

BEFORE THE TENNESSEE WATER AND WASTEWATER FINANCING BOARD

IN THE MATTER OF:

CITY OF DECHERD

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**TENN. CODE ANN. § 68-221-1010
- FINANCIAL DISTRESS**

ORDER

On March 23, 2023, the Tennessee Water & Wastewater Financing Board (“the Board”) reviewed the utility system of the City of Decherd (“the Entity”) for financial distress, pursuant to Tenn. Code Ann. § 68-221-1010.


The Entity completed a financial questionnaire. Board staff identified a number of concerns, including the Entity’s delinquent audits, the lack of a recent rate study, and the lack of an asset management plan.

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

1. The Entity will submit to the Board a list of itemized expenses for fiscal year 2021. This list must be submitted to Board staff by May 31, 2023.
2. 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; and,
 - h. complete the AWWA Free Audit Software version 6.0.
3. 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 2.
 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 above deadlines upon a showing of good cause by the Entity.

ENTERED on this 12 day of April, 2023.



Greg Moody, Chair
Water & Wastewater Financing Board

BEFORE THE TENNESSEE WATER AND WASTEWATER FINANCING BOARD

IN THE MATTER OF:

**CITY OF
FRIENDSHIP**

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) **TENN. CODE ANN. § 68-221-1010**
) **-FINANCIAL DISTRESS**
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ORDER

On March ^{23rd} ~~26~~, 2023, the Tennessee Water & Wastewater Financing Board (the “Board”), *sua sponte*, reviewed the financially distressed status of the city of Friendship’s utilities (“Friendship”) pursuant to Tenn. Code Ann. § 68-221-1010.

Friendship has been under Board oversight for financial distress since its 2018 audit. Friendship is currently involved in litigation with the Friendship Water Company regarding a contract dispute. Friendship alleges the water purchased from the Company is unsafe and unusable, which has resulted in Friendship seeking other water sources.


The Board was made aware that Friendship was in the process of installing what was referred to as a new water line. A new water line is a capital improvement, and one which Board staff have not approved. Friendship’s application for funding to construct a new water plant was also discussed. This water plant would constitute a new capital improvement, one which Board staff may need to approve, depending on the current stage of the project.

Accordingly, the Board orders as follows:

1. Board staff will contact Friendship to ensure they understand the definition of a capital improvement, and when Friendship must obtain Board approval for a capital improvement.
2. Board staff will review Friendship’s new capital improvements to determine if they require the approval of Board staff.
3. Board staff will ascertain whether Friendship intends to comply with the Board’s order.
4. Board staff may call a Board meeting, if necessary, to bring officials from the city of Friendship to appear before the Board. Such attendance shall be in-person.

5. Board staff shall, if it is deemed necessary and with full authority of the Board, subpoena officials of the City of Friendship, including but not limited to the Mayor of Friendship and the members of Friendship's governing body.

ENTERED on this, the 12 day of April, 2023.



Greg Moody, Chair
Water & Wastewater Financing Board

BEFORE THE TENNESSEE WATER AND WASTEWATER FINANCING BOARD

IN THE MATTER OF:

TOWN OF GREENBRIER

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**TENN. CODE ANN. § 68-221-1010
- FINANCIAL DISTRESS**

ORDER

On March 23, 2023, the Tennessee Water & Wastewater Financing Board (“the Board”) reviewed the utility system of the Town of Greenbrier (“the Entity”) for financial distress, pursuant to Tenn. Code Ann. § 68-221-1010.

The Entity has been under Board oversight for financial distress since 2021. The Entity contracted with Rate Studies, Inc. to complete a rate study. Board staff has since received the rate study and proof of implementation of the recommendations.

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

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.

ENTERED on this 12 day of April, 2023.



Greg Mogdy, Chair

Water & Wastewater Financing Board

BEFORE THE TENNESSEE WATER AND WASTEWATER FINANCING BOARD

IN THE MATTER OF:

TOWN OF HORNSBY

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**TENN. CODE ANN. § 68-221-1010
- FINANCIAL DISTRESS**

ORDER

On March 23, 2023, the Tennessee Water & Wastewater Financing Board (“the Board”) reviewed the utility system of the Town of Hornsby (“the Entity”) for financial distress, pursuant to Tenn. Code Ann. § 68-221-1010.

The Entity has been under Board oversight for financial distress since the 2021 fiscal year audit. The Entity has not returned its financial distress questionnaire. Board staff has found preliminary evidence of internal control issues that could be a sign of managerial and technical concerns. Board staff believes an investigation should be conducted into the Entity's managerial, technical, and financial capacity.

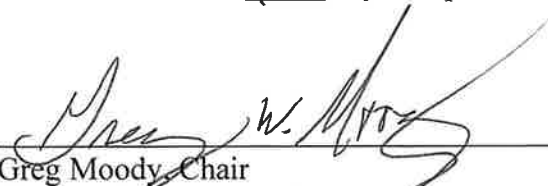
Based on Board staff's statements and findings, the Board orders as follows:

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 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; and,
 - g. a justification of the inside and outside the city limit rates, including any recommended modifications to the rate structure.
4. 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.
 5. 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.

ENTERED on this 12 day of April, 2023.



Greg Moody, Chair
Water & Wastewater Financing Board

BEFORE THE TENNESSEE WATER AND WASTEWATER FINANCING BOARD

IN THE MATTER OF:

TOWN OF OLIVER SPRINGS

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**TENN. CODE ANN. § 68-221-1010
- FINANCIAL DISTRESS**

ORDER

On March 23, 2023, the Tennessee Water & Wastewater Financing Board (“the Board”) reviewed the utility system of the Town of Oliver Springs (“the Entity”) for financial distress, pursuant to Tenn. Code Ann. § 68-221-1010.

The Entity has been under board oversight for financial distress since the 2021 fiscal year audit that was submitted to the Comptroller's office in September of 2022. Board staff advised that the Entity’s audits have been delinquent for several years, and the Entity has not verified that its rates are set in a manner to improve its financial condition. Board Staff reviewed the Entity's Annual Utility Survey submission from June 22, 2022, and found that the Entity reported non-revenue water loss of 33%. Board staff reviewed the American Water Works Association reporting worksheet submitted with the entity's 2021 audit and found that the Entity had non-revenue water loses of 77%.


Based on 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. Board staff shall also complete a feasibility study examining the possibility of a merger between the Entity and any surrounding utility systems.

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.

ENTERED on this 12 day of April, 2023.



Greg Moody, Chair
Water & Wastewater Financing Board

BEFORE THE TENNESSEE WATER AND WASTEWATER FINANCING BOARD

IN THE MATTER OF:

TOWN OF PARROTTSVILLE

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**TENN. CODE ANN. § 68-221-1010
- FINANCIAL DISTRESS**

ORDER

On March 23, 2023, the Tennessee Water & Wastewater Financing Board (“the Board”) reviewed the utility system of the Town of Parrottsville (“the Entity”) for financial distress, pursuant to Tenn. Code Ann. § 68-221-1010.

The Entity has been under Board supervision for financial distress since the 2017 fiscal year audit. Board staff advise that while the Entity has previously demonstrated inability or unwillingness to comply with Board orders, a new mayor was recently elected and replaced some Entity staff. Staff believes the Entity's new administration should be given the opportunity to comply with Board orders.

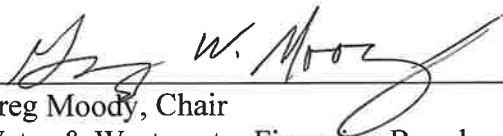
Based on staff statement and recommendations, the Board rescinds its prior orders regarding the Town of Parrottsville, and orders as follows:

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.

ENTERED on this 12 day of April, 2023.



Greg Moody, Chair
Water & Wastewater Financing Board

BEFORE THE TENNESSEE WATER AND WASTEWATER FINANCING BOARD

IN THE MATTER OF:

TOWN OF PETERSBURG

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**TENN. CODE ANN. § 68-221-1010
- FINANCIAL DISTRESS**

ORDER

On March 23, 2023, the Tennessee Water & Wastewater Financing Board (“the Board”) reviewed the utility system of the Town of Petersburg (“the Entity”) for financial distress, pursuant to Tenn. Code Ann. § 68-221-1010.

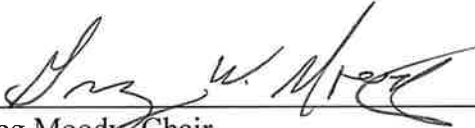
The Entity has been under Board supervision for financial distress since the 2019 fiscal year audit. Following initial Board orders, the Entity experienced a positive change in net position in 2020 but reported negative changes in net position in 2021 and 2022.

Based on Board 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. 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 examination of whether or not a merger with other utilities close to the Entity's service area is feasible.
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.

ENTERED on this 17 day of March, 2023.



Greg Moody, Chair
Water & Wastewater Financing Board

BEFORE THE TENNESSEE WATER AND WASTEWATER FINANCING BOARD

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

On March 23, 2023, the Tennessee Water & Wastewater Financing Board (“the Board”) reviewed the utility system of the Town of Petersburg (“the Entity”) for financial distress, pursuant to Tenn. Code Ann. § 68-221-1010.

The Entity has been under Board oversight for financial distress since the 2021 fiscal year audit. The Entity timely completed the financial distress questionnaire. Board staff raised two primary concerns: the Entity raised rates in each of the last three years without support of a rate study; and, the Entity failed to report relevant information on the financial distress questionnaire without providing an explanation.

Based on Board 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;
 - 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.
 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.

ENTERED on this 12 day of April, 2023.



Greg Moody, Chair
Water & Wastewater Financing Board

BEFORE THE TENNESSEE WATER AND WASTEWATER FINANCING BOARD

IN THE MATTER OF:

TOWN OF VANLEER

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**TENN. CODE ANN. § 68-221-1010
- FINANCIAL DISTRESS**

ORDER

On March 23, 2023, the Tennessee Water & Wastewater Financing Board (“the Board”) reviewed the utility system of the Town of Vanleer (“the Entity”) for financial distress, pursuant to Tenn. Code Ann. § 68-221-1010.


The Entity has been under Board oversight for financial distress since the 2019 fiscal year audit. The Entity completed a rate study, as ordered by the Board. Board staff expressed concerns with the Entity's unwillingness to comply with the requirements of Tenn. Code Ann. § 6-56-402; specifically, the Entity’s failure to hire or contract with a Certified Municipal Finance Officer ("CMFO") or other qualifying figure as specified in the statute. Board staff expressed concern that the lack of trained financial staff at the local level could result in poor financial decisions for the utility and could explain in part the financial distress the Entity experienced.

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

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. 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.
3. The Entity shall contract with the Tennessee Association of Utility Districts or other qualified third party, as approved by Board staff, to complete a study as to the feasibility of a merger of the Entity's utility system with another utility system. The Entity shall send the Board proof of this contract by June 30, 2023. The Entity shall send the Board the completed report by September 1, 2023.
4. Board staff are authorized to grant an extension of the above deadlines of up to six months, upon a showing of good cause.

ENTERED on this 12 day of April, 2023.



Greg Moody, Chair
Water & Wastewater Financing Board

BEFORE THE TENNESSEE WATER AND WASTEWATER FINANCING BOARD

IN THE MATTER OF:

MULTIPLE CITIES

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**TENN. CODE ANN. § 68-221-1010
- EXCESSIVE WATER LOSS**

ORDER

On March 23, 2023, the Tennessee Water & Wastewater Financing Board (“the Board”) reviewed the utility systems listed below for excessive water loss, pursuant to Tenn. Code Ann. § 68-221-1010.

The entities below have been referred to the Board for excessive water loss. They have not completed the AWWA 6.0 Water Loss Tool, confirmed by a third party.

Town of Byrdstown

City of Portland

City of South Fulton


City of Waynesboro

Based on the information and recommendations of Board staff, the board orders as follows:

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.

ENTERED on this 12 day of April, 2023.



Greg Moody, Chair
Water & Wastewater Financing Board

BEFORE THE TENNESSEE WATER AND WASTEWATER FINANCING BOARD

IN THE MATTER OF:

MULTIPLE CITIES

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**TENN. CODE ANN. § 68-221-1010
- EXCESSIVE WATER LOSS**

ORDER

On March 23, 2023, the Tennessee Water & Wastewater Financing Board (“the Board”) reviewed the utility systems listed below for excessive water loss, pursuant to Tenn. Code Ann. § 68-221-1010.

The entities below have completed the AWWA 6.0 Water Loss Tool, with confirmation of the results by a third party. The entities are aware that excessive water loss must be remedied.

City of Adamsville
City of Celina
City of Collinwood
City of Elizabethton
City of Grand Junction
City of Lawrenceburg
City of McLemoresville
Town of Sardis


City of Benton
Town of Centerville
Town of Dover
City of Erin
City of Harriman
City of Lexington
City of Mountain City
City of Waverly

Based on Board staff’s information and recommendations, The Board orders as follows:

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.

ENTERED on this 12 day of April, 2023.



Greg Moody, Chair
Water & Wastewater Financing Board

BEFORE THE TENNESSEE WATER AND WASTEWATER FINANCING BOARD

IN THE MATTER OF:

MULTIPLE ENTITIES

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**TENN. CODE ANN. § 68-221-1010
- FINANCIAL DISTRESS**

ORDER

On March 23, 2023, the Tennessee Water & Wastewater Financing Board (“the Board”) reviewed the utility systems of the entities listed below for financial distress, pursuant to Tenn. Code Ann. § 68-221-1010.

The following entities have complied with Board directives to remedy financial distress but remain non-compliant with water loss standards:

Town of Bruceton

City of Dunlap

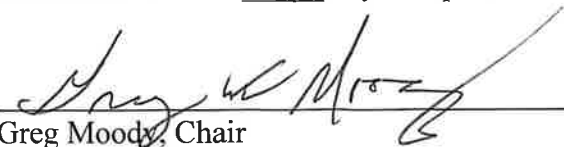
Metropolitan Government of
Lynchburg and Moore County

Town of Troy

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

1. The Entities are released from the Board's oversight for financial distress. Staff and Counsel shall close the financial distress case.
3. The Entities shall remain under board supervision for excessive water loss.

ENTERED on this 12 day of April, 2023.



Greg Moody, Chair
Water & Wastewater Financing Board

BEFORE THE TENNESSEE WATER AND WASTEWATER FINANCING BOARD

IN THE MATTER OF:

MULTIPLE ENTITIES

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**TENN. CODE ANN. § 68-221-1010
- FINANCIAL DISTRESS**

ORDER

On March 23, 2023, the Tennessee Water & Wastewater Financing Board (“the Board”) reviewed the utility systems of the entities listed below for financial distress, pursuant to Tenn. Code Ann. § 68-221-1010.

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 released from Board oversight:

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| Town of Baileyton | City of Blaine |
| Town of Bulls Gap | Town of Chapel Hill |
| City of Elkton | Town of Englewood |
| City of Goodlettsville | City of Greenfield |
| Humphreys County | Town of Hornbeak |
| Town of Huntingdon | City of Jellico |
| City of Kingsport | City of Kingston |
| Lauderdale County | City of Lobelville |
| Marshall County | Metro Nashville – Davidson County |
| City of Newbern | City of Puryear |

City of Smithville

City of Tusculum

Watauga River Water and Wastewater Treatment Authority

City of Woodland Mills

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

ENTERED on this 12 day of April, 2023.



Greg Moody, Chair
Water & Wastewater Financing Board

BEFORE THE TENNESSEE WATER AND WASTEWATER FINANCING BOARD

IN THE MATTER OF:

MULTIPLE CITIES

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**TENN. CODE ANN. § 68-221-1305
- TRAINING VIOLATIONS**

ORDER

On March 23, 2023, the Tennessee Water & Wastewater Financing Board (“the Board”) reviewed the training compliance of the following entities, pursuant to Tenn. Code Ann. § 68-221-1305:

City of Celina	Town of Gates
City of Kenton	City of Lexington
City of Mitchellville	Town of Mount Carmel
Town of Toone	

One or more individuals on the governing body of each of the above-named entities’ utilities have not completed the statutorily required training. Accordingly, the Board orders:

1. By June 30, 2023, each 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 an 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 an 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.

ENTERED on this 19 day of April, 2023.



Greg Moody, Chair
Water & Wastewater Financing Board