

14-00004

-----Original Message-----

From: Mike Knotts [<mailto:mknotts@tnelectric.org>]

Sent: Monday, April 14, 2014 3:36 PM

To: Earl Taylor

Subject: Information on Berry's Chapel



Earl,

The attached letter will be mailed to all customers of Berry's Chapel Utility, Inc. customers this week. Please disseminate as you see fit.

With thanks,

Mike Knotts



Harpeth Wastewater Cooperative

(615) 764-0074 106 Mission Court Suite 203A Franklin, TN 37067

April 14, 2014

Name

4321 First Street

Anytown, State ZIP

Dear {Name},

We are writing to share with you that Berry's Chapel Utility, Inc., your sewer provider, is now the Harpeth Wastewater Cooperative. Previously a for-profit company, Harpeth is being reorganized to operate solely for the benefit of its customers.

Harpeth serves all or some of the Chapelwood, Cottonwood, Farmington, Legend's Ridge, and River Landing subdivisions. After many years of private ownership, a petition drive led by a customer of the utility, Charles Kildgore, resulted in a Special Meeting that was held on March 13. At that meeting, a new Board of Directors was elected to serve as the governing body of the utility. This Board is made up of individuals who are both customers of the utility and have no conflict of interest in determining the policies that guide the utility's operations. A photo and brief biography of each new Board member is included with this letter.

On April 5th, the new Board assumed full control of the company and has begun a strategic review to evaluate the governance, financial health, rate structure, operations, and environmental impact of the utility. This review could result in additional changes; however, we want to assure you that the core mission of the utility is to treat wastewater in the most effective and efficient manner. Any changes that may be made will be for the benefit of all of the customers of the utility, and will not alter that core mission.

And if you are a member of Harpeth Wastewater Cooperative, you now have a vote in how the utility operates. Please mark your calendar for the first Annual Meeting of Harpeth Wastewater Cooperative, which will take place at 10:00 a.m. on Saturday, August 23, 2014, at the Berry's Chapel Church of Christ Community Room.

We look forward to communicating with you further as these positive changes are implemented.

On behalf of the Board of Directors,

Mike Knotts
Chairman



Harpeth Wastewater Cooperative

Questions and Answers

Q: Why has there been a change?

A: Berry's Chapel Utility was declared a non-profit company in 2010, but never fulfilled its duty under state law to hold annual meetings and elect independent directors to govern the company. Therefore, it became necessary to change the governance structure to ensure the customers of the utility were represented and protected. The previous owners have resigned their positions from the Board of Directors, and are cooperating in the transition.

Q: What is a cooperative?

A: Most likely, you already do business with cooperatives like Sunkist orange juice, Land-O-Lakes butter, your credit union, a "mutual" insurance company, or even your electric company (MTEMC). They are all based on the cooperative business model — which means that the company is owned and controlled by its own members, not stockholders who seek a profit.

Q: So, who owns Harpeth Wastewater Cooperative?

A: It is owned by its members. Right now, however, not all of Harpeth's customers are members because they have not signed a form indicating that they wish to be a member. We hope that these customers will return the enclosed membership form.

Q: Why should I become a member?

A: Membership means that you have the right to vote on matters of company business, such as electing members of the Board. Becoming a member also means that you own a proportional share of the company's assets along with all the other members. It is important to note that "a member of a corporation is not, as such, personally liable for the acts, debts, liabilities, or obligations of the corporation" according to state law (Tennessee Code Annotated 48-56-203).

Q: Are the charges I see on my bill correct?

A: The current monthly customer charge of \$30.00 and usage charge of \$6.37 per 1000 gallons of water are correct, and have been approved by the utility's regulator. If you have a concern about a past due balance or billing issue, such as your refund of the previous invalid customer charge, please call the office at 615-764-0074 and the staff will assist you.

Q: Why is my sewer bill higher than my water bill?

A: As a very small utility, Harpeth does not have the ability to spread its costs across a large rate base like other local water and sewer utilities can. Regrettably, and unavoidably, this results in higher per unit costs to our customers. The new Board will be examining every available method to lower costs, while maintaining the appropriate level of wastewater treatment required by its permits.

Q: Will rates go up again?

A: We don't know yet. A request to increase rates was filed with the Tennessee Regulatory Authority before the change in governance occurred. The new Board has requested a delay in that process to give it additional time to review all the financial records of the company, before determining if a request for additional revenue is warranted.



Harpeth Wastewater Cooperative

Board of Directors



Mike Knotts, Chairman

Mike is a native of Middle Tennessee, and works as the director of government affairs for the Tennessee Electric Cooperative Association where he represents Tennessee's 23 electric cooperatives before the state legislature and the U.S. Congress. He and his wife, Jen, have four young sons and are members of Christ Presbyterian Church.



Steve Seger, Vice Chairman

Steve, his wife Jen, and their three children have lived in Williamson County since 2000. He has over 14 years experience working with utilities and cooperatives, and currently serves on the Board of Directors of the Middle Tennessee Electric Membership Corporation. He is also President of Crosstown, a logistics company.



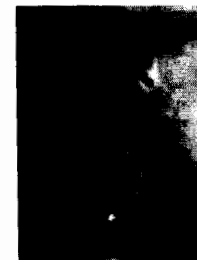
Tom Moore, Secretary-Treasurer

Tom is a Nashville native and attended Vanderbilt University. He has worked with the Association of American Railroads, Baker Distributing Company, and the School Board of Clay County, FL. Presently, he is the director of production management for Watsco, Inc. He and his wife, Susan, have five daughters and 11 grandchildren.



Bill Goodwin, Director

Bill is an independent oilman, and has previously worked as press secretary to U.S. Senator Bill Brock and also as a campaign consultant and press secretary to Bob Dole for President in 1980. He and his wife, Linda, have lived in Franklin for 15 years. Bill has three children and four grandchildren.



James Savage, Director

James has been a resident of the area for 19 years, where he and his wife, Zuzu, have raised their daughter. A graduate of Syracuse University, Tennessee State University, and Nashville State Technical College, he is currently a software engineer for InStock Retail Services, Inc. He has previously worked as the director of the Vanderbilt University bookstore.



Harpeth Wastewater Cooperative

Application for Membership

Date of Application: _____

Name: _____

Service Address: _____

Subdivision: _____

Mailing Address: _____
(if different than service)

Owner's Name/Address: _____
(if applicant is a tenant)

Email: _____ **Phone:** _____

Please check:

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I am a current sewer customer of Harpeth Wastewater Cooperative, and wish to become a member, which entitles me to all the rights and privileges afforded a member of a non-profit corporation under Tennessee law.

Signature: _____