

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

August 7, 2019

IN RE:)	
)	
PETITION TO SHOW CAUSE WHY A CEASE)	
AND DESIST ORDER AND CIVIL PENALTIES &)	DOCKET NO. 12-00077
SANCTIONS SHOULD NOT BE IMPOSED)	
AGAINST LAUREL HILLS CONDOMINIUMS)	
PROPERTY OWNERS ASSOCIATION)	

AGREED ORDER DISMISSING *PETITION* AND CLOSING DOCKET

Come now the undersigned parties in this matter, Tennessee Public Utility Commission ("TPUC" or "Commission") Staff acting as Party ("Party Staff"), and Laurel Hills Condominiums Property Owners Association ("LHCPOA"), by and through the parties' respective undersigned counsel, and submit this Agreed Order in order to dismiss the *Petition* of Party Staff with prejudice and closing the docket. In support of this Agreed Order, the parties would show as follows:

1. On July 17, 2012, the Hearing Officer issued an order initiating this Show Cause matter against LHCPOA based upon preliminary findings Party Staff presented in Docket No. 12-00030 requiring LHCPOA to show cause why a cease and desist order, civil penalties, and other sanctions should not be levied against it for violations of state law.¹

¹ Order Requiring Laurel Hills Condominiums Property Owners Association to Appear and Show Cause Why a Cease and Desist Order and Civil Penalties & Sanctions Should Not Be Imposed Against It for Violations of State Law (July 17, 2012).

2. On July 17, 2012, the Commission (then known as the Tennessee Regulatory Authority) issued an Order.²

3. Over the course of several years, the parties litigated within this docket, other TPUC dockets, and in the Cumberland County Chancery Court, during which, LHCPOA was ordered to divest itself of the Laurel Hills Water System (“LHWS”). Finding no suitable purchaser for LHWS, it was transferred into receivership by agreement of the parties by order of the Cumberland County Chancery Court.³

4. Subsequent to the appointment of the receiver, disputes concerning the timeliness and adequacy of certain transfer documents, executed and delivered by LHCPOA as well as other issues, resulted in Party Staff filing a *Petition for an Order to Show Cause* (“Chancery Petition”) in the Cumberland County Chancery Court.⁴

5. Also pending in the same Chancery Court case, is a *Motion to Enforce Settlement Agreement and to Dismiss Show Cause Proceedings With Prejudice* filed by LHCPOA, asserting that the transfer documents were in compliance with the Settlement Agreement and it is entitled to an Order dismissing the Show Cause Order in this TPUC Docket under the terms of the Settlement Agreement,⁵ and a *Complaint for Declaratory Relief & For Enforcement of Agreement*, filed by Intervening Party, Moy Toy, LLC (“Moy Toy”), asserting the validity of the transfer documents and seeking the dismissal of Show Cause Petitions against LHCPOA and against Moy Toy.⁶

² *Order Requiring Laurel Hills Condominiums Property Owners Association to Appear and Show Cause Why a Cease and Desist Order and Civil Penalties & Sanctions Should not be Imposed Against it for Violations of State Law*, (July 17, 2012). This order is also on file in Docket No. 12-00030 (July 17, 2012).

³ *Tenn. Pub. Utility Comm. v. Laurel Hills Condominiums Owners Ass’n*, Cumberland County Chancery Court Case No. 2012-CH-560, *Order Appointing Receiver*, (October 26, 2015).

⁴ *TPUC v. Laurel Hills, Petition for an Order to Show Cause*, (May 24, 2016).

⁵ *TPUC v. Laurel Hills, Laurel Hills Condominiums Property Owners Association Motion to Enforce Settlement Agreement and to Dismiss Show Cause Proceedings With Prejudice*, (August 15, 2016).

⁶ *TPUC v. Laurel Hills, Complaint for Declaratory Relief & For Enforcement of Agreement*, (November 23, 2016).

6. The parties to this docket, along with other interested parties, including, Moy Toy, Receivership Management, Inc. (“RMI”), as receiver of the water system, the Consumer Advocate, Crab Orchard Utility District (“COUD”) and Terra Mountain Holdings, LLC (“Terra Mountain”)⁷ engaged in settlement discussions to resolve all matters relative to LHWS.⁸ Those discussions resulted in the Global Settlement Agreement (“GSA”) approved by the Commission and entered by the parties in interest.⁹

7. The parties have engaged to carry out the terms of the GSA, substantially completing the requirements of the GSA. As evidence thereof, the *Request for Closure of Docket*, filed by Party Staff in Docket No. 12-00030 is incorporated herein by reference as if stated verbatim herein.¹⁰

8. The terms of the GSA require closure of this docket, dismissing the *Petition* with prejudice.¹¹

Based upon the foregoing, the Hearing Officer finds that it is appropriate to dismiss the *Petition* against LHCPOA in this matter with prejudice, in accordance with the terms of the Global Settlement Agreement.

[Continued on following page]

⁷ Prior to submission of the GSA to TPUC for approval, Terra Mountain sold property constituting its interest in the matters to Michael C. Buford, who entered into the GSA instead of Terra Mountain.

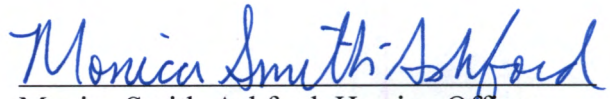
⁸ It is also noted that Renegade Mountain Community Club was included in negotiations of the Global Settlement Agreement until the opinion of the Tennessee Court of Appeals in *Gary Haiser et al. v. Michael McClung et al.*, 2018 WL 4150877 (2018), which was filed on August 29, 2018 vacated the Board of said entity.

⁹ See *In re: Petition of Laurel Hills Condominiums Property Owners Association for a Certificate of Public Convenience and Necessity*, Docket No. 12-00030, *Order Approving and Authorizing Entry of Settlement Agreement* (March 6, 2019).

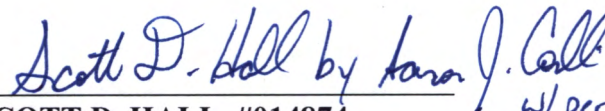
¹⁰ See *In re: Petition of Laurel Hills Condominiums Property Owners Association for a Certificate of Public Convenience and Necessity*, Docket No. 12-00030, *Request for Closure of Docket* (July 31, 2019).


¹¹ *Id.* at Exh. A, ¶F.2.

IT IS THEREFORE ORDERED that the terms and provisions of the Global Settlement Agreement, as they relate to this action and the dismissal thereof, are hereby incorporated by reference as if stated herein verbatim, that the *Petition* against Laurel Hills Condominiums Property Owners Association be dismissed with prejudice, and this docket closed.


Monica Smith-Ashford, Hearing Officer

APPROVED FOR ENTRY:


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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing order has been served upon the parties hereto and the other persons listed below, at:

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via the United States Mail, postage prepaid and via electronic mail, this 7th day of August, 2019.



Aaron J. Conklin