

Date: October 10, 2023

Attn: Kim Rogers

Good Morning,

This is Nate Fontenot with the Division of Local Government Finance in the Comptroller's Office. I also serve as staff to the Tennessee Board of Utility Regulation. Based on the information provided in the Annual Information Report for your utility, your utility is currently under Staff review for non-compliance with the water loss standards adopted by the Board. Your Utility will be referred to the Tennessee Board of Utility Regulation if your Utility fails to comply with Board staff request.

In Tennessee, utility systems that provide water service must sell at least 60% of its water that it purchases or produces. If a utility experiences non-revenue water of 40% or more and fails to comply with staff request, then a referral is made to the Tennessee Board of Utility Regulation.

In order to bring this utility into compliance with the water loss standards, we are asking that the utility engage a third party such as the Tennessee Association of Utility Districts, the Municipal Technical Advisory System, or another third party as approved by Board staff for assistance in completing the AWWA Free Audit Software version 6.0.

Please provide proof of such engagement to Board staff by **December 31, 2023**.

Please let me know if you have any questions, you may also reach out to your regional utility analyst at the link below.

<https://comptroller.tn.gov/boards/utilities/board-information/utility-contacts.html>

Sincerely,

Nate Fontenot

Financial Analyst

Comptroller of the Treasury

Division of Local Government Finance

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