

filed electronically in docket office on 08/04/11

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE August 2, 2011

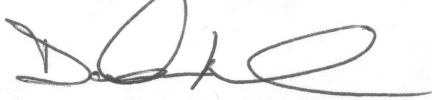
**IN RE: PETITION OF AQUA GREEN UTILITY INC. TO AMEND ITS CERTIFICATE OF
CONVENIENCE AND NECESSTIY**

DOCKET NO: _1000145_____

Petition of Aqua Green Utility Inc. to amend its Certificate of Convenience and Necessity

Aqua Green Utility Inc. would like to replace the Pre-filed testimony of Dart Kendall enclosed document to our original petition requesting to add the Stonebridge subdivision to our service area.

Respectfully Submitted,

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

Dart Kendall
Aqua Green Utility Inc.

1. BEFORE THE TENNESSE REGULATORY AUTHORITY

2. NASHVILLE, TENNESSEE

3.

4. August 2, 2011

5.

6. IN RE:)

7.)

8. PETITION OF AQUA GREEN UTILITY INC. TO AMEND) DOCKET NO: 10-00145

9. ITS CERTIFICATE OF PUBLIC CONVENIENCE AND)

10. NECESSITY FOR THE SERVICE PART OF JEFFERSON)

11. COUNTY, TENNESSEE KNOWN AS STONEBRIDGE ON)

12. DOUGLAS LAKE.)

13.

14.

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. When did the Company receive its first certificate from the Authority to operate a

24. sewer system in Tennessee?

25. A. July 31, 2009

26. Q. How many certificates has the Company received from the Authority to provide sewer

27. service in the State of Tennessee?

28. A. One, The Peninsula.

29. Q. What services will Aqua Green Utility Inc. provide to The Stonebridge community?

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

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

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

33. and maintenance will be done in a manner as to meet all requirements of the state
34. operating permit.

35. Q. **Does Aqua Green Utility Inc. have the technical, managerial, and financial capability**
36. **to provide wastewater service to Stonebridge on Douglas Lake?**

37. A. Yes, Aqua Green Utility Inc. staff and associates have all the necessary technical,
38. managerial, and financial capability to provide wastewater service to Stonebridge on
39. Douglas Lake.

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

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

47. I additionally hold a BNS sewage treatment plant operators license and a sewage
48. collection system operators license issued by the State of Tennessee

49. Q. **Is there a stated public need for wastewater service in this area?**

50. A. Yes, we have been requested to provide wastewater service by Stonebridge on
51. Douglas Lake LLC. I have included a copy of a letter requesting that the service be
52. provided. I have contacted the other utilities in the area and they have no plans to
53. service this area. Additionally most of the soils in this development are not suitable for
54. septic systems.

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

57. A. Yes, Aqua Green Utility Inc. will abide by all applicable Tennessee statutes and TRA
58. rules governing wastewater utilities.

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

60. A. Aqua Green Utility Inc. will service up to 50 residential wastewater customers at first.
61. Fifty homes out of 107 lots are approved under the current SOP. Once the wastewater
62. treatment system is complete. Aqua Green Utility Inc. will bill our Class 1 residential rate
63. to customers that are hooked onto the treatment system and providing sewage
64. flows to be treated. When any customer in Stonebridge acquires a building permit, they

65. will be billed the annual access fee, up to 50 total customers. Aqua Green Utility Inc.
66. will only allow 50 customers to hook onto the treatment system. The developer has
67. been informed that additional land is needed, the developer is required to purchase
68. land as needed per the original contract with Aqua Green Utility Inc. There are currently
69. 6 residents in Stonebridge paying pump and haul fees on a permit acquired by the
70. developer. Once the wastewater treatment system is complete and Aqua Green Utility
71. Inc starts billing, the homeowners will no longer pay this pump and haul fee.

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

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

75. **Q. Discuss in detail the type of wastewater system Aqua Green Utility Inc. proposes for**
76. **construction, which will support the 50 homes anticipated for service, in Jefferson**
77. **County, Tennessee, at Stonebridge on Douglas Lake.**

78. A. A fully automated trickle filter plant capable of supporting all potential homes in
79. Stonebridge on Douglas Lake. The plant features autonomous redundancy of major
80. components, as well as leak detection and isolation technology. This is a STEP type
81. system where septic tanks are installed at each home and wastewater is pumped to the
82. plant for treatment. After treatment, the water is disposed of through drip emitter
83. tubing installed in the soil.

84. **Q. Provide a copy of the construction/engineering drawings that have been approved**
85. **and stamped by The Tennessee Department of Environmental Conservation.**

86. A. The construction engineered drawings contain propriety guarded trade secrets that
87. Advanced Septic Inc. does not want to be displayed on a public web site or become
88. public record. A copy of designs will be brought to the August 22 hearing for the boards
89. review. I pray the board understands that very much time and expense goes into these
90. designs and this request compares to asking General Motors to show the next 5 year
91. models before their release dates.

92. **Q. Provide a timeline for construction of the wastewater system. (The information**
93. **provided by Aqua Green Utility, Inc. in its original Petition conflicts with its data**
94. **response filed with the Authority on May 5, 2011 to Data Request #1).**

95. A. It is expected to take 60 build days as stated in the original petition. TDEC signed a
96. written agreement to allow a test of additional soils in the SOP issued to Aqua Green

97. Utility Inc. That test was to take 10 months to run, and use the current sewage flow
98. from the 6 homes in Stonebridge. During the test the plant would be constructed, but
99. the final drip field design had to wait until the test was complete. Only after the test
100. was complete would the drip field construction be completed. This test caused the
101. overall time to be about a year even though the build time remained the same 60 build
102. days. The new TDEC administration will not allow the soil test, so the construction is
103. expected to take 60 build days. Construction is expected to start as soon as
104. Stonebridge is added to Aqua Green Utility Inc. territory. It should be noted that any
105. outside construction project is weather dependant.

106. **Explain how Aqua Green Utility, Inc. proposes to provide wastewater services to the**
107. **six existing homes (that currently are using pump and haul) until the wastewater**
108. **system is constructed and operational.**

109. Since TDEC will now not allow the soils test which needed the sewage flow from the
110. 6 home owners, the home owners will not be billed by Aqua Green Utility Inc. until
111. the plant is complete. The home owners will remain on the pump and haul until the
112. plant is complete. The first item of plant construction is to bring 20,000 gallons of
113. storage tanks online(this should take a few days). The next is to complete an 30,000
114. gallon storage tank(this should take about 25 build days). These tanks will be
115. opened to flow from the 6 homes providing substantial relief from the pump and
116. haul cost the homeowners are now paying.

117. **Identify the construction cost of the wastewater treatment system to date, and**
118. **provide a detailed listing of parts, labor, etc. that have been funded to-date by**
119. **the developer.**

120. The developer has paid for the contract acceptance (\$10,000.00), approved SOP
121. (\$17,000.00) and engineered drawings (\$15,000.00). None of these items have
122. associated parts or material items. All above cost I consider professional services
123. rather than labor. I do have in stock 20,000 gallons of tank age, PLC control system,
124. software, some of the pipe, pumps and wiring as well as forming, etc. These items
125. will not be billed to the developer until they are installed as per the contract.

126. **Provide a copy of the most recent bank statements for Aqua Green Utility Inc.**

127. Bank statements are included.

128. **Provide a copy of the most recent bank statements for Advance Septic Inc.**

129. Bank statement included.

130. **In the event that the developer does not honor the payment arrangements as**

131. **set forth in the contract that has been executed between Advanced Septic, Inc.,**

132. **Aqua Green Utility, Inc., and the developer, describe the funding options that**

133. **will be used to construct an operational wastewater treatment system.**

134. Legal action against the developer for breach of contract might prove fruitful.

135. Any money received above legal actions cost, if legal action is taken, would be

136. used to construct the wastewater plant. I would offer the homeowners the option

137. of assuming the developer's contract at the same cost the developer has left to pay.

138. As an association they should be able to have a special assessment of each property

139. owner to pay for a wastewater treatment system. This option would be a fraction

140. of the cost of any other option I have heard of. Perhaps any lots the developer

141. still owns might be attached and sold to pay for the wastewater treatment system.

142. Additional persons who plan to attend the August 22 hearing and be available to

143. answer questions include:

144. Michael Sorrells (homeowner trustee)

145. Gina Butler (homeowner association manager)

146. Robert Tucker (commissioner Jefferson County Tennessee)

147. **Does this conclude your pre-filed testimony?**

148. Yes.

149.

150.

151.

152.

153.

154.

155.

156.

157.

158.

159.

160.

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

163.

164.

165. Dart Kendall

166. President

167. Aqua Green Utility Inc.

168.

169. Subscribed and sworn to me this 2nd day of August 2011

170.

171.

Notary Public

Melissa K. Peppas

172.

173.

County of

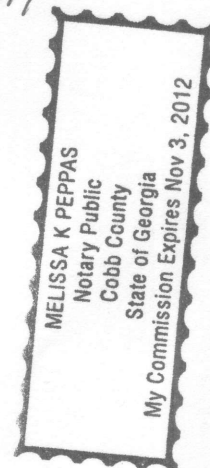
Cobb

174.

175.

My Commission Expires

November 3, 2012



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 Fed Ex.

On this 2nd day of August 2011

D. Q. Kendall

Dart Kendall

Restricted

Restricted

Restricted

Restricted