



# TACIR INSIGHT

TENNESSEE ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

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## THE CONDITION OF AND BEST PRACTICES FOR TENNESSEE WASTEWATER SYSTEMS

### Background

The Tennessee Advisory Commission on Intergovernmental Relations (TACIR) has delivered its study of the operations and financing of Tennessee’s wastewater utilities that was prepared in response to a request from County Executive and Tennessee Advisory Commission on Intergovernmental Relations (TACIR) commission member Jeff Huffman. Based on requests from other TACIR commissioners, the scope of the study was expanded to include looking at the governance structures of wastewater utilities, whether the members of their governing bodies are compensated, whether the compensation includes benefits, and staffing issues at wastewater utilities.

### Findings

The Commission found that Tennessee has invested heavily in upgrading its wastewater infrastructure in recent years—state administered awards from federal American Rescue Plan (ARP) funds alone have totaled \$467 million in noncompetitive grants and \$43 million in competitive grants for wastewater projects since 2021. Nevertheless, some systems are struggling to maintain their aging equipment while meeting growing service demands. It is likely that Tennessee’s wastewater systems will need to spend billions to pay for the repair, replacement and expansion of their infrastructure. Local and state officials surveyed in TACIR’s infrastructure report said that \$3.5 billion is needed to fund wastewater infrastructure projects between fiscal year 2021-22 and fiscal year 2026-27.

Some of the wastewater systems in Tennessee face staffing challenges. This is partly because workers are becoming eligible for retirement and systems are having trouble attracting new workers. Thirty-nine percent (32 out of 82) of respondents to a commission staff survey reported they had at least one certified wastewater operator that would be retiring in the next 10 years. Sixteen percent (13 out of 82) of respondents reported that all (100%) of their certified operators would be retiring in 10 years. Retention is also an issue for some systems, as operators often leave for better-paying jobs at other wastewater systems. Seventeen percent (14 out of 82) of respondents to a commission staff survey said they had difficulty retaining certified wastewater operators. Survey respondents said that operators will move onto larger systems that offer them more opportunity to advance. Some said they couldn’t compete with surrounding communities when it comes to pay and benefits.

See TACIR’s full report at the following link for additional information: <https://www.tn.gov/tacir/tacir-publications.html>.