

WHN CONSULTING

19 Morning Arbor Place
The Woodlands, TX 77381

May 14, 2007

filed electronically in docket office on 05/14/07

Ms. Darlene Standley, Chief
Utilities Division
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: Petition of Cumberland Basin Wastewater Systems, LLC for a Certificate of Public Convenience and Necessity to Serve an Area in Putnam County, Tennessee known as The Bluffs at Cumberland Cove. **Docket 07-00079.**

Dear Ms. Standley:

On behalf of Cumberland Basin Wastewater Systems, LLC, enclosed you will find an original and four (4) hard copies along with a CD in PDF format of the **Company's Response to the TRA Staff's Data Request of May 2, 2007** in the above-referenced docket.

If you questions regarding this electronic filing, please contact me at 713-298-1760.

Sincerely,



William H. Novak

Enclosures

1. Please state the telephone number, fax number, mailing and physical address of Cumberland Basin Wastewater Systems, LLC.

RESPONSE:

Cumberland Basin Wastewater Systems
150 Construction Drive
Livingston, TN 38570

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

2. Please describe in detail the type of wastewater system that is being built at Cumberland Basin.

RESPONSE:

The collection, treatment, and disposal system shall be as described in detail in Exhibit 3, "Engineering Report" of the Original Petition.

3. Please provide an estimated timeframe for construction of the system including estimated date construction will begin and the date it is estimated to end.

RESPONSE:

The Company expects to begin construction of the wastewater system immediately after approval is received from the TRA to do so, and we expect construction to take approximately six (6) months to complete. Therefore, if approval from the TRA is received by July 1, 2007, we would expect to complete construction by December 31, 2007.

4. Please provide the specific duties that Mr. Potter will perform at Cumberland Basin.

RESPONSE:

Mr. Potter will supervise all aspects of the operation and maintenance of the collection, treatment, and disposal systems. He will have access to labor, specialized subcontractors, and vendors as needed to properly operate and maintain the systems.

5. Please provide a list of the wastewater facilities that Mr. Potter has operated that demonstrate his experience with small decentralized systems.

RESPONSE:

1983-1993 Cumberland Utility District

1. Scotts Hollow Trickling Filter Plant- 500,000 gpd
2. Dodson Chapel Trickling Filter Plant- 650,000 gpd
3. Belinda City Activated Sludge Plant- 350,000 gpd
4. Royal Oaks Extended Aeration Plant- 200,000 gpd

1989-1994 Cages Bend Utility District

1. Fixed Film Media Plant- 25,000 gpd
2. Jo Byrnes School Activated Sludge Plant- 25,000 gpd

1990-1998 Corp of Engineers

1. Cooks Campground Activated Sludge Plant- 25,000 gpd
2. Cooks Picnic Area Sand Filter Plant- 10,000 gpd
3. Poole's Knob Campground Activated Sludge Plant- 25,000 gpd
4. Jefferson Springs Picnic Area Sand Filter Plant- 10,000 gpd
5. Seven Points Campground Activated Sludge Plant- 25,000 gpd
6. Seven Points Campground Fixed Film Media Plant- 25,000 gpd
7. Seven Points Picnic Area Sand Filter Plant- 10,000 gpd

6. Please provide a signed copy of the contract between Cumberland Basin and The Bluffs at Cumberland Cove, LLC.

RESPONSE:

See attached.

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

May 10, 2007

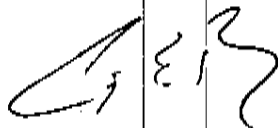
Cumberland Basin Wastewater Systems, LLC
150 Construction Drive
Livingston, Tennessee 38570
Attention: Mr. Tim Huddleston

Re: Sewer Service Agreement

Dear Mr. Huddleston:

The Bluffs at Cumberland Cove, LLC is a corporation developing approximately 175 residential lots in Putnam County. Plans include a private lodge for the use of the property owners in the development. This letter shall serve as our letter of agreement to construct the wastewater collection, treatment, and disposal systems to be deeded to and operated by Cumberland Basin Wastewater Systems, LLC. Please indicate your agreement by signing and returning a copy of this agreement for our records.

Very truly yours,



Craig Roy
The Bluffs at Cumberland Cove, LLC

Accepted: Cumberland Basin Wastewater Systems, LLC

By: Tim Huddleston, President

Date: 5-10-07

7. Please provide a written documentation for handling after-hour emergencies.

RESPONSE:

Mr. Rich Potter shall be the designated contact for after-hour emergencies. Mr. Potter's cell phone number is 931-510-5056. Depending on the issue, Mr. Potter shall personally respond or utilize the pre-approved services of laborers, specialized subcontractors, and vendors to address the immediate need. An inventory of specific spare parts and equipment shall be maintained to minimize response time.

8. Please provide current financial statements for Cumberland Basin.

RESPONSE:

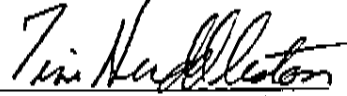
At present, the Company has no financial statements of its own since it has not yet begun operations. See Item #9 below for a further response.

9. Absent a financial statement for Cumberland Basin, provide statements from the owners stating the funding amounts that will be guaranteed by each.

RESPONSE:

See attached.

Cumberland Basin Wastewater Systems, LLC is owned by Tim Huddleston, President and R. L. Oakley, Jr., Vice-President. By their signature to this page, each is individually guaranteeing \$10,000.00 of funding for a total of \$20,000.00.



Tim Huddleston, President



R. L. Oakley, Jr., Vice-President

10. Please provide a breakdown of the cost/value of the wastewater facilities by component part including but not limited to the following:

RESPONSE:

An exact breakdown of the cost/value of the wastewater facilities by component cannot be given because the wastewater system has not yet been built. However, the Company expects the total cost of the wastewater system to be approximately \$1,174,000, and we would estimate the component costs of the wastewater system to be as follows:

Land	\$420,000
Treatment and Disposal System	\$520,000
Collection System	\$234,000
Total	\$1,174,000

Keep in mind that these are estimated costs only. The exact cost of the wastewater facility will be contributed by the developer of The Bluffs of Cumberland Cove.

11. Please submit a new proposed tariff including the following information:

- The component costs of tariffed items should be filed with the Authority in support of the rates being charged in the tariff; however the costs do not need to be a part of the tariff.
- Please provide definitions of commercial service and residential service in the tariff.
- There is a tariff sheet included with the tariff filed with the Petition indicating a residential monthly charge of \$40.22 on a sheet titled Residential Wastewater Service Billing Summary (Sheet #1) and a tariff sheet indicating a \$35.11 residential charge (Sheet #2)). Please explain the difference in the billing summary and the rate.
- Is the commercial establishment going to be one of food service or non food service?
- TRA Tariff No. 3 states “Residential and Commercial Services”; however, there are no commercial tariff sheets in TRA No. 3. There are two commercial pages in TRA No. 1 (Sheets #9 & #10) which appear to be rates not costs.

RESPONSE:

See attached for the requested tariff revisions. Definitions of residential and commercial service have been included in this revision. The discrepancy between the \$40.22 and \$35.11 rates were due to a bonding component that has been remedied in these tariff revisions. The projected commercial establishment will be for non-food service. TRA #3 has now been revised to only include Residential Services in the attached tariff.

Cumberland Basin Wastewater Systems

Wastewater Service Tariff

TRA #1 Cost of Services

**Cumberland Basin Wastewater Systems
Residential Service**

All Systems

Description	Monthly Amount	Monthly Escrow
Residential Sand/Gravel Systems	\$35.11	\$10.13
Residential Lagoon Systems	\$33.18	\$8.43

An additional \$0.35 per month will be added to systems with metering stations.

**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. Commercial Service – Shall mean the provision of wastewater service to a customer whose primary use is for business purposes included the rental use of residential property.
3. Company - Shall mean Cumberland Basin Wastewater Systems.
4. Customer - Shall mean any person, firm, corporation, association, company, or government unit furnished sewage services by Cumberland Basin Wastewater Systems.
5. Main Line - Shall mean the line from the collector line to the treatment facility.
6. Operator/Engineer - Shall mean the Licensed Wastewater Operator and/or consulting engineer of Cumberland Basin Wastewater Systems or design engineer.
7. Property - Shall mean all facilities owned and/or operated by the company.

8. Pumping Station - Shall mean a tank containing pump(s) and receives effluent from a STEG/STEP tank and/or collector lines.
9. Residential Service – Shall mean the provision of wastewater service to a customer whose primary use is for the customer's personal dwelling.
10. Service Line - Shall mean the line from the STEP/STEG tank to the collector line.
11. STEG tank - Shall mean any tank located near a building containing an effluent filter for the purposes of accepting sewage waste.
12. STEP tank - Shall mean any tank located near a building containing a pump vault for the purposes of accepting sewage waste.
13. Stub-out line (building collector line) - Shall mean the line that carries the sewage waste from the building to the STEP/STEG tank.
14. 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:

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

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.

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 not 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 Services

**Cumberland Basin Wastewater Systems
Residential Wastewater Service Billing Summary**

System	Monthly Charge
The Bluffs at Cumberland Cove	\$35.11

Incidental Rates:

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

12. Provide a pro forma statement of all estimated operating expenses and revenues for the first five years, including all consulting and management fees, salary expense, insurance expense, etc. Please include all supporting documentation and rationale justifying the expenses and revenues. Provide power costs based on local power rates, estimated pumping rates, etc. It appears that the proposed Pro Forma statement included with the Petition includes revenues for all of 2007. Is this correct?

RESPONSE:

See Exhibit #8 to the Company's Petition already on file with the TRA. At present, Cumberland Basin has no operating history upon which to base a more detailed pro forma financial statement other than that already presented in Exhibit #8. This pro forma financial statement was put together using the Company's forecast of customer additions applied to the cost structure of rates already approved by the TRA for other wastewater utilities. It is the Company's position that this pro forma financial statement would include all of the expenses and fees mentioned above.

In addition, we have included revenues for all of 2007 within the pro forma financial statement in Exhibit #8 since we were uncertain as to the exact timing of approval of our CCN from the TRA.