



## 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3/13/2018	1	City Council	withdrawn from agenda	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
$$4,600 \text{ customers} \times \$10 = \$46,000$$
$$\$46,000 \times 12 \text{ months} = \$552,000 \text{ per year}$$
$$\$552,000 \times 10 \text{ years} = \$5,520,000 \text{ returned to customers of redundant capital}$$
- 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.