

ON-SITE SYSTEMS, INC.

7638 River Road Pike

Nashville, TN 37209

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00-01128

December 20, 2000

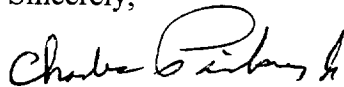
Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

RE: Petition to amend Certificate of Convenience and Necessity

Dear Mr. Waddell:

On-Site Systems Inc. desires to expand its service area to include the City of Coopertown in Robertson County. The attached Petition is in support of our request.

Sincerely,



Charles Pickney, Jr.
President

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

_____, 2000

**IN RE: PETITION OF ON-SITE SYSTEMS, INC. TO AMEND ITS
CERTIFICATE OF CONVENIENCE AND NECESSITY**

DOCKET No. _____

Petition of On-Site systems, Inc.
to amend its Certificate of Convenience and Necessity

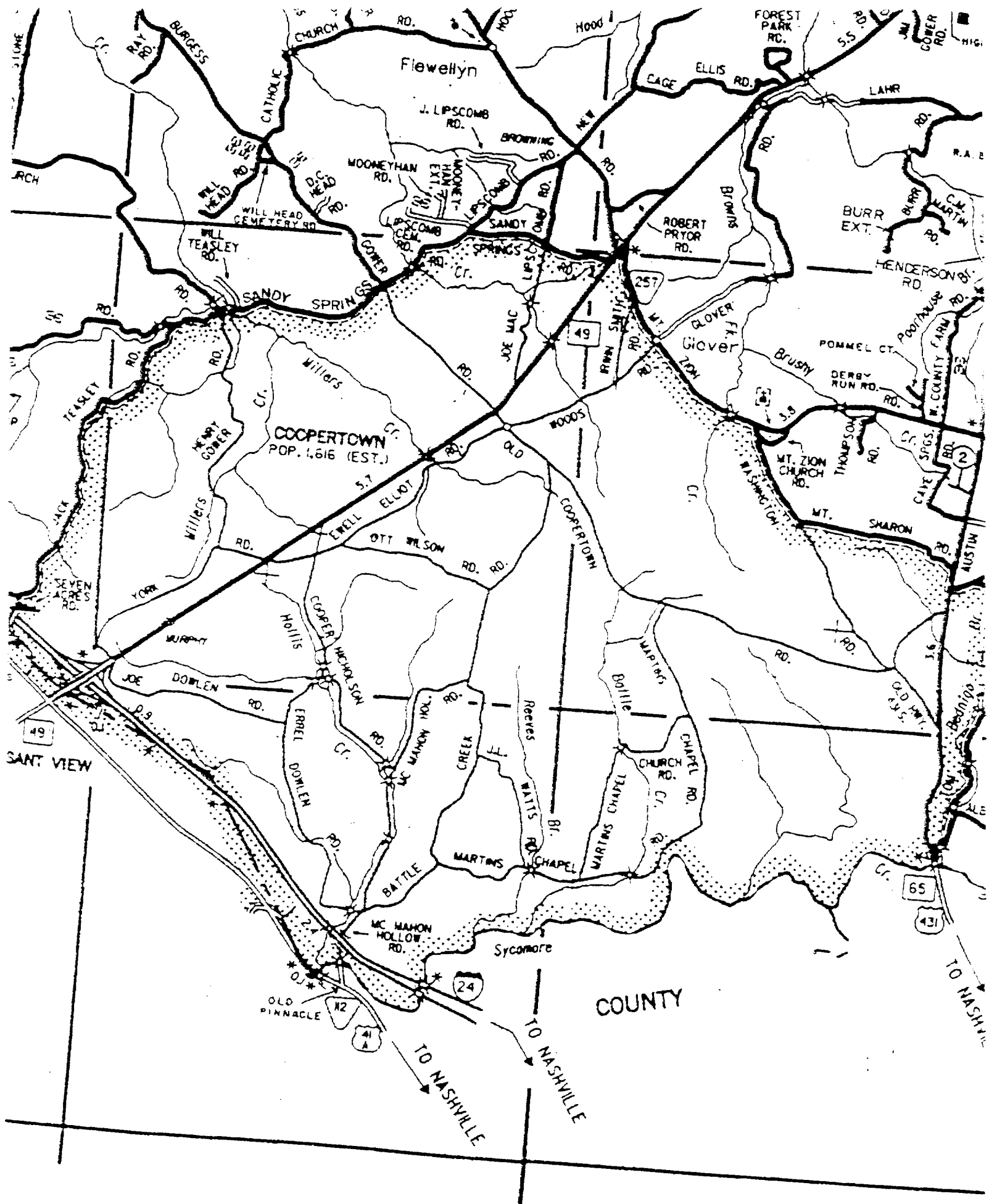
On-Site Systems, Inc. ("On-Site") petitions the Tennessee Regulatory Authority ("TRA") to amend On-Site's Certificate of Convenience and Necessity to expand its service area to include the City of Coopertown, Tennessee. The city is located in Robertson County, south of the City of Springfield. The city has the sole right to provide sewer service within its territory and has granted a franchise to On-Site Systems to provide sewer service to the city.(see attached franchise ordinance)

The present boundaries of the city are shown on the attached map and it is our intention to also serve any additional areas that the city might annex in the future.

Respectfully submitted,



Charles Pickney Jr., President
On-Site Systems, Inc.



ORDINANCE 00-13

An Ordinance granting On-Site Systems, Inc., its successors and assigns, the right, privilege, authority and consent to place, construct, erect, acquire, extend, maintain, repair and relocate septic and sewer lines, works, mains, apparatus and all necessary fixtures under, through, over, along and across the streets, roads, alleys, bridges and viaducts, within the present or future limits of the Town of Coopertown, Tennessee, in Robertson County, for the purpose of providing a system for the proper treatment, movement and disposal of sewage to those persons or entities desiring the same.

WHEREAS, the Town of Coopertown is authorized to provide utility functions, including the provision of wastewater treatment services and is also authorized to grant franchises for public utilities and public services to be furnished;

WHEREAS, at the present time, it is not practically feasible for the Town of Coopertown to provide wastewater treatment services;

WHEREAS, On-Site Systems, Inc. is a public utility authorized to provide wastewater treatment services and is governed by the Tennessee Regulatory Authority, which authority regulates On-Site's provision of services and its rate and fee structure; and,

WHEREAS, On-Site Systems, Inc. is required to construct, maintain and operate all its wastewater treatment facilities in accordance with the regulations of the Tennessee Department of Environment and Conservation (TDBC).

NOW, THEREFORE in consideration of the premises, the Board of Mayor and Aldermen of the Town of Coopertown hereby ordain the following:

Section 1. BE IT ORDAINED that On-Site Systems, Inc. its successors and assigns (hereafter called Grantee), be, and hereby is, granted the exclusive right, privilege, authority and franchise to place, construct, erect, acquire, extend, maintain, repair, relocate and operate all lines, works, mains, apparatus and all necessary fixtures, connections and appurtenances under, through, over, along and across any of the streets, roads, alleys, bridges and viaducts now or hereafter owned, dedicated or used within the limits of the Town of Coopertown as now or hereafter may exist and to render, sell and provide sewer service and or wastewater treatment service, to those persons or entities desiring the same, in the Town of Coopertown as the boundaries thereof are now established and may hereafter be extended.

Section 2. BE IT FURTHER ORDAINED, that no person, company or corporation shall be permitted to make any connections with any of the works of the Grantee unless duly authorized by the Grantee to do so.

Section 3. BE IT FURTHER ORDAINED, that this franchise shall be for a term of twenty-five (25) years from the date of acceptance and shall be an exclusive grant of said rights and privileges as herein granted to the Grantee, its successors and assigns.

Section 4. BE IT FURTHER ORDAINED, that the Grantee, in installing, maintaining and inspecting its lines and other equipment for providing wastewater services to the consumers of the Town of Coopertown, shall so install, repair, and maintain said system with as little interference as reasonably necessary. When such has been installed, repaired or inspected, said streets, alleys, sidewalks and other public places shall be restored as nearly as possible to the same condition as before the work. All pavement and sidewalk replacement required to accomplish this end shall be done by the Grantee at its own expense, through its own forces or by the employment of competent contractor so as to restore or leave the streets or alleys in as nearly as possible the same condition as they were prior to the excavation.

Section 5. BE IT FURTHER ORDAINED, that On-Site Systems, Inc. shall have sole responsibility for the design, construction and operation of the system and shall require appropriate bonds for the creation of such systems.

Section 6. BE IT FURTHER ORDAINED, that On-Site Systems, Inc. shall have sole authority regarding provision of service except that any system created pursuant to this franchise shall not accept any leachate from any landfill.

Section 7. BE IT FURTHER ORDAINED, that the Grantee will be furnished a certified copy of this ordinance upon its adoption and the said Grantee shall, by its legally constituted representatives, file with the recorder of the Town of Coopertown, within thirty (30) days from the date when this Ordinance shall take effect, a written acceptance of this grant, with all of its terms, limitations and requirements, and such acceptance shall constitute a part of this franchise.

Section 8. BE IT FURTHER ORDAINED, that in all transfers or assignments, the Grantee may transfer or assign this franchise only after obtaining the written consent of the Town of Coopertown, which consent shall not be unreasonably withheld.

Section 9. BE IT FURTHER ORDAINED, if any portion of this Ordinance shall hereinafter be declared or determined by a Court of competent jurisdiction to be unconstitutional or invalid, or the applicability thereof to any person or circumstance to be invalid, the remaining portions of this Ordinance and the applicable persons and circumstances shall not be affected.

Section 10. BE IT FURTHER ORDAINED, that upon the conclusion of the twenty-five (25) year term of this Franchise Agreement, it shall automatically renew for another twenty-five (25) year term unless notice of termination is given by either party not sooner than sixty (60) days nor later than thirty (30) days before the completion of this Agreement. In such event, the parties hereto agree that the Town of Coopertown shall purchase the system from On-Site in accordance with the following requirements:

- (A) The purchase price shall be the fair market value of the system serving the Specified Area and payment of such purchase price shall be on terms agreed to by the parties. In the event the parties cannot agree on a purchase price, each party shall select a qualified appraiser and the fair market value of the system shall be determined using the Uniform Standards of Professional Appraisal Practice and agreed upon by the two (2) qualified appraisers who are selected. In the event the


two (2) qualified appraisers are unable to agree on the fair market value of the system, they shall jointly select a third qualified appraiser whose determination of the fair market value of the system shall be based on the aforementioned standards and shall control.

- (i) The term "Qualified Appraiser" means any individual having demonstrated experience in the appraisal of utility properties who has been certified by a nationally recognized appraisal or assessment association that is a member of The Appraisal Foundation.

Section 11. BE IT FURTHER ORDAINED, that this Ordinance shall take effect from and after its passage, the public welfare requiring it.

Passed First Reading September 18, 2000

Passed Second Reading November 28, 2000


Herman Davis, Mayor

ATTEST:


Elsa Spiller, City Recorder

On-Site Systems, Inc. Sewer Service Billing Summary

Residential Sewer Rates

System	Monthly <u>Charge</u>
Oakwood Subdivision - Maury County	\$36.67
Southridge Subdivision - Montgomery County	19.38 + act cost
Swan Harbor - Roane County	\$35.11
River Road Utility District - Cheatham County	\$31.15
Milcrofton Utility District - Williamson Conty	\$37.21
Tall Oaks Subdivision - Blount county	\$35.11
Yoakum Hollow Dev. (Windsor Pt) - Campbell Co.	\$35.11
Shreibman Development - Cannon County	\$35.11
Cornerstone of Mitchell Creek - Overton County	\$35.11
Bolton Area - Shelby County	\$32.68
Harbor Pointe - Dekalb County	\$35.11
Hidden Springs Resort - Sevier County	\$35.11
Eagle Crest Development - Sevier County	\$35.11
Legacy Bay - Hawkins County	\$35.11
City of Coopertown - Lagoon	\$30.98
- Sand-Gravel Filter	\$35.11

Fees : Nonpayment - 5%, Disconnection - \$10,
Reconnection - \$15, Returned Check - \$20,
Access - \$84/yr

Tariff Rate Sheet

Commercial Sewer Rates - with food service

The monthly sewer charge per customer is based on the design daily flow expected from the type of establishment being served. A minimum of \$100 per month will be charged for up to the first 300 gallons per day of design flow expected. (Except off-site which will have a \$94.00 minimum plus pass through costs.) For each additional 100 gallons per day of design flow expected, up to a total of 1,000 gallons per day, an additional charge of \$18.00 per month per 100 gallons will be levied. For design flows expected over 1,000 gallons per day, the following additional monthly charges per 1,000 gallons of flow will apply:

Disposal

<u>Treatment</u>	<u>Drip Irrigation</u>	<u>Point Discharge</u>	<u>Off Site</u>
	<u>Sand-Gravel Filter</u>	\$170.00	\$192.00
			N/A
	<u>Lagoon</u>	\$142.00	\$163.00
			N/A
	<u>* Off Site</u>	N/A	N/A
			Pass through costs & \$94.00

Additional surcharges will apply when customers exceed their expected design flows. For any month that a customer's water meter reading exceeds the expected design flow, the following surcharges will apply:

Excess water usage	Surcharge
1 gallon to 1,000 gallons above expected design flow	\$210.00
1,001 gallons to 2,000 gallons above expected design flow	\$220.00
Over 2,000 gallons above expected design flow	\$220.00/1,000 gal

If the water meter readings exceed the design flow for any three consecutive months, the monthly charge will be revised to reflect the increased usage and any capital costs associated with increasing the capacity of the system will be paid by the customer.

* Off Site means treatment and disposal by another entity such as a city or utility district.

Fees : Nonpayment - 5%, Disconnection - \$10,
Reconnection - \$15, Returned Check - \$20

Tariff Rate Sheet

Commercial Sewer Rates - without food service

The monthly sewer charge per customer is based on the design daily flow expected from the type of establishment being served. A minimum of \$75 per month will be charged for up to the first 300 gallons per day of design flow expected. (Except off-site which will have a \$73.00 minimum plus pass through costs.) For each additional 100 gallons per day of design flow expected, up to a total of 1,000 gallons per day, an additional charge of \$15.00 per month per 100 gallons will be levied. For design flows expected over 1,000 gallons per day, the following additional monthly charges per 1,000 gallons of daily flow will apply:

Disposal

Treatment

	<u>Drip Irrigation</u>	<u>Point Discharge</u>	<u>Off Site</u>
<u>Sand-Gravel Filter</u>	\$140.00	\$165.00	N/A
<u>Lagoon</u>	\$116.00	\$140.00	N/A
<u>* Off Site</u>	N/A	N/A	Pass through costs & \$73.00

Additional surcharges will apply when customers exceed their expected design flows. For any month that a customer's water meter reading exceeds the expected design flow, the following surcharges will apply:

Excess water usage	Surcharge
1 gallon to 1,000 gallons above expected design flow	\$175.00
1,001 gallons to 2,000 gallons above expected design flow	\$200.00
Over 2,000 gallons above expected design flow	\$200.00/1,000 gallons

If the water meter readings exceed the design flow for any three consecutive months, the monthly charge will be revised to reflect the increased usage and any capital costs associated with increasing the capacity of the system will be paid by the customer.

* Off Site means treatment and disposal by another entity such as a city or utility district.

Fees : Nonpayment - 5%, Disconnection - \$10,
Reconnection - \$15, Returned Check - \$20