



JASON E. MUMPOWER
Comptroller

Agenda
Tennessee Board of Utility Regulation
July 18, 2024
10:00 AM

- I. Call to Order
- II. Conflict of Interest Statement
- III. Approval of Minutes
- IV. Public Comment
- V. Merger Hearings
 - a. South Fork Utility District and Bristol-Bluff City Utility District
 - b. Town of Petersburg's utility system and City of Fayetteville
- VI. Customer Complaints
 - a. Melanie Lawson, Ocoee Utility District
 - b. Patricia Powers, Mason
 - c. Allison Williams, Huntingdon
 - d. Lyndsey Mosley, Jonesborough
 - e. Samantha Crites, Centerville
- VII. Update Cycle Cases
 - a. Bulls Gap
 - b. Cumberland Gap
 - c. Galloway
 - d. Intermont Utility District
- VIII. Release Cases
 - a. Cold Springs Utility District
 - b. Blountville Utility District
 - c. Oliver Springs
 - d. Tiptonville
 - e. Tarpley Shop Utility District
 - f. Tuckaleechee Utility District
 - g. Watertown
 - h. Webb Creek Utility District
 - i. Witt Utility District
- IX. Delinquent Audit Cases
 - a. Decherd
 - b. Graysville
 - c. Oneida
- X. Manager Cases
 - a. Alexandria

- b. Mason
 - c. Spencer
- XI. East Tennessee
 - a. Brownlow Utility District
 - b. Luttrell
- XII. Middle Tennessee
 - a. Decherd
 - b. Huntland
- XIII. West Tennessee
 - a. Dresden
 - b. First Utility District of Hardin County
 - c. Leoma Utility District
 - d. West Point Utility District
- XIV. Promulgation of Rules - revisions
- XV. Utility Manual
- XVI. Fast Growing Utility Exception Discussion
- XVII. Board Discussion

**MINUTES
of the
TENNESEE BOARD OF UTILITY REGULATION MEETING
March 14, 2023
10:00 am**

Greeting:

Chairman Moody detected a quorum and called to order the meeting of the Tennessee Board of Utility Regulation (“TBOUR”) in the Volunteer Conference Center on the 2nd Floor of the Cordell Hull Building in Nashville, TN at 10:00 a.m. (CDT).

Board Members Present and Constituting A Quorum:

Greg Moody, Chairman
Tom Moss, Vice-Chairman
Edwin Carter
Eugene Hampton
David Purkey
Steve Stone
Bruce Giles
Nick Newman
Michael Adams
Anthony Pelham
Candace Vannasdale

Staff Present:

Nate Fontenot, Comptroller’s Office
Ben Johnson, Comptroller’s Office
Charlie Lester, Comptroller’s Office

Counsel Present:

Seth May, Comptroller’s Office

Others present and Addressing the Board:

Steve Osborne, Assistant Director, LGF, Comptroller's Office

Sheila Reed, Director, LGF, Comptroller's Office

Jean Suh, Audit Review Manager, LGA, Comptroller's Office

Alton Hethcoat, Hethcoat and Davis

Don Scholes, Tennessee Association of Utility Districts

Ethan Carter, Tennessee Association of Utility Districts

Isabel Szendrey, American Water Works Association

Melanie Lawson, Ocoee Utility District Customer

Ben Waller, Town of Bean Station

Kenny Wiggins, Municipal Technical Advisory Services

Doug Porter, City of Huntland

Jim Wade, Madison Suburban Utility District

Joyce Carpenter, Mooresburg Utility District

Rick Brewer, Mooresburg Utility District

Conflict of Interest Statement:

Counsel read the following statement: "The Board was created to act for the public welfare and in furtherance of the legislature's intent that utility systems be operated as self-sufficient enterprises. Board members are not authorized to participate in the discussion of or to vote on matters involving entities in which the Board member has a financial interest, with which the Board member has a conflict of interest, with which the Board member has a contract of employment, or if there is any appearance of impropriety."

Mr. Pelham recused himself from discussions regarding the Town of Spencer.

Mr. Purkey recused himself from discussions regarding the Town of Bean Station.

Adopt and Review Minutes

Previous TBOUR minutes were reviewed. Mr. Purkey made a motion to accept the minutes. Mr. Stone seconded the motion which passed unanimously.

Presentation on Water Loss

Mr. Johnson introduced Ms. Szendrey, with the American Water Works Association. Ms. Szendrey gave an approximately 34 minute presentation to the Board on Water Loss.

Public Comment Period

Mr. Johnson introduced the public comment period and that Ms. Lawson had requested to speak.

Mr. May explained that Ms. Lawson submitted a complaint to our office which was not recommended for an informal hearing as it appeared to be outside the Board's statutory jurisdiction. Mr. May clarified which areas the Board had authority to hear and explained that Ms. Lawson still wanted to provide a public comment regarding her situation to the Board.

Ms. Lawson set out her grievances against the Ocoee Utility District, including that the district did not have a leak protection policy. Based on testimony and additional information Mr. May reversed his previous decision and recommended the Board conduct an informal hearing of Ms. Lawson's complaint. The Board took a brief recess for staff to try and reach out to Ocoee Utility District and see if they would like to address the Board.

Chairman Moody called for a 15-minute recess at 10:56 a.m. in order for staff to discuss and reach out to Ocoee Utility District for additional information.

Chairman Moody called the meeting back to order at 11:10 a.m.

Mr. Johnson explained that staff were unable to get in contact with any representatives from the district.

Mr. Pelham asked if the Board had authority to place a hold on the bills and fees placed on Ms. Lawson, Mr. May said that they did.

Mr. Adams moved for Board staff to further investigate the matter, after which he amended the motion to allow for a stay on the bills and fees. Vice Chairman Moss Seconded the motion which passed unanimously.

Water Loss

Mr. Johnson explained the ongoing non-compliance from multiple entities regarding Board staff's request to complete an AWWA v. 6.0 worksheet. Mr. Johnson then provided Board staff's recommendations.

Mr. Pelham motioned to accept the staff recommendations. Mr. Stone seconded the motion which passed unanimously.

Update Cycle

Mr. Johnson provided a brief explanation regarding entities on the Update Cycle.

Released Cases

Mr. Johnson described the current standing of the utilities and explained the staff recommendations.

1. The Entity is officially released from the Board's oversight.

2. Staff and Counsel shall close the case.

Mr. Stone moved to accept staff's recommendations. Mr. Giles seconded the motion which passed unanimously.

Training Violations

Mr. Johnson described the current situation with the outlined entities and gave staff recommendations.

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.
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.

Vice Chairman Moss asked if the Board had the authority to remove commissioners from utility districts, Mr. May confirmed. Mr. Hampton asked if it was all board members or just individuals,

Mr. Johnson said it varied from entity to entity. Mr. Pelham asked if the Board can restrict pay to Board members, Mr. May confirmed that they likely had this authority.

Mr. Pelham moved to accept revised staff's recommendation and add the staying of compensation for Board members who are out of compliance with no retroactive pay.

Further Board discussion was had. Mr. Pelham reiterated his full motion with added portions.

Mr. Hampton asked for clarification on the whole process of non-compensation, further discussion was had. Amended again to stop payments on April 1, 2024, Mr. Pelham renewed his motion with the amendment. Mr. Hampton seconded the motion which passed unanimously.

Town of Bean Station

Mr. Johnson explained the current standing with Bean Station and the request for approval of a new wastewater system, he then invited Mayor Waller and Mr. Wiggins to present the proposal before the Board.

Mayor Waller and Mr. Wiggins presented the wastewater proposal to the Board.

Mr. Pelham asked staff if the past audits had been clean and timely, Mr. Johnson confirmed that they had been. Mr. Pelham also asked if the modified depreciation approach was of concern, Mr. Johnson said that it was.

Further board discussion was had on the cost of operating the system.

Mr. Giles moved to approve the wastewater system proposal. Mr. Newman seconded the motion, which was passed unanimously, with the exception of Mr. Purkey who abstained due to a conflict of interest.

Huntland

Mr. Johnson explained that there was no recommendation but wanted to provide an update on a sewer system currently being designed and completed. Mr. Johnson expressed staff's concern with the project.

Vice Chairman Moss asked for clarification from Mr. May on the legality of borrowing from the General Fund to pay for the project. Mr. May was uncertain and asked for individuals with the Division of Local Government Finance to help answer the question.

Ms. Reed confirmed that the general fund can lend monies to assist with capital projects, but it must be approved by the Comptroller's office prior to issuance.

Mr. Giles asked where the initial 5.5 million in funding came from. Mr. Johnson turned it over to a representative from the Town of Huntland who appeared online. Mr. Porter explained that 3.9 million came from SRF and the remaining funding came from ARPA monies. He also explained that the total cost was around 7 million.

Mr. Giles expressed his concern regarding the cost of a system designed for only 200 customers.

Mr. Giles made a recommendation and moved to open an administrative review of the Town. Mr. Newman seconded the motion, which passed unanimously.

Jackson Energy Authority

Mr. May explained that Jackson Energy Authority had adopted a new Code of Ethics Policy, and that the Board was required to approve any policy that was not more stringent than the Current

TAUD model policy. Mr. May went on to explain that he believes JEAs new policy to be more stringent than the model policy, however, he felt that it was worth bringing it before the Board.

Mr. Pelham moved to approve JEA's new Code of Ethics Policy. Ms. Vannasdale seconded the motion which passed unanimously.

Leoma Utility District

Mr. Johnson explained that the District had recently been the subject of a Division of Investigation's report, he then proceeded to provide a brief synopsis of the report and findings.

Mr. Johson also provided the staff summary and gave staff recommendations.

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

General discussion was had regarding the report and possible board actions.

Mr. Pelham requested that the Board order the governing body of the District to appear in person and answer questions regarding the deficiencies.

Mr. Pelham moved to accept the staff recommendations with the added requirement for the governing body to appear at the next Board meeting. Mr. Newman seconded the motion, which was passed unanimously.

Madison Suburban Utility District

Mr. Johnson gave a brief recap of the current standing of the customer complaint against the district and invited a representative from the District to speak.

Mr. Wade explained to the Board that the District had decided to refund those who already paid and give those who hadn't paid an extension to decide. Further board discussion was had on this matter.

Mr. Giles moved to close the customer complaint case. Mr. Purkey seconded the motion, which was passed unanimously.

Town of Mason

Mr. Johnson described the current standing of the utility and explained the staff recommendations.

1. By May 15, 2023, the Entity shall provide Board staff with the updated rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation.

Mr. Pelham noted that the recommendation had a typo in the year, and also stated his concern that Alliance Water Resources would be managing the water system for the Town. Mr. Johnson acknowledged that it was the same company.

Mr. Giles asked if the Board had any jurisdiction over which company a Town contracted with for management. Mr. May stated that he was unsure if the Board would have any authority over it.

Mr. Pelham asked for an update on the feasibility study that was ordered, Mr. Johnson explained the due date had not been passed yet. Further discussion was had on this matter.

Mr. Newman made a motion to accept the staff's recommendations. Mr. Pelham seconded the motion, which was passed unanimously.

South Fork Utility District

Mr. Johnson explained that the District had recently been the subject of a Division of Investigation's report, he then proceeded to provide a brief synopsis of the report and findings.

Mr. Johnson stated that no action would need to be taken at that time.

EAST TENNESSEE UTILITIES

Bristol Bluff City Utility District

Mr. Johnson described the current standing of the utility and the completed feasibility study. Mr. Johnson provided a brief overview of the merger process to the Board and explained that no action would need to be taken at this time

Clearfork Utility District

Mr. Johnson described the current standing of the utility regarding the rate study, feasibility study, and delinquent audits. Mr. Johnson explained the various issues that were being experienced by the district, staff did not have any recommendations at that time.

Mr. Giles expressed his concern with the District and recommended that a motion be made to require the governing body to appear before the Board, if they failed to appear, ouster proceedings should commence.

Mr. Pelham asked for clarification on the training requirements for the governing body and further discussion was had. Mr. Stone seconded the motion, which passed unanimously.

Intermont Utility District

Mr. Johnson described the current standing of the district and their refusal to adopt all recommendations in the completed rate study. Mr. Johnson explained the staff recommendations.

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.

Mr. Newman moved to accept staff's recommendations. Mr. Giles seconded the motion, which was passed unanimously.

Mooreburg Utility District

Mr. Johnson explained that the District had recently been the subject of a Division of Investigation's report, he then proceeded to provide a brief synopsis of the report and findings.

Mr. Johnson went on to explain the actions taken by the district to resolve the deficiencies noted in the report.

Mr. Johnson then turned it over to Ms. Joyce and President Brewer to provide an update regarding the district.

Ms. Joyce presented before the Board the various actions taken by the district to remedy certain issues and provided a general update regarding their current standing.

Mr. Purkey asked clarifying questions regarding the length of employment and board membership of Ms. Joyce and President Brewer.

President Brewer expressed some concerns that he had noted during his term on the Board.

Mr. Giles commended the district and Ms. Joyce on the progress that they had made. Further discussion was had between the Board and representatives of Mooresburg Utility District.

Mr. Giles moved to accept staff's recommendations regarding the adoption and implementation of proper internal controls. Ms. Vannasdale seconded the motion, which was passed unanimously.

Mr. Johnson asked for clarification if a deferment of the implementation of the rate increase was also ordered. The Board confirmed that they had not voted on that aspect yet.

Mr. Pelham moved to accept the staff's recommendations on deferring the rate increase. Mr. Giles seconded the motion, which passed unanimously.

Town of Parrottville

Mr. Johnson described the current standing of the utility and explained the staff recommendations.

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

Mr. Pelham moved to accept staff's recommendation. Ms. Vannasdale seconded the motion, which passed unanimously.

Webb Creek Utility District

Mr. Johnson explained that a commissioner had reached out to Board staff and expressed concern regarding the eligibility of another commissioner. Mr. Johnson explained that concerns regarding the legality of both commissioners were now being questioned. Mr. Johnson explained the staff recommendations.

1. By May 31, 2024, the District shall confirm the eligibility of all commissioners to serve on the Entity's board of commissioners. The District 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.

Mr. Purkey and Mr. Hampton asked for clarification that both commissioners were under eligibility concerns, Mr. Johnson confirmed.

Mr. Stone moved to accept staff's recommendation. Mr. Pelham seconded the motion, which passed unanimously.

MIDDLE TENNESSEE UTILITIES

Town of Petersburg

Mr. Johnson described the current standing of the utility and the completed feasibility study. Mr. Johnson provided a brief overview of the merger process to the Board and explained that no action would need to be taken at this time

City of Spencer

Mr. Johnson described the current standing of the utility and explained the staff recommendations.

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.

Vice Chairman Moss asked how far out the merger was. Mr. Pelham provided an update to the Board of the current standing between the City of Spencer and Warren County Utility District.

Vice Chairman Moss moved to accept staff's recommendations. Mr. Hampton seconded the motion, which passed unanimously, with the exception of Mr. Pelham who abstained due to a conflict of interest.

Tarpley Shop Utility District

Mr. Johnson described the current standing of the utility and a brief overview of the merger process to the Board. No action was recommended to be taken at this time

WEST TENNESSEE UTILITIES

At this time Mr. Johnson turned over the presentation of staff recommendations to the West Tennessee Utility Analyst, Nate Fontenot.

City of Hohenwald

Mr. Fontenot gave the staff summary and explained the staff recommendation.

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.

Board discussion was had about possible legislation being passed that would affect utility rates.

Mr. Newman moved to accept staff's recommendations. Mr. Giles seconded the motion, which passed unanimously.

General Board Discussion

The Board asked for binders to be included at future meetings as well.

Mr. Newman explained that he had retired from MLGW and would no longer be serving on the Tennessee Board of Utility Regulation. He went on to express his gratitude towards the Board and the function it serves.

No further comments were made.

Board Adjournment

Chairman Moody entertained a motion to adjourn the meeting, Mr. Giles seconded the motion. The meeting was adjourned at 2:32 p.m.



JASON E. MUMPOWER
Comptroller

South Fork Utility District

Staff Summary:

On May 3rd, 2022, the South Fork Utility District ("SFUD") was ordered by the Utility Management Review Board ("UMRB") to conduct a feasibility study into a merger with surrounding utilities. This order also gave SFUD the ability to elect to voluntarily merge with a surrounding utility on its own.

On November 21st, 2022, Jim Marshall with the rate consulting firm, Jackson Thornton, gave his opinion that a merger with the Bristol Bluff City Utility District ("BBCUD"), Blountville Utility District ("Blountville Utility District"), and the City of Bristol are all feasible options. Before further action was taken with the outcome of the feasibility study in terms of ordering a merger between any entity and SFUD, the UMRB and TBOUR found it prudent to let new management have at least a fiscal year elapse to ensure all reported finances of SFUD were valid due to issues stemming from previous management.

Board staff finds a merger with BBCUD to be the most viable option for the improvement of the community at SFUD for the reasons below.

SFUD currently purchases 100% of its water from BBCUD. The infrastructure already exists for the transmission of this water. No additional infrastructure will be necessary due to this merger. Any upgrades necessary for either the SFUD or BBCUD system are due to the natural course of running a utility. Any additional upgrades for either system are anticipated to be in the range of \$8-10 million dollars over the course of the near future, and will be needed regardless of any sort of merger. The cost of these infrastructure upgrades are not outside of the normal for utilities in Tennessee through the natural course of business. Furthermore, the burden of these upgrades will not be shouldered by any one utility specifically, instead allocated as needed for both utilities based on the cost sharing requirement.

Board staff is told the management succession plan for the two utilities will be to shift the current manager, Adam Hale, from SFUD to become the manager at BBCUD. BBCUD will then slowly transition out their contract with Tennessee Utility Assistance, LLC as Hale is able to undertake both the SFUD and BBCUD systems. This should result in a cost savings while also providing a full-time manager for both systems.

USDA Rural Development funds would not be in jeopardy should a merger take place. As of the November 2022 feasibility study reports, there were roughly \$750,000 in grants and \$2.4 million in favorable USDA Rural Development loans that Bristol would not have access to due to the size of their system.

A merger with BBCUD would result in a rate decrease immediately for SFUD customers. While the feasibility study showed the lowest cost savings of the three options for merger, this analysis could only be conducted using the rates that were reported by all three utilities. There is no guarantee that SFUD customers would be given the rates as reported by BUD and Bristol as an analysis on the infrastructure upgrades necessary for service from BUD and Bristol has not been conducted. Whereas a merger with

BBCUD would allow for the infrastructure status quo to continue, while resulting in a rate decrease and long term rate stabilization for SFUD.

A merger with BBCUD or BUD gives an opportunity for representation that would be foregone if a merger with a municipality is completed.

Public Hearing Summary:

On June 12, 2024 Board staff traveled to the Sullivan County Courthouse to hold a public hearing regarding the potential TBOUR ("the Board") ordered merger between the South Fork Utility District ("SFUD") and Bristol Bluff City Utility District ("BBCUD"). Board staff heard from several stakeholders that did not speak positively regarding the merger. Below is a summary of the comments that were relayed to Board staff by the attendants.

1. There was a complaint that the infrastructure improvements needed by BBCUD and the belief the cost of these improvements will be unfairly borne by the acquired SFUD customers. Board staff does not believe this is feasible to happen. Utility rates in Tennessee must be reasonable and justifiable, and unfairly shifting a debt burden to new customers is not justifiable. The TBOUR is tasked to ensure this will not occur. Instead, the debt burden would be the same regardless of the merger since the cost of any additional infrastructure would be charged in the per thousand rate that BBCUD currently charges SFUD.
2. There was a complaint that the TBOUR allowed for the new SFUD Board and management to turn the system around just to give it to BBCUD. Board staff does not deny that the new SFUD Board and management have made improvements to SFUD. However, the purpose of improving the system was not to make it more attractive for a merger- the purpose of improving the system was to improve service for its customers. The goal of the merger is to further improve service to all customers involved by pursuing economies of scale and consolidating management and costs.
3. There was a complaint that if a merger were to occur it should not be with BBCUD, instead, it should be with the City of Bristol or with Blountville Utility District. Board staff does not believe those mergers are as feasible or logical as a merger with BBCUD. BBCUD already serves SFUD with all of SFUD's water, and no additional infrastructure would be needed as a result of said merger. An additional complaint was made regarding the current SFUD management being unable to handle managing the potentially expanded BBCUD. Board staff does not believe this to be the case due to the improvement of service as demonstrated by SFUD under new management.
4. There was a complaint that SFUD will not be adequately represented on the BBCUD Board. The current law provides opportunity for SFUD to be represented in the BBCUD Board after the next commissioner's term expires at BBCUD. BBCUD is required to list a SFUD customer as a potential candidate to serve on the BBCUD Board for appointment by the County Mayor.
5. There was an inquiry regarding whether multiple utilities can be merged at once. Board staff did not believe the TBOUR has the authority to attempt to force a merger between multiple utilities at once, however, Board staff does not know if an immediate multi-utility merger logistically would result in continued success of the utilities involved. Instead, Board staff believes this merger is a step in the right direction of consolidating utilities in the community to ensure the best service for those involved.
6. There was a complaint that BBCUD is currently managed contractually by the same party that was contracted for advisory services at SFUD during the period in which previous SFUD management was under investigation by the Comptroller's Division of Investigation. Board staff has not been presented any

evidence that the contracted party was liable for any alleged or confirmed malfeasance that occurred at the utility.

In summary, the hearing was well-attended, but less than five people decided to address Board staff during the hearing. The overall sentiment of the individuals that spoke were not in favor of a merger with the Bristol-Bluff City Utility District. However, Board staff was not presented with evidence as to why this merger is not in the best interest of the community at-large. Board staff still believes that a merger with the Bristol-Bluff City Utility District is in the best interest of both utilities in question.

BEFORE THE TENNESSEE BOARD OF UTILITY REGULATION

IN THE MATTER OF:)	
)	
THE MERGER OF THE SOUTH FORK)	
UTILITY DISTRICT WITH THE)	
BRISTOL-BLUFF CITY UTILITY)	TENN. CODE ANN. § 7-82-704
DISTRICT)	
)	

ORDER

1. On July 18, 2024, the Tennessee Board of Utility Regulation (“the Board”) conducted an informal hearing to consider the merger of the South Fork Utility District (“SFUD”) with the Bristol-Bluff City Utility District (“BBCUD”), pursuant to Tenn. Code Ann. § 7-82-704.
2. Board staff have reviewed SFUD’s operations and its audited annual financial reports and have reported their findings to the Board.
3. Jackson Thornton conducted a study as to the feasibility and benefits of a merger with utilities surrounding SFUD. Board staff received the results of the study on February 26, 2024.
4. Board staff held a public hearing regarding the potential merger between SFUD and BBCUD at the Sullivan County Court House on June 12, 2024, notice of which was published in the Bristol Herald Courier and the Comptroller’s website on or about May 30, 2024.
5. Board staff was informed at the public hearing that SFUD’s board of commissioners does not want to merge with BBCUD and would rather merge with the City of Bristol.

The Board specifically finds as follows:

6. SFUD is “ailing”, as defined in Tenn. Code Ann. § 10-7-504. Specifically, SFUD is financially distressed, as described in § 7-82-703(b);
7. A merger is necessary to restore financial stability to SFUD, ensure continued operation, and otherwise ensure the well-being of the public being served by SFUD. Therefore, SFUD should be merged with BBCUD.

8. A merger is in the best interest of SFUD's customers and will not harm the BBCUD or its customers.

Based on the foregoing, the Board orders as follows:

9. The staff and governing bodies of SFUD and BBCUD to develop a merger or consolidation agreement between the systems. The agreement must include, at a minimum, the following:
 - a. A short and plain statement affirming that the systems have sought and obtained, or will seek and obtain, all necessary approvals from the United States department of agriculture, the Tennessee local development authority, the Tennessee department of environment and conservation, or another interested party for the assumption of SFUD's outstanding debt obligations;
 - b. A transfer of all other rights and duties of SFUD to BBCUD;
 - c. An assumption of all assets and liabilities of SFUD to BBCUD;
 - d. A transfer of all appropriate documents to vest legal title of the South Utility District to BBCUD;
 - e. A provision that the BBCUD will operate the system and account for the revenues from the consolidated utility in a manner as not to impair contractual or other legal obligations of SFUD;
 - f. A provision describing the merged or consolidated system's new territorial boundaries;
 - g. An initial rate structure for the newly merged or consolidated utility system; and
 - h. Other provisions necessary to comply with applicable state and federal laws such that the systems are solely responsible for ensuring that the terms of the merger or consolidation agreement address all necessary topics.
10. Within 60 days of the date of this order, SFUD and BBCUD must submit:
 - a. A merger agreement including the provisions described in paragraph 9; or,
 - b. A written statement describing any disagreements that arose from the attempt to develop an agreement in good faith. This statement may be submitted jointly or individually by both

parties. Board staff may request, and the parties shall promptly provide, any further information regarding any sources of disagreement.

ENTERED this _____ day of _____, 2024.

Greg Moody, Chair
Tennessee Board of Utility Regulation

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served via certified mail return receipt requested to the following on this, the ____ day of _____, 2024:

South Fork Utility District

c/o Eric W. Reeher

230 Piedmont Avenue

Suite 300

Bristol, VA 24201

Bristol-Bluff City Utility District

PO Box 459

Bluff City, TN 37618

J. Seth May
Assistant General Counsel



Certified Public Accountants
& Consultants

November 21, 2022

Mr. Garry Smith, General Manager
South Fork Utility District
2800 Highway 421 #5
Bristol, Tennessee 37620

Re: Feasibility Analysis

Dear Mr. Smith:

Jackson Thornton & Co. ("JT") was asked by South Fork Utility District ("the District") to help the District comply with requirements of the Tennessee Utility Management Review Board's Order pursuant to Tenn. Code Ann. §§ 7-82-307, 401, items 3a-d. This letter constitutes the report of our observations and analysis as to the feasibility of the District and its rates. Our analysis and report rely on information as provided by the District and the other utilities listed in the order.

Item 3a – JT completed a Cost of Service and Rate Study for the District. The results of this study were presented to the District's Board in July 2022.

Item 3b – Over the last several months, JT has had multiple conversations with representatives from Bristol Bluff City Utility District ("BBCUD"). At this time, BBCUD has no interest in pursuing a potential merger with the District. For informational purposes, a rate comparison is attached.

Item 3c – Over the last several months, JT has had multiple conversations with representatives from Blountville Utility District ("BUD"). At this time, BUD has no interest in pursuing a potential merger with the District. For informational purposes, a rate comparison is attached.

Item 3d – Over the last several months, JT has had multiple communications with representatives from the City of Bristol ("the City"). At this time, the City is interested in merging the District into their system. To a 5,000 gallon/month residential customer, the City's current outside city limit rates are approximately 43%, or \$30.17/month, less than the current rates for the District. Another major factor relative to the potential feasibility of this merger is availability of USDA Rural Development Funds. Based on information provided by the District, USDA has made available a grant in the amount of \$787,900 and favorable financing terms for another \$2,422,100. Based on the number of customers as of December 2021, this is equal to approximately \$235/meter in grant funds and another \$722/meter with favorable financing terms. It is my understanding that this Rural Development would no longer be available if the District is merged into the City of Bristol.

JACKSON THORNTON & CO., P.C.

A handwritten signature in black ink, appearing to read 'James B. Marshall, III', written over a horizontal line.

James B. Marshall, III
Principal

South Fork Utility District
Feasibility Analysis
Comparison of Current Residential Rates

South Fork Utility District		
Customer Charge	\$	23.00
Volumetric Rate	\$	9.45
Consumption (kGal)	Estimated Bill Amount	
1.00	\$	32.45
2.00	\$	41.90
3.00	\$	51.35
4.00	\$	60.80
5.00	\$	70.25
6.00	\$	79.70
8.00	\$	98.60
10.00	\$	117.50
12.00	\$	136.40
15.00	\$	164.75
20.00	\$	212.00
25.00	\$	259.25
Annual Cost of 5 kGal	\$	843.00

Bristol-Bluff City Utility District		
Customer Charge	\$	19.14
Volumetric Rate	\$	6.76
Consumption (kGal)	Estimated Bill Amount	
1.00	\$	25.90
2.00	\$	32.66
3.00	\$	39.42
4.00	\$	46.18
5.00	\$	52.94
6.00	\$	59.70
8.00	\$	73.22
10.00	\$	86.74
12.00	\$	100.26
15.00	\$	120.54
20.00	\$	154.34
25.00	\$	188.14
Annual Cost of 5 kGal	\$	635.28

Blountville Utility District		
Customer Charge	\$	19.02
Volumetric Rate	\$	6.49
Consumption (kGal)	Estimated Bill Amount	
1.00	\$	25.51
2.00	\$	32.00
3.00	\$	38.49
4.00	\$	44.98
5.00	\$	51.47
6.00	\$	57.96
8.00	\$	70.94
10.00	\$	83.92
12.00	\$	96.90
15.00	\$	116.37
20.00	\$	148.82
25.00	\$	181.27
Annual Cost of 5 kGal	\$	617.64

City of Bristol (Outside City Limit Rate)		
Customer Charge (includes 1kGal)	\$	14.96
Volumetric Rate (1st 50 kGal)	\$	6.28
Consumption (kGal)	Estimated Bill Amount	
1.00	\$	14.96
2.00	\$	21.24
3.00	\$	27.52
4.00	\$	33.80
5.00	\$	40.08
6.00	\$	46.36
8.00	\$	58.92
10.00	\$	71.48
12.00	\$	84.04
15.00	\$	102.88
20.00	\$	134.28
25.00	\$	165.68
Annual Cost of 5 kGal	\$	480.96

Projected Annual Savings	\$	%
Bristol Bluff City Utility District	\$ 207.72	24.6%
Blountville Utility District	\$ 225.36	26.7%
City of Bristol (Outside)	\$ 362.04	42.9%



JASON E. MUMPOWER
Comptroller

City of Petersburg

Staff Summary:

In September 2023, the City of Petersburg provided the TBOUR with an updated cost of service study and positive opinion from Jackson Thornton that a merger with Fayetteville Public Utility could result in cost savings for the Petersburg Customers.

Board staff believes that a merger with Fayetteville Public Utility is in the best interest of the community. Fayetteville currently serves Petersburg, and through managerial cost savings and expertise, Petersburg citizens can expect to see rate stabilization and improved service.

Board staff conducted a hearing on June 18th in the area for public comment regarding the potential merger. There were no individuals that attended to address Board staff for the hearing.

Public Hearing Summary:

There were no questions or comments made at the public hearing.

BEFORE THE TENNESSEE BOARD OF UTILITY REGULATION

IN THE MATTER OF:)	
THE CONSOLIDATION AND)	
MERGER OF THE TOWN OF)	
PETERSBURG’S UTILITY SYSTEM)	TENN. CODE ANN. § 7-82-704
AND THE CITY OF FAYETTEVILLE)	
)	

ORDER

1. On July 18, 2024, the Tennessee Board of Utility Regulation (“the Board”) conducted an informal hearing to consider the consolidation and merger of the Town of Petersburg’s utility system (“Petersburg”) and the Town of Fayetteville, specifically Fayetteville Public Utilities (“FPU”), pursuant to Tenn. Code Ann. § 7-82-704.
2. Board staff have reviewed Petersburg’s operations and its audited annual financial reports and have reported their findings to the Board.
3. The feasibility and benefits of a merger with surrounding utilities were studied. The feasibility study was submitted to Board staff on or about November 2023.
4. Board staff notified Petersburg and FPU on or about May 30, 2024, that the informal hearing would be held on July 18, 2024.
5. Board staff held a public hearing in Fayetteville on June 18, 2024, notice of which was published on the Comptroller’s website and FPU’s website.

The Board specifically finds as follows:
6. A merger is necessary to restore the financial stability of the system, ensure continued operation, or otherwise ensure the well-being of the public being served by a utility system.
7. A merger is in the best interest of Petersburg’s customers and will not harm FPU or its customers.
8. Petersburg is “ailing”, as defined in Tenn. Code Ann. § 10-7-504. Specifically, Petersburg is financially distressed, as described in § 7-82-703(b).

9. Based on the foregoing, the Board orders the staff and governing bodies of Petersburg and FPU to develop a merger or consolidation agreement between the systems. The agreement must include, at a minimum, the following:
 - a. A short and plain statement affirming that the systems have sought and obtained, or will seek and obtain, all necessary approvals from the United States department of agriculture, the Tennessee local development authority, the Tennessee department of environment and conservation, or another interested party for the assumption of Petersburg's outstanding debt obligations;
 - b. A transfer of all other rights and duties of Petersburg to FPU;
 - c. An assumption of all assets and liabilities of Petersburg to FPU;
 - d. A transfer of all appropriate documents to vest legal title of Petersburg to FPU;
 - e. A provision that the Fayetteville Public Utilities will operate the system and account for the revenues from the consolidated utility in a manner as not to impair contractual or other legal obligations of Petersburg;
 - f. A provision describing the merged or consolidated system's new territorial boundaries;
 - g. An initial rate structure for the newly merged or consolidated utility system; and
 - h. Other provisions necessary to comply with applicable state and federal laws such that the systems are solely responsible for ensuring that the terms of the merger or consolidation agreement address all necessary topics.
10. Within 60 days of the date of this order, SFUD and BBCUD must submit:
 - a. A merger agreement including the provisions described in paragraph 9; or,

- b. A written statement describing any disagreements that arose from the attempt to develop an agreement in good faith. This statement may be submitted jointly or individually by both parties. Board staff may request, and the parties shall promptly provide, any further information regarding any sources of disagreement.

ENTERED this _____ day of _____, 2024.

Greg Moody, Chair
Tennessee Board of Utility Regulation

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served via certified mail return receipt requested to the following on this, the ____ day of _____, 2024:

Town of Petersburg	City of Fayetteville	Fayetteville Public Utilities
120 Eastside Square	110 Elk Avenue South	408 College Street West
Petersburg, TN 37144	Fayetteville, TN 37334	Fayetteville, TN 37334

J. Seth May
Assistant General Counsel



JASON E. MUMPOWER
Comptroller

Ocoee Utility District Complaint

Benjamin S Johnson

From: Melanie Lawson <LawsonM@nadentalgroup.com>
Sent: Friday, July 5, 2024 7:15 AM
To: Seth May; Benjamin S Johnson; Utilities@cot.tn.gov
Cc: Steve Wyatt
Subject: Summary of Melanie Lawson's concerns about Ocoee Utilities District
Attachments: Ocoee Utility Issue.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Good morning Mr. May and Mr. Johnson;

Just to send a summary to read on July 18th at the TBOUR meeting. I apologize I will not be able to attend, I will be in route headed back to the states from a mission trip on the 18th and my cell service is not good. However, Steve Wyatt will be representing me and answering any questions. Please send him the link to log into for the meeting. Thank you for allowing us to speak at the meeting and hopefully come up with a fair solution.

Summary of Melanie Lawson's Letter to TBOUR

Background and Issue:

- **Name and Location:** Melanie Lawson from Cleveland, TN (Bradley County).
- **Water Company:** Ocoee Utilities.
- **Incident:** An underground water leak occurred in December 2022 during a cold snap, unnoticed until February 2023 when Ocoee Utilities left a voicemail about shutting off her water due to the leak.
- **Bill Received:** \$5,596.08 in February 2023.

Insurance and Assistance:

- **Leak Protection:** Automatically signed up for leak protection, which covered \$2,500.
- **Additional Aid:** Received \$500 from United Way.
- **Impact Fund:** Automatically enrolled in the Impact Fund without knowledge, meant to assist with high bills but never received help from it.

Actions Taken:

- **Meetings:** Attended two board meetings and one personal meeting with county commissioner Howard Thompson for assistance.
- **Inquiries:** Questioned why Ocoee Utilities lacks a notification system for substantial leaks and attended county commission meetings seeking answers.

Questions and Concerns:

1. **Coverage Options:** Why customers are automatically signed up for services (leak protection, serve line protection, Impact Fund) without choosing their coverage.
2. **Impact Fund:** Why customers pay for the Impact Fund without knowledge or consent, and its lack of assistance.
3. **Leak Detection:** Charging customers for leaks without having modern equipment to detect them promptly.
4. **Payment Plan:** Setting up payment plans without customer knowledge; received a signed payment plan from the manager.
5. **Regulation:** Who regulates Ocoee Utilities.

Additional Information:

- **Attachments:** Copies of water service contract, payment arrangement paperwork, billing statements post-leak, data sheets from Ocoee Utilities, and comparison with Cleveland Utilities' service contract.
- **Notification and Technology:** Criticized Ocoee Utilities for not using current technology to notify customers of leaks, unlike Cleveland Utilities, which has a notification system and has a onetime adjustment for unknown water leaks.
- **Financial Stress:** Expressed stress and financial burden of the large bill, emphasizing the difficulty for single-income households and families.

Request for Assistance:

- Melanie seeks answers, guidance, and a favorable resolution to her situation, stressing her need for support as a single-income individual facing an unexpectedly high water bill.

NOTE: I re-attached the files I sent from the beginning that has all the information... Contract, data sheets, etc... Please let me know if you need anything else.

Melanie Lawson, EFDA

Clinical Manager, Cloudland Dental

North American Dental Group

1065 Peerless Crossing NW
Cleveland, TN 37312
(423)559-0157

CONFIDENTIALITY NOTICE: This message may contain confidential and/or privileged material. Any unauthorized review, use, disclosure or distribution is prohibited. This email message and any attachments are for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure, copying, or distribution is strictly prohibited. If you are not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, or believe you have received the message in error, please contact the sender by reply email and destroy all copies of the original message and any attachments. If you are the intended recipient but do not wish to receive communications through this medium, please so advise the sender immediately.

Benjamin S Johnson

From: tim lawson <timoud@bellsouth.net>
Sent: Tuesday, April 2, 2024 1:16 PM
To: Benjamin S Johnson
Subject: Ocoee Utility District - Additional Information?

Follow Up Flag: Follow up
Flag Status: Flagged

Ben,

I hope all is well. Just wanted to check in and see if there is any additional information that you need to request from the District regarding the issue with Ms. Melanie Lawson as she discussed with the TBOUR Board at their last quarterly meeting. It is my understanding that she brought up several items in her time before the Board that may require some additional explanation since the Board members chose to engage her in discussion of her water bill. I can assure you that each of these items has been explained to her numerous times but she has chosen to ignore that information and continue to use it in a fairly dishonest manner as it aids her narrative. Those topics that I am aware that she brought up were:

- Our IMPACT Fund, which is a round up based grant program that funds 501c3 organizations/applications within our service area that offer programs for education, health, veterans assistance, and senior assistance.
- Servline Line Protection Program, which is a program that many utilities offer to customers that pays for repairs to water lines between the meter and home. It is an opt-in program but does not help fund water billing issues that a customer has due to a leak. It only helps pay for the repair/materials/labor.
- The District does not have an additional leak adjustment policy/program other than the Servline leak insurance. She implied that there was additional relief that was available from the District that we were withholding from her.
- She complained that we sent her payment arrangements without her consent. This is true, because she would not respond to requests by our staff to begin paying the bill in any form or fashion so she was provided the maximum length terms we could provide. The other option would be to pay the bill outright, which she did not exercise. Please note that per our policy she was due to be disconnected in March of 2023, and this payment option was sent to her in August. At that time she had paid less than \$50.00 of the bill in question (she had maintained the subsequent billings).

I apologize again for this issue taking up your time and that of the TBOUR board members. If there is anything else that I can provide to further justify our actions please let me know.

Thanks!

Tim Lawson

OCOEE UTILITY DISTRICT

July 16, 2024

Tennessee Board of Utility Regulation
C/O Ben Johnson
425 Rep. John Lewis Parkway N
Nashville, TN 37243

Re: TBOUR Meeting/Hearing
Melanie Lawson Complaint

Dear Mr. Johnson/TBOUR Members,

I would like to address the issues presented to TBOUR by Melanie Lawson at their last quarterly meeting and which will be revisited in the upcoming meeting of the Board. This situation is certainly one of the largest residential leaks that the District has seen. Our staff realizes the stress and frustration that comes with such a large, unexpected bill and I feel tried to help as much as they could to assist in suggesting options for help and giving Ms. Lawson additional time to obtain outside assistance.

The leak totaled \$6,314.19 for 737,000 gallons. The leak impacted two months billing, our January and February cycles (although the February billing was just the first of the billing period). Our meter reader discovered the leak and turned the water off which is when we contacted the customer. A drive by (AMR) meter reading system is used in this area. We have to upload the data into our system to get the leak alarm which did add a few days to the leak running.

The leak began on Christmas Eve 12/24/2022, which was at the beginning of one of the most bitter cold spells we've had in Tennessee in a very long time. Our temperatures did not get above freezing for a week after Ms. Lawson's service line broke. I would like to point out that a leak of nearly 14 gpm should be quite obvious when the area saw temperatures that barely exceeded single digits for several days after it occurred. Any running water in the yard during those conditions should have been an indication of the potential for a leak.

Our Hanover/Servline leak protection insurance program paid the maximum coverage of \$2,500 on 02/21/2023. The United Way paid \$500.00 of the bill on 06/14/2023 leaving a total of \$3,314.19 left on the leak billing.

Ms. Lawson repaired a water well on her property and has used it since 08/31/2023. This was also the date she was scheduled to be locked for non-payment of \$137.27 which was a payment arrangement put together by our staff. The month prior the District had created a payment plan giving her the maximum time frame (24 months) allowed by the decision of the District's Board for the repayment of the remaining amount. This attempt at assisting Ms. Lawson was because she had refused to acknowledge or accept a payment plan on her own.

Our staff had allowed eight months for her to seek out additional assistance from the initial due date in February. As of today, Ms. Lawson has paid a total of \$379.64 on the leak.

Ms. Lawson mentioned in the previous TBOUR meeting that there were options the District has available for customers that would have provided additional coverage for her that weren't offered to her. This is not the case. Our leak protection plan that most of you are very familiar with is the only assistance that we provide. She brought up two additional programs that we do provide for other situations but simply refuses to understand that they do not apply to paying for leaks. One of those programs is through Servline/Hanover that will assist customers with the cost of repairs (not water bills) that is an opt-in program. Ms. Lawson had stated to the Bradley County Commission (resulting in the attached letter from Commission Chair Tom Crye) that if she'd have known about the line protection program the leak would not have cost her anything as it would have covered what the leak protection insurance did not. This is not correct and was explained to her in detail only hours before she made this incorrect claim to the Bradley County Commission.

The second program that she has mentioned is the District's IMPACT Fund, which is a roundup program intended to provide assistance to non-profit organizations for STEM education efforts, assistance programs for the elderly, and veteran's assistance in the communities that we serve. It does not provide utility billing assistance.

I have attached the following to this letter:

- Cover letter to Ms. Lawson and graph of the leak from 03/10/23,
- Picture of the leak when discovered on 02/02/23,
- Billing history for the account since the leak,
- Letter from Bradley County Commission,
- Notes on the account from the District's customer management system related to the leak event.

I feel that the District followed our policy properly and provided more time for resolution, under the direction of our Board, of this situation. It is never pleasant for a customer to experience such an issue, but when it happens there is only so much assistance that the utility can provide.

Please let me know if any additional information would be helpful.

Sincerely,



Tim C. Lawson, General Manager
Ocoee Utility District

OCOEE UTILITY DISTRICT

March 10, 2023

Melanie Lawson
389 Casteel Road
Cleveland, TN 37323

Re: Water Usage Data Log 12/24/22 - 02/02/2023

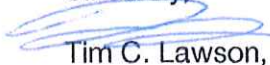
Dear Ms. Lawson,

Please find attached several pages from the data log performed on your meter during the time of the leak on the service. The data log illustrates hourly usage represented by the columns in the graph. I have only sent a selection of the pages included in the report as there are 102 total pages to get the hourly graphs. If you'd like the rest of the report we can get it to you, although the pages in between the beginning and end of the leak are all almost all identical.

The leak begins during the frigid spell on Christmas weekend and ends when our meter reader found the leak on 02/02/2023. The data log illustrates the rate of flow on the leak for the time it began to the time it was discovered, which was pretty significant. The leak ran much of the duration at a rate peaking at over thirteen gallons per minute, which the pictures taken of your front yard indicate a significant leak when our meter reader turned the water off at the meter.

Just wanted to get these to you as a bit of information regarding the leak and at the level of flow that it ran. I realize that this is not a pleasant situation for you but since we do have the capacity to data log the usage in these situations wanted to get the pertinent information from the data log to you. This is just informational and not intended as an indication of the final decision of the Board of Commissioners.

Sincerely,



Tim C. Lawson, General Manager
Ocoee Utility District

Attach: Data Log

Run Date: 02/23/23 02:54 PM

Data Log

Page No: 26 of 102

Meter EID: 6673052

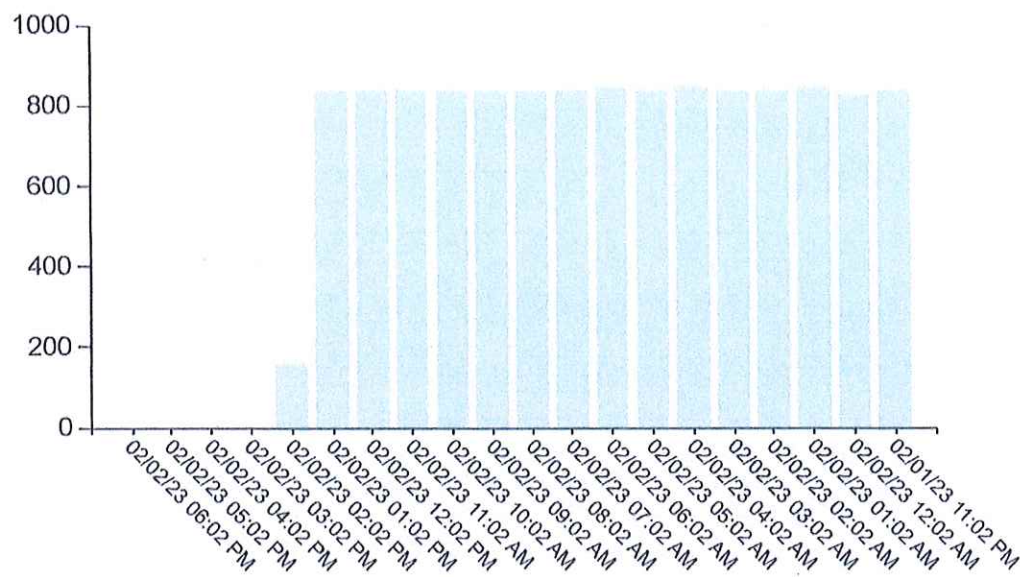
Lawson, Melanie

Report Period: 12/1/2022-2/23/2023

Total Consumption: 738550.00

389 Casteel Rd

Reading Period: 1 Hours



ReadNbr	Date/Time	Reading	Consumption	Billed Reading	Error
501	02/02/23 06:02 PM	816460	0	81646	
502	02/02/23 05:02 PM	816460	0	81646	
503	02/02/23 04:02 PM	816460	0	81646	
504	02/02/23 03:02 PM	816460	0	81646	
505	02/02/23 02:02 PM	816460	160	81646	
506	02/02/23 01:02 PM	816300	840	81630	
507	02/02/23 12:02 PM	815460	840	81546	
508	02/02/23 11:02 AM	814620	840	81462	
509	02/02/23 10:02 AM	813780	840	81378	
510	02/02/23 09:02 AM	812940	840	81294	
511	02/02/23 08:02 AM	812100	840	81210	
512	02/02/23 07:02 AM	811260	840	81126	
513	02/02/23 06:02 AM	810420	850	81042	
514	02/02/23 05:02 AM	809570	840	80957	
515	02/02/23 04:02 AM	808730	850	80873	
516	02/02/23 03:02 AM	807880	840	80788	
517	02/02/23 02:02 AM	807040	840	80704	
518	02/02/23 01:02 AM	806200	850	80620	
519	02/02/23 12:02 AM	805350	830	80535	
520	02/01/23 11:02 PM	804520	840	80452	

Run Date: 02/23/23 02:54 PM

Data Log

Page No: 71 of 102

Meter EID: 6673052

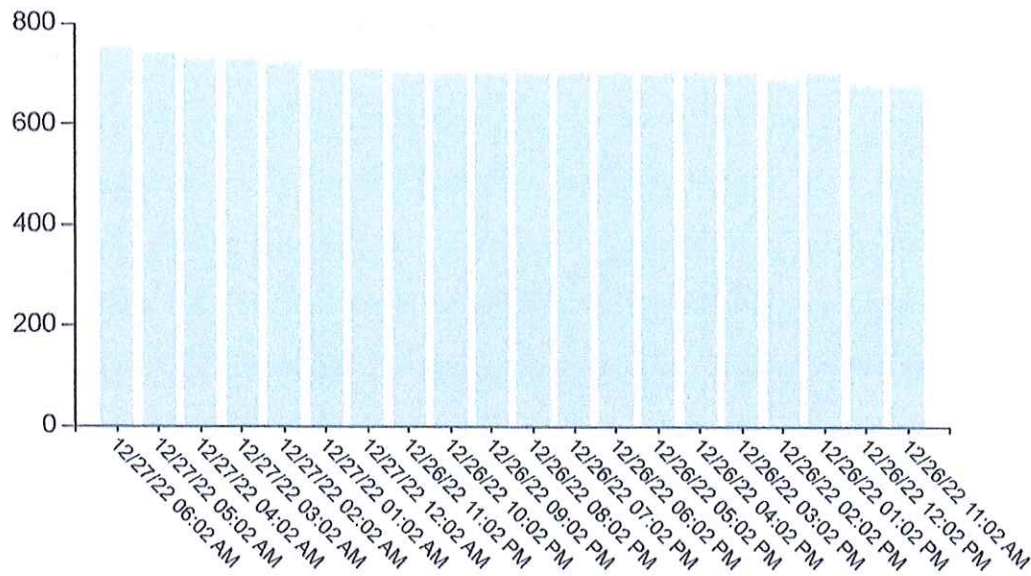
Lawson, Melanie

Report Period: 12/1/2022-2/23/2023

Total Consumption: 738550.00

389 Casteel Rd

Reading Period: 1 Hours

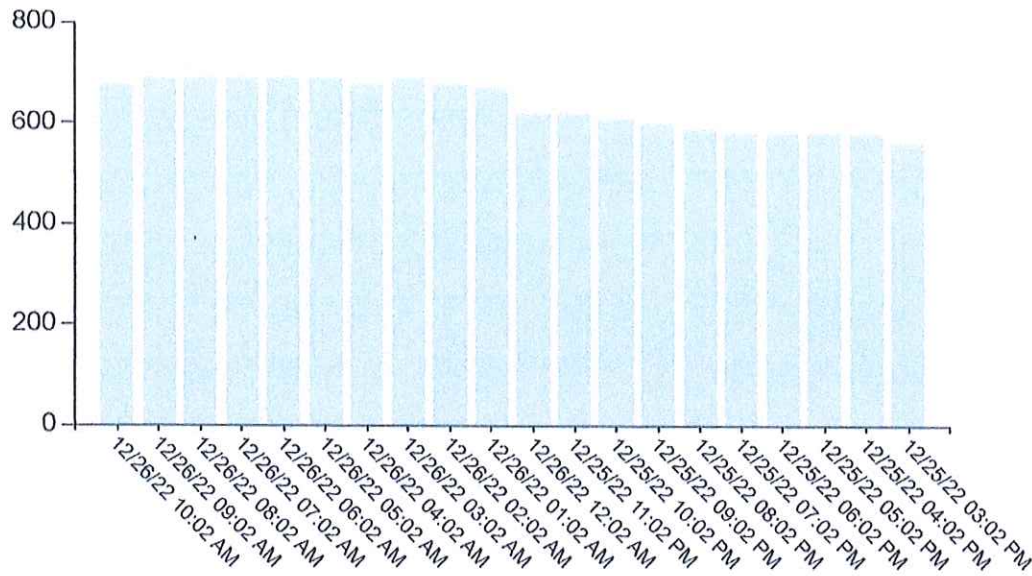


ReadNbr	Date/Time	Reading	Consumption	Billed Reading	Error
1401	12/27/22 06:02 AM	114050	750	11405	
1402	12/27/22 05:02 AM	113300	740	11330	
1403	12/27/22 04:02 AM	112560	730	11256	
1404	12/27/22 03:02 AM	111830	730	11183	
1405	12/27/22 02:02 AM	111100	720	11110	
1406	12/27/22 01:02 AM	110380	710	11038	
1407	12/27/22 12:02 AM	109670	710	10967	
1408	12/26/22 11:02 PM	108960	700	10896	
1409	12/26/22 10:02 PM	108260	700	10826	
1410	12/26/22 09:02 PM	107560	700	10756	
1411	12/26/22 08:02 PM	106860	700	10686	
1412	12/26/22 07:02 PM	106160	700	10616	
1413	12/26/22 06:02 PM	105460	700	10546	
1414	12/26/22 05:02 PM	104760	700	10476	
1415	12/26/22 04:02 PM	104060	700	10406	
1416	12/26/22 03:02 PM	103360	700	10336	
1417	12/26/22 02:02 PM	102660	690	10266	
1418	12/26/22 01:02 PM	101970	700	10197	
1419	12/26/22 12:02 PM	101270	680	10127	
1420	12/26/22 11:02 AM	100590	680	10059	

Run Date: 02/23/23 02:54 PM
 Meter EID: 6673052
 Total Consumption: 738550.00

Data Log
 Lawson, Melanie
 389 Casteel Rd

Page No: 72 of 102
 Report Period: 12/1/2022-2/23/2023
 Reading Period: 1 Hours



ReadNbr	Date/Time	Reading	Consumption	Billed Reading	Error
1421	12/26/22 10:02 AM	99910	680	9991	
1422	12/26/22 09:02 AM	99230	690	9923	
1423	12/26/22 08:02 AM	98540	690	9854	
1424	12/26/22 07:02 AM	97850	690	9785	
1425	12/26/22 06:02 AM	97160	690	9716	
1426	12/26/22 05:02 AM	96470	690	9647	
1427	12/26/22 04:02 AM	95780	680	9578	
1428	12/26/22 03:02 AM	95100	690	9510	
1429	12/26/22 02:02 AM	94410	680	9441	
1430	12/26/22 01:02 AM	93730	670	9373	
1431	12/26/22 12:02 AM	93060	620	9306	
1432	12/25/22 11:02 PM	92440	620	9244	
1433	12/25/22 10:02 PM	91820	610	9182	
1434	12/25/22 09:02 PM	91210	600	9121	
1435	12/25/22 08:02 PM	90610	590	9061	
1436	12/25/22 07:02 PM	90020	580	9002	
1437	12/25/22 06:02 PM	89440	580	8944	
1438	12/25/22 05:02 PM	88860	580	8886	
1439	12/25/22 04:02 PM	88280	580	8828	
1440	12/25/22 03:02 PM	87700	560	8770	

Run Date: 02/23/23 02:54 PM

Data Log

Page No: 73 of 102

Meter EID: 6673052

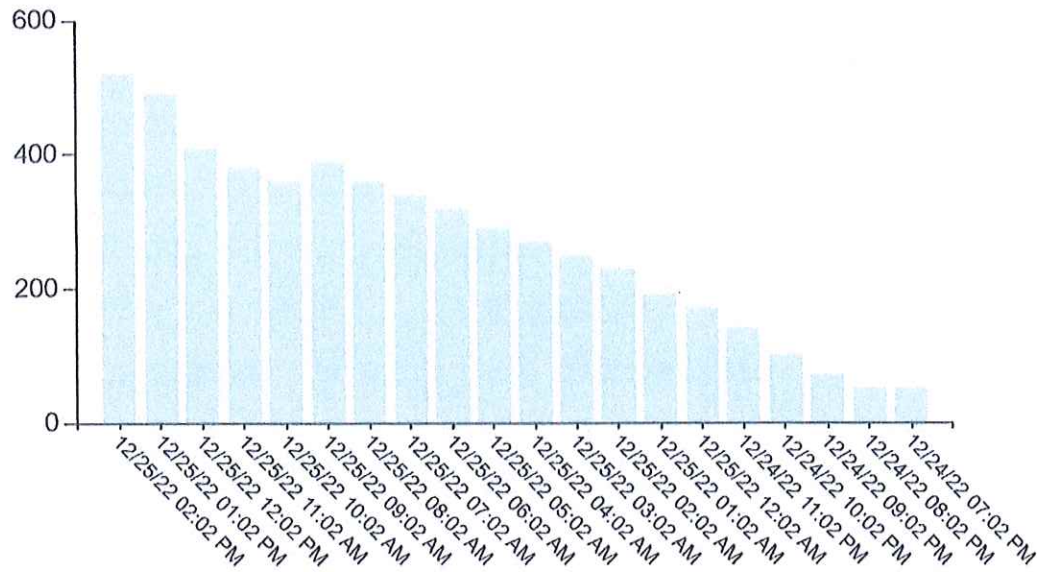
Lawson, Melanie

Report Period: 12/1/2022-2/23/2023

Total Consumption: 738550.00

389 Casteel Rd

Reading Period: 1 Hours



ReadNbr	Date/Time	Reading	Consumption	Billed Reading	Error
1441	12/25/22 02:02 PM	87140	520	8714	
1442	12/25/22 01:02 PM	86620	490	8662	
1443	12/25/22 12:02 PM	86130	410	8613	
1444	12/25/22 11:02 AM	85720	380	8572	
1445	12/25/22 10:02 AM	85340	360	8534	
1446	12/25/22 09:02 AM	84980	390	8498	
1447	12/25/22 08:02 AM	84590	360	8459	
1448	12/25/22 07:02 AM	84230	340	8423	
1449	12/25/22 06:02 AM	83890	320	8389	
1450	12/25/22 05:02 AM	83570	290	8357	
1451	12/25/22 04:02 AM	83280	270	8328	
1452	12/25/22 03:02 AM	83010	250	8301	
1453	12/25/22 02:02 AM	82760	230	8276	
1454	12/25/22 01:02 AM	82530	190	8253	
1455	12/25/22 12:02 AM	82340	170	8234	
1456	12/24/22 11:02 PM	82170	140	8217	
1457	12/24/22 10:02 PM	82030	100	8203	
1458	12/24/22 09:02 PM	81930	70	8193	
1459	12/24/22 08:02 PM	81860	50	8186	
1460	12/24/22 07:02 PM	81810	50	8181	

Run Date: 02/23/23 02:54 PM

Data Log

Page No: 74 of 102

Meter EID: 6673052

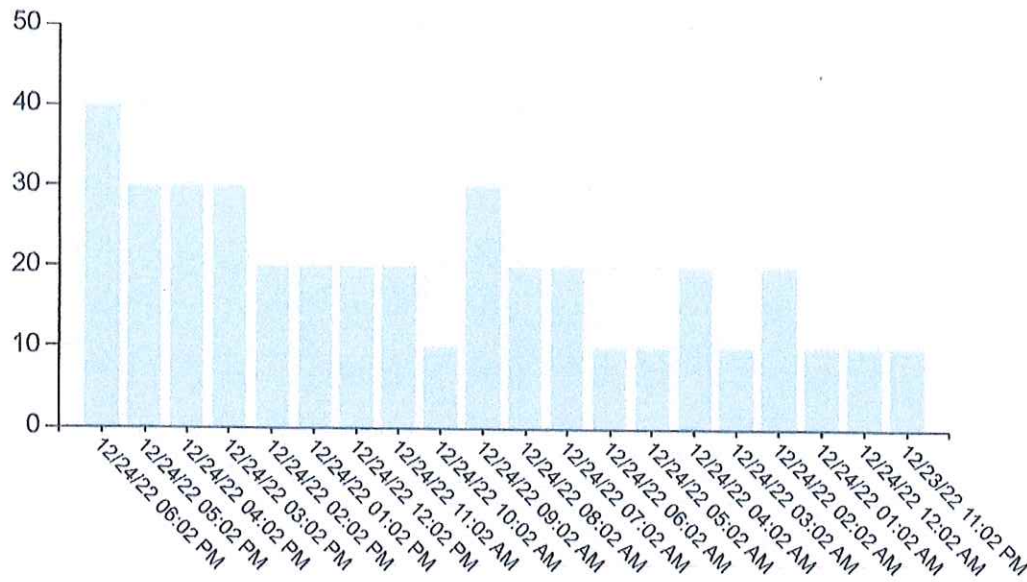
Lawson, Melanie

Report Period: 12/1/2022-2/23/2023

Total Consumption: 738550.00

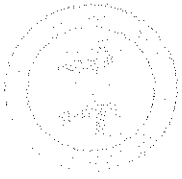
389 Casteel Rd

Reading Period: 1 Hours



ReadNbr	Date/Time	Reading	Consumption	Billed Reading	Error
1461	12/24/22 06:02 PM	81760	40	8176	
1462	12/24/22 05:02 PM	81720	30	8172	
1463	12/24/22 04:02 PM	81690	30	8169	
1464	12/24/22 03:02 PM	81660	30	8166	
1465	12/24/22 02:02 PM	81630	20	8163	
1466	12/24/22 01:02 PM	81610	20	8161	
1467	12/24/22 12:02 PM	81590	20	8159	
1468	12/24/22 11:02 AM	81570	20	8157	
1469	12/24/22 10:02 AM	81550	10	8155	
1470	12/24/22 09:02 AM	81540	30	8154	
1471	12/24/22 08:02 AM	81510	20	8151	
1472	12/24/22 07:02 AM	81490	20	8149	
1473	12/24/22 06:02 AM	81470	10	8147	
1474	12/24/22 05:02 AM	81460	10	8146	
1475	12/24/22 04:02 AM	81450	20	8145	
1476	12/24/22 03:02 AM	81430	10	8143	
1477	12/24/22 02:02 AM	81420	20	8142	
1478	12/24/22 01:02 AM	81400	10	8140	
1479	12/24/22 12:02 AM	81390	10	8139	
1480	12/23/22 11:02 PM	81380	10	8138	





OFFICE OF THE BRADLEY COUNTY COMMISSION CHAIRMAN

June 5, 2023

Mr. Tim Lawson
Ocoee Utility District
5631 Waterlevel Highway
Cleveland, TN 37323

Dear Tim:

Fourth district Bradley County resident Melanie Lawson addressed the Bradley County Commission recently and requested assistance with an exorbitant water bill due to an unknown underground leak at her home December 2022 through February 2023. Understandably, handling an unexpected water bill in excess of five thousand dollars (\$5,000.00) is a challenge. The Commission wonders if there may be any programs or funds available to assist her with this unforeseen cost.

Ms. Lawson asked the County Attorney to opine on the Ocoee Utility District decision to not offer on the service application an opt-in for leak protection programs to mitigate expenses. Our County Attorney opined that Tennessee Code Annotated §7-82-302 grants permissive authority to include the cost for coverage for leak protection programs on monthly customer bills, but does not require an "opt-in" box on any application. The Bradley County Commission hopes the Ocoee Utility District leadership will consider additional language on the service application that would include an "opt-in" box for customers for leak protection.

On behalf of the County Commission, thank you for your attention to both of these matters. Should you have any questions regarding our requests, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas Crye", is written over a horizontal line.

Thomas Crye

cc: D. Gary Davis, County Mayor

Ocoee Utility Transaction History Report

Service Type(s) All
 Transaction Date Range 1/1/2023 To 7/15/2024
 AR Type All
 AR Code All
 Include Applied Credit Trans. ☒
 Print Billing Address ☐
 Print Service Address ☒
 Batch Range All
 Transaction Amount All

Print AddOn Amounts ☒
 AddOn Type Reporting Group Add On Reporting Group
 Report Breakdown Level Full Transaction Detail
 Print Usage ☒
 Use Reading Factor ☒
 Print Check Numbers ☒
 Print Running Balance ☒
 Start With Zero Balance ☐
 Print Transactions In Descending Order ☐
 Include Customer Credit Amounts ☒
 Include Reverse Penalty Trx Only ☐
 Include Transactions Not Voided ☒
 Include Voided Transactions ☒

Batch	Code	Description	Date	Service	Check Rate Number	Usage	Service	Surcharge 1	Surcharge 2	State Tax	Penalty	Credits	Total	Balance
0017-45180-002		Lawson, Melanie				Cycle 2	Service Address	389 Casteel Rd	Cleveland, TN 37323					
	WTB	Water Billing	01/04/23	WATER	01	2,100	37.03	0.00	0.00	3.61	0.00	0.00	40.64	40.64
	115	Roundup Program	01/04/23	Service Cha	29	0	0.36	0.00	0.00	0.00	0.00	0.00	0.36	41.00
	LPI	Leak Protection	01/04/23	Leak Protec	01	0	2.00	0.00	0.00	0.00	0.00	0.00	2.00	43.00
	100	Cash Payment	01/11/23	WATER	01		(37.03)	0.00	0.00	(3.61)	0.00	0.00	(40.64)	2.36
	100	Cash Payment	01/11/23	Service Cha	29		(0.36)	0.00	0.00	0.00	0.00	0.00	(0.36)	2.00
	100	Cash Payment	01/11/23	Leak Protec	01		(2.00)	0.00	0.00	0.00	0.00	0.00	(2.00)	0.00
	WTB	Water Billing	02/02/23	WATER	01	600,000	4,670.75	0.00	0.00	455.40	0.00	0.00	5,126.15	5,126.15
	115	Roundup Program	02/02/23	Service Cha	29	0	0.85	0.00	0.00	0.00	0.00	0.00	0.85	5,127.00
	LPI	Leak Protection	02/02/23	Leak Protec	01	0	2.00	0.00	0.00	0.00	0.00	0.00	2.00	5,129.00
	100	Cash Payment	02/10/23	WATER	01		(43.00)	0.00	0.00	0.00	0.00	0.00	(43.00)	5,086.00
	PNB	Penalty Billing	02/21/23	WATER	01	0	0.00	0.00	0.00	0.00	462.78	0.00	462.78	5,548.78
	100	Cash Payment	02/21/23	WATER	01		(2,500.00)	0.00	0.00	0.00	0.00	0.00	(2,500.00)	3,048.78
	333	Penalty	02/24/23	WATER	01		0.00	0.00	0.00	0.00	(462.78)	0.00	(462.78)	2,586.00
	WTB	Water Billing	03/01/23	WATER	01	137,000	1,082.50	0.00	0.00	105.54	0.00	0.00	1,188.04	3,774.04
	115	Roundup Program	03/01/23	Service Cha	29	0	0.96	0.00	0.00	0.00	0.00	0.00	0.96	3,775.00
	LPI	Leak Protection	03/01/23	Leak Protec	01	0	2.00	0.00	0.00	0.00	0.00	0.00	2.00	3,777.00
	100	Cash Payment	03/13/23	WATER	01		(43.00)	0.00	0.00	0.00	0.00	0.00	(43.00)	3,734.00
	PNB	Penalty Billing	03/21/23	WATER	01	0	0.00	0.00	0.00	0.00	108.25	0.00	108.25	3,842.25
	WTB	Water Billing	03/29/23	WATER	01	1,800	34.70	0.00	0.00	3.38	0.00	0.00	38.08	3,880.33
	115	Roundup Program	03/29/23	Service Cha	29	0	0.67	0.00	0.00	0.00	0.00	0.00	0.67	3,881.00
	LPI	Leak Protection	03/29/23	Leak Protec	01	0	2.00	0.00	0.00	0.00	0.00	0.00	2.00	3,883.00
	100	Cash Payment	04/04/23	WATER	01		(43.00)	0.00	0.00	0.00	0.00	0.00	(43.00)	3,840.00
	PNB	Penalty Billing	04/21/23	WATER	01	0	0.00	0.00	0.00	0.00	3.47	0.00	3.47	3,843.47
	WTB	Water Billing	05/03/23	WATER	01	2,200	37.80	0.00	0.00	3.69	0.00	0.00	41.49	3,884.96
	115	Roundup Program	05/03/23	Service Cha	29	0	0.04	0.00	0.00	0.00	0.00	0.00	0.04	3,885.00

Batch	Code	Description	Date	Service	Check Rate Number	Usage	Service	Surcharge 1	Surcharge 2	State Tax	Penalty	Credits	Total	Balance
	LPI	Leak Protection	05/03/23	Leak Protec	01	0	2.00	0.00	0.00	0.00	0.00	0.00	2.00	3,887.00
	100	Cash Payment	05/11/23	WATER	01		(55.00)	0.00	0.00	0.00	0.00	0.00	(55.00)	3,832.00
	PNB	Penalty Billing	05/23/23	WATER	01	0	0.00	0.00	0.00	0.00	3.78	0.00	3.78	3,835.78
	WTB	Water Billing	05/31/23	WATER	01	1,800	34.70	0.00	0.00	3.38	0.00	0.00	38.08	3,873.86
	115	Roundup Program	05/31/23	Service Cha	29	0	0.14	0.00	0.00	0.00	0.00	0.00	0.14	3,874.00
	LPI	Leak Protection	05/31/23	Leak Protec	01	0	2.00	0.00	0.00	0.00	0.00	0.00	2.00	3,876.00
	100	Cash Payment	06/05/23	WATER	01		(45.00)	0.00	0.00	0.00	0.00	0.00	(45.00)	3,831.00
	099	MC & Visa	06/14/23	WATER	01		(500.00)	0.00	0.00	0.00	0.00	0.00	(500.00)	3,331.00
	PNB	Penalty Billing	06/21/23	WATER	01	0	0.00	0.00	0.00	0.00	3.47	0.00	3.47	3,334.47
	WTB	Water Billing	06/30/23	WATER	01	1,600	34.55	0.00	0.00	3.37	0.00	0.00	37.92	3,372.39
	115	Roundup Program	06/30/23	Service Cha	29	0	0.11	0.00	0.00	0.00	0.00	0.00	0.11	3,372.50
	LPI	Leak Protection	06/30/23	Leak Protec	01	0	2.00	0.00	0.00	0.00	0.00	0.00	2.00	3,374.50
	LNI	Line Protection	06/30/23	Line Protect	01	0	3.50	0.00	0.00	0.00	0.00	0.00	3.50	3,378.00
	100	Cash Payment	07/06/23	WATER	01		(50.00)	0.00	0.00	0.00	0.00	0.00	(50.00)	3,328.00
	075	Pmt Plan Set Up Fee	07/17/23	Payment Ar	01		10.00	0.00	0.00	0.00	0.00	0.00	10.00	3,338.00
	PPA	Payment Plan Adjust.	07/17/23	WATER	01		(2,581.45)	0.00	0.00	(571.39)	(118.97)	0.00	(3,271.81)	66.19
	PPA	Payment Plan Adjust.	07/17/23	Service Cha	29		(0.85)	0.00	0.00	0.00	0.00	0.00	(0.85)	65.34
	PPA	Payment Plan Adjust.	07/17/23	Service Cha	29		(0.96)	0.00	0.00	0.00	0.00	0.00	(0.96)	64.38
	PPA	Payment Plan Adjust.	07/17/23	Service Cha	29		(0.67)	0.00	0.00	0.00	0.00	0.00	(0.67)	63.71
	PPA	Payment Plan Adjust.	07/17/23	Service Cha	29		(0.04)	0.00	0.00	0.00	0.00	0.00	(0.04)	63.67
	PPA	Payment Plan Adjust.	07/17/23	Service Cha	29		(0.14)	0.00	0.00	0.00	0.00	0.00	(0.14)	63.53
	PPA	Payment Plan Adjust.	07/17/23	Payment Ar	01		(10.00)	0.00	0.00	0.00	0.00	0.00	(10.00)	53.53
	PPA	Payment Plan Adjust.	07/17/23	Leak Protec	01		(10.00)	0.00	0.00	0.00	0.00	0.00	(10.00)	43.53
	PNB	Penalty Billing	07/21/23	WATER	01	0	0.00	0.00	0.00	0.00	3.46	0.00	3.46	46.99
	WTB	Water Billing	08/02/23	WATER	01	2,000	37.75	0.00	0.00	3.68	0.00	0.00	41.43	88.42
	115	Roundup Program	08/02/23	Service Cha	29	0	0.81	0.00	0.00	0.00	0.00	0.00	0.81	89.23
	PPC	Payment Plan Charges	08/02/23	Payment Ar	01	0	137.27	0.00	0.00	0.00	0.00	0.00	137.27	226.50
	LPI	Leak Protection	08/02/23	Leak Protec	01	0	2.00	0.00	0.00	0.00	0.00	0.00	2.00	228.50
	LNI	Line Protection	08/02/23	Line Protect	01	0	3.50	0.00	0.00	0.00	0.00	0.00	3.50	232.00
	100	Cash Payment	08/07/23	WATER	01		(37.56)	0.00	0.00	(3.37)	(3.46)	0.00	(44.39)	187.61
	100	Cash Payment	08/07/23	Service Cha	29		(0.11)	0.00	0.00	0.00	0.00	0.00	(0.11)	187.50
	100	Cash Payment	08/07/23	Leak Protec	01		(2.00)	0.00	0.00	0.00	0.00	0.00	(2.00)	185.50
	100	Cash Payment	08/07/23	Line Protect	01		(3.50)	0.00	0.00	0.00	0.00	0.00	(3.50)	182.00
	PNB	Penalty Billing	08/22/23	WATER	01	0	0.00	0.00	0.00	0.00	3.47	0.00	3.47	185.47
	PNB	Penalty Billing	08/22/23	Payment Ar	01	0	0.00	0.00	0.00	0.00	13.73	0.00	13.73	199.20
	100	Cash Payment	08/30/23	WATER	01		(34.74)	0.00	0.00	(3.68)	(3.47)	0.00	(41.89)	157.31
	100	Cash Payment	08/30/23	Service Cha	29		(0.81)	0.00	0.00	0.00	0.00	0.00	(0.81)	156.50
	100	Cash Payment	08/30/23	Payment Ar	01		(7.30)	0.00	0.00	0.00	0.00	0.00	(7.30)	149.20
	420	Disconnect Fee	08/31/23	WATER	01		50.00	0.00	0.00	0.00	0.00	0.00	50.00	199.20
	PPA	Payment Plan Adjust.	09/01/23	WATER	01		3,157.21	0.00	0.00	0.00	0.00	0.00	3,157.21	3,356.41
	WTB	Water Billing	09/01/23	WATER	01	2,000	37.75	0.00	0.00	3.68	0.00	0.00	41.43	3,397.84

Batch	Code	Description	Date	Service	Check Rate Number	Usage	Service	Surcharge 1	Surcharge 2	State Tax	Penalty	Credits	Total	Balance
115		Roundup Program	09/01/23	Service Cha	29	0	0.66	0.00	0.00	0.00	0.00	0.00	0.66	3,398.50
LPI		Leak Protection	09/01/23	Leak Protec	01	0	2.00	0.00	0.00	0.00	0.00	0.00	2.00	3,400.50
LNI		Line Protection	09/01/23	Line Protect	01	0	3.50	0.00	0.00	0.00	0.00	0.00	3.50	3,404.00
100		Cash Payment	09/11/23	WATER	01		(50.00)	0.00	0.00	0.00	0.00	0.00	(50.00)	3,354.00
100		Cash Payment	10/05/23	WATER	01		(50.00)	0.00	0.00	0.00	0.00	0.00	(50.00)	3,304.00
100		Cash Payment	11/06/23	WATER	01		(50.00)	0.00	0.00	0.00	0.00	0.00	(50.00)	3,254.00
100		Cash Payment	12/06/23	WATER	01		(50.00)	0.00	0.00	0.00	0.00	0.00	(50.00)	3,204.00
100		Cash Payment	01/04/24	WATER	01		(50.00)	0.00	0.00	0.00	0.00	0.00	(50.00)	3,154.00
100		Cash Payment	02/05/24	WATER	01		(50.00)	0.00	0.00	0.00	0.00	0.00	(50.00)	3,104.00
100		Cash Payment	03/04/24	WATER	01		(50.00)	0.00	0.00	0.00	0.00	0.00	(50.00)	3,054.00
115		Roundup Program	06/28/24	Service Cha	29	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,054.00
Totals For Account 0017-45180-002 Lawson, Melanie							3,036.59	0.00	0.00	3.68	13.73	0.00	3,054.00	3,054.00

AR Type Report Totals

Total Adjustments	(540.04)	Total Credits Applied	0.00
Total Payments	(3,772.00)	Total Penalties	602.41
Total Deposit Receipts	0.00	Total Immediate Cash	0.00
Total Deposits Applied	0.00	Total State Tax Billed	585.73
Total Deposits	0.00	Total State Tax Received	(10.66)
Total Charges Billed	6,763.63	Total Local Tax Billed	0.00
Total Bad Debt Writeoffs	0.00	Total Local Tax Received	0.00
Total Bad Debt Recovered	0.00		

AR Code Report Summary

075	Pmt Plan Set Up Fee	10.00	Number Of Transactions	1
099	MC & Visa	(500.00)	Number Of Transactions	1
100	Cash Payment	(3,272.00)	Number Of Transactions	17
115	Roundup Program	4.60	Number Of Transactions	10
333	Penalty	(462.78)	Number Of Transactions	1
420	Disconnect Fee	50.00	Number Of Transactions	1
LNI	Line Protection	10.50	Number Of Transactions	3
LPI	Leak Protection	18.00	Number Of Transactions	9
PNB	Penalty Billing	602.41	Number Of Transactions	7
PPA	Payment Plan Adjust.	(137.26)	Number Of Transactions	2
PPC	Payment Plan Charges	137.27	Number Of Transactions	1
WTB	Water Billing	6,593.26	Number Of Transactions	9

Notes:

2.2.23--high usage, leak alarm, usage is 600,000 gallons, Bradley turned off the meter & LM--tracy

2.2.23--Spoke with Melanie regarding leak at property. Advised when she receives bill we can start a leak claim and set up the rest on payment arrangements depending on how much the bill is.-Niki

2.7.23--Called customer regarding a message left asking for assistance. Advised we can file a claim and reiterated information above. Customer upset not accepting asking for more assistance referred to a board request form. Emailed form to customer.-Niki

2.10.23--Emailed Hanover history.-Niki 2.13.23--Hanover sending \$2500.00-Niki
Hanover paid 2500.00 on 02-21-2023

5.25.23--Spoke with Jonathan at Bradley-Cleveland Community Services today. He said they hope to be able to pay the \$3800.00 on her bill but will have to get approval from the state and will send us a check as soon as possible. However, that could take up to 90 days. I emailed payment history and invoices showing total amount due as of today to jonathan@bccsagency.org -aw

6.5.23--Added line protection per online request.-Niki

6.26.23--Spoke with Jonathan at Bradley-Cleveland Community Services again today. He let me know they will not be able to help her with the bill due to income exceeding what the program allows for them to help -aw

7.17.23--per management, we are placing this balance on 24 pmts with the first due 8/5, the board made their decision months ago and the customer has not made any attempt to settle this--tracy

8.7.23--customer came through drive through and dropped in a \$50 check, also asked for a copy of her pmt arr--tracy

9.1.23--cust locked 8/31 & has not paid or called, Bradley went by this morning and she has people out working on her well. Remaining pmt installments put back on account since arr rejected by customer--tracy

CS notes:

On 2/2/23 Melanie called in regarding her water being off. She advised that she was unaware of a leak at her property. At the time Bradley did have a picture of her yard showing grass discoloration from the leak. I advised her of the picture we have, and she stated that was irrelevant, that she would have not known that was from a leak. I believe I told her we would research and get back to her.

2/7/23- A request came through from Melanie Lawson for more assistance due to this being an escalated issue I called her back. She was very upset during this phone call stating that water was a natural source from God, and we should not charge for water anyway. I did explain to Ms. Lawson that yes water is provided by God however clean water is provided from OUD. I tried to explain more to Ms. Lawson but she did not want to be rational about the situation. She just continued arguing about OUD charging for water. I offered her a board request form at that time and emailed it to her.

Another interaction Ms. Lawson came through the drive thru to pay her payment of \$50 towards the balance and was very irritated and verbally attacking to anyone who took her payment.

After this interaction the only other time I discussed anything with her was when she would call to see if we had received payments from different vendors who were assisting her still during these calls Ms. Lawson was very confrontational.

To Comptroller of TN:

My name is Melanie Lawson. I live in Bradley County in the city of Cleveland, TN. My water company is Ocoee Utilities. I am writing in response to a leak that I had at my home in December of 2022. The leak started in the cold snap we had the last week of December 2022, unbeknownst to me as the leak was underground and there was no visible evidence of the leak above ground, and I never lost pressure in my home. It continued to leak until February 2, 2023, when I was finally notified by voicemail from Ocoee Utilities stating that they would be shutting my water off at the main due to the leak. I immediately returned the phone call. I received a bill of \$5,596.08 in the month of February 2023. I would like to note that when someone signs up for service with Ocoee Utilities there are not any available check boxes to sign up for any type of insurance to help provide coverage to aid the citizens of Bradley / Polk County residents. However, I did have leak protection. I did not sign up for this insurance, but I was relieved that I was automatically signed up for it. The leak protection did cover \$2500.00, and I was also able to receive \$500.00 of aid through United Way. Also, there is an Impact Fund that Ocoee Utilities automatically signs their customers up for (without) the customer's knowledge or consent to which I have never received help from. I first inquired about the purpose of the Impact Fund when speaking to the Manager Tim Lawson and employees of Ocoee Utilities. They informed me that it is to assist customers that receive a high-water bill that is out of the ordinary. Appalled at the expensive water bill and not knowing what coverage I had for aid, I attended two different board meetings and one personal meeting to obtain resources that could help me. My county commissioner, Howard Thompson, attended the personal board meeting for support, to request assistance for the approximate \$3,338.00 that is still on my bill plus taxes and late fees. I also attended two county commission meetings for the purpose of inquiring why Ocoee Utilities does not have a program to notify their customers of a substantial leak before a large water bill of this magnitude is received. None of the employees with Ocoee Utilities or the board members of the commission could answer any of my questions. Ocoee Utilities did state that they are getting a leak notification system in 2024. While that is good news for the future, it currently is not helping me, or the other customers being impacted by similar situations.

I have multiple questions concerning my situation that have not been adequately answered by Ocoee Utilities or by county commission. The following are my questions that I am requesting a response, guidance, and a favorable solution.

How can Ocoee Utility Water District Company sign customers up for their services without allowing them to choose what coverages they would or would not want? Also, how can this company sign customers up for a program unknowingly?

- Leak protection
 - Serve line protection
 - Impact fund
1. Why am I and the other 8,100 customers paying for an Impact Fund that is initially charged automatically to our accounts, without our knowledge or consent? We are not being assisted by this fund when we are substantially impacted by a large bill. Is this not fraud?
 2. How can Ocoee Utilities charge a customer for a leak when the company does not have up-to-date equipment to detect a leak in a reasonable amount of time?

3. How can Ocoee Utilities set a customer up on a payment plan without the customer having knowledge of the plan being set up?

-They mailed me a payment plan signed by the manager. Is this legal?

5. Who regulates Ocoee Utilities district?

I would greatly appreciate assistance with the above questions mentioned. I am a single woman, and I am trying my best to work and pay my bills. I have never asked for help until this nightmare had occurred. I have worked two to three jobs before to provide the income needed. However, this is extremely stressful for my single income. I feel that even for a family with a higher income this would be a stressful and difficult situation to remedy without assistance. I am still appalled with how Ocoee Utilities has chosen to handle this situation.

Attached are copies of the following for you to review:

- A copy of my water service contract
- Payment arrangement paperwork
- My billing statements, after the leak.
 - Notice Ocoee Utilities charged my account \$1,082.50 even after they supposedly had a technician read my meter on January 26, 2023. My meter was not cut off until February 2, 2023. Ocoee Utilities should have cut my water off on January 26, 2023.
 - How can Ocoee Utilities charge my account after knowing a leak was present and not notifying me immediately?
- A data sheet from Ocoee Utilities that shows graphs concerning when my leak started, but never notified me or cut off my water at that point.
 - With all the technology we have today, why is Ocoee Utilities not current on the computer programs to notify their customers before a \$6,000.00 water bill occurs?
- A data sheet prior to the leak and during the leak.
- The difference of charges between Cleveland Utilities and Ocoee Utilities
 - Cleveland Utilities is another company here in Bradley County. Cleveland Utilities, however, DOES notify their customers when a leak is present.
- A service contract a customer would sign for service with the other utility company of Cleveland Utilities
 - (-Notice they have check boxes.)
- Letter from Ocoee Utilities stating that they only have the drive by digital system to read the meters. (But yet cannot notify their customers)
- Notification of Denial letter from Bradley/Cleveland Services because my income is above the poverty guidelines. (Note: Mr. Lawson of Ocoee Utilities said there was No cap on income).
 - Even though my income is higher than the poverty level, who in the middle and lower classes can afford a hefty water bill like this?

Thank you for your time!

Melanie Lawson

(Note: there is no relation to Mr. Lawson at the water company)

OCOE UTILITY DISTRICT WATER SERVICE CONTRACT

No 22149

I, Melanie Dawson hereinafter called "APPLICANT", requests the Ocoee Utility District, hereinafter called "DISTRICT", to furnish water service subject to the terms and conditions as hereinafter set forth:

The DISTRICT shall provide a complete water meter installation upon receipt of a non-refundable tapping fee of \$ 0.

2. The DISTRICT shall provide water service to the APPLICANT upon receipt of a non-refundable application fee of \$ 50.00, plus a refundable deposit of \$ 0.

3. Meter size 3/4 Agricultural Commercial Residential

4. The DISTRICT shall render a monthly statement for metered water which is due and payable upon receipt and becomes delinquent after the close of business on the due date. In the event that service is discontinued by the DISTRICT and the meter is disconnected for nonpayment of charges but later reconnected at the APPLICANT'S request and the DISTRICT'S option, the APPLICANT agrees to pay, prior to reconnection, all amounts due to the DISTRICT plus such reconnection fee and additional deposit as the DISTRICT shall determine.

5. The APPLICANT shall connect to the meter connection and install a service line from the meter to the place of actual use. This connection is restricted to one unit. NO OTHER CONNECTION OR UNIT WILL BE ADDED TO THIS SERVICE LINE WITHOUT THE DISTRICT'S WRITTEN PERMISSION. WATER SERVICE MAY BE PERMANENTLY TERMINATED IF ANY UNAUTHORIZED CONNECTIONS ARE FOUND.

6. The APPLICANT shall be responsible for the payment of all metered water until the DISTRICT receives a request from the APPLICANT for termination of service.

7. The APPLICANT agrees to pay the DISTRICT the minimum bill after water is available, whether the water is actually used or not.

8. The APPLICANT agrees to pay the DISTRICT in accordance with the DISTRICT'S rate schedule on file at the DISTRICT office.

9. The APPLICANT shall comply with the requirements of the Tennessee Department of Health that the APPLICANT'S existing, or any future, water supply lines from wells, springs, private supplies, etc., will in no way be interconnected to the DISTRICT'S lines. These lines will be completely separate from the DISTRICT'S lines at all times.

10. The APPLICANT shall install a shut-off valve and a pressure regulator on the APPLICANT'S service line immediately after the connection of the APPLICANT'S service line to the meter. The shut-off valve on the meter is to be operated by DISTRICT personnel only and is not to be operated by the APPLICANT.

11. It is unlawful for a person to in any way injure, remove, destroy or interfere with any DISTRICT lines or appurtenances. Tennessee Code 65-35-102.

The APPLICANT hereby agrees that the terms and conditions hereinafter set forth shall apply to this application and agrees to be bound by them.

06-15-20
Date
17-45180-2
Account Number

Melanie Dawson
Applicant's Signature
Risa Hughes
Ocoee Utility District

Name Melanie Dawson Telephone _____
Service Address 389 Castiel Rd Cleveland, TN DOB _____
Mailing Address Same

S.S. Number _____ Driver's License Number _____
Employer Mouse Creek Dental Telephone _____
Spouse NA Employer _____ Telephone _____
Relative _____ Relationship _____ Telephone _____
Owner Melanie Dawson Telephone _____

TERMS AND CONDITIONS

1. EQUIPMENT FURNISHED AND MAINTAINED BY APPLICANT. All water lines and other required appurtenances connecting the APPLICANT'S residence or business to the meter shall be furnished and maintained by the APPLICANT at all times in conformity with the requirements of the DISTRICT.
2. EQUIPMENT FURNISHED AND MAINTAINED BY THE DISTRICT. The DISTRICT shall furnish and maintain the meter assembly and a maximum of twenty-five (25) feet of service line between the DISTRICT main and the meter assembly. An APPLICANT requesting a meter installation at a distance greater than twenty-five (25) feet from the DISTRICT main shall obtain prior approval from the DISTRICT and shall pay all additional costs of the extension necessary to provide adequate water service. The APPLICANT shall obtain any easements that may be required for the extension. All lines and appurtenances involved in extending the line shall revert to DISTRICT ownership upon acceptance of the completed extension by the DISTRICT.
3. ACCESS TO PREMISES. Properly authorized agents of the DISTRICT shall, at all reasonable hours, have access to all properties served by the DISTRICT for the purpose of reading meters, maintaining and inspecting lines and connections (or materials or installations appearing to be connected) to the DISTRICT lines, and for observation, measurement, sampling and testing as provided by the policies of the DISTRICT and by the state and federal law.
4. RELEASE OF DISTRICT FROM LIABILITY. The DISTRICT shall not be liable for damages resulting to the APPLICANT or to third parties from the use of the water system or from any of the DISTRICT'S equipment, or the failure of or defects in same, utilized in the providing of water service unless due to willful fault or negligence on the part of the DISTRICT.
5. RIGHT OF CUT OFF. The DISTRICT has the right to discontinue water service to the APPLICANT and to remove the meter in case the APPLICANT fails to pay any amount coming due to the DISTRICT or fails to comply with any of the conditions or obligations hereof.
6. DAMAGES. The APPLICANT shall pay the cost for damage to lines, meter boxes, meters, etc., caused by grading, mowing, running over with vehicles, equipment, etc., unauthorized thawing of meters, or any other act that causes damage to the DISTRICT'S lines, connections, or appurtenances.
7. DEPOSIT. The DISTRICT shall have the right at any time to require the APPLICANT to make a deposit in advance to secure the prompt payment of bills. The deposit shall be held by the DISTRICT for payment on the account should service be terminated for any reason and the account remains unpaid.
8. UNITS. Unless excepted herein, the APPLICANT shall have a separate meter for each living unit, defined as: a) single dwelling, b) duplex (two meters), triplexes and multiplexes (three or more meters), c) condominium (one meter for each condominium), d) mobile home, e) mobile home park (one meter for each mobile home), f) apartment building (one meter for each apartment). Exceptions: hotels, motels, campgrounds, multiplexes and mobile home parks may be allowed to maintain multiple units on one property sized meter as determined by the DISTRICT. An APPLICANT allowed to receive water service through a single meter with more than one unit connected shall be charged one minimum bill per unit, plus the charge for all metered water above the minimum amount, in accordance with the DISTRICT'S rate schedule on file at the DISTRICT office.
9. COLLECTION FEES. The APPLICANT shall pay all expenses incurred in the collection of past due or unpaid sums, including court costs, attorney fees, and any other incidental expenses.
10. AGREEMENT SUBJECT TO STATE AND FEDERAL REGULATORY ACTS AND REGULATIONS. The APPLICANT understands that this agreement and the service to be provided hereunder are subject to any and all state and federal laws and regulations to the extent that said laws and regulations are applicable. If it is determined that any of the provisions contained herein are inconsistent with said laws or regulations, then such laws and regulations shall have precedence over the provisions herein which are inconsistent, but the remainder of this agreement shall remain in full effect.
11. DISTRICT POLICY. The APPLICANT understands and agrees that this agreement and the services provided hereunder are subject to the provisions as set forth by the policies of the DISTRICT and shall at all times be subject to such changes or modifications by the Board of Commissioners as said Board may, from time to time, direct in the exercise of its powers.

* There are No Check
Boxes on Coverages
or Insurance or
Impact fund?

7/21

Payment Arrangement Guidelines



PLEASE READ INITIAL EACH BOX AND SIGN THE BOTTOM OF THE FORM

- _____ There will be a \$10.00 one time set up fee for any account placed on payment arrangements.
- _____ The current bill is to be paid in addition to the payment arrangement. The account will be disconnected for non-payment if the current billing and the payment arrangement amount are not paid each month. Any failure to pay, including insufficient checks, will result in the forfeiture of the arrangements eligibility and the billing is immediately due and payable.
- _____ Only one payment arrangement will be approved per account in a 12 month period.
- _____ Billing amounts of less than \$150.00 are not eligible for payment arrangements.
- _____ Arrangements will not be made after a meter has been disconnected for non-payment.
- _____ Billings of \$150.00 to \$500.00 will be allowed three additional months to be paid in full. If the billing is over \$500.00, up to six months can be extended for payment.
- _____ A payment must be made on the account, and payment arrangements must be completed by the due date to avoid penalties.

24. pmts

137.27

SIGNATURE Per Mgmt. DATE 7/21/23

3338.00

ACCOUNT NUMBER 17-45180-2

ACCOUNT NAME Melanie Lawson

SERVICE ADDRESS 389 Casteel



OCOEE UTILITY DISTRICT

PO BOX 305

OCOEE, TN 37361

423-559-8505

OFFICE HOURS: 8:00 AM - 4:30 PM MONDAY - FRIDAY

www.ocoeeutility.com

ACCOUNT NUMBER		CUSTOMER NAME		SERVICE ADDRESS		
17-45180-002		Melanie Lawson		389 Casteel Rd		
SERVICE DESCRIPTION	METER #	READING DATES	PREVIOUS	PRESENT	USAGE	CHARGES
WATER	6673052	2/22/2022 1/26/2023	80900	680900	600000	4,670.75
IMPACT FUND						0.85
Leak Protection						2.00
State Tax						455.40

Bills not paid 10 days after the due date of each month are subject to disconnection without further notice. Failure to receive bill does not relieve a customer of payment or penalty. A disconnection fee plus current bill must be paid before service can be reinstated. Any reconnections done outside of normal business hours will incur an additional service charge. See ocoeeutility.com for current fee structure.

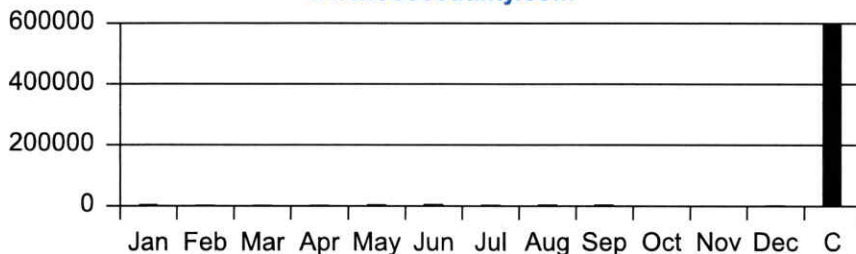
For your convenience, payment may be made by bank draft or at the following if paid on or before the due date of each month

First Volunteer Bank

First Bank of Tennessee

Visa, Mastercard, and Discover payments are accepted in our office, by phone, and the internet. A convenience fee of \$1.75 per payment will be charged for any payments made by phone or through the website.

www.ocoeeutility.com



Total Due On or Before: 2/20/2023 \$5,129.00

Add Penalty After Close of Business on Due Date:

\$467.08

Total Due After: 2/20/2023 \$5,596.08

The Ocoee Utility District Board of Commissioners meets the fourth Monday of each month, 1 :00 P.M., at the District Office, 5631 Waterlevel Highway, Cleveland, TN.

SIGN UP FOR BILL REMINDERS AT OCOEEUTILITY.COM. WE WILL SEND AN EMAIL OR TEXT TO REMIND YOU WHEN PAYMENTS ARE DUE!

PERIOD	GAL USED
Current	600000
Last Month	2100

PLEASE BRING ENTIRE BILL WHEN PAYING AT OUR OFFICE TO RECEIVE A RECEIPT

PLEASE DETACH AND RETURN BOTTOM PORTION WITH PAYMENT



OCOEE UTILITY DISTRICT

PO Box 305

Ocoee, TN 37361-0305

Return Service Requested



ACCOUNT NUMBER 17-45180-002

Total Due On or Before: 2/20/2023 \$5,129.00

Add Penalty After Close of Business on Due Date: \$467.08

Total Due After: 2/20/2023 \$5,596.08

Please write your account number on your check

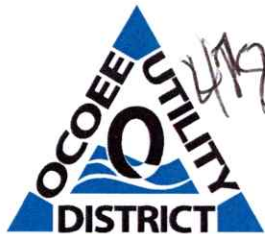
MELANIE LAWSON
389 CASTEEL RD SE
CLEVELAND, TN 37323



OCOEE UTILITY DISTRICT

PO Box 305

Ocoee, TN 37361-0305



OCOEE UTILITY DISTRICT

PO BOX 305

OCOEE, TN 37361

423-559-8505

OFFICE HOURS: 8:00 AM - 4:30 PM MONDAY - FRIDAY

www.ocoeeutility.com

58

Tue 9-12 5-7

ACCOUNT NUMBER		CUSTOMER NAME		SERVICE ADDRESS		
17-45180-002		Melanie Lawson		389 Casteel Rd		
SERVICE DESCRIPTION	METER #	READING DATES	PREVIOUS	PRESENT	USAGE	CHARGES
Balance Forward	6673052	1/26/2023 2/24/2023	680900	817900	137000	2,586.00
WATER						1,082.50
IMPACT FUND						0.96
Leak Protection						2.00
State Tax						105.54

Bills not paid 10 days after the due date of each month are subject to disconnection without further notice. Failure to receive bill does not relieve a customer of payment or penalty. A disconnection fee plus current bill must be paid before service can be reinstated. Any reconnections done outside of normal business hours will incur an additional service charge. See ocoeeutility.com for current fee structure.

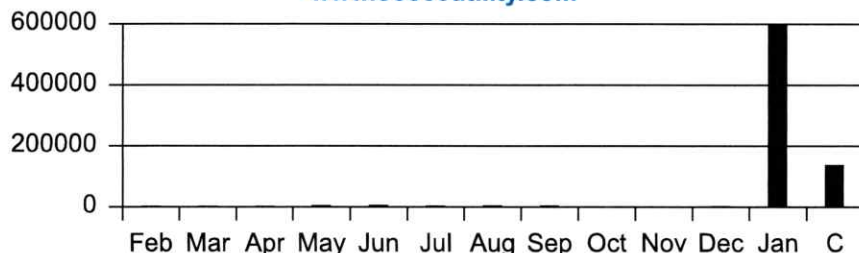
For your convenience, payment may be made by bank draft or at the following if paid on or before the due date of each month

First Volunteer Bank

First Bank of Tennessee

Visa, Mastercard, and Discover payments are accepted in our office, by phone, and the internet. A convenience fee of \$1.75 per payment will be charged for any payments made by phone or through the website.

www.ocoeeutility.com



Total Due On or Before: 3/20/2023 \$3,777.00

Add Penalty After Close of Business on Due Date: \$108.25

Total Due After: 3/20/2023 **\$3,885.25**

The Ocoee Utility District Board of Commissioners meets the fourth Monday of each month, 1 :00 P.M., at the District Office, 5631 Waterlevel Highway, Cleveland, TN.

SIGN UP FOR BILL REMINDERS AT OCOEEUTILITY.COM. WE WILL SEND AN EMAIL OR TEXT TO REMIND YOU WHEN PAYMENTS ARE DUE!

PERIOD	GAL USED
Current	137000
Last Month	600000

PLEASE BRING ENTIRE BILL WHEN PAYING AT OUR OFFICE TO RECEIVE A RECEIPT

PLEASE DETACH AND RETURN BOTTOM PORTION WITH PAYMENT



OCOEE UTILITY DISTRICT

PO Box 305

Ocoee, TN 37361-0305

Return Service Requested



ACCOUNT NUMBER 17-45180-002

Total Due On or Before: 3/20/2023 \$3,777.00

Add Penalty After Close of Business on Due Date: \$108.25

Total Due After: 3/20/2023 \$3,885.25

Please write your account number on your check

MELANIE LAWSON
389 CASTEEL RD SE
CLEVELAND, TN 37323



OCOEE UTILITY DISTRICT

PO Box 305

Ocoee, TN 37361-0305

OCOEE UTILITY DISTRICT

March 10, 2023

Melanie Lawson
389 Casteel Road
Cleveland, TN 37323

Re: Water Usage Data Log 12/24/22 - 02/02/2023

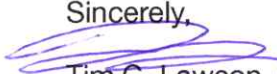
Dear Ms. Lawson,

Please find attached several pages from the data log performed on your meter during the time of the leak on the service. The data log illustrates hourly usage represented by the columns in the graph. I have only sent a selection of the pages included in the report as there are 102 total pages to get the hourly graphs. If you'd like the rest of the report we can get it to you, although the pages in between the beginning and end of the leak are all almost all identical.

The leak begins during the frigid spell on Christmas weekend and ends when our meter reader found the leak on 02/02/2023. The data log illustrates the rate of flow on the leak for the time it began to the time it was discovered, which was pretty significant. The leak ran much of the duration at a rate peaking at over thirteen gallons per minute, which the pictures taken of your front yard indicate a significant leak when our meter reader turned the water off at the meter.

Just wanted to get these to you as a bit of information regarding the leak and at the level of flow that it ran. I realize that this is not a pleasant situation for you but since we do have the capacity to data log the usage in these situations wanted to get the pertinent information from the data log to you. This is just informational and not intended as an indication of the final decision of the Board of Commissioners.

Sincerely,



Tim C. Lawson, General Manager
Ocoee Utility District

Attach: Data Log

Run Date: 02/23/23 02:54 PM

Data Log

Page No: 74 of 102

Meter EID: 6673052

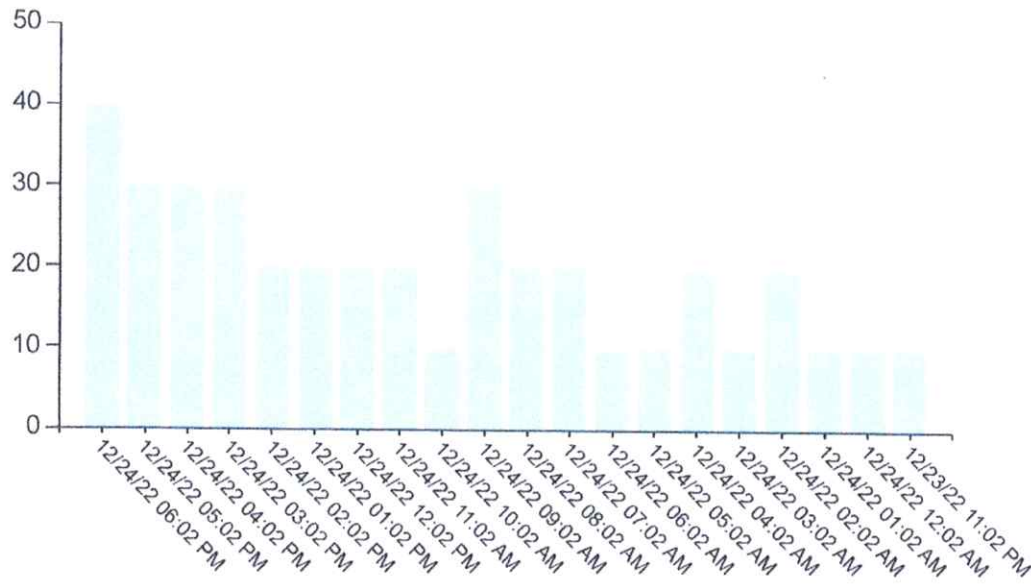
Lawson, Melanie

Report Period: 12/1/2022-2/23/2023

Total Consumption: 738550.00

389 Casteel Rd

Reading Period: 1 Hours



prior to leak

ReadNbr	Date/Time	Reading	Consumption	Billed Reading	Error
1461	12/24/22 06:02 PM	81760	40	8176	
1462	12/24/22 05:02 PM	81720	30	8172	
1463	12/24/22 04:02 PM	81690	30	8169	
1464	12/24/22 03:02 PM	81660	30	8166	
1465	12/24/22 02:02 PM	81630	20	8163	
1466	12/24/22 01:02 PM	81610	20	8161	
1467	12/24/22 12:02 PM	81590	20	8159	
1468	12/24/22 11:02 AM	81570	20	8157	
1469	12/24/22 10:02 AM	81550	10	8155	
1470	12/24/22 09:02 AM	81540	30	8154	
1471	12/24/22 08:02 AM	81510	20	8151	
1472	12/24/22 07:02 AM	81490	20	8149	
1473	12/24/22 06:02 AM	81470	10	8147	
1474	12/24/22 05:02 AM	81460	10	8146	
1475	12/24/22 04:02 AM	81450	20	8145	
1476	12/24/22 03:02 AM	81430	10	8143	
1477	12/24/22 02:02 AM	81420	20	8142	
1478	12/24/22 01:02 AM	81400	10	8140	
1479	12/24/22 12:02 AM	81390	10	8139	
1480	12/23/22 11:02 PM	81380	10	8138	

Run Date: 02/23/23 02:54 PM

Data Log

Page No: 73 of 102

Meter EID: 6673052

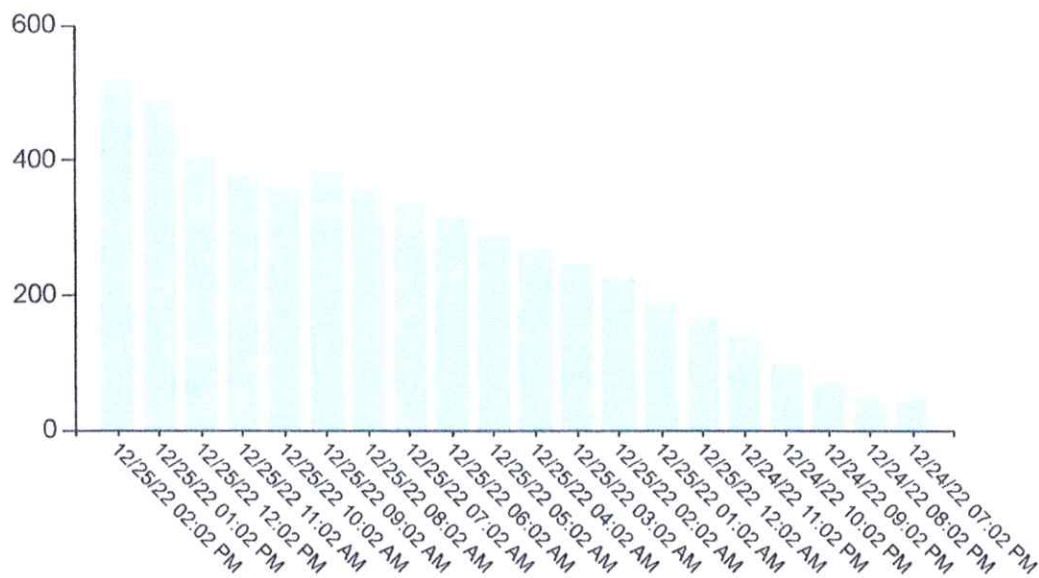
Lawson, Melanie

Report Period: 12/1/2022-2/23/2023

Total Consumption: 738550.00

389 Casteel Rd

Reading Period: 1 Hours



ReadNbr	Date/Time	Reading	Consumption	Billed Reading	Error
1441	12/25/22 02:02 PM	87140	520	8714	
1442	12/25/22 01:02 PM	86620	490	8662	
1443	12/25/22 12:02 PM	86130	410	8613	
1444	12/25/22 11:02 AM	85720	380	8572	
1445	12/25/22 10:02 AM	85340	360	8534	
1446	12/25/22 09:02 AM	84980	390	8498	
1447	12/25/22 08:02 AM	84590	360	8459	
1448	12/25/22 07:02 AM	84230	340	8423	
1449	12/25/22 06:02 AM	83890	320	8389	
1450	12/25/22 05:02 AM	83570	290	8357	
1451	12/25/22 04:02 AM	83280	270	8328	
1452	12/25/22 03:02 AM	83010	250	8301	
1453	12/25/22 02:02 AM	82760	230	8276	
1454	12/25/22 01:02 AM	82530	190	8253	
1455	12/25/22 12:02 AM	82340	170	8234	
1456	12/24/22 11:02 PM	82170	140	8217	
1457	12/24/22 10:02 PM	82030	100	8203	
1458	12/24/22 09:02 PM	81930	70	8193	
1459	12/24/22 08:02 PM	81860	50	8186	
1460	12/24/22 07:02 PM	81810	50	8181	

Run Date: 02/23/23 02:54 PM

Data Log

Page No: 72 of 102

Meter EID: 6673052

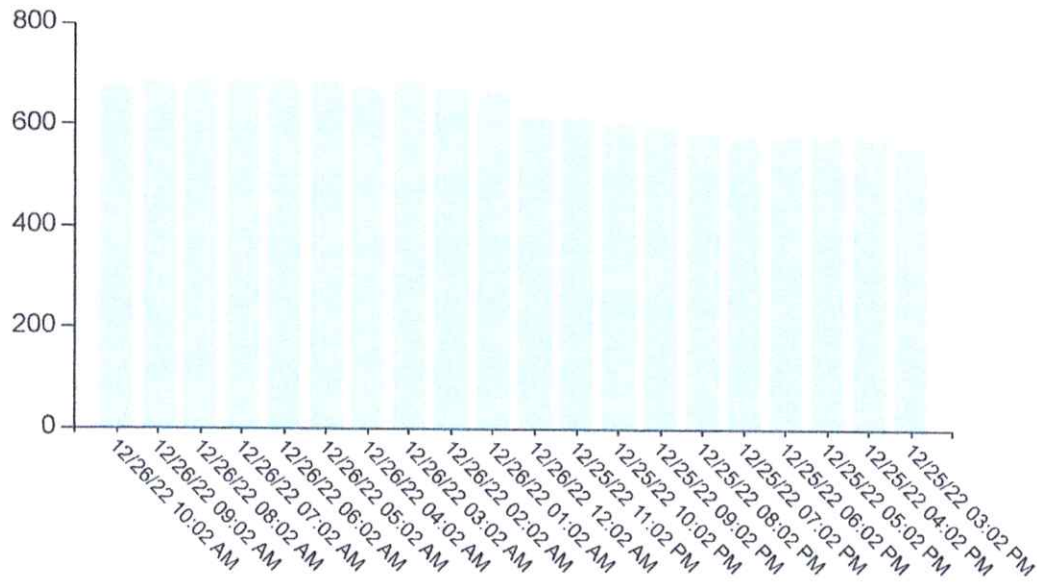
Lawson, Melanie

Report Period: 12/1/2022-2/23/2023

Total Consumption: 738550.00

389 Casteel Rd

Reading Period: 1 Hours



ReadNbr	Date/Time	Reading	Consumption	Billed Reading	Error
1421	12/26/22 10:02 AM	99910	680	9991	
1422	12/26/22 09:02 AM	99230	690	9923	
1423	12/26/22 08:02 AM	98540	690	9854	
1424	12/26/22 07:02 AM	97850	690	9785	
1425	12/26/22 06:02 AM	97160	690	9716	
1426	12/26/22 05:02 AM	96470	690	9647	
1427	12/26/22 04:02 AM	95780	680	9578	
1428	12/26/22 03:02 AM	95100	690	9510	
1429	12/26/22 02:02 AM	94410	680	9441	
1430	12/26/22 01:02 AM	93730	670	9373	
1431	12/26/22 12:02 AM	93060	620	9306	
1432	12/25/22 11:02 PM	92440	620	9244	
1433	12/25/22 10:02 PM	91820	610	9182	
1434	12/25/22 09:02 PM	91210	600	9121	
1435	12/25/22 08:02 PM	90610	590	9061	
1436	12/25/22 07:02 PM	90020	580	9002	
1437	12/25/22 06:02 PM	89440	580	8944	
1438	12/25/22 05:02 PM	88860	580	8886	
1439	12/25/22 04:02 PM	88280	580	8828	
1440	12/25/22 03:02 PM	87700	560	8770	

Run Date: 02/23/23 02:54 PM

Data Log

Page No: 71 of 102

Meter EID: 6673052

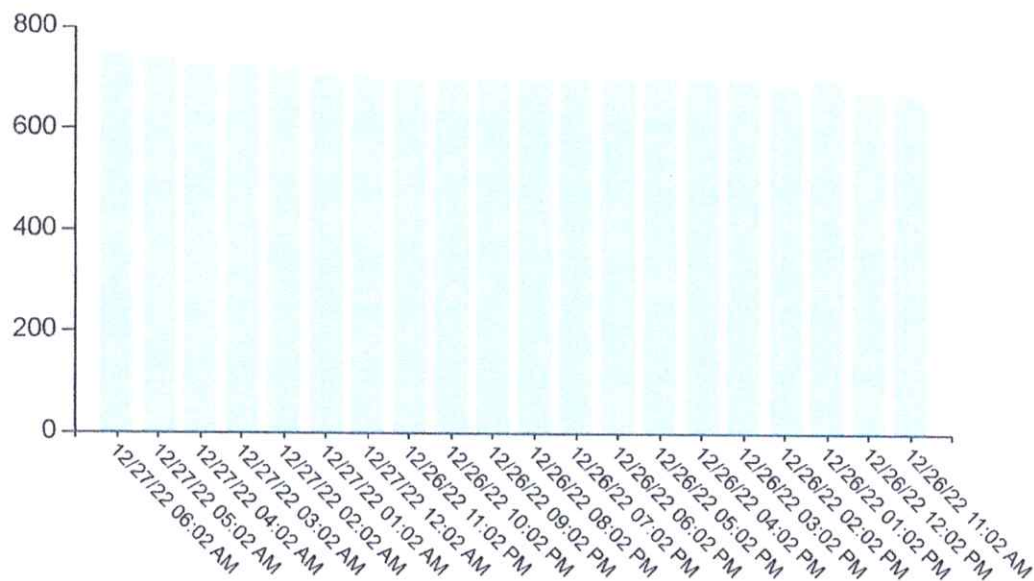
Lawson, Melanie

Report Period: 12/1/2022-2/23/2023

Total Consumption: 738550.00

389 Casteel Rd

Reading Period: 1 Hours



ReadNbr	Date/Time	Reading	Consumption	Billed Reading	Error
1401	12/27/22 06:02 AM	114050	750	11405	
1402	12/27/22 05:02 AM	113300	740	11330	
1403	12/27/22 04:02 AM	112560	730	11256	
1404	12/27/22 03:02 AM	111830	730	11183	
1405	12/27/22 02:02 AM	111100	720	11110	
1406	12/27/22 01:02 AM	110380	710	11038	
1407	12/27/22 12:02 AM	109670	710	10967	
1408	12/26/22 11:02 PM	108960	700	10896	
1409	12/26/22 10:02 PM	108260	700	10826	
1410	12/26/22 09:02 PM	107560	700	10756	
1411	12/26/22 08:02 PM	106860	700	10686	
1412	12/26/22 07:02 PM	106160	700	10616	
1413	12/26/22 06:02 PM	105460	700	10546	
1414	12/26/22 05:02 PM	104760	700	10476	
1415	12/26/22 04:02 PM	104060	700	10406	
1416	12/26/22 03:02 PM	103360	700	10336	
1417	12/26/22 02:02 PM	102660	690	10266	
1418	12/26/22 01:02 PM	101970	700	10197	
1419	12/26/22 12:02 PM	101270	680	10127	
1420	12/26/22 11:02 AM	100590	680	10059	

Run Date: 02/23/23 02:54 PM

Data Log

Page No: 26 of 102

Meter EID: 6673052

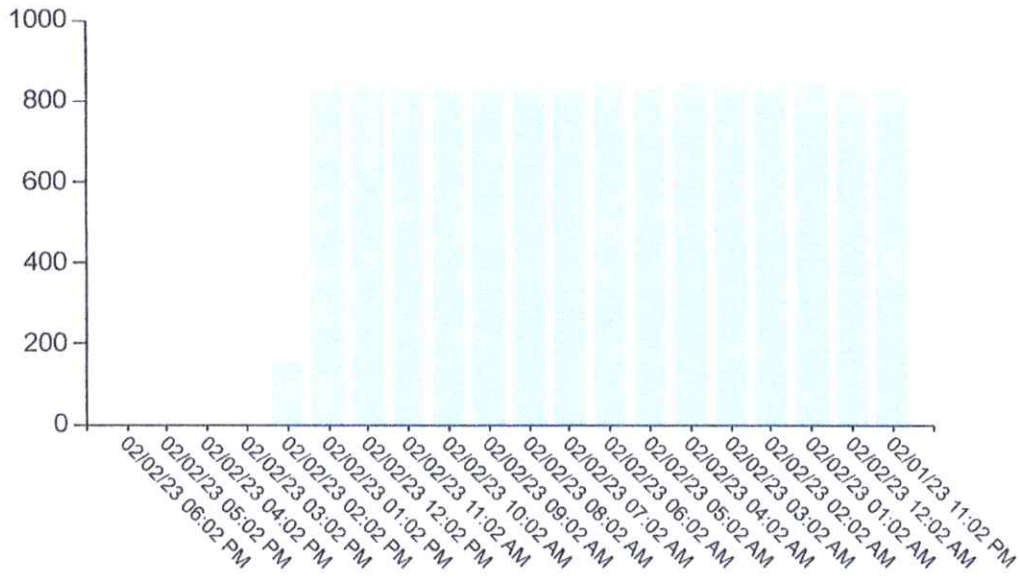
Lawson, Melanie

Report Period: 12/1/2022-2/23/2023

Total Consumption: 738550.00

389 Casteel Rd

Reading Period: 1 Hours



ReadNbr	Date/Time	Reading	Consumption	Billed Reading	Error
501	02/02/23 06:02 PM	816460	0	81646	
502	02/02/23 05:02 PM	816460	0	81646	
503	02/02/23 04:02 PM	816460	0	81646	
504	02/02/23 03:02 PM	816460	0	81646	
505	02/02/23 02:02 PM	816460	160	81646	
506	02/02/23 01:02 PM	816300	840	81630	
507	02/02/23 12:02 PM	815460	840	81546	
508	02/02/23 11:02 AM	814620	840	81462	
509	02/02/23 10:02 AM	813780	840	81378	
510	02/02/23 09:02 AM	812940	840	81294	
511	02/02/23 08:02 AM	812100	840	81210	
512	02/02/23 07:02 AM	811260	840	81126	
513	02/02/23 06:02 AM	810420	850	81042	
514	02/02/23 05:02 AM	809570	840	80957	
515	02/02/23 04:02 AM	808730	850	80873	
516	02/02/23 03:02 AM	807880	840	80788	
517	02/02/23 02:02 AM	807040	840	80704	
518	02/02/23 01:02 AM	806200	850	80620	
519	02/02/23 12:02 AM	805350	830	80535	
520	02/01/23 11:02 PM	804520	840	80452	

**CLEVELAND UTILITIES - WATER DIVISION
WATER & WASTEWATER RATES FOR CUSTOMERS
WITH SEWER DEDUCT METERS**

July 1, 2022

(Minimum Bill will apply based on meter size)

SMALL COMMERCIAL METERS LESS THAN 3"

← Cleveland Utilities

Water Rate (All Classes Below)

Customer Charge
First 15,000 cu. ft.
Next 85,000 cu. ft.
Additional

Inside City
\$ 17.20
\$3.12 /100 cu. ft.
\$2.58 /100 cu. ft.
\$1.87 /100 cu. ft.

Outside City
\$ 25.63
\$4.89 /100 cu. ft.
\$4.05 /100 cu. ft.
\$3.03 /100 cu. ft.

Wastewater Rate (Class 341 and 351)

Customer Charge
First 100,000 cu. ft.
Additional

Inside City
\$ 80.22
\$4.62 /100 cu. ft.
\$3.88 /100 cu. ft.

Outside City
\$ 84.15
\$6.97 /100 cu. ft.
\$5.81 /100 cu. ft.

Wastewater Rate (Class 342 and 352)

Customer Charge
First 100,000 cu. ft.
Additional

\$ 95.22
\$4.62 /100 cu. ft.
\$3.88 /100 cu. ft.

\$ 99.15
\$6.97 /100 cu. ft.
\$5.81 /100 cu. ft.

OCOEE UTILITY DISTRICT

SCHEDULE OF RATES AND CHARGES

EFFECTIVE 01/01/23

A. Water Usage Rates

Minimum Bill (residential meter) \$20.75
Usage: \$7.75 / 1,000

\$2.86 difference ?

Minimum Bill 1" Meter: \$63.00 (includes 1,000 gallons)

Minimum Bill 2" Meter: \$198.00 (includes 10,000 gallons)

Minimum Bill 4" Meter: \$406.00 (includes 30,000 gallons)

Large meters are billed the same per thousand usage rates as residential meters.

B. Tap Fees/Usage Fees

Standard Meter: \$1350.00
1" Meter: \$2450.00*
2" Meter: \$3700.00*
4" or Larger: Cost Plus 15%*

Exceptions (standard size meter):

Forest Service: \$2000.00
Helmhurst Lane: \$2995.00
Hildabrand Farms: \$2000.00
Ocoee Mt. Club: \$2000.00
River Pointe: \$2750.00
2020 Old McClure Project: \$2000.00
HWY 64 Ocoee River Auction** \$7500.00

*Taps subject to management approval

** As per Ocoee River Auction

Pricing is set By Board

Ocoee Utilities

Page 5 of 9 - Other Services

56%

Step 6: Other Services

NOTICE

Cleveland Utilities operates two opt-out programs: Project Round-Up and Cleveland Utilities' \$1 Water Loss Program. Both programs operate as a separated line item of the monthly utility bill that all Cleveland Utilities' customers receive. These programs operate independently of each other, and neither are a condition for utility services. Customers are eligible to opt out of either or both programs at any time. It is the customer's obligation to inform Cleveland Utilities either in writing or by phone at 423-472-4521, for those who decide to opt out of either or both programs. In addition, customers who opt out of said programs do so with the understanding that opting out of the programs removes said customer from any and/or all benefits associated with being part of either program. Furthermore, both programs operate under Tennessee State law and are in accordance with Cleveland Utilities' Rules and Regulations and the City of Cleveland's City Ordinances. For additional information related to either program, please visit clevelandutilities.com.

☒ I agree.☒ Project Help - Donate \$1 per month to The Caring Place.☐ Opt In☒ Project Round-Up ([Click here for information about the program](#))☐ Opt Out☒ Water Loss Program ([Click here for information about the program](#))☐ Opt Out \$1 Program (Customer will be responsible for all water leak usage billed)☐ Opt In \$10[Continue](#)[Previous](#)

** Ocall Utilities Does not have a check box if you want any kind of Ins. program*

OCOEE UTILITY DISTRICT

February 15, 2023

Melanie Lawson
389 Casteel Road
Cleveland, TN 37323

Re: Ocoee Utility District February Board Meeting Date Change

Dear. Mrs. Lawson,

The Ocoee Utility District Board of Commissioners meeting for February is being moved to Thursday, February 23rd at 1:00 pm from the original date of February 27th. The change is due to scheduling conflicts with Board members. If you would like to attend the meeting please feel free to do so.

I would also like to let you know about what we are currently working on in regards to your request to ask about potential ways to have a way to detect customer leaks earlier that we can at this time. Currently, we use a radio read/drive by system that has a computer read the meter from the vehicle which can detect leaks and loads some other usage data, but only once per month as our meter reader does the "drive by" and uploads the information. So, with the current system real time or near real time data exchanges are not possible. So our meter reader upon reading meters along the route in your area was notified of the leak and in turn notified you as the customer.

The next step is a fixed base or AMI system that uses cellular or similar communication methods to poll the meters in the system typically every twenty four hours. These systems allow for much quicker review of leak conditions at each service, and many offer an app that will allow the customer to directly view information and even set up alerts for various conditions, including leaks.

The District has been piloting three of these systems for about a year, and have moved beyond the pilot and begun the installation/implementation of a fixed based system. Prior to the pilot program, we'd spent a few years delving into the possibility of an AMI switch as the technology and pricing have gotten better. The meter that serves your home has this capacity once the infrastructure to convert it to the new system is in place. Your area will be one of the first to be online for the system, but we have about another thousand meters to install prior to that being a feasible start up. The anticipated cost of this projected is budgeted at near five million dollars. In addition, the meter industry has struggled with supply chain issues due to the events over the past few years and will continue to see supply struggle to keep up with demand.

They don't have a system let to someone know they have a leak

Again, you are more than welcome to join us and express your thoughts and the need for such a system with the Board. I do wish that we had already been able to implement the AMI technology to help soften the blow of such a large leak. But I did want you to know that we'd been working on this technology, and that there is a lot of consideration that goes into such a decision, plus working through how to pay for it. Such systems are in use for about 5% of water customers nationwide, so we'd still be fairly early on implementation of our system in the next year or so.

Sincerely,



Tim C. Lawson, General Manager
Ocoee Utility District

Notification of Denial

BRADLEY/CLEVELAND CSA

Melanie Lawson
389 Casteel Road SE
Cleveland, TN 37323

Melanie Lawson

June 08, 2023

We regret to inform you that your application for assistance under the Low Income Home Energy Assistance Program cannot be approved for the following reason(s):

- ☒ Your application exceeds the poverty guidelines.
- ☐ Inactive Account.
- ☐ There were not sufficient program funds available to serve you this year.
- ☐ Other:
- ☐ Refusal to provide appropriate SSN docs.

You have the right to appeal this decision. Please contact the person listed below to obtain the proper complaint form if you wish to appeal:

BRADLEY/CLEVELAND CSA
155 Sixth St. SE
PO Box 3297
Cleveland, TN 37320

Sincerely,

(Agency Representative)

June 08, 2023

06 - Bradley County



JASON E. MUMPOWER
Comptroller

Mason Complaint

Tennessee Board of Utility Regulation

Complainant: Patricia Powers

Utility System: Mason Water and Gas

Date Brought Before Local Utility Board: 4/15/2024

Date Submitted to TBOUR Staff: 4/18/2024

Jurisdiction: The justness and reasonableness of a utility system's rates, fees, or charges.

Summary of Complaint: I am being charged over \$700 for a water bill for one month, I do not have any leaks but, I am still asked to pay bill.

Summary of Board's Decision: The board was trying to come to a solution and cut the cost but, the mayor was caught in a lie started yelling and just refused any solution.

Remedy Being Sought: I asked for help and the board tried but, the mayor do not want to hear it.

Lureatha Harris

From: Seth May <Seth.May@cot.tn.gov>
Sent: Wednesday, May 15, 2024 2:39 PM
To: ppowers96@yahoo.com; Lureatha Harris
Cc: Utilities@cot.tn.gov; Nate Fontenot
Subject: Regarding Inquiry 002551 to the Tennessee Board of Utility Regulation
Attachments: Patricia Powers_Complaint_4.18.24.pdf

All,

Ms. Powers contacted our office regarding a bill she received which was higher than her normal bill. It is my understanding that the benefit of Mason's leak adjustment policy was given to Ms. Powers. We are referring this matter to the Tennessee Board of Utility Regulation for an informal hearing. Mason's leak adjustment policy does not set out the formula showing the leak adjustment is calculated.

The next Board meeting is on July 18, 2024, beginning at 10am, in Nashville, Tennessee. You can submit any further documentation you would like to present to the Board. We will provide more details closer to the meeting date.

Ms. Powers's complaint is attached for Mason's review, so they may prepare accordingly. If the parties can resolve the issue between themselves we can remove the hearing from the meeting agenda, just let us know.

Best,
 Seth

J. Seth May

Assistant General Counsel

Comptroller of the Treasury

Office of General Counsel

Cordell Hull Building 425 Rep. John Lewis Way North | Nashville, TN 37243-3400

seth.may@cot.tn.gov | Direct Line 615.747.5207 | Fax 615.253.4847



Mission: Make Government Work Better

Tennessee Board of Utility Regulation

Complainant: Patricia Powers

Utility System: Mason Water and Gas

Date Brought Before Local Utility Board: 4/15/2024

Date Submitted to TBOUR Staff: 4/18/2024

Jurisdiction: The justness and reasonableness of a utility system's rates, fees, or charges.

Summary of Complaint: I am being charged over \$700 for a water bill for one month, I do not have any leaks but, I am still asked to pay bill.

Summary of Board's Decision: The board was trying to come to a solution and cut the cost but, the mayor was caught in a lie started yelling and just refused any solution.

Remedy Being Sought: I asked for help and the board tried but, the mayor do not want to hear it.

ORDINANCE NUMBER 04222024-03**AN ORDINANCE TO ESTABLISH A WATER LEAK POLICY FOR THE TOWN OF MASON.**

Whereas, the Board of Mayor and Aldermen have determined that the Town should have a policy, on customer water leaks to grant some relief to customers who have water leaks.

**THEREFORE, BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE TOWN
OF MASON.**

It is an accepted practice and policy of the Town of Mason that customers are responsible for maintaining that portion of the structure's plumbing owned by the customer, which begins at, and includes the connection point on the customer's side of the water meter. The Town will help in determining if a leak is present, if requested by the customer. The Town will make a reasonable attempt to provide notification of a potential leak. Failure to notify the customer shall not relieve the customer of its obligation to promptly make needed repairs, and payment in accordance with the billing adjustment policy.

WATER SERVICE BILLING AND ADJUSTMENTS**SECTION 1.**

A request for an adjustment shall be made in writing on the Town's leak adjustment request form and supported by proof of receipt signed by the contractor/plumber. No adjustment will be allowed until proof is provided that the leak has been repaired.

SECTION 2.

The Administrative Department of the Town of Mason will adjust customer, water/wastewater billing for leaks provided the increase in consumption is a minimum of 75 percent more than the normal consumption. (Normal consumption is the average of the last three months' usage).

SECTION 3.

Adjustment for customer water line and plumbing fixture leaks will be limited to one month's bill, per incident and one time per twelve-month period. No water billing adjustments will be allowed for faucets, hoses, or other outlets left running, including unattended irrigation usage, filling swimming pools or non-metered swimming pool. Adjustments will be made at the customers request and the water/wastewater bill will be adjusted accordingly.

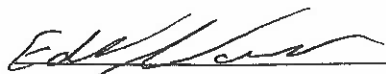
SECTION 4.

Any leaks due to water meter malfunctions will be adjusted by the Administrative Department automatically when discovered at no cost to the customer.

SECTION 5. This ordinance shall take effect upon final reading, of Board of Mayor and Aldermen

First Reading 4-4-, 2024

Second Reading 4-22-, 2024



Mayor

Attest:



Recorder

Town of Mason Customer History Report

Service Type All
 AR Code All
 Beginning Date All
 Ending Date All

Use Reading Factor ☒
 Start Balance With Zero ☐
 Print Breakdown By ☒ Transaction ☐ Service ☐ Taxes ☐ Totals Only
 Usage Service None

Print Transaction in Descending Order ☐

History For Account 0003-00750-002 Powers, Patricia

Trn Date	Void	Post By	Code	Description	Check #	Amount	Unapplied	Balance
08/28/23		April	WCF	Water Connection F		(\$50.00)	\$0.00	(\$50.00)
08/28/23		April	WCF	Water Connection F		\$50.00	\$0.00	\$0.00
08/31/23		April	CHK	CHECK PAYMENT		(\$189.06)	(\$189.06)	(\$189.06)
09/22/23		Shanika	MOV	MOVE PAYMENT	move from :	(\$185.72)	(\$185.72)	(\$374.78)
10/11/23		Shanika	WAT	Water Billing		\$32.14	\$0.00	(\$342.64)
10/11/23		Shanika	OVP	Apply Unapplied Ca:		\$0.00	\$32.14	(\$342.64)
11/08/23		Shanika	WAT	Water Billing		\$42.44	\$0.00	(\$300.20)
11/08/23		Shanika	OVP	Apply Unapplied Ca:		\$0.00	\$42.44	(\$300.20)
11/08/23		Shanika	OVP	Apply Unapplied Ca:		\$32.14	\$0.00	(\$268.06)
12/14/23		Shanika	WAT	Water Billing		\$0.00	\$32.14	(\$268.06)
12/14/23		Shanika	OVP	Apply Unapplied Ca:		\$76.79	\$0.00	(\$191.27)
01/09/24		Shanika	WAT	Water Billing		\$0.00	\$76.79	(\$191.27)
01/09/24		Shanika	OVP	Apply Unapplied Ca:		\$62.20	\$0.00	(\$129.07)
02/16/24		Shanika	WAT	Water Billing		\$0.00	\$62.20	(\$129.07)
02/16/24		Shanika	OVP	Apply Unapplied Ca:		\$808.41	\$0.00	\$679.34
03/12/24		April	WAT	Water Billing		\$0.00	\$129.07	\$679.34
03/12/24		April	OVP	Apply Unapplied Ca:		\$61.09	\$0.00	\$740.43
03/26/24		April	PNB	Penalty Billing		\$50.00	\$0.00	\$790.43
04/09/24		Vernetia	PNB	Penalty Billing		\$32.14	\$0.00	\$822.57
04/16/24		Vernetia	WAT	Water Billing		(\$40.00)	\$0.00	\$782.57
04/18/24		April	CSH	CASH PAYMENT		(\$40.00)	\$0.00	\$742.57
04/22/24		April	CSH	CASH PAYMENT		(\$50.00)	(\$50.00)	\$692.57
04/26/24		Vernetia	PNJ	Penalty Adjustment		(\$257.89)	(\$257.89)	\$434.68
04/26/24		Vernetia	WAJ	WATER ADJUSTME		(\$434.68)	\$0.00	\$0.00
05/06/24		April	CHK	CHECK PAYMENT	1102	(\$307.89)	(\$307.89)	(\$307.89)
05/06/24		Vernetia	WAJ	WATER ADJUSTME		\$307.89	\$615.78	\$0.00
05/06/24		Vernetia	BLE	Billing Error		\$32.14	\$0.00	\$32.14
05/16/24		Vernetia	WAT	Water Billing		\$32.14	\$0.00	\$32.14
Total For Selection						\$32.14	\$0.00	\$32.14
Ending Balance						\$32.14	\$0.00	\$32.14

*Reconnect
Penalty was adjusted*

- System error on bill

The bill has been paid in full by the Customer.

Town of Mason

Customer History Report

Service Type ☐ All
 R Code ☐ All
 Beginning Date ☐ All
 Ending Date ☐ All

Use Reading Factor ☒
 Start Balance With Zero ☐
 Print Breakdown By ☒ Transaction ☐ Service ☐ Taxes ☐ Totals Only
 Usage Service None

Print Transaction in Descending Order ☐

History For Account 0003-00750-002 Powers, Patricia

Trn Date	Void	Post By	Code	Description	Check #	Amount	Unapplied	Balance
08/28/23		April	WCF	Water Connection F.		(\$50.00)	\$0.00	(\$50.00)
08/28/23		April	WCF	Water Connection F.		\$50.00	\$0.00	\$0.00
08/31/23		April	CHK	CHECK PAYMENT		(\$189.06)	(\$189.06)	(\$189.06)
09/22/23		Shanika	MOV	MOVE PAYMENT	move from :	(\$185.72)	(\$185.72)	(\$374.78)
10/11/23		Shanika	WAT	Water Billing		\$32.14	\$0.00	(\$342.64)
10/11/23		Shanika	OVP	Apply Unapplied Ca:		\$0.00	\$32.14	(\$342.64)
11/08/23		Shanika	WAT	Water Billing		\$42.44	\$0.00	(\$300.20)
11/08/23		Shanika	OVP	Apply Unapplied Ca:		\$0.00	\$42.44	(\$300.20)
12/14/23		Shanika	WAT	Water Billing		\$32.14	\$0.00	(\$268.06)
12/14/23		Shanika	OVP	Apply Unapplied Ca:		\$0.00	\$32.14	(\$268.06)
01/09/24		Shanika	WAT	Water Billing		\$76.79	\$0.00	(\$191.27)
01/09/24		Shanika	OVP	Apply Unapplied Ca:		\$0.00	\$76.79	(\$191.27)
02/16/24		Shanika	WAT	Water Billing		\$62.20	\$0.00	(\$129.07)
02/16/24		Shanika	OVP	Apply Unapplied Ca:		\$0.00	\$62.20	(\$129.07)
03/12/24		April	WAT	Water Billing		\$808.41	\$0.00	\$679.34
03/12/24		April	OVP	Apply Unapplied Ca:		\$0.00	\$129.07	\$679.34
03/26/24		April	PNB	Penalty Billing		\$61.09	\$0.00	\$740.43
04/09/24		Vernetia	PNB	Penalty Billing		\$50.00	\$0.00	\$790.43
04/16/24		Vernetia	WAT	Water Billing		\$32.14	\$0.00	\$822.57
Total For Selection						\$822.57	\$0.00	\$822.57
Ending Balance						\$822.57	\$0.00	\$822.57



JASON E. MUMPOWER
Comptroller

Huntingdon Complaint

Tennessee Board of Utility Regulation

Complainant: Allison Williams

Utility System: City of Huntingdon Public Works

Date Brought Before Local Utility Board: 23-Apr-24

Date Submitted to TBOUR Staff: 3-May-24

Jurisdiction: The justness and reasonableness of a utility system's rates, fees, or charges.

Summary of Complaint: We received a 601.00 water bill. There was no call or note left that we might have a leak. Other citizens have received bills i.e. \$800, \$1,000, \$2,300 - Many complaints. They pick and choose whose bill to adjust... and it often seems to not be adjusted to code .. just a better offer to the citizen. They have an ordinance in Title 18 section 15 Chapter 2 to cover this and they always go back to TN state law where it says they can adjust like this up to 36 months. They have said to me the meters haven't been read in one year. I haven't seen a reader at my house in over 2 years.. I'm outside a lot with my children the time of readings. I made a phone call when I received my bill, where I was directed to voice-mail. Never returned. I then went to City Hall to discuss my bill. I spoke with water supervisor and City Recorder. No resolution except I could pay half that day and half next month. The capability to pay wasn't the issue. The problem is that meters weren't read for years and then when they had enough complaints of mud-filled and covered meters, they read them. The readers had been guessing usage and when it was finally read, some were needing to "catch up" on usage paid. This isn't right to spring this on citizens because of town's issues with managing employees. I can't help but to wonder if every person was under charged all those months or if some were overcharged and not credited? I spoke to someone today who said their bills are all over the place and this month's bill was 50.00 after being 140.00 for months. And if meters were really read a month ago, we should be straight now with catching up. ?? I'm also unsure if the city recorder has the authority to adjust bills? It seems council votes on leakage adjustments. One person who kept meeting with City officials about their outrageous bill was settled to 500.00 - 1,800 less than their bill. Mayor says it was an anonymous donor covering it. Then I questioned this in an emergency meeting today with council water and sewer committee. She said there is a benevolence fund. This person had the capability to pay, but he met them about the principle. It seems, by their statements, that they're using a slush fund to fund their mistakes as a city government when people press into them. After my address to council on 4/23 she said I had inaccuracies in my address and would like a private meeting with me. Today they opened the floor to me in their committee meeting where I asked about the inaccuracies. She would not say one! They are fraudulent and corrupt and seem to only uphold ordinances where it's in their favor and not the people's. The municipal code hasn't been updated in 13 years to MTAS. People need

readily available access to the Code without emailing and not on updated sections. Our town is in upheaval. We have dark brown water (I know this isn't your dept) and the town doesn't warn people before flushing of hydrants so clothes are ruined for sure. Businesses are closing due to dirty water. We need an audit and a state to fight against corrupt politicians. We need our caring governing body back taking care of Huntingdon people.

Summary of Board's Decision: Mayor offering to meet with me privately so they don't have to reply to my address publicly. People want answers! Most of the council are wonderful and fighting hard for the people!!!

Remedy Being Sought: Fair adjustments to all in the city when over-billed due to lack of management of employees. I have not requested any money back from my paid bill. Adjustments to go by code. No slush fund fraud! Meters actually being read by Meyer readers and accurately. It seems there are 280 meters installed already with AI technology and many complaints of inaccuracies have already occurred there, too. I wish that could be looked into also.

COUNTY OF CARROLL:

TOWN OF HUNTINGDON:

MINUTES

The Town Council of the Town of Huntingdon, Tennessee, met in regular session at 5:15 P.M., Tuesday, April 23, 2024, at the Huntingdon City Hall, 19810 East Main Street, Huntingdon, Tennessee 38344, its regular meeting place, with the Honorable Nina Smothers, Mayor, presiding.

The recorder called the roll of the Town Council with the following results:

Will Atkins Present	Charles Hodges..... Present
Carl Byars..... Present	Andrew Maddox..... Present
Kelly Eubanks Present	Lori Nolen Present
	John Sanders.. Present

The following officials or personnel were also present:

Kim Carter, Recorder; Randy Crossett, Public Works Director; Angela DeMaris, Executive Director at The Dixie; Robert T. Keeton, III, Town Attorney; and Walter Smothers, Public Safety Director

The mayor noted that 7 councilmembers were present, declared a quorum present, and called the meeting to order at 5:15 P.M., April 23, 2024.

APPROVAL OF MINUTES

The minutes of the March 26, 2024 regular meeting of the Town Council copies previously furnished the mayor, each councilmember and the town attorney, were introduced for approval.

Councilmember Maddox made the motion, which was duly seconded by Councilmember Eubanks, that the minutes be approved as presented. Upon putting the question to a vote, all members present voted aye. The mayor thereupon declared said motion to have carried unanimously and said minutes duly approved.

**APPROVAL OF BILLS AND/OR REPORT OF
SOLE SOURCE OR EMERGENCY PROCUREMENT**

There were none.

GRIEVANCES OR PETITIONS FROM CITIZENS

Mayor Smothers recognized citizen Barbara Knuutila who wish to discuss her concerns related to the Public Utility Department. Mayor Smothers noted that she had both emailed and mailed a hard copy of response to Mrs. Knuutila's questions presented at the March meeting. Mrs. Knuutila posed the question, "Did the Town Council or Mr. Crossett have input in the response?" Mayor Smothers stated that Mr. Crossett did have input. Mrs. Knuutila also requested Citizen Comment be included on the meeting agenda.

Mayor Smothers recognized citizen Allison Williams who addressed the Council concerning her high water bill. Mayor Smothers ask Mrs. Williams to schedule an appointment to meet with her during regular business hours.

Mayor Smothers then recognized citizen Mr. Marty Towater. He was present concerning a bill he recently received for grinder pump repair parts which were replaced in October 2023. Mr. Towater informed the Council that he experienced grinder pump issues in October 2023. Town personnel made repairs to his pump without disclosing to him that the policy had changed, and that he would be charged for the cost of materials. He stated that when his property was annexed and the grinder pump was installed in 1996, he was told the Town

would maintain the pump. He feels that he is being penalized now. Mr. Towater requested warranty, specifications, and standards information on the new pump that was installed in October 2023. Town Attorney Keeton explained that the policy for grinder pump repairs was changed in June 2023 based on recommendations from state regulatory agencies and the Town's insurer due to liability purposes. Mr. Keeton stated that warranty information could be given to the customer.

COMMUNICATIONS FROM THE MAYOR

There were none.

COMMITTEE REPORTS

There were none.

UNFINISHED BUSINESS

There were none.

PUBLIC HEARING ZONING AMENDMENT

Mayor Smothers advised that public notice of the meeting was duly advertised and called for recess at 5:40 P.M. The mayor asked if there was anyone who wished to address the issue. There being no one present to address the issue, the meeting was called back into session at 5:41 P.M.

ORDINANCE NO. 625 ZONING AMENDMENT CORNER LOT SETBACKS

Ordinance No. 625, an ordinance amending the Official Zoning Ordinance of Huntingdon, Tennessee, to reduce side setback requirements for corner lots in residential zoning districts, copies of which were previously furnished to each councilmember and the town attorney for their review, was introduced for consideration on second and final reading.

Councilmember Byars made the motion, which was duly seconded by Vice-Mayor Sanders to approve Ordinance No. 625 on second and final reading and waive the reading. Upon putting the question to a roll call vote the results were:

Ayes : Atkins, Byars, Eubanks, Hodges, Maddox, Nolen, & Sanders
Nays : None
Abstained : None
Absent : None

The mayor noted the results of the vote to be 7 ayes, 0 nay, 0 abstentions and 0 absent and thereupon declared said motion to have carried by the required 4 affirmative votes and said ordinance approved on second and final reading.

ORDINANCE NO. 626 BEER ORDINANCE AMEND SECTION 8-213 (3)

Ordinance No. 626, an ordinance to amend Title 8, Alcoholic Beverages of the Huntingdon Municipal Code as set forth in Ordinance No. 586, as amended by Ordinance No. 591, Chapter 2, Beer, Amending Section 18-213 (3). Prohibited conduct or activities by beer permit holders, employees, and persons engaged in the sale of beer, copies of which were previously furnished to each councilmember, was introduced for consideration on second and final reading.

Vice-Mayor Sanders made the motion, which was duly seconded by Councilmember Nolen, to approve Ordinance No. 626 on second and final reading and waive the reading. Upon putting the question to a roll call vote the results were:

Ayes : Byars, Eubanks, Hodges, Maddox, Nolen, & Sanders
Nays : None
Abstained : Atkins
Absent : None

The mayor noted the results of the vote to be 6 ayes, 0 nay, 1 abstentions and 0 absent and thereupon declared said motion to have carried by the required 4 affirmative votes and said ordinance approved on second and final reading.

**RESOLUTION NO. 024-05
2024 MUNICIPAL ELECTION**

Resolution No. 024-05, a resolution to call the municipal elections of the Town of Huntingdon, Tennessee, for November 5, 2024, in conjunction with the General Elections held by the Carroll County Election Commission, for election of one (1) mayor and four (4) councilmembers at large for the Town of Huntingdon, Tennessee, copies of which were previously furnished to each councilmember, was introduced for consideration.

Councilmember Maddox made the motion, which was duly seconded by Councilmember Eubanks to approve Resolution No. 024-05 and waive the reading. Upon putting the question to a roll call vote the results were:

Ayes : Atkins, Byars, Eubanks, Hodges, Maddox, Nolen, & Sanders
Nays : None
Abstained : None
Absent : None

The mayor noted the results of the vote to be 7 ayes, 0 nay, 0 abstentions and 0 absent and thereupon declared said motion to have carried by the required 4 affirmative votes and said resolution approved.

**2024 STREET RESURFACING PROJECT
BID AWARD**

Mayor Smothers presented for consideration bid award for 2024 Street Resurfacing Project. Bids were duly advertised for 2024 Street Resurfacing project and received on Thursday, April 18, 2024 with the following results:

	<u>Bid</u>
Arrow Paving Co Inc.	\$152.00 per ton - \$291,780.00 (estimated)
Jones Bros	\$190.00 per ton - \$451,577.50 (estimated)

Recommend accepting low bid: Arrow Paving Co.

Vice-Mayor Sanders made the motion, which was duly seconded by Councilmember Maddox to accept low bid from Arrow Paving Co. as presented. Upon putting the question to a roll call vote the results were:

Ayes : Atkins, Byars, Eubanks, Hodges, Maddox, Nolen, & Sanders
Nays : None
Abstained : None
Absent : None

The mayor noted the results of the vote to be 7 ayes, 0 nay, 0 abstentions and 0 absent and thereupon declared said motion to have carried by the required 4 affirmative votes and said bid accepted.

**BREATHING AIR COMPRESSOR
BID AWARD**

Mayor Smothers presented for consideration bid award for Breathing Air Compressor for the Fire Department.

Bids were duly advertised for Breathing Air Compressor and received on Thursday, April 18, 2024 with the following results:

	<u>Bid</u>
American ERT	\$55,853.54
Breathing Air Systems	\$42,590.82
Municipal Emergency Services	\$57,849.26
TN Fire Equipment & Safety Supplies	\$43,790.00

Recommend accepting low bid: Breathing Air Systems

Vice-Mayor Sanders made the motion, which was duly seconded by Councilmember Eubanks to accept low bid from Breathing Air Systems as presented. Upon putting the question to a roll call vote the results were:

Ayes : Atkins, Byars, Eubanks, Hodges, Maddox, Nolen, & Sanders
Nays : None
Abstained : None
Absent : None

The mayor noted the results of the vote to be 7 ayes, 0 nay, 0 abstentions and 0 absent and thereupon declared said motion to have carried by the required 4 affirmative votes and said bid accepted.

SUSPENSION OF RULES

There were none.

ANNOUNCEMENTS

Councilmember Eubanks requested a Public Works Committee meeting be called.

ADJOURNMENT

There being no further business to be brought before the council, Councilmember Byars made the motion which was duly seconded by Councilmember Eubanks, that the meeting be adjourned. There being no objection, the mayor declared the meeting adjourned at 5:47 P.M., April 23, 2024.

CONSIDERED AND APPROVED IN PUBLIC SESSION ON MAY 28, 2024.

APPROVED:

ATTESTED:

Nina Smothers
Mayor

Kim Carter
Recorder

Council member Kelly Eubanks inquired about the reliability of the 280 electronic meters that are currently in use, and asked if it would help with billing inconsistency.

"The reason I asked," Eubanks said, "Is that someone [with a new meter] called me, and on their bill it said 66 days. Then the next bill they got was for 12 days."

Crossett explained that, currently, they have to drive by the new meters and get the signal on a handheld tablet. Once the entire system is installed, "all these issues of 'this month had 20 days on it' and 'the next month had 40 days on it' will go away." He reassured that even if issues arise, they could be addressed with the new system, improving overall service and customer satisfaction.

The timeline for the installation of the meters is still undetermined. Crossett explained that, after funding is completed, there still needs to be a pre-construction meeting before notice can be given to the contractors to proceed with the project.

Crossett also explained that the meter project is tied to another project in which a 12-inch water main that spans from High Street to the ditch between Sonic and the old McDonald's building will be replaced. Vice Mayor John Sanders asked if the new water line will take care of the brown water issues. Director Crossett said he didn't believe that area was affected by brown water that he was aware of.

Potential Cause of Brown Water

The discussion turned to the town's brown water issues.

ter... to see what kind of recommendations they had," Crossett mentioned, revealing that he has yet to examine the results. Vice Mayor Sanders and Council member Eubanks expressed frustration over the ongoing water quality issues, emphasizing the community's need for transparent communication and quicker responses to water quality complaints. "It's every time you turn on the water," Sanders lamented, pointing out the frequent occurrences of brown water. Eubanks touched upon the economic and personal impacts of the water issues on local businesses and residents. "I've heard from three beauticians, and they talk about color and blonde hair," she said. "It's affected the coloring that they're putting in their clients' hair who're paying [upwards of] \$140. So it's affecting their business." Eubanks then gave another example.

"Or you got the laundry mat down here. It's affecting business, because it's staining clothes," she said. "Plus whatever is obviously happening in people's homes." She asked if there were any State programs or grants that could be used to reimburse residents and business owners who have been affected by the discolored water. Huntingdon Town Attorney Robert Keeton, III, explained that there weren't any such programs.

"Until the problem gets fixed - and I presume that it will get fixed - it's just gonna take some time. People are gonna have to [continue] pay[ing] their water bill," Keeton said.

Water Bill

contributions to the community, including her work with the Inclusion Park. Town Attorney Keeton and Mayor Smothers persisted that a private discussion would be more effective, despite Williams's willingness to share her water bill's contents publicly.

As the meeting progressed, the town's method for adjusting water bills came into question. City Recorder Kim Carter clarified her approach to adjusting bills, explaining that they typically use a "12-month average" but do not include months with suspiciously low readings, which might indicate a meter misreading. This approach was scrutinized by some attendees, who were skeptical about the town's handling of another resident's similar issue.

"That was covered by an anonymous donor," Mayor Smothers said.

Eubanks replied, "So it was covered by an anonymous donor?"

"And it was calculated in the same manner just described," said the Mayor.

This sparked further debate about the legality and ethics of such donations. City Recorder Carter explained, "Anybody can come by at any time and place to pay on someone's bill. It happens a lot."

Communication

Public communications was another hotly debated issue, that emphasized a need for improved transparency and timeliness in notifying the community about water system maintenance and issues that could impact water quality.

This brown water has been going on for a while. These water meter misreads and all this stuff has been going on for a while.

drants—a process that can temporarily worsen water clarity—was only made on the day of the event. She highlighted a disconnect between previous commitments made by the committee at April 24's Council Meeting to enhance communication and the actual practices.

"We did it again. We let them know the day of, that we were flushing out a hydrant."

"Who made that post that day?" Eubanks persisted. "I did," Mayor Smothers answered.

A silence befell the room that lasted 32 seconds. "We asked about putting the notifications in a form of a text," Sanders said, breaking the silence. He asked for clarification from Mayor Smothers about her mention of a county-wide system.

"It would basically be by town, but would be a widespread product that could address towns individually," she said.

Council member Lori Nolen said, "I think it boils down to just let them know. Just let them know. I know that's so hard, because you are struggling with staff, and, I mean, everybody is."

She acknowledged Crossett's frustrations with trying to fix problems, and having to add communicating to the public to his long list of duties may seem daunting.

"Just be considerate," she said. "Just paring it down to say, 'this is going to be happening and we want you to be aware of this.' on a more timely, regular basis. I think it's going to be more helpful."

"It's a change in the way we work, but it's so needed," she finished.

Mayor Smothers replied,

Vice Mayor Sanders asked if the new water line will take care of the brown water issues. Director Crossett said he didn't believe that area was affected by brown water that he was aware of.

Potential Cause of Brown Water

The discussion turned to the town's brown water issues.

--Grossett-- addressed a number of factors, including changes in chemical suppliers and filtration issues, which have troubled the community's water supply for the past several years.

"For 80 years we operated without brown water, and in the last four or five years, we've had brown water," Crossett explained. He detailed the history of the town's water treatment processes, noting prior attempts to make changes in chemicals and suppliers such as changing from powdered fluoride to a safer alternative for employees, switching from chlorine gas to bleach, and a fruitless attempt to switch from lime to caustic for PH control.

Crossett then ventured to explain a chemical supplier change that he believes coincided with the onset of the brown water issues, although later stating that he hadn't fully pinpointed an exact date.

"We've changed suppliers of our phosphate from Brenntag to Hawkins Chemical," Crossett said. He noted that the change was due to their low purchase volume that Hawkins was better situated to accommodate. Crossett mentioned that he estimates the most affected area as being from "the area that's between High Street and the railroad track and Paris Street and Hawkins Lane."

He also discussed a recent study performed by Hawkins Chemical, which was aimed at identifying potential causes of the water discoloration. "They've done a study of our wa-

terney Robert Keeton, III, explained that there weren't any such programs.

"Until the problem gets fixed - and I presume that it will get fixed - it's just gonna take some time. People are gonna have to [continue] pay[ing] their water bill," Keeton said.

Water Bill

Adjustment Discussion

The topic of water bill adjustments was addressed, as well. Residents Barabara Knuutila and Allison Williams, who both addressed the Council at April's town meeting, were present to hopefully get answers to some of their concerns. Williams's water bill issues, due to months of apparent meter misreading, was at the center of discussion. Council member Eubanks questioned Mayor Smothers about alleged inaccuracies in Williams' previous statements at April's meeting.

The Mayor responded, preferring a private discussion: "I would like to discuss that with Allison in person."

Since Williams expressed her frustration and desire for transparency, questioning the need for privacy.

"I'm not willing. I've been advised not to meet with you at this time," she said. "I don't understand why you can't clear it up in the council meeting or today."

Town Attorney Keeton said, "The bill will need to be looked at. The only way to do that is down in the office, not up here in the council room."

Williams countered, highlighting her previous unsuccessful attempts to resolve the issue in office.

"I already came to the office. I already came once. I tried to have it resolved in this office." She expressed her dissatisfaction and defended her integrity, which she felt had been questioned by the Mayor. Williams highlighted her

transparency and timeliness in notifying the community about water system maintenance and issues that could impact water quality.

This brown water has been going on for a while. These water meter misreads and all this stuff has been going on for a while.

Vice Mayor Sanders said, "If it was up to me, I would be signing a contract right now with a service to alert the people about what's going on. Because, they need to know. I feel like [with all that's happened over the months], we're still the same old record. Hopefully, we're getting the brown water fixed. The misread meters are still happening. We're giving people bills for three, four, six months ago on water that our city employee misread."

Sanders went on to say that the Town should take accountability.

"We misread it," he said. "But all that is building up and the people have a right. They pay city taxes for city services and they have a right. Do I feel like it's [okay] to go back and charge him for four months ago? No."

"We ought to eat that and pay whatever or write it off, I don't care," Sanders continued. "But that is not right to go back and charge all that's mounted up. And the public is irritated because they feel like they're getting no answers. And we see that every month, every month."

"It's just a revolving record that we have done nothing about," Sanders finished.

Mayor Smothers replied, "That's not true, John. That is not true. We have not sat there and done nothing."

"It's still the same," Sanders said.

"It is not still the same," replied the Mayor.

Council member Eubanks criticized the current approach to communication, pointing out that the notification for flushing hy-

SERVICE FROM		SERVICE TO		# DAYS	ACCOUNT NO.
02/13/24		03/18/24		34	003- 06315-06
NET AMOUNT		SAVE THIS AMOUNT		GROSS AMOUNT	PAY GROSS AFT
601.00		57.96		658.96	04/10/24
AT: 530 CARTER DR					
SERVICE	PRESENT READING	PREVIOUS READING	USED	CHARGES	
WAT	5159	4698	461	220.36	
SEW			461	336.99	
SAN				22.16	
TAX				21.49	

pd 601.⁰⁰
 CHECK # 2704
 329-24

PRESORTED
 FIRST CLASS MAIL
 U.S. POSTAGE PAID
 HUNTINGDON, TN 383
 PERMIT NO. 2

ALLISON WILLIAMS
 530 CARTER DR
 HUNTINGDON TN 38344

SERVICE FROM	SERVICE TO	# DAYS	ACCOUNT NO.
11/17/23	12/13/23	26	003- 06315-06
NET AMOUNT	SAVE THIS AMOUNT	GROSS AMOUNT	PAY GROSS AFTER
92.32	8.95	101.27	01/10/24
AT: 530 CARTER DR			
SERVICE	PRESENT READING	PREVIOUS READING	USED
WAT	4640	4607	33
SEW			33
SAN			33
TAX			33
			CHARGES
			29.48
			3.71
			2.79

pd 92.32
check #2690
12-27-23

PRESORTED
FIRST CLASS MAIL
U.S. POSTAGE PAID
HUNTINGDON, TN 38344
PERMIT NO. 2

ALLISON WILLIAMS
530 CARTER DR
HUNTINGDON TN 38344

SERVICE FROM	SERVICE TO	# DAYS	ACCOUNT NO.
12/13/23	01/09/24	27	003- 06315-06
NET AMOUNT	SAVE THIS AMOUNT	GROSS AMOUNT	PAY GROSS AFTER
89.80	8.70	98.50	02/10/24
AT: 530 CARTER DR			
SERVICE	PRESENT READING	PREVIOUS READING	USED
WAT	4671	4640	31
SEW			31
SAN			31
TAX			31
			CHARGES
			28.58
			36.42
			22.01
			2.79

pd 89.80
check #2694
2-2-24

PRESORTED
FIRST CLASS MAIL
U.S. POSTAGE PAID
HUNTINGDON, TN 38344
PERMIT NO. 2

ALLISON WILLIAMS
530 CARTER DR
HUNTINGDON TN 38344

SERVICE FROM	SERVICE TO	# DAYS	ACCOUNT NO.
01/09/24	02/13/24	35	003- 06315-06
NET AMOUNT	SAVE THIS AMOUNT	GROSS AMOUNT	PAY GROSS AFTER
85.29	8.27	93.56	03/10/24
AT: 530 CARTER DR			
SERVICE	PRESENT READING	PREVIOUS READING	USED
WAT	4698	4671	27
SEW			27
SAN			27
TAX			27
			CHARGES
			26.80
			33.63
			22.25
			2.61

pd 85.29
check #2701
3-4-24

PRESORTED
FIRST CLASS MAIL
U.S. POSTAGE PAID
HUNTINGDON, TN 38344
PERMIT NO. 2

ALLISON WILLIAMS
530 CARTER DR
HUNTINGDON TN 38344

Change 6, April 26, 2011

18-14

18-130. Fluoridation of water supply. The water department of the Town of Huntingdon is hereby authorized and instructed to make plans for the fluoridation of the water supply of the Town of Huntingdon; to submit such plans to the Department of Health of the State of Tennessee for approval, and, upon approval, to add such chemicals as fluoride to the water supply in accord with such approval as will adequately provide for the fluoridation of said water supply.

The cost of such fluoridation will be borne by the revenues of the water department. (1978 Code, § 13-129)

18-131. Policy for adjustment of abnormal water/sewer bills. Any customer of the public utility department of the Town of Huntingdon shall have the right to request an adjustment on his monthly water/sewer bill under the following conditions:

(1) Adjustments due to leakage. A customer of the town's water and sewer services may petition for an adjustment in his monthly water and sewer bill in those cases where there has been a leak in the water line between the town's water meter and the point of use on the customer's property when the customer took appropriate and timely action to repair the leak, and where the leak resulted in a total monthly water and sewer bill which exceeds the previous twelve (12) month average bill by fifty dollars (\$50.00). If the customer has had service for less than twelve (12) months, the monthly average for the total months served will be used.

(a) The superintendent of utilities is authorized to approve two (2) such petitions for adjustments per customer per calendar year.

(b) The adjustment formula for water shall be the average of the monthly water bills for the prior twelve (12) months, or if the customer has had service for less than twelve (12) months, the monthly average for the total months served, plus fifty percent (50%) of the amount billed over this average.

The adjustment formula for sewer shall be to remove all excess sewer charges above a customer's twelve (12) month average, or if the customer has had service for less than twelve (12) months, the monthly average for the total months served.

(Example: A customer has a bill of one hundred fifty dollars (\$150.00). His average charge for water is twenty-five dollars (\$25.00). His adjusted billing for water will be twenty-five dollars (\$25.00) plus fifty percent (50%) of the balance over the average billing of water. The sewer is adjusted to the customer's twelve (12) month average for sewer billing.)

(c) The town council will not consider a petition for such adjustments unless the leakage results in a total monthly water and sewer bill which exceeds two hundred fifty dollars (\$250.00).

Change 6, April 26, 2011

18-15

(2) Other adjustments. In other cases where complaints of unexplained abnormally high water/sewer bills have been received, the superintendent of utilities will cause an investigation to be made to determine if the meter was read incorrectly; if the bill was calculated incorrectly, or if the meter is malfunctioning. If one of these three situations is the case, the superintendent of utilities will adjust the water/sewer bill in question to the average monthly billing that the customer received over the past twelve (12) months; the months he has had service if less than twelve (12) months, or the average monthly billing since the last water/sewer rate increases if less than twelve (12) months.

(3) Swimming pool adjustments. The adjustment policy for water/sewer bills reflecting the filling of a swimming pool shall be to adjust sewer only. The sewer shall be adjusted to the average of the monthly sewer bills for the prior twelve (12) months, or if customer has had service for less than twelve (12) months, the monthly average for the total months served. (1978 Code, § 13-130, as amended by Ord. #402, July 1998, and Ord. #514, June 2009)

18-132. Penalty. Any person who violates the provisions of this chapter shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not more than fifty dollars (\$50.00), and/or such persons enjoined from continuing such violations. Each day upon which such a violation occurs shall constitute a separate and triable offense. (Ord. #343, June 1994)

TBOUR Meeting – Thursday, July 18, 2024

➤ Allison Williams – 530 Carter Drive

- Customer has Neptune manual read meter, installed 01/31/2020
- Consumption Averages:
 - FY-22 – 9,850 gals
 - FY-23 – 8,900 gals
 - FY-24 – 10,600 gals
 - Dec 2023 – Feb 2024 avg – 3,000 gals (meter underread these months)
 - Dec 2023 – Mar 2024 avg – 13,800 gals
- Monetary Averages:
 - FY-22 – \$157.49
 - FY-23 – \$150.72
 - FY-24 – \$179.26
 - Dec 2023 – Feb 2024 avg – \$89.14 (meter underread these months)
 - Dec 2023 – Mar 2024 avg – \$217.10
- March 2024 billing – 46,100 gals used, 03/18/24 reading 5159; different employee went to check meter on 04/01/24 after Mrs. Williams called – reading 5189 (3,000 gals in 2 weeks); 04/19/24 reading for April 2024 billing 5233 (7,400 gals for month); readings all in alignment; March 2024 reading revealed previous months low consumptions
- Per HMC Title 18, Section 18-131 – Utility Superintendent is authorized to approve two adjustments per customer per year; Town Council will consider additional adjustment if under the normal adjustment due to leakage amount is over \$250.00
- Meter reading errors which result in overbilled amounts are adjusted by credits to customers' accounts – 90 adjustments for misreads were processed in March 2024; 81 adjustments for misreads were processed in April 2024; personnel terminations to correct this issue; water meter project to convert entire system to automatic read meters
- Brown Water – Utility Department is working to make repairs; recent change/adjustment to chemicals; new water line replacement on Main Street East
- Official Records are available at City Hall; no official requirement to have updated documents on file with MTAS

Readings/Consumption Inquiry

0003-006315-06 WILLIAMS, ALLISON

Date	Service	Time Entered	Current Reading	Consumption	Init
07/09/2024	0001 WAT	03:43:00	5,503	118	CJ
06/11/2024	0001 WAT	08:18:00	5,385	66	CJ
05/21/2024	0001 WAT	11:54:59	5,319	86	CJ
04/19/2024	0001 WAT	01:58:00	5,233	74	CJ
03/18/2024	0001 WAT	08:58:56	5,159	461	CJ
03/18/2024	0001 WAT	03:35:00	4,713		CJ
02/13/2024	0001 WAT	12:47:18	4,698	27	CJ
02/13/2024	0001 WAT	10:02:53	4,689		CJ
01/09/2024	0001 WAT	10:21:00	4,671	31	CJ
12/13/2023	0001 WAT	10:15:00	4,640	33	CJ
11/17/2023	0001 WAT	01:17:00	4,607	140	CJ
10/13/2023	0001 WAT	02:14:00	4,467	71	CJ
09/18/2023	0001 WAT	09:28:00	4,396	106	CJ
08/07/2023	0001 WAT	14:47:28	4,290	80	CJ
07/14/2023	0001 WAT	08:24:30	4,210	98	CJ
06/09/2023	0001 WAT	09:19:13	4,112	100	CJ
05/09/2023	0001 WAT	13:40:39	4,012	86	CJ
04/13/2023	0001 WAT	11:00:55	3,926	102	CJ
03/13/2023	0001 WAT	06:54:49	3,824	61	CJ
02/17/2023	0001 WAT	11:06:39	3,763	86	CJ
01/17/2023	0001 WAT	15:44:23	3,677	92	CJ
12/14/2022	0001 WAT	12:11:27	3,585	110	CJ
11/07/2022	0001 WAT	17:40:38	3,475	99	CJ
10/11/2022	0001 WAT	14:56:06	3,376	74	CJ
09/06/2022	0001 WAT	15:26:48	3,302	99	CJ
08/09/2022	0001 WAT	14:31:38	3,203	59	CJ
07/12/2022	0001 WAT	12:44:23	3,144	100	CJ
06/09/2022	0001 WAT	14:43:09	3,044	150	CJ
05/11/2022	0001 WAT	13:42:41	2,894	30	KC
04/11/2022	0001 WAT	16:35:49	2,864	104	KC
03/08/2022	0001 WAT	13:53:06	2,760	74	CJ
02/14/2022	0001 WAT	01:01:40	2,686	103	CJ
01/11/2022	0001 WAT	02:04:43	2,583	238	CJ
12/10/2021	0001 WAT	12:41:59	2,345	58	CJ
11/11/2021	0001 WAT	20:45:54	2,287	62	KC
10/08/2021	0001 WAT	08:45:13	2,225	35	CJ
09/13/2021	0001 WAT	13:03:20	2,190	108	KC
08/13/2021	0001 WAT	09:40:37	2,082	182	KC
07/12/2021	0001 WAT	08:15:06	1,900	38	CJ
06/10/2021	0001 WAT	13:07:17	1,862	39	CJ

FY-24 avg. 10,600

Dec 23-Feb 24 avg. 3,000
Dec 23-March 24 avg 13,800

FY-23 avg. 8,900

FY-22 avg. 9,850

* End of Report: TOWN OF HUNTINGDON *

Monetary Transactions Inquiry

0003-006315-06 WILLIAMS, ALLISON

Date	Transaction	Service	Effect On A/R	Balance
07/01/2024	PAYMENT - PAYME		131.25-	0.00
06/25/2024	Bill		131.25	131.25
05/31/2024	PAYMENT - PAYME		155.22-	0.00
05/25/2024	Bill		155.22	155.22
05/06/2024	PAYMENT - PAYME		141.11-	0.00
04/25/2024	Bill		141.11	141.11
04/11/2024	PAYMENT - PAYME		601.00-	0.00
03/25/2024	Bill		601.00	601.00
03/04/2024	PAYMENT - PAYME		85.29-	0.00
02/25/2024	Bill		85.29	85.29
02/05/2024	PAYMENT - PAYME		89.80-	0.00
01/25/2024	Bill		89.80	89.80
12/27/2023	PAYMENT - PAYME		92.32-	0.00
12/25/2023	Bill		92.32	92.32
12/04/2023	PAYMENT - PAYME		219.82-	0.00
11/25/2023	Bill		219.82	219.82
10/30/2023	PAYMENT - PAYME		137.99-	0.00
10/25/2023	Bill		137.99	137.99
10/04/2023	PAYMENT - PAYME		179.51-	0.00
09/25/2023	Bill		179.51	179.51
09/01/2023	PAYMENT - PAYME		148.39-	0.00
08/25/2023	Bill		148.39	148.39
08/07/2023	PAYMENT - PAYME		169.38-	0.00
07/25/2023	Bill		169.38	169.38
06/27/2023	PAYMENT - PAYME		163.40-	0.00
06/25/2023	Bill		163.40	163.40
05/30/2023	PAYMENT - PAYME		147.34-	0.00
05/25/2023	Bill		147.34	147.34
05/01/2023	PAYMENT - PAYME		165.92-	0.00
04/25/2023	Bill		165.92	165.92
03/31/2023	PAYMENT - PAYME		118.93-	0.00
03/25/2023	Bill		118.93	118.93
03/03/2023	PAYMENT - PAYME		147.77-	0.00
02/25/2023	Bill		147.77	147.77
02/03/2023	PAYMENT - PAYME		154.70-	0.00
01/25/2023	Bill		154.70	154.70
01/03/2023	PAYMENT - PAYME		175.61-	0.00
12/25/2022	Bill		175.61	175.61
12/01/2022	PAYMENT - PAYME		163.33-	0.00
11/25/2022	Bill		163.33	163.33
10/31/2022	PAYMENT - PAYME		134.13-	0.00
10/25/2022	Bill		134.13	134.13
10/03/2022	PAYMENT - PAYME		163.12-	0.00
09/25/2022	Bill		163.12	163.12
09/01/2022	PAYMENT - PAYME		114.01-	0.00
08/25/2022	Bill		114.01	114.01
08/01/2022	PAYMENT - PAYME		160.41-	0.00
07/25/2022	Bill		160.41	160.41
07/05/2022	PAYMENT - PAYME		216.18-	0.00
06/25/2022	Bill		216.18	216.18
05/31/2022	PAYMENT - PAYME		81.73-	0.00
05/25/2022	Bill		81.73	81.73
05/04/2022	PAYMENT - PAYME		164.11-	0.00

FY-24 avg \$179.26

Dec 23-Feb 24 \$89.14

Dec 23-Mar 24 \$217.10

FY-23 avg \$150.72

FY-22 avg \$157.49

Monetary Transactions Inquiry

0003-006315-06 WILLIAMS, ALLISON

Date	Transaction	Service	Effect On A/R	Balance
04/04/2022	PAYMENT - PAYME		130.52-	0.00
03/25/2022	Bill		130.52	130.52
03/02/2022	PAYMENT - PAYME		162.40-	0.00
02/25/2022	Bill		162.40	162.40
01/31/2022	PAYMENT - PAYME		313.45-	0.00
01/25/2022	Bill		313.45	313.45
12/28/2021	PAYMENT - PAYME		111.82-	0.00
12/25/2021	Bill		111.82	111.82
12/02/2021	PAYMENT - PAYME		116.35-	0.00
11/25/2021	Bill		116.35	116.35
11/02/2021	PAYMENT - PAYME		85.95-	0.00
10/25/2021	Bill		85.95	85.95
09/28/2021	PAYMENT - PAYME		167.62-	0.00
09/25/2021	Bill		167.62	167.62
09/02/2021	PAYMENT - PAYME		250.50-	0.00
08/25/2021	Bill		250.50	250.50
08/03/2021	PAYMENT - PAYME		89.20-	0.00
07/25/2021	Bill		89.20	89.20
07/01/2021	PAYMENT - PAYME		77.86-	0.00
06/25/2021	Bill		77.86	77.86

* End of Report: TOWN OF HUNTINGDON *

Read In/Out
Meter checks

April 1st pg. 2

CUSTOMER NAME	ACCOUNT NUMBER	SERVICE ADDRESS	TURN ON/OFF	READ IN/OUT	REQUEST CHECK EXPLANATION	READING FINDING	Int By
Allison Williams	3-6315	530 Carter Dr	✓		Need Reading	under read Since Dec 5189 meter spinning	JJ
					SN: 39053438		



JASON E. MUMPOWER
Comptroller

Jonesborough Complaint

Tennessee Board of Utility Regulation

Complainant: Lyndsey Mosley

Utility System: Town of Jonesborough water department

Date Brought Before Local Utility Board: N/A

Date Submitted to TBOUR Staff: 14-May-24

Jurisdiction: The failure of a utility system to offer or extend utility service to a customer.

Summary of Complaint:

Dear TBOUR,

I am writing to express my frustration and concern regarding the water utility service's refusal to activate water supply at my residence. Even though the outstanding bill is not in my name, I am being held responsible for an exorbitant debt incurred by the previous resident.

Summary of My Complaint: Since March 2023, I have been tirelessly trying to resolve this issue. The water company insists that the liability for the outstanding bill, totaling \$2,403.28, transfers with the property, not the individual account holder. This stance is both unjust and financially burdensome.

Additional Points I Want to Highlight:

Utility Accountability: The purpose of putting utilities in an individual's name is to assign responsibility. Why am I being forced to pay someone else's bill when it was not under my name?

Service Activation: I simply want the water turned on in my own name, at my place of residency. It is unreasonable to hinder this basic utility service due to a debt that isn't mine.

Pursuit of Debt: Instead of pursuing the person who used the water and had the utility in their name, I am being unfairly burdened. Why should the bill be attached to the house rather than the individual?

Unjust Burden: I cannot afford to pay for something I didn't even use. The lack of water has made my living conditions unsanitary and unsafe, affecting not only me but also my three dogs.

Grounds for My Complaint:

The outstanding bill was incurred by a different individual, not me.

The insistence that the debt follows the residency rather than the individual is inequitable.

The amount demanded exceeds my financial capacity.

The prolonged lack of water service poses serious health risks.

I urgently request the TBOUR's intervention to restore water service without holding me accountable for the previous resident's debt. Basic utilities are essential, and I implore you to address this matter promptly.

Thank you for your attention.

Sincerely, Lyndsey Mosley

Summary of Board's Decision: Board declined customer's request to be heard.

Remedy Being Sought: That water services be turned on in my home.



Problems with the water department.

15 messages

Lyndsey Mosley <lyndseylyndz@gmail.com>

Thu, Apr 25, 2024 at 5:11 PM

To: vp4sports@gmail.com, GRosenoff@jonesboroughtn.org, jjennings@jonesboroughtn.org

Hello my name is lyndsey mosley I live at 108 ridge view In jonesborough tn 37659. I am being denied water services. Let me start out 1st that March 27 2023 I paid a deposit, and never received water services then in June 2023 I was charged with theft of services in court I went ahead and received a fine which has been paid off. The next day after I had the fine paid off I went down to see when that my services would be turned on. An was treated horribly bad the woman in the office called over the investigator that had came out over the theft of services. I didn't do anything I didn't even raise my voice at them. But with that said I was told I couldn't have water in till my ex's bill was paid. Gabriel Cross I refuse to pay the man who went to prison for abusing me bill. He was convicted of reckless aggravated assault against me. I didn't know he wasn't paying the water bill. I don't see how I can be held accountable for a bill that doesn't belong to me. I have never had water services in my name in Washington county. An with that said Isn't it against policy to keep someone deposit money if they aren't receiving service? All I'm asking for is water in my home the deposit has been paid and my court fine of almost 300\$ was paid. It has been over a yr now without water. IM BEGGING FOR SOMEONE TO HELP ME.

Lyndsey Mosley <lyndseylyndz@gmail.com>

Thu, Apr 25, 2024 at 5:15 PM

To: vp4sports@gmail.com, GRosenoff@jonesboroughtn.org, jjennings@jonesboroughtn.org

[Quoted text hidden]

Glenn Rosenoff <GRosenoff@jonesboroughtn.org>

Thu, Apr 25, 2024 at 5:55 PM

To: Lyndsey Mosley <lyndseylyndz@gmail.com>, vp4sports@gmail.com <vp4sports@gmail.com>, Janet Jennings <jjennings@jonesboroughtn.org>

Dear Lyndsey Mosley,

I will review this issue with the Town Recorder/Finance Director Janet Jennings tomorrow and respond back shortly.



From: Lyndsey Mosley <lyndseylyndz@gmail.com>**Sent:** Thursday, April 25, 2024 5:11:08 PM**To:** vp4sports@gmail.com <vp4sports@gmail.com>; Glenn Rosenoff <GRosenoff@jonesboroughtn.org>; Janet Jennings <jjennings@JonesboroughTN.org>**Subject:** Problems with the water department.

[Quoted text hidden]

Lyndsey Mosley <lyndseylyndz@gmail.com>

Thu, Apr 25, 2024 at 6:25 PM

To: dleemosley@yahoo.com

----- Forwarded message -----

From: **Lyndsey Mosley** <lyndseylyndz@gmail.com>

Date: Thu, Apr 25, 2024, 5:11 PM

Subject: Problems with the water department.

[Quoted text hidden]

[Quoted text hidden]

Lyndsey Mosley <lyndseylyndz@gmail.com>

Thu, Apr 25, 2024 at 6:26 PM

To: dleemosley@yahoo.com

Donna Mosley <dleemosley@yahoo.com>
To: Lyndsey Mosley <lyndseylyndz@gmail.com>

Thu, Apr 25, 2024 at 7:08 PM

Hello my name is Hello my name is Lyndsey Mosley. I live at 108 Ridge View in Jonesborough , Tn 37659. I am being denied water services by the town of Jonesborough. Let me start out by saying that on March 27 2023 I paid a deposit for water service and never received then in June 2023 I was charged with thief of services and had to go to court. I was given a fine, by the court which has been paid off. The next day after the fine was paid in full, I went down to the water department to see when my services would be turned on. I was treated horribly by the woman in the office. She called over the investigator that had came out over the thief of services. I didn't do anything, I was not at all combative, I didn't even raise my voice at them. They stated that I couldn't have water until the previous person's bill my ex's bill was paid he is Gabriel Cross. I refuse to pay a bill I do not owe. Mr. Cross is the man who went to prison for abusing me and knifing my dog. I suffered horrific injuries at his hands. He was convicted of reckless aggravated assault against me. I didn't know he wasn't paying the water bill. I don't see how I can be held accountable for a bill that doesn't belong to me. I have never had water services in my name in Washington County, Tn. is it not against policy to keep someone deposit money if they aren't receiving service? All I'm asking for is water in my home the deposit has been paid and my court fine of almost 300\$ was paid. It has been over a year now I have been living without water. I am BEGGING FOR SOMEONE TO HELP ME.

Sincerely,

Sent from Yahoo Mail for iPhone

[Quoted text hidden]

Janet Jennings <jjennings@jonesboroughtn.org>

Fri, Apr 26, 2024 at 8:47 AM

To: Lyndsey Mosley <lyndseylyndz@gmail.com>, vp4sports@gmail.com <vp4sports@gmail.com>, Glenn Rosenoff <GRosenoff@jonesboroughtn.org>

Good Morning, Ms. Mosley,

I'll be happy to research your situation with our Water Department. We will make every attempt to provide you a response by Monday.

Best Regards,



Janet Jennings, CPA, CPFO, CMFO

Finance Director/Town Recorder

Town of Jonesborough

123 Boone Street

Jonesborough, TN 37659

From: Lyndsey Mosley <lyndseylyndz@gmail.com>

Sent: Thursday, April 25, 2024 5:11 PM

To: vp4sports@gmail.com; Glenn Rosenoff <GRosenoff@jonesboroughtn.org>; Janet Jennings <jjennings@JonesboroughTN.org>

Subject: Problems with the water department.

Hello my name is lyndsey mosley I live at 108 ridge view In jonesborough tn 37659. I am being denied water services. Let me start out 1st that March 27 2023 I paid a deposit, and never received water services then in June 2023 I was charged with theft of services in court I went ahead and received a fine which has been paid off. The next day after I had the fine paid off I went down to see when that my services would be turned on. An was treated horribly bad the woman in the office called over the investigator that had came out over the theft of services. I didn't do anything I didn't even raise my voice at them. But with that said I was told I couldn't have water in till my ex's bill was paid. Gabriel Cross I refuse to pay the man who went to prison for abusing me bill. He was convicted of reckless aggravated assault against me. I didn't know he wasn't paying the water bill. I don't see how I can be held accountable for a bill that doesn't belong to me. I have never had water services in my name in Washington county. An with that said Isn't it against policy to keep someone deposit money if they aren't receiving service? All I'm asking for is water in my home the deposit has been paid and my court fine of almost 300\$ was paid. It has been over a yr now without water. IM BEGGING FOR SOMEONE TO HELP ME.

Lyndsey Mosley <lyndseylyndz@gmail.com>

Mon, Apr 29, 2024 at 10:52 AM

To: Glenn Rosenoff <GRosenoff@jonesboroughtn.org>

Hello I'm sorry to bother you again I just wanted to check in with you to see if you had figured anything out. Here's the thing my daughter is having a baby on June 5th . I mean I have done everything asked of me as far as name name is concerned. Gabriel Cross tried to kill me I flat out refuse to pay a bill that belongs to him. I mean when he went to jail I called to have water turned off but because I wasn't on the account I was told they couldn't even talk about it. So now why am I responsible for it ? Make no sense at all. Just please let me know thank you again for taking the time to even help it does mean a lot. Lyndsey mosley

[Quoted text hidden]

Lyndsey Mosley <lyndseylyndz@gmail.com>

Mon, Apr 29, 2024 at 3:33 PM

To: Janet Jennings <jjennings@jonesboroughtn.org>

Hello this is lyndsey .mosley at 108 ridge view In jonesborough tn 37659 I was just wondering if you had had time to check into my issue. Thank lyndsey mosley

On Fri, Apr 26, 2024, 8:47 AM Janet Jennings <jjennings@jonesboroughtn.org> wrote:

[Quoted text hidden]

Lyndsey Mosley <lyndseylyndz@gmail.com>

Wed, May 1, 2024 at 9:07 AM

To: Janet Jennings <jjennings@jonesboroughtn.org>

Ok then I ask if you could please add me to be heard at the board meeting on May 17th thank you. have a good day

[Quoted text hidden]

Janet Jennings <jjennings@jonesboroughtn.org>

Wed, May 1, 2024 at 11:08 AM

To: Lyndsey Mosley <lyndseylyndz@gmail.com>

Good Morning, Ms. Mosley,

I apologize for the delay in responding. We are reviewing the documentation associated with this matter but need a bit more time to complete the review. Thank you for your patience.



Janet Jennings, CPA, CPFO, CMFO

Finance Director/Town Recorder

Town of Jonesborough

123 Boone Street

Jonesborough, TN 37659

Phone: 423-753-1038

From: Lyndsey Mosley <lyndseylyndz@gmail.com>
Sent: Wednesday, May 1, 2024 9:08 AM
To: Janet Jennings <jjennings@JonesboroughTN.org>
Subject: Re: Problems with the water department.

Ok then I ask if you could please add me to be heard at the board meeting on May 17th thank you.have a good day

On Mon, Apr 29, 2024, 3:33 PM Lyndsey Mosley <lyndseylyndz@gmail.com> wrote:

Hello this is lyndsey .mosley at 108 ridge view In jonesborough tn 37659 I was just wondering if you had had time to check into my issue. Thank lyndsey mosley

On Fri, Apr 26, 2024, 8:47 AM Janet Jennings <jjennings@jonesboroughtn.org> wrote:

Good Morning, Ms. Mosley,

I'll be happy to research your situation with our Water Department. We will make every attempt to provide you a response by Monday.

Best Regards,

Janet Jennings, CPA, CPFO, CMFO

[Quoted text hidden]

Lyndsey Mosley <lyndseylyndz@gmail.com>
To: Janet Jennings <jjennings@jonesboroughtn.org>

Fri, May 3, 2024 at 11:44 AM

Mrs.jennings could I please be told something here.my daughter went into labor earl.so now the new baby plus my daughter will be here.I have no problem with paying my bills I mean my power has never been turned off. I just don't feel like my deposit should have been kept if I couldn't have water. The fact that as the victim of domestic abuse for many yrs doesn't make me responsible for the bill that Mr.cross deecided not to pay. He controlled all the money so i never knew what was paid an what wasnt. Im sorry he didnt pay.Again here i am having to go without because if that man's choic

[Quoted text hidden]

Lyndsey Mosley <lyndseylyndz@gmail.com>
To: Janet Jennings <jjennings@jonesboroughtn.org>

Mon, May 6, 2024 at 2:06 PM

Update please
[Quoted text hidden]

Janet Jennings <jjennings@jonesboroughtn.org>
To: Lyndsey Mosley <lyndseylyndz@gmail.com>

Tue, May 14, 2024 at 1:35 PM

Good Morning, Ms. Mosley,

I apologize for the delay in responding, but I had to ensure that I fully researched all aspects of the situation and received the proper guidance. First, the \$280 in fees that you were assessed by the court system are separate and unrelated to the utility charges and damages outstanding on the account at 108 Ridgeview Lane. Also, you mentioned paying a deposit. The fee that we collect when an account is established is a non-refundable service charge. The Town does not take utility deposits.

Currently, there is no meter at 108 Ridgeview Lane. If you desire to have water service restored at that address, you can remit payment of \$2,403.28 by cash, money order or credit card. That fee includes the following:

- \$1,463.28 Outstanding utility charges and disconnect/reconnect fee
- 940.00 Damages to previous relocated meter

Our offices are open Monday – Friday, 8:00 a.m. – 4:30 p.m. We can provide same day service if you clear the account by 2:30 p.m. any given day.

Best Regards,

Janet Jennings, CPA, CPFO, CMFO

Finance Director/Town Recorder

Town of Jonesborough

123 Boone Street

Jonesborough, TN 37659

Phone: 423-753-1038

From: Lyndsey Mosley <lyndseylyndz@gmail.com>
Sent: Monday, May 6, 2024 2:06 PM
To: Janet Jennings <jjennings@JonesboroughTN.org>
Subject: Re: Problems with the water department.

Update please

On Fri, May 3, 2024, 11:44 AM Lyndsey Mosley <lyndseylyndz@gmail.com> wrote:

Mrs.jennings could I please be told something here.my daughter went into labor earl.so now the new baby plus my daughter will be here.I have no problem with paying my bills I mean my power has never been turned off. I just don't feel like my deposit should have been kept if I couldn't have water. The fact that as the victim of domestic abuse for many yrs doesn't make me responsible for the bill that Mr.cross deecided not to pay. He controlled all the money so i never knew what was paid an what wasnt. Im sorry he didnt pay.Again here i am having to go without because if that man's choic

On Wed, May 1, 2024, 11:08 AM Janet Jennings <jjennings@jonesboroughtn.org> wrote:

Good Morning, Ms. Mosley,

I apologize for the delay in responding. We are reviewing the documentation associated with this matter but need a bit more time to complete the review. Thank you for your patience.

Best Regards,

Janet Jennings, CPA, CPFO, CMFO

[Quoted text hidden]

Lyndsey Mosley <lyndseylyndz@gmail.com>

Tue, May 14, 2024 at 5:01 PM

Draft To: Janet Jennings <jjennings@jonesboroughtn.org>

Why would I have to pay someone else's bill, though? Isn't the utilities placed into someone's name to prevent things like this from happening? I'm trying to get the water turned on in my name and at my place of residency. I don't understand why you all are trying to push onto me the previous residence bill? Shouldn't you pursue the person who had used the water and put the water in their name? That is the reason you put the utility in someone's name, right? Why would the bill get stuck to the house, in contrast to following the person whose name it is under. I shouldn't have to pay someone else's bill! Whose bill are you going to have me have to pay next? I haven't been a resident until not too long ago, when the previous residents fell into some legal issues and couldn't make any payments to keep the rent paid. I took it over afterwards, but that being said, there bill shouldn't be turned into my problem. Why am I being charged something I didn't even use?

On Tue, May 14, 2024, 1:35 PM Janet Jennings <jjennings@jonesboroughtn.org> wrote:

Good Morning, Ms. Mosley,

I apologize for the delay in responding, but I had to ensure that I fully researched all aspects of the situation and received the proper guidance. First, the \$280 in fees that you were assessed by the court system are separate and unrelated to the utility charges and damages outstanding on the account at 108 Ridgeview Lane. Also, you mentioned paying a deposit. The fee that we collect when an account is established is a non-refundable service charge. The Town does not take utility deposits.

Currently, there is no meter at 108 Ridgeview Lane. If you desire to have water service restored at that address, you can remit payment of \$2,403.28 by cash, money order or credit card. That fee includes the following:

- \$1,463.28 Outstanding utility charges and disconnect/reconnect fee
- 940.00 Damages to previous relocated meter

Our offices are open Monday – Friday, 8:00 a.m. – 4:30 p.m. We can provide same day service if you clear the account by 2:30 p.m. any given day.

Best Regards,

 Logo, company name Description automatically generated

Janet Jennings, CPA, CPFO, CMFO

Finance Director/Town Recorder

Town of Jonesborough

123 Boone Street

Jonesborough, TN 37659

108

Phone: 423-753-1038

From: Lyndsey Mosley <lyndseylyndz@gmail.com>
Sent: Monday, May 6, 2024 2:06 PM
To: Janet Jennings <jjennings@JonesboroughTN.org>
Subject: Re: Problems with the water department.

Update please

On Fri, May 3, 2024, 11:44 AM Lyndsey Mosley <lyndseylyndz@gmail.com> wrote:

Mrs.jennings could I please be told something here.my daughter went into labor earl.so now the new baby plus my daughter will be here.I have no problem with paying my bills I mean my power has never been turned off. I just don't feel like my deposit should have been kept if I couldn't have water. The fact that as the victim of domestic abuse for many yrs doesn't make me responsible for the bill that Mr.cross deecided not to pay. He controlled all the money so i never knew what was paid an what wasnt. Im sorry he didnt pay.Again here i am having to go without because if that man's choic

On Wed, May 1, 2024, 11:08 AM Janet Jennings <jjennings@jonesboroughtn.org> wrote:

Good Morning, Ms. Mosley,

I apologize for the delay in responding. We are reviewing the documentation associated with this matter but need a bit more time to complete the review. Thank you for your patience.

Best Regards,

Janet Jennings, CPA, CPFO, CMFO
Finance Director/Town Recorder
Town of Jonesborough
123 Boone Street
Jonesborough, TN 37659

From: Lyndsey Mosley <lyndseylyndz@gmail.com>
Sent: Wednesday, May 1, 2024 9:08 AM
To: Janet Jennings <jjennings@JonesboroughTN.org>
Subject: Re: Problems with the water department.

Ok then I ask if you could please add me to be heard at the board meeting on May 17th thank you.have a good day

On Mon, Apr 29, 2024, 3:33 PM Lyndsey Mosley <lyndseylyndz@gmail.com> wrote:

Hello this is lyndsey .mosley at 108 ridge view ln jonesborough tn 37659 I was just wondering if you had had time to check into my issue. Thank lyndsey mosley

On Fri, Apr 26, 2024, 8:47 AM Janet Jennings <jjennings@jonesboroughtn.org> wrote:

Good Morning, Ms. Mosley,

I'll be happy to research your situation with our Water Department. We will make every attempt to provide you a response by Monday.

Best Regards,

Janet Jennings, CPA, CPFO, CMFO
Finance Director/Town Recorder
Town of Jonesborough
123 Boone Street
Jonesborough, TN 37659
Phone: 423-753-1038

From: Lyndsey Mosley <lyndseylyndz@gmail.com>

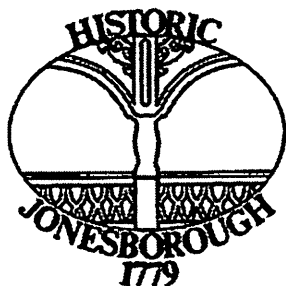
110

Sent: Thursday, April 25, 2024 5:11 PM

To: vp4sports@gmail.com; Glenn Rosenoff <GRosenoff@jonesboroughtn.org>; Janet Jennings <jjennings@JonesboroughTN.org>

Subject: Problems with the water department.

Hello my name is lyndsey mosley I live at 108 ridge view In jonesborough tn 37659. I am being denied water services. Let me start out 1st that March 27 2023 I paid a deposit, and never received water services then in June 2023 I was charged with theft of services in court I went ahead and received a fine which has been paid off. The next day after I had the fine paid off I went down to see when that my services would be turned on. And was treated horribly bad the woman in the office called over the investigator that had came out over the theft of services. I didn't do anything I didn't even raise my voice at them. But with that said I was told I couldn't have water in till my ex's bill was paid. Gabriel Cross I refuse to pay the man who went to prison for abusing me bill. He was convicted of reckless aggravated assault against me. I didn't know he wasn't paying the water bill. I don't see how I can be held accountable for a bill that doesn't belong to me. I have never had water services in my name in Washington county. And with that said Isn't it against policy to keep someone deposit money if they aren't receiving service? All I'm asking for is water in my home the deposit has been paid and my court fine of almost 300\$ was paid. It has been over a yr now without water. IM BEGGING FOR SOMEONE TO HELP ME.



TOWN OF JONESBOROUGH

**123 BOONE STREET
JONESBOROUGH, TN 37659
TELEPHONE (423) 753-1030
FAX (423) 753-1074**

July 15, 2024

Nate Fontenot, CFE
Financial Analyst
Tennessee Comptroller of the Treasury
Division of Local Government Finance
425 Rep. John Lewis Parkway N.
Nashville, TN 37243

Dear Mr. Fontenot,

This letter is in response to a complaint made by Lyndsey Mosley alleging that she was denied utility service by the Town of Jonesborough. As we understand, her complaint was forwarded to the Tennessee Board of Utility Regulation. The following is provided as background to support the Town's position of requiring Ms. Mosley to cover outstanding utility charges prior to receiving utility service.

Ms. Mosley and her boyfriend, Gabriel Cross, resided together at 108 Ridgeview Lane. The residence is in a trailer park, with ownership of the land and the trailer listed in the name of John Carter. The utility account was previously in the name of Gabriel Cross. The Town requires presentation of a lease agreement at the time an account is established, meaning the lease of the trailer would have been in the name of Mr. Cross.

Due to failure to pay delinquent utility charges (\$1,213.28), Mr. Cross' water service was disconnected on February 1, 2023. The meter was locked on February 8, 2023, followed by the meter being pulled on February 13, 2023. At that time, a disconnect fee of \$250.00 was assessed, making the total owed \$1,463.28 (see attached Utility History).

Subsequently, the residents of 108 Ridgeview Lane, Gabriel Cross and Lyndsey Mosley, were charged with theft for stealing their neighbor's water meter and damaging it in the process of installing it at their residence (damages assessed at \$940). Since Ms. Mosley was complicit in the theft, she was charged by the Jonesborough Police Department on April 24, 2023, for theft of services, and arrested on May 28, 2023. Her criminal case court hearing was held June 8,

Nate Fontenot, CFE
July 15, 2024

2023 and continued to June 10, 2024 (see attached Court Docket report). She pled guilty to the charges on June 10th.

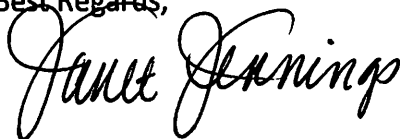
When Ms. Mosley attempted to sign up for water service in April, because she was living in the residence and utilizing the water service during the delinquency period, as well as being complicit in the theft, she was advised that she would be required to cover the outstanding utility balance, as well as damages (total owed \$2,403.28). We look to Water Regulations Chapter 1220-04-03-.19(1) to support our position.

The Town's Board of Mayor and Aldermen also serve as the local utility board. Every meeting is public and advertised, with an agenda item for public input. This opportunity is available to air matters such as Ms. Mosley's, however, she did not take advantage of that opportunity.

When we last communicated, Ms. Mosley still resided at 108 Ridgeview Lane. If Ms. Mosley were to be treated as a brand new resident of the trailer, without the complications of the criminal court case, etc., she would be required to present a lease agreement, demonstrating her legal right to use the property, since she does not own it. Because there is no meter at that property, she would be required to purchase a meter, at a cost of \$2,000.

Thank you for the opportunity to provide details on this matter. Please feel free to let me know if you have additional questions.

Best Regards,

A handwritten signature in black ink that reads "Janet Jennings". The signature is written in a cursive, flowing style.

Janet Jennings, CPA, CPFO, CMFO
Finance Director

Attachments: Utility History/Balance Inquiry
Washington County General Sessions Criminal Docket

Application for Trash pick-up
service will be completed
when you return this form
to Town Hall.

TOWN OF JONESBOROUGH

Application for Water Service

Inside City Limits _____ Outside City Limits _____

NAME: _____ SS # _____

SERVICE ADDRESS: _____ APT # _____

BILLING ADDRESS: _____ APT # _____
IF DIFFERENT _____

HOME PHONE NO. _____ CELL PHONE NO. _____

Previous service with Town of Jonesborough _____ No _____ Yes (List Date) _____

Previous address: _____

If business service, principals or responsible party: _____

I, the undersigned, hereby request the Jonesborough Water Department to provide water service through
water account # _____.

I understand that there must be no cross connections between the Jonesborough Water System and other
water sources. The Jonesborough Water Department will not be held responsible for any damage due to lack
of proper plumbing. The Water Department suggests and recommends a main cut-off valve, pressure reducing
valve, check valve, and pop-off valve.

I understand that, if my water bill is not kept up to date, my water service will be discontinued. I further
agree to abide by the Jonesborough Water Department regulations for servicing of meters.

Date

Signature

\$ _____ service charge paid

Town Recorder

Drivers License # _____

Identification checked: _____

Utility History/Balance Inquiry

Time: 16:04:03

Status.. I

A-Draft..

Serv#..

445700

Status.. I¹⁴

CROSS, GABRIEL

108 RIDGEVIEW LN

Addr1.. 108 RIDGEVIEW LN

JONESBOROUGH, TN

37659 0000

Addr2..

City St JONESBOROUGH, TN

37659 0000

Book/Page#.. 004 / 00000

Meter # 222319332

ERT #

2868122

MXU Id#

Trash Collection Day

Stmt Bal	Payments	Adjustments	Balance	Current Chrg	Current Bal
1463.28	.00	.00	1463.28	.00	1463.28
Current Amt	Over 30 Amt	Over 60 Amt	Over 90 Amt	Last Pymt	Credit Amt
.00	30.11	282.86	1150.31	.00	.00

Serv Code	Description	Rate Code	Total Chrg	Current Chrg
WA WATER 020	1042.44		.00	
BC RET'D CHEC 994		.00	.00	
BR BANK RECPT 056		.00	.00	
TX TAXES 996	99.04		.00	
PN PENALTY 098	31.80		.00	
DS DISCONNECT 100	290.00		.00	

More...

F3=Exit F4=Usage F6=History F7=Cust Msg F9=Cleared Hst
F10=Deposits F11=Bdgt Bill F15=Stmt F20=Attach

Amount he owed After: 2/1/23 Disconnect
2/8/23 Locked
2/13/23 meter pulled

Police Dept (Jonesborough) filed charges after they stole meter from neighbor + damaged it putting in to the property address they lived at 108 Ridgeriew Lane.

Jim Nease found the meter + called out to our Police dept.

Caleb Couch was the officer from Town of Jonesborough that investigated this.

\$1,463.28 Past due
940.00 Damages
\$2,403.28 Total Due

Case Number: 90GS1-2023-CR-168191
Case Style: State Of Tennessee vs Lyndsey Mosley

Case

Case Type:	Criminal	Filing Date:	04/24/2023	Case Notes:	Agreed Order-This matter came to be heard on 06/08/23 before Judge Hardin,
Case Sub Type:	Criminal	Case Status:	Open		has been continued to 06/10/24 at 9am. The defendant shall commit no
Case Judge:	Special Judge	Status Date:	04/24/2023		new
					law violations, and make restitution through the clerk's office in the
					amount of
					\$280.00 to town of Jonesborough Water Dept.

Parties

Plaintiff	State Of Tennessee
Defendant	Lyndsey Mosley

Charge(s)

Party Charged:	Lyndsey Mosley		
Charge: 1	TCA Code: 39-14-104	Offense Type:	Misdemeanor
	TCA Desc: THEFT OF SERVICES - \$1,000 OR LESS	Offense Class:	A
	Filing Date: 04/24/2023	Location:	
	Disposition Date:		
	Disposition:	Violation Date:	04/12/2023
	TJIS Disposition:	Arresting Officer:	Derek " Caleb" Couch
	Arrest Date: 05/28/2023	Comments:	
	Sentence Date:		

Hearing(s)

Hearing For Party	Role	Hearing Type	Hearing Date/Time	Judge	Hearing Result
Lyndsey Mosley	Defendant	Hearing	06/10/2024 9:00 AM	Special Judge	
Lyndsey Mosley	Defendant	Hearing	06/08/2023 9:00 AM	Special Judge	Continuance Granted

Pled guilty

Docket Entries

Date / Time	Party	Entry
06/08/2023 12:58 PM		Hearing Result: for Lyndsey Mosley - Hearing held 6/8/2023 9:00:00 AM - Continuance Granted - Criminal - Rescheduled for 6/10/2024 9:00 AM
06/08/2023 3:46 PM		Hearing Entered: Hearing scheduled for Lyndsey Mosley on 6/8/2023 9:00 AM; Special Judge
06/08/2023 3:36 PM		Criminal Case Created





JASON E. MUMPOWER
Comptroller

Centerville Complaint

Tennessee Board of Utility Regulation

Complainant: Samantha Crites

Utility System: Town of Centerville

Date Brought Before Local Utility Board: N/A

Date Submitted to TBOUR Staff: 3/20/2024

Jurisdiction: The justness and reasonableness of a utility system's rates, fees, or charges.

Summary of Complaint: Beginning in 2002, 2003, my husband and I began paying a sewer line access fee to the Town of Centerville. According to the mayor this fee is 130% of the total amount of water volume used that month. This fee is fluid and as of last month our fee was \$88.00. I called Mayor Jacobs and requested to be placed on the agenda for the next Public Town Meeting to discuss this fee. Among other things, he told me he would have a discussion with the Heads of Water and Sewer Departments and have them call me. I did not hear from either. On February 19, 2024, I emailed Mayor Jacobs to inform him I had not heard from anyone and again asked to be placed on the agenda. On February 20, 2024, he emailed me back stating that the heads of sewer collection and wastewater treatment were looking into this and he would let me know what they found out, again I heard from neither. On February 27, 2024, I email Mayor Jacobs to inform him I had not heard from his department heads and again requested to be placed on the agenda. Later that day he emailed me back and informed me that I would not be placed on the agenda for a future meeting. I, along with many others in the Town of Centerville are being charged for an access fee that we neither asked for nor need. In my particular case we have septic. There is absolutely no service we are receiving for the monies being paid to the Town of Centerville for the access fee and we do not know from month to month what amount we will be charged. Many cannot afford to pay their complete bill because of this fee while the other services are being held hostage if it is not paid (water, gas, garbage). I do realize that the Town of Centerville is allow to charge an access fee; however; I realize as well that it does not have to be this exorbitant and fluid amount that is unreasonable, unjust and unfair.

Summary of Board's Decision: The Utility does not allow public comments or has declined my request.

Remedy Being Sought: I am requesting that the Town of Centerville be required to lower their access fee to a flat monthly fee of \$18.00. I am also requesting that the 3 services and 1 access fee be billed separately as to not hold another service hostage. I am requesting that a refund be made to the citizens of the Town of Centerville for economic loss because of this unreasonable, unjust and unfair fee in an amount to be determined by this panel.

ORDINANCE NO 817

AN ORDINANCE TO REPEAL THE EXISTING SANITARY SEWER DISPOSAL ORDINANCES AND ADOPT NEW WASTEWATER REGULATIONS.

BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE TOWN OF CENTERVILLE, TENNESSEE, THAT:

Section 1. Article V. - Sanitary Sewage Disposal in Chapter 15 entitled Utilities is hereby replaced by the following Wastewater Regulations.

CHAPTER 1

GENERAL WASTEWATER REGULATIONS

SECTION

101. Purpose and policy.
102. Administrative
103. Definitions.
104. Proper waste disposal required.
105. Private domestic wastewater disposal.
106. Connection to public sewers.
107. Septic tank effluent pump or grinder pump wastewater systems.
108. Regulation of holding tank waste disposal or trucked in waste.
109. Discharge regulations.
110. Enforcement and abatement.

101. Purpose and policy. This chapter sets forth uniform requirements for users of the Town of Centerville, Tennessee, wastewater treatment system and enables the town to comply with the Federal Clean Water Act and the state Water Quality Control Act and rules adopted pursuant to these acts. The objectives of this chapter are:

- (1) To protect public health,
- (2) To prevent the introduction of pollutants into the municipal wastewater treatment facility, which will interfere with the system operation;
- (3) To prevent the introduction of pollutants into the wastewater treatment facility that will pass through the facility, inadequately treated, into the receiving waters, or otherwise be incompatible with the treatment facility;
- (4) To protect facility personnel who may be affected by wastewater and sludge in the course of their employment and the general public;
- (5) To promote reuse and recycling of industrial wastewater and sludge from the facility;

[Section 101]

(6) To provide for fees for the equitable distribution of the cost of operation, maintenance, and improvement of the facility; and

(7) To enable the town to comply with its National Pollution Discharge Elimination System (NPDES) Permit conditions, sludge and bio-solid use and disposal requirement, and any other Federal or State industrial pretreatment rules to which the facility is subject.

In meeting these objectives, this chapter provides that all persons in the service area of the Town of Centerville must have adequate wastewater treatment either in the form of a connection to the municipal wastewater treatment system or, where the system is not available, an appropriate private disposal system.

This chapter shall apply to all users inside or outside the town who are, by implied contract or written agreement with the town, dischargers of applicable wastewater to the wastewater treatment facility. Chapter 2 provides for the issuance of permits to system users, for monitoring, compliance, and enforcement activities; establishes administrative review procedures for industrial users or other users whose discharge can interfere with or cause violations to occur at the wastewater treatment facility. Chapter 2 details permitting requirements including the setting of fees for the full and equitable distribution of costs resulting from the operation, maintenance, and capital recovery of the wastewater treatment system and from other activities required by the enforcement and administrative program established herein.

102. Administrative. Except as otherwise provided herein, the Mayor shall fill the role as Local Administrative Officer of the town and shall administer, implement, and enforce the provisions of this chapter. The Board of Mayor and Aldermen shall serve as the local hearing authority. The Chief Operator will manage the daily operations of the system. The Pretreatment Coordinator will perform all tasks associated with the management of the Industrial Pretreatment Program up to and including the preparation of and implementing of all enforcement actions with the exceptions of enforcement actions with monetary penalties which will be prepared by the Pretreatment Coordinator but will be issued by the Local Administrative Officer.

103. Definitions. Unless the context specifically indicates otherwise, the following terms and phrases, as used in this chapter, shall have the meanings hereinafter designated:

(1) "Administrator." The Administrator or the United States Environmental Protection Agency.

(2) "Act or the Act." The Federal Water Pollution Control Act, also known as the Clean Water Act, as amended and found in 33 U.S.C. § 1251, et seq.

(3) "Approval authority." The Tennessee Department of Environment and Conservation, Division of Water Pollution Control.

(4) "Authorized or Duly Authorized Representative of industrial user:

(a) If the user is a corporation:

(i) The president, secretary, treasurer, or vice-president of the corporation in charge of a principal business function, or any person who performs similar policy or decision-making functions for the corporation; or

(ii) The manager of one or more manufacturing, production, or operating facilities, provided the manager is authorized to make management decisions that govern the operation of the regulated facility including having the explicit or implicit duty of making major capital investment recommendations,

and initiate and direct other comprehensive measures to assure long-term environmental compliance with environmental laws and regulations; can insure that the necessary systems are established or actions taken to gather complete and accurate information for individual wastewater discharge permit requirements; and where authority to sign documents has been assigned or delegated to the manager in accordance with corporate procedures.

(b) If the user is a partnership or sole proprietorship: a general partner or proprietor, respectively.

(c) If the user is a federal, state, or local governmental agency: a director or highest official appointed or designated to oversee the operation and performance of the activities of the governmental facility, or their designee.

(d) The individual described in paragraphs (a)-(c), above, may designate a duly authorized representative if the authorization is in writing, the authorization specifies the individual or position responsible for the overall operation of the facility from which the discharge originates or having overall responsibility for environmental matters for the company, and the written authorization is submitted to the town.

(5) "Best Management Practices" or "BMPs" means schedules of activities, prohibitions of practices, maintenance procedures, and other management practices to implement the prohibitions listed in Section 109 of this chapter. BMPs also include treatment requirement, operating procedures, and practices to control plant site runoff, spillage or leaks, sludge or waste disposal, or drainage from raw materials storage.

(6) "Biochemical Oxygen Demand (BOD)." The quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure for five (5) days at 20 centigrade expressed in terms of weight and concentration (milligrams per liter (mg/l)).

(7) "Building sewer." A sewer conveying wastewater from the premises of a user to the publicly owned sewer collection system.

(8) "Categorical standards." The National Categorical Pretreatment Standards or Pretreatment Standard as found in 40 CFR Chapter I, Subchapter N, Parts 405-471.

(9) "City or Town." The Board of Mayor and Aldermen, Town of Centerville, Tennessee.

(10) "Commissioner." The commissioner of environment and conservation or the commissioner's duly authorized representative and, in the event of the commissioner's absence or a vacancy in the office of commissioner, the deputy commissioner.

(11) "Compatible pollutant." Shall mean BOD, suspended solids, pH, fecal coliform bacteria, and such additional pollutants as are now or may in the future be specified and controlled in the town's NPDES permit for its wastewater treatment works where sewer works have been designed and used to reduce or remove such pollutants.

(12) "Composite sample." A sample composed of two or more discrete samples. The aggregate sample will reflect the average water quality covering the compositing or sample period.

(13) "Control authority." The term "control authority" shall refer to the "approval authority," defined herein above; or the local hearing authority if the town has an approved Pretreatment Program under the provisions of 40 CFR 403.11.

(14) "Cooling water." The water discharge from any use such as air conditioning, cooling, or refrigeration, or to which the only pollutant added is heat.

(15) "Customer." Any individual, partnership, corporation, association, or group who receives sewer service from the town under either an express or implied contract requiring payment to the town for such service.

(16) "Daily Maximum." The arithmetic average of all effluent samples for a pollutant (except pH) collected during a calendar day. The daily maximum for pH is the highest value tested during a 24 hour calendar day.

(17) "Daily Maximum Limit." The maximum allowable discharge limit of a pollutant during a calendar day. Where the limit is expressed in units of mass, the limit is the maximum amount of total mass of the pollutant that can be discharged during the calendar day. Where the limit is expressed in concentration, it is the arithmetic average of all concentration measurements taken during the calendar day.

(18) "Direct discharge." The discharge of treated or untreated wastewater directly to the waters of the State of Tennessee.

(19) "Domestic wastewater." Wastewater that is generated by a single family, apartment or other dwelling unit or dwelling unit equivalent or commercial establishment containing sanitary facilities for the disposal of wastewater and used for residential or commercial purposes only.

(20) "Environmental Protection Agency, or EPA." The U. S. Environmental Protection Agency, or where appropriate, the term may also be used as a designation for the administrator or other duly authorized official of the said agency.

(21) "Garbage." Solid wastes generated from any domestic, commercial or industrial source.

(22) "Grab sample." A sample which is taken from a waste stream on a one-time basis with no regard to the flow in the waste stream and is collected over a period of time not to exceed fifteen (15) minutes. Grab sampling procedure: Where composite sampling is not an appropriate sampling technique, a grab sample(s) shall be taken to obtain influent and effluent operational data. Collection of influent grab samples should precede collection of effluent samples by approximately one detention period. The detention period is to be based on a 24-hour average daily flow value. The average daily flow used will be based upon the average of the daily flows during the same month of the previous year. Grab samples will be required, for example, where the parameters being evaluated are those, such as cyanide and phenol, which may not be held for any extended period because of biological, chemical or physical interactions which take place after sample collection and affect the results.

(23) "Grease interceptor." An interceptor whose rated flow is 50 g.p.m. (gallons per minute) or less and is generally located inside the building.

(24) "Grease trap." An interceptor whose rated flow is 50 g.p.m. or more and is located outside the building.

(25) "Holding tank waste." Any waste from holding tanks such as vessels, chemical toilets, campers, trailers, septic tanks, and vacuum-pump tank trucks.

(26) "Incompatible pollutant." Any pollutant which is not a "compatible pollutant" as defined in this section.

(27) "Indirect discharge." The introduction of pollutants into the WWF from any non-domestic source.

(28) "Industrial user." A source of indirect discharge which does not constitute a "discharge of pollutants" under regulations issued pursuant to Section 402, of the Act (33 U.S.C. §1342).

(29) "Industrial wastes." Any liquid, solid, or gaseous substance, or combination thereof, or form of energy including heat, resulting from any process of industry, manufacture, trade, food processing or preparation, or business or from the development of any natural resource.

(30) "Instantaneous limit." The maximum concentration of a pollutant allowed to be discharged at any time, determined from the analysis of any discrete or composited sample collected, independent of the industrial flow rate and the duration of the sampling event.

(31) "Interceptor." A device designed and installed to separate and retain for removal, by automatic or manual means, deleterious, hazardous or undesirable matter from normal wastes, while permitting normal sewage or waste to discharge into the drainage system by gravity.

(32) "Interference." A discharge that, alone or in conjunction with a discharge or discharges from other sources, inhibits or disrupts the WWF, its treatment processes or operations, or its sludge processes, use or disposal, or exceeds the design capacity of the treatment works or collection system.

(33) "Local administrative officer." The chief administrative officer of the local hearing authority.

(34) "Local hearing authority." The board of mayor and aldermen or such person or persons appointed by the board to administer and enforce the provisions of this chapter and conduct hearings pursuant to Section 205.

(35) "National categorical pretreatment standard or pretreatment standard." Any regulation containing pollutant discharge limits promulgated by the EPA in accordance with Section 307(b) and (c) of the Act (33 U.S.C. § 1347) which applies to a specific category of industrial users.

(36) "NAICS, North American Industrial Classification System." A system of industrial classification jointly agreed upon by Canada, Mexico and the United States. It replaces the Standard Industrial Classification (SIC) System.

(37) "New source."

(a) Any building, structure, facility or installation from which there is or may be a discharge of pollutants, the construction of which commenced after the publication of proposed Pretreatment Standards under section 307(c) of the Clean Water Act which will be applicable to such source if such Standards are thereafter promulgated in accordance with that section, provided that:

- (i) The building structure, facility or installation is constructed at a site at which no other source is located; or
- (ii) The building, structure, facility or installation totally replaces the process or production equipment that causes the discharge of pollutants at an existing source; or
- (iii) The production or wastewater generating processes of the building, structure, facility or installation are substantially independent of an existing source at the same site. In determining whether these are substantially independent, factors such as the extent to which the new facility is engaged in the same general type of activity as the existing source should be considered.

(b) Construction on a site at which an existing source is located results in a modification rather than a new source if the construction does not create a new building, structure, facility, or installation meeting the criteria of parts (a)(ii) or (a)(iii) of this definition but otherwise alters, replaces, or adds to existing process or production equipment.

(c) Construction of a new source as defined under this paragraph has commenced if the owner or operator has:

- (i) Begun, or caused to begin as part of a continuous onsite construction program:
 - (A) Any placement, assembly, or installation of facilities or equipment; or
 - (B) Significant site preparation work including cleaning, excavation or removal of existing buildings, structures, or facilities which is necessary for the placement, assembly, or installation of new source facilities or equipment; or
- (ii) Entered into a binding contractual obligation for the purchase of facilities or equipment which are intended to be used in its operation within a reasonable time. Options to purchase or contracts which can be terminated or modified without substantial loss, and contracts for feasibility, engineering, and design studies do not constitute a contractual obligation under this paragraph

(38) "NPDES (National Pollution Discharge Elimination System)." The program for issuing, conditioning, and denying permits for the discharge of pollutants from point sources into navigable waters, the contiguous zone, and the oceans pursuant to Section 402 of the Clean Water Act as amended.

(39) "Pass-through." A discharge which exits the Wastewater Facility (WWF) into waters of the State in quantities or concentrations which, alone or in conjunction with a discharge or discharges from other sources, is a cause of a violation of any requirement of the WWF's NPDES permit including an increase in the magnitude or duration of a violation.

(40) "Person." Any individual, partnership, co-partnership, firm, company, corporation, association, joint stock company, trust, estate, governmental entity or any other legal entity, or their legal representatives, agents, or assigns. The masculine gender shall include the feminine and the singular shall include the plural where indicated by the context.

(41) "pH." The logarithm (base 10) of the reciprocal of the concentration of hydrogen ions expressed in grams per liter of solution.

(42) "Pollution." The man-made or man-induced alteration of the chemical, physical, biological, and radiological integrity of water.

(43) "Pollutant." Any dredged spoil, solid waste, incinerator residue, filter backwash, sewage, garbage, sewage sludge, munitions, medical waste, chemical wastes, biological materials, radioactive materials, heat, wrecked or discharged equipment, rock, sand, cellar dirt, and industrial, municipal, and agricultural waste and certain characteristics of wastewater (e.g., pH, temperature, turbidity, color, BOD, COD, toxicity, or odor discharge into water).

(44) "Pretreatment or treatment." The reduction of the amount of pollutants, the elimination of pollutants, or the alteration of the nature of pollutant properties in wastewater to a less harmful state prior to or in lieu of discharging or otherwise introducing such pollutants into a

POTW. The reduction or alteration can be obtained by physical, chemical, biological processes, or process changes or other means, except through dilution as prohibited by 40 CFR Section 403.6(d).

(45) "Pretreatment coordinator." The person designated by the local administrative officer or his authorized representative to supervise the operation of the pretreatment program.

(46) "Pretreatment requirements." Any substantive or procedural requirement related to pretreatment other than a national pretreatment standard imposed on an industrial user.

(47) "Pretreatment standards or standards." A prohibited discharge standard, categorical pretreatment standard and local limit.

(48) "Publicly owned treatment works (POTW)." A treatment works as defined by Section 212 of the Act, (33 U.S.C. § 1292) which is owned in this instance by the municipality (as defined by section 502(4) of the Act). This definition includes any devices and systems used in the storage, treatment, recycling and reclamation of municipal sewage or industrial wastes of a liquid nature. It also includes sewers, pipes and other conveyances only if they convey wastewater to a POTW treatment plant. The term also means the municipality as defined in section 502(4) of the Act, which has jurisdiction over the indirect discharges to and the discharges from such a treatment works. See WWF, Wastewater Facility, found in definition number 63, below.

(49) "Shall" is mandatory; "May" is permissive.

(50) "Significant industrial user." The term significant industrial user means:

(a) All industrial users subject to categorical pretreatment standards under 40 CFR 403.6 and 40 CFR chapter I, subchapter N; and

(b) Any other industrial user that: discharges an average of 25,000 gallons per day or more of process wastewater to the WWF (excluding sanitary, non-contact cooling and boiler blowdown wastewater); contributes a process wastestream which makes up 5 percent or more of the average dry weather hydraulic or organic capacity of the POTW treatment plant; or is designated as such by the control authority as defined in 40 CFR 403.12(a) on the basis that the industrial user has a reasonable potential for adversely affecting the WWF's operation or for violating any pretreatment standard or requirement (in accordance with 40 CFR 403.8(f)(6)).

(51) "Significant noncompliance." Per 0400-40-14:12(15)B. (a) Chronic violations of wastewater discharge limits, defined here as those in which sixty-six percent or more of all of the measurements taken for each parameter taken during a six-month period exceed (by any magnitude) a numeric pretreatment standard or requirement, including instantaneous limit.

(b) Technical Review Criteria (TRC) violations, defined here as those in which thirty-three percent or more of all of the measurements for each pollutant parameter taken during a six-month period equal or exceed the product of the numeric pretreatment standard or requirement, including instantaneous limits multiplied by the applicable TRC (TRC=1.4 for BOD, TSS, fats, oils and grease, and 1.2 for all other pollutants except pH). TRC calculations for pH are not required.

(c) Any other violation of a pretreatment standard or requirement (daily maximum or longer-term average, instantaneous limit, or narrative standard) that the

WWF determines has caused, alone or in combination with other discharges, interference or pass through (including endangering the health of WWF personnel or the general public).

(d) Any discharge of a pollutant that has caused imminent endangerment to human health, welfare or to the environment or has resulted in the WWF's exercise of its emergency authority under Section 205(1)(b)(i)(D), Emergency Order, to halt or prevent such a discharge.

(e) Failure to meet, within 90 days after the schedule date, a compliance schedule milestone contained in a local control mechanism or enforcement order for starting construction, completing construction, or attaining final compliance.

(f) Failure to provide, within 45 days after their due date, required reports such as baseline monitoring reports, 90-day compliance reports, periodic self-monitoring reports, and reports on compliance with compliance schedules.

(g) Failure to accurately report noncompliance.

(h) Any other violation or group of violations, which may include a violation of Best Management Practices, which the WWF determines will adversely affect the operation or implementation of the local pretreatment program.

(i) Continuously monitored pH violations that exceed limits for a time period greater than 50 minutes or exceed limits by more than 0.5 s.u. more than eight times in four hours.

(52) "Slug." Any discharge of a non-routine, episodic nature, including but not limited to an accidental spill or a non-customary batch discharge, which has a reasonable potential to cause interference or pass-through, or in any other way violate the WWF's regulations, local limits, or Permit conditions.

(53) "Standard industrial classification (SIC)." A classification pursuant to the Standard Industrial Classification Manual issued by the Executive Office of the President, Office of Management and Budget, 1972.

(54) "State." The State of Tennessee.

(55) "Storm sewer or storm drain." A pipe or conduit which carries storm and surface waters and drainage, but excludes sewage and industrial wastes. It may, however, carry cooling waters and unpolluted waters, upon approval of the chief operator.

(56) "Storm water." Any flow occurring during or following any form of natural precipitation and resulting therefrom.

(57) "Superintendent or Chief Operator." The local administrative officer or person designated by him to supervise the operation of the publicly owned treatment works and who is charged with certain duties and responsibilities by this chapter, or his duly authorized representative.

(58) "Suspended solids." The total suspended matter that floats on the surface of, or is suspended in, water, wastewater, or other liquids and that is removable by laboratory filtering, as defined in 40 CFR 136 located under residue.

(59) "Toxic pollutant." Any pollutant or combination of pollutants listed as toxic in regulations published by the Administrator of the Environmental Protection Agency under the provision of CWA 307(a) or other Acts.

(60) "Twenty-four (24) hour flow proportional composite sample." A sample consisting of several sample portions collected during a 24-hour period in which the portions of a sample are proportioned to the flow and combined to form a representative sample.

(61) "User." The owner, tenant or occupant of any lot or parcel of land connected to a sanitary sewer, or for which a sanitary sewer line is available if a municipality levies a sewer charge on the basis of such availability, Tennessee Code Annotated, § 68-221-201.

(62) "Wastewater." The liquid and water-carried industrial or domestic wastes from dwellings, commercial buildings, industrial facilities, and institutions, whether treated or untreated, which is contributed into or permitted to enter the WWF.

(63) "Wastewater Facility" Any or all of the following: the collection/transmission system, treatment plant, and the reuse or disposal system, which is owned by any person. This definition includes any devices and systems used in the storage, treatment, recycling and reclamation of municipal sewage or industrial waste of a liquid nature. It also includes sewers, pipes and other conveyances only if they convey wastewater to a WWF treatment plant. The term also means the municipality as defined in section 502(4) of the Federal Clean Water Act, which has jurisdiction over the indirect discharges to and the discharges from such a treatment works. WWF was formally known as a POTW, or Publicly Owned Treatment Works.

(64) "Waters of the state." All streams, lakes, ponds, marshes, watercourses, waterways, wells, springs, reservoirs, aquifers, irrigation systems, drainage systems, and other bodies of accumulation of water, surface or underground, natural or artificial, public or private, that are contained within, flow through, or border upon the state or any portion thereof.

(65) 40CFR403 And 0400-40-14.12(15) of the Rules and Regulations of the State of Tennessee, Pretreatment Requirements.

104. Proper waste disposal required. (1) It shall be unlawful for any person to place, deposit, or permit to be deposited in any unsanitary manner on public or private property within the service area of the town, any human or animal excrement, garbage, or other objectionable waste.

(2) It shall be unlawful to discharge to any waters of the state within the service area of the town any sewage or other polluted waters, except where suitable treatment has been provided in accordance with provisions of this ordinance or town or state regulations.

(3) Except as herein provided, it shall be unlawful to construct or maintain any privy, privy vault, cesspool, or other facility intended or used for the disposal of sewage.

(4) Except as provided in (6) below, the owner of all houses, buildings, or properties used for human occupancy, employment, recreation, or other purposes situated within the service area in which there is now located or may in the future be located a public sanitary sewer, is hereby required at his expense to install suitable toilet facilities therein, and to connect such facilities directly with the proper private or public sewer in accordance with the provisions of this chapter. Where public sewer is available property owners shall within sixty (60) days after date of official notice to do so, connect to the public sewer. Service is considered "available" when a public sewer main is located within 500 feet of the property.

(5) Where a public sanitary sewer is not available under the provisions of (4) above, the building sewer shall be connected to a private sewage disposal system complying with the provisions of Section 105 of this ordinance.

(6) The owner of a manufacturing facility may discharge wastewater to the waters of the state provided that he obtains an NPDES permit and meets all requirements of the Federal Clean Water Act, the NPDES permit, and any other applicable local, state, or federal statutes and regulations.

105. Private domestic wastewater disposal. (1) Availability. (a) Where a public sanitary sewer is not available under the provisions of Section 104(4), the building sewer shall be connected, until the public sewer is available, to a private wastewater disposal system complying with the provisions of the applicable local and state regulations.

(b) The owner shall operate and maintain the private sewage disposal facilities in a sanitary manner at all times, at no expense to the town. When it becomes necessary to clean septic tanks, the sludge may be disposed of only according to applicable federal and state regulations.

(c) Where a public sewer becomes available, the building sewer shall be connected to said sewer within sixty (60) days after date of official notice from the town to do so. If the owner does not choose to connect to the public sewer and has a properly functioning private system, the owner may continue to use that private system but will be charged a full sewer rate based on water used. If the private system fails the owner must connect to the public sewer within 60 days.

(2) Requirements. (a) The type, capacity, location and layout of a private sewerage disposal system shall comply with all local or state regulations. Before commencement of construction of a private sewerage disposal system, the owner shall first obtain a written approval from the County Health Department. The application for such approval shall be made on a form furnished by the County Health Department which the applicant shall supplement with any plans or specifications that the Department has requested.

(b) Approval for a private sewerage disposal system shall not become effective until the installation is completed to the satisfaction of the local and state authorities, who shall be allowed to inspect the work at any stage of construction.

(c) The type, capacity, location, and layout of a private sewage disposal system shall comply with all recommendations of the Tennessee Department of Environment and Conservation, and the County Health Department. No septic tank or cesspool shall be permitted to discharge to waters of Tennessee.

(d) No statement contained in this chapter shall be construed to interfere with any additional or future requirements that may be imposed by the town and the county health department.

106. Connection to public sewers. (1) Application for Service. (a) There shall be two (2) classifications of service; (1) residential and (2) service to commercial, industrial and other nonresidential establishments. In either case, the owner or his agent shall make application for connection on a special form furnished by the Town. Applicants for service to commercial and industrial establishments shall be required to furnish information about all waste producing activities, wastewater characteristics and constituents. The application shall be supplemented by any plans, specifications or other

information considered pertinent in the judgment of the chief operator. Details regarding commercial and industrial permits include but are not limited to those required by this ordinance. Service Connection Fees for establishing new sewer service are paid to the town. Industrial User Discharge Permit Fees may also apply. The receipt by the town of a prospective customer's application for connection shall not obligate the town to render the connection. If the service applied for cannot be supplied in accordance with this chapter and the town's rules and regulations and general practice, or state and federal requirement, the connection charge will be refunded in full, and there shall be no liability of the town to the applicant for such service.

(b) Users shall notify the Local Administrative Officer of any proposed new introduction of wastewater constituents or any proposed change in the volume or character of the wastewater being discharged to the system a minimum of sixty (60) days prior to the change. The town may deny or limit this new introduction or change based upon the information submitted in the notification.

(2) Prohibited connections. No person shall make connections of roof downspouts, sump pumps, basement wall seepage or floor seepage, exterior foundation drains, area way drains, or other sources of surface runoff or groundwater to a building sewer or building drain which in turn is connected directly or indirectly to a public sanitary sewer. Any such connections which already exist on the effective date of this ordinance shall be completely and permanently disconnected within sixty (60) days of the effective day of this ordinance. The owners of any building sewer having such connections, leaks or defects shall bear all of the costs incidental to removal of such sources. Pipes, sumps and pumps for such sources of ground water shall be separate from the sanitary sewer.

(3) Physical connection to public sewer. (a) No person shall uncover, make any connections with or opening into, use, alter, or disturb any public sewer or appurtenance thereof. The town shall make all connections to the public sewer upon the property owner first submitting a connection application to the town.

The connection application shall be supplemented by any plans, specifications or other information considered pertinent in the judgment of the chief operator. A service connection fee shall be paid to the town at the time the application is filed.

The applicant is responsible for excavation and installation of the building sewer which is located on private property. The town will inspect the installation prior to backfilling and make the connection to the public sewer.

(b) All costs and expenses incident to the installation, connection, and inspection of the building sewer shall be borne by the owner including all service and connection fees. The owner shall indemnify the town from any loss or damage that may directly or indirectly be occasioned by the installation of the building sewer.

(c) A separate and independent building sewer shall be provided for every building; except where one building stands at the rear of another on an interior lot and no private sewer is available or can be constructed to the rear building through an adjoining alley, courtyard, or driveway, the building sewer from the front building may be extended to the rear building and the whole considered as one building sewer. Where property is

subdivided and buildings use a common building sewer are now located on separate properties, the building sewers must be separated within 60 days.

(d) Old building sewers may be used in connection with new buildings only when they are found, on examination and tested by the chief operator to meet all requirements of this chapter. All others may be sealed to the specifications of the chief operator.

(e) Building sewers shall conform to the following requirements:

(i) The minimum size of a building sewer shall be as follows:
Conventional sewer system - Four inches (4").

(ii) The minimum depth of a building sewer shall be eighteen inches (18").

(iii) Building sewers shall be laid on the following grades: Four inch (4") sewers - 1/8 inch per foot.

Larger building sewers shall be laid on a grade that will produce a velocity when flowing full of at least 2.0 feet per second.

(iv) Building sewers shall be installed in uniform alignment at uniform slopes.

(v) Building sewers shall be constructed only of polyvinyl chloride pipe Schedule 40 or better. Joints shall be solvent welded or compression gaskets designed for the type of pipe used. No other joints shall be acceptable.

(vi) Cleanouts shall be provided to allow cleaning in the direction of flow. A cleanout shall be located five (5) feet outside of the building, as it crosses the property line and one at each change of direction of the building sewer which is greater than 45 degrees. Additional cleanouts shall be placed not more than seventy-five (75) feet apart in horizontal building sewers of six (6) inch nominal diameter and not more than one hundred (100) feet apart for larger pipes. Cleanouts shall be extended to or above the finished grade level directly above the place where the cleanout is installed and protected from damage. A "Y" (wye) and 1/8 bend shall be used for the cleanout base. Cleanouts shall not be smaller than four (4) inches. Blockages on the property owner's side of the property line cleanout are the responsibility of the property owner.

(vii) Connections of building sewers to the public sewer system shall be made only by the town and shall be made at the appropriate existing wyes or tee branch using compression type couplings or collar type rubber joint with stainless steel bands. Where existing wye or tee branches are not available, connections of building services shall be made by either removing a length of pipe and replacing it with a wye or tee fitting using flexible neoprene adapters with stainless steel bands of a type approved by the chief operator. Bedding must support pipe to prevent damage or sagging. All such connections shall be made gastight and watertight.

(viii) In all buildings in which any building drain is too low to permit gravity flow to the public sewer, sanitary sewage carried by such building drain shall be lifted by an approved pump system according to Section 107 and discharged to the building sewer at the expense of the owner.

(ix) The methods to be used in excavating, placing of pipe, jointing, testing, backfilling the trench, or other activities in the construction of a building sewer which have not been described above shall conform to the requirements of the building and plumbing code or other applicable rules and regulations of the town or to the procedures set forth in appropriate specifications by the ASTM. Any deviation from the prescribed procedures and materials must be approved by the chief operator before installation.

(x) An installed building sewer shall be gastight and watertight.

(f) All excavations for building sewer installation shall be adequately guarded with barricades and lights so as to protect the public from hazard. Streets, sidewalks, parkways, and other public property disturbed in the course of the work shall be restored in a manner satisfactory to the town.

(g) No person shall make connection of roof downspouts, exterior foundation drains, areaway drains, basement drains, sump pumps, or other sources of surface runoff or groundwater to a building directly or indirectly to a public sanitary sewer.

(h) Inspection of connections.

(i) The sewer connection and all building sewers from the building to the public sewer main line shall be inspected before the underground portion is covered, by the chief operator or his authorized representative.

(ii) The applicant for discharge shall notify the chief operator when the building sewer is ready for inspection and connection to the public sewer. The connection shall be made under the supervision of the chief operator or his representative.

(4) Maintenance of building sewers. Each individual property owner shall be entirely responsible for the construction, maintenance, repair or replacement of the building sewer as deemed necessary by the chief operator to meet specifications of the town. Owners failing to maintain or repair building sewers or who allow storm water or ground water to enter the sanitary sewer may face enforcement action by the chief operator up to and including discontinuation of water and sewer service.

(5) Sewer extensions. All expansion or extension of the public sewer constructed by property owners or developers must follow policies and procedures developed by the town. In the absence of policies and procedures the expansion or extension of the public sewer must be approved in writing by the chief operator or manager of the wastewater collection system. All plans and construction must follow the latest edition of Tennessee Design Criteria for Sewerage Works, located at <http://www.state.tn.us/environment/wpc/publications/>. Contractors must provide the chief operator or manager with as-built drawing and documentation that all mandrel, pressure and vacuum tests as specified in design criteria were acceptable prior to use of the lines. Contractor's one year warranty period begins with occupancy or first permanent use of the lines or at the time the Town has accepted the extension. Contractors are responsible for all maintenance and repairs during the warranty period and final inspections as specified by the chief operator or manager. The chief operator or manager must give written approval to the contractor to acknowledge transfer of ownership to the town. Failure to construct or repair lines to acceptable standards could result in denial or discontinuation of sewer service.

107. Grinder pump wastewater systems. When connection of building sewers to the public sewer by gravity flow lines is impossible due to elevation differences or other encumbrances, Grinder Pump (GP) systems may be installed subject to the regulations of the town.

(1) Equipment requirements. Pumps must be approved by the town and shall be maintained by the town.

(2) Installation requirements. Location of tanks, pumps, and effluent lines shall be subject to the approval of the town. Installation shall follow design criteria for GP systems as provided by the chief operator.

(3) Costs. GP equipment for new construction shall be purchased and installed at the developer's, homeowner's, or business owner's expense according to the specification of the town and connection will be made to the town sewer only after inspection and approval of the town.

(4) Ownership and easements. Homeowners or developers shall provide the town with ownership of the equipment and an easement for access to perform necessary maintenance or repair. Access by the town to the GP system must be guaranteed to operate, maintain, repair, restore service, and remove sludge. Access manholes, ports, and electrical disconnects must not be locked, obstructed or blocked by landscaping or construction.

(5) Use of GP systems. (a) Home or business owners shall follow the GP users guide provided by the chief operator.

(b) Home or business owners shall provide an electrical connection that meets specifications and shall provide electrical power.

(c) Home or business owners shall be responsible for maintenance of drain lines from the building to the Grinder Pump.

(d) Prohibited uses of the GP system.

(i) Connection of roof guttering, sump pumps or surface drains.

(ii) Disposal of toxic household substances.

(iii) Use of garbage grinders or disposers.

(iv) Discharge of pet hair, lint, or home vacuum water.

(v) Discharge of fats, grease, and oil.

(6) Additional charges. The town shall be responsible for maintenance of the GP equipment. Repeat service calls, greater than one per 12 months, for similar problems shall be billed to the homeowner or business at a rate of no more than the actual cost of the service call.

108. Regulation of holding tank waste disposal or trucked in waste. (1) No person, firm, association or corporation shall haul in or truck in to the WWF any type of domestic, commercial or industrial waste unless such person, firm, association, or corporation obtains a written approval from the town to perform such acts or services.

Any person, firm, association, or corporation desiring a permit to perform such services shall file an application on the prescribed form. Upon any such application, said permit shall be issued by the chief operator when the conditions of this chapter have been met and providing the chief operator is satisfied the applicant has adequate and proper equipment to perform the services contemplated in a safe and competent manner.

(2) Fees. For each permit issued under the provisions of this chapter the applicant shall agree in writing by the provisions of this section and pay an annual service charge to the

town to be set as specified in Section 207 of this ordinance. Any such permit granted shall be for a specified period of time, and shall continue in full force and effect from the time issued until the expiration date, unless sooner revoked, and shall be nontransferable. The number of the permit granted hereunder shall be plainly painted in 3-inch permanent letters on each side of each motor vehicle used in the conduct of the business permitted hereunder.

(3) Designated disposal locations. The chief operator shall designate approved locations for the emptying and cleansing of all equipment used in the performance of the services rendered under the permit herein provided for, and it shall be a violation hereof for any person, firm, association or corporation to empty or clean such equipment at any place other than a place so designated. The chief operator may refuse to accept any truckload of waste at his discretion where it appears that the waste could interfere with the operation of the WWF.

(4) Revocation of permit. Failure to comply with all the provisions of the permit or this chapter shall be sufficient cause for the revocation of such permit by the chief operator. The possession within the service area by any person of any motor vehicle equipped with a body type and accessories of a nature and design capable of serving a septic tank of wastewater or excreta disposal system cleaning unit shall be prima facie evidence that such person is engaged in the business of cleaning, draining, or flushing septic tanks or other wastewater or excreta disposal systems within the service area of the Town of Centerville.

(5) Trucked in waste. This part includes waste from trucks, railcars, barges, etc., or temporally pumped waste, all of which are prohibited without a permit issued by the chief operator. This approval may require testing, flow monitoring and record keeping.

109. Discharge regulations. (1) General discharge prohibitions. No user shall contribute or cause to be contributed, directly or indirectly, any pollutant or wastewater which will pass through or interfere with the operation and performance of the WWF. These general prohibitions apply to all such users of a WWF whether or not the user is subject to national categorical pretreatment standards or any other national, state, or local pretreatment standards or requirements. Violations of these general and specific prohibitions or the provisions of this section may result in the issuance of an industrial pretreatment permit, surcharges, discontinuance of water and/or sewer service and other fines and provisions of Section 110 or 205. A user may not contribute the following substances to any WWF:

(a) Any liquids, solids, or gases which by reason of their nature or quantity are, or may be, sufficient either alone or by interaction with other substances to cause fire or explosion or be injurious in any other way to the WWF or to the operation of the WWF. Prohibited flammable materials including, but not limited to, wastestreams with a closed cup flash point of less than 140° F or 60° C using the test methods specified in 40 CFR 261.21. Prohibited materials include, but are not limited to, gasoline, kerosene, naphtha, benzene, toluene, xylene, ethers, alcohols, ketones, aldehydes, peroxides, chlorates, perchlorates, bromate, carbides, hydrides and sulfides and any other substances which the town, the state or EPA has notified the user is a fire hazard or a hazard to the system.

(b) Any wastewater having a pH less than 6.0 s.u. or higher than 10.0 s.u. or wastewater having any other corrosive property capable of causing damage or hazard to structures, equipment, and/or personnel of the WWF. Large industrial users could face tighter limits permit limits.

(c) Solid or viscous substances which may cause obstruction to the flow in a sewer or other interference with the operation of the wastewater treatment facilities including, but not limited to: grease, garbage with particles greater than one-half inch (1/2") in any dimension, waste from animal slaughter, ashes, cinders, sand, spent lime, stone or marble dust, metal, glass, straw, shavings, grass clippings, rags, spent grains, spent hops, waste paper, wood, plastics, mud, or glass grinding or polishing wastes.

(d) Any pollutants, including oxygen demanding pollutants (BOD, etc.) released at a flow rate and/or pollutant concentration which will cause interference to the WWF.

(e) Any wastewater having a temperature which will inhibit biological activity in the WWF treatment plant resulting in interference, but in no case wastewater with a temperature at the introduction into the WWF which exceeds 40°C (104° F) unless approved by the State of Tennessee.

(f) Petroleum oil, nonbiodegradable cutting oil, or products of mineral oil origin in amounts that will cause interference or pass through.

(g) Pollutants which result in the presence of toxic gases, vapors, or fumes within the WWF in a quantity that may cause acute worker health and safety problems.

(h) Any wastewater containing any toxic pollutants, chemical elements, or compounds in sufficient quantity, either singly or by interaction with other pollutants, to injure or interfere with any wastewater treatment process, constitute a hazard to humans, including wastewater plant and collection system operators, or animals, create a toxic effect in the receiving waters of the WWF, or to exceed the limitation set forth in a categorical pretreatment standard. A toxic pollutant shall include but not be limited to any pollutant identified pursuant to Section 307(a) of the Act.

(i) Any trucked or hauled pollutants except at discharge points designated by the WWF.

(j) Any substance which may cause the WWF's effluent or any other product of the WWF such as residues, sludges, or scums, to be unsuitable for reclamation and reuse or to interfere with the reclamation process. In no case, shall a substance discharged to the WWF cause the WWF to be in non-compliance with sludge use or disposal criteria, 40 CFR 503, guidelines, or regulations developed under Section 405 of the Act; any criteria, guidelines, or regulations affecting sludge use or disposal developed pursuant to the Solid Waste Disposal Act, the Clean Air Act, the Toxic Substances Control Act, or state criteria applicable to the sludge management method being used.

(k) Any substances which will cause the WWF to violate its NPDES Permit or the receiving water quality standards.

(l) Any wastewater causing discoloration of the wastewater treatment plant effluent to the extent that the receiving stream water quality requirements would be violated, such as, but not limited to, dye wastes and vegetable tanning solutions.

(m) Any waters or wastes causing an unusual volume of flow or concentration of waste constituting "slug" as defined herein.

(n) Any waters containing any radioactive wastes or isotopes of such half-life or concentration as may exceed limits established by the chief operator in compliance with applicable state or federal regulations.

(o) Any wastewater which causes a hazard to human life or creates a public nuisance.

(p) Any waters or wastes containing animal or vegetable fats, wax, grease, or oil, whether emulsified or not, which cause accumulations of solidified fat in pipes, lift stations and pumping equipment, or interfere at the treatment plant.

(q) Detergents, surfactants, surface-acting agents or other substances which may cause excessive foaming at the WWF or pass through of foam.

(r) Wastewater causing, alone or in conjunction with other sources, the WWF to fail toxicity tests.

(s) Any stormwater, surface water, groundwater, roof runoff, subsurface drainage, uncontaminated cooling water, or unpolluted industrial process waters to any sanitary sewer. Stormwater and all other unpolluted drainage shall be discharged to such sewers as are specifically designated as storm sewers, or to a natural outlet approved by the chief operator and the Tennessee Department of Environment and Conservation. Industrial cooling water or unpolluted process waters may be discharged on approval of the chief operator and the Tennessee Department of Environment and Conservation, to a storm sewer or natural outlet.

(2) Local Limits. In addition to the general and specific prohibitions listed in this section, users permitted according to Chapter 2 may be subject to numeric and best management practices as additional restrictions to their wastewater discharge in order to protect the WWF from interference or protect the receiving waters from pass through contamination.

(3) Restrictions on wastewater strength. No person or user shall discharge wastewater which exceeds the set of standards provided in Table A - Plant Protection Criteria, unless specifically allowed by their discharge permit according to Chapter 2 of this ordinance. Dilution of any wastewater discharge for the purpose of satisfying these requirements shall be considered in violation of this chapter.

Updated By Ordinance NO 852

Table A Plant Protection Criteria

Parameter	Maximum Concentration (mg/L)
Arsenic	0.0980
Benzene	0.01304
Cadmium	0.00493
Carbon Tetrachloride	1.50
Chloroform	0.22368
Chromium, Total	0.250
Copper	0.212
Cyanide	0.100
Ethybenzene	0.040
Lead	0.03936
Mercury	0.00167
Methylene chloride	0.09615
Naphthalene	0.0125
Nickel	0.141
Total Phenol	0.4545
Selenium	0.014
Silver	0.02941
Tetrachloroethylene	0.13889
Toluene	0.21429
Total Phthalate	0.16974
Trichlorethylene	0.10
1,1,1-Trichloroethane	0.250
1,2 Transdichloroethylene	0.0075
Zinc	0.290

(4) Fats, oils and grease traps and interceptors.

(a) Fat, Oil, and Grease (FOG), waste food, and sand interceptors. FOG, waste food and sand interceptors shall be installed when, in the opinion of the chief operator, they are necessary for the proper handling of liquid wastes containing fats, oils, and grease, any flammable wastes, ground food waste, sand, soil, and solids, or other harmful ingredients in excessive amount which impact the wastewater collection system. Such interceptors shall not be required for single family residences, but may be required on multiple family residences. All interceptors shall be of a type and capacity approved by the chief operator, and shall be located as to be readily and easily accessible for cleaning and inspection.

(b) Fat, oil, grease, and food waste. (i) New construction and renovation. Upon construction or renovation, all restaurants, cafeterias, hotels, motels, hospitals, nursing homes, schools, grocery stores, prisons, jails, churches, camps, caterers, manufacturing plants and any other sewer users who discharge applicable waste shall submit a FOG and food waste control plan that will effectively control the discharge of FOG and food waste.

(ii) Existing structures. All existing restaurants, cafeterias, hotels, motels, hospitals, nursing homes, schools, grocery stores, prisons, jails, churches, camps, caterers, manufacturing plants and any other sewer users who discharge applicable waste shall be required to submit a plan for control of FOG and food waste, if and when the chief operator determines that FOG and food waste are causing excessive loading, plugging, damage or potential problems to structures or equipment in the public sewer system.

(iii) Implementation of plan. After approval of the FOG plan by the chief operator the sewer user must:

(A) Implement the plan within a reasonable amount of time;

(B) Service and maintain the equipment in order to prevent impact upon the sewer collection system and treatment facility. If in the opinion of the chief operator the user continues to impact the collection system and treatment plant, additional pretreatment may be required, including a requirement to meet numeric limits and have surcharges applied.

(c) Sand, soil, and oil interceptors. All car washes, truck washes, garages, service stations and other sources of sand, soil, and oil shall install effective sand, soil, and oil interceptors. These interceptors shall be sized to effectively remove sand, soil, and oil at the expected flow rates. The interceptors shall be cleaned on a regular basis to prevent impact upon the wastewater collection and treatment system. Owners whose interceptors are deemed to be ineffective by the chief operator may be asked to change the cleaning frequency or to increase the size of the interceptors. Owners or operators of washing facilities will prevent the inflow of rainwater into the sanitary sewers.

(d) Laundries. Commercial laundries shall be equipped with an interceptor with a wire basket or similar device, removable for cleaning, that prevents passage into the sewer system of solids 1/2 inch or larger in size such as strings, rags, buttons, or other solids detrimental to the system.

(e) Control equipment. The equipment of facilities installed to control FOG, food waste, sand and soil, must be designed in accordance with the Tennessee Department of Environment and Conservation engineering standards or applicable town guidelines. Underground equipment shall be tightly sealed to prevent inflow of rainwater and easily accessible to allow regular maintenance. Control equipment shall be maintained by the owner or operator of the facility so as to prevent a stoppage of the public sewer, and the accumulation of FOG in the lines, pump stations and treatment plant. If the town is required to clean out the public sewer lines as a result of a stoppage resulting from poorly maintained control equipment, the property owner shall be required to refund the labor, equipment, materials and overhead costs to the town. Nothing in this subsection shall be construed to prohibit or restrict any other remedy the town has under this chapter, or state or federal law. The town retains the right to inspect and approve installation of control equipment.

(f). Solvents Prohibited. The use of degreasing or line cleaning products containing petroleum based solvents is prohibited. The use of other products for the purpose of keeping FOG dissolved or suspended until it has traveled into the collection system of the town is prohibited.

(g) The chief operator may use industrial wastewater discharge permits under 202 to regulate the discharge of fat, oil and grease.

110. Enforcement and abatement. Violators of these Wastewater Regulations may be cited to town court, general sessions court, chancery court, or other court of competent jurisdiction face fines, have sewer service terminated or the town may seek further remedies as needed to protect the collection system, treatment plant, receiving stream and public health including the issuance of discharge permits according to Chapter 2. Repeated or continuous violation of this ordinance is declared to be a public nuisance and may result in legal action against the property owner and/or occupant and the service line disconnected from sewer main. Upon notice by the chief operator that a violation has or is occurring, the user shall immediately take steps to stop or correct the violation. The town may take any or all the following remedies:

(1) Cite the user to town or general sessions court, where each day of violation shall constitute a separate offense.

(2) In an emergency situation where the chief operator has determined that immediate action is needed to protect the public health, safety or welfare, a public water supply or the facilities of the sewerage system, the chief operator may discontinue water service or disconnect sewer service.

(3) File a lawsuit in chancery court or any other court of competent jurisdiction seeking damages against the user, and further seeking an injunction prohibiting further violations by user.

(4) Seek further remedies as needed to protect the public health, safety or welfare, the public water supply or the facilities of the sewerage system.

INDUSTRIAL/COMMERCIAL WASTEWATER REGULATIONS

SECTION

- 201. Industrial pretreatment
- 202. Discharge permits
- 203. Industrial user additional requirements
- 204. Reporting requirements
- 205. Enforcement response plan
- 206. Enforcement response guide table
- 207. Fees and billing
- 208. Validity

201. Industrial pretreatment. In order to comply with Federal Industrial Pretreatment Rules 40 CFR 403 and Tennessee Pretreatment Rules 0400-40-14:12(15)B and to fulfill the purpose and policy of this ordinance the following regulations are adopted.

(1) User discharge restrictions. All system users must follow the General and specific discharge regulations specified in section 109 of the ordinance.

(2) Users wishing to discharge pollutants at higher concentrations than Table A Plant Protection Criteria of section 109, or those dischargers who are classified as Significant Industrial Users will be required to meet the requirements of this Chapter. Users who discharge waste which falls under the criteria specified in this chapter and who fail to or refuse to follow the provisions shall face termination of service and/or enforcement action specified in Section 205 .

(3) Discharge regulation. Discharges to the sewer system shall be regulated through use of a permitting system. The permitting system may include any or all of the following activities : completion of survey / application forms, issuance of permits, oversight of users monitoring and permit compliance, use of compliance schedules, inspections of industrial process, wastewater processing, and chemical storage, public notice of permit system changes and public notice of users found in significant noncompliance.

(4) Discharge permits shall limit concentrations of discharge pollutants to those levels that are established as Local Limits, Table B or other applicable State and Federal pretreatment rules which may be in effect or take effect after the passage of this ordinance.

(5) Surcharge limits and maximum concentrations. Dischargers of high strength waste may be subject to surcharges based on the following surcharge limits. Maximum concentrations may also be established for some users.

(6) Protection of treatment plant influent. The pretreatment coordinator shall monitor the treatment works influent for each parameter in Table A - Plant Protection Criteria. Industrial users shall be subject to reporting and monitoring requirements regarding these parameters as set forth in this chapter. In the event that the influent at the WWF reaches or exceeds the levels established by Table A or subsequent criteria calculated as a result of changes in pass through limits issued by the Tennessee Department of Environment and Conservation, the pretreatment coordinator shall initiate technical studies to determine the cause of the influent violation and shall recommend to the town the necessary remedial measures, including, but not limited to, recommending the establishment of new or revised local limits, best management practices, or other criteria used to protect the WWF. The pretreatment coordinator shall also recommend changes to any of these criteria in the event that: the WWF effluent standards are changed, there are changes in any applicable law or regulation affecting same, or changes are needed for more effective operation of the WWF.

(7) User inventory. The chief operator will maintain an up-to-date inventory of users whose waste does or may fall into the requirements of this Chapter, and will notify the users of their status.

(8) Right to establish more restrictive criteria. No statement in this chapter is intended or may be construed to prohibit the pretreatment coordinator from establishing specific wastewater discharge criteria which are more restrictive when wastes are determined to be harmful or destructive to the facilities of the WWF or to create a public nuisance, or to cause the discharge of the WWF to violate effluent or stream quality standards, or to interfere with the use or handling of sludge, or to pass through the WWF resulting in a violation of the NPDES permit, or to exceed industrial pretreatment standards for discharge to municipal wastewater treatment systems as imposed or as may be imposed by the Tennessee Department of Environment and Conservation and/or the United States Environmental Protection Agency.

(9) Combined wastestream formula. When wastewater subject to categorical Pretreatment Standards is mixed with wastewater not regulated by the same Standard, the permitting authority may impose an alternate limit using the combined wastestream formula.

202. Discharge permits. (1) Application for discharge of commercial or industrial wastewater. All users or prospective users which generate commercial or industrial wastewater shall make application to the chief operator for connection to the municipal wastewater treatment system. It may be determined through the application that a user needs a discharge permit according to the provisions of federal and state laws and regulations. Applications shall be required from all new dischargers as well as for any existing discharger desiring additional service or where there is a planned change in the industrial or wastewater treatment process. Connection to the town sewer or changes in the industrial process or wastewater treatment process shall not be made until the application is received and approved by the chief operator, the building sewer is installed in accordance with section 106 of this ordinance and an inspection has been performed by the chief operator or his representative.

The receipt by the town of a prospective customer's application for connection shall not obligate the town to render the connection. If the service applied for cannot be supplied in accordance with this chapter and the town's rules and regulations and general practice, the connection charge will be refunded in full, and there shall be no liability of the town to the applicant for such service.

(2) Industrial wastewater discharge permits. (a) General requirements. All industrial users proposing to connect to or to contribute to the WWF shall apply for service and apply for a discharge permit before connecting to or contributing to the WWF. All existing industrial users connected to or contributing to the WWF may be required to apply for a permit within 180 days after the effective date of this chapter.

(b) Applications. Applications for wastewater discharge permits shall be required as follows:

(i) Users required by the chief operator to obtain a wastewater discharge permit shall complete and file with the pretreatment coordinator, an application on a prescribed form accompanied by the appropriate fee.

(ii) The application shall be in the prescribed form of the town and shall include, but not be limited to the following information: name, address, and SIC/NAICS number of applicant; wastewater volume; wastewater constituents and characteristic, including but not limited to those mentioned in Section 109 and 201 discharge variations -- daily, monthly, seasonal and 30 minute peaks; a description of all chemicals handled on the premises, each product produced by type, amount, process or processes and rate of production, type and amount of raw materials, number and type of employees, hours of operation, site plans, floor plans, mechanical and plumbing plans and details showing all sewers and appurtenances by size, location and elevation; a description of existing and proposed pretreatment and/or equalization facilities and any other information deemed necessary by the pretreatment coordinator.

(iii) Any user who elects or is required to construct new or additional facilities for pretreatment shall as part of the application for wastewater discharge permit submit plans, specifications and other pertinent information relative to the proposed construction to the pretreatment coordinator for approval. A wastewater discharge permit shall not be issued until such plans and specifications are approved. Approval of such plans and specifications shall in no way relieve the user from the responsibility of modifying the facility as necessary to produce an effluent acceptable to the town under the provisions of this chapter. (iv) If additional pretreatment and/or operations and maintenance will be required to meet the pretreatment standards, the application shall include the shortest schedule by which the user will provide such additional pretreatment. The completion date in this schedule shall not be later than the compliance date established for the applicable pretreatment standard. For the purpose of this paragraph, "pretreatment standard," shall include either a national pretreatment standard or a pretreatment standard imposed by this chapter.

(iv) The town will evaluate the data furnished by the user and may require additional information. After evaluation and acceptance of the data furnished, the town may issue a wastewater discharge permit subject to terms and

conditions provided herein.

(v) The receipt by the town of a prospective customer's application for wastewater discharge permit shall not obligate the town to render the wastewater collection and treatment service. If the service applied for cannot be supplied in accordance with this chapter or the town's rules and regulations and general practice, the application shall be rejected and there shall be no liability of the town to the applicant of such service.

(vi) The pretreatment coordinator will act only on applications containing all the information required in this section. Persons who have filed incomplete applications will be notified by the pretreatment coordinator that the application is deficient and the nature of such deficiency and will be given thirty (30) days to correct the deficiency. If the deficiency is not corrected within thirty (30) days or within such extended period as allowed by the local administrative officer, the local administrative officer shall deny the application and notify the applicant in writing of such action.

(vii) Applications shall be signed by the duly authorized representative.

(c) Permit conditions. Wastewater discharge permits shall be expressly subject to all provisions of this chapter and all other applicable regulations, user charges and fees established by the town.

(i) Permits shall contain the following:

(A) Statement of duration;

(B) Provisions of transfer;

(C) Effluent limits, including best management practices, based on applicable pretreatment standards in this Chapter, State Rules, categorical pretreatment standards, local, state, and federal laws.

(D) Self monitoring, sampling, reporting, notification, and record-keeping requirements. These requirements shall include an identification of pollutants (or best management practice) to be monitored, sampling location, sampling frequency, and sample type based on Federal, State, and local law;

(E) Statement of applicable civil and criminal penalties for violations of pretreatment standards and the requirements of any applicable compliance schedule. Such schedules shall not extend the compliance date beyond the applicable federal deadlines;

(F) Requirements to control slug discharges, if determined by the WWF to be necessary;

(G) Requirement to notify the WWF immediately if changes in the users processes affect the potential for a slug discharge.

(ii) Additionally, permits may contain the following:

(A) The unit charge or schedule of user charges and fees for the wastewater to be discharged to a community sewer;

(B) Requirements for installation and maintenance of inspection and sampling facilities;

(C) Compliance schedules;

(D) Requirements for submission of technical reports or discharge reports;

(E) Requirements for maintaining and retaining plant records relating to wastewater discharge as specified by the town, and affording town access thereto;

(F) Requirements for notification of the town sixty (60) days prior to implementing any substantial change in the volume or character of the wastewater constituents being introduced into the wastewater treatment system, and of any changes in industrial processes that would affect wastewater quality or quantity;

(G) Prohibition of bypassing pretreatment or pretreatment equipment;

(H) Effluent mass loading restrictions;

(I) Other conditions as deemed appropriate by the town to ensure compliance with this chapter.

(d) Permit modification. The terms and conditions of the permit may be subject to modification by the pretreatment coordinator during the term of the permit as limitations or requirements are modified or other just cause exists. The user shall be informed of any proposed changes in this permit at least 60 days prior to the effective date of change. Except in the case where federal deadlines are shorter, in which case the federal rule must be followed. Any changes or new conditions in the permit shall include a reasonable time schedule for compliance.

(e) Permit duration. Permits shall be issued for a specified time period, not to exceed five (5) years. A permit may be issued for a period less than a year or may be stated to expire on a specific date. The user shall apply for permit renewal a minimum of 180 days prior to the expiration of the user's existing permit.

(f) Permit transfer. Wastewater discharge permits are issued to a specific user for a specific operation. A wastewater discharge permit shall not be reassigned or transferred or sold to a new owner, new user, different premises, or a new or changed operation without the prior written approval of the town. Any succeeding owner or user shall also comply with the terms and conditions of the existing permit. The permit holder must provide the new owner with a copy of the current permit.

(g) Revocation of permit. Any permit issued under the provisions of this chapter is subject to be modified, suspended, or revoked in whole or in part during its term for cause including, but not limited to, the following:

(i) Violation of any terms or conditions of the wastewater discharge permit or other applicable federal, state, or local law or regulation.

(ii) Obtaining a permit by misrepresentation or failure to disclose fully all relevant facts.

(iii) A change in:

(A) Any condition that requires either a temporary or permanent reduction or elimination of the permitted discharge;

(B) Strength, volume, or timing of discharges;

(C) Addition or change in process lines generating wastewater.

(iv) Intentional failure of a user to accurately report the discharge constituents and characteristics or to report significant changes in plant operations or wastewater characteristics.

(3) Confidential information. All information and data on a user obtained from reports, questionnaires, permit applications, permits and monitoring programs and from inspection shall be available to the public or any governmental agency without restriction unless the user specifically requests and is able to demonstrate to the satisfaction of the pretreatment coordinator that the release of such information would divulge information, processes, or methods of production entitled to protection as trade secrets of the users.

When requested by the person furnishing the report, the portions of a report which might disclose trade secrets or secret processes shall not be made available for inspection by the public, but shall be made available to governmental agencies for use; related to this chapter or the town's or user's NPDES permit. Provided, however, that such portions of a report shall be available for use by the state or any state agency in judicial review or enforcement proceedings involving the person furnishing the report. Wastewater constituents and characteristics will not be recognized as confidential information.

Information accepted by the pretreatment coordinator as confidential shall not be transmitted to any governmental agency or to the general public by the pretreatment coordinator until and unless prior and adequate notification is given to the user.

203. Industrial user additional requirements. (1) Monitoring facilities. The installation of a monitoring facility shall be required for all industrial users. A monitoring facility shall be a manhole or other suitable facility approved by the pretreatment coordinator.

When in the judgment of the pretreatment coordinator, there is a significant difference in wastewater constituents and characteristics produced by different operations of a single user the pretreatment coordinator may require that separate monitoring facilities be installed for each separate source of discharge.

Monitoring facilities that are required to be installed shall be constructed and maintained at the user's expense. The purpose of the facility is to enable inspection, sampling and flow measurement of wastewater produced by a user. If sampling or metering equipment is also required by the pretreatment coordinator, it shall be provided and installed at the user's expense.

The monitoring facility will normally be required to be located on the user's premises outside of the building. The pretreatment coordinator may, however, when such a location would be impractical or cause undue hardship on the user, allow the facility to be constructed in the public street right-of-way with the approval of the public agency having jurisdiction of that right-of-way and located so that it will not be obstructed by landscaping or parked vehicles.

There shall be ample room in or near such sampling manhole or facility to allow accurate sampling and preparation of samples for analysis. The facility, sampling, and measuring equipment shall be maintained at all times in a safe and proper operating condition at the expenses of the user.

(2) Sample methods. All samples collected and analyzed pursuant to this regulation shall be conducted using protocols (including appropriate preservation) specified in the current edition of 40 CFR 136 and appropriate EPA guidance. Multiple grab samples collected during a 24 hour period may be composited prior to the analysis as follows: For cyanide, total phenol, and sulfide the samples may be composited in the laboratory or in the field; for volatile organics and

oil & grease the samples may be composited in the laboratory. Composite samples for other parameters unaffected by the compositing procedures as documented in approved EPA methodologies may be authorized by the control authority, as appropriate.

(3) Representative sampling and housekeeping. All wastewater samples must be representative of the User's discharge. Wastewater monitoring and flow measuring facilities shall be properly operated, kept clean, and in good working order at all times. The failure of the User to keep its monitoring facilities in good working order shall not be grounds for the User to claim that sample results are unrepresentative of its discharge.

(4) Proper operation and maintenance. The user shall at all times properly operate and maintain the equipment and facilities associated with spill control, wastewater collection, treatment, sampling and discharge. Proper operation and maintenance includes adequate process control as well as adequate testing and monitoring quality assurance.

(5) Inspection and sampling. The town may inspect the facilities of any user to ascertain whether the purpose of this chapter is being met and all requirements are being complied with. Persons or occupants of premises where wastewater is created or discharged shall allow the town or its representative ready access at all reasonable times to all parts of the premises for the purpose of inspection, sampling, records examination and copying or in the performance of any of its duties. The town, approval authority and EPA shall have the right to set up on the user's property such devices as are necessary to conduct sampling inspection, compliance monitoring and/or metering operations. The town will utilize qualified town personnel or a private laboratory to conduct compliance monitoring. Where a user has security measures in force which would require proper identification and clearance before entry into their premises, the user shall make necessary arrangements with their security guards so that upon presentation of suitable identification, personnel from the town, approval authority and EPA will be permitted to enter, without delay, for the purposes of performing their specific responsibility.

(6) Safety. While performing the necessary work on private properties, the pretreatment coordinator or duly authorized employees of the town shall observe all safety rules applicable to the premises established by the company and the company shall be held harmless for injury or death to the town employees and the town shall indemnify the company against loss or damage to its property by town employees and against liability claims and demands for personal injury or property damage asserted against the company and growing out of the monitoring and sampling operation, except as such may be caused by negligence or failure of the company to maintain safe conditions.

(7) New sources. New sources of discharges to the WWF shall have in full operation all pollution control equipment at start up of the industrial process and be in full compliance of effluent standards within 90 days of start up of the industrial process.

(8) Slug discharge evaluations. Evaluations will be conducted of each significant industrial user according to the state and federal regulations. Where it is determined that a slug discharge control plan is needed, the user shall prepare that plan according to the appropriate regulatory guidance

(9) Accidental discharges or slug discharges. (a) Protection from accidental or slug discharge. All industrial users shall provide such facilities and institute such procedures as are reasonably necessary to prevent or minimize the potential for accidental or slug discharge into the WWF of waste regulated by this chapter from liquid or raw material storage areas, from truck and rail car loading and unloading areas, from in-plant transfer

or processing and materials handling areas, and from diked areas or holding ponds of any waste regulated by this chapter. Detailed plans showing the facilities and operating procedures shall be submitted to the pretreatment coordinator before the facility is constructed.

The review and approval of such plans and operating procedures will in no way relieve the user from the responsibility of modifying the facility to provide the protection necessary to meet the requirements of this chapter.

(b) Notification of accidental discharge or slug discharge. Any person causing or suffering from any accidental discharge or slug discharge shall immediately notify the pretreatment coordinator in person, or by the telephone to enable countermeasures to be taken by the pretreatment coordinator to minimize damage to the WWF, the health and welfare of the public, and the environment.

This notification shall be followed, within five (5) days of the date of occurrence, by a detailed written statement describing the cause of the accidental discharge and the measures being taken to prevent future occurrence.

Such notification shall not relieve the user of liability for any expense, loss, or damage to the WWF, fish kills, or any other damage to person or property; nor shall such notification relieve the user of any fines, civil penalties, or other liability which may be imposed by this chapter or state or federal law.

(c) Notice to employees. A notice shall be permanently posted on the user's bulletin board or other prominent place advising employees whom to call in the event of a dangerous discharge. Employers shall ensure that all employees who may cause or suffer such a dangerous discharge to occur are advised of the emergency notification procedure.

204. Reporting requirements. Users, whether permitted or non-permitted may be required to submit reports detailing the nature and characteristics of their discharges according to the following subsections. Failure to make a requested report in the specified time is a violation subject to enforcement actions under Section 205.

(1) Baseline monitoring report. (a) Within either one hundred eighty (180) days after the effective date of a categorical pretreatment standard, or the final administrative decision on a category determination under Tennessee Rule 0400-40-14:12(15)B whichever is later, existing categorical industrial users currently discharging to or scheduled to discharge to the WWF shall submit to the chief operator a report which contains the information listed in paragraph B, below. At least ninety (90) days prior to commencement of their discharge, New Sources, and sources that become categorical industrial users subsequent to the promulgation of an applicable categorical Standard, shall submit to the chief operator a report which contains the information listed in paragraph (b), below. A new source shall report the method of pretreatment it intends to use to meet applicable categorical standards. A new source also shall give estimates of its anticipated flow and quantity of pollutants to be discharged.

(b) Users described above shall submit the information set forth below.

(i) Identifying Information. The user name, address of the facility including the name of operators and owners.

(ii) Permit Information. A listing of any environmental control permits held by or for the facility.

(iii) Description of operations. A brief description of the nature, average rate of production (including each product produced by type, amount, processes, and rate of production), and standard industrial classifications of the operation(s) carried out by such User. This description should include a schematic process diagram, which indicates points of discharge to the WWF from the regulated processes.

(iv) Flow measurement. Information showing the measured average daily and maximum daily flow, in gallons per day, to the POTW from regulated process streams and other streams, as necessary, to allow use of the combined wastestream formula.

(v) Measurement of pollutants.

(A) The categorical pretreatment standards applicable to each regulated process and any new categorically regulated processes for existing sources.

(B) The results of sampling and analysis identifying the nature and concentration, and/or mass, where required by the standard or by the chief operator, of regulated pollutants in the discharge from each regulated process.

(C) Instantaneous, daily maximum, and long-term average concentrations, or mass, where required, shall be reported.

(D) The sample shall be representative of daily operations and shall be analyzed in accordance with procedures set out in 40 CFR 136 and amendments, unless otherwise specified in an applicable categorical standard. Where the standard requires compliance with a BMP or pollution prevention alternative, the user shall submit documentation as required by the chief operator or the applicable standards to determine compliance with the standard.

(E) The user shall take a minimum of one representative sample to compile that data necessary to comply with the requirements of this paragraph.

(F) Samples should be taken immediately downstream from pretreatment facilities if such exist or immediately downstream from the regulated process if no pretreatment exists. If other wastewaters are mixed with the regulated wastewater prior to pretreatment the User should measure the flows and concentrations necessary to allow use of the combined wastestream formula to evaluate compliance with the pretreatment standards

(G) Sampling and analysis shall be performed in accordance with 40 CFR 136 or other approved methods;

(H) The Chief operator may allow the submission of a baseline report which utilizes only historical data so long as the data provides information sufficient to determine the need for industrial pretreatment measures;

(l) The baseline report shall indicate the time, date and place of sampling and methods of analysis, and shall certify that such sampling and analysis is representative of normal work cycles and expected pollutant discharges to the WWF.

(c) Compliance certification. A statement, reviewed by the user's duly authorized representative and certified by a qualified professional, indicating whether pretreatment standards are being met on a consistent basis, and, if not, whether additional operation and maintenance (O&M) and/or additional pretreatment is required to meet the Pretreatment Standards and Requirements.

(d) Compliance schedule. If additional pretreatment and/or O&M will be required to meet the Pretreatment Standards, the shortest schedule by which the user will provide such additional pretreatment and/or O&M must be provided. The completion date in this schedule shall not be later than the compliance date established for the applicable pretreatment standard. A compliance schedule pursuant to this Section must meet the requirements set out in Section 204(2) of this ordinance.

(e) Signature and report certification. All baseline monitoring reports must be certified in accordance with section 204(14) of this ordinance and signed by the duly authorized representative.

(2) Compliance schedule progress reports. The following conditions shall apply to the compliance schedule required by section 204(1)(d) of this ordinance:

(a) The schedule shall contain progress increments in the form of dates for the commencement and completion of major events leading to the construction and operation of additional pretreatment required for the User to meet the applicable pretreatment standards (such events include, but are not limited to, hiring an engineer, completing preliminary and final plans, executing contracts for major components, commencing and completing construction, and beginning and conducting routine operation)

(b) No increment referred to above shall exceed nine (9) months,

(c) The user shall submit a progress report to the chief operator no later than fourteen (14) days following each date in the schedule and the final date of compliance including, at a minimum, whether or not it complied with the increment of progress, the reason for any delay, and, if appropriate, the steps being taken by the user to return to the established schedule,

(d) In no event shall more than nine (9) months elapse between such progress reports to the Chief operator.

(3) Reports on compliance with categorical pretreatment standard deadline. Within ninety (90) days following the date for final compliance with applicable categorical pretreatment standards, or in the case of a new source following commencement of the introduction of wastewater into the WWF, any user subject to such pretreatment standards and requirements shall submit to the chief operator a report containing the information described in section 204(1)(b)(iv) and (v) of this ordinance. For all other users subject to categorical pretreatment standards expressed in terms of allowable pollutant discharge per unit of production (or other measure of operation), this report shall include the user's actual production during the appropriate sampling period. All compliance reports must be signed and certified in accordance with subsection 14 of this section. All sampling will be done in conformance with subsection 11.

- (4) Periodic compliance reports. (a) All significant industrial users must, at a frequency determined by the Chief operator submit no less than twice per year (April 10 and October 10) reports indicating the nature, concentration of pollutants in the discharge which are limited by pretreatment standards and the measured or estimated average and maximum daily flows for the reporting period. In cases where the pretreatment standard requires compliance with a Best Management Practice (BMP) or pollution prevention alternative, the user must submit documentation required by the chief operator or the pretreatment standard necessary to determine the compliance status of the user.
- (b) All periodic compliance reports must be signed and certified in accordance with this ordinance.
- (c) All wastewater samples must be representative of the User's discharge. Wastewater monitoring and flow measurement facilities shall be properly operated, kept clean, and maintained in good working order at all times. The failure of a User to keep its monitoring facility in good working order shall not be grounds for the User to claim that sample results are unrepresentative of its discharge.
- (d) If a User subject to the reporting requirement in this section monitors any regulated pollutant at the appropriate sampling location more frequently than required by the chief operator, using the procedures prescribed in subsection 11 of this section, the results of this monitoring shall be included in the report
- (5) Reports of changed conditions. Each user must notify the chief operator of any significant changes to the user's operations or system which might alter the nature, quality, or volume of its wastewater at least 60 days before the change.
- (a) The chief operator may require the user to submit such information as may be deemed necessary to evaluate the changed condition, including the submission of a wastewater discharge permit application under section 201 of this chapter.
- (b) The chief operator may issue an individual wastewater discharge permit under section 202 of this chapter or modify an existing wastewater discharge permit under section 202 of this chapter in response to changed conditions or anticipated changed conditions.
- (6) Report of potential problems. (a) In the case of any discharge, including, but not limited to, accidental discharges, discharges of a nonroutine, episodic nature, a noncustomary batch discharge, a slug discharge or slug load, that might cause potential problems for the POTW, the User shall immediately telephone and notify the chief operator of the incident. This notification shall include the location of the discharge, type of waste, concentration and volume, if known, and corrective actions taken by the user.
- (b) Within five (5) days following such discharge, the user shall, unless waived by the chief operator, submit a detailed written report describing the cause(s) of the discharge and the measures to be taken by the user to prevent similar future occurrences. Such notification shall not relieve the user of any expense, loss, damage, or other liability which might be incurred as a result of

damage to the WWF, natural resources, or any other damage to person or property; nor shall such notification relieve the user of any fines, penalties, or other liability which may be imposed pursuant to this ordinance.

(c) A notice shall be permanently posted on the user's bulletin board or other prominent place advising employees who to call in the event of a discharge described in paragraph (a), above. Employers shall ensure that all employees, who could cause such a discharge to occur, are advised of the emergency notification procedure.

(d) Significant industrial users are required to notify the chief operator immediately of any changes at its facility affecting the potential for a slug discharge.

(7) Reports from unpermitted users. All Users not required to obtain an individual wastewater discharge permit shall provide appropriate reports to the Chief operator as the Chief operator may require to determine users status as non-permitted.

(8) Notice of violations/repeat sampling and reporting. Where a violation has occurred, another sample shall be conducted within 30 days of becoming aware of the violation, either a repeat sample or a regularly scheduled sample that falls within the required time frame. If sampling performed by a user indicates a violation, the user must notify the chief operator within twenty-four (24) hours of becoming aware of the violation. The user shall also repeat the sampling and analysis and submit the results of the repeat analysis to the chief operator within thirty (30) days after becoming aware of the violation. Resampling by the industrial user is not required if the town performs sampling at the user's facility at least once a month, or if the town performs sampling at the user's facility between the time when the initial sampling was conducted and the time when the user or the town receives the results of this sampling, or if the Town has performed the sampling and analysis in lieu of the industrial user.

(9) Notification of the discharge of hazardous waste. (a) Any user who commences the discharge of hazardous waste shall notify the POTW, the EPA Regional Waste Management Division Director, and state hazardous waste authorities, in writing, of any discharge into the POTW of a substance which, if otherwise disposed of, would be a hazardous waste under 40 CFR Part 261. Such notification must include the name of the hazardous waste as set forth in 40 CFR Part 261, the EPA hazardous waste number, and the type of discharge (continuous, batch, or other). If the user discharges more than one hundred (100) kilograms of such waste per calendar month to the POTW, the notification also shall contain the following information to the extent such information is known and readily available to the user: an identification of the hazardous constituents contained in the wastes, an estimation of the mass and concentration of such constituents in the wastestream discharged during that calendar month, and an estimation of the mass of constituents in the wastestream expected to be discharged during the following twelve (12) months. All notifications must take place no later than one hundred and eighty (180) days after the discharge commences. Any notification under this paragraph need be submitted only once for each hazardous waste discharged. However, notifications of changed conditions must be submitted under section 204(5) of this ordinance. The notification requirement in this Section does not apply to pollutants already reported by

users subject to categorical pretreatment standards under the self-monitoring requirements of Sections 204(1), 204(3), and 204(4) of this chapter.

(b) Dischargers are exempt from the requirements of paragraph (a), above, during a calendar month in which they discharge no more than fifteen (15) kilograms of hazardous wastes, unless the wastes are acute hazardous wastes as specified in 40 CFR 261.30(d) and 261.33(e). Discharge of more than fifteen (15) kilograms of nonacute hazardous wastes in a calendar month, or of any quantity of acute hazardous wastes as specified in 40 CFR 261.30(d) and 261.33(e), requires a one-time notification. Subsequent months during which the user discharges more than such quantities of any hazardous waste do not require additional notification.

(c) In the case of any new regulations under Section 3001 of RCRA identifying additional characteristics of hazardous waste or listing any additional substance as a hazardous waste, the user must notify the Chief operator, the EPA Regional Waste Management Waste Division Director, and state hazardous waste authorities of the discharge of such substance within ninety (90) days of the effective date of such regulations.

(d) In the case of any notification made under this section, the user shall certify that it has a program in place to reduce the volume and toxicity of hazardous wastes generated to the degree it has determined to be economically practical.

(e) This provision does not create a right to discharge any substance not otherwise permitted to be discharged by this ordinance, a permit issued there under, or any applicable federal or state law.

(10) Analytical requirements. All pollutant analyses, including sampling techniques, to be submitted as part of a wastewater discharge permit application or report shall be performed in accordance with the techniques prescribed in 40 CFR Part 136 and amendments thereto, unless otherwise specified in an applicable categorical Pretreatment Standard. If 40 CFR Part 136 does not contain sampling or analytical techniques for the pollutant in question, or where the EPA determines that the Part 136 sampling and analytical techniques are inappropriate for the pollutant in question, sampling and analyses shall be performed by using validated analytical methods or any other applicable sampling and analytical procedures, including procedures suggested by the Chief operator or other parties approved by EPA.

(11) Sample collection. Samples collected to satisfy reporting requirements must be based on data obtained through appropriate sampling and analysis performed during the period covered by the report, based on data that is representative of conditions occurring during the reporting period.

(a) Except as indicated in sections (b) and (c) below, the user must collect wastewater samples using 24-hour flow-proportional composite sampling techniques, unless time-proportional composite sampling or grab sampling is authorized by the Chief operator. Where time-proportional composite sampling or grab sampling is authorized by the town, the samples must be representative of the discharge. Using protocols (including appropriate preservation) specified in 40 CFR Part 136 and appropriate EPA guidance, multiple grab samples collected during a 24-hour period may be composited prior to the analysis as follows: for cyanide, total phenols, and sulfides the samples may be composited in the laboratory or in the field; for volatile organics and oil and grease,

the samples may be composited in the laboratory. Composite samples for other parameters unaffected by the compositing procedures as documented in approved EPA methodologies may be authorized by the town, as appropriate. In addition, grab samples may be required to show compliance with instantaneous limits

(b) Samples for oil and grease, temperature, pH, cyanide, total phenols, sulfides, and volatile organic compounds must be obtained using grab collection techniques.

(c) For sampling required in support of baseline monitoring and 90-day compliance reports required in Subsections (1) and (3) of this section, a minimum of four (4) grab samples must be used for pH, cyanide, total phenols, oil and grease, sulfide and volatile organic compounds for facilities for which historical sampling data do not exist; for facilities for which historical sampling data are available, the chief operator may authorize a lower minimum. For the reports required by subsection (4) of this section, the industrial user is required to collect the number of grab samples necessary to assess and assure compliance with applicable pretreatment standards and requirements.

(12) Date of receipt of reports. Written reports will be deemed to have been submitted on the date postmarked. For reports, which are not mailed, the date of receipt of the report shall govern.

(13) Recordkeeping. Users subject to the reporting requirements of this ordinance shall retain, and make available for inspection and copying, all records of information obtained pursuant to any monitoring activities required by this ordinance, any additional records of information obtained pursuant to monitoring activities undertaken by the user independent of such requirements, and documentation associated with best management practices established under section 202. Records shall include the date, exact place, method, and time of sampling, and the name of the person(s) taking the samples; the dates analyses were performed; who performed the analyses; the analytical techniques or methods used; and the results of such analyses. These records shall remain available for a period of at least three (3) years. This period shall be automatically extended for the duration of any litigation concerning the user or the town, or where the user has been specifically notified of a longer retention period by the chief operator.

(14) Certification statements. Signature and certification. All reports associated with compliance with the pretreatment program shall be signed by the duly authorized representative and shall have the following certification statement attached:

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Reports required to have signatures and certification statement include, permit applications, periodic reports, compliance schedules, baseline monitoring, reports of accidental or slug discharges, and any other written report that may be used to determine water quality and compliance with local, state, and federal requirements.

205. Enforcement response plan. Under the authority of Tennessee Code Annotated, § 69-3-123 et. seq.

(1) Complaints; notification of violation; orders. (a) (I) Whenever the local administrative officer has reason to believe that a violation of any provision of the Centerville Wastewater Regulations, pretreatment program, or of orders of the local hearing authority issued under it has occurred, is occurring, or is about to occur, the local administrative officer may cause a written complaint to be served upon the alleged violator or violators.

(ii) The complaint shall specify the provision or provisions of the pretreatment program or order alleged to be violated or about to be violated and the facts alleged to constitute a violation, may order that necessary corrective action be taken within a reasonable time to be prescribed in the order, and shall inform the violators of the opportunity for a hearing before the local hearing authority.

(iii) Any such order shall become final and not subject to review unless the alleged violators request by written petition a hearing before the local hearing authority as provided in section 205(2), no later than thirty (30) days after the date the order is served; provided, that the local hearing authority may review the final order as provided in Tennessee Code Annotated, 69-3-123(a)(3).

(iv) Notification of violation. Notwithstanding the provisions of subsections (i) through (iii), whenever the pretreatment coordinator finds that any user has violated or is violating this chapter, a wastewater discharge permit or order issued hereunder, or any other pretreatment requirements, the town or its agent may serve upon the user a written notice of violation. Within fifteen (15) days of the receipt of this notice, the user shall submit to the pretreatment coordinator an explanation of the violation and a plan for its satisfactory correction and prevention including specific actions. Submission of this plan in no way relieves the user of liability for any violations occurring before or after receipt of the notice of violation. Nothing in this section limits the authority of the town to take any action, including emergency actions or any other enforcement action, without first issuing a notice of violation.

(b) (i) When the local administrative officer finds that a user has violated or continues to violate this chapter, wastewater discharge permits, any order issued hereunder, or any other pretreatment standard or requirement, he may issue one of the following orders. These orders are not prerequisite to taking any other action against the user.

(A) Compliance order. An order to the user responsible for the discharge directing that the user come into compliance within a specified time. If the user does not come into compliance within the specified time, sewer service shall be discontinued unless adequate treatment facilities, devices, or other related appurtenances are installed and properly operated. Compliance orders may also contain other requirements to address the noncompliance, including additional self-monitoring, and management practices designed to minimize the amount of pollutants discharged to the

sewer. A compliance order may not extend the deadline for compliance established for a federal pretreatment standard or requirement, nor does a compliance order release the user of liability for any violation, including any continuing violation.

(B) Cease and desist order. An order to the user directing it to cease all such violations and directing it to immediately comply with all requirements and take needed remedial or preventive action to properly address a continuing or threatened violation, including halting operations and/or terminating the discharge.

(C) Consent order. Assurances of voluntary compliance, or other documents establishing an agreement with the user responsible for noncompliance, including specific action to be taken by the user to correct the noncompliance within a time period specified in the order.

(D) Emergency order. (1) Whenever the local administrative officer finds that an emergency exists imperatively requiring immediate action to protect the public health, safety, or welfare, the health of animals, fish or aquatic life, a public water supply, or the facilities of the WWF, the local administrative officer may, without prior notice, issue an order reciting the existence of such an emergency and requiring that any action be taken as the local administrative officer deems necessary to meet the emergency.

(2) If the violator fails to respond or is unable to respond to the order, the local administrative officer may take any emergency action as the local administrative officer deems necessary, or contract with a qualified person or persons to carry out the emergency measures. The local administrative officer may assess the person or persons responsible for the emergency condition for actual costs incurred by the town in meeting the emergency.

(ii) Appeals from orders of the local administrative officer.

(A) Any user affected by any order of the local administrative officer in interpreting or implementing the provisions of this chapter may file with the local administrative officer a written request for reconsideration within thirty (30) days of the order, setting forth in detail the facts supporting the user's request for reconsideration.

(B) If the ruling made by the local administrative officer is unsatisfactory to the person requesting reconsideration, he may, within thirty (30) days, file a written petition with the local hearing authority as provided in subsection (2). The local administrative officer's order shall remain in effect during the period of reconsideration.

(c) Except as otherwise expressly provided, any notice, complaint, order, or other instrument issued by or under authority of this section may be served on any named person personally, by the local administrative officer or any person designated by the local administrative officer, or service may be made in accordance with Tennessee

(d) statutes authorizing service of process in civil action. Proof of service shall be filed in the office of the local administrative officer.

(2) Hearings. (a) Any hearing or rehearing brought before the local hearing authority shall be conducted in accordance with the following:

(i) Upon receipt of a written petition from the alleged violator pursuant to this subsection, the local administrative officer shall give the petitioner thirty (30) days' written notice of the time and place of the hearing, but in no case shall the hearing be held more than sixty (60) days from the receipt of the written petition, unless the local administrative officer and the petitioner agree to a postponement;

(ii) The hearing may be conducted by the local hearing authority at a regular or special meeting. A quorum of the local hearing authority must be present at the regular or special meeting to conduct the hearing;

(iii) A verbatim record of the proceedings of the hearings shall be taken and filed with the local hearing authority, together with the findings of fact and conclusions of law made under subdivision (a)(vi). The recorded transcript shall be made available to the petitioner or any party to a hearing upon payment of a charge set by the local administrative officer to cover the costs of preparation;

(iv) In connection with the hearing, the chair shall issue subpoenas in response to any reasonable request by any party to the hearing requiring the attendance and testimony of witnesses and the production of evidence relevant to any matter involved in the hearing. In case of contumacy or refusal to obey a notice of hearing or subpoena issued under this section, the chancery court of Hickman County has jurisdiction upon the application of the local hearing authority or the local administrative officer to issue an order requiring the person to appear and testify or produce evidence as the case may require, and any failure to obey an order of the court may be punished by such court as contempt;

(v) Any member of the local hearing authority may administer oaths and examine witnesses;

(vi) On the basis of the evidence produced at the hearing, the local hearing authority shall make findings of fact and conclusions of law and enter decisions and orders that, in its opinion, will best further the purposes of the pretreatment program. It shall provide written notice of its decisions and orders to the alleged violator. The order issued under this subsection shall be issued by the person or persons designated by the chair no later than thirty (30) days following the close of the hearing;

(vii) The decision of the local hearing authority becomes final and binding on all parties unless appealed to the courts as provided in subsection (b).

(viii) Any person to whom an emergency order is directed under 205(1)(b)(i)(D) shall comply immediately, but on petition to the local hearing authority will be afforded a hearing as soon as possible. In no case will the hearing be held later than three (3) days from the receipt of the petition by the local hearing authority.

(b) An appeal may be taken from any final order or other final determination of the local hearing authority by any party who is or may be adversely affected, including the pretreatment agency. Appeal must be made to the chancery court under the common law writ of certiorari set out in Tennessee Code Annotated, § 27-8-101, et seq. within sixty (60) days from the date the order or determination is made.

(c) Show cause hearing. Notwithstanding the provisions of subsections (a) or (b), the pretreatment coordinator may order any user that causes or contributes to violation(s) of this chapter, wastewater discharge permits, or orders issued hereunder, or any other pretreatment standard or requirements, to appear before the local administrative officer and show cause why a proposed enforcement action should not be taken. Notice shall be served on the user specifying the time and place for the meeting, the proposed enforcement action, the reasons for the action, and a request that the user show cause why the proposed enforcement action should be taken. The notice of the meeting shall be served personally or by registered or certified mail (return receipt requested) at least ten (10) days prior to the hearing. The notice may be served on any authorized representative of the user. Whether or not the user appears as ordered, immediate enforcement action may be pursued following the hearing date. A show cause hearing shall not be prerequisite for taking any other action against the user. A show cause hearing may be requested by the discharger prior to revocation of a discharge permit or termination of service.

(3) Violations, Administrative civil penalty. Under the authority of Tennessee Code Annotated, § 69-3-125.

(a) (i) Any person including, but not limited to, industrial users, who does any of the following acts or omissions is subject to a civil penalty of up to ten thousand dollars (\$10,000.00) per day for each day during which the act or omission continues or occurs:

- (A) Unauthorized discharge, discharging without a permit;
- (B) Violates an effluent standard or limitation;
- (C) Violates the terms or conditions of a permit;
- (D) Fails to complete a filing requirement;
- (E) Fails to allow or perform an entry, inspection, monitoring or reporting requirement;
- (F) Fails to pay user or cost recovery charges; or
- (G) Violates a final determination or order of the local hearing authority or the local administrative officer.

(ii) Any administrative civil penalty must be assessed in the following manner:

(A) The local administrative officer may issue an assessment against any person or industrial user responsible for the violation;

(B) Any person or industrial user against whom an assessment has been issued may secure a review of the assessment by filing with the local administrative officer a written petition setting forth the grounds and reasons for the violator's objections and asking for a hearing in the matter involved before the local hearing authority and, if a petition for review of the assessment is not filed within thirty (30) days after the date the

assessment is served, the violator is deemed to have consented to the assessment and it becomes final;

(C) Whenever any assessment has become final because of a person's failure to appeal the assessment, the local administrative officer may apply to the appropriate court for a judgment and seek execution of the judgment, and the court, in such proceedings, shall treat a failure to appeal the assessment as a confession of judgment in the amount of the assessment;

(D) In assessing the civil penalty the local administrative officer may consider the following factors:

(1) Whether the civil penalty imposed will be a substantial economic deterrent to the illegal activity;

(2) Damages to the pretreatment agency, including compensation for the damage or destruction of the facilities of the publicly owned treatment works, and also including any penalties, costs and attorneys' fees incurred by the pretreatment agency as the result of the illegal activity, as well as the expenses involved in enforcing this section and the costs involved in rectifying any damages;

(3) Cause of the discharge or violation;

(4) The severity of the discharge and its effect upon the facilities of the publicly owned treatment works and upon the quality and quantity of the receiving waters;

(5) Effectiveness of action taken by the violator to cease the violation;

(6) The technical and economic reasonableness of reducing or eliminating the discharge; and

(7) The economic benefit gained by the violator.

(E) The local administrative officer may institute proceedings for assessment in the chancery court of the county in which all or part of the pollution or violation occurred, in the name of the pretreatment agency.

(iii) The local hearing authority may establish by regulation a schedule of the amount of civil penalty which can be assessed by the local administrative officer for certain specific violations or categories of violations.

(iv) Assessments may be added to the user's next scheduled sewer service charge and the local administrative officer shall have such other collection remedies as may be available for other service charges and fees.

(b) Any civil penalty assessed to a violator pursuant to this section may be in addition to any civil penalty assessed by the commissioner for violations of Tennessee Code Annotated, § 69-3-115(a)(1)(F). However, the sum of penalties imposed by this section and by Tennessee Code Annotated, § 69-3-115(a) shall not exceed ten thousand dollars (\$10,000) per day for each day during which the act or omission continues or occurs.

(4) Assessment for noncompliance with program permits or orders. (a) The local administrative officer may assess the liability of any polluter or violator for damages to the town resulting from any person's or industrial user's pollution or violation, failure, or neglect in complying with any permits or orders issued pursuant to the provisions of the pretreatment program or this section.

(b) If an appeal from such assessment is not made to the local hearing authority by the polluter or violator within thirty (30) days of notification of such assessment, the polluter or violator shall be deemed to have consented to the assessment, and it shall become final.

(c) Damages may include any expenses incurred in investigating and enforcing the pretreatment program of this section, in removing, correcting, and terminating any pollution, and also compensation for any actual damages caused by the pollution or violation.

(d) Whenever any assessment has become final because of a person's failure to appeal within the time provided, the local administrative officer may apply to the appropriate court for a judgment, and seek execution on the judgment. The court, in its proceedings, shall treat the failure to appeal the assessment as a confession of judgment in the amount of the assessment.

(5) Judicial proceedings and relief. The local administrative officer may initiate proceedings in the chancery court of the county in which the activities occurred against any person or industrial user who is alleged to have violated or is about to violate the pretreatment program, this section, or orders of the local hearing authority or local administrative officer. In the action, the local administrative officer may seek, and the court may grant, injunctive relief and any other relief available in law or equity.

(6) Termination of discharge. In addition to the revocation of permit provisions in 202(2)(g) of this chapter, users are subject to termination of their wastewater discharge for violations of a wastewater discharge permits, or orders issued hereunder, or for any of the following conditions:

(a) Violation of wastewater discharge permit conditions.

(b) Failure to accurately report the wastewater constituents and characteristics of its discharge.

(c) Failure to report significant changes in operations or wastewater volume, constituents and characteristics prior to discharge.

(d) Refusal of reasonable access to the user's premises for the purpose of inspection, monitoring or sampling.

(e) Violation of the pretreatment standards in the general discharge prohibitions in Section 109 of chapter 1.

(f) Failure to properly submit an industrial waste survey when requested by the pretreatment coordination chief operator.

The user will be notified of the proposed termination of its discharge and be offered an opportunity to show cause, as provided in subsection (2)(c) above, why the proposed action should not be taken.

(7) Disposition of damage payments and penalties--special fund. All damages and/or penalties assessed and collected under the provisions of this section shall be placed in a

special fund by the pretreatment agency and allocated and appropriated for the administration of its wastewater fund or combined water and wastewater fund.

(8) Levels of non-compliance (a) Insignificant non-compliance: For the purpose of this guide, insignificant non-compliance is considered a relatively minor infrequent violation of pretreatment standards or requirements. These will usually be responded to informally with a phone call or site visit but may include a Notice of Violation (NOV).

(b) "Significant noncompliance." Per 0400-40-14:12(15)B

(i) Chronic violations of wastewater discharge limits, defined here as those in which sixty-six percent or more of all of the measurements taken for each parameter taken during a six-month period exceed (by any magnitude) a numeric pretreatment standard or requirement, including instantaneous limit.

(ii) Technical Review Criteria (TRC) violations, defined here as those in which thirty-three percent or more of all of the measurements for each pollutant parameter taken during a six-month period equal or exceed the product of the numeric pretreatment standard or requirement, including instantaneous limits multiplied by the applicable TRC (TRC=1.4 for BOD, TSS fats, oils and grease, and 1.2 for all other pollutants except pH). TRC calculations for pH are not required.

(iii) Any other violation of a pretreatment standard or requirement (daily maximum of longer-term average, instantaneous limit, or narrative standard) that the WWF determines has caused, alone or in combination with other discharges, interference or pass through (including endangering the health of POTW personnel or the general public).

(iv) Any discharge of a pollutant that has caused imminent endangerment to human health, welfare or to the environment or has resulted in the WWF's exercise of its emergency authority under 205(1)(b)(i)(D), Emergency Order, to halt or prevent such a discharge.

(v) Failure to meet, within 90 days after the schedule date, a compliance schedule milestone contained in a local control mechanism or enforcement order for starting construction, completing construction, or attaining final compliance.

(vi) Failure to provide, within 45 days after their due date, required reports such as baseline monitoring reports, 90-day compliance reports, periodic self-monitoring reports, and reports on compliance with compliance schedules.

(vii) Failure to accurately report noncompliance.

(viii) Any other violation or group of violations, which may include a violation of Best Management Practices, which the WWF determines will adversely affect the operation of implementation of the local pretreatment program.

(ix) Continuously monitored pH violations that exceed limits for a time period greater than 50 minutes or exceed limits by more than 0.5 s.u. more than eight times in four hours.

Any significant non-compliance violations will be responded to according to the Enforcement Response Plan Guide Table (Appendix A).

(9.) Public Notice of the significant violations. The chief operator shall publish annually, in a newspaper of general circulation that provides meaningful public notice within the jurisdictions served by the WWF, a list of the users which, at any time during the previous twelve (12) months, were in significant noncompliance with applicable pretreatment standards and requirements. The term significant noncompliance shall be applicable to all significant industrial users (or any other industrial user that violates paragraphs (c), (d) or (h) of this section) and shall mean:

(a) Chronic violations of wastewater discharge limits, defined here as those in which sixty-six percent (66%) or more of all the measurements taken for the same pollutant parameter taken during a six (6) month period exceed (by any magnitude) a numeric Pretreatment Standard or Requirement, including Instantaneous Limits;

(b) Technical Review Criteria (TRC) violations, defined here as those in which thirty-three percent (33%) or more of wastewater measurements taken for each pollutant parameter during a six (6) month period equals or exceeds the product of the numeric Pretreatment Standard or Requirement including Instantaneous Limits, multiplied by the applicable criteria (1.4 for BOD, TSS, fats, oils and grease, and 1.2 for all other pollutants except pH), TRC calculations for pH are not required;

(c) Any other violation of a pretreatment standard or requirement (daily maximum of longer-term average, instantaneous limit, or narrative standard) that the WWF determines has caused, alone or in combination with other discharges, interference or pass through (including endangering the health of POTW personnel or the general public);

(d) Any discharge of a pollutant that has caused imminent endangerment to the public or to the environment, or has resulted in the chief operator's exercise of its emergency authority to halt or prevent such a discharge;

(e) Failure to meet, within ninety (90) days of the scheduled date, a compliance schedule milestone contained in an individual wastewater discharge permit or enforcement order for starting construction, completing construction, or attaining final compliance;

(g) Failure to accurately report noncompliance; or

(h) Any other violation(s), which may include a violation of best management practices, which the Chief operator determines will adversely affect the operation or implementation of the local pretreatment program.

(i) Continuously monitored pH violations that exceed limits for a time period greater than 50 minutes or exceed limits by more than 0.5 s.u. more than eight times in four hours.

(10) Criminal Penalties. In addition to civil penalties imposed by the local administrative officer and the State of Tennessee, any person who willfully and negligently violates permit conditions is subject to criminal penalties imposed by the State of Tennessee and the United States.

206. Enforcement response guide table. (1) Purpose. The purpose of this chapter is to provide for the consistent and equitable enforcement of the provisions of this ordinance.

(2) Enforcement Response Guide Table. The applicable officer shall use the schedule found in Appendix A to impose sanctions or penalties for the violation of this ordinance.

207. Fees and billing. (1) Purpose. It is the purpose of this chapter to provide for the equitable recovery of costs from users of the town's wastewater treatment system including costs of operation, maintenance, administration, bond service costs, capital improvements, depreciation, and equitable cost recovery of EPA administered federal wastewater grants.

(2) Types of charges and fees. The charges and fees as established in the town's schedule of charges and fees may include but are not limited to:

- (a) Inspection fee and tapping fee;
- (b) Fees for applications for discharge;
- (c) Sewer use charges;
- (d) Surcharge fees (see Table C);
- (e) Waste Hauler Permit;
- (f) Industrial wastewater discharge permit fees;
- (g) Fees for industrial discharge monitoring; and
- (h) Other fees as the town may deem necessary.

(3) Fees for application for discharge. A fee may be charged when a user or prospective user makes application for discharge as required by §202 of this chapter.

(4) Inspection fee and tapping fee. An inspection fee and tapping fee for a building sewer installation shall be paid to the town's sewer department at the time the application is filed.

(5) Sewer user charges.¹ The board of mayor and aldermen shall establish monthly rates and charges for the use of the wastewater system and for the services supplied by the wastewater system.

(6) Industrial wastewater discharge permit fees. A fee may be charged for the issuance of an industrial wastewater discharge fee in accordance with § 207 of this chapter.

(7) Fees for industrial discharge monitoring. Fees may be collected from industrial users having pretreatment or other discharge requirements to compensate the town for the necessary compliance monitoring and other administrative duties of the pretreatment program.

¹Such rates are reflected in administrative ordinances or resolutions, which are of record in the office of the city recorder.

(8) Administrative civil penalties. Administrative civil penalties shall be issued according to the following schedule. Violations are categorized in the Enforcement Response Guide Table (Appendix A). The local administrative officer may assess a penalty within the appropriate range. Penalty assessments are to be assessed per violation per day unless otherwise noted.

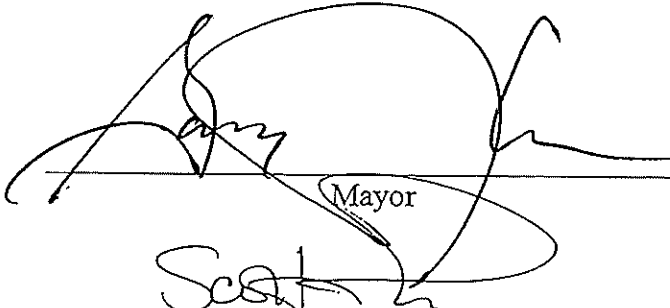
Category 1	No penalty
Category 2	\$50.00-\$500.00
Category 3	\$500.00-\$1,000.00
Category 4	\$1,000.00-\$5,000.00
Category 5	\$5,000.00-\$10,000.00

208. Validity. This chapter and its provisions shall be valid for all service areas, regions, and sewage works under the jurisdiction of the town.

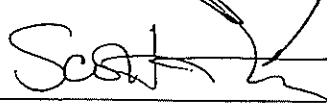
Section 2. Date of effect. This ordinance shall take effect after its final passage, the welfare of the town demanding it.

Passed 1st reading, June 24, 2014.

Passed 2nd reading, July 8, 2014.



Mayor



Recorder



JASON E. MUMPOWER
Comptroller

Update Cycle

The following entities have complied with TBOUR directives and shall remain under Board oversight until financial improvement is shown and the case is recommended for closure.

1. Bulls Gap
2. Cumberland Gap
3. Galloway
4. Intermont Utility District



JASON E. MUMPOWER
Comptroller

Releases

The following entities have complied with Board directives and the corresponding cases should be closed.

1. Cold Springs Utility District- Financial Distress
2. Blountville Utility District- Financial Distress
3. Oliver Springs- Administrative Review
4. Tiptonville- Financial Distress
5. Tarpley Shop Utility District- Administrative Review
6. Tuckaleechee Utility District- Administrative Review
7. Watertown- Administrative Review
8. Webb Creek Utility District- Administrative Review
9. Witt Utility District- Administrative Review



JASON E. MUMPOWER
Comptroller

Delinquent Audits

The following entities have several years of delinquent audits which prevents Board staff from reviewing the current financial state of the utility.

Decherd

Greenville- The 2022 audit report was rejected by our office, a revised report is expected soon.

Oneida

The Board should order the following:

Staff Recommendation:

The Board should order the following:

1. The Entity must submit delinquent audits to the Board and to the Comptroller's Division of Local Government Audit (at LGA.Web@cot.tn.gov) by December 31, 2024.
2. By September 15, 2024, the Entity shall send Board staff and the Division of Local Government Audit (LGA.Web@cot.tn.gov) a written statement by email explaining the cause of the delinquent audits.
3. The Entity shall not issue any debt or receive any grants without express consent of Board staff. Board staff must respond to requests for funding permission within 15 business days of receipt. If Board staff does not respond timely, the funding request is considered to be approved.
4. Board staff has the authority to issue up to two extensions of 90 days upon a showing of good cause by the Entity. Board staff has the discretion to determine good cause.



Jason E. Mumpower
Comptroller

Entity Referred: **Town of Alexandria**

Referral Reason: **Administrative Review**

Utility Type Referred: **Water And Sewer**

Staff Summary:

Board staff has had recent complaints about the quality of the utility services provided by the Town of Alexandria ("the Town"), and believes the Board should place Alexandria under administrative review to evaluate the financial, managerial, and technical capacities of the Town's utility system. This is not a finding that there are problems with the Town or the Town's utilities, only that there is cause to investigate further.

Staff Recommendation:

The Board should order the following:

1. The Board should place the Town under administrative review. The Town shall comply with Board staff requests for interviews and information.
2. Board staff shall update the Board at its next regularly scheduled meeting the status of the review.
3. Should the Entity fail to comply with any directive in this order or Board staff requests, Board staff and Counsel may issue subpoenas for the Entity's governing body and Manager to appear in-person before the Board during its next meeting following non-compliance of this order.

Alexandria

	Category: Water And Sewer		County: DeKalb	
	2020	2021	2022	2023
Net Assets	\$2,959,165.00	\$3,127,981.00	\$3,415,070.00	\$3,666,901.00
Deferred Outflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Net Liabilities	\$782,414.00	\$749,648.00	\$760,232.00	\$750,182.00
Deferred Inflow Resources	\$0.00	\$0.00	\$138,293.00	\$288,430.00
Total Net Position	\$2,176,751.00	\$2,378,333.00	\$2,516,545.00	\$2,628,289.00
Operating Revenues	\$829,413.00	\$873,240.00	\$935,980.00	\$916,831.00
Net Sales	\$785,095.00	\$837,395.00	\$878,980.00	\$902,055.00
Operating Expenses	\$773,219.00	\$723,103.00	\$774,696.00	\$806,224.00
Depreciation Expenses	\$156,846.00	\$157,741.00	\$160,796.00	\$158,842.00
Non Operating Revenues	-\$28,150.00	\$20,095.00	-\$23,072.00	\$1,137.00
Capital Contributions	\$10,450.00	\$31,350.00	\$0.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$38,494.00	\$201,582.00	\$138,212.00	\$111,744.00
Statutory Change In Net Position	\$28,044.00	\$170,232.00	\$138,212.00	\$111,744.00

From: [Bryan Wright](#)
To: [Ross Colona](#)
Cc: thale37@yahoo.com; [Regina Wright](#)
Subject: Bryan Wright / Water Issues / Town of Alexandria
Date: Tuesday, June 25, 2024 9:18:48 PM

Ross,

My name is Bryan Wright. I reside at 134 Holmes Gap Rd, Brush Creek, TN 38547 (Smith County). I was provided your email address by Representative Michael Hale (DeKalb Co) who's both my friend and State Representative.

The town of Alexandria (DeKalb County) provides the water to my home. I have resided at this address for over 20 years and had issues with my city water for at least 10 years. Every time the power has a momentary outage at the pump station in the Sykes community (Smith County) residents lose water in my area. In order to get my water restored I must notify the water maintenance crew by phone or text and they then drive to the pump station and manually reset the pumps to restore water. Normally it takes approximately 10 - 15 minutes after the pumps are reset for the water pressure to be restored at my home. The entire process of restoring water can vary wildly due to the ability to make contact and get the process started with the maintenance crew. In cases where this might happen multiple times during a storm, the process must be repeated. The number of times water outages occur in a year is contingent upon the number of power blinks / outages that occur every year. My wife and I are typically early risers and at times need to depart from home before the maintenance crew wakes up leaving us with no choice other than to leave home without bathing due to the inability to make contact with the maintenance team. As a professional, I assume you understand the less than desirable position this puts us in. If you have a wife, perhaps you can sympathize with the dissatisfaction my wife has expressed to me when she is forced to use water bottles to bathe over and over and over.

To be blunt, my belly is full with this problem. This is 2024 and I am reasonably certain that Elon Musk could launch a rocket from his phone and yet the Town of Alexandria does not have the ability to detect a shutoff of the pumps; a backup generator to run the pumps during electricity outages; or the ability to turn the pumps back on without a person physically driving to the pump station to manually reset the pumps.

Last Friday I worked in West Tennessee all day. The weather was 90+ degrees and my wife notified me early in the day that the water was off at our home. I reached out to the maintenance crew to see if the water would be restored or if I needed to go to a hotel. I was advised to call the mayor and they (the contracted maintenance crew) were doing all they could do; were fed up; and would be leaving at the end of the month (June). When I returned home I learned that the water was still off. There were significant issues with the pump station unrelated to weather. The water was restored at approx 7 PM and I was able to bathe. On Saturday morning the water was off again.

It's also worth noting that I have fellow church members who finally gave up and installed water reservoirs in their basement with small pumps to pump water from the reservoir to faucets inside the home. They chose this option to eliminate the difficulty from the outages. In addition, I can validate that bids have been requested and submitted to replace the panels in the pump station and to install a generator to run the pumps during power outages. This process occurred over a year ago.

Tonight (6-25-2024) I attended and spoke at the alerman's meeting at the Town of Alexandria at the invitation of the mayor. The mayor and alderman were kind and gracious and implored for additional time to correct the issues.

My assessment - the Town of Alexandria has no business being in the utility business. The long pattern of outages is indicative of my position. My suggestion is that the water lines be capped at the Smith / Dekalb County line and Smith County residents be served by Smith Utility District and Dekalb Co residents be served by Dekalb utility. It's my understanding that the Town of Alexandria already purchases at least a portion of their water from Smith Utility District. Based on discussions with those who know and understand utility districts, the Town of Alexandria water lines have significant issues not limited to water losses and dilapidated equipment. Clearly, grant money would be needed to support Smith Utility and Dekalb Utility acquiring the water lines; meters; etc. In summary, I don't believe the elected officials in Alexandria have the knowledge or expertise to run a public water service.

I am 100% prepared to own every word of this email and happy to discuss this issue in person or by phone with you or anyone else. I ask for your assistance and attention to this matter. Please feel free to reach out to me at 931-698-0291 if you have any questions.

Respectfully,

--

Bryan Wright



Jason E. Mumpower
Comptroller

Entity Referred: **Town of Mason**

Referral Reason: **Administrative Review**

Utility Type Referred: **Water And Sewer**

Staff Summary:

On November 10, 2021, the Water and Wastewater Financing Board ordered an investigation of the financial condition of the Town of Mason's utilities ("the Town"). The Town required significant infrastructure upgrades and improved internal controls, policies, and procedures to ensure improved administrative management. On April 21, 2022, the Water and Wastewater Financing Board ordered the Town to contract with a third party to conduct a rate study and review several different policies for the utility. The Town has since completed the rate study with the assistance of the Tennessee Association of Utility Districts ("TAUD"). The Town did not provide TAUD with the amount the Town is paying the new management company responsible for the operation of the utility, approximately \$400,000 annually. The Board ordered the Town at its March 2024 meeting to work with TAUD to revise the rate study. The Town was to send Board staff proof by May 2024 of the updated rate study and proof of implementation. Board staff has received the revised rate study but is unaware if the recommendations have been adopted. However, Board staff is no longer confident that the changes should be adopted.

The management company, Alliance Water Resources, has since provided notice to the Town of Mason of its intent to terminate the contract. Board staff understands this contract termination will be effective come September 2024.

Staff Recommendation:

Board staff does not have a recommendation at this time.

Mason

	Category: Water And Sewer		County: Tipton	
	2019	2020	2021	2022
Net Assets	\$4,128,019.00	\$4,337,485.00	\$4,368,416.00	\$4,405,265.00
Deferred Outflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Net Liabilities	\$661,175.00	\$499,772.00	\$322,127.00	\$333,847.00
Deferred Inflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Total Net Position	\$3,466,844.00	\$3,837,713.00	\$4,046,289.00	\$4,071,418.00
Operating Revenues	\$717,985.00	\$786,066.00	\$794,554.00	\$890,435.00
Net Sales	\$687,896.00	\$723,516.00	\$747,028.00	\$794,396.00
Operating Expenses	\$708,022.00	\$691,796.00	\$630,166.00	\$882,951.00
Depreciation Expenses	\$91,108.00	\$90,606.00	\$80,427.00	\$81,119.00
Non Operating Revenues	-\$3,418.00	\$1,548.00	-\$5,962.00	\$9,360.00
Capital Contributions	\$498,546.00	\$275,051.00	\$50,150.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$505,091.00	\$370,869.00	\$216,861.00	\$16,844.00
Statutory Change In Net Position	\$6,545.00	\$95,818.00	\$166,711.00	\$16,844.00



July 5, 2024

Mayor Eddie Noeman
The Town of Mason
Mason, TN 38049

Re: Professional Operating Services Agreement (19 September 2023)

Dear Mayor Eddie,

Please accept this letter as the official notice that Alliance Water Resources, Inc. (AWR) will be terminating the referenced service agreement, effective at 4:00 PM on September 6, 2024.

Reasons for Termination:

Current Relationship Between the Mayor, Council, and State Regulatory Agencies:

- **Staffing Challenges:** The present work environment has rendered staffing extremely difficult. The lack of consistent guidance and support from the Town in various areas has exacerbated operational challenges and costs. As one example, radio read meters were to be installed by the end of Q1 2024. This has not been completed, resulting in expenses that are higher than budgeted.
- **Hostile Environment:** The current tenor of the Town Council meetings creates a hostile environment for AWR employees. This atmosphere makes it extremely challenging to hire and retain staff.

Extraordinary Circumstances - Section 11 of the Service Agreement:

- Section 11 of the service agreement clearly states that neither party shall be liable for its failure to perform contractual obligations when they have been made extraordinarily difficult.
- **Budget Overruns:** The actual costs versus budgeted costs underscore extreme difficulty. To date, AWR is spending 98% more than the budgeted (contractual) amount.
- **Vendor Reluctance:** AWR is facing challenges in performing its duties efficiently due to vendors' reluctance to work with the Town. As one example, USA Bluebook is hesitant to sell directly to the Town of Mason, driving up Alliance's costs.
- **Safety Concerns:** There is concern regarding the safety of our employees due to the broken garage door at the Public Works shop. It is understood that the Mayor instructed the repair technician to leave the site, citing insufficient funds to fix the door.

Operational Concerns:

- **Mitigating Operational Issues:** AWR has serious concerns about the Town's recognition of the importance of mitigating operational issues to protect the sustainability of the Town's water and sewer assets.
- **Equipment Deficiencies:** The Town's unwillingness to provide essential operational equipment at the wastewater treatment facility, such as an accurate flow meter to prevent discharging to a dry creek; likely resulting in violations of the NPDES permit.
- **Lack of Investment:** The lack of investment at the Mason-Charleston Lift Station is causing operations to be unsustainable. The result is an ongoing sanitary sewer overflow, constituting a breach of contract as outlined in Section 9.3 of the Agreement.

As required by the Agreement, Alliance is providing this 60-day notice, and we will assist in a smooth transition to another method of operation.

Sincerely,

Evan Romo
Regional Operations Manager
Alliance Water Resources, Inc.

cc: Brian Pieper, Division Manager
Josh Duncan, Director of Operations



JASON E. MUMPOWER
Comptroller

City of Spencer

The City of Spencer (“Spencer”) and the Warren County Utility District (“WCUD”) are discussing a potential merger of Spencer’s water and wastewater utilities into WCUD.

WCUD has made several requests of the Board and Board staff. The requests and Board staff’s responses are as follows:

Request 1: A \$1,000,000 grant from the Utility Revitalization Fund (“URF”) to subsidize the cost of the merger.

Staff Response: At this time, there are no unallocated funds in the URF. The Tennessee General Assembly, in 2024, reallocated the unallocated \$1.5 million in the URF to pay for other state expenses. Board staff would recommend approval of WCUD’s grant request if the funds were available. Board staff believes the Board should give a positive recommendation on awarding a grant from the URF contingent on funds becoming available. The logistics of this could be difficult due to the unknown timeline ahead, but Board staff has committed to WCUD to attempt to find funding from other sources to help mitigate the cost of the merger.

Request 2: Approve WCUD’s Asset Valuation of roughly \$2.8 million for Spencer’s system.

Staff Response: While this is not typically something the TBOUR is involved with, Board staff believes WCUD is being prudent in seeking the TBOUR’s approval for the entire process. WCUD’s consulting engineer has been involved with this valuation, and Board staff recommends a positive recommendation as long as the contracting engineer and auditor agree this will be the asset valuation moving forward.

Request 3: Approve WCUD’s intent to utilize the modified approach of depreciation on newly constructed TDEC ARP assets until all ARP facilities are completely constructed and in service.

Staff Response: Generally speaking, it has been the position of the TBOUR, Board staff, and the Comptroller’s Division of Local Government Finance that the modified approach to depreciation is a poor practice for Tennessee utilities. However, this case is a unique exception. Since there is such drastic work being completed to the Spencer system, this is an instance where expenses can be delayed for a short period knowing the depreciation accounting will be rectified later once the merger is complete and upgrades are complete. Board staff recommends a positive recommendation here given a concurrence with GAAP and GASB.

Request 4: Approve WCUD/Spencer to rescind the pending August 2024 rate increase.

Staff Response: Board staff finds this to be a reasonable request. With WCUD’s acquisition of Spencer, there are anticipated to be changes in costs, regardless of whether they are increases or decreases. The Spencer rate increase in August was forecast based on Spencer’s continued control of the system. Board

staff believes it would be prudent to halt any planned rate increases and allow for the true costs of running Spencer's system be realized before any other rate changes occur.

In conclusion, Board staff recommends the following action from the Board:

Staff Recommendation:

The Board should issue a resolution that summarizes the following:

1. Commends Warren County Utility District for working diligently to uphold their commitment to public service and improve the community of Spencer and citizens of Van Buren County;
2. Commends the City of Spencer for agreeing to work with the Warren County Utility District to ensure the optimal service is provided to its current customer base and ensure the longevity and health of the community at-large;
3. Expresses the desire to fill Warren County Utility District's grant request of \$1,000,000 to mitigate the costs of the merger if the funds were available;
4. Concur with WCUD's asset valuation for Spencer's system; and,
5. Concur with WCUD's depreciation plan as long as it is in line with GAAP and GASB.

The Board should order the following to the City of Spencer:

1. Spencer shall cancel any planned rate changes, and shall not make any changes to rates or rate structures without consent of Board staff. In approving or disapproving any changes to rates or rate structures Board staff shall consult with WCUD, so long as WCUD and Spencer remain in good faith negotiation to execute a merger of their utility systems.



WCUDONLINE.COM

P.O. BOX 192
MCMINNVILLE, TN 37110
PHONE: (931) 668-4175
FAX: (931) 668-4183

July 8, 2024

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

RE: WCUD Acquisition of SPENCER UTILITY
Warren County Utility District
Warren County and Van Buren County

Dear Mr. Colona:

Pursuant to our submittal of the WCUD – SPENCER Supplemental Petition with Exhibits and WCUD – SPENCER Asset Purchase Agreement via e-mail on June 27, 2024, please accept this letter as formal request to address the TBOUR in regards to this matter and more specifically to present the following information and requests for comment, approval, and/or concurrence of the Comptroller's Office and TBOUR as we navigate the many details of this acquisition.

1. Solicit any Comments from TBOUR in regards to the Supplemental Petition to modify WCUD's Charter to include Sewer Service(s). (See attached Petition) More specifically in the Petition:
 - a. Authorize / Appropriate / Grant at least \$1,000,000 (One Million Dollars) from TBOUR Regionalization Grant funds to WCUD to offset Acquisition cost(s). Or, commit to a future appropriation should funds become available at a future date. (See Exhibit A of Petition)
 - b. Approve WCUD Asset Valuation of \$2,838,141.49 for acquisition of Spencer W&S System. (See attached Asset Valuation)
 - c. Approve / concur with WCUD's intent to utilize a Modified Approach Method to Depreciation on newly constructed TDEC ARP Assets until ALL ARP facilities are completely constructed and in service. (See attached financial Proforma)
 - d. Approve / authorize WCUD-SPENCER to stay or rescind the pending August 2024 Rate Increase (See Exhibit B of Petition)

As a point of information to TBOUR, effective June 12, 2024 ahead of the final State, County, Lien Holder, and any other Regulatory approvals and with the Approval(s) of the Acquisition Agreement by the WCUD Board and the City of Spencer Council, I have taken over the daily management responsibilities of Spencer Utilities to address customer issues and direct staff. I inserted myself after an incident on Monday June 10, where Spencer staff repaired a perceived minor water leak and unleashed an unacceptable level of trapped sediment in the Distribution system. (See attached 6/10/24 Customer Pic) Since Wednesday June 12th, 2024, WCUD staff has assisted current Spencer staff and began to aggressively flush to scour the Spencer Distribution system. (See attached Pics) This has created several customer complaints for poor water quality and intermittent low pressure and service disruption due to the necessity to flush and scour the transmission lines to remove the Iron (Fe) and Manganese (Mn) sediment

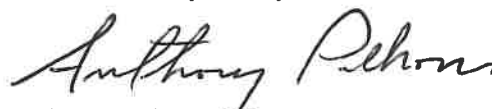
that must be removed. Each customer complaint has been noted and addressed. We have been in contact with Mr. Lonnie McCloud in the TDEC, Cookeville Field Office to maintain communication of ongoing efforts. I realize the aggressive flushing will negatively impact cost(s) and non-revenue water %, but water quality must be our 1st priority.

So, to compound water quality matters, in late June 2024 just prior this leak event, Spencer's Pall Membrane Skid B began to consistently fail the required Integrity test for the filter modules, so WCUD assisted in seeking quotes for OEM Pall Modules to restore both Skid A and Skid B of Spencer's Pall Membranes to as close to factory new condition. Spencer's Council authorized the Emergency Purchase Order on May 30, 2024 and the Modules were received and installed on June 7th and 8th, 2024. Water quality leaving the plant is now better than it has been in years, but the raw Mn and Fe from the lake source continue to challenge treatment operations.

In summary, WCUD has essentially taken over daily operations of Spencer's Water and Sewer System since Mid-June 2024 and WCUD Management is working closely with Spencer Mayor Alisa Farmer, City Recorder Crystal Crain on all Spencer Utility Financial matters, Policies, Customer concerns, along with all Field service issues as we transition the Ownership of the Spencer Utility System. I continue to identify system deficiencies that have been unknown to Spencer staff within portions of the ailing facilities that pre-date any current Staff and Administration. These items are well beyond the scope of current Grant Funds and will be addressed in future CIP and AMP Programs under the WCUD banner. We, respectfully seek the requested / proposed TN Comptroller's and TBOUR's Comments / Approval(s) / Concurrence where applicable to the stated items and as included in the attachments. We look forward to presenting this information for your consideration.

Sincerely,

Warren County Utility District



Anthony Pelham, P.E.
General Manager

Attachments-Multiple

cc: Glenn Mitchell – Board President, WCUD
Alisa Farmer – Mayor, Spencer
Mike Corley
Nathaniel Green, P.E.



June 10, 2024 Pic from Customer on Hodges Ferry Road



June 12, 2024 Flushing at Hodges Ferry Rd / SR 111



June 12, 2024 Sample from PRV along Hwy 111

SPENCER ASSET SUMMARY @ 6-30-2023

	Cost Basis	Prior Depreciation	Current Depreciation	Ending Depreciation	"VALUE" / "Equity"
Group #1 Land	\$ 477,181.97	\$ -	\$ -	\$ -	\$ 477,181.97
Group #2 Buildings	\$ 768,251.99	\$ 742,070.57	\$ 15,131.35	\$ 757,201.92	\$ 11,050.07
Group #3 Water Improvements	\$ 12,712,168.02	\$ 5,063,833.91	\$ 249,534.37	\$ 5,313,368.28	\$ 7,398,799.74
2001 Active Customers			\$ 124.70	\$/Customer	
Group #4 Equipment	\$ 737,469.96	\$ 517,307.00	\$ 23,879.99	\$ 541,186.99	\$ 196,282.97
			\$ 3.2%	varies (50 to 5)	
Group #5 Sewer Plant	\$ 9,559,247.39	\$ 3,393,841.69	\$ 193,176.04	\$ 3,587,017.73	\$ 5,972,229.66
			\$ 8.72	\$/Customer	
739 Active Customers			\$ 261.40	\$/Customer	
Total	\$ 24,254,319.33	\$ 9,717,053.17	\$ 481,721.75	\$ 10,198,774.92	\$ 14,055,544.41
			\$ 3.4%		
2740 Active W & S Customers		Combined W & S	\$ 175.81	\$/Customer	
		Water Customers	\$ 133.42	\$/Customer	

Year 1 Depreciation

WCUD On-Board Value

WCUD - PROPOSED VALUATION OF SPENCER ASSETS

Group #1 Land	\$ -	\$ -	\$ -	\$ -	\$ -
Group #2 Buildings	\$ -	\$ -	\$ -	\$ -	\$ -
Group #3 Water Improvements	\$1000/Customer	\$ -	\$ 80,040.00		\$ 2,001,000.00
2001 Active Customers			\$ 4.0%	(25 Years)	
Group #4 Equipment	50%	\$ -	\$ 19,628.30	\$ 40.00	\$ 98,141.49
			\$ 20.0%	(5 Years)	
Group #5 Sewer Plant	\$1000/Customer	\$ -	\$ 29,560.00	\$ 7.16	\$ 739,000.00
739 Active Customers			\$ 4.0%	(25 Years)	
			\$ 40.00	\$/Customer	
Total			\$ 129,228.30	\$ -	\$ 2,838,141.49
		Water Customers	\$ 47.16		
		W&S Customers	\$ 87.16		

FUTURE PROJECTED VALUE --> PROPOSED VALUATION + TDEC ARP @ FY 27-28

Group #1 Land	\$ -	\$ -	\$ -	\$ -	\$ -
Group #2 Buildings	\$ -	\$ -	\$ -	\$ -	\$ -
Group #3 Water Improvements	\$1000/Customer	\$ -	\$ 80,040.00		\$ 2,001,000.00
2001 Active Customers			\$ 4.0%	(25 Years)	
Group #3 TDEC ARP Upgrades			\$ 240,000.00	\$ 40.00	\$ 12,000,000.00
2001 Active Customers			\$ 2.0%	(50 years)	
Group #4 Equipment	50%	\$ -	\$ 19,628.30	\$ 119.94	\$ 98,141.49
			\$ 20.0%	(5 Years)	
Group #5 Sewer Plant	\$1000/Customer	\$ -	\$ 29,560.00	\$ 7.16	\$ 739,000.00
739 Active Customers			\$ 4.0%	(25 Years)	
			\$ 40.00	\$/Customer	
Total			\$ 369,228.30	\$ -	\$ 14,838,141.49
		Water Customers	\$ 167.10		
		W&S Customers	\$ 207.10		

8/30/2023

2

CITY OF SPENCER WATER & SEWER

Federal ID #:

Asset Summary - Book Basis

Period Ended 6/30/23

Company: SPE

Page: 1

Num	Loc	Property Description	Acquired	T	Method	Life	Cost/Basis	179 Exp/AFD	Add SDA	Prior Depr.	Current Depr.	Ending Depr.
Group # 1 LAND												
1	1	Land and land rights	07/01/71	N			6,805.24	0.00	0.00	0.00	0.00	0.00
2	1	Land	07/01/71	N			25,000.00	0.00	0.00	0.00	0.00	0.00
3	1	Cummings easement	09/06/94	N			3,000.00	0.00	0.00	0.00	0.00	0.00
4	1	Easements - 94 CDBG	11/10/94	N			712.00	0.00	0.00	0.00	0.00	0.00
5	1	Land - WWTP	05/12/99	N			20,650.00	0.00	0.00	0.00	0.00	0.00
6	1	Land - Hastings Pump	11/04/99	N			4,600.00	0.00	0.00	0.00	0.00	0.00
7	1	Land - Hodges pump stat	11/04/99	N			1,524.00	0.00	0.00	0.00	0.00	0.00
8	1	Easements for sewer	07/01/02	N			57,105.00	0.00	0.00	0.00	0.00	0.00
9	1	Easements	05/17/05	N			18,476.73	0.00	0.00	0.00	0.00	0.00
10	1	Easements	01/01/06	N			3,014.50	0.00	0.00	0.00	0.00	0.00
12	1	Easements	06/30/07	N			6,950.50	0.00	0.00	0.00	0.00	0.00
13	1	Knipp Easement	12/10/07	R			1,500.00	0.00	0.00	0.00	0.00	0.00
14	1	Easement	08/17/07	N			4,250.00	0.00	0.00	0.00	0.00	0.00
15	1	Cook Street Easements	04/06/10	N			945.00	0.00	0.00	0.00	0.00	0.00
16	1	Land - ponds	04/20/07	N			286,550.00	0.00	0.00	0.00	0.00	0.00
17	1	Easements	01/31/11	N			143.00	0.00	0.00	0.00	0.00	0.00
18	1	Easements	10/29/10	N			900.00	0.00	0.00	0.00	0.00	0.00
19	1	Easements	04/12/11	N			108.00	0.00	0.00	0.00	0.00	0.00
20	1	Easements	06/30/12	N			5,812.00	0.00	0.00	0.00	0.00	0.00
21	1	Piney tank land	03/28/13	N			24,600.00	0.00	0.00	0.00	0.00	0.00
22	1	Easement	12/27/13	N			123.00	0.00	0.00	0.00	0.00	0.00
	1	Easement	12/30/13	N			115.00	0.00	0.00	0.00	0.00	0.00
	1	Easement	12/30/13	N			3,365.00	0.00	0.00	0.00	0.00	0.00
25	1	Easement	01/14/14	N			51.00	0.00	0.00	0.00	0.00	0.00
26	1	Easement	05/16/14	N			870.00	0.00	0.00	0.00	0.00	0.00
27	1	Easements	11/17/15	N			12.00	0.00	0.00	0.00	0.00	0.00

Group # 1 Total	477,181.97	0.00	0.00	0.00	0.00	0.00
-----------------	------------	------	------	------	------	------

Group # 2 BUILDINGS

1	1	Filtering plant	07/01/71	N	SL	40	149,497.99	0.00	0.00	149,497.99	0.00	149,497.99
2	1	New water plant	07/01/84	N	SL	40	605,254.00	0.00	0.00	579,072.58	15,131.35	594,203.93
3	1	Roof for water plant	03/11/97	N	SL	10	13,500.00	0.00	0.00	13,500.00	0.00	13,500.00

Group # 2 Total	768,251.99	0.00	0.00	742,070.57	15,131.35	757,201.92
-----------------	------------	------	------	------------	-----------	------------

Group # 3 IMPROVEMENTS

1	1	New water plant	07/01/84	N	SL	40	354,325.34	0.00	0.00	354,325.34	0.00	354,325.34
2	1	Caney Fork Emerg. Li	07/01/83	N	SL	40	62,520.35	0.00	0.00	60,724.96	1,563.01	62,287.97
3	1	Earth Dam and Lake	07/01/71	N	SL	40	56,680.14	0.00	0.00	56,680.14	0.00	56,680.14
4	1	Right of ways	07/01/71	N			70,728.92	0.00	0.00	0.00	0.00	0.00
5	1	Improvements	07/01/84	N	SL	40	31,475.32	0.00	0.00	29,894.30	786.88	30,681.18
6	1	Water line	07/01/77	N	SL	40	324,236.47	0.00	0.00	324,236.00	0.00	324,236.00
7	1	Water line	07/01/74	N	SL	40	304,736.81	0.00	0.00	304,736.79	0.00	304,736.79
8	1	Water line	07/01/76	N	SL	40	348,351.68	0.00	0.00	348,351.68	0.00	348,351.68
9	1	Water line improvement	07/01/79	N	SL	40	102,784.58	0.00	0.00	102,784.52	0.00	102,784.52
10	1	Improvements at Da	06/30/91	N	SL	40	80,810.00	0.00	0.00	62,627.75	2,020.25	64,648.00
11	1	Relocate water line	06/30/91	N	SL	40	22,745.00	0.00	0.00	17,627.53	568.63	18,196.16
12	1	Water line relocation	09/05/91	N	SL	40	10,353.50	0.00	0.00	8,024.04	258.84	8,282.88
13	1	Raw water intake &	11/13/91	N	SL	40	605,570.55	0.00	0.00	469,317.06	15,139.26	484,456.32
14	1	Water line relocation	09/22/92	N	SL	40	14,451.20	0.00	0.00	10,838.40	361.28	11,199.68
15	1	201 Facility Study/Se	06/30/93	N	SL	40	65,000.00	0.00	0.00	47,125.00	1,625.00	48,750.00
16	1	New water tank	04/30/94	N	SL	40	555,263.17	0.00	0.00	388,684.24	13,881.58	402,565.82
17	1	Water tank renovation	06/08/94	N	SL	40	68,552.98	0.00	0.00	47,986.96	1,713.82	49,700.78
	1	Water line to elementary	11/17/93	N	SL	40	17,160.00	0.00	0.00	12,441.00	429.00	12,870.00

8/30/2023

2

CITY OF SPENCER WATER & SEWER

Federal ID #:

Asset Summary - Book Basis

Period Ended 6/30/23

Company: SPE

Page: 2

Num	Loc	Property Description	Acquired	T	Method	Life	Cost/Basis	179 Exp/AFD	Add SDA	Prior Depr.	Current Depr.	Ending Depr.
Group # 3 IMPROVEMENTS (Continued)												
19	I	CDBG water line rehab	11/01/95	N	SL	50	663,879.96	0.00	0.00	358,495.20	13,277.60	371,772.80
20	I	Water plant filter	06/30/96	N	SL	50	36,786.17	0.00	0.00	19,128.72	735.72	19,864.44
21	I	Hwy 111 relocation	05/01/97	N	SL	50	174,228.14	0.00	0.00	87,694.76	3,484.56	91,179.32
22	I	Baker Mtn. extension	01/31/98	N	SL	50	618,399.42	0.00	0.00	301,985.09	12,367.99	314,353.08
24	I	Hwy 111 relocation	06/19/02	N	SL	50	84,590.70	0.00	0.00	33,836.20	1,691.81	35,528.01
25	I	Old Dunlap Street W	07/07/01	N	SL	50	7,800.00	0.00	0.00	3,276.00	156.00	3,432.00
26	I	Mtn Crest Subdivision	10/27/05	N	SL	50	38,220.00	0.00	0.00	12,740.00	764.40	13,504.40
27	I	Malcolm Jessup extensio	02/23/06	N	SL	50	16,800.00	0.00	0.00	5,488.00	336.00	5,824.00
28	I	Eagles Bluff line	04/01/06	N	SL	50	59,250.00	0.00	0.00	19,256.25	1,185.00	20,441.25
29	I	WTP Expansion - CDB	12/31/07	N	SL	50	1,986,180.75	0.00	0.00	575,992.35	39,723.61	615,715.96
30	I	Winding Creek Waterlin	04/29/10	N	SL	50	53,470.57	0.00	0.00	13,011.16	1,069.41	14,080.57
31	I	WTP Improvements	04/12/10	N	SL	50	490,904.16	0.00	0.00	120,340.94	9,818.08	130,159.02
32	I	East Cook St Line	07/15/10	N	SL	50	29,465.56	0.00	0.00	7,071.72	589.31	7,661.03
33	I	Baker Mtn Line relocati	06/13/11	N	SL	50	271,225.93	0.00	0.00	60,121.76	5,424.52	65,546.28
34	I	Mountain pump	11/16/11	N	SL	10	10,550.00	0.00	0.00	10,550.00	0.00	10,550.00
35	I	Hwy 111 water/sewer rel	05/15/13	N	SL	50	1,452,155.19	0.00	0.00	266,228.42	29,043.10	295,271.52
36	I	CDBG waterline rehab	01/15/13	N	SL	50	535,609.35	0.00	0.00	101,765.80	10,712.19	112,477.99
38	I	CDBG - RT Davis Rd &	06/30/15	N	SL	50	550,729.31	0.00	0.00	77,102.13	11,014.59	88,116.72
39	I	111 relocation Manus- 2	03/01/15	N	SL	50	1,171,769.82	0.00	0.00	171,859.60	23,435.40	195,295.00
40	I	WWTP New VFD blowe	04/01/16	N	SL	10	15,000.00	0.00	0.00	9,375.00	1,500.00	10,875.00
42	I	CDBG extension 2016	07/03/16	N	SL	50	546,508.96	0.00	0.00	65,581.08	10,930.18	76,511.26
43	I	CDBG downtown and	05/23/18	N	SL	50	579,530.47	0.00	0.00	47,328.32	11,590.61	58,918.93
	I	High service pump moto	11/29/18	N	SL	10	7,973.00	0.00	0.00	2,856.99	797.30	3,654.29
	I	High svc & 2 raw water	02/15/19	N	SL	10	42,436.72	0.00	0.00	14,499.21	4,243.67	18,742.88
48	I	Pump	03/28/19	N	SL	10	12,558.22	0.00	0.00	4,081.42	1,255.82	5,337.24
49	I	Pump	03/11/19	N	SL	10	9,238.64	0.00	0.00	3,079.53	923.86	4,003.39
50	I	Haston Field lift station	09/20/19	N	SL	10	5,497.86	0.00	0.00	1,511.92	549.79	2,061.71
51	I	High service pump WTP	09/30/19	N	SL	10	30,123.50	0.00	0.00	8,283.96	3,012.35	11,296.31
52	I	Single channel flow mete	12/15/20	N	SL	10	8,550.51	0.00	0.00	1,353.83	855.05	2,208.88
53	I	Backflow meter	06/16/21	N	SL	10	5,611.00	0.00	0.00	561.10	561.10	1,122.20
54	I	2 flow meters	10/14/20	N	SL	10	7,886.00	0.00	0.00	1,380.05	788.60	2,168.65
55	I	Refrigerated sampler	10/14/20	N	SL	10	6,089.00	0.00	0.00	1,065.58	608.90	1,674.48
56	I	2 VFDs & install	11/12/20	N	SL	10	7,875.30	0.00	0.00	1,312.55	787.53	2,100.08
57	I	River pump	10/05/20	N	SL	10	32,762.92	0.00	0.00	5,733.51	3,276.29	9,009.80
58	I	150 HP river pump	07/19/21	N	SL	10	22,562.94	0.00	0.00	2,068.27	2,256.29	4,324.56
59	I	150 HP submersible pum	11/30/21	N	SL	10	24,201.94	0.00	0.00	1,411.78	2,420.19	3,831.97
Group # 3 Total							12,712,168.02	0.00	0.00	5,063,833.91	249,534.37	5,313,368.28

Group # 4 EQUIPMENT

2	I	Meters and service	07/01/78	N	SL	40	48,237.11	0.00	0.00	48,237.11	0.00	48,237.11
5	I	Storage tank	07/01/76	N	SL	40	132,737.81	0.00	0.00	132,737.81	0.00	132,737.81
7	I	Water tank improvemen	07/01/89	N	SL	10	7,500.00	0.00	0.00	7,500.00	0.00	7,500.00
9	I	Improvements	07/01/89	N	SL	10	5,000.00	0.00	0.00	5,000.00	0.00	5,000.00
10	I	Improvements	07/01/89	N	SL	10	7,500.00	0.00	0.00	7,500.00	0.00	7,500.00
11	I	New water mains	07/01/76	N	SL	40	31,578.50	0.00	0.00	31,578.50	0.00	31,578.50
12	I	Caney Fork Emerg. Li	07/01/83	N	SL	40	66,202.73	0.00	0.00	64,107.96	1,655.07	65,763.03
22	I	Pumps at plant	01/01/98	N	SL	20	18,693.20	0.00	0.00	18,692.87	0.00	18,692.87
23	I	High service pumps	06/23/00	N	SL	20	5,014.47	0.00	0.00	5,014.40	0.00	5,014.40
24	I	Booster pumps - river	08/31/99	N	SL	10	15,866.00	0.00	0.00	15,865.57	0.00	15,865.57
34	I	8" bronze compound	07/30/04	N	SL	25	6,778.15	0.00	0.00	4,857.74	271.13	5,128.87
38	I	John Deere Backhoe	04/10/08	N	SL	10	62,592.20	0.00	0.00	62,592.20	0.00	62,592.20
39	I	Sludge box	01/01/09	N	SL	10	25,210.00	0.00	0.00	25,210.00	0.00	25,210.00
41	I	Hi-service pump	12/02/08	N	SL	10	3,750.00	0.00	0.00	3,750.00	0.00	3,750.00
	I	Pump station improvem	11/30/09	N	SL	40	47,050.00	0.00	0.00	14,801.15	1,176.25	15,977.40
	I	ISCO Refrigerated samp	01/20/10	N	SL	7	5,204.92	0.00	0.00	5,204.92	0.00	5,204.92

8/30/2023
2

CITY OF SPENCER WATER & SEWER

Federal ID #:

Asset Summary - Book Basis

Period Ended 6/30/23

Company: SPE

Page: 3

Num	Loc	Property Description	Acquired	T	Method	Life	Cost/Basis	179 Exp/AFD	Add SDA	Prior Depr.	Current Depr.	Ending Depr.
Group # 4 EQUIPMENT (Continued)												
45	1	Pump	04/25/11	N	SL	10	10,949.00	0.00	0.00	10,949.00	0.00	10,949.00
46	1	Mountain pump	08/27/12	N	SL	10	7,825.00	0.00	0.00	7,694.58	130.42	7,825.00
50	1	Sewer lab equipment	04/30/14	N	SL	5	5,471.10	0.00	0.00	5,471.10	0.00	5,471.10
51	1	Fencing at Piney tank	07/07/13	N	SL	10	5,350.00	0.00	0.00	4,815.00	535.00	5,350.00
52	1	Air compressor	04/08/15	N	SL	10	6,484.99	0.00	0.00	4,701.62	648.50	5,350.12
55	1	SCADA software for pla	07/17/14	N	SL	5	13,236.22	0.00	0.00	13,236.22	0.00	13,236.22
58	1	Ford 550	03/19/21	N	SL	5	71,157.00	0.00	0.00	17,789.25	14,231.40	32,020.65
59	1	Chemical feed	10/25/22	N	SL	15	115,335.00	0.00	0.00	0.00	5,126.00	5,126.00
60	1	Water heater at plant	05/30/23	N	SL	10	12,746.56	0.00	0.00	0.00	106.22	106.22
Group # 4 Total							737,469.96	0.00	0.00	517,307.00	23,879.99	541,186.99
Group # 5 SEWER PLANT												
1	1	Sewer treatment plant	12/01/02	N	SL	50	1,581,512.74	0.00	0.00	608,599.90	31,630.25	640,230.15
2	1	Sewer collection system	12/01/02	N	SL	50	5,145,847.16	0.00	0.00	1,979,970.43	102,916.94	2,082,887.37
3	1	Extension	12/05/03	N	SL	50	116,942.85	0.00	0.00	43,463.81	2,338.86	45,802.67
4	1	Additions to sewer plant	01/01/06	N	SL	50	17,356.52	0.00	0.00	5,727.65	347.13	6,074.78
5	1	H.S. Sewer Pump Station	02/25/07	N	SL	50	89,100.00	0.00	0.00	27,324.00	1,782.00	29,106.00
6	1	Effluent line Caney Fork	04/09/08	N	SL	50	2,524,725.03	0.00	0.00	719,546.65	50,494.50	770,041.15
8	1	Relocation Manus - 285	03/01/15	N	SL	50	12,372.80	0.00	0.00	1,814.71	247.46	2,062.17
12	1	Turkey Scratch pump in	10/16/17	N	SL	20	7,715.95	0.00	0.00	1,800.40	385.80	2,186.20
14	1	Turkey Scratch sewer pu	01/02/18	N	SL	20	9,502.48	0.00	0.00	2,138.04	475.12	2,613.16
14	1	Old McMinn sewer pump	08/21/18	N	SL	15	10,979.05	0.00	0.00	2,805.77	731.94	3,537.71
14	1	25 HP pump @ Old Duni	10/12/21	N	SL	10	8,671.00	0.00	0.00	650.33	867.10	1,517.43
18	1	Grinder pump at high sch	02/09/23	N	SL	15	34,521.81	0.00	0.00	0.00	958.94	958.94
Group # 5 Total							9,559,247.39	0.00	0.00	3,393,841.69	193,176.04	3,587,017.73
Grand Total							24,254,319.33	0.00	0.00	9,717,053.17	481,721.75	10,198,774.92

SPENCER WATER & SEWER SYSTEM PROJECTED OPERATING PROFORMA

		Spencer FY 19-20 ACTUAL	Spencer FY 20-21 ACTUAL	Spencer FY21-22 ACTUAL	Spencer FY22-23 ACTUAL	Spencer FY23-24 PROJECTED	Spencer FY24-25 PROJECTED	Spencer FY25-26 PROJECTED	Spencer FY26-27 PROJECTED
No. of Water customers (Audit)	#	2489	2540	1925	1974	2001	2010	2030	2050
No. of Water Customers (AWWA/AIR)	#	2165	2335	1952	2349				
Customer Delta?		324	205	-27	-375				
No. of Sewer customers (Audit)	#	636	649	649	656	739	745	750	755
No. of Sewer Customers (AIR)	#			651	663				
Water Supplied (AWWA/AIR)	MG/Yr	171.733	170.065	141.770	140.580				
Water Produced (MORs)	MG/Yr	157.201	166.431	135.396	135.153	135	138	141	144
Water Purchased (WCUD Billing)	MG/Yr	1.331	0.0551	0.5099	0.0609				
Authorized Consumption (AWWA/AIR)	MG/Yr	76.371	81.568	76.470	86.74	80	80	80	80
Gross Water Losses	MG/Yr	95.362	88.497	65.300	53.84				
Water Loss %		55.5%	52.0%	46.1%	38.3%				
Length of Mains	miles	134	134						
Sales / Authorized Consumption	\$/MG	\$ 13,051.32	\$ 12,807.54	\$ 13,917.78	\$ 13,746.97				
Avg. Gal/Month/Customer		2,940	2,911	3,265	3,077				
Operating Revenues									
Water Sales	\$	996,742.42	\$ 1,044,685.53	\$ 1,064,292.96	\$ 1,192,412.60	\$ 1,380,000.00	\$ 1,600,000.00	\$ 1,650,000.00	\$ 1,700,000.00
Wastewater Sales	\$	328,811.52	\$ 329,399.83	\$ 347,188.23	\$ 383,579.26	\$ 545,000.00	\$ 650,000.00	\$ 665,000.00	\$ 680,000.00
Forfeited Discounts	\$	16,888.20	\$ 20,948.32	\$ 20,524.18	\$ 23,528.51	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00
Tap Fees	\$	43,250.00	\$ 52,050.00	\$ 80,400.00	\$ 109,050.00	\$ 120,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Other Operating Income	\$	24,609.90	\$ 40,150.61	\$ 42,092.06	\$ 28,638.92	\$ 100,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
Total Operating Revenue	\$	1,410,302.04	\$ 1,487,234.29	\$ 1,554,497.43	\$ 1,737,209.29	\$ 2,169,000.00	\$ 2,424,000.00	\$ 2,489,000.00	\$ 2,554,000.00
Operating Expenses									
Salaries	\$	282,375.74	\$ 292,163.02	\$ 372,718.71	\$ 384,866.05	\$ 435,000.00	\$ 490,000.00	\$ 514,500.00	\$ 540,225.00
Payroll Taxes	\$	22,071.59	\$ 22,074.44	\$ 29,459.93	\$ 29,112.83	\$ 33,060.00	\$ 37,240.00	\$ 39,102.00	\$ 41,057.10
Retirement	\$	17,802.55	\$ 32,229.46	\$ 13,630.19	\$ 36,827.08	\$ 45,000.00	\$ 29,400.00	\$ 30,870.00	\$ 32,413.50
Utilities	\$	172,849.89	\$ 148,346.03	\$ 177,084.51	\$ 259,518.53	\$ 260,000.00	\$ 280,000.00	\$ 300,000.00	\$ 320,000.00
Water Purchased	\$	6,955.50	\$ 550.00	\$ 588.21	\$ 28.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
Operating Supplies	\$	57,056.64	\$ 51,642.67	\$ 92,757.16	\$ 109,615.34	\$ 120,000.00	\$ 200,000.00	\$ 225,000.00	\$ 250,000.00
Repairs and Maintenance	\$	94,754.15	\$ 144,157.87	\$ 119,872.50	\$ 184,600.82	\$ 200,000.00	\$ 400,000.00	\$ 400,000.00	\$ 400,000.00
Chemicals	\$	61,570.17	\$ 57,857.09	\$ 53,385.90	\$ 103,759.83	\$ 100,000.00	\$ 110,000.00	\$ 120,000.00	\$ 125,000.00
Insurance	\$	37,683.00	\$ 39,346.00	\$ 53,254.00	\$ 52,131.00	\$ 70,000.00	\$ 72,000.00	\$ 75,000.00	\$ 78,000.00
Legal and Professional Fees	\$	10,535.00	\$ 11,902.50	\$ 12,440.00	\$ 18,656.25	\$ 20,000.00	\$ 24,000.00	\$ 26,000.00	\$ 28,000.00
Customer Billing	\$	9,640.55	\$ 7,960.38	\$ 10,780.03	\$ 12,345.09	\$ 15,000.00	\$ 15,000.00	\$ 16,000.00	\$ 18,000.00
Contracted Services	\$	44,259.73	\$ 54,047.90	\$ 41,560.35	\$ 62,979.38	\$ 60,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
Depreciation - Straight Line	\$	470,562.28	\$ 469,531.80	\$ 476,003.69	\$ 481,721.75	\$ 482,000.00	\$ 130,000.00	\$ 130,000.00	\$ 130,000.00
Paying Agent Fees	\$	9,470.58	\$ 7,469.67	\$ 8,484.78	\$ 7,984.00	\$ 8,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Office Supplies and postage	\$	2,299.87	\$ 2,668.75	\$ 612.27	\$ 6,663.98	\$ 8,000.00	\$ 9,000.00	\$ 10,000.00	\$ 12,000.00
Vehicle Expense	\$	16,664.47	\$ 16,830.08	\$ 25,037.81	\$ 24,264.07	\$ 24,000.00	\$ 24,000.00	\$ 26,000.00	\$ 28,000.00
Water Testing	\$	17,889.26	\$ 17,437.28	\$ 14,747.35	\$ 17,724.10	\$ 18,000.00	\$ 20,000.00	\$ 22,000.00	\$ 24,000.00
Annual Fees	\$	16,104.58	\$ 19,110.54	\$ 20,223.44	\$ 23,055.10	\$ 24,000.00	\$ 24,000.00	\$ 26,000.00	\$ 28,000.00
Uniforms	\$	7,333.78	\$ 8,982.02	\$ 6,335.14	\$ 5,640.06	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00
WINN grant Expense	\$	22,806.41	\$ 235,064.69	\$ 280,943.18	\$ -	\$ -	\$ -	\$ -	\$ -
Infrastructure Grant Expense	\$	5,000.00	\$ 40,020.00	\$ 9,978.00	\$ -	\$ -	\$ -	\$ -	\$ -
SEARCh grant Expense	\$	6,638.75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collection System	\$	52,138.17	\$ 65,606.96	\$ 95,400.59	\$ 140,612.63	\$ 152,000.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00
Sludge Disposal	\$	-	\$ 15,035.85	\$ 17,297.20	\$ 16,020.80	\$ 16,000.00	\$ 20,000.00	\$ 24,000.00	\$ 28,000.00
Penalties	\$	-	\$ 17,000.00	\$ -	\$ -	\$ 7,000.00	\$ 4,000.00	\$ -	\$ -
Miscellaneous	\$	2,855.17	\$ 4,375.24	\$ 5,418.26	\$ 3,960.20	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00
Total Operating Expense	\$	1,447,317.83	\$ 1,781,410.24	\$ 1,938,013.20	\$ 1,982,086.89	\$ 2,108,060.00	\$ 2,134,640.00	\$ 2,230,472.00	\$ 2,328,695.60
Operating Gain / (Loss)	\$	(37,015.79)	\$ (294,175.95)	\$ (383,515.77)	\$ (244,877.60)	\$ 60,940.00	\$ 289,360.00	\$ 258,528.00	\$ 225,304.40



Jason E. Mumpower
Comptroller

Entity Referred: **Brownlow Utility District**

Referral Reason: **Decrease In Net Position**

Utility Type Referred: **Water**

Staff Summary:

The Brownlow Utility District ("the Entity") has been referred to the Tennessee Board of Utility Regulation ("the Board") for financial distress since 2022. The Entity has returned its financial distress questionnaire to Board staff. Board staff has identified the following weaknesses or findings:

1. The entity is delinquent for their FY2023 and is working with a new auditor to complete the audit.
2. The entity has experienced turnover with management and office staff.
3. The entity has increased rates but the rate increase was not based on rate study carried out by a qualified third party expert.

Based on the on the 2 years of negative change in statutory net position and information provided in the financial distress questionnaire, board staff believes that the entity should conduct a rate study by a qualified third party expert.

Staff Recommendation:

Board staff should order the following:

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;
2. By October 31, 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 March 31, 2025, 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.

Brownlow Utility District

	Category: Water		County: Johnson	
	2019	2020	2021	2022
Net Assets	\$1,557,468.00	\$1,547,607.00	\$1,521,380.00	\$1,481,089.00
Deferred Outflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Net Liabilities	\$335,160.00	\$324,580.00	\$313,521.00	\$306,733.00
Deferred Inflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Total Net Position	\$1,222,308.00	\$1,223,027.00	\$1,207,859.00	\$1,174,356.00
Operating Revenues	\$129,735.00	\$131,578.00	\$166,715.00	\$155,781.00
Net Sales	\$128,833.00	\$130,664.00	\$165,964.00	\$155,415.00
Operating Expenses	\$135,558.00	\$119,278.00	\$170,555.00	\$178,293.00
Depreciation Expenses	\$0.00	\$0.00	\$0.00	\$41,370.00
Non Operating Revenues	-\$11,675.00	-\$11,581.00	-\$11,328.00	-\$10,991.00
Capital Contributions	\$0.00	\$0.00	\$0.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	-\$17,498.00	\$719.00	-\$15,168.00	-\$33,503.00
Statutory Change In Net Position	-\$17,498.00	\$719.00	-\$15,168.00	-\$33,503.00

Contact Information and Comptroller Filings

Entity ID Number	3197
Utility Name	Brownlow Utility District
Name of Person Filling this Out	Teresa Tester
Utility Email	brownlowutility@gmail.com
Utility Phone	(423) 727-1393
Mailing Address	3120 Roan Creek Road Apt. A Mountain City, TN 37683

Has the most recent Annual Information report been timely filed for this utility? No

Has the utility filed its most recent budget with the Comptroller's Office within 15 days of adoption? Yes

Has the utility filed its most recent audit with the Comptroller's Office within 6 months of the last fiscal year end? No

Please provide the reason why this local government did not timely file its most recent audit with the Comptroller's Office? The CPA firm lost their only CPA to do Utility Audits. We had to be released from the contract with Bragg & Co CPA Firm for the 2023 Fiscal Year Audit and started looking for another CPA Firm to do our 2023 Fiscal Year Audit.

Financial Distress Remedy Plans

Does this utility have a plan to remedy the current financial distress? Yes

Please describe the current plan to remedy the utility's financial distress. The previous Manger and Office Personnel has been replaced with a New Manager and the person hired to be in the office had previously worked for the Utility for 15 Years and understands the Utility's financials better than the previous office staff did. We are monitoring our financials very closely and are working to turn the Utility's Financial status around. We have cut cost and had a water rate increase on all of the Utility's Customers.

Rates and Fees Information

Has a rate study been completed for the utility in the previous 5 years?

No

187

Has the utility implemented a rate increase in the last 6 months?

Yes

Does the utility have plans to implement a rate increase in the next 6 months?

Yes

Is this rate increase based on a rate study conducted by an independent third party?

No

Please upload a copy of the current, approved rate ordinance or resolution.

<https://comptrollertn.formstack.com/admin/download/file/16071247463>

Has this utility had any changes to fees in the last 5 years?

Yes

Please upload a copy of the current, approved utility fee schedule.

<https://comptrollertn.formstack.com/admin/download/file/16071247465>

Please how current rates and fees were determined.

We look at the Financials, Water Sales and Expenses for the Fiscal Year and determined how much of a Rate Increase we need to have. Then this is discussed with the Board of Commissioners and we make changes to the rate increase as needed.

Financial Initiatives

Has the utility incurred any new debt during its current fiscal year, or does the utility plan on incurring any new debt during the current or next fiscal year?

No

Has the utility received any grants during its current fiscal year, or does the utility plan on applying for or receiving any new grants during the current or next fiscal year?

Yes

How much is this funding, and what is the source of this funding?

\$850,000 - American Rescue Plan (ARP)

What will this funding be used for?

A Water Booster Station, A New Asset Management Plan, A New Water Tank , Water Supply Backup and an expansion of the Lab Building at the Water Plant.

Utility Information

Does this utility offer water service?

Yes

Does this utility offer sewer or wastewater service?

No

188

Water Utility Information

How many billed customers does the water utility have?

220

How many unbilled customers does the water utility have?

0

How many metered customers does the water utility have?

220

How many unmetered customers does the water utility have?

0

What was the net sales revenue from the largest 10 customers last fiscal year?

4319

What was the net sales revenue for the water utility last fiscal year?

182

What percentage of sales do the largest 10 customers account for annually?

0.000

What percentage of sales do the largest 10 customers account for annually? - Copy

0.000

How many gallons were sold to the largest 10 customers last fiscal year?

489.00

How many gallons were sold last fiscal year?

923.00

What percentage of volume do the largest 10 customers account for annually?

0.53

Does the water utility have a rate structure with differing rates based on location?

Yes

Please provide a customer count breakdown of these different rate classes.

The Utility has another section of 30 customers that we purchase water from the Town Of Mountain City in order to supply water to them.

Please explain how these rates have been determined to be reasonable and justifiable.

Since there are fewer customers in this area their water rates are higher¹⁸⁹ than our other customers on the Brownlow Side of the Utility. We look at the Financials and Expenses and Water Sales and the cost of purchasing water from the Town of Mountain City when we determine their water rates.

Does this utility have a water connection to another utility to purchase water or to have a backup water supply in case of emergency?

No

Does this utility produce its entire water supply without purchasing water from another utility?

No

Does a contract exist for the purchase of any water from another utility?

Yes

Is it feasible for this utility regionalize, merge, or consolidate with a surrounding utility to improve water service to its current or future customer base?

No it isn't feasible for the Utility to Merge with another Utility.

Does this utility sell water at a wholesale rate to any customers such as large commercial/industrial customers or other surrounding utilities?

No

Does this utility have a water treatment facility?

Yes

What is the design capacity of the water treatment facility?

440 GPM

What is the average operating capacity of the water treatment facility?

1,405.43

Are there any environmental concerns including government environmental orders for the water utility?

No

Wastewater Utility Information

Percentage of sales from Largest 10 Customers

0.00

Percentage of flow from Largest 10 Customers

0.00

Plans and Policies

Does this utility have a debt management policy?	Yes
Does this utility have a capitalization policy?	Yes
Does this utility have a leak adjustment policy?	Yes
Does this utility have an asset management plan?	Yes
Does this utility have a copy of its capital asset list on file?	Yes
How often is this capital asset list reviewed and by whom?	Every Year by Auditor and Management



Jason E. Mumpower
Comptroller

Entity Referred: **City of Luttrell**

Referral Reason: **Decrease In Net Position**

Utility Type Referred: **Sewer**

Staff Summary:

The City of Luttrell ("the Entity") has been referred to the Tennessee Board of Utility Regulation ("the Board") for financial distress since 2016. The Entity has continued to experience negative change in net position, most recently for fiscal years 2022 and 2023. The Entity should contract with a third party expert to carry out an up to date rate study. Additionally, the Entity should contract with a third party expert to carry out a feasibility study of the potential merger between the Entity and the Luttrell-Blaine-Corryton Utility District, and any other utility systems in the area to determine the feasibility of a merger between the Entity and another utility system.

Staff Recommendation:

The Board should order the following:

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;
2. The Entity shall contract with a qualified expert as approved by Board staff to study the feasibility of a merger between the Entity and surrounding utility systems, including Luttrell-Blaine-Corryton Utility District.
3. By November 30, 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.
4. By March 30, 2024 the Entity shall provide Board staff with the completed rate study and cost of service study and either proof of implementation of the resulting recommendations or a proposed plan of implementation.

Luttrell

	Category: Sewer		County: Union	
	2020	2021	2022	2023
Net Assets	\$5,509,065.00	\$5,824,394.00	\$5,812,718.00	\$5,570,961.00
Deferred Outflow Resources	\$17,002.00	\$15,477.00	\$21,110.00	\$33,086.00
Net Liabilities	\$183,981.00	\$148,482.00	\$103,608.00	\$90,595.00
Deferred Inflow Resources	\$2,033.00	\$6,092.00	\$66,310.00	\$29,174.00
Total Net Position	\$5,340,053.00	\$5,685,297.00	\$5,663,910.00	\$5,484,278.00
Operating Revenues	\$661,177.00	\$805,082.00	\$770,857.00	\$690,999.00
Net Sales	\$601,357.00	\$685,691.00	\$684,427.00	\$647,199.00
Operating Expenses	\$763,830.00	\$759,666.00	\$786,893.00	\$867,456.00
Depreciation Expenses	\$202,582.00	\$205,007.00	\$219,520.00	\$227,852.00
Non Operating Revenues	-\$7,409.00	-\$6,342.00	-\$5,351.00	-\$3,175.00
Capital Contributions	\$34,381.00	\$306,170.00	\$0.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	-\$75,681.00	\$345,244.00	-\$21,387.00	-\$179,632.00
Statutory Change In Net Position	-\$110,062.00	\$39,074.00	-\$21,387.00	-\$179,632.00



Jason E. Mumpower
Comptroller

Entity Referred: **City of Decherd**

Referral Reason: **Decrease In Net Position**

Utility Type Referred: **Water And Sewer**

Staff Summary:

The City of Decherd ("the City") has been referred to the Tennessee Board of Utility Regulation ("the Board") for financial distress since 2021. The City has engaged with Jackson Thornton for the rate study. There have been significant delays with the City's audits. Board staff has been in contact with the City, Jackson Thornton and the auditing firm. Board staff recommends the following:

Staff Recommendation:

1. Provide an extension of up to six months for the rate study. The current ordered due date was June 30, 2024. Extension would be valid until December 31, 2024.
2. Should the Entity fail to comply with any directive in this order, Board staff and Counsel may issue subpoenas for the Entity's governing body and Manager to appear in-person before the Board during its next meeting following non-compliance of this order.

Decherd

	Category: Water And Sewer		County: Franklin	
	2018	2019	2020	2021
Net Assets	\$11,746,081.00	\$18,609,736.00	\$23,094,893.00	\$23,061,016.00
Deferred Outflow Resources	\$47,962.00	\$53,450.00	\$52,366.00	\$48,627.00
Net Liabilities	\$1,573,176.00	\$7,002,977.00	\$9,702,341.00	\$9,559,368.00
Deferred Inflow Resources	\$7,738.00	\$16,926.00	\$30,421.00	\$26,683.00
Total Net Position	\$10,213,129.00	\$11,643,283.00	\$13,414,497.00	\$13,523,592.00
Operating Revenues	\$2,213,733.00	\$2,284,003.00	\$1,985,073.00	\$2,098,574.00
Net Sales	\$2,079,288.00	\$2,137,474.00	\$1,820,971.00	\$1,868,199.00
Operating Expenses	\$1,747,248.00	\$1,792,596.00	\$1,919,173.00	\$5,135,286.00
Depreciation Expenses	\$452,668.00	\$452,201.00	\$508,739.00	\$407,000.00
Non Operating Revenues	\$76,668.00	-\$81,427.00	-\$539,376.00	-\$186,158.00
Capital Contributions	\$0.00	\$1,020,174.00	\$2,244,690.00	\$3,232,413.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$543,153.00	\$1,430,154.00	\$1,870,766.00	\$9,543.00
Statutory Change In Net Position	\$543,153.00	\$409,980.00	-\$274,372.00	-\$3,222,870.00



Jason E. Mumpower
Comptroller

Entity Referred: **Town of Huntland**

Referral Reason: **Administrative Review**

Utility Type Referred: **Water And Sewer**

Staff Summary: The Town of Huntland ("the Town") was referred to the Tennessee Board of Utility Regulation ("the Board") for administrative review. Board staff met with the Mayor, City Recorder, and governing body members per the March 14, 2024 board order. The town began a sewer project in 2018, which went over budget by approximately \$2.5M. The Town alleges that the cost overruns are due to both rising material and labor costs and due to the Town's decision to not complete the project in stages.

The Town had alerted Board staff and TAUD about possible changes in the contract, and legal concerns surrounding those changes. After Board staff's review, the Town agreed to all work changes.

Board staff is concerned about the financial well-being of the sewer fund and its ability to be self-sustaining. The Town has also requested an interfund loan in the amount of \$300,000 in order to finish the Sewer project. Board staff has concerns regarding the ability of the Sewer Fund to repay the General Fund.

Staff Recommendation:

The Town shall have the Tennessee Association of Utility Districts, or another qualified expert as approved by Board staff, perform a rate study that includes the following:

- a. a review of the 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.

2. By October 18, 2024, the Town shall send Board staff a copy of the contract between the Town and the qualified expert who is to perform the tasks in paragraph 1.

3. By January 31, 2025, the Town shall provide Board staff with the completed rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation.

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

Huntland

	Category: Water		County: Franklin	
	2020	2021	2022	2023
Net Assets	\$1,563,099.58	\$2,039,601.00	\$4,936,444.78	\$8,393,659.00
Deferred Outflow Resources	\$52,577.80	\$50,021.00	\$50,578.80	\$34,024.00
Net Liabilities	\$98,291.14	\$297,781.00	\$1,369,653.36	\$4,167,282.00
Deferred Inflow Resources	\$3,343.78	\$0.00	\$34,622.00	\$0.00
Total Net Position	\$1,514,042.46	\$1,791,841.00	\$3,582,748.22	\$4,260,401.00
Operating Revenues	\$344,470.06	\$373,094.54	\$389,268.07	\$419,676.00
Net Sales	\$344,470.06	\$373,095.00	\$389,268.07	\$409,875.00
Operating Expenses	\$316,673.31	\$323,255.00	\$370,044.59	\$359,877.00
Depreciation Expenses	\$64,536.34	\$69,463.00	\$69,925.99	\$71,510.00
Non Operating Revenues	\$6,124.18	-\$101.00	-\$688.85	\$3,543.00
Capital Contributions	\$0.00	\$228,060.00	\$1,772,372.59	\$614,310.78
Transfers In	\$1.53	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$33,922.46	\$277,798.54	\$1,790,907.22	\$677,652.78
Statutory Change In Net Position	\$33,920.93	\$49,738.54	\$18,534.63	\$63,342.00



Jason E. Mumpower
Comptroller

Entity Referred: **City of Dresden**

Referral Reason: **Decrease In Net Position**

Utility Type Referred: **Water And Sewer**

Staff Summary:

The City of Dresden ("the Entity") has been referred to the Tennessee Board of Utility Regulation ("the Board") for financial distress since fiscal year 2023. The Entity has returned its financial distress questionnaire to Board staff. Board staff has identified the following weaknesses or findings:

1. The Entity has not increased fees in the past five years.
2. The Entity has not completed a rate study in the past five years.
3. The Entity does not have a separate commercial rate
4. The Entity has a rate structure that is heavily weighted towards outside city limit customers, who are charged a minimum fee 2.1x higher and a usage rate 1.6x higher than inside city limit customers.

Staff Recommendation:

The Board should order the following:

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

2. By September 26, 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 June 30, 2025, 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.

Dresden

	Category: Water And Sewer		County: Weakley	
	2020	2021	2022	2023
Net Assets	\$5,565,955.00	\$5,683,608.00	\$8,160,034.00	\$8,459,219.00
Deferred Outflow Resources	\$108,476.00	\$149,438.00	\$177,374.00	\$161,031.00
Net Liabilities	\$306,700.00	\$361,466.00	\$3,124,285.00	\$3,234,570.00
Deferred Inflow Resources	\$117,364.00	\$110,462.00	\$138,821.00	\$131,062.00
Total Net Position	\$5,250,367.00	\$5,361,118.00	\$5,074,302.00	\$5,254,618.00
Operating Revenues	\$959,944.00	\$996,378.00	\$902,103.00	\$1,067,546.00
Net Sales	\$913,379.00	\$942,154.00	\$858,890.00	\$1,015,763.00
Operating Expenses	\$865,882.00	\$893,396.00	\$1,124,252.00	\$1,114,467.00
Depreciation Expenses	\$207,808.00	\$214,165.00	\$320,783.00	\$334,236.00
Non Operating Revenues	\$8,166.00	\$7,769.00	-\$22,704.00	-\$20,176.00
Capital Contributions	\$0.00	\$0.00	\$0.00	\$511,817.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$102,228.00	\$68,788.00	-\$509,257.00	\$444,720.00
Statutory Change In Net Position	\$102,228.00	\$68,788.00	-\$509,257.00	-\$67,097.00

Contact Information and Comptroller Filings

Entity ID Number	1661
Utility Name	City of Dresden
Name of Person Filling this Out	Jennifer Branscum
Utility Email	cityrecorder@cityofdresden.net
Utility Phone	(731) 364-2270
Mailing Address	589 Evergreen Street Dresden, TN 38225

Has the most recent Annual Information report been timely filed for this utility? Yes

Has the utility filed its most recent budget with the Comptroller's Office within 15 days of adoption? Yes

Has the utility filed its most recent audit with the Comptroller's Office within 6 months of the last fiscal year end? Yes

Financial Distress Remedy Plans

Does this utility have a plan to remedy the current financial distress? Yes

Please describe the current plan to remedy the utility's financial distress. City of Dresden plans to raise the water and sewer rates to provide sufficient income to cover expenses in the water and sewer fund budget for the fiscal year beginning July 1, 2024 through June 30, 2025. This rate increase is expected to be 20% for water and 20% for sewer. This rate increase was determined based on the amount of revenue needed to exceed expenses for the fiscal year ending June 30, 2025.

Rates and Fees Information

Has a rate study been completed for the utility in the previous 5 years? No

Has the utility implented a rate increase in the last 6 months? No

Does the utility have plans to implement a rate increase in the next 6 months? Yes

Is this rate increase based on a rate study conducted by an independent third party? No

Please upload a copy of the current, approved rate ordinance or resolution. <https://www.formstack.com/admin/download/file/16202756369>

Has this utility had any changes to fees in the last 5 years? No

Please upload a copy of the current, approved utility fee schedule. <https://www.formstack.com/admin/download/file/16202756371>

Please how current rates and fees were determined. The utility rates were determined based on the amount of revenue needed to meet or exceed the expenditures. The fees are based on what it cost the City to provide the service.

Financial Initiatives

Has the utility incurred any new debt during its current fiscal year, or does the utility plan on incurring any new debt during the current or next fiscal year? No

Has the utility received any grants during its current fiscal year, or does the utility plan on applying for or receiving any new grants during the current or next fiscal year? Yes

How much is this funding, and what is the source of this funding? American Recovery Program & TDEC for sewer rehab \$2,475,452.99

What will this funding be used for? GPS mapping and software, sewer cleaning and camera studies, smoke testing, manhole inspection, lift station rehab, cured in place piping, and an asset management plan.

Utility Information

Does this utility offer water service? Yes

Does this utility offer sewer or wastewater service? Yes

Water Utility Information

How many billed customers does the water utility have?	1443
How many unbilled customers does the water utility have?	0
How many metered customers does the water utility have?	1443
How many unmetered customers does the water utility have?	0
What was the net sales revenue from the largest 10 customers last fiscal year?	111206
What was the net sales revenue for the water utility last fiscal year?	0
What percentage of sales do the largest 10 customers account for annually?	0.000
What percentage of sales do the largest 10 customers account for annually? - Copy	0.000
How many gallons were sold to the largest 10 customers last fiscal year?	335.02
How many gallons were sold last fiscal year?	1308.00
What percentage of volume do the largest 10 customers account for annually?	0.26
Does the water utility have a rate structure with differing rates based on location?	Yes
Please provide a customer count breakdown of these different rate classes.	Water Base Rate \$14.00 Inside City Limits \$29.45 Outside City Limits
Please explain how these rates have been determined to be reasonable and justifiable.	The rates are based on the amount of revenue needed to meet or exceed the expenditures of the fund. The cost to install the infrastructure needed to provide water to those outside city limits is more than that inside city limits. There is also extra cost in pumping the water to customers outside the city limits.

Does this utility have a water connection to another utility to purchase water or to have a backup water supply in case of emergency?	No
Does this utility produce its entire water supply without purchasing water from another utility?	Yes
Is it feasible for this utility regionalize, merge, or consolidate with a surrounding utility to improve water service to its current or future customer base?	Due to the distance between towns, a connection with a surrounding utility is not feasible. The City of Dresden has a mutual agreement with the City of Sharon and the City of Gleason to obtain water from their utility should the City of Dresden fall into an emergency situation.
Does this utility sell water at a wholesale rate to any customers such as large commercial/industrial customers or other surrounding utilities?	No
Does this utility have a water treatment facility?	Yes
What is the design capacity of the water treatment facility?	2.6 MGD
What is the average operating capacity of the water treatment facility?	.481 MGD
Are there any environmental concerns including government environmental orders for the water utility?	No
Please describe these environmental concerns for the water utility and the extent of the financial burden to remedy these financial concerns.	There are no environmental concerns for the water utility.

Wastewater Utility Information

How many billed customers does the wastewater utility have?	1197
How many unbilled customers does the wastewater utility have?	0
How many metered customers does the wastewater utility have?	1197

How many unmetered customers does the wastewater utility have?	0
What was the net sales revenue from the largest 10 customers last fiscal year?	165204
What was the net sales revenue for the wastewater utility last fiscal year?	560821
How many thousand gallons of wastewater were treated for the largest 10 customers last fiscal year?	335
How many thousand gallons of wastewater were treated by the utility last fiscal year?	1170
Percentage of sales from Largest 10 Customers	0.29
Percentage of flow from Largest 10 Customers	0.29
Does the wastewater utility have a rate structure with differing rates based on location?	Yes
Please provide a customer count breakdown of these different wastewater rate classes.	Sewer Base Rate \$21.00 Inside City Limits \$44.18 Outside City Limits
Please explain how these wastewater rate classes have been determined to be reasonable and justifiable.	The rates are based on the amount of revenue needed to meet or exceed the expenditures of the fund. The cost to install the infrastructure needed to provide sewer to those outside city limits is more than that inside city limits. There is also extra cost in treating the sewage from customers outside the city limits.
Does this utility treat all of the wastewater collections without sending wastewater to another utility for treatment?	Yes
Does this utility treat wastewater from another utility?	No
Is it feasible for this utility regionalize, merge, or consolidate with a surrounding utility to improve wastewater service to its current or future customer base?	Due to the distance between towns, a connection with a surrounding utility is not feasible.

Does this utility treat wastewater for customers on wells?	No
Excluding any potential customers on wells, are all customers billed based on metered water usage?	Yes
Does this utility treat wastewater at a wholesale rate to any customers such as large commercial/industrial customers or other surrounding utilities?	No
What is the design capacity of the wastewater treatment facility?	755000
What is the average operating capacity of the wastewater treatment facility?	456000
Are there any environmental concerns including government environmental orders for the wastewater utility?	No
Does this utility have a sewer use ordinance or resolution?	Yes
How is this sewer use ordinance or resolution enforced?	Required periodic testing is performed.

Plans and Policies

Does this utility have a debt management policy?	Yes
Does this utility have a capitalization policy?	Yes
Does this utility have a leak adjustment policy?	Yes
Does this utility have an asset management plan?	Yes
Does this utility have a copy of its capital asset list on file?	Yes
How often is this capital asset list reviewed and by whom?	This asset management plan was developed late 2023, early 2024. This asset management plan will be reviewed every three years.



Jason E. Mumpower
Comptroller

Entity Referred: **First Utility District of Hardin County**

Referral Reason: **Decrease In Net Position**

Utility Type Referred: **Water**

Staff Summary:

The First Utility District of Hardin County ("the Entity") has been referred to the Tennessee Board of Utility Regulation ("the Board") for financial distress since 2023. The Entity has returned its financial distress questionnaire to Board staff. Board staff has identified the Entity has not completed a rate study in the previous 5 years.

Staff Recommendation:

The Board should order the following:

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;
2. By September 26, 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 June 30, 2025, 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.

First Utility District of Hardin County

	Category: Water		County: Hardin	
	2020	2021	2022	2023
Net Assets	\$8,388,583.00	\$10,027,503.00	\$13,421,039.00	\$12,895,397.00
Deferred Outflow Resources	\$688.00	\$1,098.00	\$0.00	\$0.00
Net Liabilities	\$4,266,199.00	\$5,752,123.00	\$6,553,539.00	\$5,324,450.00
Deferred Inflow Resources	\$2,743.00	\$9,893.00	\$0.00	\$0.00
Total Net Position	\$4,120,329.00	\$4,266,585.00	\$6,867,500.00	\$7,570,947.00
Operating Revenues	\$1,356,154.00	\$1,463,826.00	\$1,486,548.00	\$1,601,635.00
Net Sales	\$1,309,999.00	\$1,401,222.00	\$1,416,540.00	\$1,520,119.00
Operating Expenses	\$1,162,250.00	\$1,294,670.00	\$1,474,021.00	\$1,650,158.00
Depreciation Expenses	\$243,892.00	\$254,784.00	\$336,810.00	\$396,456.00
Non Operating Revenues	-\$51,166.00	-\$106,568.00	-\$120,916.00	-\$120,912.00
Capital Contributions	\$8,685.00	\$83,668.00	\$2,709,304.00	\$872,882.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$151,423.00	\$146,256.00	\$2,600,915.00	\$703,447.00
Statutory Change In Net Position	\$142,738.00	\$62,588.00	-\$108,389.00	-\$169,435.00

Contact Information and Comptroller Filings

Entity ID Number	2620
Utility Name	First Utility District of Hardin County
Name of Person Filling this Out	Jennifer Phillips
Utility Email	fudhardin@yahoo.com
Utility Phone	(731) 689-4454
Mailing Address	7075 Highway 57 Counce, TN 38326
Has the most recent Annual Information report been timely filed for this utility?	Yes
Has the utility filed its most recent budget with the Comptroller's Office within 15 days of adoption?	No
Please provide the reason why this local government did not timely file its most recent budget with the Comptroller's Office?	Minutes approval was the following month and office manager had a health crisis.
Has the utility filed its most recent audit with the Comptroller's Office within 6 months of the last fiscal year end?	Yes

Financial Distress Remedy Plans

Does this utility have a plan to remedy the current financial distress?	Yes
Please describe the current plan to remedy the utility's financial distress.	We have created a water loss plan which should remedy the revenue issues from lost water in our system.

Rates and Fees Information

Has a rate study been completed for the utility in the previous 5 years?	No
Has the utility implented a rate increase in the last 6 months?	No

Does the utility have plans to implement a rate increase in the next 6 months?

No

208

Please upload a copy of the current, approved rate ordinance or resolution.

<https://www.formstack.com/admin/download/file/16072472285>

Has this utility had any changes to fees in the last 5 years?

Yes

Please upload a copy of the current, approved utility fee schedule.

<https://www.formstack.com/admin/download/file/16072472287>

Please how current rates and fees were determined.

We determined our deficiencies by percentage and created a future rate increase thus. Our board agreed to raise the minimum rate 15% and the additional 1,000 gallon rate by 25%. This would still raise our rates but protect our low income or elderly individuals that only use a minimum amount of water.

Financial Initiatives

Has the utility incurred any new debt during its current fiscal year, or does the utility plan on incurring any new debt during the current or next fiscal year?

No

Has the utility received any grants during its current fiscal year, or does the utility plan on applying for or receiving any new grants during the current or next fiscal year?

No

Utility Information

Does this utility offer water service?

Yes

Does this utility offer sewer or wastewater service?

No

Water Utility Information

How many billed customers does the water utility have?

2966

How many unbilled customers does the water utility have?

0

How many metered customers does the water utility have?

2966

How many unmetered customers does the water utility have?	0
What was the net sales revenue from the largest 10 customers last fiscal year?	400858
What was the net sales revenue for the water utility last fiscal year?	1601635
What percentage of sales do the largest 10 customers account for annually?	0.000
What percentage of sales do the largest 10 customers account for annually? - Copy	0.000
How many gallons were sold to the largest 10 customers last fiscal year?	45410.00
How many gallons were sold last fiscal year?	171405.00
What percentage of volume do the largest 10 customers account for annually?	0.26
Does the water utility have a rate structure with differing rates based on location?	No
Does this utility have a water connection to another utility to purchase water or to have a backup water supply in case of emergency?	No
Does this utility produce its entire water supply without purchasing water from another utility?	Yes
Is it feasible for this utility regionalize, merge, or consolidate with a surrounding utility to improve water service to its current or future customer base?	No
Does this utility sell water at a wholesale rate to any customers such as large commercial/industrial customers or other surrounding utilities?	No

Does this utility have a water treatment facility? Yes

210

What is the design capacity of the water treatment facility? 2.0 MGD

What is the average operating capacity of the water treatment facility? 0.8 MGD

Are there any environmental concerns including government environmental orders for the water utility? Yes

Please describe these environmental concerns for the water utility and the extent of the financial burden to remedy these financial concerns. First Utility District of Hardin County is in the beginning stages of studying and then removing PFOA's and PFOS' from the system's drinking water. The future financial burden is unknown at this time.

Wastewater Utility Information

Percentage of sales from Largest 10 Customers 0.00

Percentage of flow from Largest 10 Customers 0.00

Plans and Policies

Does this utility have a debt management policy? Yes

Does this utility have a capitalization policy? Yes

Does this utility have a leak adjustment policy? Yes

Does this utility have an asset management plan? Yes

Does this utility have a copy of its capital asset list on file? Yes

How often is this capital asset list reviewed and by whom? Annually by an independent auditor and the office manager.



Jason E. Mumpower
Comptroller

Entity Referred: **Leoma Utility District**

Referral Reason: **Decrease In Net Position**

Utility Type Referred: **Water**

Staff Summary:

As of July 12, 2024 the Leoma Utility District (the "Entity") has complied with all applicable due dates mentioned in the March 14, 2024, Board order.

Board staff has had discussions with other local governments within Lawrence County, currently Rye Engineering is completing a project to map the water lines within the county. Staff believes that once the mapping is completed it will be more feasible to facilitate merger discussions with surrounding utilities.

There are no staff recommendations at this time.

Leoma Utility District

	Category: Water		County: Lawrence	
	2019	2020	2021	2022
Net Assets	\$2,785,364.00	\$2,744,947.00	\$2,723,001.00	\$2,724,503.00
Deferred Outflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Net Liabilities	\$195,117.00	\$194,130.00	\$182,127.00	\$175,710.00
Deferred Inflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Total Net Position	\$2,590,247.00	\$2,550,817.00	\$2,540,874.00	\$2,548,793.00
Operating Revenues	\$476,420.00	\$475,546.00	\$515,459.00	\$566,317.00
Net Sales	\$456,348.00	\$449,406.00	\$483,276.00	\$526,055.00
Operating Expenses	\$425,138.00	\$512,832.00	\$512,641.00	\$574,214.00
Depreciation Expenses	\$90,797.00	\$92,925.00	\$92,957.00	\$94,176.00
Non Operating Revenues	\$2,238.00	-\$2,144.00	-\$12,761.00	\$15,816.00
Capital Contributions	\$0.00	\$0.00	\$0.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$53,520.00	-\$39,430.00	-\$9,943.00	\$7,919.00
Statutory Change In Net Position	\$53,520.00	-\$39,430.00	-\$9,943.00	\$7,919.00



Jason E. Mumpower
Comptroller

Entity Referred: **West Point Utility District**

Referral Reason: **Administrative Review**

Utility Type Referred: **Water**

Staff Summary:

The West Point Utility District (the "Entity") is a water-only utility district that serves roughly 130 customers in Lawrence County. The Entity's Board of Commissioners (the "Board") is comprised of two individuals, Chris Sutherland and Judith Weaver, the third Commissioner, Ray Tidwell, resigned as of their last meeting. The Entity is up-to-date on their Annual Financial Reports, however, the most recent report shows both a GAAP and statutory decrease in net position.

After having discussions with TDEC and third-party organizations assisting the District, Board staff believes there are potential internal control issues that could be a sign of severe managerial and technical issues. Furthermore, in light of the nearby City of Loretto being the sole provider of water for the District, Board staff believes that a merger could potentially provide adequate oversight and ensure the utility operates in the best interest of its customers.

Staff Recommendation:

The Board should order the following:

1. The Entity shall contract with a qualified expert to carry out a feasibility study for a merger with another utility system in the area by September 30, 2024.
2. The Entity shall provide a completed feasibility study to board staff by March 31, 2025.

West Point Utility District

	Category: Water		County: Lawrence	
	2020	2021	2022	2023
Net Assets	\$541,164.00	\$560,859.00	\$569,002.00	\$552,386.00
Deferred Outflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Net Liabilities	\$7,081.00	\$6,014.00	\$6,242.00	\$6,319.00
Deferred Inflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Total Net Position	\$534,083.00	\$554,845.00	\$562,760.00	\$546,067.00
Operating Revenues	\$54,424.00	\$57,962.00	\$46,420.00	\$52,628.00
Net Sales	\$54,424.00	\$57,962.00	\$46,420.00	\$52,628.00
Operating Expenses	\$37,856.00	\$37,200.00	\$38,505.00	\$69,321.00
Depreciation Expenses	\$9,739.00	\$9,739.00	\$9,739.00	\$13,040.00
Non Operating Revenues	\$0.00	\$0.00	\$0.00	\$0.00
Capital Contributions	\$0.00	\$0.00	\$0.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$16,568.00	\$20,762.00	\$7,915.00	-\$16,693.00
Statutory Change In Net Position	\$16,568.00	\$20,762.00	\$7,915.00	-\$16,693.00



04.15.2024

Chapter	Description
1715-01	Definitions
1715-02	General Authority
1715-03	Customer Complaints and Informal Hearings
1715-04	Contested Cases
1715-05	Public Comment at Meetings
1715-06	Utility Revitalization Fund

1715-01 Definitions

As used in these rules, the following terms and acronyms have the following meanings:

- (1) “Administrative review” is the review of a utility system at the direction of the Board, as described in 1715-02(9).
- (2) “Adverse action” is an action taken by a utility system’s governing board in response to a grievance presented to the utility system’s governing board which does not fully grant the relief requested by the aggrieved party. Adverse action also includes the refusal to hear or consider a grievance, and the failure to acknowledge or respond to a grievance.
- (3) “Ailing utility system”, “ailing system”, or “ailing utility” is a utility system that is:
 - (a) Financially distressed, as described in § 7-82-703(b);
 - (b) Financially unable to expand the amount or type of service as set forth and described in its founding documents or petition for creation as described under § 7-82-201, § 68-221-604, § 68-221-1304, or any other public or private act; or
 - (c) Displays a pattern of severe managerial incompetence such that the utility system cannot provide the public it serves with safe, consistent access to its services.
- (4) “Board” is the Tennessee Board of Utility Regulation (“TBOUR”) created in the office of the Comptroller by T.C.A. §§ 7-82-701-708, or its successor entity.
- (5) “Board chair” is the Comptroller or the Board member designated by the Comptroller to serve as the Board chair, pursuant to T.C.A. § 7-82-701(c)(1)(A). Board chair may refer to the Board vice-chair if the Board chair is unavailable, pursuant to 1715-02(4).
- (6) “Board counsel” is any attorney within the Comptroller's office that is directed to provide legal advice, prepare documents, or act as counsel to the Board in any other capacity.
- (7) “Board staff” or “staff” is the Comptroller’s designated manager for the Board, counsel to the Board, and any other employee of the Comptroller assigned as staff to the Board.
- (8) “Board vice-chair” is the Commissioner of Environment and Conservation, or the Board member designated by the Commissioner of Environment and Conservation to serve as the Board vice-chair, pursuant to T.C.A. § 7-82-701(c)(1)(B).
- (9) “Complaint” or “customer complaint” is a grievance against a utility system submitted to the Comptroller or Board staff by a customer or potential customer of a utility system, requesting that the Board review the grievance under T.C.A. § 7-82-702(b).

- (10) “Complainant” is the customer or group of customers which submit a complaint.
- (11) “Completed complaint” is a complaint deemed complete by Board staff, as described in 1715-03(3)(c).
- (12) “Completed grant request” is a grant request that is deemed complete by Board staff, as described in 1715-07(3)(b).
- (13) “Comptroller” is the Tennessee Comptroller of the Treasury or the staff of the Tennessee Comptroller of the Treasury.
- (14) “Contested case” is any case commenced pursuant to the UAPA and the uniform rules for contested cases.
- (15) “Formal review” is the review of a utility system that is referred to the Board by operation of law, as described in 1715-02(8).
- (16) “Grant” is the schedule or series of payments from the URF authorized by the Board.
- (17) “Grant payment” is a payment made from the URF pursuant to an approved grant request.
- (18) “Grant request” is the request for payments from the URF submitted by a utility system.
- (19) “Informal hearing” is the hearing of a customer complaint that is not subject to the contested case requirements of the UAPA or the uniform rules for contested cases.
- (20) “Merger” is the merger or consolidation of two or more utility systems by operation of law or by action of the Board. A merger may be voluntary or ordered by the Board. The acquisition of the utility infrastructure of a city, county, or other local government by a utility system can be considered a merger for purposes of Chapter 1715 of the Tennessee Comprehensive Rules and Regulations.
- (21) “Order” is the decision of the Board in any given matter, as evidenced by the Board’s vote on a motion and any amendments adopted. An Order is effective as of the date it is entered unless it states otherwise. An Order is effective and binding regardless of whether it is reduced to writing.
- (22) “Policy” has the same meaning as assigned in the UAPA.
- (23) “Professional” or “qualified professional” is, in the context of a feasibility or rate study, an individual or entity qualified to conduct a feasibility or rate study and approved by Board staff.
- (24) “Severe managerial incompetence” includes, but is not limited to:
 - (a) Frequent interruptions in service to multiple customers, lasting multiple days;
 - (b) Frequent infrastructure failures that result in interruptions in service, or cause the quality of service to fall below safe levels; or,
 - (c) Failure to:
 - 1. Respond to reports of damage to, or failure of, infrastructure within a reasonable timeframe;

2. Improve or attempt to improve infrastructure, including necessary maintenance, upgrades, or construction of redundant infrastructure where necessary; or
 3. Correct a deficiency in oversight, operational management, or finance management, which leads to repeated harm to the utility system, a violation of state or federal law, or fraud, waste, or abuse of the utility system's resources.
- (25) “Special meeting” or “special-called meeting” has the same meaning that it does in T.C.A. § 8-44-101-112.
- (26) “UAPA” is the Uniform Administrative Procedures Act, codified at T.C.A. §§ 4-5-301 *et seq.*
- (27) “Uniform rules for contested cases” are the Uniform Rules of Procedure for Hearing Contested Cases Before State Administrative Agencies as set out in Tenn. Comp. R. & Regs. chapter 1360-04-01.
- (28) “Utility Revitalization Fund” or “URF” is the fund created by T.C.A. §§ 7-82-708(a)(1).
- (29) “Utility system” or “utility” is:
- (a) The water, wastewater, or natural gas systems of a county, metropolitan government, or incorporated town or city;
 - (b) A treatment authority created pursuant to:
 1. The Water and Wastewater Treatment Authority Act, compiled in title 68, chapter 221, part 6;
 2. The Regional Water and Wastewater Treatment Authority Act, compiled in title 68, chapter 221, part 13; or
 3. Another public or private act of the general assembly that operates a water, wastewater, or natural gas facility;
 - (c) The water, wastewater, and natural gas systems of an energy or utility authority created pursuant to the Municipal Energy Authority Act, compiled in title 7, chapter 36, or a private act of the general assembly; and
 - (d) Any utility district created under this chapter, or any other public or private act of the general assembly.
- (30) “Valid factual dispute” is a dispute which, if resolved in favor of the complainant, would justify the Board ordering remedial action. A purely speculative or hypothetical grievance or injury does not constitute a valid factual dispute.

Authority: T.C.A. §§ 4-5-201 et seq., and 7-82-701 et seq. Administrative History: Original rule filed June 13, 1989; effective July 28, 1989. Amendment filed August 2, 1994; effective December 29, 1994. Chapter 1200-22-07 moved to 1715-01 by the Secretary of State under the authority of Public Chapter 86 of Acts of 2007. Repeal and new rule filed June 29, 2010; effective September 27, 2010. Repeal and new rule filed May 20, 2016; effective August 18, 2016.

1715-02 General Authority

- (1) Board members shall serve without compensation, but shall be eligible for reimbursement for travel expenses in accordance with the provisions of the comprehensive travel regulations as promulgated by the Department of Finance and Administration and approved by the Tennessee Attorney General and Reporter.
- (2) Meetings
 - (a) The Board shall exercise its powers only at public meetings.
 - (b) The Board shall hold at least two regular meetings each calendar year.
 - (c) The Board may hold special meetings.
 - (d) Special meetings shall be called by the Chair or by any two Board members.
 - (e) For any calendar year, the Board may set a regular meeting schedule by resolution.
 - (f) The Board may conduct meetings electronically, in whole or in part, as allowed by Tennessee law. Tennessee law shall dictate the extent to which Board members may participate electronically, and whether a Board member participating electronically is considered present for purposes of quorum and whether the Board member may vote.
- (3) A majority of the Board constitutes a quorum. A majority of the Board members present and voting shall be required for formal action of the Board.
- (4) If the Board chair is incapacitated or unavailable, the Board vice-chair may serve as Board chair at meetings, sign subpoenas, orders, or other documents in place of the Board chair, or exercise any other authority ordinarily delegated to the Board chair. The Board chair may only be found to be incapacitated or unavailable by a Board vote at a meeting; or, outside of a Board meeting, by:
 - (a) Agreement of Board staff and the Board Vice-chair; or,
 - (b) The Board chair's written notification of unavailability.
- (5) Conflicts of interest; appearances of impropriety
 - (a) Board members shall file annual written disclosures of financial interests and other direct and indirect conflicts of interest with Staff.
 - (b) Board members are not authorized to participate in the discussion of or to vote on matters involving entities in which the Board member has a financial interest, with which the Board member has a conflict of interest, with which the Board member has a contract of employment, or if there is any appearance of impropriety. Board members must notify Board staff and/or the Board chair if they have a conflict of interest.
 - (c) At each Board meeting, Board staff shall state the following on the record:

The Board was created to act for the public welfare and in furtherance of the legislature's intent that utility systems be operated as self-sufficient enterprises. Board members are not authorized to participate in the discussion of or to vote on matters involving entities in which the Board member has a financial interest, with which the Board member has a conflict of interest, with which the Board member has a contract of employment, or if there is any appearance of impropriety.
- (6) Records
 - (a) Staff shall keep complete and accurate records of Board meetings.

- (b) Board records will be located in the office of the Comptroller and will be open to the public in accordance with Comptroller policy and state law.
- (7) Guidelines
 - (a) The Board may delegate certain duties to Staff related to researching, drafting, and updating Board policies, guidelines, manuals, and other educational materials. Board manuals and guidelines shall be reviewed by Board counsel and approved by the Board.
 - (b) Policies and Procedures
 - 1. Board staff may adopt new policies or forms for the administration of the Board's authority after such policies and procedures have been reviewed for legal sufficiency by Board counsel. New policies and procedures are effective when adopted by Board staff and will remain in effect until the Board's first regular meeting after their adoption.
 - 2. New policies or forms must be brought to the Board at the Board's next regular meeting after adoption by Board staff. The Board may adopt, reject, modify, or delay implementation of any new policy or procedure. Board counsel will advise the Board as to whether the policy or procedure should be written into rule.
- (8) Formal Review
 - (a) When a utility system is referred to the Board by operation of statute, the utility system will undergo a formal review by the Board and Board staff. A utility system may be placed under formal review for the following reasons:
 - 1. The utility system's financially distressed status;
 - 2. Excessive water loss by the utility system;
 - 3. Approval of a utility system's ethics policy;
 - 4. Approval of the incorporation of a new utility district under T.C.A. § 7-82-702(a)(7) system;
 - 5. Approval of the purchase, development, acquisition, or construction of a new water or wastewater system by a city or county under T.C.A. § 68-221-1017;
 - 6. A utility system's failure to file an annual report;
 - 7. The failure of a utility system's governing body to meet training or continuing education requirements;
 - 8. The failure of a utility system to implement or update a cyber-security plan; and,
 - 9. Any other reason a utility system is referred to the Board for review, or must submit any documentation to the Board for review.
 - (b) In preparation for the Board's formal review, Staff may request any records from the utility system and speak with its officials and employees. Staff shall gather sufficient information about the circumstances leading to the referral and shall summarize that information and any remedial steps taken by the utility system for the Board.
 - (c) The utility's staff and governing body must promptly provide requested records and cooperate with Staff's review. The Board may adopt negative conclusions as to what missing records may show if the utility's staff or governing body repeatedly refuses to provide records or cooperate with Board staff.
 - (d) At a public meeting, the Board shall review staff's case summary and any recommendations, may request additional documentation for a full consideration of the issues before it, and may determine any other remedial actions the utility system must take to correct any remaining issues. Staff shall document the Board's directive(s) in the form of an order, letter, or memorandum, depending on the nature of the directive(s). The

Board's directive(s) must be met before the Board releases the utility system from Board oversight and jurisdiction.

- (e) Upon satisfactory compliance with the directive(s) of the Board, the Board shall instruct Staff to close the review and inform the utility system that it has been released from the Board's jurisdiction.
- (9) Administrative Review
- (a) The Board may request Staff to perform an administrative review of a utility system's financial, technical, and managerial capacity.
 - (b) The utility's staff and governing body must promptly provide requested records and cooperate with Staff's review. The Board may adopt negative conclusions as to what missing records may show if the utility's staff or governing body repeatedly refuses to provide records or cooperate with Board staff.
 - (c) At the conclusion of the investigation, Staff shall report its findings and recommendations to the Board.
 - (d) At a public meeting, the Board shall review or hear the Staff report and recommendations based upon the Staff's administrative review. The Board may order the utility system to take any necessary and appropriate actions to remedy any issues, require staff to investigate further and gather more information, or take any other necessary and appropriate action.
 - (e) Upon satisfactory compliance with the directive(s) of the Board, the Board shall instruct Staff to close the administrative review and inform the utility system that it has been released from the Board's jurisdiction.
- (10) Litigation
- (a) Within the parameters of state law, the Board may initiate legal proceedings in chancery, circuit, or other courts of law against noncompliant entities.
 - (b) The Board shall exhaust all statutorily authorized administrative procedures before initiating any formal legal proceedings.
 - (c) In all matters involving formal litigation other than in front of the Board or an administrative hearing officer or administrative law judge, the Board shall engage the Tennessee Attorney General and Reporter.
- (11) Orders
- (a) The Board shall produce a written order memorializing any directive entered by the Board which obligates a party other than Board staff to take an action. The written order may be produced by a Board member or Board staff and shall be reviewed and signed by the Board chair.
 - (b) The written order shall be posted to the Board's website and sent to any parties named in or obligated by the order. Orders will remain available via the Board's website until such time as the order may be destroyed pursuant to the relevant records disposition authorization.
 - (c) Board staff will resolve ambiguity in an order in favor of effectuating the Board's intent.

Authority: T.C.A. §§ 4-5-201 et seq., and 7-82-701 et seq. Administrative History: Original rule filed June 13, 1989; effective July 28, 1989. Amendment filed August 2, 1994; effective December 29, 1994. Chapter 1200-22-07 moved to 1715-01 by the Secretary of State under the authority of Public Chapter 86 of Acts of 2007. Repeal and new rule filed June 29, 2010; effective September 27, 2010. Repeal and new rule filed May 20, 2016; effective August 18, 2016.

1715-03 Customer Complaints and Informal Hearings

- (1) The Board may review customer complaints and conduct informal hearings of the following:
 - (a) The justness and reasonableness of a utility system's rates, fees, or charges;
 - (b) The justness and reasonableness of a utility system's requirement that a customer or developer build infrastructure or fixtures to be dedicated to the utility system;
 - (c) The failure of a utility system to adopt and enforce policies or rules necessary for the efficient and financially responsible operation of the utility system, including policies regarding ethics or financial controls, or for water loss, water leak adjustment, purchasing, or other industry standard policies;
 - (d) The inadequacy of a utility system's policies regarding ethics or financial controls, or for water loss, water leak adjustment, purchasing, or other industry standard policies; and
 - (e) The failure of a utility system to offer or extend utility service to a customer:
 1. Located within the utility system's covered area;
 2. Located within an area in which the utility system offers similar services;
 3. Located within an area in which the utility has the infrastructure to offer similar services; or,
 4. Pursuant to a request made in accordance with Tenn. Code Ann. § 7-82-112.
 - (f) For any complaint submitted pursuant to subsection (e), the utility system has the affirmative burden to show that:
 1. It does not have the capacity to serve the customer;
 2. Service to the customer is not economically feasible; or
 3. Service is not in the best interests of the utility and its existing customers.
 - (g) Any other subject or grievance allowed by law.
- (2) Customer complaints and informal hearings are not contested cases and are not subject to the UAPA or the uniform rules for contested cases.
- (3)
 - (a) The Board may only review and conduct an informal hearing of a matter that is referred by the Comptroller or Board staff.
 - (b) Board staff will refer a completed complaint to the Board if:
 1. The Board has the statutory authority to hear the complaint, as determined by Board counsel;
 2. The complaint raises a valid factual dispute;
 3. Board staff received the completed complaint within 30 days of the adverse decision of the utility system's governing board; and,
 4. The complainant has utilized all other remedies offered by the utility system.
 - (c) A complaint is deemed completed when Board staff have received the following information:
 1. The complainant's name, and the name of the complainant's representative, if any.
 2. Either the complainant's or the complainant's representative's phone number, email address, and mailing address, or other alternative contact information;
 3. The utility system which is the subject of the complaint;
 4. Proof of the adverse action taken by the utility system's governing body or an explanation of why such proof is unavailable;
 5. The date of the adverse action taken by the utility system's governing body;

6. A summary of the complaint. The summary must include sufficient information for Board staff to determine whether the complaint raises a valid factual dispute; and,
 7. Any other information Board staff needs to determine if the complaint should be referred to the Board. Board staff will promptly request any needed additional information.
- (d) On receipt of a completed complaint, Board staff shall advise the complainant:
1. That their complaint will be added to the agenda of the next meeting or the meeting following, as set out in (f)(3); or,
 2. That their complaint will not be referred to the Board, along with a brief explanation why.
- (e) Board staff may establish a standardized form or online portal to receive complaints. Until and unless a standard process is adopted, Board staff shall receive complaints by email, mail, or any other way in which staff may receive records or information. All complaints must be submitted in writing: no oral complaints will be accepted. If Board staff establishes a standardized form or online portal to receive complaints, staff shall present such to the Board at its next regular meeting for approval.
- (f) If Board staff determine the complaint should be referred to the Board more than thirty days in advance of the Board's next regular meeting, the complaint will be added to that meeting's agenda. If the determination is made within 30 days of the date of the Board's next regular meeting, the complaint will be added to the agenda for the meeting following the next scheduled regular meeting.
- (g) If Board staff refer a complaint to the Board, staff will promptly notify both the complainant and the utility system that is the subject of the complaint, as well as any other necessary parties.
- (h) Review and informal hearing before the Board
1. The Board will review all complaints referred by Board staff.
 - (i) By majority vote, the Board may decline to hear a complaint. The Board must state its reasons for so declining.
 - (ii) The Board may choose to defer an informal hearing on the complaint to a later meeting. The Board must state its reason for delaying the information hearing, and direct Board staff as to any actions necessary to for it to hear the complaint at its next meeting.
 2. The Board chair will conduct the informal hearing. The Board chair will determine how many witnesses may testify, what testimony and written evidence may be presented, and the order of proceedings. The chair may exercise discretion, but will ensure that the complainant, the subject of the complaint, and any other necessary parties have an equal opportunity to present evidence and testimony before the Board.
 3. The Board may make a decision on a complaint based on the written record if no other testimony or evidence is presented at the time of the hearing, or if the Board finds the record is sufficient to render a decision.
 4. At the conclusion of the hearing the Board may:
 - (i) Order any remedial action allowed by law;
 - (ii) Dismiss the complaint; or,
 - (iii) Reconvene the informal hearing at the next meeting with instructions as to what additional information or actions are necessary for the Board to reach a decision on the merits.

- (i) Board staff may close any incomplete complaint if information is requested from the complainant, and the complainant does not provide the requested information within 15 business days of the request for such information. The complainant may submit a new complaint of the same issue, subject to all requirements in law or rule.
 - (j) Board staff is not required to respond to or process complaints which have previously been found to be outside the Board's jurisdiction unless new information is submitted.
 - (k) If a complaint is not referred to the Board, the complainant may request to address the Board during the public comment period at its next regularly scheduled meeting and may submit a concise letter to the Board to be included in the information given to the Board prior to the meeting.
- (4) Nothing in this chapter limits the Board's statutory authority. These rules shall be interpreted broadly in favor of effectuating the Board's authority to hear and resolve customer complaints. This chapter applies only to direct customer complaints to Board staff pursuant to the Board's authority to conduct informal hearings on the subjects set forth in Tenn. Code Ann. § 7-82-702(b). This chapter does not apply to a formal review or administrative review by the Board under 1715-02.

Authority: T.C.A. §§ 4-5-201 et seq., and 7-82-701 et seq.

1715-04 Contested Cases

- (1) The Board may commence a contested case for the following reasons:
 - (a) Removal of a utility district commissioner for:
 1. Failure to complete all continuing education or training requirements;
 2. Knowingly or willfully committing misconduct in office, neglecting to fulfill any duty imposed upon the member by law, or failing to fulfill the commissioner's fiduciary responsibility in the operation or oversight of the district; or,
 3. Upon the petition of at least twenty percent (20%) of the customers of a utility district;
 - (b) To change the manner of filling vacancies as per T.C.A. § 7-82-702;
 - (c) To conduct a rate review of a utility district's rates as per T.C.A. § 7-82-102;
 - (d) Instead of an informal hearing, if necessary in the interest of justice; and,
 - (e) Any other reason necessary to discharge its statutory duties.
- (2) All contested cases before the Board shall be conducted pursuant to the UAPA and the uniform rules for contested cases.
- (3) Customers petitioning the Board to initiate a contested case hearing under T.C.A. § 7-82-102 must submit the petition to Board staff in a form and in sufficient detail that Board staff can reasonably verify the validity of signatures.
- (4) The Board must authorize Board staff to commence a contested case.

Authority: T.C.A. §§ 4-5-201 et seq., 7-82-102, 7-82-307, 7-82-701 et seq.,

1715-05 Public Comment at Meetings

- (1) The Board will include a period for public comment at all meetings where required by law.
- (2) Periods for public comment are subject to the following parameters:
 - (a) Written notification to request to speak at a meeting must be sent to and received by Board staff at utilities@cot.tn.gov at least two business days in advance of the meeting. The email should include the proposed speaker's name, the agenda item(s) upon which the speaker wishes to comment, and whether the speaker's comments will be in favor of or opposed to the agenda item(s). Speakers will be selected on a first-come first-served basis.
 - (b) The public comment period will be held at the beginning of the meeting once the meeting is called to order and a quorum has been established.
 - (c) Speakers will be limited to three minutes per person per agenda item, with a maximum of two speakers in favor of and two speakers opposed to each agenda item.
 - (d) Speakers must identify themselves at the beginning of their allotted time and stay on the topic of the agenda item(s) that they have indicated their desire to speak on when addressing the Board.
 - (e) Speakers should conduct themselves in a respectful manner and will be asked to remove themselves if they engage in threatening or disruptive behavior.
 - (f) The Board, in its discretion, may ask relevant questions of any speakers providing public comment. Such question period will not be included in the speaker's allotted time frame.
 - (g) The Chair may extend the allotted time frame or the number of speakers for a particular agenda item if the Chair determines that the circumstances reasonably require it. If the Chair extends the allotted time frame or the number of speakers, the Chair shall ensure that an equal extension is granted to both those in favor of and opposed to any agenda item subject to an extension.

1715-06 Utility Revitalization Fund**(1) General Provisions**

- (a) The Board may approve a grant request made by one or more utility systems when:
 - 1. the utility systems have merged in accordance with TCA 7-82-704; or
 - 2. the utility systems are pursuing a voluntary merger, consolidation or acquisition.
- (b) When Payments May Be Made:
 - 1. Grant payments may be made to any entity involved in a merger, or to the merged entity.
 - 2. In the case of a merger ordered by the Board pursuant to Tenn. Code Ann. § 7-82-704, payments may only be made after the merger is final.
 - 3. Payments may be made to any entity pursuing a voluntary merger, consolidation or acquisition when the parties are legally obligated to merge or have merged.
 - 4. Grant payments are subject to the claw back provision in 1715-05(3)(c) and (d).
- (c) Grant payments may be approved to accomplish a Board-ordered merger under TCA 7-82-704, or a voluntary merger and offset, in whole or in part, the following costs and obligations:
 - 1. Amounts to offset increased administrative costs relating to the merger, to the extent those costs cannot reasonably be recovered from customer revenues or other assets of the utility system;
 - 2. Amounts that may be necessary to cure a default on indebtedness of the utility system to the extent the defaults can, in the opinion of the Board, reasonably be cured;
 - 3. Amounts that may be necessary to renovate and repair the facilities of the utility system to the level necessary to enable the merged utility to provide continued service to the public being served by an ailing utility system;
 - 4. Amounts necessary to standardize equipment, infrastructure, or software between the merging utilities; and,
 - 5. Other payments that may be necessary in the opinion of the Board to accomplish the merger and mitigate the financial impact of the merger.
- (d) The Board will not favor any grand division, county, municipality, or service population over any other when determining whether a grant should be approved.
- (e) A grant will only be approved pursuant to a completed grant request for such payments, which request must be made in a manner approved by the Board and timely submitted to Board staff.
- (f) The Board has sole discretion to approve a grant.
- (g) The Board has sole discretion to determine the amount of a grant. The Board shall consider the following:
 - 1. Available funds in the URF;
 - 2. The findings of a study performed pursuant to § 7-82-704;
 - 3. Evidence provided by a qualified professional as part of a feasibility or rate study; or,
 - 4. Any other source or authority determined by the Board to be reliable.
- (h) A request for a grant may be approved prior to a merger of the utility systems but grant payments will only be made as described in the Order approving the grant.

(2) Request for a Grant from the URF.

- (a) A grant request must be made in a manner approved by the Board. Board staff will make the process to request a grant available online.
- (b) Before the Board will consider a grant request, the grant request must be complete. A grant request is deemed complete when it includes the following:
 - 1. The names of all utility systems involved in the plan to merge. If only a portion of a utility system is involved in the plan to merge, a description of the area to be merged must be included. The grant request must designate an individual from the requesting utility that Board staff may work with regarding the grant application and grant payments, and provide contact information for the designated individual.
 - 2. A summary of the plan to merge and the need for a grant. This includes:
 - (i) A summary of what grant payments will be used for and why existing funds or customer revenue is insufficient to cover these expenses; and,
 - (ii) A summary of the plan to merge, including which utility will survive the merger or what the name of the merged utility will be, an anticipated timeline for infrastructure changes or upgrades that are necessary.
 - 3. The most recent audit of all utilities involved in the merger, or written explanation why such audit cannot be provided; and,
 - 4. When the merger occurs pursuant to TCA 7-82-704, a feasibility study performed by a qualified professional examining the feasibility of a merger between any utilities involved in the merger. This feasibility study must examine the impact of the merger on the customers of all utilities involved, such that the Board can determine whether the merger is in the best interest of at least one utility and is not detrimental to other involved utilities.
- (c) The Board may deny a grant if any of the requirements are not met or are insufficient, in the Board's discretion.
- (d) A grant request may include any supplementary information the applying utility system wishes to include.
- (e) The Board or Board staff may request any additional information necessary to determine whether the utility qualifies for a grant, how or when payments should be made, and the amount of the grant.
- (f) Grant requests will only be approved upon showing that all eligibility requirements are met. This includes the requirements set forth above, in addition to statutory and other requirements. The applicant has the burden to establish eligibility for grant payments.
- (g) Grants are presumed to take the form of reimbursement for expenses incurred. Grant payments may take other forms upon Board approval.
- (h) Quarterly Reports
 - 1. Any utility that receives grant payments under this section must submit a quarterly report to the Board on a form approved by the Board.
 - 2. Reports must be submitted within 90 days from the date of the first disbursement of funds to a party to the merger, and every 90 days thereafter.
 - 3. Two quarterly reports must be submitted after the date of the last grant payment.

(3) Miscellaneous Provisions

- (a) A grant request may be submitted prior to the merger, and up to 180 days after the merger. A grant request is received when it is completed; that is, when Board staff receive the grant request in a manner approved by the Board including all required supplemental information set forth in 1715-05(2)(b).
- (b) The Board will review completed grant requests at the first meeting following Board staff's receipt of the request. At this meeting the Board will approve, deny, or modify the grant, or request further information prior to issuing a final order.
- (c) A grant or grant request may be amended as follows:
 - 1. A party to a merger may request an amendment to the grant or make an amendment to a grant request freely. The Board will review the amendment at its next regular meeting. Board staff may request additional information following receipt of an amendment, if necessary. No additional grant payments may be made until the amended grant or grant request is approved by the Board;
 - 2. The Board may amend a grant *sua sponte* or at the request of Board staff; or
 - 3. Any grant or grant request is subject to the availability of funds in the URF, and any pending grant payments may be reduced or terminated without notice if funds become unavailable.
- (c) If grant payments were made to a utility system and that utility system does not merge as described in its grant request, the utility system must repay the URF in full within 180 days of the date on which the plans to merge are discontinued or dissolved. If no such date can be determined, the URF must be repaid in full within 180 days of the day Board staff learn that the merger will not proceed.
- (d) Any grant amount that is not used for approved purposes must be reimbursed to the URF within 180 days of the inappropriate use. If the date of the inappropriate use is not known, the amount must be reimbursed within 180 days of the date Board staff learn of the inappropriate payment.

Authority: T.C.A. §§ 4-5-202, 7-82-702(a)(1), 7-82-704(b), 7-82-707(a)(2).

Section 1 – Introduction

PURPOSE

The purpose of the Tennessee Utility Manual for Local Governments (the “Manual”) is to provide uniform guidance for local governments in Tennessee that operate water, sewer, or natural gas utility systems. The manual is not designed to be all-inclusive but to provide guidance and requirements related to utilities with an emphasis on oversight and regulation through the Tennessee Board of Utility Regulation (“TBOUR”).

The manual is divided into the following areas:

- Comptroller’s Office Oversight– Section 2
- TBOUR – Section 3
- Annual Requirements – Section 4
- Other Agencies and Boards – Section 5
- Utility Terminology, Definitions, & Concepts – Section 6
- Best Practices – Section 7

This manual, as approved by the Tennessee Board of Utility Regulation on XXX, is the first edition issued pursuant to the Rules of the Tennessee Board of Utility Regulation, Chapter 1715-02.

APPLICABILITY

Any reference to the term “utility system” or “local government” applies to the following entities pursuant to Tenn. Code Ann. § 7-82-701(b):

- Municipalities
- County or Metropolitan Governments
- Joint ventures created by an interlocal agreement, any of which offers water, sewer, or natural gas utility services.
- Municipal Energy Authorities
- Utility Districts
- Water and Wastewater Treatment Authorities

There are other regulatory bodies and requirements in the State of Tennessee that oversee areas which do not fall under the Comptroller of the Treasury, TBOUR, or this manual’s guidance or references. This manual is not meant to be a reference for:

- Electric Systems
- Environmental Issues
- Broadband Systems

- Private Utilities

Additionally, pursuant to Tenn. Code Ann. § 64-9-107(c), the TBOUR has no jurisdiction over the Megasite Authority of West Tennessee, a regional development authority administratively attached to the Tennessee Department of General Services. The Authority is authorized to provide water and wastewater services to customers located on the initial megasite property and is statutorily prohibited from operating at a deficit after December 31, 2026. See: Tenn. Code Ann. §§ 64-9-104(11), 64-9-107(d).

Section 2 – Comptroller’s Office Oversight

The Comptroller of the Treasury supports utility systems operated by local governments through the following divisions and offices:

- Division of Local Government Finance
- Division of Local Government Audit
- Division of Investigations
- Office of Open Records Counsel

COMPTROLLER’S DIVISION OF LOCAL GOVERNMENT FINANCE

State legislators recognize the importance of financial stability and resilience for Tennessee’s local governments and have passed laws that strengthen financial accountability for utility systems operated by local governments.

The Division of Local Government Finance (LGF) provides oversight for utility systems operated by counties, metropolitan governments, municipalities, utility districts, and authorities in the following areas:

- Board staff to the Tennessee Board of Utility Regulation
- Annual Budget Oversight
- Debt Oversight
- Interfund Transfers and Corrective Action Plans

Staff to the Tennessee Board of Utility Regulation (TBOUR)

LGF serves as part of Board staff to the TBOUR and fulfills the following responsibilities in that role:

- Receipt and review of the Annual Information and Water Loss Reports
- Approval of Utility Training Providers and Curriculum
- Referral of financially distressed utility systems to TBOUR
- Recommends Sanctions and Remedial Actions in Referrals
- Other responsibilities that support to statutory purpose of the TBOUR

Annual Budget Oversight

Local governments that operate a utility system are statutorily required to adopt an annual budget. LGF has a comprehensive review and approval process for the annual budget.

The budget should be designed to result in a (1) statutory increase in net position (net change not counting grants or contributions or transfers), (2) pay all debt service as it is

due, and (3) generate sufficient revenue to sustain a positive net position (unrestricted and total).

Pursuant to state law, outside of an emergency, local governments may not issue debt without an approved budget from the Comptroller's Division of Local Government Finance (Tenn. Code Ann. §§ 9-21-404; 7-36-113; 7-82-501; 68-221-611, and 68-221-1306).

For more information on budget requirements, including a budget manual, instructional videos, and submission requirements, refer to: tncot.cc/budget.

Debt Oversight

LGF oversight for debt issued by a utility system will depend upon the type of local government that owns and operates the utility system. Requirements that govern debt oversight may be assessed on the Comptroller's website at: tncot.cc/debt. Utility systems are responsible for these requirements if they have outstanding debt or are planning to incur new debt, including interfund loans.

Requirements that govern debt oversight, including a debt manual, instructional videos, and other tools, may be accessed on the Comptroller's website at: tncot.cc/debt.

Interfund Transfers and Corrective Action Plans – Self-supporting Requirement

Pursuant to Tenn. Code Ann. § 7-34-115, utility systems operated by counties and municipalities are required to be operated on sound business principles and be self-supporting. This means user charges, rates, and fees must reflect the cost of providing the utility service. The impact of this requirement is twofold:

- (1) The utility system cannot operate for gain or profit, or as a source of revenue to the general government, but must operate for the benefit of the customers served by the utility system.
- (2) The utility system cannot rely upon subsidies from the general government to help pay for costs and expenses of the utility system.

In the first scenario, should utility funds be used for the illegal benefit of the general government, local officials must repay the funds (Tenn. Code Ann. § 7-34-115). If the general government does not have sufficient funds to immediately repay the utility system, the county or municipality must submit a corrective action plan covering a period not to exceed five (5) years in which to repay the funds. The plan shall be submitted to and approved by LGF. Local officials should be aware that upon discovery of such violation through an audit, any official in violation is subject to ouster under Tenn. Code Ann. Title 8, Chapter 47. As explained in Section 3, use of restricted utility revenue for general governmental purposes will result in a local government being referred to the TBOUR.

This statute does not prohibit a local government from being entitled to receive from a utility the amount of direct and/or properly allocated and disclosed indirect operating expenses incurred by the municipality on behalf of the utility. Allocation of expenses must be fully documented and based upon estimates that are reasonable and measurable. Shared costs must be allocated and paid or reimbursed each month.

Employee benefit contributions (e.g., pension and other postemployment benefits) for utility employees should be made from the utility financial resources. All associated assets, deferrals, and liabilities should also be reported by the utility system.

In the second scenario, although a utility system cannot rely upon regular subsidies from the municipality or county, a local government is not prohibited from making a one-time transfer of lawfully available funds to pay a non-operating cost, such as an investment in capital assets, that has been pre-approved by LGF. Approval by LGF is not required when external grant funds are moved from one fund to the utility fund for an authorized grant purpose. See Tennessee Audit Manual, Sections APP.B and APP.D.

County, municipal, and metropolitan governments that have issued revenue debt pursuant to Tenn. Code Ann. § 9-21-308 are subject to the same statutory requirements. Please note that interfund loans between a utility fund and any other fund of a local government must be approved by LGF.

COMPTROLLER'S DIVISION OF LOCAL GOVERNMENT AUDIT

The Comptroller's Division of Local Government Audit (LGA) is responsible for the annual audit of Tennessee's local governments. Financial statements must be presented in accordance with generally accepted accounting principles. Each financial and compliance audit is conducted in accordance with the requirements of *Government Auditing Standards*. LGA is responsible the following publications that utility systems should be familiar with:

- Internal Control and Compliance Manual for Governmental Units and Other Organizations
- Audit Manual: Auditing, Accounting and Reporting for Local Government Units and Other Organizations
- Information System Best Practices for Local Governments

LGA also maintains a platform known as COT Cyber Aware to provide resources to local governments related to cyber security. The division approves TAUD model expense and travel policies. Additionally, for utility systems that plan to implement an electronic business system must file implementation statements with LGA pursuant to Tenn. Code Ann. § 47-10-119.

To access information from the Division of Local Government Audit, visit: comptroller.tn.gov/office-functions/la.html

COMPTROLLER'S DIVISION OF INVESTIGATIONS

The Comptroller's Division of Investigations is responsible for conducting investigations related to financial irregularities, fraud, and other matters within the purview of the Comptroller's office. The Comptroller's office in Tennessee plays a key role in ensuring transparency, accountability, and efficiency in the use of public funds. The Division of Investigations typically works to uncover and address instances of financial misconduct, misuse of public funds, and other financial irregularities.

Public Officials “with knowledge based upon available information that unlawful conduct has occurred shall report the information in a reasonable amount of time to the office of the Comptroller of the Treasury” (Tenn. Code Ann. § 8-4-501).

To report Fraud, Waste, or Abuse use the form here: <https://comptroller.tn.gov/office-functions/investigations/fraud-waste-and-abuse.html>

COMPTROLLER'S OFFICE OF OPEN RECORDS COUNSEL

The Office of Open Records Counsel serves citizens, media, and local governmental entities as a resource for issues related to Tennessee's public records and open meetings laws. Although the Office assists requestors in determining and locating the correct governmental records custodian, the Office does not serve as a clearinghouse for all public records requests and does not make public records requests on behalf of others.

The Office offers free training to local governments wishing to learn more about the Tennessee Public Records Act and Tennessee Open Meetings Act. The training is designed to enhance knowledge about the rights and responsibilities set forth in these laws. They cover topics such as how to receive public record requests, how to respond to public record requests, how much to charge for public records, public records policies, and what records are confidential. The training is generally provided to groups of 15 or more and should be scheduled with at least 2-3 months in advance to ensure availability.

The Office also has resources for local governments, including advisory opinions, best practices, frequently asked questions, model policies. and other guidance.

To access information from the Office of Open records, visit: <https://comptroller.tn.gov/office-functions/open-records-counsel.html>

Section 3 – Tennessee Board of Utility Regulation

BOARD INFORMATION AND GOVERNING BODY

Creation and Purpose

The Tennessee Board of Utility Regulation (“TBOUR”) created by Tenn. Code Ann. § 7-82-701 is administratively housed in the Comptroller’s Office. The purpose of the TBOUR is to advise and direct utility systems around good utility management, and to determine and ensure the sound financial integrity of those utility systems. The Board is charged with the responsibility of furthering the legislative objective of self-supporting water, sewer, and gas systems in the state and to act on behalf of the utility customers.

Board Members

The TBOUR is composed of eleven board members that are appointed to four-year terms. Pursuant to Tenn. Code Ann. § 7-82-701, at least one of the board members must sit on the governing body or be an active employee of a utility system that owns or operates a natural gas system. The members are chosen as follows.

Comptroller of the Treasury

- 1— Designee to serve as chair. Ex-officio
- 1— Appointee

Commissioner of the Department of Environment and Conservation (TDEC)

- 1— Designee to serve as vice-chair. Ex-officio

General Assembly

- 1— House Speaker Appointee who sits on the governing body, or is an active employee, of a utility system
- 1— Senate Speaker Appointee who sits on the governing body, or is an active employee, of a utility system

Governor

- 1— Appointee who represents utility interests, consult with the Tennessee Association of Utility Districts (“TAUD”).
- 1— Appointee who is an active municipal employee or elected official, shall consult with Tennessee Municipal League (“TML”).
- 1— Appointee who represents the interest of minority citizens of the state that must have experience in government finance.
- 1— Appointee who is an active municipal employee or sits on the governing board of a municipal water utility, shall consult with TAUD.
- 2— Appointees who are active employee or commissioner of a utility district, consult with TAUD.

Staff to TBOUR

The Comptroller's Office serves as Board staff to the TBOUR. The Comptroller designates one of his staff to serve as manager to the Board and an attorney from the Comptroller's Office to serve as Board counsel. The Board manager reports the proceedings of TBOUR to the Comptroller and performs such other duties as the Board may require. Each utility under the jurisdiction of the TBOUR is assigned a financial analyst from the Comptroller's Division of Local Government Finance who serves as Board staff for a specific region and as a point of contact between the Board and the utility. A contact map is available on TBOUR's website.

TENNESSEE BOARD OF UTILITY REGULATION OVERSIGHT

The TBOUR provides managerial, technical, and financial oversight of local-government utility systems that offer water, sewer, or gas. The TBOUR has also been granted authority to assess and provide a pronouncement on certain customer complaints.

The TBOUR regulates the following governments:

- Counties, metropolitan governments, and incorporated towns and cities, including their instrumentalities, that provide water, sewer, or natural gas services.
- Treatment and energy authorities
- Utility districts

TBOUR Meetings

The TBOUR exercises its oversight and regulatory powers at public meetings. The Board holds at least two meetings each calendar year and may hold special meetings. Meetings schedules and agendas are available online on the TBOUR public website. Each meeting has a public comment period where individuals have opportunity to comment of items from the agenda. Refer to [Appendix B](#), for the TBOUR's public comment policy.

TBOUR Transparency

Tenn. Code Ann. §§ 7-82-705; 7-82-707; TBOUR Rules

1. Open Meetings and Meeting Information

As noted above, the TBOUR exercises its oversight and regulatory powers at public meetings. The activities of the Board are made available to local officials and to the public through its online publication of meeting schedules, agendas, board packets, recordings, minutes, and orders.

2. Rules

The TBOUR has adopted rules pursuant to Tenn. Code Ann. § 7-82-702(a) to further the legislative objective of self-supporting and well-managed utility systems. The rules are available on the Board's website.

3. Annual Report on Activities of TBOUR

The TBOUR publishes an annual report on its public website describing the activities of the Board for the preceding calendar year.

4. Annual Information from Utility Systems

Annual information reports and water loss reports submitted to the TBOUR each year by utility systems are available online pursuant to Tenn. Code Ann. § 7-82-707.

5. Tennessee Utility Manual for Local Governments

The publication of this manual provides transparency to local officials that operate utility systems under the jurisdiction of the TBOUR.

To access the preceding information visit: <https://www.comptroller.tn.gov/boards/utilities.html>

TBOUR Advisory Technical Assistance

The TBOUR may offer advisory technical assistance to utility systems pursuant to Tenn. Code Ann. § 7-82-702(a)(13).

TBOUR Open Meetings Program for Governing Bodies

The TBOUR is responsible for developing a program for utility systems under the Board's jurisdiction that will educate board members about the open meetings laws and how to remain in compliance with such laws. The TBOUR fulfills this responsibility through its online training available at: www.comptroller.tn.gov/boards/utilities.html. See: Tenn. Code Ann. § 8-44-111.

TBOUR Power & Authority

TBOUR has power and authority to exercise all the powers and take all the actions necessary, proper or convenient, for the accomplishment of its statutory purposes. In order to further the legislative objective of self-supporting and well-managed utility systems, the Board has the power to adopt and enforce rules in accordance to Tenn. Code Ann. § 7-82-702. The Board also has the power and authority to issue subpoenas requiring the attendance of witnesses and production of evidence as requested. Failure to comply with a subpoena issuance and actions required by the Board will result in a referral to the chancery court of Davidson County. Individuals failing to meet subpoena requirements are eligible to be held in contempt of court. See Exhibit 3-1 for a summary of TBOUR's authority.

The TBOUR oversees the financial, technical, and managerial operations of utilities. This is accomplished through:

- determining remedies for **financial distress**;
- addressing water loss issues;
- overseeing and regulating utility governing body member training requirements;
- performing administrative reviews of technical, financial, or managerial failures;
- restoring stability to **ailing utility systems**;
- conducting **informal hearings** to address complaints from utility customers; and
- fulfilling other statutory mandates that support utility operations.

TBOUR Merger or Consolidation Authority

Tenn. Code Ann. §§ 7-82-704, 7-82-705, and 7-82-708

Ailing Utility Systems

TBOUR has the authority to order a merger or consolidation of an **ailing utility system** with another utility system if the merger is necessary to restore financial stability, ensure continued operation, or otherwise ensure the well-being of the public being served in accordance with Tenn. Code Ann. § 7-82-704. Ailing utility systems are subject to the TBOUR referral process explained in this Section.

Pursuant to Tenn. Code Ann. § 7-82-704, a utility system is ailing if the system:

1. Is financially distressed, as described in Tenn. Code Ann. § 7-82-703(b);
2. Is financially unable to expand the amount or type of service as set forth and described in its founding documents or petition for creation as described under Tenn. Code Ann. §§ 7-82-201, 68-221-604, 68-221-1304, or any other section or private act; or
3. Displays a pattern of severe managerial incompetence such that the utility system cannot provide the public it serves with safe, consistent access to its services. As used in this subdivision (a)(3), severe managerial incompetence includes:
 - a. Frequent interruptions in service to multiple customers, lasting multiple days;
 - b. Frequent infrastructure failures that result in interruptions in service or cause the quality of service to fall below safe levels; or
 - c. Failure to:
 - i. Respond to reports of damage to, or failure of, infrastructure within a reasonable timeframe;
 - ii. Improve or attempt to improve infrastructure, including necessary maintenance, upgrades, or construction of redundant infrastructure where necessary; or
 - iii. Correct a deficiency in oversight, operational management, or finance management, which leads to repeated harm to the utility system, a violation of state or federal law, or fraud, waste, or abuse of the utility system's resources.

Review actions for a merger:

1. Review of audit and operations of ailing utility system;
2. Feasibility Study from a qualified expert;

3. Review of results submitted to TBOUR and voted upon;
4. Public hearing held within service area to notify customers of the potential merger; and
5. TBOUR will hold an **informal hearing** to consider if a merger is in the best interest of the customers and the service provided.

Utility Revitalization Fund

If it is determined that a merger is in the public's best interest, local officials from the utility system absorbing the ailing system may apply to the TBOUR for approval to receive a grant, subject to available funds, from the Utility Revitalization Fund. The funds must be used to mitigate the financial impact of the merger or consolidation. The process is discussed in greater detail later within this Section.

The TBOUR's Statutory Responsibilities are Managed Through:

- | | |
|---|--|
| A. Referrals | Utility systems are referred to the TBOUR when specific criteria are met and will remain under TBOUR's oversight until remedial actions are implemented by local officials, as applicable. |
| B. Approvals and Recommendations | TBOUR approves or disapproves proposed actions or makes recommendations before utility systems can move forward. |
| C. Notifications | Local officials are required to file certain information with TBOUR as a means of notifying the Board of certain actions that impact utility operations. |
| D. Contested Case Hearings | TBOUR conducts contested case hearings regarding removal of commissioners or changing the methodology for filling vacancies for utility districts. |

For a statutory summary of all referrals, approvals, recommendations, notifications, and contested case hearings, refer to **Appendix A**.

A. TBOUR REFERRALS

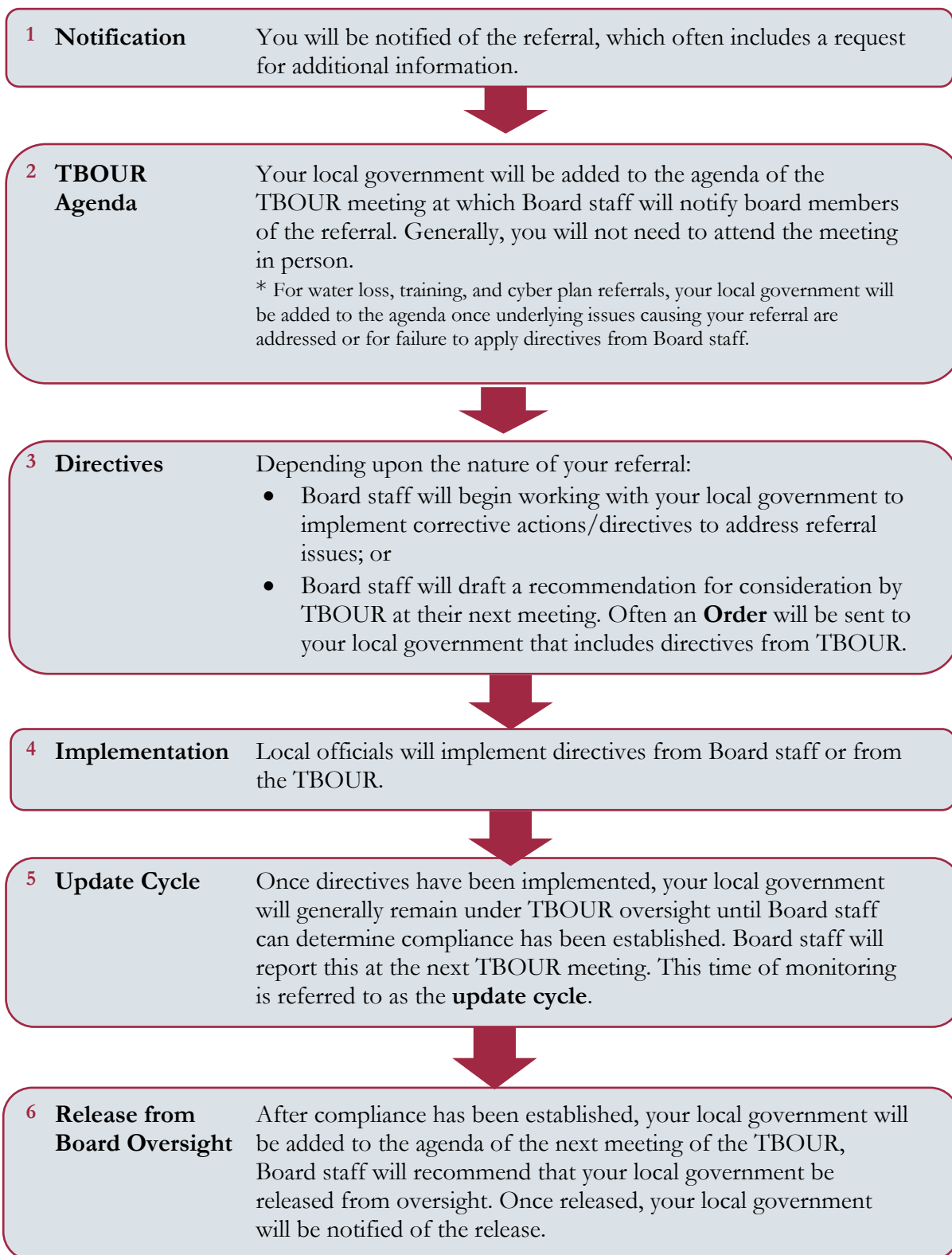
A utility system may be referred to or reported to the TBOUR by referral of the Comptroller of the Treasury, by referral of Board staff, by operation of state law, or by customer complaint after an appeal or complaint is first made to the utility system's governing board. When operation of law applies, Board staff will initiate the referral. Your utility system may be referred or reported to TBOUR for any of the following reasons.

- A-1** Ailing System – Financial distress
- A-2** Excessive water loss
- A-3** Failure to meet initial training or continuing education requirements.
- A-4** Failure to submit annual information report.

- A-5** Administrative review of financial, technical, and/or managerial capacity of a utility system.
- A-6** Unlawful use or reliance on funds; illegal payment or transfer of funds.
- A-7** Late audits two consecutive years
- A-8** Complaints from utility customers.
- A-9** Failure to assess or update cyber security plan every two years.
- A-10** Failure to provide information on connection costs.
- A-11** Failure to demonstrate financial, technical, and/or managerial capacity by SRF loan applicants.
- A-12** Ailing System – Financially unable to expand service as set for in creation documents.
- A-13** Ailing System – Pattern of severe managerial incompetence
- A-14** Adoption of ethical standards that differ from TAUD approved model.
- A-15** Investigative report issued by TN Comptroller for a utility district.
- A-16** Questions on adequacy of purchasing policy for a utility district.

When a utility system is referred to the TBOUR, there is a general process local officials should expect as depicted in Exhibit 3-1.

Exhibit 3-1



A-1 REFERRAL: AILING SYSTEM – FINANCIAL DISTRESS

Tenn. Code Ann. § 7-82-703(a-b)

Financial distress is defined in Tennessee statute as: having two consecutive years of negative **statutory change in net position**, defaulting on debt obligations, reporting a deficit unrestricted net position, or reporting a deficit total net position. Within 60 days from the date an audit is filed, a utility system will be referred to the TBOUR for meeting any one of these criteria. After a local government is referred, local officials should expect the general process outlined in Exhibit 3-1.

1. When local officials receive notification of the referral, Board staff will request completion of an online **utility financial distress questionnaire**. While Board staff recognizes that this questionnaire may be difficult to fill out, it is necessary to determine how staff can help a utility system achieve long-term financial success. Based upon the nature of the financial distress, a questionnaire may not be requested.
2. Based upon information from the **utility financial distress questionnaire** and Board staff's recommendations, the TBOUR will take an action during its next scheduled meeting likely leading to an **Order** being issued directing the utility to take specific actions to remedy the financial distress. Usually, the **Order** will require that local officials contract with an approved **third-party expert** for a rate study along with an evaluation and modification of policies. If you are unsure about whether a company or group is approved by the Comptroller of the Treasury to conduct a rate study, please reach out to Board staff prior to signing any agreement or contract.
3. Once the **Order** has been received, local officials will need to comply with Board directives by the stated due date. For example, in the case of a required rate study, adopt all recommendations made by the approved **third-party expert** or make the case to the TBOUR as to why the recommendations should not be adopted. The **update cycle** will last until the utility has completed two consecutive, timely audits showing a positive statutory change in net position and has completed all outstanding directives in the **Order(s)**. After that, board staff will add your local government to the agenda of the next meeting of the TBOUR with a recommendation for release from oversight.

Failure to Implement Board Order(s)

Pursuant to Tenn. Code Ann. § 7-82-703(d), the TBOUR has authority to prescribe a rate structure to be adopted by a financially distressed utility system to remedy financial distress. Should the governing body fail to adopt the prescribed rate, the Board will petition the chancery court in a jurisdiction in which the utility system is operating or in the chancery court of Davidson County to require the adoption of the rate structure prescribed by the Board. The court may also order other remedies that, in the court's discretion, may be required to cause the utility system to operate in accordance with state law and in a financially self-sufficient manner. See: Tenn. Code Ann. § 7-82-703(e).

Failure to address financial distress may result in an **administrative review** of the financial, technical, and managerial operations of the utility system pursuant to Tenn. Code Ann. § 7-82-706(a), to further assess the ability of local officials to provide utility services.

Merger or Consolidation of a Financially Distressed System:

Pursuant to Tenn. Code Ann. § 7-82-704, the TBOUR may order the merger or consolidation of an **ailing utility** system to restore financial stability, ensure continued operation, or otherwise ensure the well-being of the public being serviced by the utility system. Utility systems that are **financially distressed** pursuant to § 7-82-703(b) meet the statutory definition of an **ailing system**. A merger will generally be considered when a more affordable rate structure in the short term and long term that complies with state law will be accomplished through a merger, or the underlying reasons for financial distress are because of management failures and incompetencies.

Change in the Method of Filling Board Vacancies for a Financially Distressed Utility District

When the TBOUR reviews the audited annual financial report and operations of a financially distressed utility district pursuant to Tenn. Code Ann. § 7-82-703 and determines vacancies on the board of commissioners are filled by a method other than appointment by a county mayor or mayors, the TBOUR may elect to hold a public hearing on the issue of whether the method of filling vacancies should be changed. See Tenn. Code Ann. §§ 7-82-307(c), 7-82-702(a)(4).

Financial Distress for Limited Distribution Utility Systems:

Local governments that provide service to other governments and not to private citizens are excluded from being referred to the TBOUR for a **statutory decrease in net position** for two consecutive years. However, these local governments will be referred for oversight of the TBOUR if they have a deficit in total net position, a deficit unrestricted net position, or are in default on debt. See Tenn. Code Ann. §§ 7-82-401(f)(2) and (f)(3); 7-82-703(g).

A-2 REFERRAL: EXCESSIVE WATER LOSS

Tenn. Code Ann. §§ 7-82-202, 7-82-706(c), 7-82-707(d)

Pursuant to Tenn. Code Ann. § 7-82-202(c)(5), TBOUR has authority to establish parameters that define excessive water loss, and to order reasonable measures to cure excessive water loss. Excessive water loss in Tennessee has been defined by the Board as any system with **non-revenue water by volume** of 40% or above, in accordance with Tenn. Code Ann. § 7-82-702. Failure of a utility to submit a water loss report also constitutes excessive water loss pursuant to Tenn. Code Ann. § 7-82-707. Water loss is calculated from information reported on the **annual information report**, which is required to be submitted by the end of the utility's fiscal year. A local government will be referred to the TBOUR when its water loss meets or exceeds the 40% threshold or when local officials fail to submit the required information used to calculate the water loss in the **annual information report**.

Once Board staff determines a utility system has either reported an excessive water loss, or has failed to submit annual water loss information, the local government will be referred to the TBOUR and local officials should expect the general process outlined in Exhibit 3-1.

1. When local officials receive notification of the referral, Board staff will request the completion of the **AWWA v6.0 worksheet** by an approved **third-party expert**.
2. Once Board staff has received and reviewed the AWWA worksheet, Board staff will direct the utility to take specific actions. Usually, local officials will be required to create a management plan to bring the utility back within water loss compliance. Utilities may choose to work with a **third-party expert** to conduct a leak study, or plan necessary capital improvements to reduce total **non-revenue water by volume** percentage.

It is important to note that there is no set solution or pre-approved plan by TBOUR, as all utility systems are unique and should be examined individually by all relevant parties. If the utility fails to comply with requests from Board staff on either item one or three, the Board will be notified of the utility system's failure to address the excessive water loss and of your noncompliance with directives from Board staff.

3. After local officials have implemented the management plan as directed by Board staff, the local government will be in an **update cycle** until your utility has demonstrated improvement in reducing the **non-revenue water by volume** percentage. The **update cycle** will last until the utility has demonstrated considerable progress as deemed satisfactory by the Board staff. After that, the utility system will be added to the agenda of the next TBOUR meeting at which Board staff will notify board members of the initial referral, the utility's compliance, and a recommendation for release from Board oversight.

Failure to Address Board Staff Directives for an Excessive Water Loss

- Should local officials fail to comply with requests from Board staff on either item #1 or #2 as listed above, the TBOUR will be notified at its next meeting of your local government's failure to address excessive water loss. Based upon the underlying circumstances of the referral and Board staff recommendation, the Board will take an action leading to an **Order** being issued directing the utility to take specific actions to remedy the water loss. After local officials implement the directives, and demonstrate compliance in an **update cycle**, your local government will be added to the agenda of the next regularly scheduled TBOUR meeting, during which Board staff will recommend that your local government be released from oversight. Once released, your local government will be notified.
- Failure to address excessive water loss may result in an **administrative review** of the financial, technical, and managerial operations of the utility system pursuant to Tenn. Code Ann. § 7-82-706(a). Further, when local officials fail to take appropriate actions required by the TBOUR to reduce water loss to an acceptable level, the Board has authority to petition

the chancery court in a jurisdiction in which the utility system operates to require local officials to take the appropriate actions. See Tenn. Code Ann. § 7-82-706(c).

- The TBOUR may initiate a contested case hearing on the question of whether a member or members of the board of commissioners of a utility district should be removed from office and a new member or members appointed or elected on the grounds that a utility district failed to comply with an **Order** of the TBOUR concerning excessive water losses.

A-3 REFERRAL: FAILURE TO MEET INITIAL TRAINING OR CONTINUING EDUCATION REQUIREMENTS

Tenn. Code Ann. §§ 7-82-702(a)(14), 7-34-115,

Pursuant to Tenn. Code Ann. § 7-82-707(f), local governments must ensure that the members of the governing body complete all required training and must collect an **annual training statement**, on a form approved by the TBOUR, from each member. Local governments are required to indicate on the **annual information report** if members of the governing body have complied with training requirements. A local government will be referred to the TBOUR when one or more board members fail to meet the minimum training requirements. After a local government is referred, local officials should expect the general process outlined in Exhibit 3-1.

Section 4 discusses minimum training and continuing education requirements for utility board members.

Generally, once your utility has sent Board staff proof of training and proof that board members have reported training by use of the **annual training statement**, TBOUR staff will add your local government to the agenda of the next meeting of the TBOUR with a recommendation for release from Board oversight. When board members refuse or fail to comply with training requirements, they should expect the following:

Failure to Meet Training Requirements

All Utility Systems Under TBOUR Jurisdiction:

Pursuant to Tenn. Code Ann. § 7-82-702(a)(14), the TBOUR has authority to exercise all the powers and take all actions necessary, proper or convenient, for the accomplishment of its purpose to ensure the financial integrity of utility systems. One way the TBOUR exercises this authority is by issuing **Orders** for reasonable sanctions against local governments for failure to meet training requirements.

TBOUR's authority includes but is not limited to subpoenaing all governing body members to appear before TBOUR. See Tenn. Code Ann. § 7-82-702(a)(2).

Failure to comply with statutory training requirements may result in a utility system being referred by Board staff to the TBOUR for an **administrative review** of the financial, technical, and managerial operations of the utility system pursuant to in order to determine the capacity of a local officials to comply with state law.

The Board has authority to require appropriate remedial action from local officials to correct a deficiency identified by the Board. See Tenn. Code Ann. § 7-82-706(a)-(b).

County, Municipal, and Metro-Owned Utility Systems:

When any board member fails to meet the required training and continuing education requirements before the end of the continuing education period or before the end of any extension approved by the Comptroller of the Treasury, TBOUR has full discretion to order reasonable sanctions against the local government, including, but not limited to, being ineligible to receive assistance from the Tennessee Local Development Authority under Tenn. Code Ann. § 68-221-1206(a)(3). See: Tenn. Code Ann. § 7-34-115(k).

Utility Districts, Water or Sewer Authorities, Water and Wastewater Treatment Authorities, Regional Water and Wastewater Treatment Authorities:

Any member who fails to meet the training and continuing education requirements before the end of any continuing education period or before the end of an extension approved by the Comptroller of the Treasury is not eligible for reappointment or reelection to another term of office. See Tenn. Code Ann. §§ 7-82-307(5)(A), 68-221-605(g), and 68-221-1305(g).

A-4 REFERRAL: FAILURE TO SUBMIT ANNUAL INFORMATION REPORT

Tenn. Code. Ann. § 7-82-707

Local officials must submit to the TBOUR by the first day of the utility system's fiscal year an **annual information report** on a form approved by the Board. A local government will be referred to the TBOUR when it fails to complete and file the report and the Board may order reasonable sanctions against the utility system. See Tenn. Code Ann. § 7-82-707(a).

Section 4 includes additional information on requirements for the **annual information report**.

The general process local officials may expect when a utility system is referred to TBOUR for failure to complete and submit the **annual information report** is explained in Exhibit 3-1. Generally, the TBOUR will issue an **Order** that requires local officials to file the report, noting that failure to do so will result in subpoenas being issued to members of the governing body and utility manager to appear in-person before the TBOUR during its next meeting following noncompliance with the **Order**.

A-5 REFERRAL: ADMINISTRATIVE REVIEW

Tenn. Code. Ann. § 7-82-706

An **administrative review** may be initiated from various sources and for various reasons. For example, a concern may be reported to Board staff by employees of a utility system, by a state agency, by a utility customer, or by different divisions of the Comptroller's office. Further, Board staff may recommend the review when a utility system fails to comply with state law. The underlying reasons will always be directly

related to the administration of the financial, technical, and managerial affairs of a utility system. Once a local government is referred to TBOUR by Board staff, local officials should expect the general process found in Exhibit 3-1.

The directives and responsibilities will generally include:

- A TBOUR **Order** directing Board staff to conduct an **administrative review** of the utility system to determine the financial, technical, and managerial capacity of the utility to
 1. comply with requirements of applicable federal and state law; and/or
 2. efficiently manage its system, including reasonable and just user rates, debt structures, and water loss.

The review may include the assistance of the Tennessee Department of Environment and Conservation, Comptroller of the Treasury, Tennessee Association of Utility Districts, or any other government or entity approved by the TBOUR. Usually, the **Order** will also instruct Board staff to issue subpoenas for the utility's manager, governing body, and other pertinent staff, to appear in person before the Board at its next meeting if local officials do not fully comply with the administrative review.

- After the initial **Order** has been issued and sent to the utility, Board staff will reach out to local officials who will need to comply with requests for information and requests for interviews as Board staff conducts the administrative review.
- Next, Board staff will make recommendations to TBOUR based upon the results of their review. Pursuant to Tenn. Code Ann. § 7-82-706, TBOUR is given the authority to require by **Order** a utility system to take appropriate remedial action(s) to correct a deficiency identified during the review process, as applicable. These remedial actions may include:
 1. Changes in ownership, management, accounting practices, or user rates;
 2. Adoption or change to maintenance practices, software, or hardware, or development of alternative supplies of resources, means of distribution of resources, or methods of water and wastewater management;
 3. Merger or consolidation of a utility system with another system as described under Tenn. Code Ann. § 7-82-704; or
 4. Development of rules and policies as necessary for effective and responsible management of a utility system.

A-6 REFERRAL: UNLAWFUL USE OR RELIANCE ON FUNDS

Tenn. Code Ann. §§ 7-82-703, 7-82-707

Utility systems are referred to the TBOUR when it is determined that local officials have used utility funds to pay for non-utility expenses, used non-utility funds to pay utility expenses, transferred

utility funds to any other fund inconsistent with state law, or is found to have made any other illegal use or transfer of utility funds (Tenn. Code Ann. § 7-82-703).

Pursuant to Tenn. Code Ann. § 7-82-707, employees or members of the governing body of a utility system are required to report any knowledge of a transfer, loan, grant to or from a utility fund, or any other transaction in violation of Tenn. Code Ann. § 7-34-115, or other applicable law. Refer to Section 2 for more information on requirements related to Tenn. Code Ann. § 7-34-115. The employee or governing body member of an applicable utility under the TBOUR has 15 calendar days to report the information after they become aware of such transfer. The information should be reported by email to: utilities@cot.tn.gov.

Board staff reviews audits to determine if illegal transfers have been made that bring into question financial, technical, and managerial competency. These can also be referred to the Comptroller's Division of Investigations for further criminal investigations into fraud, waste, and abuse.

The general process local officials may expect when their local government is referred to the TBOUR for the unlawful use of utility funds or the unlawful reliance on general government funds to subsidize a utility system may be found in Exhibit 3-1.

A-7 REFERRAL: LATE AUDITS FOR TWO CONSECUTIVE YEARS

Tenn. Code Ann. § 7-82-703(c)(1)(a)

The Division of Local Government Audit is responsible for the annual financial and compliance audits of all local governmental entities with statutory audit requirements. Local governments are required to publish a financial report consistent with state law and the uniform contract to audit accounts, as applicable. When a utility system fails to complete and submit yearly audited financial statements for two consecutive years, the system will be referred to TBOUR. For local governments that contract for an audit with an independent certified public accounting firm, you should review your uniform contract to audit accounts sets forth the audit due date, which will be no later than six months after the end of the fiscal year. This applies to municipalities, utility districts, and authorities. Without audited financial information, the financial condition of a utility system cannot be measured.

The general process local officials may expect when their local government is referred to the TBOUR for late audits may be found in Exhibit 3-1.

A-8 REFERRAL: COMPLAINTS FROM UTILITY CUSTOMERS

Tenn. Code Ann. §§ 7-82-702(b), § 7-82-402(a)(3), § 7-82-102

The TBOUR exercises its statutory oversight for customer complaints through **informal hearings**. Customer complaints that may be heard by the Board are governed by statute and include the following:

	Description	Tenn. Code Ann.	Source of Referral, Notification, Other
1	Customer complaints related to all utility systems under TBOUR jurisdiction	§ 7-82-702(b)	Customer, TBOUR Staff

2	Customer grievance related to final decision by a utility district on customer protest related to rates.	§ 7-82-402(a)(3)	Customer, TBOUR Staff
3	Customer petition for utility district rate review.	§ 7-82-102	10% of Customers

Customers that have a question related to the operations of a utility system under the jurisdiction of the TBOUR should email utilities@cot.tn.gov or call 615.747.5260 for assistance from Board staff. An online “Utilities Inquiry” form for customer complaints is available on TBOUR’s website.

1. Customer Complaints Related to All Utility Systems Under TBOUR Jurisdiction

Tenn. Code Ann. § 7-82-702

Pursuant to Tenn. Code Ann. §§ 7-82-702(b), the TBOUR has authority to review and conduct **informal hearings** for complaints from customers in the following areas:

- Justness and reasonableness of rates, fees, or charges
- Requirements surrounding customer and developer responsibilities
- Failure to adopt and enforce policies, or the inadequacy of policies already in place, for the efficient and responsible operation of the utility system
- Failure to offer or extend utility service to a customer.

The TBOUR may only conduct **informal hearings** pursuant to Tenn. Code Ann. § 7-82-702(b) from referrals from the Comptroller or Board staff. **Informal hearings** may be recommended by Board staff so long as the customer complaint presents a dispute that, if resolved in favor of the complainant, would justify the Board ordering remedial action.

Board staff may consolidate complaints that raise substantially similar issues against the same utility system to be heard together before the TBOUR. During its review of the case, Board staff has authority to request affidavit evidence, in addition to minutes, transcripts, and other evidence of actions by the utility system. The Board may render its decision based upon that evidence or, if the Board determines an open hearing is appropriate, will order the interested parties to be notified of the date, time, and place that such hearing will be held.

Customers must first appeal or make a complaint to the utility system's governing board, or utilize any other available remedy offered by the utility system, prior to seeking an **informal hearing** before the TBOUR. The request for an **informal hearing** must be received within thirty (30) days of the adverse decision of the utility system's governing board.

The general process local officials may expect when their utility system is referred to the Board for complaints from customers may be found in Exhibit 3-1. During the informal hearing at the TBOUR meeting, both the customer(s) and representatives from the utility system will be given opportunities to present their case. The Board shall consider the reasonableness of the utility system's rules, policies, and cost of service as well as evidence presented during the hearing, if applicable, in making the board's decision.

The Board may order such remedial actions as necessary to address a customer's complaint. Any appellate review of the board's decisions is governed by the Uniform Administrative Procedures Act,

compiled in Tenn. Code Ann., Title 4, Chapter 5. The Davidson County chancery court has jurisdiction over judicial review of the Board's decisions.

2. Customer Grievance Related to Final Decision by a Utility District on Customer Protest Related to Water or Sewer Rates

Tenn. Code Ann. § 7-82-402

The following applies to a utility district customer (person) who receives a bill for water or sewer services and pays money for such services. See Tenn. Code Ann. § 7-82-402(a)(1)(B).

Any customer that does not agree with the final action of a utility district's governing body under Tenn. Code Ann. § 7-82-402 may obtain a review of the final action by simple written request to the TBOUR within thirty (30) days of the final action, with the right to judicial review as provided in Tenn. Code Ann. § 7-82-702.

Tenn. Code Ann. § 7-82-402, sets forth and requires a specific process and timeline for customer complaints that must be followed at the local level.

Pursuant to Tenn. Code Ann. § 7-82-402(c) all utility districts that operate under Tenn. Code Ann. Title 7, Chapter 82, must notify its customers at least once a year that decisions by the board of commissioners on customer complaints may be reviewed by the TBOUR in accordance with Tenn. Code Ann. § 7-82-702(b). Utility districts must provide notice by publishing it on the utility's website, publishing it in a newspaper of general circulation in the county or counties in which the district is situated, or mailing it annually to the district's customers in a separate correspondence, an annual report, an annual newsletter, or other writing provided annually to the district's customers.

3. Utility Districts – Customer Petition for Utility District Rate Review

Tenn. Code Ann. § 7-82-102

The TBOUR has authority to review rates charged and services provided by public utility districts. The review provided for in Tenn. Code Ann. § 7-82-102 et seq. may only be initiated by a petition containing the genuine signatures of at least ten percent (10%) of the customers within the authorized area of the public utility district.

Tenn. Code Ann. § 7-82-102, sets forth and requires a specific process and timeline that must be followed to be considered by the TBOUR for review and includes the following:

1. The customer or customers initiating the petition must file a letter of intent to compile and file the petition with the TBOUR before the petition is signed.
2. All information submitted in the petition must be legible.
3. Customer signatures on the petition must be:
 - a. from customers who are billed for and pay money for services of the utility district
 - b. obtained within ninety (90) days of the date the letter of intent to compile and file petition is filed with the TBOUR, and
 - c. genuine, meaning written, original signatures, excluding facsimile and electronic signatures of any kind.

4. Each utility account shall be entitled to one (1) signature, and no customer may sign the petition more than once.
5. Each customer signing the petition must include the address at which the customer receives utility service and the date the customer signed the petition.
6. The petition must be addressed to the TBOUR and a copy of the petition must be served upon the board of commissioners of the affected utility district.
7. Only one (1) petition can be filed with the TBOUR in any twelve-month period.

Upon receipt of the petition, TBOUR must verify the names and addresses of the signers of the petition to ensure that they are bona fide customers of the utility district and to ensure that all signatures have been obtained within ninety (90) days of the date the notice of intent to compile and file petition is filed with the board.

The review by the TBOUR will be held in public hearings, after notice has been given to interested parties.

The TBOUR will review petitions on the basis of:

1. Provisions governing rates in Tenn. Code Ann. Title 7, Chapter 82;
2. Provisions of bond resolutions or other indebtedness; and
3. Requirements of the Audit Manual prepared by the Comptroller of the Treasury.

Tenn. Code Ann. § 7-82-102(5) provides that it is the express intent of the general assembly that the review conducted by the TBOUR will be a substantive and meaningful review and:

1. To accomplish this intention, utility districts may take no action that results in contractually binding the district or obligating the district to issue bonds that requires a rate increase, until the district has first given notice to the customers of the district of the anticipated action.
2. Such notice shall be deemed to have been given by the district upon the publication of the report of the Comptroller of the Treasury as required by Tenn. Code Ann. § 7-82-501(c) and does not include indebtedness to be purchased by the USDA or any other direct lending department of the government of the United States.

A-9 REFERRAL: FAILURE TO UPDATE CYBER SECURITY PLAN

Tenn. Code Ann. § 7-51-2301 et al.

Utility systems subject to the jurisdiction of the TBOUR must have a prepared cyber security plan that has been implemented. The plan should provide for the protection of the utility's facilities from unauthorized use, alteration, ransom, or destruction of electronic data.

Local officials are responsible for ensuring that the cyber security plan is assessed and updated every two years to address new threats (Tenn. Code Ann. § 7-51-2302). Independent auditors are required to verify and report to the Comptroller's Division of Local Government Audit (LGA) compliance with this provision of state law each year. The information from independent auditors is compiled and reported to the state legislature each year as required by state law. LGA's Audit Manual includes links to organizations that have resources to support utility systems as they assess and update their cyber security plans to ensure new threats are addressed.

Pursuant to Tenn. Code Ann. § 7-51-2303, should local officials fail to either implement or update a utility system's cyber security plan every two years, then the Comptroller of the Treasury shall refer

the utility system to the TBOUR to order reasonable sanctions against the utility. The general process local officials may expect when their local government is referred to TBOUR can be found in Exhibit 3-1.

Other utility systems that are not subject to the jurisdiction of the TBOUR, including cooperatives as defined in Tenn. Code Ann. § 65-25-102, and county or municipal-owned utilities that provide electric or propane services, must also meet the same compliance requirements. If it is determined that that local officials have failed to comply, the Comptroller of the Treasury shall enforce this part to effectuate compliance.

A-10 REFERRAL: FAILURE TO PROVIDE INFORMATION ON CONNECTION COSTS

Tenn. Code Ann. § 65-5-403

Utility systems will be referred to the TBOUR when local officials fail to provide utility customers information on connection costs as set forth in Tenn. Code Ann. § 65-5-401-402. Pursuant to Tenn. Code Ann. § 65-5-403, the TBOUR has authority to order reasonable sanctions against the utility. Refer to Exhibit 3-1, for the general process you may expect when your local government is referred to the TBOUR.

A-11 FAILURE TO DEMONSTRATE TECHNICAL, MANAGERIAL, AND FINANCIAL CAPABILITY BY SRF LOAN APPLICANTS

Tenn. Code Ann. § 68-221-1206 (a)(3)

The Tennessee Department of Environment and Conservation (TDEC) and the Tennessee Local Development Authority (TLDA) administer the Drinking Water Revolving Loan Fund. Local governments applying for loans from the Drinking Water Revolving Loan Fund, also referred to as the State Revolving Fund (SRF) Loan Program, are subject to certain statutory prerequisites. Pursuant to Tenn. Code Ann. § 68-221-1206 (a)(3), one of those prerequisites is that applicant local governments must demonstrate technical, managerial, and financial capability to ensure compliance with the requirements of the federal act and the state act, as determined by TLDA. Local governments that do not have such current capability may receive loans if local officials agree to undertake feasible and appropriate changes in the utility system's operations as approved by the TBOUR. This may include changes in ownership, management, accounting, rates, maintenance, consolidation, alternative water supply, or other procedures, to ensure that the system has the technical, managerial, and financial capability to comply with the state and federal requirements throughout the life of the loan.

A-12 REFERRAL: AILING SYSTEM – FINANCIALLY UNABLE TO EXPAND SERVICE AS SET FORTH IN CREATION DOCUMENTS

Tenn. Code Ann. § 7-82-704(a)(2)

Any utility system that is not financially able to expand its utility service as set forth and described in its founding documents, petition for creation under general state law, or private act is defined by state law as an **ailing utility system** and will be referred to the oversight of the TBOUR.

Pursuant to Tenn. Code Ann. § 7-82-704(b)-(c), once the audit report and operations of the ailing **utility system** are reviewed by the Board or Board staff, the Board may **Order** the system to obtain a study from a qualified expert on the feasibility and benefit of the ailing system merging or consolidating with another utility system. If the results of the study favor a merger or consolidation, then a representative of the Board will hold a public hearing within the service area of the ailing utility system to notify the customers of the potential merger or consolidation. After the public hearing occurs, the board shall conduct an **informal hearing** on the questions of whether:

1. The consolidation or merger:
 - a. Is in the best interest of the public being served by the ailing utility system; and
 - b. Will bring harm to the public being served by the other utility system that will absorb the ailing system; and
2. The ailing utility system should be merged or consolidated with another utility system.

Pursuant to Tenn. Code Ann. § 7-82-704(a), TBOUR has authority to order a merger or consolidation of an ailing utility system with another utility system when the merger is necessary to restore financial stability of the system, ensure continued operation, or otherwise ensure the well-being of the public being served by the utility system.

The general process local officials may expect when your utility system is referred to TBOUR may be found in Exhibit 3-1.

A-13 REFERRAL: AILING SYSTEM – PATTERN OF SEVERE MANAGERIAL INCOMPETENCE

Tenn. Code Ann. § 7-82-704(a)(3)

Any utility system that displays a pattern of severe managerial incompetence that impacts the utility's ability to provide the public it serves with safe, consistent access to its services is defined by state law as an **ailing utility system** and will be referred to the oversight of the TBOUR.

Severe managerial incompetence includes:

1. Frequent interruptions in service to multiple customers, lasting multiple days;
2. Frequent infrastructure failures that result in interruptions in service or cause the quality of service to fall below safe levels; or
3. Failure to:
 - a. Respond within a reasonable timeframe to reports of damage to, or failure of, infrastructure;
 - b. Improve or attempt to improve infrastructure, including necessary maintenance, upgrades, or construction of redundant infrastructure where necessary; or
 - c. Correct a deficiency in oversight, operational management, or finance management, which leads to repeated harm to the utility system, a violation of state or federal law, or fraud, waste, or abuse of the utility system's resources.

The general process local officials may expect when your utility is referred to TBOUR as an **ailing utility system** may be found in A-12 within this Section, Section 2, and Section 3, Exhibit 3-1.

A-14 REFERRAL: ADOPTION OF ETHICAL STANDARDS THAT DIFFER FROM TAUD APPROVED MODEL

Tenn. Code Ann. §§ 8-17-101 et al., § 7-82-702(a)(6)(C)

Utility systems are required to adopt ethical standards that govern elected and appointed officials, employees, and board members, whether or not the members are compensated.

Ethical standards are defined in Tenn. Code Ann. § 8-17-101 to include:

- rules and regulations regarding limits on, and/or reasonable and systematic disclosure of, gifts or other things of value received by officials and employees that impact or appear to impact their discretion; and
- rules and regulations regarding reasonable and systematic disclosure by officials and employees of their personal interests that impact or appear to impact their discretion.

Ethical standards do not include personnel or employment policies or policies or procedures related to operational aspects of governmental entities.

Ethical standards are required to be filed with the Tennessee Ethics Commission. When model policies by the following agencies are adopted, the filing requirements outlined in Tenn. Code Ann. § 8-17-105 apply. Pursuant to Tenn. Code Ann. § 8-17-105 the following agencies are required to provide guidance and direction and model ethical standards.

- **Municipal Technical Advisory Service (MTAS)** – municipal-owned utility systems, **municipal energy authorities**, other instrumentalities created by a municipality that operate a utility system
- **County Technical Assistance Services (CTAS)** – county and metropolitan-owned utility systems, other instrumentalities created by a county or metropolitan government that operate a utility system
- **Tennessee Association of Utility Districts (TAUD)** – utility districts, water and wastewater authorities created by a private act or under general law, gas authorities created by a private act or under general law

TAUD Model Policy Used by Utility Districts and Water and Wastewater Authorities

If a utility adopts ethical standards that are different from the TAUD model, then the ethical standards must be submitted to the TBOUR, which shall review and make a finding by **Order** that the ethical standards are more stringent than the TAUD model.

Utility systems that adopt a more stringent model should notify Board staff at: utilities@cot.tn.gov. Board staff will ensure your local government is placed on the agenda for the next TBOUR meeting, at which time an **Order** will be issued by the Board and subsequently sent to local utility officials.

Other Requirements

Pursuant to Tenn. Code Ann. § 8-17-104, the ethical standards must be available for public inspection and filed with the Tennessee Ethics Commission (TEC), including any amendments or other modifications. Further, local officials are required to notify the TEC of the primary person responsible for administering and enforcing the entity's ethical standards, including a 30-day notification requirement of any changes.

Each year the TEC notifies the Tennessee Senate and House speakers and the Tennessee Comptroller's Division of Local Government Audit, of each local government that is not in compliance with Tenn. Code Ann. Title 8, Chapter 17, Part 1, if any.

A-15 REFERRAL: INVESTIGATIVE REPORT ISSUED BY THE TENNESSEE COMPTROLLER OF THE TREASURY FOR A UTILITY DISTRICT

Tenn. Code Ann. §§ 7-82-307(b)(2)(A), 7-82-702(a)(3)

The Comptroller of the Treasury forwards to the TBOUR any published investigative audit report involving a utility district incorporated under Tenn. Code Ann., Title 7, Chapter 82. The TBOUR reviews those reports and may conduct a contested case hearing on the question of whether utility district commissioner(s) should be removed from office for knowingly or willfully committing misconduct in office, knowingly or willfully neglecting to fulfill any duty imposed upon the member by law, or failing to fulfill their fiduciary responsibility in the operation or oversight of the district. Board staff will conduct an **administrative review** to determine if a contested case hearing should be recommended to the TBOUR.

The general process utility district officials may expect when an investigative report is referred to TBOUR may be found in Exhibit 3-1.

A-16 REFERRAL: QUESTIONS ON ADEQUACY OF A UTILITY DISTRICT'S PURCHASING POLICY

Tenn. Code Ann. § 7-82-804

The board of commissioners of each utility district must adopt a policy governing all purchases, leases, and lease-purchase agreements of the district. Tenn. Code Ann. §§ 7-82-801-803 set forth the minimum provisions that must be included in the policy. Questions of the appropriateness or adequacy of any utility district purchasing policy must be submitted in writing to the TBOUR. The general process utility district officials may expect when your district is referred to Board because of concerns related to the district's purchasing policy may be found in Exhibit 3-1.

B. TBOUR APPROVALS AND RECOMMENDATIONS

Local officials are required by state law to receive an approval or a recommendation from the TBOUR for the following.

B-1 Application for Utility Revitalization Fund grant

B-2 Application for utility relocation loan**B-3** Utility service to customer in adjoining utility district**B-4** Resolution to change method of board appointment for a utility district**B-5** Petition for creation, purchase, development, acquisition of certain utility systems**B-6** TAUD Model of Ethical Standards**B-1 APPROVAL: APPLICATION FOR UTILITY REVITALIZATION FUND GRANT**

Tenn. Code Ann. § 7-82-708

TBOUR is authorized to administer funds for grants to utility systems that:

1. Have merged or consolidated under Tenn. Code Ann. § 7-82-704 by **Order** of the TBOUR to mitigate the financial impact of the merger or consolidation.
2. Are pursuing a voluntary merger, consolidation, or acquisition.

Grants will be subject to the availability of funds. Amounts will vary and TBOUR will deem the appropriate amount. Local officials must apply to the Board for grants from the Utility Revitalization Fund. In the case of a voluntary merger, consolidation, or acquisition, TBOUR has discretion to grant the application if it finds that:

1. The merger is in the best interest of at least one utility system's service population,
2. The merger does not harm another service population, and
3. The grant is necessary to achieve the merger.

Further, the Board may only approve grants to mitigate operating expenses if the applicant utility system establishes that, after the last disbursement from the grant is made, the system will be financially solvent.

A utility system that is a recipient of a grant from the Utility Revitalization Fund must submit quarterly reports to the Board on a form approved by the Board.

Pursuant to Tenn. Code Ann. § 7-82-708 (f)(3), the Comptroller or the TBOUR may consider a disbursement made from the Utility Revitalization Fund to be operating revenue for purposes of determining whether a utility system is in financial distress.

B-2 APPROVAL: APPLICATION FOR UTILITY RELOCATION LOAN

Tenn. Code Ann. § 67-3-901(j)

Initially funded from a portion of gas tax receipts, the State administers a utility relocation loan program for any county, town, city, metropolitan government, utility district, authority or not-for-profit that provides utility services to customers. Proceeds from the loan may be used to finance all costs incurred by a utility system to move or re-install utility facilities, without any additions to their utility facilities, when located within rights-of-way of highways on the system of state highways and required because of highway construction projects administered by the Tennessee Department of Transportation.

Before a utility system may participate in the State's utility relocation loan program, the utility system's application must be reviewed by the TBOUR. This applies to utility systems operated by a county, town, city, metropolitan government, utility district, authority, or not-for-profit.

The TBOUR will review applications for utility relocation loans to ensure applicants meet the following criteria prior to making a recommendation to the Tennessee State Funding Board. A utility system must:

1. Be obligated to relocate, move or re-install its utilities due to a state highway project;
2. Otherwise, be unable to obtain financing for such relocation at a reasonable cost on reasonable terms;
3. Have established fees and charges for services of the utility to be effective immediately or over time sufficient to provide assurance of financial stability, and to agree to adjust such fees and charges periodically to ensure timely payment of loan payments and costs of operation of the system; and
4. Have covenanted to take such actions necessary to be able to pay all loan payments when due.

As part of its recommendation, the TBOUR will recommend an estimated amount of the loan and an interest rate for the loan, utilizing an economic index based upon factors that include, but are not limited to, per capita incomes and property values of the applicant. Applicants falling within the lower economic scale on the index will be eligible for lower interest rates. Loans may be recommended at no interest cost for terms of five (5) years or less. In determining its recommendations, the Board may use any index or regulations promulgated pursuant to Tenn. Code Ann. § 68-221-1005(b). Loans are for a term of fifteen years or less, not to exceed the useful life of the relocated utilities, with no prepayment penalties.

Will likely remove from Manual. Update: Seth is reaching out to TDOT. **To Do:** Let Sandi know outcome.

B-3 APPROVAL: UTILITY SERVICE TO CUSTOMER IN ADJOINING UTILITY DISTRICT

Tenn. Code Ann. § 7-82-112(a)

Utility Districts are allowed to provide utility service to a customer located within the boundaries of an adjoining utility district when approved by the TBOUR. Either the customer or the adjoining utility district may file a request with TBOUR for the customer to obtain utility service from the utility district. The TBOUR may approve the request when it finds that:

The adjoining utility district has either refused to provide utility service to the customer or is not able or willing to provide service within a reasonable period of time and at a reasonable cost as determined by the TBOUR; and

The utility district is willing to provide utility service to the customer.

If the TBOUR finds that the customer should be served by the utility district, then the TBOUR is required to issue an **Order** setting forth its findings and granting the service request. This only applies to the request of a single customer of a utility district for utility service from an adjoining utility district.

B-4 APPROVAL: RESOLUTION TO CHANGE THE METHOD OF BOARD APPOINTMENT FOR A UTILITY DISTRICT

Tenn. Code Ann. § 7-82-307(a)(9)

State law permits the board of commissioners of a utility district that is otherwise excepted by subdivision Tenn. Code Ann. § 7-82-307(a)(2) to change, by resolution, its present method for filling vacancies to the appointment by a county mayor or mayors under subdivision Tenn. Code Ann. § 7-82-307 (a)(4) or (a)(5). The utility district must file a certified copy of the resolution with the TBOUR. At its next scheduled meeting, the Board is required to enter an **Order** either approving or disapproving the resolution.

The Board will approve the resolution if it finds that the request is in the best interest of the utility district and its customers. All vacancies on the utility district's board of commissioners that occur after the TBOUR **Order** approving the resolution will be by appointment by a county mayor under Tenn. Code Ann. § 7-82-307 (a)(4) or (a)(5). If the Board issues an **Order** disapproving the resolution, then the method of filling vacancies will remain unchanged, and the utility district will continue to fill vacancies under the method used prior to the adoption of the resolution.

B-5 APPROVAL: PETITION FOR CREATION, PURCHASE, DEVELOPMENT, ACQUISITION OF CERTAIN UTILITY SYSTEMS

Description	Tenn. Code Ann.
Petition for creation – of a utility district	§ 7-82-201(a)(1) § 7-82-702(a)(7)
Petition for creation – of a public act water or wastewater treatment authority	§ 68-221-604(b)
Petition for creation – of a public act regional water and wastewater treatment authority	§ 68-221-1304
Petition to purchase, develop, acquire, or build a new public act water or wastewater system.	§ 68-221-1017 § 7-82-702(a)(8)

Local officials should work with legal counsel to ensure all legal requirements for a new utility system are met. Petitions for the creation or establishment of the above utility systems must be filed with the TBOUR for review and decision. The TBOUR will issue an **Order** either approving or disapproving the request at its next scheduled meeting.

B-6 APPROVAL: TAUD MODEL OF ETHICAL STANDARDS

Tenn. Code Ann. § 7-82-702(a)(6)(A-B)

Tenn. Code Ann. § 8-17-105(b)

Utility systems are required to adopt ethical standards that govern elected and appointed officials, employees, and board members, whether or not the members are compensated. This includes systems operated by counties, municipalities, water and wastewater authorities, municipal energy authorities, and utility districts.

Pursuant to Tenn. Code Ann. § 8-17-105, the Tennessee Association of Utility Districts (TAUD) is required to provide guidance and direction and model ethical standards for utility districts, water and wastewater authorities, and gas authorities. TAUD is required to submit the model standards to the TBOUR for review and approval pursuant to Tenn. Code Ann. § 7-82-702(a)(6). TBOUR must approve the TAUD model standards by **Order** before they are adopted by a utility district or authority identified above. TBOUR approved the TAUD model ethical standards at its August 2, 2007, meeting.

C. TBOUR NOTIFICATIONS

Local and state officials are required by state law to notify the TBOUR of certain issues related to training, continuing education, mergers, consolidations, dissolutions, and utility services.

Notifications are accomplished through the following statutory filings:

- C-1** Training extension request letter and corresponding Comptroller determination letter sent to a board member
- C-2** Petition for merger, consolidation, or re-creation of a utility district
- C-3** Dissolution of a utility district
- C-4** Supplemental petition for authority for a utility district to provide other utility services
- C-5** Comptroller-approved training and continuing education curriculum

C-1 NOTIFICATION: TRAINING EXTENSION REQUEST LETTER AND CORRESPONDING COMPTROLLER DETERMINATION LETTER SENT TO A BOARD MEMBER

Tenn. Code Ann. §§ 7-34-115(j), 7-82-308(f), 68-221-605(f), 68-221-1305(f)

Board members may request a training and continuing education extension of up to six (6) months from the Comptroller of the Treasury or the Comptroller's designee. The request shall only be granted upon a reasonable showing of substantial compliance with minimum statutory training requirements. The board members are required to file copies of any extension request letters and corresponding Comptroller of the Treasury determination letters with the TBOUR.

C-2 NOTIFICATION: PETITION FOR MERGER, CONSOLIDATION, OR RE-CREATION OF A UTILITY DISTRICT

Tenn. Code Ann. §§ 7-82-202(g)-(h)

Mergers or Consolidations: Local officials should work with legal counsel to ensure statutory requirements for a merger or consolidation of a utility district with another utility district, or with a municipality or county are met. Petitions for a merger or consolidation of utility districts or for a consolidation of a utility district with a municipality or county pursuant to Tenn. Code Ann. §§ 7-82-202(e)-(f) must be filed with the TBOUR simultaneously with the required filing to the county mayor or mayors. The petitions are not subject to approval or disapproval by the TBOUR.

Re-creations: Petitions for the re-creation of a utility district for the purpose of redefining its incorporated boundary must be filed with the TBOUR simultaneously with the filing of the petition with the county mayor or mayors. The petitions are not subject to approval or disapproval by the TBOUR.

C-3 NOTIFICATION: DISSOLUTION OF A UTILITY DISTRICT

Tenn. Code Ann. §§ 7-82-301(b)

Pursuant to Tenn. Code Ann. §§ 7-82-301(b), when utility districts are dissolved as a result of the following circumstances, a true and correct copy of the order dissolving the utility district must be filed with the TBOUR.

1. When no affirmative action is taken by a newly-formed utility district within one (1) year of the date of filing of order of creation, the county mayor may hold a hearing, after notification of the duly appointed commissioners, and determine if the utility district is proceeding with dispatch and diligence to provide the utility service or services it was authorized to provide in its order of creation. If the county mayor finds that the utility district is not, then the county mayor shall enter an order dissolving the utility district. The president of the utility district shall file with the Tennessee Secretary of State, the TBOUR, and the register of deeds of the county or counties in which the district is located, a true and correct copy of the order dissolving the utility district.
2. When a utility district fails to render any of the services for which it was created within a period of four (4) years of the date of filing of order of creation and fails to acquire within such period any assets or facilities necessary to provide the utility service or services for which it was created, the utility district shall be dissolved by operation of law. The county mayor of the county in which the original petition for creation of the utility district was filed shall file a notice of dissolution with the Tennessee Secretary of State and upon such filing the utility district shall no longer be deemed to exist. The county mayor shall file

with the TBOUR and the register of deeds of the county or counties in which the utility district is located, a true and correct copy of the notice of dissolution.

C-4 NOTIFICATION: SUPPLEMENTAL PETITION FOR AUTHORITY FOR A UTILITY DISTRICT TO PROVIDE OTHER UTILITY SERVICES

Tenn. Code Ann. § 7-82-302(e)

Utility districts created on or after July 1, 1967, are limited to providing services pursuant to the order creating the district. Utility districts incorporated before July 1, 1967, may only provide services that were being provided on that date, or else subsequently provided by facilities that were constructed from the proceeds of bonds issued not later than July 1, 1968. Supplemental petitions for authority to provide other utility services pursuant to Tenn. Code Ann. Title 7, Chapter 82, Part 3, may be addressed to the county mayor, who will give notice and hold hearings on petitions in the same manner, on the same issues, and under the same conditions as for original incorporation.

The supplemental petition must be filed with the TBOUR simultaneously with the required filing to the county mayor or county mayors. The petition is not subject to approval or disapproval by the TBOUR.

C-5 NOTIFICATION: COMPTROLLER-APPROVED TRAINING AND CONTINUING EDUCATION CURRICULUM

Tenn. Code Ann. §§ 7-34-115(j), 7-82-308(f), 68-221-605(f), 68-221-1305(f)

Associations and organizations with appropriate knowledge and experience may prepare a training and continuing education curriculum covering the subjects set forth in state statute. The curriculum, including any changes or updates, must be submitted to the Comptroller of the Treasury for review and approval prior to use. Any training and continuing education curriculum approved by the Comptroller must be updated every three (3) years and resubmitted to the Comptroller for review and approval. The Comptroller is statutorily required to file a copy of the approved training and continuing education curriculum with the TBOUR.

D. TBOUR CONTESTED CASE HEARINGS

Contested case hearings are limited to utility districts. The procedure for contested case hearings are governed by the Tennessee Uniform Administrative Procedures Act and the Tennessee Secretary of State's rules for contested cases. The TBOUR has statutory authority to conduct contested case hearings and issue **Orders** for the determination of whether utility district board members should be removed from office and a new board member appointed or elected, or whether the methodology for determining vacancies should be changed as follows:

- D-1** Removal of utility district commissioner(s) by customer petition.

- D-2** Removal of utility district commissioner(s) for failures directly related to matters in an investigative report issued by the TN Comptroller of the Treasury.
- D-3** Removal of utility district commissioner(s) for misconduct or failure to comply with a TBOUR order, failure in official duties, or misconduct of office.
- D-4** Change in the method of filling board vacancies for a financially distressed utility district.

D-1 REMOVAL OF UTILITY DISTRICT COMMISSIONER(S) BY CUSTOMER PETITION

Tenn. Code Ann. §§ 7-82-307(b)(1)(A), 7-82-702(a)(3)

Upon the petition of at least twenty percent (20%) of the customers of a utility district to the TBOUR requesting the removal of a member or members of the utility district board of commissioners, the Board is required to conduct a contested case hearing on the question of whether such member or members should be removed from office and a new member or members appointed or elected.

Tenn. Code Ann. § 7-82-307(b)(1)(A), sets forth and requires a specific process and timeline that must be followed to be considered by the TBOUR for review and includes the following:

1. The customer or customers initiating the petition must file a letter of intent to compile and file the petition with the TBOUR before the petition is signed.
2. All information submitted in the petition must be legible.
3. Customer signatures on the petition must be:
 - a. from customers who are billed for and pay money for services of the utility district
 - b. obtained within ninety (90) days of the date the letter of intent to compile and file petition is filed with the TBOUR, and
 - c. genuine, meaning written, original signatures, excluding facsimile and electronic signatures of any kind.
4. Each utility account shall be entitled to one (1) signature, and no customer may sign the petition more than once.
5. Each customer signing the petition must include the address at which the customer receives utility service and the date the customer signed the petition.
6. Only one (1) petition can be filed with the TBOUR in any twelve-month period.

Upon receipt of the petition, TBOUR must verify the names and addresses of the signers of the petition to ensure that they are bona fide customers of the utility district and to ensure that all signatures have been obtained within ninety (90) days of the date the notice of intent to compile and file petition is filed with the board.

Upon filing the petition, the petitioners shall also file a cash bond or attorney or corporate surety bond made payable to the State of Tennessee for the costs of hearing and processing the petition. The bond may be refunded if the TBOUR determines that the member or members of the utility district board of commissioners that are the subject of the petition should be removed; in such instance the cost of the hearing shall be assessed against the district. The administrative judge may assess additional costs against either the petitioners or the district to cover the total cost of the hearing.

If the Board concludes the member(s) of the utility district board of commissioners should be removed, the Board will issue an **Order** removing such member(s) from their office. Any vacancy on the board of commissioners shall then be filled by the selection method used by the utility district to fill vacancies.

D-1 REMOVAL OF UTILITY DISTRICT COMMISSIONER(S) FOR FAILURES DIRECTLY RELATED TO MATERS IN AN INVESTIGATIVE REPORT ISSUED BY THE TN COMPTROLLER OF THE TREASURY

Tenn. Code Ann. §§ 7-82-307(b)(2)(A), 7-82-702(a)(3)

The Comptroller of the Treasury refers published investigative reports involving a utility district to the TBOUR. The Board reviews those reports and may conduct a contested case hearing on the question of whether utility district commissioners should be removed from office for:

- knowingly or willfully committing misconduct in office,
- knowingly or willfully neglecting to fulfill any duty imposed upon the member by law, or
- failing to fulfill their fiduciary responsibility in the operation or oversight of the district.

If the Board concludes the member(s) of the board of commissioners meet one or more of above conditions, the Board will issue an **Order** removing such member(s) from office. Any vacancy must then be filled by the selection method used by the utility district to fill vacancies; provided, that no member of the board of commissioners ousted by **Order** of the TBOUR shall be eligible for reappointment, reelection, or to participate in either the nomination, appointment or election of new members by the board of commissioners.

D-2 REMOVAL OF UTILITY DISTRICT COMMISSIONER(S) FOR FAILURE TO COMPLY WITH A TBOUR ORDER, FAILURE IN OFFICIAL DUTIES, OR MISCONDUCT OF OFFICE

Tenn. Code Ann. §§ 7-82-307(b)(3)(A), 7-82-702(a)(3)

The TBOUR may initiate a contested case hearing on the question of whether a member or members of the board of commissioners of utility districts under its jurisdiction should be removed from office and a new member or members appointed or elected on the grounds that either:

1. The utility district failed to comply with an **Order** of the TBOUR, which shall include failing to comply with an **Order** concerning excessive water losses;
2. A member or members failed to fulfill their fiduciary responsibility in the operation or oversight of the district; or
3. A member or members committed misconduct in connection with such office or failed to perform any duty imposed by law on such office, including taking appropriate actions pursuant to Tenn. Code Ann., Title 7, Chapter 82, Part 7 to reduce water loss to an acceptable level as determined by the TBOUR.

Failure of a member to vote in favor of a rate structure prescribed by the TBOUR that has been adopted by the utility district does not in itself constitute grounds for removal.

If the TBOUR concludes the member(s) of the board of commissioners meet one or more of above conditions, the Board will issue an **Order** removing such member(s) from office. Any vacancy must then be filled by the selection method used by the utility district to fill vacancies; provided, that no member of the board of commissioners ousted by **Order** of the TBOUR shall be eligible for reappointment, reelection, or to participate in either the nomination, appointment or election of new members by the board of commissioners.

D-3 CHANGE IN THE METHOD OF FILLING BOARD VACANCIES FOR A FINANCIALLY DISTRESSED UTILITY DISTRICT

Tenn. Code Ann. §§ 7-82-307(c), 7-82-702(a)(4)

When the TBOUR reviews the audited annual financial report and operations of a financially distressed utility district pursuant to Tenn. Code Ann. § 7-82-703 and determines vacancies on the board of commissioners are filled by a method other than appointment by a county mayor or mayors, the TBOUR may elect to hold a public hearing on the issue of whether the method of filling vacancies should be changed.

If the TBOUR elects to hold a public hearing, then the Board shall conduct a contested case hearing on this issue. If the Board finds that it is in the best interest of the public served by the utility district that the method of filling vacancies be changed, then the Board shall enter an **Order** that provides that all future vacancies be filled by appointment of the county mayor or mayors pursuant to the procedures set forth in Tenn. Code Ann. § 7-82-307(a)(4) and (5).

Section 4 – Annual Requirements

Utility systems are responsible for specific annual requirements, including:

- ✓ **A.** Annual Information and Water Loss Reporting
- ✓ **B.** Annual Training Statement – **Filed Locally**
- ✓ **C.** TBOUR Directives

✓ **A. ANNUAL INFORMATION REPORT**

Tenn. Code Ann. § 7-82-707

Local officials are required to file with TBOUR an **annual information report**, on a form approved by the Board, by the first day of the utility's fiscal year. Pursuant to Tenn. Code Ann. § 7-82-707(b), the form approved by the Board shall inform the public of:

- (1) The financial condition of the utility system at the end of the fiscal year;
- (2) A statement of the utility rates then being charged by the system;
- (3) Other information the Board finds would assist the Board and the public in understanding the financial health of the system or any challenges the system faces.

The **annual information report** is an online submission available TBOUR's website. The Utility's ID Code is needed to submit the report and can be obtained from Board staff. Pursuant to Tenn. Code Ann. § 7-82-707(e), the Comptroller of the Treasury publishes the annual reports submitted by utility systems each year.

Failure to submit the **annual information report** will result in a local government being referred to the TBOUR and the Board may order reasonable sanctions against the utility system pursuant to Tenn. Code Ann. § 7-82-707(a). See Section 3.

✓ **B. ANNUAL WATER LOSS REPORT**

Tenn. Code Ann. § 7-82-707

Pursuant to Tenn. Code Ann. § 7-82-707(d), utility systems must submit a water loss report on a form prescribed by the Board simultaneously with the **annual information report**. There is not a separate water loss form or report, but instead, water loss is calculated from information reported on the **annual information report**, which is required to be submitted by the end of the utility's fiscal year. Failure of a utility system to submit the water information as part of the **annual information report** constitutes excessive water loss and will result in a local government being referred to the TBOUR, where the Board may order appropriate remedial measures (See Section 3). Pursuant to Tenn. Code Ann. § 7-82-707(e), the Comptroller of the Treasury publishes water loss information as reported by utility systems each year.

The **annual information report** is an online submission and can be found on the TBOUR's website. The Utility's ID Code is needed to submit the report and can be obtained from Board staff.

✓ C. ANNUAL TRAINING STATEMENT

Tenn. Code Ann. § 7-82-707(f)

Pursuant to Tenn. Code Ann. § 7-82-707(f), a utility system must ensure that each member of the utility's governing body completes all required training and is required to collect an **annual training statement**, on a form approved by the Board, from each member of the governing body.

As part of the **annual information report** submission, local governments are required to indicate if members of the governing body are in compliance with training requirements.

Statutory Training Requirements

State law establishes requirements for:

1. Annual Training Statement
2. Minimum Training and Continuing Education Hours
3. Subject Matter and Eligible Training Sponsors and Providers
4. Extension Requests
5. Penalties for Failure to Meet Training Requirements
6. Requirements Specific to Utility Districts, Water or Sewer Authorities

Local utility officials are responsible for complying with statutory training and continuing education requirements.

1. Annual Training Statement

Tenn. Code Ann. §§ 7-34-115(j), 7-82-308(f), 7-82-707(f)

Pursuant to Tenn. Code Ann. § 7-82-707(f), a utility system must ensure that each member of the utility's governing body completes all required training and is required to collect an **annual training statement**, on a form approved by the Board, from each member of the governing body.

No later than January 31 of each year, each utility board member shall file an **annual training statement**, on a form developed by the Comptroller of the Treasury, with their respective local government certifying the training and continuing education courses attended during the prior calendar year. The form can be found on TBOUR's website. Board members must file a training statement even if they did not attend any training within the past year. The local government must keep a copy of the annual training statements, including proof of attendance or certificates of completion, on file for at least two, three-year continuing education periods, or six years following the calendar year in which the written statement was filed. The statements should be filed solely with the local government, the Comptroller's office and Board staff **DO NOT** retain these records.

2. Minimum Training and Continuing Education Hours

Tenn. Code Ann. §§ 7-34-115(j), § 7-82-308(f), § 68-221-605(f), § 68-221-1305(f)

There is a two-tiered training requirement for all board members that supervise, control, or operate a utility system:

Initial Training: Each board member must obtain 12 hours of training within 12 months of their initial election or appointment. The initial 12 hours are required for the first election or appointment and not subsequent elections or appointments.

Continuing Education: Once a board member has satisfied their initial 12 hours of training, their continuing education period of three years begins on the following January 1st. Each board member must receive a total of 12 hours of training within a three-year period. As a best practice, board members should obtain a minimum of 4 hours of training each calendar year.

3. Subject Matter and Eligible Training Sponsors and Providers

Tenn. Code Ann. §§ 7-34-115(j), 7-82-308(f), 68-221-605(f), 68-221-1305(f)

Training subjects must include, but are not limited to:

- board governance
- financial oversight
- policy-making responsibilities
- other topics reasonably related to the duties of the utility board

Associations and Organizations with Appropriate Knowledge and Experience:

- May prepare a training and continuing education curriculum for utility board members covering the above subjects.
- Must submit the curriculum to the Comptroller for review and approval prior to use. (An approval request form is available for submission on TBOUR's website.)
- Must submit any changes and updates to the curriculum to the Comptroller for approval prior to use.
- Update approved training and continuing education curriculum every three (3) years for resubmission to the Comptroller for review and approval.

Pursuant to state law, the Comptroller files a copy of approved training and continuing education curriculum with the TBOUR.

The Comptroller's Office currently provides a one-time offering of 17 hours of online training at no cost. The Comptroller's Office also offers periodic training classes at various locations throughout the State.

4. Extension Requests

Tenn. Code Ann. §§ 7-34-115(j), 7-82-308(f), 68-221-605(f), 68-221-1305(f)

Board members may request a training and continuing education extension of up to six (6) months from the Comptroller of the Treasury or the Comptroller's designee. The request will only be granted upon a reasonable showing of substantial compliance with minimum statutory training requirements. If the extension is granted, the board member must complete any additional required training hours necessary to achieve full compliance for only the relevant continuing education period within the

extension period. The board member must file copies of any extension request letters and corresponding Comptroller determination letters with the TBOUR.

Requests for Training Extensions are available on TBOUR's website.

5. Penalties for Failure to Meet Training Requirements

All Utility Systems Under TBOUR Jurisdiction:

Pursuant to Tenn. Code Ann. § 7-82-702(a)(14), the TBOUR has authority to exercise all the powers and take all the actions necessary for the accomplishment of its purpose to ensure the financial integrity of utility systems. One way the TBOUR exercises this authority is by issuing **Orders** for reasonable sanctions against local governments for failure to meet training requirements.

TBOUR's authority includes but is not limited to subpoenaing all governing body members to appear before TBOUR. See Tenn. Code Ann. § 7-82-702(a)(2).

Failure to comply with statutory training requirements may result in a utility system being referred by Board staff to the TBOUR for an **administrative review** of the financial, technical, and managerial operations of the utility system pursuant to in order to determine the capacity of a local officials to comply with state law. The Board has authority to require appropriate remedial action from local officials to correct a deficiency identified by the Board. See Tenn. Code Ann. § 7-82-706(a)-(b).

County, Municipal, and Metro-Owned Utility Systems

When any board member fails to meet the required training and continuing education requirements before the end of the continuing education period or before the end of any extension approved by the Comptroller, TBOUR has full discretion to order reasonable sanctions against the local government, including, but not limited to, being ineligible to receive assistance from the Tennessee Local Development Authority under Tenn. Code Ann. § 68-221-1206(a)(3). See: Tenn. Code Ann. § 7-34-115(j)-(k).

Utility Districts, Water or Sewer Authorities, Water and Wastewater Treatment Authorities, Regional Water and Wastewater Treatment Authorities

Any member who fails to meet the training and continuing education requirements before the end of a continuing education period or before the end of an extension approved by the Comptroller of the Treasury will not be eligible for reappointment or reelection to another term of office.” See Tenn. Code Ann. §§ 7-82-307 (5) (A), 68-221-605(g), and 68-221-1305(g).

Specific to Utility Districts

TBOUR has authority to initiate a contested case hearing on the question of whether a member or members of the board of commissioners of a utility district should be removed from office and a new

member or members appointed or elected on the grounds that a utility district failed to comply with an **Order** of the TBOUR concerning training requirements.

6. Requirements Specific to Utility Districts, Water or Sewer Authorities, Created by any Public or Private Act

Failure to File Annual Training Statement

When an **annual training statement** is not filed, a commissioner becomes ineligible to receive further payment or benefit as provided in Tenn. Code Ann. 7-82-308(a), including monthly meeting per diem payments, insurance benefits, and insurance premium reimbursements until the annual written statement is filed. See: Tenn. Code Ann. § 7-82-308(f)(4)(E)

Training Costs

The utility system shall be responsible for paying the training and continuing education course registration and travel expenses for the required training and continuing education. See: Tenn. Code Ann. § 7-82-308(f)(5)

Failure to File an Annual Extension Request and Comptroller Determination With TBOUR

When an annual extension request and Comptroller Determination letter is not filed with TBOUR, a commissioner becomes ineligible to receive further payment or benefit as provided in Tenn. Code Ann. 7-82-308(a), including monthly meeting per diem payments, insurance benefits, and insurance premium reimbursements until the information is properly filed. See: Tenn. Code Ann. § 7-82-308(f)(3)

Additional Training Hours Mandated by TBOUR

The training requirements established in Tenn. Code Ann. § 7-82-308(f) does not prohibit the TBOUR from requiring additional training and continuing education requirements for utility systems **financially distressed** under Tenn. Code Ann. § 7-82-703. See: Tenn. Code Ann. § 7-82-308(f)(8)

Prerequisite to Reappointment or Reelection to Board of Commissioners

An existing commissioner who is nominated for reappointment must certify to the appointing mayor prior to reappointment that he or she has complied with the continuing education requirements set forth in 7-82-308. Likewise, an existing utility district commissioner who is seeking reelection must certify to the district prior to being placed on the ballot that he or she has complied with the continuing education requirements set forth in 7-82-308. See Tenn. Code Ann. § 7-87-307(b)(5)(B-C).

✓ **D. TBOUR DIRECTIVES**

Tenn. Code Ann. § 7-82-701 et al.

The TBOUR has broad authority over utility systems that come under its oversight (See Section 3). A utility system may be subject to annual compliance requirements pursuant to an **Order** issued by the Board.

SECTION 5 – Other Agencies, and Boards

Tennessee Department of Environment and Conservation (TDEC)

TDEC is responsible for overseeing environmental protection and conservation efforts in the state. TDEC manages various programs related to air quality, water resources, solid waste management, parks and recreation, and other environmental issues. Resource information is available at:

www.tn.gov/environment.html

Department of Economic & Community Development (ECD)

ECD is responsible for promoting economic and community development in the state of Tennessee. The department focuses on initiatives and programs to attract and retain businesses, create job opportunities, and enhance the overall well-being of Tennessee communities.

Resource information is available at: www.tn.gov/e.cd.html

County Technical Assistance Service (CTAS)

CTAS is an agency of the University of Tennessee Institute of Public Service and provides technical, training, consulting, and field services to elected and appointed county and metropolitan officials and finance directors. CTAS assists counties with appointment of utility district commissioners and assists county-operated utility systems with the budget process, policies, utility infrastructure relocation, and other areas that impact utility systems. Resource information is available at: www.ctas.tennessee.edu

Municipal Technical Advisory Service (MTAS)

MTAS is an agency of the University of Tennessee Institute of Public Service and provides technical, training, consulting, and field services to elected and appointed municipal and metropolitan government officials and finance directors. MTAS assists municipal utility systems with the budget process, internal controls, policies, trainings, rate studies, legal interpretations, and other technical guidance. Resource information is available at: www.mtas.tennessee.edu

Tennessee Association of Utility Districts (TAUD)

TAUD provides Tennessee utility systems with training, industry information and publications, model policies, rate studies, and legislative updates.. Information and resources regarding TAUD is available at: www.taud.org

Tennessee Public Utility Commission (TPUC)

TPUC was created to meet the challenges of the changing telecommunications and utility environment. They set rates and service standards of privately owned telephone, natural gas, electric, and water utilities. Resource information is available at: www.tn.gov/tpuc.html

Tennessee Valley Authority (TVA)

The Tennessee Valley Authority provides electricity for 153 local power companies serving 10 million people in Tennessee and parts of six surrounding states, as well as directly to 58 large industrial customers and federal installations. TVA also provides flood control, navigation, and land management for the Tennessee River system and assists local power companies and regional governments with their economic development efforts. Resource information is available at: www.tva.com

Tennessee Gas Association (TGA)

The Tennessee Gas Association, established in 1962, is a non-profit association created by and for the natural gas distribution systems across the State. TGA offers members opportunities to enhance their professional careers, company operations and industry contacts through various conferences and training sessions throughout the year. TGA is governed by a Board of Directors made up of member employees from across the State. Resource information is available at: www.tngas.org

National Rural Water Association (NRWA)

The National Rural Water Association is a non-profit organization dedicated to training, supporting, and promoting the water and wastewater professionals that serve small and rural communities across the country. The NRWA provides training and technical assistance through 50 affiliated State Rural Water Associations that currently have over 31,000 utility system members. Rural Water training and technical assistance covers every aspect of operating, managing and financing water and wastewater utilities. Resource information is available at: www.nrwa.org

Rural Community Assistance Partnership (RCAP)/Southern RCAP: Communities Unlimited

RCAP is a national network of nonprofit organizations that provide technical assistance and training to rural communities in the US. RCAP assists these communities in addressing challenges related to water and wastewater systems, community development and infrastructure. Resource information is available at: www.rcap.org

Communities Unlimited: Communities Unlimited is part of RCAP's network for the southern region of the United States which includes Tennessee. Communities Unlimited works to support rural communities by providing technical assistance, financial services, and resources to help them address challenges related to water and wastewater systems, economic development, and community infrastructure. Resource information is available at: www.communitiesu.org

SECTION 6 – Utility Terminology, Definitions, & Concepts

Administrative Review: A review of a utility system pursuant to Tenn. Code Ann. § 7-82-706 to determine the financial, technical, and managerial capacity of the utility to comply with requirements of applicable federal and state law; and/or efficiently manage its system, including reasonable and just user rates, debt structures, and water loss.

Ailing Utility System: is a utility system that is:

- a. Financially distressed, as described in § 7-82-703(b);
- b. Financially unable to expand the amount or type of service as set forth and described in its founding documents or petition for creation as described under § 7-82-201, § 68-221-604, § 68-221-1304, or any other section or private act; or
- c. Displays a pattern of severe managerial incompetence such that the utility system cannot provide the public it serves with safe, consistent access to its services.

Annual Information Report: A report local officials must file with the TBOUR by the first day of the utility's fiscal year. Pursuant to Tenn. Code Ann. § 7-82-707(b), the form is approved by the Board shall inform the public of:

- a. The financial condition of the utility system at the end of the fiscal year;
- b. A statement of the utility rates then being charged by the system;
- c. Other information the Board finds would assist the Board and the public in understanding the financial health of the system or any challenges the system faces.

The report is an online submission and can be found on TBOUR's website.

Annual Training Statement: A form approved by the TBOUR that individual members of a utility's governing body must complete each year, regardless of if they attended training during that year. The form is used to document compliance with continuing education requirements. Additional information on this requirement is in Section 4. The form is available on TBOUR's website.

AWWA v6.0 Worksheet (or Software): A tool from the American Water Works Association (AWWA) used to analyze water loss by comparing key performance indicators. The TBOUR adopted its use pursuant to its authority in Tenn. Code Ann. § 7-82-202(c)(5).

Board: The Tennessee Board of Utility Regulation ("TBOUR") created in the office of the Comptroller by T.C.A. §§ 7-82-701-708, or its successor entity.

Board Counsel: An attorney within the Comptroller's office that is directed to provide legal advice, prepare documents, or act as counsel to the Board in any other capacity.

Board Order: See “Order”.

Board Staff: The Comptroller’s designated manager for the Board, counsel to the Board, and any other employee of the Comptroller assigned as staff to the Board.

Capacity Fee: A fee charged for connecting new developments to the utility system.

Cash Basis: Revenue is recognized when cash is received, and expenses are recognized when cash is paid. Cash basis accounting is simpler and more straightforward but may not provide a complete and accurate picture of an entity’s financial activities, especially in terms of timing and matching revenues with associated expenses.

Depreciation: Depreciation is often one of the largest operating expenses of a utility system. Depreciation is the allocation of the cost of a capital asset (such as equipment and facilities) over its estimated useful life. It helps to accurately reflect the wear and tear on these assets over time and allocate associated costs to the periods in which the asset provides service. Depreciation is crucial in financial reporting, rate-setting, asset management, and decision-making for utilities. The TBOUR has adopted guidelines for evaluating the useful lives of assets of water and wastewater systems. See Appendix C.

Financial Distress (also: Financially Distressed): A utility system is financially distressed when it has reported the following as of its most recent audits:

- a. a deficit total net position,
- b. a deficit unrestricted net position,
- c. a negative change in net position for two consecutive years without regard to grants or capital contributions,
- d. or is currently in default on any of its debt instruments.

See: Tenn. Code Ann. § 7-82-703(b)

GAAP Basis (Accrual Basis): Recognition of revenues and expenses when they are earned or incurred regardless of when cash is received or paid. GAAP basis accounting provides a more comprehensive and accurate representation of an entity's financial position and performance over a specific period, as it considers all economic events, regardless of the timing of cash transactions.

Informal Hearing: A hearing by TBOUR from interested parties, specifically, customer(s) and representatives from the utility system(s), involved in either: (1) a customer complaint or (2) the potential merger or consolidation of an ailing utility system with another utility system. Informal hearings are not subject to the contested case requirements of the Uniform Administrative Procedures Act (UAPA) or the uniform rules for contested cases. These are generally held during a regularly scheduled TBOUR meeting.

Non-Revenue Water by Volume: The distributed volume of water that is not reflected in customer billings. The American Water Works Association defines three specific categories of water usage or loss that will not result in revenue to a utility system:

- a. unbilled authorized consumption: water for firefighting, flushing, etc.;
- b. apparent losses: customer meter inaccuracies, unauthorized consumption and systematic data handling errors; and
- c. real losses: system leakage and storage tank overflows.

Order: A decision of the TBOUR in any given matter, as evidenced by the Board's vote on a motion and any amendments adopted. An Order is effective as of the date it is entered unless it states otherwise and is effective and binding regardless of whether it is reduced to writing. However, after the meeting in which an Order is given, an official Order will be sent to local officials documenting Board Order(s).

Rate Structure: The pricing model for charging customers based on water/sewer or gas usage or other factors.

Statutory Change in Net Position: The sum of total revenues less all grants, capital contributions, and expenses.

Structurally Balanced Budget: A budget is structurally balanced when recurring revenues are sufficient to pay recurring expenses. Relying on one-time revenue from selling assets, restructuring debt, spending savings, or deferring maintenance indicate the budget is not structurally balanced.

Third-Party Expert: An experienced, qualified, individual, organization, non-profit agency, or governmental agency with no direct relationship to the utility system, as an employee or board member.

Update Cycle: The period needed for Board staff to monitor a utility system to ensure Board directives that have been implemented are fully established and functioning. The period will depend upon the nature of the referral.

Utility Financial Distress Questionnaire: An online form Board staff utilizes to help determine the best course of remedial action that will be recommended to the TBOUR to restore financial health to a utility system in financial distress.

SECTION 7: Best Practices

Various resources are available to utility systems operated by local governments. The resources and best practices referenced in this Section will be helpful to local officials in the management and oversight of utility systems.

Recommended Policies: Sound financial policies lay the foundation for good financial decisions. At a minimum, policies should include internal controls, budget adoption, cash flow management, billing, rate increases/adjustments, asset management, and debt management. Refer to the Comptroller's debt and budget manuals for recommended debt and budget policies.

Asset Management: A systematic approach to managing and maintaining a utility's capital assets, including facilities, infrastructure, and equipment. Local officials should establish a system for assessing the condition of capital assets and plan for capital maintenance and replacement needs. See Also: Capital Planning

Capital Planning: Based on the most recent financial audit, operational assessment, and asset management plan for the utility system, note any critical infrastructure needs or capital projects for the current year. Incorporate these into the capital budget and consider funding options. Develop a long-term capital improvement plan that aligns with the utility's strategic goals and will address infrastructure challenges over time. Understanding the current state of assets, planning for their replacement or improvement, and identifying appropriate funding sources, all contribute to the long-term sustainability and reliability of utility services. Regular monitoring and adjustments throughout the year are also necessary to respond to changing conditions and ensure financial stability.

Rates and Fees: Rates and fees should be set for your utility to be self-sufficient. Charge customers what it costs to serve them and ensure that customers are paying their fair share. Rates should be reviewed regularly. Rates and charges set by the governing body should be sufficient for all reasonable expenses of operation including depreciation, interest expense, and any other nonoperating expenses. Rates should also generate enough cash to pay both principal and interest requirements on debt. Rates are expected to be adjusted to cover these costs and should always be reasonable and justifiable. Each utility should have rates sufficient to have a positive change in net position separate from grant proceeds and contributions. Utilities that do not achieve a positive change for two years will be referred to the oversight of the Tennessee Board of Utility Regulation (TBOUR). A policy for periodic rate studies is a proactive and strategic approach to managing the financial health of a utility. Conducting thorough internal reviews during non-rate study years allows utilities to proactively address challenges, optimize operations, and lay

the groundwork for informed decision-making in subsequent rate studies. Some utility systems have an annual cost-of-living rate increase that is adopted once, and then rates adjust at an inflationary percentage each year.

Ask Audit: Don't be afraid to engage with your auditor. Ask questions. Identify weaknesses and adopt policies accordingly.

Repair and Maintenance Reserve: Our Office recommends utility systems set aside funds to pay for major repair and maintenance expenses that do not meet criteria for capitalization under generally accepted accounting principles. Because these costs are reported as a current year expense, they cannot be financed by long-term debt and must be financed by available cash. Our office recommends local governments adopt a resolution that outlines:

- A minimum target reserve amount that is based upon long-term maintenance needs and reflects specific needs of the utility system.
- The funding methodology of the reserve. This may be a tiered approach to build toward maintenance costs that occur every 5 -15 years.
- Authorized uses of reserve funds. For example:
 - Excludes: annual-recurring repair and maintenance costs.
 - Includes: water storage tank cleaning and painting, sewer lagoon dredge costs, non-capitalized costs related to moving utility lines, storm repair, etc.
- Required authorizations for use of reserve funds.
- Where funds are maintained:
 - Bank account, investment account, etc.
 - The Local Government Investment Pool administered by the Tennessee State Treasurer provides interest earnings and accessibility.
- Annual monitoring
 - We recommend an annual report to the governing body that includes the target balance, balance at the beginning of the year, ending balance, additions to, expenses from, and a discussion on needed changes, if any, to the authorized reserve level and uses.
- Periodic reassessment requirements
 - At set intervals, identify new risks, rising costs, condition of assets, new environmental regulatory requirements, and other factors that impact the current reserve policy and change the utility system's policy as needed.

Depreciation Savings Account: A capital asset is depreciated over its estimated useful life to allocate the cost of the asset to the periods a utility system either gains benefit, or produces revenue, from the asset. State law requires that all utility systems recognize depreciation consistent with generally accepted accounting principles. When debt is used to finance the purchase of an asset, the depreciation expense tends to equal the cash needed to repay the debt. This presents a unique opportunity for utility systems that also finance capital assets with cash reserves, grants, and contributions. Our Office recommends local governments adopt a policy to deposit an amount equal to “annual depreciation expense less annual principal payments” into an interest-bearing account or authorized investment to be reserved for future capital investment. Even though capital costs increase due to inflation, a depreciation savings account will enable utility systems to finance future capital investments with less debt, which often results in significant interest cost savings to the utility system. For deposit and investment options, see the Tennessee Department of the Treasury for information on the Local Government Investment Pool ([LGIP](#)) and Intermediate Term Investment Fund ([ITIF](#)).

Appendix A

TBOUR Oversight Summary

	Description	Applies To	Tenn. Code Ann.	Source of Referral, Notification, Other
<p style="text-align: center;">A. REFERRALS</p> <p style="text-align: center;">TBOUR reviews and applies sanctions and determines remedial actions needed by local officials for the following:</p>				
A-1	Ailing System —Financial distress: (1) Deficit total net position (2) Deficit unrestricted net position (3) Statutory decrease in net position for two consecutive years (4) Default on debt	All	§ 7-82-703(b) § 7-82-704(a)(1)	Comptroller
A-2	Excessive water loss	All	§ 7-82-702(a)(5) § 7-82-706(c) § 7-82-707(d)	TBOUR Staff
A-3	Failure to meet initial training or continuing education requirements	All	§ 7-82-702 (a)(14)	TBOUR Staff
	Failure to meet initial training or continuing education requirements	City or County	§ 7-34-115 (k)	TBOUR Staff
A-4	Failure to submit annual information report	All	§ 7-82-707(a)	TBOUR Staff
A-5	Administrative review of the financial, technical, and managerial capacity of a utility system	All	§ 7-82-706 (a-b)	Comptroller TBOUR Staff
A-6	Unlawful use or reliance on funds	All	§ 7-82-703 (c)(1)(B) § 7-82-703(c)(1)(C)	Comptroller
A-7	Late audits for two consecutive years	All	§ 7-82-703(c)(1)(A)	Comptroller
A-8	Complaints from utility customers —various	All	§ 7-82-702(b) TBOUR Rules	Customer(s), TBOUR Staff
	Complaints from utility customers —grievance related to final decision by a utility district on customer protest related to water or sewer rates.	UD	§ 7-82-402(a)(3)	Customer(s), TBOUR Staff
	Complaints from utility customer —petition for utility district rate review	UD	§ 7-82-102	10% of Customers
A-9	Failure to assess or update cyber security plan every two years	All	§ 7-51-2302	Comptroller
A-10	Failure to provide information on connection costs	All	§ 65-5-403	TBOUR Staff
A-11	Failure to demonstrate technical, managerial, and financial capability by SRF loan applicants.	All	§ 68-221-1206 (a)(3)	TBOUR Staff
A-12	Ailing System —Financially unable to expand service as set forth in creation documents.	All	§ 7-82-704(a)(2)	TBOUR Staff
A-13	Ailing System —Pattern of severe managerial incompetence	All	§ 7-82-704(a)(3)	
A-14	Adoption of ethical standards that differ from TAUD approved model.	UD WWTA RWWTA GA	§ 7-82-702(a)(6)(C)	TBOUR Staff

	Description	Applies To	Tenn. Code Ann.	Source of Referral, Notification, Other
A-15	Investigative report issued by TN Comptroller for a utility district	UD	§ 7-82-307(b)(2)(A)	Comptroller
A-16	Questions on adequacy of purchasing policy for a utility district	UD	§ 7-82-804	Concerned Party
B. APPROVALS AND RECOMMENDATIONS TBOUR reviews and either approves, disapproves, or recommends for the following:				
B-1	Application for Utility Revitalization Fund grant	All	§ 7-82-708	Local officials
B-2	Applications for utility relocation loans	All	§ 67-3-901(j)	Local officials
B-3	Utility service to customer in adjoining utility district	UD	§ 7-82-112(a)	Customer or Adjoining Utility District
B-4	Resolution to change method of board appointment for a utility district	UD	§ 7-82-307(a)(9)	Governing board
B-5	Petition for creation: utility district	UD	§ 7-82-201(a)(1) § 7-82-702(a)(7)	Stakeholders
	Petition for creation: public act water or wastewater treatment authority	WWTA	§ 68-221-604(b)	Local officials
	Petition for creation: public act regional water and wastewater treatment authority	RWWTA	§ 68-221-1304	Local officials
	Petition to purchase, develop, acquire, or build a new public act water or wastewater system.	City or County	§ 68-221-1017 § 7-82-702(a)(8)	Local officials
B-6	TAUD Model of Ethical Standards	TAUD	§ 7-82-702(a)(6)(A-B) § 8-17-105(b)	TAUD
C. NOTIFICATIONS TBOUR receives notifications, with no required action, for the following:				
C-1	Training extension request letter and corresponding Comptroller determination letter sent to a board member.	UD	§ 7-82-308(f)(3)	Board Member
		City or County	§ 7-34-115(j)(6)	Board Member
		WWTA	§ 68-221-605 (f)(5)	Board Member
		RWWTA	§ 68-221-1305 (f)(5)	Board Member
C-2	Petition for merger, consolidation, or re-creation of a utility district	UD	§ 7-82-202(g-h)	Stakeholders
C-3	Dissolution of a utility district	UD	§ 7-82-301(b)	County Mayor
C-4	Supplemental petition for authority for utility district to provide other utility services	UD	§ 7-82-302(e)	Governing Body
C-5	Approved training and continuing education curriculum.	Comptroller	§ 7-34-115(j) § 7-82-308(f)(7) § 68-221-605(f) § 68-221-1305(f)	Comptroller

	Description	Applies To	Tenn. Code Ann.	Source of Referral, Notification, Other
D. CONTESTED CASE HEARINGS TBOUR conducts contested case hearings for the following:				
D-1	Removal of utility district commissioner(s) by customer petition	UD	§ 7-82-307(b)(1)(A) § 7-82-702(a)(3)	Customers
D-2	Removal of utility district commissioner(s) for failures directly related to matters in an investigative report issued by the TN Comptroller of the Treasury	UD	§ 7-82-307(b)(2)(A) § 7-82-702(a)(3)	Comptroller
D-3	Removal of utility district commissioner(s) for failure to comply with a TBOUR order, failure in official duties, or misconduct of office.	UD	§ 7-82-307(b)(3)(A) § 7-82-702(a)(3)	Board staff
D-3	Change in the method of filling board vacancies for a financially distressed utility district.	UD	§ 7-82-307(c) § 7-82-702(a)(4)	Board staff

Abbreviation Key:

All	Water, Sewer, and Natural Gas Utility Systems
GA	Gas Authority
MEA	Municipal Energy Authority
RWWTA	Regional Water and Wastewater Treatment Authority
UD	Utility District
WWTA	Water and Wastewater Treatment Authority

Guidelines For Public Comment At Meetings

1. Written notification to request to speak at a meeting must be sent to and received by staff for the Tennessee Board of Utilities Regulation at utilities@cot.tn.gov, at least two business days in advance of the meeting. The email should include the proposed speaker's name, the agenda item(s) upon which the speaker wishes to comment, and whether the speaker's comments will be in favor of or opposed to the agenda item(s). Speakers will be selected on a first-come first-served basis.
2. The public comment period will be held at the beginning of the meeting once the meeting is called to order and a quorum has been established.
3. Speakers will be limited to three minutes per person per agenda item, with a maximum of two speakers in favor of and two speakers opposed to each agenda item.
4. Speakers must identify themselves at the beginning of their allotted time and stay on topic of the agenda item(s) that they have indicated their desire to speak on when addressing the board.
5. Speakers should conduct themselves in a respectful manner and will be asked to remove themselves if they engage in threatening or disruptive behavior.
6. The Board, in its discretion, may ask relevant questions of any speakers providing public comment. Such question period will not include the speaker's allotted time frame.
7. The Chair may extend the allotted time frame or the number of speakers for a particular agenda item if the Chair determines that the circumstances reasonably require it. If the Chair extends the allotted time frame or the number of speakers, the Chair shall ensure that an equal extension is granted to both those in favor of and opposed to any agenda item subject to an extension.

Policy Regarding Public Comment At Meetings

The Tennessee Board of Utility Regulation hereby adopts the above guidelines for public comment at meetings where such is required. This policy will remain in effect until repealed, or until it is superseded by a duly promulgated rule, at which time it shall be repealed automatically.

Adopted on this, the 20 day of July, 2023.



Greg Moody, Chair
Tennessee Board of Utility Regulation

Appendix X

Guidelines for Estimated Useful Lives of Assets of Water and Wastewater Systems

The Tennessee Board of Utility Regulation has adopted the following guidelines for evaluating the useful lives of assets of water and wastewater systems. The useful lives of assets should not exceed the appropriate guidelines listed below.

Capital Asset Description	Estimated Useful Life
Water Systems	
Buildings (Office and Plant)	30-50
Equipment and Tools	10-15
Furniture and Fixtures	5-10
Machinery, Equipment, Vehicles	5-15
Pumps and Treatment Equipment	15-20
Transportation Equipment	5-10
Water Lines and Storage	40-50
Well/Dam	Engineer's Estimate
Wastewater (Sewer) Systems	
Buildings (Office and Plant)	30-50
Equipment and Tools	10-15
Furniture and Fixtures	5-10
Machinery, Equipment, and Vehicles	5-15
Pumps and Treatment Equipment	5-20
Transportation Equipment	5-10
Wastewater (Sewer) System	40-50

Proposal for Handling Growth in Tennessee Utilities

The Issue

Accelerated economic growth in different areas of the state has resulted in the need to expand utility services at unprecedented rates. Sizeable investments in capital assets means higher depreciation costs; however, it will take multiple years for the customer base that will support the depreciation costs to be fully realized as new homes and businesses continue to be established. Accordingly, it is reasonable to expect utility systems to report losses in the early years as the customer base grows, and that those losses would not be indicative of financial distress.

The Solution

Local governments determined to be in an accelerated growth status will be required to prepare a multi-year growth plan (described below) for submission to the Tennessee Board of Utility Regulation (TBOUR). The plan cannot exceed 6 years after the end of the construction period.

The Plan

A plan must contain the following:

- Detailed description on how the utility will obtain its objective to manage growth while maintaining a positive cash flow and attaining a statutory positive change in net position in the last two years of the plan and going forward.
- Copy of the utility's asset management plan.
- Detailed description of the scope of the planned capital projects during the plan years.
- Letter from the utility's engineer accompanying the scope of the projects declaring the need for the work and the feasibility of the plan accomplishing its objective.
- Three years of historical financial data, proforma statements (balance sheet, income statement, and cash flow) for the plan period and three years post plan period.
- Projected number of customers and rate schedule per year for the plan period and for three years post plan. The post plan period must include an annual automatic rate increase using a nationally recognized index, like CPI.
- Resolution signed by the utility's governing body (one with power to raise rates) adopting the contents of the plan and authorizing the general manager to submit the plan to the TBOUR.

Submission to TBOUR

The plan will be submitted to the TBOUR at least 30 days before the next TBOUR meeting. If the TBOUR accepts the plan, the local government will move forward with implementation and report to the TBOUR annually during the life of the plan, and until the utility system reports a statutory increase in net position for two consecutive years.

Local governments responding to accelerated growth with a plan will not be considered financially distressed as their customer base is realized. If the local government deviates from the plan, refuses to implement plan rate increases, or repeals the plan, TBOUR will implement a normal distress case and the local government will be required to implement rates sufficient for a positive statutory change in net position in the following year.