



Municipal Technical Advisory Service
INSTITUTE for PUBLIC SERVICE

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Legal Issues for Water and Sewer Operations

Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](https://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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Legal Issues for Water and Sewer Operations

Reference Number: MTAS-847

Legal Issues for Financially Distressed City-Owned Water and Wastewater Systems.

T.C.A. § 68-221-1007 provides for state intervention into the financial affairs of city-owned water and wastewater systems who are operating with continuous financial losses. The Water/Wastewater Financing Board was established to ensure that systems operate on a sound financial basis. Bond covenants and local legal requirements, such as inter-local contracts, must be considered as well.

DISCLAIMER: The letters and publications written by the MTAS consultants were written based upon the law at the time and/or a specific sets of facts. The laws referenced in the letters and publications may have changed and/or the technical advice provided may not be applicable to your city or circumstances. Always consult with your city attorney or an MTAS consultant before taking any action based on information contained in this website.

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