



AGENDA
Utility Management Review Board
August 1, 2013
10:00 am
Room 31, Legislative Plaza
301 Sixth Avenue North
(6th Avenue between Charlotte Avenue and Union Street)
Nashville, Tennessee

Call to Order

Approval of Minutes

February 7, 2013
April 4, 2013

Cases:

Sneedville Utility District	Hancock County
Arthur Shawanee Utility District	Claiborne County
Bean Station Utility District	Grainger County
Bon de Croft Utility District	White County
Cold Springs Utility District	Johnson County
Northwest Henry County Utility District	Henry County
Sylvia-Tennessee City- Pond Utility District	Dickson County
Haywood County Utility District	Haywood County
First Utility District of Tipton County	Tipton County

Cases – Water loss:

Tarpley Shop Utility District	Giles County
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Status:

Boomingdale Utility District	Sullivan County
Chuckey Utility District	Greene County
Cross Anchor Utility District	Greene County
Northeast Henry County Utility District	Henry County
Shady Grove Utility District	Jefferson County
West Point Utility District	Lawrence County
Clay Gas Utility District	Clay County
DeWhite Utility District	White County

Rate review:

Outdoor Resorts of America vs. Webb Creek Utility District	
Bent Creek Golf Village vs. Webb Creek Utility District	
	Sevier County

Complaint:

City of Elkton vs. South Giles Utility District	Giles County
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Investigative report:

Northeast Henry County Utility District	Henry County
Sneedville Utility District	Hancock County

Compliance:

Cookeville Boat Dock Road Utility District	Putnam County
Fall River Utility District	Lawrence County
Gibson County Municipal Water District	Gibson County
Jackson County Utility District	Jackson County
South Giles Utility District	Giles County
South Side Utility District	Smith County
Tuckaleechee Utility District	Blount County
Bristol-Bluff City Utility District	Sullivan County
Clarksburg Utility District	Carroll County
DeWhite Utility District	White County
First Utility District of Hardin County	Hardin County
West Point Utility District	Lawrence County
Woodlawn Utility District	Montgomery County

Utility Relocation Loan Program:

Cookeville Boat Dock Road Utility District	Putnam County
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Miscellaneous:

Commissioner training approval	
Legal issues – Appellate opinion:	
Powell-Clinch Utility District	Anderson County
Oak Ridge Utility District	Anderson County
Sevier County Utility District	Sevier County
Legal issues – per Board members request:	
Lone Oak Utility District	Sequatchie County
Cherokee Hills Utility District	Polk County
Merger – Mowbray into North West UD	Hamilton County
Old Hickory into Metro Nashville	Davidson County
New legislation	
Complaint log	
Jurisdiction list	
Water loss	
Next UMRB regular meeting	December 5, 2013

Open Discussion

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

505 Deaderick Street, Suite 1500
James K. Polk State Office Building
Nashville, TN 37243-1402
Telephone (615) 401-7864
Fax (615) 741-6216
Joyce.Welborn@cot.tn.gov

UTILITY MANAGEMENT REVIEW BOARD
Case Study

Case: First Utility District, Tipton County
Manager: Rickey Gray
Customers: 3,142 water
Validity Score: 75
Non-revenue water as a percent of operating cost: 5.3%

The First Utility District has been reported to the Board as having two consecutive years with a negative change in net assets in its water system as of December 31, 2012. The financial and rate history is reflected on the attached sheet.

Based on information provided by District officials, during FY 11, a three-year old well collapsed resulting in \$95,000 in additional expenses. A refinancing of debt occurred during FY 12 and the auditors adopted GASB 63 prior to its implementation date. GASB 63 recognizes the costs related to refinancing of debt in the year of occurrence instead of spreading the costs over the life of the debt. The bookkeeper also incorrectly allocated the depreciation expense between the water and gas systems during FY 12.

The financial statements for FY 12 are being reissued with the correction to the depreciation expense. The change will result in a positive change in net assets for FY 12 of \$23,066,

The District has no commercial rate for water service.

Staff to the Board projected that a 9% rate increase was needed. Effective July 23, 2013, the rates were increased \$1.00 on the minimum, and \$0.50 for each 1,000 gallons sold above the 2,000 gallon minimum allowance.

Staff recommends the Board dismiss the First Utility District of Tipton County as being in compliance. The District will remain under the jurisdiction until an audit is received which reflects compliance.

FIRST UTILITY DISTRICT OF TIPTON COUNTY HISTORY FILE			
	Audited 2010	Audited 2011	Audited 2012
FYE December 31			
Water revenues	\$ 1,083,868	\$ 960,908	\$ 1,050,836
Other revenues	\$ 27,944	\$ 52,272	\$ 57,742
Capital Contributions	\$ 9,500	\$ 9,854	\$ 5,450
Total Operating Revenues	\$ 1,121,312	\$ 1,023,034	\$ 1,114,028
Total Operating Expenses	\$ 884,328	\$ 1,005,643	\$ 1,005,462
Operating Income	\$ 236,984	\$ 17,391	\$ 108,566
Interest Expense	\$ 120,698	\$ 134,346	\$ 122,136
Gain (Loss) on disposal of capital assets	\$ (10,178)	\$ 5,960	\$ 2,686
Change in Net Assets	\$ 106,108	\$ (110,995)	\$ (10,884)
<u>Supplemental Information</u>			
Principal payment	\$ 122,796	\$ 130,422	\$ 237,675
Depreciation	\$ 274,888	\$ 294,645	\$ 350,123
Water Rates			7/23/2013
First 2,000 gallons	\$ 9.00	\$ 10.00	\$ 10.00
2,001 - 4,000 gallons	\$ 3.75	\$ 3.75	\$ 11.00
All over	\$ 5.50	\$ 5.50	\$ 4.25
Customers	3,136	3,150	\$ 6.00
Water loss	18.200%	21.500%	
Validity Score			75
Non revenue water %			5.30%

Clay Gas Utility District

Natural Gas America's Best Energy Value

P.O. BOX 307
Celina, TN 38551-0307
Phone (931) 243-4070

July 22, 2013

Joyce Welborn, Board Coordinator
Comptroller of the Treasury
State of Tennessee-Division of local Finance
414 Union Street-Suite 1110
Nashville, TN 37243-1402

Dear Ms. Welborn,

The history of the Clay Gas Utility District has been charged with a number of significant challenges which initially appeared to be a task that required almost super-human efforts. The current Clay Gas Utility District board of commissioners has demonstrated that a consistent business mentality in addition to making obvious, but sometimes difficult decisions was required. Some of the milestones in our history are listed below.

I Clay Gas Utility District was formed by the Clay County Commission in 1997 and the original board members were selected.

II To finance the construction of the gas system \$3.3 million of bonds were sold through Morgan Keegan. The bond prospectus stated that as soon as the gas system was operational at least 600 customers would be hooked up to natural gas.

III In 1998 the board hired Walton Haddix to manage the construction of the gas system.

IV In August of 2000, Haddix was convicted of multiple counts of theft, conversion and several other criminal acts which provided Clay Gas with more than \$3.3 million of very negative advertising. Consequently, many potential customers were wary of doing business with Clay Gas.

V Since the reputation of Clay Gas was widely known in the county, many potential customers chose not to take a chance which negatively affected the growth of the customer base. In addition, OshKosh manufacturing left the country for lower cost of labor which impacted jobs as well as being a significant industrial customer for Clay Gas. During the course of the gas system's operation there have been approximately 200 customers compared to the prospectus claim of 600.

VI Only one bond payment has ever been made. It was early in the development of Clay Gas from the initial bond proceeds.

VII When the current board took office, one of the first orders of business was to review the entire customer base and notify all delinquent customers to bring their accounts up to date. Those who did not comply were disconnected from service and delinquent accounts were turned over to a collection agency.

VIII Clay Gas has become modestly cash positive though still not profitable since the customer base remained around the 200 level. However, the district has been successful in "recruiting" all of the chicken growers located near the gas line in the county. Currently, 26 chicken grower houses remain using propane as they are not close to a main gas line. Further, a number of potentially new residential customers have requested gas service. At this time, the gas system is at capacity until the metering station is upgraded. The engineering has been completed to double the system's capacity flow in order to add new customers in the upcoming heating season.

IX In March of 2012, a bond tender offer of six cents on the dollar (when including accrued interest) was made to all bondholders resulting in the retirement of 76% of outstanding bond debt and 74% of accrued interest. There still remains bond debt of \$755,000 plus accrued interest.

X The board seeks to remedy the remaining debt via bankruptcy as the market value of the bond and accrued interest has now been soundly established (by the bondholders) which is definitely within the typical range of bankruptcy results. After the elimination of the remaining debt this will provide other options to insure that natural gas will remain a viable alternative for many current and future residents in Clay County. Additionally, natural gas will be available to current or future industrial and commercial employers to stimulate job growth and economic development in this financially distressed county.

XI The board has worked with our state representative and state senator to have Clay Gas Utility District put on next year's legislative docket to draft and pass a bill to specifically provide the required "permission" to proceed through the court system to eliminate our remaining debt which amounts to 24% of original bonds outstanding. We have also had a discussion with the comptroller's office and advised them of our intent. However, there is no guarantee that any legislative body will support any given bill until it is put before them. We feel that we had succeeded in establishing the "market value" of Clay Gas bond debt at six cents on the dollar. The remaining activity should be just an administrative effort as six cents on the dollar is well within the historic values established in the vast majority of bankruptcy activity.

What we would request of the Utility Management Review Board is to offer their support in the form of either a ruling or merely just a general letter of support to proceed as we have already shown that the vast majority of bond holders agree as to the real value of the bonds. Once the remaining debt is eliminated Clay Gas Utility District can really begin to have a much brighter future as other favorable options are then on the table for consideration.

Clay Gas Utility District has navigated difficult and challenging times and now we are optimistic that the future can be much brighter. We respectfully ask for your support and thank you for all of your support in the past.

Sincerely,

A handwritten signature in cursive script that reads "Ray Norris".

Ray Norris
President

Clay Gas Utility District

Natural Gas America's Best Energy Value

P.O. BOX 307
Celina, TN 38551-0307
Phone (931) 243-4070

Summary of Bond Tender Activity -Debt Retirement-

Bond Debt Prior to Tender:

Principle	\$3,140,000
Interest	<u>\$2,130,367</u>
Total	\$5,270,367

Bond Tender Transaction (March 28, 2012)

Bond Value Tendered	\$2,385,000	76% of Total Bonds
Accumulated Interest	<u>\$1,571,248</u>	74% Of Total Accum. Interest
Total Bond Debt Tendered	\$3,956,248	75% of Total Bond Debt

Original Bond Debt Load 1998	\$3,250,000.00
Repurchased in 2000 with original bond proceeds	<u>\$ 110,000.00</u>
Revised Balance of Bond Debt Load	\$3,140,000.00
Repurchased in March 2012	<u>\$2,385,000.00</u>
Revised Balance of Bond Debt Load	\$ 755,000.00

Purchase Price Paid to Bondholders \$238,500

Bond Value Retired \$2,385,000

Bond Interest Retired \$1,571,248

Total Debt Retired \$3,956,248

$\$238,500 / \$3,956,248 = 6 \text{ cents on the Dollar}$

Update

DeWhite Utility District

Water Loss Reduction Plan

The DeWhite Utility District had an annual water loss of 41% for fiscal year 2012. The system understands the urgency and importance of maintaining a low water loss percentage and has taken steps over the past several years to reduce this number down. This plan was developed in accordance with the AWWA Water Audit to reduce our water loss even further. The Audit did show our utility was doing a good job with a relatively low Infrastructure Leakage Index; however the utility is committed to doing an even better job in this area. The following list is the plans of the utility to get this problem under control.

1. The DeWhite Utility District has an ongoing meter change out program. As funds permits the Utility is going to automated meter reads (AMR) approx 300 meters per year. This year the District was able to purchase and install 600 meters and also convert 60 existing meters to automated meter reads.
2. The District installed 9 zone meters in 2010 and 2011. The District is also looking into implementing a S.C.A.D.A. system to help decrease the longevity of these leaks.
3. In 2012, the District did purchase a new leak detection machine to augment our tools in the effort to lower our water losses. The District will continue with its ongoing leak survey throughout the system. One step in this process is to hire a leak detection company in 2013 to help us look at our entire distribution system.
4. The system is looking at problematic areas to priorities and replace pipe. The District replaced approximately 4,750 ft. of problematic piping this summer, and will continue to identify new areas that may need replacing. In addition, the District installed a new pressure reducing valve on Franks Ferry Road and stopped using a suspected faulty/inaccurate master meter from one of our suppliers.

Compliance August
2013

BRISTOL-BLUFF CITY UTILITY DISTRICT
Statement of Revenues, Expenses, and Changes in Net Assets
Year Ended July 31, 2012

Operating revenue	\$ 1,371,641
Operating expenses	<u>851,661</u>
Operating income before depreciation	519,980
Depreciation and amortization	<u>238,282</u>
Operating income	<u>281,698</u>
Non-Operating Revenue/(Expenses)	
Interest income	9,411
Interest expense	<u>(290,593)</u>
Total non-operating expenses	<u>(281,182)</u>
Net change in net assets	516
Net assets at beginning of year	<u>2,768,998</u>
Net assets at end of year	<u>\$ 2,769,514</u>

87 | 20.20%

Clarksburg Utility District
Statement of Revenue, Expenses and Changes in Net Position
For the Year Ended December 31, 2012

Operating revenue:	
Water Sales	\$ 223,719
Penalty Fees	4,700
Tap Fee / Connect Fee	4,800
Sewer Billing Income	1,800
Other Income	<u>9,007</u>
Total operating revenue	\$ 244,026
Operating expenses:	
Manager Salary	\$ 32,901
Salary - Bookkeeper	5,657
Commissioner Fees	1,400
Backhoe - leak repair	6,680
Backhoe - meter installation	2,450
Chemicals / Water Test	3,908
Data processing costs	3,560
Depreciaton expense	47,261
Dues and fees	1,514
Electric	12,054
Improvements Expense	6,015
Insurance	2,837
Leak repair	12,815
Meter installation	2,615
Miscellaneous	1,258
Payroll Taxes - Federal	831
Postage/Office Expense	2,602
Professional services	7,942
Rent	44
Repairs and maintenance	35,050
Supplies and materials - Other	11,113
Telephone and paging	585
TN Dept of Labor Tax	17
TN One Call Locates	4,114
Training and education	209
Water Line Flushing	6,090
Water Line Relocation	<u>1,760</u>
Total operating expenses	213,282
Operating income (loss)	30,744
Non-operating revenues (expenses)	
Interest Income	\$ 1,041
Interest Expense	<u>(26,348)</u>
Total non-operating revenue and expenses, net	<u>(25,307)</u>
Increase(decrease) in net position	5,437
Net position at beginning of year	<u>840,630</u>
Net position at end of year	<u>\$ 846,067</u>

711/100
4.8%

Compliance August 2013

**DEWHITE UTILITY DISTRICT
OF WHITE AND DEKALB COUNTIES, TENNESSEE
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
Year ended December 31, 2012**

Operating revenues:			
Water sales (less bad debts \$13,222.26)			\$ 1,077,039.59
Forfeited discounts			23,582.22
Tap fees			12,659.34
Other income			<u>26,616.87</u>
		TOTAL OPERATING REVENUE	\$ 1,139,898.02
Operating expenses:			
Salaries and wages	\$ 188,211.44		
Payroll taxes	15,314.32		
Employee benefits	73,206.23		
Retirement expense	24,062.69		
Water purchased	464,829.44		
Legal and accounting	5,937.38		
Repairs and maintenance	22,778.33		
Provision for depreciation	138,432.70		
Office expense	38,392.34		
Utilities	31,009.94		
Director fees and travel	9,912.43		
Supplies	40,437.53		
Insurance	16,470.00		
Truck expense	20,468.05		
Miscellaneous	<u>14,938.10</u>		<u>1,104,400.92</u>
		OPERATING INCOME	\$ 35,497.10
Non-operating revenues (expenses):			
Interest income	\$ 343.23		
Interest expense	(35,181.65)		
Recovery of bad debts	<u>5,166.47</u>		<u>\$ (29,671.95)</u>
		INCREASE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	\$ 5,825.15
Capital contributions:			
Tap fees in excess of cost			<u>7,941.72</u>
		CHANGE IN NET POSITION	\$ 13,766.87
Net position - January 1, 2012, restated - Note G			<u>3,198,168.72</u>
		NET POSITION - DECEMBER 31, 2012	<u>\$ 3,211,935.59</u>

Provision for depreciation was computed by the straight-line method and totaled \$138,432.70

Interest incurred for the year totaled \$35,181.65, all of which was charged to expense.

See the notes to financial statements.

*17/100
19.8%*

*Compliance
August 2013*

FIRST UTILITY DISTRICT OF HARDIN COUNTY, TENNESSEE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2013

OPERATING REVENUES	
Metered water sales	\$ 1,233,282
Uncollectible accounts	(28)
Penalties	11,119
Connection fees	20,292
Miscellaneous	2,477
Service charges	<u>17,687</u>
TOTAL OPERATING REVENUES	<u>1,284,829</u>
OPERATING EXPENSES	
Commissioner fees	5,200
Education and training	1,120
Repairs and maintenance	148,726
Legal and accounting	3,850
Engineering	30,217
Advertising	880
Postage	15,735
Office expense	21,929
Purification supplies	84,253
Auto and truck expense	11,518
Travel and meetings	710
Plant supplies	46,055
Water tests	9,129
Uniforms	7,288
Janitorial	2,499
Dues	6,938
Salaries	336,059
Retirement expense	4,955
Payroll taxes	25,300
Unemployment taxes	634
Utilities	82,046
Telephone	6,012
Employee health insurance	67,200
Insurance	24,005
Miscellaneous	2,418
Depreciation and amortization	<u>216,211</u>
TOTAL OPERATING EXPENSES	<u>1,160,887</u>
OPERATING INCOME	<u>123,942</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest income	11,373
Insurance recovery	5,037
Interest expense	<u>(99,852)</u>
NET NON-OPERATING REVENUES (EXPENSES)	<u>(83,442)</u>
NET INCOME BEFORE CAPITAL CONTRIBUTIONS	40,500
Capital contributions	<u>10,400</u>
NET INCREASE IN NET ASSETS	50,900
NET ASSETS - beginning of year	<u>2,857,949</u>
NET ASSETS - end of year	<u>\$ 2,908,849</u>

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

17 | 15.2%

Compliance
August 2013

WEST POINT UTILITY DISTRICT

Statement of Revenues, Expenses
and Changes in Net Assets

For the Year Ended December 31, 2012

Operating Revenues:	
Metered water sales	\$50,317
Total Operating Revenues	<u>50,317</u>
Operating Expenses:	
Water purchases	14,419
Materials and supplies	2,206
Repairs and maintenance	2,365
Contract labor	6,381
Office expense	672
Insurance	100
Utilities	366
Professional services	1,600
Dues	550
Depreciation	12,756
Miscellaneous	217
Total Operating Expenses	<u>41,632</u>
Operating income (loss)	<u>8,685</u>
Nonoperating Revenues (Expenses):	
Interest expense	<u>(2,043)</u>
Total Nonoperating Revenues (Expenses)	<u>(2,043)</u>
Capital contributions	<u>44,866</u>
Net change in net assets	51,508
Net Assets, January 1, 2012	<u>339,346</u>
Net Assets, December 31, 2012	<u>\$390,854</u>

16/100
20%

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

Compliance
August 2013

WOODLAWN UTILITY DISTRICT
OF MONTGOMERY COUNTY, TENNESSEE

Statement of Revenues, Expenses
and Changes in Net Assets

For the Year Ended December 31, 2012

Operating Revenues:	
Metered sales	\$1,913,102
Tap fees	20,500
Installation fees	76,140
Total Operating Revenues	<u>2,009,742</u>
Operating Expenses:	
Water purchased	1,051,703
Wages	197,355
Employee benefits	38,750
Office expense	39,835
Dues and fees	20,764
Repair and maintenance	83,224
Insurance	15,545
Utilities	47,388
Truck expense	12,041
Professional services	28,098
Advertising	3,419
Miscellaneous	11,631
Depreciation	140,049
Total Operating Expenses	<u>1,689,802</u>
Operating income (loss)	<u>319,940</u>
Nonoperating Revenues (Expenses):	
Interest expense	(3,872)
Interest income	3,926
Total Nonoperating Revenues (Expenses)	<u>54</u>
Net change in assets	319,994
Net Assets, December 31, 2011	<u>4,828,452</u>
Net Assets, December 31, 2012	<u>\$5,148,446</u>

See accompanying notes to the financial statements.

85 / 8.8070

UTILITY MANAGEMENT REVIEW BOARD

Utility Relocation Loan Program

The Cookeville Boat Dock Road Utility District has requested an interest-free five year \$100,000 loan to move the utility facilities at Ditty Road and State Route 135.

The original request for the loan was received by staff on June 30, 2012. The packet was submitted with audited financial statements for the years ending December 31, 2008, 2009, and 2010, along with letters of denials from three banks stating they would not loan money to the District at a zero percent interest rate for a five-year period.

On March 6, 2013, after repeated requests for current financial information, staff returned the loan request packet to the District.

On July 11, 2013, the original identical packet was resubmitted without current financial information. Staff searched the web and located current audited information for the fiscal years ending December 31, 2011 and 2012.

A synopsis of the financial condition is attached to this summary.

Based on the information contained in the packet and the conversations with the District's engineer, the project is almost complete and was funded by available cash at the District.

Staff recommends the Board deny the loan.

Cookeville Boat Dock Road Utility District

URLP Analysis

FYE December 31	2008	2009	2010	2011	2012
Sales	\$ 740,841.03	\$ 763,826.89	\$ 809,447.48	\$ 983,878.00	\$ 1,135,422.00
Other income	\$ 42,873.63	\$ 31,617.76	\$ 36,939.51	\$ 63,249.00	\$ 51,034.00
Interest income	\$ 17,560.09	\$ 11,665.39	\$ 9,534.26	\$ 6,365.00	\$ 7,345.00
Customer contributions	\$ 197,041.90	\$ 102,211.00	\$ 3,500.00	\$ 7,000.00	
Tap fee in excess of cost			\$ 3,092.00		
Grant income			\$ 400,000.00		
Total revenue	\$ 998,316.65	\$ 909,321.04	\$ 1,262,513.25	\$ 1,060,492.00	\$ 1,193,801.00
Operating expenses	\$ 705,682.74	\$ 774,385.87	\$ 867,403.80	\$ 804,702.00	\$ 926,734.00
Depreciation expense	\$ 63,036.29	\$ 67,034.89	\$ 73,764.77	\$ 113,748.00	\$ 116,505.00
Interest expense	\$ 25,783.59	\$ 23,405.90	\$ 28,514.86	\$ 78,914.00	\$ 81,073.00
Total expenses	\$ 794,502.62	\$ 864,826.66	\$ 969,683.43	\$ 997,364.00	\$ 1,124,312.00
Change in Net Assets	\$ 203,814.03	\$ 44,494.38	\$ 292,829.82	\$ 63,128.00	\$ 69,489.00
Water Loss	39.06%	45.48%	45.92%	84/19.8%	84/13.7%
Rates					
0 - 2,000 gallons	\$ 10.89	\$ 11.65	\$ 13.90	\$ 16.00	\$ 16.00
2,001 - 5,000 gallons	\$ 5.45	\$ 5.83	\$ 6.93		
5,001 - 10,000 gallons	\$ 4.79	\$ 5.13	\$ 6.23		
10,001 - 25,000 gallons	\$ 4.13	\$ 4.42	\$ 5.00		
All over	\$ 3.08	\$ 3.30	\$ 4.00	\$ 8.23	\$ 8.23
% 5,000 gallon increase		7.00%	19%	19%	0%
Customers	2,659	2,662	2,675	2,696	2,715
Cash on hand	\$ 375,435.69	\$ 435,437.58	\$ 163,122.72	\$ 230,529.00	\$ 510,498.00
Restricted cash	\$ 169,419.04	\$ 157,754.07	\$ 152,342.53	\$ 156,308.00	\$ 168,132.00
Long term debt	\$ 591,469.98	\$ 1,139,203.07	\$ 1,752,835.49	\$ 1,935,501.00	\$ 1,869,906.00
Change in cash/equivalents	\$ (36,351.68)	\$ 21,673.74	\$ (23,440.70)	\$ 69,207.00	\$ 212,426.00

Cookeville Boat Dock Road

Water Utility District
1591 West Cemetery Road
Cookeville, Tenn. 38506
Bus: (931) 432-4459
Res: (931) 858-4996
Fax: (931) 432-4471

June 6, 2012

JUN 30 2012

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

RE: Application URLP

Dear Ms. Welborn:

The Cookeville Boat Dock Road Utility District (CBDRUD) wishes to borrow \$100,000 through the Utility Relocation Loan Program (URLP) to relocate water lines at the intersection of Ditty Road and S.R. 135.

We certify that CBDRUD is a local government as described in TCA Chapter 1200-22-8.

We certify that this \$100,000 loan proposed along with other debt of CBDRUD is within the debt limitation provision of the general laws of the state.

CBDRUD will comply with all applicable laws, rules, and regulations of the state (See attached TDEC approval letter for the Plans).

The attached Engineering Report shows the estimated project cost and a proposed rate surcharge to be used to pay the cost of this work. As can be seen from the attached three annual audits, the districts revenues are adequate.

Yours,



Marshall Cass, President

EQUAL OPPORTUNITY EMPLOYER



STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION
CHATTANOOGA, TN 37422-2368

JOHN C. SCHROER
COMMISSIONER

BILL HASLAM
GOVERNOR

Engineering Authorization Date: 12/16/2011

Federal Funds: 11/2/2011

ELMA ALLISON
COOKEVILLE BOAT DOCK ROAD UTILITY DISTRICT
1591 WEST CEMETARY ROAD
COOKEVILLE, TN 38506

Water

Project Eligible For
Chapter 86

Reimbursement:

YES NO

PROJECT#/S: 71024-2201-94 COUNTY/S: PUTNAM
FEDERAL: HRRR-135(15) PIN #: 112787.00
DESCRIPTION: INTERSECTION OF STATE ROUTE 135 AND DITTY RD. LM 4.02

Please refer to the above captioned project number on all correspondence concerning utility relocation.

Dear Elma Allison,

This letter will serve as authority for the Utility to proceed with ALL engineering that is necessary to prepare plans, schedule of working days, and estimates of cost for the adjustment of your facilities which may be in conflict with this project. This is done in accordance with the provisions of TCA 54-5-854.

If a consultant is needed, see paragraph "A" on page 2. Consultant package must be submitted and approved by this office before consultant engineering will be eligible for reimbursement.

Estimates of cost prepared in response to this authorization are confidential and shall not be released or made available to anyone other than the Utility, the approved consultant, and TDOT.

Reimbursement will be in accordance with TCA 54-5-804 and as amended by Public Chapter No. 86 of the Public Acts of 2003. The cost of any work done prior to the authorization date of this letter will not be eligible for reimbursement.

This notice is not to be construed as authority to actually relocate any of your facilities. Any relocation work done prior to written approval from the State Utility Coordinator, will not be eligible for reimbursement.

This project is currently scheduled for letting: 6/15/2012

To be eligible for reimbursement, if the project is qualified for Chapter 86 reimbursement as noted above, the Utility MUST submit to this office for Location Approval by the revised due date (A): 3/1/2012

- 1) (5) half-sized, color-coded relocation plans. A PDF file is requested if the utility can provide in lieu of hardcopies.
- 2) Completed TDOT Form 2004-16, including signed Schedule of Working Days and Chapter 86 Eligibility.
- 3) Utility declaration for reimbursement.

In addition, to be eligible for inclusion of the utility relocation work in the State Construction contract, the following must be submitted by due date (B): 2/24/2012

- 1) PDF file of detailed color-coded Utility relocation plans is required.
- 2) PDF file of detailed Utility Specifications is required.
- 3) Complete Utility Item Spreadsheet in Excel format, including estimated construction costs.
- 4) Complete Utility individual permit sketches, if required.

If the submittal is not made prior to the date specified, the utility will not be eligible to include the work in the state contract.



Declaration of Scheduled Calendar Days

Project Number: 71024-2201-94 PIN No. 112787.00
 Description: Intersection of S.R. 135 and Ditty Road LM 4.02
 County: Putnam

Date: 25JUN12
 Utility: Cookeville Boat Dock Road Utility District
 Address: 1591 West Cemetery Road
 City: Cookeville State: TN Zip: 38506
 Phone Number: (931) 432-4459 Fax Number: (931) 432-4471

Type of Facilities: Water / Sewer / Gas / Telephone / Electric / CATV / FOC / Other: Water
Please Circle appropriate facility type

Required period services cannot be interrupted: 4 hours

All estimated days should be expressed in "Calendar" days to complete installation, relocation or adjustment of the utility facilities on the above referenced project. The utility can as an option submit an "On or Before" date all work will be completed. In accordance with provisions set forth in TCA 54-5-854.

Task	Days to complete	Special Conditions
Stockpile Material (Including ordering material)	20	1
Mobilize Work Force (Including Bidding process if required)	10	2
Complete Relocation	60	3
TOTAL DAYS TO COMPLETE	90	

Special Conditions:

Mike Collier PE 25JUN12
 Signature of submitting Utility Representative Date

 Signature of Approval State Representative Date

Community Bank

of the Cumberland

COOKEVILLE BRANCH

06/12/2012

Cookeville Boat Dock Rd Utility District
1591 West Cemetery Rd
Cookeville, TN 38506

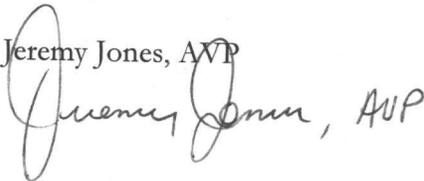
JUN 30 2012

Re: Loan Request

This letter is to state that Community Bank will not commit to a 0% rate for a loan in the amount of \$100,000 to Cookeville Boat Dock Rd Utility District. If you have questions regarding this matter please feel free to contact me at 931-528-0138.

Thank you,

Jeremy Jones, AVP





June 12, 2012

Cookeville Boat Dock Utility Water District
 1591 W. Cemetery Rd
 Cookeville, TN. 38506

Dear Ms. Hawkins:

Based on the request for pricing of a loan for the purpose of expanding the Project on Ditty Rd Utility Expansion; Putnam 1st Mercantile Bank cannot compete with your current request. The request states that the bank bid on a loan for \$100,000 termed for 60 months at a zero percent interest rate.

We regretfully decline the ability to compete with this offer. If we can be of any further assistance going forward, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Bobby J. Garrison".

Bobby J Garrison, V. P.

Putnam 1st Mercantile Bank



FIRST VOLUNTEER BANK

June 11, 2012

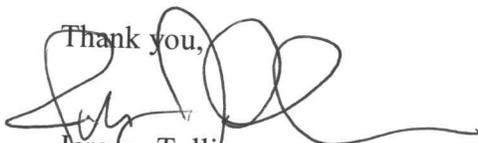
Attn: Robin Hawkins
Cookeville Boat Dock Utility District

RE: Loan inquiry

Ms. Hawkins,

We have reviewed your request for terms for the \$100,000 loan for the Cookeville Boat Dock District. After reviewing the request, unfortunately, First Volunteer will not be able to match the terms which were already committed to you. The terms already offered were 0% APR for a 5 year term which we will not be competitive with. If you should have any questions please feel free to contact me.

Thank you,



Jeremy Tollison
First Volunteer Bank
931-646-5505

1/17/2013	jw	Tony Payne	efax	BondCroft UD	high bill	explained UMRB procedures
1/22/2013	jw	Teresa Hargrove	TRA	First UD Hawkins	Water quality issues	forward to TDEC/Tom Moss
1/23/2013	jw	Jedidiah Nelson	TRA	Hardeman Fayette UD	cut off	explained UMRB procedures
2/11/2013	jw	Jim Holden	TRA	Eastside UD	water pressure requirements	forward to TDEC/Tom Moss
2/13/2013	jw	Tina Ridgeway	TRA	Ocoee UD	high bill	explained UMRB procedures
2/13/2013	jw	not given	not given	Hallsdale Powell UD	high bill	explained UMRB procedures/rate review
2/14/2013	jw	Deborah Miller	TRA	East Sevier UD	high minimum bill	explained UMRB procedures
2/19/2013	jw	James Archer	TRA	Natural Gas UD of Hawkins	not explained	explained UMRB procedures
2/19/2013	jw	Shannon Kelly	TRA	LBC UD	wants water	explained UMRB procedures
2/19/2013	jw	Deborah Miller	TRA	East Sevier UD	follow up	explained UMRB procedures
2/21/2013	jw	Abbatha Cone	TRA	Tuckaleechee UD	high bill	explained UMRB procedures
3/4/2013	jw	Daniel Pollard	423-421-4971	Eastside UD	high bill	explained UMRB procedures
3/4/2013	jw	J. D. Thomas	931-993-6497	Bedford County UD	florida issue wants more time at the meetings	referred to TDEC
3/4/2013	jw	Larry Hardin	672-9166	White House UD	18.66 acres to sell WHUD to sign plat greenbelt property	explained UMRB procedures
3/4/2013	jw	Dustin Hoskins	email	Calhoun-Charleston UD	water pressure requirements	referred to TDEC
3/5/2013	jw	Dennis Heinbrook	423-452-0964	North UD of Rhea County	high bill	explained UMRB procedures
3/5/2013	jw	Cora Wiser	email	not given	credit card charges by utilities	explained that allowed by TCA
3/6/2013	jw	Terry	865-362-1231	Watts Bar UD	high reconnection fee. Pd w/ bank card taken out of acct on due date not credited to UD until next day	possible to have a day's lag with transferring between accounts.
3/18/2013	jw	John Lewis	423-725-2453	Hampton UD	multiple connections to one meter local or state policy?	Explained that was local unless cross connection possible
3/20/2013	jw	Al Brown	731-478-4759	NE Henry UD	high non refundable connection fee	explained UMRB procedures
3/22/2013	jw	Susan Moulton	TRA	West Knox UD	easement issues	see file for WKUD explanation
3/27/2013	jw	Jacqui Neil	email	Calhoun-Charleston UD	high bills	explained UMRB procedures
4/3/2013	jw	Ray Newland	423-288-6752	Bloomingdale UD	UD won't honor 34 yr ofd contract to reimburse for a line installation	explained UMRB procedures, but told him that he needs to go thru legal system since he has a written contract.
4/10/2013	jw	Mary Batchelor	email	unknown	utility transferred to another name by mistake by real estate office. Utility didn't verify atty consulted	expalined that mistakes happen and if an atty had been contacted, that was probably the best course of action.
4/23/2013	jw	Robert George	not given	East Sevier UD	water off a lot	referred to TDEC - Erich Webber

4/30/2013	jw	Cynthia Blevins	424-1781	not given	not given	issue resolved	nothing explained
5/23/2013	jw	not given	not given	First UD Knox	water cut off w/o notice	state law does not require notice	
5/23/2013	jw	Mark	901-619-8574	First UD of Tipton	UD charges \$40/summer cut off fee or \$7/mo	expalined standard practice in gas industry	
5/23/2013	jw	Woody Daniel	901-545-6474	Hardeman Fayette UD	being overcharged	explained UMRB, needs to go to UD first	
6/3/2013	jw	not given	865-743-1957	East Sevier UD	Water quality issues	referred to TDEC Erich Webber KFO	
6/4/2013	jw	Leslie Skeen	615-735-1846	25 UD	used 9900 gallons of water	explained UMRB policies	
6/6/2013	jw	Brenda Alfonso	not given	East Sevier UD	4 rental house out of water for a week at ESCUD	referred to Erich Webber @ Knox EFO	
6/26/2013	jw	Eric Barnes	865-448-2464	Tuckaleechee UD	Bills continue to go up w/o explanation from UD staff	explained UMRB procedures	
6/27/2013	jw	Johnny Dickens	423-416-8038	BBCUD	unknown	left msg on machine	
7/1/2013	jw	Ms. Davis	423-877-4135	Hixson UD	bill \$100 every two months	explained UMRB procedures	
7/22/2013	jw	Adam VassGal	COT web	Microfton UD	high rates	explained UMRB procedures	
7/22/2013	jw	not given	865-223-1402	Hallsdale Powell UD	high rates	expalined UMRB procedures	

SYSTEMS UNDER THE UMRB AUGUST 2013

<u>DISTRICT</u>		<u>COUNTY</u>	<u>LAST AUDIT</u>
Arthur Shawanee UD		Claiborne	June-12
Bean Station UD		Grainger	August-12
Bedford County UD		Bedford	June-12
Bloomingtondale UD	WL	Sullivan	June-12
Bon de Croft UD		White	June-12
Carderview UD		Johnson	June-12
Cherokee Hills UD	WL	Polk	December-12
Chuckey UD	WL	Greene	June-12
Clay Gas UD		Clay	August-12
Cold Springs UD		Johnson	August-12
Cross Anchor UD	WL	Greene	June-12
Double Springs UD	WL	Putnam	April-12
East Sevier UD	WL	Sevier	June-11
Hampton UD	WL	Carter	November-12
Haywood County UD		Haywood	June-12
Intermont UD		Sullivan	December-12
Iron City UD		Lawrence	December-11
Leoma UD		Lawrence	December-11
Lone Oak UD		Sequatchie	December-11
Minor Hill UD	WL	Giles	December-11
Mooresburg UD		Hawkins	December-11
Natural Gas UD of Hawkins Co		Hawkins	March-13
Northeast Henry County UD	WL	Henry	June-12
Northwest Utility District	WL	Hamilton	August-12
Northwest Henry County UD		Henry	June-12
Quebeck-Walling	WL	White	December-11
Samburg UD		Obion	January-12
Shady Grove UD	WL	Jefferson	September-12
Siam UD	WL	Carter	January-12
Sneedville UD		Hancock	March-12
South Elizabethton UD	WL	Carter	February-12
Sylvia-TN City- Pond UD		Dickson	December-12
Tarpley Shop UD	WL	Giles	June-12
Unicoi Water UD		Unicoi	September-12
Webb Creek UD		Sevier	December-11
West Cumberland UD		Cumberland	June-12

WATER LOSS STATUS

District	original referral %	original audit referral date	subsequent review %	subsequent review date	subsequent review %	subsequent review date
Bloomingtondale	45.064%	6/30/2010	44.64%	6/30/2011	39.340%	6/30/2012
Cherokee Hills	100.000%	12/31/2010	100.00%	12/31/2011	not given	12/31/2012
Chuckey	36.770%	6/30/2010	39.49%	6/30/2011	42.691%	6/30/2012
Cross Anchor	42.660%	6/30/2010	45.73%	6/30/2011	47.816%	6/30/2012
Double Springs	37.580%	4/30/2010	37.74%	4/30/2011	37.040%	4/30/2012
East Sevier	75.000%	6/30/2010	72.00%	6/30/2011		
Hampton	33.330%	11/30/2010	35.49%	11/30/2011		
Intermont	35.11%	12/31/2010	41.75%	12/31/2011		
Minor Hill	37.706%	12/31/2010	37.87%	12/31/2011		
Mooreburg	68.623%	12/31/2009	56.23%	12/31/2010	61.686%	12/31/2011
Northeast Henry	35.000%	6/30/2010	41.52%	6/30/2011	36.966%	6/30/2012
Northwest	39.960%	6/30/2010	37.50%	8/31/2011	35.935%	8/31/2012
Quebeck-Walling	35.100%	12/31/2010	37.01%	12/31/2011		
Samburg	51.632%	1/31/2012				
Shady Grove	37.090%	9/30/2010	40.16%	9/30/2011	40.160%	9/30/2012
Siam	39.378%	1/31/2010	39.38%	1/31/2011	50.055%	1/31/2012
South Elizabethton	38.360%	2/28/2010	37.37%	2/28/2011	38.142%	2/29/2012
Tarpley Shop	37.000%	6/30/2012				
West Cumberland	36.716%	6/30/2012				