



CITY OF CROSSVILLE TENNESSEE

WATER REFERENDUM VOTER INFORMATION GUIDE



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Prepared by
**The City of
Crossville**



City of Crossville Statement Regarding Upcoming Water Referendum

The City of Crossville has been asked to take a position regarding the upcoming referendum concerning the potential transfer of certain City assets and the continued consideration of a regional water approach. After careful consideration, the City of Crossville believes the most appropriate position is to support allowing the voters of Crossville to decide this important issue.

This position is consistent with the Charter of the City of Crossville, which requires voter approval prior to the sale, exchange, or lease of Meadow Park Lake property.

Through the upcoming referendum, the voters of Crossville will have the opportunity to make their voices heard and we support giving our citizens the opportunity to decide. It is important for voters to understand that a “yes” vote on the referendum does not, by itself, complete a merger or automatically transfer the City’s water system. Rather, it provides the City Council with the authority to continue evaluating and, if ultimately determined to be appropriate, pursue the necessary steps toward a regional partnership or merger. Likewise, a “no” vote would mean that the City would continue to operate and address its water needs independently, and the City would need to evaluate how best to meet its future infrastructure water supply, regulatory, and financial obligations under that model.

The City Council has reviewed the financial analysis presented by the Cumberland Plateau Water Authority (CPWA), including the projected future rate impacts under both a regionalized and independent operating model. The City of Crossville participated in the financial analysis by contributing information to CPWA for its financial analysis. The Council recognizes that significant capital investment will be required if the City merges with CPWA or if the City retains its water system, and that those investments will have an impact on future rates.

It is also important to recognize that individual Council members may have differing views regarding the potential merger with CPWA. Citizens who would like to understand the individual perspectives of Council members are encouraged to contact them directly. Council member contact information is available on the City’s website (www.crossvilletn.gov).

Citizens who would like to conduct their own research are also encouraged to review the information available on the City's website. Documents, meeting minutes, and audio recordings from City meetings held during the past 24 months regarding the potential merger and referendum are available for public review.

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What are voters being asked to decide?

On November 3, 2026, Crossville voters will consider whether to authorize the City Council to move forward with the potential transfer of certain City water-related properties and continue consideration of a regional partnership with the Cumberland Plateau Water Authority (CPWA).

What does a yes vote do?

It gives the City Council the authority to continue the process and determine, after further consideration, whether a transfer is in the best interest of the City and its ratepayers. Any subsequent transfer would require additional action by the City.

What does a no vote do?

The City would continue to operate and address its water needs independently, and the City would need to evaluate how best to meet its infrastructure, water supply, and financial obligations.

Why is this issue being considered?

- Crossville faces significant long-term water and wastewater infrastructure needs, including future water supply, treatment capacity, regulatory requirements and major capital projects.
- The City Council has been evaluating whether the needs of the rate payers can best be addressed by continuing as an independent utility or through a regional partnership.
- The City began discussions with CPWA specifically to evaluate financial, operational and governance considerations and the potential impact on current and future ratepayers.

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OPTION 1: REMAIN AN INDEPENDENT CITY UTILITY

If Crossville remains independent,
the City would:

1.

Continue managing and operating public water and wastewater systems.

2.

Remain responsible for financing future capital improvements.

3.

Continue establishing City utility rates for customer base.

4.

Continue addressing public water supply, infrastructure and regulatory requirements.

5.

Continue serving its existing customer base.

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OPTION 2: CONTINUE TOWARD REGIONALIZATION WITH CPWA

If voters authorize the Council to continue the process and the Council ultimately determines that regionalization is in the City's best interest of the rate payers, potential considerations include:

1.

Combining a larger customer base to support regional infrastructure.

2.

Sharing the financial burden of major capital projects across more rate payers.

3.

Regional planning for future water supply and infrastructure.

4.

A different management structure for rate payer representation.

5.

Potential changes in how future rates and capital projects are determined.

CPWA's published materials state that the regional approach is intended to address aging infrastructure, future water supply needs and increasing funds for capital improvements through a larger regional system utilizing economies of scale.

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What about future water rates?

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The financial analysis presented by CPWA included projections comparing the potential rate impacts of remaining independent compared to impacts of Crossville becoming absorbed by CPWA. Their analysis also included proposed capital projects. Any major infrastructure improvements will result in higher rates; however, it is important to weigh which approach is the best option to finance the next \$50 million to \$100 million of infrastructure at the lowest cost per rate payer.

Important:

Financial projections are estimates, not guarantees. Actual future rates will depend on grants, construction costs, interest rates, growth, operating expenses, capital needs, financing decisions, regulatory requirements and other factors.

CURRENT CROSSVILLE WATER RATES

The City's currently published rates include:

Customer	Water Rate
Inside City Limits	\$7.85 / 1,000 gallons
Outside City Limits	\$9.42 / 1,000 gallons

Sewer charges are separate. Current rates are published by the City and may change through future City Council action.

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Key points to be considered:

Financial

What are the major projected capital needs?

The City of Crossville has considered increasing the size of Meadow Park Lake which is estimated to cost \$60M.

The City of Crossville is currently under contract to do a pilot study to replace filters at the Meadow Park Lake water treatment plant with ceramic membrane filters. If the project is completed by replacing the filters and increasing the capacity at the plant, the cost is estimated to be \$15M.

How would those projects be financed?

The projects would be financed through the issuance of bonds.

Infrastructure

What water supply will Crossville need in the future?

Crossville and Cumberland County are growing at a more rapid pace compared to similar cities and counties.

20 year raw water flow is estimated to be 8-9 MGD (million gallons per day) and 50 year raw water flow is estimated to be 11-12 MGD. These numbers include a 2 MGD industrial growth allowance. Today's demand is roughly 4 MGD.

Governance

The City of Crossville's water and sewer system is currently governed by the Crossville City Council.

The Cumberland Plateau Water Authority (CPWA) is governed by a seven-member Board of Directors, three members of which are currently appointed by the City of Crossville.

Who will make future capital decisions?

Who will set future rates?

Who will manage the system?

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Information for voters

The City encourages voters to review information from both the City of Crossville (crossvilletn.gov) and CPWA (cpwatn.com).

City of Crossville Information:

The City's official website provides access to the referendum materials and water-supply documents.

Referendum Resolution and Exhibits

Water Supply Documents

Current Utility Rates

Water Quality Report

City Council meetings and presentations

The City of Crossville's Role

The City of Crossville believes voters should have access to complete and factual information before making this important decision.

The City encourages every eligible voter to review the information, ask questions, attend public meetings and make an informed decision.

Ultimately, the decision belongs to the voters of Crossville.