



HOUSE BILL 2643

By Rudder

AN ACT to amend Chapter 34 of the Private Acts of 2019; and any other acts amendatory thereto, relative to the city of Winchester.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Chapter 34 of the Private Acts of 2019, and any other acts amendatory thereto, is amended by deleting ARTICLE IX and substituting:

ARTICLE IX. UTILITIES

(a) For the purpose of operating, administering, and maintaining the electric power system, water system, wastewater treatment system, and any other public utilities owned or that may hereafter be acquired by the City of Winchester, there is hereby created an administrative body to be known as the Board of Public Utilities for the City of Winchester, Franklin County, Tennessee (hereinafter referred to as the "Board of Public Utilities"). Such board shall consist of five (5) members, each of whom shall be a qualified resident voter of the City of Winchester. The Mayor for the City of Winchester shall serve as a standing member of the Board of Public Utilities during his/her term. The remaining four (4) members shall each serve a four-year term. The terms for each member of the Board of Public Utilities shall be placed on a rotating system so only one (1) member's term will expire each year on August 31. A minimum of one (1) current member of the Winchester City Council shall be appointed to serve on the Board of Public Utilities. The Mayor for the City of Winchester shall nominate one (1) or more qualified candidates to serve on the Board of Public Utilities for the Winchester City Council to consider and approve to fill vacancies. Each member of the Board of Public Utilities shall serve until his or her successor is appointed and qualified. In the event a City Council member(s) sitting on the Board of Public Utilities is removed or no longer

serves on the Winchester City Council, that member's position on the Board of Public Utilities shall be filled and approved by the Winchester City Council as provided herein. The City Council shall have the right to remove any member of the Board of Public Utilities for cause by a three-fourths (3/4) vote of the City Council. The Board of Public Utilities shall annually elect a Chairman to organize and lead board activities.

(b) The City Council shall set the compensation for members of the Board of Public Utilities by ordinance.

(c) The utility rates and service charges imposed by the City of Winchester for electricity, water, wastewater, and other utilities, and all modifications, amendments, and changes thereto, shall be reviewed and approved by the Board of Public Utilities and the Winchester City Council. The utility rates and service charges shall be sufficient to pay the reasonable and necessary costs of maintaining and operating the respective systems, pay principal and interest on all bonds issued on behalf of the Board of Public Utilities, pay all obligations of the Board of Public Utilities for the City of Winchester, and to establish and maintain adequate funds for the repair, maintenance, and replacement of equipment, tools, and assets required by the Board of Public Utilities to maintain utilities and services to the consumers of the Board of Public Utilities. No free electricity, water, or other utility service shall be given to the City of Winchester, any department thereof, or to any consumers of utilities provided by the Board of Public Utilities. The revenues so received shall be treated as are other revenues of the respective utilities systems.

(d) The Board of Public Utilities shall prepare a budget for the upcoming fiscal year setting forth the expected annual revenues and expenses for operating, administering, and maintaining the City of Winchester's electric power system, water system, wastewater treatment system, and any other public utilities the City of Winchester may acquire. Each annual budget shall be reviewed and approved by the Board of Public Utilities, and submitted to the City Council for final approval each year by

May 30. The Board of Public Utilities and the Winchester City Council must review and approve a balanced annual budget for the upcoming fiscal year by June 30. Any amendments to the annual budget made during the fiscal year must be approved by the Board of Public Utilities and the Winchester City Council.

(e) The revenues derived from utility rates and service charged by the City of Winchester from the operation of such systems shall be used solely for the purpose of payment of the expense for the operation and maintenance of each separate system; payment of principal and interest on bonds issued payable from the revenues from each separate system; the modification, extension, and improvements of the systems; the payment of all obligations incurred in the operation and maintenance of the systems; the purchase and redemption of bonds issued by the systems in the event such bonds can be obtained for redemption; the creation and maintenance of a working cash fund; the payment of an amount to the general fund of the City of Winchester, which shall be a tax equivalent not in excess of one hundred percent (100%) of realty tax on property owned or controlled by the systems in lieu of ad valorem taxes on the properties of the systems; and the payment of taxes to other taxing bodies having jurisdiction, if such taxes are legally imposed. Any surplus remaining at the end of each fiscal year, after payment and satisfaction of the above payments and the withholding of proper reserves as set forth herein, may be paid and deposited into the general fund for the City of Winchester.

(f) The City Council has the authority to assign to the Board of Public Utilities the duty to bill and collect other fees, assessments, and charges set by the City Council for services provided to the residents and citizens of the City of Winchester. All such fees, assessments, and charges collected by the Board of Public Utilities shall be maintained in a separate fund by the Board of Public Utilities, and paid to the City of Winchester as prescribed by ordinance of the City Council.

(g) The City Council shall, by ordinance, establish the maximum amount that can be purchased by the Board of Public Utilities without letting bids.

SECTION 2. This act shall have no effect unless it is approved by a two-thirds (2/3) vote of the legislative body of the City of Winchester. Its approval or nonapproval shall be proclaimed by the presiding officer of the legislative body and certified to the secretary of state.

SECTION 3. For the purpose of approving or rejecting the provisions of this act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purposes, it shall become effective as provided in Section 2.

House Private Acts 1

Amendment No. 1 to HB2643

Powers
Signature of Sponsor

AMEND Senate Bill No. 2707

House Bill No. 2643*

by deleting the last sentence of subsection (e) in SECTION 1.