

Date: November 5, 2024

Dear City of Friendsville:

The City of Friendsville was placed under Board staff review for water loss exceeding the 40% requirement set by the Tennessee Board of Utility Regulation. The Municipality has been responsive with prior staff requests to engage with a third-party expert and provide a report using the AWWA Free Water Audit Software v. 6.0. In the AWWA that was submitted, Board staff noted that the Municipality reported Non-Revenue Water at 39.40%, which costs the Municipality \$54,180.00 annually. This results in approximately 4.17% of the Municipality's sales currently being absorbed by excessive water loss, based on revenue provided by the Entity. The AWWA reported unaccounted leakages in the Utility's infrastructure to be the main source of Non-Revenue Water.

At this time Board staff is requesting that City of Friendsville prepare a long-term plan to mitigate water loss that would show the Tennessee Board of Utility Regulation that the utility is taking action to come into compliance with state law. This plan may take various forms; it is our recommendation that the board and manager should consult with a third-party expert to help decide the next appropriate steps.

Please provide a copy of the Water Loss Mitigation Plan by **Friday, January 31, 2025**.

If you need to contact our office, please call 615.747.5260 or email Utilities@cot.tn.gov.

Sincerely,

Nate Fontenot

Financial Analyst

Comptroller of the Treasury

Division of Local Government Finance

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