

BEFORE THE TENNESSEE UTILITY MANAGEMENT REVIEW BOARD

IN THE MATTER OF:)
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SOUTH FORK) **TENN. CODE ANN. §§ 7-82-307, 401**
UTILITY DISTRICT)
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ORDER

On April 28, 2022, the Tennessee Utility Management Review Board (“the Board”) reviewed the financially distressed status of the South Fork Utility District (“South Fork”) pursuant to Tenn. Code Ann. §§ 7-82-307 and 401(g).

On April 7, 2022, the Comptroller’s Division of Investigations released an investigative report relative to South Fork, which report was included in the Board’s meeting packet and noted a number of deficiencies in the operation of the district. Board staff recommended that the South Fork commissioners should immediately be removed from their positions. Further, Board staff indicated that it is not confident that the continued operation of South Fork as a sole utility is in the best interest of the roughly 3,400 customers that it serves.

Based on Board staff’s statements and recommendations, the Board orders as follows:

1. Board staff shall initiate contested case proceedings, on behalf of the Board, against South Fork and any other necessary parties, to address the question of whether to remove South Fork’s Commissioners from their positions pursuant to Tenn. Code Ann. § 7-82-307(b)(2). This hearing should be scheduled as soon as is reasonably possible, and by a special called meeting if necessary.
2. The District may elect to voluntarily merge with another entity.

3. If the District does not elect to voluntarily merge with another entity, the District *shall* contract with TAUD or another qualified expert to perform a feasibility study that includes:
 - a. A rate study to show future rate increases necessary to perform current operations;
 - b. The feasibility of a merger between the South Fork and Bristol-Bluff City Utility District including the projected rates for the districts' current customers and the costs of any new or upgraded infrastructure to support the merger;
 - c. The feasibility of a merger between South Fork and Blountville Utility District including projected rates for the districts' current customers and the costs of any new or upgraded infrastructure to support the merger; and,
 - d. The feasibility of a merger between the utility systems of South Fork and the City of Bristol including projected rates for the districts' current customers and the costs of any new or upgraded infrastructure to support the merger.
4. South Fork shall send Board staff a copy of the contract required by paragraph 3 above by June 17, 2022.
5. South Fork shall send Board staff a copy of the completed feasibility study by December 16, 2022.
6. South Fork shall complete and return the financial distress questionnaire to Board staff within 90 days of receiving the questionnaire.
7. Board staff are given the authority to grant one extension of up to six months of the foregoing deadlines upon a showing of good cause by South Fork.

BEFORE THE TENNESSEE UTILITY MANAGEMENT REVIEW BOARD

IN THE MATTER OF:

**BRISTOL-BLUFF CITY
UTILITY DISTRICT**

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**TENN. CODE ANN. § 7-82-401(g)
-FINANCIAL DISTRESS**

ORDER

On April 28, 2022, the Tennessee Utility Management Review Board (“the Board”) reviewed the financially distressed status of the Bristol-Bluff City Utility District (“the Entity”) pursuant to Tenn. Code Ann. § 7-82-401(g).

The Bristol-Bluff City Utility District (“the Entity”) has been financially distressed since a referral made from Local Government Audit in 2022. The Entity has been actively working with TAUD to improve its overall operations. Board staff is confident in the progress that the Entity will make with the assistance of TAUD.

Based on staff’s recommendation, the Board orders that the District shall complete and return the financial distress questionnaire to Board staff within 90 days of receiving the questionnaire.

ENTERED this 3 day of May, 2022.



BETSY KNOTTS, Chair
Utility Management Review Board

BEFORE THE TENNESSEE UTILITY MANAGEMENT REVIEW BOARD

IN THE MATTER OF:)
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IRON CITY) **TENN. CODE ANN. § 7-82-307**
UTILITY DISTRICT)
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ORDER

On April 28, 2022, the Tennessee Utility Management Review Board (“the Board”) reviewed the Iron City Utility District (“the Entity”) pursuant to Tenn. Code Ann. § 7-82-307.

The Board previously ordered Board staff to initiate contested case proceedings against two commissioners of the district that did not meet training requirements at the time they were reappointed to their positions. The commissioners appeared before the Board via telephone and explained why they did not meet training requirements during that cycle, and presented testimony related to medical conditions suffered at the time. They further stated that they now met all training requirements.

The Board finds it appropriate under these narrow circumstances to rescind its previous order to initiate contested case proceedings against the commissioners. That order is hereby rescinded.

ENTERED this 3 day of May, 2022.



BETSY KNOTTS, Chair
Utility Management Review Board

BEFORE THE TENNESSEE UTILITY MANAGEMENT REVIEW BOARD

IN THE MATTER OF:)
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ROAN MOUNTAIN) **TENN. CODE ANN. § 7-82-401(g)**
UTILITY DISTRICT) **-FINANCIAL DISTRESS**
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ORDER

On April 28, 2022, the Tennessee Utility Management Review Board (“the Board”) reviewed the financially distressed status of the Roan Mountain Utility District (“the Entity”) pursuant to Tenn. Code Ann. § 7-82-401(g).

The Entity was referred to the Utility Management Review Board (“the Board”) for financial distress following its FY2020 audit. The Entity has complied with prior directives of the Board. The Entity has shown progress in correcting their financial distress, and Board staff believes the Entity should be required to submit biannual financial updates to the Board. These updates will consist of changes in fund balance, changes in revenues, pro-forma statements of revenues, expenses, and changes in net position, or other financial documents that indicate the Entity's financial distress is being remedied.

As such, the Board orders that the Entity shall send financial updates to Board staff by March 1st and September 1st of each year beginning September 1, 2022 until the Board releases the Entity from its oversight.

ENTERED this 3 day of May, 2022.



BETSY KNOTTS, Chair
Utility Management Review Board

BEFORE THE TENNESSEE UTILITY MANAGEMENT REVIEW BOARD

IN THE MATTER OF:

MULTIPLE CITIES

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**TENN. CODE ANN. § 7-82-401(g)
-FINANCIAL DISTRESS**

ORDER

On April 28, 2022, the Tennessee Utility Management Review Board (“the Board”) reviewed the financially distressed status of the entities listed below, pursuant to Tenn. Code Ann. § 7-82-401(g).

The listed entities have complied with prior directives of the Board and shown positive changes in net position. Based on Board staff’s statements and recommendations the Board orders that the following entities are officially released from Board oversight:

Arthur-Shawanee Utility District
Bon de Croft Utility District
Copper Basin Utility District
Crockett Public Utility District
Fall River Road Utility District
Milcrofton Utility District

North Stewart Utility District
Northeast Henry Utility District
Northwest Henry Utility District
Reelfoot Utility District
Walden’s Ridge Utility District

Staff and counsel may close any active cases or investigations unless the entities fall under Board oversight in the future.

ENTERED this 3 day of May 2022.



Betsy Knotts, Chair
Water & Wastewater Financing Board

BEFORE THE TENNESSEE UTILITY MANAGEMENT REVIEW BOARD

IN THE MATTER OF:

**TUCKALEECHEE
UTILITY DISTRICT**

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TENN. CODE ANN. § 7-82-709

ORDER

On April 28, 2022, the Tennessee Utility Management Review Board (“the Board”) reviewed the financially distressed status of the Tuckaleechee Utility District (“the Entity”) pursuant to Tenn. Code Ann. § 7-82-709.

The Entity is a water district that serves roughly 4,600 connections. The Comptroller's office received information in February 2022, that many customers were without water for a period of time due to firefighting efforts taking place in the District. These water issues were resolved, but it highlighted a need for improved infrastructure in the area.

Board staff believes the UMRB should open an investigation into the managerial, technical, and financial capacity of the district. There are plans of a cooperative effort in the Entity's service area that would help fix critical infrastructure needs within the Tuckaleechee Utility District. The Board should direct Board staff to ensure that the current operation of the utility will be able to financially support such projects, and Board staff should ensure that all necessary actions are being pursued to ensure the best service to the ratepayers in the area. Board staff should work with the Tennessee Department of Environment and Conservation to ensure that the utility project as proposed is correcting the issues that the Entity currently faces, and the utility will still be viable after undertaking such projects.

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

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 the Entity's manager, governing body, any other necessary staff, to appear in-person before the Board at its first meeting of 2022 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 September 22, 2022.

ENTERED this 3 day of May, 2022.



BETSY KNOTTS, Chair
Utility Management Review Board