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American Heritage Apartments, Inc. v. Hamilton County Water and Wastewater Treatment Authority

Court of Appeals of Tennessee, at Knoxville - January 30, 2015 - Slip Copy - 2015 WL 399215

American Heritage Apartments, Inc. brought a lawsuit to protest a monthly flat charge in the amount of \$8.00 per unit imposed by the the Hamilton County Water and Wastewater Treatment Authority (WWTA) on all of its sewer customers. The charge was instituted to fund a program designed to repair and refurbish private service laterals. American Heritage sought a declaratory judgment that the WWA had exceeded its authority by imposing an unjust and discriminatory charge.

The trial court granted summary judgment in favor of the WWTA, finding that because the Utility District Law of 1937 (UDL) provided an administrative procedure for contesting utility charges, no private right of action was available. The court further ruled that in the alternative, if a private right of action were allowed by the appeals court, American Heritage's complaint could be certified as a class action lawsuit. American Heritage has appealed.

The Court of Appeals reversed, holding that the trial court erred by applying the Utility District Law of 1937 to a non-utility district water and wastewater treatment authority. Thus, the trial court erred by applying the administrative remedies available to utility users under the UDL to the instant action and thereby erred by finding that American Heritage had failed to pursue said remedies.

The Court of Appeals affirmed the trial court's ruling regarding class action certification.