



UTILITY BOARDS ANNUAL REPORT

2018

Justin P. Wilson
Comptroller of the Treasury

John Greer
Utilities Specialist

This report is prepared in accordance with Tennessee Code Annotated § 7-82-705 and provides an overview of the Utility Management Review Board's and Water and Wastewater Financing Board's activities for the reporting period ending on November 30, 2018.

MESSAGE FROM THE UTILITIES SPECIALIST

Dear Members of the General Assembly,

The Comptroller's Office is committed to assisting water, sewer, and natural gas utilities and their customers.

As staff to the Water and Wastewater Financing Board, I provide financial guidance, as well as technical and managerial assistance, to the 251 municipalities, twelve counties, and nine treatment authorities that oversee a water or wastewater system in Tennessee. I also serve as staff to the Utility Management Review Board, providing the same guidance and assistance to the 178 utility districts across the state.

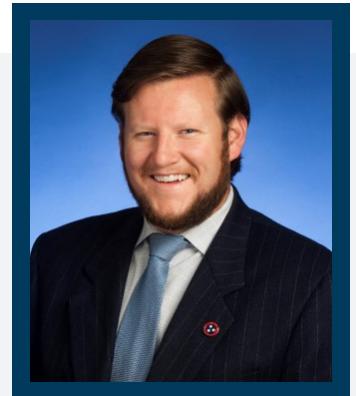
The mission of the Comptroller's Office is to make government work better. Accordingly, I make utilities work better by ensuring they have a sound financial foundation and are viable for the future.

If I can be of assistance to you or your constituents, please do not hesitate to contact me.

Thank you,



John Greer
Utilities Specialist



CONTACT INFORMATION





Utility Boards
Cordell Hull Building
425 Fifth Avenue North
Nashville, TN 37243

Office: 615.747.5260
Utilities@cot.tn.gov

For more information visit:
www.comptroller.tn.gov/UMRB
www.comptroller.tn.gov/WWFB



HOW OUR OFFICE SUPPORTS UTILITIES

-  Assess financial health of utility systems and make best practice recommendations
-  Assist the General Assembly with any questions related to public utility policy
-  Facilitate partnerships among utility systems throughout the state
-  Provide guidelines related to water loss, commissioner training, and other relevant topics

CHALLENGES

Utilities are one of the most important services that government entities provide. The Comptroller’s Office not only recognizes the importance of efficient and stable utility systems, but we also understand the significant challenges many local governments face in maintaining their financial viability. The Governor’s TN H2O report estimates that local governments will need at least \$15.6 billion for water and wastewater infrastructure projects by 2040. Even after factoring in historical contributions, local utilities will still need \$13.9 billion for repairs, maintenance, replacing aging infrastructure, and building new systems to meet population growth.

The infrastructure deficiencies in local utilities are having a significant impact on ratepayers. Leaking water pipes cost Tennessee utilities \$83 billion annually, while leaking sewer pipes cost \$200 billion in unnecessary treatment. These expenses will continue to increase as infrastructure deteriorates.

Through training and education, the Comptroller’s Office proactively helps utilities navigate the high cost of preserving and replacing aging infrastructure while maintaining reasonable customer rates.

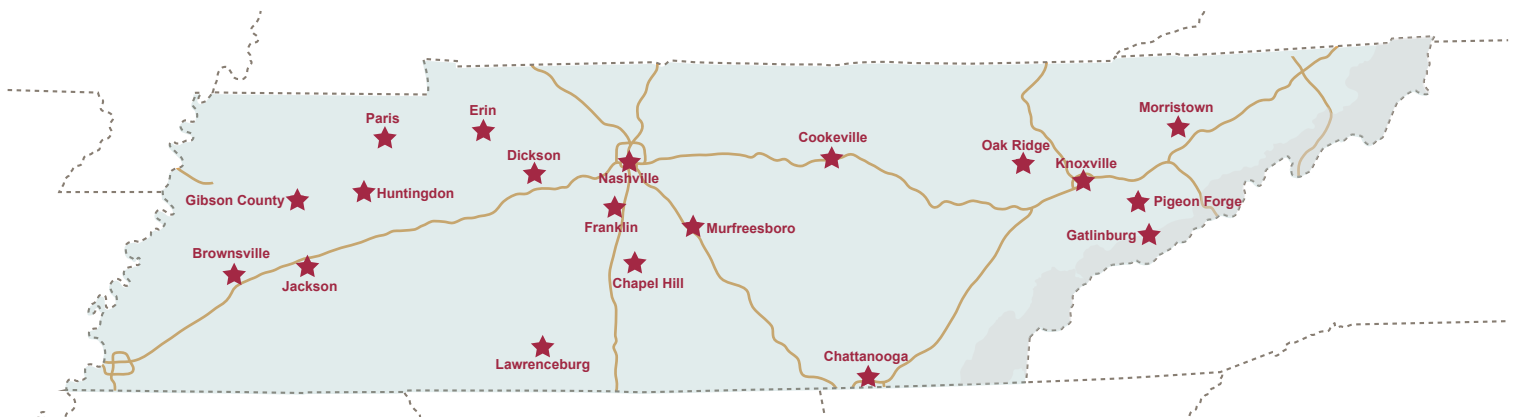
UTILITY TRAINING

Over the past year, our office led multiple free commissioner trainings in all three grand divisions. In addition, we are actively developing online training that will be available at no cost to municipal utility commissioners and personnel by March 2019. We will offer a minimum of 14 hours of training online—more than the legally-required 12 hours. Effectively communicating with customers, complying with open records and open meetings laws, spotting red flags related to fraud, and an introduction to the Comptroller’s Office are just a sample of the topics the online training will cover.

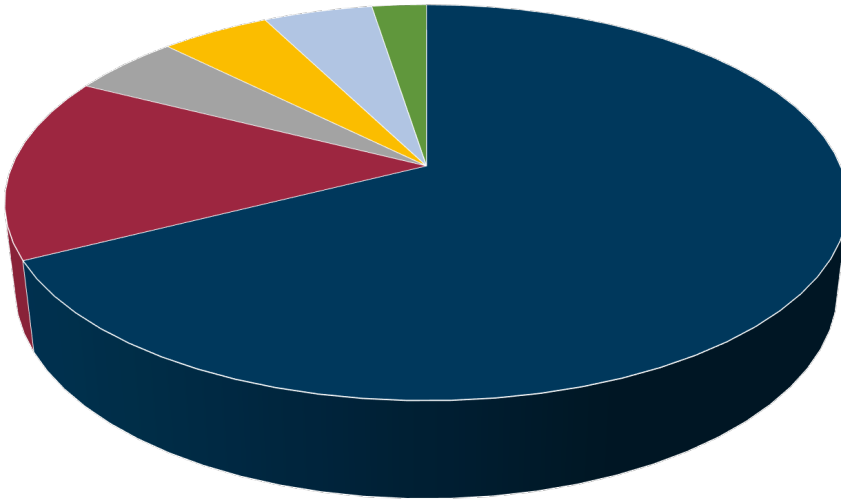
The training we provide not only consists of formal instruction on effective governance, but we work daily with utility managers to provide informal, proactive advice on the numerous issues they encounter. We also train utility staff on the importance of communicating with customers and properly handling financial transactions.

We believe that by providing free training to the decision-makers, giving technical and managerial assistance to utility personnel, and building long-term plans for those facing financial distress, we ensure future generations will enjoy the same reliable utility services we receive today.

UTILITY TRAINING LOCATIONS



CASES HEARD BY THE UTILITY MANAGEMENT REVIEW BOARD



■ Financial
 ■ Water Loss
 ■ Investigation
■ Expansion Petition
 ■ Customer Complaints
 ■ Training Compliance

UTILITY MANAGEMENT REVIEW BOARD MEMBERS

Ann Butterworth, Chair
Comptroller's Designee

Tom Moss, Vice Chair
TDEC Designee

Kevin Botts
Consumer Representative

Dan Coley
Utility District Commissioner

Tim Pelham
Utility District Manager

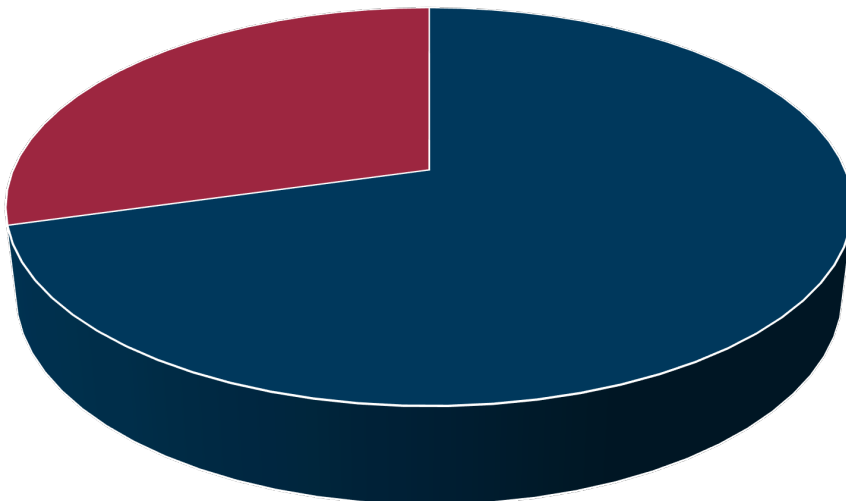
Jason West
Utility District Commissioner

Bruce Giles
Utility District Manager

Rebecca Hunter
Utility District Commissioner

Pat Riley
Utility District Manager

CASES HEARD BY THE WATER AND WASTEWATER FINANCING BOARD



■ Financial
 ■ Water Loss

WATER AND WASTEWATER FINANCING BOARD MEMBERS

Ann Butterworth, Chair
Comptroller's Designee

Tom Moss
TDEC Designee

Eugene Hampton II
Government Finance/Minority Citizens

Drexel Heidel
Active Employee/Utility Districts

Vacant
Manufacturing Interests

Nick Newman
Active Employee/Municipal Water System

Rick Graham
Municipalities

Jim Redwine
Environmental Interests

Randy Wilkins
Utility Districts