

BEFORE THE TENNESSEE UTILITY MANAGEMENT REVIEW BOARD

IN THE MATTER OF:

**EAST SEVIER COUNTY
UTILITY DISTRICT**

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TENN. CODE ANN. § 7-82-701 *et seq*

ORDER

On December 8, 2022, the Tennessee Utility Management Review Board (“the Board”) reviewed the East Sevier County Utility District (“ESCUD”), pursuant to Tenn. Code Ann. § 7-82-701 *et seq.*

ESCUD has a long history of frequent service outages, customer complaints, and water quality issues. ESCUD has a similarly long history of excessive water loss. In 2017 and 2018 ESCUD lost more than 40% of the water it produced, and in 2019 – 2021 ESCUD lost more than 60%. The Board attributes the disparity between 2018 and 2019 to more accurate measurements used beginning in 2019. ESCUD has also, on at least one occasion, paid one of its commissioners for work for the district. ESCUD’s commissioners have a history of failing to seek upgrades to the district’s infrastructure, and the district is overdue for a rate study. ESCUD’s history at least back to 2014 demonstrates a pattern of poor governance by ESCUD’s commissioners.


For the above reasons and based on staff recommendations, the Board orders as follows:

1. Board staff will initiate a contested case to determine whether the current Board of Commissioners of the East Sevier County Utility District should be removed from their positions. Board staff are authorized to nonsuit or otherwise seek dismissal of this contested

case should the members seated as of the date of this order resign or otherwise be removed from office.

2. ESCUD 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; and,
 - d. a review of relevant utility fees including but not limited to connection or tap fees, including any recommended modifications;
 - e. and a review of the leak adjustment policy, including any recommended modifications or adoption of such policy should one not exist.

ENTERED this 21 day of December 2022.



Greg Moody, Chair
Utility Management Review Board

BEFORE THE TENNESSEE UTILITY MANAGEMENT REVIEW BOARD

IN THE MATTER OF:

**TARPLEY SHOP
UTILITY DISTRICT**

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**TENN. CODE ANN. § 7-82-401
§ 7-82-701 *et seq***

ORDER

On December 8, 2022, the Tennessee Utility Management Review Board (“the Board”) reviewed the Tarpley Shop Utility District (“the Entity”), pursuant to Tenn. Code Ann. §§ 7-82-401 and 701 *et seq.*

The Entity has not filed its annual information report with the Board, and is not operating on an approved budget. The Entity has been nonresponsive with both Board staff and other employees of the Comptroller of the Treasury. Board staff also have reason to believe district commissioners act and are paid as contractors to do work for the district.

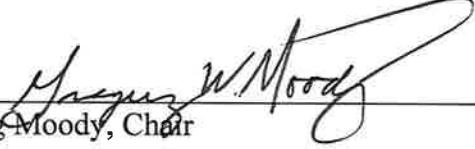
Based on Board staff representations and recommendations, the Board orders as follows:

1. Board staff shall investigate the Entity to address the financial, technical, and managerial capacity of the Entity to comply with the requirements of any applicable federal and state laws or regulations.

2. Board staff shall, with the full authority of the Board, issue subpoenas for the Entity's manager, governing body, or any other necessary staff, to appear in-person before the Board at its first meeting of 2023 if the Entity does not comply fully with the Board's investigation.

3. Board staff shall update the Board as to the status of this investigation at its first meeting of 2023.

ENTERED this 21 day of December 2022.



Greg Moody, Chair
Utility Management Review Board

BEFORE THE TENNESSEE UTILITY MANAGEMENT REVIEW BOARD

IN THE MATTER OF:

**TUCKALEECHEE
UTILITY DISTRICT**

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TENN. CODE ANN. §§ 7-82-401, 701

ORDER

On December 8, 2022, the Tennessee Utility Management Review Board (“the Board”) reviewed the Tuckaleechee Utility District (“the Entity”), pursuant to Tenn. Code Ann. §§ 7-82-401, 701 *et seq.*

The Entity has experienced problems with management, contractor expenses, infrastructure maintenance, and accurate usage rates. The Entity has corrected the majority of the above deficiencies, and Board staff are confident the Entity’s health will continue to improve. Given the combination of new management and improved internal operations, a cost-of-service study is necessary to ensure the rates charged to customers are reasonable and justifiable.


Based on staff representations and recommendations, the Board orders as follows:

TUD shall a qualified expert as approved by Board staff, perform a cost of service study that includes the following:

1. a review of the capitalization policy, including any recommended modifications;
2. a review of the debt management policy, including any recommended modifications;
3. the creation of a five-year capital asset budget, to be taken from the current capital asset list and to include future anticipated needs;

4. a review of relevant utility fees including but not limited to connection or tap fees, including any recommended modifications; and,
5. a review of the leak adjustment policy, including any recommended modifications or adoption of such policy should one not exist.

ENTERED this 21 day of December 2022.



Greg Moody, Chair
Utility Management Review Board

BEFORE THE TENNESSEE UTILITY MANAGEMENT REVIEW BOARD

IN THE MATTER OF:

**BLOUNTVILLE
UTILITY DISTRICT**

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TENN. CODE ANN. § 7-82-401(g)

ORDER

On December 8, 2022, the Tennessee Utility Management Review Board (“the Board”) reviewed the Blountville Utility District (“the Entity”) pursuant to Tenn. Code Ann. § 7-82-401.

The Entity has been referred to the Board for financial distress since 2020. The Entity is in the process of adopting TAUD’s recommendations.

Based on staff representations and recommendations, the Board orders as follows:

1. By March 31, 2023, the Entity shall provide Board staff with proof of implementation of the recommendations.
2. The Entity shall send financial updates to Board Staff by March 1st and September 1st of Each year beginning September 1, 2023, until the Board release the Entity from its oversight.

ENTERED this 21 day of December, 2022.



Greg Moody, Chair
Utility Management Review Board

BEFORE THE TENNESSEE UTILITY MANAGEMENT REVIEW BOARD

IN THE MATTER OF:

**BRISTOL-BLUFF CITY
UTILITY DISTRICT**

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TENN. CODE ANN. § 7-82-401(g)

ORDER

On December 8, 2022, the Tennessee Utility Management Review Board (“the Board”) reviewed the Bristol-Bluff City Utility District (“the Entity”) pursuant to Tenn. Code Ann. § 7-82-401.

The Entity has been actively working with TAUD to improve its overall operations. Board staff is confident in the progress that the Entity will make with the assistance of TAUD. Board staff believes that a merger between the Entity and South Fork Utility District could be in the best interest of the customers of both Districts.

Based on staff representations and recommendations, the Board orders as follows:

1. The Entity shall have the Tennessee Association of Utility Districts, or another qualified expert as approved by Board staff, perform a cost-of-service study that includes the creation of pro forma statements that evaluate a merger between the Entity and South Fork Utility District.

ENTERED this 21 day of December, 2022.



Greg Moody, Chair
Utility Management Review Board

BEFORE THE TENNESSEE UTILITY MANAGEMENT REVIEW BOARD

IN THE MATTER OF:

**CLEARFORK
UTILITY DISTRICT**

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**TENN. CODE ANN. § 7-82-401(g)
§ 7-82-701 *et seq***

ORDER

On December 8, 2022, the Tennessee Utility Management Review Board (“the Board”) reviewed the Clearfork Utility District (“the Entity”) pursuant to Tenn. Code Ann. § 7-82-401.

The Entity has been referred to the Board for financial distress since its fiscal year 2018 audit. The Entity has several years of delinquent audits. The Entity has not returned its financial distress questionnaire.

Based on staff representations and recommendations, the Board orders as follows:

1. If the Entity does not comply with any provision of this order Board staff shall, with full authority of the Board, subpoena the Entity's utility manager and all governing board members to compel their attendance at the next Board meeting.
2. 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 review of any possible mergers with surrounding utilities including a preliminary judgment on whether any merger options are feasible and should be explored further.
3. By March 31, 2023, 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 July 31, 2023 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.
 5. Board staff is given the authority to grant one extension of up to six months of the foregoing deadlines upon a showing of good cause by the Entity.

ENTERED this 21 day of December, 2022.



Greg Moody, Chair
Utility Management Review Board

BEFORE THE TENNESSEE UTILITY MANAGEMENT REVIEW BOARD

IN THE MATTER OF:

**IRON CITY
UTILITY DISTRICT**

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TENN. CODE ANN. § 7-82-401

ORDER

On December 8, 2022, the Tennessee Utility Management Review Board (“the Board”) reviewed the Iron City Utility District (“the Entity”) pursuant to Tenn. Code Ann. § 7-82-401.

The Entity has been referred to the Board for financial distress since its Fiscal Year 2018 audit. The Entity has complied with implementing the rate recommendations and leak adjustment recommendations according to information provided by the Entity. The Entity has reported excessive water loss in its Annual Information Report submission. Board staff is still waiting for the AWWA 6.0 Water Loss Tool submission from the Entity.

Based on staff representations and recommendations, the Board orders as follows:

1. The Entity shall send financial updated to Board staff by March 1st and September 1st of each year beginning March 1st, 2023, until the Board releases the Entity from its oversight.

ENTERED this 21 day of December, 2022.



Greg Moody, Chair
Utility Management Review Board

BEFORE THE TENNESSEE UTILITY MANAGEMENT REVIEW BOARD

IN THE MATTER OF:

**MOORESBURG
UTILITY DISTRICT**

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**TENN. CODE ANN. § 7-82-401(g),
§ 7-82-701 *et seq***

ORDER

On December 8, 2022, the Tennessee Utility Management Review Board (“the Board”) reviewed the Mooresburg Utility District (“the Entity”) pursuant to Tenn. Code Ann. § 7-82-401.

The Entity has been referred to the Board for financial distress since its fiscal year 2019 audit. The UMRB entered an order against the Entity in November 2021. Despite assurances, the Entity did not comply with the Board’s previous order.

Based on staff representations and recommendations, the Board withdraws its previous order against the Entity and orders as follows:

1. The Commissioners of the Mooresburg Utility District, along with the District's general manager (or other employee(s) who perform the duties traditionally assigned to a general manager), shall attend the first regularly-scheduled UMRB meeting in 2023. Board staff, acting with the Board's authority, will issue subpoenas to ensure these individuals' attendance. Board staff are further authorized to pursue this matter in Chancery court if necessary to secure attendance.
2. 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 review of any possible mergers with surrounding utilities including a preliminary judgment on whether any merger options are feasible and should be explored further.
3. By May 1 2023, 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 May 1, 2023, the Entity shall complete its 2023 Annual Information Report.
 5. By September 1, 2023, 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.

ENTERED this 21 day of December, 2022.



Greg Moody, Chair
Utility Management Review Board

BEFORE THE TENNESSEE UTILITY MANAGEMENT REVIEW BOARD

IN THE MATTER OF:

**SOUTH FORK
UTILITY DISTRICT**

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TENN. CODE ANN. § 7-82-401

ORDER

On December 8, 2022, the Tennessee Utility Management Review Board (“the Board”) reviewed the South Fork Utility District (“the Entity”) pursuant to Tenn. Code Ann. § 7-82-401.

Since the last UMRB meeting, the SFUD manager has resigned his position with the utility. SFUD conducted a feasibility study to examine a merger between the Entity and Bristol-Bluff City Utility District, and between the Entity and the city of Bristol. The study found both of these mergers feasible. Further information is necessary before staff can offer a final recommendation.

Based on staff representations and recommendations, the Board orders as follows:

1. The Entity shall send an update to Board staff by April 1st, 2023 regarding grants and loans that have been accepted, capital projects that are under way, and any updates on mergers that are being pursued by the district.

ENTERED this 21 day of December, 2022.



Greg Moody, Chair
Utility Management Review Board

CERTIFICATE OF SERVICE

BEFORE THE TENNESSEE UTILITY MANAGEMENT REVIEW BOARD

IN THE MATTER OF:

MULTIPLE CITIES

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**TENN. CODE ANN. § 7-82-401(g)
-FINANCIAL DISTRESS**

ORDER

On December 8, 2022, the Tennessee Utility Management Review Board (“the Board”) reviewed the financially distressed status of the entities listed below, pursuant to Tenn. Code Ann. § 7-82-401(g).

The listed entities have complied with prior directives of the Board and shown positive changes in net position. Based on Board staff’s statements and recommendations the Board orders that the following entities are officially released from Board oversight:

Beford County Utility District

Griffith Creek Utility District

Staff and counsel may close any active cases or investigations unless the entities fall under Board oversight in the future.

ENTERED this 21 day of December 2022.



Greg Moody, Chair
Utility Management Review Board