



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
Office of State and Local Finance
Water and Wastewater Financing Board
James K. Polk State Office Building, Suite 1600
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Nashville, Tennessee 37243-1402
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December 29, 2011

The Honorable Bill Haslam
Governor of Tennessee
First Floor, State Capitol
Nashville, TN 37243

Dear Governor Haslam:

The Water and Wastewater Financing Board is submitting to you its annual report for the calendar year 2011.

On behalf of each member of the Board, I would like to extend our appreciation to the employees of the Comptroller of the Treasury and of the Municipal Technical Advisory Service for their valuable contributions to the Board this year. Without their assistance, the Board would not have been as successful.

The goal of the Board is to diligently strive to achieve our legislative mandates and to extend our services to the citizens of the State of Tennessee. We appreciate your continued confidence in and support of the Board. If I, or any member of the Board, can be of further assistance to you and your staff, please feel free to contact me.

Sincerely,


Ann Butterworth
Chairperson

Attachment

Cc: Honorable Justin P. Wilson, Comptroller of the Treasury

**ANNUAL REPORT
OF THE
WATER AND WASTEWATER FINANCING BOARD**

January 2011 through December 2011

Prepared by

The Water and Wastewater Financing Board
Office of State and Local Finance
Comptroller of the Treasury
January 2012

ANNUAL REPORT FOR CALENDAR YEAR 2011

The 95th General Assembly created the Wastewater Financing Board in 1987 to assist financially distressed publicly owned wastewater systems to improve their financial condition. In July 1997, public water systems were also placed under the jurisdiction of this board; two members were added and the name was changed to Water and Wastewater Financing Board. Administratively, the Board was transferred to the Comptroller of the Treasury in 2007. The Board promulgated rules and regulations and held its first meeting in April 1988. The current rules of the Board became effective September 27, 2010.

The State of Tennessee currently has 348 incorporated municipalities and approximately 185 utility districts. Municipalities operate approximately 225 water and 227 wastewater systems. Utility districts operate approximately 182 water and 18 wastewater systems. Counties operate 5 water and wastewater systems, 5 wastewater-only systems and 7 water-only systems.

The Department of Audit, Comptroller of the Treasury, refers local governments operating financially distressed water and/or wastewater systems to the Board. Financially distressed utility systems are defined as those having deficit total net assets in any one year, having negative change in net assets for a period of two consecutive years or currently in default on any debt instrument. Water systems with reported water loss in excess of 35% are also referred to the Board.

Staff to the Board in the Office of the Comptroller of the Treasury reviews the referred cases and prepares presentations to the Board. Staff, assisted by the Municipal Technical Advisory Service, works with the municipal utility systems to develop strategies to comply with state law. If a municipal utility system has not yet reached compliance with state law to eliminate financial distress as of the time of presentation to the Board, the Board monitors the case to determine the success of the approved recommended compliance plan. If elimination of the financial distress is not achieved, the Board requires the system to present to the Board a revised plan to solve the financial distress.

The Board held 3 meetings during the year 2011 in which 54 case studies (27 financial distress and 27 water loss), 28 status reports (6 financial distress and 22 water loss), and 14 compliance reports (financial distress) were presented to the Board.

The Board has addressed the financially distressed condition of 207 systems since its creation. Currently there are 62 systems under the jurisdiction of the Board for financial distress. There are currently 33 water loss cases under the jurisdiction of the Board.

**CASES PRESENTED
TO THE
WATER AND WASTEWATER FINANCING BOARD
DURING 2011**

System

Case Studies – Financial distress

Town of Baileyton
 City of Bartlett
 Town of Carthage
 City of Clifton
 City of Elizabethton
 City of Etowah
 Town of Gainesboro
 Town of Gibson
 City of Grand Junction
 Town of Greeneville
 Town of Halls
 City of Hohenwald
 City of Jamestown
 Town of Jasper
 Town of Jonesborough
 Town of LaGrange
 City of LaVergne
 City of Morristown
 Town of Oneida
 City of Pigeon Forge
 City of Ramer
 Town of Ridgely
 City of Rockwood
 City of Springfield
 Town of Tiptonville
 City of Waverly
 City of Winchester

County

Greene
 Shelby
 Smith
 Wayne
 Carter
 McMinn
 Jackson
 Gibson
 Hardeman
 Greene
 Lauderdale
 Lewis
 Fentress
 Marion
 Washington
 Fayette
 Rutherford
 Hamblen
 Scott
 Sevier
 McNairy
 Lake
 Roane
 Robertson
 Lake
 Humphreys
 Franklin

Case Studies – Water loss

Town of Alexandria
 Town of Baxter
 Town of Bethel Springs
 City of Camden
 City of Copperhill
 Town of Cumberland Gap
 City of Decherd
 Town of Dresden
 City of Erin
 City of Friendsville
 City of Harriman
 City of Jellico
 City of Johnson City
 City of Lake City
 Town of Linden
 Town of Lynnville
 City of Maynardville
 City of McKenzie

DeKalb
 Putnam
 McNairy
 Benton
 Polk
 Claiborne
 Franklin
 Weakley
 Houston
 Blount
 Morgan
 Campbell
 Carter
 Anderson/Campbell
 Perry
 Giles
 Union
 Carroll

City of Mountain City
City of Mount Pleasant
City of Niota
Town of Spencer
Town of Tellico Plains
City of Trezevant
Town of Wartrace
Town of Westmoreland
Town of Woodbury

Johnson
Maury
McMinn
Van Buren
Monroe
Carroll
Bedford
Sumner
Cannon

Status Reports – Financial distress

Town of Byrdstown
Town of Bruceton
City of Charlotte
City of Lakeland
City of Luttrell
City of McEwen

Pickett
Carroll
Dickson
Shelby
Union
Humphreys

Status Reports – Water loss

Town of Alexandria
Town of Baxter
Town of Bethel Springs
Town of Byrdstown
City of Camden
City of Copperhill
Town of Dresden
City of Erin
City of Harriman
City of Jellico
City of Johnson City
City of Lake City
Town of Linden
Town of Lynnville
City of McKenzie
City of Mountain City
Town of Spencer
Town of Tellico Plains
City of Trezevant
Town of Wartrace
Town of Westmoreland
Town of Woodbury

DeKalb
Putnam
McNairy
Pickett
Benton
Polk
Weakley
Houston
Morgan
Campbell
Carter
Anderson/Campbell
Perry
Giles
Carroll
Johnson
Van Buren
Monroe
Carroll
Bedford
Sumner
Cannon

Compliance Reports

City of Alcoa
Town of Centerville
Town of Decaturville
City of Gallaway
Town of Gordonsville
City of Humboldt
City of Lafayette
City of Milan
City of Millersville
City of New Johnsonville
City of Newbern
City of Paris
Town of Somerville
Town of Toone

Blount
Hickman
Decatur
Fayette
Smith
Gibson/Madison
Macon
Gibson
Robertson/Sumner
Humphreys
Obion
Henry
Fayette
Hardeman

**LOCAL GOVERNMENTS
CURRENTLY UNDER THE JURISDICTION OF THE
WATER AND WASTEWATER FINANCING BOARD**

System

Town of Alexandria
City of Allardt
Town of Atwood
Town of Baileyton
City of Bartlett
Town of Baxter
Town of Bethel Springs
City of Bluff City
Town of Bruceton
Town of Bulls Gap
Town of Byrdstown
City of Camden
Town of Carthage
City of Charlotte
Cheatham County
City of Clifton
Coffee County
City of Copperhill
Town of Cumberland Gap
City of Decherd
Town of Dresden
City of Dyer
City of Elizabethton
City of Erin
City of Etowah
City of Friendship
City of Friendsville
Town of Gainesboro
City of Gatlinburg
Town of Gibson
City of Grand Junction
Town of Graysville
Town of Greeneville
Town of Halls
City of Harriman
Town of Henning
City of Hohenwald
City of Humboldt
Humphreys County
Town of Huntland
City of Jamestown
Town of Jasper
City of Jellico
City of Johnson City
Town of Jonesborough
Town of LaGrange
City of Lake City
City of Lakeland
City of LaVergne

County

DeKalb
Fentress
Carroll
Greene
Shelby
Putnam
McNairy
Sullivan
Carroll
Greene
Pickett
Benton
Smith
Dickson
Cheatham
Wayne
Coffee
Polk
Claiborne
Franklin
Weakley
Gibson
Carter
Houston
McMinn
Crockett
Blount
Jackson
Sevier
Gibson
Fayette
Rhea
Greene
Lauderdale
Roane
Lauderdale
Lewis
Gibson/Madison
Humphreys
Franklin
Fentress
Marion
Campbell
Carter
Washington
Fayette
Anderson/Campbell
Shelby
Rutherford

Lincoln County
Town of Linden
City of Luttrell
Town of Lynnville
Town of Mason
Town of Maynardville
City of McEwen
City of McKenzie
Town of McLemoresville
City of Memphis
City of Michie
City of Millington
Town of Mosheim
Town of Mountain City
City of Mount Pleasant
City of Niota
Town of Newbern
Town of Oliver Springs
Town of Oneida
City of Pigeon Forge
City of Pikeville
City of Piperton
City of Puryear
City of Ramer
Town of Ridgely
City of Rives
City of Rockwood
Town of Rutherford
Town of Sardis
City of Savannah
City of Spencer
City of Springfield
Town of Stanton
Town of Tellico Plains
Town of Tiptonville
Town of Trezevant
Town of Troy
Town of Vonore
Town of Wartrace
Watauga River Regional Water Authority
City of Watertown
City of Waverly
City of Westmoreland
City of Whitwell
City of Winchester
Town of Woodbury

Lincoln
Perry
Union
Giles
Tipton
Union
Humphreys
Carroll
Carroll
Shelby
McNairy
Shelby
Greene
Johnson
Maury
McMinn
Dyer
Anderson/Morgan/Roane
Scott
Sevier
Bledsoe
Fayette
Henry
McNairy
Lake
Obion
Roane
Gibson
Henderson
Hardin
VanBuren
Robertson
Haywood
Monroe
Lake
Carroll
Obion
Blount/Monroe
Bedford
Carter
Wilson
Humphreys
Sumner
Marion
Franklin
Cannon

**MEMBERS
OF THE
WATER AND WASTEWATER FINANCING BOARD**

Ms. Ann Butterworth, Chairperson
Comptroller of the Treasury Designee

Mr. Tom Moss
Commissioner of the Tennessee Department of Environment and Conservation Designee

Mr. Benjamin Bolton
Representing Manufacturing Interests
Williamson County

Ms. Daisy Madison, City of Chattanooga Finance Director
Representing Minority Interests/Government Finance
Hamilton County
Term ended June 2011

Mr. Daryl Hubbard
Representing Minority Interests/Government Finance
Madison County
Term began July 2011

Mr. Drexel Heidel
West Knox Utility District
Active Employee of a Water Utility District
Knox County

Mr. Joseph Prochaska
Representing Environmental Interests
Davidson County

Ms. Shirley Fox Rogers
Representing Municipalities
Campbell County
Term ended June 2011

Ms. Betsy Crossley
Representing Municipalities
Williamson County
Term began July 2011

Mr. Kenneth D. Wiggins
Director of Engineering and Public Works, City of Alcoa
Active Employee of a Municipal Water Utility
Blount County

Mr. Randy Wilkins, General Manager
East Montgomery Utility District
Representing Utility Districts
Montgomery County

**COMPTROLLER OF THE TREASURY
STAFF TO THE
WATER AND WASTEWATER FINANCING BOARD**

**Ms. Mary-Margaret Collier
Director, Office of State and Local Finance**

**Ms. Joyce Welborn
Board Coordinator, Office of State and Local Finance**

**Ms. Lindsey Gallagher
Legislative Accountant, Office of State and Local Finance**

**Mr. Greg Cothron
Legal Counsel to the Board**