

**FARRIS MATHEWS BRANAN
BOBANGO HELLEN & DUNLAP PLC**

ATTORNEYS AT LAW

MEMPHIS DOWNTOWN:
One Commerce Square, Suite 2000
Memphis, Tennessee 38103
Telephone: 901-259-7100
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HISTORIC CASTNER-KNOTT BUILDING
618 CHURCH STREET, SUITE 300
NASHVILLE, TN 37219

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1100 Ridgeway Loop Road, Suite 400
Memphis, Tennessee 38120
Telephone: 901-259-7120
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Kristi Stout
kstout@farrismathews.com

Reply to:
Nashville Office

June 14, 2006

Chairman Ron Jones
Attn: Sharla Dillon
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

VIA HAND DELIVERY

DOCKET NO.

06-00156

RE: Petition of Integrated Resource Management, Inc. To Amend Its Certificate of
Public Convenience To Serve An Area In Sevier County, Tennessee Known As Mountain
Shangrila Subdivision

Dear Chairman Jones:

Please find enclosed an original and 13 copies of the above referenced Petition of Integrated Resource Management, Inc. Please date and stamp a copy for our records. Thank you for your assistance regarding this matter. If you have any questions, or if I may be of further assistance, please do not hesitate to contact me.

Very truly yours,

FARRIS MATHEWS BRANAN
BOBANGO HELLEN & DUNLAP, PLC



Kristi Stout

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

June 14, 2006

IN RE:

PETITION OF INTEGRATED RESOURCE)	
MANAGEMENT, INC.)	
TO AMEND ITS CERTIFICATE OF)	Docket No. _____
PUBLIC CONVENIENCE AND NECESSITY)	
TO SERVE AN AREA IN SEVIER COUNTY,)	
TENNESSEE KNOWN AS MOUNTAIN)	
SHANGRILA SUBDIVISION)	

**PETITION OF INTEGRATED RESOURCE MANAGEMENT, INC.,
TO AMEND ITS CERTIFICATE OF PUBLIC CONVENIENCE AND
NECESSITY TO SERVE AN AREA IN SEVIER COUNTY, TENNESSEE
KNOWN AS MOUNTAIN SHANGRILA SUBDIVISION**

Integrated Resource Management, Inc., ("IRM"), by and through its counsel, petitions the Tennessee Regulatory Authority ("TRA") to amend its Certificate of Public Convenience and Necessity ("CCN") to expand its service area to include a portion of Sevier County known as Mountain Shangrila Subdivision. In support of its Petition, IRM submits the following:

1. The subject area has received temporary plat approval in Sevier County.

A copy of the proposed service area is attached as Exhibit A.

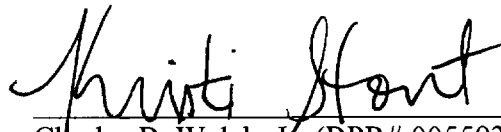
2. The City of Pigeon Forge and Sevier County have confirmed that they have no intent to own, operate, or provide wastewater treatment services to this area. Sevier County Commission and Water/Sewer Committee confirmed that they have no intent to own, operate or provide wastewater treatment services to this area. (See Exhibits B and C, respectively)

1. IRM has a Twenty Thousand Dollar (\$20,000.00) surety bond (No. 4933653) filed with the TRA, a copy of which is attached as Exhibit D.
2. IRM has a Utility Agreement with Dudley Creek Development LLC and Martin T. Merritt, the owners/developers of the land. (See Exhibit E).
3. IRM has applied for the Tennessee Department of Environment and Conservation ("TDEC") state operating permit. TDEC published its public notice of intent to issue a state operating permit to IRM on May 22, 2006.
6. Pre-filed testimony of Jeffrey C. Cox and proposed tariffs are attached as Exhibits F and G, respectively.

WHEREFORE, PREMISES CONSIDERED, Integrated Resource Management, Inc. respectfully requests that the TRA grant its Petition To Amend Its Certificate Of Public Convenience And Necessity To Serve An Area In Sevier County, Tennessee Known As Mountain Shangrila Subdivision.

Respectfully submitted,

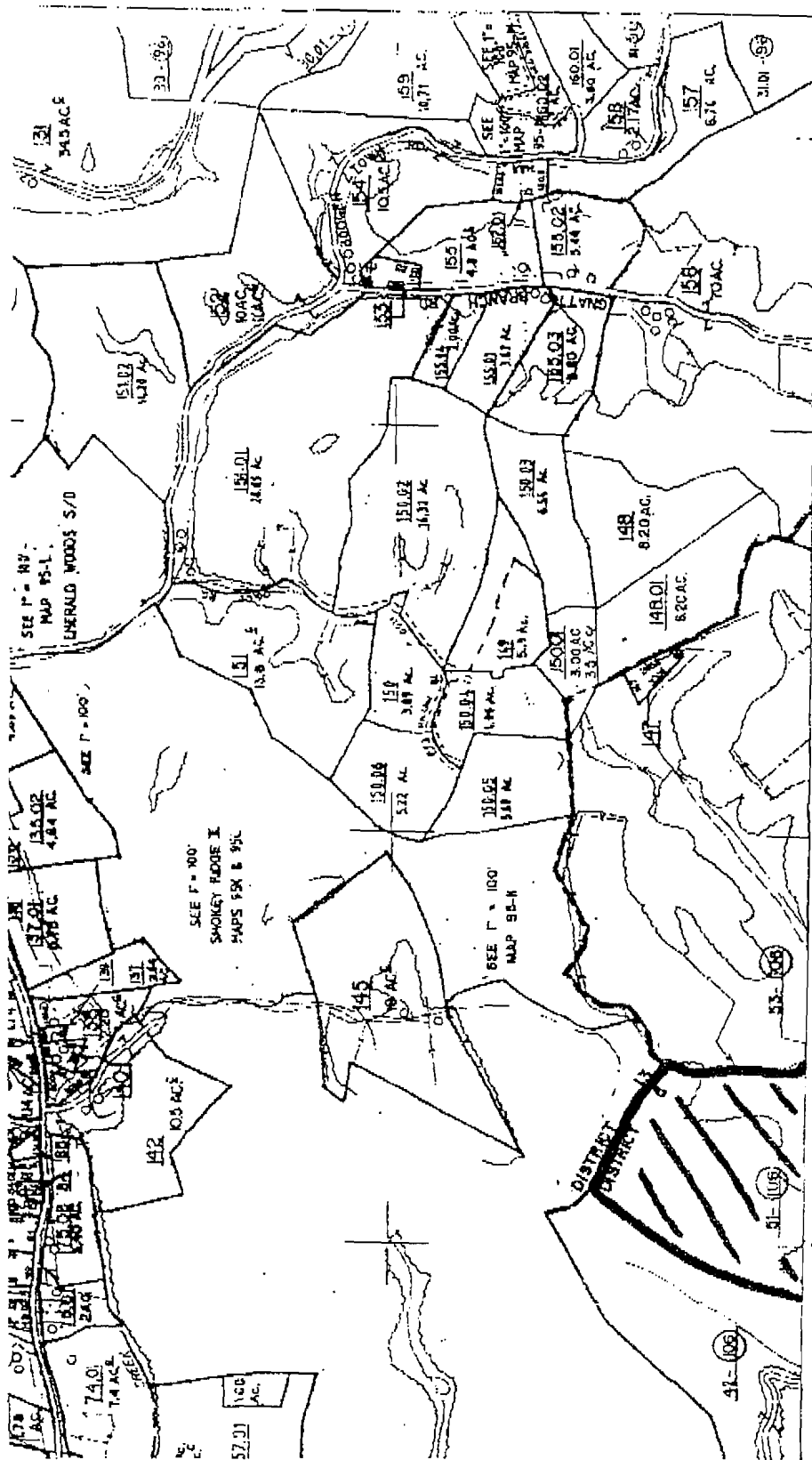
FARRIS MATHEWS BRANAN
BOBANGO HELLEN & DUNLAP, PLC



Charles B. Welch, Jr. (BPR# 005593)
Kristi Stout (BPR# 023043)
618 Church Street, Suite 300
Nashville, TN 37219
(615) 726-1200 Telephone
(615) 726-1776 Facsimile

[illegible]

A



SEVIER CO., TENN.		MAP NO.
SCALE	"AS SHOWN"	DISTRICT NO.
DATE OF EXAMINATION	MAY, 1948	95
DATE COMPLETED	MARCH, 1947	

REVISIONS -	
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95	96	97
98	99	100

CHECK
 STATE, T.M.
 COUNTY, T.M.
 DISTRICT, T.M.
 ROAD, T.M.
 RAILROAD, T.M.
 RIVER, T.M.



October 4, 2005

Mr. Scott Williams
IRM Utility
P.O. Box 642
3444 Saint Andrews Drive
White Pine, Tennessee 37890

Subject: Mountain Shangrila Sewer
(Merritt Property)
Gnatty Branch Road

Dear Mr. Williams:

This letter serves to advise that the City of Pigeon Forge has no plans to extend City sewer service to your property located outside the City of Gnatty Branch.

If you have further questions, please let me know.

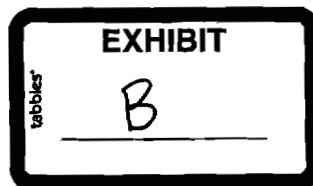
Sincerely,

CITY OF PIGEON FORGE

Earlene M. Teaster
City Manager

EMT:sgt

C: Mark Miller, Director



Telephone 865.453.6136
Fax 865.453.6830
E-mail: lwaters@seviercountyttn.org



125 Court Avenue
Suite 201E
Sevierville, TN 37862

Larry Waters *County Mayor*

December 2, 2005

To Whom It May Concern,

Sevier County does not plan to provide sanitary sewer to the Merritt Property on Gnatty Branch Road (TAX Map 106 Parcel 51) in the next twelve months. If anyone should have questions, please call me.

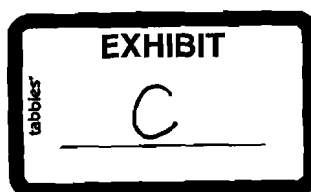
Sincerely,

A handwritten signature in dark ink, appearing to read 'Larry Waters', is written over the printed name.

Larry Waters
County Mayor

LW/sm

Enclosure



1220-4-13-.08 STANDARD FORMS FOR FILING FINANCIAL SECURITY.

- (1) The following is a form to be used by wastewater service providers under the jurisdiction of the Tennessee Regulatory Authority when filing a corporate surety bond pursuant to this Chapter.

CORPORATE SURETY BOND

Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

REFERENCE: Name of Company authorized by TRA: Integrated Resource Management, Inc.

Company ID # as assigned by the TRA:
Corporate Surety Bond #: 4933653
Effective Date: March 9, 2006
Expiration Date: March 9, 2009

Integrated Resource Management, Inc. Baneberry, TN

Great American Insurance Company

(Name of Utility) of (City), (State), as Principal, and (Name of Surety), a corporation created and existing under the laws of (State), as Surety, (hereinafter called "Surety") are bound to the State of Tennessee in the sum of ^{Twenty} ~~Thousand~~ Dollars (\$20,000.00) and Principal and Surety hereby bind themselves, their successors and assigns, to pay in accordance with the following terms:

THE CONDITION OF THIS BOND IS:

The Principal is or intends to become a public wastewater utility subject to the laws of the State of Tennessee and the rules and regulations of the Tennessee Regulatory Authority ("Authority"), relating to the operation of a public wastewater utility:

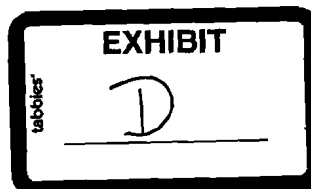
Integrated Resource Management, Inc.
3444 Saint Andrews Drive
Baneberry, TN 37890

Tennessee Code Annotated § 65-4-201 requires the holder of a franchise for water or sewer service to furnish a bond with sufficient surety, as approved by the Authority, conditioned as prescribed in Tenn. Comp. R. & Regs. Chapter 1220-4-13.

The Principal and Surety have delivered to the Authority a Surety Bond with an endorsement as required by the Authority.

After notice to the Principal and Surety and a contested case hearing that results in the suspension or revocation of the Principal's Certificate of Public Convenience and Necessity (CCN), the replacement of an operator by the Authority, or the appointment of a receiver by a court, the Authority may assess a sum sufficient of this bond, up to its maximum sum, to enable the continued operation of the public wastewater utility.

The Principal and the Surety are held and firmly bound to the State of Tennessee, in accordance with the provisions of Tenn. Comp. R. & Regs. Chapter 1220-4-13, in the amount of ^{Twenty} ~~Thousand~~ Dollars (\$20,000.00) lawful money of the United States of America to be used for the full and prompt payment of any monetary obligation imposed against the Principal, its representatives, successors or assigns, in any contested case proceeding brought under



WASTEWATER REGULATIONS

CHAPTER 1220-4-13

(Rule 1220-4-13-.08, continued)

Chapter 1220-4-13, by or on behalf of the Authority, for which obligation the Principal and the Surety bind themselves, their representatives, successors and assigns, each jointly and severally, firmly and unequivocally by these presents.


Upon entry of an Order that finds a monetary obligation pursuant to Chapter 1220-4-13, and delivery to the Surety of a Bond Notice, substantially in the form set forth below ("Notice"), the Surety promises to pay, by wire transfer of immediately available funds, the amount of the monetary obligation as stated in the Order and Notice.

If for any reason, the Surety Bond is not to be renewed upon its expiration, the Surety shall, at least 60 days prior to the expiration date of the Surety Bond, provide written notification by means of certified mail, return receipt requested, to the Tennessee Regulatory Authority, that the Surety Bond will not be renewed beyond the then current maturity date for an additional period.

Failure to renew the Surety Bond shall operate to forfeit the Surety Bond, without the necessity of the Authority being required to hold a hearing concerning the Principal's operation or CCN. In such an event and upon a directive from the Authority, the Surety agrees to deposit the maximum sum of this Surety Bond with the administrator of the Authority's bonding program to enable the continued operation of the public wastewater utility.

The bond shall become effective after execution by the Principal and Surety and upon filing with the Authority, and shall continue from year to year unless the obligations of the Principal under this bond are expressly released by the Authority in writing.

The Principal and Surety consent to the conditions of this Bond and agree to be bound by them.

This 9th day of March 20 06

(Principal)

Great American Insurance Company
(Surety)

By 
Mary E. Joseph, Attorney-in-Fact

GREAT AMERICAN INSURANCE COMPANY®

Administrative Office: 580 WALNUT STREET • CINCINNATI, OHIO 45202 • 513-369-5000 • FAX 513-723-2740

The number of persons authorized by
this power of attorney is not more than EIGHT

No. 0 18287

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That the GREAT AMERICAN INSURANCE COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Ohio, does hereby nominate, constitute and appoint the person or persons named below its true and lawful attorney-in-fact, for it and in its name, place and stead to execute in behalf of the said Company, as surety, any and all bonds, undertakings and contracts of suretyship, or other written obligations in the nature thereof; provided that the liability of the said Company on any such bond, undertaking or contract of suretyship executed under this authority shall not exceed the limit stated below.

Name	Address	Limit of Power
MARY E. JOSEPH	MYRTIE F. HENRY	ALL
JULIE RADICAN	DEBORAH NEICHTER	\$10,000,000
KATHY HOBBS	VIRGINIA E. WOOLRIDGE	
SANDRA F. HARPER	MARGIE M. LOWRY	

This Power of Attorney revokes all previous powers issued in behalf of the attorney(s)-in-fact named above.

IN WITNESS WHEREOF the GREAT AMERICAN INSURANCE COMPANY has caused these presents to be signed and attested by its appropriate officers and its corporate seal hereunto affixed this 7TH day of APRIL, 2006
Attest GREAT AMERICAN INSURANCE COMPANY

STATE OF OHIO, COUNTY OF HAMILTON - ss:

DAVID C. KITCHIN (513-412-4602)

On this 7TH day of APRIL, 2006, before me personally appeared DAVID C. KITCHIN, to me known, being duly sworn, deposes and says that he resides in Cincinnati, Ohio, that he is the Divisional Senior Vice President of the Bond Division of Great American Insurance Company, the Company described in and which executed the above instrument; that he knows the seal of the said Company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of his office under the By-Laws of said Company, and that he signed his name thereto by like authority.

This Power of Attorney is granted by authority of the following resolutions adopted by the Board of Directors of Great American Insurance Company by unanimous written consent dated March 1, 1993.

RESOLVED: That the Division President, the several Division Vice Presidents and Assistant Vice Presidents, or any one of them, be and hereby is authorized, from time to time, to appoint one or more Attorneys-in-Fact to execute on behalf of the Company, as surety, any and all bonds, undertakings and contracts of suretyship, or other written obligations in the nature thereof; to prescribe their respective duties and the respective limits of their authority; and to revoke any such appointment at any time.

RESOLVED FURTHER: That the Company seal and the signature of any of the aforesaid officers and any Secretary or Assistant Secretary of the Company may be affixed by facsimile to any power of attorney or certificate of either given for the execution of any bond, undertaking, contract or suretyship, or other written obligation in the nature thereof, such signature and seal when so used being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

CERTIFICATION

I, RONALD C. HAYES, Assistant Secretary of Great American Insurance Company, do hereby certify that the foregoing Power of Attorney and the Resolutions of the Board of Directors of March 1, 1993 have not been revoked and are now in full force and effect.

Signed and sealed this 9th day of March, 2006



P.O. Box 642
3444 Saint Andrews Drive
White Pine, Tennessee 37890
Phone (Vol) 674-0828
Facsimile (Vol) 674-2352
Toll Free (877) 746-2910

This Agreement made and entered into this _____ day of _____, 2005,
by and between IRM Utilities, Inc., a Tennessee Corporation, hereinafter referred
to as "Utility" and, Dudley Creek Development L.L.C. & Marvin T. Merritt,
hereinafter referred to as "Developer".

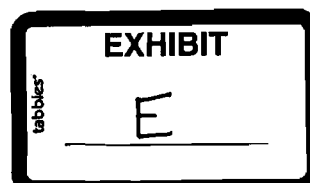
For and in consideration of valuable consideration, the receipt of all which is
acknowledged, the parties hereto enter into the following agreement:

TERMS

Particularly that the Utility will in the future be responsible for the repair,
maintenance, and replacement of the sewage collection, treatment, and disposal
system to be installed to serve this development and to maintain the total
system, and other good, and the Developer shall install a sewage collection,
treatment, and disposal system (hereinafter "System") to serve the
Mountain Shangrila Development, hereinafter referred to as the "Development",
and shall do so in accordance with those drawings, plans, and specifications as
selected and approved by the Utility's engineers or representatives.

The Developer shall provide a Performance Bond, Irrevocable Letter of Credit or
appropriate surety for construction of the system. The surety shall be made in
the name of the Utility. The amount will be ten% more than a reasonable
responsible estimate.

The Developer shall, at its sole expense (including all fees necessary
engineering and construction costs), perform all of the necessary work for the



installation of said System in accordance with the drawings, plans, and specifications referred to hereinbefore.

Construction of the System shall be subject to the supervision and approval of the Utility's engineers and representatives, who shall have a right of inspection throughout the progress of the work. Developer agrees that it shall not backfill soils over or cover any pipe, fittings, or connections until first inspected and approved by the Utility.

For services to be performed by Utility hereunder, the Developer hereby agrees to pay to the Utility a non-refundable amount equal to 10% of the estimated construction cost of the System (hereinafter the "Estimated Compensation Amount").

The Utility will petition the Tennessee Regulatory Authority for a Certificate of Public Convenience and Necessity (CCN) for the Development and apply for approvals from the appropriate Division of the Tennessee Department of Environment and Conservation. The funds paid to the Utility will be used at the discretion of the Utility to perform this function. The funds are non-refundable in the event the petition or approvals are not granted for any reason whatsoever. The Utility does not guarantee that a CCN will be granted for the Development. The Utility will be held harmless for any and all prior and future financial obligations the Developer incurs related to this Development.

The Developer shall have the duty to immediately repair, at its own cost and expense, all breaks, leaks, or defects in the System, of any type-whatsoever, which occur within one (1) year from the date the System is accepted by the Utility. In the event that Developer shall fail to make such immediate repairs then the Utility shall be authorized to make such repairs at the sole expense of the Developer.

The developer will facilitate and execute Restrictive Covenants and Bi-Laws (Bi-Laws) of the Development that provide or indicate: a service agreement or contract between the owner and the Utility will be required by each homeowner to establish wastewater service, the Utility will charge an initial fee or tap fee and a monthly fee, the fee is to be determined and will be established by a proposal to the Tennessee Regulatory Authority (TRA), and a description of the Septic Tank Effluent Pumping system that is approved by the engineers of the Utility. It will be stipulated that only the approved system or equal that is approved by the Utility can be utilized.

Upon the granting of the petition for the Certificate of Convenience and Necessity, the developer will turn over any POA monies that are collected for the purpose of operation of the wastewater system as spelled out in the initial Bi-Laws.

Nothing herein contained shall abridge the Utility's right to extend this System as it deems appropriate.

The Developer hereby represents and warrants that all materials incorporated into the System, and all of its subcontractors, shall be paid for in full upon completion of the installation of the System and that no liens or encumbrances shall remain for the installation of said work.

The Developer hereby represents and warrants that the System will be in conformance with the foregoing provisions, and the plans and specifications above mentioned, and that written easements will be provided five feet (5') in width on each side of the center line of all sewers installed hereunder, other than sewers along public right-of-way.

It is agreed that the Utility shall have exclusive title and ownership of the System in the subdivision and the Developer shall convey to the Utility, free and clear of all encumbrances. The Developer shall, upon request of the Utility, execute and deliver a Deed of Conveyance of the system, suitably acknowledged for registration.

There will be an addendum to this agreement based on the outcome of the TRA petition and the development of the Pro Forma required in the petition process.

In Witness Whereof, the parties hereto have entered into this agreement as of the day and date first written above.

Utility – IRM Utility, Inc.


Name/Title

8-3-05

Date

Developer


Name/Title

8-5-05

Date

COPY

original
in US Bank safety Box
8.13.05

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

IN RE:

**PETITION OF INTEGRATED RESOURCE)
MANAGEMENT, INC.)
TO AMEND ITS CERTIFICATE OF)
CONVENIENCE AND NECESSITY)
TO SERVE AN AREA IN SEVIER)
COUNTY, TENNESSEE KNOWN AS)
MOUNTAIN SHANGRILA SUBDIVISION)**

Docket No. _____

PRE-FILED DIRECT TESTIMONY OF JEFFREY W. COX, SR.

Q. State your name for the record and your position with the Petitioner, Integrated Resource Management, Inc. ("IRM").

A. Jeffrey W. Cox, Sr. I am the President of IRM.

Q: Are you presenting testimony on behalf of IRM?

A: Yes.

Q: Did you assist and cause to filed the Petition in this proceeding requesting an expansion of service area and an extension of authority for IRM to provide waste water sewer services in Sevier County to a residential subdivision known as Mountain Shangrila?

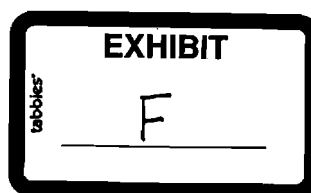
A: Yes.

Q: Can you describe the service you will be providing?

A: Yes, the service will be the same as we have petitioned for in the past. We will be operating an on site wastewater treatment facility that beneficially reuses the water in subsurface drip irrigation systems.

Q: How many customers will be served by the proposed system?

A: 31 Residential and/or Rental Cabins.



Q: Do you operate any systems in this area?

A: Yes we do. We operate systems servicing Compass Pointe, Emory Pointe, Cove Mountain Realty, Valley Mart Exxon, Lot 23, The River Club and will soon be operating LashBrooke and Sterling Springs. We also have the Wild Briar Subdivision that is within 3 miles of Mountain Shangrila.

Q: When did the company receive its first certificate from the Authority to operate a sewer system in Tennessee?

A: After a hearing in October 2003 in Docket 03-00467 and pursuant to this Authority's final order dated March 16, 2004, IRM was granted a CCN.

Q: Does IRM have the management, technical and financial ability to provide wastewater service in the area referred to in this Petition?

A: Yes.

Q: Have you contacted other potential utility service providers in the area to determine whether they might have any plans to service the area?

A: Yes. They have provided letters indicating that they do not intend to provide wastewater service. These letters are included in the petition.

Q: Is there a public need for wastewater service to this area?

A: Yes.

Q: Is all of the information in the petition accurate to the best of your knowledge.

A: Yes, it is.

Q: Have you submitted plans to the Tennessee Department of Environment and Conservation for approval?

A: Yes. The plans were submitted in January 2006 to the Tennessee Department of Environment and Conservation.

Q: Does this conclude your testimony?

A: Yes.

INTEGRATED RESOURCE MANAGEMENT, INC.
Sewer Systems with Commercial Customers or Special Contracts

System	County
Cove Mountain Reality—03-00467—Special Contract	Sevier
Valley Mart Exxon—03-00467—Special Contract	Sevier
Lot 23, The River Club—04-00152—Special Contract	Knox
Wild Briar Ridge—05-00056—Special Contract**	Sevier
Sterling Spring —05-00055—Special Contract**	Sevier
Mountain Shangrila—(Pending)—Special Contract**	Sevier

**Residential rate of \$35.11/month will apply unless the owner rents the unit to the public for any portion of the year. In this case, the commercial rate will apply and be determined according to the approved tariff rate sheet, based on total projected gallons per day. (See commercial tariff sheet). Billings for service shall be sent to and remain the responsibility of the owner of the unit.

