



JASON E. MUMPOWER
Comptroller

Tennessee Board of Utility Regulation Meeting
October 26, 2023
10:00 AM, Volunteer Conference Center, Cordell Hull Building
Nashville, TN

- I. Call to Order
- II. Conflict of Interest Statement
- III. Adopt/Review Minutes
 - a. UMRB minutes
 - b. WWFB minutes
 - c. TBOUR minutes
- IV. Public Comment Period
- V. Rules
- VI. Update Cycle
- VII. Releases
- VIII. Annual Information Report
- IX. Subpoenas
 - a. Rate Study - Proof of Engagement Cases
 - i. Lynnville
- X. Board Manager Cases
 - i. Madison Suburban Utility District
 - ii. Plateau Utility District
 - iii. Mason
 - iv. Hallsdale Powell Utility District
 - v. East Sevier County Utility District
- XI. East Tennessee Cases
 - a. Bulls Gap
 - b. Clearfork UD
 - c. Cold Springs UD
 - d. Cumberland UD of Morgan and Roane County



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- e. Mooresburg
 - f. Oliver Springs
- XII. West Tennessee Cases
- a. South Fulton
 - b. Gibson
 - c. Hornsby
- XIII. Board Discussion
- a. 2024 Meeting Date
- XIV. Adjournment



JASON E. MUMPOWER
Comptroller

MINUTES
of the
UTILITY MANAGEMENT REVIEW BOARD, SPECIAL CALLED MEETING
June 16, 2023
10:00 am

Greeting:

Chairman Moody detected a quorum and called to order the meeting of the Utility Management Review Board (“UMRB”) in the Volunteer Conference Center on the 3rd Floor of the Cordell Hull Building in Nashville, TN at 10:00 a.m. (CDT).

Board Members Present and Constituting A Quorum:

Greg Moody, Chair
Tom Moss, Vice-Chair
Phillip Combs
Anthony Pelham
Steve Stone
Bruce Giles

Board Members Participating Online:

Kevin Botts

Board Members Absent:

Rebecca Hunter
Dan Coley

Staff Present:

Ross Colona, Comptroller’s Office
Meghan Huffstutter, Comptroller’s Office
Ben Johnson, Comptroller’s Office

Counsel Present:

Seth May, Comptroller’s Office

Others Present & Addressing the Board

Jerry Hayes, Customer of East Sevier County Utility District
Charles Rogers, Customer of East Sevier County Utility District
Heather Fromm, Customer of East Sevier County Utility District
Louis Fromm, Customer of East Sevier County Utility District

Ronald Cooley, Former Board Member of East Sevier County Utility District
 Lisa Hawthorne, Customer of East Sevier County Utility District
 Eddie Crosby, Board Member of East Sevier County Utility District
 Ben Harris, Manager of Witty Utility District
 Dewey Branstetter, Attorney of Witt Utility District

Conflict of Interest Statement:

Counsel Seth May read the following statement: “The Board was created to act for the public welfare and in furtherance of the legislature’s intent that utility systems be operated as self-sufficient enterprises. Board members are not authorized to participate in the discussion of or to vote on matters involving entities in which the Board member has a financial interest, with which the Board member has a conflict of interest, with which the Board member has a contract of employment, or if there is any appearance of impropriety.”

Chairman Moody asked if anyone needed to recuse themselves. There were no comments made.

Witt Utility District:

Mr. Colona read the staff summary and recommendation from the board packet. He reminded board members that the meeting was not about indictments, but about the board members of Witt Utility District. It is the UMRB’s job to protect rate payers from fraud, waste, or abuse. Mr. Moss asked if the contested case would be held in Nashville or in the county where Witt is located. Mr. May responded that it would be held in Nashville, Davidson County. Mr. Giles asked Chairman Moody if he could ask questions to clear the record. Chairman Moody okayed the request.

Mr. Pelham stating for the record why was the special meeting necessary: there is concern from board members that the meeting for TBOUR would not have been able to happen soon due to waiting on appointments from the governor’s office. And that it was good to get this matter done since the UMRB is still in existence.

Mr. Pelham asked if the overtime number in the investigative report was a typo. Mr. Colona confirmed it was not a typo.

Mr. Pelham stated the UMRB acted in December to remove ESCUD board members and Alliance, but the topic today has no bearing on ESCUD, or the indictment related to Witt UD. This is just regarding Witt UD Board Members.

Mr. Colona confirmed and noted that things have improved at ESCUD, and there are still some issues but that it is not the topic for today.

Mr. Pelham: Witt UD is small but saw on the news that the state comptroller’s office made threats or intended to remove licenses of operators – is that even possible?

Mr. Colona confirmed that the Comptroller’s office does not have the power to remove licenses. Mr. Moss noted that that revocation would come from TDEC, and that they are not looking at revoking licenses at Witt UD.

Mr. Stone asked what the Comptroller’s office would expect from the Board at Witt UD if a contested case hearing was held. Mr. May communicated that we do not control someone’s

presentation of a defense. Mr. Giles asked if there are any controls in place. Mr. Colona said there are standard controls in place, but the matter before us was if they were actually followed. Mr. Pelham asked about training requirements and Mr. Colona noted that 2 of the 3 board members had been serving for a while and had completed training. One gentleman is new but has attended training.

Mr. Giles asked about a secret fund that the Comptroller's office had to help ESCUD or Witt UD. Mr. Colona stated that we do not have money that Witt or ESCUD would be eligible for. We have a utility revitalization fund, but that is for a board ordered merger. ESCUD does not have that order.

Mr. Pelham asked Mr. Colona if he had any part or initiated the 2020 investigation with Witt or if he had any personal agenda. Mr. Colona stated that a letter from the mayor of Witt UD was sent to the Comptroller's office due to local issues. That information was presented to the UMRB by his predecessor, John Greer. He noted that he did not author a report or a letter. He also noted he did not have any agenda or personal relationship with Mr. Ben Harris, he did not meet Mr. Harris until the TAUD conference in August of 2022.

Mr. Combs asked if there is anything illegal with another utility helping another utility, like a mutual aid agreement. Mr. Colona said no we see instances of this often. Nothing was illegal about the arrangement with Witt UD and ESCUD.

Mr. Giles asked what happened to ESCUD if Witt UD leaves. Mr. Colona said he did not know exactly, he had spoken to several utilities offering help. Newport specifically was willing to help. It is important to consider all options.

Mr. Moss noted that ESCUD has applied for rural development to drill a new well, so they're trying to fix that.

Mr. Pelham asked how the relationship with ESCUD and Witt begin, how did they get involved. And Mr. Colona stated that it was his understanding that the relationship started in March, when Alliance left ESCUD. They were going to help utilities pump wells.

Mr. Combs asked if commissioners were being compensated. Mr. Colona deferred to Witt to answer when they speak later in the meeting.

There were questions surrounding Mr. Harris' switch from hourly to salary and about the roof project, and Mr. Colona said they should let the audience respond and have their questions answered.

Mr. Louis Framm addressed the Board sharing that the Board was told by Mr. Colona to engage with TAUD and had not done so. He was in support of the agenda.

Ms. Heather Fromm addressed the Board. She was in support of the agenda and also commented about her water conditions

Mr. Cooley addressed the Board. He noted that he was a former Board Member of ESCUD. He said if you cannot do things right or legally it's time to go. He noted Witt UD has all the finances for ESCUD. He noted Mr. Harris has been making trips to English Mountain since June or July. There have been meetings at Mr. Hays house. Board is responsible for oversight. He was in support of the agenda.

Ms. Lisa Hawthorne addressed the Board. She was against the agenda. She stated that if it were not for Jerry Hayes and Ben Harris they would have nothing.

Mr. Charles Rogers addressed the Board. He said the investigative report is incorrect and the board packet is not true. He was against the agenda.

Mr. Eddie Crosby addressed the Board. He is the newest of the 3 ESCUD board members. He said they have now had water for 140 days straight. Witt has fixed pipes and leaks, replaced valves and pumps. He also said he'll pray over every meeting. He was against the agenda.

Mr. Jerry Hayes addressed the Board. He is a commissioner for ESCUD. He was in support of Witt UD.

Mr. Ben Harris and attorney for Witt UD, Mr. Dewey Branstetter addressed the Board. Mr. Harris shared all the work he had done for ESCUD and his work schedule for Witt.

The Board then opened up questioning Mr. Harris.

Mr. Harris answer several lines of questioning from the Board surrounding his background, experience, and choices that were made. Several of the questions were related to Mr. Harris' recent indictment, some Mr. Harris was unable to answer.

Mr. Branstetter addressed the Board as well imploring the Board for more time to sort through the report and the indictment. There were several clarifying questions from the Board.

Board Discussion:

The Board finished hearing from the audience. Mr. Pelham addressed Mr. Harris saying that the allegations looked bad and charged him with being a better steward.

Mr. Colona stated he stood by the current staff recommendation. Mr. Pelham made a motion to go with staff recommendations with changes. He moved to postpone the beginning of a contested case hearing until September 1. This would be contingent upon staff getting answers to questions around the investigative report. It would also be a contested case hearing just to oust 2 of the 3 commissioners and omit and the one commissioner who had only been with the UD for one year. Mr. Moss seconded the motion.

Vote was done by roll call:

Chairman Moody - no

Mr. Moss - yes

Mr. Botts (online) - no

Mr. Giles - no

Mr. Combs - abstain

Mr. Pelham - yes

Mr. Stone – yes

3 ayes, 3 no's, 1 PNV

Mr. May clarified that due to Mr. Bott's attending virtually he was not able to vote on matters. Therefore the vote count was 3 ayes, 2 no's, 1 PNV. Motion carried.

Adjournment:

Chairman Moody moved to adjourn the meeting; Mr. Stone seconded. Chairman Moody adjourned the meeting at 12:54 am.



JASON E. MUMPOWER
Comptroller

MINUTES
of the
WATER AND WASTEWATER FINANCING BOARD MEETING
March 23, 2023
10:00 am

Greeting:

Chairman Moody detected a quorum and called to order the meeting of the Water and Wastewater Financing Board (“WWFB”) in the Volunteer Conference Center on the 2nd Floor of the Cordell Hull Building in Nashville, TN at 10:00 a.m. (CDT).

Board Members Present and Constituting A Quorum:

Greg Moody, Chairman
Tom Moss, Vice-Chairman
Mike Adams
Jim Redwine
Drexel Heidel
Eugene Hampton
Nick Newman
Mike Goodman

Staff Present:

Ross Colona, Comptroller’s Office
Meghan Huffstutter, Comptroller’s Office
Nate Fontenot, Comptroller’s Office
Ben Johnson, Comptroller’s Office

Counsel Present:

Seth May, Comptroller’s Office

Others present and Addressing the Board

Steve Osborne, Assistant Director, LGF, Comptroller’s Office
Sheila Reed, Director, LGF, Comptroller’s Office
Jean Suh, Audit Review Manager, LGA, Comptroller’s Office
Tonya Travis, Finance Consultant, MTAS, University of Tennessee

Approval of Minutes

Chairman Moody presented the November 17, 2022, minutes for approval. Mr. Redwine moved to approve the minutes. Mr. Hampton seconded the motion which passed unanimously.

Utilities Released

Mr. Colona gave a brief introduction to the board.

Mr. Colona gave the staff summary regarding all entities on list and explained staff recommendations.

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

Mr. Heidel then moved to accept staff recommendations. Mr. Newman seconded the motion which passed unanimously.

Utilities Released with ongoing Water Loss

Mr. Colona described the current standing of the utilities and explained the staff recommendations.

1. The Entity's financial distress case is officially released from the Board's oversight.
2. Staff and Counsel shall close the financial distress case.
3. The Entity's water loss case shall remain open under the Board's oversight.

Mr. Redwine moved to accept staff recommendations. Vice-Chairman Moss seconded the motion which passed unanimously.

Water Loss Violations

Mr. Colona described the current standing of the utilities and explained the staff recommendations.

1. By June 30, 2023, the Entity shall have the Tennessee Association of Utility Districts, or another qualified expert as approved by Board staff, complete the AWWA Free Audit Software version 6.0.
2. By April 28, 2023, the Entity shall send Board staff proof of engagement between the Entity and the qualified expert who is to perform the tasks in paragraph 1.
3. By July 15, 2023, the Entity shall send Board staff the completed report from the tasks in paragraph 1.

Vice-Chairman Moss moved to accept staff recommendations. Mr. Heidel seconded the motion which passed unanimously.

Water Loss Plans

Mr. Colona described the current standing of the utilities and explained procedure as well as staff recommendations.

1. The Entity shall send Board staff an update by June 30, 2023, that details their plan to improve their non-revenue water and validity score. This plan should include any capital improvements that are to be made.
2. The Entity shall remain under Board supervision until the Board releases the Entity from its oversight.

Mr. Newman moved to accept staff recommendations. Mr. Hampton seconded the motion which passed unanimously.

Training Violation

Mr. Colona addressed the Board regarding the utilities identified as non-compliant.

Mr. May explained that the Board Member could choose to resign instead of obtaining the necessary training.

Mr. Hampton asked what the process would be if a Board Member refused to comply with a subpoena. Mr. May responded that they would be referred to the Attorney General's Office and enforced in chancery court. Mr. Colona added that reasonable sanctions could be taken against

the local government, such as the loss of ability to receive grants or issue debt. Further discussion was had regarding the status of these entities and the procedure for sending board orders.

Mr. Colona explained the staff recommendations.

1. By June 30, 2023, the Entity shall send Board staff proof that all members of the utility system's governing body have complied with the applicable training requirements.
2. Should the Entity fail to comply with any directive in this order, Board staff and Counsel shall issue subpoenas for the Entity's governing body to appear in-person before the Board during its next meeting following non-compliance with this order.
3. If the Entity shows that all governing body members are compliant with training requirements and Board staff are unaware of any reason for which the Entity should remain under Board supervision, Board staff may close the Entity's case without further action by the Board.

Mr. Redwine moved to accept staff recommendations. Mr. Adams seconded the motion which passed unanimously.

Annual Information Report

Mr. Colona explained the Annual Information Report requirement and possible reasons they may be delinquent, he then provided staff recommendations.

1. The entity shall complete the Annual Information Report by May 31, 2023.
2. Should the Entity fail to comply with any directive in this order, the Board staff and Counsel shall issue subpoenas for the Entity's governing body to appear in-person before the Board during its next meeting following non-compliance with this order.
3. If the Entity shows compliance with completing the Annual Information Report and Board staff are unaware of any reason for which the Entity should remain under Board supervision, Board staff may close the Entity's case without further action by the Board.

Mr. Newman moved to accept staff recommendations. Mr. Adams seconded the motion which passed unanimously.

Decherd

Mr. Colona described the current standing of the utility and explained the staff recommendations, also added that the City was delinquent in the most recent audit.

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; 26
- f. a review of the leak adjustment policy, including any recommended modifications or adoption of such policy should one not exist;
- g. a justification of the inside and outside the city limit rates, including any recommended modifications to the rate structure.
- h. and complete the AWWA Free Audit Software version 6.0.

2. By May 31, 2023, 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 December 31, 2023, 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 one extension of up to six months of the foregoing deadlines upon a showing of good cause by the Entity.

A Representative from the City of Decherd addressed the Board regarding certain questions that were raised about the Financial Distress Questionnaire. Mr. Heidel asked why expenditures were so high. The Board member mentioned that the water superintendent had recently resigned, and that the City was not aware of the deficit in the prior audit. The representative went on to mention that the board had difficulty obtaining information and explanations from their employees.

Mr. Adams asked to amend the order to require that the City submit itemized expenses.

Mr. Adams moved to accept staff recommendations with the amendment. Mr. Heidel seconded the motion which passed unanimously.

Greenbrier

Mr. Colona described the current standing of the utility and explained the staff recommendations.

1. The Entity shall send financial updates to Board staff by March 1st and September 1st of each year beginning September 1, 2023, until the Board releases the Entity from its oversight.

Vice-Chairman Moss moved to accept staff recommendations. Mr. Hampton seconded the motion which passed unanimously.

Parrotsville

Mr. Colona described the current standing of the utility and explained the staff recommendations.

1. By May 31, 2023, the Entity shall contract with TAUD, or another qualified expert, to conduct a feasibility study of the potential merger between the Entity's utility and the City of Newport's utility.
2. By December 31, 2023, the Entity shall provide Board staff with the completed feasibility study of the potential merger with the City of Newport's utility and either proof of implementation of the resulting recommendation or a proposed plan of implementation.
3. The Entity shall continue to allow Newport to provide the billing for its wastewater system. 82
4. Should the Entity fail to comply with any directive in this order, Board staff and Counsel shall 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.

Mr. Colona went on to mention that TAUD is currently looking into the possibility of a merger with Newport. Mr. Newman asked Newport's feelings on a possible merger, Mr. Colona answered that they were open to the idea.

Mr. Newman moved to accept staff recommendations. Mr. Adams seconded the motion which passed unanimously.

Petersburg

Mr. Colona described the current standing of the utility and explained the staff recommendations.

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

b. verification that the Entity's usage rates are sufficient to ensure the financial health of the Entity;

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

d. a preliminary judgment on whether or not a merger is feasible with other utilities close to its service area.

2. By May 31, 2023, 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 December 31, 2023, 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. 85

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.

Mr. Redwine moved to accept staff recommendations. Mr. Hampton seconded the motion which passed unanimously.

Rutherford

Mr. Colona described the current standing of the utility and explained the staff recommendations.

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

2. By May 31, 2023, 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. 88

3. By May 31, 2023, the Entity shall update Board staff as to the status of their delinquent audits.

4. By December 31, 2023, 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.

5. 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

Mr. Newman moved to accept staff recommendations. Mr. Heidel seconded the motion which passed unanimously.

Vanleer

Mr. Colona described the current standing of the utility and explained the staff recommendations regarding the CMFO requirement. Also mentioned the ability to withhold State sales tax.

1. By June 30, 2023, the Entity shall contract with a CPA to serve as the Entity's CMFO or hire a CMFO in accordance with § 6-56-401 et seq. The Entity shall take whatever necessary action to remain in compliance moving forward, should it become necessary to contract with another CPA or hire a new CMFO.

2. 2. By July 15, 2023, the Entity shall send Board staff a copy of the contract between the Entity and the CPA as detailed in paragraph 1 in this order.

Mr. Adams explained the turnover on the current Town Council, and that the recorder is getting his CMFO.

Mr. Redwine requested to amend the order and require a feasibility study for a merger. Mr. Adams explained that he runs the utility near Vanleer and is running a transmission line. Mr. Colona reiterated the current order with added amendments and requested that a six-month extension be available and that the results of the feasibility study be returned by September 1st, 2023.

The Board then had discussion on the process for obtaining a CMFO and what other options are available to the Town before the Recorder completes his classes. Jean Suh was able to provide additional details of how the process worked and the various requirements.

Mr. Redwine moved to accept staff recommendations. Vice-Chairman Moss seconded the motion which passed unanimously.

Hornsby

Mr. Colona gave staff summary and explained some concerns that had been raised by Town Officials, he also discussed the Town's current financial distress.

1. Board staff shall investigate the Entity to address the financial, technical, and managerial capacity of the Entity to comply with the requirements of any applicable federal and state laws or regulations.
2. Board staff shall, with the full authority of the Board, issue subpoenas for any documents, records, or information needed, and for the Entity's manager, governing body, and any other necessary staff, to appear in-person before the Board at its second meeting of 2023 if the Entity does not comply fully with the Board's investigation.
3. Board staff shall update the Board as to the status of this investigation at its next meeting on August 24, 2023.
4. 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.

5. By May 31, 2023, 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 4.

6. By December 31, 2023, 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.

Mr. Hampton asked for clarification on the investigation and the current status of the Town's utility service.

Mr. Hampton moved to accept staff recommendations. Vice-Chairman seconded the motion which passed unanimously.

Oliver Springs

Mr. Colona described the current standing of the utility and explained the staff recommendations.

1. Board staff shall investigate the Entity to address the financial, technical, and managerial capacity of the Entity to comply with the requirements of any applicable federal and state laws or regulations.

2. Board staff shall, with the full authority of the Board, issue subpoenas for any documents, records, or information needed, and for the Entity's manager, governing body, and any other necessary staff, to appear in-person before the Board at its second meeting of 2023 if the Entity does not comply fully with the Board's investigation.

3. Board staff shall update the Board as to the status of this investigation at its next meeting on August 24, 2023.

4. 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.

5. By May 31, 2023, 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 4.

6. By December 31, 2023, 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.

Mr. Newman moved to accept staff recommendations. Vice-Chairman Moss seconded the motion which passed unanimously.

Further Board Discussion

Vice-Chairman Moss expressed his ongoing concern for the City of Friendship, asked what the status was. Mr. Colona provided a brief update to projects being taken by the City to correct infrastructure issues; however, the projects are not being correctly communicated to Board staff. Discussion was had on what possible next steps should be if the City refuses to comply with current Board orders. After further discussion, Mr. Colona agreed to issue an order to the City subpoenaing the board if they refused to comply.

Mr. Redwine motioned to accept staff recommendations on the City of Friendship. Vice-Chairman Moss seconded the motion which passed unanimously.

Other Matters

The Board then discussed how the transition would take place on July 1st, 2023, with the passage of the new law. Mr. Colona explained what the new bill proposed and how cases would be moved from the current Boards to the new, merged Board.

Mr. Hampton asked about the status of the Town of Mason and if they had stayed on course with the repayments to the Water Fund. Mr. Colona outlined the findings from the most recent Division of Investigation report. Sheila Reed was able to confirm that the Town had remained in compliance with the requirements enforced by the Division of Local Government.

Future Meeting Dates

No future meetings were scheduled.

Adjournment

Mr. Adams moved that adjourned the meeting at 11:47 a.m. Mr. Hampton seconded. The motion carried unanimously.



JASON E. MUMPOWER
Comptroller

MINUTES
of the
TENNESSEE BOARD OF UTILITY REGULATION MEETING
July 19, 2023
10:00 am

Greeting:

Chairman Moody detected a quorum and called to order the first meeting of the Tennessee Board of Utility Regulation (“TBOUR”) in the Volunteer Conference Center on the 2nd Floor of the Cordell Hull Building in Nashville, TN at 10:00 a.m. (CDT).

Board Members Present and Constituting A Quorum:

Greg Moody, Chairman
Tom Moss, Vice-Chairman
Edwin Carter
Anthony Pelham
Mike Adams
David Purkey
Bruce Giles
Eugene Hampton
Steve Stone

Staff Present:

Ross Colona, Comptroller’s Office
Meghan Huffstutter, Comptroller’s Office
Nate Fontenot, Comptroller’s Office
Ben Johnson, Comptroller’s Office

Counsel Present:

Seth May, Comptroller’s Office

Others present and Addressing the Board

Steve Osborne, Assistant Director, LGF, Comptroller’s Office
Sheila Reed, Director, LGF, Comptroller’s Office
Jean Suh, Audit Review Manager, LGA, Comptroller’s Office

Mike Dunavant, Chief Investigative Counsel, Investigations, Comptroller's Office
Chris Leauber, Executive Director, Water and Wastewater Authority of Wilson County
Eddie Noeman, Mayor, Town of Mason
Dewey Branstetter, Legal Counsel, Witt Utility District

Conflict of Interest Statement:

Counsel Seth May read the following statement: “The Board was created to act for the public welfare and in furtherance of the legislature’s intent that utility systems be operated as self-sufficient enterprises. Board members are not authorized to participate in the discussion of or to vote on matters involving entities in which the Board member has a financial interest, with which the Board member has a conflict of interest, with which the Board member has a contract of employment, or if there is any appearance of impropriety.”

No Board members recused themselves at this time.

Introduction and Board Orientation:

Mr. Colona explained that since this is the first meeting of the TBOUR they would begin with introductions and then move into a period of orientation.

After each Board member gave a brief introduction to the other members, Mr. Colona moved to a presentation regarding current Board operations and cases.

Mr. Colona recommended that the Board alter the Update Cycle to be only 2 years of consecutive audits showing positive change in net position instead of requiring bi-annual updates. The Board agreed.

Mr. Colona also recommended that the Board alter the Water Loss process to only require that non-compliant utilities should be brought before the Board for enforcement. The Board agreed.

Mr. Colona explained to the Board the change in the nomenclature of Board Investigations to Administrative Review, in hopes of decreasing the confusion between Board actions and formal investigations by the Comptroller’s Division of Investigations.

Further discussion was had on the Board’s merger authority, the Utility Revitalization Fund, and customer complaint authority.

Public Comment Requirement

Mr. May was then asked to provide an explanation of the drafted rules on the Public Comment Requirement.

Mr. Purkey asked to amend the rules to allow for three minutes per comment instead of two.

Mr. Stone then moved to accept the drafted Public Comment Rules along with the amendment. Mr. Giles seconded the motion which passed unanimously.

Other Rules

Mr. May continued, briefly explaining the process for the adoption of rules by the Board and recommended various topics that Board staff had anticipated.

Mr. May went on to explain that all WWFB and UMRB matters are carried over to the TBOUR.

Annual Information Report Violations

Mr. Colona described the current standing of the utilities and explained the staff recommendations.

1. By September 29, 2023, 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 shall 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.

Mr. Pelham then moved to accept staff recommendations. Mr. Stone seconded the motion which passed unanimously.

Training Violations

Mr. Colona described the current status of the utility and explained the staff recommendations.

1. By September 29, 2023, the Entity shall send Board staff proof that all members of the utility system's governing body have complied with the applicable training requirements.

2. Board staff shall issue subpoenas for the Entity's governing body and Manager to appear in person before the Board at its next meeting if the commissioners do not comply with paragraph 1.
3. If the Entity shows that all governing body members are compliant with training requirements and Board staff are unaware of any reason for which the Entity should remain under Board supervision, Board staff may close the Entity's case without further action by the Board

Mr. Giles moved to accept staff recommendations. Vice-Chairman Moss seconded the motion which passed unanimously

Update Cycle

Mr. Colona described the current standing of the utilities and explained the staff recommendations.

1. Board staff will review their audited financial statement for compliance until Board staff believes the entity is postured to be released from Board oversight. The entity will continue to follow board directives to ensure compliance with relevant state statutes.

Mr. Pelham moved to accept staff recommendations. Mr. Adams seconded the motion which passed unanimously.

Request for Utility Revitalization Funds

Mr. Colona described the current request being made by the Town of Mountain City and the outstanding problems that the Utility is facing.

Mr. Colona explained that he does not believe that this is a legitimate request since no merger has occurred. The Board agreed.

Mr. Purkey moved to reject the funding request due to it not meeting statutory requirements. Mr. Adams seconded the motion which passed unanimously.

The Town of Mason

Mr. Colona addressed the Board regarding the utility and provided the Board Summary. Vice-Chairman Moss explained that TDEC has been working with Mason while they do not have a certified water or wastewater operator. The Mayor asked for a TDEC citation in order to

persuade the Town's governing body to hire new employees. Vice-Chairman Moss explained that no TDEC orders have been issued as of the date of the Board meeting.

Further discussion was had regarding the status of Mason, questions were raised regarding criminal investigations and if the Comptroller's office could speak to any ongoing charges. Mr. Dunavant provided a short statement on reports published by the Division of Investigation, multiple officials have been indicted and are currently in circuit courts.

The Board then allowed Mayor Noeman to address concerns raised by the Board regarding Mason's ability to operate their utility.

Ross followed up on what the Mayor spoke to, he couldn't comment on the financial health but explained that the Board would need to order a feasibility study before a merger could take place.

Mr. Adams asked if Mr. Colona could speak on the health of surrounding utilities. Mr. Moss asked if the Board had authority to subpoena the governing body if they refused to hire a certified operator. Mr. Colona spoke to both questions, Mr. Giles then followed up with a recommendation to order a third-party feasibility study if the Town does not hire a certified operator by September 1st, 2023.

Vice-Chairman Moss asked to add subpoena language to the order as well and Mr. May clarified that the feasibility study should directly look into Poplar Grove Utility District. Mr. Pelham asked to also include proof of implementation.

Mr. Pelham moved to accept all recommendations made. Mr. Adams seconded the motion which passed unanimously.

Spencer

Mr. Colona gave a staff summary and opened the time for Board discussion.

Vice-Chairman Moss explained that a new TDEC order is being issued. Mr. Colona added that the City is in danger of missing out on grant funding

Mr. Pelham spoke about issues with working with Spencer, no communication has been had in the past three to four months. Mr. Purkey asked Mr. Pelham to provide an overview of connections that Warren County Utility District has with Spencer.

Mayor Farmer spoke to the Board regarding actions being taken by the City and asked for more time to address various issues and meet TDEC requirements. Mr. Colona followed up on the issues addressed by the Mayor, becoming self-sustaining would be very difficult for the City.

Mr. Adams asked for a feasibility study to be added to the recommendation.

Mr. Pelham said he did not believe that there was enough time for the utility to meet the grant deadline. He also added that he was the City's engineer in 2015 and recommended the merger at that time.

Mr. Adams moved to accept staff recommendations. Mr. Hampton seconded the motion, which passed with all ayes and Mr. Pelham abstaining due to a conflict of interest.

Watertown

Mr. Colona described the current standing of the utility and explained the staff recommendations.

Mr. Moss explained that the Town is currently refusing to comply with the TDEC Directors' orders.

Mr. Colona explained that in addition to outstanding utility issues the general government is also experiencing large deficiencies.

Further discussion was had regarding possible actions that the Board could take and the possibility of a feasibility study. Mr. Colona agreed that an administrative review could be ordered, and Board staff could review the concerns being discussed.

Mr. Purkey asked Mr. Dunavant if there was any other terminology that could be used instead of "Administrative Review". Discussion was had regarding other options for denoting administrative reviews.

Mr. Pelham asked if any further actions could be taken by TDEC.

Mr. Giles moved to accept staff recommendations with the amendment. Mr. Hampton seconded the motion which passed unanimously.

Recess

The board went into a ten-minute recess at 12:10 pm and resumed at 12:20 pm.

Witt Utility District

Mr. Colona described the current standing of the utility and gave the staff recommendation.

The Board should revise the Utility Management Review Board June 2023 order to give permission to Board staff and counsel to initiate ouster proceedings against the Commissioners in question. The Board should also authorize staff to cease or dismiss any proceedings should the commissioners in question resign or otherwise cease serving as commissioners.

Mr. Purkey announced his conflict of interest with Witt Utility District

Mr. Giles asked for clarification on why the utility refused to provide documentation to Board staff and how commissioners were reviewing payments to Mr. Harris but not his Time sheets.

Mr. Pelham followed up on Mr. Giles' question by asking if the commissioners knew that management refused to provide documentation and if the Utility District had attempted to make a new appointment to the County Mayor.

Mr. Stone asked if Mr. Harris was pursuing projects without the approval of the Utility District Board. Mr. Colona couldn't provide answers to the Board members' questions but did mention that engineers and financial consultants weren't utilized.

Further discussion was had on other deficiencies by the Utility District commissioners and management. Mr. Adams asked how repayment proceedings would be completed, Mr. Colona answered that commissioners would only be required to repay the utility if they continued their appointment. Mr. Giles asked how the Board would ouster a commissioner who wasn't duly elected. Mr. May answered that he did not anticipate there would be any complications.

Mr. Adams asked for the Board to go ahead and vote, Mr. Branstetter asked to address the Board before they proceeded to vote, the Board agreed.

Mr. Branstetter addressed the Boards concerns and staff recommendation, he also asked that the Board hold to the original deadline of September 1st, 2023.

Mr. Colona addressed the comments made by Mr. Branstetter and added that there were still concerns about the direction of the Utility District. Mr. May asked Mr. Branstetter if he was now representing the commissioners in an individual capacity.

Mr. Branstetter said he was only representing the Utility District at this time. Further discussion was had between the Board and Mr. Branstetter regarding the many shortcomings of the Witt Utility District.

Mr. Pelham moved to accept staff recommendations. Mr. Hampton seconded the motion which passed with all ayes and Mr. Purkey abstaining due to a conflict of interest.

EAST TENNESSEE UTILITIES

At this time Mr. Colona turned over the presentation of staff recommendations to the East Tennessee Utility Analyst, Ben Johnson.

Clearfork Utility District

Mr. Johnson described the current standing of the utility and explained the staff recommendations.

1. Board staff and Counsel shall issue subpoenas for the Entity's governing body and Manager to appear in-person before the Board during its next meeting.
2. The Entity shall contract with TAUD or another qualified expert to carry out a feasibility study for a merger with another utility system in the area by September 31, 2023.
3. The Entity shall provide a completed feasibility study to board staff by March 31, 2023.
4. Should the entity complete all of the items from the previous order by the next board meeting, the subpoenas shall be withdrawn.

Vice-Chairman Moss asked to add language to pursue action with the Attorney General's office in addition to Chancery court.

Vice-Chairman Moss moved to accept staff recommendations. Mr. Stone seconded the motion which passed unanimously.

Cold Springs Utility District

Mr. Johnson described the current standing of the utility and explained the staff recommendations.

1. By December 31, 2023, the Entity shall provide Board staff with complete rate study and proof of implementation of the resulting recommendations or a proposed plan of implementation.
2. By December 31, 2023 the Entity shall update Board staff regarding its attorney's opinion on whether it is in the Entity's best interest to pursue legal proceedings to settle the issue in regards to providing water at no cost to its water rights customers.

3. 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. Good cause shall be determined by Board staff.

This recommendation was combined with a list of utilities to be voted on in one action.

Town of Cumberland Gap

Mr. Johnson described the current standing of the utility.

No questions were asked.

Cumberland Utility District of Roan and Morgan Counties

Mr. Johnson gave an update regarding the current standing of the utility.

Mr. Moss added that a TDEC order was being issued soon.

Mr. Purkey asked for clarification on investigation versus administrative review.

East Sevier County Utility District

Mr. Johnson gave the staff summary and explained the staff recommendations.

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. a review of the leak adjustment policy, including any recommended modifications or adoption of such policy should one not exist;
2. In addition to any other specific requirements, the Board orders that the rate study shall make a preliminary examination of the feasibility of a merger between the Entity and other nearby utility systems. All original deadlines of the December 21, 2022 Order remain, but Board staff may, for good cause shown, grant a 60 day

- extension for the Entity to provide a supplemental study, addendum, or other report as to the feasibility of a merger. Any supplemental study, not part of the rate study, must be performed by the Tennessee Association of Utility Districts or other entity approved by Board staff.
3. By October 31, 2023, 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 and 2.
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 4. By March 31, 2024, 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.

Mr. Hampton asked if the Board requested ESCUD to engage with Witt Utility District, Mr. Johnson said it did not.

Mr. Purkey asked if this order involved Witt Utility District, Mr. Johnson replied that it did not.

Mr. Pelham moved to accept staff recommendations. Vice-Chairman Moss seconded the motion which passed with all ayes and Mr. Purkey abstaining due to a conflict of interest.

Hallsdale-Powell Utility District

Mr. Johnson gave an update on the current standing of the utility and explained the staff summary.

No questions were asked by the Board.

Intermont Utility District

Mr. Johnson described the staff summary and explained current staff recommendations.

This recommendation was combined with a list of utilities to be voted on in one action.

Mooresburg Utility District

Mr. Johnson gave an update on the current standing of the utility and explained the staff summary.

No questions were asked by the Board.

Town of Oliver Springs

Mr. Johnson gave an update on the current standing of the utility and explained the staff summary.

Vice-Chairman Moss asked how the Town was planning to remedy its' high-water loss. Mr. Johnson replied that the Town had a new Mayor and Manager who were working to remedy the deficiencies. Mr. Adams recommended adding a feasibility study to the order, Mr. Colona agreed.

Mr. Adams motioned to adopt the recommendation to require a feasibility study by December 31st, 2023, Vice-Chairman Moss seconded the motion which passed unanimously.

Town of Parrotsville

Mr. Johnson gave an update on the current standing of the utility and explained the staff summary.

No questions were asked by the Board.

South Fork Utility District

Mr. Johnson gave an update on the current standing of the utility and explained the staff summary.

Mr. Hampton asked for clarification on when Hoston Utility District and South Bristol-Weaver Pike Utility District merged, and their current financial health.

Board staff provided that the Utility District was doing better financially since the merger.

Further Board discussion was had.

MIDDLE TENNESSEE UTILITIES

At this time Mr. Johnson turned over the presentation of staff recommendations to the Middle Tennessee Utility Analyst, Meghan Huffstutter.

City of Decherd

Ms. Huffstutter gave an update on the current standing of the utility and explained the staff summary.

Mr. Giles asked if the financial information reported was correct, Ms. Huffstutter confirmed that it was.

No further discussion was had.

Town of Gordonsville

Ms. Huffstutter gave an update on the current standing of the utility and explained the staff summary.

No questions were asked by the Board.

Town of Lynnville

Ms. Huffstutter gave the staff summary and explained the staff recommendations.

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. a justification of the inside and outside the city limit rates, including any recommended modifications to the rate structure;
 - h. and a feasibility study to evaluate potential merger options.
2. By September 29, 2023, 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
3. By March 30, 2024, 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. 91
4. By August 15, 2023, the Entity shall complete the Annual Information Report.
5. Should the Entity fail to comply with any directive in this order, Board staff and Counsel shall 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.

6. 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

Mr. Pelham moved to accept staff recommendations. Mr. Stone seconded the motion which passed unanimously.

Town of Petersburg

Ms. Huffstutter gave an update on the current standing of the utility and explained the staff summary.

No questions were asked by the Board.

Quebeck-Walling Utility District

Ms. Huffstutter described the staff summary and explained current staff recommendations.

This recommendation was combined with a list of utilities to be voted on in one action.

City of Red Boiling Springs

Ms. Huffstutter gave the staff summary and explained the staff recommendations.

1. By September 29, 2023, the Entity shall send Board staff proof that all members of the utility system's governing body have complied with the applicable training requirements.
2. Board staff shall issue subpoenas for the Entity's governing body and Manager to appear in-person before the Board at its next meeting if the commissioners do not comply with paragraph 1.
3. If the Entity shows that all governing body members are compliant with training requirements and Board staff are unaware of any reason for which the Entity should remain under Board supervision, Board staff may close the Entity's case without further action by the Board.
4. By December 31, 2023, 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.

Mr. Adams moved to accept staff recommendations. Mr. Giles seconded the motion which passed unanimously.

South Side Utility District

Ms. Huffstutter gave the staff summary and explained the staff recommendations.

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;
2. By September 29, 2023, 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, 2024, 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 one extension of up to six months of the foregoing deadlines upon a showing of good cause by the Entity.

Mr. Giles moved to accept staff recommendations. Mr. Pelham seconded the motion which passed with all ayes and Mr. Purkey absent.

Tarpley Shop

Ms. Huffstutter gave the staff summary and explained the staff recommendations.

1. The previously ordered rate study shall include a feasibility study to evaluate the feasibility of a merger with surrounding utilities.

Mr. Pelham moved to accept staff recommendations. Mr. Giles seconded the motion which passed unanimously

WEST TENNESSEE UTILITIES

City of Adamsville

Mr. Fontenot gave the staff summary and explained the staff recommendation.

1. The Board should amend its prior order to extend the deadline for the Entity to provide a completed rate study and show proof of implementation from July 31, 2023 to December 31, 2023.

This recommendation was combined with a list of utilities to be voted on in one action.

Town of Brighton

Mr. Fontenot gave the staff summary and explained the staff recommendation.

1. The Board should amend its prior order to extend the deadline for the Entity to submit proof of a completed rate study and implementation thereof from July 31, 2023 to December 31, 2023.

This recommendation was combined with a list of utilities to be voted on in one action.

City of Gallaway

Mr. Fontenot gave the staff summary and explained the staff recommendation.

1. The Board should amend its prior order to extend the deadline for the Entity to provide a completed rate study and show proof of implementation from July 31, 2023 to December 31, 2023.

This recommendation was combined with a list of utilities to be voted on in one action.

Town of Gates

Mr. Fontenot gave the staff summary and explained the staff recommendation.

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 or review 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;

2. By September 29, 2023, 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 September 29, 2023, the Entity shall send Board staff proof that all members of the utility system's governing body have complied with the applicable training requirements.
4. By June 30, 2024, 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.
5. Board staff shall issue subpoenas for the Entity's governing body and Manager to appear in-person before the Board at its next meeting if the commissioners do not comply with paragraph 3.
6. If the Entity shows that all governing body members are compliant with training requirements and Board staff are unaware of any reason for which the Entity's training violation case should remain under Board supervision, Board staff may close the Entity's training violation case without further action by the Board.
7. 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.

Mr. Pelham moved to accept staff recommendations. Mr. Purkey seconded the motion which passed unanimously.

Town of Gibson

Mr. Fontenot gave the staff summary and explained the staff recommendation.

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; 2.
2. By August 31, 2023, the Entity shall update Board staff as to the status of their delinquent audits.
3. By September 30, 2023, 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.

4. By June 30, 2024, 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.
5. By September 30, 2023, the Entity shall submit a complete Annual Information Report that is approved by Board staff.
6. By August 31, 2023, the Entity shall update board staff as to the Town of Gibson's repayment of money borrowed from the Entity's water and sewer fund and advise as to the Town's plan of repayment if the balance is not fully repaid.
7. 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.
8. Should the Entity fail to comply with any directive in this order, Board staff and Counsel shall issue subpoenas for the Entity's governing body and Manager to appear in-person before the Board at its next meeting.

Mr. Pelham moved to accept staff recommendations. Mr. Adams seconded the motion which passed unanimously.

Town of Gleason

Mr. Fontenot gave the staff summary and explained the staff recommendation.

1. The Board should amend its prior order to extend the deadline for the Entity to provide a complete rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation from July 31, 2023 to December 31, 2023.

This recommendation was combined with a list of utilities to be voted on in one action.

Town of Henning

Mr. Fontenot gave the staff summary and explained the staff recommendation.

1. The Board should amend its prior order to extend the deadline for the Entity to provide a completed rate study and show proof of implementation from July 31, 2023 to December 31, 2023.

This recommendation was combined with a list of utilities to be voted on in one action.

Town of Hollow Rock

Mr. Fontenot gave the staff summary and explained the staff recommendation.

1. The Board should amend its prior order to extend the deadline for the Entity to submit proof of a completed rate study and implementation thereof from July 31, 2023 to December 31, 2023.

This recommendation was combined with a list of utilities to be voted on in one action.

Town of Hornsby

Mr. Fontenot described the current standing of the utility.

No questions were asked.

Town of Rutherford

Mr. Fontenot described the current standing of the utility.

No questions were asked.

Town of Tennessee Ridge

Mr. Fontenot gave the staff summary and explained the staff recommendation.

1. The Board should amend its prior order to extend the deadline for the Entity to provide a completed rate study and show proof of implementation from July 31, 2023 to December 31, 2023

This recommendation was combined with a list of utilities to be voted on in one action.

Town of Tiptonville

Mr. Fontenot gave the staff summary and explained the staff recommendation.

1. The Board should amend its prior order to extend the deadline for the Entity to provide a completed rate study and show proof of implementation from July 31, 2023 to December 31, 2023.

This recommendation was combined with a list of utilities to be voted on in one action.

Combination Vote for July 31, 2023, deadlines to be extended to December 31, 2023

Mr. Stone moved to accept motion. Mr. Hampton seconded the motion which passed unanimously.

Future Meeting Dates

Mr. Colona stated that the TBOUR will plan to meet again on October 26, 2023.

Adjournment

Mr. Adams moved that adjourned the meeting at 1:57 p.m. Mr. Hampton seconded. The motion carried unanimously.



Jason E. Mumpower
Comptroller

Update Cycle

The following entities have complied with all Board directives in an attempt to resolve its financial distress.

1. Atoka
2. Brighton
3. Gates
4. Gordonsville
5. Henning
6. Madison Suburban Utility District
7. Mitchellville
8. Toone

Board staff will review their audited financial statement for compliance until Board staff believes the entity is postured to be released from Board oversight. The entity will continue to follow board directives to ensure compliance with relevant state statutes.



Jason E. Mumpower
Comptroller

Financial Distress Release

The following entities have complied with Board directives to remedy financial distress. Board staff recommends the following entities be released from Board oversight.

1. Atwood
2. Clifton
3. Clinton
4. Lincoln County
5. Lone Oak Utility District
6. Maury City
7. Roan Mountain Utility District
8. Vanleer
9. Woodlawn Utility District

Staff Recommendation: The Board should order the following to the above referenced entities:

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



Jason E. Mumpower
Comptroller

Annual Information Report Compliance Referrals

The following utilities have failed to complete an Annual Information Report to be filed with our Office.

1. Bolivar
2. East Sevier County Utility District
3. Hornsby
4. Loretto
5. Mitchellville
6. Toone
7. Tullahoma Utilities Authority
8. Witt Utility District

The Board should order the following:

1. By December 31, 2023, 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 of this order.
3. 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.



Jason E. Mumpower
Comptroller

Entity Referred: **Town of Lynnville**

Referral Reason: **Decrease In Net Position**

Utility Type Referred: **Water**

Staff Summary:

The Town of Lynnville ("the Entity") has been under supervision of the Water & Wastewater Financing Board and now the Tennessee Board of Utility Regulation for financial distress since its fiscal year 2020 audit. Board staff is experiencing difficulty in compliance with the Entity due to turnover the Entity experienced in 2022. The last TBOUR meeting ordered the Entity to engage with TAUD or another qualified expert in order to perform a new rate study, and a feasibility study. The Entity was ordered to retain a qualified expert to conduct these studies and to send Board staff a copy of the contract by September 29, 2023. This order also stated that should the Entity fail to comply with any directive of the order, Board staff and Counsel shall 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. Subpoenas were issued to the Entity and they are before TBOUR today.

The Entity completed its Annual Information Report ("AIR") after the due date set by the Board's Order. The Entity also has indicated water loss on this report. Board staff suspects the AIR was filled out incorrectly as the water loss indicated was 98.8%.

Officials from the Entity have indicated that several of the Entity's aldermen will not appear at the Board's October 26, 2023 meeting, despite being subpoenaed for attendance.

Staff Recommendation:

The Board should order the following:

1. The Board should amend its prior order to extend the deadline for the Entity to provide proof of engagement for the rate and feasibility study from September 29, 2023 to December 31, 2023. All remaining deadlines will be extended approximately 30 days or as deemed appropriate by Board staff.

Lynnville

	Category: Water		County: Giles	
	2018	2019	2020	2021
Net Assets	\$1,380,434.00	\$1,322,199.00	\$1,264,095.00	\$1,228,287.00
Deferred Outflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Net Liabilities	\$33,769.00	\$38,568.00	\$31,922.00	\$36,105.00
Deferred Inflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Total Net Position	\$1,346,665.00	\$1,283,631.00	\$1,232,173.00	\$1,192,182.00
Operating Revenues	\$215,543.00	\$222,839.00	\$268,575.00	\$233,753.00
Net Sales	\$206,074.00	\$217,417.00	\$258,455.00	\$233,753.00
Operating Expenses	\$287,786.00	\$287,061.00	\$320,100.00	\$273,747.00
Depreciation Expenses	\$47,714.00	\$47,712.00	\$47,713.00	\$47,713.00
Non Operating Revenues	\$90,521.00	\$1,188.00	\$67.00	\$3.00
Capital Contributions	\$0.00	\$0.00	\$0.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$18,278.00	-\$63,034.00	-\$51,458.00	-\$39,991.00
Statutory Change In Net Position	\$18,278.00	-\$63,034.00	-\$51,458.00	-\$39,991.00

CERTIFIED MAIL
 PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
 OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

City of Lynnville
 PO Box 158
 Lynnville, TN 38472



9590 9402 4408 8248 9995 00

2. Article Number (Transfer from service label)

7016 3010 0000 9715 4332

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
- Adult Signature
 - Adult Signature Restricted Delivery
 - Certified Mail®
 - Certified Mail Restricted Delivery
 - Collect on Delivery
 - Collect on Delivery Restricted Delivery
 - Insured Mail
 - Priority Mail Express®
 - Registered Mail™
 - Registered Mail Restricted Delivery
 - Return Receipt for Merchandise
 - Signature Confirmation™
 - Signature Confirmation Restricted Delivery

Domestic Return Receipt

Certified Mail

- A receipt (this post card) that is a record of delivery (signature) that is required for a specified period.
- A unique identifier.
- Electronic verification.
- A record of delivery (signature) that is required for a specified period.

Important Reminders

- You may purchase First-Class Mail®, First-Class Mail® International, or Priority Mail® services with Certified Mail service.
- Certified Mail service is not available for international mail.
- Insurance coverage is available for Certified Mail service with Certified Mail service.
- For an additional fee, you can purchase Return Receipt for Merchandise.
- Return receipt service is not available for Registered Mail™, Registered Mail Restricted Delivery, Signature Confirmation™, Signature Confirmation Restricted Delivery, and Insured Mail.
- You can request an electronic version of this receipt by completing PS Form 3811, April 2015, and attaching it to the mailpiece.

PS Form 3800, April 2015



JASON E. MUMPOWER
Comptroller

October 4, 2023

via USPS First-Class Mail, Certified Mail Return Receipt requested.

The City of Lynnville
PO Box 158
Lynnville, TN 38472

To Whom It May Concern:

The Tennessee Board of Utility Regulation (“the Board”) met on July 19, 2023, in part to discuss the City of Lynnville’s utility system (“Lynnville”). The Board ordered the members of Lynnville’s governing body to, among other things, provide the board proof that Lynnville had contracted with a qualified expert to perform a rate study, which study was to include items specified in the Board’s order. The Board ordered staff to subpoena Lynnville’s governing body and utility manager to appear at the Board’s next meeting if Lynnville failed to comply with the Board’s order. Proof of this contract was to have been sent to Board staff by September 29, 2023. Lynnville did not timely provide proof of such contract.

Enclosed are subpoenas for Lynnville’s governing body and utility manager. If the subpoenaed individuals do not comply with the subpoenas, we will refer this matter to the Office of the Attorney General for the State of Tennessee to enforce compliance in the Davidson County Chancery Court. **The Board’s next meeting is at 10 a.m. on October 26, 2023, in the Volunteer Conference Center, Second Floor, Cordell Hull Building, 425 Rep. John Lewis Way North, Nashville, TN 37243.**

If there are any questions, I may be reached at seth.may@cot.tn.gov.

Regards,

Seth May
Counsel to the Tennessee Board of Utility Regulation

Cc: Robert E. White, Carnell McCandless, Patty Patterson, Kerry Duke, Carrie Riner, Tim Turner, Christy Tolley.

BEFORE THE TENNESSEE BOARD OF UTILITY REGULATION

IN THE MATTER OF:)	
)	
)	
TOWN OF LYNNVILLE)	SUBPOENA
)	
)	

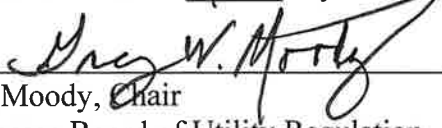
TO: The governing body and utility manager of the City of Lynnville's utility system.

The Tennessee Board of Utility Regulation ("the Board") is empowered to issue subpoenas to require persons to appear before it and testify as it deems necessary in fulfilling its purpose, pursuant to Tenn. Code Ann. § 7-82-701 *et seq.* As the City of Lynnville failed to comply with the Board's August 10, 2023 order, the following individuals are hereby commanded to appear at **10 a.m. on October 26, 2023, in the Volunteer Conference Center, Second Floor, Cordell Hull Building, 425 Rep. John Lewis Way North, Nashville, TN 37243:**

Robert E. White, Mayor	Carnell McCandless, Vice Mayor
Patty Patterson, Alderman	Kerry Duke, Alderman
Carrie Riner, Alderman	Tim Turner, Alderman
Christy Tolley, Acting Utility Manager	

If you ignore this subpoena this matter will be referred to the Office of the Attorney General for enforcement in the Davidson County Chancery Court. Failure to obey an order of the court may be punished as contempt of court, as prescribed by Tenn. Code Ann. § 7-82-702(a)(2). If you have any questions regarding this subpoena, please contact J. Seth May, Assistant General Counsel to the Comptroller of the Treasury, (615) 747-5207.

Entered on this, the 4th day of October, 2023.



 Greg Moody, Chair
 Tennessee Board of Utility Regulation

BEFORE THE TENNESSEE BOARD OF UTILITY REGULATION

IN THE MATTER OF:)	
)	
)	
TOWN OF LYNNVILLE)	TENN. CODE ANN. § 7-82-701 <i>et seq.</i>
)	Public Chapter 0463
)	
)	

ORDER

On July 19, 2023, the Tennessee Board of Utility Regulation (“the Board”) reviewed the town of Lynnville (“the Entity”) pursuant to Tenn. Code Ann. § 7-82-701 *et seq.* Board staff has experienced difficulty working with the Entity due to turnover the Entity experienced in 2022. The Tennessee Association of Utility Districts (“TAUD”) has been contracted to complete the rate study ordered by the Board, but it has been delayed due to inadequate recordkeeping by the Entity. At this time, it is appropriate that a new rate study be conducted, and the rate study should also study the feasibility of a potential merger with a surrounding utility. The Board is not ordering a merger at this time, only that the benefits of a merger be studied. Finally, the Entity has not submitted its most recent annual information report.

Based on staff’s statements 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;

6. 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 10 day of August, 2023.



Greg Moody, Chair
Tennessee Board of Utility Regulation

From: [Seth May](#)
To: [Town of Lynnville](#); [Meghan Huffstutter](#); [Alton Hethcoat](#); [Krry Dike](#); [Patty Patterson](#); [Edwin James Bowman](#); [Robert White](#); [carrie riner](#)
Cc: [Ross Colona](#); [Benjamin S Johnson](#); [Nate Fontenot](#)
Subject: Re: TBOUR Meeting - October 26, 2023
Date: Wednesday, October 18, 2023 3:15:03 PM
Attachments: [image001.png](#)
[image002.png](#)

Mr. Tolley,

Please be aware that you and Lynnville's aldermen were subpoenaed to testify. Subpoenas are not optional. If your aldermen choose to not attend the meeting, the subpoenas may be enforced in the chancery court in Davidson County, pursuant to Tenn. Code Ann. § 7-82-702.

Regards.

J. Seth May

Assistant General Counsel

Comptroller of the Treasury

Office of General Counsel

Cordell Hull Building 425 Rep. John Lewis Way North | Nashville, TN 37243-3400

seth.may@cot.tn.gov | Direct Line 615.747.5207 | Fax 615.253.4847



Mission: To Make Government Work Better

From: Town of Lynnville <info@historiclynnville.com>
Sent: Wednesday, October 18, 2023 10:17 AM
To: Meghan Huffstutter <Meghan.Huffstutter@cot.tn.gov>; Alton Hethcoat <alton.hethcoat@hdengr.com>; Krry Dike <kerryduke17@yahoo.com>; Patty Patterson <patty.patterson70@gmail.com>; Edwin James Bowman <edwinjbowman8@gmail.com>; Robert White <Sarge5672@icloud.com>; carrie riner <melizy@hotmail.com>
Cc: Ross Colona <Ross.Colona@cot.tn.gov>; Seth May <Seth.May@cot.tn.gov>; Benjamin S Johnson <Benjamin.S.Johnson@cot.tn.gov>; Nate Fontenot <Nate.Fontenot@cot.tn.gov>
Subject: RE: TBOUR Meeting - October 26, 2023

Meghan,

Our office will be there. In attendance will be Mayor White, Christy Tolley, and Alton Heathcoat. Edwin Bowman will be out of town in CA for a month.

Carrie Riner is the manager of her work place and will not be able to take off.
Patty Patterson is the caregiver for her elderly mother and will not be able to attend.
Kerry Duke also works and due to staffing shortages is unable to attend as well.

All 4 would be able to attend via phone if needed.

Thank you
Christy Tolley

Sent from [Mail](#) for Windows

From: [Meghan Huffstutter](#)
Sent: Wednesday, October 18, 2023 10:12 AM
To: [Meghan Huffstutter](#)
Cc: [Ross Colona](#); [Seth May](#); [Benjamin S Johnson](#); [Nate Fontenot](#)
Subject: TBOUR Meeting - October 26, 2023
Importance: High

Good morning,

The Tennessee Board of Utility Regulation will meet on Thursday, October 26, 2023, at 10:00 a.m. in the Cordell Hull Building. The meeting will take place in the Volunteer Conference Center on the Second Floor and will allow member participation by electronic means. The public may attend in-person or virtually via Microsoft Teams. More information can be found at the link below:

<https://comptroller.tn.gov/boards/utilities/board-information/meeting-schedule.html>

You are receiving this email because the utility you are listed as a contact for is on the agenda for the meeting. If you have specific questions, please reach out to your utility analyst.

The Board packet will be posted online by Monday, October 23, 2023.

You are not required to attend in person or address the Board in person unless ordered by subpoena or as previously discussed/requested by Board staff. This email is simply alerting the utility that they are on the agenda.

Utilities that do wish to address the Board, must attend in person. **Please let us know as soon as possible if your utility would like to do so.**

Please reach out to your utility analyst with any questions.

Thanks,

Meghan Huffstutter, CFE*Senior Analyst*

Comptroller of the Treasury

Division of Local Government Finance

425 Rep. John Lewis Way N. | Nashville, TN 37243

Meghan.Huffstutter@cot.tn.gov | Direct Line 615.747.5379 | Main Line 615.747.5260LGF@cot.tn.gov**Mission: To Make Government Work Better**

From: [Meghan Huffstutter](#)
To: [Town of Lynnville](#); [Robert White](#); [Melanie Sain](#); [Seth May](#)
Subject: RE: ORDER
Date: Monday, October 16, 2023 1:23:00 PM
Attachments: [List of Associate Members Who Do Rate Studies - December 2022.docx](#)
[image001.png](#)
[image002.png](#)

Christy,

Please see the email below from last week that Melanie sent over. It appears that you were left off the email. But as I also explained this is a new order with new requirements. Please let me know should you have additional questions.

Thanks,
Meghan

Meghan Huffstutter, CFE

Senior Analyst

Comptroller of the Treasury

Division of Local Government Finance

425 Rep. John Lewis Way N. | Nashville, TN 37243

Meghan.Huffstutter@cot.tn.gov | Direct Line 615.747.5379 | Main Line 615.747.5260

LGF@cot.tn.gov



Mission: To Make Government Work Better

From: Melanie Sain <melaniesain@taud.org>

Sent: Monday, October 9, 2023 1:23 PM

To: Utilities@cot.tn.gov; Seth May <Seth.May@cot.tn.gov>

Subject: Lynnville Order

Christy,

I have talked with Seth. I let him know that we were working with you all on a rate study. However, now there is a new order. The new order issued by the State includes a feasibility study/merger analysis. This is something we don't do. Attached is a list of our associate members that can help (for a fee). Please contact one of them. They normally like to do a rate study in conjunction with the feasibility study. If that is the case, I can forward all of our information to them and they can complete everything on the new order. This may be the best way to proceed.

Again, I'm sorry the rate review didn't get finished within your expectations. There were several people at your office that came and left plus we had the issue with having no records in QuickBooks as the City was awaiting updates from the firm from Tullahoma.

Please talk with the Mayor and let us know how you want to proceed.

Thank you,
Melanie

From: Seth May <Seth.May@cot.tn.gov>
Sent: Monday, October 09, 2023 1:05 PM
To: Melanie Sain <melaniesain@taud.org>
Cc: Utilities@cot.tn.gov
Subject: RE: Order

Melanie,

I don't see your number on the email chain below, but I'm probably just overlooking it. I should be able to take a call for the next 30 minutes or so while I'm waiting on some car work, or this afternoon after I get back home. My direct line is 615-747-5207 – I'm on my laptop, so I have the order and whatever else ready if you can talk in the next little bit, not working from my cell phone.

I'm not sure if you've seen the most recent order – attaching it in case you haven't.

Copying the utilities inbox just to make sure they have a record of everything.

Best,
Seth

From: Melanie Sain <melaniesain@taud.org>
Sent: Monday, October 9, 2023 12:20 PM
To: Seth May <Seth.May@cot.tn.gov>
Subject: RE: Order

Hey Seth – Can you give me a call to discuss?

Melanie

From: Seth May <Seth.May@cot.tn.gov>
Sent: Monday, October 09, 2023 11:59 AM
To: Town of Lynnville <info@historicyllynnville.com>; Meghan Huffstutter <[Meghan.Huffstutter@cot.tn.gov](mailto: Meghan.Huffstutter@cot.tn.gov)>; Melanie Sain <melaniesain@taud.org>; Robert White <sarge5672@icloud.com>
Subject: RE: Order

Mr. Tolley,

Do you know the names of your new aldermen? If not, please put me in touch with someone who does so I can send them subpoenas.

Best,
Seth

J. Seth May

Assistant General Counsel

Comptroller of the Treasury

Office of General Counsel

Cordell Hull Building 425 Rep. John Lewis Way North | Nashville, TN 37243-3400

seth.may@cot.tn.gov | Direct Line 615.747.5207 | Fax 615.253.4847



Mission: To Make Government Work Better

From: Town of Lynnville <info@historiclennville.com>

Sent: Monday, October 9, 2023 11:51 AM

To: Seth May <Seth.May@cot.tn.gov>; Meghan Huffstutter <Meghan.Huffstutter@cot.tn.gov>;
Melanie Sain <melaniesain@taud.org>; Robert White <sarge5672@icloud.com>

Subject: Fwd: Order

We have done everything in our end.

I have emails dating back from Sept 2022 asking for updates.

We have done our part.

Again Melanie stated they would take care of the order.

There's nothing else that our office can do. We can't force TAUD to complete the study. We never received anything by from TAUD to sign for a contract. We simply went off the email and word.

Thank you,
Christy Tolley
931-303-8763

Begin forwarded message:

From: Melanie Sain <melaniesain@taud.org>
Date: October 9, 2023 at 9:11:59 AM CDT
To: Town of Lynnville <info@historicylennville.com>
Subject: RE: Order

Hi Christy,

Yes we are. The rate review is not finished yet. I will let Seth at the state know.

Thanks,
Melanie

From: Town of Lynnville <info@historicylennville.com>
Sent: Saturday, October 07, 2023 9:12 AM
To: Melanie Sain <melaniesain@taud.org>; Robert White <Sarge5672@icloud.com>
Subject: Order

Melanie you said your office would take care of this and we get this?

Can someone please let us know what we need to do because our office was under the understanding you were taking care of it as state in your email in early September.

Thank you

Christy Tolley
931-303-8763

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Meghan Huffstutter, CFE

Senior Analyst

Comptroller of the Treasury

Division of Local Government Finance

425 Rep. John Lewis Way N. | Nashville, TN 37243

Meghan.Huffstutter@cot.tn.gov | Direct Line 615.747.5379 | Main Line 615.747.5260

LGF@cot.tn.gov



Mission: To Make Government Work Better

From: Town of Lynnville <info@historiclynnville.com>

Sent: Monday, October 16, 2023 9:16 AM

To: Robert White <Sarge5672@icloud.com>; Melanie Sain <melaniesain@taud.org>; Seth May <Seth.May@cot.tn.gov>; Meghan Huffstutter <Meghan.Huffstutter@cot.tn.gov>

Subject: ORDER

Good morning,

Our office is wanting to follow up about the order.

Melanie per email you stated that your office would take care of this matter. Can we have an update?

Thanks

Christy Tolley

Sent from [Mail](#) for Windows

Meghan Huffstutter

From: Seth May
Sent: Monday, October 9, 2023 11:59 AM
To: Town of Lynnville; Meghan Huffstutter; Melanie Sain; Robert White
Subject: RE: Order

Mr. Tolley,

Do you know the names of your new aldermen? If not, please put me in touch with someone who does so I can send them subpoenas.

Best,
 Seth

J. Seth May

Assistant General Counsel
 Comptroller of the Treasury
 Office of General Counsel
 Cordell Hull Building 425 Rep. John Lewis Way North | Nashville, TN 37243-3400
seth.may@cot.tn.gov | Direct Line 615.747.5207 | Fax 615.253.4847



Mission: To Make Government Work Better

From: Town of Lynnville <info@historiclynnville.com>
Sent: Monday, October 9, 2023 11:51 AM
To: Seth May <Seth.May@cot.tn.gov>; Meghan Huffstutter <Meghan.Huffstutter@cot.tn.gov>; Melanie Sain <melaniesain@taud.org>; Robert White <sarge5672@icloud.com>
Subject: Fwd: Order

We have done everything in our end.

I have emails dating back from Sept 2022 asking for updates.

We have done our part.

Again Melanie stated they would take care of the order.

There's nothing else that our office can do. We can't force TAUD to complete the study. We never received anything by from TAUD to sign for a contract. We simply went off the email and word.

Thank you,
Christy Tolley
931-303-8763

Begin forwarded message:

From: Melanie Sain <melaniesain@taud.org>
Date: October 9, 2023 at 9:11:59 AM CDT
To: Town of Lynnville <info@historiclynnville.com>
Subject: RE: Order

Hi Christy,

Yes we are. The rate review is not finished yet. I will let Seth at the state know.

Thanks,
Melanie

From: Town of Lynnville <info@historiclynnville.com>
Sent: Saturday, October 07, 2023 9:12 AM
To: Melanie Sain <melaniesain@taud.org>; Robert White <Sarge5672@icloud.com>
Subject: Order

Melanie you said your office would take care of this and we get this?

Can someone please let us know what we need to do because our office was under the understanding you were taking care of it as state in your email in early September.

Thank you

Christy Tolley
931-303-8763

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Meghan Huffstutter

From: Melanie Sain <melaniesain@taud.org>
Sent: Monday, October 9, 2023 9:19 AM
To: Seth May
Cc: Utilities@cot.tn.gov; Meghan Huffstutter
Subject: Lynnville Order
Attachments: Lynnville - Engagement Letter Signed.pdf

Hello Seth,

We are working on finishing up the rate study for Lynnville. There were numerous delays in getting us the information needed to complete. The City underwent many staffing changes over the last few years. Also the City was working with a company to get the books caught which took some time and was just finished last month. We also had several appointments scheduled with them that they canceled. Now finally, I think we have information to finish. I would suspect we can be finished by year-end. Attached is a copy of our original engagement letter.

Thank you,
 Melanie Sain, CMFO
 Accounting Specialist
 Tennessee Association of Utility Districts (TAUD)
 840 Commercial Court
 Murfreesboro, Tennessee 37129
 melaniesain@taud.org
 office: 615-896-9022
 mobile: 615-593-2697

-----Original Message-----

From: Seth May <Seth.May@cot.tn.gov>
Sent: Monday, October 09, 2023 9:10 AM
To: Town of Lynnville <info@historicyllynville.com>
Cc: Melanie Sain <melaniesain@taud.org>; Utilities@cot.tn.gov
Subject: RE: Order

Mr. Tolley,

The attached order requires the Town of Lynnville ("the Town") to send staff for the Tennessee Board of Utility Regulation ("TBOUR") a copy of the contract between the Town and TAUD to conduct a new rate study. Please note that the Town of Lynnville was ordered to send this contract to Board staff, not TAUD. It is my understanding that the Town did not send staff a copy of the contract for a new rate study, but if you have the email showing you sent it to us by September 29, please provide it and we will release you from the subpoenas.

MTAS's website lists the individuals named in the subpoena as the Town's mayor, vice-mayor, and aldermen. If this information is out of date please advise who the new mayor, vice-mayor, and aldermen are, and I will send an updated subpoena.

If any of the individuals named in the subpoena, or their replacements in office, do not appear at our board's next meeting, I will refer this matter to the Attorney General's Office for enforcement.

Best,
Seth

J. Seth May
Assistant General Counsel
Comptroller of the Treasury
Office of General Counsel
Cordell Hull Building 425 Rep. John Lewis Way North | Nashville, TN 37243-3400 seth.may@cot.tn.gov | Direct Line 615.747.5207 | Fax 615.253.4847

-----Original Message-----

From: Town of Lynnville <info@historiclynnville.com>
Sent: Saturday, October 7, 2023 9:02 AM
To: Seth May <Seth.May@cot.tn.gov>
Cc: Melanie Sain <melaniesain@taud.org>
Subject: Order

The board has completed all trainings. TAUD has not completed their part. Our office has been transparent about the challenges and changes with administration.

There is no way our Aldermen can miss work and take away from their everyday life due to the procrastination of TAUD.

We sent them emails, texts, asking for updates on the rate study. We gave all information not once but twice and with employee changes in their office that also created a new challenge.

Currently our office has no idea where they are in completing the study.

Melanie can you give an update?

Mayor White and myself can come but to my understanding TAUD said they would handle everything else needed.

The board members listed aren't the correct ones even on the board at this time.

Thank you,

Christy Tolley
931-303-8763

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Meghan Huffstutter

From: Town of Lynnville <info@historiclynnville.com>
Sent: Monday, October 9, 2023 11:51 AM
To: Seth May; Meghan Huffstutter; Melanie Sain; Robert White
Subject: Fwd: Order

We have done everything in our end.

I have emails dating back from Sept 2022 asking for updates.

We have done our part.

Again Melanie stated they would take care of the order.

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Thank you,
Christy Tolley
931-303-8763

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From: Melanie Sain <melaniesain@taud.org>
Date: October 9, 2023 at 9:11:59 AM CDT
To: Town of Lynnville <info@historiclynnville.com>
Subject: RE: Order

Hi Christy,

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Thanks,
Melanie

From: Town of Lynnville <info@historiclynnville.com>
Sent: Saturday, October 07, 2023 9:12 AM
To: Melanie Sain <melaniesain@taud.org>; Robert White <Sarge5672@icloud.com>
Subject: Order

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Thank you

Christy Tolley
931-303-8763

CAUTION: This email originated from outside of the company. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Meghan Huffstutter

From: Seth May
Sent: Sunday, October 8, 2023 7:36 PM
To: Meghan Huffstutter
Subject: Fw: Order

From: Town of Lynnville <info@historiclynnville.com>
Sent: Saturday, October 7, 2023 9:02 AM
To: Seth May <Seth.May@cot.tn.gov>
Cc: Melanie Sain <melaniesain@taud.org>
Subject: Order

The board has completed all trainings. TAUD has not completed their part. Our office has been transparent about the challenges and changes with administration.

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Thank you,

Christy Tolley
931-303-8763

Holland & Knight

Nashville City Center | 511 Union Street, Suite 2700 | Nashville, TN 37219 | T 615.244.6380 | F 615.244.6804
Holland & Knight LLP | www.hklaw.com

Jon Cooper
+1 615-850-8550
Jon.Cooper@hklaw.com

August 15, 2023

Mr. Ross Colona
Assistant Director, Division of Local Government
Tennessee Comptroller
State Capitol
Nashville, TN 37243-9034

Re: Greystar's Appeal of Madison Suburban Utility District's Variance Denial

SENT VIA EMAIL AND U.S. MAIL

Dear Mr. Colona:

Pursuant to Tenn. Code Ann. § 7-82-702, Greystar Real Estate Partners ("Greystar") hereby appeals the July 25, 2023, Madison Suburban Utility District ("MSUD") denial of Greystar's request for a variance from the new MSUD fees associated with its Marlowe Gallatin Pike project.

Marlowe Gallatin Pike (the "Project") is a 292 unit multifamily development to be constructed on approximately 7.3 acres of property at 1401 Gallatin Pike in Davidson County, Tennessee (the "Project Property"). Greystar is the developer of the Project and has been actively working on the Project since approximately January 2022, when it put the property under contract to purchase. Since that time, Greystar has completed physical site due diligence, numerous budgeting and construction pricing exercises (including municipal/utility fee research and budgeting), rezoned the property, sourced equity and debt, and developed permit level plans. On or about March 19, 2023, Greystar received notice that the seller of the Project Property had filed for bankruptcy, which meant permission of the bankruptcy trustee was needed in order to consummate the purchase of the Project Property. As a result, Greystar temporarily paused all spending on the Project until Greystar was able to close on the Project Property in May 2023.

On or about March 20, 2023, Greystar received approval from MSUD to connect to the water system along with an invoice in the amount of \$46,860 (See Exhibit A attached). Greystar relied upon this approval and invoiced amount in establishing the budget for the project and financing of the Project as is shown in the email correspondence attached to this letter as Exhibit B. Greystar never received any communication from MSUD that it was considering adding a new "System Development Fee."

Atlanta | Austin | Birmingham | Boston | Century City | Charlotte | Chattanooga | Chicago | Dallas | Denver | Fort Lauderdale
Houston | Jacksonville | Los Angeles | Miami | Nashville | Newport Beach | New York | Orlando | Philadelphia
Portland | Richmond | San Francisco | Stamford | Tallahassee | Tampa | Tysons | Washington, D.C. | West Palm Beach

On or about July 14, 2023, Greystar received an invoice in the amount of \$263,289.38, in addition to the \$46,860 they had already been invoiced. The additional \$263,289.38 is shown on the invoice as the handwritten "System Development Fee" (see Exhibit C attached). This fee does not appear as a line item in the March 20, 2023 invoice.

Upon learning of this increase, Greystar filed an application for a variance concerning the new System Development Fee (see Exhibit D attached) and paid the initial invoice of \$46,860 on July 18, 2023. After meeting in person to present the variance request to the MSUD board, MSUD sent Greystar an email on July 25, 2023 waiving the fire and irrigation demand in the amount of \$6,292, but leaving the remainder of the System Development Fee in place (See Exhibit E attached).

The basis for the appeal of the MSUD variance denial is as follows:

1. Greystar was never informed that MSUD was considering adding a new fee despite multiple communications related to confirming the accuracy of the original invoiced fee between MSUD, Greystar, and Greystar's civil engineer (Kimley-Horn) throughout May and June 2023.
2. Greystar relied on the invoice provided by MSUD on March 20, 2023 in deciding to close on the purchase of the property and to secure financing for the Project.
3. There is no proof that a five-fold unbudgeted increase in the amount of the fee has a sufficient nexus with the impact the Project will have on the MSUD water system, as required by the constitutions of the United States of America and the State of Tennessee.

Thank you for your attention to this matter, and please let me know if I can provide further information.

Sincerely,



Jon Cooper
Holland & Knight

Exhibit A

Original Invoice EXHIBIT B

LETTER OF TRANSMITTAL

MADISON SUBURBAN UTILITY DISTRICT
P.O. Box 175 Madison, Tennessee 37116-0175
(615) 868-3201 FAX (615) 868-5595

DATE: March 20, 2023

TO: Ms. Mary McGowan _____ Re: Marlowe Gallatin Pike _____
Kimley Horn _____
10 Lea Avenue, Suite 400 _____
Nashville, TN 37210 _____
615-564-2701 _____

3 Copy(ies)* DESCRIPTION: MSUD Engineer Review _____

These are transmitted for:

- Approval
- Your Use
- Approval as noted
- Study and Review
- Correction

REMARKS: _____

SIGNED:  _____
For Cynthia H. Ellis
TITLE: General Manager

Enclosure(s)

The
MADISON SUBURBAN UTILITY DISTRICT
Of Davidson County, Tennessee

March 20, 2023

Mary McGowan, PE
Kimley Horn
10 Lea Avenue, Suite 400
Nashville, TN 37210

RE: Marlowe Gallatin Pike
0 Gallatin Pike
Madison, TN 37115

Dear Mary:

The District's Engineer and personnel have reviewed the above-referenced plans and have found them apparently satisfactory; therefore, the District agrees to serve this project in accordance with these plans.

It would be advisable for you to check with the Tennessee Department of Environment and Conservation and obtain any necessary approval for the above referenced plans and if deemed necessary then submit one copy of the stamped approved plans to the District for our file and if not necessary, a letter from your Engineer stating such will suffice. If the State requires submittal, it will also be necessary to fill out a Construction Start Notification form and return it to the District.

A pre-construction conference will be necessary before work can begin. This conference can be arranged by contacting the District's Field Distribution Manager, Clayton Sears, at 615-593-4622.

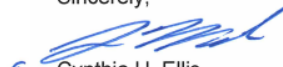
The owner/developer will be responsible for all development review fees and all appropriate tap and meter fees. Tap fees and meter charges are enclosed and currently due.

You are required to keep a copy of the approved plans on site during construction of this water line.

In addition, the owner to enter the state right-of-way for any water related work would need to do the following. Provide the District with an indemnity agreement and a certificate of insurance in showing the District as an additional insured for \$1,000,000 minimum and 3 copies of the water installation within the state right-of-way (drawn per TDOT's requirements, enclosed) so the District can furnish a general agreement to TDOT for this work. Please forward these items to the District as soon as possible.

There is no bond for this project.

Sincerely,



Cynthia H. Ellis
General Manager

CHE:jww

Enclosure

P.O Box 175 Madison, Tennessee 37116-0175 (615) 868-3201 FAX (615) 868-5595

MADISON SUBURBAN UTILITY DISTRICT
 P. O. BOX 175
 MADISON, TENNESSEE 37116-0175
 615-868-3201

INVOICE 000903

TO:
 Mary McGowan
 Kimley Horn
 10 Lea Avenue, Suite 400
 Nashville, TN 37210

INVOICE NO. PAGE
 000903
 DATE
 3/20/2023
 DUE DATE
 UPON RECEIPT

Remit To:
 MSUD
 Attn: Cindy Ellis
 P. O. Box 175
 Madison, TN 37116-0175

DESCRIPTION	AMOUNT
MARLOWE GALLATIN PIKE, MADISON, TN	
Privilege Fees and Meter Charges (see attached) 1 – 6" Tap, Domestic Meter and RPBP 1 – 8" Tap, Fire Meter and DDCV 1 – 2" Tap, Meter, and RPBP These are to be DRY taps.	\$ 40,260.00
IF WET TAPPED	\$ 43,060.00
Progress Billing (see attached)	\$ 3,800.00
TOTAL DUE MSUD (DRY Tap)	\$ 44,060.00
TOTAL DUE MSUD (WET Tap)	\$ 46,860.00

**MADISON SUBURBAN UTILITY DISTRICT
PRIVILEGE FEES AND METER CHARGES**

REQUESTED BY: _____ PHONE #: _____
 CONTACT PERSON: Mary McGowan PHONE #: 615 564 2701
 PROJECT NAME: Marlene Gallatin Pike
 PROPOSED LOCATION: 0 Gallatin Pike

EXISTING TAP RESIDENTIAL PROGRESS BILLING Y N
 NEW TAP COMMERCIAL

		DEVELOPER INSTALLED	
		UNIT	EXTENDED
TAP SIZE	<u>6"</u>	<u>6000</u>	
# OF TAPS	<u>1</u>		
METER	<u>6"</u>	<u>7110</u>	
CROSS CONNECTION FEE		<u>Progress</u>	
WATER CONNECT FEE		<u>600</u>	
SEWER CONNECT FEE	<input type="checkbox"/> M <input type="checkbox"/> G		
EXCAVATION FEE	<input type="checkbox"/> TDOT		
TAP THE MAIN		<u>dry tap</u>	<u>wet tap 1400</u>
REVIEW FEE		<u>Progress</u>	
BACTERIOLOGICAL TEST FEE		<u>Progress</u>	
GIS MAPPING FEE		<u>Progress</u>	
		<u>dry</u>	<u>wet</u>
TOTALS		<u>\$13,710</u>	<u>\$15,110</u>

Prices subject to change if fees quoted are not paid within thirty (30) days of quoted date or if product prices of suppliers increase.

Please Provide contact information, including phone number and email address with payment.

Developer responsible for all labor, materials, and excavation performed to MSUD specifications and to prepare site for MSUD to tap the main.

NOTES OR COMMENTS: this is a dry tap

BY: [Signature] DATE: 20 Mar 2023

**MADISON SUBURBAN UTILITY DISTRICT
PRIVILEGE FEES AND METER CHARGES**

REQUESTED BY: _____ PHONE #: _____
 CONTACT PERSON: Mary McGowan PHONE # 615 564 2701
 PROJECT NAME: Marlowe Gallatin Pike
 PROPOSED LOCATION: 0 Gallatin Pike

EXISTING TAP RESIDENTIAL PROGRESS BILLING Y N
 NEW TAP COMMERCIAL

		DEVELOPER INSTALLED	
		UNIT	EXTENDED
TAP SIZE	<u>2"</u>	# OF TAPS	<u>1</u>
METER	<u>2"</u>		
CROSS CONNECTION FEE		<u>Progress</u>	
WATER CONNECT FEE		<u>200</u>	
SEWER CONNECT FEE	<input type="checkbox"/> M <input type="checkbox"/> G		
EXCAVATION FEE	<input type="checkbox"/> TDOT		<u>wet</u>
TAP THE MAIN		<u>dry</u>	<u>1400</u>
REVIEW FEE		<u>Progress</u>	
BACTERIOLOGICAL TEST FEE		<u>Progress</u>	
GIS MAPPING FEE		<u>Progress</u>	
		<u>dry tap</u>	<u>wet tap</u>
TOTALS		<u>\$5,200</u>	<u>\$6,600</u>

Prices subject to change if fees quoted are not paid within thirty (30) days of quoted date or if product prices of suppliers increase.

Please Provide contact information, including phone number and email address with payment.

Developer responsible for all labor, materials, and excavation performed to MSUD specifications and to prepare site for MSUD to tap the main.

NOTES OR COMMENTS: _____

BY: [Signature] DATE: 20 Mar 2023

PROJECT NAME: Marlowe Gallatin Pike

March 20, 2023

TO: Mary McGowan
 Kimley Horne
 10 Lea Avenue, Suite 400
 Nashville, TN 37210

March 20, 2023

PAST DUE: \$ 0
 Net 30 Days - 11/2% per month

Category:		Developer Large Plans Review		1,200.00
Review Fee*	-	Minimum-Seven Engineering Man-Hours Additional Engineering Man-Hours Minimum-Two District Man-Hours Additional District Man-Hours		0
Inspection Fee*	-	Minimum-One District Man-Hour Additional District Man-Hours	1 \$100 0 \$50	100.00 0.00
Tapping the Main Fee	-	\$ 1,400.00 Per 8" Tap to Tie On \$1,400.00 Per 4" Tap to Tie On \$1,400.00 Per 6" Tap to Tie On	1 Taps 0 Taps 0 Taps	1,400.00 0.00 0.00
Pressure Testing Fee	-	\$ 100 Per Test	1 Test(s)	100.00
Sampling Fee	-	\$ 50 Per Sample	2 Sample(s)	100.00
Bacteriological Test Fee	-	\$ 20 Per Sample	4 Sample(s)	80.00
Cross Connection Fee*	-	Minimum-One District Man-Hour Additional District Man-Hours	1 2	100 100
TDOT Indem. Contr. Fee	-	\$ 250 Per Location	1 Location(s)	250.00
Fire Hydrant Privilege Fee	-	\$ 1000 Per Hydrant	0 Hydrant(s)	0.00
Mapping (GIS) Fee	-	\$ 50 Per 1st 5 Meter/Tap 10 Per Each Additional Asset 10 Per Stick of Line	5 Meter/Tap 9 Assets 3 Pipe	250.00 90.00 30.00

Other PLEASE RETURN COPY OF INVOICE WITH PAYMENT.

Total All Current Fees Due \$ 3,800.00
 Previous Payment: \$ 0.00
 GRAND TOTAL: \$ 3,800.00

Make checks payable to: The Madison Suburban Utility District
 Remit to: Attn: Cynthia Ellis
 P.O. Box 175
 Madison, TN 37116-0175

THANK YOU.

*Any District man-hours above Minimum charged at \$50/man-hour.

Exhibit B

From: [Jeff Ayers](#)
To: [Andrew Cook](#)
Cc: [Matt Evans](#); [Steven Beins](#)
Subject: FW: Marlowe Gallatin Pike - Fee Calculation Clarification
Date: Friday, July 14, 2023 10:06:57 AM
Attachments: [image002.png](#)

Andrew,

The fee sheet does not match **their response**. (we were charged for all 3)
 But the "privilege fee based on the meter size. These are outlined on our fee schedule that can be found at MSUD.net" may trump what is written (where they clearly show separate tap fees from the meter fees -even though we have a single tap) and the fees are not actually tap fees but privilege fees.

Jeff Ayers | Sr. Project Manager
 Cell (240) 805-7224 | jeff.ayers@greystar.com | greystar.com

From: Barrett, Megan <Megan.Barrett@kimley-horn.com>
Sent: Thursday, June 8, 2023 1:55 PM
To: Jeff Ayers <jeff.ayers@greystar.com>
Cc: McGowan, Mary <mary.mcgowan@kimley-horn.com>; Hoepfner, Natalia <Natalia.Hoepfner@kimley-horn.com>
Subject: [EXTERNAL] RE: Marlowe Gallatin Pike - Fee Calculation Clarification

Jeff,

I think this gets us the answers you were looking for, but let me know if there is anything additional you'd like me to clarify with Jim.

Thank you,

Megan Barrett, E.I.
Kimley-Horn | 10 Lea Avenue, Suite 400, Nashville, TN 37210
 Direct: 629 216 3925 | Mobile: 339 788 1124 | www.kimley-horn.com

From: Jim Wade <jwwade@msud.net>
Sent: Friday, May 26, 2023 9:22 AM
To: Barrett, Megan <Megan.Barrett@kimley-horn.com>; Cindy Ellis <cellis@msud.net>
Cc: McGowan, Mary <mary.mcgowan@kimley-horn.com>; Hoepfner, Natalia <Natalia.Hoepfner@kimley-horn.com>; Jeff Ayers <jeff.ayers@greystar.com>
Subject: RE: Marlowe Gallatin Pike - Fee Calculation Clarification

Megan,

Thank you for reaching out. The answers to your questions are below.

1. Do the tap fees still apply since we are tapping the private main for our domestic and irrigation services, and not the existing main in Gallatin Pike?
-You were only charged for one tapping fee (\$1400 on the 8" line sheet). The other expenses that I believe you are referencing is the **privilege fee based on the meter size.** **These are outlined on our fee schedule that can be found at MSUD.net.**
2. Our irrigation meter is 2", but the tap for the irrigation meter is 4". Will this change the amount for the irrigation tap fee?
 -I appreciate the transparency and the honesty of this question. The fees are charged based on the meter size. The "dry tap" amount is based off the assumption that you are going to have your system (to the meter boxes) installed and inspected prior to the actual tap on our main. This reduces the cost as wet taps are more expensive.

When do you expect to begin work on this project? Being a Madison native, I'm interested in seeing progress and development.

If there is anything else we can do to assist please don't hesitate to reach out.

Best,
 Jim

Jim Wade

Director- Organizational Development and Planning
 Madison Suburban Utility District
 108 W. Webster Street
 Madison TN 37115

Office: 615-868-3201; ext.206

Cell: 615-795-4652

Fax: 615-868-5595

JWWade@msud.net



<http://www.msud.net>

(CONFIDENTIALITY NOTICE: This email transmittal and any accompanying attachments contains information from sender which is business sensitive, proprietary, confidential and may be legally privileged. The information is only for the use of the intended recipient(s). If you are NOT the intended recipient: 1. Do not read, copy, use or disclose this communication to others; 2. Immediately notify the sender of the error by return email or call 615.868.3201; and 3. Delete the original file from your computer system and destroy all copies of the transmittal in any form, including archived copies.)

From: Barrett, Megan <Megan.Barrett@kimley-horn.com>
Sent: Thursday, May 25, 2023 5:56 PM
To: Cindy Ellis <cellis@msud.net>; Jim Wade <jwwade@msud.net>
Cc: McGowan, Mary <mary.mcgowan@kimley-horn.com>; Hoeppe, Natalia <Natalia.Hoeppe@kimley-horn.com>; Jeff Ayers <jeff.ayers@greystar.com>
Subject: RE: Marlowe Gallatin Pike - Fee Calculation Clarification

Thank you!

Megan Barrett, E.I.
Kimley-Horn | 10 Lea Avenue, Suite 400, Nashville, TN 37210
Direct: 629 216 3925 | Mobile: 339 788 1124 | www.kimley-horn.com

From: Cindy Ellis <cellis@msud.net>
Sent: Thursday, May 25, 2023 3:43 PM
To: Barrett, Megan <Megan.Barrett@kimley-horn.com>; Jim Wade <jwwade@msud.net>
Cc: McGowan, Mary <mary.mcgowan@kimley-horn.com>; Hoeppe, Natalia <Natalia.Hoeppe@kimley-horn.com>; Jeff Ayers <jeff.ayers@greystar.com>
Subject: RE: Marlowe Gallatin Pike - Fee Calculation Clarification

Megan,

Jim Wade will review the development fee quote and get with you tomorrow.

Cindy Ellis, MSUD

From: Barrett, Megan <Megan.Barrett@kimley-horn.com>
Sent: Thursday, May 25, 2023 3:32 PM
To: Cindy Ellis <cellis@msud.net>
Cc: McGowan, Mary <mary.mcgowan@kimley-horn.com>; Hoeppe, Natalia <Natalia.Hoeppe@kimley-horn.com>; Jeff Ayers <jeff.ayers@greystar.com>
Subject: RE: Marlowe Gallatin Pike - Fee Calculation Clarification

Good afternoon Cindy,

I'm hoping to follow up on my questions below. Have you had a chance to review?

Thank you,

Megan Barrett, E.I.
Kimley-Horn | 10 Lea Avenue, Suite 400, Nashville, TN 37210
Direct: 629 216 3925 | Mobile: 339 788 1124 | www.kimley-horn.com

From: Barrett, Megan
Sent: Tuesday, May 9, 2023 11:40 AM

To: Cindy Ellis <cellis@msud.net>

Cc: McGowan, Mary <mary.mcgowan@kimley-horn.com>; Hoeppe, Natalia
<Natalia.Hoeppe@kimley-horn.com>

Subject: Marlowe Gallatin Pike - Fee Calculation Clarification

Good morning Cindy,

We received approved plans and an invoice for fee/meter charges for Marlowe Gallatin Pike on 3/21. We have a couple of questions on the invoice, which is attached here for reference.

[Click here](#) to download attachments.

1. Do the tap fees still apply since we are tapping the private main for our domestic and irrigation services, and not the existing main in Gallatin Pike?
2. Our irrigation meter is 2", but the tap for the irrigation meter is 4". Will this change the amount for the irrigation tap fee?



Thank you,

Megan Barrett, E.I.

Kimley-Horn | 10 Lea Avenue, Suite 400, Nashville, TN 37210

Direct: 629 216 3925 | Mobile: 339 788 1124 | www.kimley-horn.com

Exhibit C

Increased Invoice EXHIBIT C

From: Jim Wade <jwwade@msud.net>
Sent: Thursday, July 13, 2023 2:15 PM
To: McGowan, Mary <mary.mcgowan@kimley-horn.com>
Subject: Marlowe Gallatin Pike

You don't often get email from jwwade@msud.net. [Learn why this is important](#)

Mary,

I wanted to inform you that our fees have increased since your project plans were approved and invoiced. I have attached the updated invoice for your reference. Feel free to give me a call at your convenience if there are any questions.

Best,
Jim

Jim Wade

Director- Organizational Development and Planning
Madison Suburban Utility District
108 W. Webster Street
Madison TN 37115

Office: 615-868-3201; ext.206
Cell: 615-795-4652
Fax: 615-868-5595

JWWade@msud.net



<http://www.msud.net>

MADISON SUBURBAN UTILITY DISTRICT
 P. O. BOX 175
 MADISON, TENNESSEE 37116-0175
 615-868-3201

INVOICE 000903

TO:
 Mary McGowan
 Kimley Horn
 10 Lea Avenue, Suite 400
 Nashville, TN 37210

INVOICE NO. 000903 PAGE
 DATE 3/20/2023
 DUE DATE
 UPON RECEIPT

Remit To:
 MSUD
 Attn: Cindy Ellis
 P. O. Box 175
 Madison, TN 37116-0175

DESCRIPTION	AMOUNT
MARLOWE GALLATIN PIKE, MADISON, TN	
Privilege Fees and Meter Charges (see attached) 1 – 6" Tap, Domestic Meter and RPBP 1 – 8" Tap, Fire Meter and DDCV 1 – 2" Tap, Meter, and RPBP These are to be DRY taps.	\$ 40,260.00
IF WET TAPPED	\$ 43,060.00
Progress Billing (see attached) <i>system development fee</i>	\$ 3,800.00 \$ 263,289.38
TOTAL DUE MSUD (DRY Tap)	\$ 44,060.00 \$ 307,249.38
TOTAL DUE MSUD (WET Tap) <i>as of 12 July 2023.</i>	\$ 46,860.00 \$ 310,149.38

**MADISON SUBURBAN UTILITY DISTRICT
PRIVILEGE FEES AND METER CHARGES**

REQUESTED BY: _____ PHONE #: _____
 CONTACT PERSON: Mary McGowan PHONE #: 615-584-2701
 PROJECT NAME: Marlowe Callatin Pike
 PROPOSED LOCATION: 0 Callatin Pike

EXISTING TAP RESIDENTIAL PROGRESS BILLING Y N
 NEW TAP COMMERCIAL

		DEVELOPER INSTALLED	
		UNIT	EXTENDED
TAP SIZE	<u>8"</u>	# OF TAPS	<u>1</u>
METER	<u>8"</u>		<u>8,000</u>
CROSS CONNECTION FEE			<u>11,150</u>
WATER CONNECT FEE			<u>Progress</u>
SEWER CONNECT FEE	<input type="checkbox"/> M <input type="checkbox"/> G		<u>800</u>
EXCAVATION FEE	<input type="checkbox"/> TDOT		
TAP THE MAIN			<u>1,400</u>
REVIEW FEE			<u>Progress</u>
BACTERIOLOGICAL TEST FEE			<u>Progress</u>
GIS MAPPING FEE			<u>Progress</u>
TOTALS		<u>21,350</u>	

Prices subject to change if fees quoted are not paid within thirty (30) days of quoted date or if product prices of suppliers increase.

Please Provide contact information, including phone number and email address with payment.

Developer responsible for all labor, materials, and excavation performed to MSUD specifications and to prepare site for MSUD to tap the main.

NOTES OR COMMENTS: 8" is a wet tap

BY: [Signature] DATE: 20 Mar 2023

MADISON SUBURBAN UTILITY DISTRICT
 PRIVILEGE FEES AND METER CHARGES

REQUESTED BY: _____ PHONE #: _____
 CONTACT PERSON: Mary McGowan PHONE #: 615 564 2701
 PROJECT NAME: Marlene Gallatin Pike
 PROPOSED LOCATION: 0 Gallatin Pike

EXISTING TAP RESIDENTIAL COMMERCIAL PROGRESS BILLING Y N
 NEW TAP

		DEVELOPER INSTALLED	
		UNIT	EXTENDED
TAP SIZE	<u>6"</u>	<u>6000</u>	
# OF TAPS	<u>1</u>		
METER	<u>6"</u>	<u>7110</u>	
CROSS CONNECTION FEE		<u>Progress</u>	
WATER CONNECT FEE		<u>600</u>	
SEWER CONNECT FEE	<input type="checkbox"/> M <input type="checkbox"/> G		
EXCAVATION FEE	<input type="checkbox"/> TDOT		
TAP THE MAIN		<u>dry tap</u>	<u>wet tap 1400</u>
REVIEW FEE		<u>Progress</u>	
BACTERIOLOGICAL TEST FEE		<u>Progress</u>	
GIS MAPPING FEE		<u>Progress</u>	
		<u>dry</u>	<u>wet</u>
		<u>\$13,710</u>	<u>\$15,110</u>
TOTALS			

Prices subject to change if fees quoted are not paid within thirty (30) days of quoted date or if product prices of suppliers increase.

Please Provide contact information, including phone number and email address with payment.

Developer responsible for all labor, materials, and excavation performed to MSUD specifications and to prepare site for MSUD to tap the main.

NOTES OR COMMENTS: this is a dry tap

BY: [Signature] DATE: 20 Mar 2023

MADISON SUBURBAN UTILITY DISTRICT
 PRIVILEGE FEES AND METER CHARGES

REQUESTED BY: _____ PHONE #: _____
 CONTACT PERSON: Mary McGowan PHONE #: 615 584 2701
 PROJECT NAME: Marlowe Gallatin Pike
 PROPOSED LOCATION: 0 Gallatin Pike

EXISTING TAP RESIDENTIAL PROGRESS BILLING Y N
 NEW TAP COMMERCIAL

		DEVELOPER INSTALLED	
		UNIT	EXTENDED
TAP SIZE <u>2"</u>	# OF TAPS <u>1</u>	<u>3400</u>	
METER <u>2"</u>		<u>1600</u>	
CROSS CONNECTION FEE		<u>Progress</u>	
WATER CONNECT FEE		<u>200</u>	
SEWER CONNECT FEE <input type="checkbox"/> M <input type="checkbox"/> G			
EXCAVATION FEE <input type="checkbox"/> TDOT			<u>web</u>
TAP THE MAIN		<u>dry</u>	<u>1400</u>
REVIEW FEE		<u>Progress</u>	
BACTERIOLOGICAL TEST FEE		<u>Progress</u>	
GIS MAPPING FEE		<u>Progress</u>	
		<u>dry tap</u>	<u>web tap</u>
TOTALS		<u>\$ 5200</u>	<u>\$ 6800</u>

Prices subject to change if fees quoted are not paid within thirty (30) days of quoted date or if product prices of suppliers increase.

Please Provide contact information, including phone number and email address with payment.

Developer responsible for all labor, materials, and excavation performed to MSUD specifications and to prepare site for MSUD to tap the main.

NOTES OR COMMENTS: _____

BY: [Signature] DATE: 20 Mar 2023

PROJECT NAME: Marlowe Gallatin Pike

March 20, 2023

TO: Mary McGowan
 Kimley Horne
 10 Lea Avenue, Suite 400
 Nashville, TN 37210

March 20, 2023

PAST DUE:				\$	0
	Net 30 Days - 11/2% per month				
Category:	Developer Large Plans Review				1,200.00
Review Fee*	-	Minimum-Seven Engineering Man-Hours Additional Engineering Man-Hours Minimum-Two District Man-Hours Additional District Man-Hours			0
Inspection Fee*	-	Minimum-One District Man-Hour Additional District Man-Hours	1 0	\$100 \$50	100.00 0.00
Tapping the Main Fee	-	\$ \$1,400.00 Per 8" Tap to Tie On \$1,400.00 Per 4" Tap to Tie On \$1,400.00 Per 6" Tap to Tie On	1 Taps 0 Taps 0 Taps		1,400.00 0.00 0.00
Pressure Testing Fee	-	\$ 100 Per Test	1 Test(s)		100.00
Sampling Fee	-	\$ 50 Per Sample	2 Sample(s)		100.00
Bacteriological Test Fee	-	\$ 20 Per Sample	4 Sample(s)		80.00
Cross Connection Fee*	-	Minimum-One District Man-Hour Additional District Man-Hours	1 2		100 100
TDOT Indem. Contr. Fee	-	\$ 250 Per Location	1 Location(s)		250.00
Fire Hydrant Privilege Fee	-	\$ 1000 Per Hydrant	0 Hydrant(s)		0.00
Mapping (GIS) Fee	-	\$ 50 Per 1st 5 Meter/Tap 10 Per Each Additional Asset 10 Per Stick of Line	5 Meter/Tap 9 Assets 3 Pipe		250.00 90.00 30.00
Other	PLEASE RETURN COPY OF INVOICE WITH PAYMENT.				
Total All Current Fees Due				\$	3,800.00
		Previous Payment:		\$	0.00
GRAND TOTAL:				\$	3,800.00

Make checks payable to: The Madison Suburban Utility District
 Remit to: Attn: Cynthia Ellis
 P.O. Box 175
 Madison, TN 37116-0175

THANK YOU.

*Any District man-hours above Minimum charged at \$50/man-hour.

PROJECT NAME: Marlowe Gallatin Pike

Date: July 12, 2023

TO: Mary McGowan
 Kimley Horn
 10 Lea Ave, Suite 400
 Nashville, TN 37210

Estimated Demand						
Discharge Facility	Design Unit	# of Units		Unit Flow (gpd)	Total Flow (gpd)	
		Existing	Proposed		Existing	Proposed
Single Family Dwelling	Per Dwelling			350	0	0
Multi-Family Housing (3BR)	Per Dwelling		25	350	0	8750
Multi-Family Housing (2BR)	Per Dwelling		120	300	0	36000
Multi-Family Housing (1BR)	Per Dwelling		147	250	0	36750
General Office Space	Per Employee			25	0	0
General Office Space	Per SF			0.1	0	0
Office/ Warehouse Space	Per SF			0.1	0	0
Warehouse Distribution	Per SF			0.025	0	0
Warehouse Self-storage	Per Storage Unit			0.2	0	0
Schools w/ Showers & Cafeteria	Per Person			16	0	0
Schools w/o Showers & Cafeteria	Per Person			12	0	0
Boarding schools/ Dormitories	Per Person			75	0	0
Hotels at 65 Gal/Person (rooms only)	Per Person			130	0	0
Hotel	Per Room			130	0	0
Trailer Courts at 3 person/trailer	Per Trailer			225	0	0
Restaurants	Per Seat			40	0	0
Restaurants (Full Service)	Per SF			2	0	0
Restaurants (Counter Service or Fine Dining)	Per SF			1.3	0	0
Restaurants (Fast Food)	Per SF			2.2	0	0
Service Station	Per Fuel Island			1000	0	0
Factories	Per Person Per 8hr Shift			25	0	0
Shopping Centers (No Food)	Per SF			0.15	0	0
Retail	Per SF			0.15	0	0
Hospitals	Per Bed			200	0	0
Nursing Homes (+75 gallons for laundry)	Per Bed			120	0	0
Home for the Aged	Per Bed			60	0	0
Retirement Living	Per Resident			100	0	0
Child care Center	Per Child and Adult			10	0	0
Laundromats	Per Machine			250	0	0
Swimming Pools	Per Swimmer		34	10	0	340
Theaters, Auditorium Type	Per Seat			5	0	0
Resort Camps, day & night w/limited plumbing	Per Campsite			50	0	0
Luxury Camps w/ Flush Toilets	Per Campsite			100	0	0
Church w/o Kitchen	Per Seat			3	0	0
Church (w/kitchen)	Per Seat			5	0	0
Car Wash (Stand Alone)	Per Bay			500	0	0
Barber/Salon	Per Station			200	0	0
Total Estimated Demand (gpd)					0	81840

Legend	
User Input	Existing
Calculated	Proposed
	Difference
	81840

*Note to User: The majority of the estimated Demand Rates used above are from Nashville Metro Water Services Guide to New Construction, Appendix 3- "Projected Flow Examples." This list has been supplemented with additional rates according to various resources. Supplemental rates that have been added are indented and italicized. Calculation assumptions have been noted in cell comments.

*Master Metered

Domestic Demand (from calculator)	6"	81840 gpd/350= 233.83 #eru*dia = 11691.5 y*Swater= \$37,997.38
Fire Demand	8" * AWWA 8*80*3=	1920 x*Swater= \$6,240.00
Irrigation Demand	2" * AWWA x*8=	16 y*Swater= \$52.00
Water Facilities Fee (\$750/unit*)		\$750*#units= \$219,000
Total System Development Fee:	Sum of Above:	\$263,289.38

This proposed methodology provides areas for future development rate increases.

*Unit is defined as an apartment, hotel room, condo, townhome, or family residence

This fee is based off projected demand. Demand is calculated using an industry standard calculator and converted to a "Equivalent Residential Unit" (ERU). An AWWA capacity ratio is applied and multiplied by the cost of water (residential or commercial). Additionally, there is a water facilities fee per residential unit of \$750.

Meter Size	AWWA (capacity)	Factor based on 5/8
5/8 inch	20	1
3/4 inch	30	1.5
1 inch	50	2.5
1-1/2 inch	100	5
2 inch	160	8
3 inch	300	15
4 inch	500	25
6 inch	1,000	50
8 inch	1,600	80
10 inch	2,300	115
12 inch	4,300	215
14 inch	6,400	320
16 inch	9,160	458

Exhibit D

Date: July 19th, 2023

To:

Jim Wade
Director- Organizational Development and Planning
Madison Suburban Utility District (“MSUD”)
108 W. Webster Street
Madison TN 37115

RE: MSUD Fees for Marlowe Gallatin Pike (1401 Gallatin Pike)

Mr. Wade,

Please accept this letter as an application or request for variance concerning the updated and new MSUD fees for our Marlowe Gallatin Pike project, which falls under the following unique circumstances:

- 1) A land seller we were under contract with filed for bankruptcy shortly before MSUD issued the original invoice, causing a delayed payment of the invoice.
- 2) A new fee was introduced by MSUD on an updated invoice after we closed on land and a construction loan with a set budget based on the original approval letter and invoice from MSUD.

As a reminder, Marlowe Gallatin Pike (the “Project”) is a 292 unit to-be-constructed apartment community on approximately 7.3 acres at 1401 Gallatin Pike in Madison, TN. You are likely aware that Nashville is facing a housing affordability crisis, and delivering new residential units is a critical component to providing relief for this ongoing crisis. Greystar is the developer of the Project and has been diligently working on the Project since roughly January 28th, 2022, when we put the 7.3-acre site under contract to purchase. Since that time, Greystar has completed physical site due diligence, numerous budgeting and construction pricing exercises (including municipal/utility fee research and budgeting), rezoned the property, sourced equity and debt, designed permit level plans (civil, architectural, mechanical, electrical, plumbing, structural, landscape/hardscape, low voltage, life safety, etc.), among other necessary items in preparation to break ground on the Project. Greystar received zoning approval on or around July 19th, 2022 and submitted for grading permit on or around November 18th, 2022. Due to the extreme backlog of plan review by Metro Water Services (and their 3rd party reviewer, Consore Engineering), Greystar is still awaiting grading permit approval as of the date of this letter.

On or around March 19th, 2023, Greystar received notice that the land seller of the 7.3-acre site had entered into bankruptcy (see Bankruptcy Notice “Exhibit A” appended to this letter). After consulting with counsel, it was apparent that our contract to purchase the property was no longer enforceable and we would need to get the bankruptcy trustee’s approval to purchase the property we had been working so diligently on buying. To that end, we wanted to limit our project cost exposure, as we no longer technically controlled our own destiny to purchase the land. As such, we temporarily paused all spending on the Project.

On or around March 20th, 2023, Greystar received approval from MSUD along with an invoice for approximately \$46K (see Original Invoice “Exhibit B” appended to this letter).

In May 2023, Greystar successfully navigated land seller’s bankruptcy process and obtained a path to close on the land. With this path to close on the land, Greystar finalized its detailed development budget for the Project, locked in equity and debt financing for the Project, and closed on the land as well as a construction loan for the Project. This detailed development budget set in May reflected the approved and invoiced

MSUD amount of \$46K. Both Greystar, our equity partner, and lender relied on the approved and invoiced amount of \$46K in setting our budget.

Greystar received no communication from MSUD about any new or updated fees scheduled to go into effect or being contemplated by MSUD, and on or around July 13th, 2023 received notification from MSUD with an updated invoice suggesting that the amount owed to MSUD had increased to ~\$310K, a difference of ~\$264K from the original approved and invoiced amount we relied on at land and loan closing. This increase of ~\$264K is largely driven by the introduction of a new fee referred to by MSUD as a Water Facilities Fee for ~\$219K (see Increased Invoice “Exhibit C” appended to this letter). While both invoices from MSUD state, “Prices subject to change if fees quoted are not paid within thirty (30) days of quoted date or if product prices of suppliers increase”, there is no mention of MSUD’s ability to introduce *new* fees after approval and initial invoicing. The new Water Facilities Fee was never quoted in the original approved and issued invoice, therefore we argue it is not a price that is subject to change.

Greystar paid the \$46K owed on July 18th, 2023 following a meeting with Jim Wade and Cindy Ellis (see Payment Receipt “Exhibit D” appended to this letter).

Given our unique circumstances, we are requesting MSUD honor their original invoice, which, as mentioned, has been paid in full. We hope that you will agree that our Project brings a net benefit to the Madison community, and we look forward to discussing this with you further at your earliest convenience.

Please do not hesitate to reach out to me if you have any questions or need additional information.

Thanks,



Matthew Evans | Senior Director, Development
Greystar | 1033 Demonbreun St #300, Nashville, TN 37203
c 615.708.7222 o 615.988.7130 | matt.evans@greystar.com

Bankruptcy Notice EXHIBIT A

[EXTERNAL] RAC Investment Holdings - Sale of 1425 Gallatin Pike Property



Carickhoff, Jr., David W. <dcarickhoff@archerlaw.com>
To: Matt Evans

Reply Reply All Forward [Share icon] [More icon]

Sun 3/19/2023 2:36 PM

You forwarded this message on 3/19/2023 6:58 PM.
Click here to download pictures. To help protect your privacy, Outlook prevented automatic download of some pictures in this message.

Matt,

I wanted to introduce myself. I am the chapter 7 trustee for RAC Investment and its affiliated companies, which filed for bankruptcy relief under chapter 7 on March 14. I understand that RAC Investment entered into a sale agreement with GreyStar before the bankruptcy. I am trying to understand what liens, if any exist. Can you please forward me a copy of the title report.

Thanks,
Dave Carickhoff

David W. Carickhoff, Jr., Esq.

Archer & Greiner P.C.
300 Delaware Avenue
Suite 1100
Wilmington, DE 19801
302-356-6621
dcarickhoff@archerlaw.com
www.archerlaw.com



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Original Invoice EXHIBIT B

LETTER OF TRANSMITTAL

MADISON SUBURBAN UTILITY DISTRICT
P.O. Box 175 Madison, Tennessee 37116-0175
(615) 868-3201 FAX (615) 868-5595

DATE: March 20, 2023

TO: Ms. Mary McGowan Re: Marlowe Gallatin Pike
Kimley Horn
10 Lea Avenue, Suite 400
Nashville, TN 37210
615-564-2701

3 Copy(ies)* DESCRIPTION: MSUD Engineer Review

These are transmitted for:

- ___ Approval
___ Your Use
[X] Approval as noted
___ Study and Review
___ Correction

REMARKS:

SIGNED: [Signature]
For Cynthia H. Ellis
TITLE: General Manager

Enclosure(s)

The
MADISON SUBURBAN UTILITY DISTRICT
Of Davidson County, Tennessee

March 20, 2023

Mary McGowan, PE
Kimley Horn
10 Lea Avenue, Suite 400
Nashville, TN 37210

RE: Marlowe Gallatin Pike
0 Gallatin Pike
Madison, TN 37115

Dear Mary:

The District's Engineer and personnel have reviewed the above-referenced plans and have found them apparently satisfactory; therefore, the District agrees to serve this project in accordance with these plans.

It would be advisable for you to check with the Tennessee Department of Environment and Conservation and obtain any necessary approval for the above referenced plans and if deemed necessary then submit one copy of the stamped approved plans to the District for our file and if not necessary, a letter from your Engineer stating such will suffice. If the State requires submittal, it will also be necessary to fill out a Construction Start Notification form and return it to the District.

A pre-construction conference will be necessary before work can begin. This conference can be arranged by contacting the District's Field Distribution Manager, Clayton Sears, at 615-593-4622.

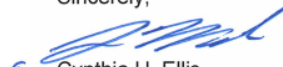
The owner/developer will be responsible for all development review fees and all appropriate tap and meter fees. Tap fees and meter charges are enclosed and currently due.

You are required to keep a copy of the approved plans on site during construction of this water line.

In addition, the owner to enter the state right-of-way for any water related work would need to do the following. Provide the District with an indemnity agreement and a certificate of insurance in showing the District as an additional insured for \$1,000,000 minimum and 3 copies of the water installation within the state right-of-way (drawn per TDOT's requirements, enclosed) so the District can furnish a general agreement to TDOT for this work. Please forward these items to the District as soon as possible.

There is no bond for this project.

Sincerely,



Cynthia H. Ellis
General Manager

CHE:jww

Enclosure

P.O Box 175 Madison, Tennessee 37116-0175 (615) 868-3201 FAX (615) 868-5595

MADISON SUBURBAN UTILITY DISTRICT
 P. O. BOX 175
 MADISON, TENNESSEE 37116-0175
 615-868-3201

INVOICE 000903

TO:
 Mary McGowan
 Kimley Horn
 10 Lea Avenue, Suite 400
 Nashville, TN 37210



Remit To:
 MSUD
 Attn: Cindy Ellis
 P. O. Box 175
 Madison, TN 37116-0175

DESCRIPTION	AMOUNT
MARLOWE GALLATIN PIKE, MADISON, TN	
Privilege Fees and Meter Charges (see attached) 1 – 6" Tap, Domestic Meter and RPBP 1 – 8" Tap, Fire Meter and DDCV 1 – 2" Tap, Meter, and RPBP These are to be DRY taps.	\$ 40,260.00
IF WET TAPPED	\$ 43,060.00
Progress Billing (see attached)	\$ 3,800.00
TOTAL DUE MSUD (DRY Tap)	\$ 44,060.00
TOTAL DUE MSUD (WET Tap)	\$ 46,860.00

**MADISON SUBURBAN UTILITY DISTRICT
PRIVILEGE FEES AND METER CHARGES**

REQUESTED BY: _____ PHONE #: _____
 CONTACT PERSON: Mary McGowan PHONE #: 615 564 2701
 PROJECT NAME: Marlene Gallatin Pike
 PROPOSED LOCATION: 0 Gallatin Pike

EXISTING TAP RESIDENTIAL PROGRESS BILLING Y N
 NEW TAP COMMERCIAL

		DEVELOPER INSTALLED	
		UNIT	EXTENDED
TAP SIZE	<u>6"</u>	# OF TAPS	<u>1</u>
METER	<u>6"</u>		<u>6000</u>
CROSS CONNECTION FEE			<u>7110</u>
WATER CONNECT FEE			<u>Progress</u>
SEWER CONNECT FEE	<input type="checkbox"/> M <input type="checkbox"/> G		<u>600</u>
EXCAVATION FEE	<input type="checkbox"/> TDOT		
TAP THE MAIN		<u>dry tap</u>	<u>wet tap 1400</u>
REVIEW FEE		<u>Progress</u>	
BACTERIOLOGICAL TEST FEE		<u>Progress</u>	
GIS MAPPING FEE		<u>Progress</u>	
		<u>dry</u>	<u>wet</u>
TOTALS		<u>\$13,710</u>	<u>\$15,110</u>

Prices subject to change if fees quoted are not paid within thirty (30) days of quoted date or if product prices of suppliers increase.

Please Provide contact information, including phone number and email address with payment.

Developer responsible for all labor, materials, and excavation performed to MSUD specifications and to prepare site for MSUD to tap the main.

NOTES OR COMMENTS: this is a dry tap

BY: [Signature] DATE: 20 Mar 2023

**MADISON SUBURBAN UTILITY DISTRICT
PRIVILEGE FEES AND METER CHARGES**

REQUESTED BY: _____ PHONE #: _____
 CONTACT PERSON: Mary McGowan PHONE # 615 564 2701
 PROJECT NAME: Marlowe Gallatin Pike
 PROPOSED LOCATION: 0 Gallatin Pike

EXISTING TAP RESIDENTIAL PROGRESS BILLING Y N
 NEW TAP COMMERCIAL

		DEVELOPER INSTALLED	
		UNIT	EXTENDED
TAP SIZE	<u>2"</u>	# OF TAPS	<u>1</u>
		<u>3400</u>	
METER	<u>2"</u>	<u>1600</u>	
CROSS CONNECTION FEE		<u>Progress</u>	
WATER CONNECT FEE		<u>200</u>	
SEWER CONNECT FEE	<input type="checkbox"/> M <input type="checkbox"/> G		
EXCAVATION FEE	<input type="checkbox"/> TDOT		<u>wet</u>
TAP THE MAIN		<u>dry</u>	<u>1400</u>
REVIEW FEE		<u>Progress</u>	
BACTERIOLOGICAL TEST FEE		<u>Progress</u>	
GIS MAPPING FEE		<u>Progress</u>	
		<u>dry tap</u>	<u>wet tap</u>
TOTALS		\$5,200	\$6,600

Prices subject to change if fees quoted are not paid within thirty (30) days of quoted date or if product prices of suppliers increase.

Please Provide contact information, including phone number and email address with payment.

Developer responsible for all labor, materials, and excavation performed to MSUD specifications and to prepare site for MSUD to tap the main.

NOTES OR COMMENTS: _____

BY: [Signature] DATE: 20 Mar 2023

PROJECT NAME: Marlowe Gallatin Pike

March 20, 2023

TO: Mary McGowan
 Kimley Horne
 10 Lea Avenue, Suite 400
 Nashville, TN 37210

March 20, 2023

PAST DUE: \$ 0
 Net 30 Days - 11/2% per month

Category:		Developer Large Plans Review		1,200.00
Review Fee*	-	Minimum-Seven Engineering Man-Hours Additional Engineering Man-Hours Minimum-Two District Man-Hours Additional District Man-Hours		0
Inspection Fee*	-	Minimum-One District Man-Hour Additional District Man-Hours	1 \$100 0 \$50	100.00 0.00
Tapping the Main Fee	-	\$ 1,400.00 Per 8" Tap to Tie On \$1,400.00 Per 4" Tap to Tie On \$1,400.00 Per 6" Tap to Tie On	1 Taps 0 Taps 0 Taps	1,400.00 0.00 0.00
Pressure Testing Fee	-	\$ 100 Per Test	1 Test(s)	100.00
Sampling Fee	-	\$ 50 Per Sample	2 Sample(s)	100.00
Bacteriological Test Fee	-	\$ 20 Per Sample	4 Sample(s)	80.00
Cross Connection Fee*	-	Minimum-One District Man-Hour Additional District Man-Hours	1 2	100 100
TDOT Indem. Contr. Fee	-	\$ 250 Per Location	1 Location(s)	250.00
Fire Hydrant Privilege Fee	-	\$ 1000 Per Hydrant	0 Hydrant(s)	0.00
Mapping (GIS) Fee	-	\$ 50 Per 1st 5 Meter/Tap 10 Per Each Additional Asset 10 Per Stick of Line	5 Meter/Tap 9 Assets 3 Pipe	250.00 90.00 30.00

Other PLEASE RETURN COPY OF INVOICE WITH PAYMENT.

Total All Current Fees Due		\$ 3,800.00
	Previous Payment:	\$ 0.00
GRAND TOTAL:		\$ 3,800.00

Make checks payable to: The Madison Suburban Utility District
 Remit to: Attn: Cynthia Ellis
 P.O. Box 175
 Madison, TN 37116-0175

THANK YOU.

*Any District man-hours above Minimum charged at \$50/man-hour.

Increased Invoice EXHIBIT C

From: Jim Wade <jwwade@msud.net>
Sent: Thursday, July 13, 2023 2:15 PM
To: McGowan, Mary <mary.mcgowan@kimley-horn.com>
Subject: Marlowe Gallatin Pike

You don't often get email from jwwade@msud.net. [Learn why this is important](#)

Mary,

I wanted to inform you that our fees have increased since your project plans were approved and invoiced. I have attached the updated invoice for your reference. Feel free to give me a call at your convenience if there are any questions.

Best,
Jim

Jim Wade

Director- Organizational Development and Planning
Madison Suburban Utility District
108 W. Webster Street
Madison TN 37115

Office: 615-868-3201; ext.206
Cell: 615-795-4652
Fax: 615-868-5595

JWWade@msud.net



<http://www.msud.net>

MADISON SUBURBAN UTILITY DISTRICT
 P. O. BOX 175
 MADISON, TENNESSEE 37116-0175
 615-868-3201

INVOICE 000903

TO:
 Mary McGowan
 Kimley Horn
 10 Lea Avenue, Suite 400
 Nashville, TN 37210

INVOICE NO. 000903 PAGE
 DATE 3/20/2023
 DUE DATE
 UPON RECEIPT

Remit To:
 MSUD
 Attn: Cindy Ellis
 P. O. Box 175
 Madison, TN 37116-0175

DESCRIPTION	AMOUNT
MARLOWE GALLATIN PIKE, MADISON, TN	
Privilege Fees and Meter Charges (see attached) 1 – 6" Tap, Domestic Meter and RPBP 1 – 8" Tap, Fire Meter and DDCV 1 – 2" Tap, Meter, and RPBP These are to be DRY taps.	\$ 40,260.00
IF WET TAPPED	\$ 43,060.00
Progress Billing (see attached) <i>system development fee</i>	\$ 3,800.00 \$ 263,289.38
TOTAL DUE MSUD (DRY Tap)	\$ 44,060.00 \$ 307,249.38
TOTAL DUE MSUD (WET Tap) <i>as of 12 July 2023.</i>	\$ 46,860.00 \$ 310,149.38

**MADISON SUBURBAN UTILITY DISTRICT
PRIVILEGE FEES AND METER CHARGES**

REQUESTED BY: _____ PHONE #: _____
 CONTACT PERSON: Mary McGowan PHONE #: 615-584-2701
 PROJECT NAME: Marlowe Callatin Pike
 PROPOSED LOCATION: 0 Callatin Pike

EXISTING TAP RESIDENTIAL PROGRESS BILLING Y N
 NEW TAP COMMERCIAL

		DEVELOPER INSTALLED	
		UNIT	EXTENDED
TAP SIZE	<u>8"</u>	# OF TAPS	<u>1</u>
METER	<u>8"</u>		<u>8,000</u>
CROSS CONNECTION FEE			<u>11,150</u>
WATER CONNECT FEE			<u>Progress</u>
SEWER CONNECT FEE	<input type="checkbox"/> M <input type="checkbox"/> G		<u>800</u>
EXCAVATION FEE	<input type="checkbox"/> TDOT		
TAP THE MAIN			<u>1,400</u>
REVIEW FEE			<u>Progress</u>
BACTERIOLOGICAL TEST FEE			<u>Progress</u>
GIS MAPPING FEE			<u>Progress</u>
TOTALS			<u>21,350</u>

Prices subject to change if fees quoted are not paid within thirty (30) days of quoted date or if product prices of suppliers increase.

Please Provide contact information, including phone number and email address with payment.

Developer responsible for all labor, materials, and excavation performed to MSUD specifications and to prepare site for MSUD to tap the main.

NOTES OR COMMENTS: 8" is a wet tap

BY: [Signature] DATE: 20 Mar 2023

MADISON SUBURBAN UTILITY DISTRICT
PRIVILEGE FEES AND METER CHARGES

REQUESTED BY: _____ PHONE #: _____
 CONTACT PERSON: Mary McGowan PHONE #: 615 564 2701
 PROJECT NAME: Marlene Gallatin Pike
 PROPOSED LOCATION: 0 Gallatin Pike

EXISTING TAP RESIDENTIAL PROGRESS BILLING Y N
 NEW TAP COMMERCIAL

		DEVELOPER INSTALLED	
		UNIT	EXTENDED
TAP SIZE	<u>6"</u>	<u>6000</u>	
# OF TAPS	<u>1</u>		
METER	<u>6"</u>	<u>7110</u>	
CROSS CONNECTION FEE		<u>Progress</u>	
WATER CONNECT FEE		<u>600</u>	
SEWER CONNECT FEE	<input type="checkbox"/> M <input type="checkbox"/> G		
EXCAVATION FEE	<input type="checkbox"/> TDOT		
TAP THE MAIN		<u>dry tap</u>	<u>wet tap 1400</u>
REVIEW FEE		<u>Progress</u>	
BACTERIOLOGICAL TEST FEE		<u>Progress</u>	
GIS MAPPING FEE		<u>Progress</u>	
		<u>dry</u>	<u>wet</u>
		<u>\$13,710</u>	<u>\$15,110</u>
TOTALS			

Prices subject to change if fees quoted are not paid within thirty (30) days of quoted date or if product prices of suppliers increase.

Please Provide contact information, including phone number and email address with payment.

Developer responsible for all labor, materials, and excavation performed to MSUD specifications and to prepare site for MSUD to tap the main.

NOTES OR COMMENTS: this is a dry tap

BY: [Signature] DATE: 20 Mar 2023

MADISON SUBURBAN UTILITY DISTRICT
 PRIVILEGE FEES AND METER CHARGES

REQUESTED BY: _____ PHONE #: _____
 CONTACT PERSON: Mary McGowan PHONE #: 615 584 2701
 PROJECT NAME: Marlowe Gallatin Pike
 PROPOSED LOCATION: 0 Gallatin Pike

EXISTING TAP RESIDENTIAL PROGRESS BILLING Y N
 NEW TAP COMMERCIAL

		DEVELOPER INSTALLED	
		UNIT	EXTENDED
TAP SIZE <u>2"</u>	# OF TAPS <u>1</u>	<u>3400</u>	
METER <u>2"</u>		<u>1600</u>	
CROSS CONNECTION FEE		<u>Progress</u>	
WATER CONNECT FEE		<u>200</u>	
SEWER CONNECT FEE <input type="checkbox"/> M <input type="checkbox"/> G			
EXCAVATION FEE <input type="checkbox"/> TDOT			<u>web</u>
TAP THE MAIN		<u>dry</u>	<u>1400</u>
REVIEW FEE		<u>Progress</u>	
BACTERIOLOGICAL TEST FEE		<u>Progress</u>	
GIS MAPPING FEE		<u>Progress</u>	
		<u>dry tap</u>	<u>web tap</u>
		<u>\$5200</u>	<u>\$6800</u>
TOTALS			

Prices subject to change if fees quoted are not paid within thirty (30) days of quoted date or if product prices of suppliers increase.

Please Provide contact information, including phone number and email address with payment.

Developer responsible for all labor, materials, and excavation performed to MSUD specifications and to prepare site for MSUD to tap the main.

NOTES OR COMMENTS: _____

BY: [Signature] DATE: 20 Mar 2023

PROJECT NAME: Marlowe Gallatin Pike

March 20, 2023

TO: Mary McGowan
Kimley Horne
10 Lea Avenue, Suite 400
Nashville, TN 37210

March 20, 2023

PAST DUE:				\$	0
	Net 30 Days - 11/2% per month				
Category:	Developer Large Plans Review				1,200.00
Review Fee*	-	Minimum-Seven Engineering Man-Hours Additional Engineering Man-Hours Minimum-Two District Man-Hours Additional District Man-Hours			0
Inspection Fee*	-	Minimum-One District Man-Hour Additional District Man-Hours	1 0	\$100 \$50	100.00 0.00
Tapping the Main Fee	-	\$ 1,400.00 Per 8" Tap to Tie On \$1,400.00 Per 4" Tap to Tie On \$1,400.00 Per 6" Tap to Tie On	1 Taps 0 Taps 0 Taps		1,400.00 0.00 0.00
Pressure Testing Fee	-	\$ 100 Per Test	1 Test(s)		100.00
Sampling Fee	-	\$ 50 Per Sample	2 Sample(s)		100.00
Bacteriological Test Fee	-	\$ 20 Per Sample	4 Sample(s)		80.00
Cross Connection Fee*	-	Minimum-One District Man-Hour Additional District Man-Hours	1 2		100 100
TDOT Indem. Contr. Fee	-	\$ 250 Per Location	1 Location(s)		250.00
Fire Hydrant Privilege Fee	-	\$ 1000 Per Hydrant	0 Hydrant(s)		0.00
Mapping (GIS) Fee	-	\$ 50 Per 1st 5 Meter/Tap 10 Per Each Additional Asset 10 Per Stick of Line	5 Meter/Tap 9 Assets 3 Pipe		250.00 90.00 30.00
Other	PLEASE RETURN COPY OF INVOICE WITH PAYMENT.				
Total All Current Fees Due				\$	3,800.00
		Previous Payment:		\$	0.00
GRAND TOTAL:				\$	3,800.00

Make checks payable to: The Madison Suburban Utility District
Remit to: Attn: Cynthia Ellis
P.O. Box 175
Madison, TN 37116-0175

THANK YOU.

*Any District man-hours above Minimum charged at \$50/man-hour.

PROJECT NAME: Marlowe Gallatin Pike

Date: July 12, 2023

TO: Mary McGowan
 Kimley Horn
 10 Lea Ave, Suite 400
 Nashville, TN 37210

Estimated Demand						
Discharge Facility	Design Unit	# of Units		Unit Flow (gpd)	Total Flow (gpd)	
		Existing	Proposed		Existing	Proposed
Single Family Dwelling	Per Dwelling			350	0	0
Multi-Family Housing (3BR)	Per Dwelling		25	350	0	8750
Multi-Family Housing (2BR)	Per Dwelling		120	300	0	36000
Multi-Family Housing (1BR)	Per Dwelling		147	250	0	36750
General Office Space	Per Employee			25	0	0
General Office Space	Per SF			0.1	0	0
Office/ Warehouse Space	Per SF			0.1	0	0
Warehouse Distribution	Per SF			0.025	0	0
Warehouse Self-storage	Per Storage Unit			0.2	0	0
Schools w/ Showers & Cafeteria	Per Person			16	0	0
Schools w/o Showers & Cafeteria	Per Person			12	0	0
Boarding schools/ Dormitories	Per Person			75	0	0
Hotels at 65 Gal/Person (rooms only)	Per Person			130	0	0
Hotel	Per Room			130	0	0
Trailer Courts at 3 person/trailer	Per Trailer			225	0	0
Restaurants	Per Seat			40	0	0
Restaurants (Full Service)	Per SF			2	0	0
Restaurants (Counter Service or Fine Dining)	Per SF			1.3	0	0
Restaurants (Fast Food)	Per SF			2.2	0	0
Service Station	Per Fuel Island			1000	0	0
Factories	Per Person Per 8hr Shift			25	0	0
Shopping Centers (No Food)	Per SF			0.15	0	0
Retail	Per SF			0.15	0	0
Hospitals	Per Bed			200	0	0
Nursing Homes (+75 gallons for laundry)	Per Bed			120	0	0
Home for the Aged	Per Bed			60	0	0
Retirement Living	Per Resident			100	0	0
Child care Center	Per Child and Adult			10	0	0
Laundromats	Per Machine			250	0	0
Swimming Pools	Per Swimmer		34	10	0	340
Theaters, Auditorium Type	Per Seat			5	0	0
Resort Camps, day & night w/limited plumbing	Per Campsite			50	0	0
Luxury Camps w/ Flush Toilets	Per Campsite			100	0	0
Church w/o Kitchen	Per Seat			3	0	0
Church (w/kitchen)	Per Seat			5	0	0
Car Wash (Stand Alone)	Per Bay			500	0	0
Barber/Salon	Per Station			200	0	0
Total Estimated Demand (gpd)					0	81840

Legend	
User Input	Existing
Calculated	Proposed
	Difference
	81840

*Note to User: The majority of the estimated Demand Rates used above are from Nashville Metro Water Services Guide to New Construction, Appendix 3- "Projected Flow Examples." This list has been supplemented with additional rates according to various resources. Supplemental rates that have been added are indented and italicized. Calculation assumptions have been noted in cell comments.

*Master Metered

Domestic Demand (from calculator)	6"	81840 gpd/350= 233.83 #eru*dia = 11691.5 y*Swater= \$37,997.38
Fire Demand	8" * AWWA 8*80*3=	1920 x*Swater= \$6,240.00
Irrigation Demand	2" * AWWA x*8=	16 y*Swater= \$52.00
Water Facilities Fee (\$750/unit*)		\$750*#units= \$219,000
Total System Development Fee:	Sum of Above:	\$263,289.38

This proposed methodology provides areas for future development rate increases.

*Unit is defined as an apartment, hotel room, condo, townhome, or family residence

This fee is based off projected demand. Demand is calculated using an industry standard calculator and converted to a "Equivalent Residential Unit" (ERU). An AWWA capacity ratio is applied and multiplied by the cost of water (residential or commercial). Additionally, there is a water facilities fee per residential unit of \$750.

Meter Size	AWWA (capacity)	Factor based on 5/8
5/8 inch	20	1
3/4 inch	30	1.5
1 inch	50	2.5
1-1/2 inch	100	5
2 inch	160	8
3 inch	300	15
4 inch	500	25
6 inch	1,000	50
8 inch	1,600	80
10 inch	2,300	115
12 inch	4,300	215
14 inch	6,400	320
16 inch	9,160	458

Payment Receipt EXHIBIT D

NOTES
MSUD
New Tap

RECEIPT
RECEIVED FROM
MARLOWE GALLATIN PIKE
1901 MARLOWE GALLATIN PIKE
MADISON, TN 37116-0175
FOR NEW TAP
7/18/23
BY [Signature]
084000024
\$49,800.00
155318

UTILITY DISTRICT
175
E 37116-0175
37201

INVOICE 000903

INVOICE NO. 000903
PAGE
DATE 3/20/2023
DUE DATE
UPON RECEIPT

Remit To:
MSUD
Attn: Cindy Ellis
P. O. Box 175
Madison, TN 37116-0175

DESCRIPTION	AMOUNT
MARLOWE GALLATIN PIKE, MADISON, TN	
Meter Charges (see attached) Domestic Meter and RBPB e Meter and DDCV ter, and RBPB e DRY taps.	\$ 40,260.00
ED	\$ 43,060.00
(attached)	\$ 3,800.00
DUE MSUD (DRY Tap)	\$ 44,060.00
DUE MSUD (WET Tap)	\$ 46,860.00

Exhibit E

Widawski-Katin, Shelby M (NSH - X68780)

From: Matt Evans <matt.evans@greystar.com>
Sent: Tuesday, July 25, 2023 5:03 PM
To: Eric Berger; Andrew Cook
Subject: FW: Marlowe Gallatin Pike
Attachments: Marlowe Gallatin Pike_invoice_25JUL23.pdf

FYI

Matthew Evans
c 615.708.7222
matt.evans@greystar.com

From: Jim Wade <jwwade@msud.net>
Sent: Tuesday, July 25, 2023 4:00 PM
To: Matt Evans <matt.evans@greystar.com>
Cc: Cindy Ellis <cellis@msud.net>; Peggy Shoaf <pshoaf@msud.net>
Subject: [EXTERNAL] RE: Marlowe Gallatin Pike

Matthew,

I appreciate you coming by the office today to discuss your variance request with the board. The board made the following determination. They waived the fire and irrigation demand, a \$6,292 reduction. This reduction and what you've already paid leaves a balance of \$256,997.38 due to MSUD.

The board also approved the following payment schedule:
1/3rd due twelve (12) months after ground break- \$85,665.79
1/3rd due twenty (20) months after ground break- \$85,665.79
1/3rd due twenty-four (24) months after ground break- \$85,665.79

I look forward to working with you as this project moves forward.

Best regards,
Jim

Jim Wade

Director- Organizational Development and Planning
Madison Suburban Utility District
108 W. Webster Street
Madison TN 37115

Office: 615-868-3201; ext.206
Cell: 615-795-4652
Fax: 615-868-5595
JWWade@msud.net

THE
MADISON
Suburban Utility District



<http://www.msud.net>

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From: Matt Evans <matt.evans@greystar.com>
Sent: Thursday, July 20, 2023 1:30 PM
To: Jim Wade <jwwade@msud.net>
Cc: Cindy Ellis <cellis@msud.net>
Subject: RE: Marlowe Gallatin Pike

Got it. Thanks!

Matthew Evans
c 615.708.7222
matt.evans@greystar.com

From: Jim Wade <jwwade@msud.net>
Sent: Thursday, July 20, 2023 11:31 AM
To: Matt Evans <matt.evans@greystar.com>
Cc: Cindy Ellis <cellis@msud.net>
Subject: [EXTERNAL] RE: Marlowe Gallatin Pike

Matt,
There are several other routine items on the agenda. I recommend arriving at 9:30 as to not waste your time.

Thanks,
Jim

Jim Wade

Director- Organizational Development and Planning
Madison Suburban Utility District
108 W. Webster Street
Madison TN 37115

Office: 615-868-3201; ext.206
Cell: 615-795-4652
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From: Matt Evans <matt.evans@greystar.com>
Sent: Thursday, July 20, 2023 11:23 AM
To: Jim Wade <jwwade@msud.net>
Cc: Cindy Ellis <cellis@msud.net>
Subject: RE: Marlowe Gallatin Pike

Great – see you all then. Thanks,

Matthew Evans

c 615.708.7222

matt.evans@greystar.com

From: Jim Wade <jwwade@msud.net>
Sent: Thursday, July 20, 2023 10:41 AM
To: Matt Evans <matt.evans@greystar.com>
Cc: Cindy Ellis <cellis@msud.net>
Subject: [EXTERNAL] RE: Marlowe Gallatin Pike

Matt,

Thanks for the timely delivery of the letter. I will ensure that it is presented to the board at the next Commissioners meeting. The meeting is held monthly and specifics can be found at MSUD.net.

The next one, if you choose to attend, is Tuesday July 25th at 9 am. It is held in the same room were we met.

Thanks,
Jim

Jim Wade

Director- Organizational Development and Planning
 Madison Suburban Utility District
 108 W. Webster Street
 Madison TN 37115

Office: 615-868-3201; ext.206

Cell: 615-795-4652

Fax: 615-868-5595

JWWade@msud.net

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From: Matt Evans <matt.evans@greystar.com>
Sent: Wednesday, July 19, 2023 6:38 PM
To: Jim Wade <jwwade@msud.net>
Cc: Cindy Ellis <cellis@msud.net>
Subject: RE: Marlowe Gallatin Pike

Jim,

Please see attached letter as discussed and let me know what else might be helpful. If you'll remind me when the variance meeting is held, I will be sure to attend. Thanks for your help with this!

Matt

Matthew Evans
 c 615.708.7222
matt.evans@greystar.com

From: Matt Evans <matt.evans@greystar.com>
Sent: Tuesday, July 18, 2023 5:39 PM
To: Jim Wade <jwwade@msud.net>
Cc: Cindy Ellis <cellis@msud.net>
Subject: RE: Marlowe Gallatin Pike

Great meeting you both today. I connected with John Cavin and am looking into the potential for developing the Webster site. Thanks!

Matthew Evans
 c 615.708.7222
matt.evans@greystar.com

From: Jim Wade <jwwade@msud.net>
Sent: Tuesday, July 18, 2023 2:07 PM
To: Matt Evans <matt.evans@greystar.com>
Cc: Cindy Ellis <cellis@msud.net>
Subject: [EXTERNAL] RE: Marlowe Gallatin Pike

Matt,

It was nice to meet you today. Once our board of commissioners decides, I will let you know soonest. Here is the agent's information if parties are interested in W. Webster St.

John Cavin, MBA

Commercial Real Estate Services

D: 615.250.8675

4030 Armory Oaks Dr,

M: 615.210.9697

Nashville, TN 37204

E: jcavin@southeastventure.com

www.southeastventure.com



SOUTHEAST VENTURE



Best,
Jim

Jim Wade

Director- Organizational Development and Planning
Madison Suburban Utility District
108 W. Webster Street
Madison TN 37115

Office: 615-868-3201; ext.206

Cell: 615-795-4652

Fax: 615-868-5595

JWWade@msud.net

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From: Matt Evans <matt.evans@greystar.com>

Sent: Monday, July 17, 2023 11:31 AM

To: Jim Wade <jwwade@msud.net>

Subject: RE: Marlowe Gallatin Pike

Jim, can we move this meeting to 1pm tomorrow?

Matthew Evans

c 615.708.7222

matt.evans@greystar.com

From: Matt Evans <matt.evans@greystar.com>
Sent: Friday, July 14, 2023 2:00 PM
To: Jim Wade <jwwade@msud.net>
Subject: RE: Marlowe Gallatin Pike

Great, I will send you an invite for 10am Tuesday and look forward to seeing you then.

Thanks,

Matthew Evans

c 615.708.7222

matt.evans@greystar.com

From: Jim Wade <jwwade@msud.net>
Sent: Friday, July 14, 2023 1:55 PM
To: Matt Evans <matt.evans@greystar.com>
Subject: [EXTERNAL] RE: Marlowe Gallatin Pike

Matt,

That sounds great. I am happy to discuss this with you. Next week is wide open for me except Thursday morning. We are located at 108 West Webster Madison, TN 37115. We are open from 730am-4pm.

Best,
Jim

Jim Wade

Director- Organizational Development and Planning
Madison Suburban Utility District
108 W. Webster Street
Madison TN 37115

Office: 615-868-3201; ext.206

Cell: 615-795-4652

Fax: 615-868-5595

JWWade@msud.net

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From: Matt Evans <matt.evans@greystar.com>
Sent: Friday, July 14, 2023 1:04 PM

To: Jim Wade <jwwade@msud.net>

Subject: RE: Marlowe Gallatin Pike

Jim,

Would it be possible for me to swing by your office next week to discuss?

Thanks,

Matt

Matthew Evans | Senior Director, Development
Greystar | 1033 Demonbreun St #300, Nashville, TN 37203
c 615.708.7222 o 615.988.7130 | matt.evans@greystar.com

From: Jim Wade <jwwade@msud.net>

Sent: Friday, July 14, 2023 10:07 AM

To: McGowan, Mary <mary.mcgowan@kimley-horn.com>

Cc: Andrew Cook <andrew.cook@greystar.com>; Matt Evans <matt.evans@greystar.com>; Barrett, Megan <Megan.Barrett@kimley-horn.com>

Subject: [EXTERNAL] RE: Marlowe Gallatin Pike

Mary,

Thank you for your questions and I understand your surprise. The system development fee is based on demand and projected stress on the system.

The attached has detailed information and can also be found on MSUD.net. The fee was adopted on July 1, 2023.

Prior to adopting this fee schedule, a comprehensive analysis of middle TN water utilities was performed.

Although this project cost increased, I'd argue that it's still significantly (approx. 50%) less expensive than any surrounding water utility.

I'm happy to answer any further questions you may have as they arise. My contact information can be found below.

Best,

Jim

Jim Wade

Director- Organizational Development and Planning
Madison Suburban Utility District
108 W. Webster Street
Madison TN 37115

Office: 615-868-3201; ext.206
Cell: 615-795-4652
Fax: 615-868-5595

JWWade@msud.net

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From: McGowan, Mary <mary.mcgowan@kimley-horn.com>
Sent: Friday, July 14, 2023 8:32 AM
To: Jim Wade <jwwade@msud.net>
Cc: Andrew Cook <andrew.cook@greystar.com>; Matt Evans <matt.evans@greystar.com>; Barrett, Megan <Megan.Barrett@kimley-horn.com>
Subject: RE: Marlowe Gallatin Pike

Jim,
This is quite the swing in fee. Where is the documentation of these fees and how they were assessed?
Thanks,

Mary McGowan, P.E.
Kimley-Horn | 10 Lea Avenue, Suite 400, Nashville, TN 37210
Direct: 615-800-4004 | Mobile: 601-672-7413 | Main: 615 564 2701

From: Jim Wade <jwwade@msud.net>
Sent: Thursday, July 13, 2023 2:15 PM
To: McGowan, Mary <mary.mcgowan@kimley-horn.com>
Subject: Marlowe Gallatin Pike

You don't often get email from jwwade@msud.net. [Learn why this is important](#)

Mary,

I wanted to inform you that our fees have increased since your project plans were approved and invoiced. I have attached the updated invoice for your reference.
Feel free to give me a call at your convenience if there are any questions.

Best,
Jim

Jim Wade

Director- Organizational Development and Planning
Madison Suburban Utility District
108 W. Webster Street

Madison TN 37115

Office: 615-868-3201; ext.206

Cell: 615-795-4652

Fax: 615-868-5595

JWWade@msud.net

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P.O. Box 211
Goodlettsville, TN 37070

740C Conference Drive
Goodlettsville, TN 37072

615-834-0071
rob@rwheelerlaw.com

October 24, 2023

Mr. Ross Colona
Assistant Director, Division of Local Government
Tennessee Comptroller
State Capitol
Nashville, TN 37243-9034

Re: Response of the Madison Suburban Utility District to Greystar's
Appeal of Madison Suburban Utility District's Variance Denial

SENT VIA EMAIL

Dear Mr. Colona:

As counsel for the Madison Suburban Utility District (District), I am responding on their behalf to the appeal from the District's denial of the Greystone Real Estate Partners' (Greystone) request for a variance from the System Development Fee (SDF) that was initiated by the District effective July 1, 2023. Their multi-unit residential project at issue is known as Marlowe Gallatin Pike.

BACKGROUND

The District has been in existence since 1939 pursuant to an order of the County Judge of Davidson County. It serves east Nashville to the Sumner County line. It serves a population of 81,515 with 2,447 business accounts and 31,430 residential customers. Cindy Ellis is the General Manager and has served in that capacity since April, 2010. She served as the Assistant General Manager from 1989 to 2010. The District has 51 employees, all of whom are quite busy due to the tremendous growth and development within the District that has occurred in the last three-four years. The District scored 100 on the last State of Tennessee Sanitary survey.

CHRONOLOGY OF EVENTS PERTAINING TO GREYSTAR

Greystar notified the District in the early part of 2023 that they were going to develop a 292 unit living site along Gallatin Rd. They applied for the proper permits for water service. The following occurred on the dates noted:

February 27, '23 - Greystar's final plans submitted to the District;

March 15, '23 - The District's engineer submitted a transmittal letter to Greystar that the plans were approved;

March, 19, '23 -- Greystar learned that the seller of the property upon which they hoped to develop this property had filed for bankruptcy protection.

March 20, '23 -- Greystar received approval from the District to connect to the water system and they received a \$46,860 invoice to do so. Greystar was informed at that time that "Prices subject to change if fees quoted are not paid within thirty (30) days of quoted date or if product prices of suppliers increase".

May 23, '23 - Greystar closed on the land and became the owner of the property upon which this project was to be built after the bankruptcy proceedings were concluded.

June 27, '23 - The District first discussed the SDF and voted to approve it and to become effective on July 1, '23.

July 14, '23 (Friday) - Greystar received the notice of the new SDF. The fee is \$263,289.38.

It should be noted that the SDF is new to the District but a similar fee is not new to other utility districts in middle Tennessee. That is, never before had the District charged a developer for water service in residential projects "per unit", as opposed to the project as a whole.

July 18, '23 - Greystar paid the original \$46,860.00 invoice submitted by the District.

July 19, '23 - Greystar submitted their application for a variance concerning the SDF.

July 25, '23 - The District's monthly meeting was held wherein the application for variance was presented and voted upon. The District, through their collective vote, kept the SDF in place but waived the fire and irrigation fees for Greystar. Those fees totaled \$6,292.00. The District also voted that Greystar could pay the SDF in thirds; One-third (1/3) of the fee to be paid within 12 months of the groundbreaking; One-third (1/3) twenty months after groundbreaking; One-third (1/3) twenty-four months from groundbreaking.

The appeal to this Board ensued.

THE DISTRICT'S RESPONSE:

T.C.A 7-80 2-304 is applicable as a basic proposition to this issue when it states -

"Any [utility] district created pursuant to this chapter has the power to:
 (6) **Fix**, maintain, collect and revise rates and **charges** for any service."
 (Emphasis supplied.)

The SDF is based on projected growth and demand in the area, and the cost to meet both. Again, this per unit cost is a common practice among utility district districts in this area. The charge per unit of consumption is based on a reasonable and studied formula. Jim Wade, Operations Manager for the District, explains it this way:

"You determine the total gallons per day, convert it into equivalent residential units and multiply by the AWWA meter scaling factor. That gives us the total potential maximum use. We then multiply that by the cost of water per cubic foot from our rate schedule. I do that calculation for domestic, fire, and irrigation then apply the water facilities fee which is essentially a discounted privilege fee. The water facilities fee applies to apartments, condo, townhome, assisted living, hotels (based on ERUs or any other residence not a single-family residence. In essence, the fee is based off projected demand of the completed project." (See the notice to the public attached hereto dated July 1, 2023 regarding the SDF.)

The District's first position in this matter is that the SDF is not arbitrary. It is based on demand and stress on the system, particularly when there is as much growth occurring within the boundaries of the District. That is particularly true when you have developments as large as 292 separate units. And, the District's research shows that their fee is still cheaper than the surrounding districts who charge a similar "capacity" fee.

Finally, Greystar knew that if they didn't pay the original fees within 30 days the fee could change. That information was known to them as a result of the invoice dated March 20, 2023, as shown in their filings before this Board. They did not pay the fee by April 20. AFTER Greystar became the owner and/or the bankruptcy of the previous owner was over on May 23, they still didn't pay the original fee by June 23. Rather, they waited until July 18, AFTER they received notice of the new fee. Thus, TWO thirty-day periods were missed.

The District can't be held responsible for the consequences of a previous owner seeking and securing bankruptcy protection. But as noted above The District did pay heed to Greystar's cost increase and responded by waiving the other fees noted above. The District also provided an extended time frame in which to pay

the SDF. But it is unfair to the remaining 31,432 residential customers and 2,447 business customers of the District to pay the cost of a new 292 residential project.

“The policy that all consumers of publicly provided utilities must pay for what they receive at the same rate charged others for a like service is paramount to any equitable considerations advanced by the customer. If the customer could successfully assert an estoppel defense, it would, in effect, have received electrical [water] service at a rate far below that charged other users of like services.” *Memphis Light, Gas & Water Division, A Division of the City of Memphis v. The Auburndale School System*, 705 S.W.2d 652 (1986).

The SDF became effective July 1, 2023. The previous fee was not paid within the 30 day period from March 20, 2023. Nor was it paid by June 23, nor by July 1 when the SDF became effective. The District submits that since equitable relief is being sought here, certain “maxims of equity” recognized by Tennessee law apply here.

Delay defeats Equity;

Equity aids the vigilant not the indolent;

Equity looks on that as done which ought to have been done

All Greystar had to do was pay the smaller fee within 30 days of receipt of the original fee bill. The District violated no laws in adopting the SDF.

Equally applicable to this matter is T.C.A. 7-82-702 that pertains to the Tennessee Board of Utility Regulation (TBOUR). This statute issues a mandate to TBOUR to be responsible for “.....furthering the legislative objective of **self-supporting** water systems”. Here, with the growth and demands upon its system, the District is trying to meet that charge within the statutory authority provided it.

Thank you for your time and attention to this matter.

Sincerely,



Robert G. Wheeler, Jr.

Original Invoice EXHIBIT B

LETTER OF TRANSMITTAL

MADISON SUBURBAN UTILITY DISTRICT
P.O. Box 175 Madison, Tennessee 37116-0175
(615) 868-3201 FAX (615) 868-5595

DATE: March 20, 2023

TO: Ms. Mary McGowan
Kimley Horn
10 Lea Avenue, Suite 400
Nashville, TN 37210
615-564-2701

Re: Marlowe Gallatin Pike

3 Copy(ies)* DESCRIPTION: MSUD Engineer Review

These are transmitted for:

- Approval
- Your Use
- Approval as noted
- Study and Review
- Correction

REMARKS: _____

SIGNED: 
for Cynthia H. Ellis
TITLE: General Manager

Enclosure(s)

The
MADISON SUBURBAN UTILITY DISTRICT
Of Davidson County, Tennessee

March 20, 2023

Mary McGowan, PE
Kimley Horn
10 Lea Avenue, Suite 400
Nashville, TN 37210

RE: Marlowe Gallatin Pike
0 Gallatin Pike
Madison, TN 37115

Dear Mary:

The District's Engineer and personnel have reviewed the above-referenced plans and have found them apparently satisfactory; therefore, the District agrees to serve this project in accordance with these plans.

It would be advisable for you to check with the Tennessee Department of Environment and Conservation and obtain any necessary approval for the above referenced plans and if deemed necessary then submit one copy of the stamped approved plans to the District for our file and if not necessary, a letter from your Engineer stating such will suffice. If the State requires submittal, it will also be necessary to fill out a Construction Start Notification form and return it to the District.

A pre-construction conference will be necessary before work can begin. This conference can be arranged by contacting the District's Field Distribution Manager, Clayton Sears, at 615-593-4622.

The owner/developer will be responsible for all development review fees and all appropriate tap and meter fees. Tap fees and meter charges are enclosed and currently due.

You are required to keep a copy of the approved plans on site during construction of this water line.

In addition, the owner to enter the state right-of-way for any water related work would need to do the following. Provide the District with an indemnity agreement and a certificate of insurance in showing the District as an additional insured for \$1,000,000 minimum and 3 copies of the water installation within the state right-of-way (drawn per TDOT's requirements, enclosed) so the District can furnish a general agreement to TDOT for this work. Please forward these items to the District as soon as possible.

There is no bond for this project.

Sincerely,


Cynthia H. Ellis
General Manager

CHE:jww

Enclosure

P.O. Box 175 Madison, Tennessee 37116-0175 (615) 868-3201 FAX (615) 868-5595

June 20, 2023 Minutes

Jim Wade then discussed a System Development Fee proposal for Commercial Multi-Family Developments. The proposed rate is a \$750.00 fee per unit. This is a discounted fee from the residential units that have a \$1,200 Fee. Surrounding water utilities have been assessing this fee over time. The proposed MSUD rate would be about half of the fees of other water districts in this immediate area. Mr. Garrett made a motion to approve this System Development Fee at \$750.00 per unit and it was seconded by Commissioner Forkum who had just arrived at 9:32 a.m.

Increased Invoice EXHIBIT C

From: Jim Wade <jwwade@msud.net>
Sent: Thursday, July 13, 2023 2:15 PM
To: McGowan, Mary <mary.mcgowan@kimley-horn.com>
Subject: Marlowe Gallatin Pike

You don't often get email from jwwade@msud.net. [Learn why this is important](#)

Mary,

I wanted to inform you that our fees have increased since your project plans were approved and invoiced. I have attached the updated invoice for your reference. Feel free to give me a call at your convenience if there are any questions.

Best,
Jim

Jim Wade

Director- Organizational Development and Planning
Madison Suburban Utility District
108 W. Webster Street
Madison TN 37115

Office: 615-868-3201; ext.206
Cell: 615-795-4652
Fax: 615-868-5595

jwwade@msud.net

MADISON
Suburban Utility District



<http://www.msud.net>

MADISON SUBURBAN UTILITY DISTRICT
 P. O. BOX 17
 MADISON, TENNESSEE 37116-0175
 615-868-3201

INVOICE 000903

TO:
 Mary McGowan
 Kimley Horn
 10 Lea Avenue, Suite 400
 Nashville, TN 37210



Remit To:
 MSUD
 Attn: Cindy Ellis
 P. O. Box 175
 Madison, TN 37116-0175

DESCRIPTION	AMOUNT
MARLOWE GALLATIN PIKE, MADISON, TN	
Privilege Fees and Meter Charges (see attached) 1 - 6" Tap, Domestic Meter and RPBP 1 - 8" Tap, Fire Meter and DDCV 1 - 2" Tap, Meter, and RPBP These are to be DRY taps.	\$ 40,260.00
IF WET TAPPED	\$ 43,060.00
Progress Billing (see attached) <i>system development fee</i>	\$ 3,800.00 \$ 263,259.38
TOTAL DUE MSUD (DRY Tap)	\$ 44,060.00 \$ 307,249.38
TOTAL DUE MSUD (WET Tap) <i>as of 12 July 2023.</i>	\$ 46,860.00 \$ 310,149.38

July 27, '23 Minutes

Matthew Evans on behalf of the developer then appeared before the Commission to discuss the large Marlowe/Gallatin Pike residential development project and its variance appeal request. In essence, he asked for a relief from the new development rates based on the unit pricing adopted recently by the District. In March, Marlowe was approved for the development fees but they were not paid prior to the change in development fees on July 1, 2023. It was also noted that the previous owner bankrupt, causing a delay in closing on the property for Marlowe Investors, GrayStar. Mr. Evans emphasized that in all Marlowe's actions regarding this development and the costs for water installation, they relied on the old rates. The previous invoice rate was \$46,860.00, which was paid on July 18, 2023 ck #102. After lengthy discussion, the Commission voted to allow the developer to pay the unit fees in phases, one-third fee of the \$265,997.38 balance for the water service twelve months after ground breaking is \$85,665.79. The second one-third payment of \$85,665.79 will be due 20 months from ground breaking, then the last one-third payment of \$85,665.79 will be due twenty-four months from the ground breaking date. The Commission also voted to waive the fire and irrigation fee of \$6,292.00, as well as refund the fee previously paid for the variance appeal. The amount for this project under these new rates is approximately \$303,857.38 (after waiving irrigation and fire). Commissioner Garrett moved for approval of these terms and the motion was seconded by Commissioner Forkum. It passed unanimously.



JASON E. MUMPOWER
Comptroller

Utility Revitalization Fund Disbursement Request Plateau Utility District

The Plateau Utility District (“PUD”) is in the process of completing a merger with the City of Wartburg’s (“Wartburg”) wastewater system. Wartburg’s utility has been financially distressed since 2018. PUD has identified weaknesses in Wartburg’s infrastructure and has requested funding from the Utility Revitalization Fund (“URF”) to facilitate the merger.

In the process of merging with another utility, an appraisal of the acquired entity is completed to determine the value of its assets. Due to the poor condition of Wartburg’s utility infrastructure, Wartburg’s capital assets were valued at a much lower value than being previously recorded, which has resulted in a new projected depreciation expense of roughly \$69,000 compared to the previously recorded annual depreciation expense of roughly \$222,000.

PUD requests a grant of \$1,172,722 from the URF. The grant will be used for the following:

- \$825,922 to retire the debt currently held by the Wartburg utility.
- 5 payments of \$69,360 paid annually to the Plateau Utility District to cover the cost of the annual Wartburg depreciation expense.

The balance of the URF currently stands at \$2,000,000. PUD’s proposed uses of the funds fulfill the purpose for which the URF was created, but approving the entire amount would commit more than half of URF’s balance. For this reason, Board staff is not comfortable approving the entire \$1,172,722 request from PUD.

Board staff believes the recommendation below would be sufficient to enable the merger between PUD and Wartburg to proceed.

Staff Recommendation:

Board staff recommends the Board order the following:

1. A one-time grant of \$300,000 shall be issued from the URF to the Plateau Utility District to be used to retire \$300,000 of debt obligations previously held by Wartburg.
2. A series of \$40,000 grant payments over the course of 5 years shall be issued from the URF to the Plateau Utility District. These funds are entitled to be used for any expenses regardless of whether they are operating expenses, capital expenses, or debt service.



JASON E. MUMPOWER
Comptroller

3. The first payment of \$340,000 shall be issued within 90 days of Board staff receiving notification from the Plateau Utility District indicating the merger between the District and the City of Wartburg's utility has been completed.
4. Subsequent payments shall be made within 90 days of the first day of Plateau Utility District's fiscal year.
5. Plateau Utility District shall send Board staff proof that the \$300,000 grant from the URF was used to retire a portion of Wartburg's debt obligations.
6. Plateau Utility District shall comply with any requests for information from Board staff regarding the use of grants from the URF.

PLATEAU UTILITY DISTRICT

PHONE: 423-346-3101
407 ELIZA STREET
P.O. BOX 407
WARTBURG, TN 37887
FAX: 423-346-7833

MIKE MCGRATH, PRESIDENT
ELIZABETH BEARD, SECRETARY
JOHN DAVIS, MEMBER
ALBERT LANE, MEMBER
REAGAN WILLIAMS, MEMBER

August 24, 2023

VIA E-MAIL (Ross.Colona@cot.tn.gov and Benjamin.S.Johnson@cot.tn.gov)

Mr. Ross Colona, Assistant Director
Mr. Ben Johnson, Financial Analyst
Tennessee Board of Utility Regulation
Cordell Hull Building
425 Fifth Avenue North
Nashville, Tennessee 37243

RE: Request for Grant from the Utility Revitalization Fund to Offset the Cost of Consolidation with the City of Wartburg's Sewer System

Dear Ross and Ben:

Plateau Utility District of Morgan County, Tennessee (the "District") requests approval from the Tennessee Board of Utility Regulation for a grant of funds from the State of Tennessee's Utility Revitalization Fund in an amount sufficient to offset the significant cost the District will incur by consolidating with the City of Wartburg's wastewater system. As you know, on April 8, 2019, the City of Wartburg (the "City") was referred to the Tennessee Water and Wastewater Financing Board (the "WWFB") as a financially distressed wastewater system, and on May 10, 2021, the WWFB ordered the following relevant items:

- By June 30, 2021, Wartburg shall adopt all recommendations of the March 2021 TAUD report; such report included increased wastewater rates.
- Wartburg shall continue to explore merger or consolidation possibilities with Plateau Utility District.

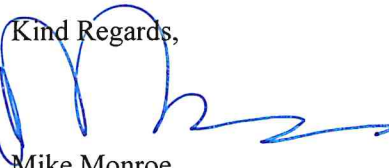
The City is also currently under the jurisdiction of a Director's Order and Assessment issued by the Tennessee Department of Environment and Conservation, Division of Water Resources for violations of the Water Quality Control Act. The District and the City entered into an Operations and Maintenance Agreement on June 30, 2021 whereby the District assumed operational control of the wastewater system while the City retained ownership of said system. The City has expressed interest in transferring ownership of its wastewater system to the District.

The District specifically requests grant funds in an amount sufficient to retire the City's wastewater debt obligations, excluding its State Revolving Fund Loan, and to offset the current and near term future depreciation costs of the City's wastewater system. A schedule showing the City's outstanding wastewater debt obligations is attached hereto as Exhibit A, and an analysis and schedule showing the calculation of annual depreciation costs of the wastewater system in the amount of \$69,360 is attached hereto as Exhibit B. The District respectfully requests grant funds to cover this annual depreciation cost during a reasonable startup period of five years, totaling \$346,800 in depreciation costs.

The District's acceptance of the transfer of the City's wastewater system is subject to the following conditions: (i) the District must receive approval of a grant from the State of Tennessee's Utility Revitalization Fund, be in agreement with the amount funds granted, and be in actual receipt of such funds prior to the closing on the transfer of the City of Wartburg's wastewater treatment and collections system; (ii) the District shall use such grant funds for operating expenses or to pay off all or a portion of the City's outstanding sewer debt obligations; and (iii) the District shall take all steps and execute all documents and agreements to assign and assume any remaining outstanding sewer debt obligations of the City. For your reference, a copy of the District's Resolution Authorizing the Acceptance of the Transfer of the City's Wastewater System is attached hereto as Exhibit C.

Pursuant to Tenn. Code Ann. § 7-82-708, grant funds shall be used to mitigate the financial impact of the merger or consolidation, including a utility system's operating expenses. Due to the amount of the City's outstanding wastewater debt obligations and the current and future depreciation costs associated with the District's acceptance of the transfer of the City's wastewater system, we believe a grant from the Tennessee Utility Revitalization Fund to offset these significant costs is clearly in the public's interest—the grant funds will facilitate the transfer of the wastewater system from the City to the District, which the WWFB previously determined was in the best interest of the customers.

I respectfully ask the Tennessee Board of Utility Regulation to consider this request as soon as possible. If you need further information, please contact me at mmonroe@plateauutility.com or (423) 319-7791. Thank you for your consideration of this request.

Kind Regards,

Mike Monroe
General Manager
Plateau Utility District

Cc: Jeff Oldham (joldham@bassberry.com)
Betsy Knotts (betsy.knotts@bassberry.com)

Exhibit A

City Wastewater Debt Obligations

(See attached)

Exhibit A

City Wastewater Debt Obligations

Fiscal Year	Sewer Revenue and Tax Deficiency Bond, Series 1988 (6.00%)			Sewer Revenue and Tax Bond, Series 1995 (5.25%)			Sewer Revenue and Tax Bond, Series 1998 (4.50%)			Sewer Revenue and Tax Bond, Series 2005 (4.50%)			Sewer Revenue and Tax Bond, Series 2020 (2.75%)			SRF Loan SRF 05-182 (1.23%)			Total Debt Service		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2022	10,110	2,286	12,396	10,541	9,907	20,448	2,016	1,848	3,864	2,151	3,693	5,844	3,208	6,362	9,570	60,624	4,944	65,568	85,442	22,678	108,120
2023	10,734	1,662	12,396	11,108	9,340	20,448	2,109	1,755	3,864	2,250	3,995	5,845	3,208	6,362	9,570	61,380	4,188	65,568	90,789	26,902	117,691
2024	11,396	1,000	12,396	11,705	8,743	20,448	2,206	1,658	3,864	2,353	3,491	5,844	6,550	12,590	19,140	62,136	3,432	65,568	96,346	30,914	127,260
2025	10,958	300	11,258	12,335	8,113	20,448	2,307	1,557	3,864	2,461	3,383	5,844	6,732	12,408	19,140	62,904	2,664	65,568	97,697	28,425	126,122
2026				12,998	7,450	20,448	2,413	1,451	3,864	2,574	3,270	5,844	6,919	12,221	19,140	63,684	1,884	65,568	88,588	26,276	114,864
2027				13,730	6,751	20,481	2,529	1,340	3,869	2,692	3,152	5,844	7,112	12,028	19,140	64,464	1,104	65,568	90,527	24,375	114,902
2028				14,434	6,014	20,448	2,640	1,224	3,864	2,816	3,028	5,844	7,310	11,830	19,140	49,225	339	49,564	76,425	22,435	98,860
2029				15,210	5,238	20,448	2,761	1,103	3,864	2,945	2,899	5,844	7,514	11,626	19,140	28,430	20,866	49,296	28,430	20,866	49,296
2030				16,028	4,420	20,448	2,888	976	3,864	3,081	2,763	5,844	7,723	11,417	19,140	29,720	19,576	49,296	29,720	19,576	49,296
2031				16,890	3,558	20,448	3,021	843	3,864	3,222	2,622	5,844	7,938	11,202	19,140	31,071	18,225	49,296	31,071	18,225	49,296
2032				17,799	2,649	20,448	3,159	705	3,864	3,370	2,474	5,844	8,159	10,981	19,140	32,487	16,809	49,296	32,487	16,809	49,296
2033				18,756	1,692	20,448	3,304	560	3,864	3,525	2,319	5,844	8,386	10,754	19,140	33,971	15,325	49,296	33,971	15,325	49,296
2034				19,765	683	20,448	3,456	405	3,861	3,687	2,157	5,844	8,620	10,520	19,140	35,528	13,765	49,293	35,528	13,765	49,293
2035				2,981	12	2,993	3,561	249	3,810	3,856	1,988	5,844	8,860	10,280	19,140	19,258	12,529	31,787	19,258	12,529	31,787
2036							3,741	86	3,827	4,033	1,811	5,844	9,107	10,033	19,140	16,881	11,930	28,811	16,881	11,930	28,811
2037										4,219	1,625	5,844	9,360	9,780	19,140	13,579	11,405	24,984	13,579	11,405	24,984
2038										4,413	1,431	5,844	9,621	9,519	19,140	14,034	10,950	24,984	14,034	10,950	24,984
2039										4,615	1,229	5,844	9,889	9,251	19,140	14,504	10,480	24,984	14,504	10,480	24,984
2040										4,827	1,017	5,844	10,164	8,976	19,140	14,991	9,993	24,984	14,991	9,993	24,984
2041										5,049	795	5,844	10,447	8,693	19,140	15,496	9,488	24,984	15,496	9,488	24,984
2042										5,281	563	5,844	10,738	8,402	19,140	16,019	8,965	24,984	16,019	8,965	24,984
2043										5,524	320	5,844	11,037	8,102	19,139	16,561	8,422	24,983	16,561	8,422	24,983
2044										3,362	67	3,429	11,345	7,795	19,140	14,707	7,862	22,569	14,707	7,862	22,569
2045													11,661	7,479	19,140	11,661	7,479	19,140	11,661	7,479	19,140
2046													11,986	7,154	19,140	11,986	7,154	19,140	11,986	7,154	19,140
2047													12,319	6,821	19,140	12,319	6,821	19,140	12,319	6,821	19,140
2048													12,662	6,478	19,140	12,662	6,478	19,140	12,662	6,478	19,140
2049													13,015	6,125	19,140	13,015	6,125	19,140	13,015	6,125	19,140
2050													13,377	5,762	19,139	13,377	5,762	19,139	13,377	5,762	19,139
2051													13,750	5,390	19,140	13,750	5,390	19,140	13,750	5,390	19,140
2052													14,133	5,007	19,140	14,133	5,007	19,140	14,133	5,007	19,140
2053													14,527	4,613	19,140	14,527	4,613	19,140	14,527	4,613	19,140
2054													14,931	4,209	19,140	14,931	4,209	19,140	14,931	4,209	19,140
2055													15,347	3,793	19,140	15,347	3,793	19,140	15,347	3,793	19,140
2056													15,774	3,366	19,140	15,774	3,366	19,140	15,774	3,366	19,140
2057													16,214	2,926	19,140	16,214	2,926	19,140	16,214	2,926	19,140
2058													16,665	2,475	19,140	16,665	2,475	19,140	16,665	2,475	19,140
2059													17,129	2,011	19,140	17,129	2,011	19,140	17,129	2,011	19,140
2060													17,606	1,534	19,140	17,606	1,534	19,140	17,606	1,534	19,140
2061													18,097	1,043	19,140	18,097	1,043	19,140	18,097	1,043	19,140
2062													18,601	539	19,140	18,601	539	19,140	18,601	539	19,140
Total	43,198	5,248	48,446	194,280	74,570	268,850	42,111	15,760	57,871	82,306	49,692	131,998	464,027	301,571	765,598	424,417	18,555	442,972	1,250,339	465,396	1,715,735

Exhibit B

Depreciation Cost Analysis

(See attached)



Wartburg Sewer System Depreciation Schedule
Plateau Utility District
CEC Project #331-278
April 19, 2023

Plateau Utility District (PUD) is in the process of purchasing the Wartburg Sanitary Sewer Collection System and Wastewater Treatment Plant. As part of the financial review, PUD requested that Civil & Environmental Consultants, Inc. (CEC), review the City of Wartburg 2021 Book Asset Detail (attached) and provide feedback regarding the useful life, remaining value, and condition of the assets related to the collection system and plant. This has been a systematic process initially developed from PUD reviewing and editing the Auditor's Depreciation Schedule. CEC was able to find certain records and "fine tune" the Auditor's Schedule. CEC has made certain assumptions in order to determine a reasonable value of the system. They are:

1. Straight line Depreciation, with no salvage value, was used to determine the sewer system value
2. Concrete Structures and Brick/Block Buildings have an estimated life of 50 years
3. Pipelines have an estimated life of 50 years
4. Mechanical Equipment has an estimated life of 15 years
5. Sewer services and residential grinder pumps are the property of the customer even if the City initially paid the construction cost for these. They are not an asset for the City.
6. The original wastewater system was constructed in the early 1970s and has been fully depreciated. None of the original wastewater treatment facilities remain in service.

Project Execution

1. CEC determined which items were no longer in use or would not be accepted for ownership by PUD. These items were removed from the depreciation schedule.
2. CEC visited Wartburg and found as many original bid documents and construction plans as possible related to the projects listed in the depreciation schedule. If bid documents were located, the project details were inserted into the depreciation schedule and each component of the project was evaluated based on the accepted standard life expectancy and remaining useful life. If original documentation could not be located related to specific projects, then project information was applied to the best of CEC's knowledge based on familiarity with Wartburg's sewer system and past design projects. If there was remaining useful life on any component of a project, the current value of that component was determined using the method of straight line depreciation.
3. CEC considered the age and condition of the sanitary sewer collection system and discounted the book value of gravity sewer pipelines and manholes by 30% of their original value. Infiltration/ inflow numbers at the wastewater treatment plant, supported by recent flow monitoring and televising of the collection system, support that these collection system components are no longer in a condition to be valued at 100 percent of their original installed condition.

Conclusion

At conclusion of the system financial analysis, CEC has placed a Current Value of the wastewater system of \$2,102,600. The associated Annual Depreciation based on the remaining life of specific

Plateau Utility District
CEC Project 331-278
Page 2
April 19, 2023

components is estimated at \$69,360/year. Attached is the detailed spreadsheet used by CEC to determine this value. Please note that CEC's evaluation of the Current Value or the Annual Depreciation does not include construction in progress. Also, it assumes that all improvements related to the Morgan County Correctional Facility will be included in the rate charged to this entity and not applied to Wartburg/ PUD customers.

Please note: CEC has not performed an exhaustive evaluation of the Wastewater Treatment Plant or the Wastewater Collection System. The analysis included use of available records. Certain assumptions were made based on information available. Critical records could have been missed by CEC personnel during their search for information. Nonetheless, CEC believes this evaluation is sound and reasonable for Wartburg and Plateau Utility District to use during any financial transactions.

Book Asset Detail 7/01/20 - 6/30/21

Asset	d	t	Property Description	Date In Service	Book Cost	Book Sec 179 Exp	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Value	Book Method	Book Period
Group: CONSTRUCTION IN PROGRESS													
422			CIP - 2019 CDBG fire truck	6/30/20	10,500.00	0.00	0.00	0.00	0.00	0.00	10,500.00	Memo	5.00
423			2019 MCXX State of TN project	6/30/21	9,210.00	0.00 c	0.00	0.00	0.00	0.00	9,210.00	Memo	0.00
424			2019 Rural Development CIP	6/30/21	308,514.07	0.00 c	0.00	0.00	0.00	0.00	308,514.07	Memo	0.00
447			Brushy Mountain project	6/30/21	21,800.00	0.00 c	0.00	0.00	0.00	0.00	21,800.00	Memo	0.00
CONSTRUCTION IN PROGRESS					350,024.07	0.00 c	0.00	0.00	0.00	0.00	350,024.07		
Group: IMPROVEMENTS													
19			SEWER ADDITIONS	6/30/02	10,304.00	0.00	0.00	10,304.00	0.00	10,304.00	0.00	S/L	10.00
20			SEWER ADDITIONS	6/30/03	11,325.00	0.00	0.00	11,325.00	0.00	11,325.00	0.00	S/L	10.00
16			PLANT ADDITIONS	12/31/03	17,741.00	0.00	0.00	17,741.00	0.00	17,741.00	0.00	S/L	10.00
21			AIR CONDITIONER	5/07/04	359.00	0.00	0.00	359.00	0.00	359.00	0.00	S/L	10.00
18			VACUUM	10/12/04	1,184.00	0.00	0.00	1,184.00	0.00	1,184.00	0.00	S/L	10.00
383			Myers WLG20 Pump	2/28/17	4,727.25	0.00	0.00	3,151.50	945.45	4,096.95	630.30	S/L	5.00
384			Roller - WLDT K05	7/26/16	8,929.27	0.00	0.00	2,331.52	595.28	2,926.80	6,002.47	S/L	15.00
420			New heat unit	9/12/19	2,639.16	0.00	0.00	146.62	175.94	322.56	2,316.60	S/L	15.00
8			SEWER RENOVATION	6/30/89	548,266.35	0.00	0.00	339,595.78	10,965.33	350,561.11	197,705.24	S/L	50.00
9			SEWER RENOVATION	9/04/90	57,464.00	0.00	0.00	35,282.20	1,149.28	36,431.48	21,032.52	S/L	50.00
10			BETTERMENTS	2/19/93	4,548.00	0.00	0.00	2,501.40	90.96	2,592.36	1,955.64	S/L	50.00
11			SEWER RENOVATION	6/30/97	817,082.00	0.00	0.00	384,029.60	16,341.64	400,371.24	416,710.76	S/L	50.00
12			INTEREST ON SEWER	6/30/97	6,280.00	0.00	0.00	2,890.00	125.60	3,015.60	3,264.40	S/L	50.00
13			SEWER RENOVATION	6/30/98	274,987.00	0.00	0.00	124,013.10	5,499.74	129,512.84	145,474.16	S/L	50.00
14			SEWER RENOVATION	6/30/99	481,330.00	0.00	0.00	206,973.00	9,626.60	216,599.60	264,730.40	S/L	50.00
15			SEWER RENOVATION	6/30/00	355,672.00	0.00	0.00	145,824.60	7,113.44	152,938.04	202,733.96	S/L	50.00
22			SEWER LINE EXTENSION	1/26/07	869,478.00	0.00	0.00	233,309.93	17,389.56	250,699.49	618,778.51	S/L	50.00
398			2016 CDBG Sewer Improvements	8/31/19	526,475.00	0.00	0.00	8,774.58	10,529.50	19,304.08	507,170.92	S/L	50.00
IMPROVEMENTS					3,998,791.03	0.00 c	0.00	1,529,736.83	80,548.32	1,610,285.15	2,388,505.88		
Group: LAND													
23			LAND	6/30/86	5,709.00	0.00	0.00	0.00	0.00	0.00	5,709.00	S/L	0.00
LAND					5,709.00	0.00 c	0.00	0.00	0.00	0.00	5,709.00		
Group: MACHINERY & OTHER													
39			EQUIPMENT ADDITIONS	6/30/01	1,500.00	0.00	0.00	1,500.00	0.00	1,500.00	0.00	S/L	10.00
41			EQUIPMENT ADDITIONS	6/30/01	1,341.00	0.00	0.00	1,341.00	0.00	1,341.00	0.00	S/L	10.00
43			EQUIPMENT ADDITIONS	6/30/02	3,812.00	0.00	0.00	3,812.00	0.00	3,812.00	0.00	S/L	10.00
44			EQUIPMENT ADDITIONS	6/30/03	2,738.00	0.00	0.00	2,738.00	0.00	2,738.00	0.00	S/L	10.00
46			EQUIPMENT ADDITIONS	12/31/03	1,807.00	0.00	0.00	1,807.00	0.00	1,807.00	0.00	S/L	10.00
48			EQUIPMENT ADDITIONS	5/07/04	489.00	0.00	0.00	489.00	0.00	489.00	0.00	S/L	10.00
53			SMOKE BLOWER	4/13/05	1,195.00	0.00	0.00	1,195.00	0.00	1,195.00	0.00	S/L	10.00
55			CHLORIMETER	7/01/04	321.00	0.00	0.00	321.00	0.00	321.00	0.00	S/L	10.00
58			CHLORINE METER	5/02/06	352.00	0.00	0.00	352.00	0.00	352.00	0.00	S/L	10.00

60	TOOL BOX - TRUCK	4/28/06	209.99	0.00	209.99	0.00	209.99	0.00	209.99	0.00 S/L	10.00
62	HP PRINTER	5/11/06	99.98	0.00	99.98	0.00	99.98	0.00	99.98	0.00 S/L	5.00
69	SUPPLIES	6/30/06	94.51	0.00	94.51	0.00	94.51	0.00	94.51	0.00 S/L	5.00
186	PH ION METER	12/17/07	1,502.53	0.00	1,502.53	0.00	1,502.53	0.00	1,502.53	0.00 S/L	10.00
189	ELECTRONIC BALANCER	5/19/08	1,050.17	0.00	1,050.17	0.00	1,050.17	0.00	1,050.17	0.00 S/L	10.00
190	DISHWASHER	5/20/08	188.00	0.00	188.00	0.00	188.00	0.00	188.00	0.00 S/L	10.00
191	CBOD INCUBATOR	5/21/08	3,251.28	0.00	3,251.28	0.00	3,251.28	0.00	3,251.28	0.00 S/L	10.00
192	GLASS STILL	6/02/08	1,894.40	0.00	1,894.40	0.00	1,894.40	0.00	1,894.40	0.00 S/L	10.00
194	DRYING OVEN	6/02/08	919.41	0.00	919.41	0.00	919.41	0.00	919.41	0.00 S/L	10.00
196	AUTOCLAVE	6/04/08	3,641.84	0.00	3,641.84	0.00	3,641.84	0.00	3,641.84	0.00 S/L	10.00
198	PRESSURE WASHER	9/11/08	258.86	0.00	258.86	0.00	258.86	0.00	258.86	0.00 S/L	5.00
200	12X15 STORAGE BUILDING	7/11/08	2,200.00	0.00	2,200.00	0.00	2,200.00	0.00	2,200.00	0.00 S/L	10.00
205	M-TECH E-COLI TESTING EQUIPMENT	4/17/09	5,300.98	0.00	5,300.98	0.00	5,300.98	0.00	5,300.98	0.00 S/L	10.00
206	TRIMMER - E/172/B	5/25/10	249.95	0.00	249.95	0.00	249.95	0.00	249.95	0.00 S/L	3.00
207	PRISON PUMPS	11/18/10	1,161.03	0.00	1,161.03	0.00	1,161.03	0.00	1,161.03	0.00 S/L	5.00
209	DMR - QA TESTING EQUIPMENT	3/22/11	1,109.33	0.00	1,109.33	0.00	1,109.33	0.00	1,109.33	0.00 S/L	5.00
211	A/C UNIT	5/29/12	385.55	0.00	385.55	0.00	385.55	0.00	385.55	0.00 S/L	5.00
213	GENERATOR 3600W/T	11/07/11	374.99	0.00	374.99	0.00	374.99	0.00	374.99	0.00 S/L	5.00
215	LAPTOP COMPUTER	7/16/12	412.00	0.00	412.00	0.00	412.00	0.00	412.00	0.00 S/L	5.00
217	SEED SPREADER	9/01/12	4,000.00	0.00	3,133.33	400.00	3,533.33	0.00	3,533.33	466.67 S/L	10.00
219	CAMERA	10/12/12	132.88	0.00	132.88	0.00	132.88	0.00	132.88	0.00 S/L	3.00
222	2003 FORD RANGER VIN - 1FTY	12/14/12	3,600.00	0.00	3,600.00	0.00	3,600.00	0.00	3,600.00	0.00 S/L	5.00
224	AIR CONDITIONER	7/05/12	571.35	0.00	571.35	0.00	571.35	0.00	571.35	0.00 S/L	5.00
226	PRESSURE WASHER	4/23/13	426.55	0.00	426.55	0.00	426.55	0.00	426.55	0.00 S/L	5.00
228	SUBMERSIBLE SEWER PUMP	1/07/14	3,632.33	0.00	2,361.00	363.23	2,724.23	0.00	2,724.23	908.10 S/L	10.00
387	Sewer Plant Mower	8/25/16	4,250.00	0.00	3,258.33	850.00	4,108.33	0.00	4,108.33	141.67 S/L	5.00
401	2003 Chevrolet Silverado 1500	12/12/17	6,875.00	0.00	3,552.08	1,375.00	4,927.08	0.00	4,927.08	1,947.92 S/L	5.00
417	Truck for sewer dept	1/30/19	72,075.00	0.00	20,421.25	14,415.00	34,836.25	0.00	34,836.25	37,238.75 S/L	10.00
421	Air dryer	5/13/20	2,768.56	0.00	46.14	276.86	323.00	0.00	323.00	2,445.56 S/L	5.00
425	2020 Ford F-150	6/29/20	31,963.00	0.00	0.00	6,392.60	6,392.60	0.00	6,392.60	25,570.40 S/L	5.00
	MACHINERY & OTHER		168,154.47	0.00	75,362.71	24,072.69	99,435.40	0.00	68,719.07		

Group: RIGHT OF WAYS

363	RIGHT OF WAYS	6/01/05	16,426.00	0.00	0.00	0.00	0.00	0.00	0.00	16,426.00 S/L	0.00
364	RIGHT OF WAYS	6/30/06	1,032.50	0.00	0.00	0.00	0.00	0.00	0.00	1,032.50 S/L	0.00
365	EASEMENTS	8/06/06	2,860.00	0.00	0.00	0.00	0.00	0.00	0.00	2,860.00 S/L	0.00
366	CONDOMINATION	8/24/07	9,430.93	0.00	0.00	0.00	0.00	0.00	0.00	9,430.93 S/L	0.00
	RIGHT OF WAYS		29,749.43	0.00	0.00	0.00	0.00	0.00	29,749.43		

Group: UTILITY PLANT AND EQUIPME

367	WASTEWATER TREATMENT	5/31/07	4,354,750.74	0.00	1,139,493.05	87,095.01	1,226,588.06	3,128,162.68 S/L	3,128,162.68 S/L	50.00
368	GENERATOR AT TREATMENT PLANT	6/09/08	100,225.00	0.00	40,368.36	3,340.83	43,709.19	56,515.81 S/L	56,515.81 S/L	30.00
369	ADDITIONS TO WWTP GENERAL	8/25/08	17,423.00	0.00	6,872.44	580.77	7,453.21	9,969.79 S/L	9,969.79 S/L	30.00
370	CHLORINE FEED SYSTEM	3/30/09	14,480.00	0.00	8,145.00	724.00	8,869.00	5,611.00 S/L	5,611.00 S/L	20.00
378	Decommissioning & Gravity Line	3/01/15	726,997.51	0.00	72,699.75	14,539.95	87,239.70	639,757.81 S/L	639,757.81 S/L	50.00
416	12x28 building	10/24/18	6,583.40	0.00	438.90	263.34	702.24	5,881.16 S/L	5,881.16 S/L	25.00
	UTILITY PLANT AND EQUIPME		5,220,459.65	0.00	1,268,017.50	106,543.90	1,374,561.40	3,845,898.25	3,845,898.25	
	Grand Total		9,772,887.65	0.00	2,873,117.04	211,164.91	3,084,281.95	6,688,605.70	6,688,605.70	

CEC - Financial Analysis of the City of Warburg's 2021 Book Asset Detail
Book Asset Detail 7/01/20 - 6/30/21

Asset Classification	Asset #	Property Description	Date In Service	Book Cost	Book Prior Depreciation	Book Current Annual Depreciation	Book End Depreciation	Book Net Value	Book Period	Rounded Remaining Life	New Assessed Value	New Current Annual Book Depreciation
Complete	422	2019 CBBC fire truck	6/30/20	10,500.00	0.00	0.00	0.00	10,500.00	5.00			
	423	2019 MCXX State of TN project	6/30/21	9,210.00	0.00	0.00	0.00	9,210.00	0.00			
				1,800,000.00	1,800,000.00	36,000.00	1,764,000.00		50.00	49	1,764,000.00	36,000
												Not for PUD Ownership
	424	2019 Rural Development CIP	6/30/21	308,514.07	0.00	0.00	0.00	308,514.07	0.00			
	447	Brushy Mountain Project	6/30/21	31,800.00	0.00	0.00	0.00	31,800.00	0.00			
				350,024.07	0.00	0.00	0.00	350,024.07				
		CONSTRUCTION IN PROGRESS										Engineering and Investigation - No Depreciation
												Not for PUD Ownership

Group: UTILITY PLANT AND EQUIPME

Plant & Equip	367	WASTEWATER TREATMENT	5/31/07	4,354,750.74	1,139,493.05	87,095.01	1,226,588.06	3,128,162.68	50.00	Varies	980,077.88	28,825.82
		Mobilization/ Bonds		266,550.00					0.00	0.0	0.00	0.00
		Demolition of Digester and Drying Beds		40,000.00					0.00	0.0	0.00	0.00
		Site Work/ Excavation		577,700.00					0.00	0.0	0.00	0.00
		Fencing/ Seeding/ Asphalt		25,000.00					10.00	0.0	0.00	0.00
		Sludge Dewatering Unit (Belt Press)		137,500.00					15.00	0.0	0.00	0.00
		Belt Press Building		49,000.00					50.00	34.0	33,320.00	980.00
		Oxidation Ditch		353,000.00					50.00	34.0	240,040.00	7,060.00
		Clarifiers (2)		145,500.00					50.00	34.0	98,940.00	2,910.00
		Secondary Clarifier Equipment		150,000.00					15.00	0.0	0.00	0.00
		Tertiary Filter Structure		170,641.00					50.00	34.0	116,035.88	3,412.82
		Closed Loop Reactor System		150,000.00					15.00	0.0	0.00	0.00
		Gravity Filter System		454,350.00					15.00	0.0	0.00	0.00
		Screw Pumps		225,000.00					15.00	0.0	0.00	0.00
		RAS/WAS Pumps		48,000.00					15.00	0.0	0.00	0.00
		Return/Waste Sludge Pump Structure		52,200.00					50.00	34.0	35,496.00	1,044.00
		New Headworks Effluent Box		19,500.00					50.00	34.0	13,260.00	390.00
		Valves		47,000.00					15.00	0.0	0.00	0.00
		Misc Building Components		282,609.00					50.00	34.0	112,200.00	3,300.00
		Yard Piping		165,000.00					50.00	34.0	277,644.00	8,166.00
		Controls/ Electrical		408,300.00					50.00	34.0	53,142.00	1,563.00
		Force Main Relocation		78,150.00					0.00	0.0	0.00	0.00
		soft costs (const contract - total value)		509,750.74					30.00	Varies	42,595.63	2,839.71
Plant & Equip	368	GENERATOR AT TREATMENT PLANT	6/09/08	100,225.00	40,368.36	3,340.83	43,709.19	56,515.81	30.00	15.0	42,595.63	2,839.71
		Generator		85,191.25					30.00	15.0	42,595.63	2,839.71
		Soft costs		15,033.75					0.00	0.0	0.00	0.00
Plant & Equip	369	ADDITIONS TO WWTP GENERAL	8/25/08	17,423.00	6,872.44	580.77	7,453.21	9,969.79	30.00	0.0	0.00	0.00
		Diffusers - need replacement - no useful life remaining										
Plant & Equip	370	CHLORINE FEED SYSTEM	3/30/09	14,480.00	8,145.00	724.00	8,869.00	5,611.00	20.00	0.0	0.00	0.00
		Replaced with 2019 Improvements										
Plant & Equip	378	Decommissioning & Gravity Line 2010 CDBG	3/01/15	726,997.51	72,699.75	14,539.95	87,239.70	639,757.81	50.00	VARIES	281,552.96	6,703.64
		8" Gravity Sewer (80% reduction in value due to condition of pipe)		283,934.12					50.00	42.0	238,504.66	5,678.68
		Manholes (30% reduction in value due to condition of manholes)		51,247.98					50.00	42.0	43,048.30	1,024.96
		Service Laterals and Connections (No longer City Asset - It belongs to Prop Owner)		10,591.00					15.00	0.0	0.00	0.00
		Asphalt Repair		12,949.50					5.00	0.0	0.00	0.00
		EPSC/ Misc Costs		6,333.24					0.00	0.0	0.00	0.00
		PS 2 and 3 Demolition		110,000.00					0.00	0.0	0.00	0.00
		soft costs		108,292.20					0.00	0.0	0.00	0.00
Plant & Equip	416	12x28 building	10/24/18	6,583.40	438.90	263.34	702.24	5,881.16	25.00	0.0	0.00	0.00
		On WWTP Property - but used by City for Storage										
				1,268,017.50	1,374,561.40	3,845,898.25					1,304,226.47	38,393.17

Group: IMPROVEMENTS

Exhibit C

District Resolution

(See attached)

**RESOLUTION BY THE GOVERNING BODY OF
PLATEAU UTILITY DISTRICT**

**Authorizing the Acceptance of the Transfer of the City of Wartburg Wastewater Treatment and
Collections System Subject to Certain Conditions and Authorizing the Filing of Supplemental
Petitions to the Morgan County Executive and the Tennessee Board of Utility Regulation for the
Purpose of Providing Wastewater Service**

WHEREAS, Plateau Utility District is a political subdivision of the State of Tennessee located in Morgan County, Tennessee; and

WHEREAS, Plateau Utility District is a utility district organized under the laws of the State of Tennessee and originally created pursuant to an Order of the County Court of Morgan County, Tennessee, entered on December 8, 1951; and

WHEREAS, Plateau Utility District and the City of Wartburg have agreed to the transfer of ownership of the City of Wartburg wastewater treatment and collection systems to Plateau Utility District; and

WHEREAS, T.C.A. § 7-82-302(e)(1) authorizes utility districts incorporated before July 1, 1967, to furnish only the services being furnished on July 1, 1967; and

WHEREAS, Plateau Utility District, since its creation in 1951, has only provided water services; and

WHEREAS, T.C.A. § 7-82-302(e)(1) requires that supplemental petitions for authority to furnish services other than those being furnished on July 1, 1967, may be addressed to the county mayor, who shall give notice and hold hearings on such petitions in the same manner, on the same issues, and under the same conditions as for original incorporation; and

WHEREAS, T.C.A. § 7-82-302(e)(2) requires the simultaneous filing of a supplemental petition for authority to furnish services other than those being furnished on July 1, 1967, with the Tennessee Board of Utility Regulation, but such filing is not subject to approval or disapproval by the Tennessee Board of Utility Regulation.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Plateau Utility District as follows:

Section 1. The Board hereby authorizes its acceptance of the transfer of the City of Wartburg’s wastewater treatment and collections system subject to the following conditions: (i) Plateau Utility District must receive approval of a grant from the State of Tennessee’s Utility Revitalization Fund, be in agreement with the amount funds granted, and be in actual receipt of such funds prior to the closing on the transfer of the City of Wartburg’s wastewater treatment and collections system; (ii) Plateau Utility District shall use such grant funds for operating expenses or to pay off all or a portion of the City of Wartburg’s outstanding sewer debt obligations; and (iii) Plateau Utility District shall take all steps and execute all documents and agreements to assign and assume any remaining City of Wartburg outstanding sewer debt obligations.

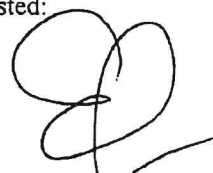
Section 2. The Board hereby authorizes the filing of a supplemental petition to furnish wastewater services with the Tennessee Board of Utility Regulation and the filing of a supplemental petition with the Morgan County Executive requesting authorization to provide wastewater treatment and collection services within and without the City of Wartburg wastewater service area.

Duly passed and adopted by the Board of Commissioners this 11TH day of AUGUST, 2023.

Signed:


John Davis
President, Board of Commissioners

Attested:


Elizabeth Beard
Secretary, Board of Commissioners



JASON E. MUMPOWER
Comptroller

Town of Mason

On November 10, 2021, the Water and Wastewater Financing Board ordered an investigation of the financial condition of the Town of Mason's utilities ("the Town"). The Town required significant infrastructure upgrades and improved internal controls, policies, and procedures to ensure improved administrative management. On April 21, 2022, the Water and Wastewater Financing Board ordered the Town to contract with a third party to conduct a rate study and review several different policies for the utility. The Town has since engaged the Tennessee Association of Utility Districts to complete the work in the April 2022 order. The Town is actively working to complete the rate study.

The Town has recently contracted with Alliance Water Resources for management of the Town's utility. The Town made this decision in an attempt to comply with the last TBOUR order and TDEC notice of violation. The Town was not able to fulfill this obligation by the September 1st deadline as ordered by the TBOUR. Thus, the Town and its officials were subpoenaed to attend this meeting.

Board staff has not been provided notice that the Town has begun a feasibility study into the possibility of a merger with surrounding utilities. The Town should begin that feasibility study as ordered.

Staff Recommendation:

Board staff does not have a recommendation.

BEFORE THE TENNESSEE WATER AND WASTEWATER FINANCING BOARD

IN THE MATTER OF:)	
)	
)	
TOWN OF)	TENN. CODE ANN. § 68-221-1010
MASON)	-FINANCIAL DISTRESS
)	
)	

ORDER

On November 10, 2021, the Tennessee Water & Wastewater Financing Board (“the Board”) ordered an investigation of the financial condition of the town of Mason’s utilities (“the Utility”) pursuant to Tenn. Code Ann. § 68-221-1009.

The Town of Mason requires infrastructure upgrades and improved internal controls, policies, and procedure to ensure improved administrative management. The Utility needs to conduct rate studies to accurately evaluate its rates.

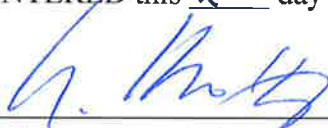
Based on Board staff’s statements and recommendations the Board orders the following:

1. 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 Utility’s capitalization policy, including any recommended modifications;
 - b. A justification for the disparity in rates between customers inside the city limits and outside the city limits;
 - c. A review of The Utility’s capital asset list, including any recommended modifications or upgrades;

- d. A review of The Utility's debt management policy, including any recommended modifications;
 - e. A review of The Utility's purchasing policy, including any recommended modifications;
 - f. Creation of a five-year capital asset budget, to be taken from the current capital asset list and to include future anticipated needs;
 - g. And a review of connection fees, tap fees, and required deposit amounts including any recommended modifications;
2. By June 3, 2022, 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. This qualified expert must be approved by Board staff if it is other than the Tennessee Association of Utility Districts.
 3. By December 31, 2022, 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.
 4. Board staff is given the authority to grant an extension 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 shall issue subpoenas for The Utility's governing body and Manager to appear in-person before the Board during its next meeting following non-compliance of this order.

ENTERED this 21 day of April, 2022.



Betsy Knotts, Chair
Water & Wastewater Financing Board

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served via certified mail return receipt requested to the following on this 21 day of April, 2022:

Town of Mason
Attn: Emmitt Gooden
12157 Main Street
Mason, TN 38049



J. Seth May
Assistant General Counsel

BEFORE THE TENNESSEE WATER AND WASTEWATER FINANCING BOARD

IN THE MATTER OF:

**TOWN OF
MASON**

)
)
)
)
)
)
)

TENN. CODE ANN. § 68-221-1010


ORDER

On November 17, 2022, the Tennessee Water & Wastewater Financing Board (“the Board”) reviewed the status of the Town of Mason’s utilities (“the Entity”) pursuant to Tenn. Code Ann. § 68-221-1010.

The Entity remains under supervision of the Board, and all previous orders remain in effect. Based on updates by Board staff, the Board orders as follows:

1. By March 31, 2023, the Town shall send an update to Board staff regarding the capital project for which the Community Development Block Grant was awarded.

ENTERED this 8 day of December 2022.



Greg Moody, Chair
Water & Wastewater Financing Board

BEFORE THE TENNESSEE BOARD OF UTILITY REGULATION

IN THE MATTER OF:)	
)	
)	
TOWN OF MASON)	TENN. CODE ANN. § 7-82-701 <i>et seq</i>
)	Public Chapter 0463
)	
)	

ORDER


On July 19, 2023, the Tennessee Board of Utility Regulation (“the Board”) reviewed the Town of Mason’s utility system (“the Entity”), pursuant to Tenn. Code Ann. § 7-82-701 *et seq.* The Board was advised that Tennessee Department of Environment and Conservation (“TDEC”) ordered the Entity to retain a certified operator for both its water and its sewer system by September 1, 2023. While the Board does not regulate environmental matters, its jurisdiction does include an Entity’s capacity to comply with applicable laws.

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

- 1) If the Entity does not retain, hire, contract with, or otherwise legally provide for a certified operator for both water and wastewater, as required by TDEC, by September 1st, 2023, the Entity shall engage a third-party consultant to analyze the feasibility of a merger with surrounding utilities, including Poplar Grove Utility District. If the Town of Mason does not comply with the provisions of this paragraph by September 1, 2023, Board staff shall subpoena the Town of Mason’s mayor and board of aldermen and its utility manager, compelling their attendance at the next Board meeting.

2) By December 31, 2023, the Entity shall provide Board staff with a completed rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation.

ENTERED this 3rd day of July, 2023.



Greg Moody, Chair
Tennessee Board of Utility Regulation



JASON E. MUMPOWER
Comptroller

Hallsdale Powell Utility District

The Hallsdale-Powell Utility District (“HPUD”) has been placed under administrative review with the Tennessee Board of Utility Regulation (“the Board”) for an investigation that was opened by the Utilities Management Review Board in April of 2023. This investigation was opened due to complaints of high user rates and upon examination, a high debt to income ratio.

Board staff traveled to HPUD to conduct interviews with the governing body and staff of HPUD. Board staff did not find evidence of fraud, waste, or abuse occurring at the utility that has led to the utility’s current financial position.

In FY 2023, HPUD reported \$39.5 million in revenue and a statutory increase in net position of \$9.2 million. HPUD also reported roughly \$170 million in long and short term debt. HPUD informed Board staff there are plans to increase their debt load by roughly \$65 million in wastewater projects and \$46 million for water projects. Raftelis, Inc. has recommended to HPUD to increase its water rates by 3% annually and wastewater rates by 4% annually through 2028. Generally, it is best practice for utilities to plan for small increases such as these annually to account for rising costs while causing less shock to consumers than a single large rate increase.

While HPUD’s rates have been recommended by Raftelis, Inc., Board staff finds that the trajectory of the rates to be potentially unsustainable for the community. The utility is being diligent in working to repair and maintain portions of the system, but further exploration of the utility’s expenses is required to look for cost saving mechanisms to ensure the rates are reasonable.

It is not common to disagree with recommendations from a rate study or cost of service study. In this instance, Board staff does not disagree with the Raftelis, Inc. rate study, but the rate study assumes the utility does not operate with any inflated costs.

Board staff does not have an immediate recommendation how HPUD can proceed in order to provide the best service possible at the most affordable rate for its customers.

Staff Recommendation:

Board staff does not have a recommendation.



JASON E. MUMPOWER
Comptroller

East Sevier County Utility District

Counsel for East Sevier County Utility District sent the accompanying letter to the Tennessee Board of Utility Regulation requesting an extension on previous due dates.

The District has recently contracted with Tennessee Utility Assistance, LLC for managerial services. The extension has been requested in order to give TUA an opportunity to ensure the data used in the rate study is sufficient for an adequate rate study. Board staff finds this to be a reasonable request.

Staff Recommendation:

The Board should grant the request from the East Sevier County Utility District to allow for a contract to be sent between the utility and the third party to complete the rate study and feasibility study to April 30, 2024. The rate study and feasibility study submission deadlines should also be extended to September 30, 2024.

JOHN E. OWINGS †
 SHELLY L. WILSON*
 STEPHANIE D. COLEMAN
 FELICIA F. COALSON
 SARAH D. JARRARD
 GAVIN A. SMELCER
 ZACHARY D. OSBORNE
 J. DOUGLAS OVERBEY *Of Counsel*



800 Riverview Tower
 900 South Gay Street
 Knoxville, TN 37902-1800
 tel 865-522-2717
 fax 865-522-7929
 owclaw.com

† Rule 31 General Civil Mediator
 * Also Licensed in FL

October 23, 2023

Via Email: Ross.Colona@cot.tn.gov
 (Also Sent by First Class Mail)

Mr. Ross Colona
 Assistant Director, Local Government Finance
 Comptroller of the Treasury
 425 Rep. John Lewis Way North
 Nashville, TN 37243

Re: East Sevier County Utility District (District)

Dear Mr. Colona:

This letter follows our telephone conversation of Friday, October 20, 2023, during which we discussed the requirement the Tennessee Board of Utility Regulation (TBOUR) imposed on the District to send to TBOUR staff by October 31, 2023, a copy of the contract between the District and a firm qualified to perform a rate study.

As we discussed, I advised that, at its meeting of September 14, 2023, after reviewing responses from three qualified firms, the District voted to engage the firm of Jackson Thornton, Certified Public Accountants, to perform the rate and related studies. We understand that the Jackson Thornton firm is acceptable to your office. Thereafter, Dan Barnett, the District's Secretary/Treasurer, engaged in discussions with James Marshall, a principal at Jackson Thornton, regarding the rate study.

During those discussions, Mr. Marshall advised that it was premature at this time to initiate a rate study. Mr. Marshall advised that, if done now, the study would be based on old data from when the District was paying Alliance for management services and had undertaken in excess of \$200,000 in repairs to the District's water lines. Mr. Marshall recommended that, in order for the study to reflect current operating costs and repair and maintenance expenses and given that the District is set to contract with Tennessee Utility Assistance, LLC (TUA), for management services, the District wait for a period of at least six months before engaging his firm to begin the rate study.

This recommendation was reinforced by recent discussions with Tim Ham of TUA. As you and I discussed by telephone, the District has recently decided to terminate its management agreement with Witt Utility District and enter into an agreement with TUA for management services. Beginning November 9, 2023, Mr. Ham will serve as the District's general manager. It

Mr. Ross Colona
October 23, 2023
Page 2

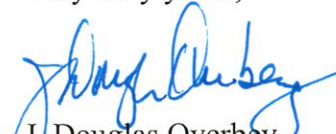
is my understanding that Mr. Ham has likewise discussed this subject with Mr. Marshall and Mr. Barnett and agrees that an extension of the rate study deadlines would be appropriate.

Accordingly, this letter is to respectfully request that TBOUR grant the District until April 30, 2024, to send the TBOUR staff a copy of the contract between the District and Jackson Thornton for the rate and related studies and until September 30, 2023, to provide the TBOUR staff with the completed rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation.

I would like to emphasize that the District's Board of Commissioners is working diligently to improve the District's operations. There have been distractions, including the resignation of two Commissioners, but the current Board continues to seek improvements in the system and improve the delivery of services to the District's customers. The Board believes its new management services agreement with TUA, a subsidiary of TAUD, is a significant milestone event which will be of benefit to the District and its customers.

We appreciate your and TBOUR's attention to this request. Please let me know if we can provide you with any additional information or respond to any questions you may have.

Very truly yours,



J. Douglas Overbey

cc: ESCUD Board of Commissioners (via email)



Jason E. Mumpower
Comptroller

Entity Referred: **Town of Bulls Gap**
Referral Reason: **Decrease In Net Position**
Utility Type Referred: **Sewer**

Staff Summary:

The Town of Bulls Gap ("the Entity") was referred to the Water and Wastewater Financing Board ("the Board") for financial distress following its fiscal year 2021 audit. The Entity is currently undergoing a large capital project that should add more customers to its customer base. The Entity was ordered by the WWFB in November of 2022 to complete a rate study. The Entity has contracted with MTAS to complete this rate study but has yet to have the rate study completed. Board staff believes that the Entity should have this study completed by December of 2023.

The Board should order the following:

1. By December 31, 2023 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.

Bulls Gap

	Category: Sewer		County: Hawkins	
	2019	2020	2021	2022
Net Assets	\$2,101,977.63	\$2,086,889.54	\$2,615,453.08	\$3,323,330.97
Deferred Outflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Net Liabilities	\$5,760.36	\$24,173.64	\$590,665.07	\$600,335.00
Deferred Inflow Resources	\$0.00	\$50.00	\$50.00	\$50.00
Total Net Position	\$2,096,217.27	\$2,062,665.90	\$2,024,738.01	\$2,722,945.97
Operating Revenues	\$241,646.17	\$213,987.32	\$204,286.79	\$210,016.11
Net Sales	\$241,646.17	\$213,987.32	\$204,286.79	\$210,016.11
Operating Expenses	\$192,201.82	\$251,327.15	\$242,449.34	\$245,144.86
Depreciation Expenses	\$79,760.39	\$82,252.68	\$102,026.92	\$121,088.87
Non Operating Revenues	\$1,179.95	\$3,788.46	\$234.66	-\$8,625.97
Capital Contributions	\$0.00	\$0.00	\$0.00	\$734,466.21
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$50,624.30	-\$33,551.37	-\$30,431.42	\$690,711.49
Statutory Change In Net Position	\$50,624.30	-\$33,551.37	-\$30,431.42	-\$43,754.72



Jason E. Mumpower
Comptroller

Entity Referred: **Clearfork Utility District**

Referral Reason: **Decrease In Net Position**

Utility Type Referred: **Water**

Staff Summary:

The Clearfork Utility District ("the Entity") is under the oversight of the Tennessee Board of Utility Regulation ("the Board") for financial distress.

The Entity has had several years of delinquent audits but most recently has completed audits for FY 2020 and FY 2021. In December of 2022 the Utilities Management Review Board issued an order for the Entity to contract with a third-party and complete a rate study by July 31, 2023. The Entity was able to contract with a third party to completed the rate study, but on July 31, 2023 still did not have audits completed for FY2020 and FY2021. Without these audits the Entity did not have not enough information for a 3rd party to complete an effective rate study.

Board staff believes the Board should provide a 6 month extension for the Entity to comply with the Utility Management Review Board's December 2022 Order.

Staff Recommendation:

1. The Entity shall complete all provisions of the December 8th 2022 UMRB order by January 31, 2024.
2. The Entity shall provide a completed feasibility study to board staff by March 31, 2024.
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. Board staff may withdraw or release any subpoenas issued if the Entity has complied with this order and there is no other cause to maintain the subpoena

Clearfork Utility District

	Category: Water		County: Claiborne	
	2018	2019	2020	2021
Net Assets	\$2,176,840.00	\$2,001,676.00	\$1,895,395.00	\$1,816,534.00
Deferred Outflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Net Liabilities	\$15,580.00	\$23,278.00	\$18,131.00	\$11,323.00
Deferred Inflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Total Net Position	\$2,161,260.00	\$1,978,398.00	\$1,877,264.00	\$1,805,211.00
Operating Revenues	\$307,820.00	\$279,302.00	\$312,090.00	\$327,750.00
Net Sales	\$293,360.00	\$277,727.00	\$307,588.00	\$315,186.00
Operating Expenses	\$367,581.00	\$467,595.00	\$438,554.00	\$405,177.00
Depreciation Expenses	\$77,148.00	\$77,469.00	\$82,186.00	\$81,040.00
Non Operating Revenues	\$4,100.00	\$5,431.00	\$8,295.00	\$5,374.00
Capital Contributions	\$12,375.00	\$0.00	\$17,035.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	-\$43,286.00	-\$182,862.00	-\$101,134.00	-\$72,053.00
Statutory Change In Net Position	-\$55,661.00	-\$182,862.00	-\$118,169.00	-\$72,053.00



Jason E. Mumpower
Comptroller

Entity Referred: **Cold Springs Utility District**

Referral Reason: **Decrease In Net Position**

Utility Type Referred: **Water**

Staff Summary:

Cold Springs Utility District ("the Entity") has been referred to the Tennessee Board of Utility Regulation ("the Board") for financial distress since 2020.

The Entity has provided board staff with a completed rate study but has not provided proof of the implementation of the resulting recommendations. The Entity has retained a lawyer to determine the legality of the 5 customers that have water rights to the spring that is also used by the Entity.

The Entity is currently in discussion with the City of Mountain City for a potential merger between the two utilities.

Staff Recommendation:

Board Staff recommends rescinding the prior order and ordering the following:

1. By December 31, 2023, the Entity shall provide Board staff with proof of implementation of the recommendations of their most recent rate study, or a proposed plan of implementation.
2. By December 31, 2023 the Entity shall update Board staff regarding its attorney's opinion on whether it is in the Entity's best interest to pursue legal proceedings to settle the issue in regards to providing water at no cost to its water rights customers.
3. 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.

Cold Springs Utility District

	Category: Water		County: Johnson	
	2019	2020	2021	2022
Net Assets	\$1,587,091.00	\$1,560,410.00	\$1,502,392.00	\$1,529,262.00
Deferred Outflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Net Liabilities	\$246,404.00	\$226,436.00	\$173,096.00	\$193,378.00
Deferred Inflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Total Net Position	\$1,340,687.00	\$1,333,974.00	\$1,329,296.00	\$1,335,884.00
Operating Revenues	\$241,284.00	\$272,036.00	\$284,295.00	\$285,260.00
Net Sales	\$222,677.00	\$253,236.00	\$267,258.00	\$271,991.00
Operating Expenses	\$241,045.00	\$270,811.00	\$279,214.00	\$273,641.00
Depreciation Expenses	\$61,348.00	\$61,453.00	\$60,340.00	\$58,144.00
Non Operating Revenues	-\$8,777.00	-\$7,938.00	-\$9,759.00	-\$5,031.00
Capital Contributions	\$0.00	\$0.00	\$0.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	-\$8,538.00	-\$6,713.00	-\$4,678.00	\$6,588.00
Statutory Change In Net Position	-\$8,538.00	-\$6,713.00	-\$4,678.00	\$6,588.00



Jason E. Mumpower
Comptroller

Entity Referred: **Cumberland Utility District of Roane and Morgan Counties**

Referral Reason: **Administrative Review**

Utility Type Referred: **Water**

Staff Summary:

Cumberland Utility District of Roane and Morgan Counties ("CUD") is a water utility district serving roughly 4507 customers in Roane and Morgan counties. CUD's board has three commissioners: Donald "Keith" Adcock, Charles "Wayne" Jenkins, and, Rickey White. The Commissioners are in compliance with relevant training laws.

Management

CUD was previously managed by Ernie Henley. Mr. Henley was responsible for the general management of the district including both field and office operations. Board staff was informed that Mr. Henley quit in February of 2023 without notice. During Mr. Henley's tenure as manager, CUD had multiple TDEC violations which included; failure to monitor lead, copper, and chlorine levels; failure to properly calibrate equipment; failure to submit installation projects; and failure to issue public notices for violations.

In July of 2023, CUD hired a new general manager, Mr. Robert Patty. Mr. Patty previously served as Manager of Tellico Plains Tennessee water and sewer system.

Open Records Violations

Board staff received a complaint in March of 2023 stating that CUD leadership had violated the Tennessee Public Records Act ("TPRA") by holding closed door meetings that only commissioners attended. Based on a review of meeting minutes going back to January of 2019 and interviews carried out with CUD commissioners and staff, board staff could not substantiate claims that violations of the TPRA or Tennessee Open Meetings Act ("TOMA") occurred. Board staff has not received additional complaints related to CUD violating the TPRA or TOMA. Open records or open meetings violations, if any occurred, are only relevant to the Tennessee Board of Utility Regulations to the extent they reflect upon CUD's managerial capacity.

Water Loss

Year	Million Gallons of Water Produced	Million Gallons of Water Sold	Water Loss Percentage
2018	334.748	212.498	37%
2019	273.213	201.639	26%
2020	355.349	212.442	40%
2021	338.421	240.746	28%
2022	496.35	205.32	41%

As reported by CUD in their most recent Annual Information Report, they are not in compliance with water loss requirements. Board staff recommends that CUD have a 3rd party qualified expert complete

Rates

The current water rates for CUD are enclosed. CUD is currently not financially distressed and continues to run a positive statutory net position. CUD does not have plans to raise rates. As of September 2022 CUD carries long term debt totaling 3.48 million.

Board staff believe that the administrative review should remain open to evaluate the progress of the CUD under new management.

Cumberland Utility District of Roane and Morgan Counties

	Category: Water		County: Roane	
	2019	2020	2021	2022
Net Assets	\$14,523,432.00	\$14,349,931.00	\$14,510,556.00	\$14,169,253.00
Deferred Outflow Resources	\$558,638.00	\$491,832.00	\$544,589.00	\$920,008.00
Net Liabilities	\$5,564,385.00	\$4,984,714.00	\$4,558,708.00	\$3,635,751.00
Deferred Inflow Resources	\$103,023.00	\$144,381.00	\$97,185.00	\$810,718.00
Total Net Position	\$9,414,662.00	\$9,712,668.00	\$10,399,252.00	\$10,642,792.00
Operating Revenues	\$2,948,040.00	\$3,289,738.00	\$3,267,709.00	\$3,503,539.00
Net Sales	\$2,788,579.00	\$3,112,350.00	\$3,072,623.00	\$3,263,203.00
Operating Expenses	\$2,713,516.00	\$3,059,698.00	\$3,198,249.00	\$3,294,240.00
Depreciation Expenses	\$538,282.00	\$572,620.00	\$644,934.00	\$662,560.00
Non Operating Revenues	\$22,722.00	\$41,624.00	\$592.00	\$28,241.00
Capital Contributions	\$0.00	\$26,342.00	\$616,532.00	\$6,000.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$257,246.00	\$298,006.00	\$686,584.00	\$243,540.00
Statutory Change In Net Position	\$257,246.00	\$271,664.00	\$70,052.00	\$237,540.00



JASON E. MUMPOWER
Comptroller

May 22, 2023

Cumberland Utility District of
Roane and Morgan Counties
3201 Harriman Hwy
Harriman, TN 37748

Dear Mr. Jenkins, Board of Commissioners, and Cumberland Utility District Managers:

On April 20, 2023, the Utility Management Review Board ("the Board") opened a Board investigation into the financial, managerial, and technical capacities of the Cumberland Utility District of Roane and Morgan Counties ("the District") pursuant to Tenn. Code Ann. § 7-82-701(a).

As the next step in the investigation, the Board staff requests the documents and information listed below, pursuant to Tenn. Code Ann. § 7-82-709(a) and Tenn. Comp. R. & Regs. 1715-01-.03(2), by **July 15, 2023**. If these documents are not timely provided the Board will issue subpoenas for them and will pursue this matter in chancery court if necessary.

SECTION 1. COMMISSIONERS AND TRAINING

- Fill out the following table:

Title	Name	Initial Appointment Month and Year	Most Recent Appointment Month and Year
Commissioner			
Commissioner			
Commissioner			

- Provide a list of all training classes and conferences attended by current Board Chairman, Secretary, and Treasurer from January 1, 2018 to the present
 - Note: The initial appointment date is the first appointment date in the commissioners' current line of service history. For example, if someone was appointed in November of 2012, and has consistently been reappointed, please list November of 2012 as their initial appointment month and year. If someone was appointed in November of 2012, was not reappointed in 2016, then was appointed in 2020, please list November 2020 as the initial election month and year.



JASON E. MUMPOWER
Comptroller

- Provide all Annual Training Statements filed pursuant to § 7-82-308(f)(4) for each commissioner. If this individual is out of compliance with the training requirements or if these documents cannot be provided, please provide a written explanation.
- Provide a description of the benefits provided to Board Commissioners including monthly payments and any benefits provided to such Commissioners.

SECTION 2. UTILITY RATES & CUSTOMER INFORMATION

- Provide a written statement as to any future rate increases that are currently planned. If there are no rate increases planned, please indicate so.
- A summary of customers by class (e.g. residential, commercial)
- A list of current customers
- All customer invoices from January 1, 2022 to the present.
- All billing adjustments made to customer accounts from January 1, 2022 to the present.

SECTION 3. POLICIES & CONTRACTS

- Provide a copy of the District's Capitalization policy.
- Provide a copy of the District's Purchasing policy.
- Provide a copy of the District's Debt Management policy.
- Provide a copy of the District's Leak Adjustment policy.
- Provide a copy of the District's Public Records Request Policy and Procedures.
- Provide a copy of the District's Water Loss Plan.
- Provide a copy of the District's Employee Handbook.
- Provide a copy or explanation of the District's current Bid Process.
- Provide a complete list of any projects that were bid out from January 1, 2018 through present.

SECTION 4. EMPLOYEES

- Provide a list of all employees of the District including their salaries or wages, benefits, and length of employment.
- Provide a copy of employee timecards from January 1, 2020 through present

SECTION 5. MEETING DOCUMENTATION

- All meeting minutes from January 1, 2018 to the present
- All meeting notices from January 1, 2018 to the present



JASON E. MUMPOWER
Comptroller

SECTION 6. VEHICLES

- Provide a list of vehicles provided by the District, to whom they are provided, and any policy or agreement governing the use of District-issued vehicles.
- Purchasing documents for any vehicles purchased by the District from January 1, 2015 to the present.

If you need to contact our office, please call 615.747.5379 or email Meghan.Huffstutter@cot.tn.gov.

The requested documents may be provided digitally via email or in hard copy mail with postal service. If utilizing postal service, please send documentation to the following address:

Tennessee Comptroller of the Treasury
c/o Meghan Huffstutter, Local Government Finance
Cordell Hull Building
425 Rep. John Lewis Way N.
Nashville, TN 37243

Sincerely,

A handwritten signature in black ink that reads "Meghan Huffstutter". The signature is written in a cursive style with a large initial "M".

Meghan Huffstutter

Utility Board Staff & Financial Analyst

	A	B	C	D
	Title	Name	Initial Appointment month and Year	Most Recent Appointment Month and Year
1				
2	Commissioner	Donald "Keith" Adcock	Jan-21	
3	Commissioner	Charles "Wayne" Jenkins	Jan-95	Jan-22
4	Commissioner	Thaxton Brown (T.H)	Oct-19	Jan-20

Annual Statement of Utility District Commissioner Training Cumberland Utility District 2020

This Annual Statement must be filed with your utility district by January 31 of each year to certify the training and continuing education courses you attended during the prior calendar year. The failure to file the annual statement will cause a commissioner to be ineligible to receive any legally authorized compensation and benefits until the annual written statement is filed. If no training or continuing education courses were attended the prior calendar year, an Annual Statement should be timely signed and filed stating that 0 hours were attended. T.C.A § 7-82-308(f)(4)

<i>Date Attended</i>	<i>Subject Matter</i>	<i>Location</i>	<i>Sponsor</i>	<i>Hours Attended</i>
11/12/20	Utility Board Roles and Responsibilities Part 1	Online	TAUD/Don Scholes	1
11/12/20	Utility Board Roles and Responsibilities Part 2	Online	TAUD/Don Scholes	1
11/13/20	Ethics for Utility Board Members	Online	TAUD/Don Scholes	1
11/14/20	Responding to Public Records Requests	Online	TAUD/Don Scholes	1
11/14/20	Public Meetings; Questions and Answers	Online	TAUD/Don Scholes	1
11/14/20	Safe Drinking Water Act	Online	TAUD/Larry Lewis	1
12/14/20	Leadership Conference 2020-USDA Guaranteed Loans for Water and Waste Disposal Systems	Online	TAUD/Matt Peeler	1
12/14/20	Leadership Conference 2020-Utility District Commissioner Selection	Online	TAUD/Don Scholes	1
12/16/20	Leadership Conference 2020-Per and Polyfluoroalkyl Substance (PFAS)	Online	TAUD/Napoli-Skolnik	1
12/18/20	Leadership Conference 2020-Concept of Remaining Useful Life	Online	TAUD/Jason Griffin	1
12/18/20	Leadership Conference 2020-Legislative Update	Online	TAUD/Don Scholes	1
1/19/21 (Extension Granted by UMRB/WWFB)	Leadership Conference 2020-Preparing a Capital Improvement Plan	Online	TAUD/Seth Rye	1
Total Hours Attended				12

Please attach the certificate of attendance for each course listed.

Commissioner Signature: _____

Date signed: _____

Annual Statement of Utility District Commissioner Training Cumberland Utility District 2020

This Annual Statement must be filed with your utility district by January 31 of each year to certify the training and continuing education courses you attended during the prior calendar year. The failure to file the annual statement will cause a commissioner to be ineligible to receive any legally authorized compensation and benefits until the annual written statement is filed. If no training or continuing education courses were attended the prior calendar year, an Annual Statement should be timely signed and filed stating that 0 hours were attended. T.C.A § 7-82-308(f)(4)

<i>Date Attended</i>	<i>Subject Matter</i>	<i>Location</i>	<i>Sponsor</i>	<i>Hours Attended</i>
11/18/20	Ethics for Utility Board Members	Online	TAUD/Don Scholes	1
11/18/20	Safe Drinking Water Act	Online	TAUD/Larry Lewis	1
11/18/20	Public Meetings; Questions and Answers	Online	TAUD/Don Scholes	1
11/20/20	Responding to Public Records Requests	Online	TAUD/Don Scholes	1
11/21/20	Utility Board Roles and Responsibilities-Part 1	Online	TAUD/Don Scholes	1
11/21/20	Utility Board Roles and Responsibilities-Part 2	Online	TAUD/Don Scholes	1
12/20/20	Leadership Conference 2020-Concept of Remaining Useful Life	Online	TAUD/Jason Griffin	1
12/20/20	Leadership Conference 2020-Depreciation and Commonly Answered Questions	Online	TAUD/John Greer	1
12/20/20	Leadership Conference 2020-Legislative Update	Online	TAUD/Don Scholes	1
12/22/20	Leadership Conference 2020-Per and Polyfluoroalkyl Substances (PFAS)	Online	TAUD/Napoli-Skolnik	1
12/22/20	Leadership Conference 2020-Preparing a Capital Improvement Plan	Online	TAUD/Seth Rye	1
12/22/20	Leadership Conference 2020-USDA Guaranteed Loans for Rural Water and Waste Disposal Systems	Online	TAUD/Matt Peeler	1
Total Hours Attended				12

Please attach the certificate of attendance for each course listed.

Commissioner Signature: J. H. Brown Jr.

Date signed: 01-14-2021

Description of benefits for Board Commissioners

- Commissioners are paid \$300.00 per month for attending scheduled Board meetings
- Commissioners receive reimbursement for their health insurance premiums.

**CUMBERLAND UTILITY DISTRICT
OF ROANE AND MORGAN COUNTIES
SCHEDULE OF UTILITY RATES IN EFFECT
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

<u>GALLONS/SERVICES</u>	<u>RATES as of 9/30/2022</u>	<u>INCREMENT</u>
<i>Commercial and Residential</i>		
First 500 gallons	\$ 26.96	(minimum)
Next 9,000 gallons, per month	10.92	1,000 gal.
Next 20,000 gallons, per month	10.11	1,000 gal.
All over 29,500 gallons	7.92	1,000 gal.

Rates have been set by Commissioners to generate sufficient funds to meet bond, reserve, and operating requirements.

Service and Misc Charges

Non-Refundable Service Charge	\$ 50.00
Special Deposit **	125.00
3/4" Tap Fee	1,000.00
1" Tap Fee	1,500.00
2" Tap Fee	4,000.00
3" and Larger Tap Fee	Case by Case
Meter Relocation	500.00
Reconnection Fee	50.00
After Hours Reconnection Fee	150.00
Returned Check Fee	30.00
Processing Fee for Credit Card Payments	\$2.50 per Transaction

Theft of Service - Tampering - Damage Charge

Tampering Fee 1 - Lock, Shutoff Valve, Meter Jumper	200.00
Tampering Fee 2 - Unauthorized Tap	500.00 + Tap
Damaged Lock	50.00
Damaged Shut Off Valve	120.00
Damaged Meter	200.00

** Effective 4/1/14 - The customer may request a credit report and the deposit may be lowered to \$75 or waived completely.

Note

	<u>9/30/2022</u>
Number of Customers Serviced	4,559
New Water Taps	61

Purchasing v.2

RESPONSIBLE FOR ADMINISTERING POLICY

Manager(s), Board of Commissioners

PURPOSE AND AUTHORITY OF GENERAL MANAGER(S)

- (a) Cumberland Utility District (the District) adopts this Purchasing Policy (the Policy) to obtain goods and services for the operation of the District using procurement methods designed to provide fair and competitive pricing to meet the District's quality and performance standards. This Purchasing Policy establishes provisions for all purchases, leases, lease-purchases and contracts for goods and services consistent with the District's needs and Tennessee law. Unless noted otherwise, purchases, leases, lease purchases and contracts for goods and services will be collectively referred to as "purchases" in this Purchasing Policy (the Policy).
- (b) The General Manager(s) shall serve as the District's central purchasing and contracting authority and will be responsible for the interpretation and application of the provisions of this Policy.

POLICY

SECTION 1 - METHODS OF PROCUREMENT

- (a) Purchase by competitive sealed bids.
- (b) Purchase by competitive quote bids.
- (c) Purchase by competitive sealed proposals.
- (d) Purchase by request for qualifications.
- (e) Purchases exempt from competitive bidding under Sections 11 and 12.
- (f) Open market purchases.

SECTION 2 - VENDOR LIST

Requests for competitive sealed bids and requests for competitive quote bids will be solicited from vendors, including, but not limited to, the vendor list of the Tennessee Association of Utility Districts (TAUD) in the TAUD Official Purchasing Guide.

SECTION 3 - COMPETITIVE SEALED BIDS

- (a) Competitive sealed bidding will be used for purchases over \$25,000.
- (b) Requests for sealed bids will be in writing. The General Manager(s) will prepare or approve a request for sealed bid. A request for sealed bid will include clear and accurate specifications which permit a vendor to submit an appropriate bid for the purchase and which promotes competition.
- (c) A request for sealed bid will be sent to at least three prospective bidders. Requests can be made from vendors on the vendor list in the TAUD Official Purchasing Guide. Public notice of the request for sealed bid may be provided to prospective bidders by mail, email or other electronic communication, publication on the District's website, publication in newspapers of general circulation, publication in trade and industry publications or websites, and any other methods

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of providing notice of opportunities to bid which may be customarily used for the type of contract being offered or the type of goods or services being purchased. The District will not require small businesses and minority-owned businesses to receive request for bids electronically.

- (d) When deemed appropriate by the General Manager(s), the District may prequalify prospective bidders for a specific contract or purchase.
- (e) Sealed bids will be submitted to the District on or before the bid submission deadline and in the manner designated in the request for sealed bid. Late bids will not be accepted.
- (f) Pursuant to T.C.A. § 12-4-113, the District will not modify or amend its request for sealed bid less than forty-eight (48) hours before the bid opening date and time, excluding weekends and legal holidays, unless the bid deadline is extended for a reasonable time as determined by the General Manager(s) which extension will not be less than forty-eight (48) hours excluding weekends and legal holidays.
- (g) Any questions about the request for sealed bid or other bidding documents must be received the District's General Manager(s) or their designee no less than ninety-six (96) hours before the bid opening date and time.
- (h) Bids will be opened publicly at the time and place and in the manner designated in the request for sealed bid.
- (i) Bids will not be rejected because they contain minor informalities or irregularities. A minor informality or irregularity is one which: (1) is merely a matter of form and not of substance; or (2) pertains to some immaterial or inconsequential defect or variation of the bid from a requirement in the request for sealed bid which is not prejudicial to other bidders. The defect or variation in the bid is immaterial and inconsequential when its significance as to price, quantity, quality or delivery is trivial or negligible when contrasted with the total cost or scope of the goods or services being procured.
- (j) The District reserves the right to reject all bids in its sole discretion.
- (k) Purchases by competitive sealed bids will be awarded by the District's Board of Commissioners to the lowest qualified and responsible bidder as set forth in Section 5. When the Board awards a contract or purchase to a vendor other than lowest bidder, the minutes of the board meeting will state the reasons the contract or purchase was awarded to a vendor other than the lowest bidder.
- (l) The Board may delegate the authority to award a contract or purchase by competitive sealed bids to the District's General Manager(s) under the circumstances and within the parameters deemed appropriate by the Board. When the General Manager(s) award(s) a contract or purchase to a vendor other than the lowest bidder pursuant to such delegation, the General Manager(s) will prepare a memorandum for the bid file setting forth the reasons the contract or purchase was awarded to a vendor other than the lowest bidder.

SECTION 4 - COMPETITIVE QUOTE BIDS

- (a) Competitive quote bids will be used for purchases between \$10,000 and \$25,000.
- (b) The General Manager(s) will prepare or approve a request for quote bid which will include a bid submission deadline. A request for quote bid will include clear and accurate specifications which permit a vendor to submit an appropriate bid for the purchase and which promotes competition.

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- (c) A request for quote bid will be sent to at least three prospective bidders. Requests can be made from vendors on the vendor list in the TAUD Official Purchasing Guide. Public notice of the request for quote bid may be provided to prospective bidders by telephone, mail, email or other electronic communication, publication on the District's website, publication in newspapers of general circulation, publication in trade and industry publications or websites, and any other methods of providing notice of opportunities to bid which may be customarily used for the type of contract being offered or the type of goods or services being purchased. The District will not require small businesses and minority-owned businesses to receive request for quote bids electronically.
- (d) Bids will be submitted to the District on or before the bid submission deadline and in the manner designated in the request for quote bid. When the District's request for quote bid permits vendor bids by telephone, the vendor must submit a written confirmation of the telephone bid in the form required by the General Manager(s). The District will not require small businesses and minority-owned businesses to submit bids electronically. Late bids submitted after the deadline may be rejected by the District.
- (e) The District will make its decision on which bid to accept after the bid submission deadline.
- (f) The District reserves the right to reject all bids in its sole discretion.
- (g) When the District accepts a bid, the District will notify the vendor in writing by either mail, fax or email at the General Managers discretion, of its acceptance.
- (h) Purchases procured by competitive quote bids will be awarded by the District's Board of Commissioners to the lowest qualified and responsible bidder as set forth in Section 5. When the Board awards a contract or purchase to a vendor other than lowest bidder, the minutes of the Board meeting will state the reasons the contract or purchase was awarded to a vendor other than the lowest bidder.
- (i) The Board may delegate the authority to award a purchase procured by competitive quote bids to the District's General Manager(s) under the circumstances and within the parameters deemed appropriate by the Board. When the General Manager(s) award(s) a contract or purchase to a vendor other than the lowest bidder pursuant to such delegation, the General Manager(s) will prepare a memorandum for the bid file setting forth the reasons the contract or purchase was awarded to a vendor other than the lowest bidder.

SECTION 5 - AWARD TO LOWEST QUALIFIED AND RESPONSIBLE BIDDER

- (a) Goods and services purchased by competitive sealed bids or competitive quote bids will be purchased from the lowest qualified and responsible bidder. In determining who is the lowest qualified and responsible bidder, the District may consider the following factors in addition to the price quoted:
 - (1) ability to provide the goods or perform the services;
 - (2) ability to provide the goods or services promptly, within the time specified, or without delay or interference;
 - (3) ability to provide for future maintenance and service of the goods or services;
 - (4) financial ability to provide the goods or perform the services;
 - (5) conformity with bid specifications;

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- (6) quality of goods or services;
- (7) life expectancy and maintenance costs;
- (8) discount for prompt payment;
- (9) freight costs;
- (10) delivery date and terms;
- (11) past performance for the District and other utilities; and
- (12) other pertinent factors.

The District is not obligated to purchase goods and services from the bidder with the lowest price when the factors outlined in this Section 5 warrant an award to one other than the bidder with the lowest price. When the Board awards a contract or purchase to a vendor other than lowest bidder, the minutes of the Board meeting will include the reasons the winning vendor was selected.

SECTION 6 - CANCELLATION OR WITHDRAWAL OF REQUEST FOR SEALED BIDS, REQUEST OF QUOTE BIDS OR REQUEST FOR COMPETITIVE SEALED PROPOSALS

In its sole discretion, the District may cancel or withdraw any request for sealed bid, request for quote bid or request for competitive sealed proposals at any time before the bid or proposal submission deadline, and any responses received will be automatically rejected.

SECTION 7 - RECORD OF BID PURCHASES

When the purchase of goods or services requires competitive bidding under this Purchasing Policy, the District will keep a file of the bid purchase. The bid file will include all written documentation related to the bid purchase transaction, including the request for bids, written bids submitted, written confirmation of telephone bids submitted, correspondence related the request for bids and submission of bids, correspondence related to the purchase or contract award, purchase invoice, bid bonds, the contract awarded, payment and performance bonds and any other written documents created or received in connection with the bid purchase. The bid file may be kept as an electronic file and will be retained in accordance with the District's document retention policy.

SECTION 8 - PROVISIONS FOR CONSTRUCTION CONTRACTS

- (a) Request for bids and bid openings for construction contracts procured by competitive sealed bids will comply with provisions of T.C.A. § 62-6-119. When the construction contract is for a project being financed by a grant or loan from a state or federal agency, the District must comply with the competitive bidding regulations of these agencies for their grant and loan recipients.
- (b) Bid Bonds. A bid bond is a guarantee issued by a surety company from a bidder on a construction contract to ensure the District is compensated if the bidder fails to honor the terms of its bid.
 - (1) The District may require bidders to submit a bid bond for competitive sealed bids for construction contracts. Whenever a bid bond is required, the bid bond requirement and the amount of the bid bond will be stated in the request for sealed bids. The bid bond must be provided by a surety company authorized to do business in the State of Tennessee and must be in a form satisfactory to the District.
 - (2) The amount of any required bid bond will be determined by the District in an amount equal to at least five percent (5%) but not greater than ten percent (10%) of the total amount of the competitive sealed bid.
 - (3) In accordance with T.C.A. § 62-6-129, the bid bond submitted for competitive sealed bids for construction manager services will be equal to ten percent (10%) of the value of the services proposed and the value of the work to be managed.

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- (4) Bid bonds submitted by unsuccessful bidders will be returned upon the award of the construction contract or construction manager services contract.
 - (5) When a request for sealed bid requires a bid bond, noncompliance will be grounds for rejecting the bid, unless the District determines that the bidder's failure to comply is insubstantial to the security requirements.
- (c) Performance and Payment Bonds.
- (1) When a construction contract is awarded in excess of \$100,000, the contractor will provide a performance bond satisfactory to the District on or before the execution of the contract to guarantee the contractor will perform its obligations to the District according to the terms and conditions of the contract. If the contractor fails to do so, the surety company will assume the contractor's obligations under the contract. The performance bond will be executed by a surety or insurance company authorized to do business in the State of Tennessee and listed on the United States Department of Treasury's List of Approved Sureties, in an amount equal to one hundred percent (100%) of the price specified in the contract and accompanied by a certified power of attorney.
 - (2) When a construction contract is awarded in excess of \$100,000, the contractor will provide a payment bond satisfactory to the District on or before the execution of the contract for the protection of all persons supplying labor and materials to the contractor or its subcontractors under the contract. If the contractor fails to do so, the surety company will assume the contractor's obligations to pay all persons supplying labor and materials to the contractor or its subcontractor. The payment bond will be executed by a surety or insurance company authorized to do business in the State of Tennessee and listed on the United States Department of Treasury's List of Approved Sureties in an amount equal to one hundred percent (100%) of the price specified in the contract and accompanied by a certified power of attorney.
 - (3) Nothing in this section shall be construed to limit the District's authority to require a bond or other security in addition to the bonds required in this Section 8(c).
 - (4) Whenever a performance bond or payment bond is required, the bond requirement and the amount of the bond will be stated in the request for sealed bids.
 - (5) To the extent permitted by T.C.A. § 12-4-201(c), in lieu of the bonds required by this Section 8, the following securities or cash may, in the District's discretion, be substituted at the percentage rates required for the bonds:
 - (A) United States treasury bonds, United States treasury notes, and United States treasury bills;
 - (B) General obligation bonds of the State of Tennessee;
 - (C) Certificates of deposit or evidence of other deposits irrevocably pledged from:
 - (i) A state or national bank having its principal office in Tennessee;
 - (ii) A state or federal savings and loan association having its principal office in Tennessee;

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- (iii) Any state or national bank, that has its principal office located outside this state and that maintains one (1) or more branches in this state which are authorized to accept federally insured deposits; or
 - (iv) Any state or federal savings and loan association that has its principal office located outside this state and that maintains one (1) or more branches in this state which are authorized to accept federally insured deposits;
- (D) A letter of credit from a state or national bank or state or federal savings and loan association having its principal office in Tennessee; or any state or national bank or state or federal savings and loan association that has its principal office outside this state and that maintains one (1) or more branches in this state which are authorized to accept federally insured deposits. The terms and conditions of any letter of credit shall be subject to the District's approval. The form of such letter of credit shall be provided by the bank or savings and loan association and may be based on either the Uniform Commercial Code or the ICC Uniform Customs and Practice for Documentary Credits (UCP 500). All letters of credit shall be accompanied by an authorization of the contractor to deliver retained funds to the bank issuing the letter; or
- (E) Cash; provided, that, where cash is posted, the District shall pay to the contractor interest at the same rate that interest is paid on funds invested in a local government investment pool established pursuant to T.C.A. § 9-4-704, for the contract period.

SECTION 9 - COMPETITIVE SEALED PROPOSALS

- (a) Purchases by competitive bidding may not be practical or advantageous to the District when qualifications, experience or competence are more important than price in making a purchase. Upon recommendation by the General Manager(s), the Board of Commissioners may use competitive sealed proposals for purchases of more than \$25,000 when qualifications, experience or competence are more important than price in making a purchase.
- (b) Competitive sealed proposals may only be used in the following circumstances.
 - (1) When there is more than one solution to a purchasing issue and the use of competitive sealed proposals will assist in choosing the best solution.
 - (2) When there is no readily identifiable solution to a purchasing issue and the use of competitive sealed proposals will assist in identifying one or more solutions.
 - (3) The procurement of construction management services in conformity with the provisions of T.C.A. 12-4-107(b).
- (c) Requests for proposals (RFP) may be provided to prospective proposers by mail, email or other electronic communication, publication on the District's website, publication in newspapers of general circulation, publication in trade and industry publications or websites, and any other methods of providing notice of opportunities to vendors to respond to competitive sealed proposals which may be customarily used for the type of contract being offered or the type of goods or services being purchased.
- (d) The RFP will be prepared by the General Manager(s). The request will state the factors to be used to evaluate the proposals, including price, and will state their relative importance in the

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evaluation. The RFP will state that the evaluation all of the stated factors will determine whose proposal is the most advantageous to the District. The RFP may state that price will be separately submitted and included in the evaluation through a multi-step process. A multi-step process may include submission of pricing before or after the evaluation and any discussion of the proposals with the proposers.

- (e) The competitive sealed proposals will not be disclosed during the negotiation and evaluation process which follows their submittal and opening. The competitive sealed proposals will be made open for public inspection after the intent to award the contract to a particular proposer is announced.
- (f) After the competitive sealed proposals are submitted, the District may conduct discussions to clarify a proposal or to assure a full understanding of the proposal and its responsiveness to the District's requirements. When the District conducts these discussions, all responding proposers whose proposals are reasonably capable of being selected must be afforded fair and equal treatment in these discussions. During these discussions, the District may not disclose to one proposer information derived from competing proposals.
- (g) When discussions occur, proposers may be allowed to revise their proposals so that the District may obtain the best and final offer from each proposer provided any revisions are submitted and received before the District's intent to award to a particular proposer is announced.
- (h) The Board of Commissioners will award the purchase to the responsible proposer whose proposal is the most advantageous to the District taking into consideration price and the evaluation factors set out in the RFP. No other factor may be used in the Board's evaluation.
- (i) An aggrieved proposer who is not selected may file a protest to the award with the District within seven (7) days after the intended award is announced. The Board will consider any protest filed at its next regular Board meeting or at a specially called Board meeting for the purpose of considering the protest.
- (j) When the purchase of goods or services is made by competitive sealed proposals, the District will keep a file on the purchase by competitive sealed proposals. The file must include a statement containing the basis on which the award was made. The file will include all written documentation related to the purchase transaction, including the RFP, the competitive sealed proposals submitted, correspondence related the competitive sealed proposals submitted, correspondence related to the purchase or contract award, purchase invoice, bid bonds, the contract awarded, payment and performance bonds and any other written documents created or received in connection with the competitive sealed proposal purchase. The competitive sealed proposal purchase file may be kept in an electronic form file and will be retained in accordance with the District's document retention policy.
- (k) When a construction contract is awarded in excess of \$100,000 by competitive sealed proposals, the contractor will comply with the performance bond and payments bond provisions set forth in Section 8(c).

SECTION 10 - REQUEST FOR QUALIFICATIONS

- (a) Contracts for architectural and engineering services must be procured using the request for qualifications process set forth in this Section 10.
- (b) Contracts for professional services covered by T.C.A. § 12-3-1209 may be procured using a request for qualifications process.

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- (c) The Board of Commissioners will establish a selection committee to oversee and conduct the request for qualifications process.
- (d) The selection committee will prepare and issue a request for qualifications (RFQ) to seek qualifications and experience data from any firm or firms and may interview such firm or firms. When the services to be provided require licensing in Tennessee, the selection committee may only seek qualifications and experience data from licensed Tennessee firms.
- (e) The selection committee shall evaluate statements of qualifications and experience data regarding the procurement of the services and shall conduct discussions with such firm or firms regarding the furnishing of required services. Then, the selection committee will select the firm deemed to be qualified to provide the services required.
- (f) The selection committee shall negotiate a contract with the qualified firm which the selection committee determines to be fair and reasonable to the District. In making such determination, the selection committee shall take into account the estimated value of the services to be rendered, the scope of work, complexity and professional nature of the services. The contract negotiated by the selection committee must be approved by the Board of Commissioners.
- (g) If the selection committee is unable to negotiate a satisfactory contract with the firm considered to be qualified at a price determined to be fair and reasonable, negotiations will continue with other qualified firms until an agreement is reached.
- (h) If the Board of Commissioners does not approve the contract negotiated by the selection committee, the selection committee will continue with other qualified firms until an agreement is reached.
- (i) When the District has a satisfactory existing working relationship for architectural or engineering services with an existing firm, it may expand the scope of the services with this firm without engaging in a request for qualifications for the expanded services, provided the services are within the technical competency of the existing firm.

SECTION 11 - EXCEPTIONS TO COMPETITIVE BIDDING – UTILITY DISTRICT LAW

The following purchases are excepted from the District's competitive bidding requirements pursuant T.C.A. §§ 7-82-801 and 803.

- (a) Purchase of items or groups of items less than \$10,000.
- (b) Contracts to provide a continuous work force through independent contractors for the maintenance, installation, and repair of the system or for items sold at retail by the District.
- (c) Purchase of goods or services for which there is a single source of supply.
- (d) Purchases for immediate delivery in actual emergencies arising from unforeseen causes.
- (e) Purchases of real property.
- (f) Purchases from any federal, state, or local government unit or agency.
- (g) Purchases from instrumentalities created by two or more cooperative governments similar to the Local Government Data Processing Corporation.
- (h) Purchases from non-profit corporations whose primary purpose is to provide goods or services to various local governments.

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- (i) Purchases in the open market, including fuel and fuel product purchases.
- (j) Purchases of items for resale.

SECTION 12 - EXCEPTIONS TO COMPETITIVE BIDDING – OTHER TENNESSEE STATUTES

The following purchases are excepted from the District's competitive bidding requirements pursuant to other Tennessee statutes applicable to utility districts.

- (a) Contracts for legal services, fiscal agent, financial advisor or advisory services, educational consultant services, and similar services by professional persons or groups of high ethical standards which shall be procured in accordance with the provisions of T.C.A. § 12-3-1209.
- (b) Contracts for architectural and engineering services and contracts for construction management services which shall be procured pursuant to the provisions of T.C.A. § 12-4-107(a).
- (c) Contracts for construction management services which shall be procured pursuant to the provisions of T.C.A. § 12-4-107(b).
- (d) Contracts for energy-related services that include both engineering services and equipment and have as their purpose the reduction of energy costs in public facilities shall be awarded on the same basis as contracts for professional services pursuant to T.C.A. § 12-4-110.
- (e) Multi-year contracts for painting and other maintenance of water storage tanks may be procured through a request for proposals process pursuant to the provisions of T.C.A. § 12-4-112.
- (f) Insurance purchased through a plan authorized and approved by any organization of governmental entities representing Tennessee cities and counties.
- (g) Goods and services included in vendor contracts of the Tennessee Department of General Services in accordance with T.C.A. § 12-3-1201(a) and (b).
- (h) Goods and services included in vendor contracts of the Tennessee Department of General Services purchased from a local source in accordance with T.C.A. § 12-3-1201(d).
- (i) Goods and services included in vendor contracts of the federal General Services Administration in accordance with T.C.A. § 12-3-1201(c).
- (j) Used and secondhand and goods from governmental agencies in accordance with T.C.A. 12-3-1202(a).
- (k) Used and secondhand goods from private individuals or entities in accordance with T.C.A. 12-3-1202(b) when the cost of the purchased item is no more than five percent (5%) higher than the general range of value of the item as documented by a listing in a nationally recognized publication or by an appraisal of a licensed appraiser which documentation should be attached to the seller's invoice.
- (l) Goods and services purchased by another local government for the District in accordance with T.C.A. § 12-3-1203(a).
- (m) Goods and services purchased at the same price as in the contracts of other Tennessee local governments in accordance with T.C.A. § 12-3-1203(c).

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- (n) Goods and services purchased under a cooperative purchasing agreement with other Tennessee local governments in accordance with T.C.A. § 12-3-1205(a).
- (o) Goods and services purchased under a cooperative purchasing agreement with out-of-state local governments or federal government agencies in accordance with T.C.A. § 12-3-1205(b).
- (p) Goods and services permitted to be purchased by competitive reverse auction in accordance with T.C.A. § 12-3-1208.
- (q) Goods purchased at public auction in accordance with T.C.A. § 12-2-421.
- (r) Used or surplus personal property of other local governments, the State of Tennessee or the federal government obtained by the gift, purchase or transfer in accordance with T.C.A. § 12-2-420.

SECTION 13 - OPEN MARKET PURCHASES

Open market purchases include the purchase of goods and services under \$10,000 which do not require competitive bidding under this Purchasing Policy.

SECTION 14 - AUTHORITY THRESHOLDS TO MAKE PURCHASES

- (a) General Manager(s).
 - (1) The General Manager(s) is (are) authorized to make open market purchases under \$10,000.
 - (2) The General Manager(s) is authorized to make purchases which are exempt from competitive bidding under Sections 11 and 12 up to \$15,000.
 - (3) The General Manager(s) is authorized to make emergency purchases exempt from competitive bidding under Section 11(d) up to \$20,000.
- (b) Distribution Manager and Lead Operator.
 - (1) The Distribution Manager is authorized to make purchases under \$5,000.
 - (2) The Lead Operator is authorized to make purchases under \$5,000.

SECTION 15 – CONTRACTOR INVOICING REQUIREMENTS

Contractors will be required to include on all invoices a full detail of work performed and materials used. Where applicable, photographic documentation will be required of the project prior to the work proceeding, incrementally during the project, and upon completion of the project.

ADOPTION DATE: APRIL 8, 2021

EFFECTIVE DATE: APRIL 8, 2021

Fixed Assets

RESPONSIBLE FOR ADMINISTERING POLICY

Manager, Board of Commissioners

BACKGROUND AND PURPOSE

To define guidelines for the capitalization of purchases of land, buildings, land improvements, pipes, infrastructure, equipment and other materials.

POLICY STATEMENT

Fixed assets consist of all capitalized assets with an estimated useful life of at least one year and cost \$2,000 or more.

Procedure:

Land includes all real property owned by the Cumberland Utility District, purchased or donated, and used, rented, or held for investment.

Buildings include all buildings owned by the Cumberland Utility District, either purchased or donated, and any building improvements costing \$10,000 or more.

Land Improvements include all improvements to land owned by the Cumberland Utility District costing more than \$10,000. Land improvements include all cost necessary to prepare the land for use such as grading, blasting and clearing.

Infrastructure includes all items of utility systems improvements owned by the Cumberland Utility District costing more than \$5,000. Infrastructure items include utilities including, sewer systems and water system

Equipment is defined as any movable property i.e., machinery, vehicles, computers and furniture costing at least \$2,000 that is not a replacement part. Component items that form one working equipment system are combined for capitalization purposes. The “system” definition applies to computer configurations, electronic & laboratory equipment and other portable equipment. Additions to equipment that become either component parts or permanently connected to existing equipment items are also defined as equipment and should be capitalized if cost exceeds \$500.00. The cost of repairs should be capitalized if such repairs “significantly extend the life of the asset”.

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Each item of equipment acquired will be assigned a serially numbered Cumberland Utility District tag affixed to the equipment and marked “Cumberland Utility District”.

Equipment Inventory

All equipment having Cumberland Utility District property numbers must be inventoried annually according to the utilities policy. Department heads are responsible for conducting an inventory of all taggable equipment regardless of acquisition method (purchase, transfer, and donation). The individual conducting the physical inventory should identify items that are missing or were sold, traded-in, discarded, or transferred to other departments.

Depreciation

All fixed assets will be depreciated at cost on a straight-line basis using estimated useful lives as follows:

Buildings, pipes	40-50 years
Land improvements	20-50 years
Infrastructure	20-50 years
Equipment	5-10 years
Vehicles	3-5 years

The Cumberland Utility District does not capitalize items that are valued at less than \$2,000. However these items will be accounted for for stewardship purposes. This inventory shall include such “sensitive items “such as cellular phone, radios, pagers, laptop computers and other items that are especially susceptible to theft

Assets that are to be surpluses or disposed of will be accounted for in accordance with the *Utility’s Surplus Property Disposal Policy*.

ADOPTION DATE: DECEMBER 14, 2006

EFFECTIVE DATE: OCTOBER 1, 2006 (RETROACTIVE)

Debt Management

RESPONSIBLE FOR ADMINISTERING POLICY

Manager, Board of Commissioners

INTRODUCTION

Debt management policies provide written guidance about the amount and type of debt issued by local governments, the issuance process, and the management of the debt portfolio. A debt management policy tailored to the needs of the Board of Commissioners (the “Governing Body”) of Cumberland Utility District of Roane and Morgan Counties, Tennessee (the “District”) can improve the quality of decisions, identify and disclose parameters relating to the structure and issuance of debt, identify policy goals, and provide a foundation for long-term financial planning, all of which are in the public interest of the District. If applicable, adherence to a debt management policy may signal to rating agencies and the capital markets that a governmental entity is well-managed and should meet its obligations in a timely manner.

Debt levels and their related annual costs are important long-term obligations that must be managed within available resources. An effective debt management policy provides guidelines for a government to manage its debt program in line with those resources.

This Debt Management Policy is intended to comply with the debt management policy requirements promulgated by the Tennessee State Funding Board in December 2010.

OBJECTIVES

The Governing Body is establishing a debt policy as a tool to ensure that financings undertaken by the Governing Body satisfy certain clear objective standards designed to protect the District's financial resources and to meet its long-term capital needs.

A. The objectives of this policy are:

1. To document responsibility for the oversight and management of debt related transactions;
2. To establish criteria and promote prudent financial management for the issuance of debt obligations and the evaluation of debt issuance options;

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3. To identify legal and administrative limitations on the issuance of debt and ensure the legal use of the Governing Body's debt issuance authority;
4. To define the types and appropriate use of debt approved for use within the constraints established by Tennessee law;
5. To provide guidance for evaluating refunding candidates or alternative debt structures;
6. Where applicable, to provide support for the maintenance of credit ratings;
7. To enhance risk management practices; and
8. To increase transparency, reduce conflicts, and promote cooperation in the debt management process.

POLICY

Debt Management Strategies

To achieve the objectives above, the Governing Body adopts the following debt management strategies and procedures.

A. Funding Strategies

1. Debt is to be issued pursuant to the authority of and in full compliance with provisions, restrictions and limitations of the Constitution and laws of the State of Tennessee (the "State") (including Title 7, Chapter 82, Tennessee Code Annotated (the "Utility District Act") and various bond authorizations enacted by the General Assembly of the State), and pursuant to resolutions adopted by the Governing Body.
2. Debt may only be used to finance or refinance the capital costs of improving the District's utility system (the "System") and such other costs related thereto as may be permitted by the Utility District Act (including without limitation issuance costs, capitalized interest and the funding of debt service reserves), all of which must be authorized by the Governing Body. Debt may not be issued to finance the District's operating costs.
3. Debt shall be secured by and payable from the revenues of the System, as prescribed by resolution of the Governing Body, and a corresponding statutory lien on the assets of the System.

B. Federal Tax Status

1. **Tax-Exempt Debt** — Based on the assumptions that tax-exempt interest rates are lower than taxable rates and that the interest savings outweigh the administrative costs, restrictions on use of

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financed projects, and investment constraints, the District will use its best efforts to maximize the amount of debt sold under this policy as tax-exempt.

2. **Taxable Debt** — The District will sell taxable debt when necessary to finance projects with a private use or uncontrolled purpose. The Governing Body encourages the financing team to blend the financing of taxable projects with the financing of tax-exempt projects whenever possible.

C. Legal Limitations on the Use of Debt

1. No debt obligation shall be issued to fund the current operation of the District.
2. The proceeds of any debt obligation shall be expended only for the purpose for which it was authorized by the Governing Body.
3. All debt shall be approved by resolution of the Governing Body.
4. Prior to the consideration of a resolution authorizing the issuance of debt, the General Manager and/or the President of the Governing Body shall prepare and submit a request for financing report from the State Comptroller's office, as required by the Utility District Act. If timely received, the General Manager and/or the President of the Governing Body shall cause the report to be published as required by the Utility District Act. No financing report is required by the Utility District Act in connection with a loan from a state or federal agency.

Types of Debt

Pursuant to the Utility District Act, the District is authorized from time to time to issue or incur the following types of debt, all of which is subject to the terms of the debt management policy.

A. Bonds

The District may issue bonds under the Utility District Act to finance capital projects or refinance outstanding debt.

B. Bond Anticipation Notes (BANs)

BANs are short term obligations authorized to be issued under the Utility District Act that will be repaid by proceeds of a subsequent bond issue.

CUMBERLAND UTILITY DISTRICT**C. Capital Leases**

Capital leases are leases of equipment or other System property, where the leased property becomes the property of the District at the end of the lease term and the lease payments include a financing component.

D. Loans from State or Federal Agencies

The District may incur debt in the form of loans from State or federal agencies. Loans are evidenced by a loan agreement between the District and the lending agency.

E. Loans from Public Building Authorities

The District may enter into loan agreements with one or more public building authorities, pursuant to Sections 12-10-101 et seq., Tennessee Code Annotated, in lieu of issuing bonds or notes under the Utility District Act. The policies set forth herein for bonds issued under the Utility District Act shall be equally applicable to loan agreements entered into with a public building authority.

Debt Management Practices**A. Structure**

The Governing Body shall establish by resolution all terms and conditions relating to the issuance of debt.

1. Term

Any debt (including refunding debt) shall have a weighted average maturity not greater than the weighted average expected lives of the assets financed by such debt. In addition, the final maturity of any debt should not be longer than the expected life of the longest lived asset financed thereby.

2. Capitalized Interest

From time to time certain financings may require the use of capitalized interest. Interest may be financed (capitalized) through a period permitted by federal law and the authorizing resolution of the Governing Body if it is determined that doing so is in the District's best interest.

3. Debt Service Structure

The District will seek to structure its aggregate debt with level or declining debt service payments over the life of its aggregate debt.

CUMBERLAND UTILITY DISTRICT

In structuring principal repayment for any debt issue, the Utility will seek to balance the goals of (a) amortizing principal as quickly as possible to minimize interest costs, and (b) maintaining consistent and manageable rates for its customers. In structuring its debt service payments, the District may schedule the principal amortization of debt for new projects so that the District achieves approximately level debt service, which may result in the deferral of principal on new money debt provided that approximately level aggregate debt service is achieved. In such a case, the Governing Body will specifically consider and approve any such deferral and determine that it is in the best interests of the District.

4. Call Provisions

The District will strive to issue all of its debt with a call feature no later than ten years from the date of delivery. In any event, call features should be structured to provide the maximum flexibility relative to cost. The District will avoid the sale of long-term non-callable bonds absent careful evaluation by the Governing Body with respect to the value of the call option.

5. Original Issuance Discount/Premium

Bonds sold with original issuance discount/premium are permitted with the approval of the Governing Body.

6. Debt Service Reserve Funds

If the Governing Body determines that it is necessary to fund a debt service reserve fund in connection with debt, it may agree to fund such a reserve. The size of any debt service reserve fund established in connection with the tax-exempt debt will be in compliance with applicable federal tax rules. The District will strive to fund debt service reserves with District funds, rather than with debt. However, the District may use the proceeds of debt to fund debt service reserves if the Governing Body concludes that the restriction of District funds would reduce unrestricted funds below manageable levels.

7. Fixed vs. Variable Interest Rates

Fixed rate debt bears interest at a rate or rates that remain constant throughout the life of the debt. Variable rate debt bears interest at a variable rate through the term thereof.

CUMBERLAND UTILITY DISTRICT

The District will issue all of its debt with fixed rates, except as follows:

- Bond anticipation notes may be issued with variable rates, given their short term nature.
- The District may issue or incur variable rate debt if provision as to the calculation or change of variable interest rates is included in the authorizing resolution and the Governing Body carefully evaluates the risks related thereto. The District will annually include in its budget an interest rate assumption for any outstanding variable rate debt that takes market fluctuations affecting the rate of interest into consideration. The General Manager shall monitor the ongoing costs and risks of outstanding variable rate and make reports to the Governing Body no less than annually with respect thereto.

B. Refinancing Outstanding Debt

The Governing Body will consider the following issues when analyzing possible refunding opportunities:

1. Reasons for Refunding

Debt will be considered for refunding when:

- The refunding results in net present value savings to the District;
- The refunding of the debt is necessary due to a change in private/public use of a project that would cause a need to change the tax status of the debt; or
- The Governing Body expressly determines by resolution that the refunding of the bonds accomplishes debt service restructuring that is in the District's best interest.

2. Term of Refunding Issues

The Governing Body will refund bonds within the term of the originally issued debt, unless otherwise expressly approved by resolution of the Governing Body. The District may extend the maturity of debt in connection with a refunding if the Governing Body determines that such a deferral will allow the District to maintain a more predictable rate structure that is in the best interests of its customers. In such a case, the Governing Body will

CUMBERLAND UTILITY DISTRICT

specifically consider and approve any such deferral and determine that it is in the best interests of the District.

3. Escrow Structuring

The District shall take steps to utilize the least costly securities available in structuring refunding escrows; provided that the District may purchase U.S. Treasuries – State and Local Government Series if it is determined that the costs and risks attendant to the solicitation of open market securities outweigh any attendant benefits.

C. Methods of Sale

Pursuant to the Utility District Act, debt may be issued at competitive or negotiated sale.

1. **Competitive** — In a competitive sale, the District's bonds shall be awarded to the bidder providing the lowest true interest cost as long as the bid adheres to the requirements set forth in the official notice of sale.
2. **Negotiated** — In a negotiated sale, the underwriter/lender/lessor will be chosen prior to the sale and the interest rate and the fees of the underwriter/lender/lessor are negotiated prior to the sale.

In the case of loans from State or Federal agencies, the District will negotiate directly with the agency making the loan. In all other cases, the Governing Body will determine the manner of sale, and will set forth the manner of sale in the resolution authorizing the debt.

D. Underwriter Selection (Negotiated Transaction)

The District, with assistance from its financial advisor (if the District has engaged a financial advisor), shall select the underwriter/lender/lessor for a proposed negotiated sale. The selection criteria will include the following factors and such other factors as the Governing Body may identify:

- Ability and experience in managing similar debt transactions;
- Prior knowledge and experience with the District;
- Capital adequacy;
- Quality and experience of personnel assigned to the District's engagement;

CUMBERLAND UTILITY DISTRICT

- Financing ideas presented; and
- Underwriter/lender/lessor fees.

E. Credit Quality

If the District maintains a credit rating, the District's debt management activities will be conducted to maintain the highest credit ratings possible, consistent with District's financing and rate maintenance objectives. The General Manager will be responsible for maintaining relationships and communicating with the rating agencies that assign ratings to the District's debt. Full disclosure of operations and open lines of communication shall be maintained with the rating agencies. The General Manager shall work with its financial advisor and/or underwriter (as applicable) to prepare and make presentations to the rating agencies to assist credit analysts in making an informed decision.

F. Credit Enhancements

The District will consider the use of credit enhancements on a case-by-case basis, evaluating the economic benefit versus the cost. Only when clearly demonstrable savings can be shown shall an enhancement be utilized. The District may consider each of the following enhancements as alternatives by evaluating the cost and benefit of such enhancements: bond insurance, reserve fund surety bonds, letters of credit and liquidity facilities.

G. Use of Structured Products

No interest rate agreements or forward purchase agreements will be considered unless a policy defining the use of such products is approved before the transaction is considered.

H. Risk Assessment

The District will evaluate each transaction to assess the types and amounts of risk associated with that transaction, considering all available means to mitigate those risks. The District will evaluate all proposed transactions for consistency with the objectives and constraints defined in this Policy. The following risks should be assessed before issuing debt:

1. **Change in Public/Private Use** — The change in the public/private use of a project that is funded by tax-exempt funds could potentially cause a bond issue to become taxable.

CUMBERLAND UTILITY DISTRICT

2. **Default Risk** — The risk that debt service payments cannot be made by the due date.
3. **Liquidity Risk** — The risk of having to pay a higher rate to the liquidity provider in the event of a failed remarketing.
4. **Interest Rate Risk** — The risk that interest rates will rise, on a sustained basis, above levels that would have been set if the issued had been fixed.
5. **Rollover Risk** — The risk of the inability to obtain a suitable liquidity facility at an acceptable price to replace a facility upon termination or expiration of a contract period.
6. **Credit Risk** — The risk that an issuer of debt securities or a borrower may default on its obligations by failing to repay principal and interest in a timely manner.

J. Continuing Disclosure

To the extent that any of the District's debt issues are subject to U.S. Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12"), the Governing Body will provide certain financial information and operating data by specified dates, and will provide notice of certain enumerated events with respect to the bonds, all as described in Rule 15c2-12.

K. Transparency

The District shall comply with the Tennessee Open Meetings Act, providing adequate public notice of meetings and specifying on the agenda of a meeting when matters related to debt issuance will be considered. Additionally, in the interest of transparency, all costs (including interest, issuance, continuing, and one-time) shall be disclosed to the citizens in a timely manner. To comply with the requirements of the preceding sentence, an estimate of the costs described above will be presented to the Governing Body along with any resolution authorizing debt.

Within four weeks of closing on a debt transaction, the debt service schedule and the State Form CT-0253 shall be available at the District's office for inspection and review by members of the Governing Body and the District's customers.

L. Professional Services

The District requires all professionals engaged to assist in the process of issuing debt to clearly disclose all compensation and consideration

CUMBERLAND UTILITY DISTRICT

received related to services provided in the debt issuance process by the District. This includes "soft" costs or compensations in lieu of direct payments.

1. **Counsel** — The District will enter into an engagement letter agreement with each lawyer or law firm representing the District in a debt transaction. No engagement letter is required for any lawyer who serves as counsel to the District regarding District matters generally.
2. **Bond Counsel** — Bond counsel for each debt transaction is contracted by the Governing Body and serves to assist the District in such debt issue.
3. **Financial Advisor** — If the District chooses to engage a financial advisor, the financial advisor for each debt transaction will be contracted by the Governing Body and will serve and assist the District on financial matters related to such debt transaction. The Governing Body shall approve the written agreement between the District and the financial advisor with respect to a debt transaction. The financial advisor shall not be permitted to bid on or underwrite an issue for which it is or has been providing advisory services.
4. **Underwriter** – If there is an underwriter for a debt issue, the underwriter must clearly identify itself to the District in writing (e.g., in a response to a request for proposals or in promotional materials provided to the District) as an underwriter and not as a financial advisor from the earliest stages of its relationship with the District with respect to that issue. The underwriter must clarify its primary role as a purchaser of securities in an arm's-length commercial transaction and must disclose that it has financial and other interests that differ from those of the District. The underwriter in a publicly offered, negotiated sale shall be required to provide pricing information both as to interest rates and to takedown per maturity to the General Manager in advance of the pricing of the debt.

M. Potential Conflicts of Interest

Professionals involved in a debt transaction hired or compensated by the District shall be required to disclose existing client and business relationships between and among the professionals to a transaction (including but not limited to financial advisor, swap advisor, bond counsel, swap counsel, trustee, paying agent, underwriter, counterparty, and remarketing agent), as well as conduit issuers, sponsoring organizations and program administrators. This disclosure shall include

CUMBERLAND UTILITY DISTRICT

that information reasonably sufficient to allow the District to appreciate the significance of the relationships.

Professionals who become involved in the debt transaction as a result of a bid submitted in a widely and publicly advertised competitive sale conducted using an industry standard, electronic bidding platform are not subject to this disclosure. No disclosure is required that would violate any rule or regulation of professional conduct.

Debt Administration**A. Planning for Sale**

1. In considering the adoption of any debt resolution, the Governing Body shall consider the purpose of the financing, the proposed structure of the financing, the proposed method of sale for the financing, members of the proposed financing team and an estimate of all the costs associated with the financing.
2. In the case of a proposed refunding, proposed use of credit enhancement, or proposed use of variable rate debt, the General Manager will present to the Governing Board the rationale for using the proposed debt structure, an estimate of the expected savings associated with the transaction (if applicable) and a discussion of the potential risks associated with the proposed structure.
3. If required by Rule 15c2-12, the General Manager, the bond counsel, financial advisor (if applicable), along with other members of the financing team will prepare a Preliminary Official Statement describing the transaction and the security for the debt that is fully compliant with all legal requirements.

B. Post Sale

1. The General Manager will maintain for review by members of the Governing Body and the public a debt service schedule and the CT-0253 Form related to the debt issue.
2. The General Manager will establish guidelines and procedures for tracking the flow of all bond proceeds, as defined by the Internal

CUMBERLAND UTILITY DISTRICT

Revenue Code, over the life of bonds reporting to the IRS all arbitrage earnings associated with the financing and any tax liability that may be owed.

3. If required by Rule 15c2-12, the General Manager, the bond counsel, financial advisor (if applicable), along with other members of the financing team will prepare an Official Statement describing the transaction and the security for the debt that is fully compliant with all legal requirements.

C. Arbitrage

Compliance with arbitrage requirements on invested tax-exempt bond funds will be maintained. Proceeds that are to be used to finance construction expenditures are exempted from the filing requirements, provided that the proceeds are spent in accordance with requirements established by the IRS. The District will comply with all of its tax certificates for tax-exempt financings by monitoring the arbitrage earning on bond proceeds on an interim basis and by rebating all positive arbitrage when due, pursuant to Internal Revenue Code Section 148. The District will also retain all records relating to debt transactions for as long as the debt is outstanding, plus three years after the final redemption date of the transaction.

D. Private Activity

Compliance with private activity requirements with respect to tax exempt debt-financed facilities will be maintained. The General Manager shall maintain a record of the allocation of debt proceeds to expenditures, and monitor the use of tax exempt debt-financed facilities to ensure that no impermissible private use occurs.

E. Investment of Proceeds

Any proceeds or other funds available for investment by the District must be invested pursuant to applicable State law.

Review of the Policy

The debt policy guidelines outlined herein are only intended to provide general direction regarding the future use and execution of debt. The Governing Body maintains the right to modify these guidelines (except to the extent these guidelines are mandated by applicable state law or regulation) and may make exceptions to any of them at any time to the extent that the execution of such debt achieves the Governing Body's goals. Any exceptions to these policies shall be expressly acknowledged in the resolution authorizing

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the pertinent debt issue. In the event of a conflict between the terms of a debt resolution and this policy, the terms of the debt resolution shall control.

This policy will be periodically reviewed by the Governing Body, at which time the General Manager will present any recommendations for any amendments, deletions, additions, improvement or clarification.

ADOPTION DATE: NOVEMBER 10, 2011

EFFECTIVE DATE: NOVEMBER 10, 2011

Debt Manageme

Adjustments to Bills/Leak Adjustments

RESPONSIBLE FOR ADMINISTERING POLICY

Manager, Board of Commissioners

BACKGROUND AND PURPOSE

Generally, the customer must pay for all water which passes through the customer's meter. When a customer does not pay for all water metered, the cost of such water must be recovered from other customers. Because an unknown leak may cause an undue burden on individual customers, this policy balances these interests by allowing the customer a leak adjustment under certain circumstances.

The UTILITY is run for the benefit of all present and future customers. While no customer shall be treated unfairly intentionally, no customer shall be treated in any way that compromises the interests of other current and future customers.

LIMITATIONS

The UTILITY is subject to various county, state, federal or other governmental agency requirements and has no discretion to adjust bills in a manner which would violate these regulations.

RECORD KEEPING DURATION

All records of billing adjustments shall be kept for a minimum of ten years.

OMISSIONS

In special circumstances not covered by this Policy, the disposition of billing adjustments shall be made by the Board of Commissioners in accordance with its usual and customary practices. When the UTILITY suspects leakage on the customer's side of the meter, the UTILITY shall attempt to notify the customer by leaving a "door hanger" on the premises or by telephone. The UTILITY's attempt to notify the customer of a suspected leak is an accommodation to the customer, not a duty to the customer, and is not included in the Policy.

CUMBERLAND UTILITY DISTRICT***POLICY***

1. The need to adjust a utility bill may be evident by a customer complaint of excessive billing or evidence of leakage on the customer side of the meter.
2. It is the customer's responsibility to keep his plumbing system in good working order.
3. Customer Leak Adjustment Coverage
 - 1) Residential Customers
 - As of January 1, 2016, all residential customer leak adjustments will be covered (provided) through our (the) ServLine Water Loss Protection Program. Residential customers include dwellings that are strictly used as a home or place of residence.
 - 2) Non – Residential Customers
 - Leak adjustments for customers who do not qualify for the ServLine Water Loss Program will be administered using the existing policy requirements (detailed below). Non-residential customers include places of business, churches, and schools.
 - 3) Wholesale Rate Customers
 - Wholesale Rate Customers are excluded from any adjustments to their accounts for excessive usage due to a leak.
4. No customer shall receive more than one adjustment during any one calendar year.
5. The UTILITY will first determine that the meter was properly read. If an investigation of the meter and meter records establishes that the meter was misread or that there was a failure of utility equipment, an adjustment will be made to the account using an estimated reading based on an average of the past 12 months billings for this period. There will be no penalty assessed in the event the adjustment procedure delays payment past the penalty date.
6. If an investigation of the meter and meter record establishes that the meter was properly read and that there was no failure of utility equipment, the bill will remain valid and payable.
7. If the customer questions the accuracy of the meter, he may pay the utility bill in question plus a meter testing deposit of \$100.00 (residential meters) or \$350.00 (commercial or industrial meters). The UTILITY will remove the meter and ship it to the manufacturer or have a recognized meter testing company test the meter on site. The UTILITY will pay all costs associated with the testing of the meter.

If the meter proves to be accurate within guidelines established for used meters by the American Water Works Association (AWWA), it is deemed to be accurate. If the meter tests accurate, the customer forfeits the meter testing deposit. If the meter does not meet AWWA accuracy standards, the UTILITY shall refund the meter testing deposit to the customer and repair or replace the meter.

Adjustments to Bills/Leak Adjustments2

CUMBERLAND UTILITY DISTRICT

8. If an adjustment of the customer's bill is warranted, the amount of the bill will be determined based on an average for the billing period for the last 12 months billing plus the overage at the wholesale rate, not to exceed \$500. Amounts in excess of \$500 after the adjustment will be the responsibility of the customer.
9. To be adjusted, the leak must not be readily evident to a reasonable person (such as leaks that are underground, within walls or under floors) or the leak must occur while occupants are away from the premises.
9. Adjustments on WATER bills will NOT be made on the following:
 - a) Routine dripping faucets, leaking commodes, or any type of faulty customer plumbing;
 - b) Premises left or abandoned without reasonable care for the plumbing system;
 - c) More than one occurrence per calendar year;
 - d) Filling of swimming pools; and
 - e) Watering of lawns or gardens.
10. The UTILITY shall not be obligated to make adjustments of any bills not contested within ninety (90) days from the billing date.
11. The UTILITY shall be under no obligation to extend the discount or due date or the time for paying any bills because the customer disputes the amount of the bill.
12. All requests for billing adjustments must be received by phone, in writing or in person at the business office of the UTILITY during regular business hours or official meetings of the UTILITY.
13. The manager will review and sign the adjustment voucher and the voucher shall be retained in the adjustment file at the office of the UTILITY.
14. On June 11, 2015, the Board of Commissioners of the UTILITY adopted the implementation of the ServLine Water Loss Program and optional ServLine Line Coverage, to be effective January 1, 2016. The UTILITY'S residential customers must make claims for the excess water billed due to a water leak through the ServLine Water Loss Program. Customers who decline to participate in the ServLine Water Loss Program will not be eligible for a leak adjustment. Customers who qualify for leak adjustments through the ServLine Water Loss Program will be responsible for paying the bill based upon a 12-month average. ServLine will pay up to \$500 of an excess water bill resulting from a qualifying leak (see exclusions in section 9). Amounts in excess of \$500 will be the responsibility of the customer. If a customer has opted out of the ServLine Water Loss Program, there will be a 30-day waiting period if the

CUMBERLAND UTILITY DISTRICT

customer chooses to enter the ServLine Water Loss Program, and the customer is responsible for any leak that may occur during that 30-day period.

15. As of January 1, 2016, the UTILITY also provides a ServLine Protection Program for residential customers. This service will be at a cost as established from time to time and will be billed monthly to the customer on their utility bill. Customers are not automatically enrolled for this service and must contact ServLine Customer Service to enroll. Eligible repairs are covered up to \$10,000 with no deductible.

ADOPTION DATE: DECEMBER 4, 2003

EFFECTIVE DATE: DECEMBER 4, 2003

AMENDED: JANUARY 14, 2016

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PUBLIC RECORDS/UTILITY RECORDS POLICY

Cumberland Utility District

It shall be the policy of Cumberland Utility District to use the current recommendation of the Comptroller of the State of Tennessee and the University of Tennessee Municipal Technical Advisory Service (MTAS) for record retention guidelines. Records will also include any requirements specified by the Environmental Protection Agency (EPA) and Tennessee Department of Environment and Conservation (TDEC).

Overview. Pursuant to Tenn. Code Ann. 10-7-503(g), every governmental entity subject to the Tennessee Public Records Act ("TPRA") (Tenn. Code Ann. 10-7-501 et seq.), must establish a written public records policy properly adopted by the appropriate governing authority by July 1, 2017. The policy adopted shall not impose requirements on those requesting records that are more burdensome than state law and shall include:

- A. The process for requesting access to public records and any required form(s);
- B. The process for responding to requests, including redaction practices;
- C. A statement of any fees charged for copies of public records and the procedures for billing and payment; and
- D. The name or title and contact information of the individual or individuals designated as the Public Records Request Coordinator(s).

Pursuant to Tenn. Code Ann. 8-4-604(a)(1)(4), the Office of Open Records Counsel ("OORC") is required to establish a model best practices and public records policy for use by a records custodian in compliance with Tenn. Code Ann. 10-7-503.

The OORC encourages and will provide assistance for governmental associations and groups to develop model public records policies tailored to their specific governmental entity subgroup.

The TPRA provides that all state, county and municipal records shall, at all times during business hours, which for public hospitals shall be during the business hours of their administrative offices, be open for personal inspection by any citizen of this state, and those in charge of the records shall not refuse such right of inspection to any citizen, unless otherwise provided by state law. See Tenn. Code Ann. 10-7-503(a)(2)(A). Accordingly, the public records of the City of Kingston are presumed to be open for inspection unless otherwise provided by law.

Personnel of CUD shall timely and efficiently provide access and assistance to persons requesting to view or receive copies of public records. No provisions of this Policy shall be used to hinder access to open public records. However, the integrity and organization of public records, as well as the efficient and safe operation of CUD, shall be protected as provided by current law. Concerns about this Policy should be addressed to the Public Records Request Coordinator for CUD or to the Tennessee Office of Open Records Counsel. This Policy is available for inspection and duplication in the office of Public Records Request Coordinator. This Policy shall be reviewed every two years.

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I. Definitions:

- A. Records Custodian: The office, official or employee lawfully responsible for the direct custody and care of a public record. See Tenn. Code Ann. 10-7-503(a)(1)(C). The records custodian is not necessarily the original preparer or receiver of the record.
- B. Public Records: All documents, papers, letters, maps, books, photographs, microfilms, electronic data processing files and output, films, sound recordings, or other material, regardless of physical form or characteristics, made or received pursuant to law or ordinance or in connection with the transaction of official business by any governmental agency. See Tenn. Code Ann. 10-7-503(a)(1)(A).
- C. Public Records Request Coordinator: The individual, or individuals, designated in Section III A(3) of this Policy who has, or have, the responsibility to ensure public record requests are routed to the appropriate records custodian and are fulfilled in accordance with the TPRA. See Tenn. Code Ann. 10-7-503(a)(1)(B). The Public Records Request Coordinator may also be a records custodian.
- D. Requestor: A person seeking access to a public record, whether it is for inspection or duplication.

II. Requesting Access to Public Records:

- A. Public record requests shall be made to the Public Records Request Coordinator or his/her designee in order to ensure public record requests are routed to the appropriate records custodian and fulfilled in a timely manner.
- B. Requests for inspection only cannot be required to be made in writing. The PPRC should request a mailing address from the requestor for providing any written communication required under the TPRA.
- C. Requests for inspection may be made orally or in writing using the attached Public Record Request Form at Cumberland Utility District, 3201 Harriman Hwy. Harriman, Tn. 37748 or by phone at 865-882-0395.
- D. Requests for copies, or requests for inspection and copies, shall be made in writing using the attached form at Cumberland Utility District, 3201 Harriman Hwy. Harriman, Tn. 37748.
- E. Proof of Tennessee citizenship by presentation of a valid Tennessee driver's license (or alternative acceptable form of ID) is required as a condition to inspect or receive copies of public records.

III. Responding to Public Records Requests:

- A. Public Record Request Coordinator (PPRC)

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- (1) The PRRC shall review public record requests and make an initial determination of the following:
 - a. If the requestor provided evidence of Tennessee citizenship;
 - b. If the records requested are described with sufficient specificity to identify them;
and
 - c. If the Governmental Entity is the custodian of the records.

- (2) The PRRC shall acknowledge receipt of the request and take any of the following appropriate action(s):
 - a. Advise the requestor of this Policy and the elections made regarding:
 - i. Proof of Tennessee citizenship;
 - ii. Form(s) required for copies;
 - iii. Fees (and labor threshold and waivers, if applicable); and
 - iv. Aggregation of multiple or frequent requests.

 - b. If appropriate, deny the request in writing, providing the appropriate ground such as one of the following:
 - i. The requestor is not, or has not presented evidence of being, a Tennessee citizen
 - ii. The request lacks specificity;
 - iii. An exemption makes the record not subject to disclosure under the TPRA;
 - iv. Cumberland Utility District is not the custodian of the requested records;
 - v. The records do not exist.

 - c. If appropriate, contact the requestor to see if the request can be narrowed.

 - d. Forward the records request to the appropriate records custodian.

 - e. If requested records are in the custody of a different governmental entity, and the PRRC knows the correct governmental entity, advise the requestor of the correct governmental entity and PRRC for that entity if known.

- (3) The designated PRRC(s) is:
 - a. Name or title: Laura Vincent, Office Manager or Shanda Kring, HR/Payroll Manager

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- b. Contact information: Cumberland Utility District , 3201 Harriman Hwy. Harriman, Tn. 37748 Phone (865) 882-0395, Facsimile (865) 882-2517.

B. Records Custodian Actions

- (1) Upon receiving a public records request, a records custodian shall promptly make requested public records available in accordance with Tenn. Code Ann. 10-7-503. If the records custodian is uncertain that an applicable exemption applies, the custodian may consult with the PRRC, counsel, or the OORC.
- (2) If not practicable to promptly provide requested records because additional time is necessary to determine whether the requested records exist; to search for, retrieve, or otherwise gain access to records; to determine whether the records are open; to redact records; or for other similar reasons, then a records custodian shall, within seven (7) business days from the records custodian's receipt of the request, send the requestor a completed Public Records Request Response Form, based on the form developed by the OORC.
- (3) If a records custodian denies a public record request, he or she shall deny the request in writing as provided in Section 3.A.2.b using the Public Records Request Response Form.
- (4) If a records custodian reasonably determines production of records should be segmented because the records request is for a large volume of records, or additional time is necessary to prepare the records for access, the records custodian shall use the Public Records Request Response Form to notify the requestor that production of the records will be in segments and that a records production schedule will be provided as expeditiously as practicable. If appropriate, the records custodian should contact the requestor to see if the request can be narrowed.
- (5) If a records custodian discovers records responsive to a records request were omitted, the records custodian should contact the requestor concerning the omission and produce the records as quickly as practicable.

C. Redaction:

- (1) If a record contains confidential information or information that is not open for public inspection, the records custodian shall prepare a redacted copy prior to providing access. If questions arise concerning redaction, the records custodian should coordinate with counsel or other appropriate parties regarding review and redaction of records. The records custodian and the PRRC may also consult with the OORC.
- (2) Whenever a redacted record is provided, a records custodian should provide the requestor with the basis for redaction. The basis given for redaction shall be general in nature and not disclose confidential information.

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IV. Inspection of Records:

- A. There shall be no charge for inspection of open public records.
- B. The location for inspection of records within the offices of CUD should be determined by either the PRRC or the records custodian.
- C. Under reasonable circumstances, the PRRC or a records custodian may require an appointment for inspection or may require inspection of records at an alternate location.

V. Copies of Records:

- A. A records custodian shall promptly respond to a public record request for copies in the most economic and efficient manner practicable.
- B. Copies will be available for pickup at a location specified by the records custodian.
- C. Upon payment for postage, copies will be delivered to the requestor's home address by the United States Postal Service.
- D. A requestor will be allowed to make copies of records with personal equipment.

VI. Fees and Charges and Procedures for Billing and Payment:

Fees and charges for copies of public records should not be used to hinder access to public records.

A. Records custodians shall provide requestors with an itemized estimate of the charges using the Public Records Request Form prior to producing copies of records and may require pre-payment of such charges before producing requested records.

- B. When fees for copies and labor do not exceed \$1.00, the fees may be waived. [Requests for waivers for fees must be presented to the Office Manager, who is authorized to determine if such waiver is in the best interest of CUD and for the public good. Fees associated with aggregated records requests will not be waived.
- C. Fees and charges for copies are as follows (if higher than the amounts authorized by the OORC Schedule of Reasonable Charges, documentation should be attached):
 - (1) \$0.15 per page for letter- and legal-size black and white copies.
 - (2) \$0.50 per page for letter- and legal-size color copies.
 - (3) Other:
 - (4) Labor when time exceeds 1 hour.
 - (5) If an outside vendor is used, the actual costs assessed by the vendor.

[Type here]

- D. [No duplication costs will be charged for requests for less than \$1.00
- E. Payment is to be made in cash or by personal check made payable to Cumberland Utility District and presented to the Records Custodian
- F. Payment in advance will be required when costs are estimated to exceed \$50.00.
- G. Aggregation of Frequent and Multiple Requests:
 - (1) Cumberland Utility District will aggregate record requests in accordance with the Frequent and Multiple Request Policy promulgated by the OORC when more than (4) requests are received within a calendar month (either from a single individual or a group of individuals deemed working in concert). The level at which records requests will be aggregated is (whether by agency, entity, department, office or otherwise).
 - (2) The PRRC is responsible for making the determination that a group of individuals are working in concert. The PRRC or the records custodian must inform the individuals that they have been deemed to be working in concert and that they have the right to appeal the decision to the OORC.
 - (3) Routinely released and readily accessible records excluded from aggregation include, but are not limited to: Agendas, approved meeting minutes.

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PUBLIC RECORDS REQUEST FORM

The Tennessee Public Records Act (TPRA) grants Tennessee citizens the right to access open public records that exist at the time of the request. The TPRA does not require records custodians to compile information or create or recreate records that do not exist.

To: Cumberland Utility District, 3201 Harriman Hwy. Harriman, Tn. 37748
Phone (865) 882-0395, Facsimile- (865)882-2517

From:

Is the Requestor a Tennessee citizen? Yes ___ No ___

Request: _____ Inspection. Copy/Duplicate: _____

The TPRA does not permit fees or require a written request for inspection only. Tenn. Code Ann. 10-7-504(a)(20)(C) permits charging for redaction of private records of a utility.

Copy/Duplicate: If costs for copies are assessed, the Requestor has a right to receive an estimate. Do you wish to waive your right to an estimate and agree to pay copying and duplication costs in an amount not to exceed \$ _____? If so, initial here: _____.

Delivery preference: _____ On-Site _____ Pick-Up _____ USPS First-Class Mail
_____ Electronic _____ Other: _____

Records Requested: Provide a detailed description of the record(s) requested, including: (1) type of record; (2) time frame or dates for the records sought; and (3) subject matter or key words related to the records. Under the TPRA, record requests must be sufficiently detailed to enable a governmental entity to identify the specific records sought. As such, your record request must provide enough detail to enable the records custodian responding to the request to identify the specific records you are seeking.

Signature of Requestor
Date Submitted: _____

Signature of Public Records Request Coordinator
Date Received: _____

Cumberland Utility District Water Loss Plan

Treatment Plants:

- Annual Calibration of Raw and Finished flow meters at both treatment plants.

Distribution System:

- Installed radio read meters 2016-2018 in both Morgan and Roane counties.
- Perform Monthly re-checks on High usage and low usage customers.
- Actively search for leaks in the distribution system.
- Monitor and record tank levels in the distribution system daily.

Future Distribution System Projects:

- Management met with Asterra satellite leak detection on April 13th, 2023. We are currently working on obtaining a quote from them to possibly perform leak detection.
- Zone meters – we would like to obtain quotes from a third-party contractor to install zone meters in our distribution system.
- Large and High Usage meter calibration – We are currently working on requesting quotes from multiple third-party contractors on performing annual meter calibration. Our goal is to have a certain percentage of our large meters calibrated annually.
- Line Replacement projects – attached are the engineering estimates for our proposed line replacement projects. We are looking to obtain funding from several grants as well as pay out of pocket to help replace some of our aging infrastructure. The Listed Projects are arranged in order of priority by county.

Roane County Projects

AC Pipe Replacement Project 1 Description:

Replacement of approximately 6500 ft. of existing AC water pipe with new 6" diameter PVC water pipe and placement of one fire hydrant for each 1000' of water pipe installed. The new pipe will be installed from the Hartland Estates Pump Station at the intersection of Poplar Creek Rd. and Wheeler Dr. to the intersection of Poplar Creek Rd. and Blair Rd. The total cost to complete this section is estimated to be \$391,200.00 as per the cost estimate below:

ITEM	QUANTITY	UNIT PRICE	TOTAL
6" SDR 17 PVC Pipe	6500 LF	\$44.00	\$286,000.00
6" Gate Valve	12 EA	\$1250.00	\$15,000.00
Connection to Existing 6" Line	2 EA	\$1500.00	\$3000.00
Connection to Existing 4" Line	2 EA	\$1400.00	\$2800.00
Connection to Pump Station	1 LS	\$5000.00	\$5000.00
4" Gate Valve	2 EA	\$1100.00	\$2200.00
Directional Bore with 6" HDPE	200 LF	\$400.00	\$80,000.00
Pavement Repair	200 LF	\$50.00	\$10,000.00
Reconnect Water Services	50 EA	\$1000.00	\$50,000.00
Fire Hydrant	7 EA	\$4500.00	\$31,500.00
Cut and Cap/Plug 4" Water Line	6 EA	\$1000.00	\$6000.00
Air Release Valve	3 EA	\$1500.00	\$4500.00
CONSTRUCTION COST			\$496,000.00
Waterline Engineering, Administrative, Inspection, and Contingencies			\$99,200.00
TOTAL PROJECT COST			\$595,200.00

AC Pipe Replacement Project 2 Description:

Replacement of 4200 ft. of existing AC water pipe with new 6" diameter PVC water pipe and placement of one fire hydrant for each 1000' of water pipe installed. The new pipe will be installed from the intersection of Poplar Creek Rd and Blair Rd. to the intersection of Poplar Creek Rd. and Sugar Grove Valley Rd. The total cost to complete this section is estimated to be \$251,760.00 as per the cost estimate below:

ITEM	QUANTITY	UNIT PRICE	TOTAL
6" SDR 17 PVC Pipe	4200 LF	\$44.00	\$184,800.00
6" Gate Valve	8 EA	\$1250.00	\$10,000.00
Connection to Existing 6" Line	2 EA	\$1500.00	\$3000.00
Directional Bore with 6" HDPE	150 LF	\$400.00	\$60,000.00
Pavement Repair	100 LF	\$50.00	\$5000.00
Reconnect Water Services	30 EA	\$1000.00	\$30,000.00
Fire Hydrant	5 EA	\$4500.00	\$22,500.00
Cut and Cap/Plug 4" Water Line	4 EA	\$1000.00	\$4000.00
Air Release Valve	3 EA	\$1500.00	\$4500.00
TOTAL			\$323,800.00
Waterline Engineering, Administrative, Inspection, and Contingencies			\$64,760.00
TOTAL PROJECT COST			\$388,560.00

AC Pipe Replacement Project 3 Description:

Replacement of 1,700 linear ft. of existing AC water pipe with new 6" diameter PVC water pipe and placement of one fire hydrant for each 1000' of water pipe installed. The new pipe will be installed from Shady Lane to Poplar Lane in Green Acres Subdivision. The total cost to complete this section is estimated to be \$100,560.00 as per the cost estimate below:

ITEM	QUANTITY	UNIT PRICE	TOTAL
6" SDR 17 PVC Pipe	1700 LF	\$44.00	\$74,800.00
6" Gate Valve	6 EA	\$1250.00	\$7500.00
Connection to Existing 6" Line	1 EA	\$1500.00	\$1500.00
Connection to Existing 3" Line	2 EA	\$1000.00	\$2000.00
Directional Bore of Stream with 6" HDPE	40 LF	\$400.00	\$16,000.00
Pavement Repair	100 LF	\$50.00	\$5000.00
Reconnect Water Services	10 EA	\$1000.00	\$10,000.00
Fire Hydrant	2 EA	\$4500.00	\$9000.00
TOTAL			\$125,800.00
Waterline Engineering, Administrative, Inspection, and Contingencies			\$25,160.00
TOTAL PROJECT COST			\$150,960.00

AC Pipe Replacement Project 4 Description:

Replacement of approximately 11,400 ft. of existing AC water pipe with new 6" diameter PVC water pipe and placement of one fire hydrant for each 1000' of water pipe installed. The new pipe will be installed on from the intersection of Clax Gap Rd. and Dickey Valley Rd. to the Holiday Shores Pump Station. The total cost to complete this section is estimated to be \$541,920.00 as per the cost estimate below:

ITEM	QUANTITY	UNIT PRICE	TOTAL
6" SDR 17 PVC Pipe	11,400 LF	\$44.00	\$501,600.00
6" Gate Valve	12 EA	\$1250.00	\$15,000.00
Connection to Existing 6" Line	2 EA	\$1500.00	\$3000.00
Connection to Pump Station	1 LS	\$5000.00	\$5000.00
Directional Bore with 6" HDPE	160 LF	\$400.00	\$64,000.00
Pavement Repair	180 LF	\$50.00	\$9000.00
Reconnect Water Services	50 EA	\$1000.00	\$50,000.00
Fire Hydrant	12 EA	\$4500.00	\$54,000.00
Cut and Cap/Plug 4" Water Line	4 EA	\$1000.00	\$4000.00
Air Release Valve	4 EA	\$1500.00	\$6000.00
		TOTAL	\$711,600.00
Waterline Engineering, Administrative, Inspection, and Contingencies			\$142,320.00
TOTAL PROJECT COST			\$853,920.00

AC Pipe Replacement Project 5 Description:

Replacement of 6600 ft. of existing AC water pipe with new 6" diameter PVC water pipe and placement of one fire hydrant for each 1000' of water line installed. The new pipe will be installed from the intersection of Dyllis Rd. and Mays Valley Rd. to the intersection of Dyllis Rd and Blair Rd. The total cost to complete this section is estimated to be \$384,480.00 as per the cost estimate below:

	QUANTITY	UNIT PRICE	TOTAL
6" SDR 17 PVC Pipe	6600 LF	\$44.00	\$290,400.00
6" Gate Valve	12 EA	\$1250.00	\$15,000.00
Connection to Existing 6" Line	2 EA	\$1500.00	\$3000.00
Connection to Existing 4" Line	2 EA	\$1400.00	\$2800.00
4" Gate Valve	2 EA	\$1100.00	\$2200.00
Directional Bore with 6" HDPE	160 LF	\$400.00	\$64,000.00
Pavement Repair	120 LF	\$50.00	\$6000.00
Reconnect Water Services	55 EA	\$1000.00	\$55,000.00
Fire Hydrant	7 EA	\$4500.00	\$31,500.00
Cut and Cap/Plug 6" Water Line	8 EA	\$1250.00	\$10,000.00
Air Release Valve	3 EA	\$1500.00	\$4500.00
		TOTAL	\$484,400.00
Waterline Engineering, Administrative, Inspection, and Contingencies			\$96,880.00
TOTAL PROJECT COST			\$581,280.00

AC Pipe Replacement Project 6 Description: (one of 3 projects submitted for RD App)

Replacement of 12,700 ft. of AC water pipe with new 6" diameter PVC water pipe and placement of one fire hydrant for each 1000' of water pipe installed. The new pipe will be installed from the intersection of Blair Rd. and Old Harriman Hwy. to the intersection of Old Harriman Hwy. and Scandlyn Hollow Rd. The total cost to complete this section is estimated to be \$560,300.00 as per the cost estimate below:

ITEM	QUANTITY	UNIT PRICE	TOTAL
6" SDR 17 PVC Pipe	12,700 LF	\$44.00	\$558,800.00
6" Gate Valve	18 EA	\$1250.00	\$22,500.00
Connection to Existing 6" Line	2 EA	\$1500.00	\$3000.00
Connection to Existing 4" Line	5 EA	\$1400.00	\$7000.00
4" Gate Valve	5 EA	\$1100.00	\$5500.00
Directional Bore with 6" HDPE	300 LF	\$400.00	\$120,000.00
Pavement Repair	250 LF	\$50.00	\$12,500.00
Reconnect Water Services	60 EA	\$1000.00	\$60,000.00
Fire Hydrant	13 EA	\$4500.00	\$58,500.00
Cut and Cap/Plug 6" Water Line	14 EA	\$1250.00	\$17,500.00
Air Release Valve	6 EA	\$1500.00	\$9000.00
TOTAL			\$874,300.00
Waterline Engineering, Administrative, Inspection, and Contingencies			\$174,860.00
TOTAL PROJECT COST			\$1,049,160.00

AC Pipe Replacement Project 7 Description:

Replacement of 12,000 ft. of AC water pipe with new 6" diameter PVC water pipe and placement of one fire hydrant for each 1000' of water line installed. The new pipe will be installed from the intersection of Mays Valley Rd. and Dickey Valley Rd to the intersection of Mays Valley Rd. and Dyllis Rd. The total cost to complete this section is estimated to be \$685,800.00 as per the cost estimate below:

ITEM	QUANTITY	UNIT PRICE	TOTAL
6" SDR 17 PVC Pipe	12,000 LF	\$44.00	\$528,000.00
6" Gate Valve	18 EA	\$1250.00	\$22,500.00
Connection to Existing 6" Line	2 EA	\$1500.00	\$3000.00
Connection to Existing 4" Line	5 EA	\$1400.00	\$7000.00
4" Gate Valve	5 EA	\$1100.00	\$5500.00
Directional Bore with 6" HDPE	350 LF	\$400.00	\$140,000.00
Pavement Repair	300 LF	\$50.00	\$15,000.00
Reconnect Water Services	80 EA	\$1000.00	\$80,000.00
Fire Hydrant	12 EA	\$4500.00	\$54,000.00
Cut and Cap/Plug 6" Water Line	14 EA	\$1250.00	\$17,500.00
Air Release Valve	6 EA	\$1500.00	\$9000.00
		TOTAL	\$881,500.00
Waterline Engineering, Administrative, Inspection, and Contingencies			\$176,300.00
TOTAL PROJECT COST			\$1,057,800.00

Morgan County Projects

AC Pipe Replacement Project 1 Description:

Replacement of approximately 1600 ft. of existing AC water pipe with new 6" diameter PVC water pipe and placement of one fire hydrant for each 1000' of water pipe installed. The new pipe will be installed in the Petros area from Main St. to Bald Knob Rd to Sexton Hollow Rd. The total cost to complete this section is estimated to be \$171,540.00 as per the cost estimate below:

ITEM	QUANTITY	UNIT PRICE	TOTAL
6" SDR 17 PVC Pipe	1600 LF	\$44.00	\$70,400.00
6" Gate Valve	5 EA	\$1250.00	\$6250.00
Connection to Existing 6" Line	1 EA	\$1500.00	\$1500.00
Connection to Existing 4" Line	2 EA	\$1400.00	\$2800.00
Directional Bore with 6" HDPE	80 LF	\$400.00	\$32,000.00
Pavement Repair	80 LF	\$50.00	\$4000.00
Reconnect Water Services	15 EA	\$1000.00	\$15,000.00
Fire Hydrant	2 EA	\$4500.00	\$9000.00
Cut and Cap/Plug Existing 4" Water Line	2 EA	\$1000.00	\$2000.00
CONSTRUCTION COST			\$142,950.00
Waterline Engineering, Administrative, Inspection, and Contingencies			\$28,590.00
TOTAL PROJECT COST			\$171,540.00

AC Pipe Replacement Project 2 Description:

Replacement of 2400 ft. of existing AC water pipe with new 6" diameter PVC water pipe and placement of one fire hydrant for each 1000' of water pipe installed. The new pipe will be installed in the Petros area from the intersection of Bald Knob Rd. and Hobbs St. to the end of the existing line on Shirks Lane. The total cost to complete this section is estimated to be \$243,420.00 as per the cost estimate below:

ITEM	QUANTITY	UNIT PRICE	TOTAL
6" SDR 17 PVC Pipe	2400 LF	\$44.00	\$105,600.00
6" Gate Valve	9 EA	\$1250.00	\$11,250.00
Connection to Existing 6" Line	1 EA	\$1500.00	\$1500.00
Directional Bore with 6" HDPE	120 LF	\$400.00	\$48,000.00
Pavement Repair	100 LF	\$50.00	\$5000.00
Reconnect Water Services	15 EA	\$1000.00	\$15,000.00
Fire Hydrant	3 EA	\$4500.00	\$13,500.00
Cut and Cap/Plug Existing 4" Water Line	3 EA	\$1000.00	\$3000.00
CONSTRUCTION COST			\$202,850.00
Waterline Engineering, Administrative, Inspection, and Contingencies			\$40,570.00
TOTAL PROJECT COST			\$243,420.00

AC Pipe Replacement Project 3 Description: (one of 3 projects submitted for RD app)

Replacement of 5000 ft. of existing AC water pipe with new 8" diameter Ductile Iron water pipe. The new pipe will be installed on State Route 62 from Back Valley Rd to the Pressure Reducing Valve on State Rt. 62. The total cost to complete this section is estimated to be \$286,250.00 as per the cost estimate below:

ITEM	QUANTITY	UNIT PRICE	TOTAL
8" Class 350 Ductile Iron Pipe	5000 LF	\$42.00	\$210,000.00
8" Gate Valve	5 EA	\$1650.00	\$8250.00
Connection to Existing 6" Water Line	2 EA	\$1500.00	\$3000.00
Directional Bore with 8" HDPE	150 LF	\$300.00	\$45,000.00
Pavement Repair	400 LF	\$50.00	\$20,000.00
TOTAL			\$286,250.00

AC Pipe Replacement Project 4 Description:

Replacement of 2300 ft. of existing AC water pipe with new 6" diameter PVC water pipe and placement of one fire hydrant for each 1000' of water pipe installed. The new pipe will be installed in the Petros area from Main St. along Bald Knob Rd. The total cost to complete this section is estimated to be \$275,220.00 as per the cost estimate below:

ITEM	QUANTITY	UNIT PRICE	TOTAL
6" SDR 17 PVC Pipe	2300 LF	\$44.00	\$101,200.00
6" Gate Valve	3 EA	\$1250.00	\$3750.00
Connection to Existing 6" Line	1 EA	\$1500.00	\$1500.00
Connection to Existing 4" Line	1 EA	\$1400.00	\$1400.00
Directional Bore with 6" HDPE	160 LF	\$400.00	\$64,000.00
Pavement Repair	200 LF	\$50.00	\$10,000.00
Reconnect Water Services	30 EA	\$1000.00	\$30,000.00
Fire Hydrant	3 EA	\$4500.00	\$13,500.00
Cut and Cap/Plug 4" Water Line	4 EA	\$1000.00	\$4000.00
CONSTRUCTION COST			\$229,350.00
Waterline Engineering, Administrative, Inspection, and Contingencies			\$45,870.00
TOTAL PROJECT COST			\$275,220.00

AC Pipe Replacement Project 5 Description:

Replacement of 1700 ft. of existing AC water pipe with new 6" diameter PVC water pipe and placement of one fire hydrant for each 1000' of water pipe installed. The new pipe will be installed in the Petros area from the intersection of Main St. and State Route 116 along Main St past John Berry Hollow Rd. The total cost to complete this section is estimated to be \$300,120.00 as per the cost estimate below:

ITEM	QUANTITY	UNIT PRICE	TOTAL
6" SDR 17 PVC Pipe	1700 LF	\$44.00	\$74,800.00
6" Gate Valve	8 EA	\$1250.00	\$10,000.00
Connection to Existing 8" Line	1 EA	\$1800.00	\$1800.00
Connection to Existing 4" Line	4 EA	\$1400.00	\$5600.00
Connection to Existing 2" Line	1 EA	\$800.00	\$800.00
8" Gate Valve	2 EA	\$1650.00	\$3300.00
2" Gate Valve	1 EA	\$1000.00	\$1000.00
4" Gate Valve	3 EA	\$1100.00	\$3300.00
Directional Bore with 6" HDPE	250 LF	\$400.00	\$100,000.00
Pavement Repair	200 LF	\$50.00	\$10,000.00
Reconnect Water Services	20 EA	\$1000.00	\$20,000.00
Fire Hydrant	3 EA	\$4500.00	\$13,500.00
Cut and Cap/Plug Existing Water Line	6 EA	\$1000.00	\$6000.00
CONSTRUCTION COST			\$250,100.00
Waterline Engineering, Administrative, Inspection, and Contingencies			\$50,020.00
TOTAL PROJECT COST			\$300,120.00

AC Pipe Replacement Project 6 Description:

Replacement of 1100 ft. of existing AC water pipe with new 6" diameter PVC water pipe and placement of one fire hydrant for each 1000' of water pipe installed. The new pipe will be installed in the Petros area on Back St. from Back Petros Rd. to Main St. The total cost to complete this section is estimated to be \$133,380.00 as per the cost estimate below:

ITEM	QUANTITY	UNIT PRICE	TOTAL
6" SDR 17 PVC Pipe	1100 LF	\$44.00	\$48,400.00
6" Gate Valve	7 EA	\$1250.00	\$8750.00
Connection to 6" Water Line	2 EA	\$1500.00	\$3000.00
Directional Bore with 6" HDPE	60 LF	\$400.00	\$24,000.00
Pavement Repair	80 LF	\$50.00	\$4000.00
Reconnect Water Services	10 EA	\$1000.00	\$10,000.00
Fire Hydrant	2 EA	\$4500.00	\$9000.00
Cut and Cap/Plug Existing Water Line	4 EA	\$1000.00	\$4000.00
CONSTRUCTION COST			\$111,150.00
Waterline Engineering, Administrative, Inspection, and Contingencies			\$22,230.00
TOTAL PROJECT COST			\$133,380.00

AC Pipe Replacement Project 7 Description: (one of 3 projects submitted for RD App)

Replacement of 3700 ft. of existing AC water pipe with new 6" diameter PVC water pipe and placement of one fire hydrant for each 1000' of water pipe installed. The new pipe will be installed in the Joyner area on Cassell Rd. from State Route 62 to Bible Rd. The total cost to complete this section is estimated to be \$201,850.00 as per the cost estimate below:

ITEM	QUANTITY	UNIT PRICE	TOTAL
6" SDR 17 PVC Pipe	3700 LF	\$24.00	\$88,800.00
6" Gate Valve	9 EA	\$1250.00	\$11,250.00
Connection to 8" Water Line	1 EA	\$1800.00	\$1800.00
Connection to 6" WLine	2 EA	\$1500.00	\$3000.00
Directional Bore with 6" HDPE	180 LF	\$200.00	\$36,000.00
Pavement Repair	140 LF	\$50.00	\$7000.00
Reconnect Water Services	30 EA	\$1000.00	\$30,000.00
Fire Hydrant	4 EA	\$4500.00	\$18,000.00
Cut and Cap/Plug Existing Water Line	6 EA	\$1000.00	\$6000.00
TOTAL			\$201,850.00

Projects that were bid out from January 1, 2018 to present

1. 2018 Phase 2 Water Service Line Replacement/Improvement
Bid date: 7/12/18
Bid Amount: \$256,945.00
Final Bill: April, 2019 \$281,214.50

2. 2019 OSM Water Line Improvement
Cemetery Rd, John Berry Rd, Bald Knob Rd, & Hall Dr.
Bid Date: 7/25/19
Final Bill: April, 2020 \$208,658.10

3. 2020 TDEC Water Line Improvement
Beverly Dr, Creek Rd, Rayburn Armes Rd., Randal Armes Rd. & State Route 62.
Bid Date: 12/22/20
Final bill: July 2021 \$316,145.75

4. 2020 Water Storage Tank Painting
Hartland Estates Tank
Bid Date: 2/13/20
Bid Amount: \$50,000.00
Final Bill:

5. 2023 Emergency Re-Seal & Repair
Holiday Shores 86,000 Gallon Tank
Bid Date: 3/9/23
Bid Amount: \$84,895.00
Final Bill:

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INTRODUCTION

WELCOME TO CUMBERLAND UTILITY DISTRICT!

We're very happy to welcome you to Cumberland Utility District. Thanks for joining us! The District would like you to feel that your employment with us will be mutually beneficial and enjoyable.

You are joining an organization that has established an outstanding reputation for providing good customer service and supplying the safest and best drinking water to its customers. Credit for this goes to every one of our employees and we hope that you will find satisfaction and take pride in your work here.

HISTORY OF THE DISTRICT

A group of interested citizens led by S.S. Crass, Jr. initiated action to meet the need for water. Cumberland Utility District became a reality with assistance from Attorney Frank Qualls, Mr. Crass, Mr. Marvin Webster and Mr. Eliga Davis. A government matching grant of \$500,000 was acquired to establish a Utility District thanks to the assistance of Howard Baker, Sr.

A.E. Bost, a Knoxville based engineering firm, was selected to develop a Master Plan for the new water district. The scope of work included the physical layout of the new system, detail design and specifications for the Treatment Facilities and Water Distribution System. A.E. Bost's Master Plan was a forty-year plan to use Dickey Springs, in Roane County, as the main source of water. In the initial phase, Dickey Springs was to supply a maximum of 1,200 customers. The design included a 0.25 Million Gallon per Day Water Treatment Facility that withdrew and treated water from the Little Emory embayment. The contract to build these facilities was awarded to a local general contractor, Brownlee and Kesterson Construction Co.

The District's first Board of Commissioners was originally comprised of Mr. S.S. Crass, Jr., Mr. Marvin Webster, and Mr. Eliga Davis. Mr. Davis resigned from the Board and accepted the position as the District's first General Manager. Mr. Fred Hamby was elected as his replacement. During his 30-year tenure on the Board, Mr. Hamby made numerous and commendable contributions. Other past Board members who served commendably and helped guide the District include Mr. Mike Jones and Mr. Robert West.

The District began by providing drinking water to 690 customers. Today, the District has grown to nearly 4,500 customers.

In 1981, the District expanded to meet the demands of users in the area to include Wartburg and Sunbright. Over the years, as the number of customers grew and new water regulations were enacted, the District has had to implement two major plant expansions and numerous upgrades or expansions to the water distribution system. The District's Water Distribution System has grown from the original 55 miles of waterline and two booster pumping stations to over 200 miles of waterline and five booster pumping stations.

LEGAL EXISTENCE

Cumberland Utility District of Roane and Morgan Counties, Tennessee, was organized to the “Utility District Law of 1937,” as codified in Tennessee Code Annotated 7-82-101, et seq. The District was incorporated as a municipal corporation pursuant to an Order of the County Judge of Roane County, Tennessee, dated January 17, 1964.

GOVERNANCE

Cumberland Utility is a non-profit government entity that provides safe potable water to the community it serves. The District is governed by a Board of Commissioners that is comprised of three commissioners, two from Roane County and one from Morgan County. They are appointed to serve four-year terms by the County Executives. The Board is composed of a Chairman, a Secretary, and a Treasurer.

The day-to-day Operation is overseen by the General Manager. The organizational structure has four departments: Administration, Finance, Operations, and Distribution & Maintenance.

MISSION STATEMENT

Cumberland Utility District’s mission is simply to supply the safest and best drinking water to its customers at an economical price.

VALUES

- **INTEGRITY** - Maintain high standards and consistent performance within an environment of professional ethics and responsibility for one’s actions.
- **SERVICE** - Provide excellent and cost-effective service to the customers and community.
- **TEAMWORK** - Promote an environment of cooperation, trust and open communication.
- **DIVERSITY** - Embrace the strengths, experiences and talents of every individual.
- **INNOVATION** – Support new ideas and continuous improvement.

SAFETY

The District recognizes the impact a good program of Environmental Health & Safety compliance can have on employee well-being and performance.

Cumberland Utility District's philosophy of Environmental Safety and Health (ES&H) is that each employee has a key role in maintaining an accident free and environmentally responsive workplace. This is accomplished through training and awareness.

Understanding the need for a coherent, overall Safety Program to coordinate with the existing maintenance and work order systems, the District integrated its Safety Program into the maintenance tasks and work orders to ensure compliance with existing Environmental Safety and Health regulations. An integrated safety and work program makes everyone responsible for safety, and clearly defines responsibilities through the authorization basis.

Cumberland Utility is committed to providing all employees a safe work place through the Environmental, Safety and Health Program.

GENERAL INFORMATION

This handbook is NOT a contract. No contract of employment with the District will be valid unless it is signed in accordance with proper procedures by a representative of the District AND unless it is signed by and contains the name of the employee who would be benefited by the contract.

The policies and benefit offerings outlined in this handbook are subject to change at any time, without notice. Changes may be made at the sole discretion of the District. Any changes thereto supersede any prior written, verbal or implied policies.

HANDBOOK PURPOSE

This handbook outlines the employment policies of the District. The policies will inform employees of their benefits and responsibilities of their employment. The District has developed these policies for the purpose of promoting fair and consistent practices by managers and employees.

The District's employment practices policies will apply equally to all employees, unless exempted by law, contract or the terms of a policy. Where federal or state laws or regulations supersede the District policies, employees will be instructed to observe the requirements of these state and federal laws.

This handbook provides a summary of the employment policies of the District. Employment practices policies, in their complete form, are available in the Human Resources Department.

EMPLOYMENT-AT-WILL

The District employment practices operate under the legal doctrine known as "employment at will". Within state and federal employment law, the District has the right to terminate an employee at any time and for any reason, with or without notice, except that the District will comply with all state and federal legal requirements requiring notice and an opportunity to be heard in the event of discipline or dismissal. The District will attempt to ensure that employee terminations are not made in an arbitrary or capricious manner. However, this handbook and the personnel policies referenced do not constitute or imply a contract, agreement, promise or guarantee of employment or continued employment. The District also reserves the right to change these policies at any time and without prior notice.

This handbook does not limit management's or the Board's discretion to make personnel decisions such as reassignment, change of wages and benefits, demotion, etc.

EQUAL EMPLOYMENT OPPORTUNITY

It is the policy of the District to provide equal employment opportunities to all employees and employment applicants without regard to the following:

- Race
- Color
- Age
- Sex
- Sexual Orientation
- Gender Identity
- Any other classification protected under applicable law.
- National Origin
- Religion
- Marital Status
- Physical or Mental Disability
- Military or Veteran status

Equal employment opportunity applies to all aspects of employment, including, but not limited to, hiring, probation, discipline, training, promotion, transfer, compensation, benefits and assistance, layoff, recall, employee facilities, termination, and retirement.

The District expects all employees to support our equal employment opportunity policy, and to take all steps necessary to maintain a workplace free from unlawful discrimination and harassment. If you believe that you are being subjected to any form of harassment or discrimination, please bring this to the attention of your Supervisor immediately. The District takes allegation of discrimination, intimidation, harassment and retaliation very seriously and will promptly conduct an investigation when warranted.

AMERICANS WITH DISABILITY ACT (ADA)

In compliance with the Americans with Disability Act (ADA), the District provides reasonable accommodations to the disabled required by law. Medical certification may be required of both the disability and the need for accommodation. It is the employee's responsibility to notify the Human Resources Department or a Supervisor if there is a need of an accommodation. The District will engage in an interactive process with the employee to identify possible accommodations, if any will help the employee or applicant perform the job.

WORK SCHEDULES

The District retains the right to vary work schedules according to its needs. Employee work schedules may vary throughout the organization. Management will advise employees of each employee's work schedules. **Working outside of your scheduled hours requires your manager's approval.**

A general work schedule is:

Department	Work Days	Hours
Administrative Personnel	Monday thru Friday	8:00 a.m. to 4:30 p.m.
Distribution & Maintenance	Monday thru Friday	7:30 a.m. to 4:00 p.m.
General Manager	Monday thru Friday	8:00 a.m. to 4:00 p.m.
Plant – Day Shift	Monday thru Friday	7:00 a.m. to 3:00 p.m.
Plant – Night Shift	Sunday thru Thursday	10:00 p.m. to 6:00 a.m.
Plant – Weekend Shift	Saturday and Sunday	4:00 a.m. to 4:00 p.m.

EMPLOYEE FILES

Personnel Files

The District will maintain various employment files, as required by law, for each employee while they remain an employee of the District. Examples of these files are: employee personnel files, payroll files, I-9 files, and files for medical purposes. If any changes with respect to personnel information, such as change in home address and telephone number or change of name occur, employees are required to notify their Supervisor or Manager so appropriate updates can be made to the files. The District will take reasonable precautions to protect employee files and employee personally identifiable information in its records.

Employee files have restricted access. In the event that an employee wishes to review his/her personnel files, access to the file is by appointment with the Human Resources Department. With reasonable advance notice, an employee may review his/her own records in the District's office during regular business hours and in the presence of the Human Resources. No employee may alter or remove any documents from his or her personnel file. These files are the property of the District. However, the District will cooperate with requests from authorized law enforcement or local, state, or federal agencies conducting official investigations and as otherwise legally required.

Leave Records

Records of leave accrual and leave taken are kept with payroll information. These records are updated with payroll information.

Privacy

The Company is respectful of employee privacy. Workers' Compensation information is not considered private healthcare information; however, this information will be released only on a need-to-know basis.

By policy, the District will provide only the former or present employee's dates of employment and position(s) held with the District and eligibility for rehire, if asked and if social security number is given for verification of employment. Compensation information may also be verified if written authorization is provided by the employee.

RECRUITMENT, HIRING AND EMPLOYMENT

APPLICATIONS

Employment applications will be accepted in the Human Resources Department. Applications received at times other than when direct solicitations are made for a particular position, will be kept on file in the office of Human Resources for a period of six months to be accessed by any District department or function seeking an employee. Placement of a completed application in the human resources file will not constitute application for any specifically advertised position and will not require further action by any elected official or District administrative person.

NOTICE OF VACANCIES

It is the policy of the District to be an equal opportunity employer and to hire individuals on the basis of their qualifications and ability to do the job to be filled. The District normally will try to fill job openings above entry level by promoting from within, if qualified internal applicants are available.

All vacancies in the District will be announced in one or more of the following manners:

- i. Registration with the Tennessee Career Center
- ii. Posting on the Bulletin Board in the District's office building
- iii. Advertisement in local news publications
- iv. Advertisement on the District's website

Mailings to local employment agencies may also be used. The employment application solicitation process will also include a recruiting effort which may extend beyond the District when deemed necessary to obtain applications from individuals with necessary technical skills or other specialized qualifications.

INTERVIEWS AND REFERENCES

Interviews will be granted to prospective employees by the manager and/or board members, as desired, for recommendation for employment to the board for official action. Employment begins by a majority vote of the Board of Commissioners.

A prospective employee must furnish references from past employers and others who can vouch for their abilities and conduct.

JOB OFFER LETTER

Once a person has been officially hired by the Board of Commissioners, they will receive an official offer letter, detailing the agreed upon terms, between management and employee. The Job Offer Letter will contain the Employee's Title, Job Description, Base Wage, Employment Classification, Benefits, and Shift Assignment. The Job Offer Letter must be signed by management and the employee.

The Board of Commissioners and Management reserve the right to offer a prospective employee any wage or additional benefits needed to obtain a prospective employee, based off of education, experience, or specialty skill set. This includes, but is not limited to, a higher base wage, an advanced vacation accrual rate, granting initial vacation time, not to exceed the existing max accrual rate of 200 hours (5 Weeks), or a benefit set forth by the Board of Commissioners. The Job Offer Letter must be approved by the Board of Commissioners before the prospective employee is officially hired

ETHICS IN EMPLOYMENT

No person will be employed by the District when that employment would result in a violation of the ethics in government provisions found in Tennessee Code of Annotations §§ 8-31-101.

No hiring authority may appoint or vote for the appointment of his/her father, mother, husband, wife, son, daughter, sister, brother, uncle, aunt, nephew, niece, first cousin, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, or daughter-in-law to any position within the same department.

No person will be hired to any position within a department when that individual's spouse is already serving in any position within the same department, as an employee of the District.

No person will be hired if such hiring would result in a direct or indirect supervision conflict due to a relationship between the prospective employee and a supervisor which falls within any relationships described in the two paragraphs above.

VERIFICATION OF WORK ELIGIBILITY

A high school diploma or equivalency is required for employment with the District. Prospective employees of the District must also have necessary skills to perform certain tasks associated with the job being sought. An applicant will be disqualified from consideration for employment in a position if he or she does not meet the job qualifications for that position. The employing department is responsible for verifying the applicant's employment experience, education, and skills before extending a job offer to the applicant. A physical examination and drug and alcohol test are also required by the District upon employment.

For employees required to drive or operate District equipment which requires a driver's license, driving records and license validity will be obtained and evaluated prior to employment and annually thereafter.

By federal law, each new employee must, within the first three days of employment, complete and sign an INS Form I-9, and show proof of identity and eligibility. The new applicant must have also completed a W-4 form, insurance forms, insurance information about dependents, the employee acknowledgement from Employee Handbook and any other necessary employee benefit forms.

If the applicant knowingly makes a false statement on the application form; cannot legally hold the position; or offers money, service, or anything of value to win favor during the application process, he or she may be disqualified. Finally, if the prospective employee does not meet the physical requirements when tested, or has not provided proof of citizenship or legal work status within the first three days of employment, they may be disqualified.

ORIENTATION

The Human Resources Department provides general orientation about the District and the benefits of employment. Each employee will receive a copy of the Employee Handbook and any applicable workplace rules. It is the responsibility of the employee to read and gain an understanding of the handbook and work rules. The employee will acknowledge receipt of the handbook. Periodic updates will also be acknowledged.

In most cases, actual job duty orientation and training will be given within the specific department he or she will work.

EMPLOYMENT CLASSIFICATION

The District has established the following employee classifications for compensation and benefit purposes only. An employee's supervisor or manager will inform the employee of their classification, status, and responsibilities at the time of hire, re-hire, promotion or at any time a change in status occurs. These classifications do not alter the employment at-will status.

Regular Full-Time Employee – An employee who is scheduled to work 40 hours in a work week. This group includes both exempt and non-exempt classifications. Regular full-time employees are eligible for District benefits.

Regular Part-Time Employee – An employee who is scheduled to work, typically, fewer than 30 hours in a work week. Regular part-time employees are not eligible for District benefits, except those required by law (e.g. Social Security, workers compensation). Regular part-time employees are not entitled to sick leave or vacation pay.

Temporary Full-Time and Temporary Part-Time – An employee is scheduled to work a specific need of the District. Employees who are hired for a period of less than six months. Temporary full-time or part-time employees may be exempt or non-exempt, but are only eligible to receive benefits mandated by law (e.g. Social Security, workers compensation).

Exempt – Employees whose position meet specific tests established by the Fair Labor Standards Act (FLSA) and applicable state law who are exempt from overtime pay requirements. The basic premise of exempt status is that the exempt employee is to work the hours required to meet his/her work responsibilities.

Non-Exempt – Employees whose position do not meet FLSA and state exemption tests and who are paid a multiple of their regular rate for overtime hours worked.

OUTSIDE EMPLOYMENT

Employees may hold jobs outside of their employment with the District employment as long as they meet the performance standards of their job with the District. All employees will be judged by the same performance standards and will be subject to the District's scheduling demands regardless of any existing outside work requirements. If the District determines that an employee's outside work interferes with performance or the ability to meet the requirements of the District as they are modified from time to time, the employee will be asked to terminate the outside employment if he or she wishes to remain with this organization. Outside employment that constitutes a conflict of interest is prohibited. Employees may not receive any income or material gain from individual(s) or organization(s) outside of the District for materials produced or services rendered while performing their jobs for the District.

EMPLOYEE CONDUCT

WORK STANDARDS

Every employee must remember that the District is a customer-supported entity. Customers of the District are paying their wages and should receive the best possible quality and highest standard of service possible. District employees should act in a professional manner, using good judgment and courtesy at all times, and should avoid any type of behavior that would even appear illegal or unethical. Employees should carry out their work efficiently, honestly and with the intention of keeping good relationships with the public.

Individual employees must be respectful to their supervisor. Work directions and results, measurement of performance and handling grievances are the responsibility of the supervisor.

Occasionally, someone may give employees directions other than their direct supervisor. In these instances, it is the employee's responsibility to inform the supervisor of the situation.

Communication with the public about District issues is the responsibility of the General Manager or designated Board of Commissioners official. Any controversial or unusual request or question from the public must be referred to the General Manager.

TIMELINESS AND ATTENDANCE

Employee timeliness and attendance is a major concern of the District. In order to maintain a safe and productive work environment, employees are expected to be at their assigned places ready for work at the time specified and to be punctual for appointments and meetings. This includes both at the start of the workday as well as after returning from breaks and lunch. Furthermore, work is to be completed at the time it is due. Poor attendance and excessive tardiness are disruptive and place a burden on other employees and the District. Either may lead to disciplinary action, including termination of employment.

If an employee cannot report to work as scheduled, they must notify their supervisor no later than their regular starting time. This notification may not excuse the tardiness but simply notifies the supervisor so they can have your job covered. Employees who must leave work before the end of their scheduled shift must notify his/her supervisor immediately. Excessive tardiness, whether excused or unexcused, constitutes unacceptable work performance, may result in disciplinary action, including termination of employment.

If any employee is absent for three (3) consecutive days and has not provided proper notification, the District will assume that the employee has abandoned their position and may be treated as having voluntarily terminated employment with the District.

Standard policy is as follows:

- Tardy 2 times per month (1 to 15 minutes) may be excused.
- Unexcused tardy on the third offense will be subject to progressive discipline and/or could result in a day off duty without pay.

If an employee is going to be absent, he or she must report that absence to their supervisor as soon as possible, but no later than within the first 15 minutes of the scheduled start time. Failure to report, other than in an emergency situation, may result in disciplinary action. Unexcused absences can lead to discipline or termination.

APPEARANCE

Citizens observe employees of the District often in the course of their work. As the District's representatives, employees are asked to meet high standards both in the quality of their work and in presenting a professional image to the public. While there is not a formal dress code, employees are expected to maintain good physical grooming, have a neat and clean appearance, and display a pleasant disposition to citizens and colleagues.

Uniforms may be required for certain District jobs. Employees will be responsible to keep their uniforms clean and neat.

WORKPLACE DISCRIMINATION

The District's policy prohibits any employee acts of discrimination and is committed to providing a work environment that is free of discrimination. The use of racial or ethnic jokes or derogatory remarks will not be tolerated, will be investigated, and disciplinary action will be taken, if warranted.

Furthermore, any type of retaliation for reporting discrimination is prohibited will be investigated, and disciplinary action will be taken, if warranted.

OFFENSIVE BEHAVIOR

Sexual harassment and unlawful harassment are prohibited behaviors and against District's policy. Any employee who engages in harassment on the basis of race, sex, religion, color, age, disability, national origin or sexual orientation; who permits employees under his/her supervision to engage in such harassment; or who retaliates or permits retaliation against an employee who reports such harassment is guilty of misconduct and shall be subject to remedial action which may include the imposition of discipline or termination of employment.

Sexual harassment is prohibited and includes any unwelcome sexual advance, request for sexual favor and other verbal or physical conduct of a sexual nature when:

- submission to such conduct is made, either explicitly or implicitly, as a term or condition of employment;
- submission to or rejection of such conduct is used as a factor in any employment decision affecting any individual;
or
- such conduct has the purpose or effect of unreasonably interfering with any employee's work performance or creating an intimidating, hostile or offensive working environment.

If you believe you are harassed or if you know or suspect harassment to another employee or workplace participant, you must report it immediately to your immediate supervisor.

If you do not feel comfortable reporting as listed above or if you did report and are not satisfied with the response, then you should direct your report or dissatisfaction to the District Manager.

If for any reason you do not want to discuss the matter with the persons or departments listed above, you may report the matter to the Human Resources Department.

The District will investigate and attempt to resolve your complaint promptly. If, for any reason, you believe this has not occurred within a reasonable period of time, refer the matter to any other supervisor, manager or a Board Member.

DRUGS AND ALCOHOL

The District has implemented a Drug-Free Workplace policy and program. This includes the prohibition of possession or distribution of any controlled substance or alcoholic beverage at work, or while in a position representing District business. Violation will result in disciplinary action, up to and including termination.

It is also a violation of policy for an employee to illegally use prescription drugs or to report to work under the influence of illegal controlled substances and/or alcohol.

The Drug-Free Workplace policy is distributed during new employee orientation, and again when any changes in the policy take place. The policy outlines the disciplinary action taken when employees violate the District's standard. The District's program provides information about the risks of illegal drug use and alcohol use in the workplace, as well as information about counseling and treatment.

Testing for District employees includes pre-employment testing, post-accident testing reasonable suspicion and random testing

SAFETY AND HEALTH

The District requires employees to conduct job tasks safely to protect themselves and others at work. Every accident, near-miss, or injury needs to be reported to a supervisor immediately. The supervisor or manager of the department will file an incident report, first report of injury, and/or incident investigation report, as appropriate.

In the case of an injury requiring medical attention, employees should seek the nearest medical facility in case of serious injury. In other cases, the injured employee should seek medical attention using the District's preferred workers compensation health provider list. Upon return to work, a physician's statement of medical condition and release to return to work must be submitted to the Human Resources Department.

If a workplace injury requires long term medical attention, the injured employee will work with the supervisor and the Human Resources Department to decide on return to work, light duty job opportunities, and eligibility for continuing employment. In the case of permanent disability due to job injury, a final release and settlement will be arranged, if appropriate.

CRIMINAL CONDUCT

Employees will not engage in any criminal conduct or conduct which, even though not criminal, may reflect adversely upon the District or its officials. Activity of this nature will result in disciplinary action, up to and including termination.

EQUIPMENT AND PROPERTY

Employees are provided adequate tools, equipment, and vehicles to perform their job. It is the responsibility of employees to use them safely and to cooperate in the maintenance of equipment owned by the District. Any employee operating a District vehicle is required to have a current state driver's license. When using a personal vehicle for conducting District business, the employee shall have personal automobile liability coverage and provide proof upon request.

Any accident involving a District vehicle or a personal vehicle while conducting District business must be reported immediately to the appropriate law enforcement agency and to the employee's supervisor.

Employees are responsible for all District property, materials, or written information issued to them or in their possession or control. Employees are expected to take reasonable care of company property being used for company business. Normal wear and tear is expected, but any employee found to neglect or misuse the District's property may be subjected to discipline, up to and including termination. Employees must return all property of the District that is in their possession or control in the event of termination of employment, resignation, or layoff, or immediately upon request. Where permitted by applicable laws, the District may withhold from the employee's check or final paycheck the cost of any items that are not returned when required. The District may also take all action deemed appropriate to recover or protect its property.

CONFLICTS OF INTEREST

The Board of Commissioners and only employees authorized by the Board of Commissioner and the By-Laws of the District may enter into dealings or financial interests in contracts and services performed by the District. This includes deriving any direct or indirect profit resulting from the sale, service, contracting, or purchases made on behalf of the District. District employees may not accept financial benefits that would reasonably tend to influence decisions or encourage that employee to disclose confidential District business. Any offers of money, services, benefits, favors or other possible conflicts should be discussed with supervisors and/or legal counsel.

Employees are protected from requirements, whether real or implied, to contribute time or money to any person or party. Soliciting political party campaign contributions, promoting fund-raising drives and even encouraging subordinates and colleagues to contribute to community non-profit organizations are prohibited activities. Violators will be subject to disciplinary procedures.

District employees, with the exception of elected officials, are not allowed to participate in political activities while on duty for the District or in a position representing District business. No District property such as equipment, buildings or vehicles can be used to display campaign materials and may not be used for any other political activity.

GIFTS AND GRATUITIES

The District employees and officers are not allowed to receive gifts or gratuities in any personal or professional capacity that could even create the impression that the giver was seeking favor or trying to influence an opinion or a judgment from the employee or official.

COMMUNICATIONS

Any communication with the public is the responsibility of the District management or the person designated for that communication. Detailed explanation is provided in the District's "Employees Emergency Response Handbook". Any non-routine or controversial questions or those out of the scope of the employee's job duties should be referred to the person designated to communicate on behalf of the District.

To assure effective telephone communications, employees should always speak in a courteous and professional manner. Upon answering the phone, employees should state the business name. Please confirm information received from the caller, including the phone number of the caller if a reply is needed, and hang up only after the caller has done so.

Proper telephone etiquette also requires providing callers with a human response whenever possible. During normal business hours all phones should be answered within three rings, even when doing so requires another caller to be put "on hold" temporarily.

USE OF PHONE SYSTEM

The District telephones and fax are to be used for District business. Personal calls should be limited both in frequency and length of the call. Long distance personal calls are not allowed, except in particular situations, which should have approval of the manager, in which case employees may be required to reimburse the District for any charges resulting from personal use of the telephone, cell phone or fax.

USE OF CELL PHONES

For control and use of a District's cell phone, each employee that is assigned a cell phone is accountable for its use. The cell phone is District property and is equipment that is assigned to employees as part of their work equipment. The phone shall be used only for legitimate work-related purposes. The District has the right to investigate any and all calls made "FROM" and "TO" the phone. Usage Audits will be done on each person's usage each month from the service provider's detailed report, which lists all incoming and outgoing calls each month. Employees assigned a cell phone are required to review the service provider's report and note any calls that are not work related. After review, they are to sign and date to indicate that the report is correct. Any employee assigned a cell phone is responsible for paying for all personal calls and any personal use of a cell phone is taxable. Texting for personal use is prohibited. Repeated abuse will result in loss of the phone and up to potential dismissal from the employment.

USE OF MAIL SYSTEM

The use of the District's paid postage for personal correspondence is not permitted.

USE OF COMPUTER RESOURCES

All use of District provided computer resources must be appropriate and in accordance with policy. Inappropriate use may subject you to discipline, up to and including termination. Inappropriate use includes, for example:

- Use of the systems in violation of any District policy.
- Use of the systems to create, send, or receive messages, pictures or computer files which are fraudulent, illegal, pornographic, obscene, sexually suggestive, insulting, sexist, racist, discriminatory or harassing.
- Use of the resources to conduct illegal activities.
- Loading software which is not approved in advance by management.
- Making illegal copies of licensed software.
- Use of software that is designed to destroy data, provide unauthorized access to the District's computer or communications equipment, or which would disrupt the District's computer or communication equipment in any way.
- Use of the District's e-mail and voicemail systems for personal business.

Any message or file created, stored, and/or sent using the District's computer or communications equipment is District property. Employees should therefore have no expectation of privacy in any message stored, received or sent using District equipment.

SMOKING

In keeping with the District's intent to provide a safe and healthful work environment, the District observes the "Policy for a Smoke-Free Environment" as approved by the Board of Commissioners.

On October 1, 2007, the Non-Smoker Protection Act, passed by the Tennessee General Assembly in 2007, became effective. Under this act, smoking is prohibited in all enclosed public places in Tennessee with only a few exceptions. This means that the District's office, shop, garage, treatment plant, pump stations and vehicles (with the provided exemption, see below) are now non-smoking, with the exception of the areas listed below:

- Open air patios, porches or decks;
- Any area enclosed by garage type doors on one or more sides, when all such doors are completely open; and
- Any area enclosed by tents or awnings with removable sides or vents, when all such sides or vents are completely removed or open.

While smoking is permitted in these "non-enclosed areas", the District is required to make sure that smoke from such non-enclosed areas does not enter into enclosed public places. Therefore, no smoking is permitted within 25 feet of a building entrance or air intake system.

District-owned vehicles will be covered under this new act and will be non-smoking. However, a utility employee will be allowed to smoke in a utility-owned vehicle but only if the employee is the only person in the vehicle.

The success of this policy depends upon the thoughtfulness, consideration, and cooperation of everyone. All employees share in the responsibility for adhering to and enforcing this policy. Any problems should be brought to the attention of the District's Human Resources Department. There shall be no reprisal against anyone seeking assistance in enforcing this policy.

NON-DISCLOSURE

Confidential information is protected by the District's Identity Theft Prevention Program. Protection of such information is vital to the interest and the success of the District. Such confidential information includes but is not limited to the following:

Customer Data	Employee data	Vendor lists or data
Compensation data	Financial information	

Any employee who discloses confidential business information in any manner other than through approved channels or without proper management authorization, will be subject to disciplinary action, even if the employee does not actually benefit from the disclosed information.

MOTOR VEHICLE REPORTS

Motor Vehicle Reports (MVR's) will be obtained and evaluated on all employees annually. Employees will have their driving privileges revoked if any of the following occur:

- More than 3 (three) moving violations or preventable accidents during the previous 36-month period.
- Any DUI/DWI conviction
- Refusal to submit to a DUI/DWI test

COMPENSATION POLICIES

ESTABLISHMENT OF PAY SYSTEM

The District compensates employees in accordance with budget guidelines and approval of the Board of Commissioners. Pay for any given position is subject to the annual budgetary process and, as such, may be subject to increase, reduction, or status quo maintenance for any time period. The manager may make suggestions about salary compensation and other pay system concerns, but the final decision regarding compensation levels rests with the Board of Commissioners. Employees who obtain a new license, or a license which is any level above the one they currently hold, which is applicable to their job duties with the District will receive a pay increase at the discretion of the Board of Commissioners.

COMPLIANCE WITH STATE AND FEDERAL PAY ACTS

The District will comply with all state and Federal pay acts respecting the compensation of employees for services performed.

RIGHT TO CHANGE COMPENSATION

The District reserves the right to change compensation for any reason deemed appropriate by the Board of Commissioners. Compensation may also be adjusted based upon job performance and the availability of funds to maintain a solvent District budget.

WORK PERIODS

The work week for all regular employees will begin at 12:00 midnight on Saturday of each week and conclude at 11:59 p.m. of the succeeding Friday. For these employees, if hours actually worked exceed 40 in a workweek, premium compensation will be paid. Overtime will be allowed only when authorized by an appropriate supervisor or when absolutely necessary in an emergency.

PAY SCHEDULE

Employees are paid on a weekly basis with Friday being considered the normal payday. Paychecks will be issued by the District's Bookkeeper or Supervisor and will be distributed at the workplace prior to 4:00 p.m. If a regular payday falls in a holiday period, payday will change to the work day prior to the holiday period.

District Employees are paid one week in the arrears. Paychecks compensate employees for work performed in the prior pay period.

OVERTIME COMPENSATION

Overtime work must be approved by a supervisor or when absolutely necessary in emergencies or special conditions. Working unauthorized overtime or the refusal of unavailability to work overtime is not acceptable work performance, and is subject to discipline, including but not limited to termination. Overtime is the hours worked in excess of 40 hours per week as written in the Fair Labor Standards Act (FLSA). Overtime hours are paid at one and one-half times the usual hourly wage.

District Employees are classified as either “Exempt” or “Non-Exempt”. Exempt Employees will not be eligible for overtime compensation. Exempt Employees are expected, at times, to work extra hours. When the extra time is excessive and when agreed to in advance, compensation can be taken in the form of paid leave hours. This compensation time for Exempt Employees should be used before vacation time is requested.

Non-Exempt Employees are eligible for overtime compensation.

All overtime must be documented on the time card and must reflect the reason for the overtime (i.e. leak at account number #####-#####; stayed to post receipts; etc.).

Overtime is paid in quarter-hour increments. For example, time worked:

- From 4:08 to 4:23 receives $\frac{1}{4}$ hour overtime;
- From 4:24 to 4:37 receives $\frac{1}{2}$ hour overtime;
- From 4:38 to 4:53 receives $\frac{3}{4}$ hour,
- From 4:54 to 5:00 receives 1 hour.

The time used to determine overtime will be the time clocked out. The time clocked in will be considered to be your scheduled beginning work time unless you were called to come in early.

STANDBY AND CALL-OUT PAY

The District facilities are not staffed for 24-hour per day operation. To provide 24-hour per day coverage, the District has designated employees to On-Call duty for after hours, week-ends, and holiday periods. On-Call duty is rotational among the District Operations and Plant staff and is part of their job description.

Standby pay is provided for the On-Call employee and is based on a seven-day week, beginning on Friday at 4:00 p.m. Standby begins at 4:00 p.m. and ends at 7:30 a.m. of the following day during the workweek, and is for 24 hours each day on weekends and holidays. The amount paid for On-Call duty is as per the board’s discretion and is based upon the economy.

On-Call employees must respond to call outs received by, but not limited to, the messenger service, unless pre-arrangements have been made with the manager. Employees must have their company cell phone in their possession at all times while On-Call.

Employees should use good judgment on call-outs. If the employee On-Call can handle the problem over the phone, they should do so, especially on meters pulled for delinquent bills and meter orders that can be taken care of on the next business day. If the employee On-Call is not sure of the urgency of the problem, they are to contact the manager or their designee. Failure to respond while on call duty is subject to disciplinary action.

When employees are called to duty after normal work hours, double-time is paid for a minimum 2-hour period. All calls received during the initial two-hour period will be considered part of that call-out period. However, if the actual time exceeds the initial 2-hour period to complete these calls, the person called out will receive double-time pay for the actual time worked. Before another 2-hour minimum callout can be charged, all calls received in the prior callout period must be completed, and a reasonable time must have elapsed.

All call-outs on double-time, whether from the message service or other sources, must be documented on the employee's timecard and a Service Order must be completed for each call-out. For call-outs to reconnect after hours, the account number(s) reconnected must be reflected (i.e. 2 hrs. DT-reconnected account number ####-#### and account number ####-####).

A District vehicle must be driven to answer all call-outs; personal vehicles are not to be used when making a service call. When the District disconnects customers for non-payment; the employee On-Call will be allowed to drive a District vehicle home that evening to utilize for after-hours reconnections. The District's vehicle is for Call-outs only and is not to be used for personal travel. The employee will not be required to come to the District's shop to clock in and out. Their time will be validated by the daily report received from the messaging service. Call-outs other than those on the days of disconnecting meters must be clocked in and out.

PAY ADVANCES

Neither pay advances nor extensions of credit against unearned wages will be provided to employees.

If a regular payday falls during an employee's vacation, the employee may request an early paycheck with the proper documentation, or their paycheck will be available in the District's Office upon his or her return from vacation.

PAYROLL DEDUCTIONS

No payroll deduction will be made from an employee paycheck unless authorized by the employee or required by law. Employees are required to report changes in family status, address or other information that could affect amount of deductions withheld. These include Social Security and income taxes, retirement system contributions, court-ordered

child support, and any other deductions required by law. Additionally, deductions may be authorized for employee contributions to health and dental/vision insurance plans, and credit union deposits requested by the employee.

REPORTING HOURS WORKED

Accurately recording time worked is the responsibility of every employee. Federal and state laws require the employer to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is all the time actually spent on the job performing assigned duties.

Tampering with, altering or falsifying your own or anyone else's time records, or recording time on another employee's time record may result in disciplinary action, including discharge.

It is the employee's responsibility to clock him/herself in and out and employees shall not clock in and/or out other employees. Failing to clock him/herself in and out in an accurate and timely manner is unacceptable job performance. The employee shall sign his or her timecard to certify the accuracy of all time recorded. The supervisor is responsible for reviewing and signing the approval of timecard before submitting it for processing.

REST AND MEAL PERIODS

Each work day, employees are allowed one rest period of 15 minutes in length and to the extent possible, following each four-hour work period. Rest periods should be coordinated to maintain departmental coverage. Since this time is counted and paid as time worked, employees must not be absent from their workstations beyond the allotted rest period time.

All employees are provided with one meal period of at least 30 minutes in length each work day that exceeds six (6) hours. Supervisors will schedule meal periods to accommodate operating requirements. Meal periods must be taken within the first five hours of the employees work schedule. Employees will be relieved of all active responsibilities and restrictions during meal periods and will not be compensated for that time.

TOTAL WORK NUMBER OF (HOURS)	SCHEDULE NUMBER OF	
	REST PERIODS	MEAL PERIODS
Less than 3.5 hours	0	0
3.6 to 4.0 hours	1	0
4.1 to 6.0 hours	1	0
6.1 to 8.0 hours	2	1

Over 8.0 - use formula of one rest period per 4.0 hours of work and one meal period per 6.1 hours of work.

Rest and meal periods may not be accumulated and may not be taken in the initial or final half hour of a work schedule.

ON-THE-JOB INJURIES

All on-the-job injuries must be reported to your Supervisor and the Human Resources Department as soon as practicable to allow filing of worker's compensation claims in the proper manner. If an employee is disabled temporarily by an on-the-job accident, he/she is eligible for worker's compensation shall receive disability payments in the amount determined and paid by the insurance carrier.

EXPENSE REIMBURSEMENT

An employee will be reimbursed for expenses incurred in completing his/her work-related assignment, in accordance with the policies established by the District. Each employee is responsible for providing verified receipts for any expense for which reimbursement is requested, excluding meals, for which a pre-determined amount is reimbursed.

PROMOTIONS, JOB CHANGES, AND DEMOTIONS

Jobs are posted internally, allowing current employees five days to post for promotions.

Promotions are those job changes that result in advancement to higher positions with greater responsibility. Salary increases are subject to approval by the Board of Commissioners.

Demotions require an employee to change to a lower paid position with a lower level of job responsibility. The demotion may be the result of a disciplinary action, a job reclassification or unsatisfactory work performance.

The District reserves the right to make decisions regarding job changes at its discretion.

EMPLOYEE BENEFITS

HEALTH, DENTAL/VISION, AND LIFE INSURANCE

The District provides dental, vision, and life insurance coverage for full time employees at no cost to the employee. The employee's portion of the health insurance is paid in full by the District. Employees with family coverage pay 15% of the family portion of the coverage, while the District pays 85%.

The employee's life insurance benefit amount is equal to 3 times their annual compensation, with a maximum benefit amount of \$150,000, and a minimum benefit amount of \$15,000.

The District reimburses the medical insurance premiums a commissioner pays if they are a part of a group medical insurance plan, provided that the premiums paid for such other group medical insurance coverage do not exceed the per person cost of the District's group medical insurance coverage for its employees. The District also pays the Medicare insurance premiums for a commissioner.

Employees working regular full-time hours (at least 40 hours per week) will be eligible to participate in the health, dental/vision and life insurance plans offered by the District after 30 days of employment. Part-time employees are ineligible for coverage.

SOCIAL SECURITY

District employees are covered by Social Security. The District contributes to the Social Security Program on behalf of employees.

PENSION

Employees are required to join the pension system and to contribute to that fund, and the District also contributes to the fund on behalf of the employee, based on a percentage of gross salary. The employee must participate in the pension system upon hiring. After five years, employees are fully vested in this program. If employment with the District is terminated before retirement, employees may receive a refund as per the retirement provisions at the time of termination.

A retirement pension that is determined by a formula involving years of age and years of service is provided for retiring employees. A brochure outlining the program is available in the Human Resources Department.

WORKERS' COMPENSATION

Worker's compensation benefits are defined by the Tennessee Workers' Compensation Act and administered by the District's insurance carrier. The District pays the full cost of the coverage. Employees will receive medical expenses and pay in accordance with such Act.

Should an employee sustain an injury or illness as a result of a work-related accident or condition the employee must immediately notify their Supervisor and the Human Resources Department. Employee then must complete the 1st Report of Injury Form, regardless if you seek medical attention. If medical attention is needed employee must choose one of the physicians listed on the Employee Choice of Physician form. The Human Resources Department will be in charge of setting up appointments. In the case of an emergency, you should go to the nearest hospital emergency room for treatment.

Failure to report injury or illness as a result of a work-related accident or condition could result in your claim being denied.

UNEMPLOYMENT COMPENSATION

Employees of the District, except for elected officials, are paid unemployment compensation benefits under the state program when the employee meets the requirements for unemployment compensation. The District pays the cost of this benefit.

EDUCATION AND TRAINING

When the District requires employees to participate in training programs, all training costs are paid or reimbursed by the District. The time an employee spends away from work to attend the training program is considered work time. Authorization to attend professional seminars and certification courses are decided on a case-by-case basis by managers, within the constraints of the training and education budget.

The District will provide educational assistance to eligible employees who wish to pursue course work which is applicable to their job duties with the organization. Eligible employee's classification is Full-time Regular. Interested employees must complete and submit a Request for Educational Assistance form (available in the Human Resources Department) to their supervisor for consideration. An employee who receives approval for his or her educational assistance may, upon proof of successful completion of each course*, receive reimbursement for registration fees, tuition, and books for up to nine units of undergraduate/graduate instruction each academic semester. Since this benefit is solely funded by the District, approval is contingent upon availability of funds, and/or management approval. Written approval for Educational Assistance must be received prior to course enrollment. Authorization of educational assistance is decided on a case-by-case basis by managers, within the constraints of the training and education budget.

Employees who wish to take classes during normal business hours must have prior approval by the manager and will either be required to make up the time spent away from work during the normal shift or they must use accrued vacation in order to be compensated. In cases where the District requests that the employee attend a class, the employee will be compensated at their regular rate of pay during the class attendance.

***Proof for this purpose is defined as a copy of the student's grade transcript indicating a passing grade for the class.**

EMPLOYEE ASSISTANCE PROGRAM

The Employee Assistance Program (EAP) provides confidential and timely problem identification/assessment services for persons with personal concerns that may affect job performance. EAP services are offered at no cost to all full-time employees and their eligible family members, regardless of whether they participate in the State's Group Insurance Program. Also, employees who participate in any of the State's medical insurance plans and their eligible family members may also use EAP services. EAP counseling is available for problems that can be resolved in a short period of time. Members may receive up to six sessions per problem episode. Referrals are made for problems requiring more time.

The EAP handles a wide range of problems related to:

- Stress
- Depression and anxiety
- Family or parenting issues
- Alcohol or drug dependencies
- Marital or relationship issues
- Financial issues
- Adjusting to change
- Child and elder care
- Workplace concerns
- Grief and loss
- Work/life balance
- Legal Consultation

INSURANCE CONTINUATION AFTER SEPARATION

The Consolidated Omnibus Reconciliation Act of 1985 (COBRA) permits employees leaving their employer to have the option of continuing some of their benefits (health insurance and dental/vision insurance) at their own expense. A person employed by the District, enrolled in the employee health plan, can choose to continue the insurance coverage if his/her position is lost due to reduction in hours or termination of employment. The spouse of an employee can choose to continue the coverage at his/her expense in the case of the death of the employee, termination of the employee, divorce or legal separation from spouse, or if the spouse qualifies for coverage by Medicare. Similar circumstances would permit the child of a separated employee to continue the coverage. Coverage may be continued for eighteen months, and in some circumstances, up to three years. The Human Resources Department will be able to provide more information on the COBRA options for affected employees and dependents.

LEAVE TIME

Leave time refers to normal working hours not worked by employees. Regular full-time District employees are eligible for paid holidays, vacation, and sick leave, as well as bereavement leave and jury duty leave. Holidays are those designated days that the District's office is closed to business.

The employees' supervisor or manager must approve all leave time. Supervisors and managers keep copies of leave slips for time requested. Leave time is entered on each employee's time card for that period.

Unauthorized absence time is time away from work not authorized by the appropriate manager. Employees will not be paid for this type of absence; unauthorized absences may result in disciplinary action.

PAID TIME OFF

Holidays

The District pays a certain number of holidays each year, by policy. Holidays consist of:

New Year's Day	Labor Day
Good Friday	Veteran's Day
Memorial Day	Thanksgiving Day and the Friday After
Independence Day	Christmas Eve and Christmas Day

Certain positions must work on the holidays. For positions requiring holiday hours, the working employee will receive two times regular pay for the hours worked on the holiday, plus holiday pay.

Vacation Leave

Employees are entitled to paid time off for vacation each year. Vacation leave is given at the beginning of each year to reflect on the paycheck. Increases in vacation time is not given until after the anniversary date of the employee's hire date. Regular full-time employees accrue vacation time as follows:

During the first year of service	Employee accrues 40 hours (1 week) of vacation time
After the first year of service	Employee accrues 80 hours (2 weeks) of vacation time per year
After the fourth year of service	Employee accrues 120 hours (3 weeks) of vacation time per year
After the ninth year of service	Employee accrues 160 hours (4 weeks) of vacation time per year
After the fourteenth year of service	Employee accrues 200 hours (5 weeks) of vacation time per year

Employees are encouraged to take vacations annually, but can carry over accumulated vacation leave. Accumulated leave to carry over is not to exceed one year's worth of their accrual rate for that year. Unused vacation leave is paid at termination or retirement at the current rate of salary. Employees with at least 5 years of service and a minimum of 80 hours of accumulated vacation leave at the end of the calendar year may sell 40 hours of vacation leave back to the District during the last month of the calendar year.

Requests for vacation require a two-week advance notice for approval by a supervisor in order that the supervisor may make arrangements to accommodate the employee's absence.

Sick Leave

Sick leave may be used, when it has accrued, if the employee misses work for personal illness, health care appointments or treatments, to care for members of his/her immediate family during illness or for health care appointments for family members.

Sick leave accrues at one day per pay month. An employee may use sick leave as it is accumulated even during the probationary period of employment. There is no limit on the amount of sick leave that can be accumulated.

Employees, when using sick leave for health care appointments, are required to notify their managers at least one day in advance of the requested sick leave day.

The manager or immediate supervisor may request that employees furnish a medical leave slip from their health care provider, when the sick leave extends beyond three days.

When the management has reasonable cause to believe that an employee is abusing the sick leave or the employee's condition may jeopardize the health and safety of the employee or the public, the District may require the employee to undergo examination by a physician at the District's expense.

Time spent recuperating from an illness that strikes an employee while on vacation leave can be taken as sick leave. As soon as possible, the employee's vacation timecard should be changed to reflect the hours claimed as sick leave.

If an employee becomes ill at work they should notify their supervisor or manager immediately. If an employee is unable to perform their job task they may be sent home for the remainder of the day or until able to work again.

Upon retirement, employees with twenty (20) years of service with the District may receive pay for a maximum of 1280 accumulated hours (160 days) of sick leave, or the accumulated time may be used for retirement time accumulated by transfer to the retirement system. Employees leaving employment before they have completed twenty (20) years of service are not compensated for any accrued sick leave.

Bereavement Leave

In the case of a death of an immediate family member, an employee is eligible for three days of leave with pay. For purposes of this type of leave, immediate family consists of the employee's:

Spouse	Step-parent
Child	Parent-in-Law
Child-in-Law	Sibling
Step-Child	Sibling-in-Law
Grandchild	Grandparent
Parent	

Special consideration will also be given by the Human Resources Department to any other person whose association with the employee was similar to one of the above named relationships.

Jury Duty Leave

Full-time employees are eligible for leave with pay, subject to certain restrictions, if called for jury duty, to be calculated on the number of hours the employee would otherwise have worked during the absence. The employee will be required to submit to the District any compensation received for their service.

Employees must provide a copy of the jury duty summons to their supervisor as soon as possible in order that the supervisor may make arrangements to accommodate the employee's absence. The employee is expected to report for normal work duties whenever the court schedule permits.

Employees summoned for jury duty who work a night shift or a shift preceding the hours in which court is normally held must be granted leave for the shift immediately preceding the employee's first day of jury duty. After the first day of service, when the employee's responsibility for jury duty exceeds three hours per day, the employee must be granted leave from the next scheduled work period occurring within twenty-four (24) hours of the day of jury duty.

Military Leave

Employees of the District who are members of a reserve, or may become, component of the armed forces of the United States, including members of the Tennessee army and air national guard are entitled a maximum of twenty (20) working days per calendar year of paid military leave when engaged in the performance of duty or training in the service of this state, or of the United States. An employee on military leave shall receive his/her regular rate of pay for that period of leave. During the period of approved paid military leave Holidays and scheduled off duty days do not count toward the twenty (20) days allowed.

Employees of the District who exceed the maximum of twenty (20) working day per year of paid military leave shall be entitled to unpaid leave. The employee may, but is not required to, use accrued leave during an absence due to military service.

During the time of paid and unpaid leave employee will continue to accrue sick and vacation time. Health care benefits will be maintained during the leave. The employee is responsible for their portion of the medical insurance premium cost, if any. Failure to pay the employee portion of the health insurance premiums in advance may result in the termination of coverage. If eligible, the employee will receive notification of continuation of benefits.

Requests for military leave shall include copies of the military orders. These orders must be turned into your Supervisor or the Human Resources Department as far in advance as possible. Contact the Human Resources Department for more information.

An employee called into military service shall be entitled to reinstatement as prescribed by law.

UNPAID TIME OFF

Voting and Witness Duty

A reasonable amount of time will be given employees to vote in public elections. Permission from the immediate supervisor should be requested before using time to vote.

Employees will be granted unpaid time off for absences due to witness duty. Employees are free to use any available vacation leave benefits to receive compensation for the period of this absence.

Family and Medical Leave Act (FMLA)

In accordance with federal law, the District will grant FMLA leave to eligible employees. The following provides a general overview of two types of leave available, including the basic 12-week leave entitlement (Basic FMLA Leave), as well as the military family leave entitlements (Military Family Leave) described in this policy. Employees with any further questions about their eligibility for FMLA leave should contact the Human Resources Department for more information.

Employees are eligible for FMLA leave if they:

1. Have worked for the Company for at least 12 months
2. Have worked at least 1,250 hours for the District during the 12 calendar months immediately preceding the request for leave

Basic FMLA Leave

Employees who meet the eligibility requirements described above are eligible to take up to 12 weeks of unpaid leave during any 12-month period for one of the following reasons:

1. The employee's own serious health condition.
2. The birth and care of the employee's child.
3. Placement of a child for adoption or foster care with an employee.
4. To care for an immediate family member (spouse, child, parent) who has a serious health condition.

Military Family Leave

There are two types of Military Family Leave available:

1. Qualifying Exigency Leave. Employees meeting the eligibility requirements described above may be entitled to use up to twelve (12) weeks of their Basic FMLA Leave entitlement to address certain qualifying exigencies. Leave may be used if the employee's spouse, son, or daughter, is on active duty or called to active duty status in the National Guard or Reserves in support of a contingency operation or deployment overseas with the armed forces.

Qualifying exigencies may include:

- Short-notice deployment (up to seven (7) days of leave)
- Attending certain military events
- Arranging for alternative childcare
- Addressing certain financial and legal arrangements
- Periods of rest and recuperation for the service member
- Attending counseling sessions
- Attending post-deployment activities
- Additional activities where the employer and employee agree to the leave

2. Military Caregiver Leave. There is also a special leave entitlement that permits employees who meet the eligibility requirements for FMLA leave to take up to 26 weeks of leave to care for a covered service member during a single 12-month period. A covered service member is a current member of the Armed Forces, including a member of the National Guard or Reserves, who has been rendered medically unfit to perform his or her duties due to a serious injury or illness

incurred in the line of duty or while on active duty, and/or pre-existing injuries or illnesses that were aggravated in the line of duty, that may render the service member medically unfit to perform his or her duties for which the service member is undergoing medical treatment, recuperation, or therapy; or is in outpatient status; or is on the temporary disability retired list. In addition, leave will be provided to eligible family members of certain veterans receiving medical treatment, recuperation, or therapy if the veteran was a member of the Armed Forces at any time during the five (5) year period preceding the date of the medical treatment, recuperation, or therapy.

Notice

Employees taking FMLA should provide as much notice as practicable. When the need for leave is foreseeable, 30 days' advance notice is requested. Employees should make effort to schedule FMLA leave in the least disruptive manner so as not to affect operations. An employee who is taking FMLA leave may be required to report periodically to the Company regarding his or her status and intent to return to work. An employee who fails to return to work at the expiration of the leave without an approved extension will be considered to have resigned. After the leave, the employee must be restored to the same or essentially-same position held before the leave.

Employees on FMLA leave will be required to take accrued vacation or sick leave concurrently. The District will use a calendar year (January 1 thru December 31) to measure an employee's annual entitlement to FMLA leave.

Health Care Benefits

If applicable, health care benefits will be maintained during the leave. The employee is responsible for their portion of the medical insurance premium cost, if any. Failure to pay the employee portion of the health insurance premiums in advance may result in the termination of coverage. If eligible, the employee will receive notification of continuation of benefits.

The District reserves the right to seek reimbursement from the employee for the medical insurance premiums paid by the District, on behalf of the employee, while the employee was on FMLA leave. If the employee fails to return from FMLA leave for reasons other than the continuation, recurrence or onset of a serious health condition of the employee or the employee's family member which would otherwise entitle the employee to leave under the FMLA or other circumstances beyond the employee's control.

Inclement Weather Condition

Emergency conditions, such as severe weather, fire, flood, or earthquake, can disrupt operations and interfere with work schedules, as well as endanger employees' well-being. These extreme circumstances may require the closing of the work facility or delaying the beginning of operations to a later time, to be determined by the General Manager. When operations are closed due to an emergency, the time off from scheduled work will be paid for scheduled employees. An employee who fails to report for work when operations are not closed will not be paid for time off. When the beginning operations is delayed to a later time, employees will be notified by their supervisor of the designated time and compensation will begin at the time designated.

EMPLOYEE DISCIPLINE

AT-WILL EMPLOYMENT

Since employees of the District are employed "at will", an employee's dismissal can take place at any time and for any reason, with or without notice. Discipline or dismissal may result from such policy violations as insubordination, dangerous behavior or horseplay, felony or misdemeanor conviction, neglect of duty, drug or alcohol use, theft or unauthorized use of District resources, falsification of documents, incompetence, or other actions that violate policies or disrupt the workplace.

PROGRESSIVE DISCIPLINE

Discipline is determined by supervisors and managers and may include a progressive discipline process. The progressive discipline process includes, but is not limited to, the following steps:

1. **Oral Reprimand:** An employee will be given a verbal caution or warning when he or she engages in problematic behavior. As the first step in the progressive discipline policy, a verbal caution is meant to alert the employee that a problem may exist or that one has been identified, which must be addressed. Oral Reprimand will be documented and maintained in an employee's personnel file and remains in effect for three months.
2. **Written Reprimand:** A written warning is more serious than an Oral Reprimand. A written reprimand will be given when an employee engages in conduct that justifies a written warning or the employee engages in unacceptable behavior during the period that an oral reprimand is in effect. Written Reprimands are maintained in an employee's personnel file and remain in effect for six months.
3. **Suspension:** A suspension without pay is more serious than a written warning. An employee will be suspended when he or she engages in conduct that justifies a suspension or the employee engages in unacceptable behavior during that a written warning is in effect. An employee's suspension will be documented and regardless of the length of the suspension issued, will remain in effect for one year.
4. **Termination:** An employee will be terminated when he or she engages in conduct that justifies termination or does not correct the matter that resulted in less severe discipline. In the event of termination, the employee will be provided with such notice and rights to be heard as are required by law.

The following table is an example of the offense and progressive discipline process. While the District will generally take disciplinary action in a progressive manner, it reserves the right, in its sole discretion, to decide whether and what disciplinary action will be taken in a given situation.

Progressive Discipline Process

Offense	First Offense	Second Offense	Third Offense	Fourth Offense
Unauthorized Leave	Written Reprimand	Suspension	Termination	
Habitual Tardiness or Failure to Observe Assigned Work Hours	Oral Reprimand	Written Reprimand	Suspension	Termination
Excessive Absenteeism	To be used for employees who become unreliable because of frequent absenteeism, even if for good and sufficient reason – Oral counseling first to inform the employee of the problem.			
Reporting to Work Under the Influence of Alcohol or Drinking Alcoholic Beverages on the Job	Termination			
Possession of Illegal Drugs on the Job	Termination			
Insubordination	Oral to Written Reprimand	Suspension to Termination	Termination	
Falsification of Records, Documents or Statements	Suspension to Termination	Termination		
Stealing	Termination			
Willful Violation of Written Rules, Regulations or Written Policies	Suspension to Termination	Termination		
Unauthorized Use, Destruction or Misuse of Equipment or Property	Oral to Written Reprimand	Suspension to Termination	Termination	
Horseplay, Loafing, Interference with Another Employee's Work	Oral Reprimand	Written Reprimand	Suspension to Termination	Termination
Sexual Harassment	Written Reprimand to Termination			
Workplace Violence	Termination			

DISPUTE RESOLUTION / GRIEVANCES

The District wishes to prevent circumstances that lead to grievances. When a dispute occurs, it is to be resolved promptly. An employee will not face adverse consequences for filing a grievance. Grievances may be filed alleging unfair treatment, discrimination, improper application of regulations and benefits of employment, and for improper working conditions.

An informal grievance is the first step in the process, attempting to resolve the problem through an informal meeting with the supervisor. If this attempt to resolve the problem fails, a more formal grievance, in writing, should be filed. This formal grievance, signed by the employee, is presented to his/her supervisor within two weeks of the occurrence. The employee should include a statement regarding what action they are requesting be taken as a result of the grievance.

The department head or appointed manager will initiate an appropriate investigation and will take steps to resolve the grievance. All documentation should be held by the department head or appointed manager. The employee may appeal at any time during the process if dissatisfied with the resolution of the grievance. Failure to appeal will imply agreement with the resolution.

SEPARATION FROM EMPLOYMENT

Separation usually results from resignation, retirement, layoff, termination, or death. If the reason is resignation, an employee is requested to give notice in writing at least two weeks before the last day of work. For separation due to retirement, more notice is requested. Layoff may occur if a position is eliminated or when there is a lack of funding or work. Termination can occur for any reason; however, the District intends to work with employees, where possible, to avoid involuntary separation.

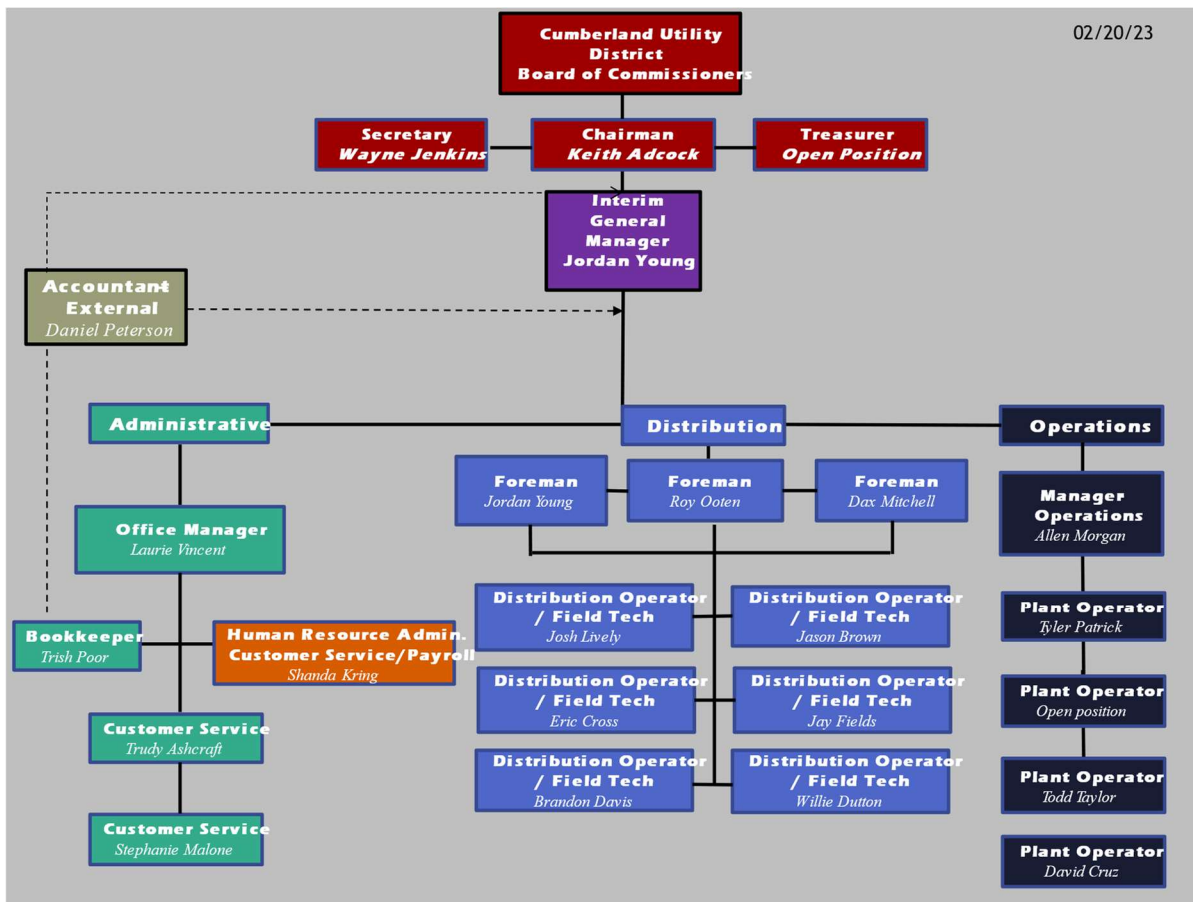
Payment for the employee separated because of resignation, retirement, layoff or death will be made on the next scheduled payday. In the event of involuntary separation, payment will be made on the day of termination, if possible. The final check will include vacation leave time.

Employees are responsible for all District property, materials, or written information issued to them or in their possession or control. Employees must return all property of the District that is in their possession or control in the event of termination of employment, resignation, or layoff, or immediately upon request. Where permitted by applicable laws, the District may withhold from the employee's check or final paycheck the cost of any items that are not returned when required. The District may also take all action deemed appropriate to recover or protect its property.

Board of Commissions' Approval:

_____	_____
Wayne Jenkins, Chairman	Date
_____	_____
Keith Adcock, Treasurer	Date
_____	_____
T.H. Brown, Secretary	Date

ORGANIZATIONAL CHART



EMPLOYEE ACKNOWLEDGEMENT

By signing below, I acknowledge that it is my responsibility to have read and understood the policies outlined in this employee handbook. I understand that the handbook is intended only as a general reference and not a full statement of policies and procedures or a legal contract.

I agree to keep this book in my possession during my employment and to update it whenever provided with materials to do so.

I further understand that each handbook is the property of the District and that copying any section of the book is against regulations.

I also understand the District's employment practices operate under the legal doctrine known as "employment at will". Within state and federal employment law, the District has the right to terminate an employee at any time and for any reason, with or without notice except that the District will comply with all state and federal legal requirements requiring notice and an opportunity to be heard in the event of discipline or dismissal.

Signature

Date



Jason E. Mumpower
Comptroller

Entity Referred: **Mooresburg Utility District**

Referral Reason: **Decrease In Net Position**

Utility Type Referred: **Water**

Staff Summary:

The Mooresburg Utility District ("the Entity") has been referred to the Utility Management Review Board/Tennessee Board of Utility Regulation ("the Board") for financial distress since its fiscal year 2020 audit. The Utility Management Review Board issued an order regarding the entity in 2021, and a new order in December of 2022.

The Entity has partially complied with the December 2022 order. The Entity contracted with Jackson Thornton for a rate study that was completed in July of 2023. The governing body has decided not to follow the recommendations outlined in the rate study. The December 2022 order required the Entity to implement the results of the rate study by September 1st, 2023. Board staff has been informed that members of the entity's governing body are present to explain why the rate study has not been implemented. Board staff believes that the Entity should begin implementing the recommendations outlined in the rate study.

The Board should order the following:

1. By December 31, 2023 the Entity shall provide Board staff with the proof of implementation of the resulting recommendations or a proposed plan of implementation.

Mooresburg Utility District

	Category: Water		County: Hawkins	
	2018	2019	2020	2021
Net Assets	\$3,843,577.00	\$3,738,196.00	\$3,665,810.00	\$3,595,682.00
Deferred Outflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Net Liabilities	\$2,172,660.00	\$2,129,213.00	\$2,103,001.00	\$2,045,093.00
Deferred Inflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Total Net Position	\$1,670,917.00	\$1,608,983.00	\$1,562,809.00	\$1,550,589.00
Operating Revenues	\$336,608.00	\$344,489.00	\$364,391.00	\$384,750.00
Net Sales	\$310,261.00	\$316,420.00	\$331,151.00	\$347,665.00
Operating Expenses	\$287,848.00	\$331,164.00	\$339,257.00	\$329,397.00
Depreciation Expenses	\$125,783.00	\$140,267.00	\$138,207.00	\$138,357.00
Non Operating Revenues	\$79,849.00	-\$75,259.00	-\$71,308.00	-\$67,573.00
Capital Contributions	\$0.00	\$0.00	\$0.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$128,609.00	-\$61,934.00	-\$46,174.00	-\$12,220.00
Statutory Change In Net Position	\$128,609.00	-\$61,934.00	-\$46,174.00	-\$12,220.00

JACKSON THORNTON

Certified Public Accountants
& Consultants

July 13, 2023

Mr. Eddie Douglas, General Manager
Mooresburg Utility District
800 Old Highway 11 West
Mooresburg, Tennessee 37811

Re: Tennessee Utility Management Review Board's Order

Dear Mr. Douglas:

We were asked by the Mooresburg Utility District ("the District") to help the District comply with requirements pursuant to Tenn. Code Ann. § 7-82-401 (g), §7-82-701 items 2a, b, d, f, and g. This letter constitutes the report of our observations and analysis.

Per item 2a., we have reviewed the District's capitalization policy and have no recommended modifications.

Per item 2b., we have reviewed the District's debt management policy and have no recommended modifications.

Per item 2d., we have reviewed the District's connection fees and tap fees and they appear to be reasonable.

Per item 2f., we have reviewed the District's debt management policy and have no recommended modifications.

Per item 2g., we have conducted a rate comparison between the District's current rates, the District's cost-based rates, Bean Station Utility District's current rates, and Lakeview Utility District's rates. At 5,000 gallons/month the District is currently at \$64.32, the District's COSS is \$107.71, Bean Station is \$52.84, and Lakeview is \$77.00.

Per item 2, we have conducted a rate study for the District. The results and our recommendations follow immediately behind this letter.

JACKSON THORNTON & CO., P.C.



James B. Marshall, III
Principal

JACKSON THORNTON

Certified Public Accountants
& Consultants

Mooresburg Utility District Water Cost of Service Study 12 Months Ending December 2022 Presented July 2023



Typical Objectives of Rate Study

276

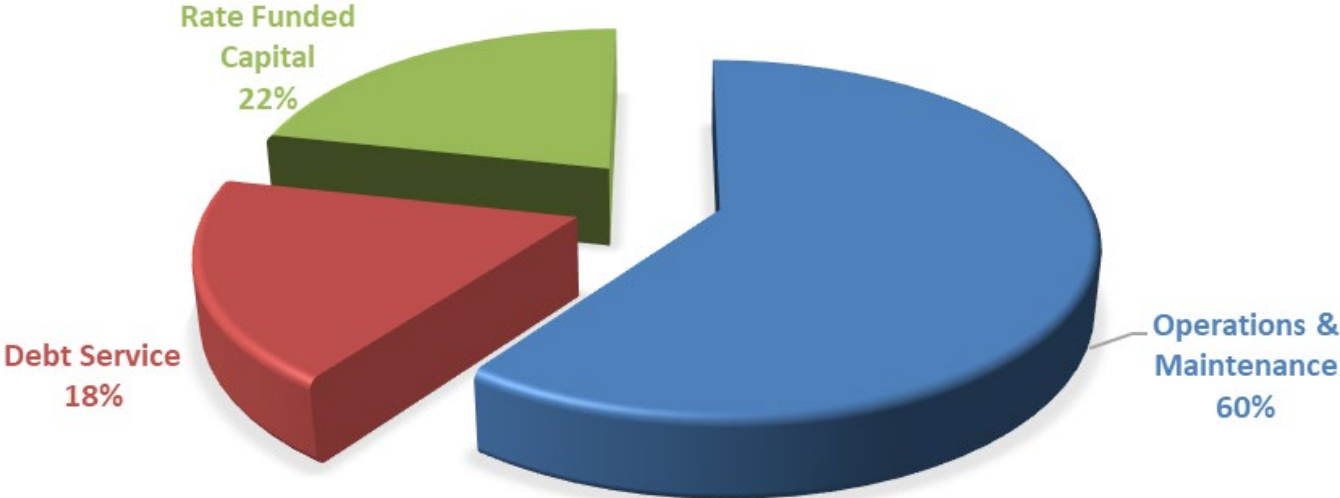
1. Revenue Stability and Sufficiency
2. Fairness and Equity
 - Fair is related to cross subsidies
 - Equity is related to $\text{Price}=\text{Cost}$
3. Ability to Pay
4. Simplicity (Admin & Cust Understanding)
5. Defensible

1. Determine Revenue Requirements
 - How much does the system need to operate?
2. Develop Revenue Requirements by Rate Class
 - How much does the system need to recover by rate class?
3. Develop COS Rates and Design Acceptable Rates
 - How does the system best recover the needed revenues?
4. Implement Rate Changes

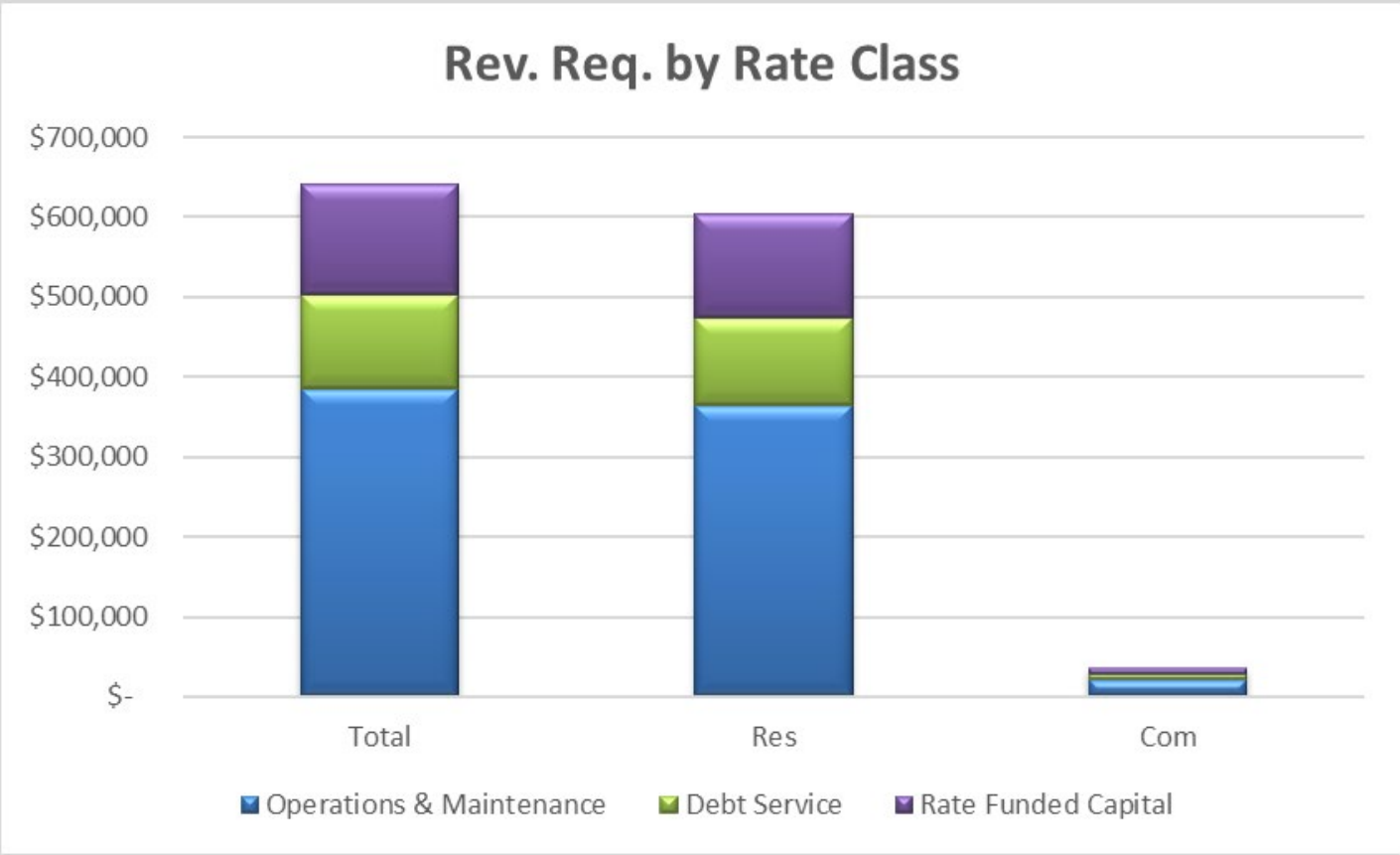
TOTAL REV. REQ.

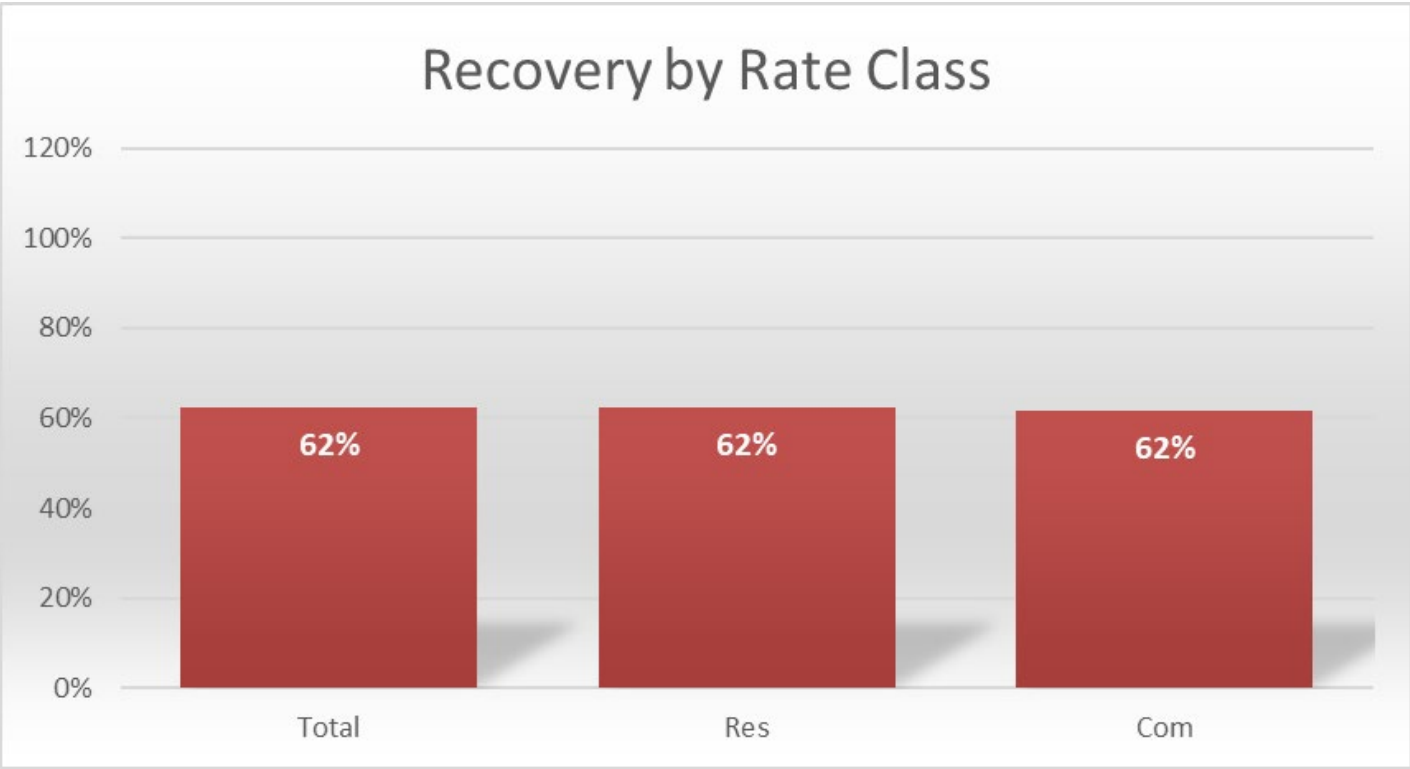
Operations & Maintenance	\$ 385,084
Plus: Debt Service	\$ 117,948
Plus: Rate Funded Capital	\$ 138,203
Total Revenue Requirement	<u>\$ 641,235</u>
Less: Other Revenue	<u>\$ 16,079</u>
Rate Requirement	<u>\$ 625,155</u>

REVENUE REQUIREMENT



Revenue Requirement by Class



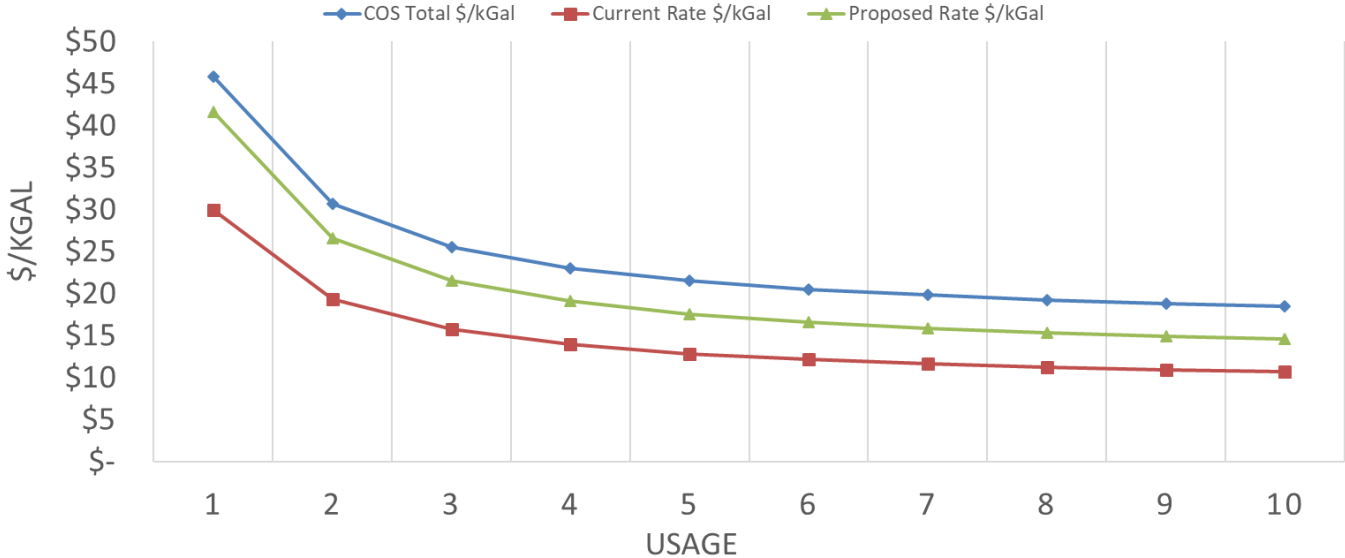


- Based on the results of the Study, Mooresburg will fall short of its revenue requirement by approximately \$241,000.
 - A three year plan is recommended to get to full recovery.
 - Year One – Eliminate all usage included in the minimum bill.
 - Year Two – Increase volumetric rate by \$3.00 per thousand gallons.
 - Year Three – Revisit the needs of the District, with the hopes of improved operational efficiencies.
 - At the end of year two, the above actions should generate approximately \$138,000

Residential Rate Curve – Full Implementation

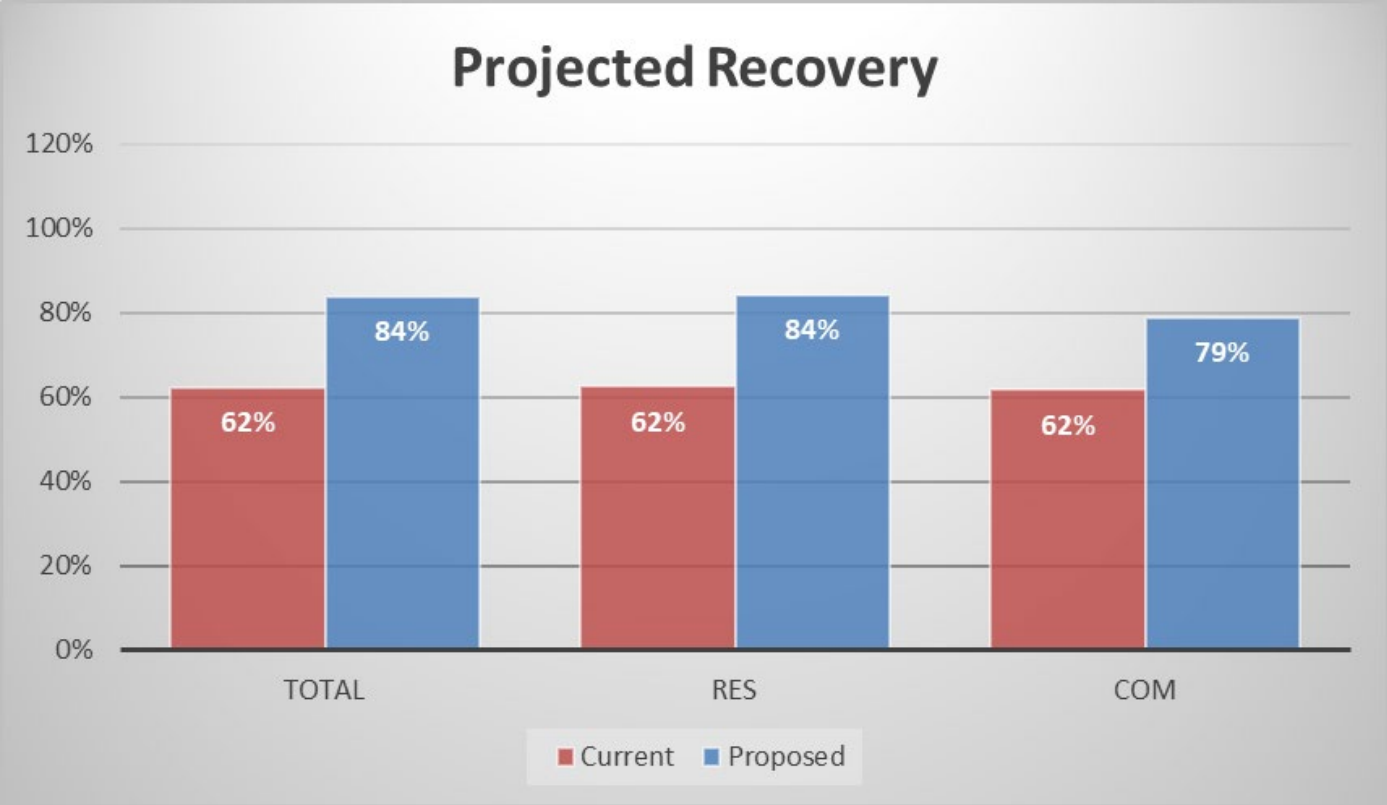
	Cost of Service	Current Rate	Proposed Rate	Difference
Customer Charge (incl 1,000 Gals.)	\$ 30.33	\$ 30.00	\$ 30.00	\$ - No Usage Included
All Additional Usage	\$ 15.48	\$ 8.58	\$ 11.58	\$ 3.00

RESIDENTIAL COST CURVE



Residential Rate Impact – Full Implementation

Usage	COS Rates	Current Rates	Proposed Rates	Monthly Change	Daily Change	Current \$/kGal	Proposed \$/kGal
1	\$ 45.81	\$ 30.00	\$ 41.58	\$ 11.58	\$ 0.39	\$ 30.00	\$ 41.58
2	\$ 61.29	\$ 38.58	\$ 53.16	\$ 14.58	\$ 0.49	\$ 19.29	\$ 26.58
3	\$ 76.77	\$ 47.16	\$ 64.74	\$ 17.58	\$ 0.59	\$ 15.72	\$ 21.58
4	\$ 92.25	\$ 55.74	\$ 76.32	\$ 20.58	\$ 0.69	\$ 13.94	\$ 19.08
5	\$ 107.73	\$ 64.32	\$ 87.90	\$ 23.58	\$ 0.79	\$ 12.86	\$ 17.58
6	\$ 123.21	\$ 72.90	\$ 99.48	\$ 26.58	\$ 0.89	\$ 12.15	\$ 16.58
7	\$ 138.69	\$ 81.48	\$ 111.06	\$ 29.58	\$ 0.99	\$ 11.64	\$ 15.87
8	\$ 154.17	\$ 90.06	\$ 122.64	\$ 32.58	\$ 1.09	\$ 11.26	\$ 15.33
9	\$ 169.65	\$ 98.64	\$ 134.22	\$ 35.58	\$ 1.19	\$ 10.96	\$ 14.91
10	\$ 185.13	\$ 107.22	\$ 145.80	\$ 38.58	\$ 1.29	\$ 10.72	\$ 14.58
Average Usage		3,067					



Local Rate Comparisons at 5,000 gallons/month

Mooresburg Current Rate	
Customer Charge (includes 1kGal)	\$ 30.00
Volumetric Rate	\$ 8.58
Consumption (kGal)	Estimated Bill Amount
1.00	\$ 30.00
2.00	\$ 38.58
3.00	\$ 47.16
4.00	\$ 55.74
5.00	\$ 64.32
6.00	\$ 72.90
8.00	\$ 90.06
10.00	\$ 107.22
12.00	\$ 124.38
15.00	\$ 150.12
20.00	\$ 193.02
25.00	\$ 235.92
Annual Cost of 5 kGal	\$ 771.84

Mooresburg COSS Rate	
Customer Charge (No Usage Included)	\$ 30.33
Volumetric Rate	\$ 15.48
Consumption (kGal)	Estimated Bill Amount
1.00	\$ 45.80
2.00	\$ 61.28
3.00	\$ 76.76
4.00	\$ 92.23
5.00	\$ 107.71
6.00	\$ 123.19
8.00	\$ 154.14
10.00	\$ 185.09
12.00	\$ 216.04
15.00	\$ 262.47
20.00	\$ 339.86
25.00	\$ 417.24
Annual Cost of 5 kGal	\$ 1,292.51

Bean Station UD	
Customer Charge (includes 1 kGal)	\$ 29.00
Volumetric Rate	\$ 5.96
Consumption (kGal)	Estimated Bill Amount
1.00	\$ 29.00
2.00	\$ 34.96
3.00	\$ 40.92
4.00	\$ 46.88
5.00	\$ 52.84
6.00	\$ 58.80
8.00	\$ 70.72
10.00	\$ 82.64
12.00	\$ 94.56
15.00	\$ 112.44
20.00	\$ 142.24
25.00	\$ 172.04
Annual Cost of 5 kGal	\$ 634.08

Lakeview UD	
Customer Charge	\$ 28.00
Volumetric Rate	\$ 9.80
Consumption (kGal)	Estimated Bill Amount
1.00	\$ 37.80
2.00	\$ 47.60
3.00	\$ 57.40
4.00	\$ 67.20
5.00	\$ 77.00
6.00	\$ 87.78
8.00	\$ 109.34
10.00	\$ 130.90
12.00	\$ 155.40
15.00	\$ 192.15
20.00	\$ 265.65
25.00	\$ 339.15
Annual Cost of 5 kGal	\$ 924.00

5,000 Gallon/Month Comparison					
Utility	Monthly	Annual	Monthly Savings	Annual Savings	%
Mooresburg COSS f	\$ 107.71	\$ 1,292.51			
Bean Station UD	\$ 52.84	\$ 634.08	\$ 54.87	\$ 658.43	50.9%
Lakeview UD	\$ 77.00	\$ 924.00	\$ 30.71	\$ 368.51	28.5%



2023 Water Cost of Service Study
12 Months Ended December 31, 2022
Mooresburg Utility District

Summary

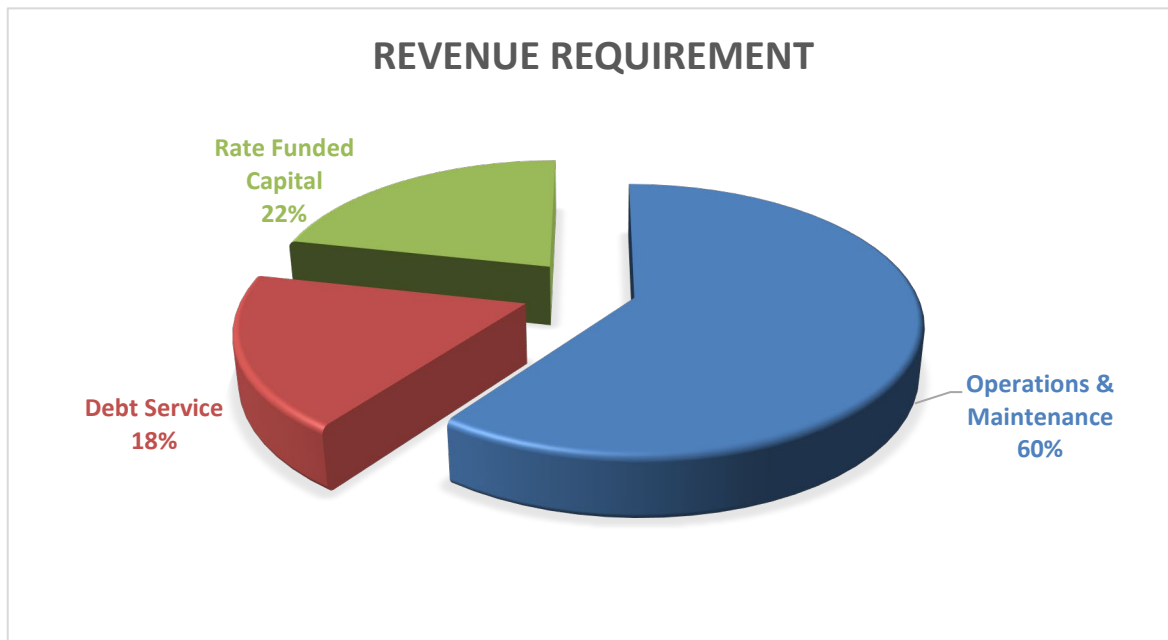
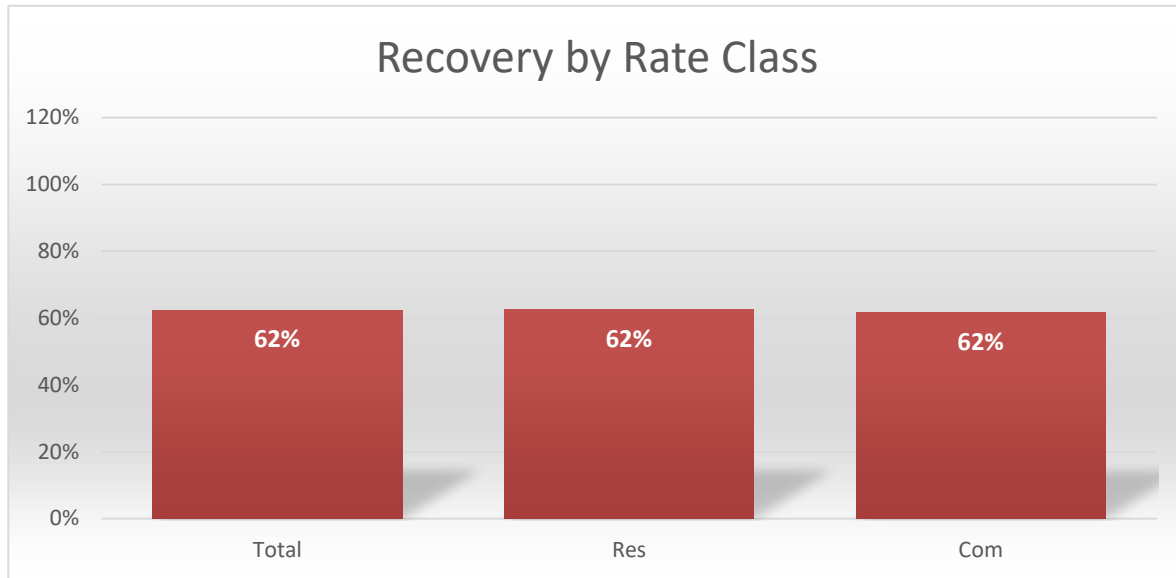
Moorsburg Utility District
Water Cost of Service-12-Months Ending December 2022
Summary of Cost of Service Allocation

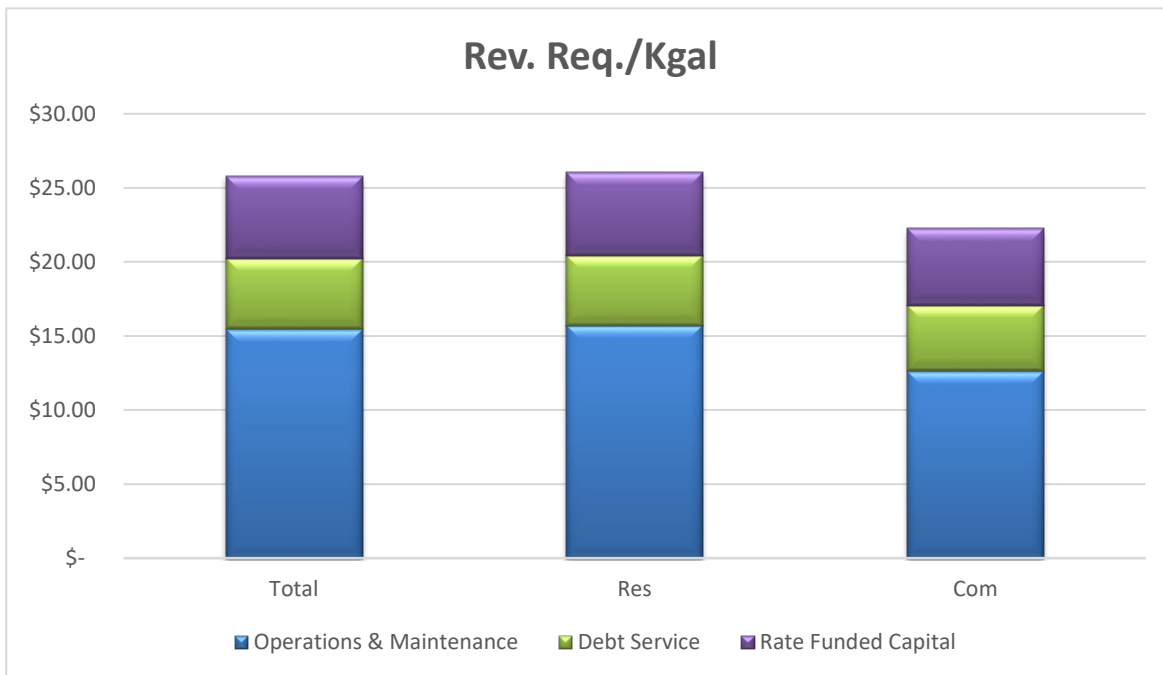
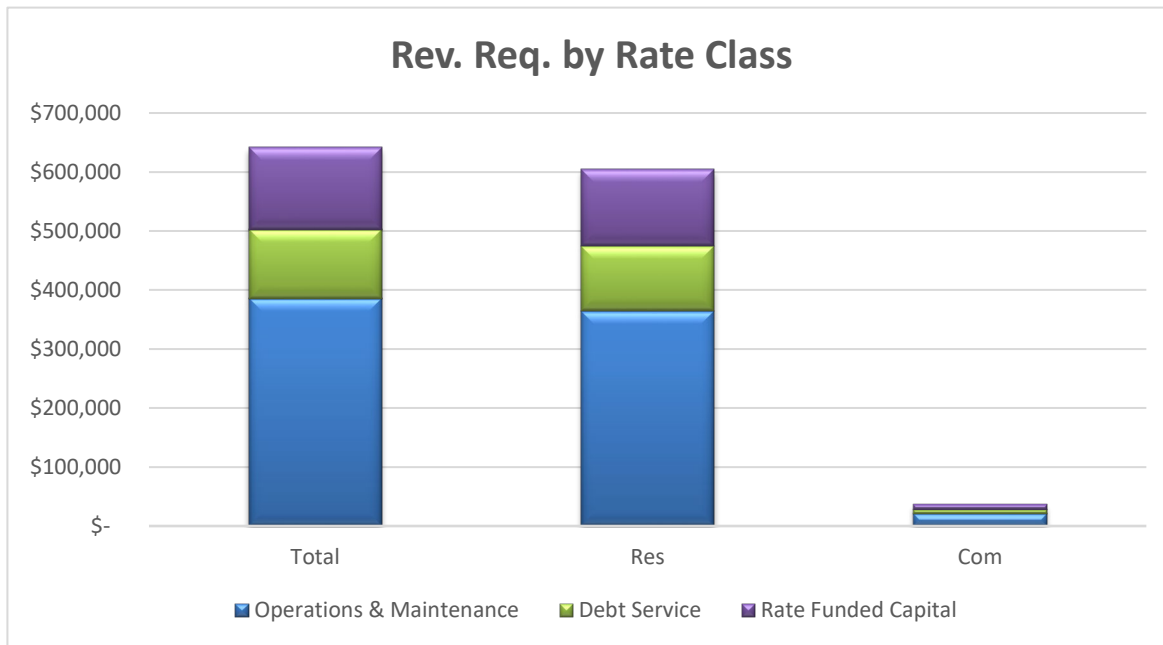
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	Total	Res	Com	Total
TOTAL REV. REQ.				
Operations & Maintenance	\$ 385,084	\$ 364,206	\$ 20,878	\$ 385,084
Plus: Debt Service	\$ 117,948	\$ 110,637	\$ 7,311	\$ 117,948
Plus: Rate Funded Capital	\$ 138,203	\$ 129,636	\$ 8,566	\$ 138,203
Total Revenue Requirement	\$ 641,235	\$ 604,479	\$ 36,755	\$ 641,235
Less: Other Revenue	\$ 16,079	\$ 15,746	\$ 333	\$ 16,079
Rate Requirement	\$ 625,155	\$ 588,733	\$ 36,423	\$ 625,155
Annual Sales (Kgal)	24,863	23,211	1,653	24,863
Rate Rev. Req./Kgal	\$ 25.14	\$ 25.36	\$ 22.04	\$ 25.14
Rate Rev. Req./Customer	\$ 80.89	\$ 77.79	\$ 227.64	\$ 80.89
CUSTOMER				
	Total	Res	Com	Total
Operations & Maintenance	\$ 117,537	\$ 115,103	\$ 2,433	\$ 117,537
Plus: Debt Service	\$ 117,948	\$ 110,637	\$ 7,311	\$ 117,948
Plus: Rate Funded Capital	\$ 19,935	\$ 19,523	\$ 413	\$ 19,935
Total Revenue Requirement	\$ 255,420	\$ 245,263	\$ 10,157	\$ 255,420
Less: Other Revenue	\$ 16,079	\$ 15,746	\$ 333	\$ 16,079
Rate Requirement	\$ 239,341	\$ 229,517	\$ 9,824	\$ 239,341
Annual Billings	7,728	7,568	160	7,728
Calculated Customer Charge		\$ 30.33	\$ 61.40	
CONSUMPTION				
	Total	Res	Com	Total
Operations & Maintenance	\$ 267,547	\$ 249,102	\$ 18,445	\$ 267,547
Plus: Debt Service	\$ -	\$ -	\$ -	\$ -
Plus: Rate Funded Capital	\$ 118,267	\$ 110,114	\$ 8,154	\$ 118,267
Total Revenue Requirement	\$ 385,814	\$ 359,216	\$ 26,598	\$ 385,814
Less: Other Revenue	\$ -	\$ -	\$ -	\$ -
Rate Requirement	\$ 385,814	\$ 359,216	\$ 26,598	\$ 385,814
Calculated Water Rate (Kgal)		\$ 15.48	\$ 16.09	
	Total	Res	Com	Total
Current Rate Revenue	\$ 384,037	\$ 361,713	\$ 22,324	\$ 384,037
Over/(Under) Recovery	\$ (241,118)	\$ (227,019)	\$ (14,099)	\$ (241,118)
Total Revenue	\$ 400,116	\$ 377,460	\$ 22,656	\$ 400,116
Over/(Under) Recovery	\$ (241,118)	\$ (227,019)	\$ (14,099)	\$ (241,118)

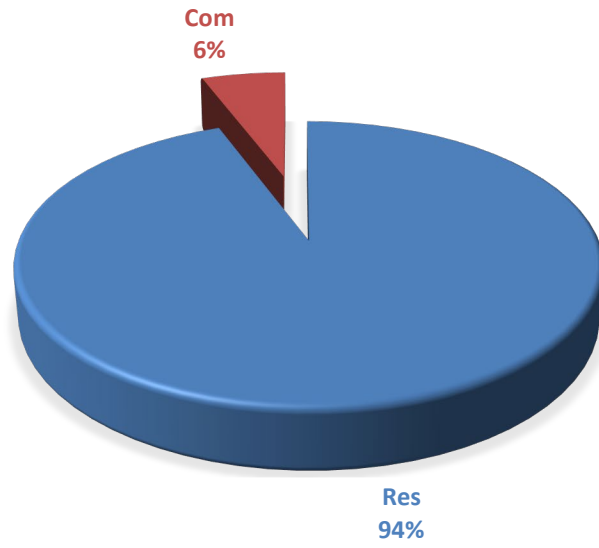
**Moorsburg Utility District
Water Cost of Service-12-Months Ending December 2022
Summary of Results**

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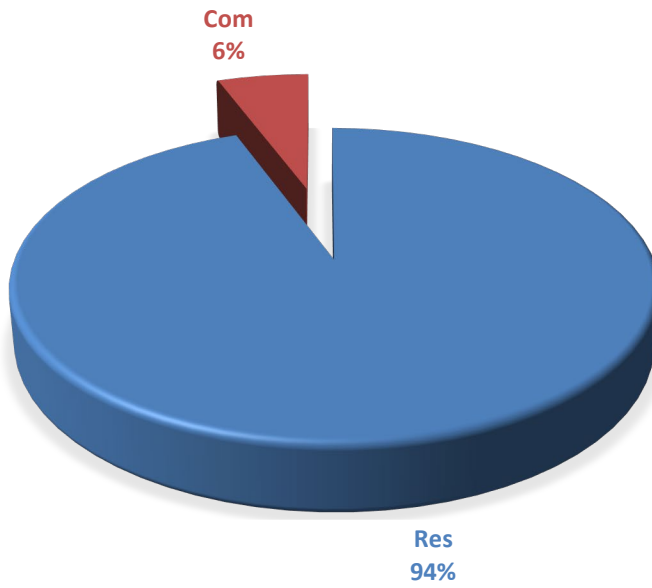


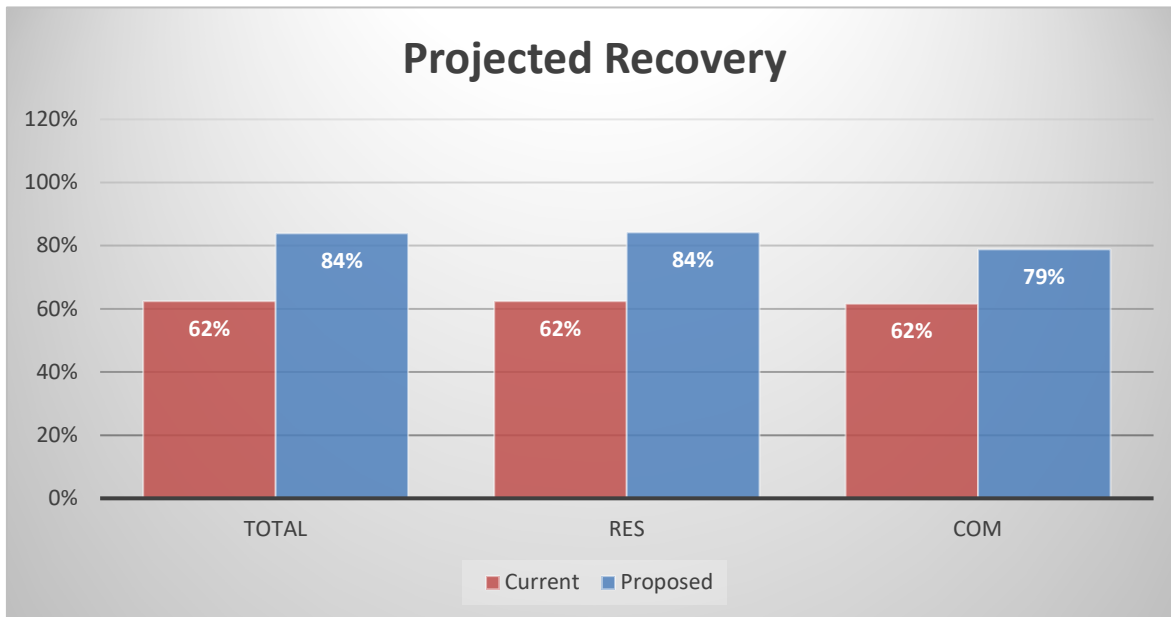
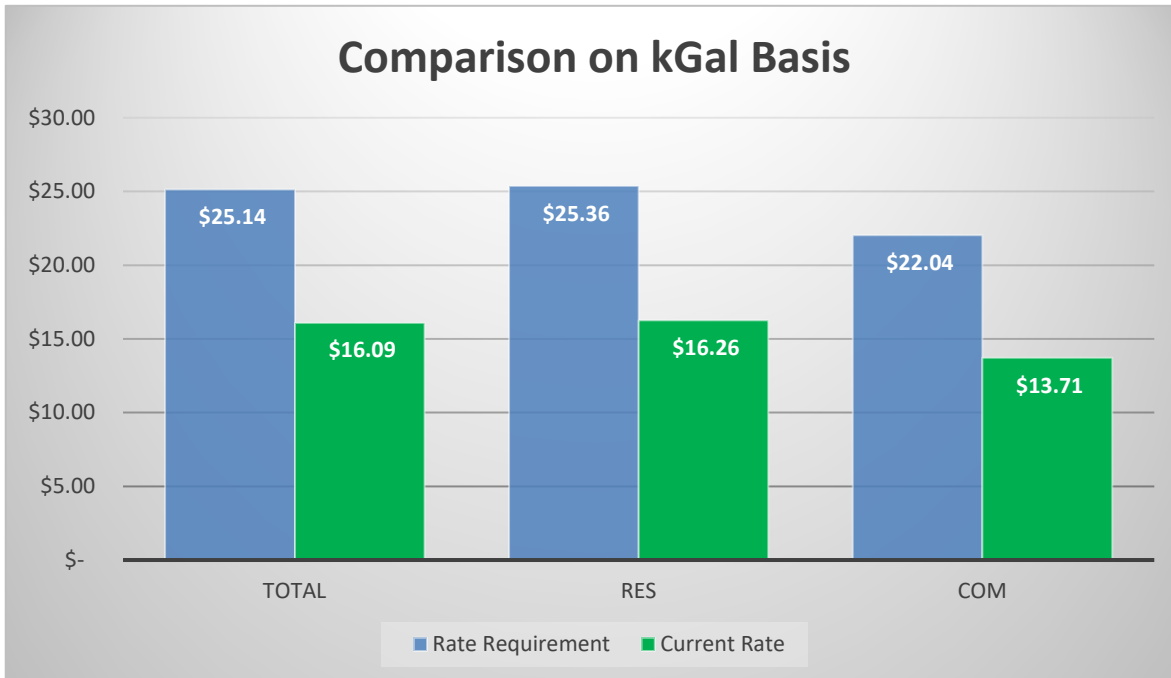


REVENUE REQUIREMENT BY CLASS



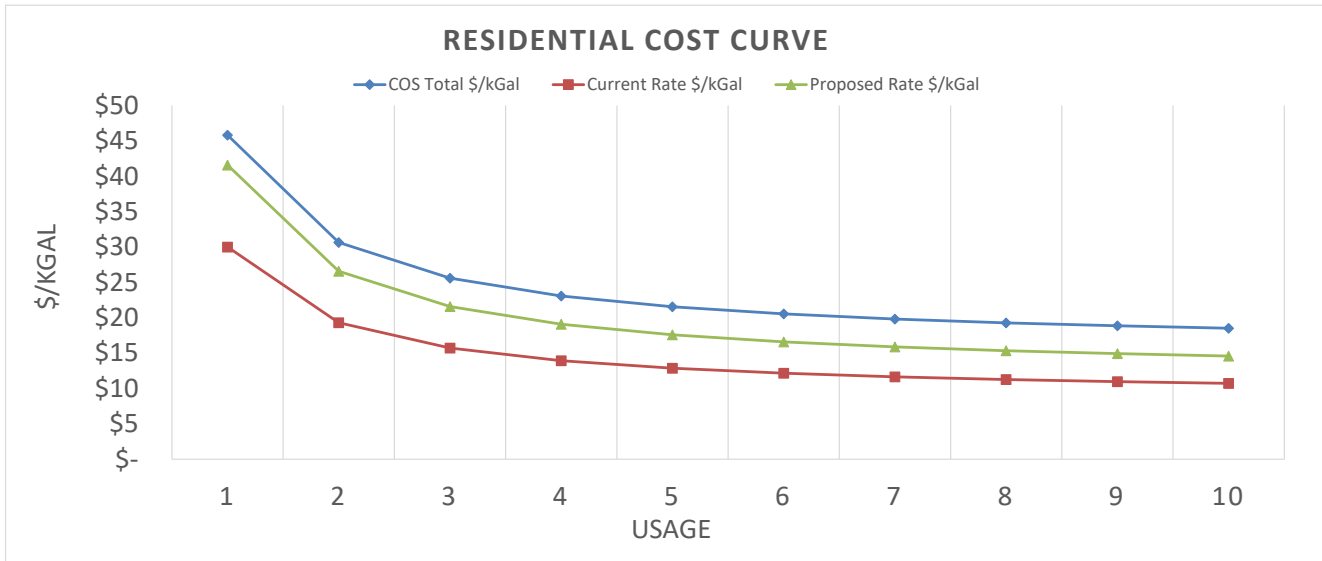
CURRENT REVENUE





Mooresburg Utility District
 Water Cost of Service-12-Months Ending December 2022
 Res
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	Cost of Service	Current Rate	Proposed Rate	Difference
Customer Charge (incl 1,000 Gals.)	\$ 30.33	\$ 30.00	\$ 30.00	\$ - No Usage Included
All Additional Usage	\$ 15.48	\$ 8.58	\$ 11.58	\$ 3.00

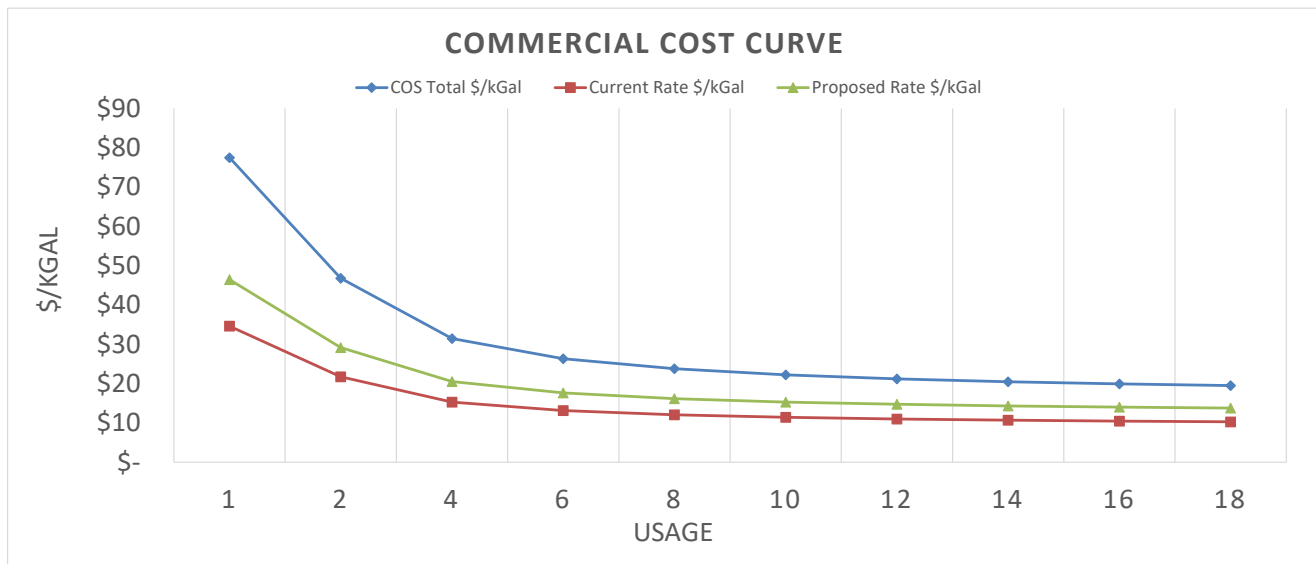


Usage	COS Rates	Current Rates	Proposed Rates	Monthly Change	Daily Change	Current \$/kGal	Proposed \$/kGal
1	\$ 45.81	\$ 30.00	\$ 41.58	\$ 11.58	\$ 0.39	\$ 30.00	\$ 41.58
2	\$ 61.29	\$ 38.58	\$ 53.16	\$ 14.58	\$ 0.49	\$ 19.29	\$ 26.58
3	\$ 76.77	\$ 47.16	\$ 64.74	\$ 17.58	\$ 0.59	\$ 15.72	\$ 21.58
4	\$ 92.25	\$ 55.74	\$ 76.32	\$ 20.58	\$ 0.69	\$ 13.94	\$ 19.08
5	\$ 107.73	\$ 64.32	\$ 87.90	\$ 23.58	\$ 0.79	\$ 12.86	\$ 17.58
6	\$ 123.21	\$ 72.90	\$ 99.48	\$ 26.58	\$ 0.89	\$ 12.15	\$ 16.58
7	\$ 138.69	\$ 81.48	\$ 111.06	\$ 29.58	\$ 0.99	\$ 11.64	\$ 15.87
8	\$ 154.17	\$ 90.06	\$ 122.64	\$ 32.58	\$ 1.09	\$ 11.26	\$ 15.33
9	\$ 169.65	\$ 98.64	\$ 134.22	\$ 35.58	\$ 1.19	\$ 10.96	\$ 14.91
10	\$ 185.13	\$ 107.22	\$ 145.80	\$ 38.58	\$ 1.29	\$ 10.72	\$ 14.58
Average Usage		3,067					

Additional Customer Revenue	\$ -
Additional Usage Revenue	\$ 131,318
	<u>\$ 131,318</u>
Current Recovery	\$ (227,019)

Mooresburg Utility District
 Water Cost of Service-12-Months Ending December 2022
 Com
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	Cost of Service	Current Rate	Proposed Rate	Difference	
Customer Charge (incl 1,000 Gals.)	\$ 61.40	\$ 34.61	\$ 34.61	\$ -	No Usage Included
All Additional Usage	\$ 16.09	\$ 8.85	\$ 11.85	\$ 3.00	



Usage	COS Rates	Current Rates	Proposed Rates	Monthly Change	Daily Change	Current \$/kGal	Proposed \$/kGal
1	\$ 77.49	\$ 34.61	\$ 46.46	\$ 11.85	\$ 0.40	\$ 34.61	\$ 46.46
2	\$ 93.58	\$ 43.46	\$ 58.31	\$ 14.85	\$ 0.50	\$ 21.73	\$ 29.16
4	\$ 125.76	\$ 61.16	\$ 82.01	\$ 20.85	\$ 0.70	\$ 15.29	\$ 20.50
6	\$ 157.94	\$ 78.86	\$ 105.71	\$ 26.85	\$ 0.90	\$ 13.14	\$ 17.62
8	\$ 190.12	\$ 96.56	\$ 129.41	\$ 32.85	\$ 1.10	\$ 12.07	\$ 16.18
10	\$ 222.30	\$ 114.26	\$ 153.11	\$ 38.85	\$ 1.30	\$ 11.43	\$ 15.31
12	\$ 254.48	\$ 131.96	\$ 176.81	\$ 44.85	\$ 1.50	\$ 11.00	\$ 14.73
14	\$ 286.66	\$ 149.66	\$ 200.51	\$ 50.85	\$ 1.70	\$ 10.69	\$ 14.32
16	\$ 318.84	\$ 167.36	\$ 224.21	\$ 56.85	\$ 1.90	\$ 10.46	\$ 14.01
18	\$ 351.02	\$ 185.06	\$ 247.91	\$ 62.85	\$ 2.10	\$ 10.28	\$ 13.77
Average Usage		10,331					

Additional Customer Revenue	\$ -
Additional Usage Revenue	\$ 6,304
	<u>\$ 6,304</u>
Current Recovery	\$ (14,099)

**Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Comparison of Current Residential Rates**

Mooresburg Current Rate	
Customer Charge (includes 1kGal)	\$ 30.00
Volumetric Rate	\$ 8.58
Consumption (kGal)	Estimated Bill Amount
1.00	\$ 30.00
2.00	\$ 38.58
3.00	\$ 47.16
4.00	\$ 55.74
5.00	\$ 64.32
6.00	\$ 72.90
8.00	\$ 90.06
10.00	\$ 107.22
12.00	\$ 124.38
15.00	\$ 150.12
20.00	\$ 193.02
25.00	\$ 235.92
Annual Cost of 5 kGal	\$ 771.84

Mooresburg COSS Rate	
Customer Charge (No Usage Included)	\$ 30.33
Volumetric Rate	\$ 15.48
Consumption (kGal)	Estimated Bill Amount
1.00	\$ 45.80
2.00	\$ 61.28
3.00	\$ 76.76
4.00	\$ 92.23
5.00	\$ 107.71
6.00	\$ 123.19
8.00	\$ 154.14
10.00	\$ 185.09
12.00	\$ 216.04
15.00	\$ 262.47
20.00	\$ 339.86
25.00	\$ 417.24
Annual Cost of 5 kGal	\$ 1,292.51

5,000 Gallon/Month Comparison					
Utility	Monthly	Annual	Monthly Savings	Annual Savings	%
Mooresburg COSS R	\$ 107.71	\$ 1,292.51			
Bean Station UD	\$ 52.84	\$ 634.08	\$ 54.87	\$ 658.43	50.9%
Lakeview UD	\$ 77.00	\$ 924.00	\$ 30.71	\$ 368.51	28.5%

Bean Station UD	
Customer Charge (includes 1 kGal)	\$ 29.00
Volumetric Rate	\$ 5.96
Consumption (kGal)	Estimated Bill Amount
1.00	\$ 29.00
2.00	\$ 34.96
3.00	\$ 40.92
4.00	\$ 46.88
5.00	\$ 52.84
6.00	\$ 58.80
8.00	\$ 70.72
10.00	\$ 82.64
12.00	\$ 94.56
15.00	\$ 112.44
20.00	\$ 142.24
25.00	\$ 172.04
Annual Cost of 5 kGal	\$ 634.08

Lakeview UD	
Customer Charge	\$ 28.00
Volumetric Rate	\$ 9.80
Consumption (kGal)	Estimated Bill Amount
1.00	\$ 37.80
2.00	\$ 47.60
3.00	\$ 57.40
4.00	\$ 67.20
5.00	\$ 77.00
6.00	\$ 87.78
8.00	\$ 109.34
10.00	\$ 130.90
12.00	\$ 155.40
15.00	\$ 192.15
20.00	\$ 265.65
25.00	\$ 339.15
Annual Cost of 5 kGal	\$ 924.00

Billing Data

**Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Customer Billing Data**

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Customers	Res	Com	Total
Jan-22	625	13	638
Feb-22	625	13	638
Mar-22	626	13	639
Apr-22	629	14	643
May-22	629	13	642
Jun-22	628	13	641
Jul-22	633	13	646
Aug-22	638	13	651
Sep-22	635	14	649
Oct-22	642	14	656
Nov-22	639	14	653
Dec-22	619	13	632
Total Customers	7,568	160	7,728
Weighting Factor	2.00	1.00	
Weighted Customers	15,136	160	15,296

AF

21	Total Customers	98%	2%	100%
25	Weighted Customers	99%	1%	100%

**Mooresburg Utility District
 Water Cost of Service-12-Months Ending December 2022
 Water Billing Data**

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Volume	Res	Com	Total
Jan-22	1,684,300	113,800	1,798,100
Feb-22	2,415,900	141,400	2,557,300
Mar-22	1,618,300	114,700	1,733,000
Apr-22	1,339,100	138,100	1,477,200
May-22	1,800,800	206,300	2,007,100
Jun-22	2,393,100	194,200	2,587,300
Jul-22	1,849,200	109,400	1,958,600
Aug-22	1,988,400	97,700	2,086,100
Sep-22	2,468,400	108,600	2,577,000
Oct-22	1,999,400	138,200	2,137,600
Nov-22	2,099,500	161,100	2,260,600
Dec-22	1,554,100	129,400	1,683,500
Total Water Sales	23,210,500	1,652,900	24,863,400
1-CP	2,393,100	194,200	2,587,300
12-NCP	2,468,400	206,300	2,674,700

AF

30	Total Water Sales	93%	7%	100%
33	1-CP	92%	8%	100%
34	12-NCP	92%	8%	100%

Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Average Usage per Customer

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	Res	Com
Jan-22	2,695	8,754
Feb-22	3,865	10,877
Mar-22	2,585	8,823
Apr-22	2,129	9,864
May-22	2,863	15,869
Jun-22	3,811	14,938
Jul-22	2,921	8,415
Aug-22	3,117	7,515
Sep-22	3,887	7,757
Oct-22	3,114	9,871
Nov-22	3,286	11,507
Dec-22	2,511	9,954
Average	3,067	10,346
Summer Average (Jun-Oct)	3,370	9,700
Winter Average	2,848	10,807

Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Revenue Billing Data

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Revenue	Res	Com	Total
Jan-22	\$ 33,456	\$ 1,481	\$ 34,937
Feb-22	\$ 40,529	\$ 1,757	\$ 42,286
Mar-22	\$ 32,028	\$ 1,559	\$ 33,586
Apr-22	\$ 28,280	\$ 6,552	\$ 34,832
May-22	\$ 36,264	\$ 2,367	\$ 38,631
Jun-22	\$ 39,150	\$ 1,806	\$ 40,957
Jul-22	\$ 31,832	\$ 1,447	\$ 33,279
Aug-22	\$ 36,452	\$ 1,374	\$ 37,826
Sep-22	\$ 36,148	\$ 1,472	\$ 37,620
Oct-22	\$ 32,373	\$ 1,899	\$ 34,272
Nov-22	\$ 34,361	\$ 1,953	\$ 36,314
Dec-22	\$ 29,818	\$ 1,678	\$ 31,496
Total Revenue	\$ 410,689	\$ 25,346	\$ 436,035
Retail Revenue	\$ 410,689	\$ 25,346	\$ 436,035
			Booked Revenue
			\$ 384,037

AF

50 Total Revenue 94% 6% 100%

Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Revenue per Kgal

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	Res	Com
Jan-22	\$ 19.86	\$ 13.01
Feb-22	\$ 16.78	\$ 12.43
Mar-22	\$ 19.79	\$ 13.59
Apr-22	\$ 21.12	\$ 47.44
May-22	\$ 20.14	\$ 11.47
Jun-22	\$ 16.36	\$ 9.30
Jul-22	\$ 17.21	\$ 13.23
Aug-22	\$ 18.33	\$ 14.06
Sep-22	\$ 14.64	\$ 13.55
Oct-22	\$ 16.19	\$ 13.74
Nov-22	\$ 16.37	\$ 12.13
Dec-22	\$ 19.19	\$ 12.97
Average	\$ 17.69	\$ 15.58

Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Allocation of Other Revenues

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	<u>Actual</u>	<u>Adj.</u>	<u>Test Yr.</u>		Res	Com	Total		Res	Com	Total
Operating Income								<u>Cust</u>			
Connection Fees	\$ 2,479		\$ 2,479	21	\$ 2,428	\$ 51	\$ 2,479 *	100%	\$ 2,428	\$ 51	\$ 2,479
Name Change Fee	\$ 400		\$ 400	21	\$ 392	\$ 8	\$ 400 *	100%	\$ 392	\$ 8	\$ 400
Tap Fees	\$ 13,200		\$ 13,200	21	\$ 12,927	\$ 273	\$ 13,200 *	100%	\$ 12,927	\$ 273	\$ 13,200
Subtotal Operating	\$ 16,079	\$ -	\$ 16,079		\$ 15,746	\$ 333	\$ 16,079 *		\$ 15,746	\$ 333	\$ 16,079
Total Other Revenue	\$ 16,079	\$ -	\$ 16,079		\$ 15,746	\$ 333	\$ 16,079 *		\$ 15,746	\$ 333	\$ 16,079
					98%	2%	100%				

Allocation Factors

**Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022**

Allocation Factors

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	1	2	Total		17,726,400	7,137,000		24,863,400
	Res	Com			Base	Ex-Cap	Cust	Total
CUSTOMER				Load Curve	71%	29%		100%
Res	1	100%	0%	MSC	53%	22%	25%	100%
Com	2	0%	100%	FP	71%	29%		100%
Total Customers	21	98%	2%	All	53%	22%	25%	100%
Weighted Customers	25	99%	1%					
BASE/EXTRA CAPACITY								
Total Water Sales	30	93%	7%					
1-CP	33	92%	8%					
12-NCP	34	92%	8%					
REVENUE								
Total Revenue	50	94%	6%					
PLANT								
Treat & Dist Plant	60	94%	6%					
Total Utility Plant	62	94%	6%					
Net Utility Plant	63	94%	6%					
Debt Service	64	94%	6%					

Plant Accounts

Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Classification of Plant

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	<u>Actual</u>	<u>Adj.</u>	<u>Test Yr.</u>	<u>Base</u>	<u>Ex-Cap</u>	<u>Cust</u>	<u>Total</u>	<u>Description</u>	<u>Base</u>	<u>Ex-Cap</u>	<u>Cust</u>	<u>Total</u>
Distribution												
Land	\$ 3,675		\$ 3,675	53%	22%	25%	100%	As SLC/MSC	* \$ 1,965	\$ 791	\$ 919	\$ 3,675
Water Plant in Service	\$ 2,565,483		\$ 2,565,483	53%	22%	25%	100%	As SLC/MSC	* \$ 1,371,799	\$ 552,314	\$ 641,371	\$ 2,565,483
Slate Hill Pump Station	\$ 1,883,546		\$ 1,883,546	71%	29%	0%	100%	As SLC	* \$ 1,342,877	\$ 540,669	\$ -	\$ 1,883,546
Subtotal Distribution	\$ 4,452,705		\$ 4,452,705						\$ 2,716,641	\$ 1,093,774	\$ 642,290	\$ 4,452,705
									61%	25%	14%	100%
General Plant												
Building	\$ 110,120		\$ 110,120	0%	0%	100%	100%		* \$ -	\$ -	\$ 110,120	\$ 110,120
Furniture & Equipment	\$ 168,916		\$ 168,916	61%	25%	14%	100%	As Dist Plt	* \$ 103,057	\$ 41,493	\$ 24,366	\$ 168,916
Vehicles	\$ 60,755		\$ 60,755	61%	25%	14%	100%	As Dist Plt	* \$ 37,067	\$ 14,924	\$ 8,764	\$ 60,755
Subtotal General Plant	\$ 339,791		\$ 339,791						\$ 140,124	\$ 56,417	\$ 143,249	\$ 339,791
									41%	17%	42%	100%
Total Utility Plant in Service	\$ 4,792,495	\$ -	\$ 4,792,495						\$ 2,856,766	\$ 1,150,191	\$ 785,539	\$ 4,792,495
									60%	24%	16%	100%
Constr. Work in Progress	\$ -		\$ -	100%	0%	0%	100%		* \$ -	\$ -	\$ -	\$ -
Total Utility Plant	\$ 4,792,495	\$ -	\$ 4,792,495						\$ 2,856,766	\$ 1,150,191	\$ 785,539	\$ 4,792,495
									60%	24%	16%	100%
Accum. Depr.	\$ 1,544,716		\$ 1,544,716	60%	24%	16%	100%	As TUPIS	* \$ 920,792	\$ 370,729	\$ 253,195	\$ 1,544,716
Accumulated Depreciation	\$ 1,544,716	\$ -	\$ 1,544,716						\$ 920,792	\$ 370,729	\$ 253,195	\$ 1,544,716
									60%	24%	16%	100%
Net Utility Plant	\$ 3,247,779	\$ -	\$ 3,247,779						\$ 1,935,974	\$ 779,461	\$ 532,344	\$ 3,247,779
									60%	24%	16%	100%

Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Allocation of Base Plant

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	<u>Test Yr.</u>		Res	Com	Total
Distribution					
Land	\$ 1,965	30	\$ 1,834	\$ 131	\$ 1,965
Water Plant in Service	\$ 1,371,799	30	\$ 1,280,603	\$ 91,196	\$ 1,371,799
Slate Hill Pump Station	\$ 1,342,877	30	\$ 1,253,604	\$ 89,273	\$ 1,342,877
Subtotal Distribution	<u>\$ 2,716,641</u>		<u>\$ 2,536,041</u>	<u>\$ 180,600</u>	<u>\$ 2,716,641</u>
General Plant					
Building	\$ -	30	\$ -	\$ -	\$ -
Furniture & Equipment	\$ 103,057	30	\$ 96,206	\$ 6,851	\$ 103,057
Vehicles	\$ 37,067	30	\$ 34,603	\$ 2,464	\$ 37,067
Subtotal General Plant	<u>\$ 140,124</u>		<u>\$ 130,809</u>	<u>\$ 9,315</u>	<u>\$ 140,124</u>
Total Utility Plant in Service	<u>\$ 2,856,766</u>		<u>\$ 2,666,850</u>	<u>\$ 189,916</u>	<u>\$ 2,856,766</u>
Constr. Work in Progress	\$ -	30	\$ -	\$ -	\$ -
Total Utility Plant	<u>\$ 2,856,766</u>		<u>\$ 2,666,850</u>	<u>\$ 189,916</u>	<u>\$ 2,856,766</u>
Accum. Depr.	\$ 920,792	30	\$ 859,579	\$ 61,214	\$ 920,792
Accumulated Depreciation	<u>\$ 920,792</u>		<u>\$ 859,579</u>	<u>\$ 61,214</u>	<u>\$ 920,792</u>
Net Utility Plant	<u>\$ 1,935,974</u>		<u>\$ 1,807,272</u>	<u>\$ 128,702</u>	<u>\$ 1,935,974</u>

Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Allocation of Extra Capacity Plant

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	<u>Test Yr.</u>		Res	Com	Total
Distribution					
Land	\$ 791	33	\$ 732	\$ 59	\$ 791
Water Plant in Service	\$ 552,314	33	\$ 510,857	\$ 41,456	\$ 552,314
Slate Hill Pump Station	\$ 540,669	33	\$ 500,087	\$ 40,582	\$ 540,669
Subtotal Distribution	<u>\$ 1,093,774</u>		<u>\$ 1,011,676</u>	<u>\$ 82,097</u>	<u>\$ 1,093,774</u>
General Plant					
Building	\$ -	33	\$ -	\$ -	\$ -
Furniture & Equipment	\$ 41,493	33	\$ 38,378	\$ 3,114	\$ 41,493
Vehicles	\$ 14,924	33	\$ 13,804	\$ 1,120	\$ 14,924
Subtotal General Plant	<u>\$ 56,417</u>		<u>\$ 52,182</u>	<u>\$ 4,235</u>	<u>\$ 56,417</u>
Total Utility Plant in Service	<u>\$ 1,150,191</u>		<u>\$ 1,063,858</u>	<u>\$ 86,332</u>	<u>\$ 1,150,191</u>
Constr. Work in Progress	\$ -	33	\$ -	\$ -	\$ -
Total Utility Plant	<u>\$ 1,150,191</u>		<u>\$ 1,063,858</u>	<u>\$ 86,332</u>	<u>\$ 1,150,191</u>
Accum. Depr.	\$ 370,729	33	\$ 342,903	\$ 27,827	\$ 370,729
Accumulated Depreciation	<u>\$ 370,729</u>		<u>\$ 342,903</u>	<u>\$ 27,827</u>	<u>\$ 370,729</u>
Net Utility Plant	<u>\$ 779,461</u>		<u>\$ 720,956</u>	<u>\$ 58,506</u>	<u>\$ 779,461</u>

Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Allocation of Customer Plant

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	<u>Test Yr.</u>		Res	Com	Total
Distribution					
Land	\$ 919	21	\$ 900	\$ 19	\$ 919
Water Plant in Service	\$ 641,371	21	\$ 628,092	\$ 13,279	\$ 641,371
Slate Hill Pump Station	\$ -	21	\$ -	\$ -	\$ -
Subtotal Distribution	<u>\$ 642,290</u>		<u>\$ 628,992</u>	<u>\$ 13,298</u>	<u>\$ 642,290</u>
General Plant					
Building	\$ 110,120	21	\$ 107,840	\$ 2,280	\$ 110,120
Furniture & Equipment	\$ 24,366	21	\$ 23,861	\$ 504	\$ 24,366
Vehicles	\$ 8,764	21	\$ 8,582	\$ 181	\$ 8,764
Subtotal General Plant	<u>\$ 143,249</u>		<u>\$ 140,283</u>	<u>\$ 2,966</u>	<u>\$ 143,249</u>
Total Utility Plant in Service	<u>\$ 785,539</u>		<u>\$ 769,275</u>	<u>\$ 16,264</u>	<u>\$ 785,539</u>
Constr. Work in Progress	\$ -	21	\$ -	\$ -	\$ -
Total Utility Plant	<u>\$ 785,539</u>		<u>\$ 769,275</u>	<u>\$ 16,264</u>	<u>\$ 785,539</u>
Accum. Depr.	\$ 253,195	21	\$ 247,953	\$ 5,242	\$ 253,195
Accumulated Depreciation	<u>\$ 253,195</u>		<u>\$ 247,953</u>	<u>\$ 5,242</u>	<u>\$ 253,195</u>
Net Utility Plant	<u>\$ 532,344</u>		<u>\$ 521,323</u>	<u>\$ 11,022</u>	<u>\$ 532,344</u>

Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Allocation of Plant
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	<u>Test Yr.</u>	Res	Com	Total
Distribution				
Land	\$ 3,675	\$ 3,466	\$ 209	\$ 3,675
Water Plant in Service	\$ 2,565,483	\$ 2,419,552	\$ 145,931	\$ 2,565,483
Slate Hill Pump Station	\$ 1,883,546	\$ 1,753,691	\$ 129,855	\$ 1,883,546
Subtotal Distribution	<u>\$ 4,452,705</u>	<u>\$ 4,176,709</u>	<u>\$ 275,996</u>	<u>\$ 4,452,705</u>
		94%	6%	100%
General Plant				
Building	\$ 110,120	\$ 107,840	\$ 2,280	\$ 110,120
Furniture & Equipment	\$ 168,916	\$ 158,446	\$ 10,470	\$ 168,916
Vehicles	\$ 60,755	\$ 56,989	\$ 3,766	\$ 60,755
Subtotal General Plant	<u>\$ 339,791</u>	<u>\$ 323,275</u>	<u>\$ 16,516</u>	<u>\$ 339,791</u>
Total Utility Plant in Service	<u>\$ 4,792,495</u>	<u>\$ 4,499,984</u>	<u>\$ 292,511</u>	<u>\$ 4,792,495</u>
Constr. Work in Progress	\$ -	\$ -	\$ -	\$ -
Total Utility Plant	<u>\$ 4,792,495</u>	<u>\$ 4,499,984</u>	<u>\$ 292,511</u>	<u>\$ 4,792,495</u>
		94%	6%	100%
Accum. Depr.	\$ 1,544,716	\$ 1,450,434	\$ 94,282	\$ 1,544,716
Accumulated Depreciation	<u>\$ 1,544,716</u>	<u>\$ 1,450,434</u>	<u>\$ 94,282</u>	<u>\$ 1,544,716</u>
Net Utility Plant	<u>\$ 3,247,779</u>	<u>\$ 3,049,550</u>	<u>\$ 198,229</u>	<u>\$ 3,247,779</u>
		94%	6%	100%

Operating Expenses

Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Classification of Operating Expenses
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	Actual	Adj.	Test Yr.	Base	Ex-Cap	Cust	Total	Description	Base	Ex-Cap	Cust	Total
Distribution												
Car & Truck	\$ 510		\$ 510	61%	25%	14%	100%	As Dist Plt *	\$ 311	\$ 125	\$ 74	\$ 510
Contractors	\$ 198		\$ 198	61%	25%	14%	100%	As Dist Plt *	\$ 121	\$ 49	\$ 29	\$ 198
Distribution Maint	\$ 31		\$ 31	61%	25%	14%	100%	As Dist Plt *	\$ 19	\$ 8	\$ 5	\$ 31
Fuel	\$ 7,352		\$ 7,352	0%	0%	100%	100%	As Dist Plt *	\$ -	\$ -	\$ 7,352	\$ 7,352
Job Supplies	\$ 210		\$ 210	61%	25%	14%	100%	As Dist Plt *	\$ 128	\$ 52	\$ 30	\$ 210
Water Samples	\$ 194		\$ 194	100%	0%	0%	100%		\$ 194	\$ -	\$ -	\$ 194
Repairs & Maintenance	\$ 150,135		\$ 150,135	61%	25%	14%	100%	As Dist Plt *	\$ 91,599	\$ 36,880	\$ 21,657	\$ 150,135
Utilities - Electric	\$ 26,161		\$ 26,161	61%	25%	14%	100%	As Dist Plt *	\$ 15,961	\$ 6,426	\$ 3,774	\$ 26,161
Water	\$ 14,275		\$ 14,275	61%	25%	14%	100%	As Dist Plt *	\$ 8,710	\$ 3,507	\$ 2,059	\$ 14,275
Water Plant - Maintenance	\$ 11,890		\$ 11,890	61%	25%	14%	100%	As Dist Plt *	\$ 7,254	\$ 2,921	\$ 1,715	\$ 11,890
Water Plant - Supplies	\$ 39,681		\$ 39,681	61%	25%	14%	100%	As Dist Plt *	\$ 24,210	\$ 9,747	\$ 5,724	\$ 39,681
Subtotal Distribution	\$ 250,636	\$ -	\$ 250,636						\$ 148,506	\$ 59,713	\$ 42,417	\$ 250,636
									59%	24%	17%	100%
Admin & General												
Annual Fees & Dues	\$ 944		\$ 944	0%	0%	100%	100%		\$ -	\$ -	\$ 944	\$ 944
Bank Charges & Fees	\$ 100		\$ 100	0%	0%	100%	100%		\$ -	\$ -	\$ 100	\$ 100
Bookkeeping	\$ 6,668		\$ 6,668	0%	0%	100%	100%		\$ -	\$ -	\$ 6,668	\$ 6,668
Commissioner Pay	\$ 1,100		\$ 1,100	0%	0%	100%	100%		\$ -	\$ -	\$ 1,100	\$ 1,100
Insurance - Property	\$ 21,590		\$ 21,590	0%	0%	100%	100%		\$ -	\$ -	\$ 21,590	\$ 21,590
Insurance -Worker's Comp	\$ 6,059		\$ 6,059	0%	0%	100%	100%		\$ -	\$ -	\$ 6,059	\$ 6,059
Legal & Professional Services	\$ 6,850		\$ 6,850	0%	0%	100%	100%		\$ -	\$ -	\$ 6,850	\$ 6,850
Meals & Entertainment	\$ 34		\$ 34	0%	0%	100%	100%		\$ -	\$ -	\$ 34	\$ 34
Office Supplies	\$ 7,429		\$ 7,429	0%	0%	100%	100%		\$ -	\$ -	\$ 7,429	\$ 7,429
Office Supplies & Software	\$ 2,124		\$ 2,124	0%	0%	100%	100%		\$ -	\$ -	\$ 2,124	\$ 2,124
Payroll Taxes	\$ 11,552		\$ 11,552	60%	24%	16%	100%	As TUPIS *	\$ 6,886	\$ 2,772	\$ 1,894	\$ 11,552
Wages	\$ 59,406		\$ 59,406	60%	24%	16%	100%	As TUPIS *	\$ 35,411	\$ 14,257	\$ 9,737	\$ 59,406
Postage	\$ 728		\$ 728	0%	0%	100%	100%		\$ -	\$ -	\$ 728	\$ 728
Returned Check Amount	\$ 1,871		\$ 1,871	0%	0%	100%	100%		\$ -	\$ -	\$ 1,871	\$ 1,871
Returned Check Fee	\$ 60		\$ 60	0%	0%	100%	100%		\$ -	\$ -	\$ 60	\$ 60
Taxes & Licenses	\$ 450		\$ 450	0%	0%	100%	100%		\$ -	\$ -	\$ 450	\$ 450
Taxes - Employee Quarterly	\$ 2,769		\$ 2,769	0%	0%	100%	100%		\$ -	\$ -	\$ 2,769	\$ 2,769
Training	\$ 742		\$ 742	0%	0%	100%	100%		\$ -	\$ -	\$ 742	\$ 742
Utilities - Water	\$ 1,289		\$ 1,289	0%	0%	100%	100%		\$ -	\$ -	\$ 1,289	\$ 1,289
Utilities - Phone/Internet	\$ 2,281		\$ 2,281	0%	0%	100%	100%		\$ -	\$ -	\$ 2,281	\$ 2,281
Water - Office	\$ 402		\$ 402	0%	0%	100%	100%		\$ -	\$ -	\$ 402	\$ 402
Subtotal Admin & General	\$ 134,447	\$ -	\$ 134,447						\$ 42,297	\$ 17,030	\$ 75,120	\$ 134,447
									31%	0%	0%	31%
Total Operating Expenses	\$ 385,084	\$ -	\$ 385,084						\$ 190,804	\$ 76,743	\$ 117,537	\$ 385,084
									50%	20%	31%	100%

Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Allocation of Base Expenses

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	<u>Test Yr.</u>		Res	Com	Total
Distribution					
Car & Truck	\$ 311	30	\$ 290	\$ 21	\$ 311
Contractors	\$ 121	30	\$ 113	\$ 8	\$ 121
Distribution Maint	\$ 19	30	\$ 18	\$ 1	\$ 19
Fuel	\$ -	30	\$ -	\$ -	\$ -
Job Supplies	\$ 128	30	\$ 119	\$ 9	\$ 128
Water Samples	\$ 194	30	\$ 181	\$ 13	\$ 194
Repairs & Maintenance	\$ 91,599	30	\$ 85,510	\$ 6,089	\$ 91,599
Utilities - Electric	\$ 15,961	30	\$ 14,900	\$ 1,061	\$ 15,961
Water	\$ 8,710	30	\$ 8,131	\$ 579	\$ 8,710
Water Plant - Maintenance	\$ 7,254	30	\$ 6,772	\$ 482	\$ 7,254
Water Plant - Supplies	\$ 24,210	30	\$ 22,600	\$ 1,609	\$ 24,210
Subtotal Distribution	<u>\$ 148,506</u>		<u>\$ 138,634</u>	<u>\$ 9,873</u>	<u>\$ 148,506</u>
Admin & General					
Annual Fees & Dues	\$ -	30	\$ -	\$ -	\$ -
Bank Charges & Fees	\$ -	30	\$ -	\$ -	\$ -
Bookkeeping	\$ -	30	\$ -	\$ -	\$ -
Commissioner Pay	\$ -	30	\$ -	\$ -	\$ -
Insurance - Property	\$ -	30	\$ -	\$ -	\$ -
Insurance -Worker's Comp	\$ -	30	\$ -	\$ -	\$ -
Legal & Professional Services	\$ -	30	\$ -	\$ -	\$ -
Meals & Entertainment	\$ -	30	\$ -	\$ -	\$ -
Office Supplies	\$ -	30	\$ -	\$ -	\$ -
Office Supplies & Software	\$ -	30	\$ -	\$ -	\$ -
Payroll Taxes	\$ 6,886	30	\$ 6,428	\$ 458	\$ 6,886
Wages	\$ 35,411	30	\$ 33,057	\$ 2,354	\$ 35,411
Postage	\$ -	30	\$ -	\$ -	\$ -
Returned Check Amount	\$ -	30	\$ -	\$ -	\$ -
Returned Check Fee	\$ -	30	\$ -	\$ -	\$ -
Taxes & Licenses	\$ -	30	\$ -	\$ -	\$ -
Taxes - Employee Quarterly	\$ -	30	\$ -	\$ -	\$ -
Training	\$ -	30	\$ -	\$ -	\$ -
Utilities - Water	\$ -	30	\$ -	\$ -	\$ -
Utilities - Phone/Internet	\$ -	30	\$ -	\$ -	\$ -
Water - Office	\$ -	30	\$ -	\$ -	\$ -
Subtotal Admin & General	<u>\$ 42,297</u>		<u>\$ 39,486</u>	<u>\$ 2,812</u>	<u>\$ 42,297</u>
Total Operating Expenses	<u>\$ 190,804</u>		<u>\$ 178,119</u>	<u>\$ 12,684</u>	<u>\$ 190,804</u>

Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Allocation of Extra-Capacity Expenses

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	<u>Test Yr.</u>		Res	Com	Total
Distribution					
Car & Truck	\$ 125	33	\$ 116	\$ 9	\$ 125
Contractors	\$ 49	33	\$ 45	\$ 4	\$ 49
Distribution Maint	\$ 8	33	\$ 7	\$ 1	\$ 8
Fuel	\$ -	33	\$ -	\$ -	\$ -
Job Supplies	\$ 52	33	\$ 48	\$ 4	\$ 52
Water Samples	\$ -	33	\$ -	\$ -	\$ -
Repairs & Maintenance	\$ 36,880	33	\$ 34,112	\$ 2,768	\$ 36,880
Utilities - Electric	\$ 6,426	33	\$ 5,944	\$ 482	\$ 6,426
Water	\$ 3,507	33	\$ 3,243	\$ 263	\$ 3,507
Water Plant - Maintenance	\$ 2,921	33	\$ 2,701	\$ 219	\$ 2,921
Water Plant - Supplies	\$ 9,747	33	\$ 9,016	\$ 732	\$ 9,747
Subtotal Distribution	<u>\$ 59,713</u>		<u>\$ 55,231</u>	<u>\$ 4,482</u>	<u>\$ 59,713</u>
Admin & General					
Annual Fees & Dues	\$ -	33	\$ -	\$ -	\$ -
Bank Charges & Fees	\$ -	33	\$ -	\$ -	\$ -
Bookkeeping	\$ -	33	\$ -	\$ -	\$ -
Commissioner Pay	\$ -	33	\$ -	\$ -	\$ -
Insurance - Property	\$ -	33	\$ -	\$ -	\$ -
Insurance -Worker's Comp	\$ -	33	\$ -	\$ -	\$ -
Legal & Professional Services	\$ -	33	\$ -	\$ -	\$ -
Meals & Entertainment	\$ -	33	\$ -	\$ -	\$ -
Office Supplies	\$ -	33	\$ -	\$ -	\$ -
Office Supplies & Software	\$ -	33	\$ -	\$ -	\$ -
Payroll Taxes	\$ 2,772	33	\$ 2,564	\$ 208	\$ 2,772
Wages	\$ 14,257	33	\$ 13,187	\$ 1,070	\$ 14,257
Postage	\$ -	33	\$ -	\$ -	\$ -
Returned Check Amount	\$ -	33	\$ -	\$ -	\$ -
Returned Check Fee	\$ -	33	\$ -	\$ -	\$ -
Taxes & Licenses	\$ -	33	\$ -	\$ -	\$ -
Taxes - Employee Quarterly	\$ -	33	\$ -	\$ -	\$ -
Training	\$ -	33	\$ -	\$ -	\$ -
Utilities - Water	\$ -	33	\$ -	\$ -	\$ -
Utilities - Phone/Internet	\$ -	33	\$ -	\$ -	\$ -
Water - Office	\$ -	33	\$ -	\$ -	\$ -
Subtotal Admin & General	<u>\$ 17,030</u>		<u>\$ 15,752</u>	<u>\$ 1,278</u>	<u>\$ 17,030</u>
Total Operating Expenses	<u>\$ 76,743</u>		<u>\$ 70,983</u>	<u>\$ 5,760</u>	<u>\$ 76,743</u>

Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Allocation of Customer Expenses
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	<u>Test Yr.</u>		Res	Com	Total
Distribution					
Car & Truck	\$ 74	21	\$ 72	\$ 2	\$ 74
Contractors	\$ 29	21	\$ 28	\$ 1	\$ 29
Distribution Maint	\$ 5	21	\$ 4	\$ 0	\$ 5
Fuel	\$ 7,352	21	\$ 7,199	\$ 152	\$ 7,352
Job Supplies	\$ 30	21	\$ 30	\$ 1	\$ 30
Water Samples	\$ -	21	\$ -	\$ -	\$ -
Repairs & Maintenance	\$ 21,657	21	\$ 21,208	\$ 448	\$ 21,657
Utilities - Electric	\$ 3,774	21	\$ 3,695	\$ 78	\$ 3,774
Water	\$ 2,059	21	\$ 2,017	\$ 43	\$ 2,059
Water Plant - Maintenance	\$ 1,715	21	\$ 1,680	\$ 36	\$ 1,715
Water Plant - Supplies	\$ 5,724	21	\$ 5,605	\$ 119	\$ 5,724
Subtotal Distribution	<u>\$ 42,417</u>		<u>\$ 41,538</u>	<u>\$ 878</u>	<u>\$ 42,417</u>

Admin & General					
Annual Fees & Dues	\$ 944	21	\$ 924	\$ 20	\$ 944
Bank Charges & Fees	\$ 100	21	\$ 98	\$ 2	\$ 100
Bookkeeping	\$ 6,668	21	\$ 6,530	\$ 138	\$ 6,668
Commissioner Pay	\$ 1,100	21	\$ 1,077	\$ 23	\$ 1,100
Insurance - Property	\$ 21,590	21	\$ 21,143	\$ 447	\$ 21,590
Insurance -Worker's Comp	\$ 6,059	21	\$ 5,934	\$ 125	\$ 6,059
Legal & Professional Services	\$ 6,850	21	\$ 6,708	\$ 142	\$ 6,850
Meals & Entertainment	\$ 34	21	\$ 34	\$ 1	\$ 34
Office Supplies	\$ 7,429	21	\$ 7,275	\$ 154	\$ 7,429
Office Supplies & Software	\$ 2,124	21	\$ 2,080	\$ 44	\$ 2,124
Payroll Taxes	\$ 1,894	21	\$ 1,854	\$ 39	\$ 1,894
Wages	\$ 9,737	21	\$ 9,536	\$ 202	\$ 9,737
Postage	\$ 728	21	\$ 713	\$ 15	\$ 728
Returned Check Amount	\$ 1,871	21	\$ 1,832	\$ 39	\$ 1,871
Returned Check Fee	\$ 60	21	\$ 59	\$ 1	\$ 60
Taxes & Licenses	\$ 450	21	\$ 441	\$ 9	\$ 450
Taxes - Employee Quarterly	\$ 2,769	21	\$ 2,711	\$ 57	\$ 2,769
Training	\$ 742	21	\$ 726	\$ 15	\$ 742
Utilities - Water	\$ 1,289	21	\$ 1,262	\$ 27	\$ 1,289
Utilities - Phone/Internet	\$ 2,281	21	\$ 2,234	\$ 47	\$ 2,281
Water - Office	\$ 402	21	\$ 394	\$ 8	\$ 402
Subtotal Admin & General	<u>\$ 75,120</u>		<u>\$ 73,565</u>	<u>\$ 1,555</u>	<u>\$ 75,120</u>

Total Operating Expenses	<u>\$ 117,537</u>		<u>\$ 115,103</u>	<u>\$ 2,433</u>	<u>\$ 117,537</u>
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Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Allocation of Operating Expenses
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	<u>Test Yr.</u>	Res	Com	Total
Distribution				
Car & Truck	\$ 510	\$ 478	\$ 32	\$ 510
Contractors	\$ 198	\$ 186	\$ 12	\$ 198
Distribution Maint	\$ 31	\$ 29	\$ 2	\$ 31
Fuel	\$ 7,352	\$ 7,199	\$ 152	\$ 7,352
Job Supplies	\$ 210	\$ 197	\$ 13	\$ 210
Water Samples	\$ 194	\$ 181	\$ 13	\$ 194
Repairs & Maintenance	\$ 150,135	\$ 140,830	\$ 9,306	\$ 150,135
Utilities - Electric	\$ 26,161	\$ 24,539	\$ 1,622	\$ 26,161
Water	\$ 14,275	\$ 13,390	\$ 885	\$ 14,275
Water Plant - Maintenance	\$ 11,890	\$ 11,153	\$ 737	\$ 11,890
Water Plant - Supplies	\$ 39,681	\$ 37,221	\$ 2,460	\$ 39,681
Subtotal Distribution	<u>\$ 250,636</u>	<u>\$ 235,404</u>	<u>\$ 15,233</u>	<u>\$ 250,636</u>
		94%	6%	100%
Admin & General				
Annual Fees & Dues	\$ 944	\$ 924	\$ 20	\$ 944
Bank Charges & Fees	\$ 100	\$ 98	\$ 2	\$ 100
Bookkeeping	\$ 6,668	\$ 6,530	\$ 138	\$ 6,668
Commissioner Pay	\$ 1,100	\$ 1,077	\$ 23	\$ 1,100
Insurance - Property	\$ 21,590	\$ 21,143	\$ 447	\$ 21,590
Insurance -Worker's Comp	\$ 6,059	\$ 5,934	\$ 125	\$ 6,059
Legal & Professional Services	\$ 6,850	\$ 6,708	\$ 142	\$ 6,850
Meals & Entertainment	\$ 34	\$ 34	\$ 1	\$ 34
Office Supplies	\$ 7,429	\$ 7,275	\$ 154	\$ 7,429
Office Supplies & Software	\$ 2,124	\$ 2,080	\$ 44	\$ 2,124
Payroll Taxes	\$ 11,552	\$ 10,847	\$ 705	\$ 11,552
Wages	\$ 59,406	\$ 55,780	\$ 3,626	\$ 59,406
Postage	\$ 728	\$ 713	\$ 15	\$ 728
Returned Check Amount	\$ 1,871	\$ 1,832	\$ 39	\$ 1,871
Returned Check Fee	\$ 60	\$ 59	\$ 1	\$ 60
Taxes & Licenses	\$ 450	\$ 441	\$ 9	\$ 450
Taxes - Employee Quarterly	\$ 2,769	\$ 2,711	\$ 57	\$ 2,769
Training	\$ 742	\$ 726	\$ 15	\$ 742
Utilities - Water	\$ 1,289	\$ 1,262	\$ 27	\$ 1,289
Utilities - Phone/Internet	\$ 2,281	\$ 2,234	\$ 47	\$ 2,281
Water - Office	\$ 402	\$ 394	\$ 8	\$ 402
Subtotal Admin & General	<u>\$ 134,447</u>	<u>\$ 128,802</u>	<u>\$ 5,645</u>	<u>\$ 134,447</u>
Total Operating Expenses	<u>\$ 385,084</u>	<u>\$ 364,206</u>	<u>\$ 20,878</u>	<u>\$ 385,084</u>
		95%	5%	100%

Debt Service

Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Classification of Debt Service

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	<u>Actual</u>	<u>Adj.</u>	<u>Test Yr.</u>	<u>Base</u>	<u>Ex-Cap</u>	<u>Cust</u>	<u>Total</u>	<u>Description</u>	<u>Base</u>	<u>Ex-Cap</u>	<u>Cust</u>	<u>Total</u>
Principal & Interest												
Bonds Payable	\$ 117,948		\$ 117,948	61%	25%	14%	100%	As Dist Plt *	\$ 71,961	\$ 28,973	\$ 17,014	\$ 117,948
Subtotal Principal & Interest	\$ 117,948	\$ -	\$ 117,948						\$ 71,961	\$ 28,973	\$ 17,014	\$ 117,948
									61%	25%	14%	100%
Total Debt Service	\$ 117,948	\$ -	\$ 117,948						\$ 71,961	\$ 28,973	\$ 17,014	\$ 117,948
									61%	25%	14%	100%

Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Allocation of Base P&I

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	<u>Test Yr.</u>	Res	Com	Total	
Principal & Interest					
Bonds Payable	\$ 71,961	30	\$ 67,177	\$ 4,784	\$ 71,961
Subtotal Principal & Interest	<u>\$ 71,961</u>		<u>\$ 67,177</u>	<u>\$ 4,784</u>	<u>\$ 71,961</u>
Total Debt Service	<u>\$ 71,961</u>		<u>\$ 67,177</u>	<u>\$ 4,784</u>	<u>\$ 71,961</u>

Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Allocation of Extra Capacity P&I

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	<u>Test Yr.</u>	Res	Com	Total	
Principal & Interest					
Bonds Payable	\$ 28,973	33	\$ 26,798	\$ 2,175	\$ 28,973
Subtotal Principal & Interest	<u>\$ 28,973</u>		<u>\$ 26,798</u>	<u>\$ 2,175</u>	<u>\$ 28,973</u>
Total Debt Service	<u>\$ 28,973</u>		<u>\$ 26,798</u>	<u>\$ 2,175</u>	<u>\$ 28,973</u>

Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Allocation of Customer P&I

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	<u>Test Yr.</u>	Res	Com	Total	
Principal & Interest					
Bonds Payable	\$ 17,014	21	\$ 16,661	\$ 352	\$ 17,014
Subtotal Principal & Interest	<u>\$ 17,014</u>		<u>\$ 16,661</u>	<u>\$ 352</u>	<u>\$ 17,014</u>
Total Debt Service	<u>\$ 17,014</u>		<u>\$ 16,661</u>	<u>\$ 352</u>	<u>\$ 17,014</u>

Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Allocation of P&I

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	<u>Test Yr.</u>	Res	Com	Total
Principal & Interest				
Bonds Payable	<u>\$ 117,948</u>	<u>\$ 110,637</u>	<u>\$ 7,311</u>	<u>\$ 117,948</u>
Subtotal Principal & Interest	<u>\$ 117,948</u>	<u>\$ 110,637</u>	<u>\$ 7,311</u>	<u>\$ 117,948</u>
Total Debt Service	<u>\$ 117,948</u>	<u>\$ 110,637</u>	<u>\$ 7,311</u>	<u>\$ 117,948</u>
		94%	6%	100%

Fixed Expenses

Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Classification of Fixed Expenses

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	<u>Actual</u>	<u>Adj.</u>	<u>Test Yr.</u>	<u>Base</u>	<u>Ex-Cap</u>	<u>Cust</u>	<u>Total</u>	<u>Description</u>	<u>Base</u>	<u>Ex-Cap</u>	<u>Cust</u>	<u>Total</u>
Depreciation												
Depreciation	\$ 138,203		\$ 138,203	60%	24%	16%	100%	As TUPIS *	\$ 82,381	\$ 33,168	\$ 22,653	\$ 138,203
Subtotal Depreciation	\$ 138,203		\$ 138,203						\$ 82,381	\$ 33,168	\$ 22,653	\$ 138,203
									60%	24%	16%	100%
Total Fixed Expenses	\$ 138,203	\$ -	\$ 138,203						\$ 82,381	\$ 33,168	\$ 22,653	\$ 138,203

Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Allocation of Base Fixed Expenses

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	<u>Test Yr.</u>		Res	Com	Total
Depreciation					
Depreciation	\$ 82,381	30	\$ 76,905	\$ 5,477	\$ 82,381
Subtotal Depreciation	<u>\$ 82,381</u>		<u>\$ 76,905</u>	<u>\$ 5,477</u>	<u>\$ 82,381</u>
Total Fixed Expenses	<u>\$ 82,381</u>		<u>\$ 76,905</u>	<u>\$ 5,477</u>	<u>\$ 82,381</u>

Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Allocation of Extra Capacity Fixed Expenses

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	<u>Test Yr.</u>		Res	Com	Total
Depreciation					
Depreciation	\$ 33,168	33	\$ 30,679	\$ 2,490	\$ 33,168
Subtotal Depreciation	<u>\$ 33,168</u>		<u>\$ 30,679</u>	<u>\$ 2,490</u>	<u>\$ 33,168</u>
Total Fixed Expenses	<u>\$ 33,168</u>		<u>\$ 30,679</u>	<u>\$ 2,490</u>	<u>\$ 33,168</u>

Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Allocation of Customer Fixed Expenses

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	<u>Test Yr.</u>		Res	Com	Total
Depreciation					
Depreciation	\$ 22,653	21	\$ 22,184	\$ 469	\$ 22,653
Subtotal Depreciation	<u>\$ 22,653</u>		<u>\$ 22,184</u>	<u>\$ 469</u>	<u>\$ 22,653</u>
Total Fixed Expenses	<u>\$ 22,653</u>		<u>\$ 22,184</u>	<u>\$ 469</u>	<u>\$ 22,653</u>

Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Allocation of Fixed Expenses

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	<u>Test Yr.</u>	Res	Com	Total
Depreciation				
Depreciation	\$ 138,203	\$ 129,767	\$ 8,435	\$ 138,203
Subtotal Depreciation	<u>\$ 138,203</u>	<u>\$ 129,767</u>	<u>\$ 8,435</u>	<u>\$ 138,203</u>
Total Fixed Expenses	<u>\$ 138,203</u>	<u>\$ 129,767</u>	<u>\$ 8,435</u>	<u>\$ 138,203</u>
		94%	6%	100%

Capital Improvements

Mooresburg Utility District
 Water Cost of Service-12-Months Ending December 2022
 Classification of CIP
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Capital Improvement Plan	Actual	TYA	Growth	Test Yr.	Base	Ex-Cap	Cust	Total	Description	Base	Ex-Cap	Cust	Total	Total CIP	Growth	R, R & Ext.	Growth	R, R & Ext.	Total
Water Filter Building	\$ 155,000		\$ -	\$ 155,000	61%	25%	14%	100%	As Dist Plt *	\$ 94,567	\$ 38,075	\$ 22,358	\$ 155,000	\$ 155,000	0%	100%	\$ -	\$ 155,000	\$ 155,000
Big Hill Rd	\$ 343,486		\$ -	\$ 343,486	61%	25%	14%	100%	As Dist Plt *	\$ 209,564	\$ 84,375	\$ 49,547	\$ 343,486	\$ 343,486	0%	100%	\$ -	\$ 343,486	\$ 343,486
Mooresburg Springs A	\$ 300,550		\$ -	\$ 300,550	61%	25%	14%	100%	As Dist Plt *	\$ 183,369	\$ 73,828	\$ 43,353	\$ 300,550	\$ 300,550	0%	100%	\$ -	\$ 300,550	\$ 300,550
Mooresburg Springs B	\$ 366,690		\$ -	\$ 366,690	61%	25%	14%	100%	As Dist Plt *	\$ 223,721	\$ 90,075	\$ 52,894	\$ 366,690	\$ 366,690	0%	100%	\$ -	\$ 366,690	\$ 366,690
Murphy Rd	\$ 228,667		\$ -	\$ 228,667	61%	25%	14%	100%	As Dist Plt *	\$ 139,512	\$ 56,170	\$ 32,985	\$ 228,667	\$ 228,667	0%	100%	\$ -	\$ 228,667	\$ 228,667
Big Hill Rd/Hickory Nut Lane	\$ 777,846		\$ -	\$ 777,846	61%	25%	14%	100%	As Dist Plt *	\$ 474,572	\$ 191,072	\$ 112,202	\$ 777,846	\$ 777,846	0%	100%	\$ -	\$ 777,846	\$ 777,846
Midway Church Rd	\$ 449,034		\$ -	\$ 449,034	61%	25%	14%	100%	As Dist Plt *	\$ 273,960	\$ 110,302	\$ 64,772	\$ 449,034	\$ 449,034	0%	100%	\$ -	\$ 449,034	\$ 449,034
Helton Ln/Hwy 31	\$ 399,377		\$ -	\$ 399,377	61%	25%	14%	100%	As Dist Plt *	\$ 243,664	\$ 98,104	\$ 57,609	\$ 399,377	\$ 399,377	0%	100%	\$ -	\$ 399,377	\$ 399,377
Church St/Old Hwy 11-W	\$ 344,302		\$ -	\$ 344,302	61%	25%	14%	100%	As Dist Plt *	\$ 210,062	\$ 84,575	\$ 49,665	\$ 344,302	\$ 344,302	0%	100%	\$ -	\$ 344,302	\$ 344,302
Water Storage Tank	\$ 748,000		\$ -	\$ 748,000	61%	25%	14%	100%	As Dist Plt	\$ 456,363	\$ 183,741	\$ 107,897	\$ 748,000	\$ 748,000	0%	100%	\$ -	\$ 748,000	\$ 748,000
Subtotal Capital Improvement Plan	\$ 4,112,952	\$ -	\$ -	\$ 4,112,952						\$ 2,509,355	\$ 1,010,316	\$ 593,281	\$ 4,112,952	\$ 4,112,952			\$ -	\$ 4,112,952	\$ 4,112,952
					61%	25%	14%	100%									0%	100%	100%
RR&Ext. Amount	\$ 4,112,952																		
Workplan Period	5			\$ 822,590	Amount R&R Related														
				\$ 138,203	Forced into Rates														
				\$ 138,203	Depreciation Check														

Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Allocation of Base CIP

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	<u>Test Yr.</u>		Res	Com	Total
Capital Improvement Plan					
Water Filter Building	\$ 94,567	30	\$ 88,280	\$ 6,287	\$ 94,567
Big Hill Rd	\$ 209,564	30	\$ 195,633	\$ 13,932	\$ 209,564
Mooresburg Springs A	\$ 183,369	30	\$ 171,178	\$ 12,190	\$ 183,369
Mooresburg Springs B	\$ 223,721	30	\$ 208,849	\$ 14,873	\$ 223,721
Murphy Rd	\$ 139,512	30	\$ 130,237	\$ 9,275	\$ 139,512
Big Hill Rd/Hickory Nut Lane	\$ 474,572	30	\$ 443,023	\$ 31,549	\$ 474,572
Midway Church Rd	\$ 273,960	30	\$ 255,748	\$ 18,213	\$ 273,960
Helton Ln/Hwy 31	\$ 243,664	30	\$ 227,465	\$ 16,199	\$ 243,664
Church St/Old Hwy 11-W	\$ 210,062	30	\$ 196,097	\$ 13,965	\$ 210,062
Water Storage Tank	\$ 456,363	30	\$ 426,024	\$ 30,339	\$ 456,363
Subtotal Capital Improvement Plan	<u>\$ 2,509,355</u>		<u>\$ 2,342,535</u>	<u>\$ 166,820</u>	<u>\$ 2,509,355</u>
			93%	7%	100%

Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Allocation of Extra Capacity CIP

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	<u>Test Yr.</u>		Res	Com	Total
Capital Improvement Plan					
Water Filter Building	\$ 38,075	33	\$ 35,217	\$ 2,858	\$ 38,075
Big Hill Rd	\$ 84,375	33	\$ 78,042	\$ 6,333	\$ 84,375
Mooresburg Springs A	\$ 73,828	33	\$ 68,286	\$ 5,541	\$ 73,828
Mooresburg Springs B	\$ 90,075	33	\$ 83,314	\$ 6,761	\$ 90,075
Murphy Rd	\$ 56,170	33	\$ 51,954	\$ 4,216	\$ 56,170
Big Hill Rd/Hickory Nut Lane	\$ 191,072	33	\$ 176,730	\$ 14,342	\$ 191,072
Midway Church Rd	\$ 110,302	33	\$ 102,023	\$ 8,279	\$ 110,302
Helton Ln/Hwy 31	\$ 98,104	33	\$ 90,740	\$ 7,364	\$ 98,104
Church St/Old Hwy 11-W	\$ 84,575	33	\$ 78,227	\$ 6,348	\$ 84,575
Water Storage Tank	\$ 183,741	33	\$ 169,949	\$ 13,791	\$ 183,741
Subtotal Capital Improvement Plan	<u>\$ 1,010,316</u>		<u>\$ 934,483</u>	<u>\$ 75,833</u>	<u>\$ 1,010,316</u>
			92%	8%	100%

Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Allocation of Customer CIP

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	<u>Test Yr.</u>		Res	Com	Total
Capital Improvement Plan					
Water Filter Building	\$ 22,358	21	\$ 21,895	\$ 463	\$ 22,358
Big Hill Rd	\$ 49,547	21	\$ 48,521	\$ 1,026	\$ 49,547
Mooresburg Springs A	\$ 43,353	21	\$ 42,456	\$ 898	\$ 43,353
Mooresburg Springs B	\$ 52,894	21	\$ 51,799	\$ 1,095	\$ 52,894
Murphy Rd	\$ 32,985	21	\$ 32,302	\$ 683	\$ 32,985
Big Hill Rd/Hickory Nut Lane	\$ 112,202	21	\$ 109,879	\$ 2,323	\$ 112,202
Midway Church Rd	\$ 64,772	21	\$ 63,431	\$ 1,341	\$ 64,772
Helton Ln/Hwy 31	\$ 57,609	21	\$ 56,416	\$ 1,193	\$ 57,609
Church St/Old Hwy 11-W	\$ 49,665	21	\$ 48,636	\$ 1,028	\$ 49,665
Water Storage Tank	\$ 107,897	21	\$ 105,663	\$ 2,234	\$ 107,897
Subtotal Capital Improvement Plan	<u>\$ 593,281</u>		<u>\$ 580,998</u>	<u>\$ 12,283</u>	<u>\$ 593,281</u>
			98%	2%	100%

Mooresburg Utility District
Water Cost of Service-12-Months Ending December 2022
Allocation of CIP

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	<u>Test Yr.</u>	Res	Com	Total
Capital Improvement Plan				
Water Filter Building	\$ 155,000	\$ 145,393	\$ 9,607	\$ 155,000
Big Hill Rd	\$ 343,486	\$ 322,195	\$ 21,291	\$ 343,486
Mooresburg Springs A	\$ 300,550	\$ 281,921	\$ 18,629	\$ 300,550
Mooresburg Springs B	\$ 366,690	\$ 343,961	\$ 22,729	\$ 366,690
Murphy Rd	\$ 228,667	\$ 214,493	\$ 14,174	\$ 228,667
Big Hill Rd/Hickory Nut Lane	\$ 777,846	\$ 729,632	\$ 48,214	\$ 777,846
Midway Church Rd	\$ 449,034	\$ 421,201	\$ 27,833	\$ 449,034
Helton Ln/Hwy 31	\$ 399,377	\$ 374,622	\$ 24,755	\$ 399,377
Church St/Old Hwy 11-W	\$ 344,302	\$ 322,961	\$ 21,341	\$ 344,302
Water Storage Tank	\$ 748,000	\$ 701,636	\$ 46,364	\$ 748,000
Subtotal Capital Improvement Plan	<u>\$ 4,112,952</u>	<u>\$ 3,858,015</u>	<u>\$ 254,937</u>	<u>\$ 4,112,952</u>
		94%	6%	100%



Jason E. Mumpower
Comptroller

Entity Referred: **Town of Oliver Springs**

Referral Reason: **Administrative Review**

Utility Type Referred: **Water And Sewer**

Staff Summary:

The Town of Oliver Springs (“the Entity”) operates a water and sewer system in Anderson County. The entity serves 2169 water customers and 1457 wastewater customers. The entity’s governing body is listed below.

Jason Stiltner, Mayor
Jeff Bass, Alderman
Kenneth Brown, Alderman
James Brummett, Alderman
Terry Holland, Alderman
Robert Miller, Alderman
Teresa Van Hook, Alderman

The governing body is not in compliance with all relevant training laws

Management

The Entity was previously managed by Thomas McCormick. Mr. McCormick was responsible for the general management of the district, including field and office operations. While manager, the Entity experienced non-revenue water loss exceeding 70%. When leadership became aware of the non-revenue water loss, Mr. McCormick’s employment was terminated in April of 2023 and he was approved to receive a severance package.

When the town manager position became available, Mr. Cory Jenkins was hired. Mr. Jenkins accepted the position with a 6-month probation period to determine if he was suited for the job. Mr. Jenkins satisfied this requirement and is still in the position of Town Manager. Board staff believes that Mr. Jenkins can improve water loss and work with outside consultants to improve the financial position of the entity.

Water Loss

The Entity reported non-revenue water loss of 76% in their most recent Annual Information Report submission. The Entity has provided a non-revenue water loss plan that includes replacing service lines, removing old lines, and installing new meters starting November, 2023. Additionally, the Entity is working with Water Finance Exchange and Performance Services on identifying problem areas, potential solutions, funding opportunities, and contacts with expertise in the water industry.

Rates

The Entity has been financially distressed for three years, and has a negative statutory net position of \$510,313 for FY2022. The Entity recently raised inside water and wastewater rates. Additionally, the Entity is under Board order to have a rate study completed by December 31, 2023. The Entity has contracted with Jackson Thornton & Co., PC to complete the rate study.

Feasibility Study

The Entity also has an outstanding order to have a feasibility study of a merger between the Entity and the utility system of Oak Ridge, as well as other with other utility systems in the area. This study must be completed by March 31, 2024. The Entity is working to complete this requirement.

When the Entity has completed all outstanding orders, an assessment will need to be done to determine if further action is needed.

Staff Recommendation:

The Board should order the following:

1. By December 31, 2023 the Entity shall send Board staff proof that all members of the utility system's governing body have complied with the applicable training requirements.
2. This Order does not supersede or withdraw the requirements of any previous orders.

Oliver Springs

	Category: Water And Sewer		County: Anderson; Morgan; Roane	
	2019	2020	2021	2022
Net Assets	\$15,117,177.00	\$18,197,587.00	\$18,266,874.00	\$18,005,807.00
Deferred Outflow Resources	\$63,861.00	\$67,662.00	\$78,114.00	\$233,414.00
Net Liabilities	\$6,940,676.00	\$7,913,518.00	\$7,413,216.00	\$7,647,862.00
Deferred Inflow Resources	\$49,497.00	\$46,689.00	\$20,769.00	\$190,669.00
Total Net Position	\$8,190,865.00	\$10,305,042.00	\$10,911,003.00	\$10,400,690.00
Operating Revenues	\$1,831,395.00	\$1,868,625.00	\$1,940,079.00	\$1,974,686.00
Net Sales	\$1,699,113.00	\$1,747,651.00	\$1,831,735.00	\$1,858,566.00
Operating Expenses	\$1,719,900.00	\$2,106,446.00	\$2,409,627.00	\$2,442,937.00
Depreciation Expenses	\$452,744.00	\$464,336.00	\$522,819.00	\$549,925.00
Non Operating Revenues	-\$55,695.00	-\$77,580.00	-\$74,865.00	-\$79,059.00
Capital Contributions	\$5,893.00	\$2,388,351.00	\$1,150,374.00	\$36,997.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$102,920.00	\$2,072,950.00	\$605,961.00	-\$510,313.00
Statutory Change In Net Position	\$138,254.00	-\$315,401.00	-\$544,413.00	-\$547,310.00



JASON E. MUMPOWER
Comptroller

October 3, 2023

Please fill out the following questionnaire and include any supporting documents that have been requested. These documents are being requested for the October 26, 2023, Tennessee Board of Utility Regulation Meeting.

Section 1. Governing Body Information

If any of the pre-filled elected official information is incorrect, please note the changes needed to ensure that we have the correct list of Governing Body members for the Town.

1. Fill out the following table:

Title	Name	Initial Appointment Month and Year	Most Recent Appointment Month and Year	Is this individual a Water Customer?	Is this individual a Sewer customer?
Mayor	Jason Stilitner		Nov. 2022	yes	yes
Alderman	Robert Miller	Nov 2014	Nov. 2022	yes	yes
Alderman	Jeff Bass	Nov 2014	Nov. 2022	yes	yes
Alderman	Kenneth Brown	Nov 2020	Nov. 2020	yes	yes
Alderman	Teresa VanHook	April 2023	April 2023	yes	yes
Alderman	Terry Holland	April 2023	April 2023	yes	yes
Alderman	James Brummitt	Nov 2020	Nov. 2020	yes	yes

Note: The initial appointment date is the first appointment date in Alderman's current line of service history. For example, if someone was appointed in November of 2012, and has consistently been reappointed, please list November of 2012 as their initial appointment month and year. If someone was appointed in November of 2012, was not reappointed in 2016, then was appointed in 2020, please list November 2020 as the initial election month and year.

2. Provide proof of Jason Stilitner's compliance with the 12 hour training requirement in their most recent training period. Label this as Exhibit 1. If this individual is out of compliance with the training requirements, please provide a written explanation. Label this as Exhibit 1.
3. Provide proof of Robert Miller's compliance with the 12 hour training requirement in their most recent training period. Label this as Exhibit 1. If this individual is out of compliance with the training requirements, please provide a written explanation. Label this as Exhibit 2.



JASON E. MUMPOWER
Comptroller

4. Provide proof of Jeff Bass's compliance with the 12 hour training requirement in their most recent training period. Label this as Exhibit 1. If this individual is out of compliance with the training requirements, please provide a written explanation. Label this as Exhibit 3.
5. Provide proof of Kenneth Brown's compliance with the 12 hour training requirement in their most recent training period. Label this as Exhibit 1. If this individual is out of compliance with the training requirements, please provide a written explanation. Label this as Exhibit 4.
6. Provide proof of Teresa VanHook's compliance with the 12 hour training requirement in their most recent training period. Label this as Exhibit 1. If this individual is out of compliance with the training requirements, please provide a written explanation. Label this as Exhibit 5.
7. Provide proof of Terry Holland's compliance with the 12 hour training requirement in their most recent training period. Label this as Exhibit 1. If this individual is out of compliance with the training requirements, please provide a written explanation. Label this as Exhibit 6.
8. Provide proof of James Brummitt's compliance with the 12 hour training requirement in their most recent training period. Label this as Exhibit 1. If this individual is out of compliance with the training requirements, please provide a written explanation. Label this as Exhibit 7.
9. Does the Town provide health or life insurance for the Board of Commissioners? If so, please provide the costs of these plans for the Commissioners. Label this as Exhibit 8.

Section 2. Utility Rates

1. Provide a 5 year history of the rates and fees for the utility. Label this as Exhibit 9.
2. Provide a written statement as to any future rate increases that are currently planned. If there are no rate increases planned, please indicate so. Label this as Exhibit 10

Section 3. Policies and Contracts

1. Provide a copy of the Town's Capitalization policy. Label this as Exhibit 11.
2. Provide a copy of the Town's Purchasing policy. Label this as Exhibit 12.
3. Provide a copy of the Town's Debt Management policy. Label this as Exhibit 13.
4. Provide a copy of the Town's Leak Adjustment policy. Label this as Exhibit 14.

Section 4. Infrastructure and Improvements

1. Provide a copy of the capital asset list for the Town. Label this as Exhibit 15.



JASON E. MUMPOWER
Comptroller

Exhibits	Document
Exhibit 1	Jason Stilitner Training Statements
Exhibit 2	Robert Miller Training Statements
Exhibit 3	Jeff Bass Training Statements
Exhibit 4	Kenneth Browns Training Statements
Exhibit 5	Teresa VanHook's Training Statements
Exhibit 6	Terry Holland's Training Statements
Exhibit 7	James Brummitt's Training Statements
Exhibit 8	Governing Body Health and Life Insurance Information
Exhibit 9	Town Rates History
Exhibit 10	Future Rate Plans
Exhibit 11	Capitalization Policy
Exhibit 12	Purchasing Policy
Exhibit 13	Debt Management Policy
Exhibit 14	Leak Adjustment Policy
Exhibit 15	Capital Asset List

If you need to contact our office, please call 615.747.5260 or email utilities@cot.tn.gov. You may also respond to this letter at the following address:

Tennessee Comptroller of the Treasury
Local Government Finance
Cordell Hull Building
425 Rep. John Lewis Way N.
Nashville, TN 37243

Sincerely,

Ben Johnson, Financial Analyst

Jason Stiltner/Mayor
Joseph Van Hook
City Recorder/Judge
C. Cory Jenkins
City Manager
Ramona Walker
Court Clerk/Finance Officer

Town of Oliver Springs

717 Main St. -P.O. Box 303
Oliver Springs, TN 37840
Ph (865) 435-7722 Fax (865) 435-4881

Aldermen
Robert Miller
Jeff Bass
Kenneth Brown
Teresa Van Hook
Terry Holland
James Brummett

October 20, 2023

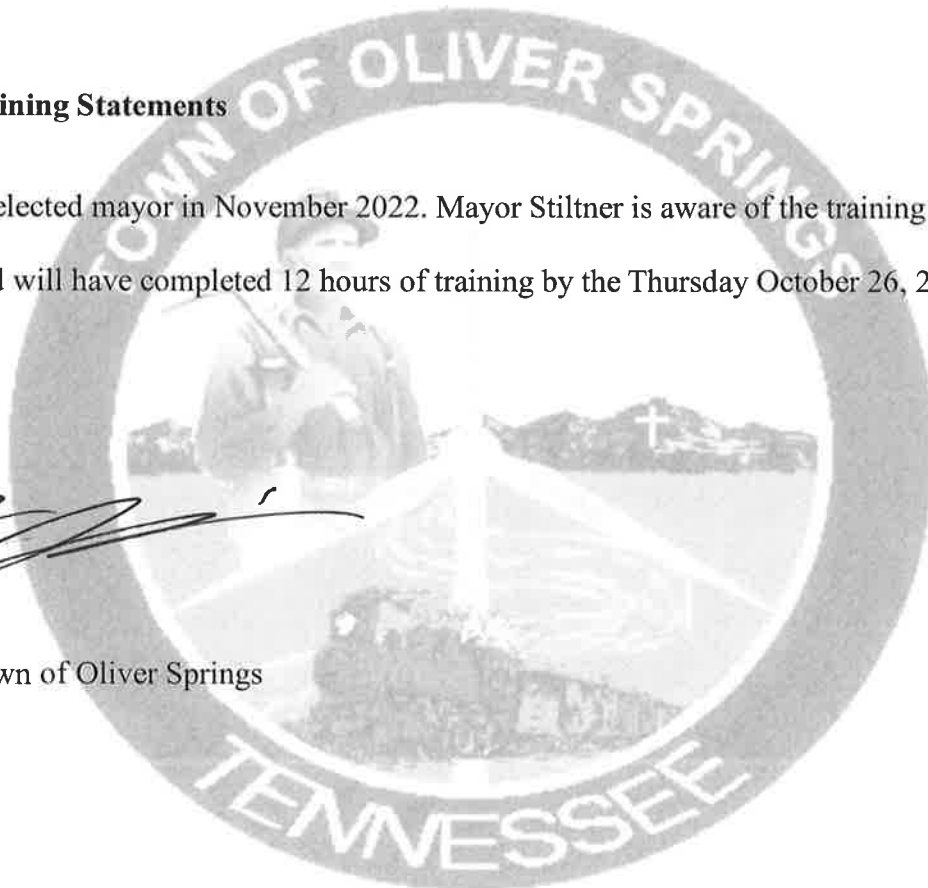
Exhibit 1
Jason Stiltner Training Statements

Jason Stiltner was elected mayor in November 2022. Mayor Stiltner is aware of the training requirements for water board members and will have completed 12 hours of training by the Thursday October 26, 2023, TBOUR Meeting.

Signed:



C. Cory Jenkins
City Manager – Town of Oliver Springs



TBOUR Annual Statement of Utility Board Governing Body Training

This Annual Statement must be filed with your utility by January 31 of each year to certify the training and continuing education courses you attended during the prior calendar year. If no training or continuing education courses were attended the prior calendar year, an Annual Statement should be timely signed and filed stating that 0 hours were attended.

First and Last Name	Robert Miller
Filing Year	2023
Name of Utility	Oliver Springs Water Board
Date of Most Recent Appointment or Election	Nov. 2022
Was this your first Appointment or Election? Yes or No?	Yes or <input checked="" type="radio"/> No

11/6/19

Date Attended	Subject Matter	Location	Sponsor	Hours Attended
1/15/23	Cyber Security	ONLINE	TN Comptroller	1
1/15/23	Intro to Depreciation	ONLINE	TN Comptroller	1
1/15/23	Keys Fiscally Manage. Cost	ONLINE	TN Comptroller	1
11/6/19	Public Records-Open Meet 1	ONLINE	TN Comptroller	1
11/7/19	Public Records-Open Meetings-2	ONLINE	TN Comptroller	1
11/7/19	Fraud Can't Happen Here	ONLINE	TN Comptroller	1
11/7/19	Utility Conveyance	ONLINE	TN Comptroller	1
11/7/19	Water Loss Assessment-2	ONLINE	TN Comptroller	1
11/7/19	GASB Basics 101-2	ONLINE	TN Comptroller	1
Total Hours Attended				9

Please attach the Certificate of Attendance for each course listed.

Signature:  Date Signed: 10-20-23



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Robert Miller

HAS SUCCESSFULLY COMPLETED

Cyber Security (1 hour credit)

A blue ink signature of Jason E. Mumpower, written over a horizontal line.

Jason E. Mumpower, Comptroller of the Treasury

1/15/2023

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Robert Miller

HAS SUCCESSFULLY COMPLETED

Introduction to Depreciation (1 hour credit)

A blue ink signature of Jason E. Mumpower, written over a horizontal line.

Jason E. Mumpower, Comptroller of the Treasury

1/15/2023

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Robert Miller

HAS SUCCESSFULLY COMPLETED

in Keys to a Fiscally Well-Managed Government (1 hour cr

A handwritten signature in blue ink, appearing to read "Jason E. Mumpower".

Jason E. Mumpower, Comptroller of the Treasury

1/15/2023

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Robert Miller

HAS SUCCESSFULLY COMPLETED

Public Records and Open Meetings Part 1 (1 Hour of Credit)

A handwritten signature in black ink that reads "Justin P. Wilson".

Justin P. Wilson, Comptroller

11/6/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Robert Miller

HAS SUCCESSFULLY COMPLETED

Public Records and Open Meetings Part 2 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

11/7/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Robert Miller

HAS SUCCESSFULLY COMPLETED

Fraud Can't Happen Here (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

11/7/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Robert Miller

HAS SUCCESSFULLY COMPLETED

Utility Conveyance System; I&I and Water Loss Reduction (1 Hour of Credit)

A handwritten signature in black ink that reads "Justin P. Wilson".

Justin P. Wilson, Comptroller

11/7/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Robert Miller

HAS SUCCESSFULLY COMPLETED

Water Loss Assessment Part 2 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

11/7/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Robert Miller

HAS SUCCESSFULLY COMPLETED

GASB Basics 101 Part 2 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

11/7/2019

Date of Completion

TBOUR Annual Statement of Utility Board Governing Body Training

This Annual Statement must be filed with your utility by January 31 of each year to certify the training and continuing education courses you attended during the prior calendar year. If no training or continuing education courses were attended the prior calendar year, an Annual Statement should be timely signed and filed stating that 0 hours were attended.

First and Last Name	Jeff Bass
Filing Year	2023
Name of Utility	Oliver Springs Water Board
Date of Most Recent Appointment or Election	Nov. 2022
Was this your first Appointment or Election? Yes or No?	Yes or <input checked="" type="radio"/> No

Date Attended	Subject Matter	Location	Sponsor	Hours Attended
11/6/19	Budgeting for WWFB	ONLINE	TN Comptroller	1
11/8/19	Comm. with Customers	ONLINE	TN Comptroller	1
11/8/19	Intro, Comptroller's - Utility	ONLINE	TN Comptroller	1
10/20/23	Debt Overview - Utilities	ONLINE	TN Comptroller	1
10/20/23	Public Records - Open Meetings - 1	ONLINE	TN Comptroller	1
10/20/23	Public Records - Open Meetings - 2	ONLINE	TN Comptroller	1
Total Hours Attended				

Please attach the Certificate of Attendance for each course listed.

Signature:  Date Signed: 10-20-23



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Jeffery Bass

HAS SUCCESSFULLY COMPLETED

Budgeting for WWFB Utilities (1 Hour of Credit)

A blue ink signature of Jason E. Mumpower, written in a cursive style.

Jason E. Mumpower, Comptroller of the Treasury

11/8/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Jeffery Bass

HAS SUCCESSFULLY COMPLETED

Communicating with Customers (1 Hour of Credit)

A handwritten signature in blue ink, appearing to read "Jason E. Mumpower".

Jason E. Mumpower, Comptroller of the Treasury

11/8/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Jeffery Bass

HAS SUCCESSFULLY COMPLETED

Introduction to the Comptroller's Utility Office (1 Hour of Credit)

A handwritten signature in blue ink, appearing to read "Jason E. Mumpower", written over a horizontal line.

Jason E. Mumpower, Comptroller of the Treasury

11/8/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Jeffery Bass

HAS SUCCESSFULLY COMPLETED

A Debt Overview for Utilities (1 Hour of Credit)

A blue ink signature of Jason E. Mumpower, written in a cursive style, positioned above a horizontal line.

Jason E. Mumpower, Comptroller of the Treasury

10/20/2023

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Jeffery Bass

HAS SUCCESSFULLY COMPLETED

Public Records and Open Meetings Part 1 (1 Hour of Credit

A handwritten signature in blue ink, appearing to read 'Jason E. Mumpower', written over a horizontal line.

Jason E. Mumpower, Comptroller of the Treasury

10/20/2023

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Jeffery Bass

HAS SUCCESSFULLY COMPLETED

Public Records and Open Meetings Part 2 (1 Hour of Credit

A handwritten signature in blue ink, appearing to read 'Jason E. Mumpower', written over a horizontal line.

Jason E. Mumpower, Comptroller of the Treasury

10/20/2023

Date of Completion


TBOUR Annual Statement of Utility Board Governing Body Training

This Annual Statement must be filed with your utility by January 31 of each year to certify the training and continuing education courses you attended during the prior calendar year. If no training or continuing education courses were attended the prior calendar year, an Annual Statement should be timely signed and filed stating that 0 hours were attended.

First and Last Name	Teresa Van Hook
Filing Year	2023
Name of Utility	Oliver Springs Water Board
Date of Most Recent Appointment or Election	April 2023
Was this your first Appointment or Election? Yes or No?	<input checked="" type="radio"/> Yes or No

Date Attended	Subject Matter	Location	Sponsor	Hours Attended
4/14/23	Keys Fiscally Managed Gov't	ONLINE	TN Comptroller	1
4/14/23	Intro Comptroller's Utility Office	ONLINE	TN Comptroller	1
4/14/23	Intro to Depreciation	ONLINE	TN Comptroller	1
4/15/23	Cyber Security	ONLINE	TN Comptroller	1
4/15/23	Communicating with Customers	ONLINE	TN Comptroller	1
4/16/23	Budgeting NWFB-Utilities	ONLINE	TN Comptroller	1
4/17/23	Debt Overview for Utilities	ONLINE	TN Comptroller	1
4/18/23	Financial Accountability	ONLINE	TN Comptroller	1
4/18/23	Fraud Can't Happen Here	ONLINE	TN Comptroller	1
4/18/23	Internal Controls-Utilities	ONLINE	TN Comptroller	1
4/18/23	GASB Basics 101-1	ONLINE	TN Comptroller	1
4/18/23	GASB Basics 101-2	ONLINE	TN Comptroller	1
4/19/23	Public Records-Open Meetings-1	ONLINE	TN Comptroller	1
4/19/23	Public Records-Open Meetings-2	ONLINE	TN Comptroller	1
Total Hours Attended				14

Please attach the Certificate of Attendance for each course listed.

Signature: 

Date Signed: 10-20-23

TBOUR Annual Statement of Utility Board Governing Body Training

This Annual Statement must be filed with your utility by January 31 of each year to certify the training and continuing education courses you attended during the prior calendar year. If no training or continuing education courses were attended the prior calendar year, an Annual Statement should be timely signed and filed stating that 0 hours were attended.

First and Last Name	Teresa Van Hook
Filing Year	2023
Name of Utility	Oliver Springs Water Board
Date of Most Recent Appointment or Election	April 2023
Was this your first Appointment or Election? Yes or No?	<input checked="" type="radio"/> Yes or No

Date Attended	Subject Matter	Location	Sponsor	Hours Attended
4/20/23	Water Loss Assessment-1	ONLINE	TN Comptroller	1
4/21/23	Water Loss Assessment-2	ONLINE	TN Comptroller	1
4/21/23	Conveyance System I&I - Water Loss	ONLINE	TN Comptroller	1
Total Hours Attended				3

Please attach the Certificate of Attendance for each course listed.

Signature:  Date Signed: 10-20-23



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Teresa O Van Hook

HAS SUCCESSFULLY COMPLETED

in Keys to a Fiscally Well-Managed Government (1 hour cr



Jason E. Mumpower, Comptroller of the Treasury

4/14/2023

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Teresa O Van Hook

HAS SUCCESSFULLY COMPLETED

Introduction to the Comptroller's Utility Office (1 Hour of Credit)



Jason E. Mumpower, Comptroller of the Treasury

4/14/2023

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Teresa O Van Hook

HAS SUCCESSFULLY COMPLETED

Introduction to Depreciation (1 hour credit)

A handwritten signature in blue ink, appearing to read "Jason E. Mumpower".

Jason E. Mumpower, Comptroller of the Treasury

4/14/2023

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Teresa O Van Hook

HAS SUCCESSFULLY COMPLETED

Cyber Security (1 hour credit)

A handwritten signature in blue ink, appearing to read "Jason E. Mumpower".

Jason E. Mumpower, Comptroller of the Treasury

4/15/2023

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Teresa O Van Hook

HAS SUCCESSFULLY COMPLETED

Communicating with Customers (1 Hour of Credit)

A blue ink signature of Jason E. Mumpower, written over a horizontal line.

Jason E. Mumpower, Comptroller of the Treasury

4/15/2023

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Teresa O Van Hook

HAS SUCCESSFULLY COMPLETED

Budgeting for WWFB Utilities (1 Hour of Credit)

A handwritten signature in blue ink, appearing to read "Jason E. Mumpower".

Jason E. Mumpower, Comptroller of the Treasury

4/16/2023

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Teresa O Van Hook

HAS SUCCESSFULLY COMPLETED

A Debt Overview for Utilities (1 Hour of Credit)

A handwritten signature in blue ink, appearing to read "Jason E. Mumpower".

Jason E. Mumpower, Comptroller of the Treasury

4/17/2023

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Teresa O Van Hook

HAS SUCCESSFULLY COMPLETED

Financial Accountability and Fraud Awareness (1 Hour of Cre

A handwritten signature in blue ink, appearing to read "Jason E. Mumpower".

Jason E. Mumpower, Comptroller of the Treasury

4/18/2023

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Teresa O Van Hook

HAS SUCCESSFULLY COMPLETED

Fraud Can't Happen Here (1 Hour of Credit)

A blue ink signature of Jason E. Mumpower.

Jason E. Mumpower, Comptroller of the Treasury

4/18/2023

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Teresa O Van Hook

HAS SUCCESSFULLY COMPLETED

Internal Controls and Fraud in Utilities (1 Hour of Credit)

Jason E. Mumpower, Comptroller of the Treasury

4/18/2023

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Teresa O Van Hook

HAS SUCCESSFULLY COMPLETED

GASB Basics 101 Part 1 (1 Hour of Credit)


Jason E. Mumpower, Comptroller of the Treasury

4/18/2023

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Teresa O Van Hook

HAS SUCCESSFULLY COMPLETED

GASB Basics 101 Part 2 (1 Hour of Credit)

Jason E. Mumpower

Jason E. Mumpower, Comptroller of the Treasury

4/18/2023

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Teresa O Van Hook

HAS SUCCESSFULLY COMPLETED

Public Records and Open Meetings Part 1 (1 Hour of Credit



Jason E. Mumpower, Comptroller of the Treasury

4/19/2023

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Teresa O Van Hook

HAS SUCCESSFULLY COMPLETED

Public Records and Open Meetings Part 2 (1 Hour of Credit



Jason E. Mumpower, Comptroller of the Treasury

4/19/2023

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Teresa O Van Hook

HAS SUCCESSFULLY COMPLETED

Water Loss Assessment Part 1 (1 Hour of Credit)

A handwritten signature in blue ink, appearing to read "Jason E. Mumpower", written over a horizontal line.

Jason E. Mumpower, Comptroller of the Treasury

4/20/2023

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Teresa O Van Hook

HAS SUCCESSFULLY COMPLETED

Water Loss Assessment Part 2 (1 Hour of Credit)

A handwritten signature in blue ink, appearing to read "Jason E. Mumpower", written over a horizontal line.

Jason E. Mumpower, Comptroller of the Treasury

4/21/2023

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Teresa O Van Hook

HAS SUCCESSFULLY COMPLETED

Inventory System; I&I and Water Loss Reduction (1 Hour

Jason E. Mumpower

Jason E. Mumpower, Comptroller of the Treasury

4/21/2023

Date of Completion

TBOUR Annual Statement of Utility Board Governing Body Training

This Annual Statement must be filed with your utility by January 31 of each year to certify the training and continuing education courses you attended during the prior calendar year. If no training or continuing education courses were attended the prior calendar year, an Annual Statement should be timely signed and filed stating that 0 hours were attended.

First and Last Name	Kenneth Brown
Filing Year	2023
Name of Utility	Oliver Springs Water Board
Date of Most Recent Appointment or Election	Nov. 2020
Was this your first Appointment or Election? Yes or No?	Yes or <input checked="" type="radio"/> No

Date Attended	Subject Matter	Location	Sponsor	Hours Attended
9-4-19	Intro Comptrolks Office	ONLINE	TN Comptroller	1
9-4-19	Comm. with Customers	ONLINE	TN Comptroller	1
9-4-19	Budget WWFB-Utilities	ONLINE	TN Comptroller	1
9-4-19	Debt Overview Utilities	ONLINE	TN Comptroller	1
9-4-19	Financial Accountability	ONLINE	TN Comptroller	1
9-5-19	Fraud Can't Happen Here	ONLINE	TN Comptroller	1
9-5-19	Internal Controls	ONLINE	TN Comptroller	1
9-5-19	GASB Basics 101-1	ONLINE	TN Comptroller	1
9-5-19	GASB Basics 101-2	ONLINE	TN Comptroller	1
9-5-19	Public Records- Open Meeting 1	ONLINE	TN Comptroller	1
9-5-19	Public Record- Open Meeting 2	ONLINE	TN Comptroller	1
9-5-19	Water Loss Assess -1	ONLINE	TN Comptroller	1
9-6-19	Water Loss Assess-2	ONLINE	TN Comptroller	1
9-6-19	Utility - I&I Water loss	ONLINE	TN Comptroller	1
Total Hours Attended				14

Please attach the Certificate of Attendance for each course listed.

Signature: 

Date Signed: 10-20-23

TBOUR Annual Statement of Utility Board Governing Body Training

This Annual Statement must be filed with your utility by January 31 of each year to certify the training and continuing education courses you attended during the prior calendar year. If no training or continuing education courses were attended the prior calendar year, an Annual Statement should be timely signed and filed stating that 0 hours were attended.

First and Last Name	Kenneth Brown
Filing Year	2023
Name of Utility	Oliver Springs Water Board
Date of Most Recent Appointment or Election	Nov. 2020
Was this your first Appointment or Election? Yes or No?	Yes or <input checked="" type="radio"/> No

Date Attended	Subject Matter	Location	Sponsor	Hours Attended
1/10/23	Cyber Security	ONLINE	TN Comptroller	1
1/11/23	Intro. to Depreciation	ONLINE	TN Comptroller	1
1/11/23	Keys-Fiscally Well-Managed Government	ONLINE	TN Comptroller	1
Total Hours Attended				3

Please attach the Certificate of Attendance for each course listed.

Signature:  Date Signed: 10-20-23



TENNESSEE
COMPTROLLER
OF THE TREASURY

Certificate of Achievement

THIS ACKNOWLEDGES THAT

Kenneth Brown

HAS SUCCESSFULLY COMPLETED

Introduction to the Comptroller's Utility Office (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

9/4/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Kenneth Brown

HAS SUCCESSFULLY COMPLETED

Communicating with Customers (1 Hour of Credit)

A handwritten signature in black ink that reads "Justin P. Wilson".

Justin P. Wilson, Comptroller

9/4/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Kenneth Brown

HAS SUCCESSFULLY COMPLETED

Budgeting for WWFB Utilities (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

9/4/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Kenneth Brown

HAS SUCCESSFULLY COMPLETED

A Debt Overview for Utilities (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

9/4/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Kenneth Brown

HAS SUCCESSFULLY COMPLETED

Financial Accountability and Fraud Awareness (1 Hour of Credit)

A handwritten signature in black ink that reads "Justin P. Wilson".

Justin P. Wilson, Comptroller

9/4/2019

Date of Completion



TENNESSEE
COMPTROLLER
OF THE TREASURY

Certificate of Achievement

THIS ACKNOWLEDGES THAT

Kenneth Brown

HAS SUCCESSFULLY COMPLETED

Fraud Can't Happen Here (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

9/5/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Kenneth Brown

HAS SUCCESSFULLY COMPLETED

Internal Controls and Fraud in Utilities (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

9/5/2019

Date of Completion



TENNESSEE
COMPTROLLER
OF THE TREASURY

Certificate of Achievement

THIS ACKNOWLEDGES THAT

Kenneth Brown

HAS SUCCESSFULLY COMPLETED

GASB Basics 101 Part 1 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

9/5/2019

Date of Completion



TENNESSEE
COMPTROLLER
OF THE TREASURY

Certificate of Achievement

THIS ACKNOWLEDGES THAT

Kenneth Brown

HAS SUCCESSFULLY COMPLETED

GASB Basics 101 Part 2 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

9/5/2019

Date of Completion



TENNESSEE
COMPTROLLER
OF THE TREASURY

Certificate of Achievement

THIS ACKNOWLEDGES THAT

Kenneth Brown

HAS SUCCESSFULLY COMPLETED

Public Records and Open Meetings Part 1 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

9/5/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Kenneth Brown

HAS SUCCESSFULLY COMPLETED

Public Records and Open Meetings Part 2 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

9/5/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Kenneth Brown

HAS SUCCESSFULLY COMPLETED

Water Loss Assessment Part 1 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

9/5/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Kenneth Brown

HAS SUCCESSFULLY COMPLETED

Water Loss Assessment Part 2 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

9/6/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Kenneth Brown

HAS SUCCESSFULLY COMPLETED

Utility Conveyance System; I&I and Water Loss Reduction (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

9/6/2019

Date of Completion



TENNESSEE
COMPTROLLER
OF THE TREASURY

Certificate of Achievement

THIS ACKNOWLEDGES THAT

Kenneth Brown

HAS SUCCESSFULLY COMPLETED

Cyber Security (1 hour credit)



Jason E. Mumpower, Comptroller of the Treasury

1/10/2023

Date of Completion



TENNESSEE
COMPTROLLER
OF THE TREASURY

Certificate of Achievement

THIS ACKNOWLEDGES THAT

Kenneth Brown

HAS SUCCESSFULLY COMPLETED

Introduction to Depreciation (1 hour credit)

Jason E. Mumpower, Comptroller of the Treasury

1/11/2023

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Kenneth Brown

HAS SUCCESSFULLY COMPLETED

in Keys to a Fiscally Well-Managed Government (1 hour cr


Jason E. Mumpower, Comptroller of the Treasury

1/11/2023

Date of Completion


TBOUR Annual Statement of Utility Board Governing Body Training

This Annual Statement must be filed with your utility by January 31 of each year to certify the training and continuing education courses you attended during the prior calendar year. If no training or continuing education courses were attended the prior calendar year, an Annual Statement should be timely signed and filed stating that 0 hours were attended.

First and Last Name	Terry Holland
Filing Year	2023
Name of Utility	Oliver Springs Water Board
Date of Most Recent Appointment or Election	April 2023
Was this your first Appointment or Election? Yes or No?	<input checked="" type="radio"/> Yes or No

Date Attended	Subject Matter	Location	Sponsor	Hours Attended
10/30/19	Intro Comptroller Office	ONLINE	TN Comptroller	1
10/30/19	Budgeting WWFB Util.	ONLINE	TN Comptroller	1
10/30/19	Water Loss Assess - 1	ONLINE	TN Comptroller	1
10/30/19	Public Records - Open Meeting - 1	ONLINE	TN Comptroller	1
10/30/19	Util. Convoy - I&I Water Loss	ONLINE	TN Comptroller	1
10/31/19	Fraud Can't Happen Here	ONLINE	TN Comptroller	1
10/31/19	Internal Controls - Fraud	ONLINE	TN Comptroller	1
10/31/19	GASB 101 - Pt. 1	ONLINE	TN Comptroller	1
10/31/19	Communicating with Customers	ONLINE	TN Comptroller	1
10/31/19	Debt Overview - Utilities	ONLINE	TN Comptroller	1
10/31/19	Financial Accountability	ONLINE	TN Comptroller	1
11/1/19	GASB 101 - Pt. 2	ONLINE	TN Comptroller	1
11/1/19	Public Records - Open Meeting - 2	ONLINE	TN Comptroller	1
11/1/19	Water Loss Assess - 2	ONLINE	TN Comptroller	1
Total Hours Attended				14

Please attach the Certificate of Attendance for each course listed.

Signature: 

Date Signed: 10-20-23



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Terry Holland

HAS SUCCESSFULLY COMPLETED

Introduction to the Comptroller's Utility Office (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/30/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Terry Holland

HAS SUCCESSFULLY COMPLETED

Introduction to the Comptroller's Utility Office (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/30/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Terry Holland

HAS SUCCESSFULLY COMPLETED

Budgeting for WWFB Utilities (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/30/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Terry Holland

HAS SUCCESSFULLY COMPLETED

Water Loss Assessment Part 1 (1 Hour of Credit)

A handwritten signature in black ink that reads "Justin P. Wilson".

Justin P. Wilson, Comptroller

10/30/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Terry Holland

HAS SUCCESSFULLY COMPLETED

Public Records and Open Meetings Part 1 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/30/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Terry Holland

HAS SUCCESSFULLY COMPLETED

Utility Conveyance System; I&I and Water Loss Reduction (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/30/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Terry Holland

HAS SUCCESSFULLY COMPLETED

Fraud Can't Happen Here (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/31/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Terry Holland

HAS SUCCESSFULLY COMPLETED

Internal Controls and Fraud in Utilities (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/31/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Terry Holland

HAS SUCCESSFULLY COMPLETED

GASB Basics 101 Part 1 (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/31/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Terry Holland

HAS SUCCESSFULLY COMPLETED

Communicating with Customers (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/31/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Terry Holland

HAS SUCCESSFULLY COMPLETED

A Debt Overview for Utilities (1 Hour of Credit)

Justin P. Wilson

Justin P. Wilson, Comptroller

10/31/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Terry Holland

HAS SUCCESSFULLY COMPLETED

Financial Accountability and Fraud Awareness (1 Hour of Credit)

A handwritten signature in black ink that reads "Justin P. Wilson".

Justin P. Wilson, Comptroller

10/31/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Terry Holland

HAS SUCCESSFULLY COMPLETED

GASB Basics 101 Part 2 (1 Hour of Credit)

A handwritten signature in black ink that reads "Justin P. Wilson".

Justin P. Wilson, Comptroller

11/1/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Terry Holland

HAS SUCCESSFULLY COMPLETED

Public Records and Open Meetings Part 2 (1 Hour of Credit)

A handwritten signature in black ink that reads 'Justin P. Wilson'.

Justin P. Wilson, Comptroller

11/1/2019

Date of Completion



Certificate of Achievement

THIS ACKNOWLEDGES THAT

Terry Holland

HAS SUCCESSFULLY COMPLETED

Water Loss Assessment Part 2 (1 Hour of Credit)

A handwritten signature in black ink that reads "Justin P. Wilson".

Justin P. Wilson, Comptroller

11/1/2019

Date of Completion

Jason Stiltner/Mayor
Joseph Van Hook
City Recorder/Judge
C. Cory Jenkins
City Manager
Ramona Walker
Court Clerk/Finance Officer

Town of Oliver Springs

717 Main St. -P.O. Box 303
Oliver Springs, TN 37840
Ph (865) 435-7722 Fax (865) 435-4881

Aldermen
Robert Miller
Jeff Bass
Kenneth Brown
Teresa Van Hook
Terry Holland
James Brummett


October 20, 2023

Exhibit 7

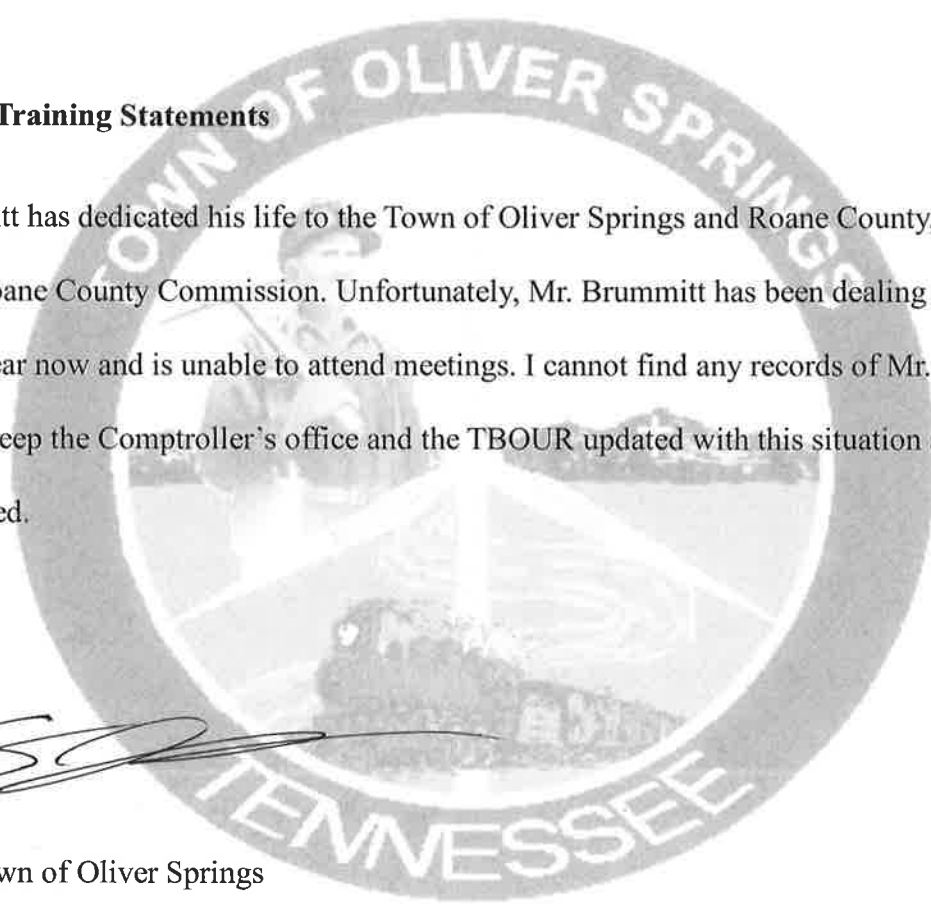
James Brummitt Training Statements

Mr. James Brummitt has dedicated his life to the Town of Oliver Springs and Roane County, serving on the City Council and the Roane County Commission. Unfortunately, Mr. Brummitt has been dealing with serious health issues for over a year now and is unable to attend meetings. I cannot find any records of Mr. Brummitt's training statements. I will keep the Comptroller's office and the TBOUR updated with this situation and if a new council member is appointed.

Signed:



C. Cory Jenkins
City Manager – Town of Oliver Springs



Jason Stiltner/Mayor
Joseph Van Hook
City Recorder/Judge
C. Cory Jenkins
City Manager
Ramona Walker
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October 20, 2023

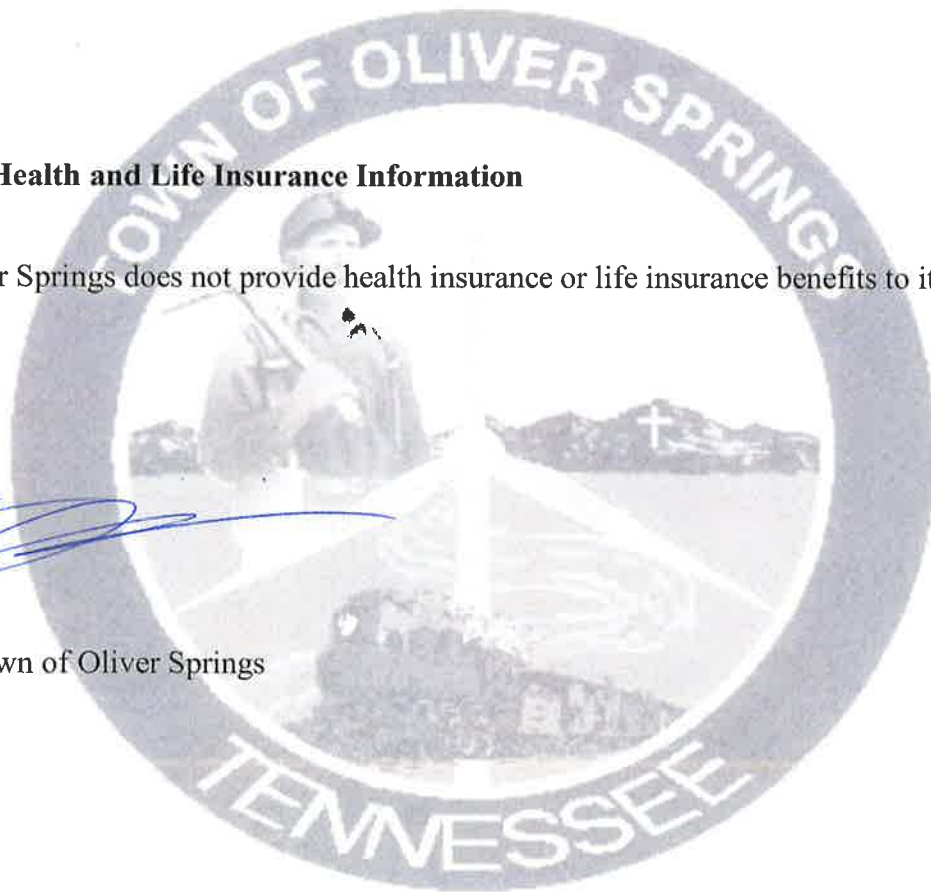
Exhibit 8 Governing Body Health and Life Insurance Information

The Town of Oliver Springs does not provide health insurance or life insurance benefits to its council or water board members.

Signed:



C. Cory Jenkins
City Manager – Town of Oliver Springs



Jason Stiltner/Mayor
 Joseph Van Hook
 City Recorder/Judge
 C. Cory Jenkins
 City Manager
 Ramona Walker
 Court Clerk/Finance Officer

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 Terry Holland
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October 20, 2023

Exhibit 10 Future Rate Plans

In 2019-20, the Oliver Springs Water Board adopted a water rates ordinance with the below statement:

“Annual Rate Changes. *All water and wastewater rates and fees will change annually on July 1st in the amount of 2% to account for inflation or CPI whichever one is greater. These rate and fee changes will occur automatically.”*

I personally do not like this policy, as I would rather the decision for a rate increase be based off previous fiscal year financial data, system maintenance needs, and capital purchases.

Another issue that I have with our current rates, is the 38% difference between the inside water rates versus outside city rates and the 43% difference between the inside sewer rates versus outside city rates. During this past budget cycle, we only raised the inside city water rates 9%, the inside sewer rates 6%, and lowered the minimum bill usage from 1,800 to 1,000 gallons. I plan on addressing the inside/ outside rate structure, even further, during the FY 2024-24 budget cycle.

Signed:



C. Cory Jenkins
 City Manager – Town of Oliver Springs

Jason Stiltner/Mayor
Joseph Van Hook
City Recorder/Judge
C. Cory Jenkins
City Manager
Ramona Walker
Court Clerk/Finance Officer

Town of Oliver Springs

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Aldermen
Robert Miller
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Terry Holland
James Brummett

October 20, 2023

Exhibit 11 Capitalization Policy

I took over the City Manager position on April 6, 2023, one of the first tasks that I began was to review all policies, procedures, and ordinances. I have reviewed our ordinance manual and have not found a Capitalization Policy. The last change to the ordinance manual was in 2020 and the last total recodification was in 2000, per MTAS. At the October 5th, 2023, Council meeting, we adopted a resolution to have MTAS revise and recodify the ordinance manual for the town of Oliver Springs. At this time, we will be adopting a Capitalization policy, as well as updating our Debt Management, Purchasing, and Procurement policies. We will submit a copy of the updated ordinance manual to the Comptroller's Office and TBOUR, for your review.

Signed:



C. Cory Jenkins
City Manager – Town of Oliver Springs

Town of Oliver Springs - Historical Water and Sewer Rate Data

	FY 2006-07		FY 2007-08		FY 2008-09		FY 2009-10		FY 2010-11		FY 2011-12		FY 2012-13		FY 2013-14		FY 2014-15	
	Inside City	Outside City	Inside City	Outside City	Inside City	Outside City	Inside City	Outside City	Inside City	Outside City	Inside City	Outside City	Inside City	Outside City	Inside City	Outside City	Inside City	Outside City
Water Rates																		
at 2,000 Gallons, Minimum	\$7.50	\$14.00	\$7.50	\$14.00	\$7.50	\$14.00	\$7.50	\$14.00	\$7.50	\$14.00	\$7.50	\$14.00	\$8.50	\$15.00	\$10.20	\$18.00	\$10.20	\$18.00
000 (per thousand gallons)	\$4.10	\$7.00	\$4.10	\$7.00	\$4.10	\$7.00	\$4.10	\$7.00	\$4.10	\$7.00	\$4.10	\$7.00	\$5.10	\$8.00	\$6.12	\$9.60	\$6.12	\$9.60
Surcharge		\$4.00		\$4.00		\$4.00		\$4.00		\$4.00		\$4.00		\$4.00		\$4.00		\$4.00
Sewer Rates																		
at 2,000 Gallons, Minimum	\$15.00	\$28.75	\$15.00	\$28.75	\$15.00	\$28.75	\$15.00	\$28.75	\$15.00	\$28.75	\$15.00	\$28.75	\$16.00	\$29.75	\$19.20	\$35.70	\$19.20	\$35.70
000 (per thousand gallons)	\$6.25	\$12.31	\$6.25	\$12.31	\$6.25	\$12.31	\$6.25	\$12.31	\$6.25	\$12.31	\$6.25	\$12.31	\$7.25	\$13.31	\$8.70	\$15.97	\$8.70	\$15.97
Sewer only customers pay	\$30.00		\$30.00		\$30.00		\$30.00		\$30.00		\$30.00							
Tap Fees																		
3/4" Tap	\$500.00	\$700.00	\$500.00	\$700.00	\$500.00	\$700.00	\$1,000.00	\$1,200.00	\$1,000	\$1,200	\$1,000	\$1,200	\$1,000	\$1,200	\$1,000	\$1,200	\$1,000	\$1,200
1" Tap	\$675.00	\$800.00	\$675.00	\$800.00	\$675.00	\$800.00	\$1,500.00	\$1,625.00	\$1,500	\$1,625	\$1,500	\$1,625	\$1,500	\$1,625	\$1,500	\$1,625	\$1,500	\$1,625
1 1/2" Tap	\$750.00	\$925.00	\$750.00	\$925.00	\$750.00	\$925.00												
2"and > Tap	\$1,000.00	\$2,000.00	\$1,000.00	\$2,000.00	\$1,000.00	\$2,000.00	\$1,000.00	\$2,000.00	\$1,000	\$2,000	\$1,000	\$2,000	\$1,000	\$2,000	\$1,000	\$2,000	\$1,000	\$2,000
	meter		meter		meter		meter		meter		meter		meter		meter		meter	
All Size Sewer Tap	\$500.00	\$600.00	\$500.00	\$600.00	\$500.00	\$600.00	\$1,000.00	\$1,100.00	\$1,000	\$1,100	\$1,000	\$1,100	\$1,000	\$1,100	\$1,000	\$1,100	\$1,000	\$1,100
Garbage Rates																		

Town of Oliver Springs - Historical Water and Sewer Rate Data

	FY 2015-16		FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20		FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24		
	Inside	Outside	Inside	Outside	Inside	Outside	Inside	Outside	Inside	Outside	Inside	Outside	Inside	Outside	Inside	Outside	Inside	Outside	
	Water Rates		Water Rates		Water Rates		Water Rates		Water Rates		Water Rates		Water Rates		Water Rates		Water Rates		
First 1,800 Gallons,Minimum	\$11.73	\$20.70	\$11.73	\$20.70	\$11.73	\$ 20.70	\$12.38	\$21.84	\$12.38	\$21.84	\$13.08	\$23.08	\$13.08	\$23.08	\$13.99	\$24.69	First 1,000 Gallons,Minimum	\$15.25	\$24.69
Over 1,800 (per thousand gallons)	\$7.04	\$11.04	\$7.04	\$11.04	\$7.90	\$ 12.86	\$8.33	\$13.71	\$8.33	\$13.71	\$8.81	\$14.34	\$8.81	\$14.34	\$9.42	\$15.30	Over 1,000 (per thousand gallons)	\$10.27	\$15.30
AC (per thousand)		\$4.00	\$4.00	\$4.00						\$1.50							AC (per thousand)		\$1.60
	Sewer Rates		Sewer Rates		Sewer Rates		Sewer Rates		Sewer Rates		Sewer Rates		Sewer Rates		Sewer Rates		Sewer Rates		
First 1,800 Gallons,Minimum	\$22.08	\$41.06	\$22.08	\$41.06	\$22.79	\$42.37	\$22.79	\$42.37	\$22.79	\$42.37	\$24.09	\$44.78	\$24.09	\$44.78	\$25.77	\$47.91	First 1,000 Gallons,Minimum	\$27.32	\$47.91
Over 1,800 (per thousand gallons)	\$10.01	\$18.37	\$10.01	\$18.37	\$13.79	\$25.01	\$13.79	\$25.01	\$13.79	\$25.01	\$14.57	\$26.43	\$14.57	\$26.43	\$15.59	\$28.28	Over 1,000 (per thousand gallons)	\$16.53	\$28.28
AC (per thousand)							\$25.01		\$25.01		\$25.01		\$28.82		\$28.82		AC (per thousand)		\$28.82
	Tap Fees		Tap Fees		Tap Fees		Tap Fees		Tap Fees		Tap Fees		Tap Fees		Tap Fees		Tap Fees		
3/4" Tap	\$1,000	\$1,200	\$1,000	\$1,200	\$1,000	\$1,200	\$1,000	\$1,200	\$1,000	\$1,200	\$1,000	\$1,200	\$1,000	\$1,200	\$1,500	\$1,500	3/4" Tap	\$1,500	\$1,500
1" Tap	\$1,500	\$1,625	\$1,500	\$1,625	\$1,500	\$1,625	\$1,500	\$1,625	\$1,500	\$1,625	\$1,500	\$1,625	\$1,500	\$1,625	\$1,800	\$1,800	1" Tap	\$1,750	\$1,750
2"and > Tap	\$1,000	\$2,000	\$1,750	\$2,000	\$1,750	\$2,000	\$1,750	\$2,000	\$1,750	\$2,000	\$1,750	\$2,000	\$1,750	\$2,000	\$1,750	\$2,000	2"and > Tap	\$500	\$500
	+ labor, material and meter		+ labor, material and meter		+ labor, material and meter		+ labor, material and meter		+ labor, material and meter		+ labor, material and meter		+ labor, material and meter		+ labor, material and meter			+ labor, material, and meter	
All Size Sewer Tap	\$1,000	\$1,100	\$1,000	\$1,100	\$1,000	\$1,100	\$1,000	\$1,100	\$1,000	\$1,100	\$1,000	\$1,100	\$1,000	\$1,100	\$1,000	\$1,100	All Size Sewer Tap	\$1,250	\$1,250
	Garbage Rates		Garbage Rates		Garbage Rates		Garbage Rates		Garbage Rates		Garbage Rates		Garbage Rates		Garbage Rates		Garbage Rates		
Residential	\$8.00		\$8.00		\$8.00		\$8.00		\$8.88		\$8.88		\$8.88		\$10.20		Residential	\$10.20	

CHAPTER 9

PURCHASING POLICY

SECTION

- 5-901. Purchasing process.
- 5-902. Purchase orders.
- 5-903. Invoice processing.
- 5-904. Check signing.
- 5-905. Payment audits.

5-901. Purchasing process. The request for a purchase will be sent directly to the department supervisor for review and approval. The department supervisor will review the request and determine if the purchase required. If the purchase cost is one hundred dollars (\$100.00) or less the department supervisor can approve the request and purchase the item requested. If the cost of the item is over one hundred dollars (\$100.00) the department supervisor or town manager will complete a purchase order with the following requirements and obtain the required approvals. The following table describes the purchase order requirements and approvals:

	Requirements	Approval
Purchase levels		
Less than \$100.00	P.O.	Department head
Between \$101.00 and \$500.00	P.O.	Town manager or police chief
Between \$501.00 and \$2,500.00	P.O. and 3 quotes*	Town manager or police chief
Between \$2,501.00 and \$5,000.00	P.O. and 3 quotes*	Town mayor
Between \$5,001.00 and \$10,000.00	P.O. and 3 quotes*	Town council
Over \$10,000	Advertised sealed bids	Town council
Contracts	Contract and 3 quotes*	Town council
Leases	Contract and 3 quotes	Town council

*Quotes may be waived for sole sourced items or services and in the case of an emergency. All emergency cases will be ratified by town council.
(as added by Ord. #2015-02-05, Feb. 2015, and replaced by Ord. #2017-03-02B, March 2017 *Ch3_2-7-19*)



5-902. Purchase orders. The department supervisors will assist the administrative assistant with the initiation of purchase orders including compliance with requirements and approvals. When complete the administrative assistant will approve the purchase order and retain one (1) copy and give one (1) copy to the department supervisor and one (1) copy to either the general fund or water department. (as added by Ord. #2015-02-05, Feb. 2015, and replaced by Ord. #2017-03-02B, March 2017 *Ch3_2-7-19*)

5-903. Invoice processing. The finance personnel are responsible for matching the purchase order to the invoice and insuring the costs balance. They are also responsible for printing the checks and forwarding them to the appropriate personnel for signatures. (as added by Ord. #2015-02-05, Feb. 2015, and replaced by Ord. #2017-03-02B, March 2017 *Ch3_2-7-19*)

5-904. Check signers. Authorization for signing checks will be determined by town council. (as added by Ord. #2015-02-05, Feb. 2015, and replaced by Ord. #2017-03-02B, March 2017 *Ch3_2-7-19*)

5-905. Payment audits. All pre-check registers will be audited and approved by the town manager, police chief or mayor. All payroll registers will be approved by the mayor or the town manager in the mayor's absence. (as added by Ord. #2017-03-02B, March 2017 *Ch3_2-7-19*)

CHAPTER 8

DEBT POLICY

SECTION

- 5-801. Purpose.
- 5-802. Definition of debt.
- 5-803. Approval of debt.
- 5-804. Transparency.
- 5-805. Role of debt.
- 5-806. Types and limits of debt.
- 5-807. Use of variable rate debt.
- 5-808. Use of derivatives.
- 5-809. Costs of debt.
- 5-810. Refinancing outstanding debt.
- 5-811. Professional services.
- 5-812. Conflicts.
- 5-813. Review of policy.
- 5-814. Compliance.

5-801. Purpose. The purpose of this debt policy is to establish a set of parameters by which debt obligations will be undertaken by the Town of Oliver Springs, Tennessee. This policy reinforces the commitment of the town and its officials to manage the financial affairs of the town so as to minimize risk, avoid conflicts of interest and ensure transparency while still meeting the capital needs of the town. A debt management policy signals to the public and the rating agencies that the town is using a disciplined and defined approach to financing capital needs and fulfills the requirements of the State of Tennessee regarding the adoption of a debt management policy.

The goal of this policy is to assist decision makers in planning, issuing and managing debt obligations by providing clear direction as to the steps, substance and outcomes desired. In addition, greater stability over the long-term will be generated by the use of consistent guidelines in issuing debt. (as added by Ord. #2012-03-05, March 2012)

5-802. Definition of debt. All obligations of the town to repay, with or without interest, in installments and/or at a later date, some amount of money utilized for the purchase, construction, or operation of town resources. This includes but is not limited to notes, bond issues, capital leases, and loans of any type whether from an outside source such as a bank or other lending institution or from another internal fund. (as added by Ord. #2012-03-05, March 2012)

5-803. Approval of debt. Bond anticipation notes, capital outlay notes, grant anticipation notes, and tax and revenue anticipation notes will be

5-14

submitted to the State of Tennessee Comptroller's Office and the town council prior to issuance or entering into the obligation. A plan for refunding debt issues will also be submitted to the comptroller's office prior to issuance. Capital or equipment leases may be entered into by the town council; however, details on the lease agreement will be forwarded to the comptroller's office on the specified form within forty-five (45) days. (as added by Ord. #2012-03-05, March 2012)

5-804. Transparency. (1) The town shall comply with legal requirements for notice and for public meetings related to debt issuance.

(2) All notices shall be posted in the customary and required posting locations, including as required local newspapers, bulletin boards, and websites.

(3) All costs (including principal, interest, issuance, continuing, and one (1) time) shall be clearly presented and disclosed to the citizens, town council, and other stakeholders in a timely manner.

(4) The terms and life of each debt issue shall be clearly presented and disclosed to the citizens/members, town council, and other stakeholders in a timely manner.

(5) A debt service schedule outlining the rate of retirement for the principal amount shall be clearly presented and disclosed to the citizens/members, town council, and other stakeholders in a timely manner. (as added by Ord. #2012-03-05, March 2012)

5-805. Role of debt. (1) Long-term debt shall not be used to finance current operations. Long-term debt may be used for capital purchases or construction identified through the capital improvement, regional development, transportation, or master process or plan. Short-term debt may be used for certain projects and equipment financing as well as for operational borrowing; however, the town will minimize the use of short-term cash flow borrowings by maintaining adequate working capital and close budget management.

(2) In accordance with generally accepted accounting principles and state law,

(a) The maturity of the underlying debt will not be more than the useful life of the assets purchased or built with the debt, not to exceed thirty (30) years; however, an exception may be made with respect to federally sponsored loans, provided such an exception is consistent with law and accepted practices.

(b) Debt issued for operating expenses must be repaid within the same fiscal year of issuance or incurrence. (as added by Ord. #2012-03-05, March 2012)

5-806. Types and limits of debt. (1) The town will seek to limit total outstanding debt obligations in an amount not to exceed seventy-five percent (75%) of the total gross revenues from all sources received by the town in a given fiscal year.

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(2) The limitation on total outstanding debt must be reviewed prior to the issuance of any new debt.

(3) The town's total outstanding debt obligation will be monitored and reported to the town council by the town finance officer. The town finance officer shall monitor the maturities and terms and conditions of all obligations to ensure compliance. The town finance officer shall also report to the town council any matter that adversely affects the credit or financial integrity of the town.

(4) The town has issued in the past various types of instruments evidencing indebtedness and is authorized to issue general obligation bonds, revenue bonds, TIFs, loans, notes and other debt allowed by law.

(5) The town will seek to structure debt with level or declining debt service payments as determined at that time to be the best type of structure for indebtedness over the life of each instrument of indebtedness and/or project, property, or improvement arising out of said indebtedness.

(6) As a rule, the town will not backload, use "wrap-around" techniques, balloon payments or other exotic formats to pursue the financing of projects. When refunding opportunities, natural disasters, other non-general fund revenues, or other external factors occur, the town may utilize non-level debt methods. However, the use of such methods must be thoroughly discussed in a public meeting and the mayor and governing body must determine such use is justified and in the best interest of the town.

(7) The town may use capital leases to finance short-term projects.

(8) Bonds backed with a general obligations pledge often have lower interest rates than revenue bonds. The town may use its general obligation pledge with revenue bond issues when the populations served by the revenue bond projects overlap or significantly are the same as the property tax base of the town. The town council and management are committed to maintaining rates and fee structures of revenue supported debt at levels that will not require a subsidy from the town's general fund. (as added by Ord. #2012-03-05, March 2012)

5-807. Use of variable rate debt. (1) The town recognizes the value of variable rate debt obligations and that cities have greatly benefitted from the use of variable rate debt in the financing of needed infrastructure and capital improvements.

(2) However, the town also recognizes there are inherent risks associated with the use of variable rate debt and will implement steps to mitigate these risks; including:

(a) The town will annually include in its budget an interest rate assumption for any outstanding variable rate debt that takes market fluctuations affecting the rate of interest into consideration.

(b) Prior to entering into any variable rate debt obligation that is backed by insurance and secured by a liquidity provider, the town

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council shall be informed of the potential affect on rates as well as any additional costs that might be incurred should the insurance fail.

(c) Prior to entering into any variable rate debt obligation that is backed by a letter of credit provider, the town council shall be informed of the potential affect on rates as well as any additional costs that might be incurred should the letter of credit fail.

(d) Prior to entering into any variable rate debt obligation, the town council will be informed of any terms, conditions, fees, or other costs associated with the prepayment of variable rate debt obligations.

(e) The town shall consult with persons familiar with the arbitrage rules to determine applicability, legal responsibility, and potential consequences associated with any variable rate debt obligation. (as added by Ord. #2012-03-05, March 2012)

5-808. Use of derivatives. (1) The town chooses not to use derivative or other exotic financial structures in the management of the town's debt portfolio.

(2) Prior to any reversal of this provision:

(a) A written management report outlining the potential benefits and consequences of utilizing these structures must be submitted to the town council; and

(b) The town council must adopt a specific amendment to this policy concerning the use of derivatives or interest rate agreements that complies with the state funding board guidelines. (as added by Ord. #2012-03-05, March 2012)

5-809. Costs of debt. (1) All costs associated with the initial issuance or incurrence of debt, management and repayment of debt (including interest, principal, and fees or charges) shall be disclosed prior to action by the town council in accordance with the notice requirements stated above.

(2) In cases of variable interest or non-specified costs, detailed explanation of the assumptions shall be provided along with the complete estimate of total costs anticipated to be incurred as part of the debt issue.

(3) Costs related to the repayment of debt, including liabilities for future years, shall be provided in context of the annual budgets from which such payments will be funded (i.e. general obligations bonds in context of the general fund, revenue bonds in context of the dedicated revenue stream and related expenditures, loans and notes). (as added by Ord. #2012-03-05, March 2012)

5-810. Refinancing outstanding debt. (1) The town will refund debt when it is in the best financial interest of the town to do so, and the chief financial officer shall have the responsibility to analyze outstanding bond issues for refunding opportunities. The decision to refinance must be explicitly

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approved by the governing body, and all plans for current or advance refunding of debt must be in compliance with state laws and regulations.

(2) The chief financial officer will consider the following issues when analyzing possible refunding opportunities:

(a) Onerous restrictions - Debt may be refinanced to eliminate onerous or restrictive covenants contained in existing debt documents, or to take advantage of changing financial conditions or interest rates.

(b) Restructuring for economic purposes - The town will refund debt when it is in the best financial interest of the town to do so. Such refunding may include restructuring to meet unanticipated revenue expectations, achieve cost savings, mitigate irregular debt service payments, or to release reserve funds. Current refunding opportunities may be considered by the chief financial officer if the refunding generates positive present value savings, and the chief financial officer must establish a minimum present value savings threshold for any refinancing.

(c) Term of refunding issues - The town will refund bonds within the term of the originally issued debt. However, the chief financial officer may consider maturity extension, when necessary to achieve a desired outcome, provided such extension is legally permissible. The chief financial officer may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful life of the financed facility and the concept of inter-generational equity should guide this decision.

(d) Escrow structuring - The town shall utilize the least costly securities available in structuring refunding escrows. Under no circumstances shall an underwriter, agent or financial advisor sell escrow securities to the town from its own account.

(e) Arbitrage - The town shall consult with persons familiar with the arbitrage rules to determine applicability, legal responsibility, and potential consequences associated with any refunding. (as added by Ord. #2012-03-05, March 2012)

5-811. Professional services. The town shall require all professionals engaged in the process of issuing debt to clearly disclose all compensation and consideration received related to services provided in the debt issuance process by both the town and the lender or conduit issuer, if any. This includes "soft" costs or compensations in lieu of direct payments.

(1) Counsel: The town shall enter into an engagement letter agreement with each lawyer or law firm representing the town in a debt transaction. Provided however, no engagement letter is required for any lawyer who is an employee of the town or lawyer or law firm which is under a general appointment or contract to serve as counsel to the town. The town does not need an engagement letter with counsel not representing the town, such as underwriters' counsel.

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(2) Financial advisor: If the town chooses to hire a financial advisor(s), the town shall enter into a written agreement with each person or firm serving as financial advisor for debt management and transactions.

(a) Whether in a competitive sale or negotiated sale, the financial advisor shall not be permitted to bid on, privately place or underwrite an issue for which they are or have been providing advisory services for the issuance or broker any other debt transactions for the town.

(3) Underwriter: If there is an underwriter, the town shall require the underwriter to clearly identify itself in writing as an underwriter and not as a financial advisor from the earliest stages of its relationship with the town with respect to that issue. The underwriter must clarify its primary role as a purchaser of securities in an arm's-length commercial transaction and that it has financial and other interests that differ from those of the entity. The underwriter in a publicly offered, negotiated sale shall be required to provide pricing information both as to interest rates and to takedown per maturity to the town council in advance of the pricing of the debt. (as added by Ord. #2012-03-05, March 2012)

5-812. Conflicts. (1) Professionals involved in a debt transaction hired or compensated by the town shall be required to disclose to the town existing client and business relationships between and among the professionals to a transaction (including but not limited to financial advisor, swap advisor, bond counsel, swap counsel, trustee, paying agent, liquidity or credit enhancement provider, underwriter, counterparty, and remarketing agent), as well as conduit issuers, sponsoring organizations and program administrators. This disclosure shall include that information reasonably sufficient to allow the town to appreciate the significance of the relationships.

(2) Professionals who become involved in the debt transaction as a result of a bid submitted in a widely and publicly advertised competitive sale conducted using an industry standard, electronic bidding platform are not subject to this disclosure. No disclosure is required that would violate any rule or regulation of professional conduct. (as added by Ord. #2012-03-05, March 2012)

5-813. Review of policy. This policy shall be reviewed at least annually by the town council with the approval of the annual budget. Any amendments shall be considered and approved in the same process as the initial adoption of this policy, with opportunity for public input. (as added by Ord. #2012-03-05, March 2012)

5-814. Compliance. The town finance officer in cooperation with the town's auditors is responsible for ensuring compliance with this policy. (as added by Ord. #2012-03-05, March 2012)

Water Leak Assistance Policy

Upon notification of a water leak the following are the steps to be followed by the customer and their responsibility for payments.

1. The customer must provide documentation of the leak repair.
2. If the customer has been granted leak assistance within the last 12 months no adjustment will be provided and the customer must pay their bill in full.
3. If the customer has not been granted leak assistance within the last 12 months and has leak insurance the customer must:
 - a. File an insurance claim with documentation of the repair
 - b. Pay the monthly average of their water and sewer bill for the last six months
 - c. Pay the difference between the insurance recovery and the six month average paid to the Water Dept. at the time of the leak.
 - d. The Water Dept. will adjust the sewer portion of the bill down to the monthly average sewer bill for the last six months and will wait on the insurance company to pay the water loss claim
4. If the customer has not requested leak assistance within the last 12 months and does not have leak insurance the customer must:
 - a. Pay their water bill in full and their average monthly sewer bill for the last six months
 - b. The Water Dept. will adjust the sewer portion of the bill down to the monthly average sewer bill for the last six months
5. These same steps apply if the water leak crosses two months and is treated as one event.
6. All water and sewer bills must be paid in full, except for pending insurance claims, before the 27th of each month to avoid service disruption.

To file a claim: 865-730-0999 opt # 2 claims

to file a claim: 800-350-0888 #1 of claims



Dedicated to Providing Quality Water and Service to its Customers

As your service provider for water service we are dedicated to providing you with reliable service and a safe water supply. Over the years we have made many improvements to our system and will continue to upgrade and maintain our equipment in order to provide you this service.

After reviewing our present leak adjustment policy and the hardship it causes for a family we looked at alternatives that would help eliminate this unforeseen hardship. Therefore, we have developed a new and broader program called Oliver Springs - ServLine. The new Oliver Springs-ServLine program will replace our old leak adjustment policy, **plus we have another way to protect you just in case your water line breaks. So it is important that you are enrolled in both programs for your protection.**

Included is an Oliver Springs - ServLine Brochure that provides homeowners with a service for leak adjustments (business and large meter customers are not included at this time). Oliver Springs- ServLine also offers water line repair / replacement services that you may wish to consider as well. The basic service we are excited about at this time is the "leak" protection program. This program provides a once per year leak protection up to \$2,500 with no deductible for only \$1.55 per month. So, if you have a leak costing \$2,500 that qualifies under the leak adjustment guidelines or less you would pay nothing. **Your entire leak cost would be paid in full.**

We will begin implementing this new policy effective April 1st of this year. In order for us to insure you are protected **YOU WILL BE AUTOMATICALLY ENROLLED IN THIS SERVICE.** Your protection will begin for leaks occurring after the April 1, 2017. If you do not want to participate in this service you must call the ServLine customer service number and they will document your cancellation and we will remove the charge from your bill. Remember, if you choose not to participate you will be responsible for the entire cost of a leak if one occurs in your waterline. If you decide to cancel and want back in the program you may sign back up at any time but there will be a 30 day wait period for your service to become effective, and if you have had a leak you will be responsible for the entire bill during that period. If you would like to discuss any program further please contact Oliver Springs-ServLine customer service at (865) 730-0999

Finally, we wish to express to our homeowners that while this service is not mandatory, they are services we feel may prevent undue financial hardships should you have a leak or broken pipe. Again, we are dedicated to providing reliable service and a safe water supply for you and your family.

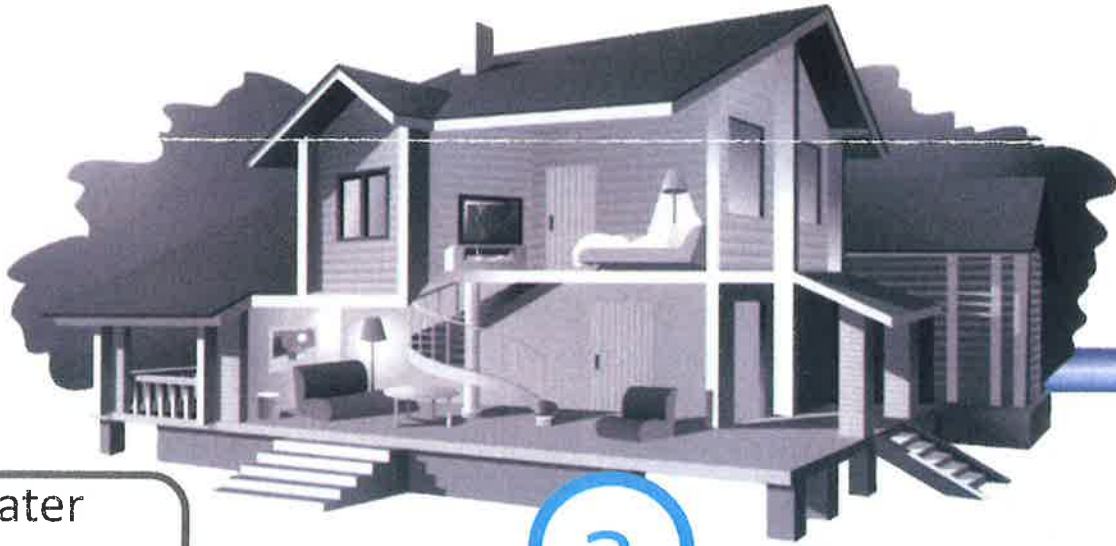
Thank-You

Oliver Springs Utility District



ServLine is a premier protection program that will repair or replace your water line and cover lost water with no deductible and in a timely fashion

Avoid Large Water Line Repair Costs



1

Water Loss Protection

2

Water Line Protection

Water Main



Water Meter

Note: Protection is offered for single meter residential customers only.



Utility Responsibility



Your Responsibility

Oliver Springs Water Department ServLine Begins April 1, 2017

Water Loss Protection

As a residential customer, you are automatically protected by our *Water Loss Program*. This is the only way residential leaks will be adjusted that occur after 4/1/17

Line Protection

Enroll in the Line Protection to avoid water line repair/replacement costs. There is a 30 day waiting period for those who enroll after 4/1/17



Don't Wait Until It's Too Late With A Line Break Sign Up Now!

1

Water Loss Protection

**AUTOMATICALLY ENROLLED
\$1.55/MONTH**

- Water Loss Protection from excess water charges resulting from eligible plumbing leaks, up to \$2,500. No deductible.
- Call us to decline protection and accept full responsibility for water bills resulting from eligible plumbing leaks.
- Please refer to our leak adjustment policy for guidelines and qualifications for leak adjustments.
- All qualifying residential leaks occurring after April 1, 2017 will only be adjusted through our ServLine Program.

2

Water Line Protection

**SIGN-UP BY CALLING
\$4.40/MONTH**

- Covers repair or replacement of water line up to \$10,000. No deductible. No annual limit.
- Includes public paved surfaces and \$500 for basic site restoration and \$500 for private paved surfaces like sidewalks or driveways.
- Provides Water Line Protection from your meter to the foundation of your home.
- Does Not Provide Protection for: Water Meter, Water Pit, Water Vault, Pumps, Valves, or Backflow Meters.
- Contact us to request a full copy of Program Protections and Exclusions.
- Be protected from these expensive repairs! Enrollment after April 1, 2017 requires a 30 day waiting period.

Contact Us

**CALL US:
865-730-0999**



ServLine

Options
1 Enrollment/Questions
2 Claims
3 Billing Questions
NOT Involving Servline

Utility Account #: _____ Account Holder: _____ *Please Print Name*

Signature: _____

In addition to the Basic Protection, enroll me in the protection option marked below:

\$4.40 Water Line Protection - Pays up to \$10,000 for repair of water service line



How Much Water do my Appliances and Fixtures Use?

Read more: <http://filterbutler.com/blog/much-water-appliances-fixtures-use/#ixzz5nwoawCRu>

We all want to do our part to save the environment but often forget our personal impact from everyday living. On top of not consuming more than we really need, we also know that over consumption can result in a water bill that hits our wallets hard.

Rather than inflict harm to the environment and our wallets here is some information on how much water your appliances and household fixtures are using and what you can do about it.

Average Water Usage per Person

Most people use anywhere from 340 to 380 liters (90-100 gallons) of water per day. While all of this water usage does not necessarily come from appliances, much of it does come from things like toilets, showerheads, washers and dishwashers.

Toilet Use

An older toilet can use as much as 3.5 or 8 gallons per flush (gpf). Compare this to newer toilets that only use a little over a gallon per flush or less and you have a household fixture that by itself can reduce your water usage by up to 75 percent.

Showerheads

Old fixtures tend to use much more water than newer ones. For example, a conventional showerhead can use as much as 10 gallons per minute versus something more modern which only uses 2-3 gallons per minute. Water conservation in the shower is also helpful because showers push cold as well as hot water which minimize the work of the water heater.

Appliances

Of all household appliances, the one that uses the most water is almost always the clothes washer. These alone can account for as much as 20 percent of indoor residential water costs. Modern, high-efficiency washers use about half the water as washers of old (early 90s or before).

The dishwasher is the other appliance that takes a little bit of blame for water usage. Typically these machines only account for about 1-2 percent of household usage and a high-efficiency dishwasher

can help to reduce that number by half. Washing dishes in the dishwasher is thought to be more efficient than hand washing them in the sink.

👇 **Modify Your Habits or Appliances?**

In addition to the avoidance of long showers, running the dishwasher or clothes washer before it is full, or just general abuse of water, the most effective way to reduce water consumption around the home is with new appliances. These modern appliances may have a higher upfront cost but when you can save 30-75 percent of your water bill each month these investments will quickly pay for themselves.

Read more: <http://filterbutler.com/blog/much-water-appliances-fixtures-use/#ixzz5nwoxLn9u>

How Many Gallons of Water do Americans Use Water at Home?

Recent studies of how Americans use water throughout their homes show that, for most people, indoor water use is highest in the bathroom, followed by the laundry room. Table 1 provides a breakdown.

Table 1: A daily breakdown of [water use in the US](#):

Appliance/Device	Household per Day	Percent of Total
Toilet	33 gallons	24%
Shower	28 gallons	20%

Appliance/Device	Household per Day	Percent of Total
Faucet	26 gallons	19%
Washing Machine	23 gallons	17%
Leaks	17 gallons	12%
Bath	4 gallons	3%
Dishwasher	2 gallons	1%
Other	5 gallons	4%
Total	138 gallons	100%

Leaks are, perhaps, the most surprising use of water on this list – they amount to 17 gallons of water per household per day lost to leaky toilets, appliances and faucets.

Read More: <https://www.watercalculator.org/water-use/indoor-water-use-at-home/>



18-12

owner of the property. Such repairs must be approved by the health and building inspector, and a permit must be issued by the health inspector for the continued use of the sanitary sewer, septic tank, or field line. (1989 Code, § 13-133)

18-134. Sewer on private property. A utility line extended by a private owner is extended and connected at his own expense and the maintenance of such line is the responsibility of said owner except for trunk lines. All such sewer extensions will be constructed in accordance with town ordinances and will be inspected by the building inspector for a fee set by the town council. The owner will dedicate to the town a ten foot easement on either side of the sewer. Sewer trunk lines will be a 8" line. All laterals will be 6" with connection to residential and small businesses to be not less than 4". Sewer lines will be schedule 40 plastic tile or heavier. Schedule 40 is required for 4", 6", and 8" pipe. The sewer line must have 1/4" drop per foot for 4" lines and less for 6" and 8" lines and must have one cleanout per 75 feet. (1989 Code, § 13-134)

18-135. Sewer policies. The town will require the owner, tenant, or occupant of each lot or parcel of land within the town which abuts upon a street or other public way containing a sanitary sewer, the elevation of which will permit a connection with such sanitary sewer, and upon which lot or parcel a building is situated for residential, commercial, or industrial use, to connect such building with such sanitary sewer and to cease to use any other means for the disposal of sewage, sewage waste, or other polluting matter. (1989 Code, § 13-135)

18-136. Use of saddle. All connections, except main extensions, shall be made by the use of a saddle. These taps must be made with a tapping machine and with appropriate adapters. A substantial amount of concrete shall be placed around the saddle to insure a water-tight connection. The riser or connecting pipes shall be supported by whatever means necessary to a point where the first full length of horizontally laid pipe is placed on an undisturbed bedding. All connections shall be made with approved adapters and/or special fittings. (1989 Code, § 13-136)

18-137. Swimming pool regulations. There will be no sewer adjustments made for filling of private citizen's swimming pool, except in case of where an accident causes damage to the pool. This will be determined on a case by case by the water board. (Ord. #93-15-07, July 1993)

18-138. Leak adjustment policy. Whenever the meter readers detect a meter that has an unusual high reading he/she will immediately notify the

customer either in person, or by leaving a printed notice on the door knob informing them of a possible leak.

(1) When the Oliver Springs Water Department receives a complaint of excessive billing, the office manager will first determine if the meter was misread.

(2) If the meter was misread, the office manager may give credit based on a average daily use since the previous months bill.

(3) If the office manager finds the reading is incorrect, but the meter is faulty, he/she will give a credit based on the last six months average.

(4) Customers that are connected to the sewer system will have their water and sewer bill adjusted to the six months average, and all usages over the average will be billed at \$1.45 per 1,000 gallons of water.

(5) If the office manger finds the excessive billing is due to the customers plumbing, he/she will make a report to the town administrator which may make adjustments under the following conditions:

(a) An excessive bill must be at least twice the last six months average.

(b) An excessive bill may be adjusted only once in any twelve month period, except with water board approval.

(c) After the complaint is received, the office manager will have the meter inspected to see that the leak has been permanently repaired, and a letter be prepared by the customer stating the repair.

(d) The adjustment shall be an average of the last six months in which no leak was recorded, and all usage over the average will be billed at a rate of \$1.45 per 1,000 gallons of water.

(e) The customer will not pay a late charge if the adjustment procedure delays payment past the penalty date. (Ord. #93-15-07, July 1993)

Town of Oliver Springs, TN
Water Department Fixed Assets

October-22

Water Plant Pumping Equipment	Make	Model #	Serial #	Quantity	Useful Life (years)	Age Years	Remaining Life (yrs)	Replacement Cost
Spring - Raw Water Pump #1 - 700 gpm	Crane Deming	5062 4245200220	DC1978017	1	15	5	10	\$20,000
- Raw Water Motor #1	Magnetek	25 HP 1765 RPM	9-391025-61	1	15	5	10	\$12,000
- Variable Frequency Drive - VFD	LS	H100		1	15	5	10	\$10,000
Spring - Raw Water Pump #2	Crane Deming	5062 4245200220	DC1979018	1	15	1	15	\$20,000
- Raw Water Motor #2	TECO - Westinghouse	25 HP 1765 RPM	GPH47038 004	1	15	5	10	\$12,000
- Variable Frequency Drive - VFD	LS	H100		1	15	5	10	\$10,000
High Service Pump #1 - 700GPM	Peerless	12LDT - 4STG	9927134333	1	20	5	15	\$60,000
- High Service Motor #1 - 75 HP	GE	5K8365DA120058		1	20	22	(2)	\$20,000
- Variable Frequency Drive - VFD	Autotmaton Direct	GS4-4075	W17480001	1	15	5	10	\$10,000
High Service Pump #2 - 700GPM	Crane Deming			1	20	22	(2)	\$60,000
- High Service Motor #1 - 75 HP				1	20	22	(2)	\$20,000
Backwash Pump - 2,200gpm				1	20	22	(2)	\$60,000
- Backwash Motor				1	20	22	(2)	\$20,000

Sub Totals \$ 180,000 \$ 74,000 \$ 80,000

Remaining Life (0-5)	Remaining Life (6-10)	Remaining Life (11-15)
\$ -	\$ 20,000	\$ -
\$ -	\$ 12,000	\$ -
\$ -	\$ 10,000	\$ -
\$ -	\$ -	\$ 20,000
\$ -	\$ 12,000	\$ -
\$ -	\$ 10,000	\$ -
\$ -	\$ -	\$ 60,000
\$ 20,000	\$ -	\$ -
\$ -	\$ 10,000	\$ -
\$ 60,000	\$ -	\$ -
\$ 20,000	\$ -	\$ -
\$ 60,000	\$ -	\$ -
\$ 20,000	\$ -	\$ -

Water Plant - Distribution Pumping Equipmen	Make	Model #	Serial #	Quantity	Useful Life (years)	Age Years	Remaining Life (yrs)	Replacement Cost
Cove Rd (Cove Tank) Pump #1 - 30gpm	Goulds - Xylem	ESV 2x2x4-2P-BP	E2107575	1	10	6	4	\$10,000
- Motor #1 - 5HP	Baldor - Reliance	VEM3212T	F2101042971	1	10	6	4	\$4,000
Cove Rd (Cove Tank) Pump #2 - 30gpm	Goulds - Xylem	ESV 2x2x4-2P-BP		1	10	6	4	\$10,000
- Motor #2 - 5HP	Baldor - Reliance	VEM3212T		1	10	6	4	\$4,000
Winrock Rd - PV Tank Pump - 100gpm	G&L	35VAKS	Vertical Turbine	1	10	8	2	\$12,000
- Motor								

Sub Totals \$ 40,000 \$ - \$ -

Remaining Life (0-5)	Remaining Life (6-10)	Remaining Life (11-15)
\$ 10,000	\$ -	\$ -
\$ 4,000	\$ -	\$ -
\$ 10,000	\$ -	\$ -
\$ 4,000	\$ -	\$ -
\$ 12,000	\$ -	\$ -

Water Plant - Equipment	Make	Model #	Serial #	Quantity	Useful Life (years)	Age Years	Remaining Life (yrs)	Replacement Cost
Online Chlorine Analyzer - CL17	Hach	54400-60	21000005999	1	30	32	(2)	\$3,300
Online Turbidimeter - Combined	Hach	1720E	7070000136	1	8	6	2	\$2,600
SC100 Controller	Hach	SC100		1	10	8	2	\$2,900
Online Turbidimeter - Filter #1	Hach	1720E	70700000142	1	8	6	2	\$2,600
SC200 Controller	Hach	SC200		1	10	8	2	\$2,900
Online Turbidimeter - Filter #2	Hach	1720E	170300066731	1	8	6	2	\$2,600
SC200 Controller	Hach	SC200		1	10	8	2	\$2,900
PH meter	Hach	HQ430D	190500018836	1	7	1	6	\$3,300
Hand Chlorine Meter	Hach	Pocket Colorimeter II	13100E233315	1	10	12	(2)	\$550
Hand Chlorine Meter	Hach	DR300	21090B001181	1	10	1	10	\$550
Stennar Chemical Pumps								
- Bleach	Stennar	85M1	5gpd	2	5	1	3	\$350
	Stennar	85M2	17gpd	2	5	1	3	\$350
- Polymer	Stennar	85M3	40gpd	2	5	1	3	\$350
	Stennar	85M5	85gpd	2	5	1	3	\$350
Backwash Waste Water Lagoon Meter	Rosemount - Emerson	8750	14975841	1	12	6	6	\$8,000
High Service Meter	Toshiba	LF822FAC211E	13622A389	1	10	8	2	\$6,000
Raw Water Meter - Magnetic Flow Meter	Rosemount - Emerson	8750	14975840	1	12	6	6	\$8,000
Honeywell Chart Recorder for chlorine levels	Honeywell	DR45AT - 1100-00-000	9.32612E+13	1	12	10	2	\$3,500
Honeywell Chart Recorder for Turbidity	Honeywell	DR4300	18W43C4000005697648	1	12	10	2	\$3,500
Chessel Chart Recorder for Turbidity	Chessel	392 Recorder	PL1410000948-PL3	1	4	9	(5)	\$4,500
Desktop Computer - Lab/ SCADA Computer	HP	550-110	MXX5300XV3	1	4	9	(5)	\$1,000
Printer/ Copier	Canon	D1650	2SM02522	1	3	8	(5)	\$1,500
Lawn Mower	Dixie Chopper	Classic 3372HP	PN#900393 SN# 4972	1	7	11	(4)	\$8,000

Sub Totals \$ 49,750 \$ 19,850 \$ -

Remaining Life (0-5)	Remaining Life (6-10)	Remaining Life (11-15)
\$ 3,300	\$ -	\$ -
\$ 2,600	\$ -	\$ -
\$ 2,900	\$ -	\$ -
\$ 2,600	\$ -	\$ -
\$ 2,900	\$ -	\$ -
\$ 2,600	\$ -	\$ -
\$ 2,900	\$ -	\$ -
\$ 2,600	\$ -	\$ -
\$ 2,900	\$ -	\$ -
\$ -	\$ 3,300	\$ -
\$ 550	\$ -	\$ -
\$ -	\$ 550	\$ -
\$ 350	\$ -	\$ -
\$ 350	\$ -	\$ -
\$ 350	\$ -	\$ -
\$ 350	\$ -	\$ -
\$ -	\$ 8,000	\$ -
\$ 6,000	\$ -	\$ -
\$ -	\$ 8,000	\$ -
\$ 3,500	\$ -	\$ -
\$ 3,500	\$ -	\$ -
\$ 4,500	\$ -	\$ -
\$ 1,000	\$ -	\$ -
\$ 1,500	\$ -	\$ -
\$ 8,000	\$ -	\$ -

Oliver Springs Vehicle List	Year	Make	Model #	Serial #	Quantity	Useful Life (years)	Age Years	Remaining Life (yrs)	Replacement Cost
2005 - Truck	Chevrolet	2500	1GCHK24U95E259191	1	15	17	(2)	\$65,000	
2010 - Truck	Ford	Ranger	1FTKR1AD6APA57236	1	15	12	3	\$50,000	
2006 - Truck	Chevrolet	2500	1GCHC24U97E157719	1	15	16	(1)	\$65,000	
1998 - Truck and Toolbox	Ford	F250	1FTNF21L3XE21739	1	15	24	(9)	\$65,000	
2007 - Truck and Toolbox	Ford	F250	1FTSX21568EB28073	1	15	15	0	\$65,000	
2007 - Truck and Toolbox	Ford	F250	1FTNF21538EC82840	1	15	15	0	\$65,000	
2014 - Truck	Ford	F150	1FTMF1CM0EFB81299	1	15	8	7	\$50,000	
1995 - Dump Truck	Chevrolet		1GBM7H1J0TJ100976	1	20	27	(7)	\$80,000	
1996 - Dump Truck	Chevrolet		1GDL7H2JXTJ510414	1	20	26	(6)	\$80,000	
2013 - Truck	Ford	F150	1FTMF1GM6DFD15005	1	15	9	6	\$50,000	
2004 - Truck	Chevrolet	3500	1GBJR39U15E218890	1	15	18	(3)	\$70,000	
2007 - Truck	Ford	F150	1FTRF12217NA57749	1	15	15	0	\$50,000	
2009 - Vacuum Truck	WorkStar		1HTWAAAL49J174489	1	15	13	2	\$110,000	
Back Hoe				1	20	15	5	\$95,000	
Mini-Excavator				1	20	15	5	\$75,000	

Sub Totals \$ 935,000 \$ 100,000 \$ -

Remaining Life (0-5)	Remaining Life (6-10)	Remaining Life (11-15)
\$ 65,000	\$ -	\$ -
\$ 50,000	\$ -	\$ -
\$ 65,000	\$ -	\$ -
\$ 65,000	\$ -	\$ -
\$ 65,000	\$ -	\$ -
\$ 65,000	\$ -	\$ -
\$ -	\$ 50,000	\$ -
\$ 80,000	\$ -	\$ -
\$ 80,000	\$ -	\$ -
\$ -	\$ 50,000	\$ -
\$ 70,000	\$ -	\$ -
\$ 50,000	\$ -	\$ -
\$ 110,000	\$ -	\$ -
\$ 95,000	\$ -	\$ -
\$ 75,000	\$ -	\$ -

Remaining Life (0-5)	Remaining Life (6-10)	Remaining Life (11-15)
\$ 1,204,750	\$ 193,850	\$ 80,000



Jason E. Mumpower
Comptroller

Entity Referred: **City of South Fulton**

Referral Reason: **Decrease In Net Position**

Utility Type Referred: **Water And Sewer**

Staff Summary:

The City of South Fulton ("the Entity") was referred to the Water and Wastewater Financing Board for financial distress due to the fiscal year 2017 audit. The Entity implemented the recommend rates that were provided in a rate study performed by TUA. However, the entity did not complete the 2021 fiscal year with a positive change in net position as projected in the rate study, furthermore, the Entity has separated their Water and Sewer Fund into two different funds. This resulted in a positive change in net position in the Entity's 2022 financial report for the Water Fund, however, the Sewer Fund reported a decrease in net position of \$231,557. At this time we would like to issue a new order to request a new rate study to take into account the changes in how the Entity reports their Water and Sewer Funds.

Staff Recommendation:

The Board should order the following:

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;
 - 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, 2023, 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, 2024, 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 one extension of up to six months of the foregoing deadlines upon a showing of good cause by the Entity.

South Fulton

	Category: Water And Sewer		County: Obion	
	2018	2019	2020	2021
Net Assets	\$7,376,064.00	\$7,818,910.00	\$8,181,001.00	\$9,738,712.00
Deferred Outflow Resources	\$3,497.00	\$0.00	\$1,063.00	\$4,748.00
Net Liabilities	\$1,457,061.00	\$1,691,368.00	\$1,557,356.00	\$2,374,145.00
Deferred Inflow Resources	\$1,060.00	\$3,637.00	\$7,303.00	\$0.00
Total Net Position	\$5,921,440.00	\$6,123,905.00	\$6,617,405.00	\$7,369,315.00
Operating Revenues	\$1,238,063.00	\$1,217,418.00	\$1,172,644.00	\$1,250,377.00
Net Sales	\$1,167,024.00	\$1,128,042.00	\$1,065,271.00	\$1,190,376.00
Operating Expenses	\$1,260,204.00	\$1,267,432.00	\$1,229,965.00	\$1,272,159.00
Depreciation Expenses	\$303,533.00	\$305,572.00	\$307,396.00	\$303,104.00
Non Operating Revenues	\$26,142.00	-\$61,527.00	-\$59,239.00	-\$50,217.00
Capital Contributions	\$0.00	\$314,006.00	\$0.00	\$823,909.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$4,001.00	\$210,147.00	-\$116,560.00	\$751,910.00
Statutory Change In Net Position	\$4,001.00	-\$103,859.00	-\$116,560.00	-\$71,999.00

CITY OF SOUTH FULTON, TENNESSEE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2022

	Water Fund	Sewer Fund	Natural Gas Fund	Total
Operating Revenues				
Charges for services	\$ 722,654	\$ 554,174	\$ 1,109,357	\$ 2,386,185
Service fees	11,580	250	1,588	13,418
Late payment penalties	48,685	-	-	48,685
Miscellaneous revenue	1,620	-	-	1,620
Total operating revenues	<u>784,539</u>	<u>554,424</u>	<u>1,110,945</u>	<u>2,449,908</u>
Operating Expenses				
Salaries and related benefits	136,493	161,078	190,122	487,693
Gas purchases	-	-	679,771	679,771
Depreciation	141,799	163,044	56,996	361,839
Building rent	46,852	46,851	46,852	140,555
Payments-in-lieu-of tax	9,990	42,742	27,171	79,903
Repair and maintenance	2,721	5,050	2,957	10,728
Utilities	53,834	65,031	14,997	133,862
Advertising	935	-	-	935
Professional services	106,010	177,149	6,915	290,074
Operating supplies	54,051	7,514	16,338	77,903
Insurance	23,534	23,534	23,534	70,602
Chemicals	18,754	25,043	-	43,797
Telephone	962	962	962	2,886
Gas and oil	8,096	8,095	8,096	24,287
Data processing services	7,401	6,651	7,382	21,434
Office supplies	872	1,093	1,359	3,324
Membership dues	3,013	11,991	4,007	19,011
Bad debts	9,373	21	16,233	25,627
Miscellaneous	740	928	1,384	3,052
Total operating expenses	<u>625,430</u>	<u>746,777</u>	<u>1,105,076</u>	<u>2,477,283</u>
Operating Income (Loss)	<u>159,109</u>	<u>(192,353)</u>	<u>5,869</u>	<u>(27,375)</u>
Non-operating revenues (expenses)				
Grant revenue	25,345	512,339	-	537,684
Investment earnings	8,613	1,600	10,329	20,542
Interest expense	(40,983)	(35,636)	(10,203)	(86,822)
Transfers	-	(5,168)	-	(5,168)
Total non-operating revenues (expenses)	<u>(7,025)</u>	<u>473,135</u>	<u>126</u>	<u>466,236</u>
Change in Net Position	<u>152,084</u>	<u>280,782</u>	<u>5,995</u>	<u>438,861</u>
Net Position - Beginning	<u>2,560,317</u>	<u>4,808,999</u>	<u>2,503,130</u>	<u>9,872,446</u>
Net Position - Ending	<u>\$ 2,712,401</u>	<u>\$ 5,089,781</u>	<u>\$ 2,509,125</u>	<u>\$ 10,311,307</u>

The accompanying notes are an integral part of these financial statements



Jason E. Mumpower
Comptroller

Entity Referred: **Town of Gibson**

Referral Reason: **Annual Information Report**

Utility Type Referred: **Water And Sewer**

Staff Summary:

The Town of Gibson ("the Entity") has been referred to the Tennessee Board of Utility Regulation ("the Board") for financial distress since its fiscal year 2019 audit. At the previous Board meeting, the Entity was ordered to complete the following items:

2. By August 31, 2023, the Entity shall update Board staff as to the status of their delinquent audits.
3. By September 30, 2023, 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 September 30, 2023, the Entity shall submit a complete Annual Information Report that is approved by Board staff.
6. By August 31, 2023, the Entity shall update board staff as to the Town of Gibson's repayment of money borrowed from the Entity's water and sewer fund and advise as to the Town's plan of repayment if the balance is not fully repaid.

At this time, the Entity has complied with Board staff. Based on the information provided in the August 31 update, Board staff believes it is necessary for the Entity to submit monthly updates showing repayment of the inter-fund balance.

Staff Recommendation:

The Board should order the following:

1. Beginning November 1, 2023, the Entity shall send Board staff monthly financial updates showing the Town's repayment of funds borrowed from the utility system's inter-fund balance. These updates should include bank statements, remaining balance, and the ordinance(s) approving the transfer of funds. The updates should be sent to the Board by the 1st of each month until the requirements of paragraph 2 are met. Board staff may request further documentation if needed.
2. Once the Entity shows that the full inter-fund balance has been repaid, Board staff may close the requirements listed in Paragraph 1 without further action by the Board.
3. If the Division of Local Government Audit is not able to confirm receipt of the fiscal years' 2021, 2022, and 2023 audits by December 31, 2023, the Entity shall provide Board staff an update regarding the delinquent audits by January 31, 2024.
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 at its next meeting. Board staff may withdraw or release any subpoenas issued if the Entity has complied with this order and there is no other cause to maintain the subpoena.

\$30,000.00 will be paid within 30 days, with the majority of funds resulting from an insurance claim in the amount of approximately \$27,000.00 for a vehicle that has already been replaced. the remaining approximately \$66,000.00 being paid in twelve (12) equal monthly installments.

Respectfully submitted,



W. TAYLOR HUGHES, BPR #030196
Hughes Law Firm
17 N. Court St.
Alamo, TN 38001
731-696-2889
taylor@attorneytaylorhughes.com
Attorney for Town of Gibson



JASON E. MUMPOWER
Comptroller

Board Staff Report on the Town of Hornsby

On May 31st, 2023, Board staff traveled to the Town of Hornsby (“the Town”), to conduct interviews for the Board investigation. On May 31st, 2023, the Town supplied documentation that was requested by Board staff on May 12th, 2023. Upon Board staff’s review of the submitted documentation, it was found that several documents were missing for specific time periods. Once Board staff followed up with the Town regarding the non-complete submission, the Town was able to provide all documentation, Board staff does not believe this oversight to have been intentional.

Board Training and Governing Body:

Upon request the Town provided all training records for the governing body, as of this report the Town is in full compliance with utility training regulations. Governing Body members are elected on a four-year cycle (Exhibit 1 , Board staff would like to remind members that TCA § 7-34-115(j) was passed in the 2017 legislative cycle. If elected before 2017, Town alderman’s initial education period would begin upon his or her reelection.

Utility Rates:

The last time the Town’s rates changed was in the 2016 fiscal year, the Town was not able to provide an ordinance showing the passage of these rates. Based on interviews and documentation provided, Board staff does not believe that the Town had plans to increase water



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Comptroller

rates prior to the Board order, issued on April 12th, 2023. The Town is currently working with MTAS to complete a rate study.

Water Operations:

Based upon information collected by Board staff, the Town's current water loss appears to be in good standing. However, Board staff have reservations about the accuracy of some information reported, and the Town's ability to correct future issues. According to the 2022 Annual Information Report submitted by the Town, water loss was only 19.4%. However, according to the AWWA worksheet in the 2020 audit, water loss was reported at 48.7%. The Utility System's customer base has been declining for the last 14 years, total usage has also declined by a comparable percentage. The Town purchases all water from the Town of Selmer.

While the Town does not currently have any outstanding issues regarding water quality or service consistency, it should be noted that the utility infrastructure is in need of substantial repairs. According to the most recent audit, the utility system is over 70% depreciated, however, the Town is currently working on capital projects funded by grants. Currently the Town has a contract with American Tank Maintenance (Exhibit 2) to provide preventative maintenance for their single water tower, this contract automatically renews every year.

Annual Financial Reports:

Currently the Town is up to date on all financial audits, however, the 2022 report was received on September 20th, 2023, which was 263 days after the original due date. This report



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Comptroller

showed another year of decrease in net position, though it was an improvement from the prior two audits. It is important to note the Town's long-standing record of delinquent audits, for the past 22 fiscal years the Town has only produced two timely audits (Exhibit 3). It is Board staff's understanding that a large cause for the continued delays in timely reports has been due to inadequate record keeping.

Annual Budget:

As of Board Staff's last communication with governing body officials, the Town of Hornsby is currently operating without an adopted budget. Furthermore, the Town has failed to file a Budget with the comptroller's office for the past two fiscal years resulting in two non-approvals. The Town cannot issue any debt (except for emergency situations approved by the Comptroller's office) without an approved budget for the current fiscal year.

Managerial

The Town was unable to provide copies of their capitalization, purchasing, and leak adjustment policies during the questionnaire process. The Town's debt management policy was last updated in 2014. These policies should be reviewed or created during the ongoing rate study process. Recently the Town has experienced large amounts of turnover that resulted in negligence of the system for periods of time. Currently, the Town's system appears to be under stronger board oversight and internal management.



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Comptroller

Finding: The Town failed to adopt and maintain records of necessary policies.

The Town was unable to provide Board staff with copies of adopted capitalization, purchasing, and leak adjustment policies. The Town was unable to provide any records showing that these policies had ever been adopted.

Finding: The Town did not provide proper managerial and operational oversight.

The Town's prior management believed the wireless service monitoring the pump used to fill the storage tanks to be an unnecessary charge and canceled the service. This caused the storage tank to continuously overflow, costing the Town's Customers an estimated \$30,000 (Exhibit 4). This action may have also damaged the pump requiring additional repairs due to the continual use.

Finding: The Town signed formal contracts that allowed for financial exploitation.

The Town's prior management signed a third-party contract for a superintendent that paid the individual a flat rate regardless of hours worked. The contract did not specify any minimum number of hours required. Over the course of 15 months Mr. Warren worked a total of 175.75 hours and was paid a total of \$25,885 (Exhibit 5). Please note that the corresponding salary totals do not account for the taxes paid by the Town.



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Comptroller

Finding: The Town did not follow nor enforce agreements made within contracts.

The Town signed an agreement for a third-party superintendent which outlined the cost of using the party's excavator at \$300 per trip, however, the Town paid Mr. Warren at a rate of \$100 per hour (Exhibit 5). This resulted in overpayment of \$1,100 for use of the excavator over the 15-month period. Furthermore, the contract also stated that monthly excavator charges would "be capped at \$1,000", however, in June of 2022 a \$1,200 charge was included on the bill for use of excavator. Mr. Warren also charged the Town \$100 for use of a chainsaw, the contract only stated that additional charges would be accrued for use of the excavator (Exhibit 6(a)). In the 15-month period in which Mr. Warren was contracted by the Town, over-payments totaling \$1,400 for use of equipment occurred. The Town confirmed that the contract was not updated after the initial signing.

Finding: The Town failed to verify the hours reported on contractor's time sheets.

The Town overpaid a contractor \$385 for incorrectly reported overtime. In February of 2022, total hours worked were incorrectly summed, time work reported of 30 and 15 minutes were instead totaled as 30 and 15 hours respectively (Exhibit 5). This resulted in 11 hours of overtime paid at a \$35 an hour rate. There were also periods in which the time in and time out cells were left blank and total hours worked were rounded up by 30-45 minutes (Exhibit 6(a)).



Jason E. Mumpower
Comptroller

Entity Referred: **Town of Hornsby**
Referral Reason: **Administrative Review**
Utility Type Referred: **Water**

Conclusion:

The Town of Hornsby ("the Entity") has been referred to the Tennessee Board of Utility Regulation ("the Board") for financial distress since its fiscal year 2021 audit. The Water and Wastewater Financing Board ordered an investigation into the Entity's managerial, technical, and financial capacity at the March 23, 2023. At this time the Town has also failed to file its 2023 Annual Information Report.

Board staff believes that the Entity has failed to demonstrate the ability to maintain a well managed utility system and that a merger could potentially provide adequate oversight and ensure the utility operates in the best interest of its customers. The Entity currently purchases their water from the nearby Town of Selmer, additionally the Entity does not operate a wastewater system.

Staff Recommendation:

The Board should order the following:

1. The Entity shall contract with a qualified expert to carry out a feasibility study for a merger with another utility system in the area by December 31, 2023.
2. The Entity shall provide a completed feasibility study to board staff by June 30, 2024.



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Comptroller

Exhibit 1

Section 3. Be it further enacted, That on the regular November election, the first Tuesday following the first Monday in November 2020, and on the same day each fourth year thereafter, an election shall be held in said Town of Hornsby for the purpose of electing a Mayor and a board of five (5) Aldermen for said Town, whose term of office shall begin on the first Tuesday in December, and who shall serve for a term of four (4) years and until their successors are elected and qualified. All elections for said Town shall be held by the Election Commissioners of Hardeman County, Tennessee at the same hours and places for holding general elections and under the general election laws of the state. The incumbents in the positions of mayor and alderman as of the effective date of this Act shall continue to serve in the positions for which they were elected until such time as their successors are elected and qualified, or their positions are abolished.

Title	Name	Initial Election Month and Year	Most Recent Election Month and Year
Mayor	Curtis Vandiver	06/2000	
Alderman	Melissa Wilson	11/2016 (Write In)	11/2020
Alderman	Greg Vance	11/2012	11/2020
Alderman	Wayne Isbell	11/2016	11/2020
Alderman	Patricia Plunk		Appointed 02/2023
Alderman	Heather Jo Moore		Appointed 05/2023

****Curtis Vandiver was re-elected as an Alderman in November 2020. He was appointed Mayor April 2023.

Patricia Plunk was elected as an Alderman in November 2008 and November 2012.



Water Tank Maintenance Agreement

Tank Owner: Town of Hornsby

Tank Location: Highway 64 Tank

Tank Size and Style: 150,000 Gallon Standpipe

This agreement entered into by and between the Town of Hornsby hereinafter known as the Owner, and American Tank Maintenance, LLC hereinafter known as the Company.

The Owner agrees to employ the Company to provide the professional services needed to maintain its 150,000 gallon water storage tank located at Highway 64 Tank.

This agreement outlines the Company's responsibility and accountability for the care and maintenance of the above referenced water storage tank. The Company's care and maintenance shall include the following:

The Company shall furnish all specialized services including engineering and inspection services necessary to maintain and care for the water storage tank during the term of this agreement. Maintenance and care shall include: steel replacement, steel components, expansion joints, water level indicators, manhole covers and/or gaskets, and other components of the water storage tank.

The Company shall perform annual inspections and service the water storage tank beginning in Contract Year 2. The water storage tank and its components including the safety, sanitary, structure, security and coatings aspects of the water storage tank shall be inspected and the findings documented to ensure that the water storage tank is in a sound and watertight condition.

The Company shall schedule and coordinate a washout inspection of the water storage tank every two years with the Owner beginning in Contract Year 3. The Owner is responsible for draining the water storage tank. The Company shall clean the water storage tank of all mud, silt, and other accumulations which may be harmful to the water storage tank and/or its contents. The Company shall utilize high pressure equipment to perform this operation. Upon cleaning the water storage tank the Company shall inspect and document the condition as outlined in the preceding paragraph. Once the cleaning and inspection services are completed the Company shall disinfect the interior surfaces of the water storage tank utilizing AWWA Spray Method #2. A written report of the documented findings including photographs shall be made available to the Owner via mail or electronically.

The Company shall perform surface preparation and paint the exterior and/or interior surfaces of the water storage tank at such time as needed. The need for exterior painting shall be determined by the appearance and protective condition of the existing coating system and the Company shall use the same color of the existing coating system. The need for interior painting shall be determined by the thickness of the existing coating system and its protective condition.

The Company shall perform all services and utilize products which shall be equal to, or exceed the standards of the State of Tennessee, the American Water Works Association, and the Steel Structures Painting Council. The Company shall perform all services relating to the interior of the water storage tank in accordance with procedures outlined in American Water Works Association D-102 standards.

The Company shall utilize coating systems which best suit the site conditions, environment, and general location of the water storage tank and are in compliance with local, state and federal statutes.

The Company shall install and maintain an anti-climb deterrent device on the access ladder to deter unauthorized access to the water storage tank. The Company shall install and maintain locks on all hatches of the water storage tank to deter unauthorized entry. The keys to the locks shall remain in the possession of the Owner and the Company.

The Company shall provide emergency service to handle any problems covered by this agreement with the water storage tank. Reasonable mobilization time shall be acceptable to the Owner.

If the Owner needs and requests, then the Company shall provide pressure relief valves to the Owner for the Owner's use during service events which require the water storage tank to be drained.

The Owner shall have the right to continue this agreement for an indefinite period of time providing that the annual fee is paid in accordance with the terms of this agreement. The Owner shall have the right to terminate this agreement by sending written notice to American Tank Maintenance, LLC, PO Box 130, Warthen, GA 31094. The Owner's right to termination shall be subject to any agreement provisions incorporated herein.

The Company shall maintain and furnish current certificates of insurance coverage to the Owner during the duration of this agreement.

This agreement shall be managed by "Contract Years". "Contract Years" shall be defined as the consecutive 12 month periods beginning February 1, 2020. The annual fee for Contract Years 1, 2, & 3 shall be \$43,409.00 per year. The annual fee for Contract Year 4 shall be \$9,066.00. The annual fee for Contract Year 4 shall remain constant for three consecutive Contract Years. The annual fee for Contract Year 7 shall be adjusted to reflect the current cost of service. The adjustment to annual fees shall be limited to a maximum of 4% annually. Any applicable taxes shall be the responsibility of the Owner.

This water storage tank shall receive an exterior & interior renovation and repairs prior to the end of Contract Year 1. The first annual fee for Contract Year 1 shall be due and payable in quarterly installments beginning February 1, 2020. The annual fee for Contract Year 2 shall be due and payable in quarterly installments beginning February 1, 2021. Each subsequent annual fee shall be due and payable in quarterly installments beginning each subsequent February 1st. Should the Owner elect to terminate this agreement prior to remitting all of the first three (3) annual fees then the balance of the first three (3) annual fees shall be due and payable within thirty (30) days of notice to terminate.

The Owner and the Company agree that any future mandated environmental, health or safety requirements which cause significant changes in cost of services provided under this agreement shall be cause for modification of this agreement. The Company is accepting this water storage tank under this agreement based on the current existing structure, components, location and surroundings. Any modification to the water storage tank, including antenna installations, and changes in surroundings especially real estate development shall be cause for modification of this agreement. This agreement does not include the cost for and/or liability on the part of the Company for: containment, removal and/or disposal of any hazardous waste materials, electrical wiring or components, operational problems due to cold weather, Acts of God, structural damage due to antenna installations or other attachments for which the tanks was not originally designed, repairs to the foundation of the water storage tank, operational or structural problems caused by physical conditions below the surface of the ground, acts of terrorism, or other conditions which are beyond the Owner's and/or Company's control.

The Company reserves the right to assign any outstanding receivables from this agreement to its bank or other lending institution as collateral for any loans or lines of credit.

This Agreement is signed this 9th day of JANUARY, 2020.

Owner:
TOWN OF NORWICH
WATER DISTRICT

American Tank Maintenance, LLC

By: Mark Carter, Jr

By: [Signature]

Witness: [Signature]

Witness: [Signature]

The above signatories certify that they are duly authorized to sign the Agreement on behalf of the entities represented.



JASON E. MUMPOWER
Comptroller

Exhibit 3:

Report Due	Report Received	CPA Name	Days Delinquent
12/31/2022	09/20/2023	Robert A. Doll, Jr.	- 263
12/31/2021	09/06/2022	Robert A. Doll, Jr.	- 249
12/31/2020	06/07/2021	Robert A. Doll, Jr.	- 158
12/31/2019	10/07/2020	Robert A. Doll, Jr.	- 281
12/31/2018	07/23/2019	Robert A. Doll, Jr.	- 204
12/31/2017	11/17/2018	Robert A. Doll, Jr.	- 321
12/31/2016	05/09/2017	Robert A. Doll, Jr.	- 129
12/31/2015	12/09/2015	Robert A. Doll, Jr.	22
12/31/2014	03/04/2015	Robert A. Doll, Jr.	- 63
12/31/2013	01/28/2014	Robert A. Doll, Jr.	- 28
12/31/2012	02/26/2013	Robert A. Doll, Jr.	- 57
12/31/2011	04/01/2012	Robert A. Doll, Jr.	- 92
12/31/2010	07/05/2011	Robert A. Doll, Jr.	- 186
12/31/2010	07/05/2011	Robert A. Doll, Jr.	- 186
12/31/2009	09/24/2010	Robert A. Doll, Jr.	- 267
12/31/2008	07/10/2009	Robert A. Doll, Jr.	- 191
12/31/2007	04/02/2008	Robert A. Doll, Jr.	- 93
12/31/2006	06/19/2007	Robert A. Doll, Jr.	- 170
12/31/2005	05/19/2006	Robert A. Doll, Jr.	- 139
12/31/2004	11/23/2004	Robert A. Doll, Jr.	38
12/31/2003	06/04/2004	Robert A. Doll, Jr.	- 156
12/31/2002	04/03/2003	Robert A. Doll, Jr.	- 93



JASON E. MUMPOWER
Comptroller

Exhibit 4:

PLEASE DETACH AND RETURN TOP PORTION WITH YOUR PAYMENT.
Payment must be received by due date to avoid penalty or discontinued service.



ACCOUNT NUMBER:		01-007644 13 01 000690				
CUSTOMER NAME:		TOWN OF HORNSBY				
SERVICE ADDRESS:		HIGHWAY 64 WEST				
METER READING DATE:		01/13/2023				
DUE DATE:		02/10/2023 30				
PREVIOUS READING	PRESENT READING	AMOUNT USED	SERVICE			AMOUNT
945789	100383	15459400	WATER			37,828.38
		TOTAL AMOUNT	PRIOR BALANCE	BALANCE FORWARD PAST DUE OR CREDIT	NET AMOUNT DUE	AMOUNT DUE AFTER DUE DATE
		37,828.38	-22,341.30	-15,487.08	0.00	0.00

Water and Wastewater Financing Board Investigative Questionnaire:

Please fill out the following questionnaire and include any supporting documents that have been requested. Based on the information provided, more documentation may be requested at a later date upon receipt of the completed questionnaire. This Questionnaire is due by June 2nd, 2023.

Section 1. Utility Board Information

If any of the pre-filled elected official information is incorrect, please note the changes needed to ensure that we have the correct list of Alderman for the Utility.

1. Fill out the following table:

Title	Name	Initial Election Month and Year	Most Recent Election Month and Year
Mayor			
Alderman			
Alderman			
Alderman			
Alderman			
Alderman			

Note: The initial election date is the first election date in Alderman's current line of service history. For example, if someone was elected in November of 2012, and has consistently been re-elected, please list November of 2012 as their initial election month and year. If someone was elected in November of 2012, was not re-elected in 2016, then was elected in 2020, please list November 2020 as the initial election month and year.

2. Provide all Annual Training Statements filed pursuant to § 7-34-115(j)(8) for each Alderman. Label this as Exhibit 1. If this individual is out of compliance with the training requirements or if these documents cannot be provided, please provide a written explanation as Exhibit 1.

Section 2. Utility Rates

1. Provide a written statement as to any future rate increases that are currently planned. If there are no rate increases planned, please indicate so. Label this as Exhibit 2.
2. Provide a written statement on the reasoning for why the utility has a rate structure with differing rates based on location. Label this as Exhibit 3.

Section 3. Policies and Contracts

1. Provide a copy of the Town's Capitalization policy. Label this as Exhibit 3.
2. Provide a copy of the Town's Purchasing policy. Label this as Exhibit 4.
3. Provide a copy of the Town's Debt Management policy. Label this as Exhibit 5.
4. Provide a copy of the Town's Leak Adjustment policy. Label this as Exhibit 6.

Section 4. Bank Accounts and Statements

1. Provide a list of all bank accounts that are under the Town's management. Label this as exhibit 7.
2. Provide a list of all lines and forms of credit that are under the Town's management. Label this as exhibit 8.
3. Provide copies of all statements from all accounts listed in Section 4 (1) & (2) from January 1st, 2020, through April 30th, 2023. Label this as exhibit 9.
4. Provide receipts or contracts for all purchases made that require Board approval per the Town's purchasing policy from January 1st, 2020, through April 30th, 2023. Label this as exhibit 10.

Section 5. Employees and Benefits

1. Provide a list of all employees of the Town including their salaries or wages and length of employment. Label this as exhibit 11.
2. Provide a description of the benefits provided to Board Members including monthly payments and any benefits provided to such Alderman. Label this as Exhibit 12.

Exhibits	Document
Exhibit 1	Alderman Training Statements
Exhibit 2	Future Rate Plans
Exhibit 3	Statement on Differing Rates
Exhibit 4	Capitalization Policy
Exhibit 5	Purchasing Policy
Exhibit 6	Debt Management Policy
Exhibit 7	Leak Adjustment Policy
Exhibit 8	List of all Bank Accounts
Exhibit 9	List of all Credit Accounts.
Exhibit 10	All Bank and Credit Card Statements
Exhibit 11	All Receipts and Contracts for Purchases Exceeding Policy.
Exhibit 12	Employee List with Salaries and Employment Record

Responses to Investigative Questionnaire

SECTION 1. Utility Board Information

Title	Name	Initial Election Month and Year	Most Recent Election Month and Year
Mayor	Curtis Vandiver	06/2000	
Alderman	Melissa Wilson	11/2016 (Write In)	11/2020
Alderman	Greg Vance	11/2012	11/2020
Alderman	Wayne Isbell	11/2016	11/2020
Alderman	Patricia Plunk		Appointed 02/2023
Alderman	Heather Jo Moore		Appointed 05/2023

****Curtis Vandiver was re-elected as an Alderman in November 2020. He was appointed Mayor April 2023.

Patricia Plunk was elected as an Alderman in November 2008 and November 2012.

UTILITY RATE INCREASE:

At the present time, a rate increase is anticipated. Hornsby has not raised rates, per the city auditor's report, since 2016, and has operated for two years at a net position loss. Hornsby Water District has signed a contract with MTAS to conduct a water rate study, and will be working with Mr. Steve Wyatt to reach an agreement on an amount to satisfy the needs of the water district.

Hornsby has a higher water rate outside the city limits due to the added cost of providing water.

There is an added fuel cost to reading meters and working on water lines. There is also the big expense with the pumping stations and the water tank, which helps provide water to the water customers on the west side of Hornsby.

Hornsby Water District has replaced lines outside the city limits more frequently than the need to replace lines inside the city, because the terrain makes maintaining the lines more difficult and expensive. A portion of main water line outside the city limits is under rip rap at the river, and in areas where slides occur, causing line breakage. This necessitates loss of water, extensive time spent on repairs, and on occasion, the need to hire outside equipment to assist with the repairs.

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**TOWN OF HORNSBY
450 MAIN ST.
P.O. BOX 58
HORNSBY, TENNESSEE 38044**

DEBT POLICY

The purpose of this debt policy is to establish a set of parameters by which debt obligations will be undertaken by the City of Hornsby, TN. This policy reinforces the commitment of the City and its officials to manage the financial affairs of the City so as to minimize risk, avoid conflicts of interest and ensure transparency while still meeting the capital needs of the City. A debt management policy signals to the public and the rating agencies that the City is using a disciplined and defined approach to financing capital needs and fulfills the requirements of the State of Tennessee regarding the adoption of a debt management policy.

The goal of this policy is to assist decision makers in planning, issuing and managing debt obligations by providing clear direction as to the steps, substance and outcomes desired. In addition, greater stability over the long-term will be generated by the use of consistent guidelines in issuing debt.

Definition of Debt: All obligations of the City to repay, with or without interest, in installments and/or at a later date, some amount of money utilized for the purchase, construction, or operation of City resources. This includes but is not limited to notes, bond issues, capital leases, and loans of any type.

Approval of Debt: Bond anticipation notes, capital outlay notes, grant anticipation notes, and tax and revenue anticipation notes will be submitted to the State of Tennessee Comptroller's Office and the City Council prior to issuance or entering into the obligation. A plan for refunding debt issues will also be submitted to the Comptroller's Office prior to issuance. Capital or equipment leases may be entered into by the City Council; however, details on the lease agreement will be forwarded to the Comptroller's Office on the specified form within 45 days.

Transparency:

- The City shall comply with legal requirements for notice and for public meetings related to debt issuance.
- All notices shall be posted in the customary and required posting locations, including as required local newspapers, bulletin boards, and websites.
- All costs (including principal, interest, issuance, continuing, and one-time) shall be clearly presented and disclosed to the citizens, City Council, and other stakeholders in a timely manner.

- The terms and life of each debt issue shall be clearly presented and disclosed to the citizens/members, City Council, and other stakeholders in a timely manner.
- A debt service schedule outlining the rate of retirement for the principal amount shall be clearly presented and disclosed to the citizens/members, City Council, and other stakeholders in a timely manner.

Role of Debt:

- Long-term debt shall not be used to finance current operations. Long-term debt may be used for capital purchases or construction identified through the capital improvement, regional development, transportation, or master process or plan. Short-term debt may be used for certain projects and equipment financing as well as for operational borrowing; however, the City will minimize the use of short-term cash flow borrowings by maintaining adequate working capital and close budget management.
- In accordance with Generally Accepted Accounting Principles and state law,
 1. The maturity of the underlying debt will not be more than the useful life of the assets purchased or built with the debt, not to exceed 30 years; however, an exception may be made with respect to federally sponsored loans, provided such an exception is consistent with law and accepted practices.
 2. Debt issued for operating expenses must be repaid within the same fiscal year of issuance or incurrence.

Types and Limits of Debt:

- The City will seek to limit total outstanding debt obligations such that the annual cost of all debt retirement payments, including loan service fees, does not exceed 20% of annual General Fund revenues, excluding enterprise debt and revenue debt.
- The limitation on total outstanding debt must be reviewed prior to the issuance of any new debt.
- The City's total outstanding debt obligation will be monitored and reported to the City Council by the City Recorder. The City Recorder shall monitor the maturities and terms and conditions of all obligations to ensure compliance. Helen P. Coffman shall also report to the City Council any matter that adversely affects the credit or financial integrity of the City.
- The City is authorized to issue General Obligation bonds, Revenue bonds, TIFs, loans, notes and other debt allowed by law. The City will seek to structure debt with *level or declining* debt service payments over the life of each individual bond issue or loan.
- As a rule, the City will not backload, use "wrap-around" techniques, balloon payments or other exotic formats to pursue *the financing of* projects. When refunding opportunities, natural disasters, other non-general fund revenues, or

other external factors occur, the City may utilize non-level debt methods. However, the use of such methods must be thoroughly discussed in a public meeting and the mayor and governing body must determine such use is justified and in the best interest of the city.

- The City may use capital leases to finance short-term projects.
- Bonds backed with a general obligations pledge often have lower interest rates than revenue bonds. The City may use its General Obligation pledge with revenue bond issues when the populations served by the revenue bond projects overlap or significantly are the same as the property tax base of the City. The City Council and management are committed to maintaining rates and fee structures of revenue supported debt at levels that will not require a subsidy from the City's General Fund.

Use of Variable Rate Debt:

- The City recognizes the value of variable rate debt obligations and that cities have greatly benefitted from the use of variable rate debt in the financing of needed infrastructure and capital improvements.
- However, the City also recognizes there are inherent risks associated with the use of variable rate debt and will implement steps to mitigate these risks; including:
 1. The City will annually include in its budget an interest rate assumption for any outstanding variable rate debt that takes market fluctuations affecting the rate of interest into consideration.
 2. Prior to entering into any variable rate debt obligation that is backed by insurance and secured by a liquidity provider, the City Council shall be informed of the potential affect on rates as well as any additional costs that might be incurred should the insurance fail.
 3. Prior to entering into any variable rate debt obligation that is backed by a letter of credit provider, the City Council shall be informed of the potential affect on rates as well as any additional costs that might be incurred should the letter of credit fail.
 4. Prior to entering into any variable rate debt obligation, the City Council will be informed of any terms, conditions, fees, or other costs associated with the prepayment of variable rate debt obligations.
 5. The City shall consult with persons familiar with the arbitrage rules to determine applicability, legal responsibility, and potential consequences associated with any variable rate debt obligation.

Use of Derivatives:

- The City chooses not to use derivative or other exotic financial structures in the management of the City's debt portfolio.
- Prior to any reversal of this provision:

1. A written management report outlining the potential benefits and consequences of utilizing these structures must be submitted to the City Council; and
2. The City Council must adopt a specific amendment to this policy concerning the use of derivatives or interest rate agreements that complies with the State Funding Board Guidelines.

Costs of Debt:

- All costs associated with the initial issuance or incurrence of debt, management and repayment of debt (including interest, principal, and fees or charges) shall be disclosed prior to action by the City Council in accordance with the notice requirements stated above.
- In cases of variable interest or non-specified costs, detailed explanation of the assumptions shall be provided along with the complete estimate of total costs anticipated to be incurred as part of the debt issue.
- Costs related to the repayment of debt, including liabilities for future years, shall be provided in context of the annual budgets from which such payments will be funded (i.e. General Obligations bonds in context of the General Fund, Revenue bonds in context of the dedicated revenue stream and related expenditures, loans and notes).

Refinancing Outstanding Debt:

- The City will refund debt when it is in the best financial interest of the City to do so, and the Chief Financial Officer shall have the responsibility to analyze outstanding bond issues for refunding opportunities. The decision to refinance must be explicitly approved by the governing body, and all plans for current or advance refunding of debt must be in compliance with state laws and regulations.
- The Chief Financial Officer will consider the following issues when analyzing possible refunding opportunities:
 1. Onerous Restrictions – Debt may be refinanced to eliminate onerous or restrictive covenants contained in existing debt documents, or to take advantage of changing financial conditions or interest rates.
 2. Restructuring for Economic Purposes – The City will refund debt when it is in the best financial interest of the City to do so. Such refunding may include restructuring to meet unanticipated revenue expectations, achieve cost savings, mitigate irregular debt service payments, or to release reserve funds. Current refunding opportunities may be considered by the Chief Financial Officer if the refunding generates positive present value savings, and the Chief Financial Officer must establish a minimum present value savings threshold for any refinancing.

3. Term of Refunding Issues – The City will refund bonds within the term of the originally issued debt. However, the Chief Financial Officer may consider maturity extension, when necessary to achieve a desired outcome, provided such extension is legally permissible. The Chief Financial Officer may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful life of the financed facility and the concept of inter-generational equity should guide this decision.
4. Escrow Structuring – The City shall utilize the least costly securities available in structuring refunding escrows. Under no circumstances shall an underwriter, agent or financial advisor sell escrow securities to the City from its own account.
5. Arbitrage – The City shall consult with persons familiar with the arbitrage rules to determine applicability, legal responsibility, and potential consequences associated with any refunding.

Professional Services:

The City shall require all professionals engaged in the process of issuing debt to clearly disclose all compensation and consideration received related to services provided in the debt issuance process by both the City and the lender or conduit issuer, if any. This includes “soft” costs or compensations in lieu of direct payments.

- **Counsel:** The City shall enter into an engagement letter agreement with each lawyer or law firm representing the City in a debt transaction. *(No engagement letter is required for any lawyer who is an employee of the City or lawyer or law firm which is under a general appointment or contract to serve as counsel to the City. The City does not need an engagement letter with counsel not representing the City, such as underwriters’ counsel.)*
- **Financial Advisor:** The City shall enter into a written agreement with each person or firm serving as financial advisor for debt management and transactions.
 - **Whether in a competitive sale or negotiated sale, the financial advisor shall not be permitted to bid on, privately place or underwrite an issue for which they are or have been providing advisory services for the issuance or broker any other debt transactions for the City**
- **Underwriter:** The City shall require the Underwriter to clearly identify itself in writing as an underwriter and not as a financial advisor from the earliest stages of its relationship with the City with respect to that issue. The Underwriter must clarify its primary role as a purchaser of securities in an arm’s-length commercial transaction and that it has financial and other interests that differ from those of the Entity. The Underwriter in a publicly offered, negotiated sale shall be required to provide pricing information both as to interest rates and to

takedown per maturity to the (governing body or designated City official) in advance of the pricing of the debt.

Conflicts:

- Professionals involved in a debt transaction hired or compensated by the City shall be required to disclose to the City existing client and business relationships between and among the professionals to a transaction (including but not limited to financial advisor, swap advisor, bond counsel, swap counsel, trustee, paying agent, liquidity or credit enhancement provider, underwriter, counterparty, and remarketing agent), as well as conduit issuers, sponsoring organizations and program administrators. This disclosure shall include that information reasonably sufficient to allow the City to appreciate the significance of the relationships.
- Professionals who become involved in the debt transaction as a result of a bid submitted in a widely and publicly advertised competitive sale conducted using an industry standard, electronic bidding platform are not subject to this disclosure. No disclosure is required that would violate any rule or regulation of professional conduct.

Review of Policy:

This policy shall be reviewed at least annually by the City Council with the approval of the annual budget. Any amendments shall be considered and approved in the same process as the initial adoption of this Policy, with opportunity for public input.

Compliance:

(*City designee*) is responsible for ensuring compliance with this policy.

TCA References: TCA 7, Part 9 – Contracts, Leases, and Lease Purchase Agreements

TCA 9, Part 21 – Local Government Public Obligations Law


 Mayor, Mack Carter, Jr.

Date 12/19/14


 Recorder, Helen P. Coffman

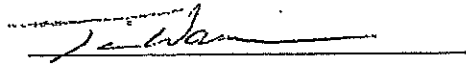
Date 12/19/14

EXHIBIT 7 LEAK ADJUSTMENT POLICY

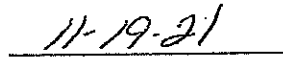
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This contract is between Hornsby Water District and Tim Warren for the position of Hornsby Water Department Superintendent. Mr. Warren agrees to provide at minimum, one month's written notice prior to termination of this arrangement.

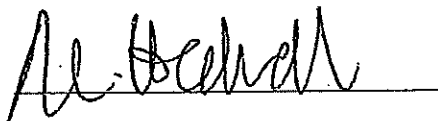
Mr. Warren shall be contracted for \$1,500.00 per month for up to forty (40) hours of service and \$300.00 per trip for his excavator, as needed (monthly excavator costs to be capped at \$1,000.00). Monthly hours in excess of forty (40) shall be invoiced at \$35 per hour.



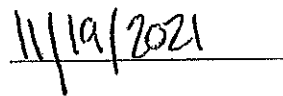
Tim Warren



Date



Megan Hedwall, Mayor of Hornsby



Date

