



**AGENDA**  
**Water and Wastewater Financing Board**

November 13, 2014  
10:00 am  
Room 31, Legislative Plaza  
301 Sixth Avenue North  
(6<sup>th</sup> Avenue between Charlotte Avenue and Union Street)  
Nashville, Tennessee

Call to Order

Approval of Minutes

July 10, 2014

Cases:	Town of Stanton City of Middleton Town of Brighton	Haywood County Hardeman County Tipton County
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Status	City of Collinwood City of Bluff City	Wayne County Sullivan County
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Cases – water loss	Town of Oakland	Fayette County
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Status – water loss:	City of Millington Town of Monteagle	Shelby County Grundy County
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Miscellaneous:	Compliance reports Cases currently under WWFB jurisdiction Next meeting
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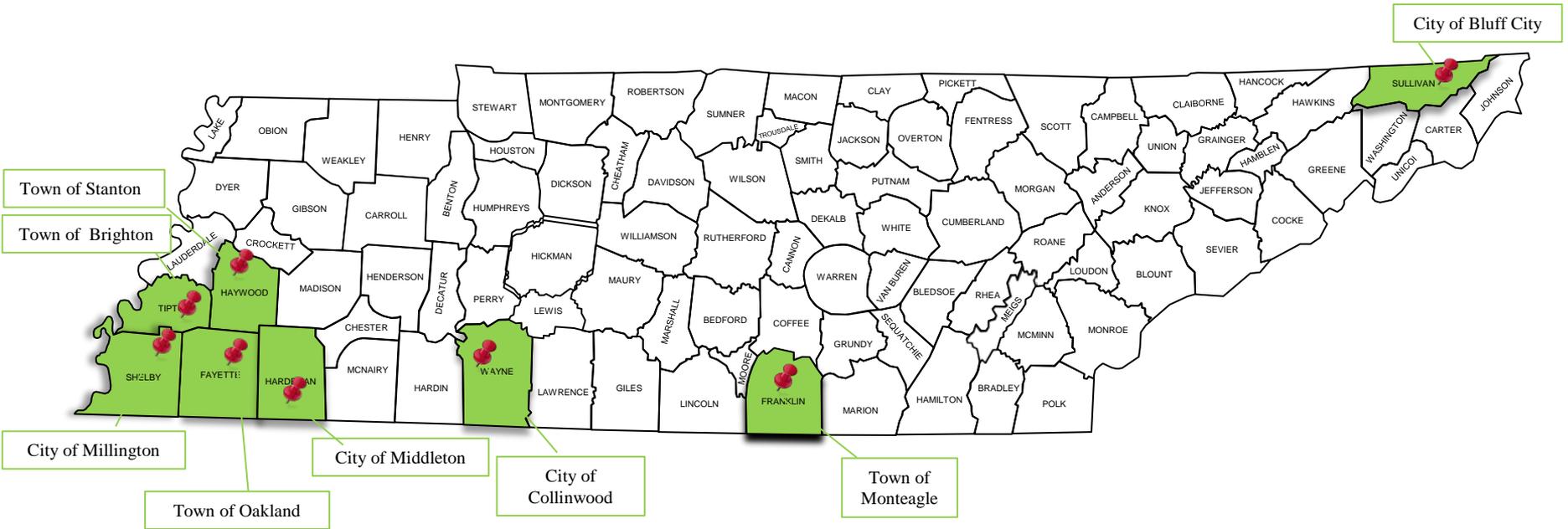
Open Discussion

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 Office of State and Local Finance 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 Office of State and Local Finance (Ms. Joyce Welborn) for further information.

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Nashville, TN 37243-1402  
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# WWFB

November 13, 2014



**MINUTES**  
**of the**  
**WATER AND WASTEWATER FINANCING BOARD MEETING**  
**July 10, 2014**  
**10:03 a.m.**

Chair Ann Butterworth opened the meeting of the Water and Wastewater Financing Board (WWFB) in Legislative Plaza, Room 31, in Nashville, Tennessee.

**Board members present and constituting a quorum:**

Ann Butterworth, Chair, Comptroller Designee

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

Drexel Heidel, Active Employee of a Water Utility District

Ben Bolton, Representing Manufacturing Interests

Kenneth Wiggins, Active Employee of a Municipal Water System

Tamika Parker, Representing Environmental Interests

**Members absent:**

Randy Wilkins, Representing Utility Districts

Betsy Crossley, Representing Municipalities

VACANT, Representing Government Finance

**Staff present from the Office of the Comptroller of the Treasury:**

Joyce Welborn

John Greer

Betsy Knotts

**Approval of Minutes:**

Mr. Moss moved approval of the minutes of May 8, 2014. Mr. Bolton seconded the motion, which was approved unanimously.

**Cases – Financial distress:**

Mr. Moss moved that the Board endorse the recommendations of staff for the following cases: towns of Tennessee Ridge, Rutledge, Decatur, Gainesboro, Puryear, and Bruceton, and the cities of Bolivar and Bradford. Mr. Wiggins seconded the motion. Ms. Butterworth opened up the floor for discussion on the motion. Mr. Bolton asked that staff recommendations included in the case study for the Town of Gainesboro be sent in a follow up letter. The motion to endorse staff recommendations for all aforementioned cases and send staff recommendations to the Town of Gainesboro was approved unanimously.

### **City of Bluff City**

The City of Bluff City had been referred to the Board for two consecutive years of a negative change in net position. The City has been providing free water to 20 customers per the terms of an easement signed in 1925. The City estimated \$20,000 of lost revenue annually due to this easement. Litigation by the City has been unsuccessful four times. Ms. Parker questioned the validity of the easement based on certain provisions provided therein. The Board asked Ms. Knotts to obtain the legal documentation related to the four previous proceedings and research the reasoning used by the City in the cases.

Ms. Parker moved that the Board endorse the actions of Bluff City relative to financial distress and for Ms. Knotts to research the relevant issues and share what her research uncovered with the City. Mr. Bolton seconded the motion, which was approved unanimously.

### **Status Reports:**

Status reports are presented simply to update the Board on certain matters specific to the entities involved. No action is taken unless specified by members. The entities will continue to be monitored by the Board until compliance is reached.

*Town of Atwood* – a signed copy of the ordinance and information about the leak detection program were received as requested at the last meeting.

### **Cases – water loss:**

Cases of water loss are presented to the Board but no action is taken unless specifically requested by members. The cases will continue to be reviewed annually until they are in compliance. The following cases were presented:

*Town of Monteagle* – Mr. Bolton requested a status update in three months regarding the Town hiring a new Water and Sewer Director.

### **Status reports – water loss:**

Status reports are presented simply to update the Board on certain matters specific to the entities involved. No action is taken unless specified by members. The entities will continue to be monitored by the Board until compliance is reached.

*Town of Sharon* – a detailed water loss plan was received as requested at the last meeting.

*City of Jellico* – follow up information was received as requested at the last meeting.

### **Miscellaneous:**

Sheila Reed from the Comptroller's office made a presentation to the Board about depreciation.

### **Compliance reports**

Included in the packet were compliance reports for the cities of Friendsville and McLemoresville. Lenoir City Utilities Board was also in compliance.

**Jurisdiction List:**

Ms. Welborn presented an updated schedule identifying all systems which were currently under the Board's jurisdiction. A separate sheet was included for those the systems dealing only with excessive water loss.

The next regular meeting was scheduled for September 11, 2014, at 10:00 a.m.in the Legislative Plaza.

Ms. Butterworth adjourned the meeting at 11:20 a. m.

**Respectfully submitted,**

**Ann Butterworth**  
**Chair**

**Joyce Welborn**  
**Utilities Board Manager**

WATER AND WASTEWATER FINANCING BOARD  
Case Study

Case: Town of Stanton  
Mayor: Allan Sterbinsky  
Customers: 274 water, 242 sewer  
Validity Score: 97  
Water Loss: 69%

The Town of Stanton has been reported to the Water and Wastewater Financing Board as being financially distressed based on a negative change in net position for two consecutive years in its water and sewer system. The financial and rate history is attached.

Both water and sewer systems belonging to the Town of Stanton are operated and managed by Brownsville Energy Authority under a contract with expenses of approximately \$30,000 annually. The Town sells water to Haywood County Utility District, which is also operated and managed by Brownsville.

In 2012, at a cost of approximately \$81,000, Tennessee Department of Environment and Conservation required the Town remove trees from the lagoon, replace the fence surrounding the lagoon, and install new aerators. Erosion was deteriorating the banks of the lagoon, so in 2013, the Town paid Brownsville \$12,000 to rehabilitate areas of the lagoon in an attempt to slow the process. Grant funding was received to provide the estimated repair cost of \$218,000. It will cost the Town approximately \$200,000 to repair and paint a water tank that is not in compliance. The Mayor is currently exploring options to dismantle the tank because a second tank is sufficient for the needs of the customers.

The Town has adopted new rates based on a study prepared by MTAS. The system is debt free.

When questioned about the AWWA worksheet and a validity score of 97, the Mayor explained that Brownsville completed the worksheet. Based on an analysis from Chris Leauber, a corrected AWWA worksheet has been submitted reflecting a score of 67 and non-revenue water of 5.2%. The revised sheet has not been submitted via an audit revision or CARS.

**Staff recommends the Board endorse the actions of the Town of Stanton and continue to monitor its progress in both the financial and water loss areas. The Mayor has worked diligently doing what needed to be done to benefit the Town. His efforts are to be commended.**

**TOWN OF STANTON  
HISTORY FILE**

	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited
<b>FYE 6/30</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
W/S Revenues	\$ 55,964	\$ 78,087	\$ 81,179	\$ 76,062	\$ 75,756	\$ 108,663	\$ 118,089	\$ 128,043
Other revenues	\$ 2,377	\$ 3,431	\$ 3,338	\$ 2,190	\$ 1,768	\$ 4,273	\$ 602	\$ 603
<b>Total Rev</b>	<b>\$ 58,341</b>	<b>\$ 81,518</b>	<b>\$ 84,517</b>	<b>\$ 78,252</b>	<b>\$ 77,524</b>	<b>\$ 112,936</b>	<b>\$ 118,691</b>	<b>\$ 128,646</b>
<b>Total Exp.</b>	<b>\$ 103,726</b>	<b>\$ 108,199</b>	<b>\$ 99,381</b>	<b>\$ 98,331</b>	<b>\$ 102,719</b>	<b>\$ 112,011</b>	<b>\$ 199,708</b>	<b>\$ 140,910</b>
Operating Income	\$ (45,385)	\$ (26,681)	\$ (14,864)	\$ (20,079)	\$ (25,195)	\$ 925	\$ (81,017)	\$ (12,264)
Interest Expense	\$ 948	\$ 864	\$ 1,039	\$ 181				
<b>Change in Net Assets</b>	<b>\$ (46,333)</b>	<b>\$ (27,545)</b>	<b>\$ (15,903)</b>	<b>\$ (20,260)</b>	<b>\$ (25,195)</b>	<b>\$ 925</b>	<b>\$ (81,017)</b>	<b>\$ (12,264)</b>
<u>Additional Info</u>								
Principal payment	\$ 555	\$ 612	\$ 437	\$ 16,779				
Depreciation	\$ 35,598	\$ 35,551	\$ 35,456	\$ 35,335	\$ 35,127	\$ 39,291	\$ 38,617	\$ 38,072
<b>Water rates</b>								
First 2,000 gallons outside	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 10.15	\$ 10.15
First 2,000 gallons inside	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 7.25	\$ 7.25
All over 2,000 gallons	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75	\$ 2.54	\$ 2.54
Wholesale commercial outside			\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00
<b>Water customers</b>			264	264	267	265	270	274
<b>Sewer rate</b>								
Flat rate for all per month	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 4.35	\$ 4.35
Per 1,000 gallons	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75	\$ 2.54	\$ 2.54
<b>Sewer customers</b>			233	233	235	235	238	242
<b>Water Loss</b>			<b>9.747%</b>	<b>11.491%</b>	<b>9.100%</b>	<b>9.751%</b>	<b>11.582%</b>	
<b>Validity Score</b>								<b>97</b>
<b>Non-revenue water - Oper. Cost</b>								<b>69.00%</b>

**ORDINANCE NUMBER 140821**

**AN ORDINANCE TO SET THE RATES, FOR WATER AND SEWER SERVICE OF THE TOWN OF STANTON.**

WHEREAS, To have a financially viable water and sewer system; and

WHEREAS, To comply with Tennessee Code Annotated; and

WHEREAS, The Board of Mayor and Aldermen of the Town of Stanton finds it necessary to increase the rates for the water and sewer service of the Town of Stanton;

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

Section 1. This ordinance will replace in entirety the current water and sewer rates for the Town of Stanton as shown in ordinance # 100910.

Section 2. The new water and sewer rates will be:

**Water**

First 2,000 gallons (inside city limits)	\$11.60
First 2,000 gallons (outside city limits)	\$16.24
Every 1,000 gallons above 2,000 gallons	\$ 4.06

Wholesale water-commercial outside	
Every 1,000 gallons	\$ 3.00

**Sewer**

Base per customer	\$ 6.96
Every 1,000 gallons	\$ 4.06

Section 3. The above rates shall go into effect 1 January 2015.

Section 4. This ordinance shall become effective upon final passage, the public welfare requiring it.

Passed First Reading 15 July 2014

Passed Second Reading 19 August 2014

Allan Sterbrook 22 Aug 2014  
Mayor (Date)

Dwelle Moss 8-22-14  
Recorder (Date)

**Water and Wastewater Financing Board  
Case Study**

**Case:** City of Middleton  
**City Administrator:** Tony Davis  
**Customers:** 389 Water, 315 Sewer  
**Validity Score:** 66  
**Non-Revenue Water:** 5.10%

The City of Middleton has been reported to the Board as having two consecutive years with a negative change in net position as of June 30, 2013. The financial and rate history is attached.

Grant funding has allowed the City to replace all residential meters in the system. The 6 remaining commercial meters will be changed in the near future as time allows. The changing of old meters has led to increased revenue and decreased water loss. Several bills have doubled due to the meter replacement. The City initiated a public relations campaign to make customers were aware of the new meter installation and the likelihood of an increased bill. All meters are now radio read, and the software for the system will be installed soon to make the entire operation complete.

The City is projecting a negative change in net position and a high water loss for the year ended June 30, 2014. Because there are no “as built” maps of the water system available, the City averaged 1 – 3 mainline breaks per week during the installation of a new natural gas distribution system. The City has laid tracer wire in all repaired pipes in an attempt to avoid these issues in the future. Contrary to normal water line construction in Tennessee, some meters sit roughly 10-15 feet off the main line.

On July 1, 2014, even though the minimum bill remained the same, rates were increased 25% on all usage over the minimum.

The increased rates, as well as a 14% population growth in the last year, have the City projecting a positive change in net position for FY 2015.

**Staff recommends the Board endorse the actions of the City of Middleton. They will remain under the jurisdiction of the WWFB until an audit is received which reflects compliance.**

CITY OF MIDDLETON					
HISTORY FILE					
	Audited	Audited	Audited	Audited	
For year ended June 30	2010	2011	2012	2013	
Water/sewer revenues	\$ 207,938	\$ 184,537	\$ 204,093	\$ 310,914	
Other revenues	\$ 4,431	\$ 5,061	\$ 4,011	\$ 5,320	
Capital contributions	\$ 400	\$ 85,941	\$ 118,484		
<b>Total Operating Revenues</b>	<b>\$ 212,769</b>	<b>\$ 275,539</b>	<b>\$ 326,588</b>	<b>\$ 316,234</b>	
<b>Total Operating Expenses</b>	<b>\$ 278,883</b>	<b>\$ 293,656</b>	<b>\$ 316,417</b>	<b>\$ 320,333</b>	
Operating Income	\$ (66,114)	\$ (18,117)	\$ 10,171	\$ (4,099)	
Interest Expense	\$ 20,168	\$ 20,082	\$ 19,646	\$ 19,250	
<b>Change in Net assets</b>	<b>\$ (86,282)</b>	<b>\$ (38,199)</b>	<b>\$ (9,475)</b>	<b>\$ (23,349)</b>	
<u>Supplemental Information</u>					
Principal payment	\$ 6,749	\$ 7,073	\$ 7,413	\$ 7,769	
Depreciation	\$ 84,562	\$ 84,486	\$ 85,992	\$ 90,462	
<b><u>Water Rates-Inside</u></b>				<u>7/1/2012</u>	<u>7/1/2014</u>
Up to 1,000 gallons	\$ 9.75	\$ 9.75	\$ 9.75	\$ 13.06	\$ 13.06
all over	\$ 1.65	\$ 1.65	\$ 1.65	\$ 2.23	\$ 2.79
<b><u>Water Rates-Outside</u></b>					
Up to 2,000 gallons	\$ 12.00	\$ 12.00	\$ 12.00	\$ 16.20	\$ 16.20
all over	\$ 3.00	\$ 3.00	\$ 3.00	\$ 4.05	\$ 5.06
<b>Sewer rates</b>	100% of water	100% of water	100% of water	100% of water	100% of water
Thyssendrupt			\$ 6.50	plus 4.59 per 1000 gallons discharged	
Water customers	387	385	385	389	
Sewer customers	330	327	327	315	
<b>Water loss</b>	<b>20.71%</b>	<b>26.92%</b>	<b>29.86%</b>		
<b>Validity score</b>				<b>69</b>	
<b>Non-revenue water</b>				<b>4.30%</b>	

**ORDINANCE NO: 2014-09**

**AN ORDINANCE OF THE CITY OF MIDDLETON, TENNESSEE, ESTABLISHING THE WATER AND SEWER FUND RATE EFFECTIVE JULY 1, 2014.**

**Whereas, the City of Middleton Water and Sewer system must comply with rules and regulations of both the state and federal governments;**

**Whereas, additional funds are necessary to meet compliance with these regulations;**

**NOW, THEREFORE BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF MIDDLETON, TENNESSEE, THAT;**

**Section 1. Ordinance number 2012-03 passed on final reading on May 29, 2012, setting the water and sewer rates for the City of Middleton is hereby amended to read as follows:**

**Customers inside the corporate limits:**

Minimum charge (includes first 1,000 gallons)	\$13.16
Each additional 1,000 gallons	\$ 2.79 (per thousand)

**Customers outside the corporate limits:**

Minimum charge (includes first 1,000 gallons)	\$16.20
Each additional 1,000 gallons	\$ 5.06 (per thousand)

**Section 2. With the exception of ThyssenKrupp Elevator, the sewer rates for the City of Middleton customers shall be 100% of the water charge. ThyssenKrupp Elevator will pay \$6.50 plus \$4.59 per 1,000 gallons discharged to the City of Middleton Sanitary Sewer Collection System**

**Section 2. This ordinance shall take effect upon its final reading, the public health, safety, and welfare requiring it.**

Passed 1<sup>st</sup> reading: 4-21-14

Passed 2<sup>nd</sup> reading: 5-19-14

  
 Jackie Cox, Mayor  
  
 Linda Earnest  
 City Recorder

**Water and Wastewater Financing Board  
Case Study**

**Case:** Town of Brighton  
**Mayor:** Jeff A. Scott  
**Customers:** 1406 Water, 1005 Sewer  
**Validity Score:** 66  
**Non-Revenue Water:** 5.10%

The Town of Brighton has been reported to the Board as having two consecutive years with a negative change in net position as of June 30, 2013. The financial and rate history is attached.

The Town was billing of three schools in hundred gallon increments instead of thousand gallon increments, which resulted in approximately \$200 in month revenue instead of approximately \$1,000. Currently, the two parties are negotiating for the school system to pay the money owed the Town.

The Town Recorder/CMFO has been in place for approximately one month. The billing clerk has also recently changed.

As of June 30, 2013, there was an interfund loan of approximately \$300,000 between the utility department and the general fund. Currently the utility is repaying the general fund approximately \$50,000 per month plus the current expenses related to the payroll.

City officials stated that, after conversations with MTAS, the water/sewer rate was being increased by 25% across the board. The effective date of the increase has not yet been established by Town Council.

The Mayor has asked the Town's CPA to determine the correct amount of a rate increase needed to resolve the financially distressed condition. MTAS has also been contacted for assistance.

**Staff recommends the Town of Brighton:**

- 1. Adopt policies and procedures to govern all utility functions of the Town**
- 2. Follow MTAS suggestions for rate changes. Although staff is not convinced that 25% will be sufficient, we concur with the MTAS recommendation and will continue to monitor the situation.**
- 3. Evaluate their current depreciation structure**

**The Town of Brighton will remain under the jurisdiction of the WWFB until an audit is received which reflects compliance.**

**TOWN OF BRIGHTON  
HISTORY FILE COMBINED**

	Audited	Audited	Audited	Audited	Audited
For year ended June 30	2009	2010	2011	2012	2013
Water/sewer revenues	\$ 688,653	\$ 702,914	\$ 771,136	\$ 764,946	\$ 757,001
Other revenues	\$ 40,208	\$ 55,343	\$ 27,766	\$ 42,218	\$ 27,702
Capital Contributions	\$ 516,874		\$ 135,814		
<b>Total Operating Revenues</b>	<b>\$ 1,245,735</b>	<b>\$ 758,257</b>	<b>\$ 934,716</b>	<b>\$ 807,164</b>	<b>\$ 784,703</b>
<b>Total Operating Expenses</b>	<b>\$ 891,584</b>	<b>\$ 846,787</b>	<b>\$ 905,285</b>	<b>\$ 966,037</b>	<b>\$ 876,699</b>
Operating Income	\$ 354,151	\$ (88,530)	\$ 29,431	\$ (158,873)	\$ (91,996)
Interest Expense	\$ (7,827)	\$ (4,368)	\$ (1,250)	\$ (991)	\$ (352)
<b>Change in Net Position</b>	<b>\$ 346,324</b>	<b>\$ (92,898)</b>	<b>\$ 28,181</b>	<b>\$ (159,864)</b>	<b>\$ (92,348)</b>
<u>Supplemental Information</u>					
Principal payment	\$ 75,651	\$ 60,969	\$ 51,131	\$ 6,318	\$ 6,815
Depreciation	\$ 149,707	\$ 167,481	\$ 165,903	\$ 167,834	\$ 165,962
<b>Water Rates</b>					
Under 1000 Gallons	8.00 - 14.65	8.00 - 14.65	8.00 - 14.65	8.74 - 14.65	8.74 - 14.65
2000-2499	15.00 - 16.40	15.00 - 16.40	15.00 - 16.40	15.00 - 16.40	15.00 - 16.40
2500-2999	16.75 - 18.15	16.75 - 18.15	16.75 - 18.15	16.75 - 18.15	16.75 - 18.15
3000-3499	18.50 - 19.90	18.50 - 19.90	18.50 - 19.90	18.50 - 19.90	18.50 - 19.90
3500-3999	20.25 - 21.65	20.25 - 21.65	20.25 - 21.65	20.25 - 21.65	20.25 - 21.65
4000-4499	22.00 - 23.40	22.00 - 23.40	22.00 - 23.40	22.00 - 23.40	22.00 - 23.40
4500-4999	23.75 - 25.15	23.75 - 25.15	23.75 - 25.15	23.75 - 25.15	23.75 - 25.15
5000-5499	25.50 - 26.90	25.50 - 26.90	25.50 - 26.90	25.50 - 26.90	25.50 - 26.90
5500-5999	27.25 - 28.65	27.25 - 28.65	27.25 - 28.65	27.25 - 28.65	27.25 - 28.65
<b>Sewer Rates</b>					
Under 1000 Gallons	8.00 - 14.65	8.00 - 14.65	8.00 - 14.65	8.00 - 14.65	8.00 - 14.65
2000-2499	15.00 - 16.40	15.00 - 16.40	15.00 - 16.40	15.00 - 16.40	15.00 - 16.40
2500-2999	16.75 - 18.15	16.75 - 18.15	16.75 - 18.15	16.75 - 18.15	16.75 - 18.15
3000-3499	18.50 - 19.90	18.50 - 19.90	18.50 - 19.90	18.50 - 19.90	18.50 - 19.90
3500-3999	20.25 - 21.65	20.25 - 21.65	20.25 - 21.65	20.25 - 21.65	20.25 - 21.65
4000-4499	22.00 - 23.40	22.00 - 23.40	22.00 - 23.40	22.00 - 23.40	22.00 - 23.40
4500-4999	23.75 - 25.15	23.75 - 25.15	23.75 - 25.15	23.75 - 25.15	23.75 - 25.15
5000-5499	25.50 - 26.90	25.50 - 26.90	25.50 - 26.90	25.50 - 26.90	25.50 - 26.90
5500-5999	27.25 - 28.65	27.25 - 28.65	27.25 - 28.65	27.25 - 28.65	27.25 - 28.65
Water Customers	1,403	1,432	1,435	1,429	1,406
Sewer Customers	986	1,013	1,013	1,018	1,005
<b>Water loss</b>	<b>20.06%</b>	<b>19.41%</b>	<b>14.96%</b>		
<b>Validity score</b>				<b>66</b>	<b>66</b>
<b>Non-revenue water</b>				<b>7.00%</b>	<b>5.10%</b>

<b>TOWN OF BRIGHTON</b>					
<b>HISTORY FILE WATER</b>					
	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>
<b>For year ended June 30</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Water revenues	\$ 385,850	\$ 399,748	\$ 435,877	\$ 450,140	\$ 444,871
Other revenues	\$ 22,006	\$ 35,946	\$ 15,284	\$ 25,059	\$ 14,526
Capital Contributions	\$ 258,437		\$ 43,922		
<b>Total Operating Revenues</b>	<b>\$ 666,293</b>	<b>\$ 435,694</b>	<b>\$ 495,083</b>	<b>\$ 475,199</b>	<b>\$ 459,397</b>
<b>Total Operating Expenses</b>	<b>\$ 525,424</b>	<b>\$ 493,153</b>	<b>\$ 520,732</b>	<b>\$ 546,225</b>	<b>\$ 496,645</b>
Operating Income	\$ 140,869	\$ (57,459)	\$ (25,649)	\$ (71,026)	\$ (37,248)
Interest Expense	\$ (4,613)	\$ (2,854)	\$ (654)	\$ (991)	\$ (352)
<b>Change in Net Position</b>	<b>\$ 136,256</b>	<b>\$ (60,313)</b>	<b>\$ (26,303)</b>	<b>\$ (72,017)</b>	<b>\$ (37,600)</b>
<u>Supplemental Information</u>					
Principal payment	\$ 37,826	\$ 33,469	\$ 46,651	\$ 6,318	\$ 6,815
Depreciation	\$ 48,118	\$ 52,181	\$ 28,632	\$ 46,166	\$ 39,354
<u>Water Rates</u>					
Under 1000 Gallons	8.00 - 14.65	8.00 - 14.65	8.00 - 14.65	8.74 - 14.65	8.74 - 14.65
2000-2499	15.00 - 16.40	15.00 - 16.40	15.00 - 16.40	15.00 - 16.40	15.00 - 16.40
2500-2999	16.75 - 18.15	16.75 - 18.15	16.75 - 18.15	16.75 - 18.15	16.75 - 18.15
3000-3499	18.50 - 19.90	18.50 - 19.90	18.50 - 19.90	18.50 - 19.90	18.50 - 19.90
3500-3999	20.25 - 21.65	20.25 - 21.65	20.25 - 21.65	20.25 - 21.65	20.25 - 21.65
4000-4499	22.00 - 23.40	22.00 - 23.40	22.00 - 23.40	22.00 - 23.40	22.00 - 23.40
4500-4999	23.75 - 25.15	23.75 - 25.15	23.75 - 25.15	23.75 - 25.15	23.75 - 25.15
5000-5499	25.50 - 26.90	25.50 - 26.90	25.50 - 26.90	25.50 - 26.90	25.50 - 26.90
5500-5999	27.25 - 28.65	27.25 - 28.65	27.25 - 28.65	27.25 - 28.65	27.25 - 28.65
Water Customers	1,403	1,432	1,435	1,429	1,406
<b>Water loss</b>	<b>20.06%</b>	<b>19.41%</b>	<b>14.96%</b>		
<b>Validity score</b>				<b>66</b>	<b>66</b>
<b>Non-revenue water</b>				<b>7.00%</b>	<b>5.10%</b>

<b>TOWN OF BRIGHTON</b>					
<b>HISTORY FILE SEWER</b>					
	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>
<b>For year ended June 30</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Sewer revenues	\$ 302,803	\$ 303,166	\$ 335,259	\$ 314,806	\$ 312,130
Other revenues	\$ 18,202	\$ 19,397	\$ 12,482	\$ 17,159	\$ 13,176
Capital Contributions	\$ 258,437		\$ 91,892		
<b>Total Operating Revenues</b>	<b>\$ 579,442</b>	<b>\$ 322,563</b>	<b>\$ 439,633</b>	<b>\$ 331,965</b>	<b>\$ 325,306</b>
<b>Total Operating Expenses</b>	<b>\$ 366,160</b>	<b>\$ 353,634</b>	<b>\$ 384,553</b>	<b>\$ 419,812</b>	<b>\$ 380,054</b>
Operating Income	\$ 213,282	\$ (31,071)	\$ 55,080	\$ (87,847)	\$ (54,748)
Interest Expense	\$ (3,214)	\$ (1,514)	\$ (596)	\$ -	\$ -
<b>Change in Net Position</b>	<b>\$ 210,068</b>	<b>\$ (32,585)</b>	<b>\$ 54,484</b>	<b>\$ (87,847)</b>	<b>\$ (54,748)</b>
<u>Supplemental Information</u>					
Principal payment	\$ 37,826	\$ 27,500	\$ 22,499	\$ -	\$ -
Depreciation	\$ 101,589	\$ 115,300	\$ 119,252	\$ 121,668	\$ 126,608
<u>Sewer Rates</u>					
Under 1000 Gallons	8.00 - 14.65	8.00 - 14.65	8.00 - 14.65	8.00 - 14.65	8.00 - 14.65
2000-2499	15.00 - 16.40	15.00 - 16.40	15.00 - 16.40	15.00 - 16.40	15.00 - 16.40
2500-2999	16.75 - 18.15	16.75 - 18.15	16.75 - 18.15	16.75 - 18.15	16.75 - 18.15
3000-3499	18.50 - 19.90	18.50 - 19.90	18.50 - 19.90	18.50 - 19.90	18.50 - 19.90
3500-3999	20.25 - 21.65	20.25 - 21.65	20.25 - 21.65	20.25 - 21.65	20.25 - 21.65
4000-4499	22.00 - 23.40	22.00 - 23.40	22.00 - 23.40	22.00 - 23.40	22.00 - 23.40
4500-4999	23.75 - 25.15	23.75 - 25.15	23.75 - 25.15	23.75 - 25.15	23.75 - 25.15
5000-5499	25.50 - 26.90	25.50 - 26.90	25.50 - 26.90	25.50 - 26.90	25.50 - 26.90
5500-5999	27.25 - 28.65	27.25 - 28.65	27.25 - 28.65	27.25 - 28.65	27.25 - 28.65
Sewer Customers	986	1,013	1,013	1,018	1,005

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: **City of Collinwood**

Reporting Year: **2013** / 7/2012 ~ 6/2013

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="77.288"/>	Million gallons (US)/yr (MG/Yr)
Master meter error adjustment (enter positive value):	<input type="text" value="1"/>	<input type="text" value="0.000"/>	MG/Yr
Water imported:	<input type="text" value="n/a"/>	<input type="text" value="0.000"/>	MG/Yr
Water exported:	<input type="text" value="n/a"/>	<input type="text" value="0.000"/>	MG/Yr
<b>WATER SUPPLIED:</b>		<b>77.288</b>	MG/Yr

**AUTHORIZED CONSUMPTION**

Billed metered:	<input type="text" value="5"/>	<input type="text" value="36.349"/>	MG/Yr
Billed unmetered:	<input type="text" value="5"/>	<input type="text" value="0.125"/>	MG/Yr
Unbilled metered:	<input type="text" value="3"/>	<input type="text" value="0.260"/>	MG/Yr
Unbilled unmetered:	<input type="text" value="7"/>	<input type="text" value="0.966"/>	MG/Yr
<b>AUTHORIZED CONSUMPTION:</b>		<b>37.700</b>	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

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"/>	<input type="text" value="0.193"/>	MG/Yr
Customer metering inaccuracies:	<input type="text" value="1"/>	<input type="text" value="1.927"/>	MG/Yr
Systematic data handling errors:	<input type="text" value="2"/>	<input type="text" value="0.100"/>	MG/Yr
<b>Apparent Losses:</b>		<b>2.220</b>	

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:  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="1"/>	<input type="text" value="40.0"/>	miles
Number of active AND inactive service connections:	<input type="text" value="7"/>	<input type="text" value="772"/>	
Connection density:		<input type="text" value="19"/>	conn./mile main
Average length of customer service line:	<input type="text" value="3"/>	<input type="text" value="15.0"/>	ft (pipe length between curbstop and customer meter or property boundary)
Average operating pressure:	<input type="text" value="5"/>	<input type="text" value="60.0"/>	psi

**COST DATA**

Total annual cost of operating water system:	<input type="text" value="9"/>	<input type="text" value="\$271,941"/>	\$/Year
Customer retail unit cost (applied to Apparent Losses):	<input type="text" value="8"/>	<input type="text" value="\$9.12"/>	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	<input type="text" value="2"/>	<input type="text" value="\$0.01"/>	\$/Million gallons

**PERFORMANCE INDICATORS**

**Financial Indicators**

Non-revenue water as percent by volume of Water Supplied:	<input type="text" value="52.8%"/>
Non-revenue water as percent by cost of operating system:	<input type="text" value="7.4%"/>
Annual cost of Apparent Losses:	<input type="text" value="\$20,246"/>
Annual cost of Real Losses:	<input type="text" value="\$0"/>

**Operational Efficiency Indicators**

Apparent Losses per service connection per day:	<input type="text" value="7.88"/>	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="2,559.44"/>	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 too small: 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: 46 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: Customer metering inaccuracies
- 3: Variable production cost (applied to Real Losses)

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

July 25, 2014

Mayor Irene Wells  
City of Bluff City  
P. O. Box 70  
Bluff City, TN 37618-0070

Dear Mayor Wells:

At its meeting July 10, 2014, the Water and Wastewater Financing Board voted to endorse the actions of the City that include:

- A 15% rate increase in both water and sewer rates effective July 1, 2014;
- A 15% rate increase in both water and sewer rates effective July 1, 2015;  
and,
- A 15% rate increase in both water and sewer rates effective July 1, 2016.

The Board also discussed the possibility of the City charging the “free water” customers for the cost of treatment of the water. The cost of treatment may include any related depreciation, the cost of electricity, chemicals, metering, or oversight required by the Safe Drinking Water Act or the State of Tennessee. The Board ordered its counsel to research all of the legal issues related to the “free water” issue and to report back at the next scheduled Board meeting.

If you need further assistance, please contact me at (615) 401-7864 or [Joyce.Welborn@cot.tn.gov](mailto:Joyce.Welborn@cot.tn.gov).

Sincerely,

Joyce Welborn  
Utilities Board Manager



STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY

Justin P. Wilson  
Comptroller

OFFICE OF GENERAL COUNSEL

James K. Polk State Office Building  
505 Deaderick Street, Suite 1700  
Nashville, Tennessee 37243-1402  
Phone (615) 401-7786  
Fax (615) 741-1776

Stephanie S. Maxwell  
General Counsel

October 30, 2014

**MEMO**

To: Members of the Water and Wastewater Financing Board

From: Betsy Knotts, Assistant General Counsel

Subject: Bluff City Water Line Easement—Underwood Springs

On July 10, 2014, the Water and Wastewater Financing Board (“Board”) voted to endorse the actions of Bluff City (“City”) to implement an incremental increase to its water and sewer rates. The Board also ordered counsel to research the legal issues surrounding the City’s ongoing arrangement to provide free water to certain customers pursuant to an easement that originated around the year 1925.

Pursuant to my open records request, the City Attorney sent copies of all legal documents related to the City’s 1925 easement. Those documents are attached. The litigation history is incomplete; however, based on the documents submitted it does appear the courts never expressly rescinded the water line easement.

As noted in the deeds, the easement is of perpetual duration, “[the grantors/property owners] convey unto Bluff City...the right to use, carry away, own and control, forever, such portions of the water which flows through or by the lands now owned by us, coming from what is known as the Underwood Spring...for waterworks purposes”.

In other words, the grantors conveyed the right to own and control water produced by springs located on their property to the City. In exchange for that right, the City gave the grantors, their heirs and assigns the right to free use of the water from the main line so long as the water main was maintained on their land or *the water was taken for waterworks purposes*. Based on recent conversations with City officials, portions of the water line are no longer located on the private property and now run along the public right-of-way; however, the pipe is still sourcing water from the Underwood Springs. This agreement, on its face, appears to be tantamount to eminent domain.

Whether or not the situation currently fits under the original parameters of the easement is a local government matter and not within the scope of the Board’s jurisdiction. I have also shared this information with the Comptroller’s Division of Local Government Audit in case there is a need to report on it in the future.

**J. PAUL FRYE**  
ATTORNEY AT LAW  
P.O. Box 220  
5571 Hwy. 11E, Suite C  
Piney Flats, Tennessee 37686

TELEPHONE: (423) 538-4606  
FACSIMILE: (423) 391-7503

July 22, 2014

TENNESSEE SUPREME COURT  
LISTED MEDIATOR

Betsy Knotts  
Assistant General Counsel  
Comptroller of the Treasury  
James K. Polk Bldg., Suite 1700  
505 Deaderick Street  
Nashville, TN 37243

Re: Bluff City, Tennessee/Waste Water Financing Board

Dear Ms. Knotts:

Please find enclosed a report I submitted to the Board of Mayor and Aldermen on August 13, 1997 concerning the free water customers along with a number of easements entered into by Bluff City over the years.

I enclose herewith all documents I could find in City records relating to Chancery Case Number 4587. This court file is missing from the Clerk and Master's office. Further, find enclosed a suit filed in 1992 by Bluff City against Sidney Riley which was non-suited in 1996. If you need further information regarding this matter, I will be happy to accommodate. I remain

Sincerely yours,



J. Paul Frye

JPF/abj  
Enclosures

LAW OFFICES OF

LAUDERBACK & DAVENPORT

604 VOLUNTEER PARKWAY, BRISTOL, TENNESSEE 37620

J. KLYNE LAUDERBACK, JR.  
C. THOMAS DAVENPORT, J

615-968-74

September 13, 1983

Mr. and Mrs. Tony Holbrook  
Route 3, Underwood Springs Road  
Bluff City, Tennessee 37618

RE: Mary Carrier, Ina Riley, Edyth Wilson, William  
Gentry and Cathy Gentry, Tony Holbrook and  
Kathleen Holbrook, J. C. Jarrett and Nannie Jarrett,  
Dayton Pierce and Bonnie Pierce  
v. City of Bluff City

Dear Mr. and Mrs. Holbrook:

Enclosed is a copy of the Petition that I have  
filed in the Chancery Court in Bristol under the heading  
listed above. I am mailing a copy of this letter along  
with a copy of the Petition to the parties listed above.

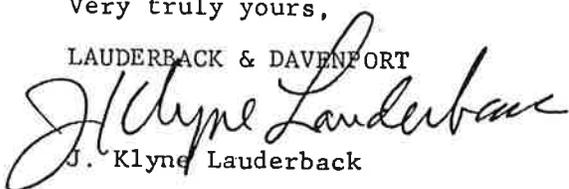
You will note that Floyd Thomas and Charles B.  
Thomas are not listed as Petitioners above. I have  
filed a separate petition for them and sent a copy to  
them.

The enclosed Petition refers to attached  
exhibits. I have not included those exhibits with your  
copy of the Petition because they are just copies of  
deeds and the water agreements.

Our agreement was that when suit had been filed,  
the balance of my fee (\$1,000.00) would be paid. Please  
bring payment to my office when you receive this letter.

Very truly yours,

LAUDERBACK & DAVENPORT

  
J. Klyne Lauderback

JKL/gs

Enc.

IN THE CHANCERY COURT, PART I, FOR SULLIVAN COUNTY,  
AT BRISTOL, TENNESSEE

MARY CARRIER, INA RILEY, :  
EDYTH WILSON, WILLIAM GENTRY :  
and CATHY GENTRY, TONY HOLBROOK :  
and KATHLEEN HOLBROOK, J. C. :  
JARRETT and NANNIE JARRETT, :  
DAYTON PIERCE and BONNIE PIERCE, :

Petitioners, :

v. :

CASE NO. 4587

CITY OF BLUFF CITY, :

Defendant. :

PETITION

Petitioners file this case in the docket number referred to above and ask that the case be reopened and placed on the docket for further disposition. In support of the relief requested hereinafter, they rely upon the following facts:

1. They are owners of various parcels of property located in the 16th Civil District of Sullivan County, Tennessee. During the 1920's, Defendant constructed a water line across these parcels of property in order to take water from a stream that was fed by a spring near their properties. Defendant entered into agreements with the property owners at that time concerning Defendant's right to remove the water and certain rights that the owners were to have in exchange therefor. Attached as Exhibit A is a listing showing the deed references ~~to parcels of property presently owned by the various Petitioners~~ and to the agreements entered into between Defendant and the owners of those parcels at the time of those agreements. Also attached as Exhibits B - H are copies of those agreements.

2. Thereafter, the various landowners received free water without limit from the water line maintained by Defendant without any interference by Defendant until the early 1960's. At that time, Defendant, over objections of the property owners,

PREPARED BY  
LAUDERBACK  
AND  
DAVENPORT  
ATTORNEYS AT LAW  
BRISTOL, TENNESSEE

installed water meters, began sending water bills without any prior notice, and subsequently removed the water meters and cut off the water service previously provided. The property owners then filed the original Complaint in this case (Case No. 4587). Shortly thereafter Defendant stopped charging for water and the various landowners thereafter again received their water free of charge and without interference by Defendant.

3. It is not clear what court proceedings took place when the case was first filed because the court file is not in the Office of the Clerk and Master and cannot be located. There was, however, filed on November 27, 1974 an order signed by Chancellor Phillips "nunc pro tunc, this 21 day of November, 1974, for the December term, 1964". A copy of that order is entered as Exhibit I. The order referred the case to the Clerk and Master for investigation and set up quotas for free water to be furnished by Defendant to the named parties pending the report of the Clerk and Master and further hearing in the case. Thereafter there was filed on December 5, 1977 an order excusing counsel for all parties and retiring the case from the docket even though no action was ever taken by the Clerk and Master to conduct a hearing or file a report. A copy of that order is attached as Exhibit J. That order provided that the case would be on the retired docket without prejudice and any party could bring the matter back before the court at a later date.

4. The various landowners continued to receive their water free of charge until early 1983 when Defendant, without notice, terminated water service to various petitioners, in some cases resulting in damaged water heaters. Defendant began issuing monthly water bills to Petitioners which purportedly gave them credit for free water based on the arbitrary quotas set forth in the order filed November 27, 1974. Petitioners have since that time paid the monthly water bills under protest. The monthly water bills issued by Defendant are inconsistent and inaccurate, do not always reflect the quotas of free water and do not always accurately reflect the meter readings.

PREPARED BY  
UDERBACK  
AND  
AVENPORT  
ORNEYS AT LAW  
COL, TENNESSEE

5. The agreements entered into between the Defendant and the various property owners provided that Defendant had "the right to use, carry away, own and control forever, such portions of the water which flows through or by the lands now owned by us". The consideration for Defendant's privileges of taking the water from the stream crossing the owners' property was that the various owners had the right to take water from the waterline without charge to use for domestic purposes "including all purposes for which water is supposed to be used about a home including household purposes, watering stock, etc....".

6. Those agreements provided that the water to be used by the property owners would be free and did not put a limit on the amount that they could use except to say that it was not to be wasted.

7. The agreements further provided that the rights to receive free water extended to the heirs and assigns of the property owners entering into the agreement.

8. Petitioners contend that the agreements originally entered into by Defendant did not limit the amount of free water that could be taken from the waterline by the various property owners because in exchange therefor, Defendant had the right to "use, carry away, own and control, forever, such portions of the water which flows through or by the lands now owned by us, ... as may be from time to time desired by said town of Bluff City, for waterworks purposes ...". Over the years, Defendant has relief on those agreements, taking such water as it desired from time to time; at some times it has taken so much water from the stream that it has actually run dry upstream from some of the Petitioners. Because the stream is dry, those particular Petitioners are unable to use the stream for watering stock, irrigation and other purposes which they could otherwise do when the stream was flowing normally and they are limited only to the water they get from Defendant's waterline. The stream runs dry during normal summer months, but the problem is made worse

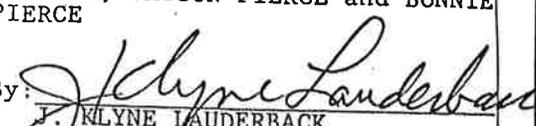
during especially dry years such as this one when the period that the stream is dry lasts longer than it does in a normal year.

WHEREFORE, Petitioners request the following relief:

- (a) That this case be placed back on the docket;
- (b) That the Court interpret the terms of the agreements and declare that those agreements do not limit the amount of water to be used by Petitioners;
- (c) That the Court order that Petitioners are entitled to receive their water from Defendant and that Defendant is to charge nothing therefor;
- (d) That the Court order that they be reimbursed for any money paid by them for water because of the imposition of temporary quotas or paid by them for damages caused by removal of water meters and/or termination of water service;
- (e) For such further and other general relief to which they might be entitled upon a hearing in this case.

MARY CARRIER, INA RILEY, EDYTH WILSON, WILLIAM GENTRY and CATHY GENTRY, TONY HOLBROOK and KATHLEEN HOLBROOK, J. C. JARRETT and NANNIE JARRETT, DAYTON PIERCE and BONNIE PIERCE

By:

  
J. KLYNE LAUDERBACK,  
Attorney for Petitioners,  
Lauderback & Davenport, Attys.  
604 Volunteer Parkway  
Bristol, Tennessee 37620

No. 12-082-T

**CHANCERY COURT**

**Sullivan County**

Town of Bluff City

Sidney Riley, Individually  
and d/b/a R.T. Riley Farm

Filed February 25, 1992

**RALPH HARR, Clerk and Master**

Charlton R. DeVault Jr

**Attorney for Complainant**

**Attorney for Defendant**



IN THE CHANCERY COURT FOR SULLIVAN COUNTY  
AT BRISTOL, TENNESSEE

Town of Bluff City  
Vs:  
Sidney Riley, Ind. and d/b/a  
R. T. Riley Farm  
C# 12-082-T Filed: 2/25/92

TOWN OF BLUFF CITY,  
Plaintiff,

v.

SIDNEY RILEY, Individually, and  
d/b/a R.T. RILEY FARM,  
Defendant.

Civil Action No. 12-082-T

COMPLAINT

Plaintiff Town of Bluff City files this complaint for equitable relief and declaratory relief, and for additional and alternative relief, against the defendant, and for cause of action avers:

Filed this 25th day of February 1992 at 4:30 o'clock P. M.  
Ralph P. [Signature] Clerk and Master

NO. 12-082-T  
Docket 19 Page 59

1. Plaintiff Town of Bluff City is a duly chartered municipality with its corporate boundaries within Sullivan County, Tennessee. Pursuant to its private act charter, plaintiff owns and operates a waterworks system which derives its water supply from the Underwood Spring located in the foothills of the Holston Mountain, within the Cherokee National Forest preserve.

2. The authority for the Town's construction, ownership, and maintenance of its waterworks system is found in Article XXI of the municipal private act charter which provides in pertinent part:

Section 1. Waterworks system. That said town of "Bluff City," be and it is hereby authorized to construct or buy, own and operate a waterworks system, to furnish the inhabitants with water, and it shall have right and authority to exercise the right and power of eminent domain and condemn either within or beyond the corporate limits of said town any spring or springs, running stream or streams or other water courses, and the water thereof or such parts and portions thereof as may be deemed necessary and proper to supply said "Bluff City" and its inhabitants and others which it may desire to furnish with water either within or without the corporate limits of the town and to condemn any and all ground either within or beyond the corporate limits necessary for rights of way, reservoirs, pumping stations, power plants, pipe lines or other uses and purposes necessary and incident to the construction and maintenance of said waterworks system, either within or beyond the corporate limits of said town of "Bluff City."

No. 12-03  
Docket 19

3. Defendant Sidney Riley is a resident of Sullivan County, Tennessee, and owns and operates a commercial farm known as the R.T. Riley Farm in Sullivan County, outside the corporate limits of the Town of Bluff City on what is known as Chinquapin Road. Plaintiff is informed and does believe that defendant Riley is the successor in interest to the same property through which the Town ran its water line in order to carry the Town's water supply from Underwood Spring to the Town's water tank reservoir. Plaintiff is informed and does believe that defendant Riley is one of several property owners who claim the right to obtain and use water from the Town's water system free of any financial user charge.

4. Plaintiff avers that its city officials did not comply with the mandate of Article XXI of the Town's charter, when the Town first constructed the water line from the spring. Instead of exercising the charter-mandated power of eminent domain, the Town officials, beginning in the mid 1920's, entered into ultra vires contracts or conveyances in which purported to bind the Town to furnish free water to the property owners or their assigns for domestic use in exchange for a relatively inexpensive waterline easement. These illegal and unauthorized contracts typically specified that the property owner was to be given one spigot or tap for domestic use and that the access to free water for domestic use was to continue as long as the Town's water line crossed the property or as long as the spring water was utilized by the Town for water supply purposes. All customers of the Town's water system who did not own property through which the line was laid were and have always been required to purchase the water they use at the applicable water user rates set by the Town.

5. During the 1960's, disputes between the Town and the current users of the free water resulted in lengthy litigation styled *Roy A. Riley, et al. v. Town of Bluff City, Tennessee*, Chancery Court Part I at Bristol, Case No. 4587. The undersigned attorney for the Town has been advised that the official Court file is missing from the Clerk and Master's office. Plaintiff is therefore unable to summarize completely the exact nature of the suit. The civilization appears to have involved the Court's setting quotas for the number of gallons of free water per customer who occupied property through which the plaintiff's water line ran from the spring to the reservoir. It appears from the document copies

Town of Bluff  
Vs:  
Sidney Riley  
R. T. Riley  
C# 12-082-T

No. 12-6-02-1  
Docket 19 Page 59

presently in possession of the plaintiff that there was no record of any free water easement for the benefit of R.T. Riley, grandfather to defendant Sidney Riley, and that the Chancery Court "set up" or created a "free water easement" for defendant Riley's grandfather. A copy of the December 5, 1977, order purporting to create Riley's "free water easement" is appended hereto as Exhibit No. 1. In light of the confused state of the official records, the plaintiff cannot represent that this order or any other document bearing Case No. 4587's caption is actually an official order of the Court. Plaintiff avers that the Exhibit No. 1 order also states that it is being entered *without prejudice* and that any interested party could bring the matter before the Court at any later time.

6. Plaintiff is informed and does believe that a petition was filed in 1983 by Sidney Riley protesting the Town's attempts to charge him for water he used above a certain quota. A copy of Sidney Riley's petition and attachment is appended hereto as Exhibit No. 2.

7. An "Agreed Judgment" not bearing Sidney Riley's name was apparently entered on August 29, 1984. It purported to give the certain named petitioners and their assigns free water. A copy of that "Agreed Judgment" is attached hereto as Exhibit No. 3.

8. Plaintiff avers that any court judgment, known or unknown, including either Exhibits No. 1 or No. 3, which purports to create or confirm the right of any individual to receive free water from the plaintiff's water system is void, is against public policy, requires the Town to perform an act which is illegal and cannot be authorized, and is subject to direct or collateral attack by this proceeding.

9. Plaintiff avers that each contract or written easement which purports to grant or exchange free municipal water in perpetuity for a water line easement was void at its inception. City officials who agreed to such illegal contracts acted in direct contravention of the limits on their statutory authority and in violation of state law and public policy. Any municipal official or agent who subsequently attempted to ratify, confirm, or acquiesce in the validity of said void "free water easements" acted illegally, in direct contravention of the Town's charter and state law, and without actual or apparent authority to bind the Town to continue to supply free water. Plaintiff avers that the "free

water" easements are expressly and impliedly prohibited by its charter and by state law, are illegal, void, and cannot be enforced.

10. Plaintiff avers that any order of the Chancery Court which purports to create or confirm any property owner's right to free water from the plaintiff's water system is void, is in direct violation of state law, and is against public policy. Plaintiff avers that a municipal corporation can act only in the mode provided by its charter and by applicable state law and cannot be required to act in any ultra vires manner by any court order. Plaintiff avers that any court order, including Exhibits No. 1 and No. 2, which purports to sanction the viability of a "free water easement" is a legal nullity, is void, is contrary to state law and public policy, is unenforceable, and does not bar the plaintiff from instituting this independent action to declare said "free water easements" void and to enjoin the defendant from continuing to obtain free water from the plaintiff's water system.

11. Alternatively and additionally, the plaintiff avers that the Chancery Court order entered on December 5, 1977, which purports to "set up" a "free water easement" for defendant Riley's grandfather R.T. Riley, states on its face that it is entered "without prejudice" to any party. Plaintiff is informed and does believe that defendant Sidney Riley is using free water for commercial, not domestic purposes and that he has installed more than the one tap for said illegal purposes. Defendant Riley is presently using approximately 150,000 gallons of municipal water free of charge each month. The average usage of water for a family of four in the plaintiff's system does not exceed 6,000-7,000 gallons per month. Plaintiff is informed and does believe that defendant Riley waters his commercial farm and commercial live stock with free municipal water and has taken unconscionable advantage of the Town and its water customers who are paying for the water they and their families have used. Plaintiff is informed and does believe that defendant Riley has allowed six (6) individual residential structures on his farm to tap into the "free water" he presently enjoys. Defendant also operates nine (9) automatic watering troughs for his commercial livestock, each of which is tapped into the plaintiff's municipal watering system free of charge. Two of these troughs are presently equipped with illegal and unsanitary cross-over connections which, under certain circumstances, allow contaminated trough water to flow back into the municipal water lines for distribution to unsuspecting municipal customers. Plaintiff has

Town of Bluff City  
Vs:  
Sidney Riley, Ind. and d/b/a  
R. T. Riley Farm  
c# 12-082-T Filed: 2/25/92

No. 12-082-T  
Docket 19 Page 59

Town of Bluff City  
Vs:  
Sidney Riley, Ind. and d/b/a  
R. T. Riley Farm  
C# 12-082-T Filed: 2/25/92

No. 12-6-Ed-4  
Docket 19 Page 59

directed the defendant to remedy this health hazard instantly and will terminate defendant's water service if he does not take immediate corrective action.

12. The plaintiff's current water rate for customers outside its municipal limits is \$10.78 for the first 10,000 gallons and then \$3.23 for each 1000 gallons used thereafter. All of the Town's customers, except the defendant and several other "free water" customers, pay for water used, as required by the Town's ordinances and the applicable state statutes. Plaintiff is informed and does believe that defendant Riley has utilized his free water for commercial purposes in the operation of the farm. Plaintiff is informed and does believe that defendant Riley has installed or maintained at least fifteen (15) additional taps to procure water for other households and for his commercial livestock at the expense of the Town's legitimate paying customers. Plaintiff avers that defendant's intentional misuse and abuse of the "free water" he and his predecessors have obtained through this Court's earlier void judgment(s), was intentional and deliberate. Plaintiff avers that, regardless of the invalidity of the initial "free water" easements, it is entitled to judgment against the defendant for the amount of water, above the one tap domestic family average which the defendant has used and at the rates applicable at the time of such intentionally wrongful usage. Defendant's current water bill approximates \$488.82 per month, or \$5,865.84 per year, based on a 150,000 gallons per month consumption rate.

13. Plaintiff avers that state law requires that it not discriminate between customers with regard to the setting of water customer user rates. Plaintiff avers that public policy, its own charter, and state law authorize the acquisition of water line easements only by gift to the city, purchase by the city, or by the city's exercise of the power of eminent domain, T.C.A. § 7-34-104 and T.C.A. § 7-35-101 et seq. Public policy, as declared by the provisions of T.C.A. § 7-34-103 and appellate court decisions, is that a municipal waterworks system shall be managed "efficiently" and with "sound economy and public advantage" so that all customers receive service at the lowest possible cost. Plaintiff avers that defendant Riley's draining the plaintiff's water system of thousands of dollars each year is intentionally wrongful, discriminatory, illegal, and against public policy.

14. Plaintiff avers that it is illegal, unconscionable, and against public policy to burden its rate paying water customers with the cost of the water furnished free of

charge to defendant for his own personal and commercial uses. Plaintiff avers that it has more than paid for the fair market value of water line easements over the years since 1926 by supplying tens of thousands of dollars worth of "free water" to the various property owners including the defendant.

15. Plaintiff avers that the continuance of the illegal practice of allowing certain customers access to free water at the expense of the Town's paying customers also jeopardizes and adversely affects the Town's ability to obtain state approved loans and grants with which to improve the municipal waterworks system and thereby embarrasses and prevents the Town from fulfilling its obligations under its charter and state law to furnish safe drinking water at reasonable rates to all of its customers.

**WHEREFORE, PLAINTIFF DEMANDS:**

1. That the defendant's "free water easement" purportedly set up by this Court's 1977 order [Ex. #1], and any other order, be declared null and void.
2. That any document or court order which the defendant contends requires the plaintiff to continue to furnish him free water be declared null and void.
3. That the plaintiff have judgment against the defendant for the cost, at the applicable user rates, for all water used by him each month in excess of the "family of four monthly average" in order to compensate the Town for all the water wrongfully utilized by the defendant for commercial use and extra-residential purposes.
4. Alternately, that the Court declare that the plaintiff may exercise its power of eminent domain, as authorized by its charter and state law, and condemn under appropriate legal standards the defendant's "free water easement."
5. That the Court enter such other orders as may be appropriate to protect the integrity of the Town's municipal water system and prevent the defendant from continuing to unjustly enrich himself at the expense of the Town and its paying water customers.

Town of Bluff City  
Vs:  
Sidney Riley, Ind. and d/b/a  
R. T. Riley Farm  
C# 12-082-T Filled: 2/25/92

No. 12-082-1  
Docket 19 Page 59

*CR Devault Jr*  
CHARLTON R. DEVAULT, JR.  
102 Broad Street  
Kingsport, TN. 37660  
(615) 246-3601

ATTORNEY FOR PLAINTIFF

**COST BOND**

We secure costs in this cause not to exceed \$500.00.

*CR Devault Jr*

Town of Blount, TN  
Vs  
Sidney Riley, Inc  
R. T. Riley, Jr.  
No. 12-022 J  
Docket 19 Page 59

ROY A. RILEY, ET AL, : IN THE CHANCERY COURT

Plaintiffs :

-vs- :

AT

THE TOWN OR CITY OF :

BLUFF CITY, TENNESSEE, :

BRISTOL, TENNESSEE, PART I

Defendants :

NO. 4-587

ORDER

This cause came on to be heard before Hon. Dayton E. Phillips, Chancellor, at the sounding of the docket on December 5, 1977, when it regularly appeared to the Court that this matter has been on the docket since 1964, with full reference thereto, including an Order in regard to the number of gallons of water to be used, and the entire file which was referred to.

On motion, duly made, the Court is of the opinion, and doth ORDER, that this matter should be retired from the docket, under the terms and provisions of the previous Order or Orders entered. Counsel for the parties, namely, Street, Banks, Merryman, Bautista & Banks, and Hon. Frank Winston, and his Law Firm, are hereby relieved and discharged from this case, having served as such through the years in a very able fashion.

Contract No. 11, of the Complaint, involving an easement or contract lost, is now set up, in favor of R.T. Riley, for water purposes, by this Decree, referred to in the Order at the December Term, 1964, and entered nunc pro tunc on November 21, 1974.

The Clerk will put this matter on the retired docket, <sup>without prejudice,</sup> and any interested party may bring the matter before the Court at any later time on the usual petition and notice. The accrued costs will be taxed at a later date.

ENTER: 12/5/77

Dayton E. Phillips  
CHANCELLOR

APPROVED:

Walter C. Banks

ATTORNEYS FOR PLAINTIFFS

Frank Winston

SPECIAL COUNSEL FOR DEFENDANTS

[Signature]  
CITY ATTORNEY FOR BLUFF CITY

Entered In Minute Book 42

Page 207... This 12-5-77

Frank Winston

EXHIBIT NO. 1

Town of Bluff City  
Vs.  
Sidney Riley, et al  
R. T. Riley  
C# 12-082

No. 12-082 J  
Docket 19 Page 59

Filed Bluff City  
Dec 13 1977  
2:30 P  
Dayton E. Phillips

IN THE CHANCERY COURT, PART I, BRISTOL, TENNESSEE

ROY A. RILEY, ET AL,  
Complainants

v.

THE TOWN OR CITY OF  
BLUFF CITY, TENNESSEE,

Defendant

Civil Action No. 4587

PETITION OF SIDNEY RILEY

Your petitioner would respectfully represent to the Court that he is the successor in interest to his deceased father's rights in regard to certain water contracts which were the subject matter of this litigation. Petitioner asks that the cause be revived in his name by reason of Charles Riley's demise.

Your petitioner further relies upon the following facts for the relief sought hereinafter:

1. The last order of substance entered in this cause of action was in November 1974 wherein the City of Bluff City was ordered to furnish certain named parties designated amounts of water per month without charge. That order was entered pending the report of the Clerk and Master and further hearing of the case which never took place.

2. Under the temporary order heretofore referred to, R. T. Riley, (Rent House), 55,000 gallons of free water, R. T. Riley, 55,000 gallons of free water, Charles Riley, 55,000 gallons of free water, and an undesignated contract which had been lost but which was set up by order of this court dated December 5, 1977 referred to as contract #11 in favor of R. T. Riley for water purposes, are the specific contracts to which this petition is addressed.

3. Your petitioner is presently living upon and/or farming the land to which the aforementioned contracts apply.

4. The prior order of this court referred to is the 27 November 1974 order which established free use

THIS INSTRUMENT  
WAS PREPARED BY:

DAVID S. HAYNES, P.C.  
ATTORNEY AT LAW

Filed this 19th day of  
Feb., 1983  
3:15 o'clock P.M.  
Ralph B. Harr, Clerk and Master  
*Ralph B. Harr*

Town of Bluff City  
VS.  
Sidney Riley, et al  
R. T. Riley, et al  
CA# 12-082

Docket 19 Page 59

EXHIBIT NO. 2

numbered gallons per month per contract described coupled with the later order which established a lost contract for R. T. Riley should entitle your petitioner to total of 220,000 gallons of free water per month.

5. The contracts referred to as the Jennie Riley, Herbert Mills, and Charles Riley contracts grouped with each allowed 5,500 gallons are also serviced through one of the meters located on your petitioner's land.

6. Your petitioner, believing that he had the right to the cumulative amount of free water designated upon the last order of this court for the named contracts hereinabove referred to, watered his cattle as contemplated by prior orders of this court and for the month of December 1982 used a total of 197,400 gallons of water. The City of Bluff City chose to construe the prior order of this court as permitting only 55,000 gallons of free water to your petitioner rather than the 220,000 plus the 16,000 which he should be allowed under the prior order of this court without charge. The City of Bluff City has recently billed your petitioner in the amount of \$209.84 for their claim as to the amount over and above 55,000 gallons for December 1982. It is assumed that the City of Bluff City will continue to claim a charge for all water used over 55,000 gallons per month and your petitioner is apprehensive that the City of Bluff City will terminate his use of water if the bills are not paid.

7. Petitioner believes that under the prior order of this court and appropriate construction of the same by this court, he would not owe any amount by reason of the amount of water which he and his farm has used.

8. If the City of Bluff City should terminate or turn off his water, he will suffer irreparable harm and injury by reason of the dehydration of his cattle and inability to haul water in for his cattle and farm use.

9. Your petitioner, therefore, requests the following relief:

THIS INSTRUMENT  
WAS PREPARED BY:

DAVID S. HAYNES, P.C.  
ATTORNEY AT LAW

TOWN OF BLUFF CITY

Vs:

Sidney Riley, Ind. and d/b/a  
R. T. Riley Farm  
C# 12-082-T Filed: 2/25/92

Page 59

Docket 19

No. 12-0827  
Docket 19 Page 59

Town of Bluff City

Vs:

Sidney Riley, Ind. and d/b/a  
R. T. Riley Farm

1. That the rights of Charles Riley, deceased, be revived in this litigation in the name of the present petitioner, Sidney Riley, and that he be declared as the successor in interest in this litigation under the contracts referred to by reason of his present ownership of the land which the contracts apply to.

2. That the court construe the two prior orders of this court, copies of which are attached hereto; one of which is November 27, 1974 and the other being the December 5, 1977 order of the court, to construe the same to mean that the successors in interest to the contract No. 11 referred to in 12/5/77 and contracts described as R. T. Riley, (Rent House), R. T. Riley, and Charles Riley be cumulative in the amount of free water which your petitioner can use by reason of his succession in interest to these contracts and that the three contracts described in the prior order of this court as Jennie Riley, Herbert Mills, and Charles Riley, allowing for 5,500 gallons per contract be construed to mean cumulatively 16,500 gallons and since they are measured through the meter of your petitioner that his total allotment be increased by that amount.

3. That the City of Bluff City, Tennessee be restrained from cutting off the water supply of your petitioner in any effort to enforce their claim of charges for December use of water or any use of water hereinafter pending a full hearing in this case.

THIS IS THE FIRST APPLICATION FOR EXTRAORDINARY RELIEF.

4. Such other, further and more general relief as your petitioner might be entitled to upon a full hearing in this action.

SIDNEY RILEY

By:

*David S. Haynes*  
David S. Haynes, Attorney

OF COUNSEL:

DAVID S. HAYNES  
ATTORNEY AT LAW, P. C.  
P. O. Box 156  
Bristol, Tennessee 37621-0156  
(615) 764-1174

THIS INSTRUMENT  
WAS PREPARED BY:

DAVID S. HAYNES, P.C.  
ATTORNEY AT LAW

No. 12-082 J  
Docket 19 Page 59

Town of Bluff City  
Vs:  
Sidney Riley, Ind. and d/b/a  
R. T. Riley Farm  
r# 12-082-T Filed: 2/25/92

STATE OF TENNESSEE  
COUNTY OF SULLIVAN

Sidney Riley, being first duly sworn, makes oath that he has read the foregoing Petition and that the facts contained therein are true to the best of his knowledge, information and belief.

*Sidney Riley*  
\_\_\_\_\_  
Sidney Riley

Sworn to and subscribed before me, the undersigned Notary Public, this the \_\_\_\_\_ day of January, 1983.

\_\_\_\_\_  
Notary Public

My commission expires:

\_\_\_\_\_

THIS INSTRUMENT  
WAS PREPARED BY:

\_\_\_\_\_  
DAVID S. HAYNES, P.C.  
ATTORNEY AT LAW

CHANCERY COURT, PART I, BRISTOL, TENNESSEE

ROY A. RILEY, et al,

Complainants

VS.

THE TOWN OR CITY OF BLUFF  
CITY, TENNESSEE,

Defendant :

Civil Action No. 4587

Filed Nov 27 1992  
11:30 AM  
Ralph P. Shaw

O R D E R

This cause came on to be heard before The Honorable Dayton E. Phillips, Chancellor, on a former day, and the parties appeared with counsel; and upon statements of counsel as to their respective positions and statements of the parties, the Court was of the opinion that this was a proper case for a reference to the Clerk and Master, but that pending the report of the Clerk and Master and further hearing in this case, the Court doth ORDER the Town of Bluff City, Tennessee, to furnish to the following named parties the following amounts of water per month without charge:

Town of Bluff City  
Vs:  
Sidney Riley, Ind. and d/b/a  
R. T. Riley Farm  
C# 12-082-T Filled: 2/25/92

No. 12-082-T  
Docket 19 Page 59

LAW OFFICES  
WELL, JOHNSON, WINSTON  
ST. GRAYSON & MARSHALL  
BRISTOL, TENNESSEE

BLUFF CITY, TENN. 37618

Name	Gallons free water
<i>Special case no regular contract (water)</i> G. H. Wilson	9,000 Gal.
Roy Riley	5,000
Floyd Thomas	6,500
C. B. Thomas	6,500
Jennie Riley - <i>twice (Dennis is dead)</i>	5,500
Herbert Mills	5,500
Charles Riley	5,500
Mrs. James W. Wassom	3,500
R. T. Riley (Rent House)	55,000
R. T. Riley	55,000
✓ Charles Riley - <i>Special 1/2 hrs contract</i>	55,000
Mrs. Mack Carrier	5,000
Mary S. Carrier (Farm)	7,000
Mrs. J. B. Webb (Farm)	3,500
Jason Jarrett	3,500
Bruce Dunn	3,500
Jewel Cox	5,000
Robert B. Jenkins	3,500
Underwood Park	7,500
Clarence C. Carrier	3,500
Birdie Jarrett	3,500
James Wassom	3,500
<hr/>	
	261,000 Free per month

TOWN OF BLUFF CITY  
 Vs:  
 Sidney Riley, Ind. and d/b/a  
 R. T. Riley Farm  
 C# 12-082-T Filed: 2/25/92

No. 12-082-T  
 Docket 19 Page 59

Enter, nunc pro tunc, this 21 day of November, 1974,  
for the December Term, 1964.

*Rayton E. Peck*  
Chancellor

APPROVED FOR ENTRY:

*Paul E. Bunde*  
Attorney for Complainants

*James W. ...*  
Attorney for Defendant

Town of Bluff City  
Vs:  
Sidney Riley, Ind. and d/b/a  
R. T. Riley Farm  
C# 12-082-T Filed: 2/25/92

No. 10-2-60-1  
Docket 19 Page 59

LAW OFFICES  
OWELL JOHNSON, WINSTON  
HEB, GRAYSON & MARRIAGE  
BRIDGOT, TENNESSEE

Town of Bluff City  
 Vs:  
 Sidney Riley, Ind. and d/b/a  
 R. T. Riley Farm  
 C# 12-082-T Filed: 2/25/92

No. 12-082-T  
 Docket 19 Page 59

ROY A. RILEY, ET AL, : IN THE CHANCERY COURT  
 Plaintiffs :  
 -vs- : AT  
 THE TOWN OR CITY OF :  
 BLUFF CITY, TENNESSEE, : BRISTOL, TENNESSEE, PART I  
 Defendants : NO. 4585

ORDER

This cause came on to be heard before Hon. Dayton E. Phillips, Chancellor, at the sounding of the docket on December 5, 1977, when it regularly appeared to the Court that this matter has been on the docket since 1964, with full reference thereto, including an Order in regard to the number of gallons of water to be used, and the entire file which was referred to.

On motion, duly made, the Court is of the opinion, and doth ORDER, that this matter should be retired from the docket, under the terms and provisions of the previous Order or Orders entered. Counsel for the parties, namely, Street, Banks, Merryman, Bautista & Banks, and Hon. Frank Winston, and his Law Firm, are hereby relieved and discharged from this case, having served as such through the years in a very able fashion.

Contract No. 11, of the Complaint, involving an easement or contract lost, is now set up, in favor of R.T. Riley, for water purposes, by this Decree, referred to in the Order at the December Term, 1964, and entered nunc pro tunc on November 21, 1974.

The Clerk will put this matter on the retired docket, and any interested party may bring the matter before the Court at any later time on the usual petition and notice. The accrued costs will be taxed at a later date.

ENTER: 12/5/77

*Dayton E. Phillips*  
 CHANCELLOR

APPROVED:  
*W. E. Davis*  
 ATTORNEYS FOR PLAINTIFFS  
*Frank Winston*  
 SPECIAL COUNSEL FOR DEFENDANTS  
 CITY ATTORNEY FOR BLUFF CITY

STATE OF TENNESSEE  
 SULLIVAN COUNTY  
 I, LESLIE F. HARR, Clerk and Master of the Chancery Court, Part I, at Bristol, Tennessee, hereby certify that the foregoing is a true and correct copy of the original decree entered in Minute Book number 1437, at the office in Bristol, Tennessee, on this the 5 day of December, 1977.

*Leslie F. Harr*  
 Clerk and Master

b  
h

IN THE CHANCERY COURT, PART I, FOR SULLIVAN COUNTY,  
AT BRISTOL, TENNESSEE

MARY CARRIER, INA RILEY,  
EDYTH WILSON, WILLIAM GENTRY  
and CATHY GENTRY, TONY HOLBROOK  
and KATHILEEN HOLBROOK, J. C.  
JARRETT and NANNIE JARRETT,  
DAYTON PIERCE and BONNIE PIERCE,  
UNDERWOOD PARK, INC., and  
GLARENCE C. CARRIER, II,

Petitioners,

CASE NO. 4587

v.

CITY OF BLUFF CITY, TENNESSEE,

Defendant.

Filed this 29 day of  
Aug. 1984  
4:45 o'clock A. M.  
Ralph H. Har, Clerk and Master

*Ralph P. Har*

AGREED JUDGMENT

By agreement of the parties, the court finds that the agreements referred to in the petitions, as amended, do not limit the amount of water to be used by the various landowners except as set out in those agreements; that the Petitioners are entitled to receive water from Defendant without charge therefor and without limit except as set out in those agreements; and that the rights of the various parties to receive free water in accordance with those agreements are rights that run with the land and extend to their heirs and assigns.

In accordance with the agreement of the parties, it is the JUDGMENT of the court and is accordingly ORDERED that the Petitioners are entitled to receive free water from Defendant as alleged in the petitions, as amended; that Petitioners shall receive water from Defendant without charge and without limit except as set forth in the agreements referred to in the petitions that the rights to receive free water shall attach to and run with the land, and extend to the heirs and assigns of the Petitioners; and, that the parties shall be reimbursed for all charges paid by them for water because of the imposition of temporary quotas. It is further ORDERED that all temporary quotas are abolished.

TOWNSHIP OF BLUFF CITY

Vs:  
Sidney Riley, Ind. and d/b/a  
R. T. Riley Farm  
C# 12-082-T Filled: 2/25/92

No. 108-6 Cox

Docket 19 Page 59

PREPARED BY:  
LAW OFFICES  
DORR, HILLMAN,  
LAUDERBACK  
&  
DAVENPORT  
BRISTOL, TN 37620  
CENTRAL BUILDING

TOWN OF BRISTOL CITY

Vs:

Sidney Riley, Ind. and d/b/a  
R. T. Riley Farm  
C# 12-082-T Filed: 2/25/92

No. 1587 }  
Docket 19 Page 59

It is further ORDERED that Defendant is released from any claims that any of the Petitioners might have against Defendant for damages previously suffered as a result of any charges for water received or as a result of termination of water service.

It is further ORDERED that the costs of this case are charged to Defendant for which execution shall issue.

*Leon J. Jordan*  
CHANCELLOR

APPROVED:

*J. Rlyne Lauderback*  
J. RLYNE LAUDERBACK,  
Attorney for Petitioners

*J. Wesley Edens*  
J. WESLEY EDENS,  
Attorney for Defendant

I hereby certify that this is a true and correct copy of the original

*Agreed Settlement*  
issued in this cause. Case No. 1587

This the 29 day of May, 1984  
*Joseph R. Harr* Clerk & Master

Ralph W. Harr, Clerk & Master,  
Chancery Court, Part 11, Bristol, Tenn.

PREPARED BY:  
LAW OFFICES  
BORE, HILLMAN,  
LAUDERBACK,  
&  
DAVENPORT  
BRISTOL, TN 37620  
CENTRAL BUILDING

**DAVID S. HAYNES**  
**LAWYER**  
(PROFESSIONAL CORPORATION)  
624 HOLSTON AVENUE  
P.O. BOX 158  
BRISTOL, TENNESSEE 37621-0158

(615) 968-3507  
(615) 968-3508

March 23, 1992

Mr. Ralph P. Harr  
Clerk and Master  
P. O. Box 941  
Bristol, Tennessee 37621-0941

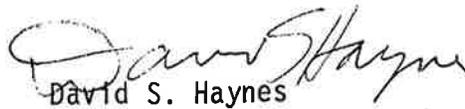
**Re: Town of Bluff City v. Sidney Riley**  
**No. 12-082(T)**

Dear Ralph:

Please enter me as counsel of record for Sidney Riley.

Thanking you for this courtesy, I am

Very truly yours,

  
David S. Haynes

DSH:ja  
xc:

Mr. Charlton R. DeVault, Jr., Attorney

Filed  
by  
Ralph P. Harr, Clerk  
0.50  
19 92  
at  
day of  
P. Harr

State of Tennessee—Sullivan County

SUMMONS

TOWN OF BLUFF CITY,
Plaintiff,

CHANCERY COURT
AT BRISTOL, TENNESSEE
CIVIL ACTION NO. 12-082
(T)

VS
SIDNEY RILEY, Individually, and
d/b/a R. T. RILEY FARM,
Defendant

NOTICE

TO THE DEFENDANT(S):

Tennessee law provides a four thousand dollar (\$4,000.00) personal property exemption from execution or seizure to satisfy a judgment. If a judgment should be entered against you in this action and you wish to claim property as exempt, you must file a written list, under oath, of the items you wish to claim as exempt with the clerk of the court. The list may be filed at any time and may be changed by you thereafter as necessary; however, unless it is filed before the judgment becomes final, it will not be effective as to any execution or garnishment issued prior to the filing of the list. Certain items are automatically exempt by law and do not need to be listed, these include items of necessary wearing apparel (clothing) for yourself and your family and trunks or other receptacles necessary to contain such apparel, family portraits, the family Bible, and school books. Should any of these items be seized you would have the right to recover them. If you do not understand your exemption right or how to exercise it, you may wish to seek the counsel of a lawyer.

TO THE ABOVE NAMED DEFENDANT(S):

You are hereby summoned and required to serve upon Charlton R. Devault, Jr.
plaintiff's attorney, whose address is 102 Broad Street,
Kingsport, Tennessee 37660

an answer to the complaint which is herewith served upon you within thirty (30) days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint.

Issued and tested this 25th day of February 19 92.

Ralph P. Harr
Ralph P. Harr
Clerk & Master

By: Deputy Clerk

Received this 25 day of Feb, 19 92.
Cliff Anderson Deputy Sheriff

RETURN

I certify and return that I: Cliff Anderson

[X] served this summons together with the complaint as follows:
by leaving a true copy in the hands of Sidney Riley.

[ ] failed to serve this summons within thirty (30) days after its issuance because:

Date 12th Mar. 1992

Cliff Anderson
Deputy Sheriff

ACCEPTANCE OF SERVICE

I, \_\_\_\_\_, hereby accept service of process in this case as fully and in all respects, as though I had been personally served by a Deputy Sheriff of Sullivan County, and I acknowledge that I received a copy of the summons and complaint in this case.

This the \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_.

Witness Defendant 45

Town of Bluff City
Vs:
Sidney Riley, Ind. and d/b/a
R. T. Riley Farm
C# 12-082-T Filed: 2/25/92

No. 12-082-T
Docket 19 Page 59

K-14

IN THE CHANCERY COURT FOR SULLIVAN COUNTY  
AT BRISTOL, TENNESSEE

TOWN OF BLUFF CITY,

Plaintiff

v.

Civil Action No. 12-082(T)

SIDNEY RILEY, Individually, and  
d/b/a R. T. RILEY FARM,

Defendant

ANSWER

For answer to the complaint, the defendant responds as follows:

1. Paragraph 1 of the complaint is admitted.
  2. Paragraph 2 of the complaint is admitted.
  3. Paragraph 3 of the complaint is admitted except the reference to the "Town's water supply from Underwood Spring", and if that is meant in a proprietary or ownership sense, it is denied, but as a practical matter, it is admitted that this is the supply of water that the Town of Bluff City uses.
  4. Paragraph 4 of the complaint is denied.
  5. Paragraph 5 of the complaint as alleged is denied.
  6. Paragraph 6 of the complaint is admitted.
  7. Paragraph 7 of the complaint is admitted, but with reference to the Agreed Judgment it purports to give the parties "free water" and Sidney Riley was a party to that action whether his name appeared on the Agreet Judgment or not.
  8. Paragraph 8 of the complaint is denied.
  9. Paragraph 9 of the complaint is denied.
  10. Paragraph 10 of the complaint is denied.
  11. Paragraph 11 of the complaint is denied.
  12. Paragraph 12 of the complaint is denied.
  13. Paragraph 13 of the complaint is denied.
  14. Paragraph 14 of the complaint is denied.
  15. Paragraph 15 of the complaint is denied.
- As affirmative defenses, the defendant would respectfully show

NO.

Docket 19 Page 59

Vs:  
Sidney Riley, Ind. and d/b/a  
R. T. Riley Farm  
C# 12-082-T Filed: 2/25/92

Filed this 23 day of

April, 1992 at 10:15 o'clock A.M.

Ralph P. Harri, Clerk and Master

*Ralph P. Harri*

THIS INSTRUMENT  
WAS PREPARED BY:

DAVID S. HAYNES, P.C.  
ATTORNEY AT LAW

U# 12-082-T Filed: 2/25/92

to the Court as follows:

1. All exchanges for free use of water were not simply for an easement for the water line, but instead, for the riparian ownership rights of the water by reason of the city tapping the spring above the various landowners and diminishing their supply unreasonably and artificially and commercially.
2. This defendant relies upon estoppel by judgment and collateral estoppel by judgment, and res adjudicata as further affirmative defenses.
3. It is denied that the plaintiff is entitled to the relief sought.

SIDNEY RILEY, Individually,  
and d/b/a R. T. RILEY FARM

By: David S. Haynes  
David S. Haynes, Attorney  
524 Holston Avenue  
P. O. Box 156  
Bristol, Tennessee 37621-0156

CERTIFICATE OF SERVICE

A true copy of this pleading or instrument has been properly served upon all interested parties or their attorneys.

By: David S. Haynes  
David S. Haynes, Attorney

Date: 4/21/92

THIS INSTRUMENT  
WAS PREPARED BY:

\_\_\_\_\_  
DAVID S. HAYNES, P.C.  
ATTORNEY AT LAW



ROBERT BRUCE JENKINS,  
Petitioner

VS.

BLUFF CITY, TENNESSEE, INC.  
Defendant

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IN THE CHANCERY COURT  
PART I  
AT  
BRISTOL, TENNESSEE

DECREE

This cause came on to be heard this 6th day of December, 1963, before the Honorable Dayton E. Phillips, Chancellor, upon the petition, plea of the defendant, testimony of witnesses heard in open court, and upon the record as a whole, from all of which the Court finds that at the time the defendant, Town of Bluff City, constructed its Water Works System, the complainant's predecessor in title had an existing residence and occupied same, on the Underwood Branch Road, in the 16th Civil District of Sullivan County, Tennessee; that the defendant entered into an agreement with all property owners along said Underwood Branch Road, who maintained homes on said property at that time, and over whose property the main water line from Underwood Springs to the Town of Bluff City passed; that both defendant and complainant are unable to produce such an agreement between the defendant and complainant's predecessor in title; that said main water line does pass over the property now owned by the complainant, and formerly owned by his parents.

LAW OFFICES  
JIMMIE HAYNES  
WINSTON  
BRISTOL, TENN.-VA.

The Court further finds that there was an agreement between the defendant and complainant's parents, which conformed to the other agreements entered into by the defendant and which provided as follows:

1. The Town of Bluff City, Tennessee, has the right to use, carry away, own and control, forever, such portion of the water which flows through or by the land now owned by complainant Robert Bruce Jenkins, coming from what is known as Underwood Springs, and all other springs, within this watershed as may be from time to time desired by said Town of Bluff City for water works purposes.

2. The Town of Bluff City is to have the right and privilege, at any and all times, to enter upon said property, through its agents and representatives, for the purpose of excavating necessary ditches, laying and maintaining a pipe line for the purpose of conveying said water for water works purposes, through, over, and by the property now owned by Robert Bruce Jenkins.

3. It is agreed and understood as part of the consideration, that Robert Bruce Jenkins, his heirs and assigns, are to have the right, under the reasonable rules of said water system, to tap said main line pipe at any one place, with a pipe not to exceed 3/4 inch, and as further consideration, Robert Bruce Jenkins, his heirs and assigns, are to have the free use of the water from said one tap, so long as the said main water line shall

be maintained on said land, and to pay nothing for said water; provided, however, in using said water, Robert Bruce Jenkins, his heirs and assigns, are not to commit waste of the water, but are to use it under the reasonable rules and regulations of the said Town of Bluff City, made in pursuance of law for the purpose of controlling and operating said water works system.

The Court further finds from expert testimony that 3500 gallons per month would constitute a reasonable use of said water;

It is, therefore, ORDERED, ADJUDGED and DECREED, that the complainant is entitled to tap the main water line running over and through his property at any one place in the manner prescribed for making such taps, and is entitled to use up to 3500 gallons of water through said tap at no charge.

It is FURTHER ORDERED, that all water used by the complainant in excess of 3500 gallons per month is to be paid for by the complainant at the prevailing rates established by the Town of Bluff City, and its Water Department.

The defendant Town of Bluff City is taxed with the costs of this cause, for which execution may issue.

APPROVED:

\_\_\_\_\_  
Counsel for Complainant

\_\_\_\_\_  
CHANCELLOR

\_\_\_\_\_  
Counsel for Defendant

542-2109

TO THE HONORABLE DAYTON E. PHILLIPS, CHANGELLOR, HOLDING THE CHANCERY COURT AT BRISTOL, SULLIVAN COUNTY, TENNESSEE, PART I

...and laying the water main or line down the Underwood Branch Road  
ROY A. RILEY and wife, INA RILEY, R. T. RILEY, WIDOWER, CHARLES S. RILEY WIDOWER, ALICE HICKS, KATE HICKS, WILLIAM F. THOMAS and wife, AMAL L. THOMAS, B. THOMAS and wife, LILLIAN THOMAS, HERBERT MILLS and w OGLE MILLS, I. A. WASSOM, JR., and wife, RUTH WASSOM, MARY CARRIER, W OW, GUY H. WILSON and wife, EDYTH WILSON, S. D. COX and wife, MRS. I COX, CLARENCE CARRIER and wife, BERRY CARRIER, BRUCE DUNN and wife MYRTLE DUNN, citizens and residents of Sullivan County, Tennessee, and UNDERWOOD PARK CORPORATION, a Tennessee Corporation with situs in Sullivan County, Tennessee,

COMPLAINANTS

-vs-

THE TOWN OR CITY OF BLUFF CITY, TENNESSEE, A Tennessee Municipal Corporation with situs at Bluff City, Sullivan County, Tennessee,

DEFENDANT

YOUR COMPLAINANTS WOULD RESPECTFULLY SHOW TO THE COURT:

I

That the names and addresses of the Complainants are as shown in the caption including the corporate status of Underwood Park Corporation. That the Town or City of Bluff City, Tennessee, is a Municipal Corporation of the State of Tennessee properly chartered as such, with situs at Bluff City, in the 16th District of Sullivan County, Tennessee and within the jurisdiction of this Honorable Court. That said City or Town has a Mayor, and a Board of Aldermen as its governing body and/or Officials, duly elected and serving a such.

That among other governmental and/or proprietary functions the Defendant many years ago, about 1925, was authorized to and did acquire a water system and/or water works system in serving the public consumers in a designated area or territory on a commercial basis for profit. That in the procurement of its source of water supply, or one of its sources of water supply, the Defendant secured what is known as the Underwood Springs, situated on Underwood Branch Road, near the foot of or the North side of Holston Mount

STREET, BANKS,  
BERRYMAN AND MUSICK  
ATTORNEYS AT LAW  
ELIZABETHTON, TENNESSEE

... the above with a pipe will be required 1/4 inch of an inch and as a part of the  
in the 16th District of Sullivan County, Tennessee. In the securing of said  
springs, and laying the water main or line down the Underwood Branch Road  
in the 16th District of Sullivan County, Tennessee to the Town or City of Bluff  
City, a distance of about 8 miles, that it was necessary for the Defendant to  
enter into agreements with all of the property owners along said Underwood  
Branch Road, and over whose properties the main water line traverses from  
Underwood Springs to Bluff City.

That the Complainants either owned the properties at the time these  
agreements were executed around 1925, or thereafter, or they are the heirs,  
successors, and/or assigns thereof, and do own or have interests in the  
various real properties situated on Underwood Branch Road as hereinafter  
shown by the various contracts exhibited.

III

That these agreements, except as otherwise shown, between the Defend-  
ant, and the Complainants, or their predecessors in title, provide substantially  
as follows:

1. That the City or Town of Bluff City has the right to use, carry away,  
own and control forever such portions of the water which flows through or by  
the lands now owned by the Complainants, and each of them, coming from the  
sources of water supply known as Underwood Springs, and all other springs  
within this water shed, as may be desired from time to time by the Defendant  
for water works purposes.

2. That the Defendant is to have the right and privilege, at any and all  
times, to enter upon said properties, through its agents and representatives,  
for the purposes of excavating necessary ditches, laying and maintaining a  
pipe line for the purposes of conveying said water for water works purposes.

3. That said contracts, and each of them, provide that the Complainants,  
their heirs and assigns, are to have the right to tap said main water line at

any one place with a pipe not to exceed 3/4ths of an inch and as a part of the consideration are to have the free use of the water from said one tap, or opening, so long as said water main shall be maintained on said lands, or said water taken for water works purposes, and to pay nothing for said water, more than the consideration of having executed the privileges contained in said instruments. The contracts, except as specified, further provide that the said opening and water flowing through it is to be used by the Grantors, their heirs and assigns owning said land above described and for domestic purposes only, including all purposes for which water is supposed to be used about a home, including household purposes, watering stock, etc., but not to be used for irrigation purposes without permission from the Grantee, Defendant herein.

The contracts further provide in essence as follows:

"And in using said water from said spigot the Grantors, their assigns and their heirs, owning said land, are not to commit waste of the water, but are to use it under the reasonable rules and regulations of the said Town of Bluff City made in pursuance of law for the purpose of controlling and operating said water works system."

It is respectfully alleged by Complainants that these contracts speak for themselves, and have been in operation for almost 40 years, and that Complainants are entitled to the free and un-interrupted usage of water under the terms and provisions thereof without interference by the Defendant, or its Officials or Representatives. Notwithstanding the provisions of these solemn agreements, the Defendant has attempted and is presently attempting to restrict the terms and provisions of said contracts to a specified or arbitrary quantity of water to each user on a monthly basis, and is attempting to bill the users and consumers for the water used in excess of its arbitrary figure to the great damage of your Complainants, and in breach of and violation of the terms of these contracts.

The aforesaid action is specifically a breach of said agreements by said Defendant, as are certain purported notices of Defendant of an attempt to bill

your Complainants for water-usage above the arbitrary and unreasonable figure set forth, and the contents and conditions of this will be exhibited you or quantity attempted to be set by Defendant, and which it has no right to do under said contracts. That recently the Defendant, in an effort to coerce your Complainants to enter what amounts to new agreements, or supplemental agreements, has come into and upon the property of some of your Complainants, and cut off their water, thus depriving many homes of their entitled water supply under these contracts. Acting on the advice of Counsel, these affected Complainants have paid these purported bills under protest, with a reservation of their rights under said contracts, by matters and/or receipts to the Court shown, and for which sums a Decree will be sought, together with any additional sums paid by them under protest until the matter is heard, being advised by counsel to do pay same in this fashion. Thereupon, the Defendant did re-connect the water supply to the affected users who paid under protest.

Your Complainants are advised, and thus aver they have a right to free and unlimited water supply from the Defendant as set forth in the contracts, and being thus deprived of the use thereof as aforesaid, and paying said matters under protest as set forth, they allege entitlement to a construction of and enforcement of their respective contracts with Defendant. Complainants are advised this Honorable Court is empowered to construe contracts, declare rights thereunder, and enforce same by appropriate Decree. It is alleged that the Defendant now disputes that Complainants are entitled to perpetual free usage of un-restricted water supply as contained in their various contracts, and being so damaged irreparably, Complainants feel that injunctive relief be Decreed at the hearing to enforce their contentions, if necessary.

In order to avoid a multiplicity of suits, and since the matters in the various agreements are substantially the same, Complainants join collectively in this suit to seek the relief as prayed on their individual contracts.

IV

The various contracts involved, on which the Honorable Court's Decree is sought, and the way and manner in which Complainants are involved as to

STREET, BANKS,  
HARRYMAN AND MUSICK  
ATTORNEYS AT LAW  
LIZABETHTON, TENNESSEE

ownership, title, and/or interests, and other pertinent information is here-  
after set forth, and the contracts and evidence of title will be exhibited to the

Court at all times, and all hearings:

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1. A contract from Roy A. Riley and wife, to Bluff City, Tennessee executed September 9, 1925 and of record in Deed Book 202, page 303, Register's Office for Sullivan County, Tennessee, now owned by the Complainant Roy A. Riley and wife, Ina Riley by proper deed or instrument of title the Court shown. The tract in question now contains 20 acres, more or less and which has a crop acreage of \_\_\_\_\_ acres, and which tract is utilized for farming purposes including livestock. There is a farm dwelling located thereon and the usual buildings.

2. A contract from R. T. Riley and wife, to Bluff City, Tennessee und date of August 22, 1925 of record in Deed Book 202, page 295, Register's Office for Sullivan County, Tennessee. This contract has a special provision in addition to the above specifications, namely the additional feature of locating spigots where ever same may be desired. This tract now involves 38 acres more or less and which farm has a crop acreage of approximately \_\_\_\_\_ acres, more or less, is used for farming, and livestock thereon. There is a farm dwelling located thereon and the usual farm buildings.

One of the original contracting parties, R. T. Riley, Widower, reside on said farm and is a party to this litigation.

3. The third contract is dated August 22, 1925 from R. T. Riley and his late wife, Jennie Riley to the Defendant and of record in Deed Book 202 page 296, and involves a farm of 55 acres presently owned by the Complainant Charles S. Riley. Said farm has a crop acreage of \_\_\_\_\_ acres, has livestock thereon, is suitable for farming, and has the usual dwelling and out buildings thereon, including a tenant house and a barn.

4. The fourth contract is dated September 15, 1925 from W. W. Riley et al to the Town of Bluff City of record in Deed Book \_\_\_\_\_, page \_\_\_\_\_. Register's Office, a photostatic copy to the Court shown. This contract involves 69 acres of farming land, of which amount \_\_\_\_\_ acres is suitable for crop acreage and has a barn located thereon as well as livestock. The owner of said land is Charles S. Riley, Complainant herein.

The Complainants Roy A. Riley and wife, Ina Riley have deeds for additional 45 acres of this subject contract of which \_\_\_\_\_ acres are suitable for crop acreage, and is also used for livestock.

The Complainants, Herbert Mills and wife, Ogle Mills, have a deed from Lillian Riley Merrill, et al, for an additional 47 acres under this subject contract, containing about \_\_\_\_\_ crop acreage and some pasture land, and has a barn thereon, along with livestock.

5. The fifth contract is from Sarah Hicks, et al to the Defendant, Bluff City, dated August 25, 1925, recorded in Deed Book 202, page 292, 71 acres of this property are owned by Alice and Kate Hicks, Complainant herein and the land contains \_\_\_\_\_ acres for crop acreage, and has a dwelling thereon.

The Complainant Charles S. Riley, owns the balance of 7 acres affected by said contract, by deed to the Court shown, and this tract is used for

farm purposes and has \_\_\_\_\_ acres of crop acreage; has livestock thereon, and is improved by a dwelling and a barn. This property is owned by the Complainants, Edgewood Park Corporation, a Trust-  
6. Contract No. 6 is from C. J. Thomas et al to the Town of Bluff City dated February 28, 1931, of record in Deed Book 192-A, page 168.

15000  
15000

The former owners, by this contract, agreed to tap on to the water line or pipe line of Roy Riley as therein set forth and these owners erected their own pipe line of some 1200 feet, and the contract is otherwise substantially the same as the standard contract. This land has been divided so that the Complainant, William F. Thomas has 32 acres, and Complainant, B. Thomas has the balance of 38 acres. Each tract has a farm house and a barn thereon, and livestock. The William Thomas tract has crop acreage of \_\_\_\_\_ and the B. Thomas tract has \_\_\_\_\_ crop acreage.

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7. The seventh contract is from L. A. Wassom and wife to Bluff City dated August 22, 1925, recorded in Deed Book 202, page 294. This land is now owned by the Complainants I. A. Wassom, Jr., and wife, Ruth Wassom, et al, involved is about 106 acres. This tract is farmland, and contains \_\_\_\_\_ crop acreage, has the usual farm dwelling and buildings thereon, and livestock.

The Complainant Charles S. Riley owns an additional 50 acres under this contract, and involves \_\_\_\_\_ crop acreage, has livestock and a barn thereon.

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8. Contract No. 8 is from J. F. Smith and wife to Bluff City dated August 15, 1925 from Harrison Barnett and wife, Elize Barnett, to Bluff City of record in Deed Book 231-A, page 53, and is now owned by the Complainant, Mary Carrier, Widow. This tract now involves \_\_\_\_\_ acres, and included thereon \_\_\_\_\_ crop acreage, a dwelling, barn and livestock.

9. Contract No. 9 is dated August 26, 1925 and recorded in Deed Book 202, page 301, and is from N. W. Thomas and wife to Bluff City. This property is now owned by the Complainants, Guy H. Wilson and wife, Edith Wilson, and is a farm containing \_\_\_\_\_ acres, has a farm dwelling and buildings, and livestock thereon, and \_\_\_\_\_ crop acreage.

15000

10. The tenth contract is from Guy Barnett and wife to Bluff City dated August 21, 1925, recorded in Deed Book 202, page 290. This property is now owned by S. D. Cox and wife, Mrs. S. D. Cox, Complainants, herein, and involves \_\_\_\_\_ acres, of which amount involves \_\_\_\_\_ crop acreage, has a dwelling thereon, and farm buildings.

11. This contract involves a contract between Sullivan County, Tennessee or its County Board of Education with the Town of Bluff City in regard to the Hicks School tract and which contract is either of record with the Register of Deeds, and/or the School Department of Sullivan County, Tennessee, and involves 1/2 acre, more or less, to which Bluff City, for many years, supplied water under said contract free of charge in consideration of the right-of-way and/or easement as per the aforesaid standard contracts. This tract is now owned by the Complainants, R. T. Riley et al by Deed or Will to the Court shown, and which property is used for residential purposes. This contract is demanded in evidence as to the original, or will be set up secondarily under the usual procedure bills, and that the matter be referred to the Master for a ruling on this matter and all pertinent reference matters.

*Carlier is the complainant*

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12. Contract No. 12 is from A. M. Smith et al to Bluff City dated August 21, 1925, recorded in Deed Book 202, page 285. This property is owned by the Complainant, Underwood Park Corporation, a Tennessee corporation with situs in Sullivan County, Tennessee, and said tract contains 85 acres, and is used for park and recreation purposes for the community and/or the public generally. The distance of said water line over or under said lands appears to be 600 feet, more or less, as per said contract, which is a standard contract, to the Court shown.

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13. Contract No. 13 is from G. D. Smith and wife to Bluff City dated August 21, 1925 and recorded in Deed Book 202, page 289, and involves 20 acres more or less, and said lands are under option to purchase by the Underwood Park Corporation, Complainant herein from one Charles E. Smith. The tract has \_\_\_\_\_ crop acreage, and is to be used for park and recreation purposes and domestic use, containing a house and barn thereon, and will be used by the caretaker of said corporation. The distance across said tract by the said pipe is approximately 1000 feet according to the contract which appears to be a standard contract.

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14. Contract No. 14 is from John W. Smith and wife to Bluff City dated August 21, 1925, and recorded on November 10, 1925 in Deed Book 202, page 287 and the property is now owned by the Complainants, Clarence Carrier and wife, Sherry Carrier, by evidence of title to the Court shown. The tract now involves 18-20 acres, more or less, has a house and barn thereon, and two out-buildings, and a crop acreage of \_\_\_\_\_ acres.

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15. Contract No. 15 is from J. F. Smith and wife to Bluff City dated August 21, 1925 and recorded in Deed Book 202, page 286. Said lands are now owned by Bruce Dunn and wife, Myrtle Dunn, Complainants, and involves 15 acres of farm land, with a crop acreage of \_\_\_\_\_ acres, has a house thereon and some buildings and said contract is a standard contract to the Court shown.

Complainants rely on these instruments of record for many years as shown, and further allege the Defendant has relied upon same for almost 40 years, and is now estopped to deny the terms and provisions asserted.

**PREMISES CONSIDERED, COMPLAINANTS PRAY:**

1. That this bill be filed and proper process issue and be served on the Defendant, requiring its appearance and defense, but the oath to the Answer is waived.

2. That this Honorable Court construe, declare and define the provisions and rights of Complainants in and to the various contracts to the Court shown, and especially those in conflict or dispute, and Decree perpetual and unrestricted water supply by the Defendant to your Complainants thereunder, and enforce same by proper Decree, and/or Injunction if necessary.

That if necessary, Contract No. 11 be set up by proper Decree, and construed and specifically enforced under the provisions of this Prayer for Relief.

3. That these Complainants having paid the Defendant under protest be granted a Decree for reimbursement therefor as to all such sums paid Defendant on the purported water bills, and that the matter be referred to the Master for a hearing on this matter and all pertinent reference matters.

4. That all such other relief be decreed Complainants to which they may be properly entitled including general relief.

**THIS IS THE FIRST APPLICATION FOR AN INJUNCTION IN SAID CAUSE.**

s/ Roy A. Riley  
ROY A. RILEY

s/ Ina Riley  
INA RILEY

s/ R. T. Riley  
R. T. RILEY

s/ Charles S. Riley  
CHARLES S. RILEY

s/ Alice Hicks  
ALICE HICKS

s/ Kate Hicks  
KATE HICKS

S/ Amanda L. Thomas  
AMANDA L. THOMAS

s/ William F. Thomas  
WILLIAM F. THOMAS

s/ Lillian Thomas  
LILLIAN THOMAS

s/ B. Thomas  
B. THOMAS

s/ I. A. Wassom, Jr.  
I. A. WASSOM, JR.

s/ Ruth Wassom  
RUTH WASSOM

s/ Mary Carrier  
MARY CARRIER

s/ Guy H. Wilson  
GUY H. WILSON

s/ Edyth Wilson  
EDITH WILSON

s/ S. D. Cox  
S. D. COX

s/ Mrs. S. D. Cox  
MRS. S. D. COX

s/ Clarence C. Carrier  
CLARENCE CARRIER

s/ Sherry Carrier  
SHERRY CARRIER

s/ Herbert Mills  
HERBERT MILLS

s/ Ogle Mills  
OGLE MILLS

... s/ Bruce Dunn  
... COUNTY, BRUCE DUNN

s/ Myrtle Dunn

... MYRTLE DUNN  
... UNDERWOOD PARK CORPORATION  
... s/ Clarence G. Carter  
... PRESIDENT  
... STATE OF TENNESSEE

COUNTY OF SULLIVAN

Roy A. Riley, Complainant, makes oath in due form of law that the contents of the within bill are true to the best of his knowledge, information and belief.

s/ Roy A. Riley  
AFFIANT

Subscribed and sworn to August 26, 1964.

s/ Robert E. Banks  
NOTARY PUBLIC AT LARGE FOR THE STATE OF TENNESSEE

My commission expires December 30, 1967.

(SEAL)

... Sullivan County, Tennessee and within the jurisdiction of this Tennessee Court. This said City or Town has a Mayor, and a Board of ...

STREET, BANKS, MERRYMAN AND MUSICK ATTORNEYS AT LAW ELIZABETHTON, TENNESSEE

and an agreement by the City of Bluff City, Tennessee that a water tap will be made on the new water line so that the present water service may be relocated on the new line when and if decided by the GRANTOR or their heirs at no extra costs to the Grantor

L. J.  
C. T.

RIGHT-OF-WAY EASEMENT

BOOK 204C PAGE 794

KNOW ALL MEN BY THESE PRESENTS:

That in consideration of ~~One Dollar (\$1.00)~~ and other good and valuable consideration paid to

Charles B. Thomas and Lillian Thomas

hereinafter referred to as GRANTOR, by BLUFF CITY, TENNESSEE, hereinafter referred to as GRANTEE, the receipt of which is hereby acknowledged, the GRANTOR does hereby grant, bargain, sell, transfer, and convey to the GRANTEE, its successor and assigns, a perpetual easement with the right to erect, construct, install, and lay, and thereafter use, operate, inspect, repair, maintain, replace and remove a WATER LINE WHICH IS THE PROPERTY OF THE GRANTEE over, across and through the land of the GRANTOR situated in Sullivan County, State of Tennessee, said land being described as follows: BOUNDED ON THE

SOUTH BY Charles Riley NORTH BY Floyd and Lucille Thomas  
EAST BY Herbert Mills WEST BY Dry Branch Road

together with the right of ingress and egress over the adjacent lands of the GRANTOR, his successors and assigns, for the purpose of this easement.

The easement shall be ten (10) feet in width, the center line of which is the water line.

The easement also shall consist of an additional twenty (20) feet of temporary easement for movement of materials and machinery during construction. Said easements are to be located as near as practical to the front property line, but off the public right-of-way.

The consideration hereinabove recited shall constitute payment in full for any damages to the land of the GRANTOR, his successors and assigns, by reason of the installation, operation and maintenance of the structures or improvements referred to herein. The GRANTEE covenants to maintain the easement in good repair so that no unreasonable damage will result from its use to the adjacent land of the GRANTOR, his successors and assigns.

The grant and other provisions of this easement shall constitute a covenant running with the land for the benefit of the GRANTEE, its successors and assigns.

IN WITNESS WHEREOF, the GRANTORS, have executed this instrument this 22 day of Aug., 1978.

Charles B Thomas (SEAL)  
Lillian Thomas (SEAL)

THIS INSTRUMENT WAS PREPARED BY  
**PRICE & WEDDINGTON**  
Attorneys at Law  
Bristol, Tennessee

STATE OF TENNESSEE

COUNTY OF SULLIVAN

Personally appeared before me, the undersigned authority, a Notary Public, in and for said county and state, the within named bargainors,

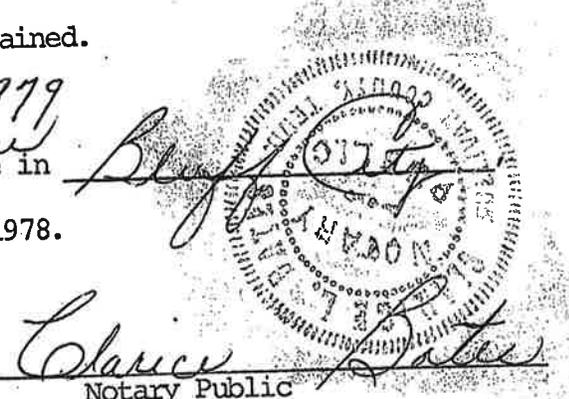
Charles B. Thomas and Lilliana Thomas

with whom I am personally acquainted and who acknowledged that they executed the within instrument for the purposes therein contained.

My commission expires April 8, 1979

Witness my hand and official seal at office in Bluff City

Tennessee, this the 22 day of Aug, 1978.



Clarence Bates  
Notary Public

J. B. Webb FARM

Lyle F. HENSON

S. R. HICKS, ET AL |  
TO |  
BLUFF CITY, TENN. |

Know all men by these presents, that for a valuable consideration in hand paid, receipt of which is hereby acknowledged, and the further consideration hereinafter mentioned and set forth, We, the undersigned, S. R. HICKS, J. E. HICKS, MOLLIE HICKS, SALLIE HICKS & ELIZABETH HICKS, have this day bargained and sold and by these presents doth bargain and sell, release, transfer and convey unto BLUFF CITY, TENNESSEE, a municipality, situated in the 16th Civil District of Sullivan County, Tennessee, the right to use, carry away, own and control, forever, such portions of the water which flows through or by the lands now owned by us, coming from what is known as the Underwood Spring, and all other springs within this watershed, as may be from time to time desired by said town of Bluff City, for waterworks purposes, which land is described as follows;

Located in the 16th Civil District of Sullivan County, Tennessee, and bounded on the North by the lands of Barnett, on the East by the lands of Hicks, on the South by the lands of Glover and on the West by the lands of Hicks and containing \_\_\_\_\_ acres, more or less, said grantee is to have the right and privilege at any and all times to enter upon the said lands, through its agents and representatives, for the purpose of excavating necessary ditches, laying and maintaining a pipe line for the purpose of conveying said water for waterworks purposes, through, over and by said lands, above described, from the line of \_\_\_\_\_, on the East, to the line of \_\_\_\_\_, on the West,, a distance of \_\_\_\_\_ feet, the entire distance, however through or by said land, along as near as possible practical, where the line is now located by the engineer in charge of laying out said waterworks system, for the said town of Bluff City, Tennessee.

In making this conveyance it is agreed and understood as part of the consideration, that the grantors, their heirs and assigns, are to have the right, under the rules and regulations that may be in force for the control and management of said water system, to tap said main line pipe at any time at any one place, in the manner prescribed for making such taps and draw water from said main line or pipe, for one opening, of regulation size for such opening, not to exceed however a three-fourths inch opening, and the grantors, their heirs and assigns are to have the free use of the water from said spigot or opening so long as said water main shall be maintained on said land, or said water taken, for waterworks purposes, and to pay nothing for said water, more than the consideration of having executed the privileges contained in this instrument, however the said opening and water flowing through it is to be used only by the grantors, their heirs and assigns owning said land above described, and for domestic purposes only, including all purposes for which water is supposed to be used about a home, including household purposes, watering stock, etc., but not to be used for irrigation purposes without permission from the grantee. And in using said water from said spigot, the grantors, their heirs and assigns owning said land, are not to commit waste of the water, but are to use it under the reasonable rules and regulations of the town of Bluff City, made in pursuance of law for purpose of controlling and operating said water works system.

WITNESS our hands, this 28th day of Aug. 1925.

S. R. HICKS

MOLLIE HICKS

SALLIE HICKS

ELIZABETH HICKS

J. E. HICKS

STATE OF TENNESSEE:

SULLIVAN COUNTY:

On this 28th day of Aug., 1925, before me personally appeared S. R. Hicks, Mollie Hicks, Sallie Hicks & Elizabeth Hicks, to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

Witness my hand and official seal on the date above written.

(W. D. LYON)  
(NOTARY PUBLIC)  
(SULLIVAN CO. TENN.)

W. D. LYON  
Notary Public

My commission expires April 15th, 1929

STATE OF MARYLAND:

COUNTY OF \_\_\_\_\_

On this 2d. day of September, 1925, before me personally appeared Dr. J. E. Hicks, to me known to be one of the persons described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

Witness my hand and official seal of office on this the date first above written.

(EARL R. WATTS)  
(NOTARY PUBLIC)  
(BALTIMORE, MD.)

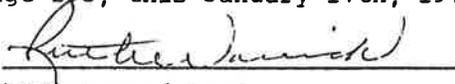
EARL R. WATTS  
Notary Public

Received & registered the foregoing deed and certificate there-  
to, Nov. 10, 1925, at 10:30 A. M.

SAM P. EANES, Register

STATE OF TENNESSEE:

COUNTY OF SULLIVAN: I, RUTH WARRICK, Register of the State and County aforesaid, do hereby certify that the foregoing is a true and conformed copy of this deed, as appears of record in this office in Deed Book 202- Page 298, this January 17th, 1973.

  
Ruth Warrick  
Register of Deeds

This contract made and entered into on this 21st day of July, 1930, by and between the Town of Bluff City, Tenn., party of the first part, and S. T. Lyon, residing in the suburbs outside of said Town, party of the second part as follows:

The party of the first part agrees that the said party of the second part may, under the direction and control of the party of the first part, through its agents and representatives, dig a ditch at his own expense, and attach a water line to the end of the present line of the City water system, on the public Street in front of the residence of W. D. Lyon, and lay his pipe along the said Street to the corporate limits of the Town, thence along the public road, so far as the Town is concerned to the residence and premises of the party of the second part near Bluff City, for the purpose of furnishing the party of the second part with water for domestic use.

The party of the second part is to own the line from the Corporate limits but he donates that part within the City limits to the town. The party of the second part is to fill and keep filled the ditch where the line is laid and the City is to be at no expences in installing said pipe line. The party of the second part is to pay no tapping fee and is to have <sup>free</sup> water one year from date of installation until the end of the first year. After that time he is to pay his water rents at the same rates and observe the same regulations as are provided for water consumers in the said Town of Bluff City. The size of the pipe to be laid is to be as heretofore agreed upon and the tap given is to be the standard size adopted for said water system.

Witness our hands this the date first above written.

Signed in duplicate and one copy left with each of the parties hereto.

The Town of Bluff City, Tenn.

By OR. W. Orwash Mayor

By J. L. Tucker Water Commissioner

S. T. Lyon

A G R E E M E N T

THIS INSTRUMENT made and entered into between BLUFF CITY, TENNESSEE, party of the first part, and PAUL D. LYONS AND GLADYS LYONS, parties of the second part;

W I T N E S S E T H:

In consideration of a water line easement granted to the party of the first party by the parties of the second part, the party of the first part hereby agrees at its own expense to relocate the meter serving the residence of the parties of the second part making a tap into the new line at a point near the easterly side of the yard and setting the meter near the Dry Branch Road. In addition, the party of the first part shall install a house service line from this meter along the easterly side of the yard and reconnect to the existing house service line near the original position of the meter. The disturbed area shall be restored and reseeded.

Further, the parties of the second part, their heirs and assigns, shall have the right to purchase water from the City of Bluff City Water System or its successors and assigns subject to the operating rules and regulations of the party of the first part as long as water is distributed through the subject line or the 4-inch line crossing the parties of the second part's property at another location.

ATTESTED BY:

Lydia A. Thomas  
Title City Recorder

CITY OF BLUFF CITY, TENNESSEE

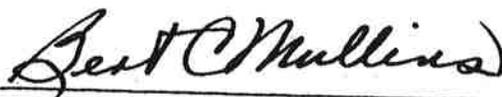
By M. C. [Signature]  
Title [Signature]  
Date 7-26-79

STATE OF TENNESSEE

COUNTY OF SULLIVAN

Before me, Bert C. Mullins, a Notary Public of the State and County aforesaid, personally appeared W. C. Good, with whom I am personally acquainted and who, upon oath, acknowledged that they executed the within instrument for the purposes therein contained.

WITNESS my hand and official seal on the 26th day of July, 1979.



NOTARY PUBLIC

My commission expires:

July 19, 1982

Know all men by these presents, that for a valuable consideration in hand paid, receipt of which is hereby acknowledged, and the further consideration hereinafter mentioned and set forth, we, the undersigned *David Jarrett* and *P. J. Jarrett* <sup>his wife</sup> have this day bargained and sold and by these presents doth bargain and sell, release, transfer and convey unto Bluff City, Tennessee, a municipality, situated in the 16th Civil District of Sullivan County, Tennessee, the right to use, carry away, own and control, forever, such portions of the water which flows through or by the lands now owned by us, coming from what is known as the Underwood Spring, and all other springs within this watershed, as may be from time to time desired by said town of Bluff City, for waterworks purposes, which land is described as follows: Located in the 16th Civil District of Sullivan County, Tennessee, and bounded on the North by the lands of *A. K. Smith* on the East by the lands of *W. K. Richards* on the South by the lands of *W. K. Richards* and on the West by the lands of *Barnett et al.* and containing 40 acres more or less, said grantee is to have the right and privilege at any and all times to enter upon the said lands, through its Agents and representatives for the purpose of excavating necessary ditches, laying and maintaining a pipe line for the purpose of conveying said water for waterworks purposes, through, over and by said lands, above described, from the line of *W. K. Richards* on the East, to the line of *Smith* on the west, a distance of approximately 2000 feet, the entire distance, however through said land, along as near as practical, where the line is now located by the engineer in charge of laying out said waterworks system, for the said town of Bluff City, Tennessee. In making this conveyance it is agreed and understood as part of the consideration, that the grantors, their heirs and assigns are to have the right, under the reasonable rules and regulations, that may be in force for the control and management of said water system, to tap said main line pipe at any one place, in the manner prescribed for making such taps and draw water from said main line of pipe, for one spigot, or opening, of regulation size for such opening, not to exceed however a three fourths inch opening, and the grantors, their heirs and assigns are to have the free use of the water from said spigot or opening, as long as said water main shall be maintained on said land, or said water taken, for waterworks purposes, and to pay nothing for said water, more than the consideration of having executed the privileges contained in this instrument.

However the said opening and water flowing through it is to be used only by the grantors, their heirs and assigns owning said land above described and for domestic purposes only, including all purposes for which water is supposed to be used about a home, including household purposes, watering stock, but not to be used for irrigation purposes without permission from the grantors. And in using said water from said spigot, the grantors their assigns and their heirs, owning said land, are not to commit waste of the water, but are to use it under the reasonable rules and regulations of the said town of Bluff City, made in pursuance of law for purpose of controlling and operating said water works system.

Witness our hands, this 2<sup>nd</sup> day of Aug. 1925.

David Jarrett  
Mrs. P. J. Jarrett <sup>his</sup> <sub>wife</sub>

STATE OF TENNESSEE,

SULLIVAN COUNTY.

On this 2<sup>nd</sup> day of Aug. 1925, before me personally appeared David Jarrett and Mrs. P. J. Jarrett, <sup>his</sup> <sub>wife</sub> to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

Witness my hand and official seal on the date above written.

W. D. Logan  
Notary Public

My Commission Expires Apr. 15<sup>th</sup> 1929.

State right X

David Powell Tracy's

To: Becky Kelly, Tenn.

**STATE TAX PAID**

of 10.00

Dollars

10 cents Clerk's Fee

This day of Nov 1925

John Hill Clerk

Filed for record on the 10 day of Nov 1925 at 1309

Noted in Note Book 5 page 238 and recorded in Deed Book 202 page 305

David O'Connell Register

Sullivan Co., Tenn.

This contract made and entered into on this      day of March, 1939,  
1939, by and between the town of Bluff City, Tennessee, through its  
through its board of Mayor and Aldermen, party of the first part, and  
George H. Wall, party of the second part.

W I T N E S S E T H :

That for and in consideration of the sum of One Dollar, cash in hand  
paid by the party of the second part, receipt of which is hereby ac-  
knowledged and the further consideration as hereinafter ~~set~~ set forth,  
the party of the first part has this day leased to the party of the  
second part, the said George H. Wall, the right and privilege of  
obtaining and using water for domestic purposes, from the pipe and  
system belonging to and operated by the party of the first part, but  
under the following conditions: The party of the second part will be  
permitted, under the directions of the party of the first part, to  
get water by properly opening, under the direction of the party of  
the first part, the first part the present opening, using the same  
outlet and goose neck, on the Main line from the Spring to the  
Reservoir, heretofore made for use by Sam C. Lyon, provided he shall  
make satisfactory arrangements with the said Sam C. Lyon, to enter  
upon his premises and make the connection. When said connection is  
properly made, the party of the second part will be permitted to  
convey water through pipes of his own properly laid and of regulation  
size to his premises adjoining the said Sam C. Lyon, land; and when  
water is thus conveyed the party of the second part will be permitted  
to use the water under the same rules and regulations, by which pa-  
trons of said water system are allowed to use it in the city and to  
pay for the said water the same price that is charged patrons of the  
system within the corporate ~~system~~ limits of the town. The right  
is reserved by the party of the first part to cancel this contract  
at any time the city may need the water consumed by the party of  
the second part for its patrons within said corporation. If the party  
of the second part shall fail to comply with the rules and regulations  
adopted for the use of the water, by the City, and to pay for the  
water used, by him, the party of the first part shall have the right  
out off the water and cancel this contract.



Know all men by these presents, that for a valuable consideration in hand paid,  
receipt of which is hereby acknowledged, and the further consideration hereinafter  
mentioned and set forth, we, the undersigned *S. D. Hicks, J. E. Hicks, Willie*  
*Hicks, Willie Hicks & Elizabeth Hicks* have  
this day bargained and sold and by these presents doth bargain and sell, release, transfer

and convey unto Bluff City, Tennessee, a municipality, situated in the 15th Civil District  
of Sullivan County, Tennessee, the right to use, carry away, own and control, forever, such  
portions of the water which flow through or by the lands now owned by us, coming from  
what is known as the Indianwood Spring, and all other springs within this watershed, as  
may be from time to time desired by said town of Bluff City, for waterworks purposes,  
which land is described as follows: located in the 15th Civil District of Sullivan

County, Tennessee, and bounded on the North by the lands of *Barnett*  
on the East by the lands of *Hicks* on the South by the lands of  
*Illowr* and on the West by the lands of *Hicks*

and containing \_\_\_\_\_ acres more or less, said grantee is to have the right and  
privilege at any and all times to enter upon the said lands, through its Agents and  
representatives for the purpose of excavating necessary ditches, laying and maintaining  
a pipe line for the purpose of conveying said water for waterworks purposes, through,  
over and by said lands, above described, from the line of \_\_\_\_\_ on

the East, to the line of \_\_\_\_\_ on the West, a distance of  
approximately \_\_\_\_\_ feet, the entire distance, however through said land,  
along as near as practical, where the line is now located by the engineer in charge of  
laying out said waterworks system, for the said town of Bluff City, Tennessee.

In making this conveyance it is agreed and understood as part of the consideration,  
that the grantors, their heirs and assigns are to have the right, under the reasonable  
rules and regulations, that may be in force for the control and management of said  
water system, to tap said main line pipe at any one place, in the manner prescribed for  
making such taps and draw water from said main line of pipe, for one spigot, or open-  
ing, of regulation size for such opening, not to exceed however a three fourths inch  
opening, and the grantors, their heirs and assigns are to have the free use of the water  
from said spigot or opening, so long as said water main shall be maintained on said land  
or said water taken, for waterworks purposes, and to pay nothing for said water, more  
than the consideration of having executed the privileges contained in this instrument.

However the said opening and water flowing through it is to be used only by the grantors, their heirs and assigns owning said land above described and for domestic purposes only, including all purposes for which water is supposed to be used about a home, including household purposes, watering stock, etc. but not to be used for irrigation purposes without permission from the grantor, and in using said water from said opening, the grantors their assigns and their heirs, owning said land, are not to commit waste of the water, but are to use it under the reasonable rules and regulations of the said town of Hialeah City, made in pursuance of law for purpose of controlling and operating said water works system.

Witness our hands, this 28th day of Aug. 1925.

S. R. Hicks  
Mollie Hicks  
Sallie Hicks  
Elizabeth Hicks  
J. E. Hicks - Belts. Md.

SEAL OF SULLIVAN COUNTY

On this 28th day of Aug. 1925, before me personally appeared S. R. Hicks, Mollie Hicks, Sallie Hicks & Elizabeth Hicks to me known to be

the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

Witness my hand and official seal on the date above written.

W. D. Lyon  
 Notary Public

My Commission Expires April 15th 1929

State of Maryland,  
 County of

) On this 21 day of September 1925, before me personally appeared, Dr. J. E. Hicks, to me known to be one of the persons described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed. Witness my hand and official seal of office on this the date first above written.

Earl R. Harts  
 Notary Public.

Know all men by these presents, that for a valuable consideration in hand paid,  
receipt of which is hereby acknowledged, and the further consideration hereinafter  
mentioned and set forth, we, the undersigned *Barak Hicks, Leate and Hicks,*  
*Alice Hinni*  
have this day bargained and sold and by these presents both bargain and sell,  
release, transferred convey into Bluff City, Tennessee, a municipality, situated in  
the 16th Civil District of Sullivan County, Tennessee, the right to use, carry away,  
own and control, forever, such portions of the water which flow through or by the  
lands now owned by us, coming from what is known as the Underwood Spring, and all  
other springs within this tract, as may be from time to time located by said  
town of Bluff City, for waterworks purposes, which land is described as follows:  
Located in the 16th Civil District of Sullivan County, Tennessee, and bounded on  
the North by the lands of *Bernutt* on the East by the lands of  
*Hicks et al* on the South by the lands of *Mottman*  
and on the West by the lands of *Wasson* and containing 100 Acres  
more or less. Said grantee it to have the right and privilege at any and all times  
to enter upon the said lands, through its agents and representatives for the purpose  
of excavating necessary ditches, laying and maintaining a pipe line for the purpose  
of conveying said water for waterworks purposes, through, over and by said lands  
above described, from the line of *Bernutt* on the East, to the  
line of *Riley* on the West, a  
distance of approximately 600 feet, the entire distance, however through said land,  
along as near as practical, where the line is now located by the engineer in charge  
of laying out said waterworks system, for the said town of Bluff City, Tenn.  
In making this conveyance it is agreed and understood as part of the consideration  
that the grantors, their heirs and assigns are to have the right, under the reasonable  
rules and regulations, that may be in force for the control and management of said  
water system, to tap said main line pipe at any one place, in the manner prescribed  
for making such taps and draw water from said main line of pipe, for one ~~opening~~,  
~~or~~ opening, of regulation size for such opening, not to exceed however a three fourths  
inch opening, and the grantors, their heirs and assigns are to have free use of the  
water from said ~~opening~~ <sup>opening</sup> opening, so long as said water main shall be maintained on  
said land, or said water taken, for waterworks purposes, and to pay nothing for said  
water, save that the consideration of having executed the privileges contained in  
this instrument, however the said opening and water flowing through it is to be used  
only by the grantors, their heirs and assigns owning said land above described and  
for domestic purposes only, including all purposes for which water is supposed to

for the own home only  
be used about a home, including household purposes, water stock <sup>the quantity to</sup> but not to be  
used for irrigation purposes without permission from the grantee, and in using  
said water from said ~~source~~ <sup>opening</sup>, the grantee, their assigns and their heirs, assigns  
said land, are not to commit waste of the water, but are to use it under the  
reasonable rule and regulations of the said town of Blind City, made in  
pursuance of law for the purpose of controlling and operating said waterworks system.

Witness our hand and seal this 22nd day of Aug, 1925.

Kate Hicks  
Mrs. Sarah Hicks  
Glice Hicks

SEAL OF DISTRICT OF  
SULLY COUNTY.

On this 22nd day of Aug. 1925, before me personally  
appeared Kate Hicks, Mrs. Sarah Hicks & Glice Hicks  
to me known to be the  
persons described in and who executed the foregoing instrument and acknowledged  
that they executed the same their free will and deed.

Witness my hand and official seal on the date above written.

My Commission expires Apr. 15th 1929. W. D. Lupa  
Notary Public

Know all men by these presents, that for a valuable consideration in hand paid, receipt of which is hereby acknowledged, and the further consideration hereinafter mentioned and set forth, we, the undersigned *H. Barnett* and his wife *Eliza Barnett* have this day bargained and sold and by these presents doth bargain and sell, release, transfer and convey unto Bluff City, Tennessee, a municipality, situated in the 16th Civil District of Sullivan County, Tennessee, the right to use, carry away, own and control, forever, such portions of the water which flows through or by the lands now owned by us, coming from what is known as the Underwood spring, and all other springs within this watershed, as may be from time to time desired by said town of Bluff City, for waterworks purposes, which land is described as follows: Located in the 16th Civil District of Sullivan County, Tennessee, and bounded on the North by the lands of *Henry Mottern* on the East by the lands of *Charlie Jenkins, et al.* on the South by the lands of *Hicks* and on the West by the lands of *Hicks* and containing 100 acres more or less. Said grantee is to have the right and privilege at any and all times to enter upon the said lands, through its agents and representatives for the purpose of excavating necessary ditches, laying and maintaining a pipe line for the purpose of conveying said water for waterworks purposes, through, over and by said lands above described, from the line of *Frank Smith, or Hicks* on the East, to the line of *Hicks* on the West, a distance of approximately 1500 feet, the entire distance, however through said land, along as near as practical, where the line is now located by the engineer in charge of laying out said waterworks system, for the said town of Bluff City, Tenn. In making this conveyance it is agreed and understood as part of the consideration, that the grantors, their heirs and assigns are to have the right, under the reasonable rules and regulations, that

GUY BARNETT & wife:

TO

BLUFF CITY, TENN. :

Know all men by these presents that for a valuable consideration in hand paid, receipt of which is hereby acknowledged, and the further consideration hereinafter mentioned and set forth, we, the undersigned Guy Barnett and Johnnie Barnett have this day bargained and sold and by these presents doth bargain and sell, release, transfer and convey unto Bluff City, Tennessee, a municipality, situated in the 16th Civil District of Sullivan County, Tennessee, the right to use, carry away, own and control, forever, such portions of the water which flows through or by the lands now owned by us, coming from what is known as the Under wood Spring, and all other springs within this watershed, as may be from time to time desired by said town of Bluff City, for water works purposes, which land is described as follows: Located in the 16th Civil District of Sullivan County, Tennessee, and bounded on the North by the lands of Jenkins on the East by the lands of Buchanan on the South by the lands of Hicks and on the West by the lands of J. F. Smith and containing \_\_\_\_\_ acres more or less, said grantee is to have the right and privilege at any and all times to enter upon the said lands, through its Agents and representatives for the purpose of excavating necessary ditches, laying and maintaining a pipe line for the purpose of conveying said water for waterworks purposes through, over and by said lands above described, from the line of Buchanan on the East, to the line of J. F. Smith on the West, a distance of approximately 1000 feet, the entire distance, however through said land, along as near as practical, where the line is now located by the engineer in charge of laying out said waterworks system, for the said town of Bluff City, Tennessee. In making this conveyance it is agreed and understood as part of the consideration, that the grantors, their heirs and assigns are to have the right, under reasonable rules and regulations, that may be in force for the control and management of said water system,

(2)

to tap said main line pipe at any one place, in the manner prescribed for making such taps and draw water from said main line of pipe, for one spiggot, or opening, if regulation size for such opening, not to exceed however a three-fourths inch opening, and the grantors, their heirs and assigns are to have the free use of the water from said spiggot or opening, so long as said water main shall be maintained on said land, or said water taken, for waterworks purposes, and pay nothing for said water, more than the consideration of having executed the privileges contained in this instrument, However the said opening and water flowing through it is to be used only by the grantors, their heirs and assigns owning said land above described and for domestic purposes only, including all purposes for which water is supposed to be used about a home, including household purposes, watering stock etc. but not to be used for irrigation purposes without permission from the grantee. And in using said water from said spiggot, the grantees, their assigns and their heirs, owning said land, are not to commit waste of the water, but are to use it under the reasonable rules and regulations of the said town of Bluff City, made in pursuance of law for purpose of controlling and operating said waterworks System.

Witness our hands, this 21st day of August. 1925.

GUY BARNETT

JOHNNIE BARNETT

STATE OF TENNESSEE:

SULLIVAN COUNTY.

On this 21st day of Aug. 1925, before me personally appeared Guy Barnett and Johnie Barnett, his wife to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

Witness my hand and official seal on the date above written.

W. D. LYON  
NOTARY PUBLIC

W. D. LYON,  
NOTARY PUBLIC

SULLIVAN CO., TENN. My commission expires Apr. 15th, 1929.

Received and registered the foregoing deed and Certificate thereto  
Nov. 10-1925, at 10:30 A.M.

Sam P. Eanes  
Register

(3)

STATE OF TENNESSEE:

COUNTY OF SULLIVAN:

I, RUTH WARRICK, Register of said State and County, do hereby certify that the foregoing is a true and correct copy of this instrument as appears of record in my office in Trust Book 119-B, page 561.

This 16th day of July, 1958.

  
REGISTER OF SULLIVAN COUNTY, TENNESSEE



through said lands along as near as practical where the line is now located by the engineer in charge of said work of laying out said waterworks system for the said of Bluff City, Tennessee.

In making this conveyance it is agreed and understood as part of the consideration hereof, that the grantors, their heirs and assigns are to have a right under the reasonable rules and regulations, that may be in force for the control and management of said waterworks, system to tap said main line pipe now to be put in by expense of Bluff City, for one spigot or opening of regulation size for such opening, not to exceed however three fourths of an inch opening and the grantors, their heirs and assigns are to have the water from said spiggots or openings, so long as said water main shall be maintained on said land, or said water taken for water works purposes, and to pay nothing for said water, more than the consideration of having executed this instrument and the privileges contained herein. However the said openings and water flowing through them is to be used only by the grantors, their heirs and assigns owning said land above described, and for domestic purposes, only, including all purposes for which water is supposed to be used about a home, including household purposes, watering stock, & C., but not to be used for irrigating purposes without permission from the grantee.

In using said water the grantors, their heirs and assigns owning said land are not to commit waste of the water, but are to use it under the reasonable rules and regulations of the said town of Bluff City, made in pursuance of law for the purpose of controlling and operating said waterwork system.

It is further agreed and understood, that the said ditch is to be dug and pipe laid deep enough in the ground not to interfere with cultivating the soil, and said ditch is to be filled in by the grantee and kept filled and the grantee is to be liable for and pay any damages that may be done to growing crops trees, shrubry & c. in entering from time to time to maintain or relay said pipe line.

In addition to the above two more openings of like size shall be put in the pipe line at the expense of Bluff City if called for by the grantors or their family while they own the property and to be used by them under the same regulations, to be put in at any time the family calls for them and the grantors are to have free use.

Witness our hands this 1st day of March, 1926.

CHARLES BACHANAN

HESTER BACHANAN

U. S. REVENUE STAMPS  
FOR \$1.00 and ~~ONE~~ CTS.  
Attached to this instrument

STATE OF TENNESSEE)  
SULLIVAN COUNTY )

Personally appeared before me W. D. Lyon, a notary public in and for County and State, the within named bargainors, Charles Buchanan and his wife, Hester Buchanan, with whom I am personally acquainted and who acknowledged that they executed the within instrument for the purposes therein contained.

And Hester Bachanan, wife of the said Charles Bachanan, having personally appeared before me privately and apart from her husband the said Charles Buchanan, acknowledged the execution of said deed, or water privilege, to have been done by her freely, voluntarily and understandingly, without compulsion or constraint from her said husband and for the purposes therein expressed.

Witness my hand and official seal in said County and State on this 2nd day of March, 1926.

My commission expires April 15th, 1929.

W. D. LYON )  
NOTARY PUBLIC )  
SULLIVAN COUNTY, TENNESSEE )  
W. D. LYON  
NOTARY PUBLIC

Rec'd and registered the foregoing deed and certificate thereto March 3, 1926 at 10:30 A. M.

SAM P. EANES REGISTER

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STATE OF TENNESSEE

COUNTY OF SULLIVAN

I, RUTH WARRICK, Register of said State and County, do hereby certify that the foregoing is a true and correct copy of this instrument as appears of record in my office in Deed Record 205 page 214.

This 16th day of July, 1958.

  
REGISTER OF SULLIVAN COUNTY, TENNESSEE

Now all men by these presents that for a valuable consideration in hand paid, receipt of which is hereby acknowledged, and the further consideration hereinafter mentioned and set forth, we, the undersigned *G. D. Smith* and *Edell Smith* <sup>his wife</sup> have this day bargained and sold and by these presents doth bargain and sell, release, transfer and convey unto Bluff City, Tennessee, a municipality, situated in the 16th Civil District of Sullivan County, Tennessee, the right to use, carry away, own and control, forever, such portions of the water which flows through or by the lands now owned by us, coming from what is known as the Underwood Spring, and all other springs within this watershed, as may be from time to time desired by said town of Bluff City, for water works purposes, which land is described as follows: Located in the 16th Civil District of Sullivan County, Tennessee, and bounded on the North by the Lands of *Jenkins* on the East by the Lands *A. N. Smith* on the South by the Lands of *J. W. Smith* and on the West by the Lands of *Buchanan* and containing *Acres* more or less, said grantee is to have the right and privilege at any and all times to enter upon the said lands, through its Agents and representatives for the purpose of excavating necessary ditches, laying and maintaining a pipe line for the purpose of conveying said water for waterworks purposes through, over and by said lands above described, from the line of *A. N. Smith* on the East, to the line of *Buchanan* on the West, a distance of approximately *1000* feet, the entire distance, however through said land, along as near as practical, where the line is now located by the engineer in charge of laying out said waterworks system, for the said town of Bluff City Tennessee. In making this conveyance it is agreed and understood as part of the consideration, that the grantors, their heirs and assigns are to have the right, under the reasonable rules and regulations, that may be in force for the control and management of said water system, to tap said main line pipe at any one place, in the manner prescribed for making such taps and draw water from said main line of pipe, for one spigot, or opening, if regulation size for such opening, not to exceed however a *three fourths* inch opening, and the grantors, their heirs and assigns are to have the free use of the water from said spigot or opening, so long as said water main shall be maintained on said land, or said water taken, for waterworks purposes, and pay nothing for said water, more than the consideration of having assumed the privileges contained in this instrument.

However the said opening and water flowing through it is to be used only by the  
 grantors, their heirs and assigns using said land above described and for  
 domestic purposes only, including all purposes for which water is supposed to be  
 used about a house, including household purposes, watering stock but not to be  
 used for irrigation purposes without permission from the grantors, and in using said  
 water from said spigot, the grantors, their assigns and their heirs, owning said  
 land, are not to commit waste of the water, but are to use it under the reasonable  
 rules and regulations of the said town of Bluff City, made in pursuance of law for  
 purpose of controlling and operating said waterworks system.

Witness my hands, this 21st day of Aug. 1925.

G. D. Smith  
Edell Smith

RECORDED AND INDEXED

DECEMBER 1925

On this 21st day of Aug. 1925, before me personally appeared

G. D. Smith and Edell Smith, <sup>his wife</sup> to me known to be the persons  
 described in and who executed the foregoing instrument and acknowledged that they  
 executed the same as their free act and deed.

Witness my hand and official seal on the date above written.

By Commission Expires

Apr. 15th 1929.

W. D. Lyon  
 Notary Public.

Know all men by these presents, that for a valuable consideration in hand paid, receipt of which is hereby acknowledged, and the further consideration hereinafter mentioned and set forth, we, the undersigned *Jno. N. Smith* And *Sarah Smith* have this day bargained and sold and by these presents doth bargain and sell, release, transfer and convey unto Bluff City, Tennessee, a municipality, situated in the 16th Civil District of Sullivan County, Tennessee, the right to use, carry away, own and control, forever, such portions of the water which flows through or by the lands now owned by us, coming from what is known as the Underwood Spring, and all other springs within this watershed, as may be from time to time desired by said town of Bluff City, for waterworks purposes, which land is described as follows: Located in the 16th Civil District of Sullivan County, Tennessee, and bounded on the North by the lands of *J. N. Smith* on the East by the lands of *Barnett* on the South by the lands of *Jarrett* and on the West by the lands of *Dal Smith* and containing  $9\frac{1}{2}$  acres more or less, Said grantee is to have the right and privilege at any and all times to enter upon the said lands, through its Agents and representatives for the purpose of excavating necessary ditches, laying and maintaining a pipe line for the purpose of conveying said water for waterworks purposes, through, over and by said lands, above described, from the line of *Jarrett* on the East, to the line of *Dal Smith* on the west, a distance of approximately *1000* feet, the entire distance, however through said land, along as near as practical, where the line is now located by the engineer in charge of laying out said waterworks system, for the said town of Bluff City, Tennessee. In making this conveyance it is agreed and understood as part of the consideration, that the grantors, their heirs and assigns are to have the right, under the reasonable rules and regulations, that may be in force for the control and management of said water system, to tap said main line pipe at any one place, in the manner prescribed for making such taps and draw water from said main line of pipe, for one spigot, or opening, of regulation size for such opening, not to exceed however a three fourths inch opening, and the grantors, their heirs and assigns are to have the free use of the water from said spigot or opening, so long as said water main shall be maintained on said land, or said water taken, for waterworks purposes, and to pay nothing for said water, more than the consideration of having executed the privileges contained in this instrument.

However the said opening and water flowing through it is to be used only by the grantors, their heirs and assigns owning said land above described and for domestic purposes only, including all purposes for which water is supposed to be used about a home, including household purposes, watering stock &c. but not to be used for irrigation purposes without permission from the grantee. And in using said water from said spigot, the grantors their assigns and their heirs, owning said land, are not to commit waste of the water, but are to use it under the reasonable rules and regulations of the said town of Bluff City, made in pursuance of law for purpose of controlling and operating said water works system.

Witness our hands, this 21st Day of Aug. 1925.

John W. Smith  
Sarah Smith

STATE OF TENNESSEE, )  
SULLIVAN COUNTY. )

On this 21st day of Aug. 1925, before me personally appeared John W. Smith and Sarah Smith his wife to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

Witness my hand and official seal on the date above written.

W. D. Loper  
Notary Public.

My Commission Expires April 15th 1929.

Know all men by these presents, that for a valuable consideration in hand paid, receipt of which is hereby acknowledged, and the further consideration hereinafter mentioned and set forth, we, the undersigned *A. Smith* and *Elizabeth Smith* have this day bargained and sold and by these presents doth bargain and sell, release, transfer and convey unto Bluff City, Tennessee, a municipality, situated in the 16th Civil District of Sullivan County, Tennessee, the right to use, carry away, own and control, forever, such portions of the water which flows through or by the lands now owned by us, coming from what is known as the Underwood spring, and all other springs within this watershed, as may be from time to time desired by said town of Bluff City, for waterworks purposes, which land is described as follows: Located in the 16th Civil District of Sullivan County, Tennessee, and bounded on the North by the lands of *U. S. Government* on the East by the lands of *John W. Smith* on the South by the lands of *Dal Smith* and on the West by the lands of *Dal Smith* and containing *85* acres more or less. Said grantee is to have the right and privilege at any and all times to enter upon the said lands, through its agents and representatives for the purpose of excavating necessary ditches, laying and maintaining a pipe line for the purpose of conveying said water for waterworks purposes, through, over and by said lands above described, from the line of *John W. Smith* on the East, to the line of *Dal Smith* on the West, a distance of approximately *600* feet, the entire distance, however through said land, along as near as practical, where the line is now located by the engineer in charge of laying out said waterworks system, for the said town of Bluff City, Tenn. In making this conveyance it is agreed and understood as part of the consideration, that the grantors, their heirs and assigns are to have the right, under the reasonable rules and regulations, that

may be in force for the control and management of said water system, to tap said main line pipe at any one place, in the manner prescribed for making such taps and draw water from said main line of pipe, for one spigot, or opening, of regulation size for such opening, not to exceed however a three fourths inch opening, and the grantors, their heirs and assigns are to have the free use of the water from said spigot or opening, so long as said water main shall be maintained on said land, or said water taken, for waterworks purposes, and to pay nothing for said water, more than the consideration of having executed the privileges contained in this instrument. However the said opening and water flowing through it is to be used only by the grantors, their heirs and assigns owning said land above described and for domestic purposes only, including all purposes for which water is supposed to be used about a home, including household purposes, watering stock &c. but not to be used for irrigation purposes without permission from the grantee. And in using said water from said spigot, the grantors, their assigns and their heirs, owning said land, are not to commit waste of the water, but are to use it under the reasonable rules and regulations of the said town of Bluff City, made in pursuance of law for the purpose of controlling and operating said waterworks system.

Witness our hands, this *21st* day of *Aug* 1925.

*A. N. Smith*  
*Edwin Smith*

State of Tennessee, )  
 Sullivan County. )

On this *21st* day of *Aug*, 1925, before me personally appeared *A. N. Smith* and *Edwin Smith* to me known to be the persons described in and who executed the foregoing instrument and acknowledged that *they* executed the same as *their* free act and deed.

Witness my hand and official seal on the date above written.

My commission expires *1929* April 15, 1929. *W. D. Lyon*  
 Notary Public.

Know all men by these presents, that for a valuable consideration in hand paid, receipt of which is hereby acknowledged, and the further consideration hereinafter mentioned and set forth, we, the undersigned *J. F. Smith* and *Pheba Smith* have this day bargained and sold and by these presents doth bargain and sell, release, transfer and convey unto Bluff City, Tennessee, a municipality, situated in the 16th Civil District of Sullivan County, Tennessee, the right to use, carry away, own and control, forever, such portions of the water which flows through or by the lands now owned by us, coming from what is known as the Underwood Spring, and all other springs within this watershed, as may be from time to time desired by said town of Bluff City, for waterworks purposes which land is described as follows: Located in the 16th Civil District of Sullivan County, Tennessee, and bounded on the north by the lands of *Jenkins* on the East by the lands of *Barnett* on the South by the lands of *Hicks* and on the West by the lands of *Barnett* and containing *15* acres more or less. Said Grantee is to have the right and privilege at any and all times to enter upon the said lands, through its agents and representatives for the purpose of excavating necessary ditches, laying and maintaining a pipe line for the purpose of conveying said water for waterworks purposes, through, over and by said lands above described, from the line of *Barnett* on the East, to the line of *Barnett* on the West, a distance of approximately *600* feet the entire distance, however through said land, along as near as practical, where the line is now located by the engineer in charge of laying out said waterworks system, for the said town of Bluff City, Tennessee. In making this conveyance it is agreed and understood as part of the consideration, that the grantors, their heirs and assigns are to have the right, under reasonable rules and regulations, that may be in force for the control and management of said waterworks system, to tap said main line pipe at any one place, in the manner prescribed for making such taps and draw water from said main line of pipe, for one spigot, or opening of regulation size for such opening, not to exceed however a three fourths inch opening, and the grantors, their heirs and assigns are to have the free use of the water from said spigot or opening, so long as said water main shall be maintained on said land, or said water taken, for waterworks purposes, and to pay nothing for said water, more than the consideration of having executed the privileges contained in this instrument.

However the said opening and water flowing through it is to be used only by the grantors, their heirs and assigns owning said land above described and for domestic purposes only, including all purposes for which water is supposed to be used about a home, including household purposes, watering stock &c. but not to be used for irrigation purposes without permission from the grantee. And in using said water from said spigot the grantors, their assigns and their heirs, owning said land, are not to commit waste of the water, but are to use it under the reasonable rules and regulations of the said town of Bluff City, made in pursuance of law for the purpose of controlling and operating said waterworks System.

Witness our hands, this 21st day of Aug 1925.

J. F. Smith  
Phoebe Smith

STATE OF TENNESSEE, )  
SULLIVAN COUNTY. )

On this 21st day of Aug 1925, before me personally appeared J. F. Smith and Phoebe Smith to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

Witness my hand and official seal on the date above written.

My Commission expires. Apr. 16th 1929.

W. D. Linn  
Notary Public.

Know all men by these presents that whereas the Town of Bluff City, Tenn. has heretofore put in a system of water works for the said Town and in doing so has taken its water supply from what is known as the Underwood Spring in the 16th Civil District of Sullivan County, Tenn. And whereas the water that flows from said spring passes over, or along by the lands of the undersigned, C. J. Thomas and wife, where they now reside in said District, which land adjoins the lands of N. W. Thomas, Mills et. al. and heretofore an agreement was entered into by and between the said Town of Bluff City, and the said C. J. Thomas, in which the City was to have the right to take and use any or all of said stream for such waterworks purposes, as the same may be desired by the said Town of Bluff City, and in turn as a consideration for the privilege of taking said water, it was agreed and understood that the said C. J. Thomas was to have the right to get water for his domestic use in the home from the water main as it passes along near his premises through the lands of Roy Riley, provided he can and does make arrangements with Mr. Riley, by contract to get the water from Riley's pipe, by extending same so as not to make another tap on the main line. The said C. J. Thomas to have one spigot, or opening <sup>at home & one at barn</sup> free so long as he keeps the same in good condition and uses it for domestic purposes only and then under the reasonable rules and regulations of the Town of Bluff City. The water is not to be wasted nor to be used for irrigation purposes except when satisfactory arrangements has been made and permission granted by the City.

Now therefore, in consideration of the premises above set forth, this contract is made and entered into and the said C. J. Thomas and his wife Ettie Thomas have this day bargained and sold and by these presents doth bargain and sell, and hereby transfer to the said Town of Bluff City, for the consideration above recited, the right to take such portions of said stream of water as the Town may from time to time desire, for such waterworks purposes. The said C. J. Thomas and wife are to bear all the expences of putting in and maintaining their said pipe and spigot and the same is to be done under the supervision and direction

of the City and at all times to be maintained and kept according to the rules and regulations of the said Town of Bluff City.

This contract is signed by R. W. Rush, Mayor, under and by virtue of a resolution heretofore passed by the Board of Mayor and Aldermen, authorizing same, and it is further agreed and understood that the Town of Bluff City, shall not at any time be required to pay damages for taking any or all of said stream, except what the said C. J. Thomas and wife may get from said pipe for their domestic use. This right above granted shall attach to said farm and go to the heirs and assigns of the said C. J. Thomas and wife, but for the use of one family only. Signed in duplicate on this 28th day of February, 1931.

C. J. Thomas  
Etta Thomas  
Bluff City, Tenn.  
By R. W. Rush Mayor

State of Tennessee, )  
Sullivan County. )

On this 28th day of February, 1931, before me personally appeared C. J. Thomas and his wife Etta Thomas, to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed. And also on this day before me appeared R. W. Rush, to me personally known, who being by me duly sworn did say that he is Mayor of the Town of Bluff City, Tenn. and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Aldermen, and said R. W. Rush acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and official seal in said County and State on the date above written. My commission expires on the 8th day of April, 1933.

W. D. Lyon  
Notary Public.

Know all men by these presents, that for a valuable consideration in hand paid, receipt of which is hereby acknowledged, and the further consideration hereinafter mentioned and set forth, we, the undersigned *W. H. Thomas* and *L. A. Thomas* <sup>with wife</sup> have this day bargained and sold and by these presents doth bargain and sell, release, transfer and convey unto Bluff City, Tennessee, a municipality, situated in the 16th Civil District of Sullivan County, Tennessee, the right to use, carry away, own and control, forever, such portions of the water which flows through or by the lands now owned by us, coming from what is known as the Underwood spring, and all other springs within this watershed, as may be from time to time desired by said town of Bluff City, for waterworks purposes, which land is described as follows: located in the 16th Civil District of Sullivan County, Tennessee, and bounded on the North by ~~the lands of~~ *Halston Ewer* on the East by the lands of *L. H. Thomas et al* on the South by the lands of *Geo. H. Wall et al* and on the West by the lands of *Geo. H. Wall* and containing 80 acres more or less. Said grantee is to have the right and privilege at any and all times to enter upon the said lands, through its agents and representatives for the purpose of excavating necessary ditches, laying and maintaining a pipe line for the purpose of conveying said water for waterworks purposes, through, over and by said lands above described, from the line of *W. H. Thomas* on the East, to the line of *Wall* on the West, a distance of approximately *1500* feet, the entire distance, however through said land, along as near as practical, where the line is now located by the engineer in charge of laying out said waterworks system, for the said town of Bluff City, Tenn. In making this conveyance it is agreed and understood as part of the consideration, that the grantors, their heirs and assigns are to have the right, under the reasonable rules and regulations, that

may be in force for the control and management of said water system, to tap said main line pipe at any one place, in the manner prescribed for making such taps and draw water from said main line of pipe, for one spigot, or opening, of regulation size for such opening, not to exceed however a three fourths inch opening, and the grantors, their heirs and assigns are to have the free use of the water from said spigot or opening, so long as said water main shall be maintained on said land, or said water taken, for waterworks purposes, and to pay nothing for said water, more than the consideration of having executed the privileges contained in this instrument. However the said opening and water flowing through it is to be used only by the grantors, their heirs and assigns owning said land above described and for domestic purposes only, including all purposes for which water is supposed to be used about a home, including household purposes, watering stock &c. but not to be used for irrigation purposes without permission from the grantee. And in using said water from said spigot, the grantors, their assigns and their heirs, owning said land, are not to commit waste of the water, but are to use it under the reasonable rules and regulations of the said town of Bluff City, made in pursuance of law for the purpose of controlling and operating said waterworks system.

Witness our hands, this 26th day of Aug. 1925.

J. N. Thomas  
L. A. Thomas

State of Tennessee, )  
 Sullivan County. )

) On this 26 day of Aug. 1925, before me

personally appeared M. M. Thomas and L. A. Thomas  
his wife,  
 to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

Witness my hand and official seal on the date above written.

My Commission expires Nov. 15th 1929.

W. D. Lyon Notary Public

Know all men by these presents, that for a valuable consideration in hand paid, receipt of which is hereby acknowledged, and the further consideration hereinafter mentioned and set forth, we, the undersigned Walter A. Kelly and William Kelly have this day bargained and sold and by these presents both bargain and sell, release, transfer and convey unto Bluff City, Tennessee, a municipality, situated in the 16th Civil District of Sullivan County, Tennessee, the right to use, carry away, own and control, forever, such portions of the water which flows through or by the lands now owned by us, coming from what is known as the Underwood spring, and all other springs within this watershed, as may be from time to time desired by said town of Bluff City, for waterworks purposes, which land is described as follows: Located in the 16th Civil District of Sullivan County, Tennessee, and bounded on the North by the lands of Walter A. Kelly on the East by the lands of J. A. Wasson on the South by the lands of Smith & Melhorn and on the West by the lands of Kelly, H. A. Kelly, Green and containing 18<sup>0</sup> acres more or less. Said grantee is to have the right and privilege at any and all times to enter upon the said lands, through its agents and representatives for the purpose of excavating necessary ditches, laying and maintaining a pipe line for the purpose of conveying said water for waterworks purposes, through, over and by said lands above described, from the line of J. A. Wasson on the East, to the line of Walter A. Kelly on the West, a distance of approximately 1500 feet, the entire distance, however through said land, along as near as practical, where the line is now located by the engineer in charge of laying out said waterworks system, for the said town of Bluff City, Tenn. In making this conveyance it is agreed and understood as part of the consideration, that the grantors, their heirs and assigns are to have the right, under the reasonable rules and regulations, that

may be in force for the control and management of said water system, to tap said main line pipe at any one place, in the manner prescribed for making such taps and draw water from said main line of pipe, for one spigot, or opening, of regulation size for such opening, not to exceed however a three fourths inch opening, and the grantors, their heirs and assigns are to have the free use of the water from said spigot or opening, so long as said water main shall be maintained on said land, or said water taken, for waterworks purposes, and to pay nothing for said water, more than the consideration of having executed the privileges contained in this instrument. However the said opening and water flowing through it is to be used only by the grantors, their heirs and assigns owning said land above described and for domestic purposes only, including all purposes for which water is supposed to be used about a home, including household purposes, watering stock &c. but not to be used for irrigation purposes without permission from the grantee. And in using said water from said spigot, the grantors, their assigns and their heirs, owning said land, are not to commit waste of the water, but are to use it under the reasonable rules and regulations of the said town of Bluff City, made in pursuance of law for the purpose of controlling and operating said waterworks system.

Witness our hands, this 15th day of Sept 1925.

State of Tennessee, } W. W. Riley  
 Sullivan County. } Jessie E. Riley Lillian M. Riley  
 } Roy A. Riley  
 } Ira Riley

On this \_\_\_\_\_ day of \_\_\_\_\_ 1925, before me  
 personally appeared \_\_\_\_\_ and

to me known to be the persons described in and who executed the foregoing instrument and acknowledged that \_\_\_\_\_ executed the same as free act and deed.

Witness my hand and official seal on the date above written.

My commission expires April 15, 1929. \_\_\_\_\_  
 Notary Public.

Know all men by these presents that for a valuable consideration in hand paid, receipt of which is hereby acknowledged, and the further consideration hereinafter mentioned and set forth, we, the undersigned *R. J. Riley* and *Jessie Riley his wife* have this day bargained and sold and by these presents doth bargain and sell, release, transfer and convey unto Bluff City, Tennessee, a municipality, situated in the 16th Civil District of Sullivan County, Tennessee, the right to use, carry away, own and control, forever, such portions of the water which flows through or by the lands now owned by us, coming from what is known as the Underwood Spring, and all other springs within this watershed, as may be from time to time desired by said town of Bluff City, for water works purposes, which land is described as follows: Located in the 16th Civil District of Sullivan County, Tennessee, and bounded on the North by the Lands of *Riley* on the East by the lands *Mother* on the South by the Lands of *Hicks* and on the West by the lands of *Wasson* and containing  $3\frac{1}{2}$  Acre more or less, Said Grantee is to have the right and privilege at any and all times to enter upon the said lands, through its Agents and representatives for the purpose of excavating necessary ditches, laying and maintaining a pipe line for the purpose of conveying said water for waterworks purposes through, over and by said lands above described, from the line of *Hicks* on the East, to the line of *Wasson* on the West, a distance of approximately *1000* feet, the entire distance, however through said land, along as near as practical, where the line is now located by the engineer in charge of laying out said waterworks system, for the said town of Bluff City Tennessee. In making this conveyance it is agreed and understood as part of the consideration, that the grantors, their heirs and assigns are to have the right, under the reasonable rules and regulations, that may be in force for the control and management of said water system, to tap said main line <sup>of</sup> pipe at any one place, in the manner prescribed for making such taps and draw water from said main line of pipe, for one ~~opening~~ opening, of regulation size for such opening, not to exceed however a ~~ix~~ three fourths inch opening, and the grantors, their heirs and assigns are to have the free use of the water from said ~~opening~~ opening, so long as said water main shall be maintained on said land, or said water taken, for waterworks purposes, and pay nothing for said water, more than the consideration of having executed the privileges contained in this instrument.

However the said opening and water flowing through it is to be used only by the grantors, their heirs and assigns owning said land above described and for domestic purposes only, including all purposes for which water is supposed to be used about a home, <sup>for the out house only</sup> including household purposes, watering stock &c. but not to be <sup>herein the spigot</sup> used for irrigation purposes without permission from the grantee. And in using said water from said spigot, the grantors, their assigns and their heirs, owning said land, are not to commit waste of the water, but are to use it under the reasonable rules and regulations of the said town of Bluff City, made in pursuance of law for purpose of controlling and operating said waterworks system.

Witness our hands, this 22<sup>nd</sup> day of Aug 1925.

R. J. Riley  
~~R. J. Riley~~  
Jimmie Riley

STATE OF TENNESSEE, )  
SULLIVAN COUNTY. )

On this 22<sup>nd</sup> day of Aug 1925, before me personally appeared R. J. Riley and Jimmie Riley, <sup>both</sup> to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

~~executed the same as their free act and deed.~~

witness my hand and official seal on the date above written.

My Commission Expires Apr 15th 1929 W. D. Lynn  
Notary Public.

I. A. WASSOM AND WIFE:

TO

BLUFF CITY, TENN. :

Know all men by these presents, that for a valuable consideration in hand paid, receipt of which is hereby acknowledged, and the further considerations hereinafter mentioned and set forth, we, the undersigned I. A. Wassom and Ella Wassom his wife, have this day bargained and sold and by these presents doth bargain and sell, release, transfer and convey unto Bluff City, Tennessee, a municipality, situated in the 16th Civil District of Sullivan County, Tennessee, the right to use, carry away, own and control, forever, such portions of the water which flows through or by the lands now owned by us, coming from what is known as the Underwood Spring, and all other springs within this watershed, as may be from time to time desired by said town of Bluff City, for waterworks purposes which land is described as follows: Located in the 16th civil District of Sullivan County, Tennessee, and bounded on the North by the lands of Riley on the East by the lands of Riley on the South by the lands of Mottern and on the West by the lands of Millhorn and containing 156 acres more or less. Said grantee is to have the right and privilege at any and all times to enter upon the said lands, through its agents and representatives for the purposes of excavating necessary ditches, laying and maintaining a pipe line for the purpose of conveying said water for waterworks purposes, through, over and by said lands above described, from the line of Riley on the East, to the line of Riley on the West, a distance of approximately 500 feet, the entire distance, however through said land, along as near as practical, where the line is now located by the engineer in charge of laying out said waterworks system, for the said town of Bluff City, Tennessee. In making this conveyance it is agreed and understood as part of the considerations that the grantors, their heirs and assigns are to have the right, under the reasonable rules and regulations, that may be in force for the control and management of said water system, to tap said main line pipe at any one point, in the manner prescribed for making such taps and draw water from said main line of pipe, for one spigot, or opening, of regulation size

(2)

for such opening, not to exceed however a three-fourths inch opening, and the grantors, their heirs and assigns are to have free use of the water from said spigot or opening, so long as said water main shall be maintained on said land, or said water taken, for waterworks purposes, and to pay nothing for said water, more than the consideration of having executed the privileges contained in this instrument, however the said opening and water flowing through it is to be used only by the grantors, their heirs and assigns owning said land above described and for domestic purposes only, including all purposes for which water is supposed to be used about a home, including household purposes, water stock Etc. but not to be used for irrigation purposes without permission from the grantee. And in using said water from said spigot, the grantors, their assigns and their heirs, owning said land, are not to commit waste of the water, but are to use it under the reasonable rules and regulations of the said town of Bluff City, made in pursuance of law for the purpose of controlling and operating said waterworks system.

Witness our hands, this 22nd day of August, 1925.

I. A. WASSOM,

ELLA WASSOM.

STATE OF TENNESSEE:

SULLIVAN COUNTY.

On this 22nd day of Aug. 1925, before me personally appeared I. A. Wassom and Ella Wassom, his wife, to me known to be the persons described in and who executed the foregoin instrument and acknowledged that they executed the same as their free act and deed.

Witness my hand and official seal on the date above written.

W. D. LYON  
NOTARY PUBLIC  
SULLIVAN CO., TENN.

W. D. LYON,  
NOTARY PUBLIC

My commission expires Apr. 15th, 1929.

Received and registered the foregoing deed and certificate thereto  
Nov. 10-1925, at 10:30 A.M.

SAM P. EANES

REGISTER

STATE OF TENNESSEE:

COUNTY OF SULLIVAN:

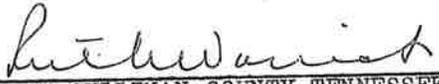
(3)

STATE OF TENNESSEE:

COUNTY OF SULLIVAN:

I, RUTH WARRICK, Register of said State and County, do hereby certify that the foregoing is a true and correct copy of this instrument as appears of record in my office in Trust Book 119-B, page 561.

This 16th day of July, 1958.

  
REGISTER OF SULLIVAN COUNTY, TENNESSEE

**AWWA WLCC Free Water Audit Software: Reporting Worksheet**

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WAS v4.2

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Water Audit Report for: **Oakland Water Department**

Reporting Year: **2013** / **7/2012 - 6/2013**

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:	?	5	384.583	Million gallons (US)/yr (MG/Yr)
Master meter error adjustment (enter positive value):	?	8	11.537	under-registered MG/Yr
Water imported:	?	n/a	0.000	MG/Yr
Water exported:	?	n/a	0.000	MG/Yr
<b>WATER SUPPLIED:</b>			<b>396.120</b>	<b>MG/Yr</b>

**AUTHORIZED CONSUMPTION**

Billed metered:	?	7	299.517	MG/Yr	Pcnt: <input type="radio"/> 1.25% <input checked="" type="radio"/> Value: <input type="text"/> Use buttons to select percentage of water supplied OR value
Billed unmetered:	?	10	0.000	MG/Yr	
Unbilled metered:	?	10	0.000	MG/Yr	
Unbilled unmetered:	?	?	4.951	MG/Yr	
Default option selected for Unbilled unmetered - a grading of 5 is applied but not displayed					
<b>AUTHORIZED CONSUMPTION:</b>	?		<b>304.468</b>	<b>MG/Yr</b>	

**WATER LOSSES (Water Supplied - Authorized Consumption)**

91.651 MG/Yr

**Apparent Losses**

Unauthorized consumption:	?		0.990	MG/Yr	Pcnt: <input type="radio"/> 0.25% <input checked="" type="radio"/> Value: <input type="text"/> Choose this option to enter a percentage of billed metered consumption. This is NOT a default value
Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed					
Customer metering inaccuracies:	?	7	9.263	MG/Yr	Pcnt: <input type="radio"/> 3.00% <input checked="" type="radio"/> Value: <input type="text"/>
Systematic data handling errors:	?	6	5.000	MG/Yr	
<b>Apparent Losses:</b>	?		<b>15.254</b>		

**Real Losses (Current Annual Real Losses or CARL)**

Real Losses = Water Losses - Apparent Losses:	?		76.397	MG/Yr
<b>WATER LOSSES:</b>			<b>91.651</b>	<b>MG/Yr</b>

**NON-REVENUE WATER**

NON-REVENUE WATER: ? 96.603 MG/Yr

= Total Water Loss + Unbilled Metered + Unbilled Unmetered

**SYSTEM DATA**

Length of mains:	?	6	97.0	miles
Number of active AND inactive service connections:	?	8	4,035	
Connection density:			42	conn./mile main
Average length of customer service line:	?	10	0.0	ft (pipe length between curbstop and customer meter or property boundary)
Average operating pressure:	?	7	70.0	psi

**COST DATA**

Total annual cost of operating water system:	?	5	\$1,817,613	\$/Year
Customer retail unit cost (applied to Apparent Losses):	?	7	\$17.94	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	?	7	\$2,513.23	\$/Million gallons

**PERFORMANCE INDICATORS**

**Financial Indicators**

Non-revenue water as percent by volume of Water Supplied:	24.44
Non-revenue water as percent by cost of operating system:	26.34
Annual cost of Apparent Losses:	\$273,652
Annual cost of Real Losses:	\$192,004

**Operational Efficiency Indicators**

Apparent Losses per service connection per day:	10.36	gallons/connection/day
Real Losses per service connection per day*:	51.87	gallons/connection/day
Real Losses per length of main per day*:	N/A	
Real Losses per service connection per day per psi pressure:	0.74	gallons/connection/day/psi
Unavoidable Annual Real Losses (UARL):	28.87	million gallons/year
From Above, Real Losses = Current Annual Real Losses (CARL):	76.40	million gallons/year
Infrastructure Leakage Index (ILI) [CARL/UARL]:	2.65	

\* 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: Total annual cost of operating water system
- 3: Billed metered

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

# AWWA WLCC Free Water Audit Software: Reporting Worksheet

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WAS v4.2

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Water Audit Report for: **Oakland Water System**

Reporting Year: **2014** | **7/2013 - 6/2014**

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

## 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="360.492"/>	Million gallons (US)/yr (MG/Yr)
Master meter error adjustment (enter positive value):	<input type="text" value="7"/>	<input type="text" value="3.600"/>	under-registered MG/Yr
Water imported:	<input type="text" value="n/a"/>	<input type="text" value="0.000"/>	MG/Yr
Water exported:	<input type="text" value="n/a"/>	<input type="text" value="0.000"/>	MG/Yr
<b>WATER SUPPLIED:</b>		<input type="text" value="364.092"/>	MG/Yr

### AUTHORIZED CONSUMPTION

Billed metered:	<input type="text" value="7"/>	<input type="text" value="282.829"/>	MG/Yr	Click here: <input type="text" value="1.25%"/> for help using option buttons below Pcnt: <input type="text" value="1.25%"/> Value: <input type="text"/>
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="7"/>	<input type="text" value="4.551"/>	MG/Yr	
Default option selected for Unbilled unmetered - a grading of 5 is applied but not displayed				
<b>AUTHORIZED CONSUMPTION:</b>		<input type="text" value="287.380"/>	MG/Yr	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"/>	<input type="text" value="0.910"/>	MG/Yr	Pcnt: <input type="text" value="0.25%"/> Value: <input type="text"/>
Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed				
Customer metering inaccuracies:	<input type="text" value="7"/>	<input type="text" value="8.747"/>	MG/Yr	Pcnt: <input type="text" value="3.00%"/> Value: <input type="text"/>
Systematic data handling errors:	<input type="text" value="7"/>	<input type="text" value="1.410"/>	MG/Yr	
<b>Apparent Losses:</b>		<input type="text" value="11.068"/>		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="9"/>	<input type="text" value="90.0"/>	miles
Number of active AND inactive service connections:	<input type="text" value="7"/>	<input type="text" value="4,105"/>	
Connection density:		<input type="text" value="46"/>	conn./mile main
Average length of customer service line:	<input type="text" value="10"/>	<input type="text" value="0.0"/>	ft (pipe length between curbstop and customer meter or property boundary)
Average operating pressure:	<input type="text" value="7"/>	<input type="text" value="70.0"/>	psi

### COST DATA

Total annual cost of operating water system:	<input type="text" value="9"/>	<input type="text" value="\$1,608,414"/>	\$/Year
Customer retail unit cost (applied to Apparent Losses):	<input type="text" value="8"/>	<input type="text" value="\$5.62"/>	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	<input type="text" value="9"/>	<input type="text" value="\$332.06"/>	\$/Million gallons

### PERFORMANCE INDICATORS

#### Financial Indicators

Non-revenue water as percent by volume of Water Supplied:	<input text"="" type="text" value="\$62,199"/>
Annual cost of Real Losses:	<input type="text" value="\$21,798"/>

#### Operational Efficiency Indicators

Apparent Losses per service connection per day:	<input type="text" value="7.39"/>	gallons/connection/day
Real Losses per service connection per day*:	<input type="text" value="43.81"/>	gallons/connection/day
Real Losses per length of main per day*:	<input type="text" value="N/A"/>	
Real Losses per service connection per day per psi pressure:	<input type="text" value="0.63"/>	gallons/connection/day/psi
Unavoidable Annual Real Losses (UARL):	<input type="text" value="28.17"/>	million gallons/year
From Above, Real Losses = Current Annual Real Losses (CARL):	<input type="text" value="65.64"/>	million gallons/year
Infrastructure Leakage Index (ILI) [CARL/UARL]:	<input type="text" value="2.33"/>	

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

### WATER AUDIT DATA VALIDITY SCORE:

**\*\*\* YOUR SCORE IS: 68 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: Billed metered

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

Initial Checklist for Water Loss  
Town of Oakland

1. Are you billing for general government water use?

Yes, however we did not begin this process until 2013 when advised by a new administration that it was required. The next two financial audit submissions should reflect improvement due to the proper accounting and billing of the general government usage.

2. Are you accounting for the water used by the water and/or sewer department?

Yes, we began accounting and billing for the sewer department usage in 2013 with general government. The Water Treatment Plant was not designed to meter inside water usage when planned and constructed (e.g. sinks, showers, etc.). We understand this is a requirement and will be installing two meters at the water department to account for its usage. This installation will be completed by November 1, 2014. Once the meters are installed, we will begin billing the water department for its usage as required. This should reduce unaccounted water for the fiscal year and future years.

3. Do you periodically check or inspect all 2" and larger meters?

Yes, they are checked and inspected during monthly meter reading by the meter reading staff.

4. Do you have a recalibration policy and procedure in place?

The master meter at the Water Treatment Plant was tested in August of 2014. We found that the meter is over registering by 10%. The test was performed by Rye Leak Detection. The master meter will be tested semiannually in the future. I have been in contact with Seth Rye of Rye Leak Detection over the past few weeks regarding our options. It is very likely that we will need to replace this master meter. He visited the plant on September 17, 2014 to perform a site survey to get a proposal to replace the master meter. If there is enough money in the budget we will have the meter replaced as soon as possible. If not we will budget for this next year.

5. Do you have a meter replacement policy? Is the trigger based on age (length of time in service) or on gallons?

We have currently installed approximately 1,200 smart meters within the last two to three years. We have recently purchased a device for residential meter accuracy testing as well. A testing program is in place with a goal to test 5% of our meters per year. Any tested meter that does not fall within a 3% accuracy threshold will be replaced with an automated meter system. Although the goal is for accuracy in gallons, we will be considering age of the meter in our review. Within 5 years, the water department's goal is to have all meter devices replaced to the automated meter system.

Initial Checklist for Water Loss  
Town of Oakland

6. Do you have a process to inspect for unauthorized consumption? What are the consequences if unauthorized consumption is discovered?

The meter reading staff inspects any meter service that would normally be in their route. If for some reason an account is not in their route they will contact City Hall to check the account status. If the meter is inactive the meter is locked out until a new account is established. We will also be providing City Hall with all meter numbers applicable to those in service and locked with corresponding addresses to ensure a more efficient system of monitoring for unauthorized use of services. Although we do not currently have a policy in place regarding unauthorized usage, one will be adopted in the near future for clarification of procedures. At this time, the unauthorized user is notified in person and the meter is immediately locked; and then we notify City Hall of the issue.

7. Do you have a leak detection program currently in place?

Yes, visual leak detection during monthly meter readings. All system personnel are trained to look for leaks during their shifts. Pressure and demand changes at the plant are methods we utilize to determine a leak in the distribution system, and we review all irregular usage reports of our customers to determine services that may have a leak.

8. Do you have written policies, including a policy for billing adjustments? Are the written policies followed by all levels of staff?

The billing adjustment process was recently revised to comply with the Internal Control and Compliance Manual requirements issued by the State Comptroller and current code provisions. The code regarding water and sewer billing, contracts, service orders, and adjustments are in the process of being completely rewritten and submitted for codification. Adjustment requirements were not followed appropriately in past years, resulting in significant revenue loss to the department. This has been rectified and should be reflected in the next financial audit.

Initial Checklist for Water Loss  
Town of Oakland

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?

We are immediately rectifying this issue by written notification to all fire departments of the requirements on their usage reporting, including required monthly reports for their usage to the water department. The Town of Oakland Municipal Code restricts access of fire hydrants only to Fire Departments, and we will immediately cease access to fire hydrants by all entities except for fire departments until our Board adopts a limited use policy, including charges, if they so choose. In addition, master meter readings and billed usage will be reconciled monthly to monitor non-metered usage more efficiently, and we will provide monthly reports reflecting our continuing improvements in this area. We will also provide written notifications to all fire departments as required informing them of the fire hydrants allowed by statute to be accessed.

10. Is your system "zoned" to isolate water loss?

The distribution system has vales to zone off any leaks. However, the system is not zoned by meters.

11. Do you search for leaks at night when there is little traffic or small household usage?

Our current staffing does not provide for 24 hour leak detection, but our department does have on-call staffing assigned for any reported leaks. The majority of our staff reside within the town or immediate surrounding area and most issues occurring during unstaffed hours are promptly reported and rectified.

12. Do you or can you control pressure surges?

High service pumps at the water plant are equipped with soft starts to control surges in the distribution system.

13. Do you have or have access to leak detection equipment?

We do not own any leak detection equipment, but we use Rye Leak Detection if we have any problems finding a leak.

Initial Checklist for Water Loss  
Town of Oakland

14. What is your policy for notifying customers they have a leak?

If we find that a customer has a leak we notify them immediately with an on-site visit. If no one is home we leave a door hanger explaining they have a leak and the department has either turned the water off or that they should turn their water off until repaired if on their side of the meter. City Hall will also contact the homeowner if there is a current phone number on file.

15. Do you have a public relations program to encourage citizens to report leaks?

Not at the present time, but from this point forward, we will include a message quarterly on billing notices advising customers of the notification procedure.

16. Do you have a policy to prosecute water theft or meter tampering/damage?

Not at this time, but we will once this review is complete. We will forward when the policy is completed.

17. What is the monetary value of the lost water?

\$5.62 per thousand gallons

18. Is the cost to repair the leak justified based on the amount of water being lost?

All leaks that are reported and/ or found are fixed immediately no matter how small or large they may be.



Terry G. Jones, Mayor

Christopher J. Dorsey, City Manager  
Karen Findley, City Clerk

Board of Aldermen

M. Caruthers  
L. Dagen  
F. Dakin  
D. C. Ford  
H. Hawkins  
B. Huffman  
T. McGhee

# City of Millington

7930 Nelson Road  
Millington, Tennessee 38053-2004  
(901) 872-2211

OCT 28 2014

October 15, 2014

Joyce Welborn  
State of Tennessee  
Water and Wastewater Financing Board  
505 Deaderick Street, Suite 1500  
James K. Polk State Office Building  
Nashville, Tennessee 37243-1402

Dear Ms. Welborn,

It was a pleasure meeting you the other week and getting a chance to discuss the issues concerning the City of Millington and its score on the Water Loss Audit. Since our meeting my team has again reviewed the Internal Checklist provided by your office and attempted to provide detailed answers.

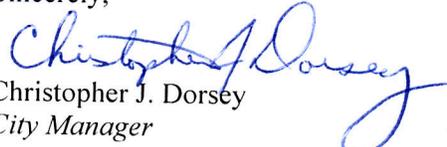
In addition, we reviewed the Water Loss Audit to see where we could make changes in our protocol and practices. I listed out these items and presented our plan to the Board of Mayor and Alderman. It was approved at our meeting on October 14, 2014 and is being included in the information sent to you with this letter. I want to thank you for your understanding and patience in working with us to plan these future steps for our water system.

*Please find attached to this letter the following:*

1. Initial Checklist for Addressing Water Loss – Questionnaire and Answers
2. Resolution 48-2014: Resolution Approving Plan Submitted to Tennessee Water and Wastewater Financing Board to Correct Deficiencies in Validity Score of AWWA Water Audit Report Form
3. Exhibit A- Plan To Address Water Loss Issues

After your review, please feel free to call me at (901) 872-3133 if you have any questions or concerns.

Sincerely,

  
Christopher J. Dorsey  
City Manager

## QUESTIONS- 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 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.

### ANSWERS- Initial Check List for Addressing Water Loss

1. Location of the service lines are being identified and meters will be installed at those locations.
2. The Sewer Department is supplied water by MLGW, not by the Millington Water System. We presently estimate the usage at the water plants by a derived formula and also estimate the water used when flushing the system. We are working towards our ability to meter in-plant usage to provide better accountability and accuracy. The formula for usage, ability to meter resulting from periodic system flushing via hydrants is attached.
3. Historically, the system has not inspected or calibrated 2" or larger meters. We are developing a policy and procedure for meter testing, utilizing an external Engineering firm. We will replace meters that do not meet acceptable standards.
4. Currently, there is no procedure in place because the customer meters used in the water distribution system may not allow for recalibration. However, the city has a meter testing policy, adopted as code section 18-113, which is attached. This policy identifies methods of testing meters and accuracy ranges deemed acceptable.
5. There is not a policy but we do follow an undocumented practice which is dictated by the inspection and servicing of meters. Meters are manually read every month and examined at that time. The hand held data input devices used by the readers includes an audit troubleshooting function with high-low parameters, which kicks out inaccurate reading data for further inspection of the meter for possible replacement. The City also has a practice of testing individual meters based upon unusual usage (high-low) based upon a prebilling audit contained in our billing software or noted by our billing coordinator. Inaccurate meters are replaced. The City is planning on utilizing a utility consultant to determine an appropriate meter replacement policy.
6. Every meter is read every month. The data as described in question #5 is analyzed by our billing coordinator and the computerized billing system identifies any abnormalities related to water usage. The system identifies usage on accounts that are not in active status. Work orders are created and the water department turns off and locks the meters. Water used is billed. Millington code 18-112 provides that meters cannot be tampered with or lines cannot be connected to bypass the meter. Fines and/or court action may result.
7. The same procedure outlined above is utilized to inform customers of possible leaks within their own service lines by using general consumption figures and changes in amount usage. As the meters are manually read every month, the readers are trained to report all visual leaks detected in the system, which includes a triggering device on the meter. There is no leak detection program in place for the overall water distribution system. Due to soil conditions within the City, leaks immediately rise to the surface. The City does not have any leak detection equipment. The City is considering utilizing a consultant to update our leak detection program with more modern technology.

8. Yes, the City has written policies for billing adjustments and policies are followed by all staff. Title 18 of the City Code does not allow for adjustments for water usage, but only for other charges related to late fees and reconnection fees. Adjustments for billed water only occur when the City documents a meter reading error.
9. The Fire Department is our only non-customer user. The Fire Department records time expended utilizing an open hydrant at a rate of 500 gallons a minute, which is based on a calculated average flow. This is reported to the Chief Water Plant Operator to include in his monthly usage calculations.
10. Yes. The system has various valves that allows for the isolation of various section(s) of main.
11. No. The City does not have leak detection equipment.
12. Variable speed pumps ramp up slowly to control surges as demand increases. The elevated tank at the North Plant absorbs pressure surges as the high sewer pumps are activated on and off. There have not been surge issues in Millington in the past few years.
13. Yes. The City does not own leak determination equipment but can borrow equipment from other utility systems in the area or can hire contractors to provide such equipment. The City has used all of the above in the past.
14. The City does not have a written policy, but our practice is that in the event of a leak, the City notifies customers by calling and also by sending out door hangers with our water crew.
15. The City does not have a public relations program, but the City has recently added a category to our website, in our citizen request tracker section which will encourage citizens to report leaks in the future.
16. No. However, Millington Code 18-112 provides that meters cannot be tampered with or lines cannot be connected to bypass the meter. Fines and/or court action may result.
17. The amount, including personal costs and other variables, is approximately \$1,000 per one million gallons. Assuming just variable costs, the amount is approaching \$500 per million gallons produced.
18. All system leaks are repaired when identified and located. The City does not do a cost benefit analysis prior to repairing leaks. It has been our experience that leaks only get bigger with time. Due to soil conditions within the City, leaks rise to the surface and can cause significant damage to property and streets if not repaired.

# CITY OF MILLINGTON HYDRANT FLUSHING WATER USAGE CALCULATION EXPLANATION

The City Of Millington has two water treatment plants, the North Water Treatment Plant and the South Water Treatment Plant. During normal operation the two plants work independent of each other to supply the entire system with drinking water.

When the time comes to flush the water system's mains the two water plants are valved off from each other to produce two separate water systems. This helps to ensure a more manageable and efficient water main flushing activity. The water main flushing begins at the water plant and fans out to the extreme ends of the valved off systems. When the two systems have been completely flushed out the appropriate valves are reopened and the entire system goes back to normal operation.

The water used to flush the hydrants is accounted for through the finished water meters at the water plants. Lets say for example the hydrant flushing at both plants occurs on a Monday, Tuesday, and Wednesday of a given week. The following total finished water flows from both plants are recorded:

MONDAY 1,194,000 GALLONS  
TUESDAY 1,586,000 GALLONS  
WEDNESDAY 1,202,000 GALLONS

Now we go back to the previous Monday, Tuesday, and Wednesday of the past week and record the finished water flows that hydrant flushing did not occur:

MONDAY 860,000 GALLONS  
TUESDAY 819,000 GALLONS  
WEDNESDAY 861,000 GALLONS

At this point we determine the average daily water flows of the three days that the hydrant flushing did not occur. This average daily water flow has been determined to be 846,667 Gallons. At this time we will subtract this number from the daily water flows during the hydrant flushing to determine the daily hydrant flushing water used and report it as follows:

MONDAY 347,333 GALLONS  
TUESDAY 739,333 GALLONS  
WEDNESDAY 355,333 GALLONS

Using this calculation it has been determined that there was a total of 1,442,000 gallons of treated drinking water used to flush the entire City Of Millington water system.

Example

# HYDRANT FLUSHING WATER USAGE CALCULATION WORKSHEET NORTH AND SOUTH PLANTS TOTAL

## Finished Water Pumpage Normal Usage

DATE	DAY OF THE WEEK	WATER PUMPAGE
4/21/2014	MONDAY	860,000
4/22/2014	TUESDAY	819,000
4/23/2014	WEDNESDAY	861,000

## Finished Water Pumpage During Hydrant Flushing

DATE	DAY OF THE WEEK	WATER PUMPAGE
4/28/2014	MONDAY	1,194,000
4/29/2014	TUESDAY	1,586,000
4/30/2014	WEDNESDAY	1,202,000

## Finished Water Pumpage Normal Usage Daily Average

846,667

## DAILY HYDRANT FLUSHING WATER USED

DATE	DAY OF THE WEEK	WATER PUMPAGE
4/28/2014	MONDAY	347,333
4/29/2014	TUESDAY	739,333
4/30/2014	WEDNESDAY	355,333

## Finished Water Pumpage Used For Hydrant Flushing

1,442,000

# HYDRANT FLUSHING WATER USAGE CALCULATION WORKSHEET **NORTH PLANT**

## Finished Water Pumpage Normal Usage

DATE	DAY OF THE WEEK	WATER PUMPAGE
4/21/2014	MONDAY	304,000
4/22/2014	TUESDAY	281,000
4/23/2014	WEDNESDAY	310,000

## Finished Water Pumpage During Hydrant Flushing

DATE	DAY OF THE WEEK	WATER PUMPAGE
4/28/2014	MONDAY	592,000
4/29/2014	TUESDAY	346,000
4/30/2014	WEDNESDAY	397,000

## Finished Water Pumpage Normal Usage Daily Average

298,333

## DAILY HYDRANT FLUSHING WATER USED

DATE	DAY OF THE WEEK	WATER PUMPAGE
4/28/2014	MONDAY	293,667
4/29/2014	TUESDAY	47,667
4/30/2014	WEDNESDAY	98,667

## Finished Water Pumpage Used For Hydrant Flushing

440,000

# HYDRANT FLUSHING WATER USAGE CALCULATION WORKSHEET **SOUTH PLANT**

## Finished Water Pumpage Normal Usage

DATE	DAY OF THE WEEK	WATER PUMPAGE
4/21/2014	MONDAY	556,000
4/22/2014	TUESDAY	538,000
4/23/2014	WEDNESDAY	551,000

## Finished Water Pumpage During Hydrant Flushing

DATE	DAY OF THE WEEK	WATER PUMPAGE
4/28/2014	MONDAY	602,000
4/29/2014	TUESDAY	1,240,000
4/30/2014	WEDNESDAY	805,000

## Finished Water Pumpage Normal Usage Daily Average

548,333

## DAILY HYDRANT FLUSHING WATER USED

DATE	DAY OF THE WEEK	WATER PUMPAGE
4/28/2014	MONDAY	53,667
4/29/2014	TUESDAY	691,667
4/30/2014	WEDNESDAY	256,667

## Finished Water Pumpage Used For Hydrant Flushing

1,002,000

plans and specifications prepared by an engineer registered with the State of Tennessee.

Upon completion of such extensions and their approval by the city, such water and/or sewer mains shall become the property of the City of Millington. The persons paying the cost of constructing such mains shall execute any written instruments requested by the city to provide evidence of the city's title to such mains. In consideration of such mains being transferred to it, the city shall incorporate said mains as an integral part of the municipal water and sewer systems and shall furnish water and sewer service therefrom in accordance with these rules and regulations, subject always to such limitations as may exist because of the size and elevation of the mains. (1981 Code, § 13-110, modified)

**18-111. Water and sewer main extension variances.** Whenever the board of mayor and aldermen is of the opinion that it is to the best interest of the city and its inhabitants to construct a water and/or sewer main extension without requiring strict compliance with the preceding section, such extension may be constructed upon such terms and conditions as shall be approved by the city council.

The authority to make water and/or sewer main extensions under the preceding section is permissive only and nothing contained therein shall be construed as requiring the city to make such extensions or to furnish service to any person or persons. (1981 Code, § 13-111)

**18-112. Meters.** All meters shall be installed, tested, repaired, and removed only by the City of Millington. No water shall be furnished to any user unless there shall have been installed a water meter satisfactory to the superintendent of the water system.

No one shall do anything which will in any way interfere with or prevent the operation of a meter. No one shall tamper with or work on a water meter without the written permission of the city. No one shall install any pipe or other device which will cause water to pass through or around a meter without the passage of such water being registered fully by the meter. (1981 Code, § 13-112)

**18-113. Meter tests.** (1) The City of Millington shall, at its own expense, make routine tests of water meters when it considers such tests to be desirable.

(2) In testing meters, the water passing through a meter will be weighed or measured at various rates of discharge and under varying pressures. To be considered accurate, the meter registration shall check with the weighed or measured amounts of water within the percentage shown in the following table:

<u>Meter size</u>	<u>Percentage</u>
5/8", 3/4", 1", 2"	2%

3"	3%
4"	4%
6"	5%

(3) The city will conduct a second meter reading at a customer's request without charge. The city will also make tests or inspections of its meters or switch out a meter at the request of a customer; provided that if a test requested by a customer shows the meter to be accurate within the limits set out in subsection (2) above, the customer will be charged a meter testing associated with inaccurate meters will be borne by the city. The customer shall pay a meter change charge of twenty dollars (\$20.00) for each meter switched at the customer's request. Each test or re-test conducted for an accurate meter shall incur a meter testing charge of twenty dollars (\$20.00). If more than one (1) test is requested within six (6) billing cycles, said testing charge shall be paid before the testing occurs. (1981 Code, § 13-113, as replaced by Ord. #2011-10, Dec. 2011)

**18-114. Schedule of rates.** Water supplied by the municipal water system will be charged to each customer based upon the following monthly rates:

First 2,000 gallons. . . . . \$10.00  
 Additional usage. . . . . The amount that bears the same relationship to \$3.35 that the number of gallons used in excess of the first 2,000 gallons bears to 1,000 gallons. For example;

(a) If the usage is 2,100 gallons, the customer will pay \$10.00 for the first 2,000 gallons and 100 divided by 1,000 times \$3.35, or \$ .34 for the next 100 gallons, for a total 10.34.

(b) If the usage is 3,000 gallons, the customer will pay \$10.00 for the first 2,000 gallons and 1,000 divided by 1,000 times \$3.35, or \$3.35 for the next 1,000 gallons, for a total of \$13.35.

(c) If the usage is 3,450 gallons, the customer will pay \$10.00 for the first 2,000 gallons, and 1,450 divided by 1,000 times \$3.35 or \$4.86 for the next 1,450 gallons, for a total of \$14.86. (1981 Code, § 13-114, as replaced by Ord. #2001-08, June 2001, Ord. #2006-2, June 2006, Ord. #2001-11, Oct. 2007, Ord. #2008-9, Oct. 2008, Ord. #2009-16, July 2009, and Ord. #2010-06, April 2010)

**18-115. Sprinkler system tap fee rates.** There shall be a tap fee of \$500 for each sprinkler system connected to the city's water service. There shall also be a sprinkler system fee of \$5.00 per month for each system in addition to the rates provided for in § 18-114. (1981 Code, § 13-115, as replaced by Ord. #2001-16, Dec. 2001)

RESOLUTION 48-2014

RESOLUTION APPROVING PLAN SUBMITTED TO TENNESSEE WATER AND  
WASTEWATER FINANCING BOARD TO CORRECT DEFICIENCIES IN VALIDITY  
SCORE OF AWWA WATER AUDIT REPORT FORM

WHEREAS, Beginning for the fiscal year ended June 30, 2013, the city is required to prepare and include the American Water Works Association (AWWA) Water Audit Report Form in its annual audited financial statements; and

WHEREAS, The Tennessee Water and Wastewater Financing Board has established required levels in that Form's calculated validity score for each municipality to meet as of certain dates; and

WHEREAS, The City scored a 61 on its original report as of June 30, 2013, which is below the required score of 65, and must respond to the Tennessee Water and Wastewater Financing Board with a plan to improve the validity score and thus the operation of our water system; and

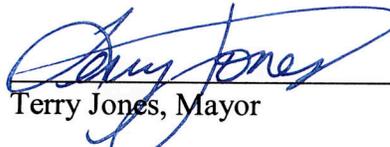
WHEREAS, City personnel, in connection with MTAS, have developed a plan to improve the score to approximately 75; and

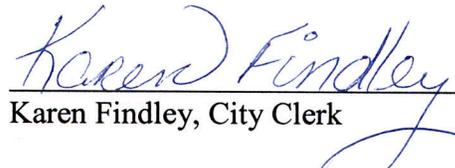
WHEREAS, adequate funds are included in the budget for the Water Fund to implement this plan; and

WHEREAS, The City Manager has reviewed the Plan, which is attached hereto as Exhibit A, with the Board of Mayor and Aldermen and seeks to have the plan approved.

NOW, THEREFORE, BE IT RESOLVED by the Board of Mayor and Aldermen of the City of Millington, Tennessee, that the Plan, which is attached hereto as Exhibit A, to improve the validity score in the AWWA Water Audit Report Form is hereby approved.

This Resolution is adopted as of the 13<sup>th</sup> day of October, 2014.

  
\_\_\_\_\_  
Terry Jones, Mayor

  
\_\_\_\_\_  
Karen Findley, City Clerk

## Plan to Address Water Loss Audit Issues

**Volume From Own Sources** – Implement testing of meters measuring produced water and calibrate or replace meters as necessary.

**Water Imported** - Remove Jordan’s Crossing Subdivision from MLGW water so that none of the customers on Millington’s Water System are supplied with imported water. This will eliminate the metering requirement of imported water.

**Billed Metered and Customer Metering Inaccuracies** - Develop a written policies and procedures on meter accuracy testing and replacement which will guide the City replacement of meters each year. This will be accomplished with help from a utility consultant and MTAS.

**Unbilled / Unmetered** - The City will improve documentation to clearly identify the permitted use of this water and the basis of the quantities used. Records currently exist for the documentation of each occurrence and its consumption but a clear written policy will be developed to document the needed practices.

**Systematic Data Handling Error** – The permitting and billing policy will be reviewed at least annually and updated as necessary. Written procedures for City Hall staff will be developed to assist in identifying errors or omissions in billings.

**Number of Active and Inactive Service Connections** – As stated earlier, the permitting policies and procedures will now be renewed at least annually. Routine, periodic field checks and external system audits with the cross checking of GIS database will improve the accuracy of connection counts to less than 2% error.

The City of Millington Water Department plans to fund these items within its budget and complete these “improvements” gradually within a 2 year period to raise our audit score, to approximately 75, which currently exceeds the requirement of 70 but will meet the mandated requirement through FY 2018.

October 31, 2014

Joyce Welborn, Utility Board Manager  
Water and Wastewater Financing Board  
505 Deaderick Street  
Nashville, TN 37243-1402

Dear Ms. Welborn

In response to your letter dated July 14, 2014 the Town of Monteagle in April 2014 hired a Water and Sewer Director for the Town. Attached is our AWWA reporting worksheet for the 2013-2014 fiscal year and the water loss worksheet for July 2014 to September 2014. While the AWWA reporting worksheet does not show a marked decrease in unaccounted for water several corrections were made to the system towards the end of the 2013-2014 fiscal year as you can see from the score on the AWWA reporting worksheet. In the current fiscal year a marked improvement is noted with the unaccounted for water decreasing to 10.753%.

Items that were discovered during this process were a meter servicing the State of Tennessee rest area on I-24 had malfunctioned and this meter was replaced. Also, Tracy City, Tennessee was incorrectly billing the amount of water used for several months. This was due to a software error at Tracy City and was subsequently corrected.

If you need any further information or have any question please feel free to contact me at (931)924-2265.

Sincerely,

Marilyn Rodman, Mayor  
Town of Monteagle

[?](#) Click to access definition

Water Audit Report for: **Town of Monteagle, Tennessee**  
 Reporting Year: **2014** / 7/2013 - 6/2014

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

**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="6"/>	<input type="text" value="110.661"/>	Million gallons (US)/yr (MG/Yr)
Master meter error adjustment (enter positive value):	<input type="text" value="10"/>	<input type="text" value="0.000"/>	MG/Yr
Water imported:	<input type="text" value="8"/>	<input type="text" value="5.421"/>	MG/Yr
Water exported:	<input type="text" value="n/a"/>	<input type="text" value="0.000"/>	MG/Yr
<b>WATER SUPPLIED:</b>		<b>116.082</b>	MG/Yr

**AUTHORIZED CONSUMPTION**

Billed metered:	<input type="text" value="10"/>	<input type="text" value="83.619"/>	MG/Yr	Click here: <a href="#">?</a> for help using option buttons below  Use buttons to select percentage of water supplied OR value
Billed unmetered:	<input type="text" value="10"/>	<input type="text" value="0.000"/>	MG/Yr	
Unbilled metered:	<input type="text" value="10"/>	<input type="text" value="7.507"/>	MG/Yr	
Unbilled unmetered:	<input type="text" value="5"/>	<input type="text" value="1.451"/>	MG/Yr	
<b>AUTHORIZED CONSUMPTION:</b>		<b>92.577</b>	MG/Yr	

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

**WATER LOSSES (Water Supplied - Authorized Consumption)**

MG/Yr

**Apparent Losses**

Unauthorized consumption:	<input type="text" value="5"/>	<input type="text" value="0.290"/>	MG/Yr	Pcnt: <input type="text" value="0.25%"/>	Value: <input type="text"/>
Customer metering inaccuracies:	<input type="text" value="8"/>	<input type="text" value="4.796"/>	MG/Yr	<input type="text" value="5.00%"/>	<input type="text"/>
Systematic data handling errors:	<input type="text" value="5"/>	<input type="text" value="0.000"/>	MG/Yr	<input type="text" value="5.00%"/>	<input type="text"/>
<b>Apparent Losses:</b>		<b>5.086</b>			

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

**Real Losses (Current Annual Real Losses or CARL)**

Real Losses = Water Losses - Apparent Losses:	<input type="text" value="18.419"/>	MG/Yr
<b>WATER LOSSES:</b>	<b>23.505</b>	MG/Yr

**NON-REVENUE WATER**

<b>NON-REVENUE WATER:</b>	<input type="text" value="32.463"/>	MG/Yr
---------------------------	-------------------------------------	-------

= Total Water Loss + Unbilled Metered + Unbilled Unmetered

**SYSTEM DATA**

Length of mains:	<input type="text" value="6"/>	<input type="text" value="18.0"/>	miles
Number of active AND inactive service connections:	<input type="text" value="9"/>	<input type="text" value="1,480"/>	
Connection density:	<input type="text" value="82"/>		conn./mile main
Average length of customer service line:	<input type="text" value="10"/>	<input type="text" value="7.0"/>	ft (pipe length between curbstop and customer meter or property boundary)
Average operating pressure:	<input type="text" value="4"/>	<input type="text" value="50.0"/>	psi

**COST DATA**

Total annual cost of operating water system:	<input type="text" value="10"/>	<input type="text" value="\$683,420"/>	\$/Year
Customer retail unit cost (applied to Apparent Losses):	<input type="text" value="9"/>	<input type="text" value="\$11.00"/>	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	<input type="text" value="10"/>	<input type="text" value="\$339.53"/>	\$/Million gallons

**PERFORMANCE INDICATORS**

**Financial Indicators**

Non-revenue water as percent by volume of Water Supplied:	<input type="text" value="28.0%"/>
Non-revenue water as percent by cost of operating system:	<input type="text" value="9.5%"/>
Annual cost of Apparent Losses:	<input type="text" value="\$55,949"/>
Annual cost of Real Losses:	<input type="text" value="\$6,254"/>

**Operational Efficiency Indicators**

Apparent Losses per service connection per day:	<input type="text" value="9.42"/>	gallons/connection/day
Real Losses per service connection per day*:	<input type="text" value="34.10"/>	gallons/connection/day
Real Losses per length of main per day*:	<input type="text" value="N/A"/>	
Real Losses per service connection per day per psi pressure:	<input type="text" value="0.68"/>	gallons/connection/day/psi
Unavoidable Annual Real Losses (UARL):	<input type="text" value="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):	<input type="text" value="18.42"/>	
Infrastructure Leakage Index (ILI) [CARL/UARL]:	<input type="text"/>	

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

**WATER AUDIT DATA VALIDITY SCORE:**

**\*\*\* YOUR SCORE IS: 78 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: Unauthorized consumption
- 3: Systematic data handling errors

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

Town of Monteagle, Tennessee  
 Schedule of Unaccounted For Water  
 Year To Date Water Loss

*(All amounts in gallons)*

<b>A Water Treated and Purchased</b>		
<b>B</b> Water Pumped (potable)	28,375,000	
<b>C</b> Water Purchased	2,197,820	
<b>D</b> <b>Total Water Treated and Purchased</b>		30,572,820
<b>(Sum Lines B and C)</b>		
<b>E Accounted for Water:</b>		
<b>F</b> Water Sold	24,948,974	
<b>G</b> Metered for Consumption (in house usage)	0	
<b>H</b> Fire Department(s) Usage	0	
<b>I</b> Flushing	2,336,240	
<b>J</b> Tank Cleaning/Filling	0	
<b>K</b> Street Cleaning	0	
<b>L</b> Bulk Sales	0	
<b>M</b> Water Bill Adjustments (+/-)	0	
<b>N</b> <b>Total Accounted for Water</b>		27,285,214
<b>(Sum Lines F thru M)</b>		
<b>O</b> <b>Unaccounted for Water</b>		3,287,606
<b>(Line D minus Line N)</b>		
<b>P</b> <b>Percent Unaccounted for Water</b>		10.753%
<b>(Line O divided by Line D times 100)</b>		

**Q Other (explain)** See Below

Explain Other:

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 line item is not applicable, a "0" is shown.



Water and Wastewater Financing Board

Compliance Reports

November 13, 2014

Town of Atwood

Validity Score 81, Non-Revenue water 16.9%

Change in net position \$20,726

<b>WATER AND WASTEWATER FINANCING BOARD</b>		
<b>As of November 13, 2014</b>		
<b><u>SYSTEM</u></b>	<b><u>COUNTY</u></b>	<b><u>LAST AUDIT</u></b>
Town of Alexandria	DeKalb	2013
City of Bluff City	Sullivan	2013
City of Bolivar	Hardeman	2013
City of Bradford	Gibson	2013
Town of Bruceton	Carroll	2013
Coffee County WTA	Coffee	2013
City of Collinwood	Wayne	2013
Town of Decatur	Meigs	2013
City of Dunlap WL	Sequatchie	2013
Town of Englewood	McMinn	2013
City of Erin	Houston	2013
City of Friendship	Crockett	2013
Town of Gainesboro	Jackson	2013
City of Grand Junction	Fayette	2013
Town of Halls WL	Lauderdale	2013
Town of Henning	Lauderdale	2013
City of Hohenwald WL	Lewis	2013
Town of Hornsby	Hardeman	2013
Humphreys County	Humphreys	2013
Town of Huntland	Franklin	2013
Town of Huntsville	Scott	2013
City of Jellico WL	Campbell	2013
City of Kenton WL	Gibson/Obion	2013
Lauderdale County Water	Lauderdale	2013
Town of McLemoresville	Carroll	2013
City of McMinnville WL	Warren	2013
City of Middleton	Hardeman	2013
City of Millington WL	Shelby	2013
Town of Monteagle WL	Franklin	2013
City of Munford	Tipton	2013
Town of Oakland WL	Fayette	2013
Town of Obion	Obion	2012
Town of Oneida	Scott	2013
City of Puryear	Henry	2013
City of Ramer	McNairy	2013
City of Red Boiling Springs	Macon	2013
Town of Rutledge	Grainger	2013
Scott County Sewer System	Scott	2013
Town of Sharon	Weakley	2013
City of Springfield WL	Robertson	2013
Town of Stanton	Haywood	2013
City of Sunbright	Morgan	2013
Town of Tellico Plains WL	Monroe	2013
Town of Tennessee Ridge	Houston/Stewart	2013
Town of Vonore	Blount/Monroe	2013
City of Westmoreland WL	Sumner	2013
Town of Woodbury WL	Cannon	2013

<b>WATER LOSS STATUS</b>								
<b>Utility system</b>	<b>original referral %</b>	<b>original audit referral date</b>	<b>subsequent review %</b>	<b>subsequent review date</b>	<b>subsequent review %</b>	<b>subsequent review date</b>	<b>subsequent review %</b>	<b>subsequent review date</b>
Collinwood	45.96%	6/30/2009	51.30%	6/30/2010	51.30%	6/30/2011	46/5.4%	6/30/2012
Dunlap	64/10.8%	6/30/2013						
Erin	51.00%	6/30/2010	49.76%	6/30/2011	42.54%	6/30/2012	80/32.3%	6/30/2013
Grand Junction	45.55%	6/30/2010	not included	6/30/2011	not included	6/30/2012	not included	6/30/2013
Halls	35.10%	6/30/2011	36.67%	6/30/2012	60/3.0%	6/30/2013		
Hohenwald	46.00%	6/30/2010	36.00%	6/30/2011	36.00%	6/30/2012	81/48.0%	6/30/2013
Jellico	43.76%	6/30/2010	40.25%	6/30/2011	38.96%	6/30/2012	74/32.2%	6/30/2013
Kenton	48.80%	6/30/2010	46.40%	6/30/2011	1.37%	6/30/2012	70/22.2%	6/30/2013
McMinnville	33.98%	6/30/2012	82/36.6%	6/30/2013				
Millington	61/2.2%	6/30/2013						
Monteagle	62/22.8%	6/30/2013						
Oakland	62/39.0%	6/30/2013						
Springfield	38.10%	6/30/2010	38.03%	6/30/2011	39.30%	6/30/2012	67/38.0%	6/30/2013
Tellico Plains	52.88%	6/30/2010	51.24%	6/30/2011	46.33%	6/30/2012	60/8.3%	6/30/2013
Westmoreland	42.00%	6/30/2010	46.00%	6/30/2011	40.00%	6/30/2012	61/30.7%	6/30/2013
Woodbury	46.00%	6/30/2010	44.06%	6/30/2011	36.00%	6/30/2012	82/41.3%	6/30/2013

## **WWFB Scheduled Meeting Dates**

January 8, 2015

March 12, 2015

May 14, 2015

July 9, 2015

September 10, 2015

November 12, 2015

**Remember all meetings are held in Room 31 of Legislative Plaza at 10:00 am CST.**