

BEFORE THE TENNESSEE REGULATORY AUTHORITY -2 09-00049

NASHVILLE, TENNESSEE

TRANSPORT ROOM

March 31, 2009

IN RE:

PETITION OF AQUA GREEN UTILITY INC. TO OBTAIN
A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
FOR THE SERVICE OF THE PART OF JEFFERSON COUNTY,
TENNESSEE KNOWN AS THE PENINSULA PREVIOUSLY
KNOWN AS PARROTT BAY

DOCKET NO.

09-00045

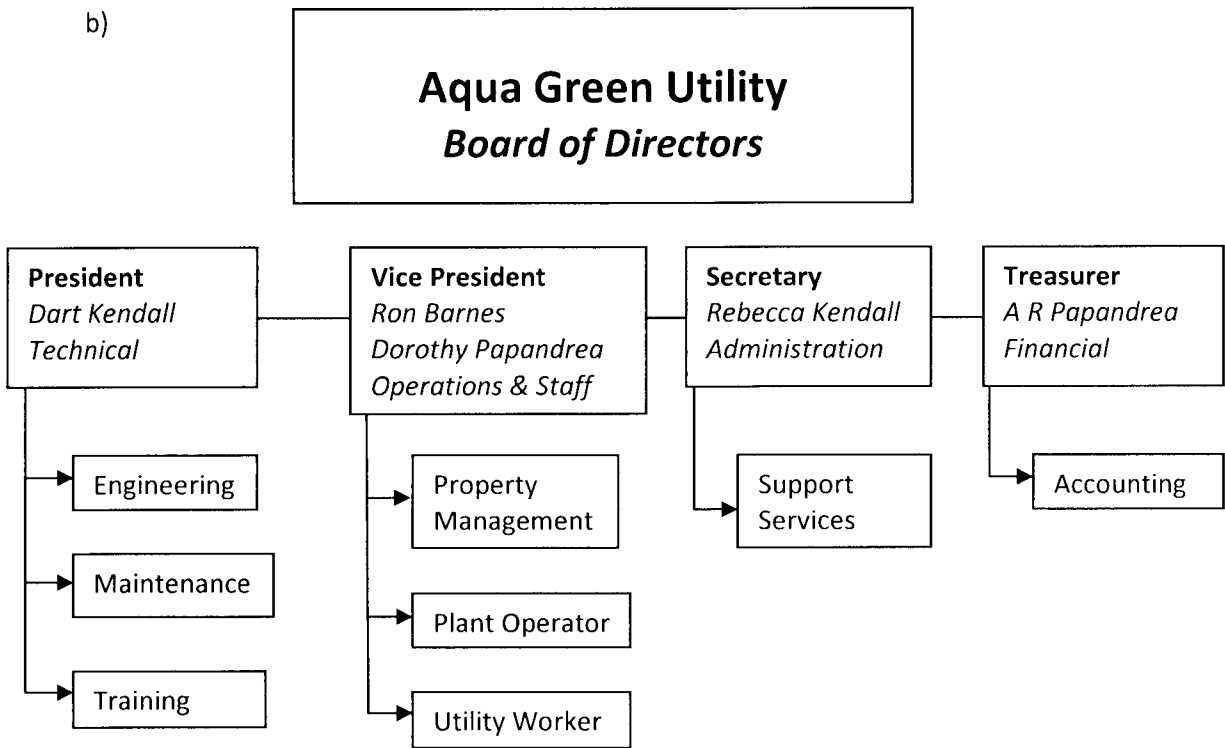
General Requirements:

- a) Aqua Green Utility Inc. has received a letter from The Peninsula on Douglas Lake, LLC. The letter requests we provide wastewater service to the part of Jefferson County, Tennessee known as the Peninsula. Aqua Green Utility contends that neither The City of Dandridge or Shady Grove Utility District of Jefferson County has plans to provide sewer service to The Peninsula within the next twelve months. Most of the land in the development is not suitable for onsite septic systems. In support of these statements, Aqua Green Utility presents letters from:
 - b) 1. See attached letter marked II-b-1
 - 2. See attached letters marked II-b-2
- c) See attached sworn testimony marked II-c

Administrative Requirements:

- a) Aqua Green Utility Inc.
3350 Galts Road
Acworth GA, 30102
865-908-0432

b)



c)

Principal Officer

Dart Kendall
3350 Galts Road
Acworth, GA 30102
404-557-3170
President
50% Owner

Rebecca Kendall
3350 Galts Road
Acworth, GA 30102
404-557-3172
Secretary
50% Owner

Ronald Barnes
PO Box 6582
3325 Buckhorn Road
Sevierville TN 37864-6582
770-560-8366
Vice President

Dorothy Papandrea
11 Ave de la Mer #1803
Palm Coast, FL 32137
386-446-0724
Vice President

A. R. Papandrea
11 Ave de la Mer #1803
Palm Coast, FL 32137
386-446-0724
Treasurer

- d) See c) above, Ronald Barnes
- e) See attached letter marked III-e
- f) See attached letter marked III-f
- g) Aqua Green Utility Inc. has no franchise agreements.
- h) Aqua Green Utility Inc. is not located in other states, and has no other application pending.
- i) Aqua Green Utility Inc. is not currently involved with any mergers or acquisitions.

Managerial Requirements:

- a) Degrees held by staff:

Ronald Barnes- Bachelor of Science in Technology, Georgia Southern College

Rebecca Kendall – Bachelor of Textile Technology, Clemson University

A. R. Papandrea - Bachelor of Engineering, US Naval Academy

- b) Professional licenses of staff and contractors

Dart Kendall
Advanced septic
3350 Galts Road
Acworth, GA 30102
770-966-0998
Contractor /Service Provider for all Delta Environmental products
GA Certified Septic Installer / Pumper - Residential, Commercial, Drip Emitter, Pumper 2
UT Certificate Advanced Onsite Wastewater Treatment Operation & Maintenance Service Provider.
dart@adseptic.com

Bob Faulhaber –PE, LEED AP
AEI
57 West Broad, Suite 200
Cookeville, TN 38501
931-528-6516
931-528-3748 fax
www.archenginc.com

Carol Hickman
Hickman and Associates, Inc.
Bookkeeping and Tax
411 Grace Avenue
Sevierville, TN 37862
865-453-6166
865-428-4415 fax

Gary G Barton
Wastewater Operator
Grade 3 wastewater license
Grade 2 collection license
Grade 2 water distribution license
1709 Witt Road
White Pine, TN 37890
865-740-8107

c) Experience of wastewater utility staff:

President, Dart Kendall, currently owns and operates Advanced Septic Inc. located in North Georgia and established in 1985. Advanced Septic will be the company constructing the wastewater system at The Peninsula. This company designs, installs, services and maintains advanced wastewater systems. Advanced Septic Inc. currently services, operates and maintains forty plus advanced wastewater systems in North Georgia. These systems are of various types: single family, strip mall, convenience store, golf resort community and warehouse type commercial systems.

Additional assets available to Aqua Green Utility Inc. include:

8.5 acres of commercial property with 6000 sq. ft. metal building and loading docks

420D Caterpillar Backhoe

Tracked Caterpillar Skid Steer

Vermeer LM42 Vibratory Plow and Trencher

LN9000 Tractor Trailer

CLF Ford Cab-Over Box Truck

Ford F250 Service Truck

2000 Gallon Vacuum Pump Truck

Trailers including 53', 40', 26', 20', 18', 16', 12'

Large number of hand and power tools

Several computers and numerous printers up to 42" wide color printing

See attachment IV-b.

Vice President, Ronald Barnes, has been in professional outside sales for 15 years in the building supply wholesale business in the Atlanta area. Highlights of duties and responsibilities include:

- Extensive product knowledge
- Estimating job specifications
- Order processing and follow-up
- Delivery scheduling
- Job site coordination
- Subcontractor interaction
- Effective communication with customer
- Build and maintain partnerships with client
- UT Certificate Advanced Onsite Wastewater Treatment Operation & Maintenance service provider

He will be responsible for the sales and customer support for Aqua Green Utility.

Vice President, Dorothy Papandrea, has had extensive private business ownership experience as owner and partner in a Dress Shop and a multi million dollar wholesale/retail Gift Shop operation. Her organizational skills include activities as the Delta Air Lines Training Department Golf Tournament Director (125 participants) for 5 years as well as an Officer in a Rental Real Estate Property Partnership. She currently serves on the Ways and Means Committee for the Florida Hospital Foundation Board.

Secretary, Rebecca Kendall, currently handles all bookkeeping activities for Advanced Septic Inc. and has done so for 10 plus years. She handles payroll, accounting, deductions and all tax payments of Advanced Septic Inc. She has also had 18 years of marketing manager experience working for Milliken & Company.

Treasurer, A.R. Papandrea, has had business ownership experience being the sole proprietor of Tax Data Company (a tax preparation company) since 1987. He has handled bookkeeping duties for the Dress Shop, Gift Shop and has been elected Treasurer of two (2) private Country Clubs and two (2) Homeowners' Associations. He currently is President of a 2.5 million dollar budgeted Homeowners' Association, Chairman of the Flagler Memorial Hospital Foundation Board and serving Member of the Flagler Hospital Operating board.

Wastewater Operator, Gary G. Barton, served with U.S.M.C. from 1980-81 (medical discharge), worked for the Town of White Pine Street Dept. from 1981-82 part time and from 1982-85 full time. From 1985 to present he has been with the Town of White Pine Water/Wastewater Dept. and his duties include operating and maintaining Grade 3 W.W. Plant, pump maintenance, minor electrical, blower maintenance, inf./eff. flow monitoring, laboratory tests, chlorine and sulfur dioxide dosing, record keeping, and state reports. Collection System duties include maintaining sewer lines, manhole rehabilitation, pump station maintenance and household sewer taps. Has licenses from the State of Tennessee for Grade 3 W.W., Grade 2 Collection, and Grade 2 Water Distribution. Also certified in permit-required confined space entry and chlorine safety.

Technical Requirements:

a) Operating Permit application is being filed with the Tennessee Department of Environmental and Conservation.

b) Construction plans see attachment: V-b.

c) Projected 5 year build out and cost analysis is attached as V-c. The estimates of 8 builds per year are based on information gained from a local Real Estate Company, Prime Mountain Properties. See letter marked VI-b. There are 80 lots in the development and most have been sold. We tried to factor in today's economic environment as well. These numbers should be considered best guess.

d) Aqua Green Utility Inc.

Proposed Tariffs: The Peninsula

Sewage treatment service if paid annually: Cost per home for fixed film treatment is \$41.75 per month to offset the cost of service. The starting basis for this amount is the Tennessee Wastewater Systems Inc. tariff for Williamson County West Fixed Film tariff. We then broke down the cost further into a 5 year spread sheet format. (See attachment V-c 1-10)

Service Access Fee of \$84.00 annually.

Bills are due on the first day of the month and considered late if not received by the 10th day of the month due.

A 5% late fee will be added to bills not paid by the 10th of the month.

Bills over 30 day past due are subject to being disconnected. A service disconnect fee of \$10.00 will be charge if a service must be disconnected. Bills over 18 months old will be subject to a tap removal. A tap reconnect fee of \$2800.00 must be paid to reconnect at a future date.

For service reconnect: all back payments plus a reconnect fee of \$15.00 will be charged

A returned check fee of \$20.00

Any damages to the sewage treatment system caused by anyone will be billed at actual cost of repair and loss of service. These types of damage include but are not limited to:

Damages caused to the disconnect valve located at main line tap

Any damages to pipes or equipment caused during excavation by machine or hand.

Hazardous waste; Industrial chemicals and other non household sewage added to the treatment system.

Sewage added to the system not generated at the customer's residence, like a septic pumper truck.

The developer has a separate contract with the homeowners to pay a fee of \$800.00 when they connect to the wastewater system. Aqua Green Utility will collect this money for the developer as homeowners connect. Once this money is collected it will be set aside in a reserve fund held by Aqua Green Utility Inc in case additional system capacity is required. TDEC is still determining soil and flow requirements. If additional capacity is needed, the Utility will build capacity as needed and keep these funds. If additional capacity is not needed, then 75% of these funds will be refunded to the developer. The other 25% will be added to the Utility's general funds. TDEC has made several rule changes with regard to the allowable loading rates in soils. Once the flow rate is determined and if additional drip field capacity is needed, this money will pay for that capacity to be added. Aqua Green Utility will hold these funds in reserve to assure adequate funds are available to provide service for its customers.

These are the parts of the contract between Aqua Green Utility Inc and the developer:

If this sewage flow amount determines no additional capacity is needed for 80 homes, then the Utility agrees to transfer back their ownership of all land set aside for future drip disposal and back up areas to the Owner for a sum of \$1.00. The Utility will agree to rebate to Owner \$600 per tap on fee as they are collected. The Utility will then assume full responsibility for the system and the contract with the Owner will be complete.

If this sewage flow amount determines additional capacity is needed for 80 homes, then the Owner agrees to transfer their ownership of all land set aside for future drip disposal and back up areas to the Utility for a sum of \$1.00. As the \$800 tap on fees are collected, they will be retained by the Utility. The Utility will then assume full responsibility for the system and the contract with the Owner will be complete.

If additional capacity is needed the Utility will use the reserve money to pay for the additional drip emitter lines to be added. This work would be done by Advanced Septic Inc.

It should be noted that Dart Kendall owns Advanced Septic Inc. and Aqua Green Utility Inc. See attachment V-d.

- e) See Attached: V-e-1 through 5
- f) The area to be served will be limited to the subdivision known as The Peninsula Subdivision. The Peninsula total acreage of lots and sewage disposal field is 147.29+/- See attached subdivision plans marked V-f located off Parrots Chapel Road. See attachment IV – b
- g) This type of sewage disposal system will consist of a plant to be constructed on site. This will be a poured in place cement tank with a Delta Environmental Bio Pod inserted fixed film type system. This is a factory designed system with components, blowers and controls to assure maximum reliability. The system is designed to treat wastewater at a rate of 24,000 gallons per day flow. The main tank does have room to add additional fixed film units if ever necessary. This plant will be used to send the effluent water to a drip field. The drip field will use Geo-Flow PC tubing. All components of this system are rated for wastewater. Delta Environmental manufactures NSF tested and certified plant design and components. Using this type of treatment plant design assures the wastewater is treated to meet the design standards set by TDEC.
- h) If all permitting is complete, we would like to start the construction on May 1, 2009. We anticipate the plant and first drip zone taking about 60 days or less. If allowed, we would start allowing sewage to flow to the plant at that time around July 1, 2009. The rest of the drip zones could be completed in about 30 days. We may have some delays because of weather. We anticipate the plant taking about 4 months to fill to the operational levels. This plant holds about 40,000 gallons at operational levels. The homes need to be built and come on line.
- i) Ronald Barnes
PO Box 6582
3325 Buckhorn Road
Sevierville TN 37864-6582
770-560-8366
- j) There are no complaints filed against Aqua Green Utility Inc.

Financial Requirements:

- a) The developer, The Peninsula on Douglas Lake, LLC, has agreed to pay a contract price of \$231,000.00 to install the complete system for The Peninsula. The construction of the system will be done by Advanced Septic Inc. owned by Dart and Rebecca Kendall. Once the system is operational, the system and drip field land ownership will be transferred over to Aqua Green Utility Inc. Aqua Green Utility Inc is also owned by Dart and Rebecca Kendall.
- b) Aqua Green Utility will own the wastewater treatment plant and associated drip field. Aqua Green Utility will show \$329,000.00 as a capital contribution on its books. This is the cost of the plant and \$14,000.00 per acre for the land. The land cost is an average according to a local real estate company, Prime Mountain Properties (see letter marked VI b). The land is currently owned by the developer. The developer has contracted with Advanced Septic Inc to build the treatment facilities once the facilities are complete. The developers contract with Aqua Green Utility states the developer will transfer ownership of all wastewater facilities to Aqua Green Utility.
- c) Chart of accounts. See sheet marked VI c
- d) See sheet marked VI c
- e) Our CPA will use the Tax Basis Deprecation Rates considered with the MACRS tables. For the main plant we would use the MACRS 39 year table. For the blowers and motors we would use the MACRS 7 year table. For the control system we would use the MACRS 5 year table. And so on.
- f) Dart Kendall will provide \$21,000.00 of funding for start up of Aqua Green Utility Inc. The funding will be in the form of a loan to the corporation. These funds will be repaid at a later time as the utility is capable. If additional funding is needed, it will be provided in the same way. Additional labor will be provided as needed to offset any salary shortage that might occur.
- g) The first 5 years of projected cost and income is provided with spread sheet V-c. The equipment cost was projected using the sheet marked VI-g-1. This is an expected life and wear of the equipment items provided by Delta Environmental, the manufacturer. The electrical power estimates come from the spread sheet marked VI-g-2. These are based on anticipated run times and amperage draw. The mailing and printing of post card type billing is based on experience gained during market mailings in the past. The amounts are shown on spread sheet marked VI-g-3. Insurance cost is based on the amount paid by Advanced Septic Inc. for its General Liability Insurance. Tax costs are estimates only and true cost must be determined. Accounting and Tax Preparation numbers estimates from our CPA. Maintenance Contract is the labor cost to maintain the system through a subcontractor. All salaries are budget items based on the amount of time required to accomplish tasks and available corporate income. Phone line prices are based on currently used lines. TRA bonds are based on anticipated customer payments. The future plant expansion reserve amounts are related to the following: The developer has a

separate contract with the homeowners to pay a fee of \$800.00 when they connect to the wastewater system. Aqua Green Utility will collect this money as homeowners connect. Once this money is collected it will be set aside in a reserve in case additional system capacity is required. TDEC is still determining soil and drip field requirements. If additional capacity is needed the Utility will build capacity as needed and keep these funds. If additional capacity is not needed then 75% of these funds will be refunded to the developer. The other 25% will be added to the Utility's general funds. See attachment V-e.

h) See letter of credit

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Dart Kendall', is written over a horizontal line.

Dart Kendall
3350 Galts Road
Acworth, GA 30102
865-908-0432
President

THE PENINSULAS ON DOULGAS LAKE, LLC

One Monument Square
Jamestown, Kentucky 42629
(270) 343-3100

II-B-1

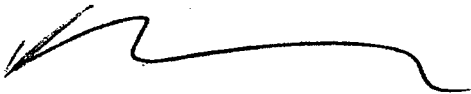
March 3, 2009

Aqua Green Utility
3350 Galts Road
Acworth, Georgia 30102

Dear Sir/Madam:

The Peninsula on Douglas Lake, LLC would like to request Aqua Green Utility, Incorporated to provide waste water services to the Peninsula subdivision. There is no sewer available in this area and soils in the development are not suitable for onsite septic.

Very truly yours,



Robert L. Bertram, Jr.,
Member



Jefferson County

Office of the Mayor

Alan Palmieri
County Mayor

P. O. Box 710 • Dandridge, Tennessee 37725

January 21, 2009

Mr. Ronald Barnes, Vice President
Aqua Green Utility
P. O. Box 8582
Sevierville, TN 37864

Dear Mr. Barnes:

Jefferson County has no wastewater treatment centers. You may proceed with no conflict regarding your services.

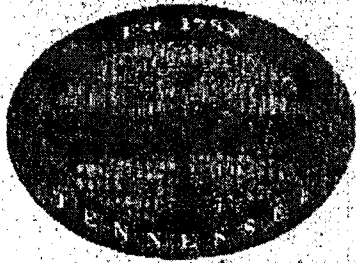
If you need any additional information please feel free to contact my office.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan Palmieri", is written over the word "Sincerely,".

Alan Palmieri
Mayor Jefferson County

II-132



February 19, 2009

Aqua Green Utility
P.O. Box 6582
Sevierville, TN 37864

Dear Gentlemen:

In response to your request concerning the possibility of the Dandridge Water Management Facility extending its sewer service to the Parrott Bay project, there are no plans for sewer lines to be extended to this area in the future. Due to the distance and terrain between this project and our current system it would not be feasible for us to undertake the project.

If you need to discuss this matter further, please feel free to call me.

Sincerely,

James D. Hutchins
James D. Hutchins
Town Administrator

Jan 21 09 11:50a
01/22/2009 10:34

BARNES
18653971734

7703458122
SHADY GROVE UTILITY

PAGE 02/02
P. 2

II-B-2



SHADY GROVE UTILITY DISTRICT

Of Jefferson & Sevier Counties, Tennessee

P.O. Box 830

DANDRIDGE, TN 37725-0830

January 21, 2009

Aqua Green Utility
P. O. Box 6582
Sevierville, TN 37864

To Whom It May Concern:

In reference to your letter dated January 20, 2009, the area mentioned is not currently in our franchise district. We are strictly a water distribution system and have no plans to provide sewer service at any time during the future.

If you have any further questions, please let me know.

Sincerely,

A handwritten signature in cursive script that reads "Mike Jones".

Mike Jones, Manager
Shady Grove Utility District

MJ/hh

COMMISSIONERS

Nancy Hambar
Joe Soward
John Orr

MANAGER

Mike Jones

State of Tennessee



Department of State
Corporate Filings
312 Eighth Avenue North
6th Floor, William R. Snodgrass Tower
Nashville, TN 37243

CHARTER
(For-Profit Corporation)

For Office Use Only

FILED
51

The undersigned acting as incorporator(s) of a for-profit corporation under the provisions of the Tennessee Business Corporation Act adopts the following Articles of Incorporation.

1. The name of the corporation is:

AQUA GREEN UTILITY, INC.

[NOTE: Pursuant to Tennessee Code Annotated § 48-14-101(a)(1), each corporation name must contain the words corporation, incorporated, or company or the abbreviation corp., inc., or co.]

2. The number of shares of stock the corporation is authorized to issue is: 1000

3. The name and complete address of the corporation's initial registered agent and office located in the State of Tennessee is:

Ronald Barnes

(Name)
3325 Buckhorn Road Sevierville TN
(Street Address) (City) (State/Zip Code)
Sevier (County)

4. List the name and complete address of each incorporator:

Charles Campbell 315 W Ponce de Leon Ave. Ste. 810 Decatur, GA. 30030

(Name) (Include: Street Address, City, State and Zip Code)

(Name) (Street Address, City, State and Zip Code)

(Name) (Street Address, City, State and Zip Code)

5. The complete address of the corporation's principal office is:

3325 Buckhorn Road Sevierville TN. 37864

(Street Address) (City) (State/County/Zip Code)

6. The corporation is for profit.

7. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date and time are:

Date _____, Time _____ (Not to exceed 90 days.)

8. Other provisions:

None

October 20, 2008
Signature Date

Charles Campbell
Incorporator's Signature
Charles Campbell
Incorporator's Name (typed or printed)

RICK FARRAR, III, JEFFERSON COUNTY CLERK

III P
LICENSE
0519974

MINIMUM BUSINESS LICENSE AND GROSS SALES RECEIPT, NOT A BILL

RECEIPTS

RETAIL .00
RETAIL RATE 3/16 of 1%
WHOLESALE .00
WHOLESALE RATE 3/80 of 1%
EXPIRATION DATE 06/30/2009
PER. PROP. TAX NO. _____

GROSS SALES TAX .00
LESS CREDITS .00
LESS PER. PROP. TAX .00
NET TAX .00
PENALTY .00
INTEREST .00
RECORDING FEE 7.00
ADVANCE MIN. LICENSE 15.00
PENALTY ON MIN. .00
INTEREST ON MIN. .00
WARRANT FEE .00
MISC. COST .00
22.00

Cash: Check: 22.00 Check No.: 3825
TA WK08 Drawer: 0 Site: 1
Work Date: 03/13/2009

DETACH THIS PORTION FOR CONFIDENTIAL FILE

RICK FARRAR, III JEFFERSON COUNTY CLERK

PO BOX 710
DANDRIDGE, TN 37725

LICENSE
0519974

MINIMUM BUSINESS LICENSE AND GROSS SALES RECEIPT, NOT A BILL

Mailing

Location

6283 AQUA GREEN UTILITY INC.
3350 GALTS RD
ACWORTH GA 30102

AQUA GREEN UTILITY INC.
3350 GALTS RD
ACWORTH GA 30102

DART KENDALL

8999 OTHER SERV NOT ELSEWHERE CLASS

ACCOUNT NUMBER 6283
TRANSACTION NUMBER 1
CLASS 03
SALES TAX NUMBER _____

ISSUE DATE 03/13/09
TAX PERIOD Started 03/13/2009
EXPIRATION DATE 06/30/2009

THIS IS YOUR OFFICIAL NOTICE THAT IF GROSS SALES TAX IS NOT PAID WITHIN 60 DAYS FROM ABOVE EXPIRATION DATE, A DISTRESS WARRANT MAY BE ISSUED TO SATISFY THE TAX DEBT. FURTHER NOTIFICATION OF EXPIRATION IS NOT REQUIRED BY LAW. PLEASE MAKE NOTE OF THESE DATES.

IF PAID BY CHECK, THIS LICENSE VALID ONLY AFTER CHECK IS PAID.

THIS LICENSE DOES NOT PERMIT OPERATION UNLESS PROPERLY ZONED, AND/OR IN COMPLIANCE WITH ALL OTHER APPLICABLE LAWS/RULES.

R. E. FARRAR, III JEFFERSON COUNTY CLERK

DEPUTY CLERK SIGNATURE _____ TA WK08 Drawer:0 Site:1

-- POST AT LOCATION OF BUSINESS --

IF BUSINESS CLOSSES, MOVES, OR CHANGES OWNERS, NOTIFY THIS OFFICE

9:58 PM
03/08/09
Cash Basis

Advanced Septic, Inc.
Balance Sheet
As of December 31, 2007

IV b
1 of 2

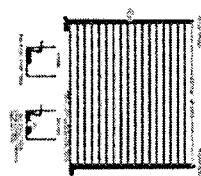
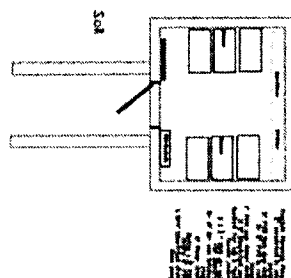
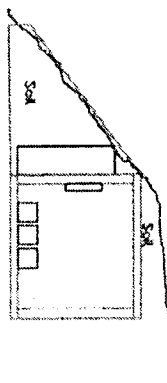
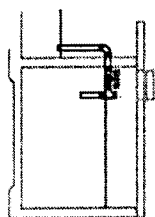
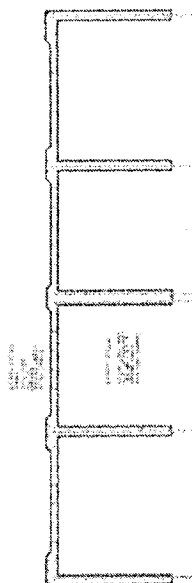
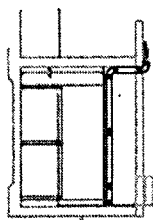
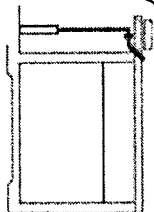
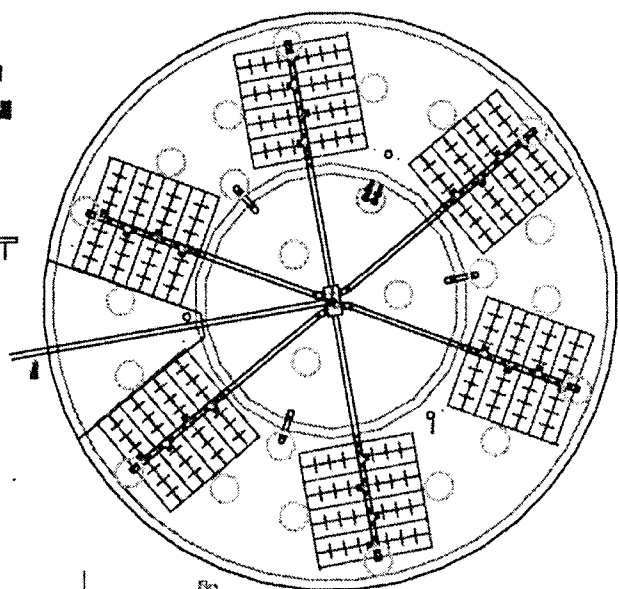
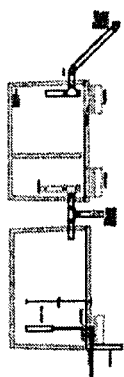
	Dec 31, 07
ASSETS	
Current Assets	
Checking/Savings	
100.00 Checking	-729.81
Total Checking/Savings	-729.81
Total Current Assets	-729.81
Fixed Assets	
120.00 Equipment	158,420.27
130.00 Autos & Trucks	73,742.60
150.00 Accumulated Depr - Equip	-121,442.55
160.00 Accum Depr- Auto & Truck	-44,274.97
Total Fixed Assets	66,445.35
TOTAL ASSETS	65,715.54
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
Advanta Bank Corp	10,263.00
American Express Business	-117.76
Total Credit Cards	10,145.24
Other Current Liabilities	
209.00 Payroll Liabilities	1,595.41
210.00 Loan from shareholders	128,150.55
211.00 Rebecca Kendall/reimburs	45,725.17
216.00 Loan repayment	-25,217.65
Total Other Current Liabilities	150,253.48
Total Current Liabilities	160,398.72
Long Term Liabilities	
Note Payable - Cat Backhoe	11,790.40
Total Long Term Liabilities	11,790.40
Total Liabilities	172,189.12
Equity	
310.00 Retained Earnings	-98,169.43
Capital Stock	1,000.00
Treasury Stock	-2,438.00
Net Income	-6,866.15
Total Equity	-106,473.58
TOTAL LIABILITIES & EQUITY	65,715.54

10:00 PM
03/08/09
Cash Basis

Advanced Septic, Inc.
Balance Sheet
As of December 31, 2008

IV b
2 of 2

	<u>Dec 31, 08</u>
ASSETS	
Current Assets	
Checking/Savings	
100.00 Checking	12,508.46
101.00 Petty Cash	92.78
Total Checking/Savings	<u>12,601.24</u>
Total Current Assets	12,601.24
Fixed Assets	
120.00 Equipment	158,420.27
130.00 Autos & Trucks	73,742.60
150.00 Accumulated Depr - Equip	-121,442.55
160.00 Accum Depr- Auto & Truck	-44,274.97
Total Fixed Assets	<u>66,445.35</u>
TOTAL ASSETS	<u>79,046.59</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
Bank of Am. Bus./Plat Plus Wach	8,028.07
Bank of America/MBNA (8009)	-31.62
Discover Business	9.95
Home Depot - Becky	1,517.82
Home Depot Mastercard	2,164.15
USAA Savings Bank	10,655.34
Total Credit Cards	<u>22,343.71</u>
Other Current Liabilities	
209.00 Payroll Liabilities	1,147.97
210.00 Loan from shareholders	99,233.11
211.00 Rebecca Kendall/reimburs	45,725.17
216.00 Loan repayment	-25,217.65
Total Other Current Liabilities	<u>120,888.60</u>
Total Current Liabilities	143,232.31
Long Term Liabilities	
Note Payable - Cat Backhoe	<u>11,790.40</u>
Total Long Term Liabilities	<u>11,790.40</u>
Total Liabilities	155,022.71
Equity	
310.00 Retained Earnings	-105,035.58
Capital Stock	1,000.00
Treasury Stock	-2,438.00
Net Income	<u>30,497.46</u>
Total Equity	<u>-75,976.12</u>
TOTAL LIABILITIES & EQUITY	<u>79,046.59</u>



76
1065

State of Tennessee



Water and Wastewater Operator Certification Board

Be it hereby known, that

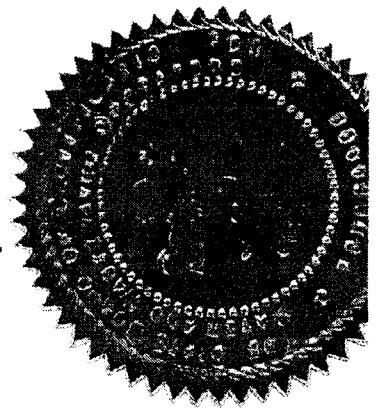
GARY G. BARTON

*has demonstrated ability as a wastewater treatment plant operator
GRADE III and has fulfilled the requirements prescribed by
the Water and Wastewater Operator Certification Board.*

Therefore in recognition of ability and experience is granted this

Certificate of Competency

for the operation of wastewater treatment facilities in Tennessee as follows:



Certificate No. 2427 Dated NOV. 16, 1988

Recommended *John S. Kinsie*
Board Chairman

Attest _____
Board Secretary

Approved _____

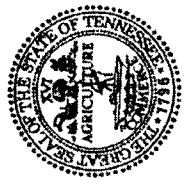
Tennessee Department of Health and Environment
Commissioner.

72
245

Serial No. 3904

State of Tennessee

Department of Environment and Conservation



Water and Wastewater Operator Certification Board

Issues This

Certificate of Competency

as Testimony That

Gary G. Barton

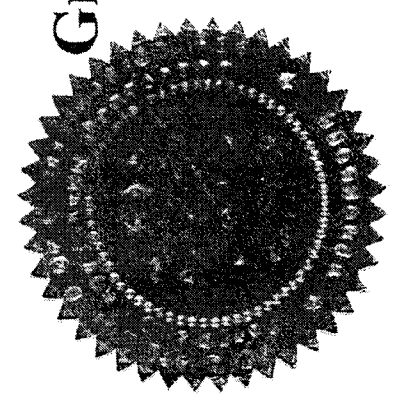
has satisfactorily fulfilled the requirements set forth by the

Water and Wastewater Operator Certification Board.

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

Grade II Wastewater Collection System Operator

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



Certificate No. ***** Dated November 02, 2000

Recommended

[Signature]
Board Chairman

Attest

[Signature]
Board Secretary

Approved *[Signature]* Commissioner.

VE 345

Serial No. 6123

State of Tennessee

Department of Environment and Conservation



Water and Wastewater Operator Certification Board

Issues This

Certificate of Competency

as Testimony That

Gary G. Barton

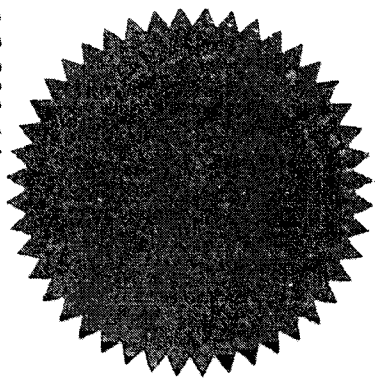
has satisfactorily fulfilled the requirements set forth by the

Water and Wastewater Operator Certification Board

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

Grade II Distribution System Operator

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



Certificate No. ***** Dated May 04, 2006

Recommended W. Paul D. Smith
Board Chairman

Approved Gary G. Barton Commissioner.

Attest W. Paul D. Smith
Board Secretary

4-408

Certificate of Training

Gary G. Barton

BBT2424.86

successfully completed
the

Permit-required Confined Space Course

Per

1910.146

December 17, 2008

Bill Basham

Bill Basham Training
Training for a Safe Future

TE 545

Certificate of Completion

Awarded To

Gary Barton

Presented by Brenntag, Mid-South, Inc.
for completion of the
Chlorine Safety and Emergency Response
Course Number: 110508-01
November 5, 2008

David F. Ballard
District Operations Manager
Chattanooga, Tennessee

Feb. 23. 2009 3:17PM

Peninsulas on Douglas Lake

No. 1573 P. 1

10
104 2

Vital Information Statement

THIS PROPERTY INFORMATION STATEMENT CONTAINS IMPORTANT INFORMATION REGARDING RESPONSIBILITIES ASSOCIATED WITH FUTURE DEVELOPMENT OF THIS PROPERTY. THE FOLLOWING INFORMATION HAS BEEN OBTAINED FROM SOURCES DEEMED RELIABLE. NO REPRESENTATION OR GUARANTEE TO THE ACCURACY THEREOF IS MADE AND SUCH INFORMATION IS SUBJECT TO CHANGE WITHOUT NOTICE.

1. **Purchase:** The parcel being purchased, Lot # _____, in the subdivision known as The Peninsulas on Douglas Lake is located in Jefferson County, TN and has been developed in conformance with state codes and local standards.
2. **Easements:** I/We understand that the easements have been granted to ensure the rights of ingress, egress and utility service for the subdivision. All easements will be shown on the recorded plat.
3. **Electricity:** Electric service is to be provided by Sevier County Electric. Phone: (865) 453-2887. There is a one time membership fee of \$25.00.
4. **Telephone:** Telephone service is to be provided by ATT. Phone: (865) 539-8580. There is a charge of \$35.00 for connection.
- ✱ 5. **Central Sewage:** For your convenience, The Peninsulas on Douglas Lake is equipped with a privately contained sewage system installed by the developer and engineered to state and local specifications. Fees involved include \$84 per year before you build, a one time tap on fee of \$800.00 due when you build, and at the time of building, there is a one time installation and equipment cost estimated at \$3500.00 due during construction. Estimated monthly cost of central sewer system is \$38.00 dollars per month after installation.
6. **Well:** Purchasers understand that municipal water service is not available. On-site wells may be drilled to obtain water and the cost of a well will be the purchaser's responsibility as a landowner. Well depth and gallons per minute (gpm) results will vary. Call local installers for free estimates.

Clearwater Drilling

865-428-6181

Estimate per Sq Ft \$12

Sevierville, TN

Smith Well Drilling

865-397-9088

Estimate per Sq Ft is \$12

Dandridge, TN

Reference Well Depths

*Parrots Chapel Road 140 Ft

*Parrots Chapel Road 225 Ft

*Parrots Chapel Road 380 Ft

Please Note The Peninsulas on Douglas Lake makes no recommendation for or against any of the listed companies and makes no guarantees towards the workmanship, honesty, integrity, or service of the listed companies. The Peninsulas on Douglas Lake has no liability for the actions of these companies.

7. **Building permits:** Permits are available for residential construction through Jefferson County at a rate of \$3/\$1000 of assessed value. Jefferson County Zoning Office (865) 397-4414 Dandridge, TN

V O
2 of 2

8. **Roads:** I/We understand that the roads will be private and maintained by The Peninsulas on Douglas Lake POA. The roadways within The Peninsulas will be completed by the developer and built to county specs.
9. **Dock permits:** Permits are available through Tennessee Valley Authority (TVA) for a \$200 application fee.

TVA Permit Office
Karen Stewart
423-585-2120

Dock Builder / CBS Dock Services
Sim Stewart
865-310-1360

Please Note The Peninsulas on Douglas Lake makes no recommendation for or against any of the listed companies and makes no guarantees towards the workmanship, honesty, integrity, or service of the listed companies. The Peninsulas on Douglas Lake has no liability for the actions of these companies

10. **Douglas Lake:** Douglas Lake was constructed in 1943 by damming up the French Broad River. Douglas Lake was created to provide flood control and hydroelectric power to the Tennessee Valley Authority. Douglas lake consists of 30,000 acres, has a maximum depth of 140ft, has a typical annual fluctuation of 54ft, and has over 550 miles of shoreline (mostly privately owned).
11. **Taxes:** The current tax rate for Jefferson County is \$2.07 per hundred of assessed value. For example, \$100,000 home/ 100= 1000x.25=250 x \$2.07 = \$517 **THIS PROPERTY HAS NOT BEEN ASSESSED IN INDIVIDUAL PARCELS; THEREFORE, THE INDIVIDUAL SALE PRICES OR BANK APPRAISALS MAY BE USED TO ASSESS INITIAL VALUE.

12. **Office:** The following people currently hold these positions:

County Clerks Office:	(865) 397-2935	Robin Rogers
Property Value Assessor:	(865) 397-3326	Bobby Cabanah
Health Inspector:	(865) 397-1617	Tom Carter

13. **Covenants:** I/We acknowledge receipt of a copy of the protective covenants for The Peninsulas on Lake Douglas and understand all items contained within.

14. **Closing Attorney:** Troy Brown of Foothills Title, 8930 Cross Park Dr. Suite 3, Knoxville, TN 37923 (865)470-2881.

Acknowledgement: I/We acknowledge that the future value of the land is uncertain and the grantor makes no guarantees expressed or implied as to the future value of any lot in The Peninsulas on Douglas Lake.

Certification: This document has been delivered to the purchaser and the purchaser has been given uninterrupted time to review. The signatures on this document provide record that all of the 14 topics listed above and the closing cost estimator have been reviewed and agreed upon by the purchaser.

Date: _____

Buyer's Signature

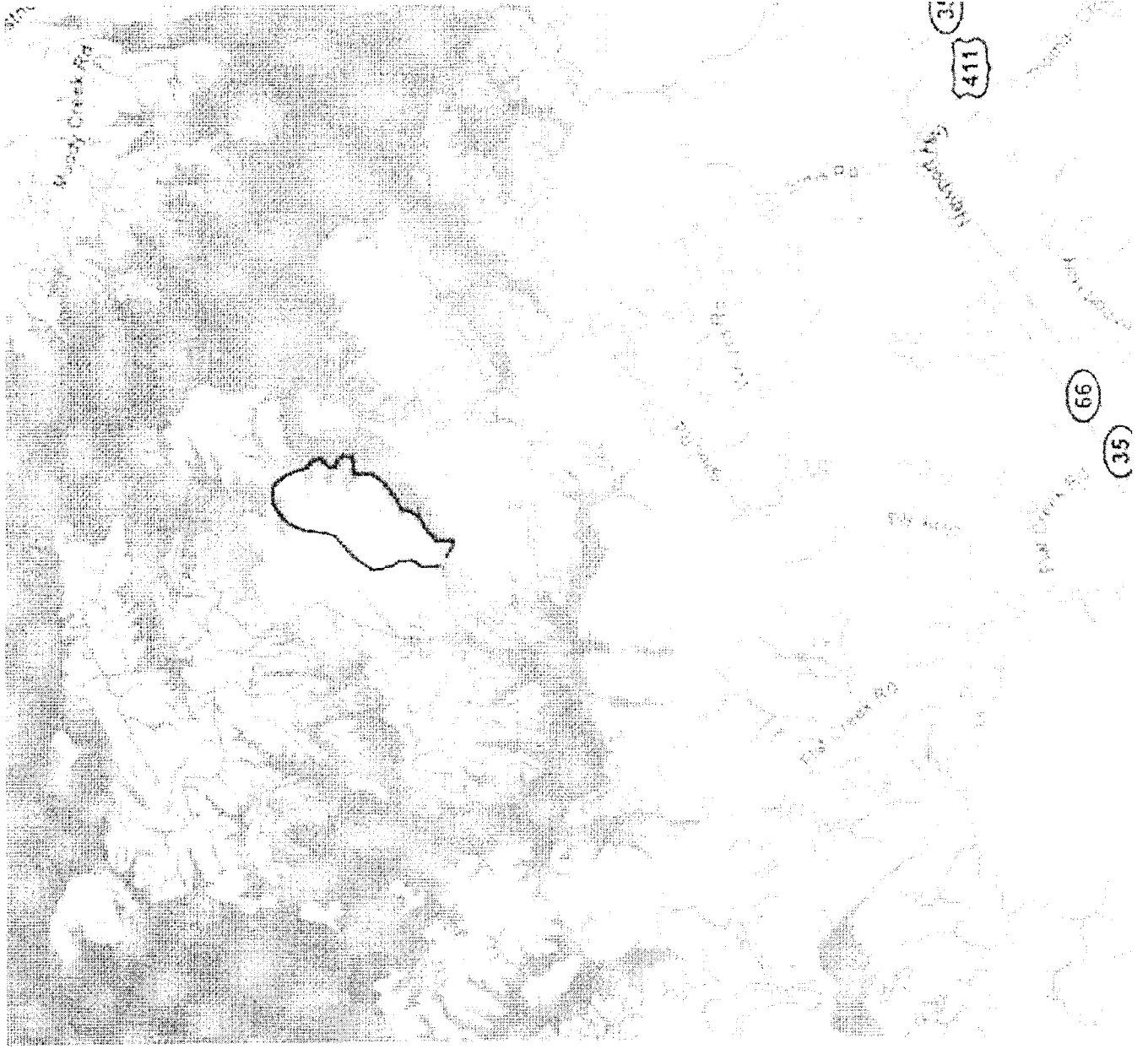
Buyer's Signature

COVER SHEET (PAGE 1 OF 4)

THE PENINSULA SUBDIVISION

Lot No.	Area	Owner	Remarks
1	0.12	A.M. SURVEYING	
2	0.12	A.M. SURVEYING	
3	0.12	A.M. SURVEYING	
4	0.12	A.M. SURVEYING	
5	0.12	A.M. SURVEYING	
6	0.12	A.M. SURVEYING	
7	0.12	A.M. SURVEYING	
8	0.12	A.M. SURVEYING	
9	0.12	A.M. SURVEYING	
10	0.12	A.M. SURVEYING	
11	0.12	A.M. SURVEYING	
12	0.12	A.M. SURVEYING	
13	0.12	A.M. SURVEYING	
14	0.12	A.M. SURVEYING	
15	0.12	A.M. SURVEYING	
16	0.12	A.M. SURVEYING	
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32	0.12	A.M. SURVEYING	
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91	0.12	A.M. SURVEYING	
92	0.12	A.M. SURVEYING	
93	0.12	A.M. SURVEYING	
94	0.12	A.M. SURVEYING	
95	0.12	A.M. SURVEYING	
96	0.12	A.M. SURVEYING	
97	0.12	A.M. SURVEYING	
98	0.12	A.M. SURVEYING	
99	0.12	A.M. SURVEYING	
100	0.12	A.M. SURVEYING	

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2 of 2



VI B



807B Dolly Parton Parkway, Suite 6
Sevierville, TN 37862
Office: 865-453-4049

To Whom It May Concern:

I have been a Realtor in Sevier and Jefferson County area for over 16 years and in my estimated opinion with the current market conditions, seven acres of raw land off Parrotts Chapel Road would be in the \$10,000.00 to \$18,000.00 price range. The spread in price range would be governed by the land's topography.

Based on my experience the projected numbers of houses that would be built per year in a lake community would probably be around six to ten. This would be allowing for roads/streets and utilities. This projection will depend on the size of lots, and square footage of houses.

If I can be of further assistance please let me know.

Virginia "Ginnie" Almy
Virginia "Ginnie" Almy
Principal Broker

VI b

AQUA GREEN UTILITY
Account Listing
March 26, 2009

Account	Estimated Balances
131.10 · SUNTRUST CHECKING	
131.50 · PETTY CASH	\$1,000.00
132.00 · SPECIAL DEPOSITS	
141.00 · CUSTOMER ACCOUNTS RECEIVABLE	
143.00 · ACC PROVIS UNCOLLECTIBLE ACCTS	
151.00 · PLANT MATERIAL & SUPPLIES	
174.00 · MISC CURRENT & ACCRUED ASSETS	
186.00 · MISC DEFERRED DEBITS	
190.00 · ACC DEFERRED INCOME TAXES	
101.00 · UTILITY PLANT IN SERVICE	
101.00 · UTILITY PLANT IN SERVICE:351.00 · ORGANIZATION (DUES & FEES)	
101.00 · UTILITY PLANT IN SERVICE:353.00 · LAND & LAND RIGHTS	
101.00 · UTILITY PLANT IN SERVICE:354.00 · STRUCTURES & IMPROVEMENTS	\$152,000.00
101.00 · UTILITY PLANT IN SERVICE:355.00 · POWER GENERATION EQUIPMENT	
101.00 · UTILITY PLANT IN SERVICE:360.00 · COLLECTING SEWERS - FORCE	
101.00 · UTILITY PLANT IN SERVICE:361.00 · COLLECTING SEWERS - GRAVITY	
101.00 · UTILITY PLANT IN SERVICE:361.00 · COLLECTING SEWERS - GRAVITY:361.10 · MANHOLES	
101.00 · UTILITY PLANT IN SERVICE:362.00 · SPECIAL COLLECTING SERVICES	
101.00 · UTILITY PLANT IN SERVICE:362.00 · SPECIAL COLLECTING SERVICES:362.10 · UNDERGROUND TANKS	
101.00 · UTILITY PLANT IN SERVICE:363.00 · SERVICES TO CUSTOMERS	
101.00 · UTILITY PLANT IN SERVICE:364.00 · FLOW MEASURING DEVICES	
101.00 · UTILITY PLANT IN SERVICE:365.00 · FLOW MEASURING INSTALLATIONS	
101.00 · UTILITY PLANT IN SERVICE:370.00 · RECEIVING WELLS	
101.00 · UTILITY PLANT IN SERVICE:380.00 · TREATMENT & DISPOSAL EQUIP	
101.00 · UTILITY PLANT IN SERVICE:381.00 · PLANT SEWERS	\$102,500.00
101.00 · UTILITY PLANT IN SERVICE:382.00 · OUTFALL SEWER LINES	
101.00 · UTILITY PLANT IN SERVICE:389.00 · OTHER PLANT & MISC EQUIP	
101.00 · UTILITY PLANT IN SERVICE:390.00 · OFFICE FURNITURE & EQUIPMENT	
101.00 · UTILITY PLANT IN SERVICE:391.00 · TRANSPORTATION EQUIPMENT	
101.00 · UTILITY PLANT IN SERVICE:393.00 · TOOLS, SHOP & GARAGE EQUIP	
101.00 · UTILITY PLANT IN SERVICE:395.00 · POWER OPERATED EQUIPMENT	
101.00 · UTILITY PLANT IN SERVICE:398.00 · OTHER TANGIBLE PLANT	
105.00 · CONSTRUCTION WORK IN PROGRESS	
108.00 · ACC DEPREC(PLANT IN SERVICE)	
114.00 · UTILITY PLANT ACQUISITION ADJ	
115.00 · ACC AMORT UTIL PLANT ACQ ADJ	

AQUA GREEN UTILITY
Account Listing
March 26, 2009

VF 2
2 of 4

Account	Estimated Balances
121.00 · NONUTILITY PROPERTY	
122.00 · ACC DEP & AMORT NONUTILITY PROP	
103.00 · PROPERTY HELD FOR FUTURE USE	
124.00 · UTILITY INVESTMENTS	
231.00 · ACCOUNTS PAYABLE	
232.00 · NOTES PAYABLE	
232.10 · SUNTRUST CREDIT CARD 1 (DART)	
232.20 · SUNTRUST CREDIT CARD 2 (REBECCA)	
232.00 · NOTES PAYABLE:232.50 · LOAN FROM D. KENDALL	\$21,000.00
235.00 · CUSTOMER DEPOSITS	
236.00 · ACCRUED TAXES	
236.00 · ACCRUED TAXES:236.10 · PAYROLL LIABILITIES	
236.00 · ACCRUED TAXES:236.20 · PROPERTY TAXES	
236.00 · ACCRUED TAXES:236.50 · STATE TAXES	
236.00 · ACCRUED TAXES:236.60 · FEDERAL TAXES	
237.00 · ACCRUED INTERST	
241.00 · MISC CURRENT & ACCRUED LIABIL	
252.00 · ADVANCES FOR CONSTRUCTION	
253.00 · OTHER DEFERRED CREDITS	
255.00 · ACC DEFERRED INVESTMENT TAX CR	
271.00 · CONTRIB IN AID OF CONSTRUCTION	
272.00 · ACC AMORT OF 271.00	
412.00 · INVESTMENT TAX CREDITS	
412.00 · INVESTMENT TAX CREDITS:412.10 · DEFERRED TO FUTURE, UTILITY OPS	
412.00 · INVESTMENT TAX CREDITS:412.11 · RESTORED TO OPERATING INCOME	
412.00 · INVESTMENT TAX CREDITS:412.20 · NET, NONUTILITY OPERATIONS	
412.00 · INVESTMENT TAX CREDITS:412.30 · RESTORED TO NONOPERATING INCOME	
224.00 · OTHER LONG-TERM DEBT	
265.00 · MISC OPERATING RESERVES	
201.00 · COMMON STOCK ISSUED	
204.00 · PREFERRED STOCK ISSUED	
211.00 · OTHER PAID-IN CAPITAL	
215.00 · RETAINED EARNINGS	
400.00 · OPERATING REVENUES	
400.00 · OPERATING REVENUES:521.00 · FLAT RATE REVENUES	
400.00 · OPERATING REVENUES:521.00 · FLAT RATE REVENUES:521.10 · RESIDENTIAL REVENUES	

AQUA GREEN UTILITY
Account Listing
March 26, 2009

Account	Estimated Balances
400.00 · OPERATING REVENUES:521.00 · FLAT RATE REVENUES:521.20 · COMMERCIAL REVENUES	
400.00 · OPERATING REVENUES:521.00 · FLAT RATE REVENUES:521.30 · INDUSTRIAL REVENUES	
400.00 · OPERATING REVENUES:521.00 · FLAT RATE REVENUES:521.40 · PUBLIC AUTHORITIES	
400.00 · OPERATING REVENUES:521.00 · FLAT RATE REVENUES:521.50 · MULTIPLE FAMILY DWELLING	
400.00 · OPERATING REVENUES:521.00 · FLAT RATE REVENUES:521.60 · OTHER REVENUES	
400.00 · OPERATING REVENUES:522.00 · MEASURED REVENUES	
400.00 · OPERATING REVENUES:522.00 · MEASURED REVENUES:522.10 · RESIDENTIAL REVENUES	
400.00 · OPERATING REVENUES:522.00 · MEASURED REVENUES:522.20 · COMMERCIAL REVENUES	
400.00 · OPERATING REVENUES:522.00 · MEASURED REVENUES:522.30 · INDUSTRIAL REVENUES	
400.00 · OPERATING REVENUES:522.00 · MEASURED REVENUES:522.40 · PUBLIC AUTHORITIES	
400.00 · OPERATING REVENUES:522.00 · MEASURED REVENUES:522.50 · MULTIPLE FAMILY DWELLING	
419.00 · INTEREST & DIVIDEND INCOME	
421.00 · NONUTILITY INCOME	
524.00 · REVENUES FROM OTHER SYSTEMS	
530.00 · GUARANTEED REVENUES	
536.00 · OTHER WASTEWATER REVENUES	
401.00 · OPERATING EXPENSES	
401.00 · OPERATING EXPENSES:701.00 · SALARIES & WAGES - EMPLOYEES	
401.00 · OPERATING EXPENSES:703.00 · SALARIES & WAGES - OFFICERS	
401.00 · OPERATING EXPENSES:704.00 · EMPLOYEE PENSIONS & BENEFITS	
401.00 · OPERATING EXPENSES:710.00 · PURCHASED WASTEWATER TREATMENT	
401.00 · OPERATING EXPENSES:711.00 · SLUDGE REMOVAL EXPENSE	
401.00 · OPERATING EXPENSES:715.00 · POWER PURCHASED(Electric)	
401.00 · OPERATING EXPENSES:716.00 · FUEL FOR POWER PRODUCTION	
401.00 · OPERATING EXPENSES:718.00 · CHEMICALS	
401.00 · OPERATING EXPENSES:720.00 · MATERIALS & SUPPLIES	
401.00 · OPERATING EXPENSES:730.00 · CONTRACT SERVICES - BILLING	
401.00 · OPERATING EXPENSES:731.00 · CONTRACT SERVICES-PROFESSIONAL	
401.00 · OPERATING EXPENSES:735.00 · CONTRACT SERVICES-TESTING	
401.00 · OPERATING EXPENSES:736.00 · CONTRACT SERVICES-OTHER	
401.00 · OPERATING EXPENSES:740.00 · RENTS	
401.00 · OPERATING EXPENSES:750.00 · TRANSPORTATION EXPENSES	
401.00 · OPERATING EXPENSES:755.00 · INSURANCE EXPENSE	
401.00 · OPERATING EXPENSES:755.00 · INSURANCE EXPENSE:755.10 · INSURANCE BOND	
401.00 · OPERATING EXPENSES:755.00 · INSURANCE EXPENSE:755.20 · LIABILITY INSURANCE	
401.00 · OPERATING EXPENSES:755.00 · INSURANCE EXPENSE:755.40 · TRANSPORTATION INSURANCE	
	\$1,500.00
	\$20,000.00

AQUA GREEN UTILITY
Account Listing
March 26, 2009

Estimated Balances

Account

401.00 · OPERATING EXPENSES:755.00 · INSURANCE EXPENSE:755.80 · WORKER'S COMPENSATION
401.00 · OPERATING EXPENSES:765.00 · REGULATORY COMMISSION EXPENSES
401.00 · OPERATING EXPENSES:770.00 · BAD DEBT EXPENSE
401.00 · OPERATING EXPENSES:775.00 · MISCELLANEOUS EXPENSES
403.00 · DEPRECIATION EXPENSES
406.00 · AMORT OF UTILITY PLANT ACQ ADJ
407.00 · AMORTIZATION EXPENSE - OTHER
408.00 · TAXES (NOT INCOME)
408.00 · TAXES (NOT INCOME):408.10 · LOCAL TAXES
408.00 · TAXES (NOT INCOME):408.10 · LOCAL TAXES:408.101 · JEFFERSON CO BUSINESS TAX
408.00 · TAXES (NOT INCOME):408.10 · LOCAL TAXES:408.102 · PROPERTY TAX
408.00 · TAXES (NOT INCOME):408.20 · STATE TAXES
408.00 · TAXES (NOT INCOME):408.20 · STATE TAXES:408.201 · CORPORATE ANNUAL REPORT
408.00 · TAXES (NOT INCOME):408.20 · STATE TAXES:408.202 · FRANCISE & EXCISE
408.00 · TAXES (NOT INCOME):408.20 · STATE TAXES:408.203 · STATE UNEMPLOYMENT (SUTA)
408.00 · TAXES (NOT INCOME):408.20 · STATE TAXES:408.204 · TENN SALES TAX
408.00 · TAXES (NOT INCOME):408.30 · FEDERAL TAXES
408.00 · TAXES (NOT INCOME):408.30 · FEDERAL TAXES:408.301 · FEDERAL UNEMPLOYMENT (FUTA)
408.00 · TAXES (NOT INCOME):408.30 · FEDERAL TAXES:408.302 · PAYROLL TAXES
409.00 · INCOME TAXES
409.00 · INCOME TAXES:409.10 · UTILITY OPERATING INCOME
409.00 · INCOME TAXES:409.20 · OTHER INCOME & DEDUCTIONS
410.00 · PROVISION DEFERRED INCOME TAX
410.00 · PROVISION DEFERRED INCOME TAX:410.10 · DEFERRED INCOME TAXES
410.00 · PROVISION DEFERRED INCOME TAX:410.20 · OTHER INCOME & DEDUCTIONS
411.00 · PROV DEFERRED INCOME TAXES-CR
411.00 · PROV DEFERRED INCOME TAXES-CR:411.10 · UTILITY, OPERATING INCOME
411.00 · PROV DEFERRED INCOME TAXES-CR:411.20 · OTHER INCOME & DEDUCTIONS
426.00 · MISC NONUTILITY EXPENSES
427.00 · INTEREST EXPENSE

VL-93

		2009 - 2010	2010 - 2011	2011 - 2012	2012 - 2013	2013 - 2014
Billing cost						
Postage	\$0.27					
Printing	\$0.80					
Annual		72	64	56	48	40
Monthly		96	192	288	384	480
Late		4	8	8	8	8
	\$1.07	172	264	352	440	528
Annual		\$184.04	\$282.48	\$376.64	\$470.80	\$564.96
Monthly		\$15.34	\$23.54	\$31.39	\$39.23	\$47.08

1136
1012

First year electrical average		Hours	Volts	Amps	Watts	Kilo Watts per day	Kilo Watts per month
1 Blowers 1HP motors		24	230	4.6	1058	25	762
Effluent Pump 2HP		2	230	13.2	3036	6	182
Other plant		24	110	3	330	8	238
							1182
						rate	\$0.13
							\$153.60
Third Year		Hours	Volts	Amps	Watts	Kilo Watts per day	Kilo Watts per month
2 Blowers 1HP motors		24	230	4.6	1058	25	762
		24	230	4.6	1058	25	762
Effluent Pump 2HP		4	230	13.2	3036	12	364
Other plant		24	110	3	330	8	238
							2125
						rate	\$0.13
							\$276.31
Forth Year		Hours	Volts	Amps	Watts	Kilo Watts per day	Kilo Watts per month
3 Blowers 1HP motors		24	230	4.6	1058	25	762
		24	230	4.6	1058	25	762
		24	230	4.6	1058	25	762
Effluent Pump 2HP		6	230	13.2	3036	18	546

1192
 2 of 2

Other plant	24	110	3	330	8	238
						3069
					rate	\$0.13
						\$399.02

BIOPOD EQUIPMENT REPLACEMENT

BIOPOD UNIT PER 9,000 GALLONS:

B-9.0:

2 (Two) – 2 HP, TEFC, ___ Phase Motor	\$325.00 each
2 (Two) – Sutorbuilt, 3M Rotary Blower	\$1,425.00 each
2 (Two) – Filter Stoddard F64-2 Filter	\$ 85.00 each
2 (Two) – Set of Belts	\$40.00 each

CTF 284 Duplex Blower Panel:

6 (Six) - Fuse-FNQ-R-1/2.....	\$20.00 each
6 (Six) - Fuse-BAF-2.....	\$4.00 each
6 (Six) - Fuse-GMA-2.....	\$2.00 each
1 (One) - Phase Monitor-PLMU-11	\$70.00 each
1 (One) Clock-FM-1 STUZZ.....	\$40.00 each
2 (Two) 3 HP Motor Starters	\$150.00 each
2 (Two) 3 HP Overloads	\$50.00 each

Optional Equipment:

2 (Two) – UV light bulbs model #1016.....	\$150.00 each
4 (Four) – Mercury Float Switches.....	\$25.00 each
2 (Two) – Surge Influent 2" Pumps.....	\$425.00 each
2 (Two) – Dosing Effluent Pumps	\$425.00 each
2 (Two) – ½ HP High-Head Turbine Pumps	\$225.00 each

Equipment Life Cycle Based Upon Proper Operation & Maintenance:

B-9.0:

1 (One) – 2 HP, TEFC, ___ Phase Motor	10 Years
1 (One) – Sutorbuilt, 3M Rotary Blower	20 Years
2 (Two) – Filter Stoddard F64-2 Filter.....	1 Year x3 \$255.00
1 (One) – Set of Belts	1 Year x3 \$40.00

CTF 284 Duplex Blower Panel:

6 (Six) - Fuse-FNQ-R-1/2.....	1 Year x3 \$60.00
6 (Six) - Fuse-BAF-2.....	1 Year x3 \$12.00
6 (Six) - Fuse-GMA-2.....	1 Year x3 \$6.00
1 (One) - Phase Monitor-PLMU-11	10 Year
1 (One) Clock-FM-1 STUZZ.....	5 Years x3 \$120
2 (Two) 3 HP Motor Starters	20 Years
2 (Two) 3 HP Overloads	10 Years

Optional Equipment:

2 (Two) – UV light bulbs model #1016.....	2 Years x3 \$450.00
4 (Four) – Mercury Float Switches.....	5 Years x 4 \$100.00
2 (Two) – Surge Influent 2" Pumps.....	5 Years
2 (Two) – Dosing Effluent Pumps	5 Years x2 \$850.00
2 (Two) – ½ HP High-Head Turbine Pumps	5 Years

II-B-1

THE PENINSULAS ON DOUGLAS LAKE, LLC
One Monument Square
Jamestown, Kentucky 42629
(270) 343-3100

March 3, 2009

Aqua Green Utility
3350 Galts Road
Acworth, Georgia 30102

Dear Sir/Madam:

The Peninsula on Douglas Lake, LLC would like to request Aqua Green Utility, Incorporated to provide waste water services to the Peninsula subdivision. There is no sewer available in this area and soils in the development are not suitable for onsite septic.

Very truly yours,



Robert L. Bertram, Jr.,
Member



Jefferson County

Office of the Mayor

Alan Palmieri
County Mayor

P. O. Box 710 • Dandridge, Tennessee 37725

January 21, 2009

Mr. Ronald Barnes, Vice President
Aqua Green Utility
P. O. Box 8582
Sevierville, TN 37864

Dear Mr. Barnes:

Jefferson County has no wastewater treatment centers. You may proceed with no conflict regarding your services.

If you need any additional information please feel free to contact my office.

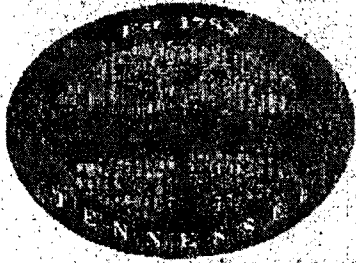
Sincerely,

A handwritten signature in black ink, appearing to read "Alan Palmieri", is written over the word "Sincerely,".

Alan Palmieri
Mayor Jefferson County

PHONE: 865/397-3800 • FAX: 865/397-3839

II-132



February 19, 2009

Aqua Green Utility
P.O. Box 6582
Sevierville, TN 37864

Dear Gentlemen:

In response to your request concerning the possibility of the Dandridge Water Management Facility extending its sewer service to the Parrott Bay project, there are no plans for sewer lines to be extended to this area in the future. Due to the distance and terrain between this project and our current system it would not be feasible for us to undertake the project.

If you need to discuss this matter further, please feel free to call me.

Sincerely,

James D. Hutchins
James D. Hutchins
Town Administrator

Jan 21 09 11:50a
01/22/2009 10:34

BARNES
18653971734

7703458122
SHADY GROVE UTILITY

PAGE 02/02
P.2

II-B-2



SHADY GROVE UTILITY DISTRICT
Of Jefferson & Sevier Counties, Tennessee
P.O. Box 830
DANDRIDGE, TN 37725-0830

January 21, 2009

Aqua Green Utility
P. O. Box 6582
Sevierville, TN 37864

To Whom It May Concern:

In reference to your letter dated January 20, 2009, the area mentioned is not currently in our franchise district. We are strictly a water distribution system and have no plans to provide sewer service at any time during the future.

If you have any further questions, please let me know.

Sincerely,

Mike Jones, Manager
Shady Grove Utility District

MJ/hh

COMMISSIONERS

Nancy Hambar
Joe Soward
John Orr

MANAGER

Mike Jones

State of Tennessee



Department of State
Corporate Filings
312 Eighth Avenue North
6th Floor, William R. Snodgrass Tower
Nashville, TN 37243

CHARTER
(For-Profit Corporation)

For Office Use Only

FILED
51

The undersigned acting as incorporator(s) of a for-profit corporation under the provisions of the Tennessee Business Corporation Act adopts the following Articles of Incorporation.

1. The name of the corporation is:

AQUA GREEN UTILITY, INC.

[NOTE: Pursuant to Tennessee Code Annotated § 48-14-101(a)(1), each corporation name must contain the words corporation, incorporated, or company or the abbreviation corp., inc., or co.]

2. The number of shares of stock the corporation is authorized to issue is: 1000

3. The name and complete address of the corporation's initial registered agent and office located in the State of Tennessee is:

Ronald Barnes

(Name)
3325 Buckhorn Road Sevierville TN
(Street Address) (City) (State/Zip Code)
Sevier (County)

4. List the name and complete address of each incorporator:

Charles Campbell 315 W Ponce de Leon Ave. Ste. 810 Decatur, GA. 30030

(Name) (Include: Street Address, City, State and Zip Code)
(Name) (Street Address, City, State and Zip Code)
(Name) (Street Address, City, State and Zip Code)

5. The complete address of the corporation's principal office is:

3325 Buckhorn Road Sevierville TN. 37864

(Street Address) (City) (State/County/Zip Code)

6. The corporation is for profit.

7. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date and time are:

Date _____, Time _____ (Not to exceed 90 days.)

8. Other provisions:

None

October 20, 2008
Signature Date

Charles Campbell
Incorporator's Signature
Charles Campbell
Incorporator's Name (typed or printed)

RICK FARRAR, III, JEFFERSON COUNTY CLERK

III P
LICENSE
0519974

MINIMUM BUSINESS LICENSE AND GROSS SALES RECEIPT, NOT A BILL

RECEIPTS

RETAIL .00
RETAIL RATE 3/16 of 1%
WHOLESALE .00
WHOLESALE RATE 3/80 of 1%
EXPIRATION DATE 06/30/2009
PER. PROP. TAX NO. _____

GROSS SALES TAX .00
LESS CREDITS .00
LESS PER. PROP. TAX .00
NET TAX .00
PENALTY .00
INTEREST .00
RECORDING FEE 7.00
ADVANCE MIN. LICENSE 15.00
PENALTY ON MIN. .00
INTEREST ON MIN. .00
WARRANT FEE .00
MISC. COST .00
22.00

Cash: Check: 22.00 Check No.: 3825
TA WK08 Drawer: 0 Site: 1
Work Date: 03/13/2009

DETACH THIS PORTION FOR CONFIDENTIAL FILE

RICK FARRAR, III JEFFERSON COUNTY CLERK

PO BOX 710
DANDRIDGE, TN 37725

LICENSE
0519974

MINIMUM BUSINESS LICENSE AND GROSS SALES RECEIPT, NOT A BILL

Mailing

Location

6283 AQUA GREEN UTILITY INC.
3350 GALTS RD
ACWORTH GA 30102

AQUA GREEN UTILITY INC.
3350 GALTS RD
ACWORTH GA 30102

DART KENDALL

8999 OTHER SERV NOT ELSEWHERE CLASS

ACCOUNT NUMBER 6283
TRANSACTION NUMBER 1
CLASS 03
SALES TAX NUMBER _____

ISSUE DATE 03/13/09
TAX PERIOD Started 03/13/2009
EXPIRATION DATE 06/30/2009

THIS IS YOUR OFFICIAL NOTICE THAT IF GROSS SALES TAX IS NOT PAID
WITHIN 60 DAYS FROM ABOVE EXPIRATION DATE, A DISTRESS WARRANT
MAY BE ISSUED TO SATISFY THE TAX DEBT. FURTHER NOTIFICATION OF
EXPIRATION IS NOT REQUIRED BY LAW. PLEASE MAKE NOTE OF THESE
DATES.

IF PAID BY CHECK, THIS LICENSE VALID ONLY AFTER CHECK IS PAID.

THIS LICENSE DOES NOT PERMIT OPERATION UNLESS PROPERLY ZONED,
AND/OR IN COMPLIANCE WITH ALL OTHER APPLICABLE LAWS/RULES.

R. E. FARRAR, III JEFFERSON COUNTY CLERK

DEPUTY CLERK SIGNATURE _____ TA WK08 Drawer:0 Site:1

-- POST AT LOCATION OF BUSINESS --
IF BUSINESS CLOSSES, MOVES, OR CHANGES OWNERS, NOTIFY THIS OFFICE

9:58 PM
03/08/09
Cash Basis

Advanced Septic, Inc.
Balance Sheet
As of December 31, 2007

IV b
1 of 2

	Dec 31, 07
ASSETS	
Current Assets	
Checking/Savings	
100.00 Checking	-729.81
Total Checking/Savings	-729.81
Total Current Assets	-729.81
Fixed Assets	
120.00 Equipment	158,420.27
130.00 Autos & Trucks	73,742.60
150.00 Accumulated Depr - Equip	-121,442.55
160.00 Accum Depr- Auto & Truck	-44,274.97
Total Fixed Assets	66,445.35
TOTAL ASSETS	65,715.54
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
Advanta Bank Corp	10,263.00
American Express Business	-117.76
Total Credit Cards	10,145.24
Other Current Liabilities	
209.00 Payroll Liabilities	1,595.41
210.00 Loan from shareholders	128,150.55
211.00 Rebecca Kendall/reimburs	45,725.17
216.00 Loan repayment	-25,217.65
Total Other Current Liabilities	150,253.48
Total Current Liabilities	160,398.72
Long Term Liabilities	
Note Payable - Cat Backhoe	11,790.40
Total Long Term Liabilities	11,790.40
Total Liabilities	172,189.12
Equity	
310.00 Retained Earnings	-98,169.43
Capital Stock	1,000.00
Treasury Stock	-2,438.00
Net Income	-6,866.15
Total Equity	-106,473.58
TOTAL LIABILITIES & EQUITY	65,715.54

10:00 PM
03/08/09
Cash Basis

Advanced Septic, Inc.
Balance Sheet
As of December 31, 2008

IV b
2 of 2

	<u>Dec 31, 08</u>
ASSETS	
Current Assets	
Checking/Savings	
100.00 Checking	12,508.46
101.00 Petty Cash	92.78
Total Checking/Savings	<u>12,601.24</u>
Total Current Assets	12,601.24
Fixed Assets	
120.00 Equipment	158,420.27
130.00 Autos & Trucks	73,742.60
150.00 Accumulated Depr - Equip	-121,442.55
160.00 Accum Depr- Auto & Truck	-44,274.97
Total Fixed Assets	<u>66,445.35</u>
TOTAL ASSETS	<u>79,046.59</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
Bank of Am. Bus./Plat Plus Wach	8,028.07
Bank of America/MBNA (8009)	-31.62
Discover Business	9.95
Home Depot - Becky	1,517.82
Home Depot Mastercard	2,164.15
USAA Savings Bank	10,655.34
Total Credit Cards	<u>22,343.71</u>
Other Current Liabilities	
209.00 Payroll Liabilities	1,147.97
210.00 Loan from shareholders	99,233.11
211.00 Rebecca Kendall/reimburs	45,725.17
216.00 Loan repayment	-25,217.65
Total Other Current Liabilities	<u>120,888.60</u>
Total Current Liabilities	143,232.31
Long Term Liabilities	
Note Payable - Cat Backhoe	11,790.40
Total Long Term Liabilities	<u>11,790.40</u>
Total Liabilities	155,022.71
Equity	
310.00 Retained Earnings	-105,035.58
Capital Stock	1,000.00
Treasury Stock	-2,438.00
Net Income	30,497.46
Total Equity	<u>-75,976.12</u>
TOTAL LIABILITIES & EQUITY	<u>79,046.59</u>

Dec 16 10

Anticipated Income June 2009 - June 2010	Number Utility Members	Billed Amount Monthly	Annual Income
Non Resident Homeowners	72	\$7.00	\$6,048.00
Resident Home Owners	8	\$41.71	\$4,004.16
Connection Fees	8		\$6,400.00
Disconnect or Reconnect fees			
Late Fees and Back Payment	4	\$2.09	\$8.34
Loan From Share Holders to be repaid a some future date			\$21,000.00
		Total Income	\$37,460.50

Anticipated Income July 2010 - June 2011	Number Utility Members	Billed Amount Monthly	Annual Income
Billing 12 Months			
Non Resident Homeowners	64	\$7.00	\$5,376.00
Resident Home Owners	16	\$41.71	\$8,008.32
Connection Fees	8		\$6,400.00
Disconnect or Reconnect fees	1	\$25.00	\$25.00
Late Fees and Back Payment	8	\$2.09	\$16.68
Loan From Share Holders			
	Total Income		\$19,826.00

Anticipated Income July 2011 - June 2012	Number Utility Members	Billed Amount Monthly 3% inflation	Annual Income
Billing 12 Months			
Non Resident Homeowners	56	\$7.00	\$4,704.00
Resident Home Owners	24	\$41.71	\$12,012.48
Connection Fees	8		\$6,400.00
Disconnect or Reconnect fees	2	\$25.00	\$50.00
Late Fees and Back Payment	8	\$2.09	\$16.68
Loan From Share Holders			
	Total Income		\$23,183.16

Anticipated Income July 2012 - June 2013	Number Utility Members	Billed Amount Monthly 3% inflation	Annual Income
Billing 12 Months			
Non Resident Homeowners	48	\$7.00	\$4,032.00
Resident Home Owners	32	\$41.71	\$16,016.64
Connection Fees	8		\$6,400.00
Disconnect or Reconnect fees	3	\$25.00	\$75.00
Late Fees and Back Payment	8	\$2.09	\$16.68
Loan From Share Holders			
		Total Income	\$26,540.32

Anticipated Income July 2013 - June 2014	Number Utility Members	Billed Amount Monthly 3% inflation	Annual Income
Billing 12 Months			
Non Resident Homeowners	40	\$7.00	\$3,360.00
Resident Home Owners	40	\$41.71	\$20,020.80
Connection Fees	8		\$6,400.00
Disconnect or Reconnect fees	4	\$25.00	\$100.00
Late Fees and Back Payment	8	\$2.09	\$16.68
Loan From Share Holders			
	Total Income		\$29,897.48

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

First year electrical average	Hours	Volts	Amps	Watts	Kilo Watts per day	Kilo Watts per month
1 Blowers 1HP motors	24	230	4.6	1058	25	762
Effluent Pump 2HP	2	230	13.2	3036	6	182
Other plant	24	110	3	330	8	238
						1182
						\$0.13
					rate	\$153.60
Third Year	Hours	Volts	Amps	Watts	Kilo Watts per day	Kilo Watts per month
2 Blowers 1HP motors	24	230	4.6	1058	25	762
	24	230	4.6	1058	25	762
Effluent Pump 2HP	4	230	13.2	3036	12	364
Other plant	24	110	3	330	8	238
						2125
					rate	\$0.13
						\$276.31
Forth Year	Hours	Volts	Amps	Watts	Kilo Watts per day	Kilo Watts per month
3 Blowers 1HP motors	24	230	4.6	1058	25	762
	24	230	4.6	1058	25	762
	24	230	4.6	1058	25	762
Effluent Pump 2HP	6	230	13.2	3036	18	546

VI 52
302

Other plant	24	110	3	330	8	238
						3069
				rate		\$0.13
						\$399.02

	2009 - 2010	2010 - 2011	2011 - 2012	2012 - 2013	2013 - 2014
Billing cost					
Postage	\$0.27				
Printing	\$0.80				
Annual	72	64	56	48	40
Monthly	96	192	288	384	480
Late	4	8	8	8	8
	172	264	352	440	528
Annual	\$184.04	\$282.48	\$376.64	\$470.80	\$564.96
Monthly	\$15.34	\$23.54	\$31.39	\$39.23	\$47.08

1. BEFORE THE TENNESSE REGULATORY AUTHORITY

2. NASHVILLE, TENNESSEE

3.

4. April 2,2009

5.

6. IN RE:)

7.)

8. PETITION OF AQUA GREEN UTILITY INC. TO OBTAIN) DOCKET NO: _____

9. A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY)

10. FOR THE SERVICE PART OF JEFFERSON COUNTY,)

11. TENNESSEE KNOWN AS THE PENINSULA)

12.

13.

14. THE PENINSULA

15. PRE-FILED DIRECT TESTIMONY OF DART KENDALL

16.

17. Q. State your name for the record and your position with the Petitioner, Aqua Green

18. Utility Inc.

19. A. Dart Kendall. I am the president of the Aqua Green Utility Inc.

20. Q. What is the business of Aqua Green Utility Inc.?

21. A. To provide environmentally friendly and affordable wastewater service to communities

22. where wastewater service is not currently available.

23. Q. Is there a need for wastewater service in the proposed development?

24. A. Yes, we have been requested to provide wastewater service by The Peninsula LLC.

25. I have included a copy of a letter requesting that the service be provided. I have

26. contacted the other utilities in the area and they have no plans to service this area.

27. Additionally most of the soils in this development are not suitable for septic systems.

28. Q. What services will Aqua Green Utility Inc. provide to The Peninsula community?

29. A. Aqua Green Utility will provide wastewater service: Including pumping and

30. maintenance of the step systems at individual homes. Maintaining the community

31. main lines. Maintaining and operating the treatment plant and drip field. All operation

32. and maintenance will be done in a manor as to meet all requirements of the state

33. operating permit.

**34. Q. Does Aqua Green Utility Inc. have the technical, managerial, and financial capability
35. to provide wastewater service to The Peninsula?**

36. A. Yes, Aqua Green Utility Inc. staff and associates have all the necessary technical,
37. managerial, and financial capability to provide wastewater service to The Peninsula.

38. I currently own and operate Advanced Septic Inc. located in North Georgia. Advanced
39. Septic will be the company constructing the wastewater system at The Peninsula. This
40. company designs, installs, services and maintains advanced wastewater systems.

41. Advanced Septic Inc. currently services, operates and maintains forty plus advanced
42. wastewater systems in North Georgia. These systems are of various types: single
43. family, strip mall, convenience store, golf resort community and warehouse type
44. commercial systems. Advanced Septic has been in business since August 12, 1985

**45. Q. Will Aqua Green Utility Inc. abide by all applicable Tennessee statutes and TRA
46. rules governing wastewater utilities?**

47. A. Yes, Aqua Green Utility Inc. will abide by all applicable Tennessee statutes and TRA
48. rules governing wastewater utilities. Including but not limited to TRA Rule Chapters
49. 1220-1-1, 1220-4-1 and 1220-4-13.

50. Q. How many customers will be served in this development?

51. A. Aqua Green Utility Inc. will service 80 residential wastewater customers once
52. the subdivision is built out.

**53. Q. Identify any complaints filed with any state regulatory agency involving Aqua
54. Green Utility Inc.**

55. A. There have never been any complaints filed against Aqua Green Utility Inc.

56. Q. Does this conclude your pre-filed testimony?

57. A. Yes.

58.

59.

60.

61.

62.

63.

64.

65. I swear that the foregoing testimony is true and correct to the best of my knowledge and belief.

66.

67. _____

68. Dart Kendall

69. President

70. Aqua Green Utility Inc.

71.

72. Subscribed and sworn to me this _____ day of _____

73.

74. Notary Public _____

75.

76. County of _____

77.

78. My Commission Expires _____

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the above and foregoing Pre-Filed Direct Testimony of Dart Kendall has been served upon the Tennessee Regulatory Authority, 460 James Robertson Parkway, Nashville, Tennessee 37243. By the method of hand delivered.

On this _____ day of _____

Dart Kendall