



## Legislation Text

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**File #:** 18-0103, **Version:** 1

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

### SUMMARY:

1. 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
2. To promote a decrease in water rates in SCUD and to decrease redundant capital in SCUD and City
3. To provide more city water lines and continue superior rates and services
4. To follow guidelines of the Catoosa Merger
  - A. Management and Employment will be same
  - B. Directors will become Advisory Board, remain, and continue to be appointed by County Mayor
5. 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
6. Use of cash to reduce debt to -0- which equates to instant savings of \$100,000 per year
7. 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.