections or length of mains is too small: SEE UARL DEFINITION ***		
From Above, Real Losses = Current Annual Real Losses (CARL):	4.07	
<input type="button" value="7"/> Infrastructure Leakage Index (ILI) [CARL/UARL]:		

* only the most applicable of these two indicators will be calculated

WATER AUDIT DATA VALIDITY SCORE:

***** YOUR SCORE IS: 59 out of 100 *****

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

- 1: Water imported**
- 2: Customer metering inaccuracies**
- 3: Billed metered**

[For more information, click here to see the Grading Matrix worksheet](#)

Minor Hill Water Utility District

November 21, 2012

P.O. Box 124 • 12950 Minor Hill Hwy. • Minor Hill, TN 38473

Board Coordinator *Phone: (931) 565-3436 • Fax: (931) 565-4521*

Utility Management Review Board
505 Deaderick Street, Suite 1500
Nashville, TN 37243-1402

NOV 27 2012

Dear Ma'am:

We have recently asked for a grant to replace an old water line that is in our system. We are in the process of replacing all of the service lines that have had more than two leaks. Also, in order to insure there are no leaks unnoticed, we are walking the paths of the lines that cannot be seen from the road. We have put meters in certain areas to keep up with the water usage in troublesome areas. In addition we have changed many meters that have been in for longer than ten years and are continuing to do so. We have been metering all of our flushing where they haven't in the past and have asked the Rescue Squad and Fire Department to keep records of water they get from the system.

If further explanation is needed or you any have questions, please contact me at (931)-565-3436.

Sincerely,

Tracy Harris
Minor Hill Utility District Manager

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Water Audit Report for: **Minor Hill Utility District**
 Reporting Year: **2011** / 1/2011 - 12/2011

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: **MILLION GALLONS (US) PER YEAR**

WATER SUPPLIED Enter grading in column 'E'

Volume from own sources:	<input type="text" value="7"/>	n/a	0.000	Million gallons (US)/yr. (MG/yr)
Master meter error adjustment (enter positive value):	<input type="text" value="7"/>	n/a	0.000	MG/yr
Water imported:	<input type="text" value="7"/>	8	326.552	MG/yr
Water exported:	<input type="text" value="7"/>	n/a	0.000	MG/yr
WATER SUPPLIED:			226.552	MG/yr

AUTHORIZED CONSUMPTION

Billed metered:	<input type="text" value="7"/>	8	136.032	MG/yr
Billed unmetered:	<input type="text" value="7"/>	n/a	0.000	MG/yr
Unbilled metered:	<input type="text" value="7"/>	1	1.789	MG/yr
Unbilled unmetered:	<input type="text" value="7"/>		2.832	MG/yr
AUTHORIZED CONSUMPTION:	<input type="text" value="7"/>		140.653	MG/yr

Enter a positive value, otherwise a default percentage of 1.25% and a grading of 5 is applied

Click here for help using option buttons below

Pcnt: Value:

Use buttons to select percentage of water supplied OR value

WATER LOSSES (Water Supplied - Authorized Consumption) MG/yr

Apparent Losses

Unauthorized consumption:	<input type="text" value="7"/>		0.566	MG/yr
Customer metering inaccuracies:	<input type="text" value="7"/>	5	14.467	MG/yr
Systematic data handling errors:	<input type="text" value="7"/>	6	1.887	MG/yr
Apparent Losses:	<input type="text" value="7"/>		16.921	

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

Pcnt: Value:

Choose this option to enter a percentage of billed metered consumption. This is NOT a default value

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses:	<input type="text" value="7"/>		68.978	MG/yr
WATER LOSSES:			85.899	MG/yr

NON-REVENUE WATER

NON-REVENUE WATER:	<input type="text" value="7"/>		90.520	MG/yr
--------------------	--------------------------------	--	--------	-------

= Total Water Loss + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	<input type="text" value="7"/>	5	250.0	miles
Number of active AND inactive service connections:	<input type="text" value="7"/>	5	3,064	conn.
Connection density:	<input type="text" value="7"/>		12	conn./mile main
Average length of customer service line:	<input type="text" value="7"/>	3	25.0	ft.
Average operating pressure:	<input type="text" value="7"/>	3	120.0	psi

(Pipe length between meter tap and customer meter or service boundary)

COST DATA

Total annual cost of operating water system:	<input type="text" value="7"/>	7	\$1,107,168	\$/Year
Customer retail unit cost (applied to Apparent Losses):	<input type="text" value="7"/>	7	\$8.75	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	<input type="text" value="7"/>	10	\$6,500.00	\$/Million gallons

PERFORMANCE INDICATORS

Financial Indicators

Non-revenue water as percent by volume of Water Supplied:	<input type="text" value="7"/>	40.0%
Non-revenue water as percent by cost of operating system:	<input type="text" value="7"/>	56.6%
Annual cost of Apparent Losses:	<input type="text" value="7"/>	\$148,057
Annual cost of Real Losses:	<input type="text" value="7"/>	\$448,359

Operational Efficiency Indicators

Apparent Losses per service connection per day:	<input type="text" value="7"/>	15.13	gallons/connection/day
Real Losses per service connection per day:	<input type="text" value="7"/>	N/A	gallons/connection/day
Real Losses per length of main per day:	<input type="text" value="7"/>	755.93	gallons/mile/day
Real Losses per service connection per day per psi pressure:	<input type="text" value="7"/>		gallons/connection/day/psi
Unavoidable Annual Real Losses (UARL):	<input type="text" value="7"/>	84.14	Million gallons/yr
From above, Real Losses - Current Annual Real Losses (CARL):	<input type="text" value="7"/>	68.98	Million gallons/yr
Infrastructure Losses Index (ILI) (CARL/UARL):	<input type="text" value="7"/>	0.82	

* only the most applicable of these two indicators will be calculated

WATER AUDIT DATA VALIDITY SCORE:

***** YOUR SCORE IS: 66 out of 100 *****

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

- 1: Unbilled metered
- 2: Water imported
- 3: Customer metering inaccuracies

[For more information, click here to see the Grading Matrix worksheet](#)

DOUBLE SPRINGS UTILITY DISTRICT

2677 West Broad Street
P.O. Box 3034
Cookeville, TN 38502-3034
Telephone 931-526-3827
Fax 931-520-6193
DSUD@frontiernet.net

DEC 14 2012

December 11, 2012

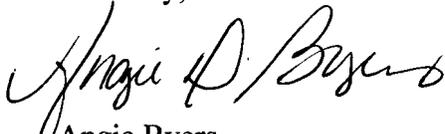
Ms. Joyce Welborn
Utility Management Review Board
James K. Polk State Office Building
505 Deaderick Street, Suite 1500
Nashville, TN 37243-1402

Dear Ms. Welborn:

As a follow up to your letter and our telephone conversation, I am sending you the requested information. You will find enclosed the AWWA reporting worksheet for May 2011 to April 2012, May 2010 to April 2011 and May 2009 to April 2010.

Mr. Roy Spurlock has completed these reports and recently retired. Any other information you need please contact myself or you may contact Mr. James Branham. Mr. Branham is currently the Operating Field Manager for the Utility.

Sincerely,



Angie Byers
Office Manager

Enclosure

Double Springs Utility District is an Equal Opportunity Provider and Employer

AWWA WCCO Free Water Audit Software: Reporting Worksheet

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Click to access defaults

Water Audit Report For: **Double Springs Utility District**
 Reporting Year: **2012** **2/2012** **3/2012**

Please enter data in the white cells below. Where available, metered values should be used. If metered values are not available please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (1-10) using the drop-down on to the left of the input cell. Check the results over the cell to obtain a description of the grades.

All volumes to be entered are: MILLION GALLONS (MG) PER YEAR

WATER SUPPLIED

Water supplied from all sources	10			MG
Water supplied from authorized sources	10			MG
Water supplied from unauthorized sources	10		226,000	MG
WATER SUPPLIED				MG

AUTHORIZED CONSUMPTION

Billed metered	10		140,500	MG
Billed unmetered	10			MG
Unbilled metered	10			MG
Unbilled unmetered	10		2,000	MG
AUTHORIZED CONSUMPTION				MG

WATER LOSSES: Water Supplied - Authorized Consumption

Unauthorized consumption	10		226,000	MG
Customer metering inaccuracies	10	3	2,000	MG
Systematic data handling errors	10	3	1,000	MG
WATER LOSSES				MG

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Supplied - Apparent Losses	10		44,500	MG
WATER LOSSES				MG

NON-REVENUE WATER

Non-Revenue Water	10		26,000	MG
-------------------	----	--	--------	----

SYSTEM DATA

Length of main	10	1	120.0	MILES
Number of valves and hydrants service connections	10	4	2,400	VALVES/CONNECTIONS
Customer metering inaccuracies	10	3	2,000	MG
Systematic data handling errors	10	3	1,000	MG
Average operating pressure	10	4	40.0	PSI

COST DATA

Total annual cost of operating water system	10		\$564,472	DOLLARS
Customer metering inaccuracies	10	3	\$1,000	DOLLARS
Systematic data handling errors	10	3	\$2,000	DOLLARS

PERFORMANCE INDICATORS

Non-revenue water as percent of volume of water supplied			10.1	
Non-revenue water as percent of cost of operating system			4.4	
Annual cost of Apparent Losses			\$51,040	DOLLARS
Annual cost of Real Losses			\$23,000	DOLLARS
Apparent Losses per service connection per day			0.03	MILLION GALLONS/CONNECTION/DAY
Real Losses per service connection per day			0.02	MILLION GALLONS/CONNECTION/DAY
Real Losses per length of main per day			0.0002	MILLION GALLONS/LENGTH/DAY
Real Losses per service connection per day per psi pressure			0.0005	MILLION GALLONS/CONNECTION/DAY/PSI
Current Annual Real Losses (CARL)			44,500	MILLION GALLONS/PER YEAR
Infrastructure Leakage Index (ILI) (CARL/OML)			0.19	

WATER BIDDY DATA VALIDITY SCORE

*** YOUR SCORE IS: 84 out of 100 ***

PRIORITY AREAS FOR ATTENTION

- 1: Customer metering inaccuracies
- 2: Unauthorized consumption
- 3: Systematic data handling errors

Expand information and details on magnitude of our audit sheet

Water Audit Report for: **Dublin, Ohio**

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

WATER SUPPLIED

<< Enter grading in column 'E'

Volume from own sources:	<input type="text" value="n/a"/>	<input type="text" value="0.000"/>	Million gallons (US)/yr (MG/Yr)
Master meter error adjustment (enter positive value):	<input type="text" value="10"/>	<input type="text" value="235.121"/>	MG/Yr
Water imported:	<input type="text" value="n/a"/>	<input type="text" value=""/>	MG/Yr
Water exported:	<input type="text" value="n/a"/>	<input type="text" value=""/>	MG/Yr
WATER SUPPLIED:		235.121	MG/Yr

AUTHORIZED CONSUMPTION

Billed metered:	<input type="text" value="10"/>	<input type="text" value="146.161"/>	MG/Yr
Billed unmetered:	<input type="text" value="n/a"/>	<input type="text" value=""/>	MG/Yr
Unbilled metered:	<input type="text" value="n/a"/>	<input type="text" value=""/>	MG/Yr
Unbilled unmetered:	<input type="text" value="5"/>	<input type="text" value="2.939"/>	MG/Yr
AUTHORIZED CONSUMPTION:		149.100	MG/Yr

Default option selected for Unbilled unmetered - a grading of 5 is applied but not displayed

Click here for help using option buttons below

Pcmt: Value:

Use buttons to select percentage of water supplied OR value

WATER LOSSES (Water Supplied - Authorized Consumption)

Apparent Losses

Unauthorized consumption:	<input type="text" value="5"/>	<input type="text" value="0.588"/>	MG/Yr
Customer metering inaccuracies:	<input type="text" value="5"/>	<input type="text" value="9.329"/>	MG/Yr
Systematic data handling errors:	<input type="text" value="5"/>	<input type="text" value="9.917"/>	MG/Yr
Apparent Losses:		9.917	MG/Yr

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

Systematic data handling errors are likely, please enter a non-zero value; otherwise grade = 5

Pcmt: Value:

Choose this option to enter a percentage of billed metered consumption. This is NOT a default value

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses:	<input type="text" value="5"/>	<input type="text" value="76.104"/>	MG/Yr
WATER LOSSES:		86.021	MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER:	<input type="text" value="5"/>	<input type="text" value="88.960"/>	MG/Yr
--------------------	--------------------------------	-------------------------------------	-------

= Total Water Loss + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	<input type="text" value="3"/>	<input type="text" value="150.0"/>	miles
Number of active AND inactive service connections:	<input type="text" value="3"/>	<input type="text" value="3,016"/>	conn./mile main
Connection density:	<input type="text" value="1"/>	<input type="text" value="20"/>	ft (pipe length between curbstop and customer meter or property boundary)
Average length of customer service line:	<input type="text" value="1"/>	<input type="text" value="40.0"/>	ft
Average operating pressure:	<input type="text" value="1"/>	<input type="text" value="80.0"/>	psi

COST DATA

Total annual cost of operating water system:	<input type="text" value="10"/>	<input type="text" value="\$984"/>	\$/Year
Customer retail unit cost (applied to Apparent Losses):	<input type="text" value="6"/>	<input type="text" value="\$5.90"/>	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	<input type="text" value="10"/>	<input type="text" value="\$1.94"/>	\$/Million gallons

PERFORMANCE INDICATORS

Financial Indicators

Non-revenue water as percent by volume of Water Supplied:	<input type="text" value="37.83"/>
Non-revenue water as percent by cost of operating system:	<input type="text" value="5960.23"/>
Annual cost of Apparent Losses:	<input type="text" value="\$58,512"/>
Annual cost of Real Losses:	<input type="text" value="\$148"/>

Operational Efficiency Indicators

Apparent Losses per service connection per day:	<input type="text" value="9.01"/>	gallons/connection/day
Real Losses per service connection per day*:	<input type="text" value="N/A"/>	gallons/connection/day
Real Losses per length of main per day*:	<input type="text" value="1,390.02"/>	gallons/mile/day
Real Losses per service connection per day per psi pressure:	<input type="text" value="41.91"/>	million gallons/year
Unavoidable Annual Real Losses (UARL):	<input type="text" value="76.10"/>	million gallons/year
From Above, Real Losses = Current Annual Real Losses (CARL):	<input type="text" value="1.82"/>	
Infrastructure Leakage Index (ILI) [CARL/UARL]:	<input type="text" value="1.82"/>	

* only the most applicable of these two indicators will be calculated

WATER AUDIT DATA VALIDITY SCORE:

***** YOUR SCORE IS: 80 out of 100 *****

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

- 1: Customer metering inaccuracies
- 2: Customer retail unit cost (applied to Apparent Losses)
- 3: Unauthorized consumption

For more information, click here to see the Grading Matrix worksheet

Click to access definition

Water Audit Report for: **DSUD**

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: **MILLION GALLONS (US) PER YEAR**

WATER SUPPLIED

<< Enter grading in column 'E'

Volume from own sources:	<input type="text" value="n/a"/>	Million gallons (US)/yr (MG/Yr)
Master meter error adjustment (enter positive value):	<input type="text" value="n/a"/>	MG/Yr
Water imported:	<input type="text" value="229.170"/>	MG/Yr
Water exported:	<input type="text" value="n/a"/>	MG/Yr
WATER SUPPLIED:	<input type="text" value="229.170"/>	MG/Yr

AUTHORIZED CONSUMPTION

Billed metered:	<input type="text" value="7"/>	<input type="text" value="142.754"/>	MG/Yr
Billed unmetered:	<input type="text" value="n/a"/>		MG/Yr
Unbilled metered:	<input type="text" value="n/a"/>		MG/Yr
Unbilled unmetered:	<input type="text" value="2"/>	<input type="text" value="2.865"/>	MG/Yr
Default option selected for Unbilled unmetered - a grading of 5 is applied but not displayed			
AUTHORIZED CONSUMPTION:	<input type="text" value="2"/>	<input type="text" value="145.619"/>	MG/Yr

Click here: for help using option buttons below

Pcmt: Value:

Use buttons to select percentage of water supplied OR value

WATER LOSSES (Water Supplied - Authorized Consumption)

MG/Yr

Apparent Losses

Unauthorized consumption: MG/Yr
 Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

Customer metering inaccuracies:	<input type="text" value="2"/>	<input type="text" value="7"/>	<input type="text" value="7.513"/>	MG/Yr
Systematic data handling errors:	<input type="text" value="2"/>	<input type="text" value="9"/>	<input type="text" value="1.000"/>	MG/Yr

Apparent Losses:

Pcmt: Value:

5.00:

Choose this option to enter a percentage of billed metered consumption. This is NOT a default value

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: MG/Yr

WATER LOSSES: MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: MG/Yr

= Total Water Loss + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	<input type="text" value="2"/>	<input type="text" value="4"/>	<input type="text" value="150.0"/>	miles
Number of active AND inactive service connections:	<input type="text" value="2"/>	<input type="text" value="4"/>	<input type="text" value="3,106"/>	
Connection density:			<input type="text" value="21"/>	conn./mile main
Average length of customer service line:	<input type="text" value="2"/>	<input type="text" value="4"/>	<input type="text" value="35.0"/>	ft (pipe length between curbstop and customer meter or property boundary)
Average operating pressure:	<input type="text" value="2"/>	<input type="text" value="3"/>	<input type="text" value="80.0"/>	psi

COST DATA

Total annual cost of operating water system:	<input type="text" value="2"/>	<input type="text" value="7"/>	<input type="text" value="\$909,397"/>	\$/Year
Customer retail unit cost (applied to Apparent Losses):	<input type="text" value="2"/>	<input type="text" value="5"/>	<input type="text" value="\$5.90"/>	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	<input type="text" value="2"/>	<input type="text" value="5"/>	<input type="text" value="\$1,810.00"/>	\$/Million gallons

PERFORMANCE INDICATORS

Financial Indicators

Non-revenue water as percent by volume of Water Supplied:	<input type="text" value="37.7%"/>
Non-revenue water as percent by cost of operating system:	<input type="text" value="21.3%"/>
Annual cost of Apparent Losses:	<input type="text" value="\$53,609"/>
Annual cost of Real Losses:	<input type="text" value="\$134,782"/>

Operational Efficiency Indicators

Apparent Losses per service connection per day:	<input type="text" value="8.01"/>	gallons/connection/day
Real Losses per service connection per day*:	<input type="text" value="N/A"/>	gallons/connection/day
Real Losses per length of main per day*:	<input type="text" value="1,360.09"/>	gallons/mile/day
Real Losses per service connection per day per psi pressure:	<input type="text" value=""/>	gallons/connection/day/psi
Unavoidable Annual Real Losses (UARL):	<input type="text" value="41.81"/>	million gallons/year
From Above, Real Losses = Current Annual Real Losses (CARL):	<input type="text" value="74.47"/>	million gallons/year
Infrastructure Leakage Index (ILI) [CARL/UARL]:	<input type="text" value="1.78"/>	

* only the most applicable of these two indicators will be calculated

WATER AUDIT DATA VALIDITY SCORE:

*** YOUR SCORE IS: 70 out of 100 ***

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

- 1: Customer retail unit cost (applied to Apparent Losses)
- 2: Variable production cost (applied to Real Losses)
- 3: Billed metered

For more information, click here to see the Grading Matrix worksheet

Dear Ms. Welborn,

This letter is to update the progress of Quebeck Walling Utilities plan to reduce our water loss . We still have an on going leak detection program that is done in house in which we have found several leaks through out the district and repaired them. In 2011 we have changed approximately 800 service lines from plastic tubing to copper tubing and have installed 1000 new meters. The meter changeout plan has greatly helped account for water that was not registering on the old meters and we are continuing to change out the entire district with the new meters. Our water loss for the 2012 year is currently right at 30% and we hope to get it lower for the 2013 year. If you have any questions or need any more information feel free to call me at 931-836-2147.

Thank You,
Brad Brown
Certified Operator
Quebeck Walling Utility

DEC 28 2012

AWWA WLCC Free Water Audit Software: Reporting Worksheet

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WAS v4.2

[Back to Instructions](#)

[Click to access definition](#)

Water Audit Report for: **Quebeck-Walling Utility District**

Reporting Year: **2011** / 1/2011 - 12/2011

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (1-10) using the drop-down list to the left of the input cell. Hover the mouse over the call to obtain a description of the grades

All volumes to be entered as: **MILLION GALLONS (US) PER YEAR**

WATER SUPPLIED

<< Enter grading in column 'E'

Volume from own sources:	<input type="text" value="0.000"/>	Million gallons (US) /yr (MG/Yr)
Master meter error adjustment (enter positive value):	<input type="text" value="0.000"/>	under-registered MG/Yr
Water imported:	<input type="text" value="114.259"/>	MG/Yr
Water exported:	<input type="text" value="0.000"/>	MG/Yr
WATER SUPPLIED:	<input type="text" value="114.259"/>	MG/Yr

AUTHORIZED CONSUMPTION

Billed metered:	<input type="text" value="71.727"/>	MG/Yr
Billed unmetered:	<input type="text" value="0.000"/>	MG/Yr
Unbilled metered:	<input type="text" value="0.000"/>	MG/Yr
Unbilled unmetered:	<input type="text" value="1.428"/>	MG/Yr
AUTHORIZED CONSUMPTION:	<input type="text" value="73.155"/>	MG/Yr

Click here for help using option buttons below.

Pcnt: Value:

Use buttons to select percentage of water supplied OR value

WATER LOSSES (Water Supplied - Authorized Consumption)

MG/Yr

Apparent Losses

Unauthorized consumption: MG/Yr
Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

Customer metering inaccuracies:	<input type="text" value="4"/>	MG/Yr
Systematic data handling errors:	<input type="text" value="7"/>	MG/Yr

Apparent Losses:

Pcnt: Value:

Value:

Choose this option to enter a percentage of billed metered consumption. This is NOT a default value

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: MG/Yr

WATER LOSSES: MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: MG/Yr

= Total Water Loss + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	<input type="text" value="144.0"/>	miles
Number of active AND inactive service connections:	<input type="text" value="1,768"/>	
Connection density:	<input type="text" value="12"/>	conn./mile main
Average length of customer service line:	<input type="text" value="0.0"/>	ft (pipe length between curbstop and customer meter or property boundary)
Average operating pressure:	<input type="text" value="85.0"/>	psi

COST DATA

Total annual cost of operating water system:	<input type="text" value="\$727,757"/>	\$/Year
Customer retail unit cost (applied to Apparent Losses):	<input type="text" value="\$7.20"/>	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	<input type="text" value="\$2,549.00"/>	\$/Million gallons

PERFORMANCE INDICATORS

Financial Indicators

Non-revenue water as percent by volume of Water Supplied:	<input type="text" value="37.2%"/>
Non-revenue water as percent by cost of operating system:	<input type="text" value="18.0%"/>
Annual cost of Apparent Losses:	<input type="text" value="\$35,035"/>
Annual cost of Real Losses:	<input type="text" value="\$92,370"/>

Operational Efficiency Indicators

Apparent Losses per service connection per day:	<input type="text" value="7.54"/>	gallons/connection/day
Real Losses per service connection per day*:	<input type="text" value="N/A"/>	gallons/connection/day
Real Losses per length of main per day*:	<input type="text" value="689.46"/>	gallons/mile/day
Real Losses per service connection per day per psi pressure:	<input type="text" value=""/>	gallons/connection/day/psi
Unavoidable Annual Real Losses (UARL):	<input type="text" value="32.40"/>	million gallons/year
From Above, Real Losses = Current Annual Real Losses (CARL):	<input type="text" value="36.24"/>	million gallons/year
Infrastructure Leakage Index (ILI) [CARL/UARL]:	<input type="text" value="1.12"/>	

* only the most applicable of these two indicators will be calculated

WATER AUDIT DATA VALIDITY SCORE:

*** YOUR SCORE IS: 74 out of 100 ***

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

- 1: Water imported
- 2: Customer metering inaccuracies
- 3: Billed metered

For more information, click here to see the Grading Matrix worksheet

CEDAR GROVE UTILITY DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2012

Operating revenues	
Charges for sales and services	\$ 206,363
Other operating revenue	4,488
Total operating revenues	<u>210,851</u>
Operating expenses	
Operation and maintenance	43,206
Administrative and general	100,514
Provision for amortization	545
Provision for depreciation	49,973
Total operating expenses	<u>194,238</u>
Operating income	<u>16,613</u>
Nonoperating revenues (expenses)	
Interest income	1,573
Interest expense	<u>(23,128)</u>
Total nonoperating revenues (expenses)	<u>(21,555)</u>
Change in net assets before capital contributions	(4,942)
Capital contributions - grant	<u>55,747</u>
Change in net assets	50,805
Net assets - July 1, 2011, as originally reported	769,153
Prior period adjustment	72,878
Net assets - July 1, 2011, as restated	<u>842,031</u>
Net assets - June 30, 2012	<u>\$ 892,836</u>

Wk
34.38770

The accompanying notes are an integral part of the financial statements.

**CLAIBORNE UTILITIES DISTRICT OF
CLAIBORNE COUNTY, TENNESSEE**
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Years ended July 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Operating revenues:		
Customer sales	\$ 4,599,014	4,852,181
Tap fees, connections, and extensions - net of applicable costs	102,138	74,926
Service to others	18,270	20,879
Miscellaneous	116,957	92,828
	<u>4,836,379</u>	<u>5,040,814</u>
Less uncollectible accounts	10,383	16,455
	<u>4,825,996</u>	<u>5,024,359</u>
Operating expenses before depreciation	3,488,393	3,524,242
Operating income before depreciation	1,337,603	1,500,117
Depreciation	713,646	703,773
Operating income	<u>623,957</u>	<u>796,344</u>
Nonoperating revenue (expense):		
Interest charges	(481,827)	(495,119)
Sale of capital assets	-	6,224
Investment income	33,728	43,396
Total nonoperating revenue (expenses)	<u>(448,099)</u>	<u>(445,499)</u>
Income (loss) before capital contributions	175,858	350,845
Capital contributions:		
Local governments	-	372,642
Change in net assets	175,858	723,487
Total net assets - beginning of year	<u>12,238,331</u>	<u>11,514,844</u>
Total net assets - end of year	<u>\$ 12,414,189</u>	<u>12,238,331</u>

See accompanying notes to financial statements

WK
25070

Compliance
Jul 2013

Harbor Utility District
Statement of Revenue, Expenses and Changes in Net Assets (Cont.)

Non-operating revenues (expenses)	
Interest Income	9
Miscellaneous Income	1,004
Interest Expense	<u>(15,980)</u>
Total non-operating revenue and expenses, net	<u>(14,967)</u>
Increase(decrease) in net assets	7,404
Net assets at beginning of year	<u>435,101</u>
Net assets at end of year	<u>\$ 442,505</u>

WL
21.25%

SODDY DAISY FALLING WATER UTILITY DISTRICT

P. O. BOX 575

SODDY DAISY, TN 37384

*Glenn Brumlow, President
James Gram, Secretary
Jim Farmer, Commissioner
Jeff Templeton, Commissioner*

*Carlos Wilson, Vice-President
Phyllis Marr, Commissioner
Gene Davis, Commissioner
David Callahan, General Mgr.*

Utility Management Review Board
Attn: Joyce Welborn
505 Deaderick St, Suite 1500
James K. Polk State Office Bldg.
Nashville, TN 37243-1402

DEC 10 2012

November 27, 2012

Dear Joyce:

The Soddy Daisy Falling Water Utility District Board of Commissioners at its meeting on November 20, 2012, have voted unanimously to change the name of our utility district to Northwest Utility District. This is being done for several reasons. First of all, we do not want the name of our utility district to be in conflict with the name of an incorporated municipality that is served by our district but is not under the jurisdiction of said municipality; and secondly, because of the possible consolidation of two or more Hamilton County utility districts which the Hamilton County Mayor deems good cause. This request is filed pursuant to T.C.A. section 7-82-301(c), requesting that the Hamilton County Mayor issue an Order legally changing the name of our utility district to Northwest Utility District. Our utility district was created by Order of the County Judge of Hamilton County entered on January 5, 1945, more than one year prior to the filing of the Petition.

Soddy Daisy Falling Water Utility District has submitted the necessary paperwork to our attorney, Dee Hobbs, who will approve and forward the paperwork to Hamilton County Mayor Jim M. Coppinger for his review and eventual approval. We are not sure if any statute requires that we notify the UMRB but we are doing so in case it is required.

Please do what is necessary, if required, to get this notification to the UMRB members for their next scheduled meeting. If you have any questions, please do not hesitate to call me at my office at 423-332-2427 or on my cell at any time at 423-718-5825.

Thanking you in advance for your cooperation in and attention to this matter, I remain:

Sincerely,



David P. Callahan
General Manager
Soddy Daisy Falling Water Utility District

Alvin York Bell
R. Dee Hobbs

BELL
& HOBBS
law offices

JAN 22 2013

Louis C. Harris (1906-1989)

701 Market Street, Suite 1217
1217 First Tennessee Bank Building
Chattanooga, Tennessee 37402-4883
(423) 266-6461
FAX (423) 756-8521
e-mail: bell.hobbslaw@gmail.com

January 16, 2013

Utility Management Review Board
Attn: Joyce Welborn, Board Coordinator
505 Deaderick St., Suite 1500
James K. Polk State Office Bldg.
Nashville, TN 37243-1402

Re: Consolidation of Soddy-Daisy Falling Water and Sale Creek Utility Districts

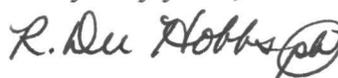
Dear Joyce:

The Soddy-Daisy Falling Water Utility District and the Sale Creek Utility District, pursuant to T.C.A. §7-82-202(e), are moving forward with the consolidation of their two utility Districts, and the undersigned serves as counsel for both utility districts. Under this provision, two utility districts may begin the consolidation process upon the adoption of appropriate resolutions by the governing body of each utility district, followed by a petition to the county mayor, who in this case has set a public meeting to consider the joint petition on February 6, 2013. As you are probably aware, unlike the creation of a utility district, consolidation of two or more districts does not require UMRB approval, but we are required to give notice to the Board in accordance with T.C.A §7-82-202(g), which is the intent of this letter.

The required resolutions have been adopted by both utility districts, and the necessary paperwork has been submitted to my office from Soddy-Daisy Falling Water General Manager David Callahan. I have filed the enclosed Joint Petition for Consolidation with the Hamilton County Mayor's office.

In anticipation of this consolidation, a name change of the Soddy-Daisy Falling Water Utility District has been effected, and we anticipate that the name of the consolidated entity will become that of the "Northwest Utility District of Hamilton County, Tennessee." Please notify my office if any further information is required.

Very truly yours,



R. Dee Hobbs

RDH:pb
Enclosure

JURISDICTION LIST FOR THE UTILITY MANAGEMENT REVIEW BOARD FEBRUARY 2013				
<u>DISTRICT</u>		<u>COUNTY</u>	<u>LAST AUDIT</u>	<u>LAST BD APPEARANCE</u>
Bean Station UD		Grainger	August-12	June-13
Bedford County UD		Bedford	June-12	April-10
Bloomington UD	WL	Sullivan	June-12	October-12
Bon de Croft UD		White	June-12	June-13
Bristol-Bluff City UD		Sullivan	July-11	October-10
Carderview UD		Johnson	June-12	February-13
Cherokee Hills UD	WL	Polk	December-11	February-13
Chuckey UD	WL	Greene	June-12	October-11
Clarksburg UD		Carroll	December-11	October-12
Clay Gas UD		Clay	August-11	February-10
Cookeville Boat Dock Road	WL	Putnam	December-10	February-12
Cross Anchor UD	WL	Greene	June-12	October-11
DeWhite UD	WL	White	December-11	October-11
Double Springs UD	WL	Putnam	April-12	February-13
East Sevier UD	WL	Sevier	June-11	October-11
Fall River Road UD		Lawrence	December-11	October-12
First UD of Hardin County		Hardin	March-12	February-12
Foster Falls UD		Marion	December-10	June-13
Gibson County Municipal District	WL	Gibson	November-11	October-12
Hampton UD	WL	Carter	November-11	August-12
Intermont UD		Sullivan	December-11	October-11
Iron City UD		Lawrence	December-11	February-12
Jackson County UD	WL	Jackson	December-10	October-12
Leoma UD		Lawrence	December-11	February-12
Lone Oak UD		Sequatchie	December-11	April-10
Minor Hill UD	WL	Giles	December-11	February-13
Mooresburg UD		Hawkins	December-11	August-08
Mowbray UD	WL	Hamilton	June-12	August-12
Natural Gas UD of Hawkins Co		Hawkins	March-12	February-13
Northeast Henry County UD	WL	Henry	June-12	October-11
Northwest Henry County UD		Henry	June-12	June-13
Quebeck-Walling	WL	White	December-11	February-13
Sale Creek UD	WL	Hamilton	June-12	October-11
Samburg Utility District		Obion	January-12	October-08
Shady Grove UD	WL	Jefferson	September-12	October-11
Siam UD	WL	Carter	January-12	August-12
Sneedville UD		Hancock	March-11	June-13
SoddyDaisy-Falling Water UD	WL	Hamilton	August-12	October-11
South Elizabethton UD	WL	Carter	February-12	June-13
South Giles UD	WL	Giles	December-10	October-12
South Side UD		Smith	December-11	February-12
Tarpley Shop UD	WL	Giles	June-12	June-13
Tuckaleechee UD		Blount	June-11	August-12
Unicoi Water UD		Unicoi	September-12	August-12
Webb Creek UD		Sevier	December-11	October-11
West Cumberland UD		Cumberland	June-12	August-12
West Point UD	WL	Lawrence	December-11	February-13
Woodlawn UD	WL	Montgomery	December-11	October-12

WATER LOSS STATUS						
<u>District</u>	<u>original referral %</u>	<u>original audit referral date</u>	<u>subsequent review %</u>	<u>subsequent review date</u>	<u>subsequent review %</u>	<u>subsequent review date</u>
Bloomington	45.064%	6/30/2010	44.64%	6/30/2011		
Cherokee Hills	100.000%	12/31/2010	100.00%	12/31/2011		
Chuckey	36.770%	6/30/2010	39.49%	6/30/2011		
Cookeville Boat Dock Road	45.480%	12/31/2009	45.92%	12/31/2010		
Cross Anchor	42.660%	6/30/2010	45.73%	6/30/2011		
DeWhite	42.000%	12/31/2010	41.60%	12/31/2011		
Double Springs	37.580%	4/30/2010	37.74%	4/30/2011	37.040%	4/30/2012
East Sevier	75.000%	6/30/2010	72.00%	6/30/2011		
Fall River Road	45.00%	12/31/2010	41.00%	12/31/2011		
Gibson Co. Municipal	45.720%	11/30/2010	45.21%	11/30/2011		
Hampton	33.330%	11/30/2010	35.49%	11/30/2011		
Harbor	54.350%	6/30/2010	61.64%	6/30/2011		
Intermont	35.11%	12/31/2010	41.75%	12/31/2011		
Jackson County	36.93%	12/31/2010				
Minor Hill	37.706%	12/31/2010	37.87%	12/31/2011		
Mooresburg	68.623%	12/31/2009	56.23%	12/31/2010	61.686%	12/31/2011
Mowbray	41.480%	8/31/2010	42.30%	6/30/2011	42.275%	6/30/2012
Northeast Henry	35.000%	6/30/2010	41.52%	6/30/2011	36.966%	6/30/2012
Quebeck-Walling	35.100%	12/31/2010	37.01%	12/31/2011		
Sale Creek	60.320%	6/30/2010	49.24%	6/30/2011	35.730%	6/30/2012
Samburg	51.632%	1/31/2012				
Shady Grove	37.090%	9/30/2010	40.16%	9/30/2011	40.160%	9/30/2012
Siam	39.378%	1/31/2010	39.38%	1/31/2011	50.055%	1/31/2012
Soddy-Daisy/Falling Water	39.960%	6/30/2010	37.50%	8/31/2011	35.935%	8/31/2012
South Elizabethton	38.360%	2/28/2010	37.37%	2/28/2011	38.142%	2/29/2012
South Giles	40.744%	12/31/2010				
Tarpley Shop	37.000%	6/30/2012				
West Cumberland	36.716%	6/30/2012				
West Point	67.000%	12/31/2009	41.00%	12/31/2010	45.000%	12/31/2011
Woodlawn	37%	12/31/2011				

9/29/2012	jw	Horace Conover	East Sevier UD	high rates/bad water	explained UMRB procedures
				\$100 non refundable fee/charged for full month - only a customer for 1/2 month	
10/1/2012	jw	Vanessa	Roane Central UD		explained UMRB procedures
10/3/2012	jw	Richard Seiber	NW Dyersburg UD	high bill/ UD won't pull meter	explained UMRB procedures
10/3/2012	jw	Michael Kay	Hallsdale Powell UD	high rates	explained UMRB procedures
10/3/2012	jw	Ruthild Nelson	East Sevier UD	high rates	explained UMRB procedures
10/3/2012	jw	Susan Matthews	East Sevier UD	high rates/bad water	explained UMRB procedures/referred to TDEC
10/16/2012	jw	Uta Nelson	East Sevier UD	high rates	explained UMRB procedures
10/16/2012	jw	Hugh Vaughn	East Sevier UD	high rates	explained UMRB procedures
10/16/2012	jw	Linda Seely	East Sevier UD	high rates	explained UMRB procedures
10/16/2012	jw	Alvin Savoy	East Sevier UD	high rates	explained UMRB proceures
10/16/2012	jw	Gary Gallagher	East Sevier UD	high rates	explained UMRB proceures
				water meter refused w/o paying previous owners past due bill	
10/17/2012	jw	Pat Dunn	East Fork UD		explained UMRB procedures
10/17/2012	jw	Kristen Lane	Hallsdale Powell UD	high rates	explained UMRB procedures
10/17/2012	jw	Danny Charles	East Sevier UD	high rates	explained UMRB procedures
10/17/2012	jw	Roger Thompson	East Sevier UD	high rates	explained UMRB procedures
10/17/2012	jw	Gary Suhay	East Sevier UD	high rates	explained UMRB procedures
10/17/2012	jw	Phillip Sanders	East Sevier UD	high rates	explained UMRB procedures
10/17/2012	jw	Lori Pershing	Madison Suburban UD	smart meters	explained UMRB procedures
				paying minimum bill - no water connection - UD won't stop billing.	
10/23/2012	jw	not given	Bean Station UD		explained UMRB procedures
10/24/2012	jw	Scotty Workman	East Sevier UD	high rates	explained UMRB procedures
10/24/2012	jw	Stacy Radford	East Sevier UD	high rates	explained UMRB procedures
10/24/2012	jw	Danny Charles	East Sevier UD	high rates	explained UMRB procedures
10/24/2012	jw	Carole Andrew Laross	East Sevier UD	high rates	explained UMRB procedures
10/24/2012	jw	Whitney Riddle	East Sevier UD	high rates	explained UMRB procedures
10/26/2012	jw	Robert Ross	East Sevier UD	high rates - petition info	explained UMRB procedures
10/30/2012	jw	George Chen	East Sevier UD	high rates	explained UMRB procedures
11/1/2012	jw	Rhonda Rutherford	Hallsdale Powell UD	high rates	explained UMRB procedures
11/7/2012	jw	Michael Merkle	East Sevier UD	high rates	explained UMRB procedures
					allowed by law - expained UMRB procedures
11/13/2012	jw	Tonya Hileman	Roane Central UD	charge for sewer- don't have	procedures
11/19/2012	jw	Charles Gordon	East Sevier UD	high rates	expalined UMRB procedures
11/21/2012	jw	Chris Raymond			returned call - no answer
11/30/2012	jw	Pete Abdo	Minor Hill UD	water cut off w/o notice/ also info re: boil water notification	explained UMRB procedures/ forward into to TDEC
12/3/2012	jw	Bob Wagner	Shady Grove UD	tuned water off w/o notice	explained UMRB procedures
12/7/2012	jw	Ralph Thacker	First UD of Hawlins Co	rate increase without notice	explained UMRB procedures
12/10/2012	jw	Jennifer Gray	Castalian Springs	water off w/o notice	explained UMRB procedures
12/10/2012	jw	Natasha Buttrey	Madison Suburban UD	high connection fee	explained UMRB procedures
12/14/2012	jw	Robert Ploss	West Cumberland UD	high bills	explained UMRB procedures
12/18/2012	jw	Corinne Wilson	H. B. & T. S. UD	high reconnection	explained UMRB procedures
					explained UMRB procedures/TDEC
12/18/2012	jw	Judy Vaughn	West Overton UD	wants water	referral - quality issues
12/20/2012	jw	Doug Motzer	North UD of Rhea County	300% increase in bill	expalined UMRB procedures

2013					
1/3/2013	jw	Charles Bumgarner	Russellville-Whitesburg UD	pressure booster pump	explained UMRB procedures
1/3/2013	jw	not given	West Cumberland UD	high bills	explained UMRB procedures
1/7/2013	jw	not given	Savannah Valley UD	thinks water meter is faulty	explained UMRB procedures
1/15/2013	jw	John Denmark	Madison Suburban UD	high bill	explained UMRB procedures