

TENNESSEE REGULATORY AUTHORITY



502 Deaderick Street, 4th Floor
Nashville, Tennessee 37243

August 7, 2014

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In re: Docket No. 14-00072, *Petition of Integrated Resource Management, Inc. d/b/a IRM Utility Inc. to Post Alternative Financial Security*

Gentlemen:

In order to assist the Authority in its evaluation of the above-styled docket, it is requested that Integrated Resource Management, Inc. respond to the attached First Data Request no later than **August 21, 2014**. Please reference Docket No. 14-00072 in your response.

Should you have any questions or need clarification of any request, please contact Patsy Fulton at (615) 770-6887 or Patsy.Fulton@tn.gov.

Sincerely,

David Foster, Chief
Utilities Division

Attachment
cc: Docket File

**FIRST DATA REQUEST ISSUED BY TRA STAFF
TO INTEGRATED RESOURCE MANAGEMENT, INC.
TRA DOCKET NO. 14-00072
AUGUST 7, 2014**

1. How many wastewater systems does Integrated Resource Management, Inc. ("IRM") have certificated at this time that are subject to regulation by the TRA?
2. How many wastewater systems does IRM have in operation at this time that are subject to regulation by the TRA?
3. If IRM has more certificated systems identified in response to question no. 1, above, than operating systems identified in response to question no. 2, above, please provide an estimated time-frame when each non-operating system will become operational.
4. Are all of the operating wastewater systems identified in response to question no. 2, above, presently in compliance with the permitting requirements and related rules and regulations administered by the Tennessee Department of Environment and Conservation ("TDEC")? If any such system is currently not in compliance with any of TDEC's rules and regulations, please describe in detail each such instance of noncompliance for each such system.
5. Has TDEC issued any notice of violations since January 1, 2010 for any of the operating wastewater systems identified in response to question no. 2, above? If so, please provide a copy of each such notice and any written response by IRM.
6. Has TDEC instituted an enforcement action against IRM since January 1, 2010 involving any of the operating wastewater systems identified in response to question no. 2, above? If so, for each such enforcement action please provide a copy of all TDEC orders and all written responses by IRM.
7. For each operating wastewater system identified in response to question no. 2, above, please provide a copy of the most recent inspection report submitted to TDEC.
8. Is any of the operating wastewater systems identified in response to question no. 2, above, presently in need of any maintenance or repairs costing in excess of \$10,000 in order to maintain compliance with TDEC's permitting requirements or to ensure continued and adequate wastewater services to customers? If so, for each such system please describe in detail each such maintenance or repairs, as well as the planned source of funding to pay for the maintenance or repairs.
9. Does IRM anticipate that any of the operating wastewater systems identified in response to question no. 2, above, will need any maintenance or repairs costing in excess of \$10,000 within the next two years from the date of this data request? If so, for each such system please

describe in detail each such anticipated maintenance or repairs, as well as the planned source of funding to pay for the maintenance or repairs.

10. The Petition in this docket states that IRM's annual revenue is \$108,574 as reported in the most recent UD20 Form filed with the TRA. Please describe in detail all actions taken by or on behalf of IRM, if any, to obtain a financial security in the form prescribed by TRA Rule 1220-4-13-.07(3) in the amount of at least \$108,574.

11. The Petition filed in this docket proposes to offer as an alternative security a letter of credit in the amount of \$95,000, which according to the Petition constitutes 88% of IRM's annual revenue of \$108,574 as reported in its most recent UD20 Form filed with the TRA. IRM presently has in place as its financial security a \$95,000 Irrevocable Letter of Credit with a maturity date of September 23, 2014, issued in favor of the TRA by Central Bank of Savannah, Tennessee. On July 23, 2014, the TRA received a letter from Central Bank informing the TRA that its Irrevocable Letter of Credit will not be renewed and will be cancelled on the maturity date. A copy of this letter is attached hereto.

11(A). Does IRM plan to replace the letter issued by Central Bank with an irrevocable letter of credit issued by another institution?

11(B). If the answer to question 11.A., above, is in the affirmative, please describe in detail all actions that have been taken or will be taken to secure a replacement irrevocable letter of credit in the amount of at least \$95,000 to be issued on or before September 23, 2014. Please provide all documentation that supports your response to this question.

11(C). If the answer to question 11.A., above, is in the negative, please describe in detail how IRM plans to proceed in this docket in light of the relief requested in the Petition for the TRA "to approve and accept a letter of credit of \$95,000.00 as sufficient financial security to comply with the Authority's rules." Please provide all documentation that supports your response to this question.



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July 23, 2014

Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Reference : Irrevocable Letter of Credit #243722 dated September 23, 2009 on
behalf of Riverstone Estate Utilities, Inc./Integrated Resource Management, Inc.

Dear Sir/Madaam:

Pursuant to the conditions of the above Letter of Credit, Central Bank hereby serves notice that the above letter of credit #243722 will not be renewed and will be cancelled on the maturity date of September 23, 2014. It is our understanding that this letter has been or will be replaced by a letter from another institution.

If you have any questions, please contact me at 731.925.9046.

Sincerely,

A handwritten signature in cursive script that reads "Donnie L. Gean".

Donnie L. Gean
Executive Vice President

Cc: Riverstone Estate Utilities, Inc., Integrated Resource Management, Inc, Jeff Wilkes, Leon Easley

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