March 28, 2007

VIA HAND DELIVERY
Sara Kyle, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: Petition of Cumberland Basin Wastewater Systems, LLC for Certificate of Public Convenience and Necessity 07-00079

Dear Chairman Kyle:

Cumberland Basin Wastewater Systems, LLC files the attached Petition for a Certificate of Public Convenience and Necessity to operate a wastewater treatment system in Putnam County, Tennessee. I have enclosed our check in the amount of $25.00 to cover the filing fee.

Please contact me if you should have any questions.

Sincerely,

Tim Huddleston, President
Cumberland Basin Wastewater Systems

Enclosures

Cc: William H. Novak

BEFORE THE TENNESSEE REGULATORY AUTHORITY

IN RE:

PETITION OF CUMBERLAND BASIN WASTEWATER SYSTEMS FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO SERVE AN AREA IN PUTNAM COUNTY, TENNESSEE KNOWN AS THE BLUFFS AT CUMBERLAND COVE	**)**	**DOCKET NO. _____**

PETITION

The Petitioner, Cumberland Basin Wastewater Systems, LLC (CBWS or Company), would respectfully show to the Authority as follows:

1. That CBWS is a chartered corporation in good standing with the state of Tennessee. Attached as Exhibit #1 are a copy of the Company's Articles of Organization and the Company Charter filed with the Tennessee Secretary of State.

2. That CBWS was initially created in order to provide wastewater services to The Bluffs at Cumberland Cove (The Bluffs) development. In order to provide for wastewater service, The Bluffs plans to construct a wastewater system of approved design by the Tennessee Department of Environment and Conservation ("TDEC") and then transfer this wastewater system to CBWS to own and operate.

3. That CBWS is a public utility as defined in T.C.A. 65-4-101 and subject to the regulations of the Tennessee Regulatory Authority. The stock of said utility is privately owned and the utility is not owned or operated by any municipal form of government.

4. That as a public utility, CBWS seeks a Certificate of Public Convenience and Necessity from this Authority.

5. That CBWS desires to operate as a private utility company and provide wastewater services in Putnam County, Tennessee.

6. That CBWS ultimately anticipates providing wastewater services to 175 single family homes and 1 commercial establishment in Putnam County, Tennessee in the service area identified on Exhibit #2 attached to this Petition. A need presently exists for the creation of the utility as soils within the area will not permit subsurface wastewater systems. The Company's proposed facility will provide an affordable, environmentally friendly solution for wastewater disposal in the affected area.

7. That CBWS has separately petitioned the State of Tennessee, Department of Environment and Conservation, Division of Water Pollution Control (TDEC) for a State Operating Permit (SOP) for the installation of a wastewater system to serve The Bluffs. A copy of the engineering report and other data submitted to TDEC is attached to this Petition as Exhibit #3.

8. That wastewater services are not available by any other utility company in the proposed service area. Attached as collective Exhibit #4 to this Petition are letters from Putnam County, the City of Crossville, and the Town of Monterey reflecting that they have no interest in providing wastewater services in the proposed service area. Also included in Exhibit #4 is a letter from the developer of The Bluffs requesting that CBWS provide wastewater service to the development.

9. That neither the government of Putnam County, nor any municipality in close proximity, presently has any sanitary sewer service lines that would be affected by the Company's proposed wastewater service.

10. That the owners of CBWS are Tim Huddleston and R. L. Oakley, Jr. Attached as Exhibit #5 are the resumes of both owners. In addition, the owners have significant financial assets as shown in Exhibit #6 attached to this Petition that are dedicated to provide wastewater service to The Bluffs.[1] In addition, the owners have also secured an initial line of credit in the amount of $20,000 as shown on Exhibit #6. The owners of CBWS recognize that it may be some time before the customer base of The Bluffs is of adequate size in order to fully support the annual cost of providing wastewater service. The owners therefore stand ready to provide the additional financial support necessary until the system can fully support itself.

11. That CBWS also has the managerial capability to provide wastewater service. As shown on Exhibit #5 attached to this Petition, both Mr. Huddleston and Mr. Oakley have successfully managed several companies over a number of years. In addition, the Company has engaged various legal, accounting and regulatory experts to assist it with these managerial duties. CBWS states that it is well aware of the periodic reporting requirements of the Tennessee Regulatory Authority, and fully intends to comply with these requirements.

12. That CBWS has the technical ability to provide wastewater service. As shown on Exhibit #5 attached to this Petition, Mr. Richard Potter has been

[1] Because of the personal nature of these financial statements, the Company is asking that Exhibit #6 be treated as proprietary information. We are therefore filing a separate copy of this information under seal in the TRA Docket Clerk's office.

engaged by the Company to operate the system. Mr. Potter has a Class IV wastewater operator permit as required by TDEC and has operated systems similar to that proposed by CBWS.

13. The Company has prepared proposed Tariffs, Rules and Regulations, and a Customer Service Application, attached as collective Exhibit #7 for approval by the Authority. CBWS has adopted the present Rates and Rules & Regulations of similar wastewater utilities under the TRA's jurisdiction. CBWS states that the rates of these other utilities have already undergone the scrutiny of a formal rate case by the TRA, and are more appropriate to include as the initial billing rates than any other independent analysis that the Company could determine on its own.

14. The Company has prepared a pro forma analysis of its revenues and expenses for the next five years as shown on Exhibit #8 attached to this Petition. Because the wastewater plant will be contributed to CBWS by the developer of The Bluffs, the rates proposed in the Company's tariff are designed to allow the Company to only recover its reasonable operating expenses as shown on Exhibit #8.

15. In further support of its Petition, the Company offers the testimony of Mr. Tim Huddleston, President of CBWS. This testimony is attached to this Petition as Exhibit #9.

WHEREFORE, PETITIONER PRAYS:

1. That the Tennessee Regulatory Authority grant a Certificate of Public Convenience and Necessity;

2. That the Tariff, Rules & Regulations, and Customer Service Application be approved for the Petitioner;

3. That this matter be set for hearing;

4. For such other relief as the Company may be entitled to.

Respectfully submitted, this 28th day of March, 2007.

Tim Huddleston, President
Cumberland Basin Wastewater Systems

EXHIBIT 1

COMPANY CHARTER

AND

ARTICLES OF ORGANIZATION

ARTICLES OF ORGANIZATION
OF
CUMBERLAND BASIN WASTEWATER , LLC

The Articles of Organization presented herein are adopted in accordance with the provisions of the Tennessee Revised Limited Liability Company Act (the "Act"):

(1) The name of the limited liability company is Cumberland Basin Wastewater Systems, LLC (the "Company").

(2) The street address, including zip code and county, of the registered office of the Company in the State of Tennessee is:

Cumberland Basin Wastewater Systems, LLC
150 Construction Drive,
Livingston Tennessee 38570,
County of Overton.
Attention: Robert Louis Oakley, Jr.

(3) The street address including zip code of the principal executive office is:.

Cumberland Basin Wastewater Systems, LLC
150 Construction Drive
Livingston, Tennessee 38570
County of Overton
Attention: Robert Louis Oakley, Jr.

(4) The name of the registered agent of the Company located at the registered office set forth above is Robert Louis Oakley, Jr.

(5) The Company shall be manager managed.

(6) The existence of the Company shall begin upon the filing of the Articles.

(7) Any and all Operating Agreement(s) and/or amendments to any Operating Agreement adopted by the Company and/or its members must be in writing and must constitute a document specifically identifiable as an Operating Agreement or an amendment thereto. In no event may any oral Operating Agreement or any amendment to an Operating Agreement be binding on the Company or any of its members.

(8) In accordance with Section 309 of the Act, the debts, liabilities, obligations, and expenses incurred, contracted for or otherwise existing with respect to a series shall be enforceable against the assets of such series only, and not against the assets of the Company or the assets of any other series thereof, and none of the debts, liabilities, obligations, and expenses incurred, contracted for, or otherwise existing with respect to the Company generally or any other series thereof shall be enforceable against the assets of such series.

These Articles of Organization are executed by the undersigned organizer as of Oct. 31, 2006.

Leslie E. Cherry

Leslie E. Cherry, Organizer

5883-1253

Franklin D. "Peck" Smith, Register
Overton County

Rec #: 5233		
Rec'd:	5.00	Instrument #: 7252
State:	0.00	Recorded
Clerk:	0.00	11/6/2006 at 12:19 PM
EDP:	2.00	in Record Book 25
Total:	7.00	Pgs 555-556

Secretary of State
Division of Business Services

312 Eighth Avenue North
6th Floor, William R. Snodgrass Tower
Nashville, Tennessee 37243

DATE: 10/31/06
REQUEST NUMBER: 5883-1262
TELEPHONE CONTACT: (615) 741-2286
FILE DATE/TIME: 10/31/06 1155
EFFECTIVE DATE/TIME: 10/31/06 1155
CONTROL NUMBER: 0533121

TO:
W AND O CONSTRUCTION CO., INC.
PO BOX 239

LIVINGSTON, TN 38570

RE:
CUMBERLAND BASIN WASTEWATER SYSTEMS, LLC
ARTICLES OF ORGANIZATION -
LIMITED LIABILITY COMPANY

CONGRATULATIONS UPON THE FORMATION OF THE LIMITED LIABILITY COMPANY IN THE STATE OF TENNESSEE WHICH IS EFFECTIVE AS INDICATED ABOVE.

A LIMITED LIABILITY COMPANY ANNUAL REPORT MUST BE FILED WITH THE SECRETARY OF STATE ON OR BEFORE THE FIRST DAY OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE LIMITED LIABILITY COMPANY'S FISCAL YEAR. ONCE THE FISCAL YEAR HAS BEEN ESTABLISHED, PLEASE PROVIDE THIS OFFICE WITH WRITTEN NOTIFICATION. THIS OFFICE WILL MAIL THE REPORT DURING THE LAST MONTH OF SAID FISCAL YEAR TO THE LIMITED LIABILITY COMPANY AT THE ADDRESS OF ITS PRINCIPAL OFFICE OR TO A MAILING ADDRESS PROVIDED TO THIS OFFICE IN WRITING. FAILURE TO FILE THIS REPORT OR TO MAINTAIN A REGISTERED AGENT AND OFFICE WILL SUBJECT THE LIMITED LIABILITY COMPANY TO ADMINISTRATIVE DISSOLUTION.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR FILING, PLEASE REFER TO THE LIMITED LIABILITY COMPANY CONTROL NUMBER GIVEN ABOVE. PLEASE BE ADVISED THAT THIS DOCUMENT MUST ALSO BE FILED IN THE OFFICE OF THE REGISTER OF DEEDS IN THE COUNTY WHEREIN A LIMITED LIABILITY COMPANY HAS ITS PRINCIPAL OFFICE IF SUCH PRINCIPAL OFFICE IS IN TENNESSEE.

FOR: ARTICLES OF ORGANIZATION -
LIMITED LIABILITY COMPANY

ON DATE: 10/31/06

FROM:
W AND O CONSTRUCTION CO INC
P O BOX 2869
335 NEWMAN DR
COOKEVILLE, TN 38501-0000

	FEES	
RECEIVED:	$300.00	$0.00
TOTAL PAYMENT RECEIVED:		$300.00

RECEIPT NUMBER: 00004045399
ACCOUNT NUMBER: 00312554

SS-4458

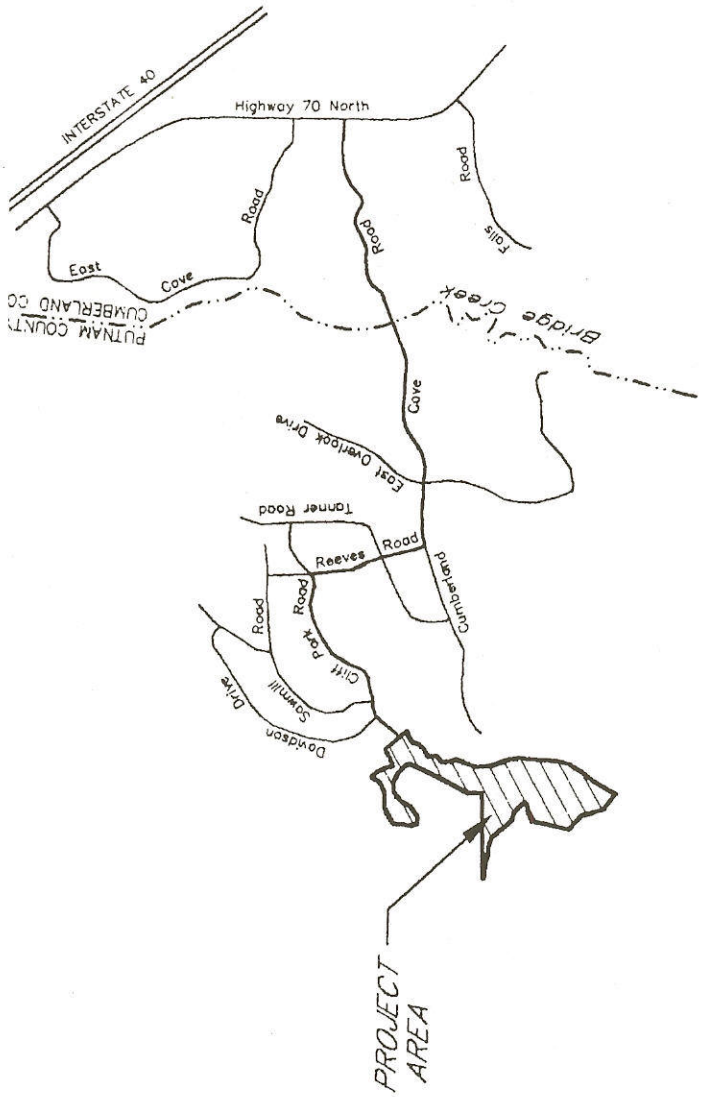
Riley C Darnell

RILEY C. DARNELL
SECRETARY OF STATE

EXHIBIT 2

SERVICE AREA MAPS

Exhibit B



SITE LOCATION MAP

NOT TO SCALE

THE BLUFFS AT CUMBERLAND COVE, LLC

GREENVILLE, SOUTH CAROLINA

SITE LOCATION MAP
THE BLUFFS AT CUMBERLAND COVE SUBDIVSION

PUTNAM COUNTY, TENNESSEE

QUAD: MONTEREY LAKE, TN
LATITUDE: 36° 03' 28"
LONGITUDE: 85° 18' 02"

TARE, INC.

PREP. JANUARY, 2007

SCALE: 1" = 2000'

MAP 105 PARCEL 701

Putnam County, Tennessee

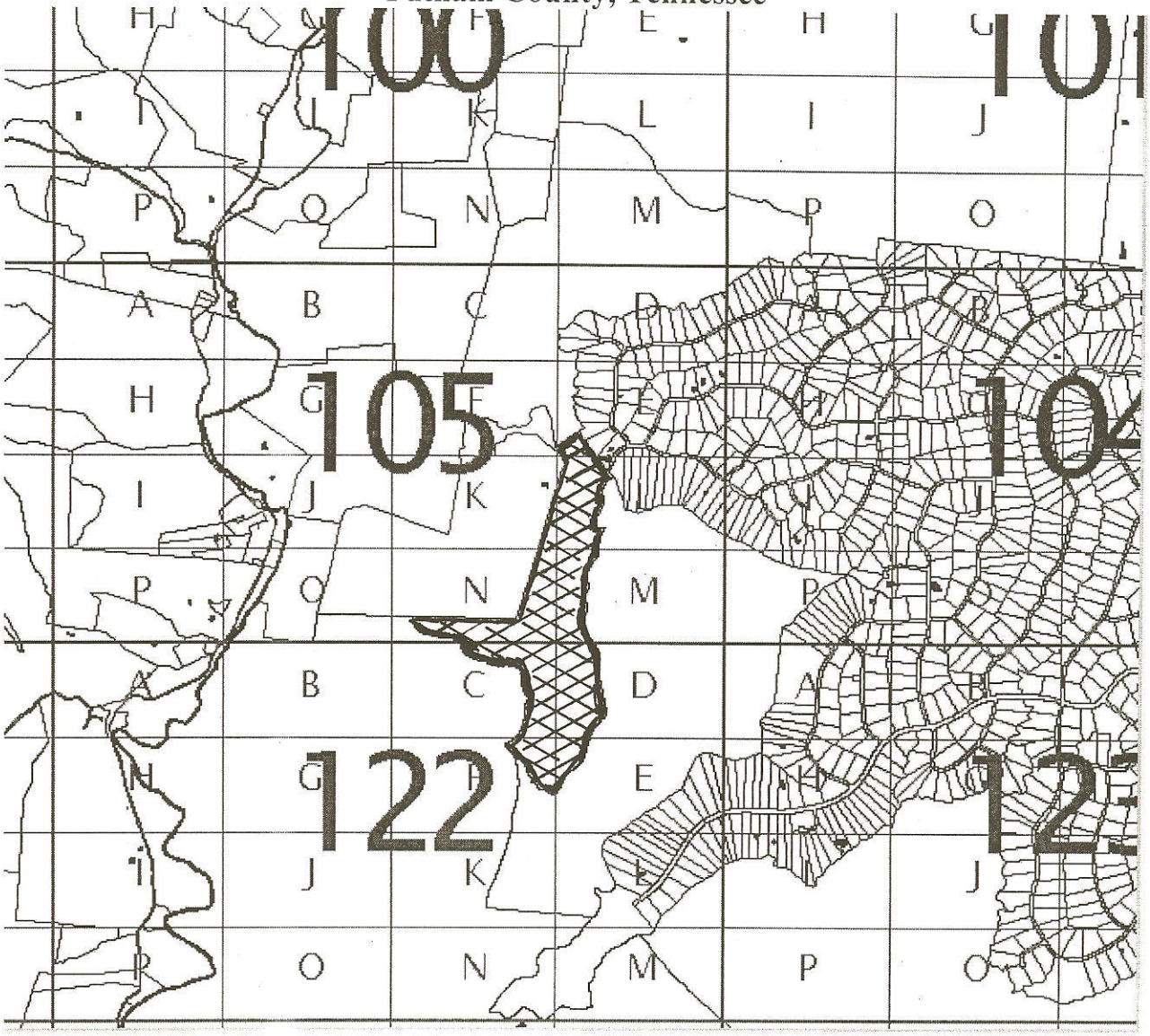


EXHIBIT 3

ENGINEERING REPORT

ENGINEERING REPORT

The Bluffs at Cumberland Cove Subdivision

Putnam County

Wastewater Treatment Plan

by

TARE, INC.
Engineering Consultants
P.O. Box 846
Crossville, TN

for

The Bluffs at Cumberland Cove, LLC
2 Calmar Court
Greenville, SC

PROJECT DESCRIPTION:

The project consists of development of a scenic tract in eastern Putnam County into 175 residential building lots. A Preliminary Plat that depicts the lot and road layout has been approved by the Putnam County Planning Commission. Utilities will be installed by the developer. This report addresses the sewerage utility.

The marketing plan for the unique lots that will be available in the subject subdivision will result in a mix of primary and secondary residences being constructed on the lots. This mix of primary and secondary residences that will historically be occupied by two people will result in lower per unit water use and subsequent wastewater discharge volume. A wastewater design volume of 250 gallons per lot is considered conservative for the subject type of development.

Design Wastewater Treatment Volume = 175 lots x 250 gal./ day

= 43750 gal./day

COLLECTION AND TREATMENT:

The generalized concept for collection and treatment of sewage starts with a conventional watertight septic tank installed at each residence to function as the primary treatment stage. Each septic tank will be equipped with a filter that will minimize discvharge of suspended solids. Primary treated effluent from the septic tank will be pumped to a small diameter pipe collection system that will direct wastewater to a centrally located secondary treatment as shown on the accompanying drawing. Final disposal of high quality treated wastewater will be to a drip feed type of sub-surface disposal system.

Secondary treatment will utilize a recirculation type of contact media unit such as that manufactured by Orenco Systems as the Advantex system. The system includes a large recirculation tank that receives wastewater prior to pumping to multiple non-woven textile material boilogical treatment contact modules. The textile material has a very large surface area for biological breakdown of wastewater components. Wastewater is recirculated over the media through a flow splitter unit that will direct 20% of the treated effluent to a dosing tank. From the dosing tank the high quality effluent is pumped through another filter to the drip field emitter lines for final disposal to the upper portion of the soil regime. The drip field will incorporate several zones sized according to manufacturer recommendations for maximum length and ability to flush the distribution lines. The drip lines will utilize 24 inch emitter spacing and will be placed at four foot line spacing.

TREATMENT ALTERNATIVES:

1- Is a connection to an existing public sewer system a treatment alternative?

Response:

The nearest public sewage treatment system is located in the City of Monterey. Monterey is approximately seven miles from the project site. Running a connecting pipeline to Monterey, if an agreement could be made, would be economically prohibitive considering the pipeline would have to be constructed almost entirely in solid rock at an extremely high per foot cost.

2- Is a conventional system of septic tank/drain fields located at each residence feasible?

Response:

The soils investigation for the overall property was conducted and the results showed that only a small number of lots would be marketable under this treatment concept. Some areas

3- Can a shallow depth disposal system such as a drip feed system be utilized for wastewater disposal?

Response:

Sufficient acreage and soil depths were identified during a comprehensive soil survey that will allow placement of a centrally located recirculation type treatment system with drip feed final disposal.

WASTEWATER LOADING CALCULATION SUMMARY:

	Pr (in.)	PET (in.)	U (lbs.)	Lwn (in./mo.)	Lwh (in./mo.)
Jan	7.62	0.10	2	9.6	88.48
Feb	6.72	0.27	4	5.34	89.55
Mar	8.85	0.97	8	13.05	90.25
Apr	6.59	2.30	16	12.99	91.71
May	6.13	3.59	24	15.04	93.46
June	5.52	4.90	30	15.89	95.38
July	6.85	5.44	34	18.80	94.59
Aug	4.73	5.00	30	14.86	96.27
Sept	5.54	3.79	24	14.13	94.25
Oct	4.47	1.98	16	10.94	93.51
Nov	6.11	0.82	8	10.09	90.71
Dec	7.55	0.27	4	10.34	88.72
Total	76.68	29.43	200		

Note: Above calculation summary based on information from Chapter 16 of the WPC Division Design Criteria.

Chapter 16 of the Design Criteria provides equations for the previous table variables such as the hydraulic rate, nitrogen loading rate and field area minimum size.

Definitions and assumptions for equations:

PERC = Design Percolation Rate (in./mo.)
= K(0.10), K = Permeability of soil factor

Pr = Precipitation (in./mo.), based on 30 year precipitation data records by month

PET = Potential Evapotranspiration (in./mo.)

U = Nitrogen uptake by crop (lbs./ac./mo.)

Cn = Nitrogen concentration in Wastewater

f = Fraction of nitrogen removed

Cp = Nitrogen concentration in percolating wastewater

Lwn = Allowable wastewater loading based on nitrogen limits (in./mo.)

Lwh = Allowable maximum wastewater hydraulic loading (in./mo.)

Qy = Wastewater volume (million gallons/ month)

Equation 16-2: $Lwh = (PET + Perc) - Pr$

Equation 16-5: $$Lwn = \frac{Cp(Pr - PET) + U(4.424)}{(1 - f)(Cn) - Cp}$$

Sample Calculation (November) :

$$Lwh = (0.82 + 96) - 6.11 = 90.71 \text{ (in./mo.)}$$

$$Lwn = \frac{10(6.11 - 0.82) + 8(4.424)}{8.75}$$

$$= 10.09 \text{ (in./mo.)}$$

Field Area Requirement: (Nitrogen Limited)

$$A = \frac{(Qy + V)C}{Lwn}$$

$$A = \frac{(1.32 + 0)36.83}{10.09}$$

$$A = 4.82 \text{ acres}$$

Total drip feed acreage for disposal according to hydraulic requirements is 6.83 acres.

SOILS INFORMATION:

A soils survey of the entire project area was conducted during June of 2005 by Soils and Environmental Services of Crossville. The survey identified areas of the property where soil depths and types were suitable for use as disposal areas for domestic wsatewater discharges. A particular area consisting of approximately 8 acres of desirable Lily type with a depth of at least 30 inches was identified. The area is shown on the included drawing. Lily soils in the project and adjacent areas typically exhibit an absorption rate of 30 mpi. Lonewood soils which are related to Lily soils exhibit an absorption rate of 45 mpi. For this project we have chosen to use a conservative absorption rate of 45 mpi for the design of the drip feed final disposal system. A soill survey map depicting the results for the designated disposal area is included.

LILY SERIES

The Lily series consists of moderately deep, well drained, soils formed in residuum weathered primarily from sandstone. Permeability is moderately rapid. These nearly level to very steep soils are on ridgetops and hillsides. Slopes range from 0 to 65 percent.

TAXONOMIC CLASS: Fine-loamy, siliceous, semiactive, mesic Typic Hapludults

TYPICAL PEDON: Lily loam in a cultivated area of Lily loam, 2 to 6 percent slopes (colors are for moist soil unless otherwise stated).

Ap--0 to 8 inches; brown (10YR 4/3) loam; weak fine granular structure; very friable; common fine roots; slightly acid; clear smooth boundary. (5 to 10 inches thick)

Bt1--8 to 24 inches; strong brown (7.5YR 5/6) clay loam; moderate fine and medium subangular blocky structure; friable; common fine roots; many faint clay films on all surfaces of peds; extremely acid; gradual smooth boundary.

Bt2--24 to 30 inches; strong brown (7.5YR 5/6) sandy clay loam; common fine distinct red (2.5YR 4/6) lithochromic mottles; moderate medium subangular blocky structure; common faint clay films on all surfaces of peds; extremely acid; abrupt smooth boundary. (Combined thickness of Bt horizon is 10 to 30 inches)

R--30 inches; hard sandstone bedrock.

TYPE LOCATION: Laurel County, Kentucky; on a narrow ridgetop in an area of Lily loam, 2 to 6 percent slopes; 50 feet south west of the intersection of Dan Westerfield Road and Kentucky Highway 229; about 12.2 miles southeast of London; 37 degrees, 0 minutes, 48 seconds N. Latitude and 83 degrees, 56 minutes, 50 seconds W. Longitude; USGS Blackwater Quadrangle; NAD 1927.

RANGE IN CHARACTERISTICS: Solum thickness and depth to sandstone range from 20 to 40 inches. Coarse fragments, mostly sandstone channers, range from 0 to 30 percent to a depth of about 24 inches and from 0 to 35 percent below 24 inches. Reaction ranges from extremely acid to very strongly acid, unless limed.

The Ap and E horizon has hue of 10YR or 7.5YR, value of 4 to 6, and chroma of 2 to 4. Some pedons have an A horizon up to 4 inches thick with hue of 10YR or 7.5YR, value of 2 to 5, and chroma of 1 to 3. They are loam, silt loam, fine sandy loam or sandy loam.

The AB, BA, or BE horizon (where present) is 3 to 10 inches thick, has hue of 10YR or 7.5YR, value of 4 to 6, and chroma of 1 to 8. They are loam, fine sandy loam, or sandy loam.

The Bt horizon has hue of 10YR, 7.5YR, or 5YR, value of 4 to 6, and chroma of 4 to 8. It is loam, sandy clay loam or clay loam. Subhorizons of fine sandy loam are in the lower part of some pedons. Lithochromic mottles in shades of red, brown, or yellow become more common with depth.

The BC or C horizon (where present) is 5 to 15 inches thick, has hue of 10YR, 7.5YR, 5YR, or 2.5YR, value of 4 to 6, and chroma of 4 to 8. They are loamy sand, sandy loam, fine sandy loam, loam, sandy clay loam, or clay loam.

The R horizon is hard sandstone bedrock.

COMPETING SERIES: These are the Alonzville, Bailegap, Hambrook, Harmiller, Jefferson, Keener, Lonewood, Marr, McCamy, Raftville, Riney, Sassafras and Sunnyside series of the same family. The Alonzville, Bailegap, Hambrook, Jefferson, Keener, Lonewood, Marr, Raftville, Riney, Sassafras and Sunnyside soils are deeper than 40 inches to hard bedrock. The Harmiller and McCamy soils formed in residuum affected by soil creep in the upper part that weathered from low-grade metasedimentary rocks such as arkose, arkosic sandstone, quartzite, greywacke, metasiltstone or metasandstone.

GEOGRAPHIC SETTING: Lily soils are on upland ridges and hillsides and formed in residuum from acid sandstone. Near the type location mean annual precipitation is about 46 inches and the mean annual temperature is about 56 degrees.

GEOGRAPHICALLY ASSOCIATED SOILS: These are the competing Jefferson and Lonewood soils and the Alticrest, Gilpin, Helechawa, Latham, Marrowbone, Ramsey, Rayne, Rigley, Sequoia and Shelocta series. Alticrest, Helechawa and Marrowbone soils lack argillic horizons. Gilpin soils are less sandy and have mixed mineralogy. Jefferson, Lonewood, Rayne, Rigley and Shelocta soils are deeper than 40 inches to hard bedrock. Latham and Sequoia soils are fine. Ramsey soils lack argillic horizons and are shallow.

DRAINAGE AND PERMEABILITY: Well drained with moderately rapid permeability. Runoff is very low on slopes of 2 to 5 percent, low on slopes of 5 to 20 percent, and medium on slopes greater than 20 percent.

USE AND VEGETATION: Used for growing corn, tobacco, small grains and hay and as pasture. Native forest is oak, hickory, dogwood, elm, beech, and Virginia, shortleaf or white pine.

DISTRIBUTION AND EXTENT: Kentucky, Arkansas, Georgia, Missouri, Ohio, Tennessee and West Virginia. Extent is large.

MLRA OFFICE RESPONSIBLE: Lexington, Kentucky

SERIES ESTABLISHED: Laurel County, Kentucky; 1973.

REMARKS: Diagnostic horizons and features recognized in this pedon are:
Ochric epipedon: 0 to 8 inches, Ap
Argillic horizon: 8 to 30 inches, Bt1, Bt2
Lithic contact at 30 inches
The 2005 revision better defined the location; updated the competing series and associated soils; and revised drainage and permeability statements.

National Cooperative Soil Survey
U.S.A.LOCATION MUSKINGUM TN+IL IN KY OH WV
Established Series
Rev. RPS:SEM

08/2001

THE BLUFFS AT CUMBERLAND COVE, LLC

GREENVILLE, SOUTH CAROLINA

SITE LOCATION MAP

THE BLUFFS AT CUMBERLAND COVE SUBDIVSION

PUTNAM COUNTY, TENNESSEE

QUAD: MONTEREY LAKE, TN

LATITUDE: 36° 03' 28"

LONGITUDE: 85° 18' 02"

TARE, INC.

PREP. JANUARY, 2007

SCALE: 1" = 2000'

RONMENTAL SERVICES
VENUE, CROSSVILLE, TN 38555
484-8554 ; FAX : (931) 484-8554

Putnam DATE: 6/13/05

ON: *PRELIMINARY SOILS MAP*

Cove Overlook: 296.4 Acre Tract
of Cliff Park Road

SOILS SCIENTIST: DATE

Douglas W Davis 6/13/05

Andrew K. Brown &/or Douglas W. Davis
he signature of the Soils Scientist does not
nstitute approval by the Dept. of Env. & Cons.

l maps are to show the estimated absorption rates of

hrough 60 minutes per inch
en rate is not assigned use rate in soils chart)

75 minutes per inch
e 75 rate when m.p.i. is not assigned)

ninutes per inch
ay be due to absorption rates greater than 75
inutes per inch, drainage , depth , slopes , fill
aterial or non-soils).
et setback from the center of a two dot drain and hold a
m center of a one dot drain, unless other-wise noted.

LEGEND

SINKHOLE
POND
DEPRESSION
SPRING
DRAINAGE WAY
ROCK OUTCROP

EXHIBIT 4

SERVICE LETTERS

Kim BLAYLOCK
COUNTY EXECUTIVE
300 E. Spring St. - Rm. 8 Cookeville, TN 38501 (931) 526-2161 Ph. 528-1300 Fax

March 6, 2007

Mr. Tim Huddleston, PE
Cumberland Basin Wastewater Systems, LLC
150 Construction Drive
Livingston, TN 38570

Re: The Bluffs at Cumberland Cove

Dear Mr. Huddleston:

As per your request concerning sanitary sewer service for The Bluffs at Cumberland Cove, Putnam County, TN does not intend to provide sewer service for this area at this time. Thank you for your time and interest in Putnam County.

Sincerely,

Kim Blaylock, County Executive

MONTEREY
TENNESSEE
Where Hilltops Kiss The Sky
302 E. Commercial Avenue • P.O. Box 97
Monterey, Tennessee 38574

Mayor
William K. Wiggins

(931) 839-2323
(931) 839-3770
FAX
(931) 839-3933

February 28, 2007

Mr. Tim Huddleston, P.E.
Cumberland Basin Wastewater Systems, LLC
150 Construction Drive
Livingston, TN 38570

Re: The Bluffs at Cumberland Cove

Dear Mr. Huddleston:

Thank you for your inquiry as to the intentions of Monterey running City sewer to The Bluffs at Cumberland Cove.

This letter serves to advise that the Town has no immediate plans to extend sewer services to this area located outside the corporate limits.

Thanks for your interest.

Sincerely,

Town of Monterey

Ken Wiggins
Mayor

CITY OF CROSSVILLE

99 MUNICIPAL AVE.
CROSSVILLE, TENNESSEE 38555-4477
TEL (931) 484-5701
FAX (931) 484-7713

OFFICE OF THE
MAYOR

March 8, 2007

Mr. Tim Huddleston, P.E.
Cumberland Basin Wastewater Systems, LLC
150 Construction Drive
Livingston, TN 38570

Dear Mr. Huddleston:

Thank you for your letter inquiring about sewer to The Bluffs at Cumberland Cove.

This letter serves to advise that the City of Crossville has no plans to extend City sewer into this area outside the City limits.

If I can answer further questions, please let me know.

Respectfully,

J. H. Graham, III, Mayor
City of Crossville

The Bluffs at Cumberland Cove, LLC
2 Calmar Court
Greenville, SC 29617

March 28, 2007

Board of Directors
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: Certificate of Public Convenience and Necessity

Dear Directors:

The Bluffs at Cumberland Cove, LLC is a corporation developing approximately 175 residential lots in Putnam County. This letter shall serve as our letter of intent to construct the wastewater collection, treatment, and disposal systems to be deeded to and operated by Cumberland Basin Wastewater Systems, LLC. We trust you will find their application for Certificate of Public Convenience and Necessity acceptable and that they will provide high quality service for our development.

Very truly yours,

Craig Roy

Craig Roy with permission, by Angie Hite
The Bluffs at Cumberland Cove, LLC

EXHIBIT 5

COMPANY RÉSUMÉS

Timothy C Huddleston, President

Cumberland Basin Wastewater Systems, LLC

Education:	**Tennessee Technological University** **B.S. Civil Engineering**
Registration:	**Professional Engineer - State of Tennessee**
Experience:	**W & O Construction Co., Inc.** **Vice-President** **General Contractor, Livingston, Tennessee**
1995-Present	**Vice President responsible for ALL construction projects. Preparation of proposals to provide construction services.** **Review of complete plans and specifications for the submittal of Lump Sum bids to construct water and wastewater facilities.** **Project management including administration, construction management and procurement of equipment and materials.** **Management of Resources:** **Personnel** **Company Owned Equipment** **Rental Equipment**
1990-1995	**City of Cookeville, Tennessee** **Director of Planning and Engineering** **Provide staff engineering support to all City Departments.**
1987-1989	**W & O Construction Company, Inc.** **Project Manager** **General Contractor, Cookeville, Tennessee**
1983-1987	**Bush Building Company** **General Contractor, Nashville, Tennessee** **Assistant Project Manager**
1978-1983	**PRC Consoer Townsend** **Consulting Engineers, Nashville, Tennessee** **Engineer**

Robert L. Oakley, Jr., Vice-President

Cumberland Basin Wastewater Systems, LLC
Business Manager

Mr. Robert Louis Oakley, Jr. has been associated with the construction industry for over thirty years in the middle Tennessee area. For the past fifteen years he has served as president of W & O Construction Co., Inc., a water and wastewater treatment plant contractor located in Livingston, Tennessee. In that capacity he is responsible for the administrative functions including accounting, compliance with multiple federal agencies, insurance, bonding, safety and human resources. In addition to his administrative duties, Mr. Oakley is the senior project manager for the utility division of W & O Construction Co., Inc. which has been involved in the installation of water, sewer and gas mains projects ranging from a few hundred thousand to over three and one half millions dollars. Mr. Oakley will act as Business Manager with administrative duties.

Richard E. Potter, Class IV Wastewater Operator

Mr. Potter of Mt. Juliet, Tennessee is providing services as our utility operator. Mr. Potter has a Grade IV Wastewater Operator and Grade III Water Treatment Operator's license. He has been working in the industry since 1984. Among the positions that he has held is management and operations of Municipal Wastewater plants with daily flows exceeding 100,000,000 gallons. He has gained experience in the management of sewage sludge and municipal sewage waste, as well as drinking water treatment and distribution systems. Mr. Potter will be able to employ a sound maintenance and monitoring program.

Serial No. 4832
Replacement

State of Tennessee

Department of Environment and Conservation

Water and Wastewater Operator Certification Board

Issues This

Certificate of Competency

as Testimony That

Richard E. Potter

has satisfactorily fulfilled the requirements set forth by the

Water and Wastewater Operator Certification Board.

and is therefore, by these presents, entitled to recognition as a

Grade IV Wastewater Treatment Plant Operator

In Witness Whereof, we have subscribed our names and affixed our Seal

Certificate No. ********* *Dated* November 11, 1987

Recommended W Paul Bynum
Board Chairman

Attest W Paul Bynum
Board Secretary

Approved Bobby L Chisel *Commissioner.*

CN-0756

Serial No. 4831
Upgrade
Replacement

State of Tennessee

Department of Environment and Conservation

Water and Wastewater Operator Certification Board

Issues This

Certificate of Competency

as Testimony That

Richard E. Potter

has satisfactorily fulfilled the requirements set forth by the

Water and Wastewater Operator Certification Board.

and is therefore, by these presents, entitled to recognition as a

Grade III Water Treatment Plant Operator

In Witness Whereof, we have subscribed our names and affixed our Seal

Certificate No. ********* *Dated* May 01, 1991

Recommended W Paul Dennis
Board Chairman

Attest W Paul Dennis
Board Secretary

Approved Betsy R Child *Commissioner.*

CN-0756

EXHIBIT 6

OWNER FINANCIAL STATEMENTS

FIRST NATIONAL BANK OF TENNESSEE

214 EAST MAIN STREET
P.O. BOX 379
LIVINGSTON, TN 38570
TELEPHONE 931.403.4444
FAX 931.403.4275
WWW.FNBOTN.COM

Letter of Credit

March 28, 2007

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

REFERENCE: Cumberland Basin Wastewater Systems, LLC

Company ID # as assigned by the TRA:
Irrevocable Letter of Credit #201100591-00001
Effective Date: March 28, 2007

Sir/Madam:

You have requested of (First National Bank of Tennessee, hereinafter called the "Lender") that we establish an irrevocable letter of credit which will remain available on behalf of (W&O Construction Company, Inc., hereinafter the "Company") who has applied to the Tennessee Regulatory Authority (the "Authority") for authority to provide public wastewater services in the State of Tennessee. The purpose of this letter of credit is to secure payment of any monetary obligation imposed against the Company, its representatives, successors or assigns, in any contested case proceeding brought under Tenn. Comp. R. & Regs. Chapter 1220-4-13 by or on behalf of the Authority.

We hereby establish and issue, in favor of the Authority, an irrevocable letter of credit in the amount of Twenty Thousand and no/100 Dollars ($20,000.00) lawful money of the United States of America. Upon entry of an Order that finds a monetary obligation pursuant to Chapter 1220-4-13, the Authority may draw upon this letter of credit, at any time and from time to time, by delivering a Letter of Credit Notice, substantially in the form set forth below ("Notice"), which the Draw Amount should be delivered and shall be signed by an official designated and duly authorized by the Authority, to Lender at the address listed below, or to such other address as the Lender shall notify the Authority in writing by certified mail. Promptly after the delivery of each Notice, the Lender hereby covenants and

agrees to deliver, by wire transfer of immediately available funds, the Draw Amount to the Bank Account.

This letter of credit shall be deemed automatically renewed without amendment for successive one-year periods and may be canceled by the Lender by giving thirty (30) days advanced written notice by certified mail of such cancellation to the Authority and the Company, it being understood that the Lender shall not be relieved of liability that may be accrued under this letter of credit prior to the date of cancellation.

Failure to renew this letter of credit shall allow the Authority to draw upon it without the necessity of the Authority being required to hold a hearing concerning the Principal's operation or Certificate of Public Convenience and Necessity. In such an event and upon a directive from the Authority, the Lender hereby covenants and agrees to deliver by wire transfer of immediately available funds the maximum sum of this letter of credit to the Bank Account to enable the continued operation of the public wastewater utility.

The Lender hereby represents and warrants that it is qualified and authorized to issue this letter of credit and is a bank designated by the Treasurer of the State of Tennessee as an authorized depository for the deposit of state funds.

Except as otherwise expressly stated, this letter of credit is subject to the Uniform Customs and Practice for Documentary Credit (1993 Revision) International Chamber of Commerce Publication No. 500, or any revisions thereto.

Very Truly Yours,
First National Bank of Tennessee

Charles V. Maynord

Charles V. Maynord
Vice President
P. O. Box 379
Livingston, TN 38570

APPROVAL AND ENDORSEMENT

This is to certify that I have examined the foregoing letter of credit and found the same to be sufficient and in conformity to law and that the same has been filed with the Tennessee Regulatory Authority, State of Tennessee, this _____ day of _____, 2007.

Name:

Title:

A proprietary sealed copy of the owners financial statements have been separately filed with the TRA Docket Clerk.

EXHIBIT 7

PROPOSED TARIFF

Cumberland Basin Wastewater Systems

Wastewater Service Tariff

TRA #1
Cost of Services

Cumberland Basin Wastewater Systems
Operation and Maintenance Costs

Collection Systems

Tariff Item #	Description	Monthly Amount	Monthly Escrow
1	Collection System – Tank Pumping	$3.10	$3.10
2	Collection System – Equipment Replacement	3.25	3.25
3	Collection System – Preventative Maintenance	1.10	0.00
4	Collection System – Service Calls	1.50	0.00
	Total	**$8.95**	**$6.35**

Cumberland Basin Wastewater Systems
Treatment System Costs

Sand/Gravel Systems

Tariff Item #	Description	Monthly Amount	Monthly Escrow
5	Treatment System – Tank Pumping	$2.53	$0.00
6	Treatment System – Equipment Replacement	0.80	0.00
7	Treatment System – Preventative Maintenance	2.90	2.90
	Total	**$6.23**	**$2.90**

Cumberland Basin Wastewater Systems
Treatment System Costs

Lagoon Systems

Tariff Item #	Description	Monthly Amount	Monthly Escrow
8	Treatment System – Preventative Maintenance	$1.10	$0.00
9	Treatment System – Trouble Calls	0.30	0.00
10	Treatment System – Equipment Replacement	1.20	1.20
	Total	**$2.60**	**$1.20**

Cumberland Basin Wastewater Systems
Utility Costs

All Systems

Tariff Item #	Description	Monthly Amount	Monthly Escrow
11	Utility Costs – Systems with Sand/Gravel Filter Treatment	$0.80	$0.00
12	Utility Costs – Systems with Lagoon Treatment	0.30	0.00
13	Utility Costs – Systems with Pump Stations	0.50	0.00
14	Utility Costs – Systems with Metering Stations	0.35	0.00

Cumberland Basin Wastewater Systems
Disposal System Costs

Drip Irrigation Systems

Tariff Item #	Description	Monthly Amount	Monthly Escrow
15	Disposal Costs – Preventive Maintenance	$0.45	$0.00
16	Disposal Costs – Trouble Calls	0.20	0.00
17	Disposal Costs – Equipment Replacement Costs	0.88	0.88
	Total	**$1.53**	**$0.88**

Cumberland Basin Wastewater Systems
Sampling, Testing and Reporting Costs

All Systems

Tariff Item #	Description	Monthly Amount	Monthly Escrow
18	Sampling, Testing and Reporting Costs – Systems with Drip Irrigation Disposal	$7.00	$0.00
19	Sampling, Testing and Reporting Costs – Systems with Lagoon Disposal	9.20	0.00

Cumberland Basin Wastewater Systems
Billing and Collecting Costs

All Systems

Tariff Item #	Description	Monthly Amount	Monthly Escrow
20	Billing and Collecting Costs – All Systems	$1.50	$0.00

Cumberland Basin Wastewater Systems
Miscellaneous Costs

All Systems

Tariff Item #	Description	Monthly Amount	Monthly Escrow
21	Miscellaneous Costs – Rate Regulatory Expense	$0.40	$0.00
22	Miscellaneous Costs – Environmental Regulatory Expense	0.52	0.00
23	Miscellaneous Costs – Bonding Cost Pass Through	**	0.00
24	Miscellaneous Costs – Bonding Cost Pass Through	**	0.00
25	Miscellaneous Costs – Franchise Taxes	0.52	0.00
26	Miscellaneous Costs – Excise Taxes	0.30	0.00
27	Miscellaneous Costs – Property Taxes	0.95	0.00
28	Miscellaneous Costs – Federal Taxes	1.11	0.00
29	Miscellaneous Costs – Local Management Fee	2.00	0.00
30	Miscellaneous Costs – Corporate Management Fee	2.80	0.00
31	Miscellaneous Costs – County/City imposed Treatment Cost Pass Through	**	0.00
	Total	**$8.60**	**$0.00**

** These costs are passed through without markup to customers as charged by local taxing agencies.

Cumberland Basin Wastewater Systems
Commercial Non-Food Service

All Systems

Commercial Non-Food Service will be charged on a monthly basis. The monthly wastewater charge is based on the daily design flow expected from the type of establishment being served. A minimum monthly service charge of $75.00 will be applied regardless of the customer's actual usage. The following rates shall be applied to each customer's Expected Daily Design Flow:

Expected Daily Design Flow	Rate
0 – 300 gallons per day	$75.00
301 – 1000 gallons per day	$15.00 per 100 gallons
1001 – 3000 gallons per day	$140.00 per 1000 gallons
Over 3000 gallons per day	$116 per 1000 gallons

Additional charges shall apply when the customer's actual daily usage exceeds their expected daily design flow. For any month that a customer's water meter reading exceeds the expected design flow, the following surcharges shall apply:

Excess Daily Usage	Rate
1 – 1000 gallons above Expected Daily Design Flow	$175.00
1001 – 2000 gallons above Expected Daily Design Flow	$200.00
Over 2000 gallons above Expected Daily Design Flow	$200.00 per 1000 gallons

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

In addition to the rates described above, the following Miscellaneous Fees shall also be in effect:

Late Payment – 5.00%
Disconnection - $10.00
Reconnection - $15.00
Returned Check - $20.00

Cumberland Basin Wastewater Systems
Commercial Food Service

All Systems

Commercial Food Service will be charged on a monthly basis. The monthly wastewater charge is based on the daily design flow expected from the type of establishment being served. A minimum monthly service charge of $100.00 will be applied regardless of the customer's actual usage. The following rates shall be applied to each customer's Expected Daily Design Flow:

Expected Daily Design Flow	Rate
0 – 300 gallons per day	$100.00
301 – 1000 gallons per day	$18.00 per 100 gallons
1001 – 3000 gallons per day	$170.00 per 1000 gallons
Over 3000 gallons per day	$142 per 1000 gallons

Additional charges shall apply when the customer's actual daily usage exceeds their expected daily design flow. For any month that a customer's water meter reading exceeds the expected design flow, the following surcharges shall apply:

Excess Daily Usage	Rate
1 – 1000 gallons above Expected Daily Design Flow	$210.00
1001 – 2000 gallons above Expected Daily Design Flow	$220.00
Over 2000 gallons above Expected Daily Design Flow	$220.00 per 1000 gallons

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

In addition to the rates described above, the following Miscellaneous Fees shall also be in effect:

Late Payment – 5.00%
Disconnection - $10.00
Reconnection - $15.00
Returned Check - $20.00

Cumberland Basin Wastewater Systems

Wastewater Service Tariff

TRA #2
Rules and Regulations

RULES AND REGULATIONS

Governing the wastewater collection and treatment systems of Cumberland Basin Wastewater Systems.

Statement of Purpose:

The general purpose of these Rules and Regulations is:

1. To institute measures and procedures for serving the customers and service area of Cumberland Basin Wastewater Systems on a uniform basis. Included are:
   a. The Definition of Terms.
   b. The Authorization of Rules.
   c. Identifying the Service.
   d. Establishing Property Easements.
   e. Establishing Discontinuance of Service Policies.
   f. Stating Non-payment Penalties.
   g. Establishing Returned Check Policy.
   h. Establishing Policy for Changes of Property Owners or Tenants.
   i. Establishing Policy for Security Deposits.
   j. Establishing Sewer Access Fees.

2. To provide standards and procedures for:
   a. Establishing wastewater characteristics acceptable for the treatment systems..
   b. Establishing the criteria for a system free of inflow and infiltration.
   c. Required design standards.
   d. Construction and materials standards.
   e. Inspection Requirements.
   f. Quality of materials.

Definition of Terms:

1. Collector Line - Shall mean the line from the service line to the main line.
2. Company - Shall mean Cumberland Basin Wastewater Systems.
3. Customer - Shall mean any person, firm, corporation, association, company, or government unit furnished sewage services by Cumberland Basin Wastewater Systems.
4. Main Line - Shall mean the line from the collector line to the treatment facility.
5. Operator/Engineer - Shall mean the Licensed Wastewater Operator and/or consulting engineer of Cumberland Basin Wastewater Systems or design engineer.
6. Property - Shall mean all facilities owned and/or operated by the company.
7. Pumping Station - Shall mean a tank containing pump(s) and receives effluent from a STEG/STEP tank and/or collector lines.
8. Service Line - Shall mean the line from the STEP/STEG tank to the collector line.

9. STEG tank - Shall mean any tank located near a building containing an effluent filter for the purposes of accepting sewage waste.
10. STEP tank - Shall mean any tank located near a building containing a pump vault for the purposes of accepting sewage waste.
11. Stub-out line (building collector line) - Shall mean the line that carries the sewage waste from the building to the STEP/STEG tank.
12. TRA - Shall mean the Tennessee Regulatory Authority.

Authorization of Rules and Regulations

Cumberland Basin Wastewater Systems is a company in good standing with the State of Tennessee and is organized as a privately owned public utility. Cumberland Basin Wastewater Systems operates under the auspices of a Certification of Convenience and Necessity issued by the Tennessee Regulatory Authority. Cumberland Basin Wastewater Systems submits the following statement of its Rules and Regulations in compliance with Rule 1220-4-1-.03(2).

Effect of Rules and Regulations

All provisions of these rules and regulations shall be incorporated in each contract with each wastewater system customer of Cumberland Basin Wastewater Systems.

Utility Items on Private Property

The company shall own and maintain all STEP and STEG tanks, control systems, and service lines required to provide sewer service on the customer's premises. The customer must execute an agreement granting an easement to the company for maintenance of the sewer system. The building plumbing and Stub-out line shall be maintained by the customer.

Discontinuance of Service

Service under any application may be discontinued for the following reasons:

1. Non-payment of bill as hereinafter set forth below.
2. For misrepresentation in the application.
3. For adding to the property or fixtures without notice to the company.
4. For molesting any service pipe, tank, control system, filter, or any property of the company in any way whatsoever.
5. For violation of any rules of the company.
6. For disconnecting or reconnecting service by any party, other than a duly authorized agent of the company, without the consent of the company.

Non-payment Penalties

A non-payment penalty of five percent (5%) of the monthly charge will be due after the due date shown on the bill. If payment is received within fifteen days after the due date, a written notice will be sent to the customer. If payment is not received within 15 days of the written notice, wastewater service will be turned off from the customer's property as per the Wastewater Subscription Agreement (Attachment #1) executed by the customer with no additional notice being sent. No service shall be reconnected if discontinued for non-payment (or any valid reason) until all charges have been paid, including disconnection and reconnection fees. The disconnection fee is $10.00 and the reconnection fee is $15.00.

Returned Checks

A check returned by the bank will incur a fee of $20.00.

Changes in ownership, Tenancy of Services

A new application and agreement must be made and approved by the Company on any change in ownership of property, or in tenancy, or in the services as described in the application. In the event of failure of a new owner or tenant to make such application, the company shall have the right to discontinue service until such new application is made and approved.

Security Deposits

Each new customer, before connection or reconnection of the service, will be required to make a refundable deposit to secure payment of sewage service bills in an amount of $60.00. Interest will be paid on deposits held by the company at the rate published in the *Federal Reserve Bulletin* for the preceding calendar year. Deposits will be held by the company as long as required to insure payment of bill. (TRA Rule 1220-4-4-.15(7))

Winter Water Usage Rate

Winter Water Usage shall mean the average amount of water used, as stated on the customer's bill for the months of November, December, January and February. When customer's bills are based on water usage, customers will receive summer bills (for usage in June, July, August and September) that are based on the average winter water usage. New customers that have not established winter water usage will be charged up to a maximum bill of $125.00 until a winter water usage is established.

Sewer System Access Fee

The owner of each property parcel which is provided a tap or the availability of a tap, when the sewer system is built, will be required to pay a sewer access fee of $84.00 per year. This fee will be payable each year by December 15th**,** for owners of record, as of December 1st. As each customer attaches to the sewer and signs up for service, they will pay a pro-rated access fee for that year and thereafter the fee will not be charged.

Engineering, Materials and Construction Standards

1. General — This specification covers the type of sewer system required for various design conditions of sewers constructed by developers. The requirements called for are minimum standards in all cases. Bedding conditions, material specifications, sealing requirements and installation methods are the responsibility of the Operator/Engineer and must be approved by the company. Design and construction of sewer lines shall meet the requirements of the State of Tennessee Department of Environment and Conservation (TDEC), in addition to this specification. Where conflicts exist, the more restrictive shall govern.
2. All sewage collection system components are to be water tight and free of Inflow and Infiltration. This includes Stub-out lines, all tanks, collector lines, service lines, and main lines. Collector lines and main lines are to be tested to 100 pounds per square inch of water pressure. Risers and lids are to be watertight.
3. STEP and STEG Tanks are to be installed near the building to be served. The tanks are to be set in a level condition and tested for water tightness before backfilling.
4. All pipe is to be PVC, classes and sizes will be per operator/engineer's design and in all cases SDR-21 class 2000 will be the minimum allowable.
5. Only wastewater drains are to be connected to the sewer system. No water sources such as roof drains, sump pumps, condensate lines and swimming pools shall be connected to the sewer system.

Special Pretreatment Sewage Requirements

For all sewage connections the company reserves the right to require any nonresidential user to provide special pre-treatment for any high strength effluent before discharge into its sewage system. The company may, upon the basis of recognized operator/engineering standards and treatment costs, increase the rate charged to cover the cost of treatment of high strength effluent, commercial or industrial waste, and may impose standards as to the maximum size of solids and constituents in such waste discharged into its sewage system.

Additionally, if excessive volumes of sewage are received, the company may require the customer to monitor flow volume and increase surge holding, treatment, and disposal capacity at the customer's expense. All customers will be required to follow the List of Required Practices (Biological Systems Users Manual) for an effluent collection system, supplied to them by Cumberland Basin Wastewater Systems (Attachment No. 2). These requirements prohibit the dumping of any toxic

chemicals, non-biodegradable detergents, whitening agents, or other non- environmentally friendly compounds that kill tank bacteria. Also prohibited is the disposal of an excessive amount of grease, paints, pesticides or other typical household items that consumers introduce into sanitary sewer and storm drains.

Damages

Cumberland Basin Wastewater Systems shall in no event be responsible for maintaining any Stub-out line owned by the customer, or for the damages created by sewage escaping there from, or for defects in the customer's building lines or fixtures. The customer shall at all times comply with all regulations of the Tennessee Regulatory Authority and of Cumberland Basin Wastewater Systems. All leaks in any building pipe or fixture on the premises of the customer shall be repaired by the customer. On failure to repair any such leak, the service may be discontinued until such repairs are made.

In Event of Emergency

The Company shall not be liable to the customer for interruption in service, or for damages or inconvenience as a result of any interruption, stoppage, etc., which was beyond the reasonable control of Cumberland Basin Wastewater Systems. In the case of an emergency, call 931-403-1000 or other provided service number.

Service Area

Cumberland Basin Wastewater Systems will only provide service within its current approved service territory as approved by the Tennessee Regulatory Authority.

Extension Plan

Cumberland Basin Wastewater Systems may furnish sewer service to property owners whose lands are abut the main line of existing sewer systems. The wastewater service charges listed in the sewer billing structure do not include costs for constructing the sewer system. Any wastewater system components required to service such abutting properties shall be constructed at the cost of those parties desiring same, and these components shall become the property of Cumberland Basin Wastewater Systems, to be credited to the account for Contributions in Aid of Construction. In addition, treatment system component costs will be paid by the customer desiring to hook on to the system. Wastewater service to new areas within a service territory will be made available where it is technically feasible and the developer or property owner is willing to bear the expense of designing and building the sewer system.

Contributions in Aid of Construction

Wastewater system components furnished by developers and landowners to Cumberland Basin Wastewater Systems will be recognized as Contributions in Aid of Construction in the amount of actual construction cost.

Contracts for Services

Each customer, before installation of service, shall be required to execute a sewer service agreement with Cumberland Basin Wastewater Systems.

Customer Billing

Customer billing may be different from area to area. If the area is serviced by a utility water service, the water provider will be requested to provide billing services. For flat fee areas a coupon book will be provided on an annual basis with monthly statements. Water bill comparisons or metering may be employed if higher water usage than typical is suspected.

In cases where pass through treatment costs and commercial customers are involved, a monthly bill will be sent to the customer and will be based on the gallons of water consumed.

Bonding Cost

The Company is currently required to post a bond to assure continued operation of the wastewater system. The cost of such bond, which is subject to change, is passed along to the customer, without markup by the Company, as a separate line item on each customer's monthly bill and is titled "Bonding Charge." The monthly charge for bonding cost is calculated as follows:

$$MBC = \frac{UBC_{N-1} + \left(B_N \times I_N \div M\right)}{L}$$

Where

MBC	=	the monthly bonding charge;
UBC	=	the unrecovered bond cost from the previous period;
N	=	the current period;
B	=	the amount of bond required;
I	=	the interest rate assessed to purchase the bond;
M	=	months per year or 12; and
L	=	number of lots in the subdivision.

Public Contact

Tim Huddleston, President
Cumberland Basin Wastewater Systems
150 Construction Drive
Livingston, TN 38570

Phone: 931-403-5311
Fax: 931-403-3888

Tennessee Regulatory Authority Regulations

Cumberland Basin Wastewater Systems in its operation, shall conform to all applicable rules and regulations promulgated by the Tennessee Regulatory Authority. Phone 1-800- 342-8359.

Attachment 1

CUMBERLAND BASIN WASTEWATER SYSTEMS

WASTEWATER SUBSCRIPTION AGREEMENT

Printed Name

Address of Property

Mailing Address

Telephone Number

I hereby make application to Cumberland Basin Wastewater Systems for wastewater service at the address of property stated above. In consideration of the undertaking on the part of Cumberland Basin Wastewater Systems to furnish wastewater service, I understand, covenant and agree as follows:

1. I understand that components of a wastewater system either have been or will be installed on the property referred to above, which is owned or occupied by me, and which is to be connected with a wastewater disposal system owned and/or maintained by Cumberland Basin Wastewater Systems. I warrant that any connection to and/or subsequent use to this system by the components on my property shall be in accordance with the Rules and Regulations and Plans of Cumberland Basin Wastewater Systems. Regarding my usage of the system components on my property, which are owned by me, I covenant to follow the guidelines set forth in the Biological Users Manual (List of Required Practices). Should I violate these Rules and/or abuse or damage my components, I understand that I must bear the expense to repair or replace the same in accordance with the Plans of Cumberland Basin Wastewater Systems.

2. I acknowledge Cumberland Basin Wastewater Systems, its successors and assigns have a perpetual easement in, over, under and upon the above specified land as shown on the property plat, with the right to operate and repair all components of the water and/or wastewater systems on my property, including but not limited to the septic tank, the STEG (Septic Tank Effluent Gravity) or STEP (Septic Tank Effluent Pumping) system. I further grant Cumberland Basin Wastewater Systems permission to enter upon my property for any reason connected with the provision or removal of water and/or wastewater service or collection therefore.

3. For all other plumbing and structures on the property, including the out fall line to the septic tank, I agree that I am responsible for all operation and repair thereof.

4. I hereby authorize Cumberland Basin Wastewater Systems to purchase and install a cutoff valve on my side of my water meter and grant Cumberland Basin Wastewater Systems exclusive right to use such valve in accordance with its Rules and Regulations. However, the use of this valve does not in any way relieve me of my obligation to pay for water service to the service provider.

5. I understand and agree to pay a security deposit of $60.00, to promptly pay for service at the then current schedule of rates and fees and agree to abide by and be subject to Cumberland Basin Wastewater System's billing and cutoff procedures. Should I not pay in accordance with Cumberland Basin Wastewater System's Rules, I agree to pay all costs of collection, including attorney fees.

6. Payment of bills for service rendered must be received by the due date as stated on the Customer's bill which shall be approximately twenty-one (21) days from the date billed. A non-payment penalty of five percent (5%) of the outstanding charge will be due after the due date shown on the bill. If payment is not received within fifteen days after the due date, a written notice will be sent to the customer. If payment is not received within 15 days of the written notice, water and/or wastewater service will be turned off from the customer's property as per the Wastewater Subscription Agreement executed by the customer with no additional notice being sent. No service shall be reconnected if discontinued for non-payment until all charges have been paid, including any disconnection and reconnection fees.

7. Service under any application may be discontinued for the following reasons:

1. Non-payment of bill as hereinafter set forth below.
2. For misrepresentation in the application.
3. For adding to the property or fixtures without notice to the company.
4. For failure to protect the connections, service lines or fixtures.
5. For molesting any service pipe, tank, control system, filter, or any property of the company in any way whatsoever.
6. For violation of any rules of the company.
7. For disconnecting or reconnecting service by any party, other than a duly authorized agent of the company, without the consent of the company.
8. For discharge of high strength or toxic effluent without pre-treatment.

8. If a customer whose service has been discontinued for non-payment of bills or for violation of the rules and regulations of the Company desires a reconnection, such reconnection will only be made after the customer:

(a) has paid all unpaid bills and other charges;
(b) has paid a reconnection fee; and
(c) has corrected any condition found objectionable under the rules and regulations of the Company.

9. The Company reserves the right to require any nonresidential user to provide special pre-treatment for any high strength effluent before discharge into its sewage system. The Company may, upon the basis of recognized operator/engineering standards and treatment costs, increase the rate charged to cover the cost of treatment of high strength effluent, commercial or industrial waste, and may impose standards as to the maximum size of solids and constituents in such waste discharged into its wastewater system. Additionally, if excessive volumes of wastewater are received, the Company may require the customer to monitor flow volume and increase surge holding, treatment, and disposal capacity at the customer's expense. All customers will be required to follow the List of Required Practices (Biological Systems Users Manual) for an effluent collection system, supplied to them by the Company. These requirements prohibit the dumping of any toxic chemicals, non-biodegradable detergents, whitening agents, or other non-environmentally friendly compounds that kill tank bacteria. Also prohibited is the disposal of an excessive amount of grease, paints, pesticides or other typical household items that consumers introduce into sanitary sewer and storm drains.

10. I accept the current Rules and Regulations and the Rates and Fees Schedule and agree to abide by any amendments to such Schedules.

11. I agree that this Agreement shall remain in effect for as long as I own, reside upon or rent the above- described property. When such circumstances no longer exist, I agree to provide notice to Cumberland Basin Wastewater Systems at least thirty (30) days in advance of my vacating the property.

_____
Subscribers Signature

_____
Date

NOTE: A signed copy of this agreement along with a $60 deposit is due before service can be established

Received by: _____

Date: _____

Cumberland Basin Wastewater Systems

List of Required Practices

BIOLOGICAL SYSTEM USER MANUAL

The ability of your natural and biological systems performance is affected by the materials introduced into the system. The following is a summary of some of the items that are bad management and good management practices. A knowledgeable user can prevent premature failures and eliminate costly repairs.

Items that cause problems and failure of this system are:

- Garbage disposal use
- Excessive sludge or scum accumulation in septic tank
- Improper fabric softeners and whiteners
- Grease and oils from cooking and washing
- Hair
- Disposable and non-disposable diapers, rags, cigarette butts, coffee grounds, feminine hygiene products, plastic and rubber products, condoms, and chemical cleaners
- Any non-biologically degradable substances
- Water usage over design limits

A properly maintained septic tank provides a high degree of treatment and yields an effluent that is relatively free of grease and solids that can clog the effluent. The best practice is not to discharge anything into a septic system that is poisonous or that may inhibit the abilities of the biologically functioning septic tank. A good rule of thumb should be to not discharge anything into the system that can not be ingested. This would <u>not</u> include toilet paper and mild detergents.

The following management practices and recommendations should be followed:

GOOD MANAGEMENT PRACTICES

- Communicate with the operator or the operator's assistant (Operator) if anything about your system is out of the ordinary. Upon the first indication of a visual or audible alarm, call the Operator.
- Contact Cumberland Basin Wastewater Systems prior to the installation of any new landscaping or the construction of permanent structures. It will be critical to coordinate any work to ensure that the integrity of the biological system and lines are protected.
- Maintain toilet bowl hardware so as to prevent leaky conditions and excess water use and waste.
- Collect grease in a container rather than pouring down the drain.

POOR MANAGEMENT PRACTICES

- Don't connect rain gutters or storm drains or allow other surface water to get into your septic system.
- Don't use excessive quantities of water. Use water saving devices such as low flow shower heads and low volume flush toilets.
- Don't allow toilets to become a problem. Repair leaky toilets, faucets, or plumbing fixtures (leaky toilets can result in flows of 1,000 gallons or more per day).
- Don't dump recreational vehicle (RV) waste into your septic tank.
- Don't flush undesirable substances into the sewer. **Flushing flammable and toxic products is a dangerous practice.** Other materials such as paper towels, rags, newspapers, cigarettes, coffee grounds, egg shells, sanitary napkins, condoms, large amounts of hair, and cooking grease are a maintenance nuisance and will result in frequent pumping of septage from the tank.
- Don't use garbage disposal systems to dispose of non-biodegradable materials because they increase the amount of solids entering the septic tank and will increase the frequency required for septage pumping. **Do not pour grease down the drain.**
- **Don't drain water softener backwash into the tank.** The backwash brine contains high levels of chlorides that can destroy the balance of the biological system, affect soil performance, and break down components of the system. The brine solution also interferes with the solid's sedimentation that occurs in the tank.
- Don't use special additives in your tank. **Additives do not improve the performance of the septic tanks and can cause major damage to other areas in the collection and treatment system.**
- Don't flush cat litter box medium down the toilets.

Cumberland Basin Wastewater Systems

Wastewater Service Tariff

TRA #3
Residential and Commercial Services

Cumberland Basin Wastewater Systems
Residential Wastewater Service Billing Summary

System	Monthly Charge
The Bluffs at Cumberland Cove – Sheet 2	$40.22

Cumberland Basin Wastewater Systems
The Bluffs at Cumberland Coves Residential Billing Rates

	Monthly Charge	Escrowed Amount
Collection System Operation and Maintenance (Tariff Items 1 – 4)	$8.95	$6.35
Treatment System Cost (Tariff Items 5 – 7)	6.23	2.90
Utility Cost (Tariff Items 11 and 13)	1.30	0.00
Disposal System Cost (Tariff Items 15 – 17)	1.53	0.88
Sampling and Testing Cost (Tariff Item 18)	7.00	0.00
Billing and Collection Cost (Tariff Item 20)	1.50	0.00
Miscellaneous Cost (Tariff Items 21 – 30 excluding Bonding)	8.60	0.00
Bonding Cost (Pass Through) **	**	0.00
Total	**$35.11**	**$10.13**

Incidental Rates:

Late Payment	5% of Bill.
Disconnection	$25.00
Reconnection	$15.00
Returned Check	$20.00
Access	$84.00

**** Bonding Cost incurred is passed through to the customer with no markup by the Company.**

EXHIBIT 8

PRO FORMA INCOME STATEMENTS

Cumberland Basin Wastewater Systems
The Bluffs at Cumberland Cove
Five Year Pro Forma Income Statement

		2007	2008	2009	2010	2011
Customers:						
Residential		15	70	115	150	175
Commercial		0	1	1	1	1
Total		**15**	**71**	**116**	**151**	**176**
Revenue:						
Residential	**A/**	$6,320	$29,492	$48,452	$63,198	$73,731
Commercial	**B/**	0	900	900	900	900
Total Revenues		**$6,320**	**$30,392**	**$49,352**	**$64,098**	**$74,631**
Expenses:						
Operation & Maintenance Expense	**C/**	$1,611	$7,625	$12,458	$16,217	$18,902
Treatment System Expense	**D/**	1,121	5,308	8,672	11,289	13,158
Utility Expense	**E/**	234	1,108	1,810	2,356	2,746
Disposal Expense	**F/**	275	1,304	2,130	2,772	3,231
Sampling & Testing Expense	**G/**	1,260	5,964	9,744	12,684	14,784
Bill & Collecting Expense	**H/**	270	1,278	2,088	2,718	3,168
Miscelleaneous Expense	**I/**	72	341	557	725	845
Management Fees & Expenses	**J/**	864	4,090	6,682	8,698	10,138
TDEC Regulatory Expense	**K/**	94	443	724	942	1,098
Franchise & Excise Tax Expense	**L/**	148	699	1,141	1,486	1,732
Public Utility Ad Valorum Tax Expense	**M/**	171	809	1,322	1,721	2,006
Federal Tax Expense	**N/**	200	946	1,545	2,011	2,344
Total Expenses		**$6,320**	**$29,914**	**$48,873**	**$63,619**	**$74,152**
Net Income		**$0**	**$479**	**$479**	**$479**	**$479**

A/	Residential Customer Charge	$35.11
	Months per Year	12
	Total Annual Residential Charge/Customer	$421.32
B/	First 300 Gallons/Day	$75.00
	Months per Year	12
	Total Annual Commercial Charge/Customer	$900.00

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

EXHIBIT 9

COMPANY TESTIMONY

Q. Would you state your name for the record, please?

A. My name is Tim Huddleston.

Q. By whom are you employed, Mr. Huddleston, and what is your position?

A. I am the President of Cumberland Basin Wastewater Systems, LLC (CBWS).

Q. How long have you been employed by CBWS?

A. Since its inception in 2006.

Q. Please briefly describe your education and experience background.

A. I have a degree in Civil Engineering from Tennessee Technological University. I am also a licensed Professional Engineer in Tennessee. My 29 year career includes 5 years with Consultant Engineers, 5 years as City Engineer for the City of Cookeville, and 19 years constructing water and wastewater collection, treatment and disposal systems.

Q. Who are the owners of CBWS, and what are their addresses.

A. I am a 50% owner owner of CBWS. My address is 7719 Lilly's Chapel Road, Baxter, TN 38544. The remaining 50% of CBWS is owned by Mr. R. L. Oakley, Jr. His address is 418 East Henson Street, Livingston, TN 38570.

Q. Please describe the area known as The Bluffs at Cumberland Cove that CBWS proposes to service.

A. The Bluffs at Cumberland Cove (The Bluffs) is located in Putnam County. This property is owned and being developed by The Bluffs at Cumberland Cove, LLC (the Developer). The Bluffs is composed of 175 single family lots and 1 commercial establishment that are incorporated within its site plan.

Q. Does a need presently exist for a wastewater provider in The Bluffs?

A. Yes. As mentioned in our Petition, The Bluffs is presently without a wastewater provider. Neither Putnam County nor any of the local utility districts or municipalities intend to provide wastewater service to this area. As a result, the

only wastewater alternative for The Bluffs apart from CBWS would be individual septic tanks which would be harmful to the environment in this area.

Q. Mr. Huddleston, what is the purpose of your testimony in this case?

A. The purpose of my testimony is to present information to the TRA on the managerial, financial, and technical capabilities of CBWS.

Q. Mr. Huddleston, does CBWS posess the <u>managerial</u> capabilities to operate a wastewater utility?

A. Yes. CBWS, along with its outside consultants and contractors, has the managerial capability to provide wastewater utility services. Both my partner as well as myself have successfully managed other wastewater related entities. In addition, CBWS has contracted with WHN Consulting and Boult, Cummings Conners & Berry to provide it with the regulatory, accounting and legal expertise that it will need to carry out its managerial duties.

Q. Mr. Huddleston, please describe the <u>financial</u> capabilities of CBWS.

A. Through its owners, CBWS possesses the financial capability to provide wastewater utility service. Naturally, without proper financial capability, the wastewater infrastructure couldn't be built in the first place. However, CBWS has also secured a letter of credit to assure the continued performance of wastewater service for the The Bluffs.

Q. Mr. Huddleston, please describe the <u>technical</u> capabilities of CBWS.

A. CBWS, along with its outside consultants and contractors, has the technical capability to provide wastewater utility services. Specifically, CBWS has contracted with Mr. Richard Potter, an experienced Certified Class IV Wastewater Operator, to provide it with the operating and maintenance capabilities that it will need to carry out its technical duties.

Q. What depreciation rates does the Company propose to use?

A. CBWS proposes to use a depreciation rate of 2.00% representing a 50 year life on USOA Account #360 – Collection Sewers Equipment, and a 3.85% depreciation rate representing a 24 year life on USOA Account #380 – Treatment & Disposal Equipment. Although no depreciation study has been undertaken at this time by CBWS, these depreciation rates are the same as that adopted by the TRA in the last rate case for Tennessee Wastewater Service in Docket No. 99-00393. In addition, CBWS would propose to use these same rates to amortize Contributions in Aid of Construction (CIAOC).

Q. Does this conclude your testimony?

A. Yes, it does.

AFFIDAVIT OF TIM HUDDLESTON

Tim Huddleston, being duly sworn, deposes and says that he is the same Tim Huddleston referred to in the prefiled testimony on behalf of Cumberland Basin Wastewater Systems, LLC before the Tennessee Regulatory Authority; that he has read such testimony and is familiar with its contents; and that the contents of that testimony are true, correct, accurate and complete to the best of his knowledge, information and belief.

Tim Huddleston

Subscribed and sworn to me before this 28th day of March 2007.

Angie Hite

My commission expires: 1-12-09