



filed electronically in docket office on 09/30/14

851 Aviation Parkway
Smyrna, TN 37167

Date: September 29, 2014

Mr. David Foster
Tennessee Regulatory Authority
502 Deaderick Street, 4th Floor
Nashville, TN 37243

re: Docket No 14-00006 Monthly Update

Mr. Foster,

The following is an update to the information request associated with the "Scales Project"
Docket 14-00006:

1. The draft permit was issued by TDEC. We have not seen the final permit as of this date.
2. Financing is still being sought with First Bank to fund the repairs for Cedar Hill, Maple Green, and Smokey Village.
3. Attached is the Director's Order on Summit View received 9/26/2014. We have not responded to this Order as of this date. The TRA staff is aware of the communications with the Summit View HOA to assist in resolving this matter.

Sincerely,

Charles Hyatt

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DATE & TIME	STATUS OF ITEM	LOCATION
September 26, 2014 , 11:40 am	Delivered	SMYRNA, TN 37167

Your item was delivered at 11:40 am on September 26, 2014 in SMYRNA, TN 37167.

September 24, 2014 , 12:16 pm

Notice Left (No Authorized Recipient Available)

SMYRNA, TN 37167

September 24, 2014 , 8:37 am

Sorting Complete

SMYRNA, TN 37167

September 24, 2014 , 6:46 am

Arrived at Unit

SMYRNA, TN 37167

September 19, 2014 , 8:04 am

Arrived at USPS Facility

MOSCOW, TN 38057

September 19, 2014 , 6:45 am

Departed USPS Facility

MEMPHIS, TN 38101

September 19, 2014 , 1:04 am

Arrived at USPS Facility

MEMPHIS, TN 38101

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STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF WATER RESOURCES
William R. Snodgrass - Tennessee Tower
312 Rosa L. Parks Avenue, 12th Floor
Nashville, Tennessee 37243-1102

September 17, 2014

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
RECEIPT #7009 2820 0003 6036 5573

Mr. Charles Hyatt, Registered Agent
Tennessee Wastewater Systems, Inc.
851 Aviation Parkway
Smyrna, Tennessee 37167

Subject: DIRECTOR'S ORDER NO. WPC14-0092
SUMMIT VIEW RESORT WASTEWATER TREATMENT FACILITY
SEVIER COUNTY, TENNESSEE

Dear Mr. Hyatt,

Enclosed is a Director's Order and Assessment of Civil Penalty issued by Tisha Calabrese Benton, Director of the Division of Water Resources, under the delegation of Commissioner Robert J. Martineau, Jr. Read the Order carefully and pay special attention to the NOTICE OF RIGHTS section.

Corporations, limited partnerships, limited liability companies, and other artificial entities created by law must be represented in any legal proceeding resulting from an appeal of this Order and Assessment by an attorney licensed to practice law in the State of Tennessee. Non-attorneys may participate in any such proceedings to the extent allowed by law.

If you or your attorney has questions concerning this correspondence, please contact Dana Waits at (615) 532-1171 or you may contact Jessica Murphy at (615) 532-0676.

Sincerely,

Jessica Murphy, Manager
Compliance and Enforcement Unit

EJM:DBW

cc: DWR - EFO-K
DWR - Compliance File
OGC

**STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION**

IN THE MATTER OF:)	
)	
TENNESSEE WASTEWATER SYSTEMS, INC.)	DIVISION OF WATER RESOURCES
)	
RESPONDENT)	CASE NUMBER WPC14-0092
)	

DIRECTOR'S ORDER AND ASSESSMENT

NOW COMES Tisha Calabrese Benton, Director of the Tennessee Division of Water Resources, and states:

PARTIES

I.

Tisha Calabrese Benton is the duly appointed Director of the Tennessee Division of Water Resources by the Commissioner of the Tennessee Department of Environment and Conservation (hereinafter the "Division" and the "Department" respectively).

II.

Tennessee Wastewater Systems, Inc. (hereinafter the "Respondent"), is an active corporation licensed to conduct business in the state of Tennessee and is the owner and operator of the Summit View Resort wastewater treatment facility (hereinafter the "site") located in Sevier County. Service of process may be made on the Respondent through Mr. Charles Hyatt, Registered Agent, at 851 Aviation Parkway, Smyrna, Tennessee 37167.

JURISDICTION

III.

Whenever the Commissioner has reason to believe that a violation of Tennessee Code Annotated (T.C.A.) § 69-3-101 *et seq.*, the Water Quality Control Act (the “Act”), has occurred, or is about to occur, the Commissioner may issue a complaint to the violator and the Commissioner may order corrective action be taken pursuant to T.C.A. § 69-3-109(a) of the Act. Further, the Commissioner has authority to assess civil penalties against any violator of the Act, pursuant to T.C.A. § 69-3-115 of the Act; and has authority to assess damages incurred by the state resulting from the violation, pursuant to T.C.A. § 69-3-116 of the Act. Department Rules governing general water quality criteria and use classifications for surface waters have been promulgated pursuant to T.C.A. § 69-3-105 and are effective as the *Official Compilation Rules and Regulations of the State of Tennessee*, Chapters 0400-40-03 and 0400-40-04 (the “Rule”). Pursuant to T.C.A. § 69-3-107(13), the Commissioner may delegate to the Director any of the powers, duties, and responsibilities of the Commissioner under the Act.

IV.

The Respondent is a “person” as defined by T.C.A. § 69-3-103(26) and, as herein described, has violated the Act.

V.

Tennessee Code Annotated § 69-3-108(c) requires any person operating a sewerage system to obtain a permit.

FACTS

VI.

The Respondent holds a valid State Operation Permit (SOP) (hereinafter the “permit”) for the operation of septic tanks, an effluent collection system, recirculating sand filter ultraviolet disinfection and drip irrigation with the capacity to serve approximately 32 cabins located in the Summit View Resort in Sevier County, Tennessee. The Division issued coverage on September 1, 2012, with tracking number SOP-06035. The permit expires on August 31, 2017.

VII.

On March 5, 2014, Division personnel conducted a site inspection and observed ponding and overflow occurring at the site. Division personnel observed that drip lines had not been installed appropriately and were allowed to cross surface drains, resulting in the discharge of effluent via surface flow to a small pond located in a common recreational area of the development.

VIII.

On June 12, 2014, Division personnel conducted a follow-up site inspection and observed similar conditions to the previous site inspection on March 5, 2014. Division personnel observed ponding and overflow continuing to occur at the site. As noted previously, drip lines were not installed appropriately and were installed across drains, resulting in the discharge of effluent via surface flow to a small pond located in a common recreational area of the development.

IX.

On July 8, 2014, the Division issued a Notice of Violation (NOV) for violations observed during the site inspections on March 5 and June 12, 2014. The Division requested that the Respondent submit a written response to the Division along with a Corrective Action Plan (CAP) detailing actions to be taken to bring the site into compliance.

X.

On August 4, 2014, the Respondent submitted a response to the Division as required by the July 8, 2014, NOV. The Respondent stated that the actual flow to the system is greater than the permitted design flow of 8,000 gallons per day (gpd) and that the system, including the drip area, would need to be expanded to accommodate the actual flow. The Respondent further stated that additional funds would be necessary to fund the system expansion. The Respondent failed to submit a CAP along with the response as required by the July 8, 2014, NOV. Subsequent to receiving the August 4, 2014 response, Division personnel reviewed Monthly Operating Reports (MORs) submitted by the Respondent and discovered that, while daily peak flows were unavailable, reported monthly average flows did not exceed the permitted design flow of 8,000 gpd.

XI.

During the course of investigating this case, the Division incurred DAMAGES in the amount of SEVEN HUNDRED AND FORTY-THREE DOLLARS AND TWENTY-FIVE CENTS (\$743.25).

VIOLATIONS

XII.

By failing to comply with the terms and conditions of the SOP, the Respondent has violated T.C.A. §§ 69-3-108(b)(5), (6) and 114(a),(b), which state in part:

§ 69-3-108(b):

It is unlawful for any person, other than a person who discharges into a publicly owned treatment works or a person who is a domestic discharger into a privately owned treatment works, to carry out any of the following activities, except in accordance with the conditions of a valid permit:

- (5) The discharge of sewage, industrial wastes, or other wastes into water, or a location from which it is likely that the discharged substances will move into waters;
- (6) The discharge of sewage, industrial wastes or other wastes into waters, or a location from which it is likely that the discharged substance will move into waters;

§ 69-3-114(a):

It is unlawful for any person to discharge any substance into the waters of the state or to place or cause any substance to be placed in any location where such substances, either by themselves or in combination with others, cause any of the damages as defined in § 69-3-103, unless such discharge shall be due to an unavoidable accident or unless such action has been properly authorized. Any such action is declared to be a public nuisance.

§ 69-3-114(b):

In addition, it is unlawful for any person to act in a manner or degree which is violative of any provision of this part or of any rule, regulation, or standard of water quality promulgated by the board or of any permits or orders issued pursuant to the provisions of this part; or fail or refuse to file an application for a permit as required in § 69-3-108; or to refuse to furnish, or to falsify any records, information, plans, specifications, or other data required by the board or the Commissioner under this part.

ORDER AND ASSESSMENT

XIII.

WHEREFORE, pursuant to the authority vested by T.C.A. §§ 69-3-109, 69-3-115 and 69-3-116, I, Tisha Calabrese Benton, hereby issue the following ORDER and ASSESSMENT to the Respondent:

- 1) Effective immediately, the Respondent shall make no further connections or allow increased flows to the sewage collection system, except to those currently under construction or to which the Respondent is legally committed. This moratorium shall remain in effect until modified or rescinded in writing by the director of the Division of Water Resources. At any time, the Respondent may present to the Division a written request, with supporting data and a list of commitments for partial or total relaxation of the moratorium for good cause shown. The Division will not unreasonably withhold approval of any written request that is supported by the data and a list of commitments.
- 2) The Respondent shall, within 30 days of receipt of this ORDER and ASSESSMENT, submit a Corrective Action Plan (CAP) detailing the activities to be implemented to attain and maintain compliance with the permit along with a time schedule for completion. The plan shall be submitted for review and approval to the manager of the Compliance and Enforcement Unit at the Department of Environment and Conservation, Division of Water Resources, William R. Snodgrass Tower, 312 Rosa L. Parks Avenue, 11th Floor, Nashville, Tennessee, 37243.
- 3) The Respondent shall, within 15 days of receipt of this ORDER and ASSESSMENT, take immediate measures to reduce potential for public exposure to treated effluent.

- 4) The Respondent shall complete all activities in the approved CAP on or before June 30, 2015. A notice of completion of the CAP activities should be sent to the manager of the Compliance and Enforcement Unit at the address in Item 2.
- 5) The Respondent shall pay a CIVIL PENALTY of FORTY-EIGHT THOUSAND DOLLARS (\$48,000.00) to the Division, hereby ASSESSED to be paid as follows:
 - a. The Respondent shall, within 30 days of entry of this ORDER, pay a CIVIL PENALTY in the amount of TWELVE THOUSAND DOLLARS (\$12,000.00)
 - b. If the Respondent fails to comply with Part XIII, item 1 above in a timely manner, the Respondents shall pay a CIVIL PENALTY in the amount of SIX THOUSAND DOLLARS (\$6,000.00), payable within 30 days of default.
 - c. If the Respondent fails to comply with Part XIII, item 2 above in a timely manner, the Respondents shall pay a CIVIL PENALTY in the amount TEN THOUSAND DOLLARS (\$10,000.00), payable within 30 days of default.
 - d. If the Respondent fails to comply with Part XIII, item 3 above in a timely manner, the Respondents shall pay a CIVIL PENALTY in the amount TEN THOUSAND DOLLARS AND FIFTY CENTS (\$10,000.00), payable within 30 days of default.
 - e. If the Respondent fails to comply with Part XIII, item 4 above in a timely manner, the Respondents shall pay a CIVIL PENALTY in the amount TEN THOUSAND DOLLARS (\$10,000.00), payable within 30 days of default.
- 6) The Respondent shall, within 30 days of entry of this ORDER, pay DAMAGES to the Division in the amount of SEVEN HUNDRED AND FORTY-THREE DOLLARS AND TWENTY-FIVE CENTS (\$743.25).

The Respondent shall otherwise conduct business in accordance with the Act and rules promulgated pursuant to the Act.

The Director may, for good cause shown, extend the compliance dates contained within this ORDER and ASSESSMENT. In order to be eligible for this time extension, a Respondent shall submit a written request to be received in advance of the compliance date. The written request must include sufficient detail to justify such an extension and include at a minimum the anticipated length of the delay, the precise cause or causes of the delay, and all preventive measures taken to minimize the delay. Any such extension by the division will be in writing.

Should the Respondent fail to meet the requirement by the extended date, any associated Civil Penalty shall become due 30 days thereafter.

Further, the Respondent is advised that the foregoing ORDER and ASSESSMENT is in no way to be construed as a waiver, expressed or implied, of any provision of the law or regulations. However, compliance with the ORDER and ASSESSMENT will be one factor considered in any decision whether to take enforcement action against the Respondent in the future.

Issued by the Director of the Division of Water Resources on behalf of the Commissioner of the Tennessee Department of Environment and Conservation on this 16 day of September, 2014.



Tisha Calabrese Benton
Director of Water Resources
Tennessee Department of Environment and Conservation

NOTICE OF RIGHTS

Tennessee Code Annotated ("T.C.A.") §§ 69-3-105(i), 69-3-109, and 69-3-116 allows the Respondent to appeal this Order and Assessment. To do so, a written petition setting forth the grounds (reasons) for requesting a hearing must be RECEIVED by the Commissioner within THIRTY (30) DAYS of the date the Respondent received this Order and Assessment or this Order and Assessment become final (not subject to review).

If an appeal is filed, an initial hearing of this will be conducted by an Administrative Law Judge (ALJ) as a contested case hearing pursuant to the provisions of T.C.A. § 69-3-110, T.C.A. § 4-5-301 *et seq.* (the Uniform Administrative Procedures Act), and Rule 1360-04-01 *et seq.* (the Department of State's Uniform Rules of Procedure for Hearing Contested Cases Before State Administrative Agencies). Such hearings are legal proceedings in the nature of a trial. Individual Respondents may represent themselves or be represented by an attorney licensed to practice law in Tennessee. Artificial Respondents (corporations, limited partnerships, limited liability companies, etc.) cannot engage in the practice of law and therefore may only pursue an appeal through an attorney licensed to practice law in Tennessee. Low income individuals may be eligible for representation at reduced or no cost through a local bar association or legal aid organization.

At the conclusion of any initial hearing the ALJ has the authority to affirm, modify, or deny the Order and Assessment. This includes the authority to modify (decrease or increase) the penalty within the statutory limits of T.C.A. § 69-3-115 (from \$1 to \$10000 per day per violation). Furthermore, the ALJ on behalf of the Board has the authority to assess additional damages incurred by the Department including, but not limited to, all docketing expenses associated with the setting of the matter for a hearing and the hourly fees incurred due to the presence of the ALJ and a court reporter.

Any petition for review (appeal) must be directed to the Commissioner of the Department of Environment and Conservation, c/o E. Joseph Sanders, General Counsel, Department of Environment and Conservation, 2nd Floor William R. Snodgrass Bldg., 312 Rosa Parks Avenue, Nashville, Tennessee 37243. Payments of the civil penalty and/or damages shall be made payable to the "Treasurer, State of Tennessee" and sent to the Division of Fiscal Services - Consolidated Fees Section, Tennessee Department of Environment and Conservation, 10th Floor

Snodgrass Bldg., 312 Rosa Parks Avenue, Nashville, Tennessee 37243. Technical questions and other correspondence involving compliance issues should be sent to Jessica Murphy, State of Tennessee, Division of Water Resources, 11th Floor, William R. Snodgrass Bldg., 312 Rosa Parks Avenue, Nashville, TN 37243. The case number, WPC-14-0092, should be written on all correspondence regarding this matter.