

12-00004

Michael Sorrells
3796 Jonathan Creek Rd.
Waynesville, NC 28785

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Tennessee Regulatory Authority
Att: Mr. Kenneth Hill
460 James Robertson Parkway
Nashville, TN 37243

October 1, 2012

Dear Mr. Hill:

My name is Michael Sorrells and I represent the homeowners at the Stonebridge subdivision in Dandridge, Tennessee. I write you because **we are in grave need of your help!** We have 58 land owners whose land is currently worthless and have lost their investment of millions of dollars. We need the TRA to approve allowing a contractor to accept tap fees of \$4250.00 per lot to pay for the needed additions to our current sewer system to resolve our problem. The TRA staff says they don't have the information necessary information to proceed, I would disagree with that assessment.

Let me explain as simply as I can, this complex problem. The people I represent bought lots in the Stonebridge subdivision several years ago. When we purchased our lots the developer, Chip Leonard, gave us documents that sewer service was available at each lot. Well, that was a lie and he has since been awol. When it became apparent that the developer was indeed not going to pay for the sewage system as promised, we had to look at alternatives. We looked at the sewage facilities from several contractors in the area. After looking at those facilities we were in complete agreement that we wanted to stay with the original contractor, Advanced Septic Inc. This company was the low bid on the original project and we liked his product far more than the others we looked at. Advanced Septic Inc. agreed to keep the original contract price of \$405,000.00 and give us credit for what money he had collected from Chip Leonard, some \$41,000.00. The owner of Advanced Septic Inc also owns the Utility that will maintain service on the completed system, Aqua Green Utility Inc.

When we moved forward with the project a new problem arose, TDEC informed us that only some of the land set out by the developer was usable for an onsite sewage disposal field. We could only allow 50 homes to connect to the system once constructed. Since Jefferson County had allowed homes to be permitted and six had been built with no sewer service, we had quite a problem.

We desperately needed a sewer treatment system. Since the developer had gone awol, we had to pay for it also. We looked at bank loans and such, but could not find a bank that would touch the project. We looked at so many possibilities, but with some land owners without any way to pay their part, it was a real problem. Other land owners are willing to pay, but only want to pay their fair share and do not want anyone to hook on that has not paid. What we finally were able to work out was an agreement with Advanced Septic Inc. to accept tap fees for payment to build the sewage treatment plant. The way this would have to work is Aqua Green Utility Inc. would collect the tap fees and pay them to Advanced Septic Inc. for payment for the construction. If this is approved by the TRA, then Aqua Green Utility Inc. would not allow any landowners to connect to the system if the tap fee is not paid. Without this approval,

Aqua Green Utility Inc. being a public utility could not stop any landowners from connecting to the system.

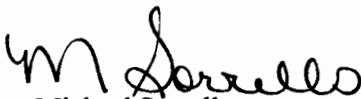
We still need to purchase additional property to complete the system for all landowners. Advanced Septic Inc has agreed to pay the \$95,000.00 needed to purchase the land to complete the system. The tap fee would go up 6% each year giving a return on Advanced Septic Inc. investment if any land owners did not pay within the first 90 days of this agreement being approved. Advanced Septic Inc. would be assured of getting payment before someone could connect to the system.

When we brought this proposal to the TRA, the matter was tabled and it was suggested that 50 people pay Advanced Septic Inc. directly to get that part of the system online and working. That is what we did and we collected the money on a first come first serve basis. Unfortunately, some people were not in the first 50 and had their checks returned to them. 58 landowners still do not have sewage service. We still have the same problem of needing to buy land and add the necessary components to add to the system to connect the last 58 landowners.

Our solution is currently being stopped by the TRA staff, who insists they need more information from Advanced Septic Inc. The information they are asking for is details for the money Advanced Septic Inc. spent building the plant and getting the system online for the first 50 and all cost for the future expansion. This kind of information is labor and material cost, hours spent on the job, etc. Advanced Septic Inc. has responded to the request that the information is proprietary to their company, which is a private company, not a public utility, and would do great harm to them in competitive bidding for other jobs. In other words, if a competitor knows this information they could determine what Advanced Septic Inc would bid on a job, crippling their chance of getting the bid. The TRA records are subject to open records request by anyone.

I offer the real and true cost of this project, as with all large projects it is the **low bid!** When a job is bid, all details of cost of labor, materials, profit margins etc. are not disclosed. That is how business is done. The landowners are in agreement with the price and terms. Is it not the TRAs' job to protect the landowners? Why is the TRA staff costing many people their investment? Have we not suffered enough? Please, we need a hearing and approval of these tap fees so we can build our homes or sell the property if we cannot afford to build to someone who will.

We are in grave need of your help - please help us!


Michael Sorrells

Home Owners Representative Stonebridge Subdivision.