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February 12, 2007

Sara Kyle, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

VIA ELECTRONIC & HAND DELIVERY

filed electronically in docket office on 02/12/07

**Re: Integrated Resource Management, Inc.'s ("IRM") Data Responses
in Docket No. 07-0010 Lost Creek Campground.**

Dear Chairman Kyle:

Please find IRM's data responses in the referenced docket enclosed herewith.

If I may be of further assistance in this matter, please do not hesitate to contact me. I
am

Very truly yours,



Jamie R. Hollin

Enclosure

1. **Was there a wastewater system built at Lost Creek Campground when the TDEC permit was approved in September 2001? Is the wastewater system currently in use by Lost Creek Campground? If so, please provide a complete explanation of the current wastewater system that is in place. Please include any repairs or updates that need to be made to the system as it exists today.**

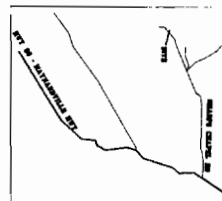
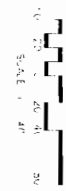
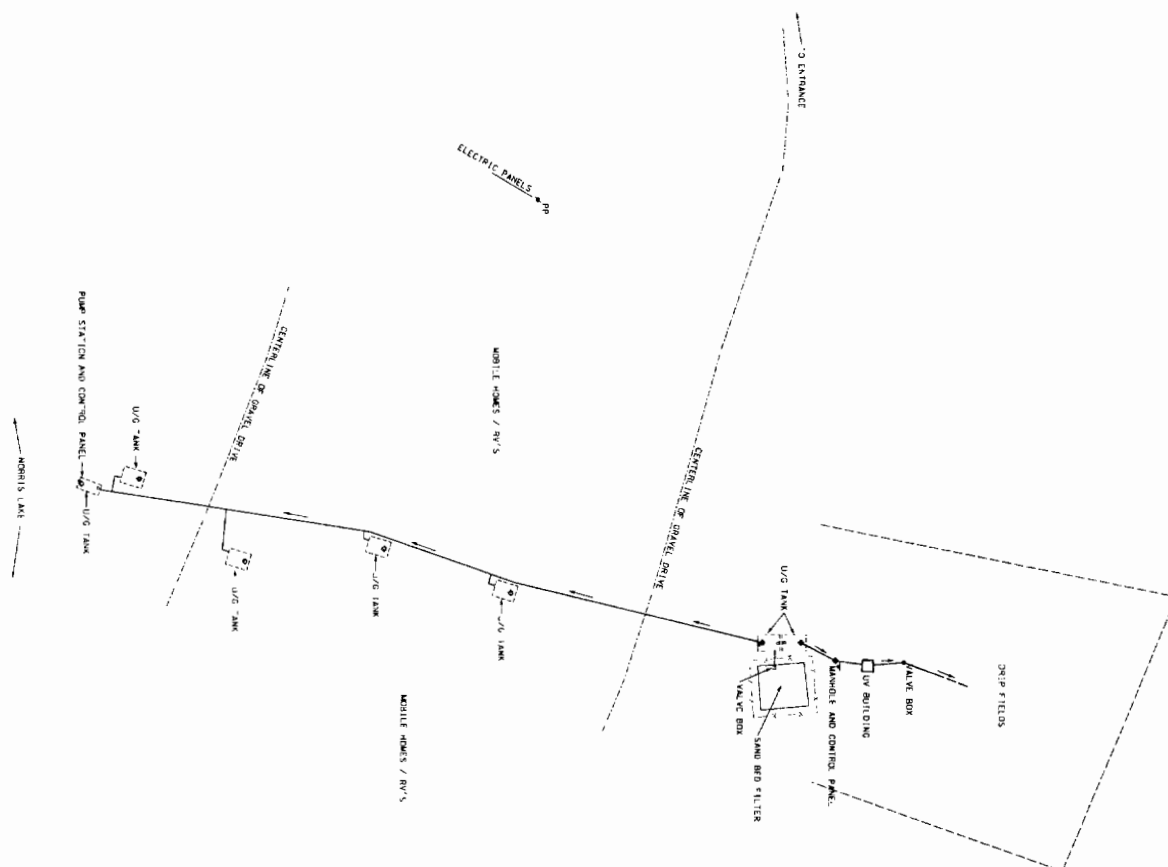
RESPONSE:

The system was installed in 2001. The system has been in use since it was installed. The as built plans are attached. The system consists of a combination of septic tank effluent gravity and pump system with an intermittent sand filter, ultra-violet disinfection, and the slow rate land treatment with drip field irrigation.

Estimated repairs are still being evaluated. IRM acquired an Engineer to prepare a review of the system and his report is attached.

IRM has also prepared a description of repairs and prepared an explanation of upgrades that were needed. This analysis is also attached.

NOTES:
ALL UTILITIES SHOWN ARE LOCATED FROM VISIBLE FIELD EVIDENCE.
OTHER UTILITIES MAY OR MAY NOT EXIST.



LOST CREEK

ASB1 <small>5/10/06</small>	IRM UTILITY, INC. 3444 ST ANDREWS DR WHITE PINE, TN 37 865-674-0938
	5/10/06

6918 YELLOW OAK LANE
 KNOXVILLE, TENNESSEE 37931
 PHONE: (865) 692-3889
 FAX: (865) 692-3889
 E-MAIL: VSCOTT@VILLAGECONTACT.NET
 CONSULTING
 CIVIL, ENGINEERING
 LAND SURVEYING

Scott Williams
 and Associates

SANITARY SEWER SYSTEM
 RECORD DRAWING
 LOST CREEK
 CAMPGROUND
 UNION COUNTY, TN

NO.	DATE	DESCRIPTION

May 11, 2006

FAX to Jeffrey Cox

8656742352

Campground Report

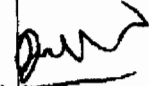
Jeff:

As we discussed, here are the points I would investigate:

1. Send an effluent sample to a lab to confirm that permit is currently being met;
2. Check the accuracy of the flow meter by controlled pumping and measure the drawdown in the tank and compare to meter readings;
3. Pump septic tanks and recirculation tank;
4. Cover the exposed liner with rip rap to prevent UV destruction;
5. Replace spray caps with solid caps to cut down on wind drift;
6. Examine historical records to make sure unit is regulatory compliant;
7. As far as capacity, unit is probably being loaded on the heaviest use weekends at about 2 gpm/sf. For the permit limits, I would think that the unit could be loaded at 5-7 gpm/sf and still meet the permit.

Any questions, please call.

D.W.Weeter, PhD, PE





Integrated Resource Management, Inc.
A Privately Owned Public Utility

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

October 24, 2006

Mr. Scott Davis
Lost Creek Campground, LLC
P.O. Box 11315
Knoxville, Tennessee 37939

Dear Mr. Davis,

We have been working on the system at Lost Creek. Upon our initial inspection we found some leaks in the system which made checking the drip line irrigation lines not practical. We have fixed the leaks and replaced a malfunctioning indexing valve which will enable us to pressure test the drip lines. We plan on completing the test on the drip lines in the next couple of weeks.

I met in Nashville with the Tennessee Department of Environment and Conservation (TDEC) with regard to the permit transfer. They want our ownership to be finalized before formal transfer. We then contacted our attorneys in Nashville to write up a simple "Bill of Sale" and/or "Quit Claim" of the system materials/treatment plant and a simple "Easement Agreement" for the rights to operate on the land where the plant exists. This can be adjusted to other portions of the property later if we adjust the plant to accommodate your future development.

We have analyzed samples of the effluent for the 2nd and 3rd quarters for 2006 to see how the system is functioning with regard to treatment. The treatment system appears to be working well presently.

The diffusers on the sand filter are spraying aerosols or mists of wastewater in the air that drift in the wind. The diffusers are spraying in an erratic fashion and not providing even distribution in the filter. Some of the effluent actually sprays out of the fenced area. This is not desired because people could come in contact with partially treated wastewater which is a potential for disease. The liner of the filter is exposed to sunlight which will break the liner down. Dennis Weeter the engineer that reviewed the system indicated this could be covered with rip-rap to protect it. He also indicated downward diffusers should be installed. The filter could then be covered with 3 inches of 78 clean stone to eliminate the aerosol problem. We also found a broken riser which needs fixed. Electric wires are exposed from the ground below

the electric control panels. Weed eating equipment or vermin could damage wires making an unsafe condition or the system service to be interrupted.

It is always suggested to pump septic tanks every five years. Mr. Hopper indicated that you have not needed to pump since the system was installed five years ago. Therefore, it is now time to pump the tanks.

Below is a breakdown of the estimated and actual cost for the upgrades to bring the system into compliance:

Engineering and TRA Submittals

Site Plan	May 10, 2006	Scott Williams, RLS	\$500.00
Engineers Review	May 10, 2006	Dennis Weeter, PE	\$500.00
Analytical Testing	2 Quarters of 06	Microbac Laboratory	\$240.00
Sampling Service	2 Quarters of 06	IRM Utility	NC
Application to TDEC and Petition for Certificate of Public Convenience and Necessity			\$1,200.00
Total			\$2,440.00

Completed Repairs

Drip Irrigation Field

June 28, 2006 - After bush hogging Site Inspection found leaks and damaged indexing valve.			NC
Repair found leaks	Aug 9,10,11	1 man total 19 hours	\$285.00
Indexing Valve, Flex Hose & Pipe Fittings		Quanics	\$522.00
Install Indexing Valve	Oct. 3 2006	3 men 2.5 hours	\$112.50
Total			\$919.50

Work to Perform

Recirculating Sand Filter

Replace Spray Caps with Deflectors	195	Quanics Deflectors	\$1,500.00
Labor Estimate		2 men 2 days for 32 hours	\$480.00
Placing Rip Rap on Edges of Filter		33 Quarry	\$365.00
Labor Estimate		2 hours 2 men for 4 hours	\$60.00
78 Clean Stone	21 yards	33 Quarry	\$365.00
Labor Estimate		2 men 1 day for 16 hours	\$240.00

Tank Maintenance

Remove roots growing in system		2 men 4 hours for 8 hours	\$120.00
Installing Conduit around Control Panels		Electrician & Materials	\$1,200.00
Pump Septic Tanks	7 Tanks	Halls Septic Service	\$2,750.00
While tanks are pumped we will check for Inflow and Infiltration.			NC
If Tanks Leak Maintenance will be required.			
Repair Riser	New Riser	Barger & Sons	\$100.00
Labor Estimate; hand dig and replace		2 hours 2 men for 4 hours	\$60.00

Drip Field Final Test

Install Vacuum Breakers with Irrigation Boxes	Quanics	\$150.00
Labor Estimate; hand dig and replace	3 hours 3 men for 5 hours	\$810.00
We will need to pressurize drip system and check for additional leaks.		NC
We will need to repair leaks if necessary.		Labor/Materials

Summary

Engineering and TRA Submittals	\$2,440.00
Completed Repairs	\$919.50
Proposed work if no additional problems are found.	\$8200.00

We need to help coordinate the pumping of the tanks. Toby from Hall's Septic Service indicated he could do it in one day. We will need to do it during a wet period so we can see if there is any infiltration into the tanks. We will need to limit or exclude use for 24 hours so we can check when empty and wait to see if there is any water in the tanks the next day. We can do this so it is most convenient for your clients.

I am getting a quote to install telemetry on the system so it will notify us of any alarm conditions on the system. These systems cost around \$5,000.00. We can forgo putting any telemetry in if you can allow us to use your campground manager to provide some simple service for the system. With your commitment for us to be able to use Mr. Hopper as eyes and ears, we will not need to add telemetry at this time.

I do need the name of the operator and his/her telephone number that has been doing the monitoring and testing of the system. I need to get past records from him.

Also, would you please send copies of the water bills since you began receiving Utility Water service? This I need to send to TDEC for compliance monitoring.

The transfer Application is completed and will be submitted as soon as I get the ownership/easement agreements from the attorneys. They assured me I will have them soon. Enclosed are two invoices for the work we needed to perform to get the system working and for the permitting that was described in our initial agreement. Please call if you have any questions. Thank you.



Jeffrey W. Cox, Sr.

IRM Utility, Inc.
Integrated Resource Management

JWCS/rmj

Enclosure

2. **Please provide any new or additional engineering and construction plans for the proposed area.**

RESPONSE:

There are no engineering plans. The repairs described in response to Item 1 are planned to be completed before the busy season starting in May 2007.

3. **Please provide any estimates for growth for the first five years. Please include a breakdown of the class of customers served (residential, commercial, apartments, recreational, institutional etc.).**

RESPONSE:

The site will have only one customer, Lost Creek Campground, LLC. The expected usage is for a commercial campground with 164 sites. There is no planned growth at this time.

4. Please provide the estimated amount of contributed capital to IRM once the system is transferred to IRM.

RESPONSE:

At 2007, the estimated cost for new construction would be approximately \$95,000.00.

- 5. What is the size of the Lost Creek Campground? How many acres? Please provide specifically, where Lost Creek Campground is located?**

RESPONSE:

The size of Lost Creek Campground is approximately 1,096,840 square feet or 25.18 acres. The subdivision is located at 36 Degrees and 20 Minutes Latitude and 86 Degrees and 52 Minutes Longitude.

6. A pro forma statement of the cost of operating the system and estimated revenues for the first five years.

RESPONSE:

See attached.

IRM Utility, Inc
Lost Creek Campground
Five Year Pro Forma Income Statement

	2007	2008	2009	2010	2011
Customers:					
Residential	0	0	0	0	0
Commercial	1	1	1	1	1
Total	1	1	1	1	1
Revenue:					
Residential	\$0	\$0	\$0	\$0	\$0
Commercial	A/ 8,304	8,304	8,304	8,304	8,304
Total Revenues	\$8,304	\$8,304	\$8,304	\$8,304	\$8,304
Expenses:					
Operation & Maintenance Expense	B/ \$107	\$107	\$107	\$107	\$107
Treatment System Expense	C/ 75	75	75	75	75
Utility Expense	D/ 16	16	16	16	16
Disposal Expense	E/ 18	18	18	18	18
Sampling & Testing Expense	F/ 84	84	84	84	84
Bill & Collecting Expense	G/ 18	18	18	18	18
Miscellaneous Expense	H/ 5	5	5	5	5
Management Fees & Expenses	I/ 58	58	58	58	58
TDEC Regulatory Expense	J/ 6	6	6	6	6
Franchise & Excise Tax Expense	K/ 10	10	10	10	10
Public Utility Ad Valorum Tax Expense	L/ 11	11	11	11	11
Federal Tax Expense	M/ 13	13	13	13	13
Total Expenses	\$421	\$421	\$421	\$421	\$421
Net Income	\$7,883	\$7,883	\$7,883	\$7,883	\$7,883

A/ First 300 Gallons/Day	\$75
Next 700 Gallons/Day (\$15 * 7)	105
Next 2000 Gallons/Day (\$140 * 2)	280
Next 2000 Gallons/Day (\$116 * 2)	232
Total Monthly Charge (5000 gallons/day)	\$692
Months per Year	12
Total Annual Charge	<u>\$8,304</u>

- B/ O&M Expense = \$8.95/Month * Number of customers.
C/ Treatment Expense = \$6.23/Month * Number of customers.
D/ Utility Expense = \$1.30/Month * Number of customers.
E/ Disposal Expense = \$1.53/Month * Number of customers.
F/ Sampling & Testing Expense = \$7.00/Month * Number of customers.
G/ Billing & Collecting Expense = \$1.50/Month * Number of customers.
H/ Miscellaneous Expense = \$0.40/Month * Number of customers.
I/ Management Expense = \$4.80/Month * Number of customers.
J/ TDEC Expense = \$0.52/Month * Number of customers.
K/ F&E Tax Expense = \$0.82/Month * Number of customers.
L/ Ad Valorum Tax Expense = \$0.95/Month * Number of customers.
M/ Federal Tax Expense = \$1.11/Month * Number of customers.

7. No Question

8. Provide documentation indicating that other public utilities, utility districts or governmental units in or near the affected area are unable or unwilling to provide service to the affected area.

RESPONSE:

See attached.



Office (865) 992-3061

Fax (865) 992-1937

Larry G. Lay
Union County Mayor
901 Main St., Suite 124
Maynardville, TN 37807

E-mail: larry.lay@unioncountyttn.org

Web Site: www.unioncountyttn.org

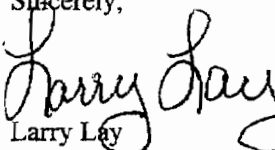
February 9, 2007

Integrate Resource Management, Inc
3444 Saint Andrews Drive
White Pine, TN 37890

Dear Mr. Cox:

Sanitary Sewer Service is not available in the Lost Creek Campground. Union County has no objections to Integrated Management Inc., operating in the sewer system in Lost Creek Campground. Union County has no plans to make available sewer in this location. This area is not in a chartered utility area. If more information is needed please call me at 865-992-3061.

Sincerely,


Larry Lay
Union County Mayor

9. **An estimated timeframe for construction of the system including estimated date construction will begin and the date it is estimated to end.**

RESPONSE:

The existing system has been in use since it was installed. There is no construction necessary.