



AGENDA # 1
Meeting of the
Utility Management Review Board
December 3, 2015
10:00 am
Room 31, Legislative Plaza
301 Sixth Avenue North
(6th Avenue between Charlotte Avenue and Union Street)
Nashville, Tennessee

Call to Order

Tennessee Water Loss Regulatory History

AWWA Methodology

Water Research Foundation

Presentation of Draft Validity Score Non-Compliance Questionnaire

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Presentation of Draft Non-Revenue Water Non-Compliance Questionnaire

Pg. 6

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 Office of State and Local Finance 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 Office of State and Local Finance (Mr. John Greer) for further information.

505 Deaderick Street, Suite 1500
James K. Polk State Office Building
Nashville, TN 37243-1402
Telephone (615) 401-7879
Fax (615) 741-6216
John.Greer@cot.tn.gov

Utility _____
Today's Date _____

Tennessee Check List for Water Audit Data Validity Score Compliance

Part 1: Water Supplied

Volume from own sources

Do you produce your own water? If yes, then answer the following questions. If no, then proceed to **Water imported**.

1. Is the water supplied into your distribution system from your own sources 100% metered?
2. List type of each source meter
3. When was the last time a comparative flow test was conducted on each source meter via a clear well drop test or with another calibrated meter?
 - a. Do you have records of the last accuracy test?
4. At what frequency are the source meters tested for accuracy?
5. How often are electronic calibrations of related instrumentation conducted (4-20mA signal, etc.)?
6. How many source meters tested outside of +/- 6% accuracy in last test?
7. How many source meters tested outside of +/- 3% accuracy in last test?

Volume from own sources master meter and supply error adjustment

1. How often is production meter data recorded?
2. How often is meter data reviewed and adjusted if inaccuracies are found?
3. Are tank/storage level variations calculated and employed when determining "Water Supplied" component?
 - a. If yes, how often?
 - b. If yes, is it a manual process or automated via SCADA?

Water imported

Do you purchase water from a neighboring water utility? If yes, then answer the following questions. If no, then proceed to **Water exported**.

1. Is the water supplied into your distribution system from the neighboring water utility 100% metered?

2. List type of each import meter
3. When was the last time a comparative flow test was conducted on each import meter?
 - a. Do you have records of the last accuracy test?
4. At what frequency are the import meters tested for accuracy?
5. How often is electronic calibrations of related instrumentation conducted (4-20mA signal, etc.)?
6. How many import meters tested outside of +/- 6% accuracy in last test?
7. How many import meters tested outside of +/- 3% accuracy in last test?

Water imported master meter and supply error adjustments

1. How often is import meter data recorded?
 - a. Is this a manual process or automated via SCADA?
2. How often is meter data reviewed and adjusted if inaccuracies are found?

Water exported

Do you sell water to a neighboring water utility? If yes, then answer the following questions. If no, then proceed to **Billed metered**.

1. Is the water supplied to the neighboring water utility 100% metered?
2. List type of each export meter
3. When was the last time a comparative flow test was conducted on each export meter?
 - a. Do you have records of the last accuracy test?
4. At what frequency are the export meters tested for accuracy?
5. How often is electronic calibrations of related instrumentation conducted (4-20mA signal, etc.)?
6. How many export meters tested outside of +/- 6% accuracy in last test?
7. How many export meters tested outside of +/- 3% accuracy in last test?

Water export master meter and supply error adjustments

1. How often is export meter data recorded?
2. Is this a manual process or automated via SCADA?
3. How often is meter data reviewed and adjusted if inaccuracies are found?

Part 2: Authorized Consumption

Billed metered

1. Are your billing records computerized?
2. Do you manually read your meters or do you use AMR or AMI?
3. Do you have a meter accuracy testing and replacement program?
 - a. If yes, please describe the program including how you determine which meters to test and/or replace.

Unbilled metered

1. If you produce water, is water plant usage supplied from location before or after finished water meter?
 - a. If after finished water meter, is plant usage metered?
 - i. If yes, is it billed?
2. If you also operate a wastewater plant, is the potable water metered?
 - a. Is it billed?
3. Do you have any other accounts that are metered but not billed?
 - a. If yes, please list.

Customer metering inaccuracies

Is your entire customer population unmetered? If no, then answer the following questions. If yes, then proceed to **Systematic data handling errors**.

1. Are customer meters 2” and larger routinely tested for accuracy?
 - a. If so, how often?
2. Do you routinely test the accuracy of older or high usage residential meters?
 - a. If so, what percentage of your meters are tested annually?
3. Describe how your meter records are maintained and what type of information is contained in the records?
4. How did you determine the overall percent or value for the inaccuracies?

Systematic data handling errors

Did you use the default option? If no, then answer the following questions. If yes, then proceed to **Average operating pressure**.

1. Are zero consumption accounts flagged and investigated?
 - a. If yes, how often?
2. Are the effects of misreads and billing adjustments on measured consumption well understood?

Part 3: System Data

Average operating pressure

1. How did you determine the average operating pressure of the distribution system?

Utility _____
Today's Date _____

Tennessee Check List for Excessive Non-Revenue Water Loss Compliance

Part 1: Authorized Consumption

1. Describe your method for metering or otherwise measuring delivery of water to and billing for use by general government operations such as City Hall, Parks, Community Centers, etc.
 - a. Are any such users unmetered?
 - b. If so, provide a list of such users and how you determine which users are metered and which are not.
2. How do you account for water used by the Utility's water and/or sewer operations (facilities uses, water line flushing, sewer line cleaning, etc.)?
 - a. Are any such uses unmetered?
 - b. If so, provide a list of such uses and how you determine which are metered and which are not.
3. Do you have any major industrial users in your system and what percentage of the water sold are they purchasing?
 - a. Do they have fire lines and are they metered?
4. How do you account for water used by other unmetered users such as the Street / Highway Department, fire departments, etc.?
 - a. Provide a list of unmetered users whose consumption you monitor.

Part 2: Apparent Losses

1. Describe your program for inspecting, testing, calibrating and rebuilding / replacing 2-inch and larger water meters.
2. What types of meters (e.g., compound, turbine, etc.) are used for larger customers?
 - a. How do you determine which meter is the correct application?
3. How do you ensure that meter bypasses are not opened by the customer?
4. Describe your small meter (< 2-inch) replacement program including the threshold (e.g., age, gallons of water metered, etc.) at which the meter is replaced.
 - a. How did you determine the threshold?
5. How did you determine the "Customer metering inaccuracies" in the water audit?
6. Do you have a program to inspect for unauthorized consumption?
 - a. What are the consequences if unauthorized consumption is discovered?

Part 3: Real Losses

1. Describe your leak detection program.
2. Do you have or have access to leak detection equipment?
3. Describe the leak detection equipment that your Utility owns and/or rents on a routine basis and how it is employed for detection of leaks.
4. Do you search for leaks at night when there is little traffic or small household usage?
5. Are you performing periodic leak detection surveys with leak detection equipment?
 - a. If so, what percentage of the system is sounded each year?
6. Do you use a third-party leak detection firm?
7. Describe your methods for monitoring the water system for leaks.
8. Is your system “zoned” to identify and isolate water loss?
 - a. Describe how that has been used to identify potential water loss.
9. Have you established any permanent District Metered Areas to monitor minimum night flows in these discrete zones to identify areas of leakage?
10. Is the cost to repair the leak justified based on the amount of water being lost?
11. How many leaks have been repaired within the past year?
 - a. What is the estimated water loss from those leaks?
12. What if any water main maintenance are you performing?
13. Do you have a plan/criteria for replacing water mains?
14. What are the general ages and composition of the mains and services in your system?
15. Are the system valves being exercised and have they all been located for repair emergencies?
16. Do you have tank overflows as a part of the operation of the tanks or are they SCADA controlled?
17. What methods have you implemented for controlling system pressure surges?
18. Are there pressure zones within your system?
 - a. Are they based on topography?
19. Are you doing anything to manage the pressure in your system?
20. Do you have any pressure reducing valves within the distribution system?

Part 4: System Data

1. How did you determine average operating pressure of the distribution system for the water audit?

Part 5: Cost Data

1. Do you provide and bill wastewater based on water consumption?
2. Does the customer retail unit cost in the water audit include charges for water and sewer?

Part 6: Policies

1. Do you have a written policy for billing adjustments?
 - a. Is the policy followed correctly by all levels of staff?
2. What is your policy for notifying customers they have a leak?
3. Do you have a policy to prosecute for unauthorized consumption such as water theft or meter tampering/damage?
4. Has your utility adopted an overall Non-revenue Water Policy?

Part 7: Education

1. By what means are customers encouraged to report leaks and educated in water loss and its impact on the Utility?
 - a. What methods are available to customers for reporting leaks, unauthorized water use, etc.?
2. How have you educated your employees (both Water system and other City / Utility departments) on the impact of non-revenue water on the Utility's operations?
 - a. By what means are employees provided to report leaks, unauthorized water use, etc.?
 - b. Are there any incentives for the reporting of unauthorized water use?



AGENDA #2
Utility Management Review Board

December 3, 2015

11:00 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

August 6, 2015

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Cases:

Quebeck-Walling Utility District
Fall River Road Utility District
Grandview Utility District
Hornbeak Utility District
Cookeville Boat Dock Road Utility District

White County
Lawrence County
Rhea County
Obion County
Putnam County

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Status:

Clay Gas Utility District
Witt Utility District
Bedford County Utility District
Chanute Pall-Mall Utility District
Iron City Utility District
Mooreburg Utility District

Clay County
Hamblen County
Bedford County
Fentress/Pickett Counties
Lawrence/Wayne Counties
Hawkins County

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Status – Investigation:

Webb Creek Utility District
Cherokee Hills Utility District
Lone Oak Utility District

Sevier County
Polk County
Sequatchie County

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Cases – Water loss:

Harbor Utility District
Holston Utility District

Benton County
Sullivan County

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Customer Complaint:

Stroop vs. Center Grove-Winchester Springs Utility District

Franklin County

Pg. 134

Petition:

Fall Creek Falls Utility District

Van Buren/Bledsoe Counties

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Miscellaneous:

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Approval of Rules Pg. 182
Compliance list Pg. 183
Complaint Statistics Pg. 184
Jurisdiction list Pg. 185
Commissioner Training Approvals Pg. 187
Proposed 2016 Meeting Schedule Pg. 190

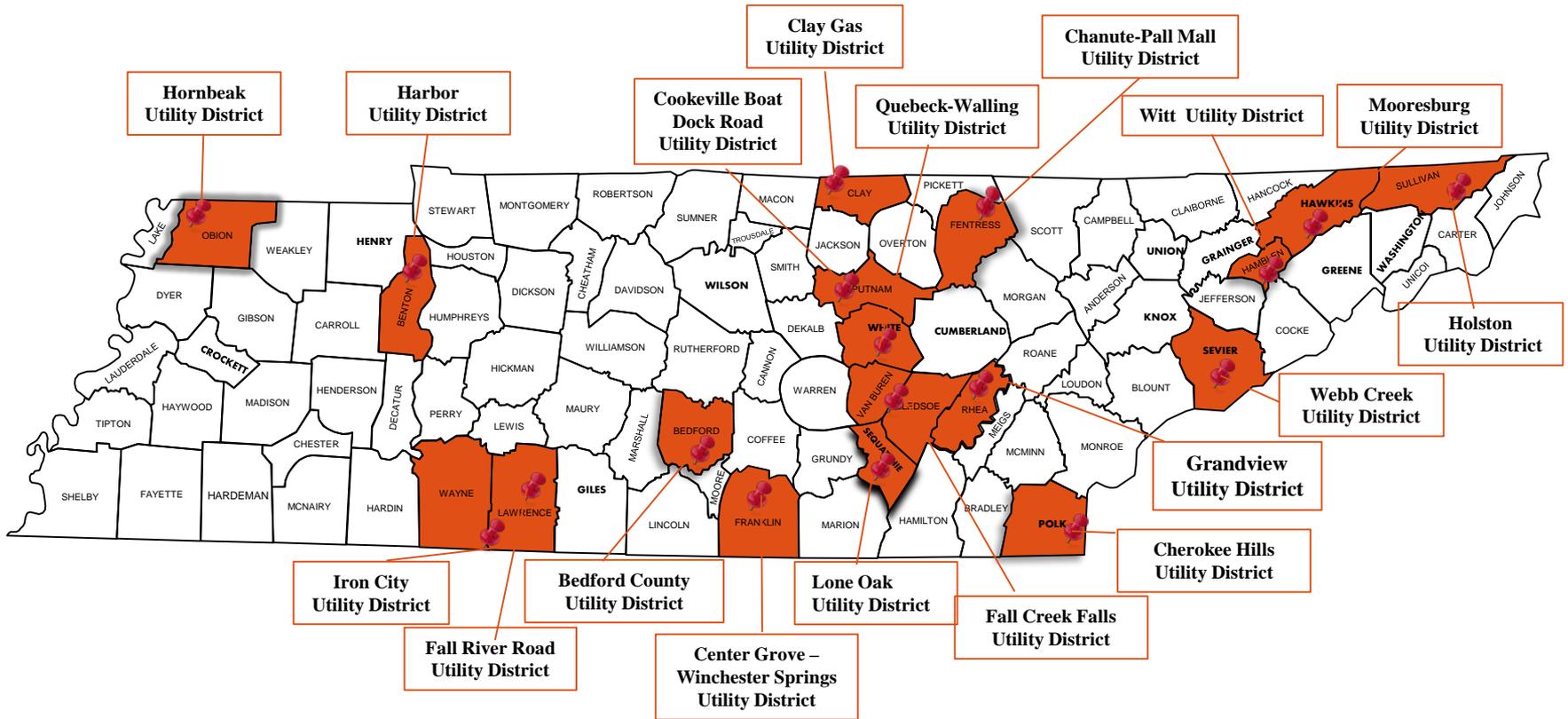
Open Discussion

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UMRB

DECEMBER 3, 2015



Minutes

August 6, 2015

**MINUTES
Of the
UTILITY MANAGEMENT REVIEW BOARD MEETING
August 6, 2015
10:00 am**

Chair Ann Butterworth detected a quorum and called to order the meeting of the Utility Management Review Board (Board) in Room 31 of the Legislative Plaza in Nashville, Tennessee.

Board members present and constituting a quorum:

Ann Butterworth, Chair, Comptroller Designee
Tom Moss, Vice-Chair, Department of Environment and Conservation (TDEC) Commissioner Designee
Pat Riley, Gibson County Utility District Manager
Rebecca Hunter, Hixson Utility District Commissioner
Kevin Botts, Consumer Representative
Bruce Giles, First Utility District of Knox County Manager
Jim Hunter, West Wilson Utility District Commissioner
Tim Pelham, West Warren Viola Utility District Manager

Members Absent:

Jason West, Second South Cheatham Utility District Commissioner

Staff Present:

Joyce Welborn, Comptroller's Office
John Greer, Comptroller's Office

Counsel Present:

Betsy Knotts, Comptroller's Office

Ms. Butterworth asked that all members and staff introduce themselves. It was noted that this was the first meeting for Mr. Pelham. Ms. Welborn announced her retirement, effective December 31, 2015.

Approval of Minutes

Ms. Butterworth stated that the first item on the agenda was the consideration of the minutes of the February 5, 2015 meeting. Ms. Hunter moved approval of the minutes with no changes. Mr. Riley seconded the motion, which was unanimously approved.

At the February 4, 2015 meeting, the Board deferred action on electing officers. Chair Butterworth explained that Public Chapter 140 sets the Comptroller's designee as the permanent chair of the Board. It also deleted the two year period for Board officers to serve. The Board has traditionally had a vice-chairman, and may continue to have one. Ms. Hunter moved that Mr. Moss serve as vice-chairman on a perpetual basis. Mr. Riley seconded the motion, which passed unanimously.

Mr. Greer recommended moving Bedford County Utility District to the top of the agenda. Mr. Martin Davis, general manager, was present and wanted to address the Board. Without objection, Bedford County Utility District was moved to the top of the agenda.

Status – Financial Distress

Mr. Greer explained that status reports are presented simply to update the Board on certain matters specific to the entities involved. No action is taken unless specified by members. The entities will continue to be monitored by the Board until compliance is reached. Mr. Greer presented the following cases:

Bedford County Utility District

The Bedford County Utility District has been reported to the Board as having at least eleven consecutive years with a deficit total net position in its gas system as of June 30, 2014.

The District has increased its commercial customer base drastically in the past two years. The customers coming online are mostly Tyson chicken houses. These chicken houses use the majority of the gas sold by the District. There are 28 that will come on line in the next year.

The gas fund has been subsidized by the water fund for several years at a total of \$1,969,492. The District has created a plan to repay the water fund and correct the total deficit in net position. Ms. Butterworth explained that pursuant to Board rule 1715-01-05(1)(b)(4), entities coming before the Board for financial distress are to liquidate in an orderly fashion any deficit total net assets within five to ten years unless otherwise specified by the Board.

Ms. Hunter questioned how the Board had been unaware that this matter had happened for eleven years. Ms. Welborn explained that the original plan was to let the District grow due to the inopportune circumstances surrounding their creation. It was her intent to now put a plan in place since the District was finally able to make a profit in the gas fund.

Mr. Davis explained that as soon as the District got their gas system online the price of gas sky rocketed and was volatile. These volatile prices caused customers not to connect. In the past year the District has seen a 21% increase in the volume of gas sold. The rates of the District have remained low due to propane dealers moving in the area and trying to undercut the District. The only way to remain competitive is to offer a low priced product.

Ms. Welborn stated the plan was to put a Board order in place with regular bench marks for the District to meet. Mr. Botts questioned how regularly the Board would get status updates. Ms. Welborn explained that the updates would be presented as often as the Board desired, but no less than once per year in conjunction with the audit being released.

Mr. Giles and Mr. Botts questioned the health of the water system due to the large transfers to the gas system. It was also noted that the Board could not set appropriate benchmarks and uphold their fiduciary duties without taking a closer look at the water system.

Mr. Riley is the residential gas expert for the Board. He explained that propane is an interesting animal on its own. The industry will typically offer an incredibly low price as an introductory rate to compete with gas systems. In his opinion, the District has done everything it can to make a profit while competing with the propane industry.

Ms. Welborn stated the water fund had approximately \$2,500,000 in cash and 6,500 customers. Mr. Botts moved that staff create a draft order for the Board to review at the December meeting. This order would contain bench marks for the District to meet in a timely fashion. Mr. Riley seconded the motion, which was approved unanimously.

Samburg Utility District

The Samburg Utility District was reported to the Board many years ago as being in default on its outstanding indebtedness. On January 12, 2015, the District deposited \$5,394 with the Obion Clerk and Master in order to satisfy the terms of the bond covenants. The District will be in compliance when the 2015 audit is released. No action was taken by the Board.

Cases – Financial Distress

Mr. Greer presented the following financial distress cases:

Chanute Pall-Mall Utility District

The Chanute Pall-Mall Utility District has been reported to the Board as having two consecutive years with a negative change in net position as of June 30, 2014. The District has had serious issues with following a cut-off policy. One commissioner had over \$8,000 in unpaid bills. That commissioner is currently on a repayment plan and working to pay the entire amount back.

Ms. Hunter made a motion to require the District to:

- Have a representative appear at the December 3, 2015 Board meeting
- Provide staff with a written repayment plan for the outstanding account balances owed to the District
- Within 30 days, submit evidence of formal adoption and enforcement of all written policies.

Mr. Giles seconded the motion, which carried unanimously.

Witt Utility District

The Witt Utility District has been reported to the Board as having two consecutive years with a negative change in net position as of June 30, 2014. Over \$70,000 has been spent by the District on land acquisitions and legal fees for condemnation cases. These new tracts of land are being used to build a new water tank and intake station on the river. The District has received a Rural Development loan at 3.75% interest to pay for construction of the tank, and payoff several smaller loans.

The District will make a comprehensive rate increase when all funding is received from Rural Development. The District has also submitted an incorrect AWWA sheet which shows 616.9% for non-revenue water.

Mr. Moss moved that the District update the Board on the progress of all construction and submit a corrected AWWA Reporting Worksheet by the December meeting. Mr. Riley seconded the motion, which passed unanimously.

Bon Aqua-Lyles Utility District

The Bon Aqua-Lyles Utility District has been reported to the Board as having two consecutive years with a negative change in net position as of August 31, 2014. Due to the high foreclosure rate in the area, the District lost over 100 customers between 2012 and 2013. This resulted in lost revenue of approximately \$100,000.

Effective March 2015, the District raised water rates by 7%. The meter reading is now being done by existing staff which has eliminated a \$59,000 annual contract for the same service. The district is now charging a 5% fee for using a credit or debit card. This will help offset the charges of almost \$13,000 monthly from various credit card processing companies.

Mr. Hunter moved that the Board endorse the actions of the District. Mr. Botts seconded the motion, which passed unanimously.

Investigative Reports

Ms. Knotts presented the following investigative reports:

Cherokee Hills Utility District

The Cherokee Hills Utility District was referred to the Board in July of 2012 as having excessive unaccounted for water loss of 100%. The District did not comply with the Board's directives. The District was referred to the Board again in December of 2013 for financial distress and the FY 2014 audit indicates another negative change in net position. Ms. Knotts discussed the steps taken to investigate the District and the resulting proposed action plan. Mr. Botts made a motion to endorse counsel's recommended action plan and have counsel to memorialize it in a formal Board Order. Mr. Hunter seconded the motion, which passed unanimously.

Mr. Moss requested that the Order also require the District to charge higher fees for swimming pool owners as well as expressly note the Board's authority to institute legal proceedings. Ms. Butterworth also requested that the uniqueness of this decision be expressly noted.

Lone Oak Utility District

The Lone Oak Utility District has been under the jurisdiction of the Board for financial distress since December of 2006. Ms. Knotts discussed the steps taken to investigate the District and the resulting proposed action plan. Ms. Hunter made a motion to endorse counsel's recommended action plan and have counsel to memorialize it in a formal Board Order. Mr. Riley seconded the motion, which passed unanimously. Mr. Moss requested that the Order also require the District to notify the Tennessee Regulatory Authority.

Miscellaneous

Updated Depreciation Schedule

Ms. Sheila Reed presented an updated depreciation schedule. This schedule breaks water and sewer into two separate categories.

Ms. Hunter moved to accept the updated depreciation schedule, provided by the Division of Local Government Audit in the Comptroller's office, as the official guidance of the Board. Also, staff is to provide this schedule to the Water and Wastewater Financing Board. Mr. Moss seconded the motion, which passed unanimously.

Fiduciary Responsibility

Mr. Moss moved that counsel come up with an appropriate definition for fiduciary responsibility to submit to the Governor. The Governor would be responsible for asking the Legislature to use this definition in code. Mr. Riley seconded the motion, which passed unanimously.

It was also noted that counsel would give notice to the Governor's staff about this piece of potential legislation. This will allow for proper preparation on their part.

Status - Investigative Reports

Ms. Knotts presented the following investigative updates:

Webb Creek Utility District

At the previous meeting, the Board requested a written update on the status of all reimbursements to the District relating to the investigative findings. Ms. Knotts presented the written update from the President of the District which stated that an iPad, a television, and two laptops had been recovered. The District had not yet been reimbursed for employee-caused losses. The Board requested Counsel to provide another update at the next meeting.

Chuckey Utility District

At the previous Board meeting, the UMRB recommended that the District implement a formal nepotism policy. Ms. Knotts provided an update that the District had officially adopted a nepotism policy.

Miscellaneous Cont.

Ms. Butterworth stated Public Chapter 66 extended the life of the Board.

A compliance report was included in the packet which showed Cagle-Fredonia Utility District, and East Sevier County Utility District as compliant.

A customer **complaint log, water loss status** list, and a list of utility districts under the **jurisdiction** of the Board had been included in the packet.

The next meeting was scheduled for December 3, 2015. There will be a concurrent meeting with the Water and Wastewater Financing Board at 10:00am with the regular meeting to follow.

Chair Butterworth adjourned the meeting at 11:11am.

Respectfully submitted,

Ann Butterworth
Chair

Joyce Welborn
Utilities Board Manager

Financial Distress Cases

**UTILITY MANAGEMENT REVIEW BOARD
Case Study**

Case: Quebeck - Walling Utility District
Manager: Penny Long
Customers: 1573 water
Validity Score: 84
Non-revenue water: 10.20%

The Quebeck Walling Utility District has been reported to the Board as having two consecutive years with a negative net change in net position in its water system as of December 31, 2014. The financial and rate history is reflected on the attached sheet.

The District purchases all of its water from the City of Sparta at a cost of \$2.36 per thousand gallons. There were unexpected expenses in 2013 and 2014 due to the auditor for the District deciding to expense all new meters instead of capitalizing them.

Expenses have been drastically cut to the point where the District had no choice but to raise rates and increase revenue. The manager has also been revising all software with the help of United Systems. The former manager had not correctly been posting or reconciling any customer accounts.

Effective September 1, 2015, the District raised rates by 10%. This was the first rate increase since 2009. The increased revenues and decreased expenses have the District projecting a positive net change in net position for the 2015 fiscal year.

Staff recommends the Board endorse, by formal order, the actions of the Quebeck - Walling Utility District.

Quebeck-Walling Utility District

281 West Bockman Way
Sparta, TN 38583
Phone: 931-836-2147 Fax: 931-836-1240

Aug 14 2015

August 10, 2015

Mr. John Greer
State of Tennessee
505 Deadrick Street
Suite 1500
Nashville, TN 37243

Dear Mr. Greer,

In response to your visit to our District office on July 20, 2015, this letter is to provide you with a summary of the situations and remedies being undertaken by this office to address the negative net position this office has experienced in the last two years.

In an effort to make sure the District was in compliance with the water loss reporting under 25% water loss, we installed a large number of new radio-read water meters in the district in a short period of time. This action has improved the water loss for the District.

The Board was under the impression these meters would be capitalized out over time, however, found out when the audit was completed that this was not the case, they were all expensed in the same year. It was already June of the following year when the audit was presented and we found that because of the same scenario, we may be in jeopardy of showing another negative net position change for the current year. Immediately a reduction in district expenses was put in place. A full-time front office position was immediately cut in June to part-time with no benefits. In September, that position was terminated for a period of two months before being re-established with a 24 hour a week part-time position with no benefits. We operated on a one person office staff during this time. The maintenance crew has made efforts to also reduce fuel, overtime and supply costs to a minimum. I am enclosing comparable year balance sheets that reflect the expense cuts and those efforts made.

The accounting system was found to have not been initially set-up correctly, therefore many transaction postings were incorrect. Christopher Burnett of United Systems and Software was hired in July for an 8 hour day to spend with our office to properly code and correct the accounting system. In addition, I hired Mr. Burnett to assist in the re-posting of incorrect entries made during the first six months of the year. Changes have been made to the income statement, including depreciation to reflect the correct amounts. Mr. Burnett is still available to us on an "as needed" basis to assist with any questions or corrections. As of August 10, I believe all records to be accurate. I have enclosed a 2 year projection of funds anticipated for the 2015 and 2016 years using our computer-generated software.

As advised by you and Ms. Welborn, the Board will take in consideration the suggestion of adopting an annual COLA increase to be voted and approved at the beginning of the next fiscal year with the understanding this increase will remain in effect and be an automatic increase each year unless the Board votes to discontinue it. The Board is reviewing the rate and fee schedules as well.

In an effort to take advantage of the educational assistance available, Myself and the Certified Operator for our District were already scheduled and did attend a 6 hour "Workshop in a Box" conference by TAUD which focused on the needs and management of small utility districts. Our Certified Operator, Johnathan Demps is also scheduled to attend the TAUD 2015 Business of Running a Utility Conference to be held in Gatlinburg August 12-14th of this year.

At the regular District Board meeting on July 3, 2015, the Board voted to increase water rates for all accounts. The minimum charge was raised from \$8.40 to \$9.40 per month and the water rates were raised 10%, from \$0.72 to \$0.79 per 100 gallons. This increase becomes effective with the September 1, 2015 billing. At our meeting in July, I gave you an increased revenue projection sheet. However, I was not made aware that in my absence the week before, they had offered a part-time employee a full-time position. At the August monthly meeting, the Board voted 2 to 1 in favor of changing the current part-time front office position to full-time. I have enclosed the new projections based upon this change.

I have enclosed copies of the various reports and projections for your review.

I will continue to watch our financials and make every effort to assure that we do not experience a net position change this year and feel that the increased revenues for the year 2016 will be enough to meet our needs.

Please feel free to call or email me with any questions or concerns.

Sincerely,

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

Penny Long
General Manager

ENC

Changes reflected with Full-time Front Office Position Change

Year 2015 remaining-Position change beginning August 1st.

Anticipated Increase in Income: \$17,800.00

Changes in wage expenses - 11,402.00 (64%)

Year-end increase of income \$6,398.00

Recommend no upgrades this year due to this being an “estimate” of anticipated income numbers.

2016

Reflected net income increase \$65,685.00

Increase full time position change - 28,031.79 (43%)

New anticipated increase for year \$37,653.21

Quebeck-Walling Rate Analysis

Billing Cycle 1 Cycle 1
Service Type WA Water
Old Rate Code 01 Rate 001
New Rate Code 90 Testing Rate
Date Range 07/07/2014 To 07/07/2015
Use Reading Factor Yes

WA Water 01 Rate 001

Usage Table - Usage By Rate Increment

	Level	Bills	Over 0	Total Usage
Over	0	18,949	73,522,900	73,522,900
Total		18,949	73,522,900	73,522,900

WA Water 01 Rate 001

Revenue Table - Revenue By Rate Increment

	Level	Bills	Total Usage	Rate / 1000	Revenue
Over	0	18,949	73,522,900	\$8.40 Minimum	\$688,536.48
Total Revenue					\$688,536.48

Current Rates

WA Water 90 Testing Rate

Usage Table - Usage By Rate Increment

	Level	Bills	Over 0	Total Usage
Over	0	18,949	73,522,900	73,522,900
Total		18,949	73,522,900	73,522,900

WA Water 90 Testing Rate

Revenue Table - Revenue By Rate Increment

	Level	Bills	Total Usage	Rate / 1000	Revenue
Over	0	18,949	73,522,900	\$9.40 Minimum	\$760,421.97
Total Revenue					\$760,421.97

10% increase
 Revenue Difference \$71,885.49
to \$7.90/1000

**Quebeck-Walling Utility District
Vendor History Report**

Order By Vendor Number
 Vendor Number Range 39 To 39
 Vendor Name Range Not Applicable
 Vendor Type regular vendor
 Transaction Date Range 07/11/2014 To 07/11/2014
 Include Miscellaneous Vendors
 Include Checks
 Include Vouchers Print Voucher Expense Detail
 Print Vendor Totals Only

Voucher Type	Voucher Number	Invoice Date	Invoice Number	AP Account	Invoice Amount	Void
Vendor	39	United Systems & Software, Inc	PO Box 547	Benton, KY 42025		
Invoice	942	07/11/2014	52087	20200-0000	\$1,600.00	<input type="checkbox"/>
Voucher Totals For Vendor		39	United Systems & Software, Inc	1 Voucher	\$1,600.00	

Chris Burnett / CAB Accounting

8 hour day through United Systems. Found that alot of the accounts had not been set up correctly. Doug & Penny here. Chris went through the system and fixed all that he could while he was here.

**Quebeck-Walling Utility District
Notice of Rate Increase**

At the July 3, 2015 meeting of the Board of Commissioners approved a 10% rate increase for all water accounts. The new rate will be reflected on all bills as of September 1, 2015. This necessary action has been taken to cover the increasing costs of maintenance, repairs and upgrades of the distribution system as well as administrative costs the District is no longer able to absorb at the current rates established in 2009. If you have questions, please call out office at 836-2147.

Published date: 07/23/2015

Quebeck-Walling Utility District
Monthly Meeting of the Board of Commissioners
July 3, 2015

The regular meeting of the Board of Commissioners of the Quebeck-Walling Utility District was held at the District Office, 281 West Bockman Way, Sparta, TN at 10:30 am on Friday, July 3, 2015.

The following Commissioners were present:

Bruce Null, Chairman
Karen Lafever, Commissioner
Doug Austin, Commissioner

Also Present: Penny Long, Manager
Johnathan Demps, Operations Supervisor
Albert Dicus, CPA

Call to Order: 10:30 am by Bruce Null, Chairman

The minutes of the previous meeting were read and approved as read with motion being made by Bruce Null and seconded by Karen LaFever. All in favor, motion carried.

Financial Reports were reviewed by the Board. .

Albert Dicus presented the 2014 audit. In discussion of the financial reports, depreciation will be refigured to more accurately portrayed on a monthly basis. The Citizens Bank fund coverage statement has been received, reviewed and placed on file. Mr. Dicus advised the board that TCRS will be doing some changes that will be required for audit purposes.

Penny advised the Board that we have enough in the checking account to be able to transfer \$100,000. Into a certificate of deposit. Motion made by Bruce Null to put the money in a one year term, motion seconded by Karen LaFever

At the recent training sessions for the Commissioners, it was learned that the District is allowed to charge and pay ourselves for water line flushing. Penny will set up a company account for that purpose with billing and deposit of accounts receivable.

Johnathan Demps presented the water tank inspection reports. It was discussed that cleaning should be done on all tanks within the next couple of years. Johnathan also recommended that 24 mesh screen be installed on each tank.

A water rate increase study compiled by Kevin Gilliam of TAUD was presented to the Board based upon his recommendations of a 5 year plan. After much discussion, it was deemed necessary to recess the meeting until Friday, July 10th, 2015 at 10:30 am. At that time, other

rate studies will be presented and further discussion will be held to determine the needs of the district.

Motion to recess by Bruce Null, seconded by Doug Austin. Meeting recessed at 11:55 a.m.

Quebeck-Walling Utility District
Monthly Meeting of the Board of Commissioners
July 10,2015

A continuation of the recessed meeting of July 3, 2015, of the Board of Commissioners of the Quebeck-Walling Utility District was held at the District Office, 281 West Bockman Way, Sparta, TN at 10:30 am on Friday, July 10, 2015.

The following Commissioners were present:

Bruce Null, Chairman
Karen Lafever, Commissioner
Doug Austin, Commissioner

Also Present: Penny Long, Manager
Johnathan Demps, Operations Supervisor

Call to Order: 10:30 am by Bruce Null, Chairman

Johnathan Demps advised the Board of a meeting he had this morning with Anthony Pelham. Their discussion was held regarding the Hickory Valley water line corrections. Anthony advised the District to not replace lines but to install Variable Frequency Drives instead to accomplish the same result.

Johnathan had checked on costs of replacing the water line on Betterton Road, estimated to be approximately \$160,000 to \$170,000. This project will be completed through a bid process when the District is ready to proceed.

Various computer generated rate studies were presented by Penny Long. After discussion on the rate differences and what the anticipated needs are of the District in the near future, Karen LaFever made a motion to increase water rates with a \$1.00 increase of the minimum charge and a 10% water rate increase, from \$0.72 per 100 gallons to \$0.79 per 100 gallons, with increase to be effective with the September 1, 2015 billing. Motion seconded by Doug Austin. All in favor, motion carried. Penny will place a notice to customers in the Sparta Expositor advising customers of the rate increase.

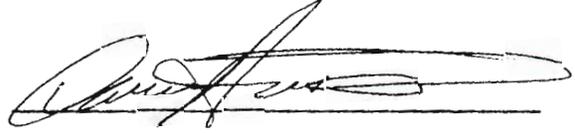
Penny advised the Board of a "Workshop in a Box" program to be presented by TAUD. This is a program which covers the Top Ten Key Management Areas of a Utility District. Kevin Gilliam will be doing the presentation on July 27th, at the District office for those interested. Penny Long and Johnathan Demps will be attending the 6 hour class.

After review of the Servline Water Leak Program, it was determined that this service is not viable for the District as we do not have a leak adjustment policy as expected by the insurance company.

Motion to adjourn by Karen LaFever, seconded by Doug Austin. Meeting adjourned at 11:30 a.m.

A handwritten signature in black ink, appearing to read "Bruce Null", written over a horizontal line.

Bruce Null, Chairman

A handwritten signature in black ink, appearing to read "Doug Austin", written over a horizontal line.

Commissioner

**Quebeck Walling Utility District
Balance Sheet**

Fiscal Year: 2014
 Comparative Year: 2013
 Include Thru: December

Account	2014 Beginning Balance	Previous Period Balance	2014 YTD 12/31/14	2013 YTD 12/31	Difference
10002-0000 Citizens Bank Acct 2 694 8	112,048.68	116,201.11	130,020.51	112,048.68	17,971.83
10400-0000 Petty Cash	50.64	50.64	182.43	50.64	131.79
10500-0000 Cash On Hand	451.68	451.68	451.68	451.68	0.00
CD 91147204-Bank Of Putnam Co-\$160,000	30,000.00	0.00	0.00	30,000.00	(30,000.00)
CD 91147216-Bank of Putnam Co\$202,583.56	202,583.56	0.00	0.00	202,583.56	(202,583.56)
CD-91147240-Bank Of Putnam Co \$200,000	200,000.00	0.00	0.00	200,000.00	(200,000.00)
11770-0000 CD-Citizens Bank 200K	0.00	200,000.00	200,000.00	0.00	200,000.00
11780-0000 CD-Citizens Bank 100K	0.00	100,000.00	100,000.00	0.00	100,000.00
11790-0000 CD-Citizens Bank- \$30K	0.00	30,000.00	30,000.00	0.00	30,000.00
12000-0000 Accounts Rec-Customers	72,563.13	69,404.73	61,871.75	72,563.13	(10,691.38)
12100-0000 Allowance For Bad Debts	(8,881.03)	2,311.33	(5,046.28)	(8,881.03)	3,834.75
13000-0000 Interest Receivable	452.54	452.54	1,390.52	452.54	937.98
13500-0000 Prepaid Expense	0.00	0.00	1,064.23	0.00	1,064.23
13520-0000 Utility Deposits	160.00	160.00	160.00	160.00	0.00
14000-0000 Inventory	46,511.91	46,511.91	31,655.24	46,511.91	(14,856.67)
15000-0000 Land	43,096.00	43,096.00	43,096.00	43,096.00	0.00
15050-0000 Building	118,611.58	118,611.58	122,632.70	118,611.58	4,021.12
15060-0000 Accumulated Depreciation	(43,738.03)	(46,456.24)	(46,887.62)	(43,738.03)	(3,149.59)
15100-0000 Main, Services & Meters	4,585,426.23	4,619,409.68	4,617,063.92	4,585,426.23	31,637.69
15200-0000 Accumulated Depreciation	2,117,607.11	2,210,057.11	2,228,718.29	2,117,607.11	111,111.18
15150-0000 Construction-In Progress	0.00	6,421.12	0.00	0.00	0.00
15400-0000 Office Furniture & Equipment	108,713.92	139,073.87	138,612.92	108,713.92	29,899.00
15500-0000 Accumulated Depreciation	80,750.48	90,375.48	96,704.28	80,750.48	15,953.80
TOTAL ASSETS	3,269,693.22	3,145,267.36	3,100,845.43	3,269,693.22	(168,847.79)
LIABILITIES & CAPITAL					
Liabilities					
20200-0000 Accounts Payable	25,118.52	24,997.89	23,927.27	25,118.52	(1,191.25)
20400-0000 Federal + FICA Withheld & Accured	693.50	527.92	1,160.82	693.50	467.32
20500-0000 n/a - Federal Tax Withheld	2,006.85	2,006.85	2,006.85	2,006.85	0.00

Account		2015 Beginning Balance	Previous Period Balance	2015 YTD 07/31/15	2014 YTD 07/31	Difference
22550-0000	Retirement Payable	499.40	979.58	1,164.59	(239.09)	1,403.68
22600-0000	Sales Tax Payable	4,416.57	6,279.23	6,005.38	5,569.46	435.92
22700-0000	Meter Deposits	87,687.68	83,919.94	83,257.22	91,685.71	(8,428.49)
22730-0000	Developer Adv Meter Taps	0.00	11,200.00	11,200.00	0.00	11,200.00
22750-0000	Customer Overpayments(Don't Use)	0.00	0.00	0.00	6,924.16	(6,924.16)
22800-0000	Accrued Interest	817.32	817.32	817.32	3,152.59	(2,335.27)
26005-0000	2002 Bond Issue	273,062.59	270,163.75	269,680.61	275,497.57	(5,816.96)
26501-0000	Wages Payable	3,578.88	5,764.25	3,578.88	6,559.19	(2,980.31)
27000-0000	Cont In Lieu Of Capital	148,935.02	148,935.02	148,935.02	148,935.02	0.00
28500-0000	Grants	574,832.08	574,832.08	574,832.08	574,832.08	0.00
	Total Liabilities	1,123,489.05	1,128,209.74	1,121,630.61	1,143,242.03	(21,611.42)
	Capital					
29000-0000	Retained Earnings	1,977,356.38	1,977,356.38	1,977,356.38	1,983,546.23	(6,189.85)
		0.00	364,952.92	432,813.88	416,374.53	16,439.35
		0.00	333,732.40	416,437.10	404,250.73	12,186.37
	Total Capital	1,977,356.38	2,008,576.90	1,993,733.16	1,995,670.03	(1,936.87)
	Total Liabilities & Capital	3,100,845.43	3,136,786.64	3,115,363.77	3,138,912.06	(23,548.29)

**Quebeck Walling Utility District
Balance Sheet**

Fiscal Year: 2015
Comparative Year: 2014
Include Thru: July

Account	2015 Beginning Balance	Previous Period Balance	2015 YTD 07/31/15	2014 YTD 07/31	Difference
10002-0000 Citizens Bank Acct 2 694 8	130,020.51	198,200.89	108,959.48	89,814.57	19,144.91
10400-0000 Petty Cash	182.43	150.12	193.56	50.64	142.92
10500-0000 Cash On Hand	451.68	451.68	451.68	451.68	0.00
11770-0000 CD-Citizens Bank 200K	200,000.00	200,000.00	200,000.00	200,000.00	0.00
11780-0000 CD-Citizens Bank 100K	100,000.00	100,000.00	100,000.00	100,000.00	0.00
11785-0000 CD-Citizens Bank \$100K	0.00	0.00	100,000.00	0.00	100,000.00
11790-0000 CD-Citizens Bank- \$30K	30,000.00	30,000.00	30,000.00	0.00	30,000.00
12000-0000 Accounts Rec-Customers	61,871.75	81,376.71	76,500.01	85,581.03	(9,081.02)
12100-0000 Allowance For Bad Debts	(5,046.28)	(5,046.28)	(5,046.28)	(2,581.25)	(2,465.03)
13000-0000 Interest Receivable	1,390.52	1,390.52	1,390.52	452.54	937.98
13500-0000 Prepaid Expense	1,064.23	1,589.23	1,589.23	0.00	1,589.23
13520-0000 Utility Deposits	160.00	160.00	160.00	160.00	0.00
14000-0000 Inventory	31,655.24	31,655.24	31,655.24	46,511.91	(14,856.67)
15000-0000 Land	43,096.00	43,096.00	43,096.00	43,096.00	0.00
15050-0000 Building	122,632.70	122,632.70	122,632.70	118,611.58	4,021.12
15060-0000 Accumulated Depreciation	(46,887.62)	(48,371.88)	(48,724.59)	(45,467.80)	(3,256.79)
15100-0000 Main, Services & Meters	4,617,063.92	4,617,859.06	4,614,917.58	4,617,832.08	(2,914.50)
15200-0000 Accumulated Depreciation	2,228,718.29	2,274,260.69	2,295,164.70	2,174,257.11	120,907.59
15150-0000 Construction In Progress	0.00	0.00	0.00	6,421.12	(6,421.12)
15400-0000 Office Furniture & Equipment	138,612.92	138,612.92	138,612.92	139,073.87	(460.95)
15500-0000 Accumulated Depreciation	96,704.28	102,709.58	105,859.58	86,875.48	18,984.10
TOTAL ASSETS	3,100,845.43	3,136,786.64	3,115,363.77	3,138,875.38	(23,511.61)
LIABILITIES & CAPITAL					
Liabilities					
20200-0000 Accounts Payable	23,927.27	20,046.01	16,441.52	25,064.73	(8,623.21)
20400-0000 Federal + FICA Withheld & Accrued	1,160.82	687.21	1,184.61	276.31	908.30
20500-0000 n/a - Federal Tax Withheld	2,006.85	2,006.85	2,006.85	2,006.85	0.00
22400-0000 State Unemployment Tax	145.20	159.13	107.16	70.97	36.19
22450-0000 Accrued Vacation	2,419.37	2,419.37	2,419.37	2,906.48	(487.11)

Account		2014 Beginning Balance	Previous Period Balance	2014 YTD 12/31/14	2013 YTD 12/31	Difference
22400-0000	State Unemployment Tax	89.00	216.88	145.20	89.00	56.20
22450-0000	Accrued Vacation	2,906.48	2,906.48	2,419.37	2,906.48	(487.11)
22550-0000	Retirement Payable	960.89	(936.17)	499.40	960.89	(461.49)
22600-0000	Sales Tax Payable	4,916.00	5,110.68	4,416.57	4,916.00	(499.43)
22700-0000	Meter Deposits	88,237.60	67,546.85	87,687.68	88,237.60	(549.92)
22750-0000	Customer Overpayments(Don't Use)	0.00	6,924.16	0.00	0.00	0.00
22800-0000	Accrued Interest	3,152.59	3,152.59	817.32	3,152.59	(2,335.27)
26001-0000	1976 Bond Issue	33,000.00	0.00	0.00	33,000.00	(33,000.00)
26002-0000	1978 Bond Issue	49,000.00	0.00	0.00	49,000.00	(49,000.00)
26004-0000	1995 Bond Issue	70,469.24	0.00	0.00	70,469.24	(70,469.24)
26005-0000	2002 Bond Issue	278,597.21	273,692.69	273,062.59	278,597.21	(5,534.62)
26501-0000	Wages Payable	3,464.67	3,464.67	3,578.88	3,464.67	114.21
27000-0000	Cont In Lieu Of Capital	148,935.02	148,935.02	148,935.02	148,935.02	0.00
28500-0000	Grants	574,832.08	574,832.08	574,832.08	574,832.08	0.00
	Total Liabilities	1,286,379.65	1,113,378.59	1,123,489.05	1,286,379.65	(162,890.60)
	Capital					
29000-0000	Retained Earnings	1,983,546.23	1,998,138.87	1,983,546.23	2,040,672.19	(57,125.96)
		0.00	653,905.02	705,149.34	697,924.27	7,225.07
		0.00	620,351.10	708,874.16	749,340.77	(40,466.61)
	Total Capital	1,983,546.23	2,031,692.79	1,979,821.41	1,989,255.69	(9,434.28)
	Total Liabilities & Capital	3,269,925.88	3,145,071.38	3,103,310.46	3,275,635.34	(172,324.88)

Current Year: 2015
 Comparative Year: 0
 Period: July
 Period Begin: 07/01/15
 Period End: 07/31/15

Quebeck Walling Utility District
Income Statement

Account	Title	Current Period	Current YTD Balance
30100-0000	Water Sales	\$64,520.49	412,271.93
30200-0000	Penalties	\$1,422.22	6,793.70
30300-0000	Tap Fees	\$1,400.00	7,000.00
30400-0000	\$25 Service Fee	\$175.00	1,650.00
30570-0000	Reconnect fee	\$260.00	2,560.00
30700-0000	Credit Card Convenience Fee	\$69.00	694.00
30860-0000	Administration Income	\$14.25	14.25
30900-0000	Return check fee	\$0.00	180.00
30950-0000	CD Interest Income checks	\$0.00	1,650.00
	Total Revenues	\$67,860.96	432,813.88
Expenses			
50400-0000	Water Purchases	\$22,075.56	129,634.36
50500-0000	Contract Labor	\$409.98	6,866.49
50550-0000	District Expenses	\$4,242.96	42,736.79
50600-0000	District Supplies	\$0.00	491.20
50700-0000	Office Salaries & Wages	\$4,484.82	33,822.69
50750-0000	Maintenance Salaries	\$5,560.79	43,194.82
50810-0000	Social Security Taxes	\$804.82	5,100.56
50820-0000	Medicare Taxes	\$188.22	890.17
50840-0000	Payroll Taxes Suta	\$18.00	1,292.70
51000-0000	Health Insurance	\$7,229.18	24,272.61
51100-0000	Postage	\$6.56	434.32
51300-0000	Commissioners Salaries	\$750.00	5,250.00
51400-0000	Auditing	\$3,900.00	3,900.00
51500-0000	Depreciation	\$24,406.72	77,438.68
51700-0000	Small Tools & Equipment	\$402.88	484.00
51800-0000	Field Materials, pipe, etc	\$3,000.17	4,986.86
52170-0000	Credit Card Expenses	\$157.17	1,706.22
52300-0000	Office Supplies	\$133.45	1,012.31
52500-0000	Travel Expense	\$102.93	102.93
52600-0000	Electric	\$1,204.13	9,443.84
52650-0000	Gas	\$16.00	708.00
52700-0000	Telephone	\$517.77	3,914.87
52900-0000	water sample testing	\$0.00	1,746.00
53000-0000	Computer Expense	\$265.00	362.50
53050-0000	Retirement	\$636.70	4,000.19
53200-0000	Vehicle Expenses	\$839.53	4,702.57
53300-0000	Advertising Expenses	\$280.50	445.40
61000-0000	Interest Expense	\$1,070.86	7,496.02
	Total Expenses	(\$82,704.70)	(416,437.10)
	Net Income(Loss)	(\$14,843.74)	16,376.78

FAX COVER SHEET

Quebeck-Walling Utility District
281 West Bockman Way
Sparta, TN 38583
Phone: 931-836-2147
Fax: 931-836-1240

Date: 11.14.15

To: John Greer, Analyst
State of TN, Comptroller

Fax Number: 615.741.6216

Number of Pages (inc cover sheet) 3

John,

Attached are updated financials since your visit.
I have sent you a current income statement for
this year as well as the approved budget being
submitted next month. We raised rates which
have projected a very positive outlook for our
district, not only for the remaining 2015 but
2016 and the near future. Please call with
any questions. Sincerely, Penny Long
General Manager

Current Year: 2015
 Comparative Year: 0
 Period: October
 Period Begin: 10/01/15
 Period End: 10/31/15

Quebeck Walling Utility District
 Income Statement

Account	Title	Current Period	Current YTD Balance
30100-0000	Water Sales	\$59,847.25	607,491.87
30200-0000	Penalties	\$1,185.38	10,006.39
30300-0000	Tap Fees	\$700.00	10,800.00
30400-0000	\$25 Service Fee	\$300.00	2,675.00
30570-0000	Reconnect fee	\$480.00	4,040.00
30700-0000	Credit Card Convenience Fee	\$90.00	970.00
30860-0000	Administration Income	\$0.00	22.09
30900-0000	Return check fee	\$40.00	300.00
30950-0000	CD Interest Income checks	\$0.00	1,815.00
	Total Revenues	\$62,642.63	638,120.35
Expenses			
50400-0000	Water Purchases	\$26,027.36	208,253.46
50500-0000	Contract Labor	\$620.00	9,476.49
50550-0000	District Expenses	\$6,027.67	62,032.45
50600-0000	District Supplies	\$26.47	2,113.74
50700-0000	Office Salaries & Wages	\$5,699.88	49,186.57
50750-0000	Maintenance Salaries	\$6,545.90	62,405.95
50810-0000	Social Security Taxes	\$805.72	7,383.66
50820-0000	Medicare Taxes	\$188.41	1,424.09
50840-0000	Payroll Taxes Suta	\$18.00	1,346.70
51000-0000	Health Insurance	\$4,709.06	39,494.26
51100-0000	Postage	\$98.00	688.98
51300-0000	Commissioners Salaries	\$750.00	7,500.00
51400-0000	Auditing	\$0.00	3,900.00
51500-0000	Depreciation	\$1,091.65	99,640.69
51700-0000	Small Tools & Equipment	\$0.00	764.00
51800-0000	Field Materials, pipe, etc	\$548.14	6,612.32
52170-0000	Credit Card Expenses	\$244.17	2,356.43
52300-0000	Office Supplies	\$0.00	1,490.35
52400-0000	Office Expense	\$25.00	25.00
52500-0000	Travel Expense	\$0.00	311.08
52600-0000	Electric	\$1,272.22	12,913.01
52650-0000	Gas	\$16.00	756.00
52700-0000	Telephone	\$586.42	5,676.33
52900-0000	water sample testing	\$95.00	2,483.00
53000-0000	Computer Expense	\$0.00	362.50
53050-0000	Retirement	\$738.40	6,058.47
53200-0000	Vehicle Expenses	\$1,239.15	7,084.34
53300-0000	Advertising Expenses	\$0.00	445.40
61000-0000	Interest Expense	\$1,070.86	10,708.60
	Total Expenses	(\$58,443.48)	(612,893.87)
	Net Income(Loss)	\$4,199.15	25,226.48

Form RD 442-2
(Rev. 9-97)

Position 3

FORM APPROVED
OMB NO. 0575-0015
OMB NO. 0572-0137

UNITED STATES DEPARTMENT OF AGRICULTURE
STATEMENT OF BUDGET, INCOME AND EQUITY

Schedule 1

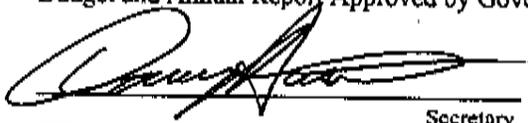
Name
Quebeck-Walling Utility District

281 West Hockman Way
Address Sparta, TN 38583

(1) <u>OPERATING INCOME</u>	PRIOR YEAR Actual (2)	ANNUAL BUDGET BEG 01/01/2016 END 12/31/2016 (3)	For the _____ Months Ended _____		Actual YTD (Over) Under Budget Col. 3 - 5 - 6 (6)
			CURRENT YEAR		
			Actual Data		
			Current Quarter (4)	Year To Date (5)	
1. Water Sales		776,000.00			
2. Penalties		11,400.00			
3. Svc Fees/Reconn		6,825.00			
4. Tap Fees		10,000.00			
5. Miscellaneous		1,300.00			
6. Less: Allowances and Deductions					
7. Total Operating Income (Add lines 1 through 6)		805,525.00			
<u>OPERATING EXPENSES</u>					
8. Water Purchases		235,000.00			
9. Wages, Tax, Benef		215,000.00			
10. Commissioners		9,000.00			
11. Utilities		23,000.00			
12. Ofc Supp/Expense		5,000.00			
13. Fucl/Vehicles		12,000.00			
14. Dist Expenses		96,000.00			
15. Interest		12,600.00			
16. Depreciation		103,322.01			
17. Total Operating Expense (Add Lines 8 through 16)		710922.01			
18. NET OPERATING INCOME (LOSS) (Line 7 less 17)		94,602.99			
<u>NONOPERATING INCOME</u>					
19. CD Interest		1,650.00			
20. _____					
21. Total Nonoperating Income (Add 19 and 20)		1,650.00			
22. NET INCOME (LOSS) (Add lines 18 and 21)		96,252.99			
23. Equity Beginning of Period					
24. _____					
25. _____					
26. Equity End of Period (Add lines 22 through 25)		96,252.99			

Budget and Annual Report Approved by Governing Body

Quarterly Reports Certified Correct


Secretary

11/6/2015
Date


Appropriate Official

11-6-15
Date

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015 and 0572-0137. The time required to complete this information collection is estimated to average 2-1/2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UTILITY MANAGEMENT REVIEW BOARD
Case Study

Case: Fall River Road Utility District
Manager: Mr. David Didick
Customers: 1031
Validity Score: 75
Non-revenue water: 7.30%

The Fall River Road Utility District has been reported to the Board as having two consecutive years with a negative net change in net position in its water system as of December 31, 2014. The financial and rate history is reflected on the attached sheet.

In 2006 a water plant was built due to the rising cost of purchasing water from the City of Lawrenceburg (\$3.70 per thousand). According to the project engineer, the well that was drilled had enough water to supply all of Lawrence County. During the project, something happened to the aquifer and it stopped holding water. The water that was still available was very poor quality. The plant had to be enhanced to treat the poor quality water which increased construction cost to \$1,500,000.

The District purchases a large percentage of its water from the City of Lawrenceburg at a cost of \$2.07 per thousand gallons due to the unstable aquifer. There is also an option to buy well water from a citizen at the rate \$.55 per thousand, but that water must be treated. The District has calculated that it is cheaper to buy the treated water on a per thousand basis.

Fourteen miles of tansite water lines have been replaced to decrease maintenance cost and water loss. During certain months, the District would lose over 50% of the water pumped into the system because of these older lines. Effective September 1, 2015, the District raised rates 10% across the Board. The City of Lawrenceburg has also been contacted to review a possible consolidation.

Staff recommends the Board endorse, by formal order, the actions of the Fall River Road Utility District.

FALL RIVER UTILITY DISTRICT										
HISTORY FILE										
	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited
Fiscal Year December 31	2004	2005	2006	2007	2009	2010	2011	2012	2013	2014
Water revenues	\$ 319,569	\$ 379,250	\$ 415,523	\$ 485,104	\$ 514,300	\$ 562,217	\$ 606,585	\$ 647,865	\$ 588,522	\$ 559,478
Other revenues	\$ 39,523	\$ 35,932	\$ 48,186	\$ 49,538	\$ 34,207	\$ 13,756	\$ 11,500	\$ 13,839	\$ 12,169	\$ 19,392
Total Operating Revenues	\$ 359,092	\$ 415,182	\$ 463,709	\$ 534,642	\$ 548,507	\$ 575,973	\$ 618,085	\$ 661,704	\$ 600,691	\$ 578,870
Total Operating Expenses	\$ 400,105	\$ 409,420	\$ 480,505	\$ 531,403	\$ 543,117	\$ 560,202	\$ 559,445	\$ 549,778	\$ 557,501	\$ 616,212
Operating Income	\$ (41,013)	\$ 5,762	\$ (16,796)	\$ 3,239	\$ 5,390	\$ 15,771	\$ 58,640	\$ 111,926	\$ 43,190	\$ (37,342)
Interest Expense	\$ 15,515	\$ 15,104	\$ 21,092	\$ 23,570	\$ 58,447	\$ 57,710	\$ 56,939	\$ 56,134	\$ 55,293	\$ 49,708
Capital Contributions	\$ 11,348			\$ 84,000	\$ 18,505					
Change in Net Position	\$ (45,180)	\$ (9,342)	\$ (37,888)	\$ 63,669	\$ (34,552)	\$ (41,939)	\$ 1,701	\$ 55,792	\$ (12,103)	\$ (87,050)
<u>Supplemental Information</u>										
Principal payment	\$ 8,729	\$ 9,123	\$ 7,198		\$ 16,553	\$ 17,290	\$ 18,061	\$ 18,867	\$ 19,707	\$ 20,586
Depreciation	\$ 34,545	\$ 35,894	\$ 42,520	\$ 46,122	\$ 87,555	\$ 81,974	\$ 80,871	\$ 80,871	\$ 82,936	\$ 82,335
Water Rates							4/12/2011			
First 1,500 gallons	\$ 13.50	\$ 15.50	\$ 15.50		\$ 18.00	\$ 18.00				
over 1,500 gallons	\$ 4.50	\$ 6.29	\$ 6.29		\$ 8.50	\$ 8.50				
First 1,000 gallons							\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00
over 1,000 gallons							\$ 8.50	\$ 8.50	\$ 8.50	\$ 8.50
Customers	985	1,021	1,063		1,217	1,085	1,084	1,077	1,082	1,095
Water Loss					43%	45%	41%			
Validity Score								78	80	75
Non-revenue water								12.70%	3.50%	7.30%

FALL RIVER RD. UTILITY DIST. BD. MEETING MINUTES
SEPT.8,2015
CROSSROADS FIRE HALL

SEP 21 2015

MEETING CALLED:BY ROBERT
INVOCATION:BY JOE
ROLLCALL:ALL COMM.'S PRESENT
MINUTES: OF AUG11,2015 MEETING READ BY DAVE
MOTION:ACCEPT AS READ 1ST.JIM,2ND.TIM-APPROVED
FINANCIAL REPORT:AUGUST 2015 READ BY DAVE
MOTION:ACCEPT AS READ 1ST.JIM,2ND.TIM-APPROVED

MATTERS DISCUSSED:

WTP UPDATE:WATER LEVEL LOW,46 FT.-4 INCHES,SAVING
WHAT WE CAN PUMP FOR WHEN PUMP STATION OFF LINE.

LINE REPLACEMENT:PROGRESS MEETING HELD.HORSESHOE
BEND LINES TESTED,PASSED AND IN PROCESS CUTTING
CUSTOMERS OVER TO NEW LINE.PROJECTS BEHIND SCH ,
CONTRACT "A"HAS 36 DAYS LEFT-162 DAYS BEHIND,"B"57
DAYS BEHIND.

DAVE'S REPLACEMENT & PAY REQUEST: AFTER DISCUSSION
& REJECTION.

MOTION:PAY DAVE ADDITIONAL \$500.00 ONE MO.AND MAKE
DECISION NEXT MO. 1ST.TIM,2ND.JIM-APPROVED

LUS TAKE OVER OF FRUD:JIM REPORTED ON WHAT THEY
WANTED TO DO,HIRE FIRM TO EVALUTE AND ADVISE IF WE
ARE SERIOUS.AFTER DISCUSSION BD. WANTS WAIT UNTIL
PROJECT COMPLETE.

★ RATE INCREASE:BD. DISCUSSED.

MOTION:RAISE RATE 10% ACROSS BD.,BASE RATE AND
PER.THOUSAND.1ST.JOE,2ND.TIM APPROVED.

COMMENTS:MR.SPRINGER REQUEST SP.WELL EQUIPMENT BE
REMOVED AS CONTRACT STATES FOR NONE PAYMENT.DAVE
STATES WE HAVE TRIED TO USE,AND DO OWE FOR SOME
WATER AND WOULD USE WELL IF WATER TABLE COMES UP.
WILL CHECK WITH ATTY.AND ADVISE.

MOTION: ADJOURN-APPROVED

8:00PM
JOE FINCHER SEC.

Old Rates

FALL RIVER RD. UTILITY DIST. RATES
APRIL 12, 2011

MIN. BILL \$20.00-1ST. 1,000 GALS.
ALL OVER 1,000 GALS. \$8.50-PER. 1,000 GALS.
CONNECTION FEE \$100.00

TAP FEE'S

3/4" TAP \$1,000.00
1" TAP \$1,500.00
2" TAP \$3,500.00
4" TAP \$2,000.00 (NO METER)
6" TAP \$3,500.00 (NO METER)
RATES APPROVED APR. 12, 2011 MEETING

FALL RIVER ROAD UTILITY DISTRICT
P.O. BOX 57
LEOMA, TN 38468

#####

RATE CODE # 1

FALL RIVER CODE

*Effective date
As of Sept 15, 2015*

Service	Charge	Usage Amount	Water Charge
Water	\$22.00	1,000 Remainder	Minimum Charge \$9.35
		0	
	OTHER1	0	
	OTHER2	0	
	Other 3 Charge	0	
	Other 4 Charge	0	
		0	
Late Charges		0	
Fixed		0	
Percentage	10.00 %	0	
		0	
Tax			
	9.75 %		
		Billing Day 30	
		Due Day 15	
Northeast Lawrence Utility District			

Rate Chart

Usage	Charges	Usage	Charges	Usage	Charges
1,000	\$22.00	6,000	\$68.75		
1,100	\$22.94	6,100	\$69.69		
1,200	\$23.87	6,200	\$70.62		
1,300	\$24.81	6,300	\$71.56		
1,400	\$25.74	6,400	\$72.49		
1,500	\$26.68	6,500	\$73.43		
1,600	\$27.61	6,600	\$74.36		
1,700	\$28.55	6,700	\$75.30		
1,800	\$29.48	6,800	\$76.23		
1,900	\$30.42	6,900	\$77.17		
2,000	\$31.35	7,000	\$78.10		
2,100	\$32.29	7,100	\$79.04		
2,200	\$33.22	7,200	\$79.97		
2,300	\$34.16	7,300	\$80.91		
2,400	\$35.09	7,400	\$81.84		
2,500	\$36.03	7,500	\$82.78		
2,600	\$36.96	7,600	\$83.71		
2,700	\$37.90	7,700	\$84.65		
2,800	\$38.83	7,800	\$85.58		
2,900	\$39.77	7,900	\$86.52		
3,000	\$40.70	8,000	\$87.45		
3,100	\$41.64	8,100	\$88.39		
3,200	\$42.57	8,200	\$89.32		
3,300	\$43.51	8,300	\$90.26		
3,400	\$44.44	8,400	\$91.19		
3,500	\$45.38	8,500	\$92.13		
3,600	\$46.31	8,600	\$93.06		
3,700	\$47.25	8,700	\$94.00		
3,800	\$48.18	8,800	\$94.93		
3,900	\$49.12	8,900	\$95.87		
4,000	\$50.05	9,000	\$96.80		
4,100	\$50.99	9,100	\$97.74		
4,200	\$51.92	9,200	\$98.67		
4,300	\$52.86	9,300	\$99.61		
4,400	\$53.79	9,400	\$100.54		
4,500	\$54.73	9,500	\$101.48		
4,600	\$55.66	9,600	\$102.41		
4,700	\$56.60	9,700	\$103.35		
4,800	\$57.53	9,800	\$104.28		
4,900	\$58.47	9,900	\$105.22		
5,000	\$59.40	10,000	\$106.15		
5,100	\$60.34				
5,200	\$61.27				
5,300	\$62.21				
5,400	\$63.14				
5,500	\$64.08				
5,600	\$65.01				
5,700	\$65.95				
5,800	\$66.88				
5,900	\$67.82				

**UTILITY MANAGEMENT REVIEW BOARD
Case Study**

Case:	Grandview Utility District
Manager:	Richard Bilbrey
Customers:	654
Validity Score:	82
Non-revenue water	14.60%

The Grandview Utility District has been reported to the Board for having two consecutive years with a negative net change in net position in its water system as of December 31, 2014. The financial and rate history is reflected on the attached sheet.

All water is purchased from the City of Crossville. Effective June 1, 2015, Crossville raised the purchase rate from \$3.32 to \$3.80 per thousand gallons. The current water purchase contract is in place until 2017, and the City can raise rates at any point.

The District increased rates approximately 15% in January of 2015 and 10% October of 2015. The District is ready to increase rates again in January of 2016 if there is still a negative net change in net position in the audit.

Staff recommends the Board endorse, by formal order, the actions of the Grandview Utility District.

**GRANDVIEW UTILITY DISTRICT
HISTORY FILE**

	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited
Fiscal Year December 31	2006	2007	2008	2009	2010	2011	2012	2013	2014
Water revenues	\$ 205,014	\$ 217,087	\$ 211,178	\$ 203,522	\$210,393	\$ 234,038	\$235,095	\$229,731	\$ 255,747
Other revenues	\$ 28,266	\$ 36,716	\$ 39,557	\$ 25,774	\$ 25,379	\$ 17,181	\$ 19,842	\$ 17,834	\$ 24,022
Total Operating Revenues	\$ 233,280	\$ 253,803	\$ 250,735	\$ 229,296	\$ 235,772	\$ 251,219	\$ 254,937	\$ 247,565	\$ 279,769
Total Operating Expenses	\$ 225,535	\$ 213,157	\$ 260,753	\$ 232,718	\$ 250,301	\$ 214,238	\$ 249,151	\$ 268,766	\$ 283,525
Operating Income	\$ 7,745	\$ 40,646	\$ (10,018)	\$ (3,422)	\$ (14,529)	\$ 36,981	\$ 5,786	\$ (21,201)	\$ (3,756)
Interest Expense	\$ 5,979	\$ 5,878	\$ 5,650	\$ 5,538	\$ 5,552	\$ 5,437	\$ 5,892	\$ 9,323	\$ 9,130
Contributed Capital		\$ 393,000					\$ 84,000		
Change in Net Position	\$ 1,766	\$ 427,768	\$ (15,668)	\$ (8,960)	\$ (20,081)	\$ 31,544	\$ 83,894	\$ (30,524)	\$ (12,886)
<u>Supplemental Information</u>									
Principal payment	\$ 3,069	\$ 3,170	\$ 3,274	\$ 3,382	\$ 3,494	\$ 3,609	\$ 3,975	\$ 6,186	\$ 6,426
Depreciation	\$ 44,047	\$ 148,561	\$ 51,781	\$ 52,751	\$ 52,715	\$ 52,715	\$ 52,791	\$ 65,372	\$ 69,575
Water Rates									
Rhea County									
Water minimum bill		\$ 15.60	\$ 15.60	\$ 15.60	\$ 17.12	\$ 17.60	\$ 17.60	\$ 17.85	\$ 19.85
over 2,000 gallons/1000		\$ 5.70	\$ 5.70	\$ 5.70	\$ 5.70	\$ 7.00	\$ 7.00	\$ 7.25	\$ 7.50
Cumberland County									
Water minimum bill		\$ 15.60	\$ 15.60	\$ 15.60	\$ 17.18	\$ 17.60	\$ 17.60	\$ 17.85	\$ 19.85
over 2,000 gallons/1000		\$ 5.70	\$ 5.70	\$ 5.70	\$ 5.70	\$ 7.00	\$ 7.00	\$ 7.25	\$ 7.50
Non-Profit Organizations									
Water minimum bill					\$ 15.60				
over 2,000 gallons/1000					\$ 5.70				
Water customers		617	625	631	640	644	654	654	661
Water Loss		10.990%	18.184%	18.410%	13.920%	13.000%			
Non-Revenue Water							7.80%	9.10%	14.60%
Validity Score							67	70	82

Grandview Utility District
P.O. Box 749
Spring City, TN 37337
877-863-1521
423-365-9482
Fax: 931-456-0706

OCT 30 2015

Manager
Rick Bilbrey
931-335-2018

October 26, 2015

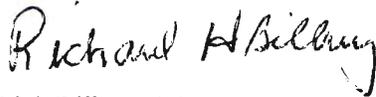
Utility Management Review Board
Suite 1600 James K. Polk Building
505 Deaderick Street
Nashville, Tennessee 37243-1402

ATTN: Joyce Welborn, John Greer:

In response to your recent request please find enclosed the items you asked Grandview Utility to provide for your review. Please find enclosed a copy of the District's Profit & Loss reports for the period of January through August, 2015, including our most recent, September, 2015. Included also are copies of minutes for July and September, 2015.

We are making every effort to correct the situation you discussed with the District during your recent visit. As you know we began a rate increase beginning January and in October, 2015, in hopes of resolving this matter.

Sincerely,



Rick Bilbrey, Manager
Grandview Utility District

10:30 AM
 10/22/15
 Accrual Basis

**Grandview Utility District
 Profit & Loss
 September 2015**

	<u>Sep 15</u>
Ordinary Income/Expense	
Income	
400 - Water Sales	27,254.61
401 - Forfeited Discounts	856.27
403 - Reconnect and Transfer Fees	200.00
Total Income	<u>28,110.88</u>
Cost of Goods Sold	
600 - Water Purchased	15,721.36
Total COGS	<u>15,721.36</u>
Gross Profit	12,389.52
Expense	
601 - Management Fees	2,500.00
603 - Commissioners	500.00
610 - Depreciation Expense	5,834.42
628 - Interest Expense	399.18
640 - Legal/Professional	1,000.20
656 - Operating Supplies	397.00
660 - Postage and Delivery	227.85
664 - Secretarial Services	500.00
672 - Telephone Expense	48.57
680 - Utilities	621.96
684 - Water Billing Service	1,214.24
Total Expense	<u>15,346.42</u>
Net Ordinary Income	-956.90
Other Income/Expense	
Other Income	
700 - Interest Income	40.41
Total Other Income	<u>40.41</u>
Net Other Income	<u>40.41</u>
Net Income	<u><u>-916.49</u></u>

Before Oct's rate increase.

July 18, 2015

RESOLUTION

WHEREAS, the City Council of the City of Crossville desires to revise and amend the schedule of rates as follows.

10/1/15

- 1. Schedule of water rates:
 - A. Inside the City limits, a rate of \$5.24 per thousand gallons of water usage will be charged.
 - B. Outside the City limits, a rate of 150% of the inside water rate will be charged. *7.86*
 - C. Utility districts under contract, a rate of \$3.80 per thousand gallons of water usage will be charged.
 - D. Water purchased in tank loads through a fire hydrant will be charged at the rate of \$7.86 per thousand gallons (minimum charge of 2,000 gallons).
 - E. A minimum fee for 2,000 gallons will be charged regardless of consumption.
 - F. An additional charge of 10% will be added to all bills not paid by the due date stated on the bill.
 - G. All public schools in Cumberland County directly served by the City of Crossville will receive inside the City rates, regardless of their location.

10/23/15

- 2. Schedule of sewer rates:
 - A. Inside the City limits, a rate of \$7.18 per thousand gallons of water usage will be charged.
 - B. Outside the City limits, a rate of 150% of the inside sewer rate (2A) will be charged. *10.77*
 - C. A minimum fee for 2,000 gallons will be charged regardless of consumption.
 - D. Sewer service availability charge - Customers within the service area in which there is now located a public sanitary sewer who, at their option, do not connect to the sewer will be charged at 100% of the rates shown in §2(A) or (B), whichever is applicable [Crossville Municipal Code §18-202(1)(d)(ii)].
 - E. An additional charge of 10% will be added to all bills not paid by the discount date stated on the bill.
 - F. All public schools in Cumberland County directly served by the City of Crossville will receive inside the City rates regardless of their location.

- 3. Schedule of water and sewer taps:
 - A. Schedule of Water and Sewer Taps

'Cost' is defined as the meter, parts to the meter, equipment, construction materials, and labor. The City provides service to the property line. No road cut or bore costs are assessed to the customer on 2" or smaller lines. New tap fees will be charged for requests to move a meter or line.

1. Metered Water Taps

	Inside	Outside
¾"	\$ 750.00	\$ 850.00
1"	950.00	1,050.00
1½"	2,000.00	2,500.00
2"	3,000.00	3,500.00
> 2"	1,000.00 + cost	1,500.00 + cost

- 2. Main line water taps without meter and fire sprinkler taps are:
 - Inside City actual cost + \$1,100
 - Outside City actual cost + \$1,600

(Developments/Subdivisions - Main line tap fees apply as outlined in this section. An owner of a subdivision, who has installed the lines at his expense, may receive individual lot taps for 50% of the normal fee provided he is constructing the structures himself. A

Rate Increase from Crossville Water

Grandview Utility District

September 17, 2015

Commissioner Wyatt called meeting to order at 7:00 p.m. with Commissioner Loden and Commissioner

Motion made by Glenn Loden to approve minutes as presented of the August, 2015, meeting. Motion passed.

Administrative: Next meeting to address Manager's Contract

All Commissioners and Manager to attend Gatlinburg Leadership Training Sessions November 4-6. Labor support to attend if possible.

Operations report: The Happy Top Tank painting has been complete satisfactorily. Approval to pay bill on this. The August Sanitary Survey committee's report received with The District receiving a **98 %** rating.

A civil penalty has been assessed for three (3) acidic high level readings within the District. Manager and Labor support will confirm an appointment with the Department Water Resources Office in Nashville to further discuss this penalty. Commissioner Wyatt to attend. Water samples to be taken at the Master Meter is a requirement from Department of Water Resources.

Discussion on raising rates within the District. **2.15** increase on minimum bill plus tax. Usage **over 2,000** gallons to be **9.50 per 1,000** gallons. Motion made by Loden to increase rates beginning with the Oct. 2015, billing. Motion passed

Leak adjustments (to be written off) presented and reviewed by Commissioners.

Adjustments: 1-251 Allen Parton 98 Old Hwy 68 Lane

1-800 Frank Baldwin 121 Baldwin Lane

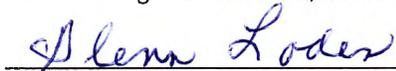
3-1381 William Reed 273 Becker Lane

3-1507-6 John Thomas 4047 Dogwood Road

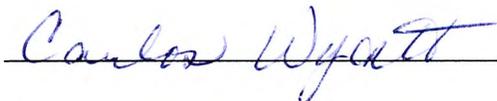
3-1433 Cindy Reed 6784 Dogwood Road

There being no further business Glenn Loden made motion to adjourn. Motion passed.

Next meeting: November 19, 2015.



Glenn Loden, Commissioner



Carlos Wyatt, Commissioner



Leonard Waldo, Commissioner

Carlos Wyatt, Commissioner

Grandview Utility District

July, 2015

All Commissioners present

Minutes approved as presented

Guest/Customer comments: None

August Business Conference sponsored by TAUD to be held in Gatlinburg discussed. No GUD commissioners nor management to attend. November's Leadership TAUD Training –Registration for Commissioner Waldo and Manager Bilbrey to be handled before deadline.

Management Report: Telemetry SCADA System (monitoring) a few glitches still occurring to be addressed by Manager. Happy Top Road Tank painting to begin within next few weeks—after pumps are switched over.

Adjustments: A leak adjustment made to a customer on Jewett Road.

Utility Management Review Board copy of profit and loss report to be sent to Joyce Welborn for GUD May and June.

Manager Bilbrey's contract to be reviewed at September meeting.

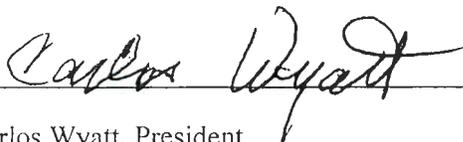
Information: Notary services to be supplied by Sharon Bilbrey if needed.

No New Business

No further business Motion made by Glenn Loden to adjourn. Motion passed.

Adjournment: 8:10 p.m.

Next meeting: September 17, 2015.



Carlos Wyatt, President



Leonard Waldo, Vice-President



Glenn Loden, Sec/Treasurer

**UTILITY MANAGEMENT REVIEW BOARD
Case Study**

Case:	Hornbeak Utility District
Manager:	Deana Kendall
Customers:	599
Validity Score:	81
Non-revenue water	2.30%

The Hornbeak Utility District has been reported to the Board for having two consecutive years with a negative net change in net position in its water system as of April 30, 2015. The financial and rate history is reflected on the attached sheet.

Hornbeak has suffered financial losses partially due to legal expenses related to a lawsuit brought by Reelfoot Utility District to stop Samburg Utility District from becoming a customer. The Court ruled in favor of Hornbeak and Samburg Utility Districts (opinion dated August 27, 2015). The Tennessee State Supreme Court denied hearing the appeal in January 2015. Hornbeak Utility District now has officially begun serving Samburg Utility District.

Effective May 1, 2015, the District increased rates approximately 30%. The District also raised tap fees from \$350 to \$550 at the same time. The District is projecting an additional \$61,490 annually from water purchase contract with Samburg Utility District, with \$47,450 guaranteed.

Staff recommends the Board endorse, by formal order, the actions of the Hornbeak Utility District.

HORNBEAK UTILITY DISTRICT							
HISTORY FILE							
	Audited	Audited	Audited	Audited	Audited	Audited	Audited
Fiscal Year April 30	2009	2010	2011	2012	2013	2014	2015
Water revenues	\$172,245	\$175,918	\$187,413	\$218,469	\$214,968	\$212,835	\$222,702
Other revenues	\$ 22,827	\$ 23,703	\$ 24,586	\$ 32,636	\$ 21,445	\$ 15,108	\$ 22,884
Total Operating Revenues	\$ 195,072	\$ 199,621	\$ 211,999	\$ 251,105	\$ 236,413	\$ 227,943	\$ 245,586
Total Operating Expenses	\$ 200,193	\$ 204,938	\$ 209,211	\$ 223,691	\$ 204,707	\$ 220,637	\$ 243,888
Operating Income	\$ (5,121)	\$ (5,317)	\$ 2,788	\$ 27,414	\$ 31,706	\$ 7,306	\$ 1,698
Grant Revenue				\$ 739,541	\$ 243,459		
Extra Ordinary Loss on Asset				\$ (92,816)	\$ (43,200)	\$ (1,425)	
Interest Expense	\$ -	\$ -	\$ -	\$ (61,172)	\$ (66,980)	\$ (65,081)	\$ (64,238)
Change in Net Position	\$ (5,121)	\$ (5,317)	\$ 2,788	\$ 612,967	\$ 164,985	\$ (59,200)	\$ (62,540)
<u>Supplemental Information</u>							
Principal payment	\$ -	\$ -	\$ -	\$ 17,455	\$ 243,459	\$ 20,682	\$ 21,524
Depreciation	\$ 27,417	\$ 26,828	\$ 47,938	\$ 72,078	\$ 78,515	\$ 78,272	\$ 80,027
Water Rates							
Residential							
0-2,000 gallons	\$ 13.50	\$ 13.50	\$ 13.50	\$ 13.50	\$ 13.50	\$ 13.50	\$ 13.50
All over	\$ 5.10	\$ 5.10	\$ 5.10	\$ 5.10	\$ 5.10	\$ 5.10	\$ 5.10
Wholesale rate	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25
Water customers	535	536	543	597	600	602	599
Water Loss	37.350%	26.827%	24.304%	1.995%			
Non Revenue Water					1.90%	2.60%	2.30%
Validity Score					78	83	81

HORNBEAK WATER UTILITY DISTRICT

P.O. BOX 263
HORNBEAK, TN

Phone: 731-538-9592

Fax: 731-538-9626

Equal Opportunity Employer

OCT 28 2015

OCT 28 2015

October 30, 2015

Mr. John Greer
UTILITY MANAGEMENT REVIEW BOARD
James K. Polk State Office Bldg., Suite 1500
Nashville, TN 37243

Dear Mr. Greer:

The Hornbeak Utility District acknowledges your letter of our distressed condition. The Board and Management has taken the following measures to bring the District back into a positive position:

1. The Board raised the base rate of consumption for the first 2000 gallons from \$13.50 to \$17.50. This increase will generate an additional projected revenue of \$28,608. The rate change was effective in May of 2015. The Board also agreed to raise the price of tap fees from \$350 to \$550 to better cover the costs and installation of new meters. (See copy of minutes of Board approval enclosed.)
2. The district entered into a sales contract with the Samburg Utility District on August 21, 2015 to supply them with water. The contract guarantees that the purchaser will be charged for a minimum of 50,000 gallons per day regardless of actual consumption at the rate of \$2.60 per thousand. This contract will generate an additional projected revenue of \$47,450 per year. After study of Samburg's prior usage, management projects additional usage of 180,000 gallons which would generate a projected additional revenue of \$14,040. (See copy of Samburg contract enclosed.)
3. In addition to the water sales contract, Samburg also signed a promissory note to pay Hornbeak Utility District \$150,000 over a period of 15 years at zero percent interest. The first payment not being due until the 21st day of September, 2020. This promissory note would cover all of the upfront costs incurred by Hornbeak to connect the lines to be able to sell Samburg water. (See copy of promissory note enclosed.)

In consideration of these measures, the District would have a projected increase of addition revenue of \$98,098 before the promissory note payment ensuement. The Board feels these actions will result in profitability and therefore not only brining the District into compliance, but also in securing the District's funds for future business. If you need further information or have any questions, please feel free to contact us @731-538-9592.

Sincerely,

A handwritten signature in cursive script that reads "Deana Kendall".

Deana Kendall
Bookkeeper
Hornbeak Utility District



COPY

STATE OF TENNESSEE

UTILITY MANAGEMENT REVIEW BOARD
JAMES K. POLK STATE OFFICE BUILDING, SUITE 1500
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7879
FAX (615) 741-6216

October 15, 2015

Ms. Deana Kendall
Hornbeak Utility District
P.O. Box 263
Hornbeak, TN 38232

Dear Ms. Kendall:

The Hornbeak Utility District has been reported as financially distressed to the Utility Management Review Board for having two consecutive years with a negative net change in net position as of April 30, 2015.

The Utility Management Review Board has scheduled a meeting on December 3, 2015, at 11:00 am in Room 31 of the Legislative Plaza. The financially distressed condition of the District is scheduled to be addressed at that time.

Please contact me at 615-401-7879, or john.greer@cot.tn.gov, when you receive this letter. We can discuss the District's plan to resolve the issue of financial distress and set up a meeting if necessary.

Sincerely,

John Greer
Utilities Board Analyst

COPY

HUD January 29, 2015 Minutes

The Hornbeak Utility District Board met on Thursday, January 29, 2015 at Hornbeak City Hall. Present were: Paul Truett, Jim Tate, Pam Killion, Roy Dale Petty and Deana Kendall.

The minutes of the previous meeting were read and approved.

Paul reported that the VFD's (Variable Frequency Drives) were installed at the water plant and working well.

Deana presented a proposal in the amount of \$3,650 from Joe Enoch to do the FY 2015 Audit. The Board agreed to accept the proposal and to proceed with the CARS contract.

The Board studied and considered the proposed FY 2016 Budget. Even with a projected profit that included sales to Samburg Water, the District still needed additional revenue in order to have enough profit to cover principle payments on the USDA loan as required by the Comptroller. After much discussion, the Board agreed to raise the price of Tap Fees from \$350 to \$550 in order to cover the increasing costs of meter installation. Also the Board agreed to increase the base rate on the first 2000 gallons of use from \$13.50 to \$17.50. The increase would take effect as soon as the new rates could be published with the CCR, which would probably be March.

The Samburg Water Board joined us to discuss the proposed contract to sell them water. Paul stated that their water tank would have to be fixed before we could sell them water or at least a contract in place to do so. Paul went over the proposed contract terms. (A copy of which is behind these minutes) Samburg agreed to have the lawyer draw up the contract. Both Boards agreed to meet back again when the contract was complete and the water tank repaired to sign the contract.

With no further business, the meeting was adjourned.

Signed Pam Killion

President, Hornbeak Utility District

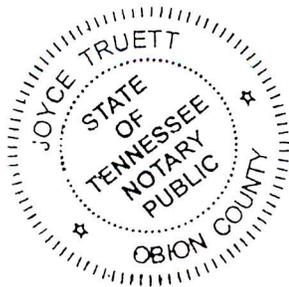
COPY

PROMISSORY NOTE

Samburg Utility District, by and through its duly authorized representative, hereby promises to pay to Hornbeak Utility District the sum of \$150,000.00 over a period of fifteen years at zero percent interest. Payments shall be made on a monthly basis. The first payment in the amount of \$833.33 shall be due and payable on the 21st day of September, 2020. Thereafter, payments shall be due and payable on the same day of each month thereafter with a final payment of \$833.33 being due on the 21st day of August, 2035.

The undersigned acknowledges that this Promissory Note is given in consideration of the benefits received by Samburg Utility District under the terms of the Water Purchase Contract entered into between the Hornbeak Utility District and the Samburg Utility District, and this document is consistent with and subject to all of the terms of said Water Purchase Contract including, but not limited to, paragraphs 7 and 11.

DATED: This 21st day of August, 2015.



SAMBURG UTILITY DISTRICT

BY: Herbert Arnett

TITLE: President

Joyce Truett
Expires 5-15-19

COPY

WATER PURCHASE CONTRACT

This Contract for the sale and purchase of water is entered into as of the 21st day of, August, 2015, between **HORNBEAK UTILITY DISTRICT**, hereinafter referred to as the "Seller", and **SAMBURG UTILITY DISTRICT**, hereinafter referred to as "Purchaser."

WITNESSETH:

Whereas, the Seller is a public utility district and produces water for its use and operates a water supply distribution system serving water users within the limits of the City of Hornbeak and surrounding areas; and,

Whereas, the Seller has a current capability sufficient to serve its customers and is willing to sell water to the **SAMBURG UTILITY DISTRICT** and,

Whereas, the Purchaser is willing to purchase from the Seller, water in accordance with the provisions of this Contract, as indicated by the execution of this Contract by the Board President.

Whereas, a certified copy of the official minutes of the **HORNBEAK UTILITY DISTRICT**, and a certified copy of the official minutes of the **SAMBURG UTILITY DISTRICT**, are attached hereto as evidence of the authority of the parties to enter into this Contract.

Now, therefore, in consideration of the foregoing and the mutual agreements hereinafter set forth,

A. THE SELLER AGREES:

1. Quality and Quantity: To furnish the Purchaser at the point of delivery hereinafter specified, during the term of this Contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the Tennessee Department of Health and Environment, in such quantity as may be desired by the Purchaser if available, at the price hereinafter stated in paragraphs B. 1. and 2. herein.

2. Point of Delivery and Pressure: That water will be furnished at a reasonable constant pressure from the existing six (6) inch main supply that is located on Hwy 22 , (or other mutual agreeable location). If a greater pressure than that normally available at the point of delivery is required by the Purchaser, and if the same is available from the system, without shortening the supply to Seller's own customers, the cost of providing such greater pressure shall be paid by the Purchaser. Emergency failure of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service.

3. Metering Equipment: To furnish and install necessary metering equipment, including a meter house or pit, and required devices of standard type for properly measuring the quantity of water delivered to the Purchaser, all at the expense of the Purchaser. Thereafter Seller shall operate and maintain the metering equipment at Seller's expense and calibrate such metering equipment whenever requested by the Purchaser, but not more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate. Reading of any meter disclosed by test to be inaccurate shall be corrected for the three (3) months previous to such test in accordance with the percentage of inaccuracy found by such tests. Unless Seller and Purchaser shall agree upon a different amount, if any meter fails to

register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the period immediately prior to the failure. The metering equipment shall be read on or before the 30th of each month. An appropriate official of the Purchaser shall have access to the meter at all reasonable times for the purpose of verifying its reading.

4. Billing Procedure: To deliver to Purchaser at the Samburg Utility District office, a statement dated not later than the 30th day of each month, with an itemized statement of the amount of water furnished the Purchaser during the preceding month.

B. THE PURCHASER AGREES:

1. Rates and Payment date: To pay the Seller, not later than the 10th day fo each month, for water delivered and as shown on such itemized statement specified in paragraph A.4. above, in accordance with the following schedule of rates:

(a) The rate shall be \$2.60 per 1000 gallons transferred to the SAMBURG UTILITY DISTRICT, for the amount up to 2.5 million gallons per month. If more than 2.5 million gallons per month are needed by the Purchaser then such usage shall be provided at a rate based on Sellers actual cost of producing the excess consumption.

(b) The Purchaser shall be charged for a minimum of 50,000 Gallons per day regardless of actual consumption.

(c) The water shall be metered at point of delivery.

(d) The Seller shall have available to the Purchaser for examination, a copy of its certified audit each year for the fiscal year ending on August 30, prepared by a certified public accountant, showing the cost of production of water, and all details and factors used in ascertaining the same. Purchaser may at its expense, employ its own certified public accountant to examine the

books and records of Seller, and Seller agrees to make all records material to the determination of cost of production of water available to Purchaser or its representative to verify or contest said audit.

(e) All rate adjustments will be as of the last day of December of each year, based on the Seller's cost of production of water for the Seller's preceding fiscal year ended June 30.

2. Cost of Meter Installation at Point of Delivery: To pay to the Seller the Cost incurred by the Seller to install the necessary metering equipment required to furnish water to purchaser as set forth in paragraph A. 3, hereof.

C. IT IS FURTHER MUTUALLY AGREED BETWEEN THE SELLER AND THE PURCHASER AS FOLLOWS:

1. Term of Contract: This Contract shall extend for a term of TWENTY (20) years from the date of execution of this contract, and thereafter may be renewed or extended for such term or terms as may be agreed upon by the Seller and Purchaser. If no agreement is reached, then this contract shall continue and may be terminated by either party upon 12 months written notice to the other party.

2. Delivery of Water: When Purchaser desires to commence purchasing water from the Seller, it shall give notice to the Seller at City Hall, Hornbeak Utility District, Hornbeak, Tennessee, and all connections to secure water by the Purchaser from the Seller shall be installed by an agent of the Seller and paid for by the Purchaser. The Purchaser will notify the Seller in writing of the date for the initial delivery of water.

3. Failure to Deliver: The Seller will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary with reasonable efforts to furnish the Purchaser with quantities of water required by the Purchaser. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended

shortage of water, or the supply of water available to the Seller is otherwise diminished over an extended period of time, the supply of water to Purchaser's consumers shall be reduced or diminished in the same ratio or proportion as the supply to Seller's consumers shall be reduced or diminished.

4. Modification of Contract: The provisions of this Contract may be modified only upon mutual written agreement of the parties during the term hereof.

5. Regulatory Agencies: This Contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.

6. Successor to the Purchaser: In the event of any occurrence rendering the Seller incapable of performing under this Contract, any successor of the Seller, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the Seller hereunder.

7. Purchaser agrees to reimburse seller for the payment of all up front costs incurred by the Seller in connecting to the water lines of the Purchaser; however, these expenses shall be amortized over a 20 year period. Purchaser will make no payments during the first 5 years. Beginning in the 6th year the Purchaser will pay the balance in equal monthly payments over a 15 year period beginning on the 21st day of 2020. Purchaser agrees that should it fail to make the monthly amortization payments required under this section, the Seller shall have the right to add the monthly amortization costs to the Purchaser's monthly bill for water provided.

8. Purchaser agrees to maintain its water tank at a minimum of 80% capacity at all times unless the tank is down due to necessary repair work. Purchaser agrees that all necessary repairs to its tank shall be made within a reasonable time.

9. Purchaser agrees that should it become distress to the point that a merger or acquisition is required, it will grant HUD the first option to acquire its utility district.

10. Purchaser and Seller agrees that the rates charged to Purchaser shall be \$2.60 per thousand gallons for a period of 5 years. After the initial 5 year period, this rate shall be subject to modification. If modification is necessary, Seller shall document its costs to Purchaser, and Purchaser will pay a revised rate equal to Seller's cost of providing water; however, the Seller will not raise rates charged to Purchaser without raising the rates charged to other customers on an equal percentage basis.

11. If either party fails to preform its obligation under this Contract, and litigation is required to resolve a disputed issue, the prevailing party shall be entitled to recover all costs incurred in enforcing the contractual provision. Allowable expenses shall include, but not limited to, attorney fees, expert fees, deposition costs, court costs, reasonable interest expense and all other reasonable expenses incurred by the prevailing party.

12. Both parties have been extensively involved in the drafting of this Contract. Both parties agree that neither party will be entitled to any presumption that any ambiguity in this Contract should be construed in the favor of either party.

In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this Contract to be duly executed in three counterparts, each of which shall constitute an original.

Seller:

HORNBEAK UTILITY DISTRICT

By Pam Kidd, President
Board President

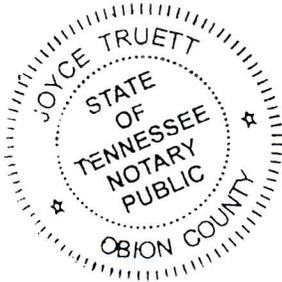
Attest: Deana Kendall
Recorder

Purchaser:

SAMBURG UTILITY DISTRICT

By Herbert Arnett
Board President

Attest: Deana Kendall
Recorder



Joyce Truett
Expires 5-15-19

**UTILITY MANAGEMENT REVIEW BOARD
Case Study**

Case: Cookeville Boat Dock Road Utility District
Manager: Robin Hawkins
Customers: 2725 water
Validity Score: 82
Non-revenue water: 19.00%

The Cookeville Boat Dock Road Utility District has been reported to the Board as having two consecutive years with a negative net change in net position in its water system as of December 31, 2014. The financial and rate history is reflected on the attached sheet.

The District purchases all of its water from the City of Cookeville. Current cost of the water is \$2.20 per thousand gallons. The majority of expenses are attributed to a maintenance agreement with H & H Underground. There is not set contract in place and commissioners refuse to look at any alternative options. The manager and new Certified Public Accountant have stressed that costs could be drastically cut by shifting maintenance in-house or bidding out projects. The projection for labor savings is attached.

H&H Maintenance	
Year	Cost
6/30/2014	\$ 357,222
6/30/2013	\$ 347,235
6/30/2012	\$ 327,430
6/30/2011	\$ 264,982
6/30/2010	\$ 232,234
6/30/2009	\$ 212,652
6/30/2008	\$ 218,906

On February 1, 2015, the District raised the base rate by 25% and the overage rate by approximately 25%. The District is currently securing grant and loan funding to make needed repairs to the system and implement radio read meters.

At this time, staff cannot recommend endorsing the actions of the Cookeville Boat Dock Road Utility District.

COOKEVILLE BOAT DOCK ROAD UD					
HISTORY FILE					
	Audited	Audited	Audited	Audited	Audited
Fiscal Year 12/31	2010	2011	2012	2013	2014
Water Revenues	\$ 846,129	\$ 983,878	\$ 1,135,422	\$ 1,062,114	\$ 1,051,542
Forfeited Discounts	\$ 3,500	\$ 21,889			
Tap Fees	\$ 3,092	\$ 26,195	\$ 28,550	\$ 29,750	\$ 39,000
Other revenues	\$ 9,791	\$ 21,529	\$ 29,829	\$ 18,354	\$ 28,451
Capital contributions	\$ 400,000	\$ 7,000			
Total Revenue	\$ 1,262,512	\$ 1,060,491	\$ 1,193,801	\$ 1,110,218	\$ 1,118,993
Total Expenses	\$ 941,168	\$ 918,449	\$ 1,043,239	\$ 1,084,594	\$ 1,162,336
Operating Income	\$ 321,344	\$ 142,042	\$ 150,562	\$ 25,624	\$ (43,343)
Interest Expense	\$ 28,514	\$ 78,914	\$ 81,073	\$ 74,741	\$ 71,486
Change Net Position	\$ 292,830	\$ 63,128	\$ 69,489	\$ (49,117)	\$ (114,829)
<u>Supplemental Information</u>					
Principal payment		\$ 173,786	\$ 62,771	\$ 65,558	\$ 61,277
Depreciation	\$ 73,764	\$ 113,748	\$ 116,505	\$ 88,664	\$ 102,043
<u>Water Rates</u>					
First 2,000 Gallons		\$ 16.00	\$ 16.00	\$ 16.00	\$ 16.00
All over		\$ 8.23	\$ 8.23	\$ 8.23	\$ 8.23
Non-Revenue Water		19.80%	13.70%	20.40%	19.00%
Validity Score		84	84	87	82
Customers		2,696	2,715	2,715	2,725

COOKEVILLE BOAT DOCK ROAD UD
1591 WEST CEMETERY ROAD
COOKEVILLE, TN 38506
PHONE 931-432-4459
FAX 931-432-4471
EMAIL CBUD@TWLAKES.NET

JULY 21, 2015

The Cookeville Boat Dock Rd UD has raised the water rates to the customer in February of 2015 from

0-2000 gallon	16.00
Every thousand over 2000	8.23 per thousand

To

0-2000	20.00
Every thousand over 2000	10.23 per thousand

We are also waiting for a state revolving loan to be completed in the amount of 750,000 with a forgiveness of 187,000 which makes the actual loan of 562,500 with 1.22% interest. This is to go before the board in August of 2015.

We are also waiting for another loan with Rural Development in the amount of 1,332,000 at 2.75% interest. Along with this loan from Rural Development we are applying for a grant of 618,000. This hasn't been funded yet but is in the works.

These loans are to replace old existing water lines, to stop the leakage, and to keep them from continually breaking. We are also going to put radio readers on the meters to get more accurate readings and replacing the services lines to cut down water loss.

Sincerely,
Cookeville Boat Dock Road UD
Robin Hawkins
Office manager

**COOKEVILLE BOAT DOCK UTILITY DISTRICT
ANALYSIS OF REPAIRS AND MAINTENANCE
OUTSIDE VS. INSIDE SERVICES**

OUTSIDE SERVICES

As of August 31, 2015

Equipment Usage Charges	\$ 95,410.00
Labor Charges	51,873.00
On-Call Service Fee	7,775.00
Other unclassified (no invoice)	<u>12,580.00</u>
Totals as of August 31, 2015	<u>\$ 167,638.00</u>

Estimated Annualized Total	<u><u>\$ 251,457.00</u></u>
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INSIDE SERVICES (ESTIMATED)

Estimated Purchase of Equipment	
Backhoe (Caterpillar, New)	\$ 60,000.00
Dump Truck (Sterling, New)	60,000.00
Trailer (29 ft, Used)	10,000.00
Passenger Truck (Used)	<u>30,000.00</u>
Total Estimated Purchase of Equipment	<u>\$ 160,000.00</u>

Estimated Annual Costs

Estimated Annual Cost of Maintaining Equipment	
Annual Maintenance of Equipment	\$ 16,000.00 (estimated at 10% of cost)
Annual Insurance on Equipment	<u>3,000.00 (estimated)</u>
Total Estimated Annual Cost of Maintaining Equipment	<u>\$ 19,000.00</u>

Estimated Annual Cost of Employees

Superintendent	\$ 58,000.00 (based on national average)
Utility Workers (2)	40,000.00 (based on national average)
Payroll Taxes	9,800.00 (estimated at 10% of salaries)
Workman's Comp Insurance	<u>2,940.00 (estimated at 3% of salaries)</u>
Total estimated annual cost of employees	<u>\$ 110,740.00</u>

Total Estimated Annual Costs	<u><u>\$ 129,740.00</u></u>
------------------------------	-----------------------------

Cookeville Boat Dock Utility District
Statement of Revenues and Expenses - Management Use Only
For the Eight Months Ended August 31, 2015

	Jan - Aug 15
Ordinary Income/Expense	
Income	
3000 · Water sales	850,813.97
3010 · Forfeited discounts	14,823.28
3050 · Tap Fees	37,200.00
3060 · Subdivison fees	33,858.52
3070 · Credit card fees	1,336.75
3100 · Other Income	11,400.00
Total Income	949,432.52
Expense	
4000 · Water purchased	320,280.74
4020 · Wages	58,399.23
4021 · Employee insurance	47,854.20
4025 · Payroll Tax Expense	4,535.46
4030 · Office Expense	12,805.04
4031 · Travel and Meetings	2,606.87
4040 · Insurance	6,293.00
4050 · Professional Services	8,550.00
4070 · Utilities	2,983.56
4080 · Lawn Maintenance	880.00
4090 · Repairs and maintenance	
Equipment Usage Charges	
Backhoe Usage Charge	48,370.00
Dump Truck Usage Charge	11,480.00
Pickup Truck Usage Charge	35,560.00
Total Equipment Usage Charges	95,410.00
Facility Maintenance	1,275.00
Labor Charges	51,873.00
Material Charges	53,708.34
Meter Reading	15,403.25
On-Call Service Fee	7,775.00
4090 · Repairs and maintenance - Other	20,966.83
Total 4090 · Repairs and maintenance	246,411.42
4120 · Depreciation	68,028.16
4150 · Interest Expense	45,696.18
4180 · Dues & fees	8,818.96
4210 · Testing	1,274.00
Total Expense	835,416.82
Net Ordinary Income	114,015.70

Cookeville Boat Dock Utility District
Statement of Revenues and Expenses - Management Use Only
For the Eight Months Ended August 31, 2015

	Jan - Aug 15
Net Income	<u>114,015.70</u>

Cookeville Boat Dock Utility District
Statement of Net Position - Management Use Only
As of August 31, 2015

	Aug 31, 15
ASSETS	
Current Assets	
Checking/Savings	
1030 · General Checking	40,316.30
1040 · Certificate of Deposit 6464	90,526.25
1100 · Construction Account	53.69
1250 · Certificate of Deposit 6465	51,620.75
1290 · Loan Reserve Account	1,012.11
1291 · Petty Cash	336.79
	183,865.89
Total Checking/Savings	
Other Current Assets	
1500 · Accounts Receivable	
1501 · Allowance for doubtful accounts	-15,333.04
1500 · Accounts Receivable - Other	120,087.77
	104,754.73
Total 1500 · Accounts Receivable	104,754.73
1540 · Prepaid Expense	2,629.16
	107,383.89
Total Other Current Assets	107,383.89
Total Current Assets	291,249.78
Fixed Assets	
Capital Assets	
1400 · New Construction	
1401 · Southern Hills Phase 111	31,900.00
1402 · Hooper Burgess & Eller Ridge Rd	13,879.00
1403 · Bennett/Old Stewart, Mine Lick	11,900.00
	57,679.00
Total 1400 · New Construction	57,679.00
1740 · Utility plant in service	
1404 · Fire Hydrant-Ditty Rd Subdivion	5,500.00
1740 · Utility plant in service - Other	5,156,909.00
	5,162,409.00
Total 1740 · Utility plant in service	5,162,409.00
1750 · Accumulated depreciation	-1,524,305.16
	3,695,782.84
Total Capital Assets	3,695,782.84
1600 · Construction in progress	
1601 · Line D Old Stewart	6,780.81
1602 · SRL Waterline Replacement	9,500.00
1600 · Construction in progress - Other	8,228.30
	24,509.11
Total 1600 · Construction in progress	24,509.11

Cookeville Boat Dock Utility District
Statement of Net Position - Management Use Only
As of August 31, 2015

	Aug 31, 15
Total Fixed Assets	3,720,291.95
TOTAL ASSETS	4,011,541.73
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Current maturities - LT debt	61,099.00
Interest Payable	5,712.41
2100 · Accounts Payable	56,536.35
2100 · Sales Tax Payable	11,249.00
2110 · Payroll Taxes Payable	1,869.88
2300 · Meter deposits	9,542.18
Total Other Current Liabilities	146,008.82
Total Current Liabilities	146,008.82
Long Term Liabilities	
Net current maturities-LT debt	-61,099.00
2510 · Note Payable Rural Development	156,622.28
2560 · Note Payable FHA Loan	1,326,269.28
2590 · Note Payable FHA Loan 5626	284,935.65
Total Long Term Liabilities	1,706,728.21
Total Liabilities	1,852,737.03
Equity	
Restricted - construction	53,354.00
Restricted - debt service	90,526.00
2920 · Net investment in capital asset	1,892,072.00
32000 · Unrestricted Net Assets	8,837.00
Net Income	114,015.70
Total Equity	2,158,804.70
TOTAL LIABILITIES & EQUITY	4,011,541.73

COOKEVILLE BOAT DOCK UTILITY DISTRICT

POLICY AND PROCEDURES

PURCHASING POLICY

RESPONSIBLE FOR ADMINISTERING POLICY:

Manager, Board of Commissioners

BACKGROUND AND PURPOSE:

Purchasing practices by utility districts in Tennessee are governed by a specific section of the code that is unique in its application and content. Utility practices as related to purchasing are monitored by the Office of the Comptroller of the Treasury.

OMISSIONS:

In the absence of specific rules or policies, the disposition of purchasing procedures shall be made by the Board of Commissioners in accordance with its usual and customary practices.

POLICY STATEMENT:

Competitive bidding is required for all purchases, leases, and lease purchases (hereinafter collectively referred to as "Purchases") by the District with the exceptions detailed on pages two and three. The District shall NOT be required to seek competitive bids on the following:

Certain Miscellaneous Items

- a) Items or groups of items costing less than \$ 10,000.00 (not to exceed \$10,000);
- b) Contracts to provide a CONTINUOUS work force through independent contractors for the maintenance, installation and repair of the system;
- c) Items sold at retail by the District;
- d) Purchase of goods or services for which there is a single source of supply;

- e) Purchases for immediate delivery in actual emergencies arising from unforeseen causes;
- f) Purchases of real property (permanent, immovable property such as land, buildings and improvements);
- g) Purchases from any federal, state or local government unit or agency;
- h) Purchases from non-profit corporations whose primary purpose is to provide goods or services to various local governments;
- i) Purchases of items for resale;

Professional Services

- j) Contracts for professional services as set forth in [TCA 12-4-10 6]:
 - 1. legal services;
 - 2. fiscal agent;
 - 3. financial advisor or advisory services;
 - 4. similar services by professional persons or groups of high ethical standards.

Various legal authorities have declared that the following can be included in this list of professional services and shall not be based on competitive bids:

- 1. engineering services;
- 2. architectural services;
- 3. accounting services.

Restrictions

Open market purchases are restricted, as follows:

When the District makes an open market purchase for any product other than fuel and fuel products, an authorized check or money from the District's petty cash fund may be used, if authorized by the approval of the Board of Directors.

NOTE: Board must choose one or more of the following:

- a) General Manager;
- b) Other utility official;
- c) President of the Board.

In either event, the purchase will be recorded in the District's purchase journal and will be assigned a purchase order number.

- 1. The District may request bids by any of the following methods:
 - a) Telephone;
 - b) Writing.
 - c) Newspaper advertisement.

TAUD Official Purchasing Guide

2. The District may choose, as an alternative to open public bids, vendors listed in the Tennessee Association of Utility Districts (TAUD) Official Purchasing Guide, which the District receives on a periodic basis from TAUD [The District may add the name of a reputable potential bidder to the TAUD Official Purchasing Guide by writing the Association at P.O. Box 2529, Murfreesboro, TN 37133. The District is free to use that vendor as soon as the communication is received by the Association].
3. The District will obtain at least three bids from vendors whenever possible.
4. Vendors may submit their bids to the District by telephone with a written confirmation or by means of a written bid, at the discretion of the Board of Directors.

NOTE: Board must choose one or more of the following:

- a) General Manager;*
- b) Other utility official;*
- c) President of the Board.*

Bid Contents

5. When the District requests bids from vendors, the bids will contain the following:
 - a) Date the bid must be received by the District (whether WRITTEN CONFIRMATION of telephone bids or WRITTEN BID);
 - b) Notice that all bids must be mailed to the District's office or other designated address.
6. The District will make its decision on which bid to accept after the bid submission deadline.
7. Any bids submitted after the deadline may be rejected by the District.
8. The District reserves the right to reject all bids.

Winning bidder

9. The winner of the bid shall be the lowest QUALIFIED AND RESPONSIBLE bidder. In determining the lowest qualified and responsible bidder, the District may consider the following factors in addition to the price quoted:
 - a) Apparent ability to perform;
 - b) Quality of the company, product or service;
 - c) Purpose or use of the product or service;
 - d) Discount for prompt payment provided by the vendor;
 - e) Freight method and cost;
 - f) Delivery date;
 - g) Past performance;

- h) Other pertinent factors such as experience in providing products or services to similar utilities, references on similar jobs, and compatibility with existing utility equipment.

No obligation to buy

- 10. The District is not obligated to purchase a product or service from the bidder with the lowest price.

Winning bidder notified in writing

- 11. When the District accepts a bid, it will notify the vendor IN WRITING of its acceptance.

BID AND PERFORMANCE BONDS

Bid bonds

- 1. District may require vendors to submit a bid bond with their bids under the following guidelines:
 - a) The bid bond must be issued by a surety company licensed to do business in the State of Tennessee;
 - b) Bid bonds submitted by unsuccessful vendors will be returned upon award to contract;
 - c) Personal or vendor company checks are not acceptable in the place of bid bonds; however, bank cashier's checks will be accepted.

- 2. The District may require vendors to submit a performance bond under the following guidelines:
 - a) A performance bond must be issued by a surety company licensed to do business in the State of Tennessee;
 - b) When required, the amount of the bond will be stated by the District in writing;
 - c) The vendor must file a performance bond with the District within ten (10) working days after receipt of the request for bid;
 - d) Personal or vendor company checks are not acceptable in the place of performance bonds; however, bank cashier's checks will be accepted;
 - e) An irrevocable letter of credit (LOC) or a certificate of deposit (CD) from a state or national bank or a state or federal savings and loan association having its principal office in Tennessee may be acceptable in lieu of a performance bond. The terms and conditions of the LOC or CD are subject to the approval of the District, and any CD must be assigned to the District and be accompanied by the issuing bank's agreement to subordinate its claim to the District's claim.

THE DISTRICT'S COMPLIANCE REQUIREMENTS

File for competitive bids

- 1. When a purchase requires competitive bidding, the District shall create a file for this purchase transaction which shall include the following:

- a) written requests for bids
- b) a written notation of bid deadlines for bids that the District requests by telephone
- c) written bids received from vendors
- d) any vendor's written confirmation of telephone bids
- e) all written contracts that relate to competitive bids
- f) other related written materials
- g) if a bid is awarded to someone other than the lowest bidder, a memo shall be placed in the file stating the reason the winning vendor was selected over the low bidder. The person responsible for placing this document in the file is the General Manager.

NOTE: Board must choose one or more of the following:

- a) General Manager;*
- b) Other utility official;*
- c) President of the Board.*

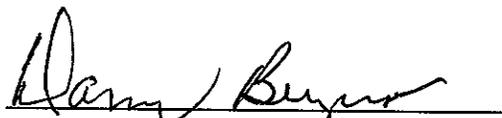
Competitive bidding not required for purchase of used or secondhand articles

In 2010 Tennessee Code Annotated, Section 12-3-1 003(b), is amended by deleting the language "and the price paid falls within ten percent (10%) of the documented range" and by substituting instead the language "and the price is not more than five percent (5%) higher than the highest value of the documented range." This allows utilities to purchase used equipment without bidding as long as the follow is followed:

- *Price is not more than five (5%) percent higher than highest value of documented range*
- *Established listing in a nationally recognized publication or appraisal*

Adoption Date: November 3, 2015

Effective Date: November 3, 2015



Danny Burgess, President

Financial Distress Status Updates

**UTILITY MANAGEMENT REVIEW BOARD
Status Update**

Case: Clay County Gas Utility District
President: Ray Norris
Customers: 228

The Clay County Gas Utility District has been reported to the Board for being in default on certain debt instruments. The financial and rate history is reflected on the attached sheet.

The District has attempted to pay all bond holders pennies on the dollar of the total debt outstanding. This buyback has been successful, except for two main bond holders refusing to take a reduced amount.

The District has ran out of options, and feels that they cannot raise rates and still be competitive against propane providers.

Staff recommends the Board initiate an investigation to allow for an in-depth look at all possible remedies to the financial distress of the District.

CLAY COUNTY GAS UD								
HISTORY FILE 2007-2014								
Fiscal Year August 31	Audited 2007	Audited 2008	Audited 2009	Audited 2010	Audited 2011	Audited 2012	Audited 2013	Audited 2014
Gas revenues	\$ 299,842	\$ 231,550	\$ 219,908	\$ 206,734	\$ 200,439	\$ 130,784	\$ 360,256	\$ 393,984
Other revenues	\$ 3,699	\$ 1,778	\$ 2,296	\$ 1,597	\$ 42,278	\$ 15,517	\$ 2,455	\$ 4,673
Capital Contribution								\$ 19,980
Total Revenues	\$ 303,541	\$ 233,328	\$ 222,204	\$ 208,331	\$ 242,717	\$ 146,301	\$ 362,711	\$ 418,637
Total Operating Expenses	\$ 349,660	\$ 247,127	\$ 220,277	\$ 206,312	\$ 247,286	\$ 222,196	\$ 272,534	\$ 416,884
Operating Income	\$ (46,119)	\$ (13,799)	\$ 1,927	\$ 2,019	\$ (4,569)	\$ (75,895)	\$ 90,177	\$ 1,753
Interest Expense	\$ 157,278	\$ 148,069	\$ 137,836	\$ 126,839	\$ 94,783	\$ 36,319	\$ 40,203	\$ 25,845
Forgiveness of debt								\$ 339,475
Change in Net Position	\$ (203,397)	\$ (161,868)	\$ (135,909)	\$ (124,820)	\$ (99,352)	\$ (112,214)	\$ 49,974	\$ 315,383
Forgiveness of debt					\$ 3,361,458			
Restatements/adjustments								\$ (79,044)
Total Net Position	\$ (1,708,193)	\$ (1,870,061)	\$ (1,870,061)	\$ (2,130,790)	\$ 1,131,316	\$ 1,019,102	\$ 1,069,076	\$ 1,305,415
Defaulted Principal	\$ 1,892,297	\$ 2,197,710	\$ 2,723,454	\$ 2,808,105	\$ 260,000	\$ 260,000	\$ 260,000	\$ 330,000
Defaulted Interest							\$ 537,587	\$ 416,000
<u>Supplemental Information</u>								
Principal payment							\$ -	\$ -
Depreciation	\$ 68,438	\$ 64,464	\$ 64,547	\$ 64,387	\$ 64,765	\$ 69,455	\$ 69,455	\$ 59,778
Gas Rates - Residential								
Minimum monthly	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00
Gas cost charge per MCF	\$ 7.44	\$ 10.28	\$ 4.30	\$ 5.44	\$ 5.37	\$ 3.96	\$ 3.96	\$ 5.82
Distribution charge per MCF	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00
Gas Rates - Commercial								
Minimum monthly							\$ 20.00	\$ 20.00
Gas cost charge per MCF							\$ 3.96	\$ 5.82
Distribution charge per MCF							\$ 3.00	\$ 3.00
Gas Rates - Industrial								
Minimum monthly							\$ 50.00	\$ 20.00
Gas cost charge per MCF							\$ 3.96	\$ 5.82
Distribution charge per MCF							\$ 3.00	\$ 3.00
Customers	192	179	188	201	193	193	218	228

Utility Management Review Board Status Update

Case: Witt Utility District
Manager: Terry Harris
Customers: 1885 water
Validity Score: 72
Non-revenue water: 616.9%

The Witt Utility District has been reported to the Board as having two consecutive years with a negative change in net position as of June 30, 2014. The financial and rate history is reflected on the attached sheet.

At the August 6, 2015, meeting, the Board voted to have the District:

- Submit a comprehensive update of all construction projects and funding related to those projects by November 1, 2015
- Submit an update on a proposed rate increase by November 1, 2015; and
- Submit a corrected AWWA Reporting Worksheet by November 1, 2015

These requirements were sent to Mr. Harris in a letter dated August 7, 2015. None of these requirements have been met after repeated phone calls and letters.

Staff recommends the Board issue a formal order requiring all of the requested information to be in our office no later than January 15, 2016, or Mr. Harris be required to appear at the February 14, 2015 meeting.

WITT UTILITY DISTRICT HISTORY FILE					
	Audited	Audited	Audited	Audited	Audited
FYE 6/30	2010	2011	2012	2013	2014
Water revenue	\$ 894,798	\$ 801,843	\$ 968,808	\$ 969,692	\$ 998,646
Sewer Revenue					\$ 23,032
Fire Protection	\$ 7,524	\$ 7,524	\$ 7,524	\$ 7,524	\$ 7,524
Storm Water Runoff Fees	\$ 10,200	\$ 11,419	\$ 10,411	\$ 10,622	\$ 11,192
Capital Contribution	\$ 8,486		\$ 67,873		
Grant Revenue	\$ 517,581	\$ 383,802	\$ 69,598		
Other revenues	\$ 81,161	\$ 93,492	\$ 94,285	\$ 121,028	\$ 124,942
Total Oper Rev.	\$ 1,519,750	\$ 1,298,080	\$ 1,218,499	\$ 1,108,866	\$ 1,165,336
Total Oper Exp.	\$ 1,064,219	\$ 1,093,814	\$ 1,030,282	\$ 968,979	\$ 1,101,404
Operating Income	\$ 455,531	\$ 204,266	\$ 188,217	\$ 139,887	\$ 63,932
Interest Expense	\$ 22,295	\$ 144,781	\$ 184,455	\$ 173,358	\$ 168,756
Ammortization	\$ 353	\$ 281	\$ 279	\$ 249	
Change in Net Position	\$ 432,883	\$ 59,204	\$ 3,483	\$ (33,720)	\$ (104,824)
<u>Additional info</u>					
Principal payment	\$ 65,420	\$ 78,499	\$ 74,378	\$ 71,005	\$ 60,947
Depreciation	\$ 138,613	\$ 216,181	\$ 210,136	\$ 204,654	\$ 267,614
<u>Water rates</u>					
First 2,000 Gallons	\$ 18.60				
Next 10,000 Gallons	\$ 6.05				
All over	\$ 5.55				
First 1,500 Gallons		\$ 21.10	\$ 21.10	\$ 21.10	\$ 24.00
All Over		\$ 6.95	\$ 6.95	\$ 6.95	\$ 7.25
Water loss	21.00%	10.86%			
Validity score			74	70	72
Non revenue water			10.3%	4.4%	
Water customers	1,840	1,857	1,842	1,860	1,885

**Utility Management Review Board
Status Update**

Case: Bedford County Utility District
Location: Bedford County
Manager: Martin Davis
Customers: 290 gas

The Bedford County Utility District has been reported to the Board as having at least eleven consecutive years with a deficit total net position in its gas system as of June 30, 2014.

The District has increased its commercial customer base drastically in the past two years. The customers coming online are mostly chicken houses. These chicken houses use the majority of the gas sold by the District. There are 28 that will come on line in the next year.

The gas fund has been subsidized by the water fund for several years at a total of \$1,969,492. The District has created a plan to repay the water fund and correct the total deficit in net position.

At the August 6, 2015 meeting, the Board directed staff to draft an order based on the projections of the District. The order and projections are attached.

Staff recommends the Board formalize the draft order.

BEDFORD COUNTY UTILITY DISTRICT											
GAS HISTORY FILE											
	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited
Fiscal Year June 30	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Gas revenues	\$ 162,342	\$ 222,104	\$ 341,948	\$ 262,496	\$ 377,280	\$ 454,127	\$ 471,622	\$ 454,897	\$ 332,839	\$ 546,377	\$ 773,381
Other revenues			\$ 2,900	\$ 4,900	\$ 3,950	\$ 26,976	\$ 1,800	\$ 2,000	\$ 2,050	\$ 1,000	\$ 2,900
Capital Contr									\$ 10,000	\$ 21,251	\$ 71,442
Operating Rev	\$ 162,342	\$ 222,104	\$ 344,848	\$ 267,396	\$ 381,230	\$ 481,103	\$ 473,422	\$ 456,897	\$ 344,889	\$ 568,628	\$ 847,723
Expenses	\$ 297,885	\$ 348,350	\$ 445,996	\$ 352,324	\$ 416,386	\$ 456,226	\$ 426,064	\$ 378,291	\$ 299,412	\$ 403,345	\$ 583,128
Operating Income	\$ (135,543)	\$ (126,246)	\$ (101,148)	\$ (84,928)	\$ (35,156)	\$ 24,877	\$ 47,358	\$ 78,606	\$ 45,477	\$ 165,283	\$ 264,595
Interest Expense	\$ 163,012	\$ 164,638	\$ 182,154	\$ 187,777	\$ 194,753	\$ 193,769	\$ 191,052	\$ 188,208	\$ 185,229	\$ 160,766	\$ 123,582
Net Position - Gas	\$ (298,555)	\$ (290,884)	\$ (283,302)	\$ (272,705)	\$ (229,909)	\$ (168,892)	\$ (143,694)	\$ (109,602)	\$ (139,752)	\$ 4,517	\$ 141,013
Restatement					\$ 90,851	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (116,317)
Net Position - Gas	\$ (717,741)	\$ (1,009,210)	\$ (1,292,512)	\$ (1,565,217)	\$ (1,704,275)	\$ (1,873,167)	\$ (2,016,861)	\$ (2,126,463)	\$ (2,266,215)	\$ (2,261,698)	\$ (2,237,002)
<u>Supplemental Info</u>											
Principal payment	\$ 31,559	\$ 33,091	unknown	unknown	\$ 56,876	unknown	unknown	unknown	unknown	\$ 4,060,044	\$ 115,000
Depreciation	\$ 110,291	\$ 115,245	\$ 119,249	\$ 125,196	\$ 112,212	\$ 116,757	\$ 119,279	\$ 116,757	\$ 120,647	\$ 123,250	\$ 125,426
Due to Water											\$ 1,969,462
<u>Gas Rates</u>											
Monthly charge			\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Per MCF			varies thru year								
Customers - gas	221	208	221	232	239	249	261	286	290	290	290



BEFORE THE TENNESSEE UTILITY MANAGEMENT REVIEW BOARD

IN THE MATTER OF:

**T.C.A. § 7-82-401(g) FINANCIAL DISTRESS
BEDFORD COUNTY UTILITY DISTRICT GAS SYSTEM**

ORDER

This matter was reviewed on August 6, 2015, before the Tennessee Utility Management Review Board (the “Board”). The Bedford County Utility District (the “District”) has been reported to the Board as having at least eleven consecutive years with a deficit total net position in its gas system as of June 30, 2014. In addition, the gas fund has been subsidized by the water fund for several years at a total loss to the water fund of \$1,969,492.

At the Board meeting on August 6, 2015, the Board heard brief statements from John Greer and Joyce Welborn, Staff to the Board, and from Mr. Martin Davis, District Manager. Mr. Martin Davis presented the District’s estimated fifteen-year plan to repay the water fund and to correct the District’s total deficit in net position. The Board expressed concerns about the length of the plan and the health of the water system since it has been subsidizing the gas system for several years. The Board then directed Counsel and Staff to draft an Order to be reviewed and approved at the next Board meeting.

In order to ensure the long-term financial integrity of the gas system, the Board hereby delegates authority to Staff and Counsel to review and request at least quarterly updates from the District beginning in January of 2016 to determine whether the following benchmarks are being met:

1. System growth rate is in accordance with or better than the attached schedule of projections.
2. The gas system is no longer subsidized in any manner.

The Board must receive at least two written updates from the District during each calendar year relating to its progress. The District will remain under the oversight of the Board until all conditions of this Order are met and the Board formally closes this matter.

Entered this ____ day of December, 2015.

Ann V. Butterworth, Chair
Utility Management Review Board

DRAFT

BEDFORD COUNTY UTILITY DISTRICT OF BEDFORD COUNTY, TENNESSEE
 NATURAL GAS DEPARTMENT PROJECTION
 2015-2026

	2014-2015 AMENDED BUDGI	*	2015-2016 ESTIMATE	*	2016-17 ESTIMATE	*	2017-2018 ESTIMATE	*	2018-2019 ESTIMATE	*	2019-2020 ESTIMATE	*	2020-2021 ESTIMATE	*	2021-2022 ESTIMATE	*	2022-2023 ESTIMATE	*	2023-2024 ESTIMATE	*	2024-2025 ESTIMATE	*	2025-2026 ESTIMATE	
OPERATING REVENUES - 46000:																								
48000	METERED NATURAL GAS REVENUE	820,000.00	15.0%	943,000.00	10.0%	1,037,300.00	5.0%	1,089,165.00	2%	1,110,948.30	2%	1,133,167.27	2%	1,155,830.61	2%	1,178,947.22	2%	1,202,526.17	2%	1,226,576.69	2%	1,251,108.23	2%	1,276,130.39
47000	FORFEITED DISCOUNTS	7,700.00		7,000.00	2.0%	7,140.00	2.0%	7,282.80	2%	7,428.46	2%	7,577.03	2%	7,728.57	2%	7,883.14	2%	8,040.80	2%	8,201.62	2%	8,365.65	2%	8,532.96
47100	MISCELLANEOUS SERVICE REVENUE	2,300.00		2,000.00	2.0%	2,040.00	2.0%	2,080.80	2%	2,122.42	2%	2,164.86	2%	2,208.16	2%	2,252.32	2%	2,297.37	2%	2,343.32	2%	2,390.19	2%	2,437.99
47400	TAP FEE REVENUE	2,500.00		2,000.00	2.0%	2,040.00	2.0%	2,080.80	2%	2,122.42	2%	2,164.86	2%	2,208.16	2%	2,252.32	2%	2,297.37	2%	2,343.32	2%	2,390.19	2%	2,437.99
49300	CONTRIBUTION-DEVELOPERS	45,955.65		45,000.00		25,000.00		25,000.00		-		-		-		-		-		-		-		
TOTAL OPERATING REVENUE:		878,455.65		999,000.00		1,073,520.00		1,125,609.40		1,122,621.59		1,145,074.02		1,167,975.50		1,191,335.01		1,215,161.71		1,239,464.94		1,264,254.24		1,289,539.33
PLANT OPERATIONS - 40100:																								
804	NATURAL GAS PURCHASES	284,985.00	15.0%	327,732.75	10.0%	360,506.03	5.0%	378,531.33	2%	386,101.95	2%	393,823.99	2%	401,700.47	2%	409,734.48	2%	417,929.17	2%	426,287.75	2%	434,813.51	2%	443,509.78
805	MAD PENALTY	60,015.00	5.0%	63,015.75	5.0%	66,166.54	3.0%	68,151.53	2%	69,514.56	2%	70,904.86	2%	72,322.95	2%	73,769.41	2%	75,244.80	2%	76,749.70	2%	78,284.69	2%	79,850.38
806	TRANSPORTATION EXPENSES	36,200.00		36,500.00		36,500.00		36,500.00		36,500.00		36,500.00		36,500.00		36,500.00		36,500.00		36,500.00		36,500.00		36,500.00
807	OPERATING EXPENSES	700.00		1,000.00	2.0%	1,020.00	2.0%	1,040.40	2%	1,061.21	2%	1,082.43	2%	1,104.08	2%	1,126.16	2%	1,148.69	2%	1,171.66	2%	1,195.09	2%	1,218.99
886	MAINTENANCE - STRUCTURES	1,000.00		10,000.00	2.0%	10,200.00	2.0%	10,404.00	2%	10,612.08	2%	10,824.32	2%	11,040.81	2%	11,261.62	2%	11,486.86	2%	11,716.59	2%	11,950.93	2%	12,189.94
891	MAINTENANCE - METERING STATION EQUI	6,500.00		4,000.00	2.0%	4,080.00	2.0%	4,161.60	2%	4,244.83	2%	4,329.73	2%	4,416.32	2%	4,504.65	2%	4,594.74	2%	4,686.64	2%	4,780.37	2%	4,875.98
TOTAL PLANT OPERATING		389,400.00		442,248.50		478,472.56		498,788.86		508,034.64		517,465.33		527,084.64		536,896.33		546,904.26		557,112.34		567,524.59		578,145.08
TRANSMISSION & DISTRIBUTION - 40200:																								
877	LABOR	13,000.00		30,000.00	2.0%	30,600.00	2.0%	31,212.00	2%	31,836.24	2%	32,472.96	2%	33,122.42	2%	33,784.87	2%	34,460.57	2%	35,149.78	2%	35,852.78	2%	36,569.83
878	OPERATING EXPENSES	3,800.00		5,000.00	2.0%	5,100.00	2.0%	5,202.00	2%	5,306.04	2%	5,412.16	2%	5,520.40	2%	5,630.81	2%	5,743.43	2%	5,858.30	2%	5,975.46	2%	6,094.97
879	CUSTOMER INSTALLATION	2,500.00		2,000.00	2.0%	2,040.00	2.0%	2,080.80	2%	2,122.42	2%	2,164.86	2%	2,208.16	2%	2,252.32	2%	2,297.37	2%	2,343.32	2%	2,390.19	2%	2,437.99
887	MAINTENANCE - TRANSMISSION & DISTRIE	1,000.00		10,000.00	2.0%	10,200.00	2.0%	10,404.00	2%	10,612.08	2%	10,824.32	2%	11,040.81	2%	11,261.62	2%	11,486.86	2%	11,716.59	2%	11,950.93	2%	12,189.94
889	MAINTENANCE - REGULATOR STATIONS	4,500.00		1,500.00	2.0%	1,530.00	2.0%	1,560.60	2%	1,591.81	2%	1,623.65	2%	1,656.12	2%	1,689.24	2%	1,723.03	2%	1,757.49	2%	1,792.64	2%	1,828.49
892	MAINTENANCE - CUSTOMER SERVICES	6,000.00		5,000.00	2.0%	5,100.00	2.0%	5,202.00	2%	5,306.04	2%	5,412.16	2%	5,520.40	2%	5,630.81	2%	5,743.43	2%	5,858.30	2%	5,975.46	2%	6,094.97
899	MAINTENANCE - TRANSPORTATION	-		2,000.00	2.0%	2,040.00	2.0%	2,080.80	2%	2,122.42	2%	2,164.86	2%	2,208.16	2%	2,252.32	2%	2,297.37	2%	2,343.32	2%	2,390.19	2%	2,437.99
932	MAINTENANCE - GENERAL PLANT	1,100.00		1,500.00	2.0%	1,530.00	2.0%	1,560.60	2%	1,591.81	2%	1,623.65	2%	1,656.12	2%	1,689.24	2%	1,723.03	2%	1,757.49	2%	1,792.64	2%	1,828.49
TOTAL TRANSMISSION & DISTRIBUTION		31,900.00		57,000.00		58,140.00		59,302.80		60,488.86		61,698.63		62,932.61		64,191.26		65,475.08		66,784.58		68,120.28		69,482.68
ADMINISTRATIVE & GENERAL EXPENSES - 90000:																								
901	SUPERVISION	-		-		-		-		-		-		-		-		-		-		-		-
902	METER READING EXPENSES	-		-		-		-		-		-		-		-		-		-		-		-
904	UNCOLLECTIBLE ACCOUNTS	15,400.00		2,000.00	2.0%	2,040.00	2.0%	2,080.80	2%	2,122.42	2%	2,164.86	2%	2,208.16	2%	2,252.32	2%	2,297.37	2%	2,343.32	2%	2,390.19	2%	2,437.99
920	LABOR	500.00		510.00	2.0%	520.20	2%	530.60	2%	541.22	2%	552.04	2%	563.08	2%	574.34	2%	585.83	2%	597.55	2%	609.50	2%	621.50
921	OFFICE SUPPLIES & EXPENSES	1,800.00		2,500.00	2.0%	2,550.00	2.0%	2,601.00	2%	2,653.02	2%	2,706.08	2%	2,760.20	2%	2,815.41	2%	2,871.71	2%	2,929.15	2%	2,987.73	2%	3,047.49
922	BOND FEES	22,275.71		-		-		-		-		-		-		-		-		-		-		-
923	OUTSIDE SERVICES	1,800.00		3,500.00	2.0%	3,570.00	2.0%	3,641.40	2%	3,714.23	2%	3,788.51	2%	3,864.28	2%	3,941.57	2%	4,020.40	2%	4,100.81	2%	4,182.82	2%	4,266.48
924	PROPERTY INSURANCE	350.00		550.00	2.0%	561.00	2.0%	572.22	2%	583.66	2%	595.34	2%	607.24	2%	619.39	2%	631.78	2%	644.41	2%	657.30	2%	670.45
927	EMPLOYEE RETIREMENT	4,700.00		5,000.00	10.0%	5,500.00	10.0%	6,050.00	10%	6,655.00	10%	7,320.50	10%	8,052.55	10%	8,857.81	10%	9,743.59	10%	10,717.94	10%	11,789.74	10%	12,968.71
930	MISCELLANEOUS GENERAL EXPENSES	1,500.00		2,000.00	2.0%	2,040.00	2.0%	2,080.80	2%	2,122.42	2%	2,164.86	2%	2,208.16	2%	2,252.32	2%	2,297.37	2%	2,343.32	2%	2,390.19	2%	2,437.99
678	MAINTENANCE - TRANSPORTATION	-		2,000.00	2.0%	2,040.00	2.0%	2,080.80	2%	2,122.42	2%	2,164.86	2%	2,208.16	2%	2,252.32	2%	2,297.37	2%	2,343.32	2%	2,390.19	2%	2,437.99
932	MAINTENANCE - GENERAL PLANT	-		-	2.0%	-	2.0%	-	2%	-	2%	-	2%	-	2%	-	2%	-	2%	-	2%	-	2%	-
TOTAL ADMINISTRATIVE & GENERAL		47,825.71		19,550.00		20,341.00		21,187.82		22,095.58		23,069.89		24,116.93		25,243.47		26,456.96		27,765.59		29,178.34		30,705.08

BEDFORD COUNTY UTILITY DISTRICT OF BEDFORD COUNTY, TENNESSEE
 BUDGET - NATURAL GAS DEPARTMENT
 2015-2026

	2014-2015 ACTUAL	* 2015-2016 BUDGET	* 2016-2017 ESTIMATED	2017-2018 ESTIMATED	2018-2019 ESTIMATE	2019-2020 ESTIMATE	2020-2021 ESTIMATE	2021-2022 ESTIMATE	2022-2023 ESTIMATE	2023-2024 ESTIMATE	2024-2025 ESTIMATE	2025-2026 ESTIMATE
DEPRECIATION EXPENSE - 40300:												
403 DEPRECIATION EXPENSE - REGULAR	132,500.00	150,000.00	150,000.00	155,000.00	155,000.00	155,000.00	155,000.00	155,000.00	155,000.00	155,000.00	155,000.00	155,000.00
TOTAL DEPRECIATION EXPENSE	132,500.00	150,000.00	150,000.00	155,000.00	155,000.00	155,000.00	155,000.00	155,000.00	155,000.00	155,000.00	155,000.00	155,000.00
PAYROLL TAXES - 40800:												
408 PAYROLL TAXES	1,150.00	1,150.00	2.0% 1,173.00	2.0% 1,196.46	2% 1,220.39	2% 1,244.80	2% 1,269.69	2% 1,295.09	2% 1,320.99	2% 1,347.41	2% 1,374.36	2% 1,401.84
TOTAL PAYROLL TAXES	1,150.00	1,150.00	1,173.00	1,196.46	1,220.39	1,244.80	1,269.69	1,295.09	1,320.99	1,347.41	1,374.36	1,401.84
OPERATING INCOME/(LOSS)	602,775.71	669,948.50	708,126.56	735,475.94	746,839.46	758,478.65	770,403.86	782,626.14	795,157.29	808,009.92	821,197.56	834,734.69
OTHER INCOME - 41000:												
41900 INTEREST INCOME	450.04	350.00	2.0% 357.00	357.00	357.00	357.00	357.00	357.00	357.00	357.00	357.00	357.00
42100 MISCELLANEOUS INCOME	-	-	-	-	-	-	-	-	-	-	-	-
42200 GAIN ON SALE OF FIXED ASSETS	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER INCOME	450.04	350.00	357.00	357.00	357.00	357.00	357.00	357.00	357.00	357.00	357.00	357.00
OTHER DEDUCTIONS - 42700:												
427 INTEREST ON LONG - TERM DEBT	(138,754.00)	(138,303.00)	(134,250.00)	(130,202.00)	(126,010.00)	(121,802.00)	(117,374.00)	(112,294.00)	(107,044.00)	(101,635.00)	(95,669.00)	(89,654.00)
428 AMORTIZATION OF DEBT DISCOUNT	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER DEDUCTIONS	(138,754.00)	(138,303.00)	(134,250.00)	(130,202.00)	(126,010.00)	(121,802.00)	(117,374.00)	(112,294.00)	(107,044.00)	(101,635.00)	(95,669.00)	(89,654.00)
OTHER NON-OPERATING INCOME:												
49100 TAP FEES-IN EXCESS OF COST OF INSTAL	-	-	-	-	-	-	-	-	-	-	-	-
49200 FEDERAL GRANTS	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL: OTHER NON-OPERATING INCOME	-	-	-	-	-	-	-	-	-	-	-	-
NET INCOME/(LOSS)	137,375.98	191,098.50	231,500.44	260,288.46	250,129.13	265,150.37	280,554.64	296,771.87	313,317.42	330,177.02	347,744.69	365,507.64

* ESTIMATED INCREASE FOR PERIOD

Bedford County Utility District

Projections

Repayment Year	Projections												
		1	2	3	4	5	6	7	8	9	10		
Fiscal Year June 30	Audited	Projected	Growth rate	Projection									
	2014	2015	Projection										
			2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Gas revenues	\$ 773,381	\$ 820,000	\$ 943,000	\$ 1,037,300	\$ 1,089,165	\$ 1,110,948	\$ 1,133,167	\$ 1,155,831	\$ 1,178,947	\$ 1,202,526	\$ 1,226,576	\$ 1,251,108	\$ 1,276,130
Other revenues	\$ 2,900	\$ 12,500	\$ 11,000	\$ 11,220	\$ 11,444	\$ 11,673	\$ 11,907	\$ 12,145	\$ 12,388	\$ 12,636	\$ 12,888	\$ 13,146	\$ 13,409
Capital Contributions	\$ 71,442	\$ 45,956	\$ 45,000	\$ 25,000	\$ 25,000								
Total Operating Revenues	\$ 847,723	\$ 878,456	\$ 999,000	\$ 1,073,520	\$ 1,125,609	\$ 1,122,621	\$ 1,145,074	\$ 1,167,976	\$ 1,191,335	\$ 1,215,162	\$ 1,239,464	\$ 1,264,254	\$ 1,289,539
Total Operating Expenses	\$ 583,128	\$ 602,776	0% \$ 669,949	\$ 708,127	\$ 735,476	\$ 746,839	\$ 758,479	\$ 770,404	\$ 782,626	\$ 795,157	\$ 808,010	\$ 821,198	\$ 834,735
Operating Income	\$ 264,595	\$ 275,680	\$ 329,052	\$ 365,394	\$ 390,133	\$ 375,782	\$ 386,595	\$ 397,572	\$ 408,709	\$ 420,005	\$ 431,454	\$ 443,056	\$ 454,804
Interest Expense	\$ 123,582	\$ 138,754	\$ 138,303	\$ 134,250	\$ 130,202	\$ 126,010	\$ 121,802	\$ 117,374	\$ 112,294	\$ 107,044	\$ 101,635	\$ 95,669	\$ 89,654
Change in Net Position Due Water	\$ 141,013	\$ 136,926	\$ 190,749	\$ 231,144	\$ 259,931	\$ 249,772	\$ 264,793	\$ 280,198	\$ 296,415	\$ 312,961	\$ 329,819	\$ 347,387	\$ 365,150
		\$ (81,959)	\$ (150,000.00)	\$ (175,000.00)	\$ (200,000.00)	\$ (200,000.00)	\$ (225,000.00)	\$ (225,000.00)	\$ (250,000.00)	\$ (250,000.00)	\$ (250,000.00)	\$ (250,000.00)	\$ (225,000.00)
Total Net Position - Gas	\$ (2,237,002)	\$ (2,100,076)	\$ (2,059,328)	\$ (2,003,184)	\$ (1,943,253)	\$ (1,893,481)	\$ (1,853,687)	\$ (1,798,489)	\$ (1,752,074)	\$ (1,689,113)	\$ (1,609,294)	\$ (1,511,907)	\$ (1,371,757)
<u>Supplemental Information</u>													
Principal payment	\$ 115,000	\$ 155,564	\$ 170,682	\$ 172,386	\$ 178,603	\$ 180,364	\$ 186,643	\$ 188,551	\$ 194,980	\$ 201,469	\$ 208,003	\$ 210,132	\$ 216,810
Depreciation	\$ 116,757	\$ 132,500	\$ 150,000	\$ 150,000	\$ 155,000	\$ 155,000	\$ 155,000	\$ 155,000	\$ 155,000	\$ 155,000	\$ 155,000	\$ 155,000	\$ 155,000
Due to water	1,969,462	2,400,000	2,250,000	2,075,000	1,875,000	1,675,000	1,450,000	1,225,000	975,000	725,000	475,000	225,000	-
<u>Gas Rates</u>													
Customer monthly charge	\$ 10.00												
Per MCF	varies thru year												

**UTILITY MANAGEMENT REVIEW BOARD
Status Update**

Case: Chanute Pall-Mall Utility District
Manager: Lori Pierce
Customers: 387
Validity Score: 83
Non-Revenue Water: 8.0%

The Chanute Pall-Mall Utility District met on October 1, 2015 to discuss and formally adopt policies as required by the Board. The adoption of policies at their board meeting in February was erroneously left out of the minutes. They have also worked diligently to erase all debts for nonpayment of bills. The current "past due list" is attached.

CHANUTE - PALL MALL UD						
HISTORY FILE						
	Audited	Audited	Audited	Audited	Audited	Audited
FYE 6/30	2009	2010	2011	2012	2013	2014
Water revenues	\$ 202,997	\$ 201,823	\$ 246,024	\$ 248,444	\$ 222,810	\$ 217,841
Other revenues	\$ 14,659	\$ 8,811	\$ 8,647	\$ 7,749	\$ 9,173	\$ 4,698
Capital Contribution				\$ 135,300		
Total Revenue	\$ 217,656	\$ 210,634	\$ 254,671	\$ 391,493	\$ 231,983	\$ 222,539
Total Expenses	\$ 193,401	\$ 244,660	\$ 231,564	\$ 223,646	\$ 232,238	\$ 249,602
Operating Income	\$ 24,255	\$ (34,026)	\$ 23,107	\$ 167,847	\$ (255)	\$ (27,063)
Interest Expense	\$ 14,941	\$ 13,879	\$ 13,837	\$ 13,235	\$ 12,198	\$ 11,924
Change/Net Position	\$ 9,314	\$ (47,905)	\$ 9,270	\$ 154,612	\$ (12,453)	\$ (38,987)
<u>Add'l info</u>						
Principal payment	No Audit	\$ 10,145	\$ 10,187	\$ 10,789	\$ 11,826	\$ 12,100
Depreciation	\$ 26,778	\$ 26,778	\$ 26,778	\$ 34,451	\$ 35,785	\$ 35,785
Customers		483	498	496	498	503
Water Rates						
First 2,000 gallons - minimum		\$ 23.00	\$ 23.00	\$ 23.00	\$ 23.00	\$ 23.00
Next 3,000 gallons-per 1,000		\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00
Next 5,000 gallons-per 1,000		\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00
Next 10,000 gallons-per 1,000		\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00
Above 20,000 gallons-per 1,000		\$ 5.75	\$ 5.75	\$ 5.75	\$ 5.75	\$ 5.75
Unaccounted for Water		26.00%	18.00%	20.00%		
Validity Score					83	83
Non-revenue water					13.8%	8.0%



STATE OF TENNESSEE
Utility Management Review Board

James K. Polk State Office Building
505 Deaderick Street, Suite 1500
Nashville, Tennessee 37243-1402
Phone (615) 401-7841 Fax (615) 741-6216

August 19, 2015

Ms. Lori Pierce, Manager
And Board of Commissioners
Chanute-Pall Mall Utility District
3290 N. York Hwy
Pall Mall, TN 38577

RETURN RECEIPT REQUESTED

Dear Ms. Pierce and Commissioners:

At the August 6, 2015, meeting of the Utility Management Review Board (UMRB), the UMRB reviewed the details of the financially distressed status of Chanute-Pall Mall Utility District (District). The UMRB took formal action: **On or before September 9, 2015, the District must submit documentation to our office relating to the following:**

- Formal repayment plan(s) of the more than \$23,000 due to the District for nonpayment
- Evidence of formal adoption and enforcement of District policies

A District representative is also required to attend the UMRB's next meeting on December 3, 2015, to formally respond to questions and to address any specific concerns raised by UMRB members. That meeting will be held at 10:00 am in Room 31 of the Legislative Plaza.

If you have any questions, please feel free to contact me at 615-401-7954 or Betsy.Knotts@cot.tn.gov

Very truly yours,

Betsy Knotts
Assistant General Counsel
Comptroller of the Treasury

Fax to (4 pages) -

John Greer/State of Tennessee Comptroller of the Treasury 615 741 6216

From

Chanute Pall Mall Utility District 3290 N York Hwy Pall Mall TN 38577

Please find attached the current (9/8/2015) list of past due customers with total amount owed to district on page 2 of 2 stating \$12, 975.30. All accounts listed in the 61+ column showing nothing in the 1-30 & 31-60 have been locked & each account showing amounts in the 1-30 & 31-60 columns have been sent final notice (as follows) with disconnect date & due.

RVS SOFTWARE TO RECORDER CALL 1-800-227-9195

ACCT. NO.	LATE FEE	DISCONNECT DATE	TOTAL DUE

ACCOUNT NO.	TOTAL DUE

PLEASE RETURN THIS STUB WITH YOUR PAYMENT

FINAL NOTICE... A late charge has been added. To avoid the reconnection fee and having your water cutoff, you must pay in full before the disconnect date shown above.

*please also note we have paid off USDA load for amount of \$181,259.21 helping our bottom line of income due to monthly payment was \$2002. (including ~ \$1000. interest).

A copy of Oct. minutes will be sent immediately upon completion.

Thank you for your time & promptness,

jonna Jusko office clerk

Tuesday, September 8, 2015

10:56:22AM

Page 1 of 2

PAST DUE LIST**CHANUTE/PALL MALL UTILITY**

ACCT#	RT NAME	CURRENT	1-30	31-60	61+	LAST PAYMENT		TOTAL
8	1 BUCK, HOWARD				366.99	82.00	2/24/15	366.99
18	1 CONATSER, BETH		61.98	72.27	0.86	159.00	7/17/15	135.11
19	1 HILL John & Karen				77.31	60.00	10/4/12	77.31
22	1 ROARK Shawn		37.56	27.27	23.73	40.00	7/9/15	88.56
43	1 Doss Goodman, Misty				49.39	54.23	10/15/14	49.39
95	1 EVANS, JEFF		32.42	75.77	62.75	315.31	5/14/15	170.94
97	1 MOON, ROGER		134.47	142.90	343.45	387.43	5/14/15	620.82
98	1 MOON, ROGER		97.89	88.26	180.68	247.91	5/14/15	366.83
133	1 Fitzgerald, Robt		27.71	27.71	25.19			80.61
143	1 JOHNSON, GINGER		59.24	48.40	76.83	120.00	6/8/15	184.47
153	1 STONEY RIDGE TRUCKING		49.39	49.39	89.23	175.00	6/2/15	188.01
164	1 UPCHURCH, ELMA				31.21	35.04	6/29/10	31.21
168	1 MICHAEL, JILL		27.71	26.36	12.90	40.00	7/14/15	66.97
172	1 UPCHURCH, PHILLIP				97.46	195.25	8/28/13	97.46
190	1 EVANS, LEZLIE		77.75	59.24	79.17	83.00	7/21/15	216.16
212	1 HATFIELD, JOHN				244.47	120.00	5/3/11	244.47
225	2 BANDY, DORIS				63.39	21.13	5/18/06	63.39
242	2 BEATY, RANDALL				27.76	35.67	12/17/07	27.76
262	2 EVANS, ELISE				27.76	25.24	10/9/14	27.76
279	1 POTTER, JEFFERY		68.00	50.08	51.81	200.00	6/2/15	169.89
286	2 KEMPTON, ANDREW				247.70	23.76	10/4/13	247.70
301	2 SLOAN, SHARON				25.29	37.00	9/22/05	25.29
310	2 NEAL, Walter DAVID		70.90	76.93	9.41	40.00	9/2/15	157.24
319	2 POORE, DAVEY				57.76	55.52	7/29/10	57.76
322	2 REYNOLDS, JULIE				39.24	43.90	10/15/07	39.24
330	2 CROUCH, MARY SCROGGIN			2.52	337.92	249.34	2/4/15	340.44
346	2 TROXELL, Carolyn		9.86	104.90	151.44	194.36	3/25/15	266.20
347	2 TROXELL, GREG				120.08	70.00	10/18/04	120.08
350	2 WEST, KENNY				6,873.85	1,760.31	1/28/15	6,873.85
360	2 JOHNSON, ROY		38.63	38.63	35.12	35.12	6/8/15	112.38
365	1 Marise, Carol		38.63	38.63	38.63	90.64	7/24/15	115.89
406	1 HUNT, TODD		59.24	50.38	54.75	162.90	7/6/15	164.37
411	2 DANIELS, TONI		58.39	38.63	35.12	159.37	6/18/15	132.14
438	1 Jennings , Peter				171.07	22.62	6/11/13	171.07
443	1 SMITH, TERESA				185.08	55.00	12/3/07	185.08
448	1 UPCHURCH, MARY L.				163.74	243.44	8/28/14	163.74
449	2 D & E LOGGING				27.76	63.87	2/11/11	27.76
464	1 HANCOCK, RAY				169.96	64.72	2/24/12	169.96
496	1 PARKER, CHASIDIE				79.50	98.55	10/20/10	79.50
506	1 C Stephens				123.22	50.00	8/3/12	123.22
521	1 Smith, james B & Tracy		47.52	27.76	53.00	25.24	5/14/15	128.28



Tuesday, September 8, 2015

10:56:22AM

Page 2 of 2

PAST DUE LIST

CHANUTE/FALL MALL UTILITY

ACCT#	RT NAME	CURRENT	1-30	31-60	61+	LAST PAYMENT	TOTAL
Total Receivables:		35,935.14	0.00	1,046.03			
Accounts Listed:		41	997.29	10,931.98			\$12,975.30

All Customers Balance >0 Past Due Status = AGE 3 Age 3 Accour
 Chanute-Fall Mall Utility Dist.

CHANUTE - PALL MALL
UTILITY DISTRICT - OM
PH: 931-879-4868
3290 N. YORK HWY.
PALL MALL, TN 38577

6888

87-403/541

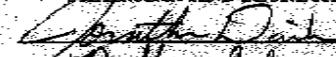
Date 9/8/15

Pay to the Order of USDA Rural Development \$ 181,259.21/00

One hundred eighty one thousand, two hundred fifty nine ²¹/₁₀₀ Dollars  Security Details on back.

 P.O. Box 100
Jamestown, TN 38556

CHAIRMAN AND SECRETARY




For loan pay off

⑆006883⑆ ⑆50101490⑆ ⑆10111171⑆

Chanute/Pall Mall
Utility District
3290 N. York Hwy.
Pall Mall, TN. 38577



USDA Rural Devel. Alice Wills
390 S. Lowe Ave. Suite K
Cookeville, Tn. 38501

To John Greer
Comptroller of the Treasury
fax # 615 741 6216
from:

Chamber/Paid Mail
Utility District
3290 N. York Hwy.
Paid Mail, TN. 38577

pages 1

Oct. 2015

Meeting was called to order at 5:00pm
All members are present, James West, Bobby Slawer
Jonathan Davidson. Policy for our office
has been redone and approved by all the
members in February of this year. Price
increase was approved. Cross connections valves
are here and ready to be installed. Meeting
was very helpful and informative in Cookeville about
the cross connections. Discussed water from
Jamestown versus Byrdstown. Need to
go to meeting at Fentress Co. Meeting was
adjourned at 6:00pm.

James L. West

**UTILITY MANAGEMENT REVIEW BOARD
Status Update**

Case:	Iron City Utility District
President:	Tim Lamprecht
Customers:	245
Validity Score:	81
Non-Revenue Water:	6.10%

The Iron City Utility District has been reported to the Board as having at least fourteen consecutive years with a negative change in net position as of December 31, 2014. The financial and rate history is reflected on the attached sheet.

Iron City Utility District voted to consolidate with the City St. Joseph. These consolidation talks have completely failed. The District has went from a 1,000 gallon minimum bill, to a 2,000 gallon minimum bill. This change offset part of the rate increase that the District implemented in May 2015.

Staff recommends the Board initiate an investigation into the Iron City Utility District. This will allow staff to take a more detailed look into the financial situation and recommend appropriate plans to relieve the financial distress of the District.

**IRON CITY UTILITY DISTRICT
HISTORY FILE**

	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited
FYE Dec 31	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Water revenues	\$ 62,486	\$ 61,427	\$ 65,624	\$ 77,226	\$ 76,098	\$ 82,794	\$ 87,325	\$ 129,821	\$ 152,642	\$ 150,766	\$ 154,561	\$ 146,635	\$ 142,522	\$ 149,653
Other revenues	\$ 2,020	\$ 2,795	\$ 714	\$ 5,300	\$ -	\$ 2,648	\$ 4,457	\$ 9,181	\$ 5,148	\$ 7,209	\$ 3,726	\$ 4,844	\$ 5,645	\$ 5,276
Total Revenues	\$ 64,506	\$ 64,222	\$ 66,338	\$ 82,526	\$ 76,098	\$ 85,442	\$ 91,782	\$ 139,002	\$ 157,790	\$ 157,975	\$ 158,287	\$ 151,479	\$ 148,167	\$ 154,929
Total Expenses	\$ 73,618	\$ 73,082	\$ 78,294	\$ 88,963	\$ 110,791	\$ 131,379	\$ 157,087	\$ 200,903	\$ 202,127	\$ 186,249	\$ 181,667	\$ 159,202	\$ 185,562	\$ 179,027
Operating Income	\$ (9,112)	\$ (8,860)	\$ (11,956)	\$ (6,437)	\$ (34,693)	\$ (45,937)	\$ (65,305)	\$ (61,901)	\$ (44,337)	\$ (28,274)	\$ (23,380)	\$ (7,723)	\$ (37,395)	\$ (24,098)
Interest Expense	\$ 2,359	\$ 1,983	\$ 1,526	\$ 1,388	\$ 1,257	\$ 1,198	\$ 993	\$ 855	\$ 1,274	\$ 754	\$ 342	\$ 492	\$ 405	\$ 364
Change in Net Position	\$ (11,471)	\$ (10,843)	\$ (13,482)	\$ (7,825)	\$ (35,950)	\$ (47,135)	\$ (66,298)	\$ (62,756)	\$ (45,611)	\$ (29,028)	\$ (23,722)	\$ (8,215)	\$ (37,800)	\$ (24,462)
Supplemental Info														
Principal payment	\$9,188	\$9,592	\$ 5,338	\$ 2,442	\$ 2,631	\$ 2,710	\$ 2,815	\$ 791	\$ 2,569	\$ 2,395	\$ 1,525	\$ 2,462	\$ 1,957	\$ 1,957
Depreciation	\$ 32,014	\$ 31,567	\$ 31,027	\$ 34,303	\$ 40,143	\$ 40,143	\$ 39,492	\$ 39,479	\$ 39,196	\$ 39,172	\$ 36,477	\$ 36,437	\$ 36,895	\$ 31,528
Water Rates														
First 2,000 gallons			\$ 13.24	\$ 14.24	\$ 14.24	\$ 14.24	\$ 15.99	\$ 26.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00
Resident all over			\$ 4.80	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 6.20	\$ 8.80	\$ 8.80	\$ 8.80	\$ 8.80	\$ 8.80	\$ 8.80
Commercial all over												\$ 7.20	\$ 7.20	\$ 7.20
Customers			240	266	263	259	258	260	257	252	257	248	245	245
Connection fee										\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00
Renter connection fee										\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00
Re-connection fee										\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
Tap fee										\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00
Water Loss								53.32%	45.78%	38.40%	29.90%	86/0.7%		
Non-Revenue Water													6.3%	6.1%
Validity Score													86	81

Iron City Utility District
P O Box 86
Iron City, TN 38463-0086
931-845-4466

October 28, 2015

John Greer
Utilities Board Analyst
Utility Management Review Board
James K. Polk State Office Building, Suite 1500
505 Deaderick Street
Nashville, TN 37243-6316

Dear Mr. Greer:

The Commissioners for the Iron City Utilities District have been addressing the issue of being financially distressed for several years. The major issue impacting the District's financial distress over the years has been water losses since the District purchases water from another utility district. Water losses have been steadily reduced over the years as leaks have been found and fixed. The quality of the service lines has been improved as older lines have been replaced. The District has fixed 32 leaks in the past two years. The improvement in reducing water losses for the past eight years is shown below:

<u>Year</u>	<u>Per Cent Water Loss</u>
2007	48%
2008	53%
2009	46%
2010	38%
2011	30%
2012	23%
2013	30%
2014	26%

The Commissioners approved a significant rate increase in 2009 to help pay for the efforts to reduce the water losses. After raising rates in 2009, the Commissioners believed that the District needed to concentrate on reducing the losses before asking customers to pay any more for their water. Now that water losses have been consistently reduced, the Commissioners approved a rate increase at their April 26, 2015 meeting to address the negative change in net position. The rate increase effective in May 2015 increased the minimum fee to \$36.00, but reduced the minimum usage to 1,000 gallons. After further consideration, the commissioners made the minimum fee cover up to 2,000 gallons effective August 1, 2015 as had been the past practice. The commercial rate was increased to be consistent with the residential rate. The largest employer in the area supported the increase.

The change in water rates is shown below:

<u>Water Rates</u>	<u>2014 Rate</u>	<u>August 2015 Rate</u>
First 2,000 gallons	\$ 30.00	\$ 36.00
Over 2,000 gallons - residential per 1,000 gallons	\$ 8.80	\$ 12.50
Over 2,000 gallons - commercial per 1,000 gallons	\$ 7.20	\$ 12.50

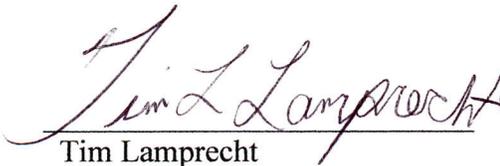
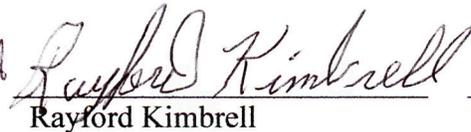
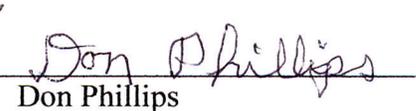
In addition, the Commissioners agreed to not accept their per diem for two months this year, reducing expenses by \$2,500 (5 commissioners * 2 months * \$250) and reduced the operator compensation by \$250 for two months which also reduced expenses by \$500. The rate increase is expected to generate approximately \$50,000 in additional revenue on an annual basis.

In order to free up additional money for operations, the Commissioners approved paying off the Rural Development Association (RDA) loan. The two payments due for 2015 have already been made and the remaining \$3,395.92 owed will be paid this month. This will free up the \$14,000 debt service reserve. The District had \$30,000 in unrestricted cash and \$15,000 in certificates of deposit at December 31, 2014. At September 30, 2015, the District has \$40,000 in its cash account. Paying off the RDA loan, will add over \$10,000 to the cash balance and eliminate all of the District's debt and debt service.

While the District has had a negative change in financial position for several years, because there have been modest needs for the District to invest in fixed assets and to make payments for debt service, the District's unrestricted cash position has improved from \$14,000 at December 31, 2007 to over \$30,000 at December 31, 2014. The District expects its unrestricted cash position to be over \$50,000 at December 31, 2015. The District expects its change in net position to be close to break even for 2015 including the \$30,000 of annual depreciation charges. The change in net position is expected to be positive for 2016 when a full year of the rate increases are realized. The District expects to continue to improve its cash position so it can have resources to continue modernizing its utility plant in service.

The Commissioners for the Iron City Utility District believe that they have been responsive to the issue of being financially distressed by their continuing efforts to reduce the water leaks and by raising water rates. We would appreciate any additional guidance that the Utility Management Review Board has to offer.

Sincerely,

**UTILITY MANAGEMENT REVIEW BOARD
Status Update**

Case:	Mooreburg Utility District
President:	Robbie Drinnon
Customers:	475, Water
Validity Score:	81
Non-Revenue Water:	2.90%

The Mooreburg Utility District has been reported to the Board as having at least two consecutive years with a negative change in net position as of December 31, 2014. The financial and rate history is reflected on the attached sheet.

Mooreburg Utility District last appeared before the Board on December 4, 2014. Staff requested an update from the District on October 15, 2015. The materials provided are attached for your information.

**MOORESBURG UTILITY DISTRICT
HISTORY FILE**

	Audited 2002	Audited 2003	Audited 2004	Audited 2006	Audited 2007	Audited 2008	Audited 2009	Audited 2010	Audited 2011	Audited 2012	Audited 2013	Audited 2014
Fiscal Year December 30												
Water revenues	\$ 114,031	\$ 140,594	\$ 133,193	\$ 147,552	\$ 162,900	\$ 166,365	\$ 185,914	\$ 207,694	\$ 209,289	\$ 193,443	\$ 229,095	\$ 241,174
Other revenues	\$ 5,490	\$ 12,250	\$ -	\$ 8,250	\$ 12,135	\$ 5,875	\$ 2,630	\$ 2,910	\$ 4,100	\$ 37,142	\$ 41,163	\$ 33,673
Capital contributions								\$ 338,460	\$ 138,540			
Total Operating Revenues	\$ 119,521	\$ 152,844	\$ 133,193	\$ 155,802	\$ 175,035	\$ 172,240	\$ 188,544	\$ 549,064	\$ 351,929	\$ 230,585	\$ 270,258	\$ 274,847
Total Operating Expenses	\$ 97,946	\$ 118,868	\$ 130,009	\$ 141,503	\$ 157,568	\$ 190,598	\$ 189,812	\$ 218,124	\$ 198,167	\$ 239,851	\$ 215,334	\$ 227,358
Interest Expense	\$ 15,833	\$ 23,679	\$ 23,058	\$ 24,036	\$ 29,225	\$ 27,082	\$ 20,390	\$ 33,461	\$ 93,977	\$ 62,255	\$ 55,347	\$ 56,656
Change in Net Assets	\$ 5,742	\$ 10,297	\$ (19,874)	\$ (9,737)	\$ (11,758)	\$ (45,440)	\$ (21,658)	\$ 297,479	\$ 59,785			
Change in Net Position										\$ (71,521)	\$ (423)	\$ (9,167)
<u>Supplemental Information</u>												
Principal payment	\$ 15,315	\$ 14,943	\$ 10,579	\$ 6,265	\$ 11,859	\$ 14,663			\$ 61,784	\$ 61,784	\$ 20,122	\$ 37,927
Depreciation	\$ 32,203	\$ 30,939	\$ 31,358	\$ 34,682	\$ 36,807	\$ 38,212	\$ 39,390	\$ 41,300	\$ 62,631	\$ 69,449	\$ 70,022	\$ 69,762
Water Rates - residential					<u>1/1/2007</u>							
First 1,000 gallons						\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00	\$ 24.25
First 2,000 gallons	\$ 16.60	\$ 12.25	\$ 16.50	\$ 18.64	\$ 20.47							
All over 1,000 gallons						\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 8.58
All over 2,0000 gallons	\$ 2.85	\$ 2.25	\$ 2.85	\$ 3.20	\$ 3.20							
Water Rates - commercial												
First 1,000 gallons						\$ 26.00	\$ 26.00	\$ 26.00	\$ 26.00	\$ 26.00	\$ 26.00	\$ 31.46
First 2,000 gallons	\$ 20.75	\$ 18.50	\$ 18.50	\$ 24.38	\$ 24.38							
All over 1,000 gallons						\$ 6.96	\$ 6.96	\$ 6.96	\$ 6.96	\$ 6.96	\$ 6.96	\$ 8.85
All over 2,0000 gallons	\$ 4.10	\$ 3.25	\$ 3.25	\$ 6.96	\$ 6.96							
Customers	373	404	404	476	541	514	505	551	577	609	619	475
Validity Score									62	62	62	81
Water Loss						43.9%	68.623%	56.232%				
Non-Revenue Water									60.20%	57.60%	17.50%	2.90%
FY 05 Net asset change (\$18,382) no other information available												

Mooresburg Utility District
P.O. Box 2 / 810 Old Hwy 11-W
Mooresburg, Tn. 37811
(423)921-7815

November 11,2015

Mr. John Greer:

Enclosed is a plan of action update from our utility district since our last review:

- M.U.D. has adopted a Meter Re-Reading Policy
- M.U.D. has adopted a Return Check policy
- M.U.D. has adopted a Travel Reimbursement policy
- M.U.D. has adopted a Code of Ethics
- M.U.D has adopted a Policy of Records
- M.U.D. has adopted a Bill Adjustment Policy
- M.U.D. has adopted a Meter Replacement Policy
- M.U.D. has replaced all employees and commissioners meters first
- M.U.D. is currently replacing the old meters
- M.U.D. no longer has any debts from Citizens Bank of Grainger County or CRG Grants
- M.U.D. master meter has been calibrated in September 2015
- M.U.D. has been able to operate in the black in 2015
- Larry Cook has resigned as President
- Robby Drinnon has been elected President of M.U.D.

M.U.D. is always striving to become a utility district that our community and the State of Tennessee can recognize and be proud of. M.U.D. is currently in the process of a new project, Which includes addition of Slate Hill Road, County Line Road, and off roads. We are accumulating new customers from this project. We are around 80+ new customers as of this date. If you have any questions or any information that you may need, please feel free to contact Eddie Douglas at (423)921-2066 or E-mail douglaseddie@att.net. or mooresburgud@yahoo.com.

We are sending a packet in the mail of information you may need. We are going to over night the packet to make sure you recieve it by the date requested.

Thank you,
Danielle Grey



STATE OF TENNESSEE
UTILITY MANAGEMENT REVIEW BOARD
JAMES K. POLK STATE OFFICE BUILDING, SUITE 1500
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7879
FAX (615) 741-6216

October 15, 2015

Mr. Eddie Douglas
Mooresburg Utility District
P.O. Box 2
Mooresburg, TN 37811

Dear Mr. Douglas:

The Mooresburg Utility District has been reported to the Utility Management Review Board under TCA 7-82-703(a) and 7-82-401(h) as being financially distressed as having at least two consecutive years with a negative change in net position.

Please provide an update of the progress the District has made since its last appearance before the Board in December of 2014. This update should include all rate increases, and any other measures taken, that will affect the net position of the District.

This update should be in our office NO LATER than November 13, 2015.

The Utility Management Review Board has scheduled a meeting on December 3, 2015, at 11:00 am, in Room 31 of the Legislative Plaza. The financially distressed condition of the Mooresburg Utility District is scheduled to be addressed at that time.

If you need help, or have any questions, please contact me at (615) 401-7879 or john.greer@cot.tn.gov.

Sincerely

A handwritten signature in black ink, appearing to read "John Greer", written over a white background.

John Greer
Utilities Board Analyst

PROFIT LOSS -- 2015

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Total
Income													
Connect Fees	400.00	150.00	400.00	175.00	525.00	200.00	400.00	300.00	100.00	100.00			2,750.00
Penalties-Late Fees	821.00	614.60	563.67	874.11	461.66	597.95	710.49	745.85	678.39	647.95			6,715.67
Reconnect Fee	375.00		225.00			375.00		75.00					1,050.00
Returned check fees-sales	60.00	110.88						270.96		186.27			628.11
Sales	17,319.88	21,407.08	21,094.54	23,241.69	21,612.39	19,973.10	24,193.63	21,530.10	24,359.09	22,206.06			216,937.56
Sales-Adjustments	(1,093.92)	(12.52)	(816.94)	(26.24)	(443.77)	(1,117.64)	(1,683.50)	(847.67)	(738.01)	(1,616.42)			(8,396.63)
Transfer Fee													0.00
Water Tap Fees	(850.00)		850.00	850.00	2,250.00		(950.00)	1,600.00	1,250.00				5,000.00
Water Tap Fees-Slate Hill Project	750.00			(750.00)			1,500.00	3,800.00					5,300.00
Total Income	17,781.96	22,270.04	22,316.27	24,364.56	24,405.28	20,028.41	24,170.62	27,474.24	25,649.47	21,523.86	0.00	0.00	229,984.71
Expense													
Accounting & Bookkeeping	580.00	760.00	450.00	830.00	280.00	700.00	600.00		570.00	810.00			5,580.00
Auditing-David M. Ellis									5,500.00				5,500.00
Bank Service Charges													0.00
Commissioner's Fees	0.00	150.00	100.00	100.00	100.00	100.00	100.00	150.00	150.00	150.00			1,100.00
Depreciation Expense	5,814.00	5,814.00	5,814.00	5,814.00	5,814.00	5,814.00	5,814.00	5,814.00	5,814.00	5,814.00			58,140.00
FICA-MED	401.58			124.26			166.83						692.67
FICA-SS	1,717.07			531.32			713.39						2,961.78
Fuel	103.27	91.64	138.13	117.14	97.03	65.00	135.63	98.91	159.48	45.21			1,051.44
Gross Wages	2,362.76	2,332.44	3,874.40	3,685.98	3,711.97	3,835.41	4,734.18	4,123.46	3,980.51	4,303.21			36,944.32
Insurance Expense	1,726.50	835.77		1,887.50	865.73	865.77	865.73	865.77	865.73	866.75			9,645.25
Insurance Expense-Workers' Comp	233.00									478.75			711.75
Interest Expense	4,845.55	1,738.14	1,764.00	1,764.00	1,764.00	1,764.00	1,764.00	1,764.00	1,764.00	1,764.00			20,695.69
Lawn Maintenance				195.00	360.00	360.00	360.00	540.00	270.00	270.00			2,355.00
Late Fees													0.00
Office Expense	893.44		103.50	184.76	255.85	611.90	892.99	582.23	365.53	1,370.00			5,260.20
Office Supplies	52.97	259.52	54.01				135.27	162.43	48.99	398.94			1,112.13
Penalties													0.00
Postage	170.00	373.81	79.75	400.75		175.00	175.00	426.62		231.82			2,032.75
Repairs and Maint-Labor	90.00	227.50	626.00	1,210.46	760.00	1,200.00	525.00	1,300.00	950.00	600.00			7,488.96
Repairs and Maintenance		410.02	569.77	2,855.31	139.18	2,514.89	859.54	166.00	1,493.04	2,632.15			11,639.90
Telephone Expense	408.51	126.02	407.09	398.87		418.34	270.08	425.15	215.49	215.43			2,884.98
Travel Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	252.50	207.50			460.00
Utilities	2,060.95	2,011.49	2,185.70	1,759.75	1,365.11	1,090.10	1,079.72	1,056.37	1,044.93	979.88			14,634.00
Vehicle Maintenance									125.00				125.00
Water Purchase	1,307.18	1,238.12	4,529.30	1,968.18	513.66	608.42	817.05	1,568.00	1,568.00	1,568.00			15,685.91
Water Supplies & Chemicals	883.45	330.00	293.00	929.95	376.50			330.00					3,142.90
Water Testing fees			242.00		77.86				344.38	462.00			1,126.24
Ask My Accountant													0.00
Total Expense	23,650.23	16,698.47	21,230.65	24,757.23	16,480.89	20,122.83	20,008.41	19,372.94	25,481.58	23,167.64	0.00	0.00	210,970.87
Net Ordinary Income	(5,868.27)	5,571.57	1,085.62	(392.67)	7,924.39	(94.42)	4,162.21	8,101.30	167.89	(1,643.78)	0.00	0.00	19,013.84
Total Net Income	(5,868.27)	5,571.57	1,085.62	(392.67)	7,924.39	(94.42)	4,162.21	8,101.30	167.89	(1,643.78)	0.00	0.00	19,013.84

Mooresburg Utility District
Profit & Loss
January 2015

	<u>Jan 15</u>
Ordinary Income/Expense	
Income	
Connect Fees	400.00
Penalties-Late Fees	821.00
Reconnect Fee	375.00
Returned check fee-sales	60.00
Sales	17,319.88
Sales Adjustments	-1,093.92
Water Tap Fees	-850.00
Water Taps-Slate Hill Project	750.00
Total Income	<u>17,781.96</u>
Expense	
Accounting & Bookkeeping	580.00
Depreciation Expense	5,814.00
FICA-MED	401.58
FICA-SS	1,717.07
Fuel	103.27
Gross Wages	2,362.76
Insurance Expense	1,726.50
Interest Expense	4,845.55
Office Expense	893.44
Office Supplies	52.97
Postage	170.00
Repair & Maint-Labor	90.00
Telephone Expense	408.51
Utilities	2,060.95
Water Purchase	1,307.18
Water supplies & chemicals	883.45
Workers Comp Insurance	233.00
Total Expense	<u>23,650.23</u>
Net Ordinary Income	-5,868.27
Net Income	<u><u>-5,868.27</u></u>

9:23 PM

11/04/15

Accrual Basis

Mooresburg Utility District
Profit & Loss
February 2015

	<u>Feb 15</u>
Ordinary Income/Expense	
Income	
Connect Fees	150.00
Penalties-Late Fees	614.60
Returned check fee-sales	110.88
Sales	21,407.08
Sales Adjustments	-12.52
Total Income	<u>22,270.04</u>
Expense	
Accounting & Bookkeeping	760.00
Commissioner's Fees	150.00
Depreciation Expense	5,814.00
Fuel	91.64
Gross Wages	2,332.44
Insurance Expense	835.77
Interest Expense	1,738.14
Office Expense	0.00
Office Supplies	259.52
Postage	373.81
Repair & Maint-Labor	227.50
Repairs and Maintenance	410.02
Telephone Expense	126.02
Utilities	2,011.49
Water Purchase	1,238.12
Water supplies & chemicals	330.00
Total Expense	<u>16,698.47</u>
Net Ordinary Income	<u>5,571.57</u>
Net Income	<u><u>5,571.57</u></u>

9:24 PM

11/04/15

Accrual Basis

Mooresburg Utility District
Profit & Loss
March 2015

	<u>Mar 15</u>
Ordinary Income/Expense	
Income	
Connect Fees	400.00
Penalties-Late Fees	563.67
Reconnect Fee	225.00
Sales	21,094.54
Sales Adjustments	-816.94
Water Tap Fees	850.00
Total Income	<u>22,316.27</u>
Expense	
Accounting & Bookkeeping	450.00
Commissioner's Fees	100.00
Depreciation Expense	5,814.00
Fuel	138.13
Gross Wages	3,874.40
Interest Expense	1,764.00
Office Expense	103.50
Office Supplies	54.01
Postage	79.75
Repair & Maint-Labor	626.00
Repairs and Maintenance	569.77
Telephone Expense	407.09
Utilities	2,185.70
Water Purchase	4,529.30
Water supplies & chemicals	293.00
Water Testing fees	242.00
Total Expense	<u>21,230.65</u>
Net Ordinary Income	<u>1,085.62</u>
Net Income	<u><u>1,085.62</u></u>

9:25 PM

11/04/15

Accrual Basis

Mooresburg Utility District
Profit & Loss
April 2015

	<u>Apr 15</u>
Ordinary Income/Expense	
Income	
Connect Fees	175.00
Penalties-Late Fees	874.11
Sales	23,241.69
Sales Adjustments	-26.24
Water Tap Fees	850.00
Water Taps-Slate Hill Project	-750.00
Total Income	<u>24,364.56</u>
Expense	
Accounting & Bookkeeping	830.00
Commissioner's Fees	100.00
Depreciation Expense	5,814.00
FICA-MED	124.26
FICA-SS	531.32
Fuel	117.14
Gross Wages	3,685.98
Insurance Expense	1,887.50
Interest Expense	1,764.00
Lawn Maintenance	195.00
Office Expense	184.76
Postage	400.75
Repair & Maint-Labor	1,210.46
Repairs and Maintenance	2,855.31
Telephone Expense	398.87
Utilities	1,759.75
Water Purchase	1,968.18
Water supplies & chemicals	929.95
Total Expense	<u>24,757.23</u>
Net Ordinary Income	<u>-392.67</u>
Net Income	<u><u>-392.67</u></u>

Mooresburg Utility District
Profit & Loss
May 2015

	<u>May 15</u>
Ordinary Income/Expense	
Income	
Connect Fees	525.00
Penalties-Late Fees	461.66
Sales	21,612.39
Sales Adjustments	-443.77
Water Tap Fees	2,250.00
Total Income	<u>24,405.28</u>
Expense	
Accounting & Bookkeeping	280.00
Commissioner's Fees	100.00
Depreciation Expense	5,814.00
Fuel	97.03
Gross Wages	3,711.97
Insurance Expense	865.73
Interest Expense	1,764.00
Lawn Maintenance	360.00
Office Expense	255.85
Repair & Maint-Labor	760.00
Repairs and Maintenance	139.18
Utilities	1,365.11
Water Purchase	513.66
Water supplies & chemicals	376.50
Water Testing fees	77.86
Total Expense	<u>16,480.89</u>
Net Ordinary Income	<u>7,924.39</u>
Net Income	<u><u>7,924.39</u></u>

9:26 PM

11/04/15

Accrual Basis

Mooresburg Utility District
Profit & Loss
June 2015

	<u>Jun 15</u>
Ordinary Income/Expense	
Income	
Connect Fees	200.00
Penalties-Late Fees	597.95
Reconnect Fee	375.00
Sales	19,973.10
Sales Adjustments	-1,117.64
Total Income	<u>20,028.41</u>
Expense	
Accounting & Bookkeeping	700.00
Commissioner's Fees	100.00
Depreciation Expense	5,814.00
Fuel	65.00
Gross Wages	3,835.41
Insurance Expense	865.77
Interest Expense	1,764.00
Lawn Maintenance	360.00
Office Expense	611.90
Postage	175.00
Repair & Maint-Labor	1,200.00
Repairs and Maintenance	2,514.89
Telephone Expense	418.34
Utilities	1,090.10
Water Purchase	608.42
Total Expense	<u>20,122.83</u>
Net Ordinary Income	<u>-94.42</u>
Net Income	<u><u>-94.42</u></u>

9:26 PM

11/04/15

Accrual Basis

Mooresburg Utility District
Profit & Loss
July 2015

	<u>Jul 15</u>
Ordinary Income/Expense	
Income	
Connect Fees	400.00
Penalties-Late Fees	710.49
Sales	24,193.63
Sales Adjustments	-1,683.50
Water Tap Fees	-950.00
Water Taps-Slate Hill Project	1,500.00
Total Income	<u>24,170.62</u>
Expense	
Accounting & Bookkeeping	600.00
Commissioner's Fees	100.00
Depreciation Expense	5,814.00
FICA-MED	166.83
FICA-SS	713.39
Fuel	135.63
Gross Wages	4,734.18
Insurance Expense	865.73
Interest Expense	1,764.00
Lawn Maintenance	360.00
Office Expense	892.99
Office Supplies	135.27
Postage	175.00
Repair & Maint-Labor	525.00
Repairs and Maintenance	859.54
Telephone Expense	270.08
Utilities	1,079.72
Water Purchase	817.05
Total Expense	<u>20,008.41</u>
Net Ordinary Income	<u>4,162.21</u>
Net Income	<u><u>4,162.21</u></u>

Mooresburg Utility District
Profit & Loss
August 2015

	<u>Aug 15</u>
Ordinary Income/Expense	
Income	
Connect Fees	300.00
Penalties-Late Fees	745.85
Reconnect Fee	75.00
Returned check fee-sales	270.96
Sales	21,530.10
Sales Adjustments	-847.67
Water Tap Fees	1,600.00
Water Taps-Slate Hill Project	3,800.00
Total Income	<u>27,474.24</u>
Expense	
Commissioner's Fees	150.00
Depreciation Expense	5,814.00
Fuel	98.91
Gross Wages	4,123.46
Insurance Expense	865.77
Interest Expense	1,764.00
Lawn Maintenance	540.00
Office Expense	582.23
Office Supplies	162.43
Postage	426.62
Repair & Maint-Labor	1,300.00
Repairs and Maintenance	166.00
Telephone Expense	425.15
Utilities	1,056.37
Water Purchase	2,096.43
Water supplies & chemicals	330.00
Total Expense	<u>19,901.37</u>
Net Ordinary Income	<u>7,572.87</u>
Net Income	<u><u>7,572.87</u></u>

9:22 PM

11/04/15

Accrual Basis

Mooresburg Utility District
Profit & Loss
September 2015

	<u>Sep 15</u>
Ordinary Income/Expense	
Income	
Connect Fees	100.00
Penalties-Late Fees	678.39
Sales	24,359.09
Sales Adjustments	-738.01
Water Tap Fees	1,250.00
Total Income	<u>25,649.47</u>
Expense	
Accounting & Bookkeeping	570.00
Auditing	5,500.00
Commissioner's Fees	150.00
Depreciation Expense	5,814.00
Fuel	159.48
Gross Wages	3,980.51
Insurance Expense	865.73
Interest Expense	1,764.00
Lawn Maintenance	270.00
Office Expense	365.53
Office Supplies	48.99
Repair & Maint-Labor	950.00
Repairs and Maintenance	1,493.04
Telephone Expense	215.49
Travel Expense	252.50
Utilities	1,044.93
Vehicle Maintenance	125.00
Water Purchase	2,520.24
Water Testing fees	344.38
Total Expense	<u>26,433.82</u>
Net Ordinary Income	<u>-784.35</u>
Net Income	<u><u>-784.35</u></u>

9:45 PM
 11/05/15
 Accrual Basis

Mooresburg Utility District
Profit & Loss Detail
 October 2015

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Ordinary Income/Expense								
Income								
Connect Fees								
General Journal	10/31/2015	1031...		Record Oct2...		Sales	100.00	100.00
Total Connect Fees							100.00	100.00
Penalties-Late Fees								
General Journal	10/31/2015	1031...		Record Oct2...		Sales	647.95	647.95
Total Penalties-Late Fees							647.95	647.95
Returned check fee-sales								
General Journal	10/31/2015	1031...		Record Oct2...		Sales	186.27	186.27
Total Returned check fee-sales							186.27	186.27
Sales								
General Journal	10/31/2015	1031...		Record Oct2...		-SPLIT-	22,206.06	22,206.06
Total Sales							22,206.06	22,206.06
Sales Adjustments								
General Journal	10/31/2015	1031...		Record Oct2...		Sales	-763.58	-763.58
General Journal	10/31/2015	1031...		Record Oct2...		Sales	-852.84	-1,616.42
Total Sales Adjustments							-1,616.42	-1,616.42
Total Income							21,523.86	21,523.86
Expense								
Accounting & Bookkeeping								
Check	10/01/2015	6628	Mary Rentschler			Citizens Bank ...	410.00	410.00
Check	10/28/2015	6659	Mary Rentschler			Citizens Bank ...	400.00	810.00
Total Accounting & Bookkeeping							810.00	810.00
Commissioner's Fees								
Check	10/01/2015	6631	Robby Drinnon			Citizens Bank ...	50.00	50.00
Check	10/01/2015	6632	Dana Cook			Citizens Bank ...	50.00	100.00
Check	10/01/2015	6633	Rick Brewer			Citizens Bank ...	50.00	150.00
Total Commissioner's Fees							150.00	150.00
Depreciation Expense								
General Journal	10/31/2015	1031...		To record de...		Accumulated ...	5,814.00	5,814.00
Total Depreciation Expense							5,814.00	5,814.00
Fuel								
Check	10/19/2015	6653	D & R Market			Citizens Bank ...	45.21	45.21
Total Fuel							45.21	45.21
Gross Wages								
Check	10/01/2015	6629	Patricia Douglas			Citizens Bank ...	812.13	812.13
Check	10/01/2015	6630	Eddie C Douglas			Citizens Bank ...	812.13	1,624.26

9:45 PM
 11/05/15
 Accrual Basis

Mooresburg Utility District
Profit & Loss Detail
 October 2015

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Check	10/08/2015	6637	Danielle Grey			Citizens Bank ...	259.88	1,884.14
Check	10/08/2015	6638	Rodney Webb			Citizens Bank ...	253.38	2,137.52
Check	10/16/2015	6647	Rodney Webb			Citizens Bank ...	186.25	2,323.77
Check	10/16/2015	6648	Danielle Grey			Citizens Bank ...	186.25	2,510.02
Check	10/23/2015	6657	Rodney Webb			Citizens Bank ...	305.36	2,815.38
Check	10/23/2015	6658	Danielle Grey			Citizens Bank ...	227.40	3,042.78
Check	10/28/2015	6666	Danielle Grey			Citizens Bank ...	541.42	3,584.20
Check	10/28/2015	6672	Faye Cook			Citizens Bank ...	368.17	3,952.37
Check	10/30/2015	6670	Rodney Webb			Citizens Bank ...	181.92	4,134.29
Check	10/30/2015	6671	Danielle Grey			Citizens Bank ...	168.92	4,303.21
Total Gross Wages							4,303.21	4,303.21
Insurance Expense								
Check	10/28/2015	6665	EMC Insurance			Citizens Bank ...	866.75	866.75
Total Insurance Expense							866.75	866.75
Interest Expense								
Check	10/05/2015	1005...	Rural Development ...			Citizens Bank ...	836.00	836.00
Check	10/10/2015	1010...	Rural Development ...			Citizens Bank ...	283.00	1,119.00
Check	10/20/2015	1015...	Rural Development ...			Citizens Bank ...	645.00	1,764.00
Total Interest Expense							1,764.00	1,764.00
Lawn Maintenance								
Check	10/15/2015	6644	Cody Glasscock			Citizens Bank ...	270.00	270.00
Total Lawn Maintenance							270.00	270.00
Office Expense								
Check	10/15/2015	6642	TN Dept of Environ...			Citizens Bank ...	350.00	350.00
Check	10/16/2015	6646	TN Dept of Environ...			Citizens Bank ...	1,020.00	1,370.00
Total Office Expense							1,370.00	1,370.00
Office Supplies								
Check	10/20/2015	6650	Office Max			Citizens Bank ...	398.94	398.94
Total Office Supplies							398.94	398.94
Postage								
Check	10/15/2015	6643	S & J Produce			Citizens Bank ...	175.00	175.00
Check	10/29/2015	6667	Fed Ex			Citizens Bank ...	56.82	231.82
Total Postage							231.82	231.82
Repair & Maint-Labor								
Check	10/21/2015	6655	Alvin Dalton			Citizens Bank ...	100.00	100.00
Check	10/28/2015	6668	Alvin Dalton			Citizens Bank ...	300.00	400.00
Check	10/30/2015	6669	Alvin Dalton			Citizens Bank ...	200.00	600.00
Total Repair & Maint-Labor							600.00	600.00
Repairs and Maintenance								
Check	10/01/2015	6634	Eddie C Douglas			Citizens Bank ...	187.51	187.51

9:45 PM
 11/05/15
 Accrual Basis

Mooresburg Utility District
Profit & Loss Detail
 October 2015

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Check	10/09/2015	6640	LW Paving & Sealin...			Citizens Bank ...	1,650.00	1,837.51
Check	10/19/2015	6652	Carver Engineering ...			Citizens Bank ...	600.00	2,437.51
Check	10/21/2015	6651	Lowe's			Citizens Bank ...	75.24	2,512.75
Check	10/28/2015	6661	G & C Supply Co.			Citizens Bank ...	119.40	2,632.15
Total Repairs and Maintenance							2,632.15	2,632.15
Telephone Expense								
Check	10/28/2015	6662	Charter Business			Citizens Bank ...	69.98	69.98
Check	10/28/2015	6663	Charter Business			Citizens Bank ...	145.45	215.43
Total Telephone Expense							215.43	215.43
Travel Expense								
Check	10/01/2015	6635	Eddie C Douglas			Citizens Bank ...	153.50	153.50
Check	10/08/2015	6639	Rodney Webb			Citizens Bank ...	54.00	207.50
Total Travel Expense							207.50	207.50
Utilities								
Check	10/15/2015	6645	Holston Electric Co...			Citizens Bank ...	979.88	979.88
Total Utilities							979.88	979.88
Water Purchase								
Check	10/20/2015	6649	Bean Station Utility ...			Citizens Bank ...	1,568.00	1,568.00
Total Water Purchase							1,568.00	1,568.00
Water Testing fees								
Check	10/09/2015	6641	ESC Lab Sciences			Citizens Bank ...	462.00	462.00
Total Water Testing fees							462.00	462.00
Workers Comp Insurance								
Check	10/19/2015	6654	Accident Fund Ins. ...			Citizens Bank ...	478.75	478.75
Total Workers Comp Insurance							478.75	478.75
Total Expense							23,167.64	23,167.64
Net Ordinary Income							-1,643.78	-1,643.78
Net Income							-1,643.78	-1,643.78

Investigative Cases - Status

1. Webb Creek Utility District
2. Cherokee Hills Utility District
3. Lone Oak Utility District



BEFORE THE TENNESSEE UTILITY MANAGEMENT REVIEW BOARD

IN THE MATTER OF:

**T.C.A. § 7-82-709 INVESTIGATION OF
CHEROKEE HILLS UTILITY DISTRICT**

ORDER

Pursuant to T.C.A. § 7-82-709(a), the Tennessee Utility Management Review Board (the "UMRB") reviewed this matter on August 6, 2015, upon conclusion of an investigation of the financial, technical, and managerial capacity of the Cherokee Hills Utility District (the "District") system. As noted in the attached report from counsel to the UMRB, the District's system deficiencies as of July 22, 2015 were the following:

- District's system is unmetered;
- District has a fundamental misunderstanding of its legal status;
- Commissioners are not properly appointed pursuant to state law;
- District fails to comply sunshine law; and
- District fees and charges do not reflect expenses (quarterly flat rate charged to customers instead of a monthly floating rate).

Based on these deficiencies, the UMRB directs the District to comply with the following corrective action plan:

1. District to formally engage legal representation ("District's Attorney");
2. District to work with County Executive to appoint the District commissioners pursuant to state law;
3. District's Attorney to assist in creating a private organization that will

- acquire the system (the "Private Organization");
4. District to implement a higher fee for residents with swimming pools on their property;
 5. District's Attorney and Polk County attorney to draft tri-party transfer agreement and supporting affidavits (the "Transfer Agreement"), to be subject to review and comment by UMRB's counsel;
 6. District to request Polk County Commission to review, approve, and execute Transfer Agreement at a regularly scheduled meeting before December 31, 2015;
 7. District and Private Organization to review, approve, and execute Transfer Agreement before December 31, 2015. *(The UMRB expressly acknowledges that the District's system and circumstances are unique and that the UMRB recognizes that this change in ownership is necessary in this case due to such uniqueness); and*
 8. If District's legal status is not properly changed in a timely manner, District to cooperate with the UMRB which will either initiate consolidation negotiations between the District and a neighboring utility district (such as Copper Basin Utility District) or petition the chancery court in a jurisdiction in which the District is operating to require the District to take appropriate actions to reduce water loss, pursuant to T.C.A. §§ 7-82-704(a) and 7-82-709(b).

Entered this 6th day of August, 2015.


Ann V. Butterworth, Chair
Utility Management Review Board

Water Loss Cases



AWWA Free Water Audit Software: Reporting Worksheet

WAS v5.0
American Water Works Association
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? Click to access definition
+ Click to add a comment

Water Audit Report for: Harbor Utility District
Reporting Year: 2015 7/2014 - 6/2015

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

WATER SUPPLIED

----- Enter grading in column 'E' and 'J' ----->

Volume from own sources:	+ ? 7	13.355	MG/Yr
Water imported:	+ ? n/a	0.000	MG/Yr
Water exported:	+ ? n/a	0.000	MG/Yr

Master Meter and Supply Error Adjustments

Pcnt:	Value:	MG/Yr
+ ? 2	-0.50%	
+ ?		
+ ?		

WATER SUPPLIED: **13.422** MG/Yr

Enter negative % or value for under-registration
Enter positive % or value for over-registration

AUTHORIZED CONSUMPTION

Billed metered:	+ ? 7	6.797	MG/Yr
Billed unmetered:	+ ? n/a	0.000	MG/Yr
Unbilled metered:	+ ? n/a	0.000	MG/Yr
Unbilled unmetered:	+ ? 9	0.515	MG/Yr

Unbilled Unmetered volume entered is greater than the recommended default value

AUTHORIZED CONSUMPTION: **7.312** MG/Yr

Click here: ?
for help using option buttons below

Pcnt:	Value:	MG/Yr
1.25%	0.515	

Use buttons to select percentage of water supplied
OR
value

Pcnt:	Value:	MG/Yr
0.25%		

6.00%		MG/Yr
0.25%		MG/Yr

WATER LOSSES (Water Supplied - Authorized Consumption)

6.110 MG/Yr

Apparent Losses

Unauthorized consumption: + ? 3 **0.034** MG/Yr

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

Customer metering inaccuracies:	+ ? 3	0.434	MG/Yr
Systematic data handling errors:	+ ?	0.017	MG/Yr

Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed

Apparent Losses: **0.484** MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: ? **5.626** MG/Yr

WATER LOSSES: **6.110** MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: ? **6.625** MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	+ ? 3	66.0	miles
Number of <u>active</u> AND <u>inactive</u> service connections:	+ ? 4	284	
Service connection density:	? 4	4	conn./mile main

Are customer meters typically located at the curbstop or property line? Yes

Average length of customer service line: + ? (length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure: + ? 2 60.0 psi

COST DATA

Total annual cost of operating water system:	+ ? 9	\$104,947	\$/Year
Customer retail unit cost (applied to Apparent Losses):	+ ? 10	\$8.00	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	+ ? 10	\$2,100.28	\$/Million gallons <input type="checkbox"/> Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

*** YOUR SCORE IS: 70 out of 100 ***

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

- 1: Volume from own sources
- 2: Customer metering inaccuracies
- 3: Billed metered



AWWA Free Water Audit Software: System Attributes and Performance Indicators

WAS v5.0

American Water Works Association.
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Water Audit Report for: Harbor Utility District
 Reporting Year: 2015 7/2014 - 6/2015

*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 70 out of 100 ***

System Attributes:

Apparent Losses:	0.484	MG/Yr
+ Real Losses:	5.626	MG/Yr
= Water Losses:	6.110	MG/Yr

? Unavoidable Annual Real Losses (UARL): See limits in definition MG/Yr

Annual cost of Apparent Losses: \$3,875

Annual cost of Real Losses: \$11,816 Valued at **Variable Production Cost**

Return to Reporting Worksheet to change this assumption

Performance Indicators:

Financial: { Non-revenue water as percent by volume of Water Supplied: 49.4%
 Non-revenue water as percent by cost of operating system: 16.0% Real Losses valued at Variable Production Cost

Operational Efficiency: { Apparent Losses per service connection per day: 4.67 gallons/connection/day
 Real Losses per service connection per day: N/A gallons/connection/day
 Real Losses per length of main per day*: 233.53 gallons/mile/day
 Real Losses per service connection per day per psi pressure: N/A gallons/connection/day/psi

From Above, Real Losses = Current Annual Real Losses (CARL): 5.63 million gallons/year

? Infrastructure Leakage Index (ILI) [CARL/UARL]:

* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline

November 6, 2015

Mr. John Greer

Utilities Board Analyst

State of Tennessee

Comptroller of the Treasury

Utility Management Review Board

505 Deaderick Street, Suite 1600

Nashville, TN 37243-1402

Dear Mr. Greer,

RE: Your letter dated October 8, 2015

As you recommended, we met with Tony Wyatt of TAUD. Enclosed are to answers to your questions.

Sincerely,

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

Carol Burnett, Manager

HARBOR UTILITY DISTRICT

Initial Check list for Addressing Water Loss

1. Are you billing for all general government water use? Examples: City Hall, Parks, Community Centers, etc. *Yes, our office is on Big Sandy water and the only other facility we have is the water treatment plant.*
2. Are you accounting for the water used by the water and/or sewer department? *We have no sewer plant and the water plant usage is minimal and is estimated monthly.*
3. Do you periodically check or inspect all 2" and larger meters? *We do not have any 2" or larger meters.*
4. Do you have a recalibration policy and procedure in place? *We have conducted a clearwell drawdown test but were not satisfied. We have Labtronix scheduled to test the master meter in January and annually thereafter.*
5. Do you have a meter replacement policy? Is the trigger based on age (length of time in service) or on gallons? *Presently we replace meters when they stop working. We are considering testing some of our higher usage meters.*
6. Do you have a process to inspect for unauthorized consumption? What are the consequences if unauthorized consumption is discovered? *Our meter reader and other personnel look for theft. Anyone found using water without authorization is charged for the water.*
7. Do you have a leak detection program currently in place? *We close valves and listen to them. When the leak can't be found, we hire a leak detection company.*
8. Do you have written policies, including a policy for billing adjustments? Are the written policies followed correctly by all levels of staff? *We have a written policy that no leak adjustments are given. All staff follow the policy.*
9. Do you have authorized non-customer users (volunteer fire departments, etc)? Do you account for the use? Do you have a method for the user to report water usage? *We only have one fire hydrant on the system. Our local fire department doesn't normally use the hydrant. They have been told that if they use it for filling a tanker (no pumping) they should report the usage.*
10. Is your system "zoned" to isolate water loss? *The system only has one pressure zone. We are installing valves so that we can zone areas off for leak detection purposes.*
11. Do you search for leaks at night when there is little traffic or small household usage? *When using valves to find leaks, we search at night when usage is low.*
12. Do you or can you control pressure surges? *We don't have a problem with pressure surges.*

13. Do you have or have access to leak detection equipment? *We do not own leak detection equipment. We usually hire Rye Engineering or Leak Consultants if we need assistance in finding a leak.*
14. What is your policy for notifying customers they have a leak? *If usage indicates a leak or we see a leak on the customer, we call the customer.*
15. Do you have a public relations program to encourage citizens to report leaks? *When customers come in to pay bills we ask them to let us know if they see water running anywhere.*
16. Do you have a policy to prosecute water theft or meter tampering/damage? *Yes, we have adopted the TAUD sample policies.*
17. What is the monetary value of the lost water? *According to the AWWA audit included in the annual audit, the cost is \$15,691. However, it appears that the variable production cost is high in this audit. The cost is likely closer to \$9,901.*
18. Is the cost to repair the leak justified based on the amount of water being lost? *We repair all leaks in a timely manner regardless of cost.*

Suggestion: The Division of Water Supply requires a specific person(s) be assigned to the cross connection program. It may be beneficial to assign the same person to account for water loss.



AWWA Free Water Audit Software: Reporting Worksheet

WAS v5.0
American Water Works Association
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?	Click to access definition
+	Click to add a comment

Water Audit Report for: Holston Utility District (0000074)
Reporting Year: 2015 3/2014 - 2/2015

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

WATER SUPPLIED

				----- Enter grading in column 'E' and 'J' ----->				Master Meter and Supply Error Adjustments	
				Pcnt:	Value:				
Volume from own sources:	+	?	n/a	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	MG/Yr
Water imported:	+	?	10	<input type="text" value="63.997"/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	MG/Yr
Water exported:	+	?	n/a	<input type="text" value="0.000"/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	MG/Yr

WATER SUPPLIED: 63.997 MG/Yr

Enter negative % or value for under-registration
Enter positive % or value for over-registration

AUTHORIZED CONSUMPTION

Billed metered:	+	?	10	<input type="text" value="42.558"/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	MG/Yr
Billed unmetered:	+	?	n/a	<input type="text" value="0.000"/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	MG/Yr
Unbilled metered:	+	?	n/a	<input type="text" value="0.000"/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	MG/Yr
Unbilled unmetered:	+	?	?	<input type="text" value="0.800"/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	MG/Yr

Default option selected for Unbilled unmetered - a grading of 5 is applied but not displayed

AUTHORIZED CONSUMPTION: 43.358 MG/Yr

Click here: [?](#)
for help using option buttons below

Pcnt: 1.25% Value:

Use buttons to select percentage of water supplied OR value

WATER LOSSES (Water Supplied - Authorized Consumption)

20.639 MG/Yr

Apparent Losses

Unauthorized consumption: [+](#) [?](#) ? MG/Yr

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

Customer metering inaccuracies: [+](#) [?](#) n/a MG/Yr
 Systematic data handling errors: [+](#) [?](#) ? MG/Yr

Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed

Apparent Losses: 0.266 MG/Yr

Pcnt: 0.25% Value:

0.25%

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: 20.373 MG/Yr

WATER LOSSES: 20.639 MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: 21.439 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains: [+](#) [?](#) 9 miles
 Number of active AND inactive service connections: [+](#) [?](#) 10
 Service connection density: [?](#) ? conn./mile main

Are customer meters typically located at the curbside or property line? (length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure: [+](#) [?](#) 10 psi

COST DATA

Total annual cost of operating water system: [+](#) [?](#) 10 \$/Year
 Customer retail unit cost (applied to Apparent Losses): [+](#) [?](#) 9 \$/1000 gallons (US)
 Variable production cost (applied to Real Losses): [+](#) [?](#) 9 \$/Million gallons Use Customer Retail Unit Cost to value real

WATER AUDIT DATA VALIDITY SCORE:

*** YOUR SCORE IS: 90 out of 100 ***

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

- 1: Unauthorized consumption
- 2: Systematic data handling errors
- 3: Customer retail unit cost (applied to Apparent Losses)



AWWA Free Water Audit Software: System Attributes and Performance Indicators

WAS v5.0

American Water Works Association.
Copyright © 2014. All Rights Reserved.

Water Audit Report for:
 Reporting Year:

***** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 90 out of 100 *****

System Attributes:

Apparent Losses:	<input type="text" value="0.266"/>	MG/Yr
+	Real Losses:	<input type="text" value="20.373"/>
=	Water Losses:	<input type="text" value="20.639"/>

Unavoidable Annual Real Losses (UARL): MG/Yr

Annual cost of Apparent Losses:

Annual cost of Real Losses: Valued at **Customer Retail Unit Cost**

Return to Reporting Worksheet to change this assumption

Performance Indicators:

Financial:	{	Non-revenue water as percent by volume of Water Supplied:	<input type="text" value="33.5%"/>	
		Non-revenue water as percent by cost of operating system:	<input type="text" value="48.2%"/>	Real Losses valued at Customer Retail Unit Cost

Operational Efficiency:	{	Apparent Losses per service connection per day:	<input type="text" value="0.64"/>	gallons/connection/day
		Real Losses per service connection per day:	<input type="text" value="N/A"/>	gallons/connection/day
		Real Losses per length of main per day*:	<input type="text" value="1,254.28"/>	gallons/mile/day
		Real Losses per service connection per day per psi pressure:	<input type="text" value="N/A"/>	gallons/connection/day/psi

From Above, Real Losses = Current Annual Real Losses (CARL): million gallons/year

Infrastructure Leakage Index (ILI) [CARL/UARL]:

* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline

HOLSTON UTILITY DISTRICT

P.O. BOX 3188
BRISTOL, TENNESSEE 37625
Telephone 764-4184
Fax 423-764-1790

OCT 28 2015

October 26, 2015

Ms. Joyce Welborn
Utilities Board Manager
Utility Management Review Board
505 Deaderick Street, Suite 1500
Nashville, TN 37243-1402

Dear Ms. Welborn:

Enclosed please find our reply in regards to the Water Loss for the fiscal year ended February 28, 2015.

We are keeping a close watch on our master meters on a daily basis. Our service personnel have been instructed to inform us of any abnormal use and turns in the master meter readings to the office each day.

We think we have solved the problem we had in the previous fiscal year.

Very truly yours,

HOLSTON UTILITY DISTRICT



Max Gill, Manager
For the Board of Commissioners

Initial Check list for Addressing Water Loss

1. Are you billing for all general government water use? Examples: City Hall, Parks, Community Centers, etc. **Yes, the only government water use would be schools, fire departments and we bill them all.**
2. Are you accounting for the water used by the water and/or sewer department? **We do not have sewer department.**
3. Do you periodically check or inspect all 2" and larger meters? **Yes, we check all meters.**
4. Do you have a recalibration policy and procedure in place? **Yes, we have larger master meters recalibrated.**
5. Do you have a meter replacement policy? Is the trigger based on age (length of time in service) or on gallons? **Yes, we replace meters based on gallons.**
6. Do you have a process to inspect for unauthorized consumption? What are the consequences if unauthorized consumption is discovered? **Yes, our service employees are instructed to watch for unauthorized water use. A time or two we have found meters taken out/and or turned backwards. We bill the customer for estimated use in case meter is found being taken out, or if the meter has been turned backwards, we bill for the recorded backward use.**
7. Do you have a leak detection program currently in place? **Yes, we read and check all master meters on a daily basis; if use is above average use we start looking for leaks.**
8. Do you have written policies, including a policy for billing adjustments? Are the written policies followed correctly by all levels of staff? **Yes, we have a written policy for billing adjustments and it is followed correctly by all levels of staff; if the adjustment by staff is not acceptable to the customer, then they are invited to attend the Board of Commissioners meeting.**
9. Do you have authorized non-customer users (volunteer fire departments, etc)? Do you account for the use? Do you have a method for the user to report water usage? **Yes, we have volunteer fire departments; they are billed for water used in their facility and they report other uses such as fire-fighting, etc.**
10. Is your system "zoned" to isolate water loss? **No, we are not zoned for water loss.**
11. Do you search for leaks at night when there is little traffic or small household usage? **Yes, if we are not able to find the leak during day time, we do pressure checks and master meter use during the night.**
12. Do you or can you control pressure surges? **We do not have a problem with pressure surges.**

13. Do you have or have access to leak detection equipment? ***Yes, we have leak detection equipment.***
14. What is your policy for notifying customers they have a leak? ***If the meter reader finds a leak, he will try to contact resident; if no one is home he will leave a door knocker advising of a possible leak.***
15. Do you have a public relations program to encourage citizens to report leaks? ***No, we do not.***
16. Do you have a policy to prosecute water theft or meter tampering/damage? ***No, we have not had very much of water theft or damage.***
17. What is the monetary value of the lost water? At present the monetary cost of water loss would be : ***Approximately 75% purchase from the Bristol-Bluff City UD at \$1.79 per thousand gallons and 25% purchased from the City of Bristol, Tenn. At \$2.95 per thousand gallons. This would equate to approximately \$21,439.00 for the fiscal year ended February 28, 2015.***
18. Is the cost to repair the leak justified based on the amount of water being lost? ***Yes, the cost to repair a leak is always justified; however, depending on the leak, an emergency repair may not be in order.***

About 90% of our leaks during the year we found the water going down and not coming to the surface. Also, we did not have any calls from customers complaining of low pressure, which goes to show we have a pretty tight system.

HOLSTON UTILITY DISTRICT

Max Gill, Manager

Suggestion: The Division of Water Supply requires a specific person(s) be assigned to the cross connection program. It may be beneficial to assign the same person to account for water loss.

Customer Complaint

Stroop

Vs.

Center Grove -

Winchester Springs

Utility District

STROOP

Terry & Twila Stroop
P.O. Box 1445
Tullahoma, TN 37388

September 1, 2015

SEP 03 2015

State of Tennessee
Joyce Welborn
Nashville, TN

RE: Center Grove Water District

Ms. Welborn,

Please find attached information regarding 960 Westside Drive, Tullahoma, TN (just outside Tullahoma city limits). This was my mother's and father's home, which they occupied until April, 2012. Our address, Terry and Twila Stroop, 902 Westside Dr, Tullahoma, TN (within Tullahoma city limits) and our son Craig Stroop lives at 980 Westside Dr, Tullahoma, TN (just outside Tullahoma city limits). All three homes are located within walking distance of each other, approximately 300 feet apart.

We have continued to maintain my parents property for the last two years. We are still moving items, and mow the lawn regularly. So you can imagine our surprise to find a water bill in excess of \$3,400.00. The billing was as follows;

01/19/2015-02/20/2015	No Usage	Bill Amount \$14.20
02/20/2015-03/24/2015	No Usage	Bill Amount \$14.20
03/24/2015-04/22/2015	Usage 636,100	Bill Amount \$3454.49

As you can see there is no way this could happen. We contacted Center Grove, and were told to attend the board meeting. At the first meeting they agreed this could not happen and it was apparent the reader had not been reading the meter, and in no way could that amount of water be lost.

Center Grove concluded they do not have to read the meter but every six months, and the meter was checked and showed no apparent problem.

We state clearly, if the meter was read on 3/24/2015 the leak should have been noted, it was not. The duct work under the house was not damaged in any way. The home was watched and cared for with no issues.

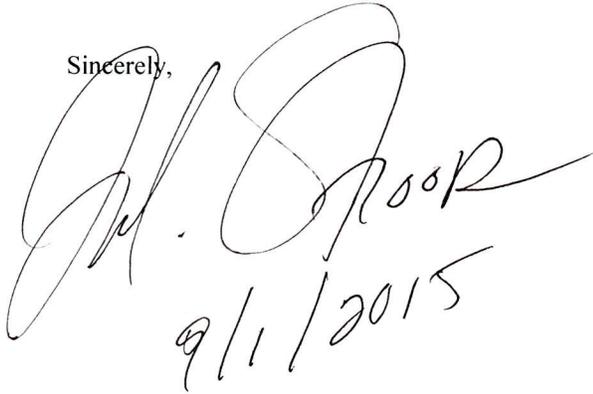
Terry and I had scheduled work at our home on some crawl space issues. We had several of our guys working, including our son, Craig Stroop. On March 5, 2015 he was walking to his house from our house and called his dad to say 906 Westside Drive had a water leak. At that time Terry Stroop and Craig Stroop went under the house and found 1/2" water line leaking. However, there was no water in any of the duct work. They repaired the leak.

We do not feel we should be held responsible for the failure of the meter reader. We have nothing that states the meter does not have to be read, and were not informed of such policy. To this day we have not seen any such policy.

We were told your agency will make the district stand by their policy, there is not policy or agreement that can state a reading figure on your billing does not have to be correct, or they can charge the customer and not read the meter for a six month period.

Your attention to this matter is greatly appreciated and very important. We feel they are not standing behind their policy. The documentation for all billing certainly shows an issue within the department.

Sincerely,



M. Rook
9/1/2015

ESTILL SPRINGS, TN 37330
PHONE: (931) 967-3939

will be added to the net amount when paid after delinquent date. If unpaid 10 days after discount date service will be disconnected without further notice.

ACCOUNT		0001-00125-001		01/19/15 TO 02/20/15	
SERVICE AT 960 Westside Drive					
TYPE	PRESENT	PREVIOUS	USAGE	CHARGES	
AR	Arrears				-96.60
WA	636100	636100		0	13.00
ST	State Tax Fr				1.20
Project Help add \$1.00 Board Mtg. 3/09/15 5:00 P.M.					
CLASS	AMOUNT DUE AFTER DUE DATE		DUE DATE	AMOUNT DUE ON OR BEFORE DUE DATE	
R01	-82.40		03/10/15	-82.40	

RETURN SERVICE REQUESTED

FIRST-CLASS MAIL
U.S. POSTAGE PAID
POST CARD RATE
PERMIT NO. 3
ESTILL SPRINGS, TN 37330

PLEASE BRING ENTIRE BILL TO OFFICE OR MAIL STUB WITH PAYMENT

ACCOUNT		DUE DATE	
0001-00125-001		03/10/15	
AMOUNT DUE ON OR BEFORE DUE DATE	SAVE THIS	AMOUNT DUE AFTER DUE DATE	
-82.40	0.00	-82.40	

PRESORTED FIRST-CLASS
TWILA STROOP
P. O. BOX 1445
TULLAHOMA TN

37388



CENTER GROVE-WINCHESTER SPRINGS UTILITY DISTRICT
40 PLEASANT GROVE RD.
ESTILL SPRINGS, TN 37330
PHONE: (931) 967-3939

will be added to the net amount when paid after delinquent date. If unpaid 10 days after discount date service will be disconnected without further notice.

ACCOUNT		0001-00125-001		02/20/15 TO 03/24/15	
SERVICE AT 960 Westside Drive					
TYPE	PRESENT	PREVIOUS	USAGE	CHARGES	
AR	Arrears				-82.40
WA	636100	636100		0	13.00
ST	State Tax Fr				1.20
Closed Good Friday 4/3 Board Mtg. 4/13/15 5:00 P.M. Water Quality Report in The Herald Chronicle 4/3 edition					
CLASS	AMOUNT DUE AFTER DUE DATE		DUE DATE	AMOUNT DUE ON OR BEFORE DUE DATE	
R01	-68.20		04/10/15	-68.20	

RETURN SERVICE REQUESTED

FIRST-CLASS MAIL
U.S. POSTAGE PAID
POST CARD RATE
PERMIT NO. 3
ESTILL SPRINGS, TN 37330

PLEASE BRING ENTIRE BILL TO OFFICE OR MAIL STUB WITH PAYMENT

ACCOUNT		DUE DATE	
0001-00125-001		04/10/15	
AMOUNT DUE ON OR BEFORE DUE DATE	SAVE THIS	AMOUNT DUE AFTER DUE DATE	
-68.20	0.00	-68.20	

PRESORTED FIRST-CLASS
TWILA STROOP
P. O. BOX 1445
TULLAHOMA TN

37388



CENTER GROVE-WINCHESTER SPRINGS UTILITY DISTRICT
40 PLEASANT GROVE RD.
ESTILL SPRINGS, TN 37330
PHONE: (931) 967-3939

will be added to the net amount when paid after delinquent date. If unpaid 10 days after discount date service will be disconnected without further notice.

ACCOUNT		0001-00125-001		03/24/15 TO 04/22/15	
SERVICE AT 960 Westside Drive					
TYPE	PRESENT	PREVIOUS	USAGE	CHARGES	
AR	Arrears				-68.20
WA	1249800	636100	613700	3,224.43	
ST	State Tax Fr				298.26
Closed 5/25 Memorial Day Board Mtg. 5/11/15 5:00 P.M. Project Help add \$1.00					
CLASS	AMOUNT DUE AFTER DUE DATE		DUE DATE	AMOUNT DUE ON OR BEFORE DUE DATE	
R01	4,260.60		05/10/15	3,454.49	

RETURN SERVICE REQUESTED

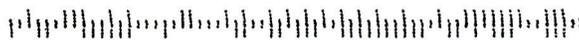
FIRST-CLASS MAIL
U.S. POSTAGE PAID
POST CARD RATE
PERMIT NO. 3
ESTILL SPRINGS, TN 37330

PLEASE BRING ENTIRE BILL TO OFFICE OR MAIL STUB WITH PAYMENT

ACCOUNT		DUE DATE	
0001-00125-001		05/10/15	
AMOUNT DUE ON OR BEFORE DUE DATE	SAVE THIS	AMOUNT DUE AFTER DUE DATE	
3,454.49	806.11	4,260.60	

PRESORTED FIRST-CLASS
TWILA STROOP
P. O. BOX 1445
TULLAHOMA TN

37388



40 PLEASANT GROVE RD.
ESTILL SPRINGS, TN 37330
PHONE: (931) 967-3939

● will be added to the net amount when paid after delinquent date. If unpaid 10 days after discount date service will be disconnected without further notice.

ACCOUNT		0001-00125-001		04/22/15 TO 05/20/15	
SERVICE AT 960 Westside Drive					
TYPE	PRESENT	PREVIOUS	USAGE	CHARGES	
AR	Arrears				3,454.49
WA	1249800	1249800		0	13.00
ST	State Tax Fr				1.20
Board Meeting 6/8/15 5:00 P.M. Project Help add \$1.00					
CLASS	AMOUNT DUE AFTER DUE DATE		DUE DATE	AMOUNT DUE ON OR BEFORE DUE DATE	
R01	3,471.94		06/10/15	3,468.69	

RETURN SERVICE REQUESTED

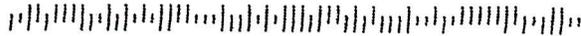
FIRST-CLASS MAIL
U.S. POSTAGE PAID
POST CARD RATE
PERMIT NO. 3
ESTILL SPRINGS, TN 37330

PLEASE BRING ENTIRE BILL TO OFFICE OR MAIL STUB WITH PAYMENT

ACCOUNT		DUE DATE	
0001-00125-001		06/10/15	
AMOUNT DUE ON OR BEFORE DUE DATE	SAVE THIS	AMOUNT DUE AFTER DUE DATE	
3,468.69	3.25	3,471.94	

PRESORTED FIRST-CLASS
TWILA STROOP
P. O. BOX 1445
TULLAHOMA TN

37388



CENTER GROVE-WINCHESTER SPRINGS UTILITY DISTRICT
40 PLEASANT GROVE RD.
ESTILL SPRINGS, TN 37330
PHONE: (931) 967-3939

● will be added to the net amount when paid after delinquent date. If unpaid 10 days after discount date service will be disconnected without further notice.

ACCOUNT		0001-00125-001		05/20/15 TO 06/23/15	
SERVICE AT 960 Westside Drive					
TYPE	PRESENT	PREVIOUS	USAGE	CHARGES	
AR	Arrears				2,993.36
WA	0	0		0	13.00
WAC	1249800	1249800		0	
ST	State Tax Fr				1.20
Board Meeting 7/13/15 5:00 P.M. Project Help add \$1.00 Closed Friday 7/3 for July 4th					
CLASS	AMOUNT DUE AFTER DUE DATE		DUE DATE	AMOUNT DUE ON OR BEFORE DUE DATE	
R01	3,010.81		07/10/15	3,007.56	

RETURN SERVICE REQUESTED

FIRST-CLASS MAIL
U.S. POSTAGE PAID
POST CARD RATE
PERMIT NO. 3
ESTILL SPRINGS, TN 37330

PLEASE BRING ENTIRE BILL TO OFFICE OR MAIL STUB WITH PAYMENT

ACCOUNT		DUE DATE	
0001-00125-001		07/10/15	
AMOUNT DUE ON OR BEFORE DUE DATE	SAVE THIS	AMOUNT DUE AFTER DUE DATE	
3,007.56	3.25	3,010.81	

PRESORTED FIRST-CLASS
TWILA STROOP
P. O. BOX 1445
TULLAHOMA TN

37388



CENTER GROVE-WINCHESTER SPRINGS UTILITY DISTRICT
40 PLEASANT GROVE RD.
ESTILL SPRINGS, TN 37330
PHONE: (931) 967-3939

● will be added to the net amount when paid after delinquent date. If unpaid 10 days after discount date service will be disconnected without further notice.

ACCOUNT		0001-00125-001		06/23/15 TO 07/20/15	
SERVICE AT 960 Westside Drive					
TYPE	PRESENT	PREVIOUS	USAGE	CHARGES	
AR	Arrears				3,010.81
WA	200		0	200	13.00
ST	State Tax Fr				1.20
Board Meeting 8/10/15 5:00 P.M. Project Help add \$1.00					
CLASS	AMOUNT DUE AFTER DUE DATE		DUE DATE	AMOUNT DUE ON OR BEFORE DUE DATE	
R01	3,028.26		08/10/15	3,025.01	

RETURN SERVICE REQUESTED

FIRST-CLASS MAIL
U.S. POSTAGE PAID
POST CARD RATE
PERMIT NO. 3
ESTILL SPRINGS, TN 37330

PLEASE BRING ENTIRE BILL TO OFFICE OR MAIL STUB WITH PAYMENT

ACCOUNT		DUE DATE	
0001-00125-001		08/10/15	
AMOUNT DUE ON OR BEFORE DUE DATE	SAVE THIS	AMOUNT DUE AFTER DUE DATE	
3,025.01	3.25	3,028.26	

PRESORTED FIRST-CLASS
TWILA STROOP
P. O. BOX 1445
TULLAHOMA TN

37388

Center Grove - Winchester Springs Utility District
 40 Pleasant Grove Road
 Estill Springs, TN 37330
 (931) 967-3939

FIRST-CLASS MAIL
 U.S. POSTAGE PAID
 POST-CARD RATE
 PERMIT NO. 3
 ESTILL SPRINGS, TN
 37330

ACCOUNT	CUT-OFF DATE	ACCOUNT	CUT-OFF DATE
0001-00125-001	08/26/15	0001-00125-001	08/26/15
DUE DATE	TOTAL AMOUNT DUE	DUE DATE	TOTAL AMOUNT DUE
08/25/15	\$3,028.26	08/25/15	\$3,028.26
SERVICE AT	960 Westside Drive		

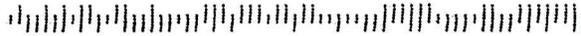
DELINQUENT NOTICE

Our records indicate that your account is past due. To avoid termination of service please pay full amount before 7:00 AM on the cut-off date.

A \$200 reconnection charge must be paid before service can be resumed. The balance and reconnection charge must be paid by 3:00 PM or the water will not be turned back on until 7:00 AM the next working day.

If servicemen have left the office to do cut-offs, you must pay the \$200 reconnection charge, even if you call or come in before they reach your residence.

Reconnect Fee: \$200.00



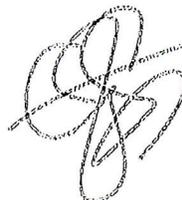
PLEASE BRING ENTIRE BILL TO OFFICE OR MAIL STUB WITH PAYMENT

SNGLP MAIL TO

Twila Stroop
 P. O. Box 1445
 Tullahoma, TN
 37388

On March 5 2015, after I finished working at 902 Westside Drive, I was walking home to my residence at 980 Westside Drive. As I was passing through the yard at 960 Westside Drive, I discovered a water leak in the crawl space. I then notified the homeowner, Terry Stroop. Once he arrived we shut off the water at the house and checked inside for water damage and found no damage.

Craig Stroop

A handwritten signature in black ink, appearing to be 'CS' or similar initials, written in a cursive style.

TERRY STROOP METER
Meter Works of Tennessee

Certified Water Meter Repair Technician

John L. David

5253 Wix Lane
 Westmoreland, TN 37186
 Mobile: 615-330-3431
 Home: 615-688-4371
 Fax: 615-688-4374

Utility District/Customer: Center Grove Winchester Springs U.O

We hereby submit certification test of the following meters:

Size: 5/8 x 3/4 Model: BADger m-25

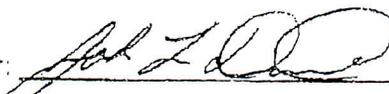
931-967-3951

PERCENT REGISTERED

Serial Number	GPM	GPM	GPM	GPM
Flow Rates » »	1/4	3	10	
18469448	98%	96%	93%	

AMERICAN WATER WORKS ASSOCIATION STANDARD C-700 PERMITS AN ACCURACY OF 95% THRU 101.5% ON THESE RATES OF FLOW.
 WE HAVE NOT DISASSEMBLED THIS METER .

WE WILL RETURN METER TO YOU AS RECEIVED FROM YOU.
 WE WILL KEEP METER IN STORAGE FOR 90 DAYS
 WE WILL REPAIR METER AND RETURN TO YOU

Chief Tester: 

Date: 6/20/15

ALL METER TESTS PERFORMED ON A FORD ACRON TEST BENCH WITH CALIBRATED TEST TANKS

0001-00125-001 05/20/15 06/23/15
960 Westside Drive

Arrears 2,993.36
A 0 0 0 13.00
AC 1249800 1249800 0
State Tax Fr 1.20

0001-00125-001 07/10/15

3,007.56 3.25 3,010.81

Board Meeting 7/13/15 5:00 P.M.
Project Help add \$1.00
Closed Friday 7/3 for July 4th

TWILA STROOP
P. O. BOX 1445
TULLAHOMA TN

01 3,010.81 07/10/15 3,007.56 37388

51513 adjusted

CENTER GROVE-WINCHESTER SPRINGS UTILITY DISTRICT

LEAK ADJUSTMENT POLICY

All customers of CGWSUD are responsible for keeping their plumbing repaired and in good working order. If a leak occurs and the District has knowledge of the leak, the District will attempt to notify the customer. Or, if the customer discovers a leak, the District is to be promptly notified. In either case, the District will give the customer 3 working days to make repairs. Failure to make timely reports of leaks and repairs may disqualify the customer for any leak adjustment.

Adjustments will only be made for excessive underground leaks and only from the meter to the house. No adjustments will be made for leaking toilets, ~~or~~ dripping faucets, or leaks under the house. Also, no adjustments will be made for filling pools, watering lawns or gardens, washing cars, watering livestock, or other use not related to a leak in the water distribution system.

To receive an adjustment, a bill from the plumber making the repairs must be presented to the District office, or a representative of the District must be shown where the leak was repaired before an adjustment can be made.

The adjustment rate will be \$4.79 per thousand over the minimum 2,000 gallons. There can only be 1 adjustment in a 12 month period.

Mike Brandon
Commissioner

Daniel N. Steffert
Manager

Nate Womack
Commissioner

Michael L. Byrom
Commissioner

Candall Couch
Commissioner

Jim Barbeau
Commissioner

NO statement to the fact that meters may not be read for several months -

Effective July 1, 2010

Used 3400% more water than average

Meeting Monday May 11, 2015 5:00 PM.

Dan Barbaree, Brian Pendergraft, Maggie Reese, Christy Lewis, David Stoppel reference the attachments to the minutes for other attendees
past vice chairman Dan Barbaree called the meeting to order and asked David Stoppel to read the minutes of the April 13, 2015 Board meeting. Maggie Reese made the motion to approve the minutes as read. Brian Pendergraft seconded the motion. The vote was unanimous.

1. Draft of the October 2013 - September 2014 Audit

- 2. Status of the Funds
- 3. water treated in April and customers
- 4. Kirla Stoop
- 5. Part-time Weekend Plant Operator

1. Draft of the October 2013 - September 2014 Audit - Heather Crenshaw of Clark, Kines and Crenshaw presented the Draft of the October 2013 - September 2014 audit. Maggie Reese made the motion to accept the draft of the audit. Christy Lewis seconded the motion. The vote was unanimous. Reference the attachments to the minutes for a copy of the Draft of the audit.

2. Status of the Funds: as of 5-11-2015 3:30 P.M. The Bank statement from Traders Bank from April 6, 2015 thru April 17, 2015 was on the table for the Board to review.

Project Help	\$1,826.85
Special Projects	\$40,411.11
General fund	\$119,748.35
Est. Bal, May Payables	-58,151.51
Balance	\$61,597.34
Citizens Money Mkt.	\$128,743.71
Billed 4-29-15	\$63,601.43
Collected	\$45,842.28
Balance	\$17,259.15
Project Help Received	\$42.48
Donor Help Ad. out	0

3. Water treated in April and customers - depuration only. No action required.

4. Jural Staff - No action taken at this time.

5. Part-time weekend plant operator - Maggie Reese made the motion to authorize David Stafford to hire 2 part-time weekend plant operators and the pay scale to be from \$10.00 to \$15.00 per hour. Dan Barbeau seconded the motion. The vote was unanimous.

There being no further business, Dan Barbeau made the motion to adjourn. Brian Pendergrass seconded the motion. The vote was unanimous.

Dan Barbeau
Maggie Reese

Respectfully Submitted
David W. Stafford

minutes of Co.
Monday June
Dale Womack
Expense the
Chairman
Stafford to
made the m
seconded the

- Agenda:
1. Jerry Stue
 2. Status of the
 3. Water treat
 4. Project Help
Terise
1. Jerry Stue
water bill
thousand.
3 eyes - m.
Dan Barbe
2. Status of the
Citizens B
was on the

No C D a T
3. Water to
7645
to Acta

minutes of center were in accordance with previous meeting

Meeting Monday April 13, 2015 5:00 P.M.

Present: Dale Womack, Dan Barber, Brian Penderyoff, Maggie Reese, Christy Lewis

Dale Womack referred the attachments to the minutes for other attendees

Chairman Dale Womack called the meeting to order and asked Dale Stefford to read the minutes of the March 9, 2015 Board meeting. Maggie Reese made the motion to approve the minutes as read. Brian Penderyoff seconded the motion, the vote was unanimous.

Agenda: 1. Service Line Insurance

- 2. Aflac Insurance
- 3. Part time Weekend Pumpen
- 4. Status of the Funds
- 5. Water treated in March and Customers

1. Service Line Insurance - No Action required at this time.

2. Aflac Insurance - The Board asked Dale Stefford to poll the employees to see if any are interested in it. No Action required.

3. Part time Weekend Plant Operator - Dan Barber made the motion to advertise for a part time weekend plant operator one time in the Herald Chronicle and put in the TACD magazine. Brian Penderyoff seconded the motion, the vote was unanimous.

4. Status of the Funds: as of 4-13-2015 3:00 P.M.

The March 5, 2015 thru April 6, 2015 Bank statement was on the table for the Board to review.

Project Help	# 1,784.37
Special Projects	# 40,411.11
General Fund	# 97,178.20
Est. Bal. April Payables	- 44,195.00
Balance	# 53,003.20
Citizens Money Market	# 123,753.75
Billed 3-30-15	# 56,037.98
	# 107,000.00

Balance

\$ 7,795.99

Project Help Secured

\$ 46.04

Project Help Ad. Cost

0

Rev.

No C.D's maturing this month

5. Water treated in March and Customers - Information only
no action required.

Handwritten signature: Dan Barber

There being no further business, Maggie Reed made the motion to adjourn. Dan Barber seconded the motion. The vote was unanimous.

Agd.

Respectfully Submitted
David C. Stepp

Christie Lewis

Minutes of Council Meeting

Monday June 8, 2015 5:00 P.M.

Present: Dale Womack, Dan Barbeau, Brian Pendergraff, Maggie Reese, David Stafford
Reference the attachments to the minutes for other attendees.
Chairman Dale Womack called the meeting to order and asked David Stafford to read the minutes of the May Board meeting. Maggie Reese made the motion to approve the minutes as read. Brian Pendergraff seconded the motion. The vote was unanimous.

Agenda: 1. Jerry Stroop

- 2. Status of the Funds
- 3. Water treated in May and Customers
- 4. Project Help Member

1. ^{Tax} Jerry Stroop - Maggie Reese made the motion to adjust Mr. Stroop's water bill at 960 Westside Drive at cost which is \$4.56 per thousand. Brian Pendergraff seconded the motion. The vote was 3 ayes - Maggie Reese, Brian Pendergraff, Dale Womack. 1 abstain Dan Barbeau.

2. Status of the Funds: as of 6-8-2015 3:30 P.M. The Bank Statement from Citizens Bank of Lafayette from April 1st, 2015 thru May 13, 2015 was on the table for the Board to review.

Project Help	\$ 1,844.62
Special Projects	\$ 41,161.11
General Fund	\$ 120,800.50
Est. Bel. June Payables	\$ -52,689.00
Balance	\$ 68,111.50
Citizens Money Market	\$ 133,527.03
Billed 5-29-15	\$ 69,892.01
Collected	\$ -27,686.47
Balance	\$ 42,205.54
Project Help received	\$ 17.77
Project Paid out	0

No CDs maturing this month.

3. Water treated in May and Customers - Information only.
No action required.

acknowledge Maggie Reas as the Project Help Committee member in place of Francis Faulkner, Brian Pendergraff seconded the motion, the vote was unanimous.

Present

There being no further business, Dan Barbeau made the motion to adjourn. Brian Pendergraff seconded the motion. the vote was unanimous.

Agenda:

Respectfully Submitted
Daniel W. Stafford
Daphne Washburn
Maggie Reas

minutes of conversation
Monthly Board Meeting Monday July 13, 2015 9:00 PM.

Present: Dale Wronack, Brian Pendergruff, Maggie Reese, Christy Seirs, David Stafford.
Reference the attachments to the minutes for other attendees.
Chairman Dale Wronack called the meeting to order and asked David Stafford to read the minutes of the June Board meeting.
Brian Pendergruff made the motion to approve the minutes as read. Maggie Reese seconded the motion. The vote was unanimous.

- Agenda:
1. Engagement letter for 2014-2015 audit
 2. Fire Hydrant maintenance fee
 3. Folks Cut-off for non-payment
 4. Status of the funds
 5. Water treated in June and Customers
 6. Employee Medical Insurance

1. Engagement letter for 2014-2015 Audit - Brian Pendergruff made the motion to have Chairman Dale Wronack sign the engagement letter with Clark, Hines, and Crenshaw to perform the audit for year ending September 30, 2015. Christy Seirs seconded the motion. The vote was unanimous. Reference the attachments to the minutes for a copy of the engagement letter.

2. Fire Hydrant maintenance fee - Tabled.

3. Folks Cut-off for non-payment - No action required.

4. Status of the funds; as of 7-13-15 1:00 P.M. The May 13, 2015 thru June 7, 2015 Bank Statement was on the table for the Board to review.

Project Help	\$ 1,815.81
Special Projects	\$ 41,678.62
General Fund	\$ 151,699.84
Est. Bal July Payables	- 58,908.12
Balance	\$ 92,791.72
Citizens Money Mkt.	\$ 138,319.17
Billed	\$ 72,325.90
Collected	- 61,011.23
	\$ 11,314.67

• notes re: reserves 11.77
Project Help Paid out \$47.57

No CDs maturing this month

5. Water treated in June and customers - Information only,
No action required.

6. Employee Medical Insurance - Brian Pendergraff made
the motion to accept the Blue-Cross Blue-Shield Insurance
increase of 1.62%. Maggie Reese seconded the motion. The
vote was unanimous. Reference the attachments to the minutes
for a copy of the Medical Insurance Package.

There being no further business, Maggie Reese made the
motion to adjourn. Brian Pendergraff seconded the motion.
The vote was unanimous.

Respectfully Submitted,
David N. Stafford



Chris Lewis

Minutes of Center Grove-Winchester Springs Utility District Regular Monthly Board Meeting

Monday August 10, 2015 5:00 P.M.

Present: Brian Pendergraff, Maggie Reese, Christy Lewis, David Stafford

Reference the attachments to the minutes for other attendees.

Second Vice-Chairman Brian Pendergraff called the meeting to order and asked David Stafford to read the minutes of the July Board meeting. Maggie Reese made the motion to approve the minutes as read. Christy Lewis seconded the motion. The vote was unanimous.

AGENDA: Rough draft of the Budget for 2014-2015, Status of the funds, water treated in July and customers, and fire hydrant maintenance fee.

1. Rough draft of the budget for 2014-2015-Tabled until September Board meeting
2. Status of Funds: as of 8-10-2015 3:30 P.M.

The June 7, 2015 thru July 12, 2015 bank statement was on the table for the Board to review.

Project Help	\$1,838.14
Special Projects	\$41,678.62
General Fund	\$160,309.48
Est. Bal.Aug Payables	-56,981.00
Balance	\$103,328.48
Citizens Money Mkt.	\$143,122.31
Billed	\$67,253.25
Collected	-46,020.18
Balance	\$21,233.07
Project Help received	\$17.92
Project Help pd. out	.00

No CD's maturing this month.

3. Water treated in July and customers-Information only. No action required.

4. Fire hydrant maintenance fee- Maggie Reese made the motion that center Grove-Winchester Springs Utility District will not charge a maintenance fee on fire hydrants. Brian Pendergraft seconded the motion. The vote was unanimous.

There being no further business, Brian Pendergraft made the motion to adjourn. Maggie Reese seconded the motion. The vote was unanimous.

Respectfully submitted,

David N. Stafford

STROOP'S ACCURATE REF., INC.
 513 W. LINCOLN STREET
 THE NAME YOU CAN TRUST
 TULLAHOMA TN 37388

Phone : (931) 455-8757

Fax : (931) 455-9466

03/01/15
 03/01/15

I24154T
 1

4549045

STROOP, TERRY AND TWILA 10/13 06/14
 902 WESTSIDE DRIVE
 TULLAHOMA TN 37388

Ship To/Remarks

THIRTY DAYS

FLOOR WORK

T

TIME + MATERIAL

LABOR INSTALL ALL CREW JBSHT#4386

TRUCK 13 JBSHT#4386

INSTALLATION SUPPLIES PO17357

INSTALLATION SUPPLIES PO17409

INSTALLATION SUPPLIES LOWES P/L 6177

CREDIT CARD

INSTALLATION SUPPLIES LOWES P/L 6178

CREDIT CARD

INSTALLATION SUPPLIES PO#17490

INSTALLATION SUPPLIES PO#17456 CREDIT

CARD

INSTALLATION SUPPLIES AMEX BUILDERS

INSTALLATION SUPPLIES INSULATION & NAILS

PO#17417

INSTALLATION SUPPLIES SHOVEL PO#17441

INSTALLATION SUPPLIES SAW BLADE PO#17425

INSTALLATION SUPPLIES LUMBER PO#17547

INSTALLATION SUPPLIES GRAVEL MIX

PO#17358

INSTALLATION SUPPLIES LUMBER PO#17515

INSTALLATION SUPPLIES BLACKPIPE PO#17538

INSTALLATION SUPPLIES LUMBER PO#17544

INSTALLATION SUPPLIES PVC/BLACKPIPE

PO#17543

INSTALLATION SUPPLIES PVC/BLACKPIPE

PO#17537

INSTALLATION SUPPLIES PVC PO#17568

RETURNED SEE CREDIT INV#1532964

6153.50

20.42

242.84

32.77

0.00

0.00

96.95

0.00

33.75

64.59

11.80

59.59

37.71

131.37

24.89

92.08

15.72

67.55

196.52

0.00

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03/01/15
 03/01/15

I24154T
 2

4549045
 STROOP, TERRY AND TWILA 10/13 06/14
 902 WESTSIDE DRIVE
 TULLAHOMA TN 37388

Ship To/Remarks

THIRTY DAYS

FLOOR WORK

T

ENTAL EQUIPMENT PUMP PO#17599	73.64
INSTALLATION SUPPLIES FLOOR BOXES PO#17587	65.83
INSTALLATION SUPPLIES PVC PO#17586	0.00
RETURNED ALL SEE CREDIT INV#1532964	
INSTALLATION SUPPLIES SCREWS & BIT PO#17600	33.31
INSTALLATION SUPPLIES PVC COUPLING PO#17573 RETURNED PART	6.42
INSTALLATION SUPPLIES LUMBER PO#17572	8.26
INSTALLATION SUPPLIES STRING & SCREWS PO#17562	40.59
INSTALLATION SUPPLIES LUMBER PO#17539	39.29
INSTALLATION SUPPLIES LUMBER PO#17532	491.03
eight DELIVERY CHARGE PO#17532	10.00
INSTALLATION SUPPLIES 22 BAGS CONCRETE PO#17520	98.99
INSTALLATION SUPPLIES OSB PO#17585	423.02
eight DELIVERY CHARGE PO#17585	10.00
ENTAL EQUIPMENT DUMP TRAILER PO#17499	410.47
INSTALLATION SUPPLIES -DISCOUNT	-672.04

8320.86
 0.00
 8320.86

8320.86

DESCRIPTION	QTY	DESCRIPTION	QTY	DESCRIPTION	QTY	DESCRIPTION	QTY
COPPER TUBING SET		CEILING REGISTER		ATT		HARD PIPE	
7/8 X 3/8		4 X 10		10"		5"	
3/4 X 3/8		4 X 12		12"		6"	
5/8 X 3/8		4 X 14		14"		7"	
				16"		8"	
BOOTS STRAIGHT		RETURN GRILLS		18"		10"	
4 X 10 X 5		12 X 12				12"	
4 X 10 X 6		14 X 25		ATRD		14"	
4 X 12 X 7		20 X 25		5"		16"	
4 X 14 X 8		20 X 30		6"		18"	
		24 X 30		7"			
FLANGE				8"		END CAP	
4 X 10		FLOOR GRILLS		10"		12	
4 X 12		4 X 10				14	
4 X 14		4 X 12		ELBOWS			
		4 X 14		5"		Chad	126 hrs
WIRE				6"		Drew	9 hrs
12/2 WG		CANVAS CONNECTOR		7"		Corey	32 hrs
10/X WG				8"		DL	52 hrs
8/2 WG		DRIVE CLEAT		10"		Randy	12 hrs
6/2 WG				12"		Josh	12 hrs
		WRAP 2"		14"		Craig	28 hrs
FILTERS		WRAP 3"		16"		MECHANIC	HOURS
12 X 12				18"		Charlie	31 hrs
14 X 25		S LOCKS				Antoine	57 hrs
20 X 20				FLEX			
20 X 25		LINER		5"		COMPLETE	DATE
20 X 30				6"			
24 X 30		GLUE LINER		7"			
		SPRAY		8"		ROUGH-IN	
REDUCERS		GALLON		10"			
12 X 10				12"		PLEASE LIST PO# IF	
14 X 12		SHEET METAL		14"		GIVEN FOR THIS JOB	
16 X 14		24 GA		16"		PO# 17417-I24154	64.59
18 X 16		26 GA		18"		17441-I24154	10.75
				20"		17537-I24154	179.06
SQUARE TO ROUND						17538-I24154	839.3
14						17543-I24154	61.55
16							
18							

17, 18, 12, 11

4410
315
1120
1120
420
420
980
1085
1995

11, 84

JOB STATUS:

1 Roll 24" R-13
Box 16 pen Nails

MATERIALS NEEDED:

61.55
58.75
10.75

#13
12.44

STROOP'S ACCURATE REF., INC.
513 W. LINCOLN STREET
THE NAME YOU CAN TRUST
TULLAHOMA TN 37388

Phone : (931) 455-8757

Fax : (931) 455-9466

03/06/15

17543
1

400218
BUILDERS PLUMBING & ELECTRIC
102 E WARREN ST
TULLAHOMA TN 37388

Ship To/Remarks

4AD

STROOP

I24154

STALLATION SUPPLIES PVC/BLACKPIPE

61.55

61.55
6.00

67.55

STROOP'S ACCURATE REF., INC.
513 W. LINCOLN STREET
THE NAME YOU CAN TRUST
TULLAHOMA TN 37388

Phone : (931) 455-8757

Fax : (931) 455-9466

03/06/15
03/06/15

17538
1

400218
BUILDERS PLUMBING & ELECTRIC
102 E WARREN ST
TULLAHOMA TN 37388

Ship To/Remarks

HAD

THIRTY DAYS

STROOP

I24154

INSTALLATION SUPPLIES BLACKPIPIE

83.90

83.90
8.18
92.08

92.08

STROOP'S ACCURATE REF., INC.
513 W. LINCOLN STREET
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TULLAHOMA TN 37388

Phone : (931) 455-8757

Fax : (931) 455-9466

03/06/15
03/06/15

17537
1

400218
BUILDERS PLUMBING & ELECTRIC
102 E WARREN ST
TULLAHOMA TN 37388

Ship To/Remarks

HAD

THIRTY DAYS

STROOP

24154

INSTALLATION SUPPLIES PVC/BLACKPIPE

179.06

179.06
17.46
196.52

196.52

STROOP'S ACCURATE REF., INC.
 513 W. LINCOLN STREET
 THE NAME YOU CAN TRUST
 TULLAHOMA TN 37388

Phone : (931) 455-8757

Fax : (931) 455-9466

02/25/15 17441
 02/25/15 1

400219
 BUILDERS SUPPLY CO
 ACCT #2596
 301 S ATLANTIC ST
 P O BOX 146
 TULLAHOMA TN 37388

Ship To/Remarks

AD/CH STROOP THIRTY DAYS STROOP I24154

STALLATION SUPPLIES SHOVEL 10.75

10.75
 1.05
 11.80

11.80

STROOP'S ACCURATE REF., INC.
513 W. LINCOLN STREET
THE NAME YOU CAN TRUST
TULLAHOMA TN 37388

Phone : (931) 455-8757

Fax : (931) 455-9466

400218
BUILDERS PLUMBING & ELECTRIC
102 E WARREN ST
TULLAHOMA TN 37388

03/06/15
03/06/15

17537
1

Ship To/Remarks

HAD

THIRTY DAYS

STROOP

24154

STALLATION SUPPLIES PVC/BLACKPIPE

179.06

179.06
17.46
196.52

196.52
161



Center Grove - Winchester Springs Utility District

40 Pleasant Grove Road
Estill Springs, Tennessee 37330
(931) 967-3939

November 4, 2015

NOV 15 2015

To: State of Tennessee Utility Management Board

Attn: Betsy Knots or John Greer

To whom it may concern:

I am sending you the meter reading history for the Stroop residence located at 960 Westside Drive from 2004 to the present date.

If you require anything else, please let me know.

Respectfully submitted,

David N. Stafford

**CGWSUD
Reading History Report**

Service Type	WA Water	Starting Date	All
Cycle	All Cycles	Ending Date	
Starting Account	0001-00125-001	Sort Order	Account
Ending Account	0001-00125-001	Use Reading Factor	Yes
Print on wide carriage	No		All Groups
Date Selection For Report	Reading		

Reading Date	Service	Rate	Meter Number	Previous Reading	Present Reading	Usage	Reading Type	Deduct Usage	Demand Usage	Change Out
0001-00125-001	01	Stroop, Twila				960 Westside Drive Tullahoma, TN 37388				
02/13/2004 12:00 AM	Water	01	85651923	0	9,800	3,400	Read	0	0	<input type="checkbox"/>
03/12/2004 12:00 AM	Water	01	85651923	9,800	13,900	4,100	Read	0	0	<input type="checkbox"/>
04/16/2004 12:00 AM	Water	01	85651923	13,900	20,800	6,900	Read	0	0	<input type="checkbox"/>
05/17/2004 12:00 AM	Water	01	85651923	20,800	26,100	5,300	Read	0	0	<input type="checkbox"/>
06/22/2004 12:00 AM	Water	01	85651923	26,100	35,200	9,100	Read	0	0	<input type="checkbox"/>
07/20/2004 12:00 AM	Water	01	85651923	35,200	40,700	5,500	Read	0	0	<input type="checkbox"/>
08/19/2004 12:00 AM	Water	01	85651923	40,700	48,200	7,500	Read	0	0	<input type="checkbox"/>
09/20/2004 12:00 AM	Water	01	85651923	48,200	55,000	6,800	Read	0	0	<input type="checkbox"/>
10/20/2004 12:00 AM	Water	01	85651923	55,000	63,300	8,300	Read	0	0	<input type="checkbox"/>
11/17/2004 12:00 AM	Water	01	85651923	63,300	69,300	6,000	Read	0	0	<input type="checkbox"/>
12/16/2004 12:00 AM	Water	01	85651923	69,300	77,500	8,200	Read	0	0	<input type="checkbox"/>
01/18/2005 12:00 AM	Water	01	85651923	77,500	84,400	6,900	Read	0	0	<input type="checkbox"/>
02/21/2005 12:00 AM	Water	01	85651923	84,400	89,300	4,900	Read	0	0	<input type="checkbox"/>
03/21/2005 12:00 AM	Water	01	85651923	89,300	99,500	10,200	Read	0	0	<input type="checkbox"/>
04/20/2005 12:00 AM	Water	01	85651923	99,500	106,700	7,200	Read	0	0	<input type="checkbox"/>
05/23/2005 12:00 AM	Water	01	85651923	106,700	114,100	7,400	Read	0	0	<input type="checkbox"/>
06/21/2005 12:00 AM	Water	01	85651923	114,100	122,200	8,100	Read	0	0	<input type="checkbox"/>
07/19/2005 12:00 AM	Water	01	85651923	122,200	130,100	7,900	Read	0	0	<input type="checkbox"/>
08/22/2005 12:00 AM	Water	01	85651923	130,100	139,000	8,900	Read	0	0	<input type="checkbox"/>
09/20/2005 12:00 AM	Water	01	85651923	139,000	146,500	7,500	Read	0	0	<input type="checkbox"/>
10/19/2005 12:00 AM	Water	01	85651923	146,500	153,900	7,400	Read	0	0	<input type="checkbox"/>
11/17/2005 12:00 AM	Water	01	85651923	153,900	162,000	8,100	Read	0	0	<input type="checkbox"/>
12/20/2005 12:00 AM	Water	01	85651923	162,000	172,100	10,100	Read	0	0	<input type="checkbox"/>
01/20/2006 12:00 AM	Water	01	85651923	172,100	180,200	8,100	Read	0	0	<input type="checkbox"/>
02/16/2006 12:00 AM	Water	01	85651923	180,200	183,900	3,700	Read	0	0	<input type="checkbox"/>
03/22/2006 12:00 AM	Water	01	85651923	183,900	189,000	5,100	Read	0	0	<input type="checkbox"/>
04/17/2006 12:00 AM	Water	01	85651923	189,000	193,700	4,700	Read	0	0	<input type="checkbox"/>
05/18/2006 12:00 AM	Water	01	85651923	193,700	203,200	9,500	Read	0	0	<input type="checkbox"/>
06/19/2006 12:00 AM	Water	01	85651923	203,200	211,500	8,300	Read	0	0	<input type="checkbox"/>
07/21/2006 12:00 AM	Water	01	85651923	211,500	217,300	5,800	Read	0	0	<input type="checkbox"/>

Reading Date	Service	Rate	Meter Number	Previous Reading	Present Reading	Usage	Reading Type	Deduct Usage	Demand Usage	Change Out
08/24/2006 12:00 AM	Water	01	85651923	217,300	226,600	9,300	Read	0	0	<input type="checkbox"/>
09/19/2006 12:00 AM	Water	01	85651923	226,600	234,100	7,500	Read	0	0	<input type="checkbox"/>
10/18/2006 12:00 AM	Water	01	85651923	234,100	242,600	8,500	Read	0	0	<input type="checkbox"/>
11/20/2006 12:00 AM	Water	01	85651923	242,600	252,200	9,600	Read	0	0	<input type="checkbox"/>
12/18/2006 12:00 AM	Water	01	85651923	252,200	260,200	8,000	Read	0	0	<input type="checkbox"/>
01/17/2007 12:00 AM	Water	01	85651923	260,200	268,000	7,800	Read	0	0	<input type="checkbox"/>
02/15/2007 12:00 AM	Water	01	85651923	268,000	276,000	8,000	Read	0	0	<input type="checkbox"/>
03/19/2007 12:00 AM	Water	01	85651923	276,000	284,700	8,700	Read	0	0	<input type="checkbox"/>
04/23/2007 12:00 AM	Water	01	85651923	284,700	295,100	10,400	Read	0	0	<input type="checkbox"/>
05/21/2007 12:00 AM	Water	01	85651923	295,100	305,000	9,900	Read	0	0	<input type="checkbox"/>
06/18/2007 12:00 AM	Water	01	85651923	305,000	314,500	9,500	Read	0	0	<input type="checkbox"/>
07/18/2007 12:00 AM	Water	01	85651923	314,500	322,100	7,600	Read	0	0	<input type="checkbox"/>
08/17/2007 12:00 AM	Water	01	85651923	322,100	329,300	7,200	Read	0	0	<input type="checkbox"/>
09/17/2007 12:00 AM	Water	01	85651923	329,300	339,200	9,900	Read	0	0	<input type="checkbox"/>
10/18/2007 12:00 AM	Water	01	85651923	339,200	349,900	10,700	Read	0	0	<input type="checkbox"/>
11/16/2007 12:00 AM	Water	01	85651923	349,900	359,100	9,200	Read	0	0	<input type="checkbox"/>
12/17/2007 12:00 AM	Water	01	85651923	359,100	369,600	10,500	Read	0	0	<input type="checkbox"/>
01/18/2008 12:00 AM	Water	01	85651923	369,600	379,900	10,300	Read	0	0	<input type="checkbox"/>
02/18/2008 12:00 AM	Water	01	85651923	379,900	388,000	8,100	Read	0	0	<input type="checkbox"/>
03/17/2008 12:00 AM	Water	01	85651923	388,000	395,000	7,000	Read	0	0	<input type="checkbox"/>
04/18/2008 12:00 AM	Water	01	85651923	395,000	407,700	12,700	Read	0	0	<input type="checkbox"/>
05/20/2008 12:00 AM	Water	01	85651923	407,700	414,200	6,500	Read	0	0	<input type="checkbox"/>
06/23/2008 12:00 AM	Water	01	85651923	414,200	420,000	5,800	Read	0	0	<input type="checkbox"/>
07/21/2008 12:00 AM	Water	01	85651923	420,000	425,400	5,400	Read	0	0	<input type="checkbox"/>
08/18/2008 12:00 AM	Water	01	85651923	425,400	431,000	5,600	Read	0	0	<input type="checkbox"/>
09/18/2008 12:00 AM	Water	01	85651923	431,000	437,400	6,400	Read	0	0	<input type="checkbox"/>
10/20/2008 12:00 AM	Water	01	85651923	437,400	443,300	5,900	Read	0	0	<input type="checkbox"/>
11/14/2008 12:00 AM	Water	01	85651923	443,300	448,000	4,700	Read	0	0	<input type="checkbox"/>
12/15/2008 12:00 AM	Water	01	85651923	448,000	454,100	6,100	Read	0	0	<input type="checkbox"/>
01/19/2009 12:00 AM	Water	01	85651923	454,100	460,100	6,000	Read	0	0	<input type="checkbox"/>
02/16/2009 12:00 AM	Water	01	85651923	460,100	465,200	5,100	Read	0	0	<input type="checkbox"/>
03/18/2009 12:00 AM	Water	01	85651923	465,200	470,700	5,500	Read	0	0	<input type="checkbox"/>
04/17/2009 12:00 AM	Water	01	85651923	470,700	475,400	4,700	Read	0	0	<input type="checkbox"/>
05/15/2009 12:00 AM	Water	01	85651923	475,400	479,900	4,500	Read	0	0	<input type="checkbox"/>
06/19/2009 12:00 AM	Water	01	85651923	479,900	486,300	6,400	Read	0	0	<input type="checkbox"/>
07/20/2009 12:00 AM	Water	01	85651923	486,300	492,200	5,900	Read	0	0	<input type="checkbox"/>
08/18/2009 12:00 AM	Water	01	85651923	492,200	496,800	4,600	Read	0	0	<input type="checkbox"/>

Reading Date	Service	Rate	Meter Number	Previous Reading	Present Reading	Usage	Reading Type	Deduct Usage	Demand Usage	Change Out
09/22/2009 12:00 AM	Water	01	85651923	496,800	501,700	4,900	Read	0	0	<input type="checkbox"/>
10/19/2009 12:00 AM	Water	01	85651923	501,700	506,300	4,600	Read	0	0	<input type="checkbox"/>
11/16/2009 12:00 AM	Water	01	85651923	506,300	509,300	3,000	Read	0	0	<input type="checkbox"/>
12/16/2009 12:00 AM	Water	01	85651923	509,300	512,100	2,800	Read	0	0	<input type="checkbox"/>
01/18/2010 12:00 AM	Water	01	85651923	512,100	515,300	3,200	Read	0	0	<input type="checkbox"/>
02/12/2010 12:00 AM	Water	01	85651923	515,300	517,900	2,600	Read	0	0	<input type="checkbox"/>
03/17/2010 12:00 AM	Water	01	85651923	517,900	521,300	3,400	Read	0	0	<input type="checkbox"/>
04/16/2010 11:35 AM	Water	01	85651923	521,300	524,600	3,300	Read	0	0	<input type="checkbox"/>
05/17/2010 09:42 AM	Water	01	85651923	524,600	527,800	3,200	Read	0	0	<input type="checkbox"/>
06/17/2010 08:48 AM	Water	01	85651923	527,800	531,400	3,600	Read	0	0	<input type="checkbox"/>
07/16/2010 10:09 AM	Water	01	85651923	531,400	534,900	3,500	Read	0	0	<input type="checkbox"/>
08/18/2010 07:22 AM	Water	01	85651923	534,900	538,800	3,900	Read	0	0	<input type="checkbox"/>
09/17/2010 07:13 AM	Water	01	85651923	538,800	542,400	3,600	Read	0	0	<input type="checkbox"/>
10/18/2010 07:56 AM	Water	01	85651923	542,400	546,200	3,800	Read	0	0	<input type="checkbox"/>
11/18/2010 07:12 AM	Water	01	85651923	546,200	549,400	3,200	Read	0	0	<input type="checkbox"/>
12/17/2010 07:13 AM	Water	01	85651923	549,400	550,700	1,300	Read	0	0	<input type="checkbox"/>
01/19/2011 07:35 AM	Water	01	85651923	550,700	553,600	2,900	Read	0	0	<input type="checkbox"/>
02/18/2011 07:16 AM	Water	01	85651923	553,600	556,700	3,100	Read	0	0	<input type="checkbox"/>
03/18/2011 07:14 AM	Water	01	85651923	556,700	560,200	3,500	Read	0	0	<input type="checkbox"/>
04/18/2011 07:26 AM	Water	01	85651923	560,200	563,900	3,700	Read	0	0	<input type="checkbox"/>
05/17/2011 07:15 AM	Water	01	85651923	563,900	569,100	5,200	Read	0	0	<input type="checkbox"/>
06/20/2011 07:20 AM	Water	01	85651923	569,100	578,800	9,700	Read	0	0	<input type="checkbox"/>
07/19/2011 07:17 AM	Water	01	85651923	578,800	590,700	11,900	Read	0	0	<input type="checkbox"/>
08/19/2011 07:14 AM	Water	01	85651923	590,700	604,600	13,900	Read	0	0	<input type="checkbox"/>
09/16/2011 07:21 AM	Water	01	85651923	604,600	613,200	8,600	Read	0	0	<input type="checkbox"/>
10/17/2011 01:18 PM	Water	01	85651923	613,200	616,300	3,100	Read	0	0	<input type="checkbox"/>
11/18/2011 07:09 AM	Water	01	85651923	616,300	619,200	2,900	Read	0	0	<input type="checkbox"/>
12/15/2011 07:45 AM	Water	01	85651923	619,200	621,700	2,500	Read	0	0	<input type="checkbox"/>
01/20/2012 07:16 AM	Water	01	85651923	621,700	624,800	3,100	Read	0	0	<input type="checkbox"/>
02/17/2012 08:51 AM	Water	01	85651923	624,800	627,700	2,900	Read	0	0	<input type="checkbox"/>
03/19/2012 07:24 AM	Water	01	85651923	627,700	631,000	3,300	Read	0	0	<input type="checkbox"/>
04/20/2012 07:30 AM	Water	01	85651923	631,000	634,700	3,700	Read	0	0	<input type="checkbox"/>
05/23/2012 02:10 PM	Water	01	85651923	634,700	635,600	900	Read	0	0	<input type="checkbox"/>
06/18/2012 07:11 AM	Water	01	85651923	635,600	635,800	200	Read	0	0	<input type="checkbox"/>
07/24/2012 02:36 PM	Water	01	85651923	635,800	635,800	0	Read	0	0	<input type="checkbox"/>
08/20/2012 08:19 AM	Water	01	85651923	635,800	635,800	0	Read	0	0	<input type="checkbox"/>
09/17/2012 01:16 PM	Water	01	85651923	635,800	635,900	100	Read	0	0	<input type="checkbox"/>

Reading Date	Service	Rate	Meter Number	Previous Reading	Present Reading	Usage	Reading Type	Deduct Usage	Demand Usage	Change Out
10/22/2012 07:09 AM	Water	01	85651923	635,900	635,900	0	Read	0	0	<input type="checkbox"/>
11/15/2012 10:18 AM	Water	01	85651923	635,900	636,000	100	Read	0	0	<input type="checkbox"/>
12/19/2012 07:15 AM	Water	01	85651923	636,000	636,000	0	Read	0	0	<input type="checkbox"/>
01/22/2013 01:13 PM	Water	01	85651923	636,000	636,000	0	Read	0	0	<input type="checkbox"/>
02/14/2013 01:26 PM	Water	01	85651923	636,000	636,000	0	Read	0	0	<input type="checkbox"/>
03/15/2013 07:14 AM	Water	01	85651923	636,000	636,000	0	Read	0	0	<input type="checkbox"/>
04/22/2013 07:14 AM	Water	01	85651923	636,000	636,000	0	Read	0	0	<input type="checkbox"/>
05/20/2013 07:14 AM	Water	01	85651923	636,000	636,100	100	Read	0	0	<input type="checkbox"/>
06/25/2013 07:07 AM	Water	01	85651923	636,100	636,100	0	Read	0	0	<input type="checkbox"/>
07/24/2013 07:09 AM	Water	01	85651923	636,100	636,100	0	Read	0	0	<input type="checkbox"/>
08/22/2013 07:12 AM	Water	01	85651923	636,100	636,100	0	Read	0	0	<input type="checkbox"/>
09/23/2013 07:18 AM	Water	01	85651923	636,100	636,100	0	Read	0	0	<input type="checkbox"/>
10/23/2013 07:14 AM	Water	01	85651923	636,100	636,100	0	Read	0	0	<input type="checkbox"/>
11/19/2013 07:17 AM	Water	01	85651923	636,100	636,100	0	Read	0	0	<input type="checkbox"/>
12/18/2013 08:38 AM	Water	01	85651923	636,100	636,100	0	Read	0	0	<input type="checkbox"/>
01/20/2014 10:49 AM	Water	01	85651923	636,100	636,100	0	Read	0	0	<input type="checkbox"/>
02/18/2014 07:19 AM	Water	01	85651923	636,100	636,100	0	Read	0	0	<input type="checkbox"/>
03/20/2014 07:13 AM	Water	01	85651923	636,100	636,100	0	Read	0	0	<input type="checkbox"/>
04/21/2014 08:27 AM	Water	01	85651923	636,100	636,100	0	Read	0	0	<input type="checkbox"/>
05/19/2014 07:12 AM	Water	01	85651923	636,100	636,100	0	Read	0	0	<input type="checkbox"/>
06/20/2014 07:12 AM	Water	01	85651923	636,100	636,100	0	Read	0	0	<input type="checkbox"/>
07/21/2014 07:14 AM	Water	01	85651923	636,100	636,100	0	Read	0	0	<input type="checkbox"/>
08/20/2014 07:17 AM	Water	01	85651923	636,100	636,100	0	Read	0	0	<input type="checkbox"/>
09/19/2014 07:16 AM	Water	01	85651923	636,100	636,100	0	Read	0	0	<input type="checkbox"/>
10/22/2014 07:13 AM	Water	01	85651923	636,100	636,100	0	Read	0	0	<input type="checkbox"/>
11/20/2014 10:26 AM	Water	01	85651923	636,100	636,100	0	Read	0	0	<input type="checkbox"/>
12/19/2014 07:16 AM	Water	01	85651923	636,100	636,100	0	Read	0	0	<input type="checkbox"/>
01/19/2015 10:17 AM	Water	01	85651923	636,100	636,100	0	Read	0	0	<input type="checkbox"/>
02/20/2015 09:34 AM	Water	01	85651923	636,100	636,100	0	Read	0	0	<input type="checkbox"/>
03/24/2015 09:35 AM	Water	01	85651923	636,100	636,100	0	Read	0	0	<input type="checkbox"/>
04/22/2015 10:45 AM	Water	01	85651923	636,100	1,249,800	613,700	Read	0	0	<input type="checkbox"/>
05/20/2015 08:26 AM	Water	01	85651923	1,249,800	1,249,800	0	Read	0	0	<input type="checkbox"/>
06/17/2015 07:50 AM	Water	01	85651923	1,249,800	1,249,800	0	Read	0	0	<input checked="" type="checkbox"/>
06/23/2015 07:11 AM	Water	01	52061413	0	0	0	Read	0	0	<input type="checkbox"/>
07/20/2015 07:16 AM	Water	01	52061413	0	200	200	Read	0	0	<input type="checkbox"/>
08/20/2015 02:45 PM	Water	01	52061413	200	200	0	Read	0	0	<input type="checkbox"/>
09/21/2015 10:02 AM	Water	01	52061413	200	1,800	1,600	Read	0	0	<input type="checkbox"/>

Reading Date	Service	Rate	Meter Number	Previous Reading	Present Reading	Usage	Reading Type	Deduct Usage	Demand Usage	Change Out
09/21/2015 10:02 AM	Water	01	52061413	1,800	1,800	0	Read	0	0	<input type="checkbox"/>
1 Customers in Route 0001				1,245,200 Route Usage						
1 Customers on Report				1,245,200 Total Usage						

Petitions

Fall Creek Falls
Utility District

BRANSTETTER, STRANCH & JENNINGS, PLLC

THE FREEDOM CENTER
223 ROSA L. PARKS AVENUE
SUITE 200
NASHVILLE, TENNESSEE 37203
TELEPHONE (615) 254-8801
FACSIMILE (615) 255-5419

CECIL D. BRANSTETTER, SR., 1920-2014
KARLA M. CAMPBELL
BEN GASTEL*
R. JAN JENNINGS*
JOE P. LENISKI, JR.
DONALD L. SCHOLES
MIKE STEWART
JAMES G. STRANCH, III
J. GERARD STRANCH, IV
MICHAEL J. WALL

ASSOCIATES:
RAQUEL L. BELLAMY
SEAMUS T. KELLY
K. GRACE STRANCH

OF COUNSEL:
ROBERT E. RICHARDSON, JR. **

August 20, 2015

* ALSO ADMITTED IN GA
** ONLY ADMITTED IN OH

Joyce Welborn, Board Coordinator
Comptroller of the Treasury,
Division of Local Government Audit
Utility Management Review Board
505 Deaderick Street, Suite 1500
Nashville, TN 37243-1402

AUG 25 2015

Re: Petition for the Expansion and Recreation of Fall Creek Falls Utility District of
Van Buren-Bledsoe Counties, Tennessee

Dear Joyce:

Pursuant to T.C.A. §§ 7-82-202 and 7-82-603(c), I have enclosed a copy of the Petition for the Expansion and Recreation of Fall Creek Falls Utility District of Van Buren-Bledsoe Counties, Tennessee which I am filing with the Van Buren County Mayor to expand the boundaries of Fall Creek Falls Utility District.

Sincerely yours,



DONALD L. SCHOLES

Enclosure

c: Dwayne Corvin

BEFORE THE COUNTY MAYOR OF VAN BUREN, TENNESSEE

In Re:

**PETITION FOR THE EXPANSION AND)
RECREATION OF FALL CREEK FALLS)
UTILITY DISTRICT OF VAN BUREN-)
BLEDSOE COUNTIES, TENNESSEE)**

**PETITION FOR THE EXPANSION AND RECREATION OF
FALL CREEK FALLS UTILITY DISTRICT OF VAN BUREN-BLEDSOE COUNTIES,
TENNESSEE**

To the Honorable Greg Wilson, County Mayor of Van Buren County, Tennessee

Come now the Petitioners being over twenty-five individuals who own property within and reside within the boundaries of the proposed expanded utility district and file this Petition seeking the expansion of and recreation of the Falls Creek Falls Utility District of Van Buren-Bledsoe Counties, Tennessee.

1. Fall Creek Falls Utility District of Van Buren-Bledsoe Counties, Tennessee, is a utility district created under the Utility District Law, T.C.A. §§ 7-82-101 through 804. The District was created by an Order of the County Judge of Van Buren County entered on December 20, 1966. The District's boundaries by expanded by an Order of the County Judge of Van Buren County dated May 1, 1969. The address of the District's principal office is 27364 State Route 30, Pikeville, TN 37367.

2. The District provides water service to its customers in Van Buren and Bledsoe Counties, including Fall Creek Falls State Park. The District provides water service to approximately 1,675 customers.

3. The District is governed by a three member Board of Commissioners. The current board members are Dwayne Corvin, Thomas Stilber and William Himmelwright.

4. The District's current boundaries were established by the Order creating the District and by the Order expanding the District's boundaries. The Utility District Law authorizes a utility district to provide its utility services both within and without its boundaries. T.C.A. §7-82-302(a)(1). The District has previously expanded its water system outside of its boundaries to serve the Brockdell community in Bledsoe County.

5. The District seeks to expand its boundaries to include essentially all the area it is currently serving outside of its boundaries in the Brockdell community and to include other unserved areas in Van Buren and Bledsoe Counties. Including the territory set forth in this Petition within the District's boundaries incorporates the District existing water system within its boundaries. Because a utility district has the exclusive right to serve within its boundaries, the grant of this Petition should preserve its present customer base in the future which should make it easier for the District to obtain future financing to serve previously unserved areas as it becomes economically feasible to do so.

6. A description of the proposed boundaries of the expanded utility district is attached as Exhibit 1 to this Petition. A map showing the District's present boundaries and its proposed expanded boundaries is attached as Exhibit 2 to this Petition.

7. The District is currently providing service within a portion of the expanded boundaries of the proposed District. Therefore, no additional employees will be needed to provide services within the proposed expanded boundaries, and the District will incur minimal additional operating expenses to provide water service within its proposed expanded boundaries.

8. The District will continue to extend water service within its existing boundaries and within its proposed expanded boundaries as such extensions become financially feasible.

9. The District's existing rates for water service will be charged in the proposed expanded District. These rates are set forth below:

All Customers other than Brockdell Extension Customers

First 1,000 gallons \$ 9.00 minimum bill
Over 1,000 gallons 3.80 per 1,000 gallons

Brockdell Extension Customers

First 1,000 gallons \$13.00 minimum bill
Over 1,000 gallons 4.90 per 1,000 gallons

10. The District has the financial capability of providing water service within the proposed expanded boundaries. For the year ended June 30, 2013, the District had an increase in net assets of \$504,555. On June 30, 2013, the District had total capital assets of \$ 5,492,302.67.

11. The address of the principal office of the proposed expanded District will continue to be 27364 State Route 30, Pikeville, TN 37367.

12. Water service is not currently being provided by any water utility in the new territory to be incorporated within the District's boundaries, except for customers already served by the District in the Brockdell community. No other utility district or municipal water system can feasibly serve the new territory to be incorporated within the District's boundaries.

13. Based on the present and future need for water service in the proposed expanded boundaries, the District's financial position, the existing water lines within the proposed expanded boundaries and the anticipation that financially feasible water line extensions will be constructed within the expanded boundaries, the expansion and recreation of the District is required by the public convenience and necessity and is economically sound and desirable.

11. The Petitioners hereby nominate the following residents and owners within the expanded District's boundaries, which persons currently serve on the District's Board of Commissioners, to serve as Commissioners of the expanded and recreated utility district as follows:

Dwayne Corvin, a resident of Bledsoe County, Tennessee, to serve a 4 year term;

Thomas Stilber, a resident of Van Buren County, Tennessee, to serve a 2 year term;

and

William Himmelwright, a resident of Bledsoe County, Tennessee, to serve a 3 year term.

WHEREFORE, PREMISES CONSIDERED, PETITIONERS PRAY:

1. That upon the receipt of this Petition, the Van Buren County Mayor will schedule a hearing within thirty (30) days thereafter and order publication of notice of the hearing in a newspaper of general circulation in Van Buren and Bledsoe Counties as required by T.C.A. §§ 7-82-202 and 7-82-603. An appropriate form for the Notice of Public Hearing is being submitted to the County Mayor to give this notice;

2. That at least five days before the hearing on this Petition, the Van Buren County Mayor give notice of the time and place of the scheduled hearing and a copy of this Petition to

the Honorable Gregg Ridley, County Mayor of Bledsoe County, Tennessee, inviting him to participate in such hearing in accordance with T.C.A. § 7-82-603. An appropriate form of such letter is submitted to the County Mayor to give this notice;

3. That the Van Buren County Mayor give notice of the filing of this Petition, a copy of the Petition and of the date of the hearing and to the Mayors of all towns with populations of 5,000 or more within five (5) miles of the proposed expanded District's boundaries and to the Mayors of all towns with populations of less than 5,000 within three (3) miles of such boundaries in accordance with T.C.A § 7-82-202. Appropriate letters and the required certified mail forms relating thereto have been prepared for the convenience of the Van Buren County Mayor and are being submitted to the County Mayor to give this notice.

4. That the Van Buren County Mayor give notice of the filing of this Petition, a copy of the Petition and of the date of the hearing to the managing officials of all water, sewer, or gas service facilities operated by a county, city, or utility district within three (3) miles of the boundaries of the proposed expanded District as provided by T.C.A. § 7-82-202. Appropriate letters and the required certified mail forms relating thereto have been prepared for the convenience of the Van Buren County Mayor and are being submitted to the County Mayor to give this notice.

5. That upon the hearing, the Van Buren County Mayor and Bledsoe County Mayor sitting as a panel (should the Bledsoe County Mayor choose to participate in the public hearing on this Petition) find that the public convenience and necessity requires the expansion of and recreation of the District as set forth in this Petition with the authority to provide water services within the boundaries of the proposed expanded District, find that expansion and recreation is

economically sound and desirable, order the District be expanded and recreated, and appoint the nominees named in the Petition as the initial members of the proposed expanded District's Board of Commissioners.

Dated this 20th day of August, 2015.

Respectfully submitted,



DONALD L. SCHOLES, BPR # 10102
Branstetter, Stranch & Jennings, PLLC
227 Second Avenue North, Fourth Floor
Nashville, TN 37201-1631
(615) 254-8801
dscholes@bsjfirm.com

Attorney for Petitioners

Individual Petitioners:

	<u>Name</u>	<u>Address</u>
1.	<u>Richard W. Wacker</u>	<u>7408 Brockdell Rd.</u> <u>Pikeville</u>
2.	<u>Darrell Rainey</u>	<u>197 9818 Brockdell Road</u> <u>Pikeville 6-5-15</u>
3.	<u>Jimmy Hatfield</u>	<u>3202 Brockdell Rd</u> 6-5-15 <u>Pikeville TN 37367</u>
4.	<u>Charles Gray</u>	<u>10218 Brockdell Rd</u> 6-5-15 <u>Pikeville</u>
5.	<u>Ray Hipson</u>	<u>556 Masco St, Pikeville TN</u> 6-5-15 <u>Pikeville</u>
6.	<u>GARY PARSONS</u>	<u>808 Ed Bowling Rd</u> <u>Pikeville - 37367</u>
7.	<u>Prosser Wood</u>	<u>190 Old CC RD Brockdale</u> <u>Pikeville, 6-5-15</u>
8.	<u>Charlie Frady</u>	<u>13784 Park Road</u> <u>Pikeville TN, 37367 6-8-15</u>
9.	<u>Sharon Bixford</u>	<u>27502 State Route 30</u> 6-8-15 <u>Pikeville, In. 37367</u>
10.	<u>Kalin Walker</u>	<u>1458 Myers Rd Pikeville</u> <u>TN 37367</u>

	<u>Name</u>	<u>Address</u>	
11.	Stacy [unclear]	5654 Moon Horn Longwood	6-10-15
		SPANGLER TA 38585	
12.	John R Dewese	581 Dewese RD	
		Pikeville TN 37369	6-10-15
13.	Harris Waco	48 Hardy Rd.	
		Pikeville, In. 37367	6-10-15
14.	Randall [unclear]	Rt 3 [unclear], TN	6-10-15
15.	Bob [unclear]	29529 SR 30	6-10-15
		Pikeville, TN 37367	
16.	Jo [unclear]	2450 Watson Loop	6-10-15
		Pikeville, TN 37367	
17.	Don L Markun	387 MARKUM LAKE	5 Pencek 6-10-15
18.	Tim [unclear]	30734 SR30	6-10-15
		Pikeville, Tenn 37367	
19.	Deey Bair	177 myers Loop Rd,	6-12-
20.	Darren Myers	146 Dodson Rd	
		Pikeville, TN	6-12-15

Name

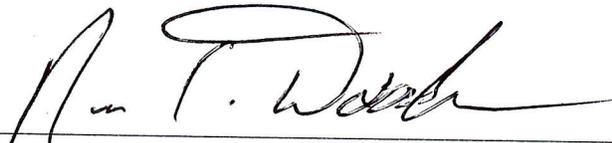
Address

- 21. Paul Meyer 10279 Brackett Hill Road
- 22. Al Meyer Pikeville TN 37367 6-12-15
- 23. Angela Wooder 3941 Old Spencer Rd
Pikeville TN 37367 6-15-15
- 24. Roger C. Wooder Spencer Rd.
Pikeville TN 37367 6-15-15
- 25. Janice Wooder 2611 Watson Loop
Pikeville, TN 37367 6-16-15
- 26. [Signature] 2611 Watson Loop P. Keville Co.
- 27. [Signature] 56 Rozzell Rd. Pikeville TN
- 28. Jera Wooder 56 Rozzell Rd Pikeville TN
- 29. Benny Powell 371 Wilson Loop
- 30. Freddy Gunn 1510 Groves Rd
Pikeville TN

State of Tennessee)
County of Bledsoe)

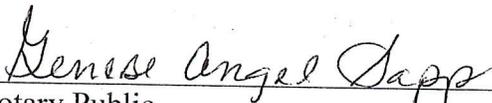
Personally appeared before me, a Notary Public for the above state and county, the undersigned Roger C. Wooden, after being duly sworn according to law, deposed and said that he witnessed the signature of each of the petitioners whose signatures appear above, that each signature is the signature of the person it purports to be, and to the best of his knowledge each petitioner was a resident of and an owner of real property within the boundaries of the proposed district in Bledsoe County, Tennessee, at the time of signing, as set out in the foregoing petition.

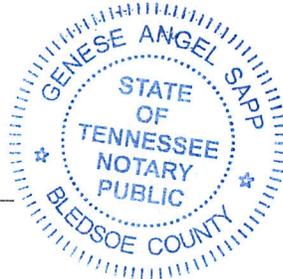
Further, Affiant saith not.


Signature

Sworn to and subscribed before me this

29 day of June, 2015


Notary Public



My Commission Expires: 08-06-2017

EXHIBIT 1

FALL CREEK FALLS UTILITY DISTRICT – REVISED BOUNDARY DESCRIPTION

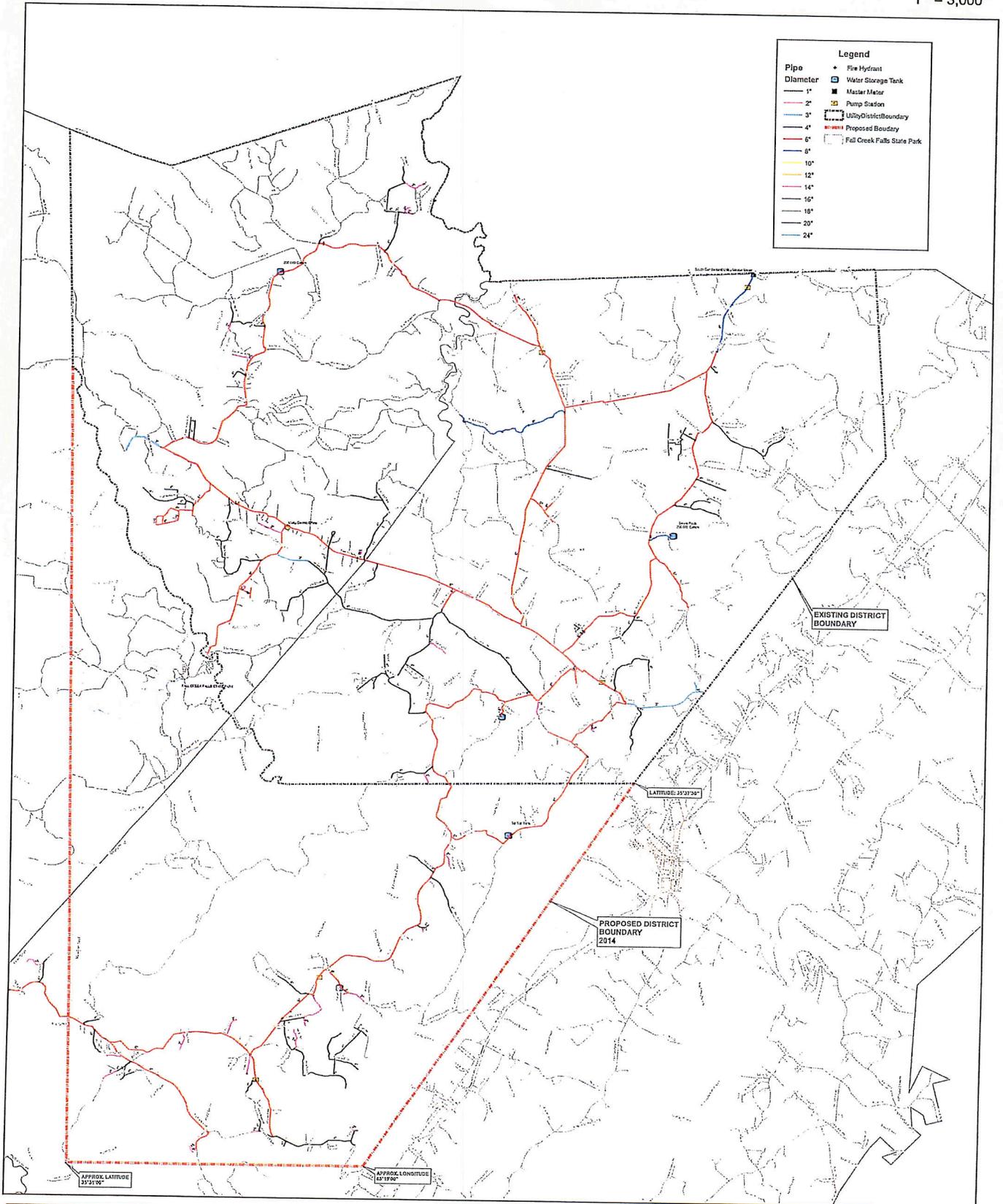
Beginning at the intersection of State Hwy 30 and Cane Creek; thence due North to the Van Buren – White County Line; thence along said county line in an easterly direction to Bee Creek; thence following the Southerly Course along the Van Buren County Line to the intersection of the Bledsoe County Line; thence easterly along the Bledsoe-Cumberland County Line to a longitude of 85 deg. 07' 30"; thence south along said longitude to the easterly escarpment of the Cumberland Plateau; thence southwesterly along said escarpment to latitude **** (begin revised description) **** 35 deg. 31' 00", longitude 85 deg. 19' 00"; thence east along said latitude to a point, said point being due south of the point of origin; thence due north to the point of beginning

FALL CREEK FALLS UTILITY DISTRICT WATER SYSTEM MAP



1" = 3,000'

Legend	
Pipe	• Fire Hydrant
Diameter	◻ Water Storage Tank
1"	◻ Master Meter
2"	◻ Pump Station
3"	◻ Utility District Boundary
4"	◻ Proposed Boundary
6"	◻ Fall Creek Falls State Park
8"	
10"	
12"	
14"	
16"	
18"	
20"	
24"	



Miscellaneous

1. Fiduciary Duty Legislation
2. Rules
3. Compliance List
4. Complaint Statistics
5. Current Jurisdiction List
6. Commissioner Training Approvals
7. Proposed 2016 Meeting Schedule

Utility Management Review Board

Compliance Report

December 3, 2015

Minor Hill Utility District

Validity Score	73
Non-Revenue Water	16.8%
Change in Net Position	\$1,026,414

O'Connor Utility District

Validity Score	83
Non-Revenue Water	20.6%
Change in Net Position	\$88,576

Utility Management Review Board

Complaint Statistics

December 3, 2015

Complaints received by phone: **27**

Complaints received by email: **3**

Complaints received by fax: **1**

SYSTEMS UNDER THE UMRB December 2015		
DISTRICT	COUNTY	LAST AUDIT
Bedford County UD	Bedford	June-14
Bon Aqua-Lyles UD	Hickman	August-14
Bristol-Bluff City UD WL	Sullivan	July-14
Chanute - Pall Mall UD	Fentress/Polk	June-14
Cherokee Hills UD	Polk	December-14
Clay Gas UD	Clay	August-14
Cookeville Boat Dock Road UD	Putnam	December-14
Crab Orchard UD WL	Cumberland	December-14
Fall River Road UD	Lawrence	December-14
Grandview UD	Rhea	December-14
Harbor UD WL	Benton	June-15
Haywood County UD	Haywood	June-14
Holston UD WL	Sullivan	June-14
Hornbeak UD	Obion	April-15
Iron City UD	Lawrence	December-14
Lone Oak UD	Sequatchie	December-14
Mooresburg UD	Hawkins	December-14
Quebeck-Walling UD	White	December-14
Samburg UD	Obion	January-14
Saltillo UD WL	Hardin	October-14
Tansi Sewer UD	Cumberland	February-14
West Stewart Utility District	Stewart	June-15
Witt UD	Cumberland	September-14

WATER LOSS STATUS										
<u>District</u>	<u>original referral %</u>	<u>original audit referral date</u>	<u>review %</u>	<u>reporting date</u>						
Bristol Bluff City UD	84/58.1%	7/31/2014								
Cherokee Hills	100.000%	12/31/2010	100.00%	12/31/2011	not given	12/31/2012	not given	12/31/2013	not given	12/31/2014
Crab Orchard	42/16.9%	12/31/2013	78/45.5%	12/31/2014						
Harbor UD	70/16.0%	6/30/2015								
Holston UD	90/48.2%	6/30/2015								
Saltillo UD	69/9.5%	10/31/2014								
Samburg UD	67/26.1%	1/31/2014								
Saltillo	69/9.5%	10/31/2014								

From: [Betsy Knotts](#)
To: "William Dunnill"
Cc: [Stephanie Maxwell](#); [Joyce Welborn](#); [John Greer](#)
Subject: RE: Commissioner Training Credits for NAWL Conference
Date: Friday, September 04, 2015 9:22:14 AM
Attachments: [image001.png](#)

Mr. Dunnill,

I have reviewed your request for Comptroller approval of utility district commissioner training relating to all sessions of the North American Water Loss 2015 conference that will take place December 8-9 in Atlanta, Georgia. The content of the conference sessions appear to cover board governance, financial oversight, policy-making responsibilities, and other topics reasonably related commissioner duties, as required by the state law. The following sessions are approved for 1.5 credit hours as long as any open ended Q&A is limited to 15 minutes: Opening Session and Sessions 1-18. The final Case Study Sessions that are also numbered 17 and 18 (3-4 pm on Dec. 9) are approved for only 1 hour of credit. Thank you.

Don't hesitate to contact me if you have any further questions.

Betsy Knotts
Assistant General Counsel
Comptroller of the Treasury
Suite 1700, James K. Polk Building
505 Deaderick St.
Nashville, TN 37243
Phone: (615) 401-7954
Betsy.Knotts@cot.tn.gov

From: William Dunnill [mailto:wdunnill@ cudrc.com]
Sent: Wednesday, September 02, 2015 4:26 PM
To: Betsy Knotts <Betsy.Knotts@cot.tn.gov>
Subject: Commissioner Training Credits for NAWL Conference

Ms. Knotts,

The inaugural North American Water Loss conference is being held in Atlanta this December. Attached you will find a copy of the NAWL agenda for your review.

Consolidated Utility District has several commissioners who want to attend and are hoping to receive "commissioner training credit" for their participation. Is there a way to receive "commissioner training accreditation" for this program?

Thank you for your assistance.

Bill Dunnill

William F. Dunnill, P.E.
General Manager
Consolidated Utility District
709 New Salem Highway
PO Box 249
Murfreesboro, TN 37133-0249
o - (615) 893-7225 x 1142
c - (615) 278-6027

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From: [Betsy Knotts](#)
To: "[Adams, Bob](#)"
Cc: [Work, Dwight](#); [John Greer](#); [Joyce Welborn](#); [Stephanie Maxwell](#)
Subject: RE: Request for approval of Commissioner Training Hours - November 10th and 11th
Date: Tuesday, November 03, 2015 12:09:17 PM

Mr. Adams,

I have reviewed your request for Comptroller approval of a 12 hour training session on current topics in finance and accounting that will take place November 10-11 in Franklin, TN. The content of the training session appears to cover board governance, financial oversight, policy-making responsibilities, and other topics reasonably related commissioner duties, as required by the state law, so the 2015 TGA Utility Finance and Accounting Conference is approved for 12 hours of commissioner training credits. Please note that **the content of each hour long training session must take up at least 50 minutes and any open-ended Q&A must be limited to 10 minutes.**

Betsy Knotts
Assistant General Counsel
Comptroller of the Treasury
Suite 1700, James K. Polk Building
505 Deaderick St.
Nashville, TN 37243
Phone: (615) 401-7954

From: Adams, Bob [mailto:Bob.Adams@frazierdeeter.com]
Sent: Wednesday, October 28, 2015 10:50 AM
To: Betsy Knotts <Betsy.Knotts@cot.tn.gov>
Cc: Work, Dwight <dwight.work@frazierdeeter.com>
Subject: Request for approval of Commissioner Training Hours - November 10th and 11th

Good morning Ms. Knotts:

Frazier and Deeter, LLC and the Tennessee Gas Association are presenting a 12 hour training session on Finance and Accounting topics related to natural gas utilities in the State of Tennessee. I have attached the course agenda and learning objectives for your approval. The participants will include commissioners and management from natural gas utility districts. The training will occur on November 10th and 11th in Franklin, TN. Please advise if there is anything else you would need for approval.

Thank you for your consideration.

Bob

Proposed 2016 UMRB Meeting Dates:

Thursday, February 04, 2016

Thursday, April 07, 2016

Thursday, June 02, 2016

Thursday, August 04, 2016

Thursday, October 06, 2016

Thursday, December 01, 2016