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ATTORNEYS AT LAW

Nashville · Memphis

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H. LaDon Baltimore
dbaltimore@farrismathews.com

Direct Dial:
(615) 687-4243

November 5, 2012
~~October 23, 2012~~

Via Electronic and Hand-Delivery

Mr. James M. Allison, Chairman
c/o Sharla Dillon
(sharla.dillon@tn.gov)
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243

filed electronically in docket office on
11/15/12

Re: Docket No. 12-00035, *Petition of Old Hickory Water, LLC for a Certificate of Convenience and Necessity*

Dear Chairman Allison:

Attached is the Petitioner's Response to the Data Request of August 27, 2012.

Some supplemental filings will be due.

Maps in response to Request 8 have been mailed to me, but have not arrived. I will furnish them as soon as they arrive; hopefully, tomorrow.

UD20 Statement is close to completion and will be furnished as soon as it is completed.

Please note that Financial Exhibits 3, 5 and 7 are confidential and furnished in separate sealed envelopes.

Sincerely,



H. LaDon Baltimore,
Counsel for Old Hickory Water, LLC

1. We received the application for filing the Articles of Organization; however, we request that a completed, signed and notarized copy be provided.

RESPONSE: Certification attached as Exhibit 1.

2. Provide a copy of the Secretary of State Certification for Old Hickory Water, LLC.

RESPONSE: Certification attached as Exhibit 2.

3. The Petition states that 118 customers are currently being served. How many of these customers are commercial and how many are residential? Are any customers affiliate companies? If so, provide the name of all affiliate companies being billed by Old Hickory Water, LLC.

RESPONSE: 74 residential, 12 Campground, 32 Commercial. The commercial customer is Hickory Star Resort and Marina, LLC. No other companies are involved.

4. Provide financial statements for Old Hickory Water, LLC for year-end December 31, 2011 and interim financial statements for the 6-months ended June 30, 2012. Include a balance sheet, income statement (showing all expenses and expense allocations) and a statement of cash flows.

RESPONSE: See Exhibit 3.

5. Provide a corrected surety bond or bank letter of credit in accordance with TRA Rule 1220-4-13-07.

RESPONSE: Corrected surety bond has been provided.

6. Regarding the transfer of SOP #07073:

Has an application to transfer the wastewater system from Hickory Star to Old Hickory Water, LLC been submitted to TDEC? If the answer is yes, please file the application in this Docket. If not, please submit the transfer application to TDEC and file a copy with the Authority. In the alternative, provide a copy of the completed TDEC transfer in the correct name.

RESPONSE: The completed TDEC transfer, SOP # 07073, is attached as Exhibit 4.

7. In John Parton's pre-filed testimony, he states that funding will be provided by its members. Please provide an affidavit by all three members stating their commitment to funding the system as necessary.

RESPONSE: Affidavit is being procured.

8. Provide copies of easements that Old Hickory Water, LLC has obtained for the wastewater system, water system and lines relevant to both.

RESPONSE: Maps were mailed to Petitioner's Counsel November 14, but not received to date. Maps will be furnished upon receipt by Counsel.

9. What is the total design capacity (gallons of flow) of the wastewater system?

RESPONSE: 32,000 gallons per day.

10. How much capacity is currently being used by the wastewater system?

RESPONSE: 2,000 gallons per day.

11. Contact information was provided for John Parton in the Petition. Provide the address and telephone numbers of the other two members of Old Hickory Water, LLC.

RESPONSE: David Parton, Elder Grove, VA 2428; Phone: 276-445-3345.
Walter D. Knuckles, 2693 Hwy 66, Pineville, KY 40902; Phone: 606-337-6944.

12. Provide copies of the bank statements from all financial institutions for Old Hickory Water, LLC from December 2011 through May 2012.

RESPONSE: See Exhibit 5.

13. Describe the technical role that Mr. Michael F. Payne provides for Old Hickory Water, LLC. Is he a full time or contract employee? If he is a contract employee, provide a copy of the contract between Mr. Payne and Old Hickory Water, LLC. How many years has he been employed/contracted by Hickory Star?

RESPONSE: Mr. Michael F. Payne performs the bacterial tests and monthly reports. He is not under contract and has performed these tests for 3-4 years.

14. Please clarify the statement made in the previous Data Response #I (Exhibit H to the Petition) that there are no employees of Old Hickory Water, LLC., and that all the duties for the water company will be performed by employees of Hickory Star. Explain how these employees are compensated and whether their salaries and/or wages are allocated between the marina and the utility (include the basis for all allocations).

RESPONSE: The Hickory Star employees who also perform work for Old Hickory are only compensated from Hickory Star. Hours are allocated to the marina and the water company. Old Hickory compensates Hickory Star for work performed.

15. How many full time/part time employees does Old Hickory Water, LLC have? How many employees did Old Hickory retain from Hickory Star?

RESPONSE: Old Hickory has no payroll. Four Hickory Star employees and two owner's spouses take care of the duties for Old Hickory along with management from owners.

16. Old Hickory Water, LLC filed a UD20 Statement of Gross Earnings and Computation of Inspection Fee on April 3, 2012 as successor to Hickory Star Water Company, LLC; however, Old Hickory Water, LLC has not filed its required 2011 Annual Report. Provide the Annual Report for Old Hickory Water, LLC (assets purchased in January 2011) for the year-ended December 31, 2011.

RESPONSE: - CPA is still working on the UD20 Statement and is close to completion.

17. Does Old Hickory Water, LLC process its own billing or is it outsourced? If the billing is outsourced, provide the name of the provider and a copy of the contract between Old Hickory Water, LLC and the provider. Identify who handles all other accounting matters of Old Hickory Water, LLC?

RESPONSE: Old Hickory Water processes its own billing. All accounting matters are handled by Wayne Greene, Greene and Greene, CPAs, 2201 West Cumberland Ave., Middlesboro, KY 40965; Phone: 606-248-3456.

18. Provide a copy of a current Old Hickory Water, LLC customer bill (water & sewer).

RESPONSE: Attached as Exhibit 6.

19. Where are collections from customer billings deposited? Provide copies of bank statements from December 2011 thru June 2012 showing the revenues deposited from water and wastewater billings.

RESPONSES: First State Financial, Middlesboro, KY is the bank used for deposits. Bank statements are attached as Exhibit 7.

20. Data Response #7 states that Old Hickory Water, LLC does not own any land. Clarify what the Property Tax (Real Estate) was paid on that appears on the Income Statement (month-end February 29, 2012) provided with the Petition as Exhibit C.

RESPONSES: Such tax is a Union County Public Utility Tax.

21. Are the terms, conditions and rates for the provision of water from the City of Maynardville identical to those in place when the utility was owned by Hickory Star Water, LLC? If no contract currently exists between Old Hickory Water and the City, provide documentation of the rates currently being charged by the City. What is the notification period required if the City decides to increase its rates?

RESPONSE: The terms, conditions and rates for the provision of water from the City of Maynardville are identical as before. Rates are attached as Exhibit 8. The notification period require if the City of Maynardville decides to increase its rates 60 days.

22. If Hickory Star Resort and Marina, LLC is providing employees/labor hours for Old Hickory, LLC, please provide the contracted rates that the Marina will charge Old Hickory, LLC and any other items that need to be under contract that are not.

RESPONSE: The rate charged is \$25 per hour.

23. The previous response to Data Request# 18 states that Hickory Star pays the bills for the campground, hotel, restaurant, etc. Please give the formal name billed, account number, etc. for each location as requested in # 18. Are sewer hook-ups at each houseboat/campground location or is there a central pump house? Is each individual location billed separately or is there one bill to an affiliate of Old Hickory Water, LLC?

RESPONSE: Hickory Star is billed for the following accounts. #67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 87, 89, 92, 93, 94, 95, 99, 100, 104, 107, 108, 109, and 130.

There are sewer hookups an each campground unit.

**OLD HICKORY WATER, LLC
DOCKET NO. 12-00039
DATA REQUEST RESPONSE**

EXHIBIT 1

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
FEB 11 PM 1:46
TREASURER OF STATE
SECRETARY OF STATE

FILED

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: Old Hickory Water, 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:

David E. Parton

(Name)

1360 Hickory Star Road

Maynardville

Tennessee 37807

(Street address)

(City)

(State/Zip Code)

Union

(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): 3

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:

110 Coal Drive, P.O. Box 159

Middlesboro

Kentucky, Bell, 40965

(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) ☐

02/04/2011

Signature Date

Signature

Attorney for LLC

Signer's Capacity (if other than individual capacity)

David H. Stanifer

Name (printed or typed)

6830-1828



STATE OF TENNESSEE
Tre Hargett, Secretary of State
Division of Business Services
William R. Snodgrass Tower
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

H. LADON (DON) BALITMORE
618 CHURCH ST
NASHVILLE, TN 37219-2428

Request Type: Certified Copies

Request #: 82320

Issuance Date: 11/15/2012

Copies Requested: 2

Document Receipt

Receipt #: 848281

Filing Fee: \$40.00

Payment-Check/MO - H. LADON (DON) BALITMORE, NASHVILLE, TN

\$40.00

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that **Old Hickory Water, LLC**, Control # 650837 was formed or qualified to do business in the State of Tennessee on 02/11/2011. Old Hickory Water, LLC has a home jurisdiction of TENNESSEE and is currently in an Active status.

Tre Hargett
Secretary of State

Processed By: Nichole Hambrick

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

<u>Reference #</u>	<u>Date Filed</u>	<u>Filing Description</u>
6830-1828	02/11/2011	Initial Filing
7028-2098	03/29/2012	2011 Annual Report (Due 04/01/2012)



Tennessee Limited Liability Company Annual Report Form

AR Filing #: 02989802

File online at: <http://TNBear.TN.gov/AR>

Status: Unsubmitted

Due on/Before: 04/01/2012

Reporting Year: 2011

Please return completed form to:

Tennessee Secretary of State

Attn: Annual Reports

William R. Snodgrass Tower

312 Rosa L. Parks AVE, 6th FL

Nashville, TN 37243-1102

Phone: (615) 741-2286

Annual Report Filing Fee Due:

\$300 minimum plus \$50 for each member over 6 to a maximum of \$3000

\$20 additional if changes are made in block 3 to the registered agent/office

SOS Control Number: 650837

Limited Liability Company - Domestic

Date Formed: 02/11/2011

Formation Locale: TENNESSEE

(1) Name and Mailing Address:

Old Hickory Water, LLC

PO BOX 159

MIDDLESBORO, KY 40965-0159

(2) Principal Office Address:

BOX 159

110 COAL DRIVE

MIDDLESBORO, KY 40965-0159

(3) Registered Agent (RA) and Registered Office (RO) Address: Agent Changed: No

David E. Parton

1360 HICKORY STAR RD

MAYNARDVILLE, TN 37807-1821

(4) This LLC is (change if incorrect): Director Managed, Manager Managed, X Member Managed,
 Board Managed (appropriate if formed prior to 1/1/2006 only).

If board, director, or manager managed, provide the names and business addresses, including zip codes, of the governors, directors, or managers (or their equivalent), respectively.

Name	Business Address	City, State, Zip

(5) Provide the names and business addresses, including zip codes, of the LLC managers (if governed by the LLC Act), or any officers (if governed by the Revised LLC Act), (or their equivalent), respectively.

Name	Business Address	City, State, Zip

(6) Number of members on the date the annual report is executed if there are more than six (6) members: 3 This LLC is prohibited from doing business in Tennessee (check if applicable)

(7) Signature:

(8) Date: 3/26/12

(9) Type/Print Name:

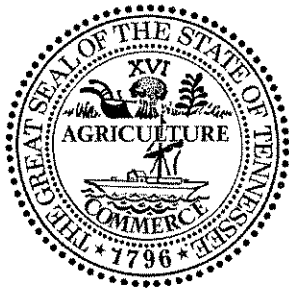
John Parton

(10) Title: member

Instructions: Legibly complete the form above. Enclose a check made payable to the Tennessee Secretary of State in the amount of \$300.00. Sign and date this form and return to the address provided above. Additional instructions at http://tn.gov/sos/bus_srv/annual_reports.htm

**OLD HICKORY WATER, LLC
DOCKET NO. 12-00039
DATA REQUEST RESPONSE**

EXHIBIT 2



STATE OF TENNESSEE
Tre Hargett, Secretary of State
Division of Business Services
William R. Snodgrass Tower
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

H. LADON (DON) BALITMORE
618 CHURCH ST
NASHVILLE, TN 37219-2428

Request Type: Certified Copies

Request #: 82320

Issuance Date: 11/15/2012

Copies Requested: 2

Document Receipt

Receipt #: 848281

Filing Fee: \$40.00

Payment-Check/MO - H. LADON (DON) BALITMORE, NASHVILLE, TN

\$40.00

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Tre Hargett
Secretary of State

Processed By: Nichole Hambrick

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

<u>Reference #</u>	<u>Date Filed</u>	<u>Filing Description</u>
6830-1828	02/11/2011	Initial Filing
7028-2098	03/29/2012	2011 Annual Report (Due 04/01/2012)

**OLD HICKORY WATER, LLC
DOCKET NO. 12-00039
DATA REQUEST RESPONSE**

EXHIBIT 3

CONFIDENTIAL AND PRIVILEGED

IN SEPARATE ENVELOPE

**OLD HICKORY WATER, LLC
DOCKET NO. 12-00039
DATA REQUEST RESPONSE

EXHIBIT 4**



TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF WATER POLLUTION CONTROL
401 CHURCH STREET
L & C ANNEX 6TH FLOOR
NASHVILLE TN 37243

June 11, 2012

Mr. John Parton
Owner & Active Member
The Point at Hickory Star
PO BOX 159
Middlesboro, KY 40965

COPY

Subject: **Draft of State Operating Permit No. SOP-05013
Old Hickory Water LLC - The Point at Hickory Star
Maynardville, Union County, Tennessee**

Dear Mr. Parton:

Enclosed please find one copy of the draft state operating permit, which the Division of Water Pollution Control (the division) proposes to issue. The issuance of this permit is contingent upon your meeting all of the requirements of the Tennessee Water Quality Control Act and the rules and regulations of the Tennessee Water Quality Control Board.

If you disagree with the provisions and requirements contained in the draft permit, you have twenty-five (25) days from the date of this correspondence to notify the division of your objections. If your objections cannot be resolved, you may appeal the issuance of this permit. This appeal should be filed in accordance with Section 69-3-110, Tennessee Code Annotated.

If you have questions, please contact the Knoxville Environmental Field Office at 1-888-891-TDEC; or, at this office, please contact Mr. Hari Akunuri at (615) 532-0650 or by E-mail at Hari.Akunuri@tn.gov.

Sincerely,

Vojin Janjic
Manager, Permit Section
Division of Water Pollution Control

Enclosure

cc: Permit Section File
Knoxville Environmental Field Office (Woody.Smith@tn.gov)
Mr. Mike Churchill, General Manager, Hickory Star Water and Sewer LLC, 1360 Hickory Star Road, Maynardville, TN 37807
Ms. Michelle Ramsey, Utilities Division, Tennessee Regulatory Authority, michelle.ramsey@tn.gov

**TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF WATER POLLUTION CONTROL
6th Floor, L & C Annex
401 Church Street
Nashville, TN 37243**

Modification

Ownership Transfer

Permit No. SOP-05013

**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

**Old Hickory Water LLC - The Point at Hickory Star
Maynardville, Union County, Tennessee**

FOR THE OPERATION OF

Septic tanks, effluent collection system, AdvanTex recirculating filter treatment system and drip irrigation system located at latitude 36.262 and longitude -83.886 in Union County, Tennessee to serve the Point at Hickory Star. The design capacity of the system is .032 MGD.

This permit is issued as a result of the application filed on June 5, 2012, 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:

This permit shall expire on:

Issuance date:

**Garland P. Wiggins
Deputy Director
Division of Water Pollution Control**

CN-0759

RDAs 2352 & 2366

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>Monthly Average</u>	<u>Measurement Frequency</u>
Flow *	Totalizer			Daily
BOD ₅	Grab	45 mg/l	N/A	Once/Quarter
Nitrate as N	Grab	Report	N/A	Once /Quarter
Ammonia as N	Grab	Report	N/A	Once /Quarter

* Report average daily flow for each calendar month.

Sampling requirements in the table above apply to effluent being discharged to the drip irrigation plots.

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.

All drip fields must be fenced sufficiently to prevent or impede unauthorized entry as well as to protect the facility from vandalism. Fencing shall be a minimum of four feet in height. Fencing shall be constructed of durable materials. Gates shall be designed and constructed in a manner to prevent or impede unauthorized entry. All designs are subject to division approval. Fence must be installed prior to beginning of operation.

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.

2. Test Procedures

Unless otherwise noted in the permit, all pollutant parameters shall be determined according to methods prescribed in Title 40, CFR, Part 136.

C. DEFINITIONS

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

The "*monthly average concentration*", other than for *E. coli* bacteria, is the arithmetic mean of all the composite or grab samples collected in a one-calendar month period.

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

For the purpose of this permit, "*continuous monitoring*" means collection of samples using a probe and a recorder with at least one data point per dosing cycle.

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 effective date.

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.

4. Signatory Requirement

All reports or information submitted to the commissioner shall be signed and certified by the persons identified in Rules 1200-4-5-.05(6)(a-c).

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 certified wastewater treatment operator and the collection system shall be operated under the supervision of a certified collection system 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.

**TREATED DOMESTIC WASTEWATER
DRIP IRRIGATED PLOTS
(PERMITTEE'S NAME)
(PERMITTEE'S PHONE NUMBER)
TENNESSEE DIVISION OF WATER
POLLUTION CONTROL
Knoxville Environmental Field Office
PHONE NUMBER: 1-888-891-8332**

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. New facilities must have the signs installed upon commencing operation.

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 Chapter 0400-48-01-.22. If the septage is transported to another POTW for disposal, the permittee shall note the amount of septage wasted in gallons 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 (100 lbs/acre/year). trees, the cover crop shall be cut on a regular basis and the cuttings removed from the site. 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.

**OLD HICKORY WATER, LLC
DOCKET NO. 12-00039
DATA REQUEST RESPONSE**

EXHIBIT 5

CONFIDENTIAL AND PRIVILEGED

IN SEPARATE ENVELOPE

**OLD HICKORY WATER, LLC
DOCKET NO. 12-00039
DATA REQUEST RESPONSE**

EXHIBIT 6

The Billing name will not change
until all TRA regulation are met.

SERVICE FROM 07/18/12
SERVICE TO 08/17/12
DAYS 30
ACCOUNT NO. 003-65400-01
PAY GROSS AFTER
NET AMOUNT 4,246.24
GROSS AMOUNT 4,246.24
CHARGES 3,718.40
USED 3,718.40
156.00
AT: 3,814.40
HICKORY STAR RD
PREVIOUS READING 3,718
SERVICE PRESENT READING 4,210
42100
3723
MATT
SCM
M

pd 8/29/12 ch# 1098

HICKORY STAR
1360 HICKORY STAR RD
MAYNARDVILLE TN 37807

RECORDED
FIRST CLASS MAIL
MAYNARDVILLE TN 37807
PERMIT NO. 5

**OLD HICKORY WATER, LLC
DOCKET NO. 12-00039
DATA REQUEST RESPONSE**

EXHIBIT 7

CONFIDENTIAL AND PRIVILEGED

IN SEPARATE ENVELOPE

**OLD HICKORY WATER, LLC
DOCKET NO. 12-00039
DATA REQUEST RESPONSE**

EXHIBIT 8

City of Maynardville

Maynardville Utility Department

Utility Rate Sheet

Effective December 14, 2009

City Water Rates (inside City limits)

Rate Structure (Gallons per Month)	(tax not included)
Zero -- 2,000	\$18.18 minimum
2,000 -- 10,000	\$ 6.59 per 1,000 gallons
10,000 -- 20,000	\$ 5.89 per 1,000 gallons
20,000 -- 50,000	\$ 5.38 per 1,000 gallons
50,000 -- or greater	\$ 4.99 per 1,000 gallons

City Sewer Rates (Inside City limits)

Rate Structure (Gallons per Month)	(tax not included)
Zero -- 2,000	\$19.97 minimum
2,000 -- 10,000	\$ 7.30 per 1,000 gallons
10,000 -- 20,000	\$ 6.53 per 1,000 gallons
20,000 -- 50,000	\$ 5.89 per 1,000 gallons
50,000 -- or greater	\$ 5.50 per 1,000 gallons

County Water Rates (outside City limits)

Rate Structure (Gallons per Month)	(tax not included)
Zero -- 2,000	\$27.20 minimum
2,000 -- 10,000	\$ 9.92 per 1,000 gallons
10,000 -- 20,000	\$ 8.83 per 1,000 gallons
20,000 -- 50,000	\$ 8.06 per 1,000 gallons
50,000 -- or greater	\$ 7.55 per 1,000 gallons

County Sewer Rates (outside City limits)

Rate Structure (Gallons per Month)	(tax not included)
Zero -- 2,000	\$29.95 minimum
2,000 -- 10,000	\$10.88 per 1,000 gallons
10,000 -- 20,000	\$ 9.73 per 1,000 gallons
20,000 -- 50,000	\$ 8.83 per 1,000 gallons
50,000 -- or greater	\$ 8.26 per 1,000 gallons