

Evergreene Utility Services, **RECEIVED** **ELLC**

Engineers, Consultants & Contractors

2010 OCT 27 PM 3:10

T.R.A. DOCKET ROOM

October 25, 2010

Patsy Fulton
Utility Rate Specialist
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505
615-741-2904 ext 193
Patsy.fulton@state.tn.us

Docket No. 10-00206

SUBJECT: CCN Submittal Package
PROJECT: Timberlake Bay Waste Water Treatment System

Dear Patsy,

Evergreene Utility Service, L.L.C. (EUS), is pleased to submit to you our CCN for Timberlake Bay Waste Water Treatment System Operation and Maintenance.

We look forward to working with you and the rest of the team in moving this approval for forward. Let me know if you require additional information.

Sincerely,

Douglas S. Hodge, Ph.D., PMP
Manager

Evergreene Utility Services, LLC
4028 Taliluna Avenue
Knoxville, TN 37919
Operations Manager
865-755-8066
Hodge.EUS@gmail.com

Original

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

September 9, 2010

IN RE:

PETITION OF EVERGREENE UTILITY SERVICES, LLC TO OBTAIN
A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR
THE SERVICE OF THE PART OF JEFFERSON COUNTY, TENNESSEE
KNOWN AS TIMBERLAKE BAY

10-00206

DOCKET NO. ~~XXXX~~

Respectively Submitted,



Douglas S. Hodge, Ph.D., PMP
Evergreene Utility Services, LLC
Operations Manager
4028 Taliluna Avenue
Knoxville, TN 37919
865-755-8066

TITLE PAGE

REGULATION AND SCHEDULE OF CHARGES GOVERNING THE PROVISION OF WASTEWATER UTILITY SERVICE TO RESIDENCES AND BUSINESSES WITHIN THE STATE OF TENNESSEE

This tariff contains the descriptions, regulation and rates applicable to the furnishing of wastewater utility service provided by Evergreene Utility Services, LLC within the State of Tennessee. This tariff is on file with the Tennessee Regulatory Authority. Copies may be inspected during normal business hours at the Company's principal place of business at **4028 Taliluna Avenue, Knoxville, TN 37919**.

TABLE OF CONTENTS

Section 1:	Title Page	2
	Table of Contents	3
	Symbols	4
	Tariff Format	5
	Definitions	6
Section 2:	Rules and Regulations	7
Section 3:	Residential Sewer Service Territories	10
Section 4:	Residential Rates/Explanation	11
	Commercial Rates/Explanation	12
	General Requirements	23
	Administrative Requirements	24
	Managerial Requirements	25
	Technical Requirements	31
Attachments:		
1	Owners User Manual	33
2	The Flats Resort Letter Requesting EUS System Takeover	40
3	ESUD Letter Releasing SOP	42
4	Sworn Pre-filed Testimony	45
5	SOP – Timberlake Bay	49
6	EUS Articles of Incorporation	61
7	EUS State of TN Business License	67
8	Degrees & Certificates of EUS Staff	69
9	Timberlake Bay Decentralized System Engineering Drawings	80
10	Build-out Cost Analysis (5-yr)	87
11	Timberlake Bay Subdivision Plans	104
12	Chart of Accounts	108
13	Performance Bond	113
14	Pro Forma Income Statement (2-yr)	126
15	Operation and Maintenance Contract (EUS and The Flats Resort)	134
16	TDEC Letter of Acceptance of Transfer of WWTS	143
17	Sevier Utility District Letter	145

SYMBOLS

The following symbols are used for the purposes indicated below:

C	Changed regulations or rate structure
D	Discontinued material
I	An increased rate
M	A move in the location of text
N	A new rate or regulation
R	A reduced rate
S	Reissued material
T	Change in text but no change in rate or regulation

TARIFF FORMAT

A. Sheet numbering –Sheet numbers appear in the upper right corner of the sheet. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 12 and 13 would be 12.1.

B. Sheet Revision Numbers –Revision numbers also appear in the upper right corner of each sheet. These numbers are used to determine the most current sheet version on file with the TRA. For example, the 4th revised Sheet 12 cancels the 3rd revised Sheet 12. Because of various suspension periods, deferrals, etc., that the TRA follows in its tariff approval process, the most current sheet number on file with the TRA is not always the sheet in effect. Consult the Check Sheet for the sheet currently in effect.

C. Paragraph Numbering Sequence –There are nine levels of paragraph coding. Each level of coding is subservient to the next higher level:

2.
2.1
2.1.1
2.1.1.A
2.1.1.A.1
2.1.1.A.1.(a)
2.1.1.A.1.(a).1
2.1.1.A.1.(a).1.(i)
2.1.1.A.1.(a).1.(i).{1}

D. Check Sheets –When a tariff filing is made with the TRA, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the sheets contained in the tariff, with a cross-reference to the current revision number. When new sheets are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be now other symbols used on this sheet if these are the only changes made to it (i.e., the format, etc. remain the same, just revised revision levels on some sheets.) The tariff user should refer to the latest Check Sheet to find out if a particular sheet is the most current on file with the TRA.

DEFINITIONS

Certain terms used generally throughout this tariff for the Utility Service of this Company are defined below:

1. Company — Evergreene Utility Services, LLC
2. Engineer—the consulting engineer of Evergreene Utility Services, LLC
3. Customer — any person, firm, corporation, association or government unit furnished sewage by the Company.
4. Residential Property — property that is an established residence for a single family that is intended solely for the family's use.
5. Commercial Property — property that is used for commercial, overnight rental or institutional purposes.
6. Facilities — all equipment owned and operated by the Company.
7. TRA — the Tennessee Regulatory Authority.
8. Septic Pump Tank — the tank located near a customer's building which accepts waste and contains a pump vault.
9. Septic Gravity Tank — the septic tank located near a customer's building which accepts waste and contains an effluent filter.
10. Service Line — the line from the Septic Pump/Septic Gravity Tank to a Collector Line.
11. Collector Line —the line from the Service Line to the Main Line.
12. Main Line —the line from the Collector Line to the treatment facility.
13. Building Outfall Line — the customer owned line that carries waste from the building to the Septic Pump Tanks/Septic Gravity Tank.
14. Pumping Station — a tank that contains pumps and receives effluent from Septic Gravity Tanks and/or Collector Lines.
15. Premises — shall mean customer's private property.
16. Service Connection — the point at which the service line to the wastewater system components at the customer's building is connected to the main wastewater collection system.

SECTION 2

RULES AND REGULATIONS

Governing the sewage collection and treatment systems of Evergreene Utility Services (EUS)

Statement of Purpose

The general purpose of these rules and regulations is:

1. To establish procedures for furnishing sewage collection and treatment services on a uniform basis to customers within the Company's service area.
2. To provide standards and procedures for:
3. Acceptable sewage characteristics
4. Protection of the integrity of the water tight system
5. Engineering design standards
6. Construction standards and inspection requirements
7. Quality of materials

Authorization of Rules and Regulations

Evergreene Utility Services, LLC is a corporation organized and engaged in business as a public utility in the State of Tennessee. The Company is regulated Under a Certificate of Convenience and Necessity issued the Tennessee Public Service Commission (PSC) **on 7, under Docket No. 2** and subsequent certificates issued by the PSC and the TRA.

Effect of Rules and Regulations

All provisions of these rules and regulations shall be incorporated in each contract with each sewage system customer of the Company

Utility Facilities on Private Property

The Company shall maintain all septic pump and septic gravity tanks, control systems and service lines required to provide sewer services on the Customer's premises. The Customer must execute an agreement that acknowledges the Company to have a perpetual easement in, over, under and upon the specified land of Customer as shown on the property plat, with the right to operate and repair all components of the sewer system on the Customer's property, including but not limited to the septic tank and septic pump tank systems. The Customer must grant the Company permission to enter upon Customer's property for any reason connected with the provision or removal of sewer service or collection therefore. The Customer must agree to allow the Company to install an approved cut off valve between the house and water supply and grant the Company exclusive rights to use such valve to cut off water in order to safely stop wastewater flow. The Customer understands there will be a charge of \$100.00 for installation of this valve. The Customer's Building and Plumbing outfall line shall be maintained by the Customer.

Discontinuance of Service

Service under any application may by dis-continued for the following reason:

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

Non-Payment Penalties

The Customer agrees to promptly pay for service at the then current schedule or rates and fees and agrees to abide by and be subject to the Company's billing and cutoff procedures. Should the Customer not pay in accordance with the Company's rules, the Customer agrees to pay all reasonably incurred cost of collection of delinquent fees including attorney fees.

A non-payment penalty of five percent (5%) of the total bill amount will be due after the due date shown on the bill. If payment is not received within fifteen days after the due date, a 2nd notice will be sent to the customer. If payment is not received within 30 days, service will be turned off from the customer's property as per the Sewer Service Contract Agreement (Attachment 1) executed by the customer with no additional notice being sent. No service shall be reconnected if disconnected for non-payment (or any other valid reason) until all charges have been paid, including disconnection and reconnection fees. The disconnection fee is \$40. The reconnection fee is \$50 plus all back payments.

Returned Checks

A check returned by the bank will incur a fee of \$25.

Changes in Ownership, Tenancy of Service

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

Sewer System Access Fee

The owner of each property parcel, which is provided a service connection when the sewer system is built, will be required to pay a sewer access fee of \$120.00 per year. This fee will be payable each July 1st. As each Customer attaches to the Service Connection and signs up for service, they will pay a pro-rated access fee for that year and thereafter the fee will not be charged.

Engineering, Material and Construction Standards

General: This specification covers the type of sewer system required for various design conditions of sewers constructed by developers.

1. The requirements called for are a minimum in all cases. Bedding conditions, material specifications, sealing requirements and installation methods are the responsibility of the design engineer and must be approved by the Company Engineer.
2. Design and construction of sewer lines shall meet the requirements of the State of Tennessee Department of Environment. Any conflicts between company and state requirements shall be resolved so that the more restrictive shall govern.
3. All sewage collection system components are to be watertight. This includes Building Outfall lines, all tanks, Collector Lines, Service Lines and Main Lines.
4. Collector Lines and Main Lines are to be tested to 100 pounds per square inch of water pressure. Risers and lids are to be watertight.
5. Septic Pump and Septic Gravity Tanks are to be installed near the customer's building to be served. The tanks are to be set in a level condition and tested for water tightness before backfilling.
6. All pipe is to be PVC. Classes and sizes will be per Engineer's design and in all cases Schedule 40 will be the minimum allowable.
7. Only wastewater drains are to be connected to the sewer system. No water sources such as roof drains, sump pumps, condensate lines and swimming pools shall be connected to the sewer system.

Special Pretreatment Sewage Requirements

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

Additionally, if excessive volumes of sewage are received, the Company may require the Customer to monitor flow volume and increase surge holding capacity at the Customer's expense. All customers will be required to follow the Owners User Manual for an effluent collection system supplied to them by the Company (Attachment 1). These requirements prohibit the dumping of any toxic chemicals that kill tank bacteria and disposal of an excessive amount of grease, among other things. All requirements (and notification of repair costs associated with the system abuse) are established in the Customer's Sewer Subscription Contract with the Company.

Damages

The Company shall in no event be responsible for maintaining any Building Outfall Line owned by the Customer, nor for damages created by sewage escaping there from, nor for defects in Customer's building lines or fixtures. The customer shall at all times comply with all regulations of the TRA and of the Company.

All leaks in any building pipe or fixture on the premises of the Customer shall be immediately repaired by the Customer.

On failure to repair any such leak, the service may be discontinued until repairs are made. Any customer found introducing prohibited substances into the waste water system is liable to pay the full cost of cleanup and the repair of any damage caused.

Inspection

All pipes, valves and fixtures shall be at all reasonable hours, be subject to inspection by the Company or its duly agent.

In Event of Emergency

The Company shall not be liable to the Customer for interruption in service, or for damages or inconvenience as a result of any interruption, stoppage, etc., which was beyond the reasonable control of the Company. In case of emergency, call 865-851-8351.

Service Area

The Company will provide service within its current service area. Additions to the service area must be approved by TRA.

Extension Plan

The Company may furnish sewer service to property owners whose lands abut the Main Line of existing sewer systems. The sewer service charges listed in the sewer billing monthly rates do not include costs for constructing extensions to the sewer system. Any sewer system facilities required to service such abutting properties shall be constructed at the cost of those parties desiring same, and these facilities shall become the property of the Company to be credited to the account for Contributions in Aid of Construction. In addition, treatment system facility costs will be paid by the Customer desiring to connect onto the system. Sewer service to new areas within a service territory will be made available where it is technically feasible and the developer or property owner is willing to bear the expense of designing and building the sewer system.

Contributions in Aid of Construction

Sewer system facilities furnished by developers and property owners to the Company will be recognized as Contributions in Aid of Construction in the amount of the actual cost of construction. Capital contributions from developers will be treated in like manner.

Contracts for Service

Each Customer before installation of service shall be required to execute on the appropriate forms furnished by the Company, a Sewer Subscription Contract.

Customer Billing Forms

Customer billings will be sent monthly or annually to Customers for payment of a flat fee.

Individual Septic Tank and Pump Tank Requirements

Only the configurations listed on the Individual Septic Tank and Pump Tank requirements list may be used. This list may be added to or taken from as needed.

Public Contact

Doug Hodge
4028 Taliluna Ave
Knoxville, TN 37919
865-851-8351

Tennessee Regulatory Authority Regulations

The Company, in its operation, shall conform to all the applicable rules and regulations promulgated from time to time by the Tennessee Regulatory Authority. The TRA can be reached by phone at 1-800-342-8359 or 615-741-2904.

SECTION 3

RESIDENTIAL SEWER SERVICE TERRITORIES

<u>Service Territory</u>	<u>County</u>	<u>TRA Docket #</u>	<u>Rate Class</u>
Timberlake Bay on Douglas Lake (also called The Flats)	Sevier	?	Rate Class 1

SECTION 4

RESIDENTIAL RATE SHEET/EXPLANATION

<u>FEES:</u>	<u>TOTAL</u>	
Non-Payment	5%	
Tap Fee	1,100/lot	
Disconnection	\$ 40.00	
Reconnection	\$ 50.00	
Returned Check	\$ 25.00	
Access Fee	\$120/yr	
*Escrow amount is included in total	\$10.13	

Explanation

FFR.D:	Standard Base RSF/Fixed Film Reactor Treatment Rate	\$ 34.02
E1:	RSF Escrow Rate	\$ 10.13
<u>B1:</u>	<u>Standard bonding charge of</u>	<u>\$ 0.38</u>
	Total	\$ 44.53

COMMERICAL RATE SHEET without food service

The monthly sewer charge per customer is based on design daily flow expected from the type of establishment being served. A minimum of \$102.15 per month will be charged for up to the first (I) 300 gallons per day of design flow expected. For each additional 100 gallons per day of design flow expected, up to a total of 1,000 gallons per day, an additional charge of \$20.45 per month per 100 (I) gallons will be levied. For design flows expected over 1,000 gallons per day, the monthly rate will be \$157.95 per 1,000 gallons of daily flow.

<u>COMMERCIAL W/O FOOD</u>	<u>FLOWRATE BETWEEN (GPD)</u>		<u>TOTAL**</u>	<u>ESCROW***</u>
Tier 1	0	300	\$ 102.53	\$ 21.75
Tier 2.1	301	400	\$ 122.98	\$ 26.17
Tier 2.2	401	500	\$ 143.43	\$ 30.59
Tier 2.3	501	600	\$ 163.88	\$ 35.01
Tier 2.4	601	700	\$ 184.33	\$ 39.43
Tier 2.5	701	800	\$ 204.78	\$ 43.85
Tier 2.6	801	900	\$ 225.23	\$ 48.26
Tier 2.7	901	1000	\$ 245.68	\$ 52.68
Tier 3.1	1001	2000	\$ 403.63	\$ 86.82
Tier 3.2	2001	3000	\$ 561.58	\$ 120.92
Tier 3.3	3001	4000	\$ 719.53	\$ 155.02
Each additional tier			\$ 157.95	\$ 34.10

Additional surcharges will apply when customers exceed their expected design flows. For any month that a customer's water meter exceeds the expected design flow, the following surcharges will apply:

<u>Excess Water Usage</u>	<u>Surcharge</u>
1 gallon to 1,000 gallons above expected design flow	\$ 175.00
1,001 gallons to 2,000 gallons above expected design flow	\$ 200.00
Over 2,000 gallons above expected design flow	\$200/1000 gallons

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

<u>FEES:</u>	<u>TOTAL</u>
Non-Payment	5%
Tap Fee	1,100/Commercial Unit
Disconnection	\$ 40.00
Reconnection	\$ 50.00
Returned Check	\$ 25.00
Access Fee	\$120/yr
*Escrow amount is included in total	\$10.13

** Bonding amount of \$0.38 included *** Escrow amount is included

COMMERICAL RATE SHEET Overnight Rental Units

The monthly sewer charge per customer is based on the monthly average daily flow monitored from the unit being served. A minimum of \$69.15 per month will be charged for up to the first 300 gallons per day of average daily flow. (I) For each additional 100 gallons per day of average daily flow, up to a total of 1,000 gallons per day, an additional charge of \$15.00 per month per 100 gallons will be levied. For average daily flows over 1,000 gallons per day, an additional monthly charge of \$157.95 per 1,000 gallons of average daily flow will apply.

<u>COMMERCIAL W/O FOOD</u>	<u>FLOWRATE</u>		<u>TOTAL**</u>	<u>ESCROW***</u>
	<u>BETWEEN (GPD)</u>			
Tier 1	0	300	\$ 69.53	\$ 15.95
Tier 2.1	301	400	\$ 84.53	\$ 19.49
Tier 2.2	401	500	\$ 99.53	\$ 23.02
Tier 2.3	501	600	\$ 114.53	\$ 26.56
Tier 2.4	601	700	\$ 129.53	\$ 30.10
Tier 2.5	701	800	\$ 144.53	\$ 33.63
Tier 2.6	801	900	\$ 159.53	\$ 37.17
Tier 2.7	901	1000	\$ 174.53	\$ 40.71
Tier 3.1	1001	2000	\$ 332.48	\$ 77.95
Tier 3.2	2001	3000	\$ 490.43	\$ 115.19
Tier 3.3	3001	4000	\$ 648.38	\$ 152.43
Each additional tier			\$ 157.95	\$ 37.24

Each customer will be billed the minimum monthly charge unless EUS determines that the customer's measured usage exceeds an average of 300 gallons per day over a thirty day period. Unless otherwise stated in this tariff, measured usage will be based on a customer's actual or estimated usage, averaged over a thirty-day period.

Actual usage may be measured in any of the following ways:

- Effluent flow meter.
- STEP pump. Usage will be measured by multiplying the period of elapsed pumping time shown on the pump times the capacity of the pump.
- In the absence of an effluent flow meter or a STEP pump, usage will be assumed to be equal to the customer's usage of potable water as shown on the customer's potable water meter.

If a customer is charged in excess of the minimum monthly fee, EUS will measure the customer's actual usage at least once every ninety days using one of the methods described above and display on the customer's statement the usage and measurement method used. In any month in which EUS does not measure the company's actual usage, the customer's monthly bill will be based on the customer's estimated monthly usage. No less than once every ninety days EUS will bill (or credit) the customer for any differences between an estimated bill and actual measured usage.

If a customer's usage exceeds the average daily design flow for three consecutive months, the customer may be required to pay any capital costs associated with increasing the capacity of that portion of the system designed and dedicated to serve that customer. For purposes of this section, EUS must measure actual usage for three consecutive months using one of the methods described above.

If EUS determines that a customer's usage meets the criteria described above, EUS will notify the customer in writing of any proposed construction work, the reasons for the work, and the estimated

cost to the customer. The notice will also state that if the customer believes that his usage does not meet the criteria described above or that the charge to the customer is unjust and unreasonable, the customer may file a written complaint with the Tennessee Regulatory Authority, located at 460 James Robertson Parkway, Nashville, TN, 37243. Unless the TRA orders otherwise, the filing of a complaint will not delay the proposed construction work but may initiate a proceeding in which the TRA will determine whether, under the terms of this tariff, the customer is responsible for the cost of the construction work.

** Bonding amount of \$0.38 included *** Escrow amount is included

SEWER SERVICE CONTRACT

DATE:_____.

PRINTED NAME:_____.

ADDRESS OF PROPERTY:_____.

MAILING ADDRESS:_____.

TELEPHONE NUMBER:_____.

EMAIL ADDRESS:_____.

I hereby make application to Evergreene Utility Services, LLC (EUS) for sewer service at the address of property stated above. In consideration of the undertaking on the part of EUS to furnish sewer service, I understand, covenant and agree as follows:

1. I understand that the components of a sewer system have been installed on the property referred to above, which is owned or occupied by me, and which is to be connected with a wastewater disposal system owned and/or maintained by EUS. I warrant that any connection to and/or subsequent use to this system by the components on my property shall be in accordance with the Rules, Regulations and Plans of EUS. Regarding my usage of the system components on my property, which are owned by me, I covenant to follow the guidelines set forth in the Owners User Manual. Should I violate these Rules and/or abuse or damage my components, I understand that I must bear the expense to repair or replace the same in accordance with the Plans of EUS.
2. I acknowledge EUS, its successors and assigns, have a perpetual easement in, over, under and upon the above specified land as shown on the property plat, with the right to operate and repair all components of the sewer system on my property, including but not limited to the septic tank and septic pump tank systems. I further grant EUS permission to enter upon my property for any reason connected with the provision or removal of sewer service or collection therefore.
3. For all other plumbing and structures on the property, including the outfall line to the septic tank, I agree that I am responsible for all operation and repair thereof.
4. I agree to promptly pay for service at the then current schedule or rates and fees and agree to abide by and be subject to EUS's billing and cutoff procedures. Should I not pay in accordance with EUS's rules, I agree to pay all reasonably incurred cost of collection of delinquent fees including attorney fees.
5. I accept the current Rules and Regulations and the Rates and Fees Schedule and agree to abide by any amendments to such Schedules as approved by the Tennessee Regulatory Authority.
6. I agree that this Agreement shall remain in effect for as long as I own, reside upon or rent the above-described property. When such circumstances no longer exist, I agree to provide notice to EUS at least thirty (30) days in advance of my vacating the property.
7. I agree to allow EUS to install an approved cut off valve between the house and water supply and grant EUS exclusive rights to use such valve to cut off water in order to safely stop wastewater flow. I understand there will be a charge of \$100.00 for installation of this valve.

SUBSCRIBERS SIGNATURE:_____

OWNERS USER MANUAL

Welcome! You are hooked up to a state of the art fixed film wastewater treatment system. This environmentally friendly system does an excellent job of treating wastewater and returning it to the soil. It will do best if you follow the guidelines listed below:

Proper Use:

Direct all wastewater from the home into the septic tank. Any wastewater can contain disease causing organisms and pollutants.

Practice water conservation to avoid overloading the onsite sewage system. Repair dripping faucets and leaking toilets. Run dishwashers when full. Do not do all your laundry in one day. Space out the washing machine use over the week. Replace old fixtures with water saving fixtures.

Do not direct water from gutter downspouts, sump pumps or subsurface drains into the septic tank. The sewage management system is designed based on an estimated daily water use. Excess water directed into the septic tank will cause a hydraulic failure.

Use commercial bathroom cleaners and anti-bacterial soaps in moderation. Treatment in the wastewater system depends on natural bacteria. The Utility does not recommend the use of septic tank additives. These products are not necessary for proper system operation.

Do not plant trees or bushes on top of the septic or pump tank. Root intrusion may damage and block the line.

Do not dig without knowing the location of your septic and pump tank. Landscape the site to allow surface water to drain off of these tanks. Divert roof drains from these tanks. Standing water over these tanks will cause increased load saturations and potential pump failure.

Do not park or drive over the septic and pump tank. This can damage or compromise the tanks.

Do not pour grease, oil, paint or other chemical products down the drain. Do not put not-biodegradable items such as cigarette butts, feminine hygiene products, condoms, disposable diapers or other similar solid waste into the septic tank. Remember living microbes clean the wastewater.

Do not enter your septic or pump tank. Gases from inside the tank can be fatal. Keep the lids secure and screwed down.

Do not turn off the main circuit breaker to the wastewater pumps when going on vacation. The pumps will need to handle any infiltration into the system.

If there is a power failure, your alarm might go off when the power comes back on. Wait at least 2 hours; if the alarm is still going off please call the customer service number. If you have had no power failure and the alarm goes off, call customer service without delay.

Customer Service: 865-851-8351

Bert Ballowe

The Flats Resort, LLC
2249 Childress Road
Dandridge, TN 37725
Phone: 865-397-4888

► **Timberlake HOA**

Attn: Timberlake Bay Property Owners

(Address Stamp Here)

The Flats Resort, LLC has with Evergreene Utility Services (EUS), LLC (a waste water utility company) to replace East Sevier County Utility District for waste water utility services. Their rate sheets and other pertinent information are attached. This transition will be effective November 8th, 2010.

Please contact me by phone if you have any transitional questions. The EUS point of contact is Doug Hodge who can be reached at 865-851-8351 or hodge.dsh@gmail.com.



Albert Ballowe
Managing Member
The Flats Resort, LLC
865-397-4888
9/15/10

Evergreene Utility Services, LLC

4028 Taliluna Avenue, Knoxville, TN 37919

Dear Evergreene Utility Services Customers

I would like to welcome you to Evergreene Utility Services, LLC and Timberlake Bay Villas. We at Evergreene Utility Services, LLC look forward to providing the best and most environmentally friendly wastewater treatment service. First of all I would like to explain our rates for Timberlake Bay Villas.

We have 2 basic rates, one if you have not built your home yet and the other as your home is built. First, the rate if you have not built your home yet is referred to as an access fee. The access fee is \$120.00 dollars per year and is due on July 1st. What this fee pays for is the maintenance of the lines in the streets and the treatment plant components. Even if no homes are built in the subdivision, maintenance and test records must be maintained to meet state requirements. We use this fee to offset these costs so that when you are ready to connect, the system will be ready for you.

Our next rate is for when you build your home and tie on, this rate is \$44.53 per month. For this payment we will treat the wastewater to the highest standards and dispose of it into a drip emitter field. We use the fixed film system of treating the wastewater because of it's reliability and it can be maintained more cost effectively than other systems. This is a fully automated PLC controlled system for the utmost reliability. You will additionally install a septic and pump tank at your home at your expense. We will pump and maintain the septic tank, pump tank and components at no additional cost to you. It should be noted that we do not maintain any plumbing or unstop any blockages in your home or the outfall line to the septic tank.

Additional charges are as follows:

- Service disconnect \$40.00
- Service reconnect all past due amounts with late fees and \$50.00
- Returned Check Fee \$25.00
- A 5% late fee will be added to the total bill on the lot of any month in which we have not received your payment.

A complete copy of our tariff or billing amounts is available for viewing at our office during normal business hours by appointment.

Now for connecting, we have a set of specifications that must be followed and are included in this packet. You must get a permit from Jefferson County Environmental Health before starting work. Before you can connect to the Evergreene Utility Services, LLC Service Connection you must sign and return your Sewer Service Contract Agreement.

You will need to install a cut off valve between the house and water supply and grant Evergreene Utility Services, LLC exclusive rights to use such valve to cut off water in order to safely stop wastewater flow.

You will have an alarm post next to your pump tank or on your house. If there is a power failure, this alarm might go off after the power comes back on due to residual water needing to be pumped out. Wait at least 2 hours and if the alarm is still going off please call the customer service number. If you have had no power failure and the alarm goes off, call customer service without delay. If you need additional assistance, please call our Customer Service number: 865-851-8351.

All payments will be sent to:

Evergreene Utility Services, LLC
4028 Taliluna Avenue
Knoxville, TN 37919

Again I would like to welcome you to Evergreene Utility Services, LLC and Timberlake Bay Villas. We at Evergreene Utility Services, LLC will do our best to handle your wastewater service needs in an honest and professional manner.

Sincerely,

A handwritten signature in cursive script that reads "Douglas S. Hodge".

Douglas S. Hodge, Ph.D. PMP
Operations Manager
Evergreene Utility Services, LLC

Evergreene Utility Services, LLC

Individual septic tank and pump tank requirements.

Only configurations and equipment approved by Aqua Green Utility Inc. may be used. Not following these configurations shall be cause for disconnect until the specifications are met.

All connections to the septic and dosing will be:

- 4" schedule 40 PVC at not less than 1/8" fall per 1'
- Have an Inspection port relief valve between the septic tank and pump tank. The Inspection port relief valve will be on an elevation of not less than 6" below the elevation where the building outfall line leaves the home. (see approved products)
- Foam core pipe is approved if it meets local code requirements

The line from the pump tank to the main line will be:

- Pressure rated Schedule 40 PVC minimum 1.25 inch
- Have a piece of single strand insulated copper wire included in the ditch turned up in the utility box at the road and alarm post for future locating needs.
- Pumped line from pump tank to service connection should be buried at least 18" deep.

The septic and pump tank must meet the Utility's design requirements:

- All tanks must be on the Utility's approved list. Other tanks may be added to approved list if they meet all requirements. Contact the Utility for details on adding additional equipment to approved list.
- Shall be of a watertight design and all joints must be sealed to stop ground water intrusion and sewage leaks. Concrete/Fiberglass tanks must be 1 piece tanks with sealed lid.
- The septic tank will be a two chamber design at least 1000 gallon capacity.
- The pump tank will be a one chamber design at least 1000 gallon capacity.
- The septic tank will have PVC tees in each end at least 1/3 the water depth.
- The outlet tee will include a septic tank filter.
- The top of the tanks shall not be buried deeper than 24" from the surface.
- The septic tank will include two approved risers to the surface.
- The dosing tank will include one approved riser to the surface.
- The risers will have two forms of entry security. Safety screws in outer lid and a riser pan with cement lid or a safety screen.
- The dosing tank will have an 1.5 inch metal pipe entering at least 46" on center from the bottom of the tank at the riser end. The total length of the installed pump and piping shall be 46" from center of the line entering the tank to the bottom of the pump.
- The pipe in the tank will have a 1/16 hole pointed downward in the tank to relieve air after pump cycle.
- The pump tanks will have an EZ pull adapter for quick pump service.

- A1 pipes in the dosing tank will be galvanized water pipe, aluminum or stainless steel
- Metal pipe must extend at least 3' from tank toward Utility connection before converting to using PVC.
- The metal elbow shall have a 1/16 hole at a 30 degree downward angle drilled into it'
- A non spring check valve shall be connected to the Utility service just inside the Utility service box. This will make a total of two check valves at the service box.

Electrical Connections

- All connections shall meet the national electrical code.
- All connections shall be located outside of the tank.
- An approved alarm post with a high level alarm shall be located at the pump tank riser.
- No electrical connections are allowed inside the pump tank or riser.
- Two 110 volt electrical circuits are required from the house to the alarm post. One 12 gauge dedicated for the pump and one 14 gauge for the alarm, so the alarm will work even if the pump throws a circuit breaker. Wire in PVC conduit or direct burial wire is required.
- The conduit connecting the riser to the alarm post must be sealed so as to keep corrosive gasses from entering the alarm post.

Approved Materials: (contact the Utility in advance to recommend an addition to this list)

Risers: Can use either Orenco System or Polylok System risers as outlined below:

- Orenco: Jeff Brownfield at 423-331-2036
 - 2.000 FL24G-4BU Fiberglass Lid, 24" W/ Urethane Gasket, Angled Core; 4 bolts, Inlet & outlet
 - 2.000 RR2436 Pvc Access Riser, 24" Dia.
 - 2.000 MA320 200 G Epoxy Kit
 - 1.000 SB4 Pvc Splice Box W/4 Cord Grips
 - 1.000 PV55-1817 Simplex Biotube Pump Vault for 24" Riser, 18" Cartridge
- Polylok: www.polylok.com 877-POLYLOK
 - Polylok 3008 HD Heavy Cover or
 - Polylok 3008 RC Light Duty Cover
 - Polylok 3008-RP 24" Riser Pan or
 - Polylok 3008-SS 24" Safety Screen
 - Polylok 3008 24" Riser 6" tall
 - Polylok 3008-R12 24" Riser 1,2" tall
 - Polylok PL-68 Filter Cartridge (septic tank filter)
 - Polylok 3009-AR (adapter ring for plastic tanks)

Alarm Post:

- SJE Rhombus model PSPL20V6HL7 A www.sierhombus.com 1-888-DIALSJE
- Septic Products Inc. - Observer 100 www.septicproducts.com 419-282-5933

EZ pull adapter -EZ-Puller 1.5 inch www.webtrol.com 800-769-7867

Inspection Port Relief Valve 562-304 www.Plum.com 800-462-6991

Septic Tank: 1 piece 2 chamber

- Orenco Step Tank: Jeff Brownfield 423-331-2036
- Norwesco 1050 Septic tanks part number 42250,42248,42283, 42293
www.norwesco.com
- Ashley Cement Tanks: Must be L piece 2 chamber poured tanks with two Polylok 24" risers and sealant between lid and tank.
- Watson Septic, Madisonville, TN
- Dixie Concrete, LaFollette, TN
- Tays Septic, Crossville, TN
- Morrison Tank & Vault, Morrison, TN

Approved Pumps:

- Myers 2NFLs1-8E www.femvers.com 419-289-1144
- Orenco: Jeff Brownfield at 423-331-2036
 - 1.000 PF100511 Effluent Pump; 1/2Hp, 10gpm, 115V, 60Hz, 10' Lead
 - 1.000 HV100BCFCPRX Hose & Valve Assembly, 1" Pressure, w/B,C,FC,X
 - 1.000 MF3A-Y,B,R-27V Fl. Assem.:(Y,B,R);27" step pump vault
 - 1.000 S1ETM Simplex Panel, 115V W/Etm

Some local Installers: (if an installer does poor work, the Utility reserves the right to not allow him/her to do further work) To add your installer, please call the Utility first:
Doug Hodge at 865-851-8351.

For additional technical assistance call Evergreene Utility Services, LLC. 865-851-8351

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

August 20, 2010

IN RE:

PETITION OF EVERGREENE UTILITY SERVICES,
LLC TO OBTAIN A CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY FOR THE
SERVICE OF THE PART OF JEFFERSON COUNTY,
TENNESSEE KNOWN AS TIMBERLAKE BAY
VILLAS.

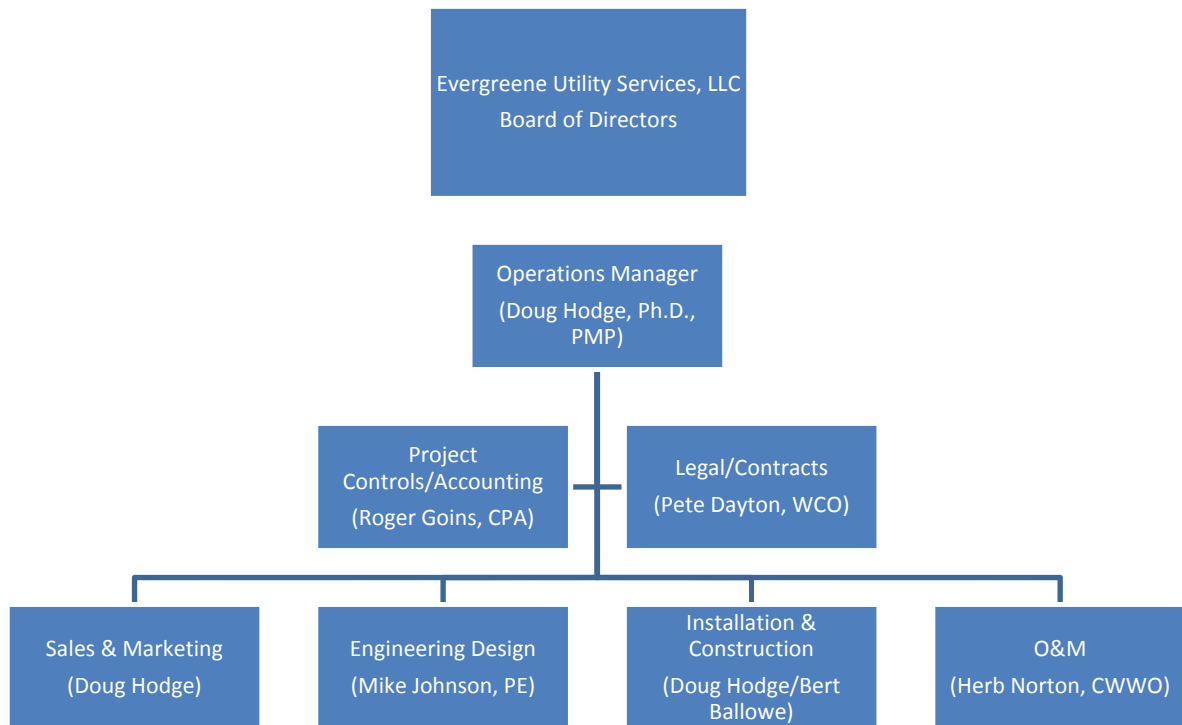
DOCKET NO. ?

II. General Requirements:

- A. Application of Issuance of a CCN:
- B. Evergreene Utility Services, LLC has received a letter from The Flats Resort, LLC, developer for Timberlake Bay (formally named The Flats Resort) (attachment 2). The letter requests we provide wastewater service to the Sevier County, Tennessee known as Timberlake Bay. The Timberlake Centralized Treatment System has been in operation for approximately 2 years under a State Operating Permit granted to East Sevier County Utility District (SOP # 08001). East Sevier County Utility District has agreed to release the Timberlake Bay SOP #08001 to Evergreene Utility Services, LLC (attachment 3). Prior to the original SOP being granted to East Sevier County Utility District, the City of Sevierville was consulted and agreed to East Sevier's operation of the system. There is no municipal sewer lines in the vicinity of Timberlake Bay and the soils are not adequate for individual onsite septic systems.
- C. Sworn pre-filed written testimony. See attached document (attachment 4)
- D. SOP #08001 Permit application (attachment 5).

III Administrative Requirements:

- A. Evergreene Utility Services, LLC, 4028 Taliluna Avenue, Knoxville, TN 37919, 865-755-8066
- B. Organizational Structure



C. Officers:

- a. Officer, Douglas Hodge, 4028 Taliluna Avenue, Knoxville, TN 37919, 865-755-8066, Operations Mgr, 100% owner.
- b. Board of Directors:
 - i. Doug Hodge
 - ii. Pete Dayton
 - iii. Roger Goins
 - iv. Bert Ballowe

- D. Principle officers: Same as noted above in section C.a.
- E. Articles of incorporation (attachment 6).
- F. License to engage in business within State of Tennessee registered with the Secretary of State (attachment 7)
- G. Evergreene Utility Services, LLC has no franchise agreements.
- H. Evergreene Utility Services, LLC is not located in other states, and has no other application pending.
- I. Evergreene Utility Services, LLC is not currently involved with any mergers or acquisitions.

IV. Managerial Requirements:

- A. Degrees held by water utility staff (copies of degrees and certificates are attached in attachment 8):
 - a. ***Dr. Douglas S. Hodge, Ph.D., PMP***
 - i. Ph.D. Environmental Engineering, Univ. of Southern Calif, 1993
 - ii. M.S. Environmental Engineering, Univ. of Southern Calif, 1991
 - iii. B.A. Mathematics, Colorado College, 1988
 - iv. Project Management Professional, 2010, Certification #1322650
 - b. ***Michael Johnson, PE***
 - i. Registered Professional Engineer (TN), Certification #112003
 - ii. BS Civil Engineering, Univ. of Tennessee, 2003
 - c. ***Herbert Norton, CWWO***
 - i. Certified Water and Wastewater Operator (TN), Certification #142
 - ii. Wastewater treatment plant operation, East Tennessee State University, 1969
 - d. ***Roger Goins, CPA***
 - i. BS Accounting, University of Tennessee
 - ii. Certified Professional Accountant
 - e. ***Pete Dayton, WCO***
 - i. BS Mathematics, University of Tennessee, 1966
 - ii. Masters of Business Administration (MBA), University of Tennessee, 1968
 - iii. Warranted Contracting Officer, State of Tennessee, 1990
- B. Professional licenses of staff and contractors
 - a. ***Water and Wastewater Operator Grade II*** – Herbert Norton
 - b. ***Professional Engineer*** – Mike Johnson
 - c. ***Project Management Professional*** – Doug Hodge
 - d. ***Certified Professional Accountant*** – Roger Goins
 - e. ***Warranted Contracting Officer*** – Pete Dayton

C. Experience of water utility staff:

DOUGLAS S. HODGE, PH.D., PMP.
Operations Manager

QUALIFICATIONS

With Evergreene Utility Services, LLC, Dr. Hodge's primary role as Operations Manager is to ensure awarded projects are completed on time, within budget, and according to client requirements. Additional duties includes: staffing all projects, developing initial budgets and schedules, aligning client expectations with project goals, monitoring performance of all projects, and ensuring Quality and Health and Safety Management procedures are followed.

Dr. Doug Hodge has over 20 years of experience in waste water treatment system design and construction, research & development, design and construction management. He has managed the design and construction of over \$500M worth of projects. A graduate of the University of Southern California's Civil Engineering Program, Doug's focus has been on development and implementation of innovative, environmentally friendly technologies for treating waste streams. He has extensive experience in writing proposals and has been awarded work from commercial, State and Federal Government entities. Dr. Hodge has strong working relationships with Tennessee's Department of Environmental Conservation (TDEC) and the University of Tennessee Wastewater Treatment Faculty. A recent project, on which he teamed with the University of Tennessee, was granted approval from TDEC for installation of the first "Engineered Fill" treatment system for recycling treated water. The American Society of Civil Engineers awarded Dr. Hodge their second highest honor, The James R. Croes Medal, for his role in advancing innovative environmental technologies.

Dr. Hodge has extensive experience with oversight of large scale design and construction projects. He has been responsible for leading large construction programs for some of the leading federal contractors, including being the Manager of Projects for Jacobs Engineering's US Army Corps of Engineers projects and the Remediation Business Unit Manager for CAPE, Inc. Dr. Hodge was responsible for leading an impressive list of projects that includes the New Bedford Harbor Superfund Site, the Massachusetts Military Reservation TERC and AFCEE contracts, a \$50M Army Chemical Demilitarization Program, PRACs at Mobile and Buffalo, a Nashville HTRW design/remediation contract and numerous other DoD programs and projects. In addition, he was responsible for leading DOE projects that included support of the DOE Oak Ridge remediation program and the Nashville A/E Contract which supported the Oak Ridge Y-12 new facility construction program - a \$3 million design and construction oversight program that included complete designs of three new facilities and the oversight of the construction of these facilities. He was the Chairman of the Technology Committee for Jacobs Engineering's Environmental Division and has published

more than 20 technical papers. His expertise includes developing and implementing earned value project management systems and cost tracking systems.

EXPERIENCE

◆ Bouldercrest Villas Development, TN

- Bouldercrest Villas, LLC is a 28 home subdivision on Douglas Lake.
- The project is a turn-key Design Build estimated at approximately \$18M.
- As engineering manager, Dr. Hodge designed and constructed a new innovative onsite wastewater treatment system that has been fully approved by the State. This system contains the first engineered fill approach to infiltration of final effluent for the State of Tennessee.
- Doug teamed with the University of Tennessee Engineering Department and the local Jefferson County Health Department in design, installation, and operation of the system.
- Doug managed all field efforts to install the developments infrastructure.

◆ Timberlake Bay Development, TN

- Rezoing a 63 acre property from Agricultural to Commercial use.
- Preparing and gaining City approval for a 145 Unit Lake Development.
- Managing the engineering designs for the developed.
- Managed the field construction effort to install the \$8M of infrastructure. This included a 100,000 gallon per day centralized treatment plant located on the property.

◆ The Villages at Norris Lake, TN

- Currently engineering a centralized treatment system for a 450 unit development
- The system is being designed to handle 135K gallons per day

PETE DAYTON **Legal/Contracts Manager**

QUALIFICATIONS

With Evergreene Utility Services, LLC, Mr. Dayton offers 25 years experience in providing leadership and management oversight of operations, including operations and program management, business development, and contract management. His extensive experience includes negotiating and managing all types of contracts for engineering, construction, environmental services and infrastructure support services. Mr. Dayton was the Director of Procurement and Contracts for the U.S. Department of Energy in Oak Ridge, Tennessee where he was responsible for overseeing the negotiation and

administration of contracts and financial assistance instruments totaling over \$2 billion annually. In this position he was also responsible for overseeing the Oak Ridge Small Business Program that consistently ranked as the best in DOE. Following his retirement from DOE, Mr. Dayton became the Operations Manager for Federal Operations at Jacobs Engineering Group where he led several departments and regional operations with up to 360 line managers, project managers and staff across the U.S. This staff was involved in the execution of up to \$100 million of environmental and engineering projects for the Department of Energy, Air Force, Army Corps of Engineers, and the Army Chemical Demilitarization Program.

ROGER GOINS

Project Controls/Accounting

QUALIFICATIONS

With Evergreene Utility Services, LLC, Mr. Goins will be responsible for all project controls, billing supervision, monthly accounting, and annual preparation of taxes and required annual reports. Mr. Goins is a TN CPA and has over 30 years of experience with accounting and specifically the State of TN accounting practices. In addition, Mr. Goins is currently the CPA/project controls lead for Martel Utility District, is registered with the State as providing utility accounting support, and currently is following all professional practices required to meet TRA accounting requirements.

HERBERT NORTON

Operations and Maintenance (O&M)

QUALIFICATIONS

With Evergreene Utility Services, LLC, Mr. Norton will be responsible for O&M of the Timberlake Bay De-Centralized treatment system. He will conduct all sampling and analyzes, operate the system, respond to shut downs, and keep the system operational.

Mr. Norton has over 40 years of experience in the water and wastewater. He has managed municipal operations for the Cities of Newport and Dandridge, TN from 1968 through 2003. He has a grade 2 wastewater treatment plant and distribution and collection systems license. He has the experience to manage all aspects of the O&M for the Timberlake Bay De-centralized system.

MICHAEL C. JOHNSON, P.E.

Engineering/Design Manager

QUALIFICATIONS

With Evergreene Utility Services, LLC, Mr. Johnson's primary role as Project Manager

is to ensure awarded projects are completed on time, within budget, and according to requirements. Additional duties includes: scheduling meetings, presenting meetings, preparing and distributing meeting minutes, determining resources required, preparing work plans, executing work plans and adjusting the work plans as necessary, assigning tasks to team members, and preparing status reports and presenting to upper management

As a project engineer, responsibilities included site layout design, grading design, stormwater collection/management design, water and sewer utility design, hydrology studies, surveying/mapping, horizontal/vertical road design, traffic control design for street/highway construction, erosion and sediment control design/inspection, feasibility studies, flood analysis studies and reports, bridge/culvert design pertaining to hydrology/hydraulic design, documentation of construction inspections pertaining to pay requests, preparation of permit applications and supporting documents for Federal, State and local regulatory agencies (e.g., TDEC stormwater permitting, stream/wetland alterations and rehabilitations, TDOT permits, FEMA NFIP and Flood Plain Management Procedures, etc.) for residential, commercial, and industrial developments as well as preparation of construction documents. Additionally, tasks include oversight and training of junior staff engineers and designers. Work has required coordination and cooperation with surveyors, architects, regulators, contractors and other consultants as part of the overall design effort and construction support.

EXPERIENCE

♦ Titanic Museum Attraction, Pigeon Forge, TN

Mr. Johnson performed project management, engineering design services, technical support and construction management for the commercial development. Responsibilities include site layout design, grading design, water and sewer design/calculations, stormwater design/calculations, erosion and sediment control design/inspection, traffic control design, cost estimating and preparation of construction documents.

♦ Jasmine Fields, Sevier County, TN

Mr. Johnson performed project management, engineering design services, technical support and construction management for the residential development. Responsibilities include site layout design, grading design, water and sewer design/calculations, stormwater design/calculations, erosion and sediment control design/inspection, horizontal/vertical road design/calculations, cost estimating and preparation of construction documents. The project included multiple Class V Injection Wells. Mr. Johnson prepared all required documents and design for the closure and stormwater injection of the Class V Injection Wells.

♦ RCA Rental Equipment, Sevierville, TN

Mr. Johnson prepared Individual permit applications and supporting documents for Federal, State and Local regulatory agencies of the directly connected existing stream and wetland. In order for the commercial site to fit on the property, the stream and wetland needed to be relocated with a ratio of 3:1. During investigation of the historical existence of the wetland, it was found that when Veterans Boulevard was constructed, the wetland

area was depleted and never properly mitigated. Therefore, the regulatory agencies required that the previous mitigation must be incorporated into the proposed mitigation for the rehabilitation of the wetland habitat. After many negotiations with the regulatory agencies, approval was granted. At the present time, the mitigation is being monitored for completion.

V Technical Requirements:

- A. State Operating Permit (SOP) is filed with the Tennessee Department of Environmental and Conservation as SOP #08001.
- B. Construction plans and engineering drawings of the decentralized treatment facility (attachment 9).
- C. Projected 5 year build-out and cost analysis is attached as attachment 10 with explanation pages. The estimates of the number of builds per year are based on information gained from a local real estate company, Exit Reality. There are 103 lots and a clubhouse in the subdivision (104 hookups total). We tried to factor in today's economic environment as well.
 - a. According to The Flats Resort, 49 lots have been sold/closed.
 - b. Tap fees associated with these lot sales totaling \$28,215 are being held in an escrow account at Foothills Title, Knoxville, TN. The Developer agrees to release these funds to EUS after the SOP transfer date and CCN permit has been granted.
- D. Proposed Tariff showing rates to be charged for wastewater service.
 - 1. Sewage treatment service recommended rates: Rate to customer for residential fixed film treatment is \$44.53 and for Commercial without food service (club house and pool) is \$102.53 per month. Then we broke down our cost further in a 5 year spread sheet format. (attachment 10)
 - 2. Service Access Fee of \$120.00 annually.
 - 3. Bills are due on the first day of the month and considered late if not received by the 10th day of the month due.
 - 4. A 5% of total bill amount to be added to bills not paid by the 10th of the month.
 - 5. Bills over 30 day past due are subject to being disconnected. A service disconnect fee of \$40.00 will be charge if a service must be disconnected. For service reconnect: all back payments plus a reconnect fee of \$50.00 will be charged
 - 6. A returned Check fee of \$25.00
 - 7. 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:
 - i. Damages caused to the disconnect valve located at main line tap
 - ii. Any damages to pipes or equipment caused during excavation by machine or hand.
 - iii. Hazardous waste; Industrial chemicals and other non household sewage added to the treatment system.
 - iv. Sewage added to the system not generated at the customer's residence, like from a septic pumper truck.
 - 8. See attachment 10.
- E. Copy of license of the water system operator of record (attachment 8)
- F. The area to be served will be limited to the subdivision known as Timberlake Bay Subdivision. Timberlake Bay total acreage of lots and sewage disposal field is approximately 70 acres. See attached subdivision plans (attachment 11)
- G. The decentralized treatment system was installed and started treating influent on July 16th, 2009.
- H. Name and contact information for responsible person regarding applicants proposed operation.
 - a. Doug Hodge, 4028 Taliluna Avenue, Knoxville, TN 37919, 865-755-8066.
- I. There are no complaints filed against Evergreene Utility Services, LLC

VI Financial Requirements:

- A. The developer, The Flats Resort, LLC, paid approximately \$260K to install the completed system at Timberlake Bay, which started operation on July 16, 2010. Evergreene Utility Services, LLC will show \$362,480 as a capital Contribution on its books. This is the cost of the decentralized treatment plant and associated acreage (price of acreage is calculated at \$14,000 per acre and the system sits on approximately 7.32 acres including the drip area). The land cost is an average according to a local real estate company, Exit Reality.
- B. The land is currently owned by the developer (The Flats Resort, LLC). As part of the CCN application process, the developer will transfer ownership of the wastewater treatment plant, drip fields, and associated acreage to TN Evergreene Utility Services, LLC.
- C. Chart of accounts for the water utility (attachment 12).
- D. List of all plant-in-service account numbers with account names and estimated account balances as of the start of operation (attachment 12).
- 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.
- F. A performance bond in the amount of \$20,000 has been acquired through Athens Insurance for the Timberlake Bay Treatment System (attachment 13).
- G. Provide pro forma income statements for the water utility for the first two years of operation. The first 2 years of projected cost and income estimate is provided with in attachment 14 with explanation sheets.

ATTACHEMENT 1:
Owners User Manual

OWNERS USER MANUAL

Welcome! You are hooked up to a state of the art fixed film wastewater treatment system. This environmentally friendly system does an excellent job of treating wastewater and returning it to the soil. It will do best if you follow the guidelines listed below:

Proper Use:

Direct all wastewater from the home into the septic tank. Any wastewater can contain disease causing organisms and pollutants.

Practice water conservation to avoid overloading the onsite sewage system. Repair dripping faucets and leaking toilets. Run dishwashers when full. Do not do all your laundry in one day. Space out the washing machine use over the week. Replace old fixtures with water saving fixtures.

Do not direct water from gutter downspouts, sump pumps or subsurface drains into the septic tank. The sewage management system is designed based on an estimated daily water use. Excess water directed into the septic tank will cause a hydraulic failure.

Use commercial bathroom cleaners and anti-bacterial soaps in moderation. Treatment in the wastewater system depends on natural bacteria. The Utility does not recommend the use of septic tank additives. These products are not necessary for proper system operation.

Do not plant trees or bushes on top of the septic or pump tank. Root intrusion may damage and block the line.

Do not dig without knowing the location of your septic and pump tank. Landscape the site to allow surface water to drain off of these tanks. Divert roof drains from these tanks. Standing water over these tanks will cause increased load saturations and potential pump failure.

Do not park or drive over the septic and pump tank. This can damage or compromise the tanks.

Do not pour grease, oil, paint or other chemical products down the drain. Do not put not-biodegradable items such as cigarette butts, feminine hygiene products, condoms, disposable diapers or other similar solid waste into the septic tank. Remember living microbes clean the wastewater.

Do not enter your septic or pump tank. Gases from inside the tank can be fatal. Keep the lids secure and screwed down.

Do not turn off the main circuit breaker to the wastewater pumps when going on vacation. The pumps will need to handle any infiltration into the system.

If there is a power failure, your alarm might go off when the power comes back on. Wait at least 2 hours; if the alarm is still going off please call the customer service number. If you have had no power failure and the alarm goes off, call customer service without delay.

Customer Service: 865-851-8351

Evergreene Utility Services, LLC

4028 Taliluna Avenue, Knoxville, TN 37919

Dear Evergreene Utility Services Customers

I would like to welcome you to Evergreene Utility Services, LLC and Timberlake Bay Villas. We at Evergreene Utility Services, LLC look forward to providing the best and most environmentally friendly wastewater treatment service. First of all I would like to explain our rates for Timberlake Bay Villas.

We have 2 basic rates, one if you have not built your home yet and the other as your home is built. First, the rate if you have not built your home yet is referred to as an access fee. The access fee is \$120.00 dollars per year and is due on July 1st. What this fee pays for is the maintenance of the lines in the streets and the treatment plant components. Even if no homes are built in the subdivision, maintenance and test records must be maintained to meet state requirements. We use this fee to offset these costs so that when you are ready to connect, the system will be ready for you.

Our next rate is for when you build your home and tie on, this rate is \$45.00 per month. For this payment we will treat the wastewater to the highest standards and dispose of it into a drip emitter field. We use the fixed film system of treating the wastewater because of it's reliability and it can be maintained more cost effectively than other systems. This is a fully automated PLC controlled system for the utmost reliability. You will additionally install a septic and pump tank at your home at your expense. We will pump and maintain the septic tank, pump tank and components at no additional cost to you. It should be noted that we do not maintain any plumbing or unstop any blockages in your home or the outfall line to the septic tank.

Additional charges are as follows:

- Service disconnect \$40.00
- Service reconnect all past due amounts with late fees and \$50.00
- Returned Check Fee \$25.00
- A 5% late fee will be added to the total bill on the lot of any month in which we have not received your payment.

A complete copy of our tariff or billing amounts is available for viewing at our office during normal business hours by appointment

Now for connecting, we have a set of specifications that must be followed and are included in this packet. You must get a permit from Jefferson County Environmental Health before starting work. Before you can connect to the Evergreene Utility Services, LLC Service Connection you must sign and return your Sewer Service Contract Agreement.

You will need to install a cut off valve between the house and water supply and grant Evergreene Utility Services, LLC exclusive rights to use such valve to cut off water in order to safely stop wastewater flow.

You will have an alarm post next to your pump tank or on your house. If there is a power failure, this alarm might go off after the power comes back on due to residual water needing to be pumped out. Wait at least 2 hours and if the alarm is still going off please call the customer service number. If you have had no power failure and the alarm goes off, call customer service without delay. If you need additional assistance, please call our Customer Service number: 865-851-8351.

All payments will be sent to:

Evergreene Utility Services, LLC
4028 Taliluna Avenue
Knoxville, TN 37919

Again I would like to welcome you to Evergreene Utility Services, LLC and Timberlake Bay Villas. We at Evergreene Utility Services, LLC will do our best to handle your wastewater service needs in an honest and professional manner.

Sincerely,

A handwritten signature in cursive script that reads "Douglas S. Hodge".

Douglas S. Hodge, Ph.D. PMP
Operations Manager
Evergreene Utility Services, LLC

Evergreene Utility Services, LLC

Individual septic tank and pump tank requirements.

Only configurations and equipment approved by Aqua Green Utility Inc. may be used. Not following these configurations shall be cause for disconnect until the specifications are met.

All connections to the septic and dosing will be:

- 4" schedule 40 PVC at not less than 1/8" fall per 1'
- Have an Inspection port relief valve between the septic tank and pump tank. The Inspection port relief valve will be on an elevation of not less than 6" below the elevation where the building outfall line leaves the home. (see approved products)
- Foam core pipe is approved if it meets local code requirements

The line from the pump tank to the main line will be:

- Pressure rated Schedule 40 PVC minimum 1.25 inch
- Have a piece of single strand insulated copper wire included in the ditch turned up in the utility box at the road and alarm post for future locating needs.
- Pumped line from pump tank to service connection should be burred at least 18" deep.

The septic and pump tank must meet the Utility's design requirements:

- All tanks must be on the Utility's approved list. Other tanks may be added to approved list if they meet all requirements. Contact the Utility for details on adding additional equipment to approved list.
- Shall be of a watertight design and all joints must be sealed to stop ground water intrusion and sewage leaks. Concrete/Fiberglass tanks must be 1 piece tanks with sealed lid.
- The septic tank will be a two chamber design at least 1000 gallon capacity.
- The pump tank will be a one chamber design at least 1000 gallon capacity.
- The septic tank will have PVC tees in each end at least 1/3 the water depth.
- The outlet tee will include a septic tank filter.
- The top of the tanks shall not be buried deeper than 24" from the surface.
- The septic tank will include two approved risers to the surface.
- The dosing tank will include one approved riser to the surface.
- The risers will have two forms of entry security. Safety screws in outer lid and a riser pan with cement lid or a safety screen.
- The dosing tank will have an 1.5 inch metal pipe entering at least 46" on center from the bottom of the tank at the riser end. The total length of the installed pump and piping shall be 46" from center of the line entering the tank to the bottom of the pump.
- The pipe in the tank will have a 1/16 hole pointed downward in the tank to relieve air after pump cycle.
- The pump tanks will have an EZ pull adapter for quick pump service.

- A1 pipes in the dosing tank will be galvanized water pipe, aluminum or stainless steel
- Metal pipe must extend at least 3' from tank toward Utility connection before converting to using PVC.
- The metal elbow shall have a 1/16 hole at a 30 degree downward angle drilled into it'
- A non spring check valve shall be connected to the Utility service just inside the Utility service box. This will make a total of two check valves at the service box.

Electrical Connections

- All connections shall meet the national electrical code.
- All connections shall be located outside of the tank.
- An approved alarm post with a high level alarm shall be located at the pump tank riser.
- No electrical connections are allowed inside the pump tank or riser.
- Two 110 volt electrical circuits are required from the house to the alarm post. One 12 gauge dedicated for the pump and one 14 gauge for the alarm, so the alarm will work even if the pump throws a circuit breaker. Wire in PVC conduit or direct burial wire is required.
- The conduit connecting the riser to the alarm post must be sealed so as to keep corrosive gasses from entering the alarm post.

Approved Materials: (contact the Utility in advance to recommend an addition to this list)

Risers: Can use either Orenco System or Polylok System risers as outlined below:

- Orenco: Jeff Brownfield at 423-331-2036
 - 2.000 FL24G-4BU Fiberglass Lid, 24" W/ Urethane Gasket, Angled Core; 4 bolts, Inlet & outlet
 - 2.000 RR2436 Pvc Access Riser, 24" Dia.
 - 2.000 MA320 200 G Epoxy Kit
 - 1.000 SB4 Pvc Splice Box W/4 Cord Grips
 - 1.000 PV55-1817 Simplex Biotube Pump Vault for 24" Riser, 18" Cartridge
- Polylok: www.polylok.com 877-POLYLOK
 - Polylok 3008 HD Heavy Cover or
 - Polylok 3008 RC Light Duty Cover
 - Polylok 3008-RP 24" Riser Pan or
 - Polylok 3008-SS 24" Safety Screen
 - Polylok 3008 24" Riser 6" tall
 - Polylok 3008-R12 24" Riser 1,2" tall
 - Polylok PL-68 Filter Cartridge (septic tank filter)
 - Polylok 3009-AR (adapter ring for plastic tanks)

Alarm Post:

- SJE Rhombus model PSPL20V6HL7 A www.sierhombus.com 1-888-DIALSJE
- Septic Products Inc. - Observer 100 www.septicproducts.com 419-282-5933

EZ pull adapter -EZ-Puller 1.5 inch www.webtrol.com 800-769-7867

Inspection Port Relief Valve 562-304 www.Plum.com 800-462-6991

Septic Tank: 1 piece 2 chamber

- Orenco Step Tank: Jeff Brownfield 423-331-2036
- Norwesco 1050 Septic tanks part number 42250,42248,42283, 42293
www.norwesco.com
- Ashley Cement Tanks: Must be L piece 2 chamber poured tanks with two Polylok 24" risers and sealant between lid and tank.
- Watson Septic, Madisonville, TN
- Dixie Concrete, LaFollette, TN
- Tays Septic, Crossville, TN
- Morrison Tank & Vault, Morrison, TN

Approved Pumps:

- Myers 2NFLs1-8E www.femvers.com 419-289-1144
- Orenco: Jeff Brownfield at 423-331-2036
 - 1.000 PF100511 Effluent Pump; 1/2Hp, 10gpm, 115V, 60Hz, 10' Lead
 - 1.000 HV100BCFCPRX Hose & Valve Assembly, 1" Pressure, w/B,C,FC,X
 - 1.000 MF3A-Y,B,R-27V Fl. Assem.:(Y,B,R);27" step pump vault
 - 1.000 S1ETM Simplex Panel, 115V W/Etm

Some local Installers: (if an installer does poor work, the Utility reserves the right to not allow him/her to do further work) To add your installer, please call the Utility first:
Doug Hodge at 865-851-8351.

For additional technical assistance call Evergreene Utility Services, LLC. 865-851-8351

ATTACHEMENT 2:

**The Flats Resort Letter Requesting EUS Take Over Service of
Decentralized Treatment System and Facility**

Albert Ballowe

The Flats Resort, LLC
2249 Childress Road
Dandridge, TN 37725
Phone: 865-397-4888

► **Evergreene Utility Services, LLC**

Attn: Dr. Douglas Hodge
4028 Taliluna Avenue
Knoxville, TN 37919
Phone: 865-851-8351

Dr. Hodge,

Per our phone conversation on 7/1/10, The Flats Resort, LLC (developer for Timberlake Bay) approves of Evergreene Utilities Services (EUS), LLC taking ownership of the State Operating Permit #08001 and the installed de-centralized treatment system for Timberlake Bay from East Sevier Utility District (ESUC). In conversations with Steve Tackett with ESUC, they will release the SOP. Please proceed with submitting a CCN application for Timberlake Bay through TRA and have TDEC transfer the SOP to EUS.

Please give me a call with any questions.



Albert Ballowe
Managing Member
The Flats Resort, LLC
7/2/10

ATTACHEMENT 3:
East Sevier Utility District Correspondence Releasing
State Operating Permit (SOP)

Doug

From: STEVE TACKETT [chief1401@dishmail.net]
Sent: Wednesday, September 08, 2010 10:37 AM
To: hodge.dsh@gmail.com
Subject: permits

Doug, as we have discussed ESCUD will give up the permits on your projects if necessary.reference #08001

Steve Tackett

East Sevier County Utility District
P.O. Box 5437
Sevier County, TN 37862
Phone: 865-429-4240

► **Timberlake Bay (The Flats Resort), LLC**

Attn: Mr. Bert Ballowe
2249 Childress Road
Dandridge, TN 37725
865-604-7943

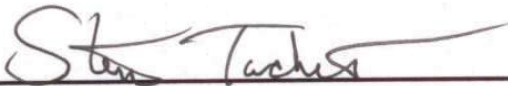
**Tennessee Department of Environment
and Conservation**

Attn: Dr. Robert G. O'Dette
Manager, Municipal Facilities And State of
Tennessee Biosolids Coordinator
Division of Water Pollution Control
6th Floor, L&C Annex 401 Church Street
Nashville, TN 37243-1534
615-253-5319

Dr. O'Dette and Mr. Ballowe,

Per our phone conversation on 9/8/10 with Doug Hodge and attached e-mail, East Sevier County Utility District agrees to the transfer of SOP#08001 for Timberlake Bay (The Flats Resort, LLC) to Evergreene Utility Services, LLC. All of ESCUD's contractual obligations for operation and maintenance/ownership will be completed based on TDEC approval of this transfer.

Please give me a call with any questions.



Steve Tackett

President

East Sevier County Utility District

ATTACHEMENT 4:
Sworn Pre-filed Testimony

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSE**

September 10, 2010

IN RE:

**PETITION OF EVERGREENE UTILITY SERVICES, LLC TO OBTAIN
A CERTIFICATION OF PUBLIC CONVENIENCE AND NECESSITY
FOR THE SERVICE PART OF JEFFERSON COUNTY,
TENNESSEE KNOWN AS TIMBERLAKE BAY (former The Flats Resort)**

DOCKET NO:

**TIMBERLAKE BAY
PRE-FILED DIRECT TESTIMONY OF DOUG HODGE**

Question: State your name for the record and your position with the Petitioner, Evergreene Utility Service, LLC.

Answer: Doug Hodge. I am the operations manager and owner of Evergreene Utility Services, LLC.

Question: What is the business of Evergreene Utility Services, LLC?

Answer: To provide environmentally friendly and affordable wastewater service to communities where wastewater service is not currently available.

Question: Is there a need for wastewater service in the proposed development?

Answer: Yes, we have been requested to provide wastewater service by Timberlake Bay (owned by The Flats Resort, LLC). I have included a copy of a letter requesting that the service be provided (attachement 2). Currently, East Sevier Utility District (ESUD) is operating the constructed waste water system and has agreed to release the SOP and operation over to EUS (see attached letter, attachement 3). During the initial SOP submittal approval process, ESUD had contacted the City of Sevierville and County of Sevierville to ensure that they had no plans to service this area. A decentralized treatment system was also required since most of the soils in the development are not suitable for individual septic systems.

Question: What services will Evergreene Utility Services, LLC provide to Timberlake Bay?

Answer: Evergreene Utility Services, LLC will provide wastewater service including pumping and maintenance of the step systems at individual

homes, maintaining the community main lines, maintaining and operating the treatment plant and drip field. All operation and maintenance will be done in a manner as to meet all requirements of the state operating permit.

Question: Does Evergreene Utility Services, LLC have the technical, managerial, and financial capability to provide wastewater service to Timberlake?

Answer: Yes, Evergreene Utility Services, LLC staff and associates have all the necessary technical, managerial, and financial capability to provide wastewater service to Timberlake.

Question: Will Evergreene Utility Services, LLC abide by all applicable Tennessee statutes and TRA rules governing wastewater utilities?

Answer: Yes, Evergreene Utility Services, LLC will abide by all applicable Tennessee statutes and TRA rules governing wastewater utilities including but not limited to TRA Rule Chapters 1220-1-1, 1220-4-1 and 1220-4-13.

Question: How many customers will be served in this development?

Answer: Evergreene Utility Services, LLC will service up to 103 residential wastewater customers once the subdivision is built out.

Question: Identify any complaints filed with any state regulatory agency involving Evergreene Utility Services, LLC.

Answer: There have never been any complaints filed against Evergreene Utility Services, LLC.

Question: Does this conclude your pre-filed testimony?

Answer: Yes

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

Douglas S. Hodge

Douglas S. Hodge, Ph.D., PMP
Operations Manager
Evergreene Utility Services, LLC

Subscribed and sworn to me this 8 day of September 2010

Notary Public Linda Feliciano

County of Blount, Tennessee

My Commission Expires 1-12-11



CERTIFICATE OF SERVICE

The undersigned hereby certifies that the above and foregoing Pre-filed testimony of Doug Hodge has been served upon the Tennessee Regulatory Authority, 460 James Robertson Parkway, Nashville, Tennessee 37243. By the method of incorporation into this submittal documentation.

On this 8 day of Sept 2010

Douglas S. Hodge

Douglas S. Hodge, Ph.D., PMP

ATTACHEMENT 5:
State Operating Permit Timberlake Bay

**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-08001

**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

East Sevier County Utility District - The Flats Resort
Sevierville, Sevier County, Tennessee

FOR THE OPERATION OF

Septic tanks, effluent collection system, packed bed technology (Orenco System), UV disinfection and 5.85 acre drip irrigation system located at latitude 35.91745 and longitude - 83.46254 in Sevier County, Tennessee to serve 186 homes , restaurant and 2 swimming pools in the Flats Resort. The design capacity of the system is .0569 MGD.

This permit is issued as a result of the application filed on January 10, 2008, 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: May1, 2008

This permit shall expire on: March 31, 2013

Issuance date: April 1, 2008

**Paul E. Davis
Director
Division of Water Pollution Control**

CN-0759

RDA's 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	18.5 mg/l	*	1/quarter
Ammonia as N	grab	Report	*	1/quarter
<i>E. Coli</i>	grab	941 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.

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.

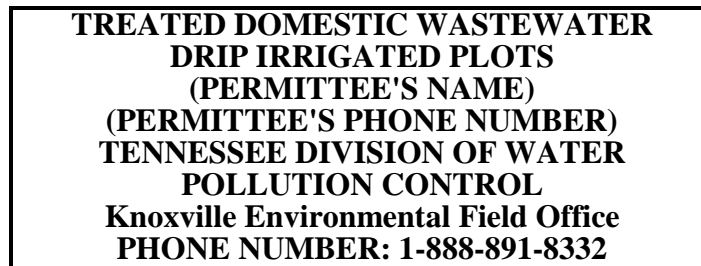
PART III OTHER REQUIREMENTS

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. 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.

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.

G. OWNERSHIP OF THE TREATMENT FACILITIES

a. The permittee shall own the treatment facilities (and the land upon which they are constructed) including the land to be utilized for drip or spray irrigation. A perpetual easement (properly recorded) may be accepted in lieu of ownership. If the permittee elects to make the treated wastewater available for reuse (irrigation of a golf course for example) a backup dedicated land application site must be provided or a perpetual easement must be obtained for the property where reuse is to take place. The perpetual easement must allow year-round application of the wastewater except where the permittee has provided (and the division has approved) storage facilities for periods when reuse is not available. Evidence of ownership of the treatment facility land application site(s) and/or a copy of the perpetual easement(s) must be furnished to the division for approval prior to construction of the wastewater collection and treatment system.

b. Where the treatment facility serves private homes, condominiums, apartments, retirement homes, nursing homes, trailer parks, or any other place where the individuals being served have property ownership, rental agreements, or other agreements that would prevent their being displaced in the even of abandonment or noncompliance of the sewerage system, ownership of the treatment facilities must be by a municipality, a public utility, a wastewater authority, or a privately owned public utility (having a Certificate of Convenience and Necessity from the Tennessee Regulatory Authority), or another public agency.

ATTACHEMENT 6:

Evergreene Utility Services Articles of Incorporation



STATE OF TENNESSEE
Tre Hargett, Secretary of State
Division of Business Services
312 Rosa L. Parks Avenue
6th Floor, William R. Snodgrass Tower
Nashville, TN 37243

Evergreene Utility Services, LLC

January 26, 2010

2249 Childress Road
Dandridge, TN 37725 USA

Filing Acknowledgment

Please review the filing information below and notify our office immediately of any discrepancies.

Control # :	622768	Formation Locale:	Jefferson County
Filing Type:	Limited Liability Company - Domestic	Date Formed:	01/26/2010
Filing Date:	01/26/2010 8:37 AM	Fiscal Year Close	12
Status:	Active	Annual Rpt Due:	04/01/2011
Duration Term:	Perpetual	Image # :	6645-3042
Managed By:	Member Managed		

Document Receipt

Receipt # : 44437	Filing Fee:	\$300.00
Payment-Check/MO - RAINWATER, DRINNON, & CHURCHWELL PLLC, Dandridge, TN		\$300.00

Registered Agent Address

Albert Ballowe
2249 Childress Road
Dandridge, TN 37725 USA

Congratulations on the successful filing of your **Articles of Organization** for **Evergreene Utility Services, LLC** in the State of Tennessee which is effective on the date shown above. You must also file this document in the office of the Register of Deeds in the county where the entity has its principal office if such principal office is in Tennessee.

You must file an Annual Report with this office on or before the Annual Report Due Date noted above and maintain a Registered Office and Registered Agent. Failure to do so will subject the business to Administrative Dissolution/Revocation.

Tre Hargett, Secretary of State
Business Services Division

State of Tennessee



Department of State

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

ARTICLES OF ORGANIZATION
(LIMITED LIABILITY COMPANY)

(For use on or after 7/1/2006)

For Office Use Only

RECEIVED
STATE OF TENNESSEE

2010 JAN 26 AM 8:37

TRE HARGETT
SECRETARY OF STATE

FILED

6645.3042

The Articles of Organization presented herein are adopted in accordance with the provisions of the Tennessee Revised Limited Liability Company Act.

1. The name of the Limited Liability Company is: Evergreene Utility Services, LLC

(NOTE: Pursuant to the provisions of TCA §48-249-106, each limited Liability Company name must contain the words "Limited Liability Company" or the abbreviation "LLC" or "L.L.C.")

2. The name and complete address of the Limited Liability Company's initial registered agent and office located in the state of Tennessee is:

Albert Ballowe

(Name)

2249 Childress Road

Dandridge

TN/37725

(Street address)

(City)

(State/Zip Code)

Jefferson

(County)

3. The Limited Liability Company will be: (NOTE: PLEASE MARK APPLICABLE BOX)

☒ Member Managed

☐ Manager Managed

☐ Director Managed

4. Number of Members at the date of filing, if more than six (6): _____.

5. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date and time is: (Not to exceed 90 days)

Date: _____, _____ Time: _____

6. The complete address of the Limited Liability Company's principal executive office is:

2249 Childress Road

Dandridge

TN/Jefferson/37725

(Street Address)

(City)

(State/County/Zip Code)

7. Period of Duration if not perpetual: _____

8. Other Provisions:

9. THIS COMPANY IS A NONPROFIT LIMITED LIABILITY COMPANY (Check if applicable) ☐

January 20, 2010

Signature Date

Signature

Organizer/Attorney

Signer's Capacity (if other than individual capacity)

Larry Churchwell

Name (printed or typed)

RAINWATER, DRINNON & CHURCHWELL, PLLC

ATTORNEYS AT LAW
RAINWATER BUILDING

706 Justice Center Drive

P.O. BOX 1760

DANDRIDGE, TENNESSEE 37725-0798

CS. RAINWATER, SR.
1893-1987

STEVEN DOUGLAS DRINNON
LARRY RAY CHURCHWELL

TELEPHONE (865) 397-3939
FACSIMILE (865) 397-3132

January 20, 2010

Secretary of State
Corporate Section
312 8th Avenue North
6th Floor, William R. Snodgrass Tower
Nashville, TN 37243-0306

RECEIVED
STATE OF TENNESSEE
2010 JAN 26 AM 8:36
TRE HARGETT
SECRETARY OF STATE

6645.3043

Re: **Evergreene Utility Services, LLC**

Dear Sir:

Enclosed please find the above captioned Charter along with check number 2733, for \$300.00 for filing the same.

Thank you for your assistance in this matter.

Sincerely yours,



Larry Churchwell

LRC:mab
Enclosure

Date of this notice: 02-09-2010

Employer Identification Number:
27-1862472

Form: SS-4

Number of this notice: CP 575 A

EVERGREENE UTILITY SERVICES
ALBERT BALLOWE MBR
2249 CHILDRESS RD
DANDRIDGE, TN 37725

For assistance you may call us at:
1-800-829-4933

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 27-1862472. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

Based on the information received from you or your representative, you must file the following form(s) by the date(s) shown.

Form 1065	04/15/2011
Form 720	04/30/2010

If you have questions about the form(s) or the due date(s) shown, you can call us at the phone number or write to us at the address shown at the top of this notice. If you need help in determining your annual accounting period (tax year), see Publication 538, *Accounting Periods and Methods*.

We assigned you a tax classification based on information obtained from you or your representative. It is not a legal determination of your tax classification, and is not binding on the IRS. If you want a legal determination of your tax classification, you may request a private letter ruling from the IRS under the guidelines in Revenue Procedure 2004-1, 2004-1 I.R.B. 1 (or superseding Revenue Procedure for the year at issue). Note: Certain tax classification elections can be requested by filing Form 8832, *Entity Classification Election*. See Form 8832 and its instructions for additional information.

A limited liability company (LLC) may file Form 8832, *Entity Classification Election*, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, *Election by a Small Business Corporation*. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

ATTACHEMENT 7:
State of TN Business License



STATE OF TENNESSEE
Tre Hargett, Secretary of State
Division of Business Services
312 Rosa L. Parks Avenue
6th Floor, William R. Snodgrass Tower
Nashville, TN 37243

Filing Information

Name: Evergreene Utility Services, LLC

General Information

Control # :	622768	Formation Locale:	Jefferson County
Filing Type:	Limited Liability Company - Domestic	Date Formed:	01/26/2010
Filing Date:	01/26/2010 8:37 AM	Fiscal Year Close	12
Status:	Active	Member Count:	1
Duration Term:	Perpetual		
Managed By:	Member Managed		

Registered Agent Address

Albert Ballowe
2249 Childress Road
Dandridge, TN 37725 USA
Phone: () -
Fax: () -

Principal Address

2249 Childress Road
Dandridge, TN 37725 USA

The following document(s) was/were filed in this office on the date(s) indicated below:

Date Filed	Filing Description	Image #
01/26/2010	Initial Filing	6645-3042

Active Assumed Names (if any)	Date	Expires
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ATTACHEMENT 8:
Degrees & Certificates of EUS Staff



14 Campus Blvd | Newtown Square, PA 19073-3299 USA
Tel: +1 610 356 4600 Fax: +1 610 356 4647
www.pmi.org

PMI Identification Number

PMP® number: 1322650

PMI ID number: 1704925

PMP Original Grant Date: 16 March 2010

PMP Expiration Date: 15 March 2013

22 March 2010

DOUGLAS HODGE
704 WATERS EDGE
DANDRIDGE TN 37725
UNITED STATES

Dear Dr. Douglas Hodge,

On behalf of the PMI's Certification Department, congratulations on the successful demonstration of your project management knowledge by passing the Project Management Professional (PMP)® examination. As one of a select group of project management practitioners to earn the PMP designation, you can justifiably take pride in your accomplishment. Welcome to the global community of PMP credential holders.

The enclosed material is provided to you as a new PMP credential holder. Review this material carefully and create a PMP certification file to maintain these and additional materials you will receive pertaining to the maintenance of your credential. Included in this packet are a personalized certificate and a pin that attest to the fact that you are a certified Project Management Professional. On your PMP certificate you will find:

- **PMP number:** This is the unique identification number used by PMI to maintain your PMP record. This number, along with the PMI identification number (issued when you applied), is needed to access the online system used for reporting professional development units (PDUs) and to register your PDU activities in compliance with Continuing Certification Requirements (CCR) program.
- **PMP Original Grant Date:** This is the date that you earned the PMP credential. As you renew your credential every three years, this date will remain the same. If you allow your credential to expire and successfully earn the PMP again, then you will be issued a new PMP since date.
- **PMP Expiration Date:** This is the date that your active credential expires. You must renew your credential before this date to remain an active PMP. You will receive a new certificate with the current date each time you renew your PMP credential, but you will retain your original *PMP number*.

We understand that you may have questions and we are happy to provide the support you need. For more detailed information about your credential and its maintenance, please view the Frequently Asked Questions on the Credential & Certification pages of PMI.org. If you have questions, please e-mail customercare@pmi.org.

Sincerely,

Brian Weiss
Vice President, Product Management

Project Management Institute

THIS IS TO CERTIFY THAT

Douglas S. Hodge

HAS BEEN FORMALLY EVALUATED FOR DEMONSTRATED EXPERIENCE,
KNOWLEDGE AND SKILLS TO LEAD AND DIRECT PROJECT TEAMS AND IS HEREBY
BESTOWED THE GLOBAL CREDENTIAL

Project Management Professional

IN TESTIMONY WHEREOF, WE HAVE SUBSCRIBED OUR SIGNATURES UNDER THE SEAL OF THE INSTITUTE.



Eugene Bounds · Chair, Board of Directors



Gregory Balestrero · Chief/Executive Officer and President

PMP® Number 13222650

PMP® Original Grant Date 16 March 2010

PMP® Expiration Date 15 March 2013



Information about Your PMP Credential and Its Maintenance*

Use of the "PMP" Designation and Logo

Now that you are a PMP credential holder, you are authorized to use the PMP designation in block letters after your name on business cards, personal letterhead, resumes, web sites and in your e-mail signature. You may continue to use this designation as long as your credential remains current and in good standing.

Please note that, when you applied for the credential, you agreed to adhere to the PMI Code of Ethics and Professional Conduct and the PMI Certification Application/Renewal Agreement. This means, among other things, that you will only use the PMP designation in the manner stated above and that you will not use the PMP designation in company names, product names, domain names or in any similar unauthorized manner.

You also have use of the PMP logo as well as other resources. You can access electronic files of the logo on "My PMP Resources," a section on the online certification system at **www.pmi.org/certapp/Default.aspx**. This section includes the PMP logo, PMP logo usage guidelines and a news release that your employer may use to announce your achievement of the PMP credential.

Briefly, here are some logo usage guidelines:

- The logo can be sent directly to your business card designer/printer to produce your business cards. The file is supplied in a jpeg format for optimal print quality.
- The logo placement is important. The logo must appear immediately after your name on your business cards and should be used in black and white and in the size provided. It is not to be used on personal letterhead stationery or resumes, on websites or in e-mail signatures.

Refer to the document on "My PMP Resources" for complete PMP logo guidelines.

PMP Maintenance and Renewal

As indicated in PMP Credential Handbook, you have a 3-year certification cycle during which you need to earn and report 60 professional development units (PDUs) to maintain your credential. This is part of PMI's Continued Certification Requirements (CCR) program.

Use the information on your PMP certificate to help you in the maintenance of your credential. First, your active certification cycle is listed on your PMP certificate as the "PMP original grant date and the expiration date. Secondly, you will use your PMP number, as it is listed on your certificate, when it comes time to report your PDUs online.

As you begin your active, 3-year PMP certification/CCR cycle, PMI offers the following advice to help you maintain your credential:

- Create a personal credential/CCR folder as a place to retain important documentation about your PMP credential, including this letter, and the activities you participate in to maintain it.
- Familiarize yourself with the CCR process and PDU categories through the online CCR Handbook available at **http://www.pmi.org/PDF/pdc_ccrhandbook.pdf**. Be mindful that handbook updates occur occasionally and that it is best to use the online handbook for the latest information.
- Visit PMI.org for the many PDU opportunities available to you through the Institute, and map out your course of action for earning PDUs. Be mindful that activities outside of those offered by PMI also can qualify for PDUs. Include those activities in your plan.
- Earn 60 PDUs and report them using the online system at **<http://www.pmi.org/CareerDevelopment/Pages/CCR-Reporting-Forms.aspx>**.
- After you report 60 PDUs, PMI will e-mail you with a link to the Renewal Form. Complete the form and submit the renewal fee through the online certification system.

PMI Membership – Sign Up or Renew

PMI membership is particularly beneficial to credential holders as it enables discounts on attendance at PMI® global congresses, seminars and e-learning courses, where you can earn PDUs, and on credential renewal. Please be aware that being a credential holder does not automatically make you a PMI member.

We also invite you to visit PMI.org to explore additional opportunities to advance your career through continuing education programs and volunteer and employment opportunities. If you have any questions related to the materials contained in this package or any of PMI's program areas, please contact our Customer Care team at customercare@pmi.org or call us at +1 610 356 4600.

**Please note that this information is subject to change. Please refer to PMI.org for regular updates.*

UNIVERSITY OF SOUTHERN CALIFORNIA

OFFICIAL ACADEMIC TRANSCRIPT

OFFICE OF THE REGISTRAR

LOS ANGELES, CA 90089-0912

(213) 740-7445

RELEASE OF THIS RECORD OR DISCLOSURE OF ITS
CONTENTS TO ANY THIRD PARTY WITHOUT WRITTEN
CONSENT OF THE STUDENT IS PROHIBITED

STUDENT NAME

STUDENT NUMBER

DATE

PAGE

Hodge, Douglas, Stuart

01-02-96 1 of 3

NOTE: THE NAME OF THE UNIVERSITY IS PRINTED ACROSS THE FACE OF THE 8 1/2 X 11 TRANSCRIPT. PHOTOCOPIES ARE NOT TO BE CONSIDERED OFFICIAL TRANSCRIPTS. THE REGISTRAR'S SEAL AND SIGNATURE APPEAR ON THE FIRST PAGE.

ISSUE TO:
DOUGLAS S. HODGE
315 17TH STREET
SEAL BEACH, CA 90740

CONTROL #: 000000153485



RAISED SEAL NOT REQUIRED

This official document, issued by the Registrar's Office, is printed on tamper-proof security paper and does not require a raised seal.

Kenneth L. Servis

Kenneth L. Servis
Dean of Academic Records and Registrar

05/08/92 Master of Science
12/17/93 Doctor of Philosophy

USC Degrees Awarded

Environmental Engineering
Civil Engineering(Environmental Engineering)

Transfer Summary Information

Undergraduate	Units Attempted: 105.00	Earned: 80.00	Available: 80.00	Grade Points: 308.00	GPA: 3.85
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USC Cumulative Totals

Undergraduate	Units Attempted: 3.0	Earned: 3.0	Available: 3.0	GPA Units: 3.0	Grade Points: 11.1	GPA: 3.70
Graduate	Units Attempted: 70.0	Earned: 70.0	Available: 70.0	GPA Units: 63.0	Grade Points: 217.6	GPA: 3.45
Other	Units Attempted: 2.0	Earned: 2.0	Available: 0.0	GPA Units: 2.0	Grade Points: 4.0	GPA: 2.00

Fall Semester 1988 (09-06-88 to 12-22-88)

Class Level: Junior

CE-309	Fluid Mechanics
CE-443	Environmental Chemistry
CE-453	Water Quality Control
CE-463L	Environmental Engineering Laboratory

Course included in graduate GPA
Course included in graduate GPA
Course included in graduate GPA

Term Units Attempted	Term Units Earned	Term GPA Units	Term Grade Points	Term GPA
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STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
STATE BOARD OF ARCHITECTURAL AND ENGINEERING EXAMINERS

500 JAMES ROBERTSON PARKWAY
NASHVILLE, TN 37243-1142
www.tn.gov/commerce/boards/ae
E-mail: ce.aeboard@tn.gov
FAX (615) 532-9410
(615) 741-3221
(800) 256-5758

June 30, 2010

MICHAEL CHRISTOPHER JOHNSON
2531 JIM HENRY ROAD
DANDRIDGE, TN 37725

Dear MR JOHNSON:

Registration Number: 112003

The Board of Architectural and Engineering Examiners is pleased to notify you of your registration as an engineer in the State of Tennessee. Your registration number, which must appear on your seal, is indicated above. Information about the design and use of the seal is enclosed. In the next several days, you should receive your wallet card and professional license. Your license will be eligible for renewal every two years based on the month of original registration; at that time, as a prerequisite to renewal of active registration, you must certify completion of the continuing education hours required by Rule 0120-5-.04 [Basic Requirements].

The law and rules, including the Rules of Professional Conduct, are available on the Board's website (www.tn.gov/commerce/boards/ae). The rules are extensions of the law and carry the force of law. It is important to read these materials regularly, since they are updated by both legislative and Board action, as required to protect the public health, safety and welfare. It is your responsibility to keep abreast of the current law and Rules of Professional Conduct.

We welcome you as a new registrant. Members of the Board and staff will be glad to answer any questions you might have.

For the Board,

John Cothron
Executive Director

Environmental Technologies

Evergreene Utility Services
Bert Ballowe
2249 Childress Road
Dandridge, TN 37725

January 21, 2010

Dear Mr. Ballowe:

Please utilize this letter as my acceptance to operate the Timber Lakes Development of Sevier County and Bolder Crest Development of Jefferson County wastewater treatment facilities. Per our conversation, I have enclosed a resume.

Should you have any questions, please contact me at 865-223-3184.

Sincerely,

A handwritten signature in blue ink that reads "Herbert H. Norton". The signature is written in a cursive style with a large initial 'H'.

Herbert H. Norton
Environmental Technologies

Herbert Howard Norton

1132 Patterson Street, Dandridge, TN 37725

865.397.3857

PROFESSIONAL SUMMARY

Experienced professional in operations of water and wastewater treatment facilities and distribution and collection systems.

PROFESSIONAL EXPERIENCE

Independent Consulting, Dandridge, TN

1976-present

Self-Employed

- Manage and operate wastewater treatment facilities
- Perform wastewater lab testing
- Complete preventive maintenance checks on facilities

Dandridge Water Department, Dandridge, TN

1972-2003

Superintendent

- Water treatment grade 2 and wastewater treatment grade 3 licensed operator
- Distribution and collection systems grade 2 licensed operator
- Operated water and wastewater treatment plants
- Perform water and wastewater lab testing
- Maintain distribution and collection systems
- Inspect water and wastewater line installation, wastewater treatment plant construction, and water tank construction and rehabilitation
- Construct wastewater treatment plant expansion to include new digester and E.Q. basin

Newport Utilities Board

1968-1972

Wastewater Treatment Plant Operator

- Wastewater treatment plant grade 2 licensed operator
- Operate wastewater treatment plant
- Perform wastewater lab testing
- Complete preventive maintenance checks on pump stations

EDUCATION AND PROFESSIONAL DEVELOPMENT

East Tennessee State University, Johnson City, TN

1969

- Wastewater Treatment Plant Certification

Parrottsville High School, Parrottsville, TN

1955-1959

- Diploma

PROFESSIONAL AFFILIATIONS

Lifetime member of Newport Rescue Squad, Jefferson County Rescue Squad, and Dandridge Fire Department, TAUD, AWWA

State of Tennessee



Water and Wastewater Operator Certification Board

Be it hereby known, that

HERBERT H. NORTON

*has demonstrated ability as a wastewater collection system operator
Grade II 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. 142 Dated 4-4-72

Recommended

Board Chairman

Commissioner.

Approved

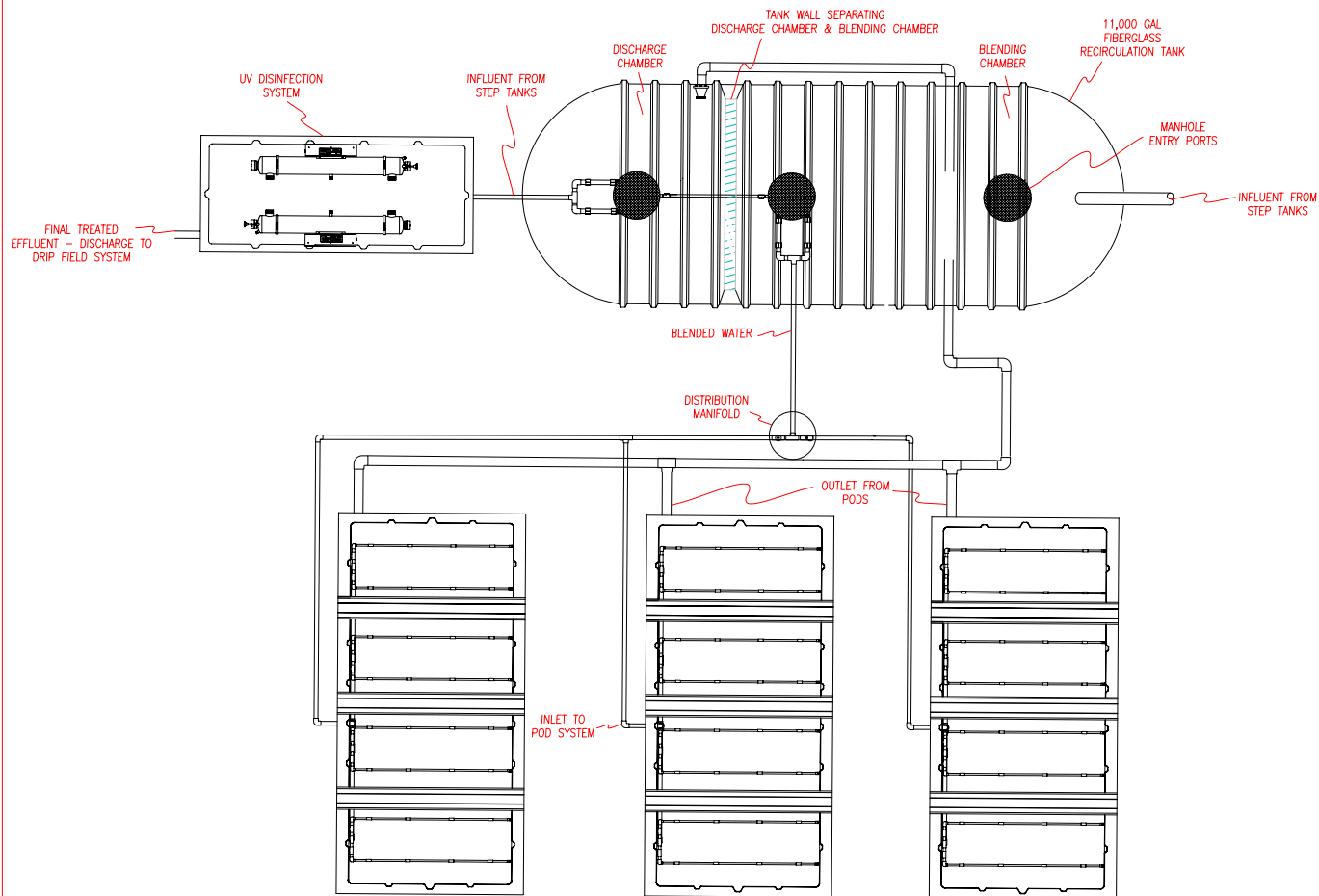
Tennessee Department of Public Health

Attest

Board Secretary



ATTACHEMENT 9:
Timberlake Bay Decentralized Treatment Facility
Engineering Drawings



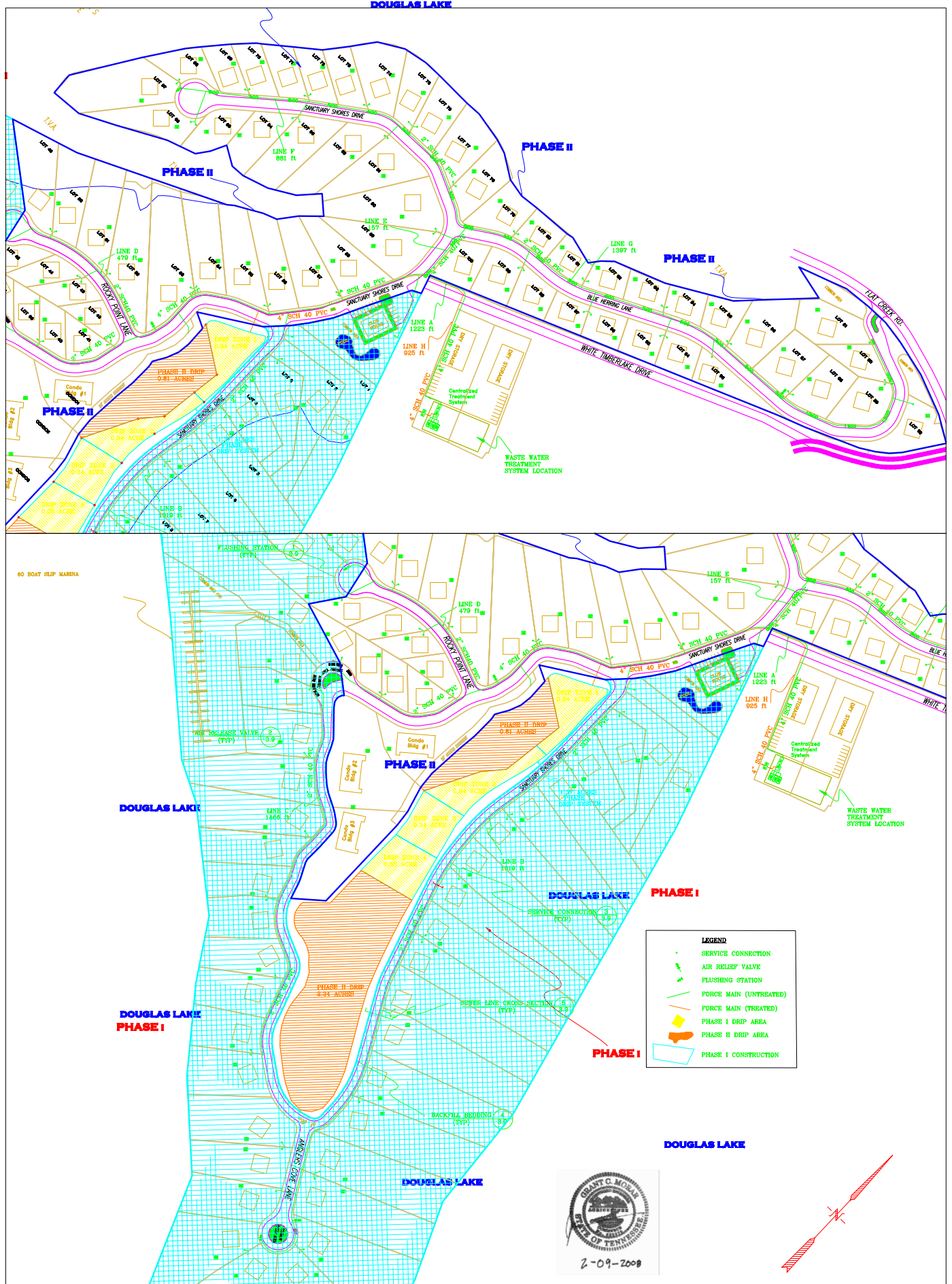
DSH & Associates, LLC
an Engineering/Construction Company
12828 Stahl Drive
Knoxville, TN 37922
Phone: 865-755-8066

**TIMBERLAKE BAY
RESORT & MARINA**
63 Acre Property located at the end of
Timberlake Drive, Sevierville, TN

SHEET NUMBER: C-3.5

DRAWN DSH	DATE 7/14/08	Advantex Recirculating Tank Layout
APPROVED CM	DATE 7/16/08	Detail
SCALE NTS	SHEET 14 of 20	VENDOR SUPPLIED PROJECT NO. TIMBERLAKE 81

REV 0	DATE 7-14-08	DESCRIPTION ISSUE FOR REVIEW
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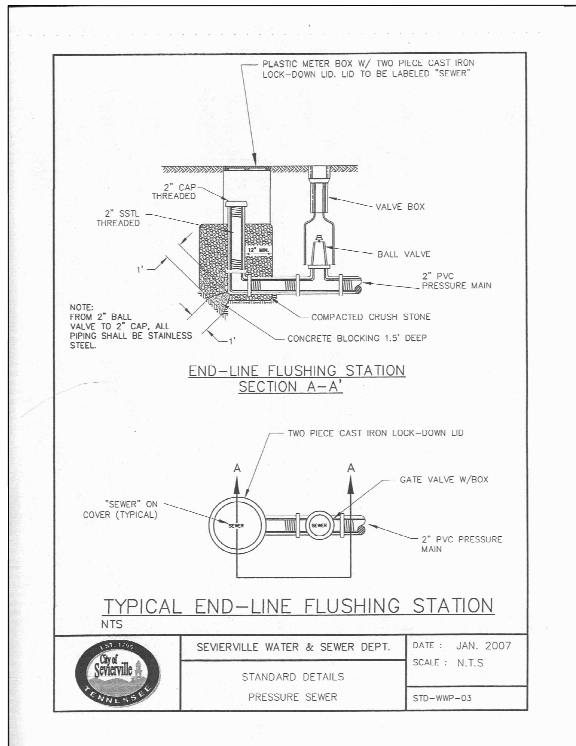
DSH & Associates, LLC
 an Engineering/Construction Company
 704 Waters Edge
 Dandridge, TN 37725
 Phone: 865-755-8066

TIMBERLAKE BAY
 70 Acre Property located at the end of
 Timberlake Drive, Sevierville, TN

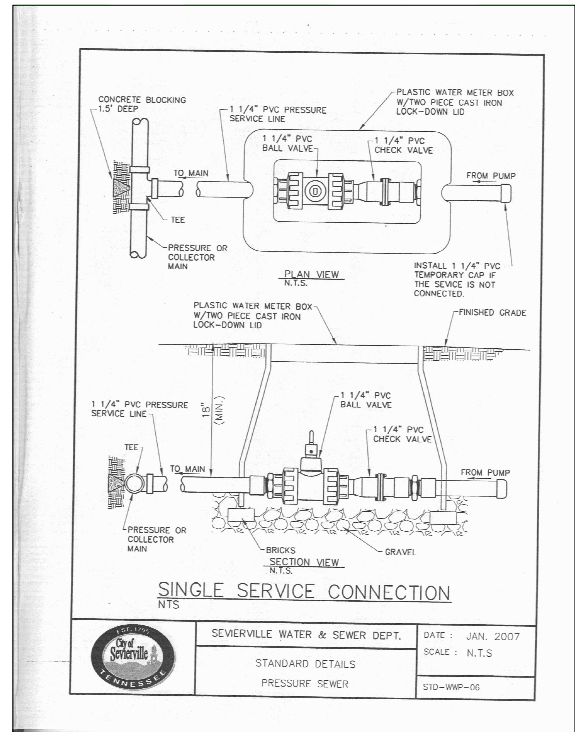
SHEET NUMBER: C-3.1

DRAWN DSH	DATE 2-2-09	WASTE WATER SYSTEM LAYOUT
APPROVED CM	DATE 2-3-09	PHASE II
SCALE 1" = 100'	SHEET 10 of 20	PROJECT NO. TIMBERLAKE BAY
REV 2	DATE 2-9-09	DESCRIPTION ISSUE FOR REVIEW

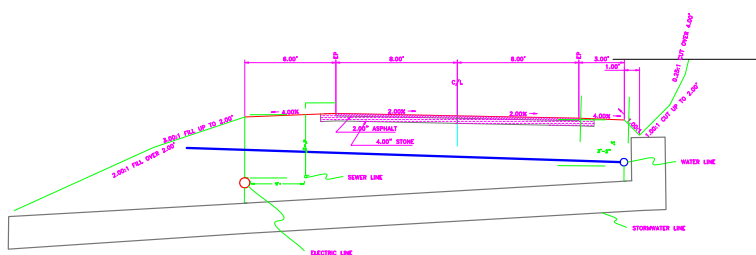
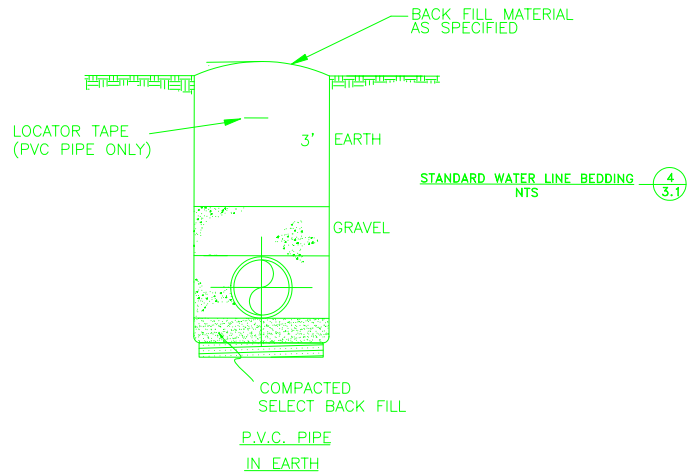
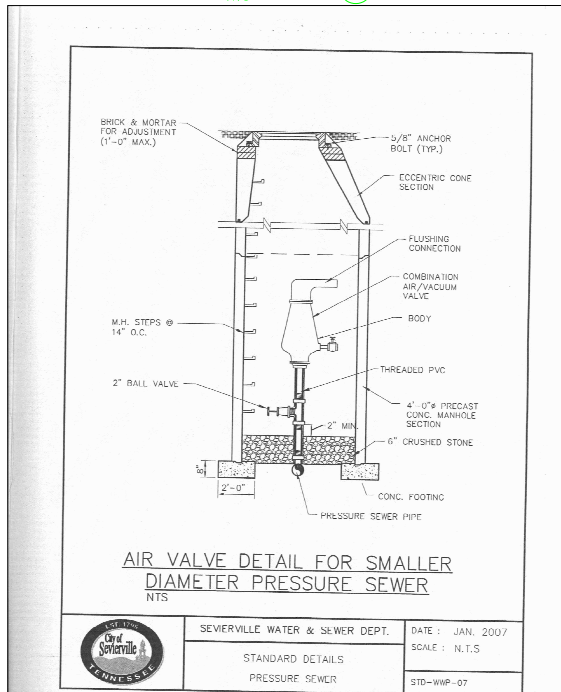
FLUSHING SYSTEM NTS



SEVICE CONNECTION NTS



AIR RELIEF VALVE SYSTEM NTS

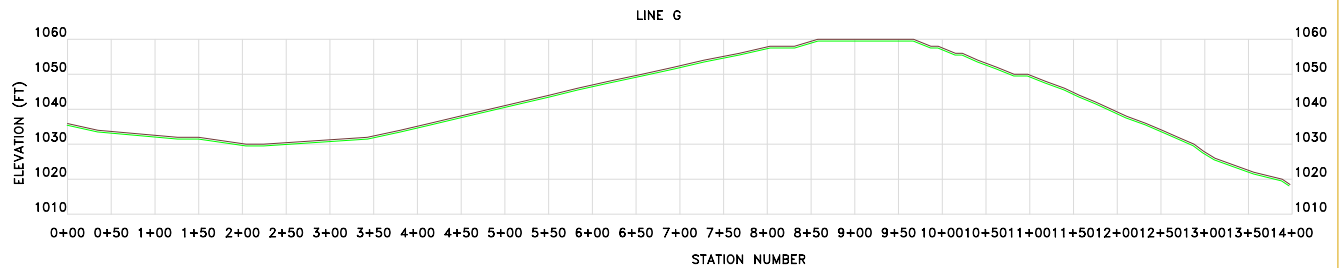
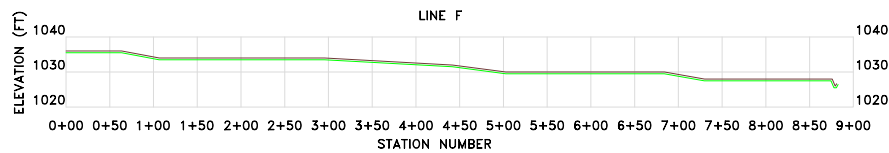
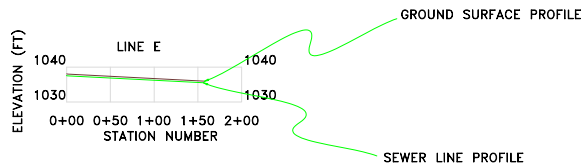


DSH & Associates, LLC
an Engineering/Construction Company
704 Waters Edge,
Dandridge, TN 37725
Phone: 865-755-8066

TIMBERLAKE BAY
70 Acre Property located at the end of
Timberlake Drive, Sevierville, TN

SHEET NUMBER: C-3.9		
DRAWN	DATE	WASTE WATER
DSH	1/20/09	FORCE MAIN
APPROVED	DATE	DETAILS
GM	2/9/09	
SCALE	SHEET	PROJECT NO.
NA	10 of 20	TIMBERLAKE BAY
REV	DATE	DESCRIPTION
2	1-22-09	ISSUE FOR REVIEW

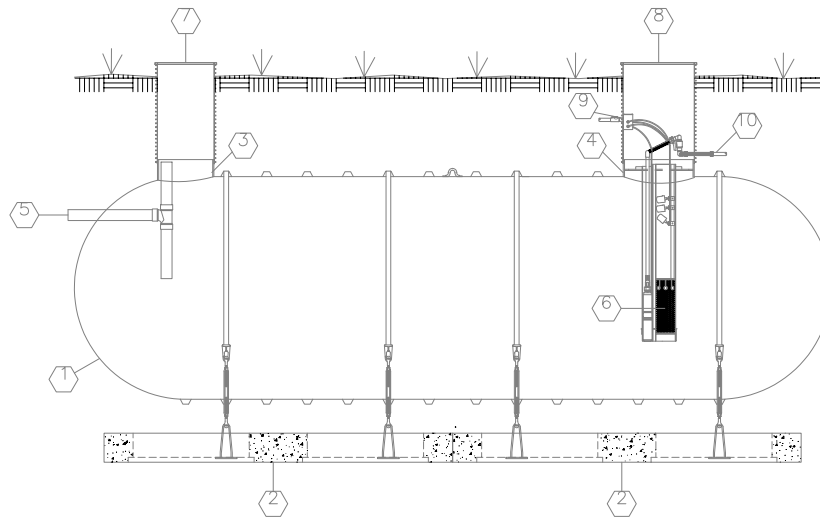
PHASE II – SEWER LINE PROFILES



DSH & Associates, LLC
an Engineering/Construction Company
704 Waters Edge
Dandridge, TN 37725
Phone: 865-755-8066

TIMBERLAKE BAY
70 Acre Property located at the end of
Timberlake Drive, Sevierville, TN

SHEET NUMBER: C-3.2		
DRAWN DSH	DATE 1-22-09	SEWER LINE PROFILES
APPROVED CM	DATE 2-9-09	PHASE II
SCALE NTS	SHEET 11 of 20	PROJECT NO. TIMBERLAKE BAY
REV 2	DATE 2-9-09	DESCRIPTION ISSUE FOR REVIEW



NO.	DESCRIPTION
1	XERXES SINGLE WALL FRP TANK
2	XERXES PRECAST DEADMAN SYSTEM W/ HOLD DOWN STRAP AND TURNBUCKLE ASSY.
3	24" FRP OPENING
4	30" FRP OPENING W/ INTERNAL FLANGE
5	4" SCH. 40 PVC INLET PIPING W/ SANITARY TEE
6	SUSPENDED DUPLEX EFFLUENT PUMP W/ FILTER & LEVEL CONTROL FLOAT ASSEMBLY
7	24" RIBBED PVC RISER W/ FRP LID
8	30" RIBBED PVC RISER W/ FRP LID
9	PVC SPLICE BOX W/ CORD GRIPS
10	EFFLUENT DISCHARGE

This drawing is for illustrative purposes only.
Consult with an engineer for specific applications.

XERXES
CORPORATION

STEP Tank
DUPLEX Suspended Pump w/Filter
Single Compartment

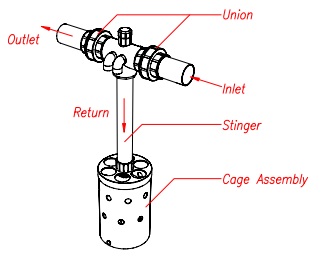
DATE 5-00 DR. NO. S20-203

DSH & Associates, LLC
an Engineering/Construction Company
12828 Stahl Drive
Knoxville, TN 37922
Phone: 865-755-8066

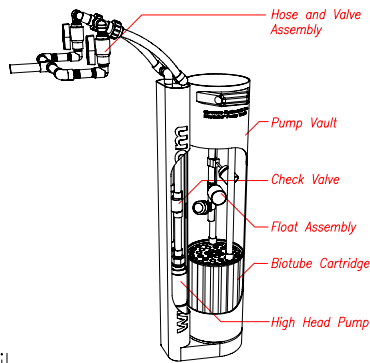
**TIMBERLAKE BAY
RESORT & MARINA**
63 Acre Property located at the end of
Timberlake Drive, Sevierville, TN

SHEET NUMBER: C-3.3

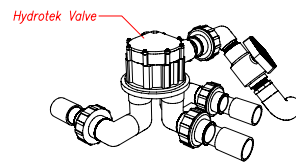
DRAWN DSH	DATE 7/14/08	STEP Tank Details
APPROVED CM	DATE 7/16/08	VENDOR SUPPLIED
SCALE NTS	SHEET 12 of 20	PROJECT NO. TIMBERLAKE 85
REV 0	DATE 7-14-08	DESCRIPTION ISSUE FOR REVIEW



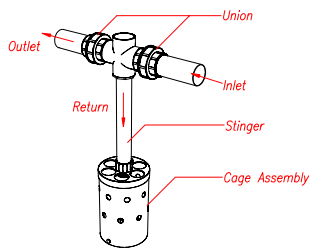
Recirculating Splitter Valve Detail
Scale: NTS



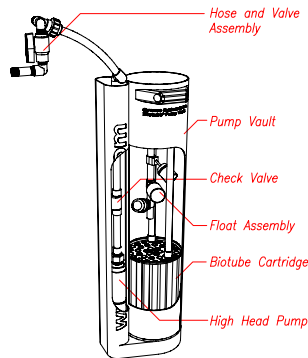
Duplex Pump Vault Detail
Scale: NTS



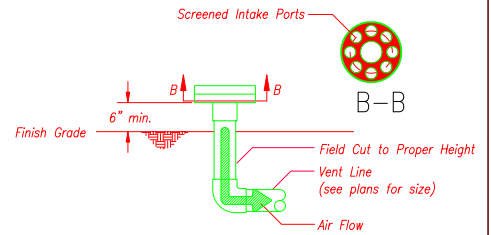
Automatic Distributing Valve Detail
Scale: NTS



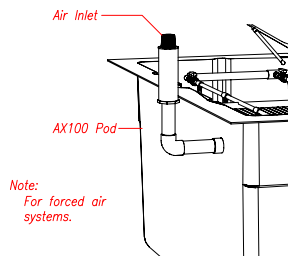
MM Valve Detail
Scale: NTS



Simplex Pump Vault Detail
Scale: NTS



Collective Air Inlet Detail
Scale: NTS



Individual Air Inlet Option
Scale: NTS

DSH & Associates, LLC
an Engineering/Construction Company
12828 Stahl Drive
Knoxville, TN 37922
Phone: 865-755-8066

**TIMBERLAKE BAY
RESORT & MARINA**
63 Acre Property located at the end of
Timberlake Drive, Sevierville, TN

SHEET NUMBER: C-3.4

DRAWN DSH	DATE 7/14/08	Advantex System
APPROVED CM	DATE 7/16/08	Component Details
SCALE NTS	SHEET 13 of 20	PROJECT NO. TIMBERLAKE
REV 0	DATE 7-14-08	DESCRIPTION ISSUE FOR REVIEW

ATTACHEMENT 10:
Build Out Cost Analysis (5-yr)

Timberlake Bay Waste Water Treatment System

Estimated Costs and Revenues For Year 2010

Assumptions:	2010	2011	2012	2013	2014	Total
Total number of lots in subdivision	104	104	104	104	104	
Number of non-resident property owners	47	63	70	75	80	
Number of resident property owners	2	4	8	14	20	
Unsold lots	55	37	26	15	4	
Annual residents providing tap fee	49	18	11	11	11	100

Estimated Expenses

	Units	# of Units	Unit Rate	Monthly Cost	Yearly Cost	Comments
Routine Maintenance						
Maintenance Operator Cost (Non-resident)	Lots	47	\$ 5	\$ 235	\$ 2,820	Cost based on the amount Evergreen Utility Services will charge to maintain the wastewater system wastewater components for non-resident services.
Maintenance Operator Cost (resident)	Homes	2	\$ 20	\$ 40	\$ 480	Cost based on the amount Evergreen Utility Services will charge to maintain the wastewater system wastewater components for residence service.
Accounting, tax preparation books setup	Hours	2	\$ 50	\$ 100	\$ 1,200	Amount furnished by Evergreen Utility Service's CPA - Roger Goins.
Anticipated Tax Cost	Quarter	4	\$ 400	\$ 133	\$ 1,600	Cost projection includes property tax and income tax. Based on project income, property value, and operating costs
Plant operator salary and testing	Sampling and Testing	12	\$ 300	\$ 300	\$ 3,600	Based on pricing provided by our operator, Herb Norton, for monthly and quarterly sampling and testing requirements per our SOP.
Performance Bond	Event	1	\$ 400	\$ 33	\$ 400	Set at 2% of the amount from Athens Insurance.
Insurance	Coverage	12	\$ 150	\$ 150	\$ 1,800	Based on verbal quote from Athens Insurance and costs incurred by ESUD on the system for the last year (verbal).
Office telephone Line	Line	12	\$ 55	\$ 55	\$ 660	Office phone line based on experience.
Plant Control System phone line	Line	12	\$ 55	\$ 55	\$ 660	The telephone line is necessary for the computer (PLC) automation to call in and report any problem. Based on estimate by local phone company.
Billing cost	Cycle	1	\$ 20	\$ 20	\$ 240	Based on experience hours and hourly rates on similar projects.
TRA Inspection Fee	Inspection	1	\$ 250	\$ 21	\$ 250	Based on TRA published rates.
Subtotal				\$ 1,143	\$ 13,710	

	Units	# of Units	Unit Rate	Monthly Cost	Yearly Cost	Comments
Non Routine Maintenance						
Septic tank pumping	Pumping Events	3	\$ 240	\$ 60	\$ 720	Pumping of holding tanks associated with centralized treatment system. Based on \$240 per pumping event.
Replacing pump & alarm systems	Replacement	1	\$ 2,400	\$ 200	\$ 2,400	Replacement cost for pumps and alarms associated with centralized treatment system. Assume 1 pump and alarm system will have to be replace once a year for a total event cost of \$2400.
Normal wear/tear items, hoses, float switches, lights	Replacement	36	\$ 20	\$ 120	\$ 1,436	Based on experience hours and hourly rates on similar projects.
UV lamps	Lamp	4	\$ 350	\$ 117	\$ 1,400	Replacement cost for UV lamps associated with the system. The system utilizes 4 lamps. Assume each lamp required replacement once every year. Lamp and labor is approx. \$350.
Subtotal		40			\$ 5,956	
Anticipated Electrical Usage & Costs						
Treatment Pumps				31	\$ 370	Based on 18 hours/day of operation, 365 days per year, \$0.13 per kWatthr.
Effluent Pumps				7	\$ 87	Based on 4 hours/day of operation, 365 days per year, \$0.13 per kWatthr.
UV Lamps & Solenoids				11	\$ 130	Based on 2 hours/day of operation, 365 days per year, \$0.13 per kWatthr.
Misc.				7	\$ 79	Based on 6 hours/day of operation, 365 days per year, \$0.13 per kWatthr.
Subtotal				55	\$ 666	
Anticipated Annual Billing Cost						
Postage	postage	49	\$ 0.64	\$ 31.36	\$ 376	
Printing	page	196	\$ 0.10	\$ 19.60	\$ 235	
Paper	page	196	\$ 0.05	\$ 9.80	\$ 118	
Misc.	page	196	\$ 0.05	\$ 9.80	\$ 118	
Subtotal					\$ 847	
TOTAL ESTIMATED EXPENSES					\$ 21,179	

	Units	# of Units	Unit Rate	Monthly Cost	Yearly Cost	Comments
<i>Estimated Revenue</i>						
Fees Charged to Customers						
Non Resident Customer Access Fee	Access Fee	47	\$ 7	\$ 329	\$ 3,948	These are billings for non-resident customers billed yearly. Based on \$120 per year per non-resident property owner.
Resident Customer Monthly Fee	Monthly Fee	2	\$ 44.53	\$ 89	\$ 1,069	These are billings for resident customers billed monthly. Based on \$45 per month per resident customer.
Commercial Customer Monthly Rate (clubhouse and pool)	Monthly Fee	1	\$ 102.53	\$ 103	\$ 1,230	These are billings for commercial customers billed monthly. Based on \$102.53 per month per resident customer.
Tap Fees Collected and escrowed	Tap Fee	33	\$ 855	\$ 2,351	\$ 28,215	A one time tap fee required at purchase of property. This fee is transferable to subsequent property owners. \$ are in an Escrow
Tap fees that will be collected from unpaid lot owners	Tap Fee	14	\$ 1,100	\$ 1,283	\$ 15,400	A one time tap fee required at purchase of property. This fee is transferable to subsequent property owners.
Return Check Fee	Returned check	1	\$ 25	\$ 2	\$ 25	Estimate based on experience
Late Fees and Back Payment	Late fee	1	\$ 2	\$ 0	\$ 2	Estimate based on experience
Disconnect Fees	Disconnect	1	\$ 40	\$ 3	\$ 40	Estimate based on experience
Reconnect Fees	Reconnect	1	\$ 50	\$ 4	\$ 50	Estimate based on experience

Subtotal				\$ 4,165	\$ 49,979	
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<i>Estimated Escrow Requirements</i>						
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Escrow Calculations						
Number of years included in calculation					1	
Number of customers					49	
Estimated Annual Non Routine Maintenance					\$ 5,956	
Annual Escrow \$ per customer					\$ 122	

Montly Escrow \$ per customer					\$ 10.13	
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<i>Estimated Yearly Income</i>	2010	\$ 28,800
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Timberlake Bay Waste Water Treatment System

Estimated Costs and Revenues For Year 2011

Assumptions:	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Total number of lots in subdivision	104	104	104	104
Number of non-resident property owners	63	70	75	80
Number of resident property owners	4	8	14	20
Unsold lots	37	26	15	4
Annual residents providing tap fee	18	11	11	11

Estimated Expenses

	Units	# of Units	Unit Rate	Monthly Cost	Yearly Cost	Comments
Routine Maintenance						
Maintenance Operator Cost (Non-resident)	Lots	63	\$ 5	\$ 315	\$ 3,780	Cost based on the amount Evergreen Utility Services will charge to maintain the wastewater system wastewater components for non-resident services.
Maintenance Operator Cost (resident)	Homes	4	\$ 20	\$ 80	\$ 960	Cost based on the amount Evergreen Utility Services will charge to maintain the wastewater system wastewater components for residence service.
Accounting, tax preparation books setup	Hours	2	\$ 50	\$ 100	\$ 1,200	Amount furnished by Evergreen Utility Service's CPA - Roger Goins.
Anticipated Tax Cost	Quarter	4	\$ 400	\$ 133	\$ 1,600	Cost projection includes property tax and income tax. Based on project income, property value, and operating costs
Plant operator salary and testing	Sampling and Testing	12	\$ 300	\$ 300	\$ 3,600	Based on pricing provided by our operator, Herb Norton, for monthly and quarterly sampling and testing requirements per our SOP.
Performance Bond	Event	1	\$ 400	\$ 33	\$ 400	Set at 2% of the amount from Athens Insurance.
Insurance	Coverage	12	\$ 150	\$ 150	\$ 1,800	Based on verbal quote from Athens Insurance and costs incurred by ESUD on the system for the last year (verbal).
Office telephone Line	Line	12	\$ 55	\$ 55	\$ 660	Office phone line based on experience.
Plant Control System phone line	Line	12	\$ 55	\$ 55	\$ 660	The telephone line is necessary for the computer (PLC) automation to call in and report any problem. Based on estimate by local phone company.
Billing cost	Cycle	1	\$ 20	\$ 20	\$ 240	Based on experience hours and hourly rates on similar projects.
TRA Inspection Fee	Inspection	1	\$ 250	\$ 21	\$ 250	Based on TRA published rates.
Subtotal				\$ 1,263	\$ 15,150	

	Units	# of Units	Unit Rate	Monthly Cost	Yearly Cost	Comments
Non Routine Maintenance						
Septic tank pumping	Pumping Events	4	\$ 240	\$ 80	\$ 965	Pumping of holding tanks associated with centralized treatment system. Based on \$240 per pumping event.
Replacing pump & alarm systems	Replacement	1	\$ 2,400	\$ 200	\$ 2,400	Replacement cost for pumps and alarms associated with centralized treatment system. Assume 1 pump and alarm system will have to be replace once a year for a total event cost of \$2400.
Normal wear/tear items, hoses, float switches, lights	Replacement	48	\$ 20	\$ 160	\$ 1,925	Based on experience hours and hourly rates on similar projects.
UV lamps	Lamp	5	\$ 350	\$ 156	\$ 1,877	Replacement cost for UV lamps associated with the system. The system utilizes 2 lamps. Assume each lamp required replacement once every year. Lamp and labor is approx. \$350.
Subtotal		53			\$ 7,167	
Anticipated Electrical Usage & Costs						
Treatment Pumps				34	\$ 407	Based on 18 hours/day of operation, 365 days per year, \$0.13 per kWatthr.
Effluent Pumps				9	\$ 102	Based on 4 hours/day of operation, 365 days per year, \$0.13 per kWatthr.
UV Lamps & Solenoids				13	\$ 153	Based on 2 hours/day of operation, 365 days per year, \$0.13 per kWatthr.
Misc.				7	\$ 87	Based on 6 hours/day of operation, 365 days per year, \$0.13 per kWatthr.
Subtotal				62	\$ 749	
Anticipated Annual Billing Cost						
Postage	postage	67	\$ 0.64	\$ 42.88	\$ 515	
Printing	page	268	\$ 0.10	\$ 26.80	\$ 322	
Paper	page	268	\$ 0.05	\$ 13.40	\$ 161	
Misc.	page	268	\$ 0.05	\$ 13.40	\$ 161	
Subtotal					\$ 1,158	
TOTAL ESTIMATED EXPENSES					\$ 24,223	

	Units	# of Units	Unit Rate	Monthly Cost	Yearly Cost	Comments
Estimated Revenue						
Fees Charged to Customers						
Non Resident Customer Access Fee	Access Fee	63	\$ 7	\$ 441	\$ 5,292	These are billings for non-resident customers billed yearly. Based on \$120 per year per non-resident property owner.
Resident Customer Monthly Fee	Monthly Fee	4	\$ 45	\$ 180	\$ 2,160	These are billings for resident customers billed monthly. Based on \$45 per month per resident customer.
Commercial Customer Monthly Rate (clubhouse and pool)	Monthly Fee	1	\$ 102.53	\$ 103	\$ 1,230	These are billings for commercial customers billed monthly. Based on \$102.53 per month per resident customer.
Tap fee to access sewer line	Tap Fee	34	\$ 1,100	\$ 3,117	\$ 37,400	A one time tap fee required at purchase of property. This fee is transferable to subsequent property owners.
Return Check Fee	Returned check	2	\$ 25	\$ 4	\$ 50	Estimate based on experience
Late Fees and Back Payment	Late fee	2	\$ 2	\$ 0	\$ 4	Estimate based on experience
Disconnect Fees	Disconnect	1	\$ 40	\$ 3	\$ 40	Estimate based on experience
Reconnect Fees	Reconnect	1	\$ 50	\$ 4	\$ 50	Estimate based on experience

Subtotal				\$ 3,852	\$ 46,226	
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Estimated Escrow Requirements						
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Escrow Calculations						
Number of years included in calculation					1	
Number of customers					67	
Estimated Annual Non Routine Maintenance					\$ 7,167	
Annual Escrow \$ per customer					\$ 107	

Montly Escrow \$ per customer					\$ 8.91	
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Estimated Yearly Income	2011	\$ 22,003
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Timberlake Bay Waste Water Treatment System

Estimated Costs and Revenues For Year 2012

Assumptions:	<u>2012</u>	<u>2013</u>	<u>2014</u>		
Total number of lots in subdivision	104	104	104		
Number of non-resident property owners	70	75	80		
Number of resident property owners	8	14	20		
Unsold lots	26	15	4		
Annual residents providing tap fee	11	11	11		

Estimated Expenses

	Units	# of Units	Unit Rate	Monthly Cost	Yearly Cost	Comments
Routine Maintenance						
Maintenance Operator Cost (Non-resident)	Lots	70	\$ 5	\$ 350	\$ 4,200	Cost based on the amount Evergreen Utility Services will charge to maintain the wastewater system wastewater components for non-resident services.
Maintenance Operator Cost (resident)	Homes	8	\$ 20	\$ 160	\$ 1,920	Cost based on the amount Evergreen Utility Services will charge to maintain the wastewater system wastewater components for residence service.
Accounting, tax preparation books setup	Hours	2	\$ 50	\$ 100	\$ 1,200	Amount furnished by Evergreen Utility Service's CPA - Roger Goins.
Anticipated Tax Cost	Quarter	4	\$ 400	\$ 133	\$ 1,600	Cost projection includes property tax and income tax. Based on project income, property value, and operating costs
Plant operator salary and testing	Sampling and Testing	12	\$ 300	\$ 300	\$ 3,600	Based on pricing provided by our operator, Herb Norton, for monthly and quarterly sampling and testing requirements per our SOP.
Performance Bond	Event	1	\$ 400	\$ 33	\$ 400	Set at 2% of the amount from Athens Insurance.
Insurance	Coverage	12	\$ 150	\$ 150	\$ 1,800	Based on verbal quote from Athens Insurance and costs incurred by ESUD on the system for the last year (verbal).
Office telephone Line	Line	12	\$ 55	\$ 55	\$ 660	Office phone line based on experience.
Plant Control System phone line	Line	12	\$ 55	\$ 55	\$ 660	The telephone line is necessary for the computer (PLC) automation to call in and report any problem. Based on estimate by local phone company.
Billing cost	Cycle	1	\$ 20	\$ 20	\$ 240	Based on experience hours and hourly rates on similar projects.
TRA Inspection Fee	Inspection	1	\$ 250	\$ 21	\$ 250	Based on TRA published rates.
Subtotal				\$ 1,378	\$ 16,530	

	Units	# of Units	Unit Rate	Monthly Cost	Yearly Cost	Comments
Non Routine Maintenance						
Septic tank pumping	Pumping Events	4	\$ 240	\$ 89	\$ 1,072	Pumping of holding tanks associated with centralized treatment system. Based on \$240 per pumping event.
Replacing pump & alarm systems	Replacement	1	\$ 2,400	\$ 200	\$ 2,400	Replacement cost for pumps and alarms associated with centralized treatment system. Assume 1 pump and alarm system will have to be replace once a year for a total event cost of \$2400.
Normal wear/tear items, hoses, float switches, lights	Replacement	53	\$ 20	\$ 178	\$ 2,139	Based on experience hours and hourly rates on similar projects.
UV lamps	Lamp	6	\$ 350	\$ 174	\$ 2,085	Replacement cost for UV lamps associated with the system. The system utilizes 2 lamps. Assume each lamp required replacement once every year. Lamp and labor is approx. \$350.
Subtotal		59			\$ 7,696	
Anticipated Electrical Usage & Costs						
Treatment Pumps				40	\$ 480	Based on 18 hours/day of operation, 365 days per year, \$0.13 per kWatthr.
Effluent Pumps				11	\$ 133	Based on 4 hours/day of operation, 365 days per year, \$0.13 per kWatthr.
UV Lamps & Solenoids				17	\$ 200	Based on 2 hours/day of operation, 365 days per year, \$0.13 per kWatthr.
Misc.				9	\$ 102	Based on 6 hours/day of operation, 365 days per year, \$0.13 per kWatthr.
Subtotal				76	\$ 915	
Anticipated Annual Billing Cost						
Postage	postage	78	\$ 0.64	\$ 49.92	\$ 599	
Printing	page	312	\$ 0.10	\$ 31.20	\$ 374	
Paper	page	312	\$ 0.05	\$ 15.60	\$ 187	
Misc.	page	312	\$ 0.05	\$ 15.60	\$ 187	
Subtotal					\$ 1,348	
TOTAL ESTIMATED EXPENSES					\$ 26,489	

	Units	# of Units	Unit Rate	Monthly Cost	Yearly Cost	Comments
Estimated Revenue						
Fees Charged to Customers						
Non Resident Customer Access Fee	Access Fee	70	\$ 7	\$ 490	\$ 5,880	These are billings for non-resident customers billed yearly. Based on \$120 per year per non-resident property owner.
Resident Customer Monthly Fee	Monthly Fee	8	\$ 45	\$ 360	\$ 4,320	These are billings for resident customers billed monthly. Based on \$45 per month per resident customer.
Commercial Customer Monthly Rate (clubhouse and pool)	Monthly Fee	1	\$ 102.53	\$ 103	\$ 1,230	These are billings for commercial customers billed monthly. Based on \$102.53 per month per resident customer.
Tap fee to access sewer line	Tap Fee	11	\$ 1,100	\$ 1,008	\$ 12,100	A one time tap fee required at purchase of property. This fee is transferable to subsequent property owners.
Return Check Fee	Returned check	4	\$ 25	\$ 8	\$ 100	Estimate based on experience
Late Fees and Back Payment	Late fee	4	\$ 2	\$ 1	\$ 8	Estimate based on experience
Disconnect Fees	Disconnect	1	\$ 40	\$ 3	\$ 40	Estimate based on experience
Reconnect Fees	Reconnect	1	\$ 50	\$ 4	\$ 50	Estimate based on experience

Subtotal				\$ 1,977	\$ 23,728	
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Estimated Escrow Requirements						
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Escrow Calculations						
Number of years included in calculation					1	
Number of customers					78	
Estimated Annual Non Routine Maintenance					\$ 7,696	
Annual Escrow \$ per customer					\$ 99	

Montly Escrow \$ per customer					\$ 8.22	
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Estimated Yearly Income	2012	\$ (2,760)
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Timberlake Bay Waste Water Treatment System

Estimated Costs and Revenues For Year 2013

Assumptions:	<u>2013</u>	<u>2014</u>			
Total number of lots in subdivision	104	104			
Number of non-resident property owners	75	80			
Number of resident property owners	14	20			
Unsold lots	15	4			
Annual residents providing tap fee	11	11			

Estimated Expenses

	Units	# of Units	Unit Rate	Monthly Cost	Yearly Cost	Comments
Routine Maintenance						
Maintenance Operator Cost (Non-resident)	Lots	75	\$ 5	\$ 375	\$ 4,500	Cost based on the amount Evergreen Utility Services will charge to maintain the wastewater system wastewater components for non-resident services.
Maintenance Operator Cost (resident)	Homes	14	\$ 20	\$ 280	\$ 3,360	Cost based on the amount Evergreen Utility Services will charge to maintain the wastewater system wastewater components for residence service.
Accounting, tax preparation books setup	Hours	2	\$ 50	\$ 100	\$ 1,200	Amount furnished by Evergreen Utility Service's CPA - Roger Goins.
Anticipated Tax Cost	Quarter	4	\$ 400	\$ 133	\$ 1,600	Cost projection includes property tax and income tax. Based on project income, property value, and operating costs
Plant operator salary and testing	Sampling and Testing	12	\$ 300	\$ 300	\$ 3,600	Based on pricing provided by our operator, Herb Norton, for monthly and quarterly sampling and testing requirements per our SOP.
Performance Bond	Event	1	\$ 400	\$ 33	\$ 400	Set at 2% of the amount from Athens Insurance.
Insurance	Coverage	12	\$ 150	\$ 150	\$ 1,800	Based on verbal quote from Athens Insurance and costs incurred by ESUD on the system for the last year (verbal).
Office telephone Line	Line	12	\$ 55	\$ 55	\$ 660	Office phone line based on experience.
Plant Control System phone line	Line	12	\$ 55	\$ 55	\$ 660	The telephone line is necessary for the computer (PLC) automation to call in and report any problem. Based on estimate by local phone company.
Billing cost	Cycle	1	\$ 20	\$ 20	\$ 240	Based on experience hours and hourly rates on similar projects.
TRA Inspection Fee	Inspection	1	\$ 250	\$ 21	\$ 250	Based on TRA published rates.
Subtotal				\$ 1,523	\$ 18,270	

	Units	# of Units	Unit Rate	Monthly Cost	Yearly Cost	Comments
Non Routine Maintenance						
Septic tank pumping	Pumping Events	5	\$ 240	\$ 96	\$ 1,149	Pumping of holding tanks associated with centralized treatment system. Based on \$240 per pumping event.
Replacing pump & alarm systems	Replacement	2	\$ 2,400	\$ 200	\$ 2,400	Replacement cost for pumps and alarms associated with centralized treatment system. Assume 1 pump and alarm system will have to be replace once a year for a total event cost of \$2400.
Normal wear/tear items, hoses, float switches, lights	Replacement	57	\$ 20	\$ 191	\$ 2,291	Based on experience hours and hourly rates on similar projects.
UV lamps	Lamp	6	\$ 350	\$ 186	\$ 2,234	Replacement cost for UV lamps associated with the system. The system utilizes 2 lamps. Assume each lamp required replacement once every year. Lamp and labor is approx. \$350.
Subtotal		64			\$ 8,074	
Anticipated Electrical Usage & Costs						
Treatment Pumps				49	\$ 589	Based on 18 hours/day of operation, 365 days per year, \$0.13 per kWatthr.
Effluent Pumps				15	\$ 180	Based on 4 hours/day of operation, 365 days per year, \$0.13 per kWatthr.
UV Lamps & Solenoids				22	\$ 270	Based on 2 hours/day of operation, 365 days per year, \$0.13 per kWatthr.
Misc.				10	\$ 125	Based on 6 hours/day of operation, 365 days per year, \$0.13 per kWatthr.
Subtotal				97	\$ 1,164	
Anticipated Annual Billing Cost						
Postage	postage	89	\$ 0.64	\$ 56.96	\$ 684	
Printing	page	356	\$ 0.10	\$ 35.60	\$ 427	
Paper	page	356	\$ 0.05	\$ 17.80	\$ 214	
Misc.	page	356	\$ 0.05	\$ 17.80	\$ 214	
Subtotal					\$ 1,538	
TOTAL ESTIMATED EXPENSES					\$ 29,046	

	Units	# of Units	Unit Rate	Monthly Cost	Yearly Cost	Comments
Estimated Revenue						
Fees Charged to Customers						
Non Resident Customer Access Fee	Access Fee	75	\$ 7	\$ 525	\$ 6,300	These are billings for non-resident customers billed yearly. Based on \$120 per year per non-resident property owner.
Resident Customer Monthly Fee	Monthly Fee	14	\$ 45	\$ 630	\$ 7,560	These are billings for resident customers billed monthly. Based on \$45 per month per resident customer.
Commercial Customer Monthly Rate (clubhouse and pool)	Monthly Fee	1	\$ 102.53	\$ 103	\$ 1,230	These are billings for commercial customers billed monthly. Based on \$102.53 per month per resident customer.
Tap fee to access sewer line	Tap Fee	11	\$ 1,100	\$ 1,008	\$ 12,100	A one time tap fee required at purchase of property. This fee is transferable to subsequent property owners.
Return Check Fee	Returned check	7	\$ 25	\$ 15	\$ 175	Estimate based on experience
Late Fees and Back Payment	Late fee	7	\$ 2	\$ 1	\$ 14	Estimate based on experience
Disconnect Fees	Disconnect	1	\$ 40	\$ 3	\$ 40	Estimate based on experience
Reconnect Fees	Reconnect	1	\$ 50	\$ 4	\$ 50	Estimate based on experience

Subtotal				\$ 2,289	\$ 27,469	
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Estimated Escrow Requirements						
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Escrow Calculations						
Number of years included in calculation					1	
Number of customers					89	
Estimated Annual Non Routine Maintenance					\$ 8,074	
Annual Escrow \$ per customer					\$ 91	

Montly Escrow \$ per customer					\$ 7.56	
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Estimated Yearly Income	2013	\$ (1,577)
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Timberlake Bay Waste Water Treatment System

Estimated Costs and Revenues For Year 2014

Assumptions:	2014				
Total number of lots in subdivision	104				
Number of non-resident property owners	80				
Number of resident property owners	20				
Unsold lots	4				
Annual residents providing tap fee	11				

Estimated Expenses

	Units	# of Units	Unit Rate	Monthly Cost	Yearly Cost	Comments
Routine Maintenance						
Maintenance Operator Cost (Non-resident)	Lots	80	\$ 5	\$ 400	\$ 4,800	Cost based on the amount Evergreen Utility Services will charge to maintain the wastewater system wastewater components for non-resident services.
Maintenance Operator Cost (resident)	Homes	20	\$ 20	\$ 400	\$ 4,800	Cost based on the amount Evergreen Utility Services will charge to maintain the wastewater system wastewater components for residence service.
Accounting, tax preparation books setup	Hours	2	\$ 50	\$ 100	\$ 1,200	Amount furnished by Evergreen Utility Service's CPA - Roger Goins.
Anticipated Tax Cost	Quarter	4	\$ 400	\$ 133	\$ 1,600	Cost projection includes property tax and income tax. Based on project income, property value, and operating costs
Plant operator salary and testing	Sampling and Testing	12	\$ 300	\$ 300	\$ 3,600	Based on pricing provided by our operator, Herb Norton, for monthly and quarterly sampling and testing requirements per our SOP.
Performance Bond	Event	1	\$ 400	\$ 33	\$ 400	Set at 2% of the amount from Athens Insurance.
Insurance	Coverage	12	\$ 150	\$ 150	\$ 1,800	Based on verbal quote from Athens Insurance and costs incurred by ESUD on the system for the last year (verbal).
Office telephone Line	Line	12	\$ 55	\$ 55	\$ 660	Office phone line based on experience.
Plant Control System phone line	Line	12	\$ 55	\$ 55	\$ 660	The telephone line is necessary for the computer (PLC) automation to call in and report any problem. Based on estimate by local phone company.
Billing cost	Cycle	1	\$ 20	\$ 20	\$ 240	Based on experience hours and hourly rates on similar projects.
TRA Inspection Fee	Inspection	1	\$ 250	\$ 21	\$ 250	Based on TRA published rates.
Subtotal				\$ 1,668	\$ 20,010	

	Units	# of Units	Unit Rate	Monthly Cost	Yearly Cost	Comments
Non Routine Maintenance						
Septic tank pumping	Pumping Events	5	\$ 240	\$ 102	\$ 1,226	Pumping of holding tanks associated with centralized treatment system. Based on \$240 per pumping event.
Replacing pump & alarm systems	Replacement	2	\$ 2,400	\$ 200	\$ 2,400	Replacement cost for pumps and alarms associated with centralized treatment system. Assume 1 pump and alarm system will have to be replace once a year for a total event cost of \$2400.
Normal wear/tear items, hoses, float switches, lights	Replacement	61	\$ 20	\$ 204	\$ 2,444	Based on experience hours and hourly rates on similar projects.
UV lamps	Lamp	7	\$ 350	\$ 199	\$ 2,383	Replacement cost for UV lamps associated with the system. The system utilizes 2 lamps. Assume each lamp required replacement once every year. Lamp and labor is approx. \$350.
Subtotal		68			\$ 8,453	
Anticipated Electrical Usage & Costs						
Treatment Pumps				58	\$ 698	Based on 18 hours/day of operation, 365 days per year, \$0.13 per kWatthr.
Effluent Pumps				19	\$ 226	Based on 4 hours/day of operation, 365 days per year, \$0.13 per kWatthr.
UV Lamps & Solenoids				28	\$ 339	Based on 2 hours/day of operation, 365 days per year, \$0.13 per kWatthr.
Misc.				12	\$ 149	Based on 6 hours/day of operation, 365 days per year, \$0.13 per kWatthr.
Subtotal				118	\$ 1,412	
Anticipated Annual Billing Cost						
Postage	postage	100	\$ 0.64	\$ 64.00	\$ 768	
Printing	page	400	\$ 0.10	\$ 40.00	\$ 480	
Paper	page	400	\$ 0.05	\$ 20.00	\$ 240	
Misc.	page	400	\$ 0.05	\$ 20.00	\$ 240	
Subtotal					\$ 1,728	
TOTAL ESTIMATED EXPENSES					\$ 31,603	

	Units	# of Units	Unit Rate	Monthly Cost	Yearly Cost	Comments
<i>Estimated Revenue</i>						
Fees Charged to Customers						
Non Resident Customer Access Fee	Access Fee	80	\$ 7	\$ 560	\$ 6,720	These are billings for non-resident customers billed yearly. Based on \$120 per year per non-resident property owner.
Resident Customer Monthly Fee	Monthly Fee	20	\$ 45	\$ 900	\$ 10,800	These are billings for resident customers billed monthly. Based on \$45 per month per resident customer.
Commercial Customer Monthly Rate (clubhouse and pool)	Monthly Fee	1	\$ 102.53	\$ 103	\$ 1,230	These are billings for commercial customers billed monthly. Based on \$102.53 per month per resident customer.
Tap fee to access sewer line	Tap Fee	11	\$ 1,100	\$ 1,008	\$ 12,100	A one time tap fee required at purchase of property. This fee is transferable to subsequent property owners.
Return Check Fee	Returned check	10	\$ 25	\$ 21	\$ 250	Estimate based on experience
Late Fees and Back Payment	Late fee	10	\$ 2	\$ 2	\$ 20	Estimate based on experience
Disconnect Fees	Disconnect	1	\$ 40	\$ 3	\$ 40	Estimate based on experience
Reconnect Fees	Reconnect	1	\$ 50	\$ 4	\$ 50	Estimate based on experience

Subtotal				\$ 2,601	\$ 31,210	
-----------------	--	--	--	-----------------	------------------	--

<i>Estimated Escrow Requirements</i>						
---	--	--	--	--	--	--

Escrow Calculations						
Number of years included in calculation					1	
Number of customers					100	
Estimated Annual Non Routine Maintenance					\$ 8,453	
Annual Escrow \$ per customer					\$ 85	

Montly Escrow \$ per customer					\$ 7.04	
--------------------------------------	--	--	--	--	----------------	--

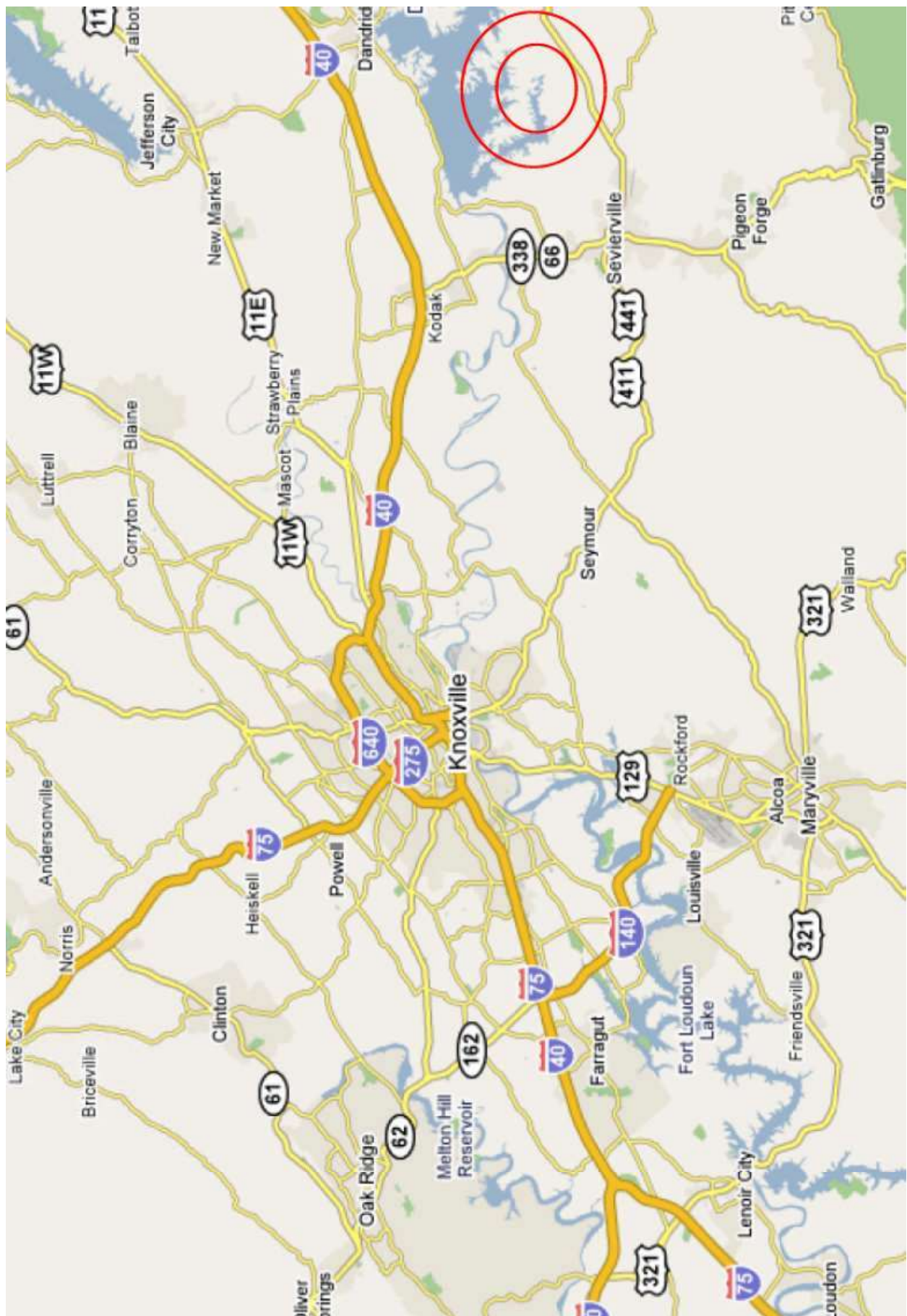
<i>Estimated Yearly Income</i>	2014	\$ (393)
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Timberlake Bay Waste Water Treatment System

Estimated Costs and Revenues For 5 Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Total</u>
<i>Estimated Revenue</i>	\$ 49,979	\$ 46,226	\$ 23,728	\$ 27,469	\$ 31,210	\$ 178,614
<i>Estimated Expenses</i>	\$ 21,179	\$ 24,223	\$ 26,489	\$ 29,046	\$ 31,603	\$ 132,540
<i>Estimated Income</i>	\$ 28,800	\$ 22,003	\$ (2,760)	\$ (1,577)	\$ (393)	\$ 46,074
<i>Estimated Escrow</i>	\$ 5,956	\$ 7,167	\$ 7,696	\$ 8,074	\$ 8,453	\$ -

ATTACHEMENT 11:
Timberlake Bay Subdivision Plans



ATTACHEMENT 12:
Chart of Accounts

Evergreene Utility Services, LLC	9:03 AM
Account Listing	9/8/2010
September 8, 2010	
Account	Balance
131.10 BB&T CHECKING	\$ 100.00
131.50 PETTY CASH	
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	
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 fN 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	
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 SERV10E: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 DEPREG(PLANT IN SERVICE)	
114 00 UTILITY PLANT ACQUISITION ADJ	Page 1 of 6

Evergreene Utility Services, LLC	9:03 AM
Account Listing	9/8/2010
September 8, 2010	
Account	Balance
115.00 ACC AMORT UTILITY PLANT ACQ ADJ	
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 - BB&T CREDIT CARD 1 (Doug Hodge)	
232.20 - BB&T CREDIT CARD 2 (Bert Ballowe)	
232 00 - NOTES PAYABLE:232.50 LOAN FROM Doug Hodge	
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	
235.00 - 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 CPS	
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	Page 1 of 6

Evergreene Utility Services, LLC	9:03 AM
Account Listing	9/8/2010
September 8, 2010	
Account	Balance
400.00 • OPERATING REVENUES: 521.00 FLAT RATE REVENUES	
400.00 - OPERATING REVENUES 521.00 FLAT RATE REVENUES:521.10 RESIDENTIAL REVENUES	
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 • NON UTILITY 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	Page 1 of 6

Evergreene Utility Services, LLC	9:03 AM
Account Listing	9/8/2010
September 8, 2010	
Account	Balance
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	
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 • FRANCHISE & 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 NON UTILITY EXPENSES	
427.00 - INTEREST EXPENSE	

ATTACHEMENT 13:
Performance Bond

ATHENS INSURANCE

April 23, 2010

Evergreen Utility Service, LLC
Attn: Douglas Hodge
2249 Childress Road
Dandridge, TN 37725

Re: Utility Bond
#0425978

Mr. Hodge:

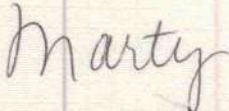
Enclosed is the Utility Bond that has been executed Evergreen Utility District. Also, I am sending you the Indemnity Agreement that you will need to sign or complete where marked.

The bond premium is \$400.00 and I have included an invoice for that as well.

Please return the original signed Indemnity Agreement to our office along with the bond premium.

Best Regards,

ATHENS INSURANCE



Marty Boyd, CISR
Account Manager

/MWB
Enclosures

INTERNATIONAL FIDELITY INSURANCE COMPANY

BOND NO. 0425978
PREMIUM: \$400.00

KNOW ALL MEN BY THESE PRESENTS THAT WE, **Evergreen Utility Service LLC**
and **Douglas Hodge**

as Principal, and INTERNATIONAL FIDELITY INSURANCE COMPANY, a corporation duly organized and doing business under and by the virtue of the laws of the State of New Jersey, and duly licensed for the purpose of making, guaranteeing or becoming sole surety upon bonds or undertakings required or authorized by the laws of the said State, as Surety, are held and firmly bound unto
State of Tennessee

(Hereinafter called the Obligee)

in the sum of **Twenty Thousand**-----Dollars (\$ **20,000.00**)
for the payment whereof well and truly to be made we and each of us bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH THAT, WHEREAS, the above bounden PRINCIPAL entered into a Contract dated August 1, 2010, (a copy of which contract is or may be attached hereto, and is hereby referred to and made a part hereof), with the said Obligee to do and perform the following work, to wit:

1. This bond shall have the term beginning 04/23/10 and ending 04/23/11, but may be continued by certificate at the option of the Surety. Failure of the Surety to continue this bond shall not be considered a default hereof. Surety shall provide Obligee and Principal with a written notice of its intent not to continue this bond at least sixty (60) days prior to its anniversary date.
2. In the event of default by the Principal in the performance of the contract during the term of this bond, the Surety shall be liable only for damages incurred by Obligee up to termination date of this bond.
3. No claim shall be had or maintained against the Surety on this instrument unless such be brought or instituted and process served upon the Surety prior to expiration date of the bond; no suit shall be maintained against the Surety unless it be brought within thirty days after the expiration date of the bond.

NOW, THEREFORE, if the above bounden Principal shall well and truly perform the work contracted to be performed under said Contract, then this obligation to be null and void, otherwise to remain in full force and effect. No right of action shall accrue under this bond to or for the use of any person other than the said Obligee.

SIGNED AND SEALED THIS 23rd day of April 2010.

Evergreen Utility Service, LLC

By _____

International Fidelity Insurance Company

By: Marty M. Boyd
Attorney-in-Fact

POWER OF ATTORNEY INTERNATIONAL FIDELITY INSURANCE COMPANY

HOME OFFICE: ONE NEWARK CENTER, 20TH FLOOR
NEWARK, NEW JERSEY 07102-5207

KNOW ALL MEN BY THESE PRESENTS: That INTERNATIONAL FIDELITY INSURANCE COMPANY, a corporation organized and existing laws of the State of New Jersey, and having its principal office in the City of Newark, New Jersey, does hereby constitute and appoint

DAVID R. CARROLL, MARIE D. McDONALD, HAROLD D. POWELL, JR., ALLEN F. CARTER,
MELISSA J. BRYSON, MARTY W. BOYD, KIMBERLY M. STEWART

Athens, TN.

its true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be as binding upon the said INTERNATIONAL FIDELITY INSURANCE COMPANY, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be revoked, pursuant to and by authority of Article 3-Section 3, of the By-Laws adopted by the Board of Directors of INTERNATIONAL FIDELITY INSURANCE COMPANY at a meeting called and held on the 7th day of February, 1974.

The President or any Vice President, Executive Vice President, Secretary or Assistant Secretary, shall have power and authority

- (1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof and,
- (2) To remove, at any time, any such attorney-in-fact and revoke the authority given.

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 29th day of April, 1982 of which the following is a true excerpt:

Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.



IN TESTIMONY WHEREOF, INTERNATIONAL FIDELITY INSURANCE COMPANY has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 16th day of October, A.D. 2007.

INTERNATIONAL FIDELITY INSURANCE COMPANY

STATE OF NEW JERSEY
County of Essex

Secretary

On this 16th day of October 2007, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said he is the therein described and authorized officer of the INTERNATIONAL FIDELITY INSURANCE COMPANY; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.



IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my Official Seal, at the City of Newark, New Jersey the day and year first above written.

A NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Nov. 21, 2010

CERTIFICATION

I, the undersigned officer of INTERNATIONAL FIDELITY INSURANCE COMPANY do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, with the ORIGINALS ON IN THE HOME OFFICE OF SAID COMPANY, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect

IN TESTIMONY WHEREOF, I have hereunto set my hand this

23rd of April 2010

Assistant Secretary

**ATHENS INSURANCE
P&C RISK SERVICES**

110 WASHINGTON, N.W. • P.O. BOX 809
ATHENS, TENNESSEE 37371-0809 • 423-745-3062
FAX 423-745-8888

Evergreen Utility Service, LLC
2249 Childress Road
Dandridge, TN 37725

INVOICE # 29916		Page 1
ACCOUNT NO. EVERG-1	OP MA	DATE 04/23/10
POLICY INFORMATION		
POLICY # 0425978		
COMPANY International Fidelity Ins. Co		
EFFECTIVE 04/23/10	EXPIRATION 04/23/11	BALANCE DUE ON 04/23/10
AMOUNT PAID		AMOUNT DUE \$ 400.00

*** PLEASE RETURN TOP PORTION WITH REMITTANCE ***

Itm #	Eff Date	Trn	Type	Policy #	Description	Amount
INVOICE # 29916						
272477	04/23/10	NEW BOND	0425978	10/11 Utility Bond	International Fidelity Ins. Co	\$ 400.00
Invoice Balance:						\$ 400.00

PREMIUM DUE ON EFFECTIVE DATE SHOWN ABOVE. NO RECEIPT WILL BE SENT UNLESS REQUESTED.

If the insurance is not wanted, the policy or memorandum should be returned to our office at once.

Holding the contract in your possession will be considered your acceptance of it.

**AGREEMENT OF INDEMNITY
COMMERCIAL BOND (II)**

THIS AGREEMENT of Indemnity, made and entered into this 23rd
day of April, 2010 **by**
Evergreen Utility Service, LLC, 2249 Childress Road, Dandridge, TN 37725

(Insert full name and address of Principal)

(hereinafter called the Principal) and
Douglas Hodge, 704 Water Edge, Danridge, TN 37725

(Insert full names and addresses of Indemnitors, if any)

(hereinafter called the Indemnitors, if any) and

INTERNATIONAL FIDELITY INSURANCE COMPANY, One Newark Center, 20th Floor,
Newark, NJ 07102 (hereinafter called the Surety),

WITNESSETH:

WHEREAS, in the transaction of business one, some or all of the Principal and Indemnitors are required, or may desire to give Bonds, undertakings, guarantees or other instruments of suretyship (hereinafter referred to as "Bonds"); and

WHEREAS, at the request of the Principal and Indemnitors and upon the express understanding that this Agreement of Indemnity should be given, the Surety has executed or procured to be executed, and may from time to time hereafter execute or procure to be executed, said Bonds on behalf of the Principal and Indemnitors or the Surety may have already issued such Bonds in reliance upon execution of this Agreement; and

WHEREAS, the Principal and Indemnitors have a substantial, material and beneficial interest in the obtaining of the Bonds or in the Surety's refraining from cancelling said Bonds.

NOW, THEREFORE, in consideration of the premises, the Principal and Indemnitors for themselves, their existing and future subsidiaries and affiliates, heirs, executors, co-venturers, administrators, successors and assigns, jointly and severally, hereby covenant and agree with the Surety, its successors and assigns, as follows:

PREMIUMS

FIRST: The Principal and Indemnitors will pay to the Surety in such manner as may be agreed upon all premiums and charges of the Surety for the Bonds in accordance with its rates, whether filed or not, until the Principal and Indemnitors shall serve evidence satisfactory to the Surety of its discharge or release from the Bonds and all liability by reason thereof.

INDEMNITY

SECOND: The Principal and Indemnitors shall exonerate, indemnify, and keep indemnified the Surety from and against any and all liability for losses and/or expenses of whatsoever kind or nature (including, but not limited to, interest, court costs and the cost of services rendered by counsel, investigators, accountants, engineers or other consultants, whether consisting of in-house personnel or third party providers) and from and against any and all such losses and/or expenses which the Surety may sustain and incur: (1) By reason of having executed or procured the execution of the Bonds, (2) By reason of the failure of the Principal and/or Indemnitors to perform or comply with the covenants and conditions of this Agreement or (3) In enforcing any of the covenants and conditions of this Agreement. The Principal and Indemnitors agree to promptly reimburse the Surety for all sums paid on account of any such loss. In the event of any payment by the Surety, the Principal and Indemnitors further agree that in any accounting between the Surety and the Principal and Indemnitors, the Surety shall be entitled to charge for any and all disbursements made by it in good faith in and about the matters herein contemplated by this Agreement under the belief that it is or was liable for the sums and amounts so disbursed, or that it was necessary or expedient to make such disbursements, whether or not such liability, necessity or expediency existed. The vouchers or other evidence of any such payment(s) made by the Surety shall be prima facie evidence of the fact and amount of the liability to the Surety, and of the Surety's good faith in making the payment(s). "Good Faith," as used in this paragraph and elsewhere in this Agreement, shall mean honesty in fact and the absence of willful misfeasance or malfeasance. Neither negligence nor gross negligence shall be deemed the absence of good faith.

The Surety is not a fiduciary and owes no fiduciary obligations to the Principal and Indemnitors.

Payments not made by the Principal and Indemnitors within 10 days after demand for such payment is made upon such party by the Surety shall bear interest at maximum rate allowed by law, with such interest accruing from the date payment was made by the Surety for which reimbursement is demanded.

The Principal and Indemnitors shall have no rights of indemnity, contribution or right to seek collection of any other outstanding obligation against each other or each other's property until the Principal's and Indemnitors' obligations to the Surety under this Agreement have been satisfied in full.

No action or failure to act by the Surety shall constitute a waiver of any right, power, or remedy afforded it by this Agreement, at law, or otherwise, nor shall such action or inaction constitute approval of or acquiescence in any breach by the Principal and/or Indemnitors, except as may be specifically agreed in writing.

The Principal and Indemnitors also understand and agree that their obligations remain in full force and effect for any and all Bonds issued in reliance upon this Agreement, notwithstanding that the entity on whose behalf said Bonds were issued has been sold, dissolved or whose ownership has been otherwise altered in any way.

COLLATERAL SECURITY

THIRD: The Principal and Indemnitors shall deposit with the Surety on demand an amount of money or other collateral security acceptable to the Surety, as soon as liability exists or is asserted against the Surety, whether or not the Surety shall have made any payment therefore. Such payment shall be equal to the amount of the reserve set by the Surety. The Surety shall have the right to use the deposit, or any portion thereof, in payment or settlement of any liability, loss, or expense for which the Principal and Indemnitors would be obligated to indemnify the Surety under the provisions of this Agreement. If for any reason the Surety deems it necessary to increase the amount of its reserve to cover any possible additional liability or loss, the Principal and Indemnitors shall deposit with the Surety, immediately upon the Surety's demand, an additional amount of collateral security equal to such increase. The Surety shall have no obligation to invest or to provide a return on any such deposits. The Surety may sell or realize upon any and all such collateral security, at public or private sale, with or without notice to the Principal and Indemnitors, or by any other method permitted or applicable by law.

DISCHARGE AND ADDITIONAL SECURITY

FOURTH: The Principal and Indemnitors will, upon the written request of the Surety, promptly procure the full and complete discharge of the Surety from any Bonds specified in such request and all potential liability by reason of such Bonds. If such full and complete discharge is unattainable, the Principal and Indemnitors will, if requested by the Surety, within five (5) business days, place the Surety in funds that are immediately available and sufficient to meet all of the Surety's liabilities that are in force prior to the date of the Surety's demand. The Surety may make such demand for funds at any time and without regard to whether it has sustained any loss or received any claim. The amount of such demand, including reasonable attorney fees and expenses is at the sole discretion of the Surety.

The Principal and Indemnitors waive, to the fullest extent permitted by applicable law, each and every right which they may have to contest such payment. Failure to make immediate payment to Surety as herein provided shall cause the Principal and Indemnitors to be additionally liable for any and all reasonable costs and expenses, including attorneys fees, incurred by the Surety in enforcing this provision.

In the event that any or all of the Principal and Indemnitors fail to comply with such demand as stated in this provision, the Principal and Indemnitors hereby authorize and empower any attorney of any court of record of the United States or any of its territories or possessions, to appear for them or any of them in any suit by Surety and confess judgment against them or any of them for any sum or sums of money up to the amount of any or all Bond or Bonds, with costs, interest and attorney's fees; such judgment, however, to be satisfied upon the payment of any and all such sums as may be found due by the Principal and Indemnitors to Surety under the terms of this provision. The authority to confess judgment as set forth herein shall not be exhausted by one exercise thereof, but may be exercised from time to time and more than one time until all liability of the Principal and Indemnitors to the Surety shall have been paid in full. Demand shall be sufficient if sent by registered or certified mail, hand delivered, or via overnight mail to the last known address of the Principal and Indemnitors, whether or not actually received.

CHANGES

FIFTH: The Surety is authorized and empowered, without notice to or knowledge of the Principal and Indemnitors, to assent to any change whatsoever in the Bonds, and/or any contracts referred to in the Bonds, and to assent to or take any assignment or assignments, to execute or consent to the execution of any continuations, extensions or renewals of the Bonds and to execute any substitute or substitutes therefor, with the same or different conditions, provisions and obligees and with the same or larger or smaller penalties, it being expressly understood and agreed that the Principal and Indemnitors shall remain bound under the terms of this Agreement even though any such assent by the Surety does or might substantially increase the liability of said Principal and Indemnitors.

BOOKS AND RECORDS

SIXTH: At any time, and until such time as the liability of the Surety under any and all said Bonds is terminated, the Surety shall have the right to reasonable access to the books, records, and accounts of the Principal and Indemnitors; and any bank depository, materialman, supply house, or other person, firm, or corporation when requested by the Surety is hereby authorized to furnish the Surety any information requested. The Principal and Indemnitors agree to execute, as requested by the Surety, any additional documents to cause the release of records and information authorized by this paragraph.

DECLINE EXECUTION

SEVENTH: Unless otherwise specifically agreed in writing, the Surety may decline to execute any Bond and the Principal and Indemnitors agree to make no claim to the contrary in consideration of the Surety's receiving this Agreement; and if the Surety shall execute a Bid or Proposal Bond, it shall have the right to decline to execute any and all of the bonds that may be required in connection with any award that may be made under the proposal for which the Bid or Proposal Bond is given and such declination shall not diminish or alter the liability that may arise by reason of having executed the Bid or Proposal Bond.

NOTICE OF EXECUTION

EIGHTH: The Principal and Indemnitors hereby waive notice of the execution of said Bonds and of the acceptance of this Agreement, and the Principal and Indemnitors hereby waive all notice of any default, or any other act or acts giving rise to any claim under said Bonds, as well as notice of any and all liability of the Surety under said Bonds, and any and all liability on their part hereunder, to the end and effect that, the Principal and Indemnitors shall be and continue to be liable hereunder, notwithstanding any notice of any kind to which they might have been or be entitled, and notwithstanding any defenses they might have been entitled to make.

HOMESTEAD

NINTH: The Principal and Indemnitors hereby waive, so far as their respective obligations under this Agreement are concerned, all rights to claim any of their property, including their respective homesteads, as exempt from levy, execution, sale or other legal process under the laws of any State, Territory, or Possession.

SETTLEMENTS

TENTH: The Surety shall have the right to adjust, settle or compromise any claim, demand, suit or judgment upon the Bonds, unless the Principal and Indemnitors shall demonstrate to the Surety's satisfaction that there is a valid basis to dispute said claim, demand, suit or judgment, and shall in good faith request the Surety to litigate such claim or demand, or to defend such suit, or to appeal from such judgment, and shall deposit with the Surety, at the time of such request, cash or collateral satisfactory to the Surety in kind and amount, to be used in paying any judgment or judgments rendered or that may be rendered, with interest, costs, expenses and attorneys' fees, including those of the Surety.

CO-SURETIES AND REINSURERS

ELEVENTH: In the event the Surety procures the execution of the Bonds by other sureties, or executes the Bonds with co-sureties, or reinsures any portion of said Bonds with reinsuring insurers and/or sureties, then all the terms and conditions of this Agreement shall inure to the benefit of such other sureties, co-sureties and reinsuring insurers and/or sureties, as their interests may appear.

SUITS

TWELFTH: Separate suits may be brought hereunder as causes of action accrue, and the bringing of suit or the recovery of judgment upon any cause of action shall not prejudice or bar the bringing of other suits upon other causes of action, whether theretofore or thereafter arising.

The Principal and Indemnitors hereby consent and submit to personal jurisdiction in the courts of New Jersey with regard to claims and actions against them by the Surety hereunder and consent that any process necessary or proper for the initiation of any court action in New Jersey or for entry of judgment may be served upon them by certified and ordinary mail, addressed to them or to their attorneys, at their last known addresses.

The Indemnitors furthermore hereby agree to submit to personal jurisdiction in any forum in which the Surety may be sued on an obligation for which the Principal and Indemnitors have agreed to indemnify the Surety.

OTHER RIGHTS

THIRTEENTH: All rights and remedies of the Surety under this Agreement shall be cumulative, and the exercise of or failure to exercise, any right or remedy at any time shall not be an election of remedy or a waiver of any other right or remedy. Failure of the Surety to pursue any remedy against any one or more of the Principal and Indemnitors shall not release or waive any right against any other of the Principal and Indemnitors.

The rights, powers and remedies given to the Surety by this Agreement shall be and are in addition to, and not in lieu of, any and all other rights, powers, and remedies which the Surety may have or acquire against the Principal and Indemnitors or others whether by terms of any other agreement, by operation of law or otherwise.

OTHER INDEMNITY

FOURTEENTH: The Principal and Indemnitors shall continue to remain bound under the terms of this Agreement even though the Surety may have from time to time heretofore or hereafter, with or without notice to or knowledge of the Principal and Indemnitors, accepted or released other agreements of indemnity or collateral in connection with the execution or procurement of said Bonds, from any and all of the Principal and Indemnitors or others, it being expressly understood and agreed by the Principal and Indemnitors that any and all other rights which the Surety may have or acquire against the Principal and Indemnitors and/or others under any such other or additional agreements of indemnity or collateral shall be in addition to, and not in lieu of, the rights afforded the Surety under this Agreement.

INVALIDITY

FIFTEENTH: In case any of the parties mentioned in this Agreement fail to execute the same, or in case the execution hereof by any of the parties be defective or invalid for any reason, such failure, defect or invalidity shall not in any manner affect the validity of this Agreement or the liability hereunder of any of the parties executing the same, but each and every party so executing shall be and remain fully bound and liable hereunder to the same extent as if such failure, defect or invalidity had not existed. It is understood and agreed by the Principal and Indemnitors that the rights, powers, and remedies given the Surety under this Agreement shall be and are in addition to, and not in lieu of, any and all other rights, powers, and remedies which the Surety may have or acquire against the Principal and Indemnitors or others whether by the terms of any other agreement or by operation of law or otherwise. If any part of this Agreement shall be void or unenforceable under the laws of any jurisdiction governing its construction, this Agreement shall not be void or vitiated thereby, but shall be construed and enforced with the same effect as though such part was omitted.

ATTORNEY IN FACT

SIXTEENTH: The Principal and Indemnitors hereby irrevocably nominate, constitute, appoint and designate the Surety or its designee as their attorney-in-fact with the right, but not the obligation, to exercise all of the rights granted, assigned, and/or transferred to the Surety in this Agreement, and in the name of the Principal and Indemnitors to make, execute, and deliver any and all additional or other assignments, documents or papers deemed necessary and proper by the Surety in order to give full effect not only to the intent and meaning of the within rights granted, assigned and/or transferred, but also to the full protection intended to be herein given to the Surety under all other provisions of this Agreement. The Principal and Indemnitors hereby ratify and affirm all acts and actions taken and done by the Surety or its designee as such attorney-in-fact.

NOTICE

SEVENTEENTH: Upon becoming aware of any demand, notice, or proceeding preliminary to fixing any liability with which the Surety may be subsequently charged under any Bond, the Principal and Indemnitors shall immediately notify the Surety in a writing delivered at its Home Office, One Newark Center, 20th Floor, Newark, New Jersey 07102 to the attention of the Claims Department. The Surety reserves the right to change periodically the address for delivery of notification by the Surety's written direction delivered to the Principal and Indemnitors.

Any notification by the Surety to any one individual or entity comprising the Principal and Indemnitors shall constitute notice to the remaining individuals and entities comprising the Principal and Indemnitors.

TERMINATION

EIGHTEENTH: This Agreement may be terminated by the Principal and Indemnitors upon twenty days' written notice sent by certified or registered mail to the Surety at its home office at One Newark Center, 20th Floor, Newark, New Jersey 07102, but any such notice of termination shall not operate to modify, bar, or discharge the Principal and Indemnitors from their obligations under this Agreement as to the Bonds that may have been theretofore executed or executed pursuant to Consent of Surety issued prior to notice of termination or with respect to Bonds executed after the date of such termination which the Surety has become obligated, prior to such date, to execute. Further, such notice of termination shall operate only with respect to those parties upon whose behalf such notice of termination shall have been given.

THIRD PARTIES

NINETEENTH: In the event that an Indemnitor and/or Indemnitors and/or their subsidiaries or affiliates request that a Bond or Bonds be issued on behalf of a third party as principal, the provisions of this Agreement shall apply with equal force to any such Bond or Bonds. This Agreement applies to Bonds executed by the Company on behalf of any and all of their wholly or partially owned subsidiary companies, subsidiaries, divisions or affiliates, partnerships, joint ventures or co-ventures whether open or silent, jointly, severally, or in any combination with each other, now in existence or which may hereafter be created or acquired.

AMENDMENTS

TWENTIETH: This Agreement may not be changed or modified orally. No change or modification shall be effective unless made by written endorsement executed to form a part hereof.

SUBSEQUENT EXECUTION

TWENTY-FIRST: The Principal and Indemnitors waive any defense that this instrument was executed subsequent to the date of any Bond, admitting and covenanting that such Bond was executed pursuant to the request of the Principal and Indemnitors, and in reliance upon the Principal/Indemnitors' promise to execute this document.

CROSS-INDEMNITY

TWENTY-SECOND: In the event that more than one party executes this Agreement as "Principal", and the Surety sustains any loss with respect to one or more of the parties identified as "Principal", all parties executing this Agreement as either "Principal", or "Indemnitors", or both, shall be jointly and severally liable to the Surety for such loss in accordance with the terms of this Agreement.

REPRESENTATIONS

TWENTY-THIRD: The undersigned represent to the Surety that they have carefully read the entire Agreement and that there are no other agreements or understandings which in any way lessen or modify the obligations set forth herein. The undersigned further warrant and represent to the Surety that all necessary action has been taken by them to authorize the execution and delivery of this Agreement.

UNIFORM ELECTRONIC TRANSACTIONS ACT

TWENTY-FOURTH: The undersigned agree that this document and any and all bonds issued by the Surety will be subject to the terms of the Uniform Electronic Transactions Act ("UETA"), to the extent that the UETA has been adopted by the State legislature in the relevant jurisdiction, and any and all substantially similar federal or state legislation designed to regulate electronic commerce.

IN WITNESS WHEREOF, we have hereunto set our hands and seals the day and year first above written.

WE HAVE READ THIS INDEMNITY AGREEMENT CAREFULLY. THERE ARE NO SEPARATE AGREEMENTS OR UNDERSTANDINGS WHICH IN ANY WAY LESSEN OUR OBLIGATIONS AS ABOVE SET FORTH.

WITNESS: following signature(s) and seal(s) this _____ day of _____, 20_____.

IMPORTANT: To all indemnitors: please provide your Social Security Number (Individual) or your Federal Tax ID Number (Corporation). The signature of each and every party to this instrument must be witnessed by at least one disinterested person.

PRINCIPALS - {Limited Liability Company Signatories}

Evergreen Utility Service, LLC

Name of Limited Liability Company

Witness' signature _____

Member's Signature _____

(Seal)

(Print or Type Name)

Douglas Hodge President

(Print or Type Name and Title)

Federal Tax ID 27-1862472

S.S. # _____

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF _____

COUNTY OF _____

S.S.

On This _____ day of _____, in the year 20 _____ before me personally come(s)

Douglas Hodge President

a member of the Limited Liability Company of Evergreen Utility Service, LLC

to me known and known to me to be the person who is described in and who executed the foregoing instrument and acknowledges to me that he/she executed the same as and for the act and deed of the said Limited Liability Company.

(Signature and title of official taking acknowledgment/ Notary)

INDEMNITORS - {Individual Signatories}

Witness' signature _____

(Individually)

(Print or Type Name)

Douglas Hodge

(Print or Type Name)

520-58-0792

(S.S.#)

Individual Phone Number _____

704 Water Edge, Danridge, TN 37725

Home Address

INDIVIDUAL ACKNOWLEDGMENT

STATE OF _____

COUNTY OF _____

S.S.

On This _____ day of _____, in the year 20 _____ before me personally come(s)

Douglas Hodge

to me known and known to me to be the person(s) who (is) (are) described in and who executed the foregoing instrument and acknowledge(s) to me that he/she executed the same.

(Signature and title of official taking acknowledgment/ Notary)

ATTACHEMENT 14:
Pro Forma Income Statement (2-yr)

Timberlake Bay Waste Water Treatment System

Estimated Costs and Revenues For Year 2010

Assumptions:	2010	2011	2012	2013	2014	Total
Total number of lots in subdivision	104	104	104	104	104	
Number of non-resident property owners	47	63	70	75	80	
Number of resident property owners	2	4	8	14	20	
Unsold lots	55	37	26	15	4	
Annual residents providing tap fee	49	18	11	11	11	100

Estimated Expenses

	Units	# of Units	Unit Rate	Monthly Cost	Yearly Cost	Comments
Routine Maintenance						
Maintenance Operator Cost (Non-resident)	Lots	47	\$ 5	\$ 235	\$ 2,820	Cost based on the amount Evergreen Utility Services will charge to maintain the wastewater system wastewater components for non-resident services.
Maintenance Operator Cost (resident)	Homes	2	\$ 20	\$ 40	\$ 480	Cost based on the amount Evergreen Utility Services will charge to maintain the wastewater system wastewater components for residence service.
Accounting, tax preparation books setup	Hours	2	\$ 50	\$ 100	\$ 1,200	Amount furnished by Evergreen Utility Service's CPA - Roger Goins.
Anticipated Tax Cost	Quarter	4	\$ 400	\$ 133	\$ 1,600	Cost projection includes property tax and income tax. Based on project income, property value, and operating costs
Plant operator salary and testing	Sampling and Testing	12	\$ 300	\$ 300	\$ 3,600	Based on pricing provided by our operator, Herb Norton, for monthly and quarterly sampling and testing requirements per our SOP.
Performance Bond	Event	1	\$ 400	\$ 33	\$ 400	Set at 2% of the amount from Athens Insurance.
Insurance	Coverage	12	\$ 150	\$ 150	\$ 1,800	Based on verbal quote from Athens Insurance and costs incurred by ESUD on the system for the last year (verbal).
Office telephone Line	Line	12	\$ 55	\$ 55	\$ 660	Office phone line based on experience.
Plant Control System phone line	Line	12	\$ 55	\$ 55	\$ 660	The telephone line is necessary for the computer (PLC) automation to call in and report any problem. Based on estimate by local phone company.
Billing cost	Cycle	1	\$ 20	\$ 20	\$ 240	Based on experience hours and hourly rates on similar projects.
TRA Inspection Fee	Inspection	1	\$ 250	\$ 21	\$ 250	Based on TRA published rates.
Subtotal				\$ 1,143	\$ 13,710	

	Units	# of Units	Unit Rate	Monthly Cost	Yearly Cost	Comments
Non Routine Maintenance						
Septic tank pumping	Pumping Events	3	\$ 240	\$ 60	\$ 720	Pumping of holding tanks associated with centralized treatment system. Based on \$240 per pumping event.
Replacing pump & alarm systems	Replacement	1	\$ 2,400	\$ 200	\$ 2,400	Replacement cost for pumps and alarms associated with centralized treatment system. Assume 1 pump and alarm system will have to be replace once a year for a total event cost of \$2400.
Normal wear/tear items, hoses, float switches, lights	Replacement	36	\$ 20	\$ 120	\$ 1,436	Based on experience hours and hourly rates on similar projects.
UV lamps	Lamp	4	\$ 350	\$ 117	\$ 1,400	Replacement cost for UV lamps associated with the system. The system utilizes 4 lamps. Assume each lamp required replacement once every year. Lamp and labor is approx. \$350.
Subtotal		40			\$ 5,956	
Anticipated Electrical Usage & Costs						
Treatment Pumps				31	\$ 370	Based on 18 hours/day of operation, 365 days per year, \$0.13 per kWatthr.
Effluent Pumps				7	\$ 87	Based on 4 hours/day of operation, 365 days per year, \$0.13 per kWatthr.
UV Lamps & Solenoids				11	\$ 130	Based on 2 hours/day of operation, 365 days per year, \$0.13 per kWatthr.
Misc.				7	\$ 79	Based on 6 hours/day of operation, 365 days per year, \$0.13 per kWatthr.
Subtotal				55	\$ 666	
Anticipated Annual Billing Cost						
Postage	postage	49	\$ 0.64	\$ 31.36	\$ 376	
Printing	page	196	\$ 0.10	\$ 19.60	\$ 235	
Paper	page	196	\$ 0.05	\$ 9.80	\$ 118	
Misc.	page	196	\$ 0.05	\$ 9.80	\$ 118	
Subtotal					\$ 847	
TOTAL ESTIMATED EXPENSES					\$ 21,179	

	Units	# of Units	Unit Rate	Monthly Cost	Yearly Cost	Comments
Estimated Revenue						
Fees Charged to Customers						
Non Resident Customer Access Fee	Access Fee	47	\$ 7	\$ 329	\$ 3,948	These are billings for non-resident customers billed yearly. Based on \$120 per year per non-resident property owner.
Resident Customer Monthly Fee	Monthly Fee	2	\$ 44.53	\$ 89	\$ 1,069	These are billings for resident customers billed monthly. Based on \$45 per month per resident customer.
Commercial Customer Monthly Rate (clubhouse and pool)	Monthly Fee	1	\$ 102.53	\$ 103	\$ 1,230	These are billings for commercial customers billed monthly. Based on \$102.53 per month per resident customer.
Tap Fees Collected and escrowed	Tap Fee	33	\$ 855	\$ 2,351	\$ 28,215	A one time tap fee required at purchase of property. This fee is transferable to subsequent property owners. \$ are in an Escrow
Tap fees that will be collected from unpaid lot owners	Tap Fee	14	\$ 1,100	\$ 1,283	\$ 15,400	A one time tap fee required at purchase of property. This fee is transferable to subsequent property owners.
Return Check Fee	Returned check	1	\$ 25	\$ 2	\$ 25	Estimate based on experience
Late Fees and Back Payment	Late fee	1	\$ 2	\$ 0	\$ 2	Estimate based on experience
Disconnect Fees	Disconnect	1	\$ 40	\$ 3	\$ 40	Estimate based on experience
Reconnect Fees	Reconnect	1	\$ 50	\$ 4	\$ 50	Estimate based on experience

Subtotal				\$ 4,165	\$ 49,979	
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Estimated Escrow Requirements						
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Escrow Calculations						
Number of years included in calculation					1	
Number of customers					49	
Estimated Annual Non Routine Maintenance					\$ 5,956	
Annual Escrow \$ per customer					\$ 122	

Montly Escrow \$ per customer					\$ 10.13	
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Estimated Yearly Income	2010	\$ 28,800
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Timberlake Bay Waste Water Treatment System

Estimated Costs and Revenues For Year 2011

Assumptions:	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Total number of lots in subdivision	104	104	104	104
Number of non-resident property owners	63	70	75	80
Number of resident property owners	4	8	14	20
Unsold lots	37	26	15	4
Annual residents providing tap fee	18	11	11	11

Estimated Expenses

	Units	# of Units	Unit Rate	Monthly Cost	Yearly Cost	Comments
Routine Maintenance						
Maintenance Operator Cost (Non-resident)	Lots	63	\$ 5	\$ 315	\$ 3,780	Cost based on the amount Evergreen Utility Services will charge to maintain the wastewater system wastewater components for non-resident services.
Maintenance Operator Cost (resident)	Homes	4	\$ 20	\$ 80	\$ 960	Cost based on the amount Evergreen Utility Services will charge to maintain the wastewater system wastewater components for residence service.
Accounting, tax preparation books setup	Hours	2	\$ 50	\$ 100	\$ 1,200	Amount furnished by Evergreen Utility Service's CPA - Roger Goins.
Anticipated Tax Cost	Quarter	4	\$ 400	\$ 133	\$ 1,600	Cost projection includes property tax and income tax. Based on project income, property value, and operating costs
Plant operator salary and testing	Sampling and Testing	12	\$ 300	\$ 300	\$ 3,600	Based on pricing provided by our operator, Herb Norton, for monthly and quarterly sampling and testing requirements per our SOP.
Performance Bond	Event	1	\$ 400	\$ 33	\$ 400	Set at 2% of the amount from Athens Insurance.
Insurance	Coverage	12	\$ 150	\$ 150	\$ 1,800	Based on verbal quote from Athens Insurance and costs incurred by ESUD on the system for the last year (verbal).
Office telephone Line	Line	12	\$ 55	\$ 55	\$ 660	Office phone line based on experience.
Plant Control System phone line	Line	12	\$ 55	\$ 55	\$ 660	The telephone line is necessary for the computer (PLC) automation to call in and report any problem. Based on estimate by local phone company.
Billing cost	Cycle	1	\$ 20	\$ 20	\$ 240	Based on experience hours and hourly rates on similar projects.
TRA Inspection Fee	Inspection	1	\$ 250	\$ 21	\$ 250	Based on TRA published rates.
Subtotal				\$ 1,263	\$ 15,150	

	Units	# of Units	Unit Rate	Monthly Cost	Yearly Cost	Comments
Non Routine Maintenance						
Septic tank pumping	Pumping Events	4	\$ 240	\$ 80	\$ 965	Pumping of holding tanks associated with centralized treatment system. Based on \$240 per pumping event.
Replacing pump & alarm systems	Replacement	1	\$ 2,400	\$ 200	\$ 2,400	Replacement cost for pumps and alarms associated with centralized treatment system. Assume 1 pump and alarm system will have to be replace once a year for a total event cost of \$2400.
Normal wear/tear items, hoses, float switches, lights	Replacement	48	\$ 20	\$ 160	\$ 1,925	Based on experience hours and hourly rates on similar projects.
UV lamps	Lamp	5	\$ 350	\$ 156	\$ 1,877	Replacement cost for UV lamps associated with the system. The system utilizes 2 lamps. Assume each lamp required replacement once every year. Lamp and labor is approx. \$350.
Subtotal		53			\$ 7,167	
Anticipated Electrical Usage & Costs						
Treatment Pumps				34	\$ 407	Based on 18 hours/day of operation, 365 days per year, \$0.13 per kWatthr.
Effluent Pumps				9	\$ 102	Based on 4 hours/day of operation, 365 days per year, \$0.13 per kWatthr.
UV Lamps & Solenoids				13	\$ 153	Based on 2 hours/day of operation, 365 days per year, \$0.13 per kWatthr.
Misc.				7	\$ 87	Based on 6 hours/day of operation, 365 days per year, \$0.13 per kWatthr.
Subtotal				62	\$ 749	
Anticipated Annual Billing Cost						
Postage	postage	67	\$ 0.64	\$ 42.88	\$ 515	
Printing	page	268	\$ 0.10	\$ 26.80	\$ 322	
Paper	page	268	\$ 0.05	\$ 13.40	\$ 161	
Misc.	page	268	\$ 0.05	\$ 13.40	\$ 161	
Subtotal					\$ 1,158	
TOTAL ESTIMATED EXPENSES					\$ 24,223	

	Units	# of Units	Unit Rate	Monthly Cost	Yearly Cost	Comments
Estimated Revenue						
Fees Charged to Customers						
Non Resident Customer Access Fee	Access Fee	63	\$ 7	\$ 441	\$ 5,292	These are billings for non-resident customers billed yearly. Based on \$120 per year per non-resident property owner.
Resident Customer Monthly Fee	Monthly Fee	4	\$ 45	\$ 180	\$ 2,160	These are billings for resident customers billed monthly. Based on \$45 per month per resident customer.
Commercial Customer Monthly Rate (clubhouse and pool)	Monthly Fee	1	\$ 102.53	\$ 103	\$ 1,230	These are billings for commercial customers billed monthly. Based on \$102.53 per month per resident customer.
Tap fee to access sewer line	Tap Fee	34	\$ 1,100	\$ 3,117	\$ 37,400	A one time tap fee required at purchase of property. This fee is transferable to subsequent property owners.
Return Check Fee	Returned check	2	\$ 25	\$ 4	\$ 50	Estimate based on experience
Late Fees and Back Payment	Late fee	2	\$ 2	\$ 0	\$ 4	Estimate based on experience
Disconnect Fees	Disconnect	1	\$ 40	\$ 3	\$ 40	Estimate based on experience
Reconnect Fees	Reconnect	1	\$ 50	\$ 4	\$ 50	Estimate based on experience

Subtotal				\$ 3,852	\$ 46,226	
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Estimated Escrow Requirements						
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Escrow Calculations						
Number of years included in calculation					1	
Number of customers					67	
Estimated Annual Non Routine Maintenance					\$ 7,167	
Annual Escrow \$ per customer					\$ 107	

Montly Escrow \$ per customer					\$ 8.91	
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Estimated Yearly Income	2011	\$ 22,003
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Timberlake Bay Waste Water Treatment System

Estimated Costs and Revenues For 2 Years

	<u>2010</u>	<u>2011</u>	<u>Total</u>
<i>Estimated Revenue</i>	\$ 49,979	\$ 46,226	\$ 96,205
<i>Estimated Expenses</i>	\$ 21,179	\$ 24,223	\$ 45,402
<i>Estimated Income</i>	\$ 28,800	\$ 22,003	\$ 50,803
<i>Estimated Escrow Requirements</i>	\$ 5,956	\$ 7,167	\$ -

ATTACHEMENT 15:

Operation and Maintenance Contract (EUS and The Flats Resort, LLC)

**SUBCONSULTANT AGREEMENT No. 001_
FOR
PROFESSIONAL SERVICES**

THIS AGREEMENT, entered into this 21st day of September, 2010, by and between **EUSEvergreene Utility Services, LLC** with offices at *4028 Taliluna Avenue, Knoxville, TN 37919*, hereinafter referred to as "EUS" and **Environmental Technologies** located at **1132 Patterson Street, Dandridge, TN 37725**, hereinafter referred to as **SUBCONSULTANT**.

WHEREAS, **EUS** has entered into a contract or may enter into future contracts with **The Flats Resort, LLC** for the purposes of furnishing certain professional services in connection with **environmental operations and maintenance of Timberlake Bay subdivision decentralized treatment facility**; and

WHEREAS, **EUS** desires **SUBCONSULTANT** to perform certain professional and technical services in connection with **CLIENT** requirements and **SUBCONSULTANT** desires to perform such services.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained, the parties hereto agree as follows:

I. SCOPE OF WORK

SUBCONSULTANT shall perform in a proper manner, satisfactory to **EUS**, the technical services as more fully described in Attachment A "Scope of Work" which is attached hereto and incorporated herein by reference.

II. TIME OF PERFORMANCE

The services to be performed hereunder shall commence upon receipt by **SUBCONSULTANT** of a written "Notice to Proceed" (anticipated on November 1, 2010) and shall be completed in accordance with the schedule set forth in Attachment A. This Agreement will remain in effect for one year from the date of the Notice To Proceed. The Agreement can be renewed for an additional year upon written notification signed by both parties, prior to the

expiration of the period of performance, that the Agreement will be extended for an additional year. This option to extend the contract for an additional one year period will continue indefinitely at the mutual approval of both parties.

III. COMPENSATION AND PAYMENT

For satisfactory performance of the services described above, **EUS** shall pay to **SUBCONSULTANT** the compensation provided for in Attachment B. "Payment" which is attached hereto and incorporated herein by reference. After receipt and approval by **EUS** of **SUBCONSULTANT's** invoice prepared in such form and supported by such documents as **EUS** may reasonably require, **EUS** will include **SUBCONSULTANT's** invoice with **EUS's** regular billings to the **CLIENT**. **EUS** will make payment to the **SUBCONSULTANT** within ten (10) days after receipt of payment from the **CLIENT** for work performed by **SUBCONSULTANT**.

IV. COMPLIANCE WITH LAWS

SUBCONSULTANT shall observe and abide by all applicable laws, ordinances and regulations of federal, state and local governments, in connection with the work performed hereunder.

V. SUBCONTRACT AND ASSIGNMENT

This Agreement may not be assigned or subcontracted, in whole or part, without the prior written consent of **EUS**. Approval by **EUS** of any subcontractor shall not relieve the **SUBCONSULTANT** of any liability or responsibility for the proper performance of the work under this Agreement.

VI. INSPECTIONS

All work performed by **SUBCONSULTANT** shall be subject to the quality inspection and approval by **EUS** at all times, but such approval shall not relieve **SUBCONSULTANT** of responsibility for the proper performance of the work. **SUBCONSULTANT** shall provide sufficient, safe and proper facilities at all times for such inspection of the work, and shall furnish all information concerning the work, and grant **EUS's** duly authorized representatives free access

at all reasonable times to **SUBCONSULTANT's** facilities where the work under this Agreement is to be performed.

VII. CHANGES

EUS shall have the right, at any time prior to completion of the work to direct changes in this Agreement, including but not limited to, change in the Scope of Work. If the change causes an increase or decrease in the cost of, or the time required for the **SUBCONSULTANT's** performance under this Agreement; the **SUBCONSULTANT** must submit to **EUS** within ten (10) days after receipt of the change notice any request for adjustment. **EUS** will issue an addendum to this Agreement for equitable adjustments.

VIII. TERMINATION FOR CONVENIENCE

a) **EUS** shall have the right at any time to terminate this Agreement in whole, or in part, by written notice to **SUBCONSULTANT**. Upon receipt of this notice the **SUBCONSULTANT** shall immediately discontinue performance, will not place any further orders and will promptly cancel all orders to subcontractors.

b) In the event of termination for convenience **EUS** shall pay, in accordance with Article III above, the **SUBCONSULTANT** for all work performed and accepted by **EUS** prior to termination, plus the profit due for the work performed. However, in no event shall **EUS** be obligated to pay more than the Agreement value less any previously paid funds.

SUBCONSULTANT shall have the right at any time to terminate this Agreement in whole, or in part, by written notice to **EUS**. Prior to termination and cessation of work **SUBCONSULTANT** will complete all environmental inspections and reports that comprise the approved SOW, and submit same to **EUS** and **CLIENT** prior to cessation of work.

IX. DEFAULT

a) Should the **SUBCONSULTANT** breach any provisions of this Agreement **EUS** shall have the rights and remedies provided by law or under these terms and conditions.

b) **EUS** shall have the right at any time to terminate this Agreement in whole, or in part, if the **SUBCONSULTANT** fails to perform any of its obligations or if the **SUBCONSULTANT**

fails to give **EUS** assurance of adequate performance within ten (10) working days after written request by **EUS** for such assurances.

c) In the event of a breach of the Agreement **EUS** may:

- 1) Declare the **SUBCONSULTANT** to be in default.
- 2) Cancel this Agreement in whole or in part.
- 3) Withhold payment of any further funds which may be due the **SUBCONSULTANT** until the default is corrected.
- 4) Pursue any and all other remedies afforded by law.

X. INDEMNIFICATION AND INSURANCE

a) **SUBCONSULTANT** shall indemnify, defend and hold harmless **EUS** and **CLIENT**, and their respective officers, agents, servants and employees from and against all claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from the **SUBCONSULTANT**'s negligent acts, errors or omissions in the performance of the services under this Agreement.

b) With respect to its indemnification obligation hereunder, **SUBCONSULTANT** hereby assumes the entire responsibility and liability for any and all damages or injury (including death resulting therefrom) to employees of the **SUBCONSULTANT** caused by, resulting from, arising out of or occurring in connection with the performance of the services under this Agreement, and if any claims for such damage or injury (including death resulting therefrom) be made or asserted, whether or not such claims are based upon **EUS**'s or **CLIENT**'s alleged or actual negligent acts, errors or omissions, **SUBCONSULTANT** agrees to indemnify, defend and hold harmless **EUS** and **CLIENT**, and their respective officers, agents, servants and employees from and against all such claims, damages, losses and expenses, including but not limited to attorneys' fees, that they may directly or indirectly sustain, suffer or incur as a result thereof.

c) Unless otherwise required in this Agreement the **SUBCONSULTANT** shall, during the performance of the Work, maintain the following insurance in the types and amounts, and with insurers satisfactory to **EUS**.

- | | |
|-------------------------------------|--|
| 1) Worker's Compensation: | Statutory requirements at the locations of work and in accordance with the Contractor's established program for employees. |
| 2) Employer's Liability: | \$1,000,000 Bodily Injury by Accident (Each occurrence)
\$1,000,000 Bodily Injury by Disease (Policy Limit)
\$1,000,000 Bodily Injury by Disease (Each Person) |
| 3) Comprehensive General Liability: | \$1,000,000/per occurrence; \$2,000,000/general aggregate |
| 4) Automobile: | \$1,000,000 Combined Single Limit per accident |
| 5) Professional Liability: | \$1,000,000 |

Prior to commencing performance of the work the **SUBCONSULTANT** shall furnish **EUS** with a Certificate of Insurance as evidence of the required insurance and such Certificate shall provide for ten (10) days written notice to **EUS** prior to cancellation thereof.

EUS shall be named as an additional insured on coverages furnished under 3) and 4) hereunder and **SUBCONSULTANT** and its insurers shall waive any and all rights of subrogation against **EUS** and **OWNER** which may arise under any policies of insurance provided hereunder.

XI. INDEPENDENT CONTRACTOR

The **SUBCONTRACTOR** is an independent contractor and shall not be regarded as an employee or agent of **EUS**. At times, **EUS** may provide **SUBCONSULTANT** business tools, such as email accounts, marketing materials, etc., for use in accomplishing work. However, use of these business tools must always include a disclaimer to identify that **SUBCONSULTANT** is not an **EUS** employee or agent.

XII. CONFIDENTIALITY

No publicity releases (including news releases and advertising) relating to this Agreement or the Work hereunder shall be issued by the **SUBCONSULTANT** without the prior written approval of **EUS**. The **SUBCONSULTANT** will comply at all times with the confidentiality terms established in the Mutual Non-Disclosure Agreement included as Attachment D to this Agreement.

XIII. CONFLICT OF INTEREST

Conflicts can occur from the standpoint of the organization or from personnel. Such conflicts could potentially jeopardize the quality of work due to inadvertent or intentional bias placed on Task Order performance. To avoid such conflicts the **SUBCONTRACTOR** represents, warrants and confirms, for the duration of the Project, that neither **SUBCONTRACTOR** nor any of **SUBCONTRACTOR**'s subcontractors has or has had any commitment to perform services for others or any other obligations or circumstances which conflict with the interest of **EUS**'s or **SUBCONTRACTOR**'s obligations hereunder as specified in the Agreement.

Further, **SUBCONTRACTOR** warrants that, for the duration of the Project, **SUBCONTRACTOR** will not propose to or enter into any agreement or engage in any conduct that would conflict with the interest of **EUS**'s or **SUBCONTRACTOR**'s obligations under this Agreement.

XIV. EXAMINATION OF RECORDS

The **SUBCONSULTANT** agrees that **EUS** will have access to and the right to examine any books, documents, papers and records of any and all the transactions relating to this Agreement. The **SUBCONSULTANT** shall maintain all records for a period of three (3) years after completion of the Work.

XV. OWNERSHIP OF DOCUMENTS

Upon completion and payment in full of all monies due to **SUBCONSULTANT**, all drawings, specifications, reports, information or data prepared by or furnished to **SUBCONSULTANT** in connection with any or all work to be performed under this Agreement

shall be the property of **the Client and are considered Works Made for Hire**. The **SUBCONSULTANT** shall have no liability for any claim, liability or cost arising out of any unauthorized reuse or modification by the **SUBCONSULTANT** of any work products without the written authorization of **CLIENT**.

XVI. PARTIAL INVALIDITY

If any term, covenant, condition or provision of this Agreement is found by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect, and shall in no way be affected, impaired or invalidated thereby.

XVII. HEADINGS

Headings in this Agreement are for convenience only and are not intended to be used in interpreting or construing the terms, covenants, and conditions of this Agreement.

XVIII. GOVERNING LAWS

The validity or construction of this Agreement, as well as the rights and duties of the parties hereinunder, shall be governed by the laws of the State specified in the Choice of Law or other applicable clause in the Prime Agreement or, if no such State is specified, then the State of Tennessee.

XIX. COMPLIANCE WITH PRIME AGREEMENT

SUBCONSULTANT hereby agrees to abide and be bound by the terms of State Operating Permit (SOP #08001) between **EUS** and **TDEC**, which is incorporated herein by reference and included as Attachment C to this Agreement. In the event of any conflict between this Agreement and any other document(s), the stricter terms and conditions shall control.

XX. SUPPLEMENTS TO AGREEMENT

The following exhibits, supplements or addendums form an integral part of this Agreement.

- Attachment "A" Scope of Work
- Attachment "B" Compensation and Payment
- Attachment "C" SOP #08001 Specifications.

XXI. ENTIRE AGREEMENT

This Agreement constitutes the whole agreement between the parties with respect to the subject matter contained herein and there are no terms other than those contained herein. No modification or amendment of this Agreement shall be valid unless in writing and signed by the parties hereto.

LLC

EVERGREENE UTILITY SERVICES,

Name: Douglas S. Hodge, Ph.D., PMP

Title: Operations Manager

Date: 9/21/10

SUBCONSULTANT

Name: Herb Norton

Title: President

Company: Environmental Technologies

Date: _____

ATTACHEMENT 16:

TDEC Letter of Acceptance of Transfer of WWTS

ATTACHEMENT 17:
Sevier Utility District Letter