

BEFORE THE TENNESSEE BOARD OF UTILITY REGULATION

IN THE MATTER OF:

TOWN OF BEAN STATION

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TENN. CODE ANN. § 7-82-701 *et seq.*

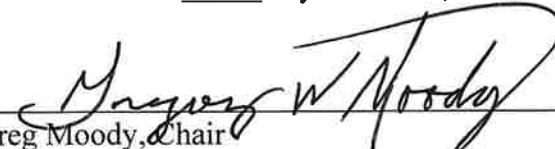
ORDER

On March 14, 2024, the Tennessee Board of Utility Regulation (“the Board”) reviewed the Town of Bean Station (“the Entity”) proposal to begin the implementation of a new sewer system, pursuant to Tenn. Code Ann. § 7-82-702. Board staff has had several discussions with individuals involved with this potential project. Board staff has concerns about the financial viability of this project in the long run should customers choose not to sign up for service. However, the projections provided by the Entity indicate revenue sufficiency with the rates that are being offered.

Based on Board staff’s presentation, the Board orders as follows:

1. The Entity’s January 22, 2024 proposal to begin the implementation of a sewer system is approved.

ENTERED this 26 day of March, 2024.



Greg Moody, Chair
Tennessee Board of Utility Regulation

BEFORE THE TENNESSEE BOARD OF UTILITY REGULATION

IN THE MATTER OF:

CLEARFORK UTILITY DISTRICT

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TENN. CODE ANN. § 7-82-701 *et seq.*

ORDER

On March 14, 2024, the Tennessee Board of Utility Regulation (“the Board”) reviewed the Clearfork Utility District (“the Entity”) for financial distress, pursuant to Tenn. Code Ann. § 7-82-701 *et seq.* The Entity has several years of delinquent audits but most recently has completed audits for FY 2020 and FY 2021. In December of 2022 the Utilities Management Review Board ordered the Entity to contract with a third-party and complete a rate study by July 31, 2023. The Entity was able to contract with a third party to complete the rate study and feasibility analysis but the contractor cannot be confident in the results of either study without audits for FY 2022 and FY2023. The Entity was given a six-month extension to complete the requirements of the previous order but failed to meet that deadline. The utility is also experiencing issues with training noncompliance and water loss.

Based on Board staff’s presentation and recommendation, the Board orders as follows:

1. The Entity’s governing body is required to attend in-person the Board’s next meeting on July 18, 2024.

ENTERED this 26 day of March, 2024.



Greg Moody, Chair
Tennessee Board of Utility Regulation

BEFORE THE TENNESSEE BOARD OF UTILITY REGULATION

IN THE MATTER OF:

CITY OF HOHENWALD

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TENN. CODE ANN. § 7-82-701 *et seq.*

ORDER

On March 14, 2024, the Tennessee Board of Utility Regulation (“the Board”) reviewed the City of Hohenwald (“the Entity”), pursuant to Tenn. Code Ann. § 7-82-701 *et seq.*

The Entity returned its financial distress questionnaire to Board staff. The Entity has not completed a rate study in five years, but has raised rates in that time. The information provided in the Entity’s 2023 audit indicates that the water and sewer rates are roughly 50% higher for customers that live outside of the city limits.

Based on Board staff’s presentation and recommendation, the Board recommends as follows:

1. The Entity shall have the Tennessee Association of Utility Districts, or another qualified expert, as approved by Board staff, perform a rate study that includes the following:
 - a. a review of the capitalization policy, including any recommended modifications;
 - b. a review of the debt management policy, including any recommended modifications;
 - c. the creation of a five-year capital asset budget, to be taken from the current capital asset list and to include future anticipated needs;
 - d. a review of relevant utility fees including but not limited to connection or tap fees, including any recommended modifications;
 - e. verification that all governing body members of the utility are in compliance with all relevant training requirements;


f. a review of the leak adjustment policy, including any recommended modifications or adoption of such policy should one not exist; and,

g. a justification of the inside and outside the city limit rates, including any recommended modifications to the rate structure.

2. By May 28, 2024, the Entity shall send Board staff a copy of the contract between the Entity and the qualified expert who is to perform the tasks in paragraph 1.

3. By December 31, 2024, the Entity shall provide Board staff with the completed rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation. 4. Board staff is given the authority to grant one extension of up to six months of the foregoing deadlines upon a showing of good cause by the Entity.

ENTERED this 26 day of March, 2024.



Greg Moody, Chair
Tennessee Board of Utility Regulation

CERTIFICATE OF SERVICE

BEFORE THE TENNESSEE BOARD OF UTILITY REGULATION

IN THE MATTER OF:

TOWN OF HUNTLAND

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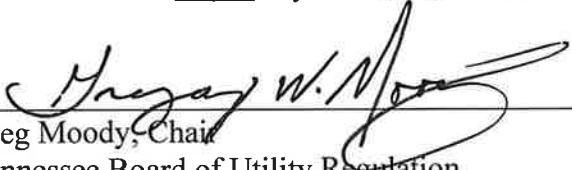
TENN. CODE ANN. § 7-82-701 *et seq.*

ORDER

On March 14, 2024, the Tennessee Board of Utility Regulation (“the Board”) reviewed the Town of Huntland (“the Entity”) following reports that the Entity began creating a sewer system, which sewer system has since encountered a number of problems and raises concerns about its financial well-being.

Based on Board staff’s presentation, the Board hereby orders staff to begin an administrative review of the Town of Huntland’s sewer system.

ENTERED this 26th day of March, 2024.



Greg Moody, Chair
Tennessee Board of Utility Regulation

BEFORE THE TENNESSEE BOARD OF UTILITY REGULATION

IN THE MATTER OF:

INTERMONT UTILITY DISTRICT

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TENN. CODE ANN. § 7-82-701 *et seq.*

ORDER

On March 14, 2024, the Tennessee Board of Utility Regulation (“the Board”) reviewed the Intermont Utility District (“the Entity”) for financial distress following its FY 2021, pursuant to Tenn. Code Ann. § 7-82-701 *et seq.* The Entity’s most recent rate study recommended that the Entity eliminate all gallons included in its minimum bill, along with adopting new rates. Board staff was advised that the Entity increased rates in January of 2024. However, the Entity has determined that they will not adopt further TAUD recommendations. Board staff received proof that the Entity’s governing body is now in compliance with training requirements.

Based on Board staff’s presentation and recommendation, the Board orders as follows:

1. By May 1, 2024, the Entity shall provide Board staff with proof of implementation of the recommendations of their most recent rate study, or a proposed plan of implementation.

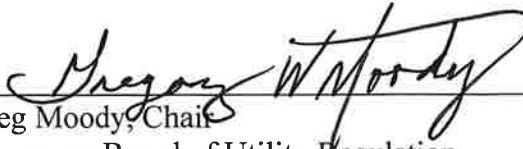
2. If the Entity does not adopt all provisions of the TAUD rate study, or take other actions Board staff finds sufficient to remedy the Entity's financial distress, the Entity's governing body shall appear in person before the board at the next regularly scheduled meeting to address why recommendations from the TAUD rate study have not been implemented.

3. Should the Entity adopt the full recommendations of the TAUD rate study, the governing body will not be required to appear before the Board as described in paragraph 2 of this order. Should the Entity adopt other remedial measures Board staff believes are sufficient to remedy the Entity's financial distress,

Board staff will update the Board at the next meeting but the Entity's governing body and manager will not be required to attend.

4. Should the Entity fail to comply with, or indicate it will not comply with, any directive in this order, Board staff may issue subpoenas for members of the Entity's governing body, manager, and any other necessary staff to appear in-person before the Board during its next meeting.

ENTERED this 26 day of March, 2024.



Greg Moody, Chair
Tennessee Board of Utility Regulation

BEFORE THE TENNESSEE BOARD OF UTILITY REGULATION

IN THE MATTER OF:

JACKSON ENERGY AUTHORITY

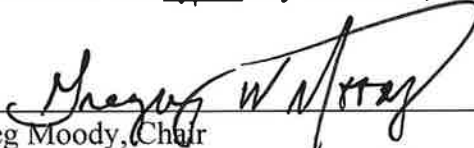
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TENN. CODE ANN. § 7-82-702(a)(6)

ORDER

On March 14, 2024, the Tennessee Board of Utility Regulation (“the Board”) reviewed the Jackson Energy Authority’s (“the Authority’s”) code of ethics, pursuant to Tenn. Code Ann. § 7-82-702(a)(6). The Board finds that the Authority’s code of ethics is more stringent than the model of ethical standards prepared by the Tennessee Association of Utility Districts, as required by § 702(a)(6).

ENTERED this 26 day of March, 2024.



Greg Moody, Chair
Tennessee Board of Utility Regulation

BEFORE THE TENNESSEE BOARD OF UTILITY REGULATION

IN THE MATTER OF:

LEOMA UTILITY DISTRICT

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TENN. CODE ANN. § 7-82-701

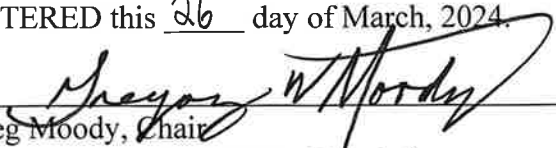
ORDER

On March 14, 2024, the Tennessee Board of Utility Regulation (“the Board”) reviewed the financially distressed status of the Leoma Utility District (“the Entity”) pursuant to Tenn. Code Ann. § 7-82-701 *et seq.* The Comptroller of the Treasury released a report regarding the Entity on January 26, 2024. The report revealed a number of oversights attributable, at least in part, to a lack of oversight by the Entity’s governing body.

Based on Board staff’s presentation and recommendations, the Board orders as follows:

1. By May 15, 2024, the Entity shall engage TAUD or another qualified expert for a review of internal controls and policies to correct the deficiencies noted in the Comptroller investigative report.
2. By September 1, 2024, the Entity shall provide proof to Board staff that proper internal controls and policies have been adopted to correct the deficiencies noted in the Comptroller investigative report.
3. Board staff shall begin discussions on behalf of the TBOUR with the local governments in Lawrence County to improve utility service within the county.
4. The Entity’s governing body will attend, in person, the Board’s next meeting on July 18, 2024.

ENTERED this 26 day of March, 2024.



Greg Moody, Chair
Tennessee Board of Utility Regulation

BEFORE THE TENNESSEE BOARD OF UTILITY REGULATION

IN THE MATTER OF:

TOWN OF MASON

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TENN. CODE ANN. § 7-82-701 *et seq.*

ORDER

On March 14, 2024, the Tennessee Board of Utility Regulation (“the Board”) reviewed the Town of Mason (“the Entity”), pursuant to Tenn. Code Ann. § 7-82-701 *et seq.* The Entity has completed a rate study with the assistance of the Tennessee Association of Utility Districts. The Entity did not provide the rate study consultant with the amount the Town is paying the new management company responsible for the operation of the utility. Since the Tennessee Association of Utility Districts did not factor in the cost of this contract, which is roughly \$400,000 annually. Because the Entity failed to provide that information, the Board should order the Entity to work with the Tennessee Association of Utility Districts to revise the rate study. Otherwise, the Entity adopted the recommendations of the study.

Based on Board staff’s presentation and recommendation, the Board orders as follows:

1. By May 15, 2024, the Entity shall provide Board staff with the updated rate study, accounting for payments due to the Entity’s management company, and either proof of implementation of the resulting recommendations or a proposed plan of implementation.

ENTERED this 26th day of March, 2024.



Greg Moody, Chair
Tennessee Board of Utility Regulation

BEFORE THE TENNESSEE BOARD OF UTILITY REGULATION

IN THE MATTER OF:

MOORESBURG UTILITY DISTRICT

TENN. CODE ANN. § 7-82-701 *et seq.*

ORDER

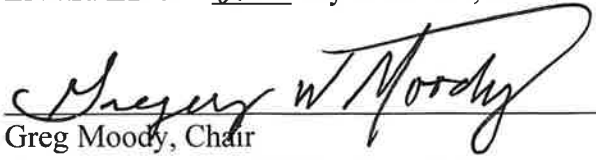
On March 14, 2024, the Tennessee Board of Utility Regulation (“the Board”) reviewed the Mooresburg Utility District (“the Entity”), pursuant to Tenn. Code Ann. § 7-82-701 *et seq.* The Utility Management Review Board issued an order regarding the Entity in 2021, and a new order in December of 2022. The Office of the Comptroller of the Treasury also investigated allegations of malfeasance related to the Mooresburg Utility District. The investigation was limited to selected records for the period July 2022 through September 2023. The results of the investigation were communicated with the Office of the District Attorney General of the 3rd Judicial District. There were numerous deficiencies noted in the accompanying report. The Entity has partially complied with the December 2022 order. The Entity contracted with Jackson Thornton for a rate study that was completed in July of 2023. The governing body has decided not to follow the recommendations outlined in the rate study. The December 2022 order required the Entity to implement the results of the rate study by September 1st, 2023 and the Board most recently ordered the entity to implement the results by April 1, 2024.

Based on Board staff’s presentation and recommendations the Board orders as follows:

1. By May 15, 2024, the Entity shall engage TAUD or another qualified expert for a review of internal controls and policies to correct the deficiencies noted in the Comptroller investigative report.
2. By September 1, 2024, the Entity shall provide proof to Board staff that proper internal controls and policies have been adopted to correct the deficiencies noted in the Comptroller investigative report.

3. If the Entity elects to enact alternative policies that Board staff believes will remedy the Entity's financial status, Board staff may waive the requirements of this order.

ENTERED this 26 day of March, 2024.



Greg Moody, Chair
Tennessee Board of Utility Regulation

BEFORE THE TENNESSEE BOARD OF UTILITY REGULATION

IN THE MATTER OF:

TOWN OF PARROTTSVILLE

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TENN. CODE ANN. § 7-82-701 *et seq.*

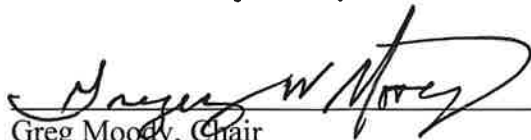
ORDER

On March 14, 2024, the Tennessee Board of Utility Regulation (“the Board”) reviewed the Town of Parrottsville (“the Entity”) for financial distress, pursuant to Tenn. Code Ann. § 7-82-701 *et seq.* The Entity has been previously required to conduct a feasibility study of a potential merger with the City of Newport. The study was completed in January of 2024. Board staff has been informed that the Entity has yet to draft a plan of implementation of the results of the recommendations of the feasibility study. Board staff believes that the Entity needs additional time and will need to work with the City of Newport and the Department of Environment and Conservation on the results of the recommendation.

Based on Board staff’s presentation and recommendation, the Board orders as follows:

1. By August 31, 2024, the Entity shall provide Board staff with proof of implementation of the feasibility study’s recommendations or a proposed plan of implementation.

ENTERED this 26 day of March, 2024.



Greg Moody, Chair
Tennessee Board of Utility Regulation

BEFORE THE TENNESSEE BOARD OF UTILITY REGULATION

IN THE MATTER OF:

CITY OF SPENCER

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TENN. CODE ANN. § 7-82-701 et seq.


ORDER

On March 14, 2024, the Tennessee Board of Utility Regulation (“the Board”) reviewed the City of Spencer (“the Entity”) for the upcoming merger with Warren County Utility District, pursuant to Tenn. Code Ann. § Tenn. Code Ann. § 7-82-701 *et seq.* The Entity has an outstanding TBOUR order requiring a feasibility study be conducted for the merger with the Warren County Utility District. This order should be rescinded since the merger is in the process of being completed. The case should remain open until the merger is complete.

Based on Board staff’s presentation and recommendation, the Board orders as follows:

1. The Entity is released from any previous Board order requiring the study of the feasibility of a merger between itself and any surrounding utilities.

ENTERED this 26 day of March, 2024.



Greg Moody, Chair
Tennessee Board of Utility Regulation

BEFORE THE TENNESSEE BOARD OF UTILITY REGULATION

IN THE MATTER OF:

WEBB CREEK UTILITY DISTRICT

TENN. CODE ANN. § 7-82-701 *et seq.*

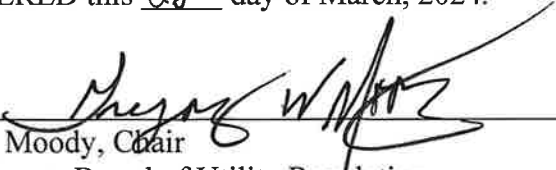
ORDER

On March 14, 2024, the Tennessee Board of Utility Regulation (“the Board”) reviewed the Webb Creek Utility District (“the Entity”) for the eligibility of a commissioner, pursuant to Tenn. Code Ann. § 7-82-701 *et seq.* After discussion with individuals at the Entity, Board staff has been led to believe that one or more commissioners may not be eligible to serve as they may not be customers of the Entity.

Based on Board staff’s presentation and recommendations, the Board orders as follows:

1. By May 31, 2024, the Entity shall confirm the eligibility of all commissioners to serve on the Entity's governing body. The Entity shall further provide the initial appointment dates for all commissioners and supporting documentation showing that they are legally eligible to serve as commissioners as outlined in TCA 7-82-307.

ENTERED this 26 day of March, 2024.



Greg Moody, Chair
Tennessee Board of Utility Regulation

BEFORE THE TENNESSEE BOARD OF UTILITY REGULATION

IN THE MATTER OF:

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MULTIPLE ENTITIES

) **TENN. CODE ANN. § 7-82-701 *et seq.***

ORDER

On March 14, 2024, the Tennessee Board of Utility Regulation (“the Board”) reviewed the financial distress status of the following Entities pursuant to Tenn. Code Ann. § 7-82-701 *et seq.* The Board finds that the Entities below have complied with Board directives to remedy their financial distress. The Board staff recommends that these Entities be released from Board oversight.

City of Collinwood

Spring Creek Utility District

City of Dyer

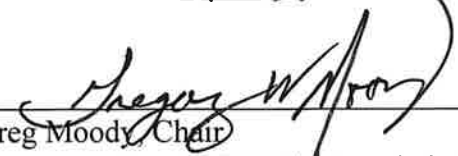
City of Wartburg

City of Greenbrier

Water and Wastewater Treatment Authority of Coffee County

Based on Board staff’s presentation and recommendations, the above-referenced entities are released from Board oversight for financial distress.

ENTERED this 26 day of March, 2024.



Greg Moody, Chair
Tennessee Board of Utility Regulation

BEFORE THE TENNESSEE BOARD OF UTILITY REGULATION

IN THE MATTER OF:)
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MULTIPLE ENTITIES) **TENN. CODE ANN. § 7-82-701 *et seq.***
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ORDER

On March 14, 2024, the Tennessee Board of Utility Regulation (“the Board”) reviewed the governing bodies of the utility systems¹ listed below (“the Entities”) for compliance with training requirements, pursuant to Tenn. Code Ann. § 7-82-701 *et seq.*:

Town of Big Sandy	City of Bluff City
City of Church Hill	Clearfork Utility District
City of Gleason	Town of Oneida
City of Rives	West Point Utility District

Board staff believe that one or more members of the Entities’ governing bodies have not complied with the training requirements set out in Tenn. Code Ann. §§ 7-82-308(f) and 68-221-1305(f). Accordingly, the Board orders as follows:

1. By May 31, 2024, the Entities shall send Board staff proof that all members of the utility system's governing body have complied with the applicable training requirements.
2. Should any of the entities fail to comply with this order, that entity is prohibited from issuing any debt or receiving any grants until compliance is met, and the entity shall cease all compensation to any member of its governing body who has not met training requirements, beginning April 1, 2024, and lasting until such time as the member has been brought into compliance. This paragraph applies only to the entities' utility systems. In the event of an emergency, Board staff may approve an

¹ Utility systems has the same meaning as in Tenn. Code Ann. § 7-82-701

issuance of debt or receipt of a grant, but only as necessary to satisfy the emergency. This determination is in the discretion of Board staff.

3. If any of the Entities shows that all governing body members are compliant with training requirements and Board staff are unaware of any reason for which that entity should remain under Board supervision, Board staff may close that entity's case as to non-compliance with training requirements without further action by the Board.

ENTERED this 18 day of March, 2024.



Greg Moody, Chair
Tennessee Board of Utility Regulation

BEFORE THE TENNESSEE BOARD OF UTILITY REGULATION

IN THE MATTER OF:

MULTIPLE ENTITIES

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) **TENN. CODE ANN. § 7-82-702(a)(6)**
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ORDER

On March 14, 2024, the Tennessee Board of Utility Regulation (“the Board”) reviewed the following utilities for their water loss compliance pursuant to Tenn. Code Ann. § 7-82-701 *et seq.*


Clearfork Utility District	Town of Oneida
City of Clinton	Perryville Utility District
Town of Lynnville	City of Ridgely
Town of Mason	Town of Spring City
Ocoee Utility District	

The Board finds that the Entities failed to engage a third-party and complete the AWWA v. 6.0. The

Board orders as follows:

1. By May 31, 2024 the entity shall engage with a third-party expert and file the AWWA v. 6.0 with Board staff.
2. By July 31, 2024, the entity shall provide Board staff with the completed AWWA v. 6.0 water loss worksheet.
3. Should the Entity fail to comply with any directive in this order, the utility shall be prohibited from issuing debt or receiving grants.

ENTERED this 26 day of March, 2024.



Greg Moody, Chair
Tennessee Board of Utility Regulation

BEFORE THE TENNESSEE BOARD OF UTILITY REGULATION

IN THE MATTER OF:

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**MELANIE LAWSON / OCOEE UTILITY
DISTRICT / REQUEST FOR INFORMAL
HEARING**

TENN. CODE ANN. § 7-82-701 *et seq.*

ORDER

On March 14, 2024, the Tennessee Board of Utility Regulation (“the Board”) heard public comment by Melanie Lawson (“the Complainant”) pursuant to Tenn. Code Ann. § 8-44-112. The Complainant previously requested an informal hearing (referred to informally as a customer complaint) regarding a bill she received from the Ocoee Utility District. After Board staff’s initial review of Ms. Lawson’s request, the matter was not referred to the Board for an informal hearing, pursuant to Tenn. Code Ann. § 7-82-702(b)(9). Based on Ms. Lawson’s comments, Board staff reversed their decision and recommended the Board conduct an informal hearing of the matter.

Board staff will gather the information necessary for the Board to make an informed decision in this matter. The Ocoee Utility District (“Ocoee”) is given the opportunity to present to Board staff any documentation Ocoee would like the Board to review and will be given the opportunity to offer testimony at the Board’s next meeting.

Further, pursuant to the Board’s authority under Tenn. Code Ann. § 7-82-702, the Board orders Ocoee to stay any further action resulting from the Complainant’s February 2023 bill or the underlying leak that caused the bill to be so high relative to the Complainant’s prior bills until an

informal hearing of this matter has been conducted before the Board. This stay includes assessing penalties, late fees, or cessation of service.

ENTERED this 18th day of April, 2024.



Greg Moody, Chair
Tennessee Board of Utility Regulation

