

FARRIS MATHEWS BRANAN
BOBANGO HELLEN & DUNLAP, PLC

ATTORNEYS AT LAW

HISTORIC CASTNER-KNOTT BUILDING
618 CHURCH STREET, SUITE 300
NASHVILLE, TENNESSEE 37219

Jamie R. Hollin
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Writers Direct Dial:
615-687-4243

April 10, 2007

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

FILED ELECTRONICALLY in docket office
on 04/10/07

Docket No. 07-00090

**Re: Petition of Integrated Resource Management, Inc. to Amend its
Certificate of Public Convenience and Necessity to Serve an Area
in Sevier County, Tennessee Known as the Landing at Bird's Creek
Subdivision.**

Dear Chairman Kyle:

Please find an original and 5 copies of the referenced petition enclosed herewith accompanied by the \$25.00 filing fee. Please date stamp a copy for my records and return to me in the enclosed self-addressed, stamped envelope.

Thank you for your prompt attention to this matter. If I may be of further assistance, please do not hesitate to contact me. I am

Very truly yours,

FARRIS MATHEWS BRANAN
BOBANGO HELLEN & DUNLAP, PLC



Jamie R. Hollin

Enclosures

Cc: Jeffrey W. Cox, Sr.

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

April 10, 2007

IN RE:)
)
PETITION OF INTEGRATED RESOURCE)
MANAGEMENT, INC. TO AMEND ITS)
CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY TO SERVE AN AREA IN)
SEVIER COUNTY, TENNESSEE)
KNOWN AS THE LANDING AT BIRD'S)
CREEK SUBDIVISION)

Docket No. _____

PETITION TO AMEND CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY

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

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

4. IRM has a Utility Agreement with The Landing at Bird's Creek, LLC, the developer at Bird's Creek, in which IRM becomes the operator of the wastewater treatment system for Bird's Creek upon completion and construction of the system. A copy of the Utility Agreement is attached hereto as **Exhibit D**;

5. The Tennessee Department of Environment and Conservation ("TDEC") issued IRM its State Operating Permit on February 28, 2007. A copy of IRM's permit (SOP-07004) is attached hereto as **Exhibit E**;

6. A 5 year *pro forma* income statement for Bird's Creek is attached hereto as **Exhibit F**; and

7. Pre-filed testimony of Jeffrey W. Cox Sr., President of IRM, is attached hereto as **Exhibit G**.

WHEREFORE, PREMISES CONSIDERED, Integrated Resource Management, Inc., respectfully requests that the Authority grant its Petition to Amend its Certificate of Public Convenience and Necessity to Serve an area in Sevier County, Tennessee Known as The Landing at Bird's Creek Subdivision.

Respectfully submitted,

FARRIS MATHEWS BRANAN
BOBANGO & DUNLAP, PLLC

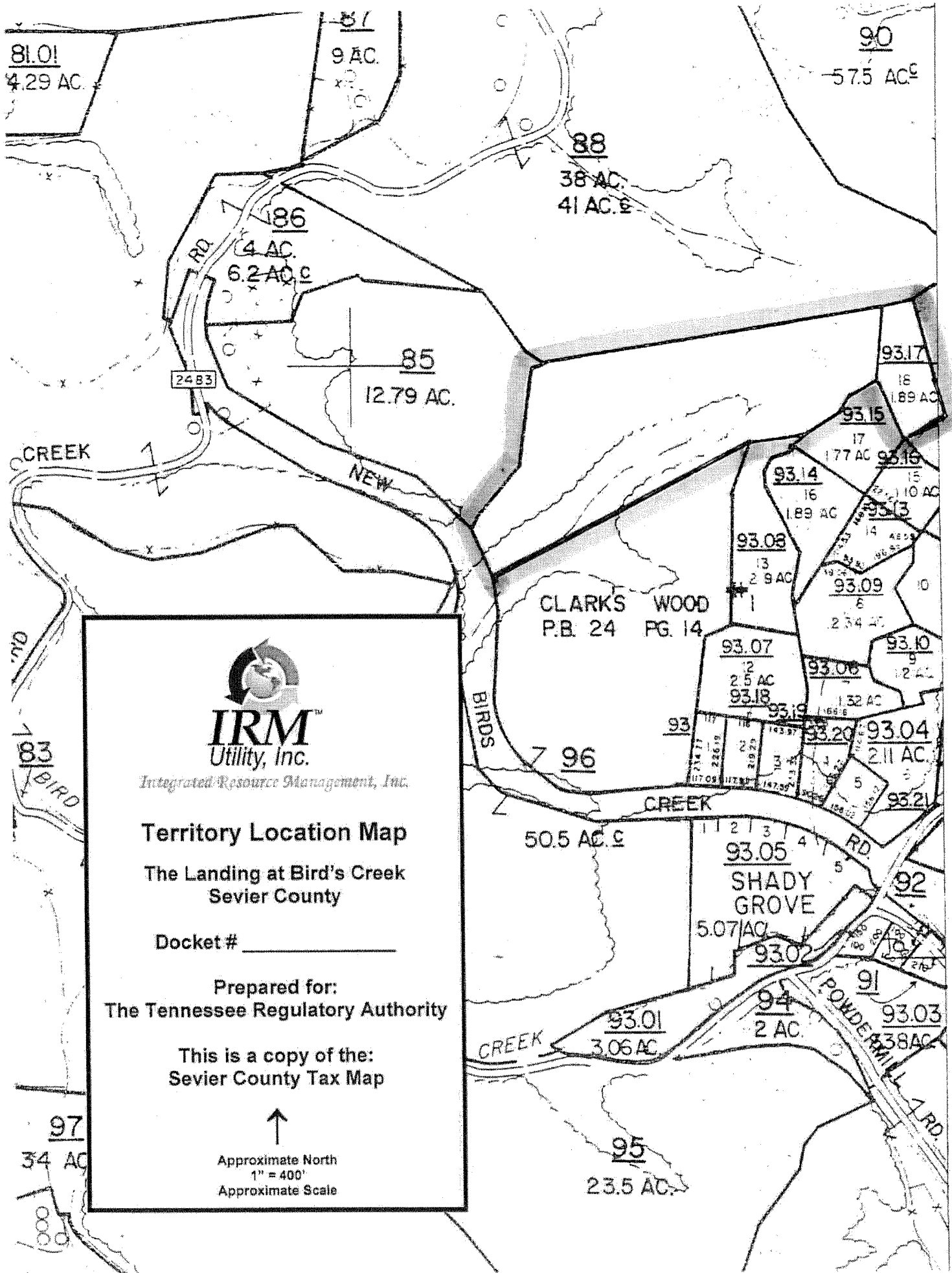
By: 

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

List of Exhibits

<u>Name</u>	<u>Exhibit</u>
Proposed Service Area	A
Utility Service Letters	B
Surety Bond	C
Utility Services Agreement	D
State Operating Permit	E
<i>Pro Forma</i>	F
Proposed Tariff	G

Exhibit A



IRM
Utility, Inc.

Integrated Resource Management, Inc.

Territory Location Map

The Landing at Bird's Creek
Sevier County

Docket # _____

Prepared for:
The Tennessee Regulatory Authority

This is a copy of the:
Sevier County Tax Map



Approximate North
1" = 400'
Approximate Scale

N 516



Integrated Resource Management, Inc.

Territory Location Map

The Landing at Bird's Creek
Sevier County

Docket # _____

Prepared for:
The Tennessee Regulatory Authority

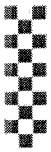
This is a copy of the:
USGS Quadrangle Map
Richardson Cove, TN



Approximate North
1:24,000
Approximate Scale

SCALE 1:24,000

Exhibit B



Feb 20 07 08:51p

Sunset Lending Services

954-862-1714

p. 1

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



125 Court Avenue
Suite 201E
Sevierville, TN 37862

Larry Waters County Mayor

February 9, 2006

Bruce Marr
The Landing at Bird's Creek, LLC
19343 SW 39th Street
Miramar, FL 33029

Dear Mr. Marr:

In response to your letter of January 18, 2007, Sevier County has no plans to provide sewer to the property identified as The Landing at Bird's Creek, which is located off Bird's Creek Road, during the next twelve months.

Sincerely,

Larry Waters
County Mayor

Received Time Feb. 20. 8:40PM



GATLINBURG UTILITY DEPARTMENT

P.O. BOX 5
GATLINBURG, TENNESSEE 37738
AREA CODE 865/436-4681



March 7, 2007

Mr. Bruce Marr
The Landing at Bird's Creek, LLC
19343 Sw 39th Street
Miramar, FL 33029

RE: Sanitary Sewer Service
"The Landing at Bird's Creek"

Dear Mr. Marr:

I have received your request for sanitary sewer service to your property on Birds Creek Road. A review of your map indicates the property location outside the corporate limits and cannot be served by the City's public sewer system. Additionally, the City will not be providing sewer service to this area within the next year.

Please feel free to contact me if you need any further information.

Sincerely,

Dale Phelps
Utility Manager

DP/sa

cc: Cindy Ogle, City Manager
Ron Greene, Public Works Director/ACM

Exhibit C

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

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

CORPORATE SURETY BOND

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

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

Company ID # as assigned by the TRA:
Corporate Surety Bond #: 4833663
Effective Date: March 8, 2006
Expiration Date: March 8, 2009

Integrated Resource Management, Inc. Baneberry, TN

Great American Insurance Company

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

THE CONDITION OF THIS BOND IS:

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

Integrated Resource Management, Inc.
3444 Saint Andrews Drive
Baneberry, TN 37880

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

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

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

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

WASTEWATER REGULATIONS

CHAPTER 1220-4-13

(Rule 1220-4-13-.02, continued)

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

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

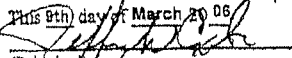
If for any reason, the Surety Bond is not to be renewed upon its expiration, the Surety shall, at least 60 days prior to the expiration date of the Surety Bond, provide written notification by means of certified mail, return receipt requested, to the Tennessee Regulatory Authority, that the Surety Bond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

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

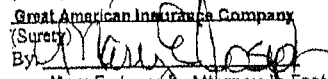
The bond shall become effective after execution by the Principal and Surety and upon filing with the Authority, and shall continue from year to year unless the obligations of the Principal under this bond are expressly released by the Authority in writing.

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

This 9th day of March 20 06


(Principal)

Great American Insurance Company
(Surety)

By 
Mary E. Joseph, Attorney-in-Fact

GREAT AMERICAN INSURANCE COMPANY®

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

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

No. 0 18287

POWER OF ATTORNEY

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

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

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

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

STATE OF OHIO, COUNTY OF HAMILTON - ss:

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

DAVID C. KITCHIN (613-412-4602)

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

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

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

CERTIFICATION

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

Signed and sealed this 9th day of March, 2006



RIDER

To be attached to and form a part of Bond No. 4933653

Utility Bond

dated Utility Bond

, in the amount of \$ 20,000.00

executed by Integrated Resource Management, Inc.

3444 Saint Andrews Drive, P.O. Box 642, White Pine, TN 37890

as Principal,

and GREAT AMERICAN INSURANCE COMPANY, as Surety, and in favor of

State of Tennessee Regulatory Authority

460 James Robertson Parkway, Nashville, TN 37243-0505

as Obligee.

It is agreed that the following changes be made in the attached bond:

Insured's Name is Amended to Read as Follows:

Integrated Resource Management, Inc. dba IRM Utility, Inc.

Effective: March 2, 2007

Provided, however, that the attached bond as changed by this Rider shall be subject to all its agreements, conditions and limitations, and that the liability of the Surety under the attached bond and under the attached bond as changed by this Rider shall not be cumulative.

ACCEPTED:

Integrated Resource Management, Inc.

(Principal)

State of Tennessee Regulatory Authority

(Obligee)

By

 PRESIDENT
Title

GREAT AMERICAN INSURANCE COMPANY

By

Title

By


Mary E. Joseph, Attorney-in-Fact

GREAT AMERICAN INSURANCE COMPANY®

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

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

No. 0 18287

POWER OF ATTORNEY

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

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Attest GREAT AMERICAN INSURANCE COMPANY

STATE OF OHIO, COUNTY OF HAMILTON - ss:

DAVID C. KITCHIN (513-412-4602)

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

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

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Signed and sealed this 2nd day of March, 2007

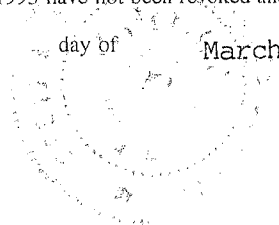


Exhibit D



Integrated Resource Management, Inc.
A Privately Owned Public Utility

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

UTILITY AGREEMENT

This Utility Agreement (the "Agreement") is made and entered into effective the 15th day of SEPTEMBER, 2006, by and between Integrated Resource Management, Inc. (IRM Utility, Inc.), a Tennessee Corporation, hereinafter referred to as the "Utility" and, The Landings at Bird's Creek, LLC., hereinafter referred to as the "Developer" and collectively referred to as the "Parties".

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

1. The Developer shall construct and install a sewage collection, treatment, and disposal system (hereinafter "System") to serve The Landings at Bird's Creek Subdivision, in Sevier County, (hereinafter "Development"), and in accordance with drawings, plans, and specifications selected and approved by the Utility's engineers or representatives. The repair, maintenance, and replacement of the System installed to serve the Development shall be the responsibility of the Utility after the construction of the System is complete and accepted by the Utility.
2. The Developer shall provide a performance bond, irrevocable letter of credit or other appropriate financial security, in an amount equal to the estimated cost to construct and install the System plus ten (10%) of such costs, to insure the completion of the construction of the System. The Utility shall be the named beneficiary of the financial security provided by the Developer.
3. The Developer shall, at its sole cost and expense, including, without limitation, all necessary engineering and construction costs and/or fees, perform all of the work necessary for the complete and final installation of the System in accordance with the drawings, plans, and specifications approved by the engineers or representatives of the Utility.
4. Construction of the System shall be subject to the supervision and approval of the Utility's engineers and representatives, who shall have a right of inspection throughout the progress of the work. Developer agrees that it shall not backfill

soils over or cover any pipe, fittings, or connections until first inspected and approved by the Utility.

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

6. The Utility, at its cost and expense, shall petition the Tennessee Regulatory Authority for a Certificate of Public Convenience and Necessity (CCN) for the Development and the Developer, at its cost and expense, shall apply for a state operating permit to be issued in the name of the Utility by the Tennessee Department of Environment and Conservation. In the event that the CCN is not granted or the state operating permit is not issued, the Developer agrees to release, indemnify and hold the Utility harmless from any and all obligations associated with the Development.

7. At its own cost and expense, the Developer shall have the duty to immediately repair, all breaks, leaks, or defects in the System of any type which occur within one (1) year from the date the System is accepted by the Utility. In the event that the Developer shall fail to make such immediate repairs, then the Utility shall be authorized to make such repairs at the sole expense of the Developer. If Developer fails to reimburse Utility for any costs associated with these repairs within thirty (30) days of receipt of a written demand for payment, Utility will also be entitled to recover any attorney fees, court costs, and any other expenses incurred to recover costs and expenses associated with repair of the system.

8. Developer will facilitate and execute Restrictive Covenants and Bi-Laws (Bi-Laws) of the Development that provide that a service agreement or contract between the owner and the Utility will be required by each homeowner to establish wastewater service; the Utility will charge an initial fee (security deposit of \$60.00), and a monthly fee; the fee is to be determined and will be established by a proposal to the Tennessee Regulatory Authority (TRA); and a description of the Septic Tank Effluent Pumping system that is approved by the engineers of the Utility.

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

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

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

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

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

14. If any part of this Agreement for any reason shall be declared invalid or unenforceable, such decision shall not affect the validity or enforceability of any remaining portion, which shall remain in full force and effect; provided, however, that in the event a part of this Agreement is declared invalid and the invalidity or enforceability of such part has the effect of materially altering the obligations of any party under this Agreement, the Parties agree, promptly upon such declarations being made, to negotiate in good faith to amend this Agreement so as to put such Party in a position substantially similar to the position such party was in prior to such declaration.

15. No Party shall have any right to assign this Agreement or any of their respective rights or obligations under this Agreement to any third party except by operation of law or with the prior written consent of the other Parties; such consent shall not be unreasonably delayed, conditioned, or withheld. The Utility shall have no right to assign, transfer, convey, pledge, or hypothecate the permits or any interest thereto without any necessary approval of the Tennessee Department of Environment and Conservation, and the prior written agreement of the purchaser or assignor to be bound by the terms and conditions of this Agreement.

16. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior oral or written agreements or understandings of the parties with regard to the subject matter hereof. No interpretation, change, termination, or waiver of any provision hereof shall be binding upon a party unless in writing and executed by the other party. No modification, waiver, termination, recession, discharge, or cancellation of any right or claim under this Agreement shall affect the right of any party hereto to enforce any other claim or right hereunder.

17. This Agreement shall not be amended or modified except in writing signed by the parties hereto.

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

Utility – IRM Utility, Inc.

Developer

 PRESIDENT
Name/Title


Name/Title

9-14-06
Date

9/15/06
Date

Exhibit E

**TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF WATER POLLUTION CONTROL**

6th Floor, L & C Annex
401 Church Street
Nashville, TN 37243-1534

Permit No. SOP-07004

PERMIT
For the operation of Wastewater Treatment Facilities

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

PERMISSION IS HEREBY GRANTED TO

Integrated Resource Management, Inc. - The Landing at Bird's Creek Subdivision
Sevier County, Tennessee

FOR THE OPERATION OF


Septic tanks, effluent collection system, recirculating media filter with carbon filter odor control, UV disinfection and 1.1 acre drip irrigation system located at latitude 35.783333 and longitude - 83.450000 in Sevier County, Tennessee to serve 19 homes in the Landing at Bird's Creek Subdivision. The design capacity of the system is .009 MGD.

This permit is issued as a result of the application filed on January 16, 2007, in the office of the Tennessee Division of Water Pollution Control and in conformity with approved plans, specifications and other data submitted to the Department in support of the above application, all of which are filed with and considered as a part of this permit, together with the following named conditions and requirements.

This permit shall become effective on: April 1, 2007

This permit shall expire on: February 28, 2012

Issuance date: February 28, 2007

for 

Paul E. Davis
Director
Division of Water Pollution Control

CN-0759

RDAs 2352 & 2366

PART I

A. GENERAL REQUIREMENTS

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

<u>Parameter</u>	<u>Sample Type</u>	<u>Daily Maximum</u>	<u>Sampling Point</u>	<u>Measurement Frequency</u>
Flow	instantaneous		*	1/month
BOD ₅	grab	45 mg/l	*	1/quarter
Nitrate as N	grab	20 mg/l	*	1/quarter
Ammonia as N	grab	Report	*	1/quarter
<i>E. Coli</i>	grab	23 colonies/100 ml	*	1/quarter

* Effluent to the drip irrigation plots.

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

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

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

B. MONITORING PROCEDURES

1. Representative Sampling

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

Effluent to drip irrigation plots.

C. DEFINITIONS

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

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

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

D. REPORTING

1. Monitoring Results

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

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

The first operation report is due on the 15th of the month following permit effectiveness

2. Additional Monitoring by Permittee

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

3. Falsifying Reports

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

E. SCHEDULE OF COMPLIANCE

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

PART II

A. GENERAL PROVISIONS

1. Duty to Reapply

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

2. Right of Entry

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

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

3. Availability of Reports

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

4. Proper Operation and Maintenance

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

The monitoring frequency stated in this permit shall not be construed as specifying a minimum level of operator attention to the facility. It is anticipated that visits to the treatment facility by the operator will occur at intervals frequent enough to assure proper operation and maintenance, but in no case less than one visit per month. If discharge monitoring reports, WPC inspection reports, or other information indicates a problem with the facility, the permittee may be subject to enforcement action and/or the permit may be modified to include increased parameter monitoring, increased monitoring frequency or other requirements as deemed necessary by the division to correct the problem. The permittee shall ensure that the certified operator is in responsible charge of the facility and observes the operation of the system frequently enough to ensure its proper operation and maintenance regardless of the effluent monitoring frequency stated in the permit."

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

5. Property Rights

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

6. Severability

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

7. Other Information

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

B. CHANGES AFFECTING THE PERMIT

1. Planned Changes

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

2. Permit Modification, Revocation, or Termination

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

b. The permittee shall furnish to the Director, within a reasonable time, any information which the Director may request to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit. The permittee shall also furnish to the Director, upon request, copies of records required to be kept by this permit.

3. Change of Ownership

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

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

4. Change of Mailing Address

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

C. NONCOMPLIANCE

1. Effect of Noncompliance

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

2. Reporting of Noncompliance

a. 24-Hour Reporting

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

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

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

b. Scheduled Reporting

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

3. Overflow

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

b. Overflows are prohibited.

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

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

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

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

4. Upset

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

5. Adverse Impact

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

6. Bypass

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

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

7. Washout

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

D. LIABILITIES

1. Civil and Criminal Liability

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

2. Liability Under State Law

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

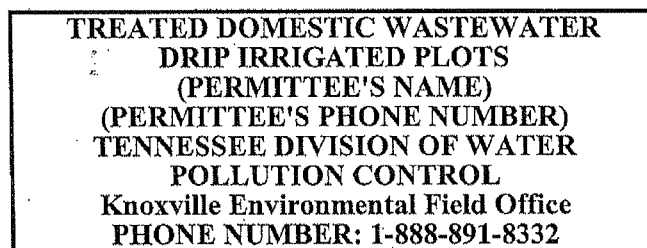
**PART III
OTHER REQUIREMENTS**

A. CERTIFIED OPERATOR

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

B. PLACEMENT OF SIGNS

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



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

C. ADDITION OF WASTE LOADS

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

D. SEPTIC TANK OPERATION

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

E. SEPTAGE MANAGEMENT PRACTICES

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

F. DRIP SITE MANAGEMENT

The drip irrigation system must have appropriate site management practices to ensure that the nitrogen design assumptions will be achieved. The cover crop must be able to uptake the prescribed amount of nitrogen (50 lbs/acre/year). This requirement shall not be construed to warrant any use of the harvested product and the permittee shall assume full responsibility for its proper use or disposal.

Exhibit F

IRM Utility, Inc
Bird's Creek Subdivision
Five Year Pro Forma Income Statement

	2007	2008	2009	2010	2011
Customers:					
New Residential	2	4	6	6	6
Existing Commercial	2	2	2	2	2
New Commercial	3	5	7	11	11
Total	7	11	15	19	19
Revenue:					
New Residential	A/ \$843	\$1,685	\$2,528	\$2,528	\$2,528
Existing Commercial (300 Gallons/Month)	B/ 1,800	1,800	1,800	1,800	1,800
New Commercial (500 Gallons/Month)	C/ 3,780	6,300	8,820	13,860	13,860
Total Revenues	\$6,423	\$9,785	\$13,148	\$18,188	\$18,188
Expenses:					
Operation & Maintenance Expense	D/ \$752	\$1,181	\$1,611	\$2,041	\$2,041
Treatment System Expense	E/ 523	822	1,121	1,420	1,420
Utility Expense	F/ 109	172	234	296	296
Disposal Expense	G/ 129	202	275	349	349
Sampling & Testing Expense	H/ 588	924	1,260	1,596	1,596
Bill & Collecting Expense	I/ 126	198	270	342	342
Miscellaneous Expense	J/ 34	53	72	91	91
Management Fees & Expenses	K/ 403	634	864	1,094	1,094
TDEC Regulatory Expense	L/ 44	69	94	119	119
Franchise & Excise Tax Expense	M/ 69	108	148	187	187
Public Utility Ad Valorum Tax Expense	N/ 80	125	171	217	217
Federal Tax Expense	O/ 93	147	200	253	253
Total Expenses	\$2,949	\$4,635	\$6,320	\$8,005	\$8,005
Net Income	\$3,473	\$5,151	\$6,828	\$10,183	\$10,183

	Existing Customers	New Customers
A/ Residential Customer Charge		\$35.11
Months per Year		12
Total Annual Residential Charge/Customer		<u>\$421.32</u>
B/ C/ First 300 Gallons/Day	\$75.00	\$75.00
Next 200 Gallons/Day (\$15 * 2)	0.00	30.00
Total Monthly Bill (daily design usage for 5 bedroom house)	\$75.00	\$105.00
Months per Year	12	12
Total Annual Commercial Charge/Customer	<u>\$900.00</u>	<u>\$1,260.00</u>

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

Exhibit G

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

April 10, 2007

IN RE:)
)
PETITION OF INTEGRATED RESOURCE)
MANAGEMENT, INC. TO AMEND ITS)
CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY TO SERVE AN AREA IN)
SEVIER COUNTY, TENNESSEE)
KNOWN AS THE LANDING AT BIRD'S)
CREEK SUBDIVISION)

Docket No. _____

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

Respectfully submitted,

FARRIS MATHEWS BRANAN
BOBANGO HELLEN & DUNLAP, PLC

By: 

Charles B. Welch, Jr., BPR No. 005593

Jamie R. Hollin, BPR No. 025460

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jhollin@farrismathews.com

*Attorneys for Integrated Resource
Management, Inc.*

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

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

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

5 A: Yes.

6 **Q:** Did you assist and cause to be filed the Petition in this proceeding requesting
7 an expansion of service area and an extension of authority for IRM to
8 provide wastewater sewer services in Sevier County, Tennessee to a
9 residential subdivision known as The Landing at Bird’s Creek Subdivision
10 (“Bird’s Creek”)?

11 A: Yes.

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

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

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

17 A: There will be 19 residential customers. The homes will be a combination of
18 primary residences, vacation homes, and possibly rental units.

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

20 A: Yes, we operate Sterling Springs, Wild Briar, Mountain Shangrila, Valley Mart
21 Exxon, and Cove Mountain Realty. We also have a CCN for Compass Point and
22 Ashley Meadows in neighboring Blount County. We operate many systems

1 within a 40 to 60 mile radius of Bird's Creek. It will be convenient to service
2 these customers.

3 **Q. When did the company receive its first Certificate of Public Convenience and**
4 **Necessity ("CCN") from the Tennessee Regulatory Authority ("Authority")**
5 **to operate a sewer system in Tennessee?**

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

8 **Q. Does IRM have the managerial, technical, and financial ability to provide**
9 **wastewater service in the area referred to in the Petition?**

10 A. Yes.

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

13 A: Yes. The Sevier County Mayor and the City of Gatlinburg have provided a letters
14 indicating that they do not intend to provide wastewater service. Copies of both
15 letters are included in the Petition.

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

17 A: Yes.

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

20 A: Yes, state operating permit No. SOP-07004, issued February 28, 2007, shall
21 become effective April 1, 2007.

22 **Q: What is the estimated timeframe for construction of the system including**
23 **estimated date construction will begin and the date it is estimated to end?**

1 A: Construction should begin in April 2007 and should be completed by August
2 2007.

3 **Q: What is the anticipated growth estimates for the first five years?**

4 A: The customers will be full time residences, vacation residences or second homes,
5 and vacation homes that are rented. The developer is building custom homes for
6 lot owners and spec-homes for sale. The anticipated use is as follows: 2 existing
7 homes which are vacation/rental homes (commercial), and 17 empty lots.

8 Estimated use of new 17 lots:

9 2 full time owner (residential);

10 4 vacation/second homes (residential); and

11 11 vacation/rental homes (commercial).

12 Build out is anticipated as follows:

13 5 in 2007;

14 4 in 2008;

15 4 in 2009; and

16 4 in 2010.

17 **Q: What is the estimated amount of contributed capital to IRM once the system**
18 **is transferred to IRM?**

19 A: Materials and Labor would approximately total: \$175,000.00.

20 **Q: What is the size of Bird's Creek?**

21 A: Approximately 25 acres.

22 **Q: What is the design capacity of the system being installed in at Bird's Creek?**

23 A: 9,000 Gallons per day.

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

3 A: Yes.

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

6 A: Yes.

7 **Q:** Does this conclude your testimony?

8 A: Yes.

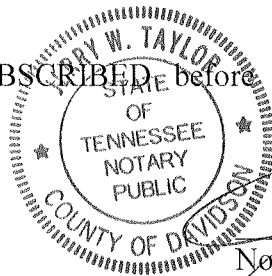
STATE OF TENNESSEE)
)
COUNTY OF DAVIDSON)

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



JEFFREY W. COX, SR.

SWORN TO AND SUBSCRIBED before me, on this the 10th day of April, 2007.





Notary Public

My Commission Expires: 1-24-09