



Legislation Details (With Text)

File #: 18-0103 **Version:** 1 **Name:** South Cumberland Utility District
Type: Resolution **Status:** Other Business
File created: 3/1/2018 **In control:** City Council
On agenda: 4/10/2018 **Final action:** 4/10/2018
Title: Discussion and action on proposal to begin merger conversation with South Cumberland Utility District
Sponsors: J. H. Graham
Indexes:
Code sections:
Attachments:

Date	Ver.	Action By	Action	Result
4/10/2018	1	City Council	approved	Pass
3/13/2018	1	City Council	withdrawn from agenda	
3/6/2018	1	Work Session	recommended for approval	

Discussion and action on proposal to begin merger conversation with South Cumberland Utility District

SUMMARY:

- Propose merger with SCUD into City of Crossville to create South Cumberland Utility Department subject to approval by all appropriate local, state, and federal agencies
- To promote a decrease in water rates in SCUD and to decrease redundant capital in SCUD and City
- To provide more city water lines and continue superior rates and services
- To follow guidelines of the Catoosa Merger
 - Management and Employment will be same
 - Directors will become Advisory Board, remain, and continue to be appointed by County Mayor
- A decrease of a flat \$10.00 per month per meter
 - 4,600 customers x \$10 = \$46,000
 - \$46,000 x 12 months = \$552,000 per year
 - \$552,000 x 10 years = \$5,520,000 returned to customers of redundant capital
- Use of cash to reduce debt to -0- which equates to instant savings of \$100,000 per year
- Use of Synergies of Operations:

- a. Cross-train employees
- b. Convert software
- c. Convert retirement plans and health insurance

BUDGET ACCOUNT:N/A

NECESSARY COUNCIL ACTION: Approve City Manager, Mayor Pro Tem Graham, and the City Attorney to begin merger conversation with South Cumberland Utility District.