

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

January 5, 2007

IN RE: )  
)  
PETITION OF INTEGRATED RESOURCE )  
MANAGEMENT, INC. TO AMEND ITS )  
CERTIFICATE OF PUBLIC CONVENIENCE )  
AND NECESSITY TO SERVE AN AREA IN )  
CAMPBELL COUNTY, TENNESSEE )  
KNOWN AS FLAT HOLLOW SUBDIVISION )

07-00009

Docket No. \_\_\_\_\_

electronically filed 1/5/07 @ 12:35pm

---

PETITION TO AMEND CERTIFICATE OF PUBLIC  
CONVENIENCE AND NECESSITY

---

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

1. The subject area has received temporary plat approval in Campbell County. A copy of the proposed service area is attached hereto as **Exhibit A**;
2. The government of Campbell County and LaFollette Utilities have confirmed that they have no intent to own, operate, or provide wastewater treatment services to this area. See **Exhibits B and C** attached hereto;
3. IRM has a \$20,000.00 Surety Bond, No. 4933653, on file with the Authority. A copy of IRM's surety bond is attached hereto as **Exhibit D**;

4. IRM has executed a Utility Agreement with Trimbach Properties, Ltd., an Ohio limited partnership, John Trimbach, General Partner, in which IRM becomes the operator of the wastewater treatment system for Flat Hollow upon completion and construction of the system. A copy of the Utility Agreement is attached hereto as **Exhibit E**;

5. IRM has been issued a state operating permit from the Tennessee Department of Environment and Conservation ("TDEC"), Permit No. SOP-06039, *See Exhibit F* attached hereto; and

6. Pre-filed testimony of Jeffrey W. Cox, Sr., President of IRM, and proposed tariffs are attached hereto as **Exhibits G and H** respectively.

WHEREFORE, PREMISES CONSIDERED, Integrated Resource Management, Inc. respectfully requests that the Authority grant its Petition to Amend its Certificate of Public Convenience and Necessity to Serve an Area in Campbell County, Tennessee Known as Flat Hollow Subdivision.

Respectfully submitted,

FARRIS MATHEWS BRANAN  
BOBANGO HELLEN & DUNLAP, PLC

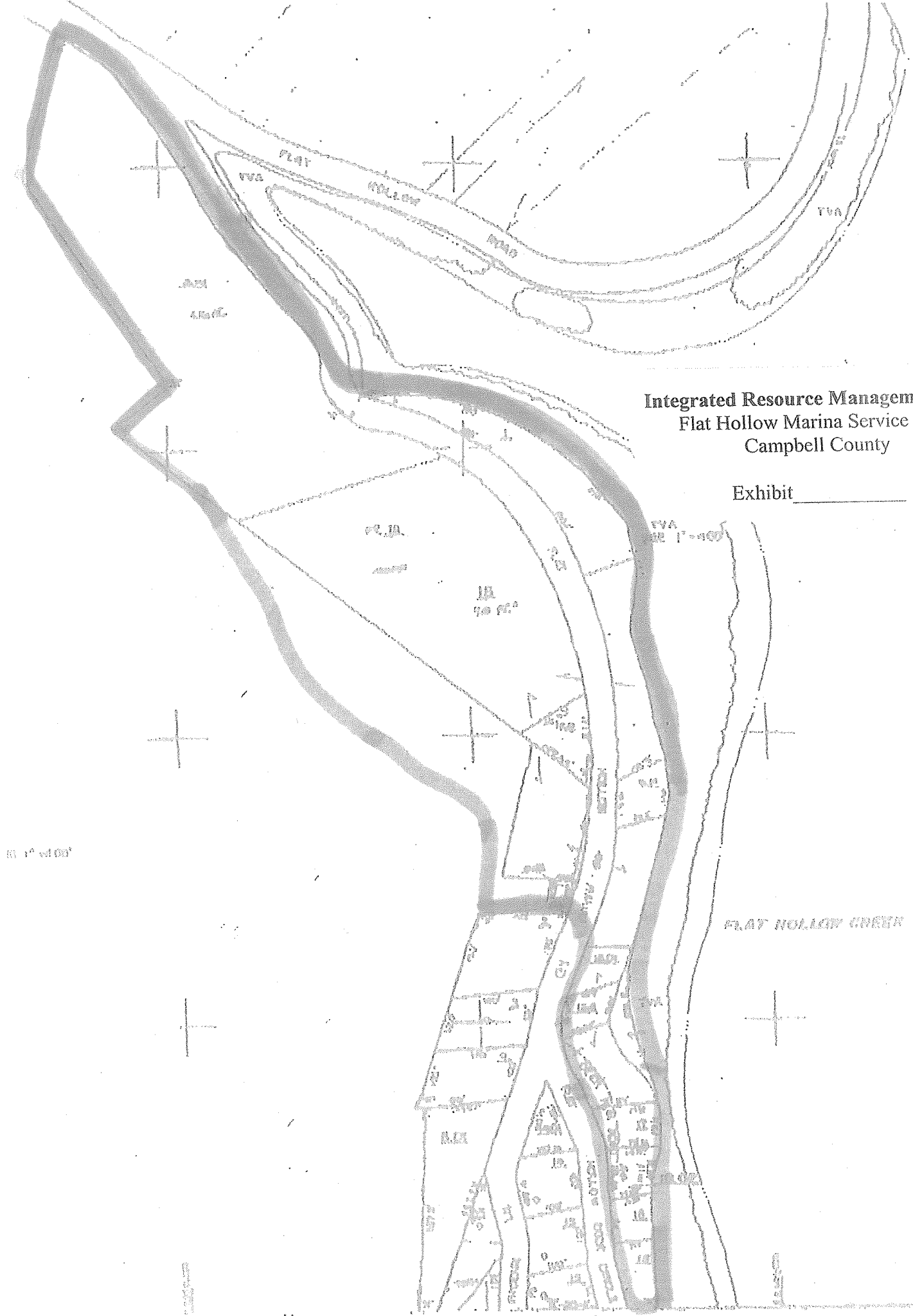
By: 

Charles B. Welch, Jr., No. 005593  
Jamie R. Hollin, No. 025460  
618 Church Street, Suite 300  
Nashville, Tennessee 37219  
Telephone: 615-726-1200  
Facsimile: 615-726-1776  
Email: cwelch@farrismathews.com  
jhollin@farrismathews.com  
*Attorneys for Integrated Resource  
Management, Inc.*

## **List of Exhibits**

<u>Name</u>	<u>Exhibit</u>
Proposed Service Area.....	A
Campbell County Letter.....	B
LaFollette Utilities Letter.....	C
Surety Bond.....	D
Utility Agreement.....	E
State Operating Permit.....	F
Pre-filed Testimony.....	G
Proposed Tariff.....	H

# **EXHIBIT A**



Integrated Resource Management, Inc.  
Flat Hollow Marina Service Area  
Campbell County

Exhibit \_\_\_\_\_

# **EXHIBIT B**

CAMPBELL COUNTY TENNESSEE



**JEFF HALL**  
COUNTY MAYOR

P.O. BOX 435  
JACKSBORO, TENNESSEE 37757

OFFICE: 423-562-2526  
FAX: 423-562-2075

EMAIL: [mayor@campbellcountygov.com](mailto:mayor@campbellcountygov.com)

September 27, 2006

FAXED AND MAILED

Jeffrey W. Cox, Sr.  
Integrated Resource Management, Inc.  
P.O. Box 642  
White Pine, TN 37890

RE: Flat Hollow S/D, Campbell County

Dear Mr. Cox:

In response to your request of today's date, please be advised that Campbell County, TN does not now nor does it plan to provide sanitary sewer service to the Flat Hollow area of Campbell County, TN and in particular does not plan to provide such service to the Flat Hollow Subdivision.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jeff Hall", is written over a circular embossed seal.

Jeff Hall  
Campbell County Mayor

JLH/tmc

# **EXHIBIT C**





---

P.O. Box 1411 • 302 North Tennessee Avenue  
LaFollette, Tennessee 37766  
Phone: 423-562-3316  
Fax: 423-566-6020

July 24, 2006

Mr. Sean H. Harmon  
Attorney at Law  
P.O. Box 10068  
Dayton, OH 45402-7068

RE: Sanitary Sewer Service in Flat Hollow Subdivision  
Trimbach Properties, LLC

Dear Mr. Harmon:

Sanitary sewer service is not available to the Flat Hollow area of Campbell County Tennessee. LaFollette Utilities (LUB) does not plan on extending sewer service beyond its existing boundaries now or in the foreseeable future.

Feel free to contact me at (423) 562-3316 if you have questions or need additional information.

Sincerely,  
LAFOLLETTE UTILITIES

Eddie W. Troxell  
Superintendent of Water/Wastewater Operations

EWT/rk

cc Jon Trimbach, Trimbach Properties, LLC

# **EXHIBIT D**

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 #: 4933663  
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 <sup>Twenty</sup> 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 <sup>Twenty</sup> 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	LOUISVILLE, KENTUCKY
KATHY HOBBS	VIRGINIA E. WOOLRIDGE	\$10,000,000
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

# **EXHIBIT E**



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

## UTILITY AGREEMENT

This Utility Agreement (the "Agreement") is made and entered into effective the 30<sup>th</sup> day of JUNE, 2006, by and between Integrated Resource Management, Inc. (IRM Utility, Inc.), a Tennessee Corporation, hereinafter referred to as the "Utility" and, Trimbach Properties, Ltd., by John Trimbach, partner, hereinafter referred to as the "Developer" and collectively referred to as the "Parties".

For and in consideration of the mutual promises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. The Developer shall construct and install a sewage collection, treatment, and disposal system (hereinafter "System") to serve the Flat Hollow Subdivision, in Campbell County, (hereinafter "Development"), and in accordance with drawings, plans, and specifications selected and approved by the Utility's engineers or representatives. The repair, maintenance, and replacement of the System installed to serve the Development shall be the responsibility of the Utility after the construction of the System is complete and accepted by the Utility.
2. The Developer shall provide a performance bond, irrevocable letter of credit or other appropriate financial security, in an amount equal to the estimated cost to construct and install the System plus ten (10%) of such costs, to insure the completion of the construction of the System. The Utility shall be the named beneficiary of the financial security provided by the Developer.

3. The Developer shall, at its sole cost and expense, including, without limitation, all necessary engineering and construction costs and/or fees, perform all of the work necessary for the complete and final installation of the System in accordance with the drawings, plans, and specifications approved by the engineers or representatives of the Utility.
4. 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.
5. For services to be performed by the Utility hereunder, the Developer hereby agrees to pay to the Utility a non-refundable amount equal to Ten Percent (10%) of the estimated construction cost of the System (hereinafter the "Estimated Compensation Amount").
6. The Utility, at its cost and expense, shall petition the Tennessee Regulatory Authority for a Certificate of Public Convenience and Necessity (CCN) for the Development and the Developer, at its cost and expense, shall apply for a state operating permit to be issued in the name of the Utility by the Tennessee Department of Environment and Conservation. In the event that the CCN is not granted or the state operating permit is not issued, the Developer agrees to release, indemnify and hold the Utility harmless from any and all obligations associated with the Development.
7. At its own cost and expense, the Developer shall have the duty to immediately repair, all breaks, leaks, or defects in the System of any type which occur within one (1) year from the date the System is accepted by the Utility. In the event that the 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. If Developer fails to reimburse Utility for any costs associated with these repairs within thirty (30) days of receipt of a written demand for payment, Utility will also be entitled to recover any attorney fees, court costs, and any other expenses incurred to recover costs and expenses associated with repair of the system.
8. Developer will facilitate and execute Restrictive Covenants and Bi-Laws (Bi-Laws) of the Development that provide that 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 (security deposit of \$60.00), 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.



9. Upon the grant of the CCN, the Developer will turn over any funds collected from all third parties for the purpose of operating the System.

10. Nothing contained herein shall be construed so as to restrict the Utility's right to increase the capacity or to extend the System as it may, in its sole discretion, deem appropriate, including, without limitation, extending the System for the purpose of providing waste water sewer service to customers outside of the Development.

11. The Developer hereby represents and warrants that all materials and labor attributable to the System shall be paid in full at the time of the completion of the construction and installation of the System and the System shall be free from any and all liens and encumbrances. Such representation shall survive the conveyance of the System by the Developer to the Utility, as required by paragraph 13 of this Agreement.

12. The Developer hereby represents and warrants that the System will be in conformance the plans and specifications approved by the Utility.

13. Upon the Utility's acceptance of the System, the Developer shall convey all right, title and interest in the System to the Utility. The Developer shall, upon request of the Utility, execute and deliver any all documents necessary to convey the System and to grant the Utility an easement in and to the real property surrounding the System to such extent necessary for access to inspect, repair, replace and maintain the System.

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

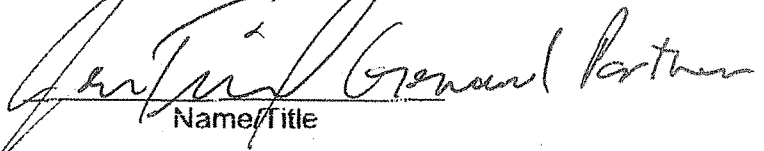
Utility – IRM Utility, Inc.

  
Name/Title

6-30-06

Date

Developer

  
Name/Title

6-29-06

Date

# **EXHIBIT F**



STATE OF TENNESSEE  
**DEPARTMENT OF ENVIRONMENT AND CONSERVATION**  
401 CHURCH STREET  
L & C ANNEX 6TH FLOOR  
NASHVILLE TN 37243-1534

November 30, 2006

Mr. Jeffrey Cox,  
President  
IRM Utility, Inc.  
P.O. BOX 642  
White Pine, TN 37890

**Re: State Operating Permit No. SOP-06039**  
**Integrated Resource Management Utility, Inc. - Flat Hollow Subdivision**  
**Campbell County, Tennessee**

Dear Mr. Cox:

In accordance with the provisions of the "Tennessee Water Quality Control Act" (Tennessee Code Annotated Sections 69-3-101 through 69-3-120) the enclosed State Operating Permit is hereby issued by the Division of Water Pollution Control. The continuance and/or reissuance of this Permit is contingent upon your meeting the conditions and requirements as stated therein.

Please be advised that you have the right to appeal any of the provisions established in this State Permit, in accordance with Tennessee Code Annotated, Section 69-3-110, and the General Regulations of the Tennessee Water Quality Control Board. If you elect to appeal, you should file a petition within thirty (30) days of the receipt of this permit.

If you have questions, please contact the Division of Water Pollution Control at your local Environmental Field Office at 1-888-891-TDEC; or, at this office, please contact Mr. Hari Akunuri at (615) 532-0650 or by E-mail at [Hari.Akunuri@state.tn.us](mailto:Hari.Akunuri@state.tn.us).

Sincerely,

A handwritten signature in black ink, reading "Edward M. Polk Jr.", is positioned above the typed name.

Edward M. Polk Jr., P.E.  
Manager, Permit Section  
Division of Water Pollution Control

SOP-06039  
P/WAT/SS

Enclosure

cc: Division of Water Pollution Control, Permit Section  
Division of Water Pollution Control, Knoxville Environmental Field Office  
Mr. Ron L. Graham, Tennessee Regulatory Authority, 460 James Robertson Parkway, Nashville, TN 37243

**TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
DIVISION OF WATER POLLUTION CONTROL  
6th Floor, L & C Annex  
401 Church Street  
Nashville, TN 37243-1534**

**Permit No. SOP-06039**

**PERMIT  
For the operation of Wastewater Treatment Facilities**

---

In accordance with the provision of Tennessee Code Annotated section 69-3-108 and Regulations promulgated pursuant thereto:

**PERMISSION IS HEREBY GRANTED TO**

Integrated Resource Management Utility, Inc. - Flat Hollow Subdivision  
Campbell County, Tennessee

**FOR THE OPERATION OF**


Septic tanks, effluent collection system, recirculating media filter with carbon filter odor control and 0.68 acre drip irrigation system located at latitude 36.2444444 and longitude -83.566666 in Campbell County, Tennessee to serve 23 homes in the Flat Hollow Subdivision. The design capacity of the system is .006 MGD.

This permit is issued as a result of the application filed on July 7, 2006, in the office of the Tennessee Division of Water Pollution Control and in conformity with approved plans, specifications and other data submitted to the Department in support of the above application, all of which are filed with and considered as a part of this permit, together with the following named conditions and requirements.

**This permit shall become effective on: January 1, 2007**

**This permit shall expire on: November 30, 2011**

**Issuance date: November 30, 2006**

  
for Paul E. Davis  
Director  
Division of Water Pollution Control

CN-0759

RDAs 2352 & 2366

## PART I

### A. GENERAL REQUIREMENTS

The treatment system shall be monitored by the permittee as specified below:

<u>Parameter</u>	<u>Sample Type</u>	<u>Daily Maximum</u>	<u>Sampling Point</u>	<u>Measurement Frequency</u>
Flow	instantaneous		*	1/month
BOD <sub>5</sub>	grab	45 mg/l	*	1/quarter
Nitrate as N	grab	25 mg/l	*	1/quarter
Ammonia as N	grab	Report	*	1/quarter
<i>E. Coli</i>	grab	23 colonies/100 ml	*	1/quarter

\* Effluent to the drip irrigation plots.

The permittee must disinfect the wastewater in order to meet the above *E. Coli* limit.

Sludge or any other material removed by any treatment works must be disposed of in a manner which prevents its entrance into or pollution of any surface or subsurface waters. Additionally, the disposal of such sludge or other material must be in compliance with the Tennessee Solid Waste Disposal Act, TCA 68-31-101 et seq. and Tennessee Hazardous Waste Management Act, TCA 68-46-101 et seq.

This permit allows the operation of a wastewater drip irrigation system. The operation should be such that there is no contamination of and no wastewater discharge to any surface or subsurface stream because of collected pools of water called "ponding", , irrigation into krast features or because of improper irrigation. Any runoff due to improper operation must be reported in writing to the Division of Water Pollution Control, Knoxville Environmental Field Office within 5 days of the incident. In addition, the drip irrigation system must be operated in a manner preventing the creation of a public health hazard or a public/private nuisance.

### B. MONITORING PROCEDURES

#### 1. Representative Sampling

Samples and measurements taken in compliance with the monitoring requirements specified above shall be representative of the volume and nature of the monitored discharge, and shall be taken at the following location(s):

Effluent to drip irrigation plots.

## **C. DEFINITIONS**

The "daily maximum concentration" is a limitation on the average concentration, in milligrams per liter, of the discharge during any calendar day.

A "grab sample" is a single influent or effluent sample collected at a particular time.

A "quarter" is defined as any one of the following three-month periods: January 1 through March 31, April 1 through June 30, July 1 through September 30, and/or October 1 through December 31.

## **D. REPORTING**

### **1. Monitoring Results**

Monitoring results shall be recorded monthly and submitted quarterly. Submittals shall be postmarked no later than 15 days after the completion of the reporting period. A copy should be retained for the permittee's files. Operation reports and any communication regarding compliance with the conditions of this permit must be sent to:

Division of Water Pollution Control  
Knoxville Environmental Field Office  
3711 Middlebrook Pike  
Knoxville, TN 37921

The first operation report is due on the 15<sup>th</sup> of the month following permit effectiveness

### **2. Additional Monitoring by Permittee**

If the permittee monitors any pollutant at the location(s) designated herein more frequently than required by this permit, using approved analytical methods as specified in 1200-4-5-.07(4)(h)2, the results of such monitoring shall be included in the calculation and reporting of the values required in the Quarterly Operation Report. Such increased frequency shall also be indicated.

### **3. Falsifying Reports**

Knowingly making any false statement on any report required by this permit may result in the imposition of criminal penalties as provided for in Section 69-3-115 of the Tennessee Water Quality Control Act.

## **E. SCHEDULE OF COMPLIANCE**

Full operational level shall be attained from the effective date of this permit.

## **PART II**

### **A. GENERAL PROVISIONS**

#### **1. Duty to Reapply**

The permittee is not authorized to discharge after the expiration date of this permit. In order to receive authorization to discharge beyond the expiration date, the permittee shall submit such information and forms as are required to the Director of Water Pollution Control (the "Director") no later than 180 days prior to the expiration date.

#### **2. Right of Entry**

The permittee shall allow the Director, or authorized representatives, upon the presentation of credentials:

- a. To enter upon the permittee's premises where an effluent source is located or where records are required to be kept under the terms and conditions of this permit, and at reasonable times to copy these records;
- b. To inspect at reasonable times any monitoring equipment or method or any collection, treatment, pollution management, or discharge facilities required under this permit; and
- c. To sample at reasonable times any discharge of pollutants.

#### **3. Availability of Reports**

All reports prepared in accordance with the terms of this permit shall be available for public inspection at the offices of the Division of Water Pollution Control.

#### **4. Proper Operation and Maintenance**

The permittee shall at all times properly operate and maintain all facilities and systems (and related appurtenances) for collection and treatment which are installed or used by the permittee to achieve compliance with the terms and conditions of this permit. Proper operation and maintenance also includes adequate laboratory and process controls and appropriate quality assurance procedures. This provision requires the operation of backup or auxiliary facilities or similar systems which are installed by a permittee only when the operation is necessary to achieve compliance with the conditions of the permit. Backup continuous pH and flow monitoring equipment are not required.

The monitoring frequency stated in this permit shall not be construed as specifying a minimum level of operator attention to the facility. It is anticipated that visits to the treatment

facility by the operator will occur at intervals frequent enough to assure proper operation and maintenance, but in no case less than one visit per month. If discharge monitoring reports, WPC inspection reports, or other information indicates a problem with the facility, the permittee may be subject to enforcement action and/or the permit may be modified to include increased parameter monitoring, increased monitoring frequency or other requirements as deemed necessary by the division to correct the problem. The permittee shall ensure that the certified operator is in responsible charge of the facility and observes the operation of the system frequently enough to ensure its proper operation and maintenance regardless of the effluent monitoring frequency stated in the permit."

- b. Dilution water shall not be added to comply with effluent requirements

#### 5. Property Rights

The issuance of this permit does not convey any property rights in either real or personal property, or any exclusive privileges, nor does it authorize any injury to private property or any invasion of personal rights, nor any infringement of Federal, State, or local laws or regulations.

#### 6. Severability

The provisions of this permit are severable. If any provision of this permit due to any circumstance, is held invalid, then the application of such provision to other circumstances and to the remainder of this permit shall not be affected thereby.

#### 7. Other Information

If the permittee becomes aware that he failed to submit any relevant facts in a permit application, or submitted incorrect information in a permit application or in any report to the Director, then he shall promptly submit such facts or information.

### **B. CHANGES AFFECTING THE PERMIT**

#### 1. Planned Changes

The permittee shall give notice to the Director as soon as possible of any planned physical alterations or additions to the permitted facility.

#### 2. Permit Modification, Revocation, or Termination

a. This permit may be modified, revoked and reissued, or terminated for cause as described in section 69-108-(F) The Tennessee Water Quality Control Act as amended.

b. The permittee shall furnish to the Director, within a reasonable time, any information which the Director may request to determine whether cause exists for modifying,



revoking and reissuing, or terminating this permit, or to determine compliance with this permit. The permittee shall also furnish to the Director, upon request, copies of records required to be kept by this permit.

3. Change of Ownership

This permit may be transferred to another person by the permittee if:

- a. The permittee notifies the Director of the proposed transfer at least 30 days in advance of the proposed transfer date;
- b. The notice includes a written agreement between the existing and new permittees containing a specified date for transfer of permit responsibility, coverage, and liability between them; and
- c. The Director, within 30 days, does not notify the current permittee and the new permittee of his intent to modify, revoke or reissue, or terminate the permit and to require that a new application be filed rather than agreeing to the transfer of the permit.

4. Change of Mailing Address

The permittee shall promptly provide to the Director written notice of any change of mailing address. In the absence of such notice the original address of the permittee will be assumed to be correct.

**C. NONCOMPLIANCE**

1. Effect of Noncompliance

Any permit noncompliance constitutes a violation of applicable State laws and is grounds for enforcement action, permit termination, permit modification, or denial of permit reissuance.

2. Reporting of Noncompliance

a. 24-Hour Reporting

In the case of any noncompliance which could cause a threat to public drinking supplies, or any other discharge which could constitute a threat to human health or the environment, the required notice of non-compliance shall be provided to the appropriate Division environmental assistance center within 24 hours from the time the permittee becomes aware of the circumstances. (The environmental field office should be contacted for names and phone numbers of emergency response personnel.)

A written submission must be provided within five days of the time the permittee becomes aware of the circumstances unless this requirement is waived by the Director on a case-by-case basis. The permittee shall provide the Director with the following information:

- i. A description of the discharge and cause of noncompliance;
- ii. The period of noncompliance, including exact dates and times or, if not corrected, the anticipated time the noncompliance is expected to continue; and
- iii. The steps being taken to reduce, eliminate, and prevent recurrence of the non complying discharge.

b. Scheduled Reporting

For instances of noncompliance which are not reported under subparagraph 2.a. above, the permittee shall report the noncompliance on the Quarterly Operation Report. The report shall contain all information concerning the steps taken, or planned, to reduce, eliminate, and prevent recurrence of the violation and the anticipated time the violation is expected to continue.

3. Overflow

a. "**Overflow**" means the discharge to land or water of wastes from any portion of the collection, transmission, or treatment system other than through permitted outfalls.

b. Overflows are prohibited.

c. The permittee shall operate the collection system so as to avoid overflows. No new or additional flows shall be added upstream of any point in the collection system, which experiences chronic overflows (greater than 5 events per year) or would otherwise overload any portion of the system.

d. Unless there is specific enforcement action to the contrary, the permittee is relieved of this requirement after: 1) an authorized representative of the Commissioner of the Department of Environment and Conservation has approved an engineering report and construction plans and specifications prepared in accordance with accepted engineering practices for correction of the problem; 2) the correction work is underway; and 3) the cumulative, peak-design, flows potentially added from new connections and line extensions upstream of any chronic overflow point are less than or proportional to the amount of inflow and infiltration removal documented upstream of that point. The inflow and infiltration reduction must be measured by the permittee using practices that are customary in the environmental engineering field and reported in an attachment to a Monthly Operating Report submitted to the local TDEC Environmental Field Office. The data measurement period shall be sufficient to account for seasonal rainfall patterns and seasonal groundwater table elevations.

e. In the event that more than 5 overflows have occurred from a single point in the collection system for reasons that may not warrant the self-imposed moratorium or completion of

the actions identified in this paragraph, the permittee may request a meeting with the Division of Water Pollution Control EFC staff to petition for a waiver based on mitigating evidence.

#### 4. Upset

- a. "**Upset**" means an exceptional incident in which there is unintentional and temporary noncompliance with technology-based effluent limitations because of factors beyond the reasonable control of the permittee. An upset does not include noncompliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventive maintenance, or careless or improper operation.
- b. An upset shall constitute an affirmative defense to an action brought for noncompliance with such technology-based permit effluent limitations if the permittee demonstrates, through properly signed, contemporaneous operating logs, or other relevant evidence that:
  - i. An upset occurred and that the permittee can identify the cause(s) of the upset;
  - ii. The permitted facility was at the time being operated in a prudent and workman-like manner and in compliance with proper operation and maintenance procedures;
  - iii. The permittee submitted information required under "Reporting of Noncompliance" within 24-hours of becoming aware of the upset (if this information is provided orally, a written submission must be provided within five days); and
  - iv. The permittee complied with any remedial measures required under "Adverse Impact."

#### 5. Adverse Impact

The permittee shall take all reasonable steps to minimize any adverse impact to the waters of Tennessee resulting from noncompliance with this permit, including such accelerated or additional monitoring as necessary to determine the nature and impact of the noncomplying discharge. It shall not be a defense for the permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.

#### 6. Bypass

- a. "**Bypass**" is the intentional diversion of wastewater away from any portion of a treatment facility. "Severe property damage" means substantial physical damage to property, damage to the treatment facilities which would cause them to become inoperable, or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.
- b. Bypasses are prohibited unless all of the following 3 conditions are met:

- i. The bypass is unavoidable to prevent loss of life, personal injury, or severe property damage;
  - ii. There are no feasible alternatives to bypass, such as the construction and use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate back-up equipment should have been installed in the exercise of reasonable engineering judgment to prevent a bypass, which occurred during normal periods of equipment downtime or preventative maintenance;
  - iii. The permittee submits notice of an unanticipated bypass to the Division of Water Pollution Control in the appropriate Environmental Field Office within 24 hours of becoming aware of the bypass (if this information is provided orally, a written submission must be provided within five days). When the need for the bypass is foreseeable, prior notification shall be submitted to the director, if possible, at least 10 days before the date of the bypass.
- c. Bypasses not exceeding permit limitations are allowed **only** if the bypass is necessary for essential maintenance to assure efficient operation. All other bypasses are prohibited. Allowable bypasses not exceeding limitations are not subject to the reporting requirements of 6.b.iii, above.

#### 7. Washout

- a. For domestic wastewater plants only, a "washout" shall be defined as loss of Mixed Liquor Suspended Solids (MLSS) of 30.00% or more. This refers to the MLSS in the aeration basin(s) only. This does not include MLSS decrease due to solids wasting to the sludge disposal system. A washout can be caused by improper operation or from peak flows due to infiltration and inflow.
- b. A washout is prohibited. If a washout occurs the permittee must report the incident to the Division of Water Pollution Control in the appropriate Environmental Field Office within 24 hours by telephone. A written submission must be provided within five days. The washout must be noted on the discharge monitoring report. Each day of a washout is a separate violation.

### D. LIABILITIES

#### 1. Civil and Criminal Liability

Nothing in this permit shall be construed to relieve the permittee from civil or criminal penalties for noncompliance. Notwithstanding this permit, the permittee shall remain liable for any damages sustained by the State of Tennessee, including but not limited to fish kills and losses of aquatic life and/or wildlife, as a result of the discharge of wastewater to any surface or subsurface waters. Additionally, notwithstanding this Permit, it shall be the responsibility of the permittee to conduct its wastewater treatment and/or discharge activities in a manner such that public or private nuisances or health hazards will not be created.

2. Liability Under State Law

Nothing in this permit shall be construed to preclude the institution of any legal action or relieve the permittee from any responsibilities, liabilities, or penalties established pursuant to any applicable State law.

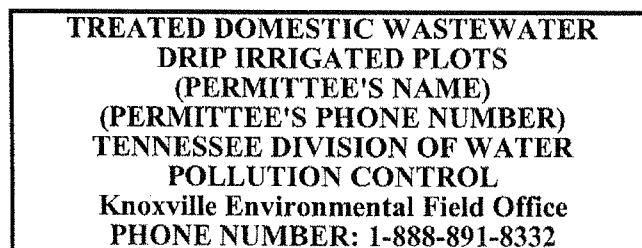
**PART III  
OTHER REQUIREMENTS**

**A. CERTIFIED OPERATOR**

The waste treatment facilities shall be operated under the supervision of a Biological Natural System operator and the collection system operated under the supervision of a Grade I Collection System certified operator in accordance with the Water Environmental Health Act of 1984.

**B. PLACEMENT OF SIGNS**

The permittee shall place a sign at all approaches to the drip irrigation lot. The sign should be clearly visible to the public. The minimum sign size should be two feet by two feet (2' x 2') with one inch (1") letters. The sign should be made of durable material and have a white background with black letters.



No later than sixty (60) days from the effective date of the permit, the permittee shall have the above sign(s) on display in the location specified.

**C. ADDITION OF WASTE LOADS**

The permittee may not add wasteloads to the existing treatment system without the knowledge and approval of the division.

**D. SEPTIC TANK OPERATION**

The proper operation of this treatment system depends, largely, on the efficient use of the septic tank. The solids that accumulate in the tank shall be removed at a frequency that is sufficient to insure that the treatment plant will comply with the discharge requirements of this permit.

**E. SEPTAGE MANAGEMENT PRACTICES**

The permittee must comply with the provisions of 40 CFR Part 503. If the septage is transported to another POTW for disposal, the permittee shall note the amount of septage wasted in gallons, % solids of septage wasted and the name of the facility to which the septage was taken on the monthly operation report.

**F. DRIP SITE MANAGEMENT**

The drip irrigation system must have appropriate site management practices to ensure that the nitrogen design assumptions will be achieved. The cover crop must be able to uptake the prescribed amount of nitrogen (100 lbs/acre/year). This requirement shall not be construed to warrant any use of the harvested product and the permittee shall assume full responsibility for its proper use or disposal.

# **EXHIBIT G**

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**

**January 5, 2007**

**IN RE:**

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

**Docket No. \_\_\_\_\_**

---

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

---

Respectfully submitted,

FARRIS MATHEWS BRANAN  
BOBANGO HELLEN & DUNLAP, PLC

By: \_\_\_\_\_

Charles B. Welch, Jr. (No. 005593)

Jamie R. Hollin (No. 025460)

618 Church Street, Suite 300

Nashville, Tennessee 37219

Telephone: 615-726-1200

Facsimile: 615-726-1776

Email: cwelch@farrismathews.com

jhollin@farrismathews.com

*Attorneys for Integrated Resource  
Management, Inc.*



1    **Q.**     **Please state your name for the record and your position with the Petitioner,**  
2           **Integrated Resource Management, Inc. (“IRM”).**

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

4    **Q:**     **Are you presenting testimony on behalf of IRM?**

5    A:     Yes.

6    **Q:**     **Did you assist and cause to be filed the Petition in this proceeding requesting**  
7           **an expansion of service area and an extension of authority for IRM to**  
8           **provide wastewater sewer services in Campbell County, Tennessee to a**  
9           **residential subdivision known as Flat Hollow Subdivision?**

10   A:     Yes.

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

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

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

16   A:     There will be 22 residential customers. The homes will be a combination of  
17           primary residences, vacation homes, and possibly rental units.

18   **Q:**     **Do you operate any systems in this area?**

19   A:     We are operating many systems within a 40 to 60 mile radius. We have  
20           contracted to service the Lost Creek Campground across Norris Lake and will be  
21           filing a separate petition to provide services thereto.

22   **Q.**     **When did the company receive its first Certificate of Public Convenience and**

1           **Necessity (“CCN”) from the Tennessee Regulatory Authority (“Authority”)**  
2           **to operate a sewer system in Tennessee?**

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

5    **Q:     Does IRM have the managerial, technical, and financial ability to provide**  
6           **wastewater service in the area referred to in the Petition?**

7    A:     Yes.

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

10   A:     Yes. The Campbell County Mayor and LaFollette Utilities have provided letters  
11           indicating that they do not intend to provide wastewater service.

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

13   A:     Yes.

14   **Q:     Is all of the information in the Petition accurate to the best of your**  
15           **knowledge, information, and belief?**

16   A:     Yes, it is.

17   **Q:     Have you submitted plans to the Tennessee Department of Environment and**  
18           **Conservation (“TDEC”) for approval?**

19   A:     Yes, state operating permit No. SOP-06039 became effective January 1, 2007  
20           based upon IRM’s application filed on July 7, 2006.

21   **Q:     Does IRM intend on complying with all Authority rules, statutes, and orders**  
22           **pertaining to the provision of wastewater services in Tennessee?**


23   A:     Yes.

Q: Does this conclude your testimony?


A: Yes.

STATE OF TENNESSEE           )  
COUNTY OF Jefferson       )

JEFFREY W. COX, SR., having been first duly sworn, makes oath that the statements contained in the foregoing Pre-Filed Direct Testimony are true to the best of his knowledge, information, and belief.

  
\_\_\_\_\_  
JEFFREY W. COX, SR.

SWORN TO AND SUBSCRIBED before me, on this the 18 day of Dec.,  
2006.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: 1/23/2011



# **EXHIBIT H**

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

<u>System</u>	<u>County</u>
1. Cove Mountain Realty—03-00467—Special Contract	Sevier
2. Valley Mart Exxon—03-00467—Special Contract	Sevier
3. Lot 23, The River Club—04-00152—Special Contract	Knox
4. Wild Briar Ridge—05-00056—Special Contract*	Sevier
5. Sterling Springs—05-00055—Special Contract*	Sevier
6. Mountain Shangrila—06-00156—Special Contract*	Sevier
7. Flat Hollow—Pending—Special Contract*	Campbell
8. Ashley Meadows—Pending—Special Contract*	Blount
9. Lost Creek Campground—Pending—Special Contract	Union

\* Residential rate of \$35.11 per 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 sheet based upon total projected gallons per day. See Commercial Rate Sheet. Billings for service shall be sent to and remain the responsibility of the unit's owner.

## Tariff Rate Sheet

### Commercial Sewer Rates – Without Food Service

The sewer bill will be charged on a monthly basis. The customer will provide a system that has an expected design flow and quality characteristics. Special conditions such as high treatment requirement or high flows may make other systems than addressed in this initial petition necessary. IRM Utility, Inc. will need to petition for rates on a case by case basis for such systems.

A minimum service charge will be \$75.00 per month for the first 300 gallons per day of design flow expected. For each additional 1,000 gallons per day an additional charge of \$15.00 per month per 100 gallons will be charged. For design flows expected over 1,000 gallons per day, up to 3000 gallons per day, the following additional monthly charges per 1,000 gallons of daily flow will apply:

Treatment	Disposal		
	Sub-surface Drip Irrigation	Point Discharge	Off-Site
Sand, Gravel, Media Filters	\$140.00	\$165.00	-
Lagoon	\$116.00	\$140.00	-
Off-site	-	-	Pass Through & \$73.00

For design daily flows over 3,000 gallons, the monthly charge on all system configurations will be \$116.00 per 1000 gallons of daily flow.

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	\$200.00/1000 gals

If the water meter readings exceed the design flow or analysis indicates that effluent characteristics are not as indicated by the customer's design engineer, the monthly charge will be revised to reflect the increased usage and any capital costs associated with increasing the capacity of the system or upgrading the treatment for the greater loading will be paid by the customer.

Fees: Nonpayment – 5%  
Disconnection - \$10.00  
Reconnection - \$15.00  
Returned Check - \$20.00

June 28, 2004

## Tariff Rate Sheet

### Commercial Sewer Rates – With Food Service

The sewer bill will be charged on a monthly basis. The customer will provide a system that has an expected design flow and quality characteristics. Special conditions such as high treatment requirement or high flows may make other systems than addressed in this initial petition necessary. IRM Utility, Inc will need to petition for rates on a case by case basis for such systems

A minimum service charge will be \$100.00 per month for the first 300 gallons per day of design flow expected. For each additional 1000 gallons per day an additional charge of \$18.00 per month per 100 gallons will be charged. For design flows expected over 1,000 gallons per day, up to 3000 gallons per day, the following additional monthly charges per 1,000 gallons of daily flow will apply:

Treatment	Disposal		
	Sub-surface Drip Irrigation	Point Discharge	Off-Site
Sand, Gravel, Media Filters	\$170 00	\$192 00	-
Lagoon	\$142 00	\$163 00	-
Off-site	-	-	Pass Through & \$94 00

For design daily flows over 3,000 gallons, the monthly charge on all system configurations will be \$142.00 per 1000 gallons of daily flow

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 00/1000 gals

If the water meter readings exceed the design flow or analysis indicates that effluent characteristics are not as indicated by the customer's design engineer, the monthly charge will be revised to reflect the increased usage and any capital costs associated with increasing the capacity of the system or upgrading the treatment for the greater loading will be paid by the customer.

Fees: Nonpayment – 5%  
Disconnection - \$10.00  
Reconnection - \$15.00  
Returned Check - \$20.00