



JASON E. MUMPOWER  
*Comptroller*

Agenda  
Water and Wastewater Financing Board  
September 16, 2021  
10:00 AM

- I. Call to Order
- II. Approval of Minutes
- III. Update Cycle
  - a. Marshall County
  - b. Mount Juliet
  - c. Newbern
  - d. Rogersville
  - e. Trezevant
  - f. Watertown
- IV. Financial Distress
  - a. Copperhill
  - b. Englewood
  - c. Lynnville
  - d. Red Boiling Springs
  - e. Saint Joseph
  - f. Tellico Plains
  - g. Tennessee Ridge
  - h. Tiptonville
- V. Extension of Previous Board Orders
  - a. Atoka
  - b. Bruceton
  - c. Collinwood
  - d. Erin
  - e. Lincoln County
  - f. Puryear
  - g. Rutledge
  - h. Trimble
  - i. Vanleer
- VI. 2022 Meeting Dates
- VII. Board Discussion

**MINUTES**  
**WATER and WASTEWATER FINANCING BOARD MEETING**  
**April 29, 2021**  
**10:00 am**

Chair Betsy Knotts detected a quorum and called to order the meeting of the Water and Wastewater Financing Board (“the Board”) in the Volunteer Conference Center in the Cordell Hull Building in Nashville, TN at 10:00 am.

**Board Members Present**

Betsy Knotts, Chair, Comptroller Designee  
Tom Moss, Department of Environment and Conservation (“TDEC”), Commissioner Designee  
Eugene Hampton, representing government finance  
Jim Redwine, representing environmental interests  
Nick Newman, active employee of municipal water system  
Mike Adams, representing utility districts  
Mike Goodman, representing manufacturing interests

**Members Absent**

Rick Graham, representing municipalities  
Drexel Heidel, active employee of a water utility district

**Staff Present**

John Greer, Comptroller’s Office  
Ross Colona, Comptroller’s Office

**Counsel Present**

Rachel Buckley, Comptroller’s Office

**Others Present & Addressing the Board**

Mayor Wess Ward, Town of Linden

**Approval of Minutes**

Ms. Knotts presented the November 19, 2020 minutes for approval. Mr. Adams moved to approve the minutes. Mr. Moss seconded, and the motion passed unanimously.

**Missing Questionnaires**

The following entities had failed to submit their financial questionnaires to Board staff, which resulted in Staff recommending that the Board order the entities to submit the questionnaires by a prescribed date. Mr. Moss moved to combine the following items into one vote, as the staff recommendation was the same for each entity and to adopt Staff’s recommendation.

**Englewood**  
**Lynnville**  
**Marshall County**  
**Red Boiling Springs**

**Saint Joseph  
Tennessee Ridge  
Tiptonville**

Mr. Redwine seconded, and the motion passed unanimously.

**Update Cycle**

Staff indicated that the following entities had complied with or were nearing completion of all Board directives. Staff recommended that the Board monitor the progress of the entities by requiring twice-yearly financial updates. Mr. Moss moved to combine the following items into one vote as the staff recommendation was the same for each entity and to adopt Staff's recommendation.

**Benton  
Cowan  
Harriman  
Lauderdale County  
Millersville  
Spring City  
Woodland Mills**

Mr. Hampton seconded, and the motion passed unanimously.

**Financial Distress**

**Adamsville**

Mr. Greer explained the staff recommendations. Mr. Goodman moved to order the following:

1. The City 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 debt management policy;
  - b. a justification for the differing water and sewer rate classes, or if no justification is possible, a recommendation for a single rate class;
  - c. a review of the leak adjustment policy;
  - d. a review of the capitalization policy;
  - e. a review of connection, reconnection, and tap fees, to include a justification for the differing water fee classes, or if no justification is possible, a recommendation for a single fee structure; and
  - f. a review of turn-on fees, to include a justification for the differing fee classes, or if no justification is possible, a recommendation for a single fee structure.
2. By June 11, 2021, the City shall send Board staff a copy of the contract between the City and the qualified expert who is to perform the tasks in paragraph 1.

3. By September 30, 2021, the City 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 City.

Mr. Newman seconded, and the motion passed unanimously.

### **Bethel Springs**

Mr. Greer explained the staff recommendations. Mr. Moss moved to order the following:

1. By June 30, 2021, the City shall send Board staff proof that it has implemented the recommendations contained in the April 2021 TAUD report.
2. The City shall send financial updates to Board staff by March 1st and September 1st of each year, beginning September 1, 2021, until the Board releases the City from its oversight.

Mr. Adams seconded, and the motion passed unanimously.

### **Clifton**

Mr. Greer explained the staff recommendations. Mr. Redwine moved to order the following:

1. By November 1, 2021, the City shall provide Board staff with a financial update and an update regarding the status of the plant's construction.

Mr. Adams seconded, and the motion passed unanimously.

### **Copperhill**

Mr. Greer explained the staff recommendations. Ms. Knotts moved to order the following:

1. By June 30, 2021, the City shall send Board staff proof that it has implemented the recommendations contained in the January 2021 TAUD report.
2. The City shall send financial updates to Board staff by March 1st and September 1st of each year, beginning September 1, 2021, until the Board releases the City from its oversight.

Mr. Redwine seconded, and the motion passed unanimously.

### **Goodlettsville**

Mr. Greer explained the staff recommendations. Mr. Newman moved to order the following:

1. By November 1, 2021, the City shall provide Board staff with the completed rate study, and either proof of implementation of the resulting recommendations or a proposed plan of implementation.
2. 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 City.

Mr. Hampton seconded, and the motion passed unanimously.

### **Kingsport**

Mr. Greer explained the staff recommendations. Mr. Goodman moved to order the following:

1. By November 1, 2021, the City shall provide Board staff with the completed rate study, and either proof of implementation of the resulting recommendations or a proposed plan of implementation.
2. 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 City.

Mr. Newman seconded, and the motion passed unanimously.

### **Linden**

Mr. Greer explained the staff recommendations.

Mayor Wess Ward appeared at the meeting and addressed the Board on behalf of the Town. He indicated that he had been working on the questionnaire and had asked the Tennessee Association of Utility Districts for assistance. He explained that the Town had to replace a significant number of meters, which contributed to the financial instability. Mayor Ward also indicated that he had made several cuts to expenses and that the financial outlook of the Town was improving. He assured the Board that he would not ignore its directives and appeared before it as a sign of good faith.

Mr. Adams moved to order the following:

1. The Town 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 debt management policy;
  - b. a review of the capitalization policy; and
  - c. a review of connection, reconnection, and tap fees.
2. By June 11, 2021, the Town shall send Board staff a copy of the contract between the Town and the qualified expert who is to perform the tasks in paragraph 1.
3. By September 30, 2021, the Town 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 Town.

Mr. Hampton seconded, and the motion passed unanimously.

### **Lobelville**

Mr. Greer explained the staff recommendations. He provided that the sewer system's capacity is 113,000 gallons per day, but the City indicated on its questionnaire that it treats 182,000 gallons per day. This excess amount is due to infiltration and inflow, and while the City has no plans to

correct these issues, it contends that it has unsuccessfully applied for grants the past three years to address the problem.

Mr. Redwine asked that in the rate study a plan would be developed to address capacity issues at the plant. Mr. Adams stated that TAUD and other groups that generally do rate studies may not be able to perform this engineering report.

Mr. Greer suggested that the Board could amend the recommendation to allow for additional experts be hired if necessary to create a plan that would solve the City's sewer capacity issues as part of the rate study.

Mr. Redwine moved to order the following:

1. The City shall have the Tennessee Association of Utility Districts, or additional experts if necessary, as approved by Board staff, perform a rate study that includes the following:
  - a. a review of the debt management policy;
  - b. a justification for the differing rate classes, or if no justification is possible, recommendations for an appropriate rate structure;
  - c. creation of a capitalization policy;
  - d. creation of a five-year capital asset plan;
  - e. creation of a plan to address infiltration and inflow;
  - f. a review of the leak adjustment policy;
  - g. a review of connection, reconnection, and tap fees; and
  - h. creation of a plan to resolve its sewer capacity issues.
2. By June 7, 2021, the City shall send Board staff a copy of the contract between the City and the qualified expert who is to perform the tasks in paragraph 1.
3. By November 1, 2021, the City 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 City.

Ms. Knotts seconded, and the motion passed unanimously.

## **Parrottsville**

Mr. Greer explained the staff recommendations.

Mr. Goodman moved to order the following:

1. By June 11, 2021, the Town shall send Board staff a copy of the contract between the Town and the qualified expert who is to perform the tasks in paragraph 1 of the September 2020 order.
2. By November 1, 2021, the Town shall provide Board staff with the completed rate study, and either proof of implementation of the resulting recommendations or a proposed plan of implementation.

3. If the Town fails to comply with the directives of this order or those of the September 18, 2020 order, Staff shall refer this matter to the Tennessee Attorney General for enforcement through chancery court.

Mr. Newman seconded, and the motion passed unanimously.

### **Sunbright and Wartburg**

Board staff informed the Board that the Tennessee Association of Utility Districts (“TAUD”) recently conducted a regionalization study, which was funded by the United States Department of Agriculture (“USDA”), of the Cities and Plateau Utility District (“the District”) and found that a merger between the Cities and the District may be in the best interest of the customers in the service areas. Board staff agreed with this conclusion, and it appeared that all parties are open to the general idea. Staff also noted that Wartburg had continued to lose money in part due to its failure to charge a local prison a sufficient rate. Sunbright had complied with all Board directives.

Representatives of the District appeared at the meeting and indicated that the District’s hesitation with a merger was in large part due to Wartburg’s need for capital projects. The District was concerned with funding such projects without penalizing its existing customer base and requested input and assistance on how to approach the problem from various state entities.

Ms. Knotts stated that through American Rescue Plan funds and the State Revolving Fund there is the potential for the upgrades to be financed in a way that there should not be a huge burden shared with the current customer base.

Mr. Redwine suggested adding a paragraph to Staff’s recommendation that would require Sunbright and Wartburg to explore ARP and SRF funding to assist in merger or consolidation efforts.

Mr. Redwine moved to order the following:

1. Sunbright shall continue to explore merger or consolidation possibilities with Wartburg and the District.
2. By June 30, 2021, Wartburg shall adopt all recommendations of the March 2021 TAUD report.
3. Wartburg shall continue to explore merger or consolidation possibilities with Sunbright and the District.
4. By August 1, 2021, Wartburg shall send staff proof of implementation of all TAUD recommendations.
5. By September 1, 2021, Wartburg and Sunbright shall send Board staff an update on merger or consolidation possibilities.
6. Wartburg and Sunbright shall actively explore State Revolving Fund and American Rescue Plan funding to assist in consolidating or merging operations with the District.

Ms. Knotts seconded, and the motion passed unanimously.

## **Watertown**

Mr. Greer explained the staff recommendations. Mr. Redwine moved to order the following:

1. By June 30, 2021, the City shall send Board staff proof that it has implemented the recommendations contained in the July 2020 TAUD report.
2. If the City fails to comply with the directives of this order, those of the September 2019 order, or those of the September 2020 order, Staff shall refer this matter to the Tennessee Attorney General for enforcement through chancery court.

Mr. Moss seconded, and the motion passed unanimously.

## **Board Discussion**

No additional discussion occurred.

## **Adjournment**

Chairman Knotts adjourned the meeting at 11:30 AM.



JASON E. MUMPOWER  
*Comptroller*

Entity Referred: **Marshall County**  
Referral Reason: **Negative Change in Net Position**  
Utility Type Referred: **Water and Sewer**

**Staff Summary:**

Prior to the county's referral to the Board, the County contracted with Jackson Thornton to perform a cost-of-service study and began implementing the resulting recommendations on July 1, 2021. Board staff is comfortable with the results of Jackson Thornton's cost-of-service study and with Marshall County's financial trajectory.

**Staff Recommendation**

Order the following:

1. The County shall send financial updates to Board staff by March 1st and September 1st of each year, beginning March 1, 2022, until the Board releases the County from its oversight.



JASON E. MUMPOWER  
*Comptroller*

Entity Referred: **City of Mount Juliet**

Referral Reason: **Negative Change in Net Position**

Utility Type Referred: **Sewer**

**Staff Summary:**

The City contracted with Rate Studies Inc. to perform a rate study in accordance with the Board's previous order. Rate Studies Inc. has completed the rate study and submitted its resulting report and recommendations to the City and to Board staff. The City has implemented Rate Studies Inc.'s recommendations. Board staff is comfortable with the results of the rate study and with the City's current financial trajectory.

**Staff Recommendation**

Order the following:

1. The City shall send financial updates to Board staff by March 1st and September 1st of each year, beginning March 1, 2022, until the Board releases the City from its oversight.



JASON E. MUMPOWER  
*Comptroller*

Entity Referred: **Town of Newbern**  
Referral Reason: **Negative Change in Net Position**  
Utility Type Referred: **Water and Sewer**

**Staff Summary:**

Mr. Keith Wilkins completed a rate study for the Town. Mr. Wilkins found that no financial adjustments were needed as the City’s 2020 audit showed that it there was a positive change in net position. Mr. Wilkins also found that no other recommendations were needed regarding the Board’s previous directives, particularly, Mr. Wilkins found that the rates charged to customers in the “rural water” rate class needed no adjustments. Board staff is comfortable with the City’s financial trajectory at this time, but recommends monitoring its progress through biannual financial updates.

**Staff Recommendation**

Order the following:

1. The Town shall send financial updates to Board staff by March 1st and September 1st of each year, beginning March 1, 2022, until the Board releases the Town from its oversight.



JASON E. MUMPOWER  
*Comptroller*

Entity Referred: **Town of Rogersville**  
Referral Reason: **Negative Change in Net Position**  
Utility Type Referred: **Water and Sewer**

**Staff Summary:**

The Town contracted with Mattern and Craig to perform a cost-of-service study in accordance with the Board's previous order. Mattern and Craig has completed the study and submitted its resulting report and recommendations to the Town and to Board staff. The Town has implemented Mattern and Craig's recommendations with the exception of a wholesale rate change for Persia Utility District. The Town informed Board staff that Persia Utility District's rate is imposed by contract, which expires in October of 2022. At that time, the Town will renegotiate the contract with Persia Utility District to charge the district at least the cost of service as provided in the report.

**Staff Recommendation:**

Order the following:

1. The Town shall send financial updates to Board staff by March 1st and September 1st of each year, beginning March 1, 2022, until the Board releases the Town from its oversight.



JASON E. MUMPOWER  
*Comptroller*

Entity Referred: **Town of Trezevant**  
Referral Reason: **Negative Change in Net Position**  
Utility Type Referred: **Water and Sewer**

**Staff Summary:**

The Town contracted with TAUD to perform a rate study in accordance with the Board's previous order. TAUD has completed the study and submitted its resulting report and recommendations to the Town and to Board staff. The Town has implemented TAUD's recommendations.

**Staff Recommendation:**

Order the following:

1. The Town shall send financial updates to Board staff by March 1st and September 1st of each year, beginning March 1, 2022, until the Board releases the Town from its oversight.



JASON E. MUMPOWER  
*Comptroller*

Entity Referred: **City of Watertown**

Referral Reason: **Negative Change in Net Position**

Utility Type Referred: **Water and Sewer**

**Staff Summary:**

The City contracted with TAUD to perform a rate study in accordance with the Board's previous order. TAUD has completed the study and submitted its resulting report and recommendations to the City and to Board staff. The City has implemented TAUD's recommendations.

**Staff Recommendation:**

Order the following:

1. The City shall send financial updates to Board staff by March 1st and September 1st of each year, beginning March 1, 2022, until the Board releases the City from its oversight.



JASON E. MUMPOWER  
*Comptroller*

Entity Referred: **City of Copperhill**

Referral Reason: **Negative Change in Net Position**

Utility Type Referred: **Water and Sewer**

**Staff Summary:**

The Board's May 10, 2021, order required the City to provide proof that it implemented the recommendations of TAUD's January 2021 report by June 30, 2021. When Staff contacted the City in preparation for this meeting, the City indicated that it had not received the TAUD report, and therefore its recommendations had not been implemented. Board staff forwarded the report to the City, which has assured staff that it will implement the report's recommendations when it is presented to the City's governing body. The City has recently had turnover in its staff which could have led to the confusion with receiving and implementing the rate study.

**Staff Recommendation:**

Order the following:

1. By January 7, 2022, the City shall send Board staff proof that it has implemented the recommendations contained in the January 21, 2020, TAUD report.
2. The City shall send financial updates to Board staff by March 1st and September 1st of each year, beginning March 1, 2021, until the Board releases the City from its oversight.



JASON E. MUMPOWER  
*Comptroller*

Entity Referred: **Town of Englewood**

Referral Reason: **Negative Change in Net Position**

Utility Type Referred: **Water and Sewer**

**Staff Summary:**

In its May 10, 2021 order, the Board directed the Town to contract with a qualified expert for assistance in filling out the financial questionnaire and to send the completed questionnaire to Board staff by August 6, 2021. The Town contracted with TAUD and has indicated that it mailed its only copy of the completed questionnaire to Board staff, but Board staff never received it. TAUD has confirmed that the questionnaire was in fact completed.

**Staff Recommendation**

1. The Town 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 debt management policy, including any recommended modifications;
  - b. a review of the capitalization policy, including any recommended modifications;
  - c. 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 all water and sewer fees, including any recommended modifications; and
  - e. a review of the leak adjustment policy, including any recommended modifications.
2. By October 29, 2021, the Town shall send Board staff a copy of the contract between the Town and the qualified expert who is to perform the tasks in paragraph 1.
3. By December 31, 2021, the Town shall send Board staff proof that all members of the utility system's governing body have complied with the training requirements set out in Tenn. Code Ann. 7-34-115(j).
4. By July 1, 2022, the Town 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 Town.



JASON E. MUMPOWER  
*Comptroller*

Entity Referred: **Town of Lynnville**  
Referral Reason: **Negative Change in Net Position**  
Utility Type Referred: **Water and Sewer**

**Staff Summary:**

In its May 10, 2021 order, the Board directed the Town to contract with a qualified expert for assistance in filling out the financial questionnaire and to send the completed questionnaire to Board staff by August 6, 2021. The Town contracted with TAUD, but Board staff never received the completed questionnaire. Nevertheless, TAUD has confirmed that the questionnaire was in fact completed. The Town has since informed Board staff that it has had some turnover in employees, which may have been the cause of the lost financial questionnaire.

**Staff Recommendation**

1. The Town 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 debt management policy, including any recommended modifications;
  - b. a review of the capitalization policy, including any recommended modifications;
  - c. 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 all water and sewer fees, including any recommended modifications; and
  - e. a review of the leak adjustment policy, including any recommended modifications.
2. By October 29, 2021, the Town shall send Board staff a copy of the contract between the Town and the qualified expert who is to perform the tasks in paragraph 1.
3. By December 31, 2021, the Town shall send Board staff proof that all members of the utility system's governing body have complied with the training requirements set out in Tenn. Code Ann. 7-34-115(j).
4. By July 1, 2022, the Town 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 Town.



JASON E. MUMPOWER  
*Comptroller*

Entity Referred: **City of Red Boiling Springs**

Referral Reason: **Negative Change in Net Position**

Utility Type Referred: **Water and Sewer**

**Staff Summary:**

In its May 10, 2021 order, the Board directed the City to contract with a qualified expert for assistance in filling out the financial questionnaire previously sent by Board staff and to send the completed questionnaire to Board staff by August 6, 2021. In June 2021, the City asked Board staff to send another copy of the financial questionnaire. Board staff never received a copy of a contract with a qualified expert and does not believe the City ever entered into such a contract.

**Staff Recommendation:**

1. The City 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 debt management policy, including any recommended modifications;
  - b. a review of the capitalization policy, including any recommended modifications;
  - c. 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 all water and sewer fees, including any recommended modifications; and
  - e. a review of the leak adjustment policy, including any recommended modifications.
2. By October 29, 2021, the City shall send Board staff a copy of the contract between the City and the qualified expert who is to perform the tasks in paragraph 1.
3. By December 31, 2021, the City shall send Board staff proof that all members of the utility system's governing body have complied with the training requirements set out in Tenn. Code Ann. 7-34-115(j).
4. By July 1, 2022, the City 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 City.



JASON E. MUMPOWER  
*Comptroller*

Entity Referred: **City of Saint Joseph**  
Referral Reason: **Negative Change in Net Position**  
Utility Type Referred: **Water**

**Staff Summary:**

The City indicated in its financial questionnaire, which is included in the supplemental packet, that it has not implemented a rate increase in the last five years. The City charges roughly 70% more to customers outside the city limits for their minimum bill of 2,500 gallons. The City also charges roughly 10% more to outside customers on the variable rates following the minimum bill.

The City also indicated in its financial questionnaire it plans to work with TAUD to correct its financial distress.

**Staff Recommendation**

1. The City 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 debt management policy, including any recommended modifications;
  - b. a review of the capitalization policy, including any recommended modifications;
  - c. 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 justification for the differing rate classes, or if no justification is possible, recommendations for an appropriate rate structure;
  - e. a review of all water and sewer fees, including any recommended modifications; and
  - f. a review of the leak adjustment policy, including any recommended modifications.
2. By October 29, 2021, the City shall send Board staff a copy of the contract between the City and the qualified expert who is to perform the tasks in paragraph 1.
3. By July 1, 2022, the City 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 City.



JASON E. MUMPOWER  
*Comptroller*

Entity Referred: **Town of Tellico Plains**  
Referral Reason: **Negative Change in Net Position**  
Utility Type Referred: **Water and Sewer**

**Staff Summary:**

The Town contracted with TAUD to perform a rate study in accordance with the Board's previous order. TAUD has completed the rate study and submitted its resulting report and recommendations to the Town and to Board staff. The Town informed Board staff that the recommendations have been implemented but did not send proof. Board staff is comfortable with TAUD's recommendations, and the Town's financial trajectory if it has in fact implemented the recommendations.

**Staff Recommendation**

Order the following:

1. By October 15, 2021, the Town shall provide Board staff with proof of implementation of the resulting recommendations of the TAUD rate study.
2. The Town shall send financial updates to Board staff by March 1st and September 1st of each year, beginning March 1, 2022, until the Board releases the Town from its oversight.



JASON E. MUMPOWER  
*Comptroller*

Entity Referred: **Town of Tennessee Ridge**  
Referral Reason: **Negative Change in Net Position**  
Utility Type Referred: **Water and Sewer**

**Staff Summary:**

The Town was referred to the Board for financial distress on February 28, 2020. The Town indicated in its financial questionnaire, which is included in the supplemental packet, that inflow and infiltration into the sewer system is the cause of its financial distress. Officials from the Town have indicated that they plan to contract with TAUD to carry out the Board’s upcoming directives.

**Staff Recommendation**

1. The Town 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 debt management policy, including any recommended modifications;
  - b. a review of the capitalization policy, including any recommended modifications;
  - c. 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 all water and sewer fees, including any recommended modifications;
  - e. a review of the leak adjustment policy, including any recommended modifications; and
  - f. a review of the feasibility of the Town’s plan to improve inflow and infiltration.
2. By October 29, 2021, the Town shall send Board staff a copy of the contract between the Town and the qualified expert who is to perform the tasks in paragraph 1.
3. By July 1, 2022, the Town 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 Town.



JASON E. MUMPOWER  
*Comptroller*

Entity Referred: **Town of Tiptonville**  
Referral Reason: **Negative Change in Net Position**  
Utility Type Referred: **Water and Sewer**

**Staff Summary:**

The Town indicated in its financial questionnaire, which is included in the supplemental packet, that it currently imposes an automatic 3% increase in water and sewer rates and fees annually. This automatic rate increase has not been sufficient to prevent the Town's financial distress. The Town also included a preliminary engineering report to correct some issues with its sewer system.

**Staff Recommendation:**

1. The Town 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 debt management policy, including any recommended modifications;
  - b. a review of the capitalization policy, including any recommended modifications;
  - c. 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 all water and sewer fees, including any recommended modifications; and
  - e. a review of the leak adjustment policy, including any recommended modifications.
2. By October 29, 2021, the Town shall send Board staff a copy of the contract between the Town and the qualified expert who is to perform the tasks in paragraph 1.
3. By July 1, 2022, the Town 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 Town.



JASON E. MUMPOWER  
*Comptroller*

Entity Referred: **Town of Atoka**

Referral Reason: **Negative Change in Net Position**

Utility Type Referred: **Water and Sewer**

**Staff Summary:**

The Town contracted with TAUD to complete the directives from the Board's December 2020 order. TAUD later requested an extension from April 1, 2021 to July 31, 2021 to complete the work. Staff granted the extension, but due to unforeseen staffing issues, TAUD still needs more time. Staff is without authority to grant another extension. Because the delay has not been caused by any noncompliance by the Town, Staff recommends that the Board provide a final extension for its directives to be met. Extending the deadline to December 3, 2021, will provide ample time for TAUD to finish the report and for the Town to begin implementing the resulting recommendations.

**Staff Recommendation:**

Order the following:

Paragraph 4 of the Board's December 3, 2020, order is amended to the following:

By December 3, 2021, the Town shall provide Board staff with the completed rate study, and either proof of implementation of the resulting recommendations or a proposed plan of implementation.



JASON E. MUMPOWER  
*Comptroller*

Entity Referred: **Town of Bruceton**  
Referral Reason: **Negative Change in Net Position**  
Utility Type Referred: **Water and Sewer**

**Staff Summary:**

The Town contracted with TAUD to complete the directives from the Board's December 2020 order. TAUD later requested an extension from April 1, 2021 to July 31, 2021 to complete the work. Staff granted the extension, but due to unforeseen staffing issues, TAUD still needs more time. Staff is without authority to grant another extension. Because the delay has not been caused by any noncompliance by the Town, Staff recommends that the Board provide a final extension for its directives to be met. Extending the deadline to December 3, 2021, will provide ample time for TAUD to finish the report and for the Town to begin implementing the resulting recommendations.

**Staff Recommendation:**

Order the following:

Paragraph 4 of the Board's December 3, 2020, order is amended to the following:

By December 3, 2021, the Town shall provide Board staff with the completed rate study, and either proof of implementation of the resulting recommendations or a proposed plan of implementation.



JASON E. MUMPOWER  
*Comptroller*

Entity Referred: **City of Collinwood**

Referral Reason: **Negative Change in Net Position**

Utility Type Referred: **Water**

**Staff Summary:**

The City contracted with TAUD to complete the directives from the Board's December 2020 order. TAUD later requested an extension from April 1, 2021 to July 31, 2021 to complete the work. Staff granted the extension, but due to unforeseen staffing issues, TAUD still needs more time. Staff is without authority to grant another extension. Because the delay has not been caused by any noncompliance by the City, Staff recommends that the Board provide a final extension for its directives to be met. Extending the deadline to December 3, 2021, will provide ample time for TAUD to finish the report and for the City to begin implementing the resulting recommendations.

**Staff Recommendation:**

Order the following:

Paragraph 4 of the Board's December 3, 2020, order is amended to the following:

By December 3, 2021, the City shall provide Board staff with the completed rate study, and either proof of implementation of the resulting recommendations or a proposed plan of implementation.



JASON E. MUMPOWER  
*Comptroller*

Entity Referred: **City of Erin**  
Referral Reason: **Negative Change in Net Position**  
Utility Type Referred: **Water and Sewer**

**Staff Summary:**

The City contracted with TAUD to complete the directives from the Board's December 2020 order. TAUD later requested an extension from April 1, 2021 to June 30, 2021 to complete the work. Staff granted the extension, but due to unforeseen staffing issues, TAUD still needs more time. Staff is without authority to grant another extension. Because the delay has not been caused by any noncompliance by the City, Staff recommends that the Board provide a final extension for its directives to be met. Extending the deadline to December 3, 2021, will provide ample time for TAUD to finish the report and for the City to begin implementing the resulting recommendations.

**Staff Recommendation:**

Order the following:

Paragraph 3 of the Board's December 3, 2020, order is amended to the following:

By December 3, 2021, the City shall provide Board staff with the completed rate study, and either proof of implementation of the resulting recommendations or a proposed plan of implementation.



JASON E. MUMPOWER  
*Comptroller*

Entity Referred: **Lincoln County**

Referral Reason: **Negative Change in Net Position**

Utility Type Referred: **Water and Sewer**

**Staff Summary:**

The County contracted with TAUD to complete the directives from the Board's December 2020 order. TAUD later requested an extension from April 1, 2021 to July 31, 2021 to complete the work. Staff granted the extension, but due to unforeseen staffing issues, TAUD still needs more time. Staff is without authority to grant another extension. Because the delay has not been caused by any noncompliance by the County, Staff recommends that the Board provide a final extension for its directives to be met. Extending the deadline to December 3, 2021, will provide ample time for TAUD to finish the report and for the County to begin implementing the resulting recommendations.

**Staff Recommendation:**

Order the following:

Paragraph 4 of the Board's December 3, 2020, order is amended to the following:

By December 3, 2021, the County shall provide Board staff with the completed rate study, and either proof of implementation of the resulting recommendations or a proposed plan of implementation.



JASON E. MUMPOWER  
*Comptroller*

Entity Referred: **City of Puryear**

Referral Reason: **Negative Change in Net Position**

Utility Type Referred: **Water and Sewer**

**Staff Summary:**

The City contracted with TAUD to complete the directives from the Board's December 2020 order. TAUD later requested an extension from April 1, 2021 to July 31, 2021 to complete the work. Staff granted the extension, but due to unforeseen staffing issues, TAUD still needs more time. Staff is without authority to grant another extension. Because the delay has not been caused by any noncompliance by the City, Staff recommends that the Board provide a final extension for its directives to be met. Extending the deadline to December 3, 2021, will provide ample time for TAUD to finish the report and for the City to begin implementing the resulting recommendations.

**Staff Recommendation:**

Order the following:

Paragraph 4 of the Board's September 18, 2020, order is amended to the following:

By December 3, 2021, the City shall provide Board staff with the completed rate study, and either proof of implementation of the resulting recommendations or a proposed plan of implementation.



JASON E. MUMPOWER  
*Comptroller*

Entity Referred: **City of Rutledge**

Referral Reason: **Negative Change in Net Position**

Utility Type Referred: **Water and Sewer**

**Staff Summary:**

The City contracted with TAUD to complete the directives from the Board's December 2020 order. TAUD later requested an extension from April 1, 2021 to July 31, 2021 to complete the work. Staff granted the extension, but due to unforeseen staffing issues, TAUD still needs more time. Staff is without authority to grant another extension. Because the delay has not been caused by any noncompliance by the City, Staff recommends that the Board provide a final extension for its directives to be met. Extending the deadline to December 3, 2021, will provide ample time for TAUD to finish the report and for the City to begin implementing the resulting recommendations.

**Staff Recommendation:**

Order the following:

Paragraph 4 of the Board's December 3, 2020, order is amended to the following:

By December 3, 2021, the City shall provide Board staff with the completed rate study, and either proof of implementation of the resulting recommendations or a proposed plan of implementation.



JASON E. MUMPOWER  
*Comptroller*

Entity Referred: **Town of Trimble**

Referral Reason: **Negative Change in Net Position**

Utility Type Referred: **Water and Sewer**

**Staff Summary:**

The Town contracted with TAUD to complete the directives from the Board's December 2020 order. TAUD later requested an extension from February 28, 2021 to July 31, 2021 to complete the work. Staff granted the extension, but due to unforeseen staffing issues, TAUD still needs more time. Staff is without authority to grant another extension. Because the delay has not been caused by any noncompliance by the Town, Staff recommends that the Board provide a final extension for its directives to be met. Extending the deadline to December 3, 2021, will provide ample time for TAUD to finish the report and for the Town to begin implementing the resulting recommendations.

**Staff Recommendation:**

Order the following:

Paragraph 3 of the Board's September 18, 2020, order is amended to the following:

By December 3, 2021, the Town shall provide Board staff with the completed rate study, and either proof of implementation of the resulting recommendations or a proposed plan of implementation.



JASON E. MUMPOWER  
*Comptroller*

Entity Referred: **Town of Vanleer**  
Referral Reason: **Negative Change in Net Position**  
Utility Type Referred: **Water**

**Staff Summary:**

The Town contracted with TAUD to complete the directives from the Board's December 2020 order. TAUD later requested an extension from April 1, 2021 to July 31, 2021 to complete the work. Staff granted the extension, but due to unforeseen staffing issues, TAUD still needs more time. Staff is without authority to grant another extension. Because the delay has not been caused by any noncompliance by the Town, Staff recommends that the Board provide a final extension for its directives to be met. Extending the deadline to December 3, 2021, will provide ample time for TAUD to finish the report and for the Town to begin implementing the resulting recommendations.

**Staff Recommendation:**

Order the following:

Paragraph 4 of the Board's September 18, 2020, order is amended to the following:

By December 3, 2021, the Town shall provide Board staff with the completed rate study, and either proof of implementation of the resulting recommendations or a proposed plan of implementation.



JASON E. MUMPOWER  
*Comptroller*

## 2022 WWFB Suggested Meeting Dates

March 24, 2022

August 18, 2022

November 17, 2022