	ORDER	i.
	)	
TOWN OF ALEXANDRIA	)	TENN. CODE ANN. § 7-8-705
IN THE MATTER OF:	)	

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the Town of Alexandria's utility system ("the Entity"), pursuant to Tenn. Code Ann. § 7-8-705. Board staff received complaints about the quality of the utility services provided by the Entity. On September 5, 2024, Board staff met with the Mayor and all staff and governing body members involved with the Entity. The Entity has experienced an administrative change and with that comes adjustments. Board staff reviewed the Entity's Annual Information Report for 2024 and noted the following: the Entity has not completed a rate study in over four years; and, the Entity has approximately 998 customers. Board staff cannot determine how fiscally sustainable the Entity is.

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

- The Utility shall have the Tennessee Association of Utility Districts, or another qualified expert as approved by Board staff, perform a rate study that includes the following:
  - a. a review of the capitalization policy, including any recommended modifications;
  - b. a review of the debt management policy, including any recommended modifications;
  - c. the creation of a five-year capital asset budget, to be taken from the current capital asset list and to include future anticipated needs;
  - d. a review of relevant utility fees including but not limited to connection or tap fees, including any recommended modifications;

 e. verification that all governing body members of the utility are in compliance with all relevant training requirements;

f. study evaluating the feasibility of the Entity's merger with a surrounding utility.

- By April 30, 2025 the Utility shall send Board staff a copy of the contract between the Utility
  and the qualified expert who is to perform the tasks in paragraph 1.
- By June 30, 2025, the Utility shall provide Board staff with the completed rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation.
- Board staff is given the authority to grant up to two extensions of up to six months of the foregoing deadlines upon a showing of good cause by the Utility.
- 5. Should the Utility fail to comply with any directive in this order, Board staff and Counsel may issue subpoenas for the Utility's governing body and/or Manager to appear in-person before the Board during its next meeting following non-compliance of this order.

ENTERED this \_\_\_\_ day of April, 2025

Greg Moody, Chair

MILDRED JONES and BEAN STATION UTLITY	)	TENN. CODE ANN. § 7-82-702
DISTRICT	3	
	)	

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") heard the dispute between Mildred Jones ("the Customer") and the Bean Station Utility District ("the Entity"), pursuant to Tenn. Code Ann. § 7-82-702.

The Customer alleges that her water tap is placed such that it cannot be used but has not produced any proof to that effect. The Board orders as follows: If the Customer produces a statement from a plumber stating that the water tap is not usable due to its current placement or location, the Entity shall move the Customer's water tap to a usable location. The Entity is not required to take any further action in this matter until and unless the Customer produces such statement. This matter is DISMISSED.

ENTERED this \_\_\_\_ day of April\_2025.

Gleg Moody, Chair

IN THE MATTER OF:	)
CITY OF CAMDEN	) TENN. CODE ANN. § 7-82-703
	3

## ORDER

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the financially distressed status of the City of Camden's utility system ("the Entity"), pursuant to Tenn. Code Ann. § 7-82-703. The Entity returned its financial distress questionnaire to Board staff within a timely manner, additionally the Entity has already contracted with a third-party expert to conduct a rate study, which should be completed soon. Board staff worked with the Entity to ensure that the contracted study will meet the requirements Board staff recommend the Board order.

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

1. The Entity shall have the Tennessee Association of Utility Districts, or another qualified expert as approved by Board staff, perform a rate study that includes the following:

- a. a review of the capitalization policy, including any recommended modifications;
- b. a review of the debt management policy, including any recommended modifications;
- c. the creation of a five-year capital asset budget, to be taken from the current capital asset
   list and to include future anticipated needs;
- d. a review of relevant utility fees including but not limited to connection or tap fees, including any recommended modifications;

 e. verification that all governing body members of the utility are in compliance with all relevant training requirements;

f. a review of the leak adjustment policy, including any recommended modifications or adoption of such policy should one not exist;

g. and a justification of the inside and outside the city limit rates, including any recommended modifications to the rate structure.

2. By June 30, 2025, the Entity shall provide Board staff with the completed rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation.

3. Board staff is given the authority to grant up to two extensions of up to six months of the foregoing deadlines upon a showing of good cause by the Entity.

ENTERED this | day of April, 202

Greg Moody, Phair

IN THE MATTER OF:	)
	)
CI E A DEODY	) TENN CODE ANN 97 92 701 -4
CLEARFORK UTILITY DISTRICT	) TENN. CODE ANN. § 7-82-701, et seq.
CHEIT DISTRICT	)
	)
	<b>'</b>

### ORDER

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the financially distressed status of Clearfork Utility District (the "Entity"), pursuant to Tenn. Code Ann. § 7-82-701, et seq. Since 2022, the Entity has been ordered to bring its audits current, contract with professionals to complete a rate and feasibility study, and to provide those completed studies to the Board. The Entity has completed it 2023 audit and has contracted with a profession to complete a rate study, but no other provisions have been met. Additionally, the Entity has not been communicative with Board staff.

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

- 1. All previous board orders are rescinded.
- By May 31, 2025, the Entity shall bring all outstanding audits current; this includes is FY 2024 audit.
- 3. The Entity shall have the Tennessee Association of Utility Districts or another qualified expert as approved by Board staff, perform a rate study that includes the following:
  - a. A review of the capitalization policy, including any recommended modifications;
  - A review of the debt management policy, including any recommended modifications;

- c. The creation of a five-year capital asset budget, to be taken from the current capital asset list and to include future anticipated needs;
- d. A review of relevant utility fees including but not limited to connection or tap fees, including any recommended modifications;
- e. Verification that all governing body members of the utility are in compliance with all relevant training requirements;
- f. A review of the leak adjustment policy, including any recommended modifications or adoption of such policy should one not exist.
- 4. By June 30, 2025, the Entity shall provide Board staff with the competed rate stud and either prof of implantation of the resulting recommendations or a proposed pan of implementation
- 5. The Entity shall contract with a qualified expert as approved by Board staff to study the feasibility of a merger with surrounding utility systems.
- 6. By April 30, 2025, the Entity shall send Board staff a copy of the contract between the Entity and the qualified expert who is to perform the feasibility study ordered under provision 5.
- 7. By September 30, 2025, the Entity shall provide Board staff with the completed feasibility study and either proof of implementation of the resulting recommendation or a proposed plan of implementation.

8.	If the Entity does not comply with the above provisions, Board staff may refer the Entity
	to the Office of the Attorney General for enforcement.

ENTERED this  $\underline{l}$  day of April, 2025.

Greg Moody Chair
Tennessee Board of Utility Regulation

IN THE MATTER OF:	)
CITY OF DECHERD	) TENN. CODE ANN. § 7-82-703

# ORDER

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the financially distressed status of City of Decherd's utility system (the "Entity"), pursuant to Tenn. Code Ann. § 7-82-703. The Entity has experienced financial distress since 2022. The Entity has had significant issues in record keeping which is highlighted by their history of delinquent audits, issues noted in its audits, and the length of time for the Entity to complete a rate study. The Entity has now completed a rate study and the recommendations of the rate study have been implemented. It remains uncertain whether the city of Decherd's continued operation of the utility system is financially sustainable, despite recent rate increases and anticipated rate increases in the future. A feasibility study should be conducted to evaluate the feasibility of a merger of the Entity with another utility system.

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

1. By April 30, 2025, the Entity shall send Board staff a copy of the contract between the Entity and the qualified expert who is to perform the study of feasibility of merger options for the Entity.

2. By September 30, 2025, the Entity shall provide Board staff with the completed rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation.

- 3. Board staff is given the authority to grant up to two extensions of up to six months of the foregoing deadlines upon a showing of good cause by the Entity.
- 4. Should the Entity fail to comply with any directive in this order, Board staff and Counsel may issue subpoenas for the Entity's governing body and/or Manager to appear in-person before the Board during its next meeting following non-compliance of this order.

ENTERED this 11 day of April, 2025

Greg Moody, Chair

IN THE MATTER OF:	)	
CITY OF DUNI A B	į	TENNI CODE ANNI 6 5 03 503
CITY OF DUNLAP	)	TENN. CODE ANN. § 7-82-703
	)	

### **ORDER**

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the financially distressed status of the City of Dunlap's utility system (the "Entity"), pursuant to Tenn. Code Ann. § 7-82-703. The Entity returned its financial distress questionnaire to Board staff. Board staff identified the following:

- The Entity has not submitted the fiscal year 2024 audited financial information to the Comptroller's Office. The Entity failed to close their accounting records within two months after the close of the fiscal year in accordance with Tenn. Code Ann. § 9-2-102. The utility failed to submit their audit within 6 months after the close of the fiscal in accordance with the Division of Local Government's Audit Manual.
- The Entity has not completed a rate study in the past 5 years. The Entity has engaged with the Municipal Technical Advisory Service (MTAS) and Rye Engineering to address utility rates and water loss. The Entity passed a water rate increase in November 2024.

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

1. The Entity shall submit all outstanding delinquent audits to the Board and to the Comptroller's

Division of Local Government Audit (at LGA.Web@cot.tn.gov) by June 15, 2025.

- 2. By April 30, 2025 the Entity shall send Board staff and the Division of Local Government Audit (LGA.Web@cot.tn.gov) a written statement by email explaining the cause of the delinquent audits.
- 3. The Entity shall have MTAS, or another qualified entity, perform a rate study that includes the following:
  - a. a review of the capitalization policy, including any recommended modifications;
  - b. a review of the debt management policy, including any recommended modifications;
  - c. the creation of a five-year capital asset budget, to be taken from the current capital asset list and to include future anticipated needs;
  - d. a review of relevant utility fees including but not limited to connection or tap fees, including any recommended modifications;
  - e. verification that all governing body members of the utility are in compliance with all relevant training requirements;
  - f. a review of the leak adjustment policy, including any recommended modifications or adoption of such policy should one not exist;
  - g. and a justification of the inside and outside the city limit rates, including any recommended modifications to the rate structure.
- 4. By April 30, 2025, the Entity shall send Board staff a copy of the contract between the Entity and the qualified expert who is to perform the tasks in paragraph 1.
- 5. By June 30, 2025, the Entity shall provide Board staff with the completed rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation.
- 6. Board staff is given the authority to grant up to two extensions of up to six months of the foregoing deadlines upon a showing of good cause by the Entity.

7. Should the Entity fail to comply with any directive in this order, Board staff and Counsel may issue subpoenas for the Entity's governing body and/or Manager to appear in-person before the Board during its next meeting following non-compliance of this order.

ENTERED this | day of April, 2025.

Greg Moody, Chair

UTILITY DISTRICT	
EAST SEVIER COUNTY	) ) ) TENN. CODE ANN. § 7-8-701, et seq.

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the East Sevier County Utility District ("the Entity") for the status of the Entity's delinquent audits, pursuant to Tenn. Code Ann. § 7-8-701, et seq. The Entity has experienced frequent service outages, customer complaints, water quality issues, and excessive water loss. The Entity has come under new management in the past year and is making efforts to remedy past situations. The Entity's lack of adequate accounting and billing systems has slowed the Entity's progress in completing a rate study, as they do not have the information needed to complete an accurate study. The Entity has contracted with a third party to complete a rate study and feasibility analysis and anticipates a completion date of December 31, 2025.

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

- By April 30, 2025, the Entity shall send Board staff a copy of the contract between Entity and the qualified expert who is to perform the tasks identified in the Jul 2023 Board Order.
- By December 31,2025, the Entity shall provide Board staff with the completed rate and feasibility study and either proof of implementation of the resulting recommendations or a proposed plan of implementation.

 Board staff is given the authority to grant up to two extensions of up to six months of the foregoing deadlines upon showing good cause by the Entity.

ENTERED this \(\frac{1}{2}\) day of April, 2025.

Greg Moody, Chair

IN THE MATTER OF:	)	
CITY OF ERIN	)	TENN. CODE ANN. § 7-82-703
	)	

#### ORDER

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the financially distressed status of City of Erin's utility system (the "Entity"), pursuant to Tenn. Code Ann. § 7-82-703. The Entity complied with prior directives of the Board, completed a rate study and implemented its recommendations; however, the Entity has continued to exhibit a downward trend in net position. A new rate study is necessary at this time to reassess the prior study and address any changes that have taken place since the date of the original report.

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

1. The Entity shall have the Tennessee Association of Utility Districts, or another qualified expert as approved by Board staff, perform a rate study that includes the following:

- a. a review of the capitalization policy, including any recommended modifications;
- b. a review of the debt management policy, including any recommended modifications;
- c. the creation of a five-year capital asset budget, to be taken from the current capital asset list and to include future anticipated needs;
- d. a review of relevant utility fees including but not limited to connection or tap fees, including any recommended modifications;

e. verification that all governing body members of the utility are in compliance with all relevant training requirements;

f. a review of the leak adjustment policy, including any recommended modifications or adoption of such policy should one not exist;

g. and a justification of the inside and outside the city limit rates, including any recommended modifications to the rate structure.

2. By April 30, 2025, the Entity shall send Board staff a copy of the contract between the Utility and the qualified expert who is to perform the tasks in paragraph 1.

3. By June 30, 2025, the Entity shall provide Board staff with the completed rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation.

4. Board staff is given the authority to grant up to two extensions of up to six months of the foregoing deadlines upon a showing of good cause by the Entity.

ENTERED this | day of April, 20

Greg Moody Chair

IN THE MATTER OF:	)
TOWN OF GIBSON	) TENN. CODE ANN. § 7-82-701, et seq.
	3

## ORDER

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the financially distressed status of the Town of Gibson's utility system (the "Entity"), pursuant to Tenn. Code Ann. § 7-82-701, et seq. The Entity has not completed its 2021, 2022, 2023, or 2024 audits. Audit contracts for 2023, 2024, and 2025 have not been submitted to the Comptroller's Division of Local Government Audit.

Pursuant to Tenn. Code Ann. § 7-82-704, utilities in financial distress are considered ailing and the Board may order the utility to merge with another utility system. While the Entity's delinquent audits make it extremely difficult to assess the current financial state of the Entity, it is not in the best interest of the public to wait for up-to-date audits to begin the process of ordering a merger of the Entity with another utility system.

The Entity is relatively close to two sizeable, healthy utility systems: the Gibson County Municipal Water District, and the Humboldt Utilities Authority, a newly created authority formed from the City of Humboldt Board of Public Utilities in 2024.

The Board discussed subpoening the Entity's governing body to appear at the Board's next meeting to address the severe delinquency of the Entity's audits, but that is left to Board staff's discretion at this time.

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

- 1. The Entity shall contract with a qualified expert to study the feasibility of a merger with another utility system in the area by April 20, 2025. The feasibility study shall specifically address the feasibility of a merger with the Gibson County Municipal Water District and the Humboldt Utilities Authority but may examine other utility systems.
- 2. The Entity shall provide a completed feasibility study to Board staff by July 31, 2025.
- 3. Should the Entity fail to comply with any directive in this order, Board staff and Counsel may issue subpoenas for the Entity's governing body and Manager to appear in-person before the Board during its next meeting following non-compliance of this order. Failure to obey a subpoena issued by the Board may result in being held in contempt of court.
- 4. Board staff is given the authority to grant one extension of up to six months of the foregoing deadlines upon a showing of good cause by the Entity.

ENTERED this | day of April, 2025.

Greg Moody, Chair

IN THE MATTER OF:	}
GRUNDY COUNTY	) TENN. CODE ANN. § 7-82-703
	)

### ORDER

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the financially distressed status of Grundy County's utility system (the "Entity"), pursuant to Tenn. Code Ann. § 7-82-703. The Entity has been in the update cycle, but now shows signs of continued financial distress in their audited financial information.

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

- The Entity shall have the Tennessee Association of Utility Districts or another qualified expert as approved by Board staff, perform a rate study that includes the following:
  - a. A review of the capitalization policy, including any recommended modifications;
  - A review of the debt management policy, including any recommended modifications;
  - c. The creation of a five-year capital asset budget, to be taken from the current capital asset list and to include future anticipated needs;
  - d. A review of relevant utility fees including but not limited to connection or tap fees, including any recommended modifications;
  - Verification that all governing body members of the utility are in compliance with all relevant training requirements;

- A review of the leak adjustment policy, including any recommended modifications
  or adoption of such policy should one not exist.
- By April 30, 2025, the Entity shall provide Board staff with the copy of the contract between the Entity and the qualified expert who is to perform the tasks in provisions 1.
- By June 30, 2025, the Entity shall provide Board staff with the completed rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation.
- The Board staff is given the authority to grant up to two extensions of up to six months of the foregoing deadlines upon a showing of good cause by the Entity.
- 5. Should the Utility fail to comply with any directive in this order, Board staff and Counsel may issue subpoenas for the Utility's governing body and/or Manager to appear in-person before the Board during its next meeting following non-compliance of this order.

ENTERED this \_ | day of April, 2025.

Greg Moods, Chair

IN THE MATTER OF:	
ALLISON WILLIAMS and TOWN OF HUNTINGDON	) TENN. CODE ANN. § 7-82-702 ) ) )
	ORDER

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") conducted an informal hearing regarding a dispute between Allison Williams ("the Customer") and the Town of Huntingdon ("the Entity"), pursuant to Tenn. Code Ann. § 7-82-702.

The complaint stems from an adjustment applied to the Customer's water bill. It was an upward adjustment that stemmed from an Entity employee fabricating meter readings. The Board determined that the Entity's municipal code set out a leak adjustment policy that should have been applied to the Customer. The Entity has since adjusted the Customer's bill. As the Entity has resolved the Customer's complaint, this matter is dismissed and staff shall close the complaint.

ENTERED this \_\_\_\_ day of April, 2025.

Greg Moodyl Chair

IN THE MATTER OF:	3
JACKSON ENERGY AUTHORITY	) TENN. CODE ANN. § 7-82-701, et seq. ) )

# ORDER

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the financially distressed status of Jackson Energy Authority (the "Entity"), pursuant to Tenn. Code Ann. § 7-82-701, et seq. For fiscal year 2024 the Entity had a negative unrestricted net position of \$2,078,789. The negative value is caused by pension and OPEB liabilities. Without pension and OPEB, the Entity would have a positive unrestricted net position of \$14,972,929. The Entity has a pension trust as well as an OPEB trust. The Entity's cash as a percentage of expenses is well above the Comptroller's definition of distress. The Entity should continue to fund its pension plan in line with public chapter 990 and Treasury Department requirements and to continue funding its OPEB trust. Board Staff should request an update of the funding status annually, but otherwise there is no reason why the Entity should remain under Board oversight.

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

- 1. The Entity is officially released from the Board's oversight.
- 2. Staff and Counsel shall close the case.

ENTERED this \_\_\_\_ day of April, 2025.

IN THE MATTER OF:	)	
	)	
	)	
CITY OF JAMESTOWN	)	TENN. CODE ANN. § 7-82-703
	)	
	)	
	)	

### ORDER

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the financially distressed status of City of Jamestown's utility system (the "Entity"), pursuant to Tenn. Code Ann. § 7-82-703. The Entity returned its financial distress questionnaire and Board staff identified the following:

- The Entity has not submitted the fiscal year 2024 audited financial information to the Comptroller's Office. The utility failed to close their accounting records within two months after the close of the fiscal year in accordance with Tenn. Code Ann. § 9-2-102. The utility failed to submit their audit within 6 months after the close of the fiscal in accordance with the Division of Local Government's Audit Manual.
- The Entity has not completed a rate study in the past 5 years.
   Based on Board staff's representations and recommendations, the Board orders as follows:
- 1. The Entity shall submit all outstanding delinquent audits to the Board and to the Comptroller's Division of Local Government Audit (at LGA.Web@cot.tn.gov) by June 15, 2025.

- 2. By April 30, 2025 the Entity shall send Board staff and the Division of Local Government Audit (LGA.Web@cot.tn.gov) a written statement by email explaining the cause of the delinquent audits.
- 3. The Entity shall have a qualified entity perform a rate study that includes the following:
  - a. a review of the capitalization policy, including any recommended modifications;
  - b. a review of the debt management policy, including any recommended modifications;
  - c. the creation of a five-year capital asset budget, to be taken from the current capital asset list and to include future anticipated needs;
  - d. a review of relevant utility fees including but not limited to connection or tap fees, including any recommended modifications;
  - e. verification that all governing body members of the utility are in compliance with all relevant training requirements;
  - f. a review of the leak adjustment policy, including any recommended modifications or adoption of such policy should one not exist; and,
  - g. a justification of the inside and outside the city limit rates, including any recommended modifications to the rate structure.
- 4. By April 30, 2025, the Entity shall send Board staff a copy of the contract between the Entity and the qualified expert who is to perform the tasks in paragraph 1.
- 5. By June 30, 2025, the Entity shall provide Board staff with the completed rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation.

- Board staff is given the authority to grant up to two extensions of up to six months of the foregoing deadlines upon a showing of good cause by the Entity.
- 7. Should the Entity fail to comply with any directive in this order, Board staff and Counsel may issue subpoenas for the Entity's governing body and/or Manager to appear in-person before the Board during its next meeting following non-compliance of this order.

ENTERED this \ day of April, 2025.

ireg Moddy, Chair

IN THE MATTER OF:	
LEOMA UTILITY DISTRICT	) TENN. CODE ANN. § 7-82-703
	3

### ORDER

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the financially distressed status of Leoma Utility District (the "Entity"), pursuant to Tenn. Code Ann. § 7-82-703. The Entity was the subject of a Comptroller investigation, which produced an investigative report on January 26, 2024. The investigation identified the following:

- The Entity's board failed to report suspicions of unlawful conduct to the Comptroller of the Treasury.
- The Entity's Board failed to adequately document labor agreements with the Entity's general manager.
- 3. The general manager failed to maintain supporting documents for some disbursements.
- The Entity's board failed to document internal controls or a formal written purchasing policy.

On July 18, 2024, the Tennessee Board of Utility Regulation ordered the Entity to complete a feasibility study with a qualified third-party expert. The feasibility study was completed. Currently the Entity produces their own water; however, they have infrastructure connections with both the City of Lawrenceburg and the City of Loretto. The completed feasibility study outlined

that both systems were potential candidates for consolidation. Board staff believe the City of Lawrenceburg is open to the idea of a merger, and is the best candidate to begin discussion with.

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

- Board staff should pursue merger proceedings between the Entity and the City of Lawrenceburg.
- Board staff will schedule a public hearing and report the findings before the Board at the next regularly scheduled meeting.

ENTERED this \_\_\_\_ day of April, 2025.

IN THE MATTER OF:	)	
	)	
	)	
CITY OF LEXINGTON	)	TENN. CODE ANN. § 7-82-703
	)	
	)	
	)	

#### **ORDER**

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the financially distressed status of the City of Lexington's utility system (the "Entity"), pursuant to Tenn. Code Ann. § 7-82-803. For fiscal year 2024, the Entity reported a negative unrestricted net position of \$1,182,674. The negative value is caused by pension and OPEB liabilities. Without pension and OPEB, the Entity's Water and Sewer fund would have a positive unrestricted net position of \$557,049. The Water and Sewer Fund has a pension trust but does not have an OPEB trust. The Entity's Water and Sewer fund's unrestricted cash as a percentage of expenses is 6% which is defined as distress by the Comptroller's budget and debt manuals. The Entity should make changes needed to increase unrestricted cash to a level not indicative of distress. The Entity should adopt a cash management policy. The Entity should research the benefits of an OPEB trust and work with the Comptrollers division of State Government Finance to have one approved by the State Funding Board. The system should report updates to board staff in 6 months.

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

1. The Entity must update board staff on the following:

a. The status of a Cash Management Policy.

- b. The status of an OPEB trust working in conjunction with the Comptrollers Division of State Government Finance.
- 2. An update of the status of the requirements listed in paragraph 1 must be provided to comptroller staff by September 30, 2025.

ENTERED this \ day of April, 2025.

Greg Moody Chair

IN THE MATTER OF:	)	
CITY OF LOBELVILLE	) TENN. CODE ANN. § 7-82-8	103
	)	

#### ORDER

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the financially distressed status of the City of Lexington (the "Entity"), pursuant to Tenn. Code Ann. § 7-82-803. The Entity's gas system has faced at least 6 years of declining statutory net position and only the 2024 audit showed an increase in actual net position due to a grant from the county. The Entity's accounts payable balance is one and half times higher than their current cash balance, which is considered in distress according to the Comptroller budget and debt manual. The Entity has a structural imbalance in revenues sufficient to cover expenses. A rate study is necessary to assist the Entity to set rates sufficient to cover costs and rebuild cash reserves sufficient to not be considered in distress.

- The Entity shall have the Tennessee Association of Utility Districts, or another qualified expert as approved by Board staff, perform a rate study that includes the following:
  - a. a review of the capitalization policy, including any recommended modifications;
    - b. a review of the debt management policy, including any recommended modifications;
    - c. the creation of a five-year capital asset budget, to be taken from the current capital
      asset list and to include future anticipated needs;

d. a review of relevant utility fees including but not limited to connection or tap fees,
 including any recommended modifications;

e. and verification that all governing body members of the utility are in compliance with all relevant training requirements.

By April 30, 2025 the Entity shall send Board staff a copy of the contract between the
Entity and the qualified expert who is to perform the tasks in paragraph 1.

 By June 30, 2025 the Entity shall provide Board staff with the completed rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation.

 Board staff is given the authority to grant up to two extensions of up to six months of the foregoing deadlines upon a showing of good cause by the Entity.

ENTERED this

day of April 2025.

Greg Moody, Chair

IN THE MATTER OF:	
CITY OF LORETTO	) ) TENN. CODE ANN. § 7-82-701, et seq. )
	)

## ORDER

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the financially distressed status of City of Loretto ("the Entity"), pursuant to Tenn. Code Ann. § 7-82-701, et seq. The Entity returned its financial distress questionnaire to Board staff in a timely manner. Additionally, the Entity has already contracted with a third-party expert to conduct a rate study. Board staff has worked with the Entity to ensure that the contracted study will meet the requirements if ordered by the Board. The Entity has a negative unrestricted net position due to a large account payable balance of \$1.16 million which is up from \$19,792 in Fiscal year 2023. The Entity has had three straight years of statutory decreases in net position and Fiscal Year 2024 cash from operations was negative by \$350,414 which is more than half of operating cash received from customers.

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

1. The Entity shall have the Tennessee Association of Utility Districts, or another qualified expert as approved by Board staff, perform a rate study that includes the following:

- a. a review of the capitalization policy, including any recommended modifications;
- b. a review of the debt management policy, including any recommended modifications;

c. the creation of a five-year capital asset budget, to be taken from the current capital asset

list and to include future anticipated needs;

d. a review of relevant utility fees including but not limited to connection or tap fees,

including any recommended modifications;

e. verification that all governing body members of the utility are in compliance with all

relevant training requirements;

f. a review of the leak adjustment policy, including any recommended modifications or

adoption of such policy should one not exist;

g, and a justification of the inside and outside the city limit rates, including any

recommended modifications to the rate structure.

2. By June 30, 2025, the Entity shall provide Board staff with the completed rate study and either

proof of implementation of the resulting recommendations or a proposed plan of implementation.

3. Board staff is given the authority to grant up to two extensions of up to six months of the

foregoing deadlines upon a showing of good cause by the Entity.

ENTERED this

Greg Moody, Chair

Tennessee Board of Utility Regulation

day of April, 2025.

IN THE MATTER OF:	
CITY OF LUTTRELL	) TENN. CODE ANN. § 7-82-703

#### ORDER

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the financially distressed status of the City of Luttrell's utility system (the "Entity"), pursuant to Tenn. Code Ann. § 7-82-703. Since 2016, the Entity has continued to experience negative changes in net position, most recently for fiscal years 2023 and 2024. At the July 2024 Board meeting, the Entity was ordered to contract with a qualified third party to conduct a rate and feasibility study. The Entity has been in contact with Board staff and has requested a six-month extension to complete these studies.

- The Board's August 7, 2024 Order required the Entity to contract with a third party to
  conduct a rate study. By August 28, 2025, the Entity shall provide Board staff with the
  completed rate study and either proof of implementation of the resulting ecommendations
  or a proposed plan of implementation.
- 2. The Board's Augst 7, 2024 Order required the Entity to contract with a third party to conduct a feasibility of a merger with another utility, including the Luttrell-Blaine-Corryton Utility District. By April 31, 2025, the Entity shall provide Board staff with a copy of the Entity's contract with a third party to conduct the feasibility study.

- By August 28, 2025, the Entity shall provide Board staff with the completed feasibility study.
- Board staff is given the authority to grant one extension of up to six months of the foregoing deadlines upon a showing of good cause by the Entity.

ENTERED this \ \ \ day of April, 2025.

Greg Moody, Chair

IN THE MATTER OF:	)
TOWN OF LYNNVILLE	TENN. CODE ANN. § 7-82-70.

# ORDER

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the financially distressed status of Town of Lynnville (the "Entity"), pursuant to Tenn. Code Ann. § 7-82-703. The Entity has been under supervision of a utility board for financial distress since its fiscal year 2020 audit.

The Town of Lynnville completed a rate study and a study of the feasibility of the town's utility system merging with the Fairview Utility District ("FUD"). FUD is likely to be the best candidate, as FUD already sells the Entity its water.

On December 5, 2024, Board staff conducted a public hearing to hear the public's comments on this potential merger. During the hearing, opponents raised concerns about losing local services, insufficient time to address past deficiencies, and issues linked to poor record-keeping and previous auditors' shortcomings. They also worried about fair treatment from FUD, citing potential rate increases and geographical challenges, despite assurances from Board staff against illicit actions. Additionally, representatives questioned the feasibility study's adequacy and suggested conducting another one, given the logistical difficulties posed by the distance between the FUD office and Lynnville Town Hall.

It was noted at the meeting that the Entity has delinquent audits. It is advisable to obtain another rate study and feasibility study after the Entity has completed its delinquent audits, so the studies can use the most up to date information.

- 1. The Entity shall have the Tennessee Association of Utility Districts, or another qualified expert as approved by Board staff, perform a rate study that includes the following:
  - a. a review of the capitalization policy, including any recommended modifications;
  - b. a review of the debt management policy, including any recommended modifications;
  - c. the creation of a five-year capital asset budget, to be taken from the current capital asset list and to include future anticipated needs;
  - d. a review of relevant utility fees including but not limited to connection or tap fees, including any recommended modifications;
  - e. verification that all governing body members of the utility are in compliance with all relevant training requirements;
  - f. a review of the leak adjustment policy, including any recommended modifications or adoption of such policy should one not exist;
  - g. and a justification of the inside and outside the city limit rates, including any recommended modifications to the rate structure.
- 2. By December 31, 2025, the Entity shall provide Board staff with the completed rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation.
- 3. The Entity shall contract with a qualified expert to study the feasibility of a merger between the Entity and the Fairview Utility District, and any other surrounding utilities with whom a merger may be feasible. This expert may be the same expert that conducts the rate study.
- 4. By December 31, 2025, the Entity shall provide Board staff with the completed feasibility study.

5. Board staff is given the authority to grant up to two extensions of up to three months of the foregoing deadlines upon a showing of good cause by the Entity.

ENTERED this 11 day of April, 2025.

Greg Moody, Chair

	ORDE	
	)	
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TOWN OF MASON	)	TENN. CODE ANN. § 7-8-701, et seq.
	)	
IN THE MATTER OF:	)	

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the Town of Mason's utility system ("the Entity"), pursuant to Tenn. Code Ann. § 7-8-701, et seq. The Board previously ordered the Entity to contract with a third-party expert to conduct a feasibility study, if the Entity did not contract with a certified water and wastewater operator by September 1, 2023. The Entity did not timely contract with a certified water and wastewater operator. A feasibility study was conducted and completed on March 29, 2024. Shortly after the September 1, 2024, due date, the Entity executed a contract with Alliance Water Resources ("AWR") to manage the Entity's water and wastewater system. AWR terminated the contract on September 6, 2024. On July 18, 2024, the Board considered ordering merger proceedings to begin; however, the information on which the original feasibility was based was no longer accurate. The original feasibility study was completed during the period of time that AWR was contracted with the Entity, which led to assumptions by the third party that no longer apply. At this time, Board staff recommends that the Entity complete a new feasibility study.

- 1. The Entity shall contract with a qualified expert, as approved by Board staff, to carry out a feasibility study for a merger with another utility system in the area. This study should include, but not be limited to the following:
  - a. a review and summary of nearby utilities that are being considered in the feasibility study;
  - b. a review and summary of the utility infrastructure necessary in facilitating the consolidation;

- c. and the estimated rate or cost increase (or decrease) incurred under consolidation with the nearby utilities.
- 2. By June 30, 2025, the Utility shall send Board staff a copy of the contract between the Utility and the qualified expert who is to perform the tasks in paragraph 1.
- 3. By December 31, 2025, the Entity shall provide Board staff with the complete feasibility study.
- 4. Should the Entity fail to comply with any directive in this order, Board staff and Counsel may issue subpoenas for the Entity's governing body and Manager to appear in-person before the Board during its next meeting following non-compliance of this order. Failure to obey a subpoena issued by the Board may result in being held in contempt of court.

ENTERED this | day of April 2025.

Gfeg Moody Chair

IN THE MATTER OF:	)
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	)
TOWN OF MASON	) TENN. CODE ANN. § 7-82-701, et seq.
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### ORDER

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the Town of Mason's utility system (the "Entity") for excessive water loss, pursuant to Tenn. Code Ann. § 7-82-702. The Board ordered that the Entity engage with a qualified third party to complete the AWWA Water Loss Audit Worksheet v. 6.0 by May 31, 2024, and submit a completed worksheet by July 31, 2024. The Entity has not complied with the Board's order.

Board staff notes that the Town of Mason will receive other orders addressing other matters.

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

1. By April 30, 2025, the Entity shall send Board staff a copy of the contract between the Entity and the qualified expert who is to complete the AWWA Water Loss Audit Worksheet v. 6.0.

- 2. By May 30, 2025, the Entity shall provide Board staff with the completed copy of the AWWA Water Loss Audit Worksheet v. 6.0.
- 3. Board staff shall subpoen the city of Mason's mayor, vice mayor, and its contract manager or chief operator to attend the Board's next meeting. The rest of the Entity's governing body is invited to attend as well.

4. If the Entity fails to comply with any part of this order, Board staff may subpoen any other members of the Entity's governing body to appear at the next Board meeting.

ENTERED this \ \ day of April, 2025.

Geo Mood Chair

IN THE MATTER OF:	
JOSEPH JARRATT and CITY OF MEMPHIS	) TENN. CODE ANN. § 7-82-702 ) ) )
	ORDER

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") heard the dispute between Jonathan Jarratt ("the Customer") and the City of Memphis's utility system ("the Entity"), pursuant to Tenn. Code Ann. § 7-82-702.

The complaint stems from the Entity's refusal to extend sewer service to the Customer's property.

The Customer and the Entity both addressed the Board and set forth their cases, but a full recital of the facts is not necessary at this time.

The Board orders that the Entity and the Customer shall engage in informal mediation, with Board staff acting as the mediator, to determine a resolution to the complaint that is beneficial to both parties. This informal mediation will take place before August 29, 2025. Board staff shall update the Board at the next meeting.

ENTERED this \_\_\_\_ day of April, 2025.

)
) TENN. CODE ANN. § 7-82-703

# ORDER

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the financially distressed status of Mooresburg Utility District (the "Entity"), pursuant to Tenn. Code Ann. § 7-82-703.

The Entity has faced ongoing financial issues since its 2020 audit, resulting in several orders from the Tennessee Utility Management Review Board and Tennessee Board of Utility Regulation ("TBOUR"). These orders included the need for a rate study and implementation of controls and policies. The Entity has partially complied with previous orders but has experienced internal conflicts and resignations by important staff. New commissioners have been appointed to the Entity's board. The new board members are aware of the Board's outstanding orders and indicated they will work to comply with them.

- The Entity shall have the Tennessee Association of Utility Districts or another qualified expert as approved by Board staff, perform a rate study that includes the following:
  - a. A review of the capitalization policy, including any recommended modifications;
  - A review of the debt management policy, including any recommended modifications;

- c. The creation of a five-year capital asset budget, to be taken from the current capital asset list and to include future anticipated needs;
- d. A review of relevant utility fees including but not limited to connection or tap fees, including any recommended modifications;
- Verification that all governing body members of the utility are in compliance with all relevant training requirements;
- f. A review of the leak adjustment policy, including any recommended modifications or adoption of such policy should one not exist.
- 2. The Entity shall have the Tennessee Association of Utility Districts, or another qualified expert as approved by Board staff, perform a review of any possible mergers with surrounding utilities including a preliminary judgement on whether any merger options are feasible and should be explored further.
- By April 30, 2025, the Entity shall provide Board staff with the copy of the contract between the Entity and the qualified expert who is to perform the tasks in provisions 1 and 2.
- By September 30, 2025, the Entity shall provide Board staff with the completed rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation.
- By September 30, 2025, the Entity shall provide Board staff with the completed review of possible mergers.

6.	Board staff is given the authority to grant up to two extensions of up to six months of the			
	foregoing deadlines upon a showing of good cause by the Entity.			

ENTERED on this, the \_\_\_\_ day of April, 2025.

Greg Moody Chair

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	DEANA DOUGLAS and NOLENSVILE-COLLEGE GROVE) UTLITY DISTRICT )	TENN. CODE ANN. § 7-82-702
	IN THE MATTER OF:	

On March 12, 2025, the Tennessee Board of Utility Regulation ("the Board") conducted an informal hearing regarding a dispute between Deana Douglas ("the Customer") and the Nolensville-College Grove Utility District ("the Entity"), pursuant to Tenn. Code Ann. § 7-82-702. The complaint originated when the Customer received an extremely large water bill caused by a leak in her irrigation line. The Entity did not give the Customer the benefit of the Entity's leak protection policy, as the policy specifically does not apply to irrigation lines. The Customer contends that she did not receive notification of high water usage from the Entity, except by an email that appear to be either fake or malicious.

There is no dispute that the Customer's bill is extremely large and likely amounts to a hardship on the customer, but that by itself does not make it unjust or unreasonable. The Entity's leak adjustment policy is clear when it states it does not apply to irrigation lines. Board staff shall attempt to determine whether the leak adjustment policy has been uniformly applied. If there are other instances where leak adjustment has been offered outside the strict bounds of the policy then the bill may be unreasonable, to the extent that the benefit was not offered to the Customer.

This matter is continued until such time as Board staff have had an opportunity to investigate further.

ENTERED this \_\_\_\_ day of April, 2025.

IN THE MATTER OF:	)
TOWN OF OBION	) ) TENN. CODE ANN. § 7-82-701, et seq. )
	)

# ORDER

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the financially distressed status of Town of Obion's utility system (the "Entity"), pursuant to Tenn. Code Ann. § 7-82-701, et seq. The Entity returned its financial distress questionnaire to Board staff within a timely manner; additionally, the Entity has already contracted with a third-party expert to conduct a rate study, which should be completed soon. Board staff has worked with the Entity to ensure that the contracted study will meet the requirements if ordered by the Board.

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

1. The Entity shall have the Tennessee Association of Utility Districts, or another qualified expert as approved by Board staff, perform a rate study that includes the following:

- a. a review of the capitalization policy, including any recommended modifications;
- b. a review of the debt management policy, including any recommended modifications;
- c. the creation of a five-year capital asset budget, to be taken from the current capital asset list and to include future anticipated needs;
- d. a review of relevant utility fees including but not limited to connection or tap fees, including any recommended modifications;

 e. verification that all governing body members of the utility are in compliance with all relevant training requirements;

f. a review of the leak adjustment policy, including any recommended modifications or adoption of such policy should one not exist; and,

g. a justification of the inside and outside the city limit rates, including any recommended modifications to the rate structure.

2. By April 30, 2025, the Entity shall send Board staff a copy of the contract between the Entity and the qualified expert who is to perform the tasks in paragraph 1.

3. By June 30, 2025, the Entity shall provide Board staff with the completed rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation.

4. Board staff is given the authority to grant up to two extensions of up to six months of the foregoing deadlines upon a showing of good cause by the Entity.

ENTERED this | day of April, 2025

Gree Moody, Chair

# BEFORE THE TENNESSEE UTILITY MANAGEMENT REVIEW BOARD

IN THE MATTER OF:	
OCOEE UTILITY DISTRICT	) TENN. CODE ANN. § 7-82-703

# ORDER

On March 13, 2025, the Tennessee Utility Management Review Board ("the Board") reviewed the financially distressed status of Ocoee Utility District (the "Entity"), pursuant to Tenn. Code Ann. § 7-82-703. The Entity has returned its financial distress questionnaire to Board staff. Board staff relayed the following: the Entity is currently purchasing excessive amounts of water from other utilities due to the degradation of their current infrastructure; the Entity reported they are executing a \$30,000,000 USDA Rural Development Loan and have received a grant of \$5,000,000 to go towards the development of a new water plant that should alleviate the amount of water purchased; the Entity plans to adjust rates quarterly over the next year; and the Entity is conducting a rate study that incorporates these new projects.

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

- The Entity shall have the Tennessee Association of Utility Districts or another qualified expert as approved by Board staff, perform a rate study that includes the following:
  - a. A review of the capitalization policy, including any recommended modifications;
  - A review of the debt management policy, including any recommended modifications;

- The creation of a five-year capital asset budget, to be taken from the current capital
  asset list and to include future anticipated needs;
- d. A review of relevant utility fees including but not limited to connection or tap fees, including any recommended modifications;
- Verification that all governing body members of the utility are in compliance with all relevant training requirements;
- f. A review of the leak adjustment policy, including any recommended modifications or adoption of such policy should one not exist.
- By April 30, 2025, the Entity shall provide Board staff with the copy of the contract between the Entity and the qualified expert who is to perform the tasks in provisions 1.
- By June 30, 2025, the Entity shall provide Board staff with the completed rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation.
- Board staff is given the authority to grant up to two extensions of up to six months of the foregoing deadlines upon a showing of good cause by the Entity.

ENTERED this \_\_\_\_ day of April, 2025.

Greg Moodly, Chair

IN THE MATTER OF:	3
TOWN OF OLIVER SPRINGS	) TENN. CODE ANN. § 7-82-703

## ORDER

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the financially distressed status of the Town of Oliver Springs' utility system (the "Entity"), pursuant to Tenn. Code Ann. § 7-82-703. At the July 2023 Board meeting, the Board ordered the Entity to contract with a qualified third party to conduct a feasibility study of a merger between the town of Oliver Springs and the City of Oak Ridge, and to submit a copy of the study to Board staff by March 31, 2024. The Entity has partially complied with this order by contracting with a qualified third party but did not timely submit a complete study to Board staff. The Entity does not have a completed audit for Fiscal Year 2024, which will affect the completion of the feasibility study. Board staff has determined that the Fiscal Year 2024 audit should be completed by May 31, 2025.

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

 At the July 2023 Board meeting, the Entity was ordered to contract with a third party professional to study the feasibility of a merger between the Entity (which is Oliver Springs' utility system) and the utility system of the City of Oak Ridge, in addition to any surrounding utility systems. The study was ordered to be completed and to have a copy submitted to the Board by March 31, 2024. This order will be extended to October 31, 2025

ENTERED this \ day of April, 2025,

Gree Modely, Chair

IN THE MATTER OF:	
PARIS UTILITY AUTHORITY	) TENN. CODE ANN. § 7-82-701, et seq. ) )

#### ORDER

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the financially distressed status of the Paris Utility Authority ("the Entity"), pursuant to Tenn. Code Ann. § 7-82-701, et seq. The Entity reported a negative unrestricted net position of \$247,705 for the water system and a negative unrestricted net position of \$252,369 for the sewer system. The negative values for both water and sewer are caused by pension and OPEB liabilities. Without pension and OPEB, the water system would have a positive unrestricted net position of \$367,344 and the sewer would have a positive unrestricted net position of \$335,407. The Entity's water system's unrestricted cash as a percentage of expenses is 10% which is defined as of concern by the Comptroller's budget and debt manuals. The Entity's sewer system's unrestricted cash as a percent of expenses is 13%, current assets are insufficient to cover current liabilities, and accounts payable are greater than cash on hand. The sewer cash position is defined as a concern and the amount of accounts payable related to cash is a distress as stated in the Comptroller's budget and debt manuals. The Entity should adopt a cash management policy in line with Comptroller recommendations and fund unrestricted cash position at a level above distress concern. The Entity should also research the benefits of an OPEB trust and work with State Government Finance to have one approved by the State Funding Board.

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

- By August 31, 2025, the Entity will conduct a review of their cash management policy and will provide board staff with an update of the changes that have been implemented.
- By August 31, 2025, the Entity will research the benefits of an OPEB trust and work with State Government Finance to have one approved by the State Funding Board.

ENTERED this day of April, 2025.

Greg Moody, Chair

	)	
SEVIER COUNTY UTILITY DISTRICT	)	TENN. CODE ANN. § 7-8-705
IN THE MATTER OF:	)	

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the Sevier County Utility District ("the Entity") administratively pursuant to Tenn. Code Ann. § 7-8-705. The Entity was referred to the Tennessee Board of Utility Regulation for an Investigation released by the Tennessee Comptroller of The Treasury dated January 17, 2025. The Entity's board of commissioners is comprised of three individuals: Ann Montgomery, Terri Waters, and Dr. Keith Whaley. The Division of Investigations within the Tennessee Comptroller's Office released an Investigative report ("the report") on January 17, 2025, summarizing it's investigation into the Entity. The report resulted in the indictment of the Entity's former President, Matthew Ballard, on charges of bribery and official misconduct.

The report stated that "The district's board failed to provide adequate oversight of district projects, management decisions, and financial operations of the district. The district's board failed in its fiduciary responsibility to ensure the best use of public funds for district projects and failed to provide adequate oversight of management decisions and financial operations. The board also failed to correct findings noted in the 2011 investigative audit report released by the Comptroller's Office. . . . The district's board did not provide adequate oversight of the district's operations and did not establish sufficient internal controls to ensure accountability of district funds. The lack of oversight by the board directly contributed to the failure to properly account for district funs. The district board should also ensure that audit and investigative findings are corrected."

It may be appropriate to initiate a contested case to remove one or more of the Entity's commissioners, but it is prudent to first determine what the commissioners knew and when did they know it. Accordingly, the Board orders as follows:

- Board staff will initiate an administrative review of the Entity; specifically, Board staff will attempt to determine how long each commissioner has served on the Entity's governing body, and to what extent each commissioner is culpable for the investigative report's findings.
- 2. Board staff will update the Board at the Board's next meeting.

ENTERED this \_\_\_\_\_ day of April, 2025.

Greg Moody, Chair

N THE MATTER OF:	)	TENN. CODE ANN. § 7-8-705
AMI CHERT DISTRICT	)	TEATH CODE ATTICK & 7-0-703
	ORDER	

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the Siam Utility District ("the Entity") pursuant to Tenn. Code Ann. § 7-8-705. The Entity purchases its water exclusively from the Watauga River Regional Water Authority but had issues paying a \$43,000 bill. The Entity was able to rebudget to pay the bill; however, the Board still has concerns as to the Entity's financial, managerial, and technical capacity. As such, the Entity is placed under administrative review, and Board staff are ordered to investigate the Entity's financial, managerial, and technical capacity, and report back to the Board at its next meeting. The Entity is order to comply with Board staff's investigation.

ENTERED this \_\_\_\_\_ day of April, 2025.

Greg Moody, Chair

IN THE MATTER OF:	)
SOUTH FORK UTILITY DISTRICT	) ) TENN. CODE ANN. § 7-82-701, et seq. )

# ORDER

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the South Fork Utility District (the "Entity"), pursuant to Tenn. Code Ann. § 7-82-701, et seq. The Entity was previously ordered to enter merger negotiations with the Bristol Bluff City Utility District and come to an agreement on the terms of a merger. The utilities were unable to come to a consensus on final terms of a merger agreement; specifically, the utilities could not determine the composition of the surviving utility's board.

This merger is in the best interest of the utility systems and, more importantly, their customers. For this reason, the utility systems are ordered to engage in mediation with Board staff to find an amicable resolution of the utilities' differences. Among other options, the utility systems should consider creating an advisory board to ensure that the non-surviving customers retain some manner of representation in the surviving utility. The Board does not order this solution at this time, merely that it be considered.

ENTERED this | day of April, 2025.

Greg Moody, Chair

IN THE MATTER OF:  KEN YOUNG and WATER AND WASTEWATER	) ) ) ) TENN. CODE ANN. § 7-82-702(b)(2)
AUTHORITY OF WILSON COUNTY	
	ORDER

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") conducted an informal hearing regarding the dispute between Ken Young ("the Customer") and the Water and Wastewater Authority of Wilson County ("the Entity"), pursuant to Tenn. Code Ann. § 7-82-702(b)(2). On March 10, 2025, the Customer contacted Board staff with a complaint regarding the Entity's failure adjust the water pressure at his home. At the hearing, the Customer alleged that the Entity did not have policies to govern its proceedings and was in violation of Tenn. Code Ann. § 68-221-605(e)(1).

Board staff are directed to review the Entity and assist the Entity in adopting necessary policies and procedures.

ENTERED this <u>\( \lambda \)</u> day of April, 2025.

IN THE MATTER OF:	
CITY OF WATERTOWN	) ) TENN. CODE ANN. § 7-82-701 et seq. )
	)

#### ORDER

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the City of Watertown's utility system ("the Entity") for excessive water loss, pursuant to Tenn. Code Ann. § 7-82-701, et seq. Board staff determined the Entity experienced excessive water loss based on its 2023 Annual Information Report submission to the Comptroller's Office. Board staff sent correspondence to the Entity requesting the Entity to engage with a third party, such as the Tennessee Association of Utility Districts, Municipal Technical Advisory Service, or another third party as approved by Board staff for assistance in completing the AWWA Free Audit Software version 6.0. The Entity provided proof of engagement with Rye Engineering. The Entity was ordered to complete the AWWA report and submit it to Board staff by October 31, 2024. 10/31/2024 to supply Board staff with the AWWA report. Board staff has reached out twice requesting an update on where the Entity is at in the process of completing the AWWA. The Entity has not responded.

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

- 1. By May 15, 2025, the Entity shall submit the AWWA Free Audit Software version 6.0.
- The Entity shall not issue any debt or receive any grants without express consent of Board staff. Board staff must respond to requests for funding permission within 30 business days

of receipt. If Board staff does not respond timely, the funding request is considered to be approved.

 Board staff shall subpoen the City of Watertown's mayor and the Entity's certified operator, as indicated by the Tennessee Department of Environment and Conservation.

ENTERED this \(\) day of April, 2025.

	ORDER	
WEST POINT UTILITY DISTRICT	)	TENN. CODE ANN. § 7-8-701, et seq.
IN THE MATTER OF:	)	

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the West Point Utility District ("the Entity") administratively since 2024, pursuant to Tenn. Code Ann. § 7-8-701, et seq. The Tennessee Department of Environment and Conservation relayed concerns to Board staff. After confirming these concerns with a third party the Board determined the system lacked technical and managerial capacity to comply with the requirements of federal and state law. The Board ordered for the Entity to contract with a third-party expert to study the feasibility of a merger with a surrounding utility system. The Entity engaged Water Finance Exchange and submitted the finalized study on March 5, 2025. The feasibility study was completed in conjunction with Community Engineering Corp, who provided a preliminary assessment of the Entity. The report identified the following:

- The Entity needs capital improvements, including a new water storage tank, distribution valves, mains and service lines, and other general system upgrades.
- 2. The Entity currently does not have an operating budget nor does the governing body review financial statements.
- 3. The Entity has failed to enact various policies which are necessary to establish proper procedures.
- 4. The Entity has failed to comply with TDEC water quality standards.

The Board finds that it is in the best interest of the Entity's customers for the Board to move forward with merger proceedings. The nearby city of Loretto remains the sole provider for the Entity, and the

feasibility study found that this system was a potential candidate for consolidation. The Board also notes that Lawrenceburg is a candidate for a merger, and staff should consider it as well.

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

- Board staff should pursue merger proceedings between the Entity and the cities of Loretto and Lawrenceburg.
- Board staff will schedule a public hearing and report the findings at the Board's next regular meeting.

ENTERED this day of April, 2025.

Greg Woody, Chair

	ORDER	2
JAMES GLENN and WITT UTLITY DISTRICT	) ) ) )	TENN. CODE ANN. § 7-82-702
IN THE MATTER OF:	)	

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") conducted an informal hearing regarding a dispute between James Glenn ("the Customer") and the Witt Utility District ("the Entity"), pursuant to Tenn. Code Ann. § 7-82-704.

The substance of the Customer's complaint relates to the minimum fee the Entity charges. The Customer did not appear at the hearing to expand upon his complaint. It is a common practice for a utility system to charge a minimum fee, and by itself this is not unjust or unreasonable. With no further evidence, the Board does not find merit to this complaint, and it is DISMISSED accordingly.

ENTERED this \_\_\_\_ day of April, 202:

IN THE MATTER OF:	)
	)
ANTIL PETEL IS TENUDIVELLES	) TENNI CODE ANN 97 92 701 -4
MULTIPLE ENTITIES	) TENN. CODE ANN. § 7-82-701 et seq.
	)
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# **ORDER**

On March 13<sup>th</sup> 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the entities below pursuant to Tenn. Code Ann. § 7-82-701 *et seq*.

Clearfork Utility District

Cold Springs Utility District

City of Moscow

Town of Whiteville

The aforementioned entities have failed to complete an Annual Information Report to be filed with the Board. Based on staff representations and recommendations, the Board orders as follows:

- 1. By April 30, 2025, the entity shall file its Annual Information Report.
- 2. Should the Entity fail to comply with any directive in this order, Board staff and Counsel may issue subpoenas for the Entity's governing body and Manager to appear in-person before the Board during its next meeting following non-compliance with this order.

Should the Entity submit an Annual Information Report and there is no other reason the
Entity's case should remain open, Board staff may close the Entity's case and release any
outstanding subpoenas.

ENTERED this \_\_\_\_ day of April, 2025\_

Greg Moody Chair

IN THE MATTER OF:	)
	)
MULTIPLE ENTITIES	) TENN. CODE ANN. § 7-82-701 et seq.
WOLTH LE ENTITIES	) TENN. CODE ANN. 9 7-32-701 et seq.
	)
	)
	,

#### ORDER

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the entities below pursuant to Tenn. Code Ann. § 7-82-701 *et seq*. Board staff updated the Board as to the status of the entities' compliance with the Board order to complete and submit the Annual Information Report.

City of Alexandria

Anderson County Water Authority

Town of Arlington

City of Athens

Town of Bell Buckle

City of Bells

City of Benton

Big Creek Utility District

City of Blaine

City of Bluff City

Town of Brighton

Town of Bulls Gaps

Brownsville Energy Authority

Town of Byrdstown

City of Charlotte

Cheatham County Water and Wastewater Authority

Claiborne Utilities District

City of Clarksburg

Town of Collierville

City of Columbia

Cookeville Boat Dock Road Utility District

City of Cowan Cross Anchor Utility District

City of Crossville City of Cumberland City

Cunningham-East Montgomery Water Treatment Plant

Town of Decaturville City of Decherd

City of Dunlap City of Dyer

Town of Eastview City of Elkton

Erwin Utilities Authority City of Friendship

City of Gallatin

City of Gallaway Town of Gates

Town of Gordonsville City of Greenbrier

Town of Greeneville Grundy County

Harbor Utility District City of Harriman

Haywood County Utility District City of Henderson

Hendersonville Utility District Town of Henning

Hiwassee Utilities Commission Town of Hollow Rock

Town of Hornbeak Humboldt Utilities Authority

Town of Huntland Town of Huntsville

Jackson County Utility District City of Jefferson City

Town of Jonesborough Knox-Chapman Utility District

City of Lafayette Lake County Utility District

City of Lakeland City of Luttrell

Luttrell-Blaine-Corryton Utility District

City of Manchester City of Maryville

Town of Mason City of Maury City

City of McLemoresville City of Memphis

Metropolitan Government of Hartsville and Trousdale County

Metropolitan Government of Nashville and Davidson County

City of Millersville City of Monteagle

Town of Monterey City of Mount Pleasant

Northwest Clay Utility District Oak Ridge Utility District

Town of Obion Ocoee Utility District

Town of Parrottsville Town of Petersburg

City of Piperton Plateau Utility District

Powell-Clinch Utility District City of Ridgely

City of Ripley City of Rives

Roane County Town of Rossville

Russellville-Whitesburg Utility District

City of Savannah City of Sevierville

Town of Sneedville Town of Somerville

South Elizabethton Utility District City of South Fulton

City of Spring Hill Town of Stanton

City of Sunbright City of Tracy City

City of Trenton Town of Trezevant

City of Trimble City of Tusculum

City of Union City Town of Wartrace

Water and Wastewater Treatment Authority of Coffee County

City of Watertown

West Cumberland Utility District

West Stewart Utility District of Stewart County

Town of White Pine

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

 As the Entities have complied with Board orders and submitted the Annual Information report to the Board, the Entities shall be released from their prior order regarding the failure to complete their Annual Information Report.

ENTERED this 11 day of April, 2025

Greg Moody, Chair

IN THE MATTER OF:	)
	)
MIII TIDI E ENTITIES	) TENN CODE ANN \$ 7.92.701 of sec.
MULTIPLE ENTITIES	) TENN. CODE ANN. § 7-82-701 et seq.
	(
	)

# **ORDER**

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the entities ("the Entity" or "the Entities") below pursuant to Tenn. Code Ann. § 7-82-701 *et seq*.

Town of Big Sandy City of Decherd

City of Friendship Town of Gibson

Town of Livingston Town of Lynnville

City of Moscow City of Sharon

City of Tennessee Ridge City of South Fulton

The Entities have not met deadlines for submitting audits to the Comptroller's Department of Local Government Audit. Based on staff representations and recommendation, the Board orders as follows:

- 1. The Entities must submit delinquent audits to the Board and to the Comptroller's Division of Local Government Audit (at LGA.Web@cot.tn.gov) by May 31, 2025.
- 2. The Entities shall not issue any debt or receive any grants without express consent of Board staff. Board staff must respond to requests for funding permission within 15 business days of receipt. If Board staff does not respond timely, the funding request is considered to be approved.

- Board staff has the authority to issue up to two extensions of 90 days upon a showing of good cause by the Entity. Board staff has the discretion to determine good cause
- 4. Should the Entity fail to comply with, or indicate it will not comply with, any directive in this order, Board staff may issue subpoenas for members of the Entity's governing body, manager, and any other necessary staff to appear in-person before the Board during its next meeting.

ENTERED this \_\_\_\_ day of April, 2025.

Greg Moody, Chair

IN THE MATTER OF:	3
MULTIPLE ENTITIES	) TENN. CODE ANN. § 7-82-702(a)(6)
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	)

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the following utilities for their water loss compliance pursuant to Tenn. Code Ann. § 7-82-702(a)(6). The Board finds that the Entities failed to engage a third-party and complete the AWWA v. 6.0 pursuant to Tenn. Code Ann. § 7-82-702(a)(6).

City of Mckenzie City of Newbern

City of Ridgely Town of Lynnville

New Market Utility District Mooresburg Utility District

Ocoee Utility District

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

- 1. By May 31, 2025, the utility will provide a water loss plan to board staff.
- Should the Entity fail to comply with the directive of this order, the utility shall be prohibited from issuing debt or receiving grants.

ENTERED this \_\_\_\_ day of April, 2025.

MULTIPLE ENTITIES	) TENN. CODE ANN. § 7-82-702(a)(6) )
	)

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the following utilities for their water loss compliance pursuant to Tenn. Code Ann. § 7-82-702(a)(6). The Board finds that the Entities displayed excess water loss on their Annual Information Reports, and as such it is necessary to obtain a more detailed analysis of the Entities' water loss.

Grandview Utility District

Huntsville Utility District

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

- By April 30, 2025, the Utility shall provide Board staff proof of engagement with a third party to complete the AWWA Free Audit Software version 6.0.
- By May 30, 2025, the Utility shall submit the AWWA Free Audit Software version 6.0 to Board staff.

ENTERED this | day of April, 2025

IN THE MATTER OF:	
MULTIPLE ENTITIES	) TENN. CODE ANN. § 7-82-702(a)(6) ) )
	ORDER

On March 13, 2025, the Tennessee Board of Utility Regulation ("the Board") reviewed the following utilities for their water loss compliance pursuant to Tenn. Code Ann. § 7-82-702(a)(6). The Board finds that the Entities have taken the necessary measures to remedy the noncompliance pursuant to Tenn. Code Ann. § 7-82-702(a)(6)

Claiborne Utility District

Town of Dover

Madison Suburban Utility District

Town of Sardis

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

- 1. The entities are released from the Board's oversight for water loss; and,
- Board staff shall close the entities' water loss cases.

ENTERED this \_\_\_\_ day of April, 2025.

Greg Moody, Chair