



851 Aviation Parkway
Smyrna, TN 37167

September 3, 2015

Mr. Jerry Kettles, Chief
Economic, Analysis & Policy
Tennessee Regulatory Authority
502 Deaderick Street, 4th Floor
Nashville, TN 37243

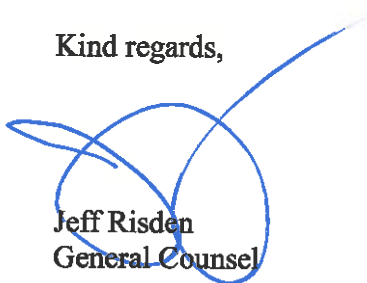
RE: Docket # 15-00071 – TRA Staff Data Request

Dear Mr. Kettles,

Tennessee Wastewater Systems, Inc. ("TWSI") provides the enclosed answers to the TRA Staff Data Request regarding the TWSI petition in Docket 15-00071. An original plus four (4) copies are included.

Please let me know if you have any further questions or need any clarification on the answers provided to this data request.

Kind regards,



Jeff Riden
General Counsel

TRA DATA REQUEST – Docket No. 15-00071

TENNESSEE WASTEWATER SYSTEMS, INC. RESPONSES

1. Does TWSI request to modify rates in this proceeding to recover interest expense associated with the financing request?

RESPONSE: No. This proceeding is strictly related to gaining TRA approval for the petitioned financing arrangements.

2. If the answer to question one is no, will TWSI seek recovery of interest expense in a future rate proceeding or other proceeding?

RESPONSE: Yes, though at this time the timing of a rate or other proceeding has not been determined.

3. TWSI, its successor entity or an affiliate appear to own property around the lagoon facility. Were the existing land holdings intended for use as land for a drip field for the existing lagoon? Explain the necessity of purchasing additional land.

RESPONSE: Yes. Please see Response to question 7 for a more complete answer.

4. Has or will TWSI or any affiliated entity receive monies from a customer or prospective customer for the ability or right to receive wastewater service through the Dyers Hollow facility? This request includes, but is not limited to, tap fees or capacity fees. Provide all documents, including contracts, related to such payments or arrangements.

RESPONSE: Yes. Adenus Capacity sold capacity to Walmart Express in 2014. Please see the attached Commercial Sewer Service Agreement (Attachment 1).

5. Does TWSI own all parts, including land, of the Dyers Hollow treatment facility? What rights are held by any other party related to the Dyers Hollow treatment facility?

RESPONSE: TWSI owns all the land. Adenus Capacity owns the capacity of the lagoon. Adenus Capacity invested in the initial capital construction and installed the drip. TWSI made no investment in the construction of the system.

6. Why does the attachment to the promissory note for the land purchase detailing amortization show an amount of \$50,000 while the principal amount of the promissory note is \$38,472.50?

RESPONSE: That was a misprint. Please see the attached Loan Amortization for the correct figures (Attachment 2).

7. The Petition states that a “new state regulation” is the reason for the promissory note for land purchase related to the Dyers Hollow drip field. Identify the rule citation or statutory citation for the new regulation. Provide the date that the rule or statute became effective.

RESPONSE: The requirement of land ownership or easement for the land upon which the treatment system sits is in the State Operating Permit issued for the site, SOP-01006 (Attachment 3 for representative language, Part III, Sec. F(a)). In the Notice of Violation issued to TWSI on September 12, 2011 by Ann Rochelle of TDEC (Attachment 4) for the Dyers Hollow facility she mentions on Page 2 under item 2;

“The contract agreement for the adjoining land owners to make the previously approved (June 25, 2001) subsurface drip disposal area available does not meet the Division’s requirement for proof of ownership or a legal easement.”

The land was always intended to be used as part of the original site plan. When the land for the original drip field was purchased, a contract was executed between TWSI and the landowners to give TWSI an option to purchase the adjoining property with right of first refusal should another purchaser wish to buy it. However, because TWSI’s option to purchase the adjoining land was not considered by TDEC to meet its requirement for proof of ownership, TWSI had to move forward with the land purchase to satisfy TDEC’s claim in the NOV and ensure the land would be available for future system expansion.

8. Describe the wastewater system maintenance activities that the purchased equipment will be used to perform. Is the purchased equipment replacing older equipment?

RESPONSE: The trucks are replacing older trucks currently used by the operators. The trucks are used for transportation to and from the facilities, maintenance calls, and line locates. The excavators are new equipment and are used to fix and repair the collection lines and facilities.

9. Are the trucks or excavators described in the Petition marked, or been marked, with a corporate name or logo? If so, what name or logo is displayed on the trucks or excavators? If the trucks or excavators are currently marked with a corporate name or logo, please provide pictures of such equipment displaying the name or logo.

RESPONSE: Yes, the trucks and excavators have been marked with the Tennessee Wastewater Systems, Inc. logo. Please see attached photos (Attachment 5).

MTr 2412

COMMERCIAL SEWER CAPACITY CONTRACT

This AGREEMENT made and entered into this 14th day of July 2014, by and between Tennessee Wastewater Systems, Inc., hereinafter referred to as "Utility", Adenus Capacity, LLC, hereinafter referred to as "AC", and Wal-Mart Real Estate Business Trust, hereinafter referred to as "Developer". The purpose of this contract is to set forth the responsibilities of each party for the design, construction and operation of the sewerage collection, treatment and disposal system for the Wal-mart Express #4306, in Dover, TN.

WITNESSETH

For and in consideration of the construction costs hereinafter mentioned and the mutual promises of the parties hereinafter contained, particularly that:

AC has contracted with an engineer, licensed in the State of Tennessee, for the design of a wastewater treatment and disposal facility and wastewater collection system, commonly known as the Dyers Hollow Treatment Facility, State Operating Permit # SOP-01006, and has received approval.

AC has contracted with a Contractor licensed in the State of Tennessee, for the construction and installation of the wastewater treatment and disposal facility and the wastewater collection system, which construction has been completed and is in operation.

AC has adequate existing wastewater treatment and disposal capacity to serve the Wal-mart Express #4306.

Utility will provide inspection of the installation of the Septic Tank Effluent Pump (STEP) components for Wal-mart Express #4306 and inspection of the service connection line installation required to connect the STEP system to the wastewater collection system (force main).

Utility will in the future be responsible for repair, maintenance and replacement of said sewers herein provided for, and to maintain the total wastewater system.

Developer will pay for sewer capacity development fees and Utility Developer fees as specified herein.

Developer will have a licensed contractor that is also a Utility Certified Installer perform the installation of all sewer components and perform the installations in accordance with the Utility's requirements for connection to the sewer system, and other good and valuable considerations, the receipt of all which is acknowledged, the parties hereto have entered into the following agreement:

Utility:

It is agreed that **Utility** will have exclusive title and ownership of all of said sewer components at the above referenced property.

All construction begun, continued and completed hereunder shall be subject to the supervision and approval of the **Utility's** engineers and representatives who shall have a continuous right of inspection throughout the progress of the work. No pipe, fittings, or connection shall be covered until inspected and approved by the **Utility** engineer, or representative.

The **Utility** will be responsible for operation and repair of all components of the sewer system starting at the STEP tank inlet and all elements of the STEP system, after the one-year installation warranty period provided by **Developer**, has expired.

The **Utility** retains exclusive right to extend these sewers at any time it sees fit.

Developer:

That the obligations of **Developer** hereunder are in addition to, and not in lieu of, all obligations of **Developer** to pay all rates, charges, and fees and to satisfy all obligations set forth in the **Utility's** Schedule of Rates, Charges, and Fees in effect at the date such obligations arise.

Developer will be responsible for operation and repair of all plumbing components located within the structures on the property, to include the outfall lines to the STEP tank, and any pretreatment systems prior to the STEP tank.

Developer agrees to follow the guidelines set forth in the **User Manual (Do's and Don'ts for Effluent Collection Systems)**.

Developer agrees to grant to **Utility**, its successors and assigns, a perpetual easement in, over, under and upon the above referenced land, with the right to erect, construct, install and maintain sewer system components. **Developer** warrants that said sewer system will be installed in accordance with the foregoing provisions and that written non-descript easements will be granted to the **Utility** for all sewer system components and service lines installed hereunder, other than sewers installed within the public right-of-way, for access for operation, maintenance, repair, and replacement of the sewer system components.

That **Developer** will immediately repair at its own cost and expense all breaks, leaks, or defects of any type whatsoever arising from any cause whatsoever occurring within one (1) year from the date the collection lines, mains, valves, fittings, pumps, controls, etc. are accepted by the **Utility**, and that upon failure of **Developer** to take immediate steps to make such repairs, the **Utility** is

authorized to make such repairs, or to have such repairs made, at the cost and expense of Developer.

It is further understood that Developer has no responsibility, or liability, for the forcemain collection system, or for the operation and maintenance of the treatment and disposal facility off-site.

Grease traps and other pretreatment equipment prior to the STEP tank will be monitored by the Utility, but the cost of maintenance, repair, and pumping of these system components are to be paid by Developer. The Utility will provide monitoring of the Grease Trap and will advise Developer regarding maintenance requirements

Developer agrees to pay for sewer service in accordance with authorized rate schedules present and future and to use the sewer service in accordance with applicable rules and regulations that have been provided. The time and place of payment will be as set forth by the Utility. The monthly sewer service charge is based upon the design daily flow expected from the type of facility being served. If water meter readings exceed the design flow for any three (3) consecutive months, the monthly charge will be revised to reflect the increased usage and Developer will pay any capital costs associated with increasing the capacity of the STEP system.

Now, therefore, in consideration of the mutual covenants, promises, and agreements herein contained, it is hereby understood and agreed by the parties that:

Design daily wastewater flow of 300 Gallons per Day (GPD)
 300 GPD = One (1) Equivalent Capacity Unit (ECU)
 $300 \text{ GPD} \div 300 \text{ GPD/ECU} = 1 \text{ ECU's}$
 1 ECU = \$4000.00 per ECU
 $1 \text{ ECU's} \times \$4000.00/\text{ECU} = \$4,000.00$

Developer will pay a sewer capacity development fee in the amount of \$4,000.00 made payable to Adenus Capacity, LLC, which payment is due at the time of the execution of this contract.

Developer will pay \$800.00, made payable to Tennessee Wastewater Systems, Inc. for the Utility Developers fee, which payment is due at the time of the execution of this contract.

Developer will pay all costs associated with the installation of the STEP tank, grease trap, service line, and State Highway road crossing required to connect to the Dyers Hollow Treatment Facility, and warrants that this work will be free of all liens, or other encumbrances.

MTN 2412

Developer understands and agrees that no wastewater will be accepted into the collection, treatment, or disposal system until all fees have been paid, and inspections and approvals required by the Utility have been granted.

IN WITNESS WHEREOF, the parties hereto have entered into this agreement as of the day and date first above written.

Tennessee Wastewater Systems, Inc.
Charles Hyatt



Title: President

Date: 7/16/14

Wal-Mart Real Estate Business Trust
Developer



Title: Director

Date: 7/16/14

Adenus Capacity, LLC
Charles Hyatt



Title: CEO

Date: 7/16/14

Loan Amortization Table Calculator

Loan Summary		
Principal:	\$	38472.50
Interest Rate:		6 %
<i>current mortgage rates</i>		
Term:		4 years

Payment Summary			
Monthly Payment	Total Interest Paid	Total Paid	
\$903.53	\$4,896.83	\$43,369.33	

Amortization Table							
Payment	Principal	Interest	Balance	Payment	Principal	Interest	Balance
1 (\$903.53)	\$711.17	\$192.36	\$37,761.33	25 (\$903.53)	\$801.60	\$101.93	\$19,584.58
2 (\$903.53)	\$714.72	\$188.81	\$37,046.61	26 (\$903.53)	\$805.60	\$97.92	\$18,778.97
3 (\$903.53)	\$718.29	\$185.23	\$36,328.32	27 (\$903.53)	\$809.63	\$93.89	\$17,969.34
4 (\$903.53)	\$721.89	\$181.64	\$35,606.43	28 (\$903.53)	\$813.68	\$89.85	\$17,155.66
5 (\$903.53)	\$725.50	\$178.03	\$34,880.94	29 (\$903.53)	\$817.75	\$85.78	\$16,337.91
6 (\$903.53)	\$729.12	\$174.40	\$34,151.81	30 (\$903.53)	\$821.84	\$81.69	\$15,516.07
7 (\$903.53)	\$732.77	\$170.76	\$33,419.05	31 (\$903.53)	\$825.95	\$77.58	\$14,690.13
8 (\$903.53)	\$736.43	\$167.10	\$32,682.61	32 (\$903.53)	\$830.08	\$73.45	\$13,860.05
9 (\$903.53)	\$740.11	\$163.41	\$31,942.50	33 (\$903.53)	\$834.23	\$69.30	\$13,025.82
10 (\$903.53)	\$743.82	\$159.71	\$31,198.68	34 (\$903.53)	\$838.40	\$65.13	\$12,187.42
11 (\$903.53)	\$747.53	\$155.99	\$30,451.15	35 (\$903.53)	\$842.59	\$60.94	\$11,344.83
12 (\$903.53)	\$751.27	\$152.26	\$29,699.88	36 (\$903.53)	\$846.80	\$56.72	\$10,498.03
13 (\$903.53)	\$755.03	\$148.50	\$28,944.85	37 (\$903.53)	\$851.04	\$52.49	\$9,646.99
14 (\$903.53)	\$758.80	\$144.72	\$28,186.04	38 (\$903.53)	\$855.29	\$48.23	\$8,791.70
15 (\$903.53)	\$762.60	\$140.93	\$27,423.45	39 (\$903.53)	\$859.57	\$43.96	\$7,932.13
16 (\$903.53)	\$766.41	\$137.12	\$26,657.04	40 (\$903.53)	\$863.87	\$39.66	\$7,068.26
17 (\$903.53)	\$770.24	\$133.29	\$25,886.79	41 (\$903.53)	\$868.19	\$35.34	\$6,200.07
18 (\$903.53)	\$774.09	\$129.43	\$25,112.70	42 (\$903.53)	\$872.53	\$31.00	\$5,327.55
19 (\$903.53)	\$777.96	\$125.56	\$24,334.74	43 (\$903.53)	\$876.89	\$26.64	\$4,450.66
20 (\$903.53)	\$781.85	\$121.67	\$23,552.88	44 (\$903.53)	\$881.27	\$22.25	\$3,569.38
21 (\$903.53)	\$785.76	\$117.76	\$22,767.12	45 (\$903.53)	\$885.68	\$17.85	\$2,683.70
22 (\$903.53)	\$789.69	\$113.84	\$21,977.43	46 (\$903.53)	\$890.11	\$13.42	\$1,793.59
23 (\$903.53)	\$793.64	\$109.89	\$21,183.79	47 (\$903.53)	\$894.56	\$8.97	\$899.03
24 (\$903.53)	\$797.61	\$105.92	\$20,386.18	48 (\$903.53)	\$899.03	\$4.50	\$0.00



STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF WATER RESOURCES
William R. Snodgrass - Tennessee Tower
312 Rosa L. Parks Avenue, 11th Floor
Nashville, Tennessee 37243-1102

August 3, 2015

Mr. Charles R. Hyatt
CEO
Adenus Group, LLC
e-copy: Charles.Hyatt@adenus.com
849 Aviation Parkway
Smyrna, TN 37167

Subject: **Draft of State Operating Permit No. SOP-01006**
TN Wastewater Systems - Dyers Hollow Treatment Facility
Dover, Stewart County, Tennessee

Dear Mr. Hyatt:

Enclosed please find one copy of the draft state operating permit, which the Division of Water Resources (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 thirty (30) 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 Nashville 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,

A handwritten signature in blue ink, appearing to read "Brad Harris".

Brad C. Harris, P.E.
Manager, Land-Based Systems

Enclosure

cc: Permit File
Nashville Environmental Field Office
Ms. Michelle Ramsey, Utilities Division, Tennessee Regulatory Authority, michelle.ramsey@tn.gov
Ms. Patsy Fulton, Utility Rate Specialist, Tennessee Regulatory Authority, Patsy.Fulton@tn.gov

**STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF WATER RESOURCES**

William R. Snodgrass - Tennessee Tower
312 Rosa L. Parks Avenue, 11th Floor
Nashville, Tennessee 37243-1102

Permit No. SOP-01006

**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

TN Wastewater Systems - Dyers Hollow Treatment Facility
Dover, Stewart County, Tennessee

FOR THE OPERATION OF

Septic tanks, effluent collection system, deep cell lagoon and drip irrigation system located at latitude 36.535 and longitude -87.81 in Stewart County, Tennessee to serve a school and 3 commercial businesses. The design capacity of the system is 0.0597 MGD.

This permit is issued as a result of the application filed on May 18, 2015, in the office of the Tennessee Division of Water Resources 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:

for Tisha Calabrese Benton
Director

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/Year
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. There shall be no discharge of wastewater to any surface stream or any location where it is likely to enter surface waters. There shall be no discharge of wastewater to any open throat sinkhole. In addition, the drip irrigation system shall be operated in a manner preventing the creation of a health hazard or a nuisance.

Instances of ponding or pools under dry weather conditions shall be promptly investigated and remedied. Instances of ponding or pools, or any wastewater runoff shall be noted on the monthly operation report. The report shall include details regarding the location(s), determined cause(s), the actions taken to eliminate the ponding or pools, or any wastewater runoff, and the dates the corrective actions were made. Any wastewater runoff due to improper operation must be reported in writing to the Division of Water Resources, Nashville Environmental Field Office within 5 days of discovery by the permittee.

All drip fields shall 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 shall be installed prior to beginning of operation.

All drip lines shall be buried and maintained 6 to 10 inches below the ground surface.

The site shall be inspected by the certified operator or his/her designee, at a minimum, once per fourteen days (default) OR in accordance with an operating and maintenance inspection schedule in the permit administrative file record. The default inspection frequency will apply if an operating and maintenance inspection schedule is not submitted to be a part of the permit administrative file record. The operating and maintenance inspection schedule shall at a

minimum evaluate the following via onsite visits or telemetry monitoring or a combination of the two:

- the condition of the treatment facility security controls (doors, fencing, gates, etc.),
- the condition of the drip area security controls (doors, fencing, gates, etc.),
- the condition of the site signage,
- the operational status of the mechanical parts of the treatment system (pumps, filters, telemetry equipment, etc.)
- the condition of the UV bulbs (if applicable)

Submission of the schedule, or revisions to the schedule, may be submitted to the division electronically. The schedule shall be submitted on or before the effective date of the permit. The permittee is responsible for maintaining evidence that the schedule, or revisions, have been submitted to the division.

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 OR in accordance with the operating and maintenance inspection schedule in the permit administrative file record and submitted quarterly. The quarterly report shall detail the following:

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 Resources
Nashville Environmental Field Office
711 R.S. Gass Boulevard
Nashville, TN 37216

The first operation report is due on the 15th of the month following the quarter containing the 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 0400-40-05-.07(2)(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 0400-40-05-.05(6)(a-c).

E. SCHEDULE OF COMPLIANCE

Full operational level shall be attained after the construction of the treatment system is complete and the treatment system is placed into operation.

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 Resources (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 notification of permittee and 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 Resources.

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 every fourteen days OR in accordance with an operating and maintenance inspection schedule in the permit administrative file record. If monitoring reports, division's 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 charge of the facility and observes the operation of the system frequently enough to ensure its proper operation and maintenance regardless of the monitoring frequency stated in the permit

Dilution water shall not be added to comply with effluent requirements.

The drip dispersal area shall not be used for vehicular traffic or vehicular parking. Dozers, trucks, tractors, and other heavy vehicles shall not be allowed to run over the drip dispersal area lines or other parts of the system.

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 69-3-108 (h) 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 unintended discharge to land or waters of Tennessee 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 on a quarterly basis. 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 Resources EFO 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 Resources 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 Resources 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 Biological Natural System certified wastewater treatment operator in accordance with the Water Environmental Health Act of 1984.

B. PLACEMENT OF SIGNS

The permittee shall place a sign at the entrance if the drip area is fenced or all reasonable 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.

**RECLAIMED WASTEWATER
DRIP IRRIGATION
(PERMITTEE'S NAME)
(PERMITTEE'S PHONE NUMBER)
TENNESSEE DIVISION OF WATER
RESOURCES
Nashville Environmental Field Office
PHONE NUMBER: 1-888-891-8332**

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 Rule 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 name of the facility the hauler intends to use for disposal of the septage 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. 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.

Attachment 1
STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF WATER RESOURCES-LAND BASED SYSTEMS UNIT
William R. Snodgrass Tennessee Tower
312 Rosa L. Parks Avenue
Nashville, Tennessee 37243

MEMORANDUM

TO: Hari Akunuri, DWR-CO

FROM: Allen Rather, DWR- Land Based Systems Unit

DATE: 5/18/2015

SUBJECT: LCSS/SFDS (Class V Injection) Approval
Dyer Hollow Treatment Facility
Dover, Stewart County, Tennessee
UIC File STE 0000006 SOP-01006

The Division of Water Resources has reviewed the submittal of an Application for Authorization to Operate a Class V Underground Injection Well (Large Capacity Septic System/Subsurface Fluid Disposal System) utilizing drip dispersal for the waste water at the Dyer Hollow Treatment Facility located at Dover, Stewart County, Tennessee. This Division approves the application dated 5/18/2015.

If at any time the Division learns that a ground water discharge system may be in violation of The Tennessee Water Quality Control Act, the Division shall:

- a. require the injector to apply for an individual permit;
- b. order the injector to take such actions including, where required, closure of the injection well as may be necessary to prevent the violation; or
- c. take enforcement action.

All groundwater discharge activities must operate in such a manner that they do not present a hazard to groundwater.

In accordance with Underground Injection Control (UIC) Rule 1200-4-6-.14 (3) "The owner of a Class V well shall be responsible for notifying the Department of change in ownership." This notification must be made to this Division within thirty (30) days of the change in ownership.

Also note that according to Underground Injection Control (UIC) Rule 1200-4-6-.14 (8)(d) "Upon completion of the well, the owner or operator must certify to the Department that the well has been completed in accordance with the approved construction plan, and must submit any other additional information required". The certification must be submitted to the UIC Program within thirty (30) days upon the completion/closure of the Class V well.

This Division will require a minimum of seven (7) working days advance notice before the construction on the drip system is to begin to allow for a witness from this Division to be present.

No drip emitters are to discharge directly into an open throat or crevice in the subsurface. All drip lines are to be installed on contour.

Our concurrence with your approach does not imply that this procedure is exempt from future changes or restrictions in the Underground Injection Control (UIC) Regulations, or any additional requirements set forth by the Division in order to protect the groundwater of Tennessee.

A copy of this authorization must be kept on site until the development has been completed and must be made available to inspection personnel.

Should you have any questions or comments please feel free to contact me at (615) 532-5819 or allen.rather@tn.gov.

c: file



**TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION
NASHVILLE ENVIRONMENTAL FIELD OFFICE
711 R. S. GASS BOULEVARD
NASHVILLE, TENNESSEE 37243
PHONE (615) 687-7000 STATEWIDE 1-888-891-8332 FAX (615) 687-7078**

September 12, 2011

CERTIFIED MAIL

Return Receipt # 7009 1680 0001 5180 9252

Mr. Charles Hyatt, CEO
Tennessee Wastewater Systems, Inc.
849 Aviation Parkway
Smyrna, TN 37167

**Re: Notice of Violation
Compliance Evaluation Inspection
Tennessee Wastewater Systems, Inc., Dyers Hollow Treatment Facility
SOP-01006, Stewart County**

Dear Mr. Hyatt,

On July 18, 2011, Joe Holland and I conducted a Compliance Evaluation Inspection (CEI) at the Dyers Hollow Treatment Facility for the wastewater State Operating Permit. We met with Brian Carter, Operations & Maintenance Manager for Adenus Operations, LLC, and the certified operator for the system. Mr. Carter provided assistance during the inspection. Adenus is the contract operating company for the facility.

An inspection report is attached containing observations and information that was obtained during the inspection, from file review, or provided by Adenus personnel.

1. The SOP states the following in Part I, Section E., Schedule of Compliance: "Full operational level shall be attained from the effective date of this permit." Although the system has been receiving wastewater flow since September 29, 2003, construction and installation of much of the system has not been completed. Engineering plans were approved on June 25, 2001, and the plans were stamped with "Approval expires June 25, 2002". The most recent inspection found the same stage of construction as David Irvine observed during an inspection conducted on June 15, 2005. Since construction on the

Mr. Charles Hyatt, CEO

September 12, 2011

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project ceased in 2005, the project is no longer underway, therefore the plans approval of 2001 is no longer valid. Engineering plans which will meet the Division's current design criteria must be submitted for approval prior to construction or installation of any items necessary to complete the system and provide wastewater disposal. This includes any items not constructed as of the July 18, 2011 inspection. After WPC approval is obtained for these engineering plans, the remaining portions of the system should be constructed and installed as soon as possible.

2. The State Operating Permit expired on May 31, 2011, and certain information necessary to complete processing of the permit renewal application is required before permit reissuance can take place. The information should be provided to allow permit renewal: The contract agreement for the adjoining land owners to make the previously approved (June 25, 2001) subsurface drip disposal area available does not meet the Division's requirements for proof of ownership or a legal easement.
3. The site has overgrown with vegetation in some areas allowing trees and other deep rooted woody vegetation to become established on the face of the dam and the lagoon embankments. This type vegetation can damage the lagoon liner, embankments, or dam, and can result in wastewater leakage or breach of the structures. Low growing, shallow rooted vegetation or other physical means should be used for stabilization of lagoon structures.
4. Other areas of the lagoon embankments, surrounding slopes, and stormwater drainage channels have not been stabilized and remain subject to erosion. All areas of bare soil should be permanently stabilized against erosion.
5. The wastewater level in the lagoon has ceased to rise despite continued influent flow and normal rainfall in recent years. There is visual evidence that indicates the lagoon structure, pipes or valves are leaking. The facility should be evaluated to determine the cause of the leakage, a corrective action plan developed, and the necessary corrective measures completed.

Failure to construct in accordance with approved engineering plans is a violation of the Tennessee Water Quality Control Act (69-3-101 et. seq.), and failure to properly operate and maintain the facility is a violation of the State Operating Permit and subsequently of the Act. This letter will serve as a formal Notice of Violation (NOV) and by copy will inform the division's Compliance and Enforcement Section of the violations and the request for corrective action. Violations of the permit or the Act may be subject to enforcement action.

Mr. Charles Hyatt, CEO

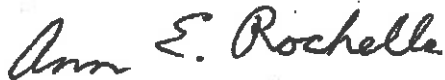
September 12, 2011

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Please provide a written response within 30 days of receipt of this letter stating what actions have been or will be taken to correct the violations and deficiencies listed in the NOV and the inspection report. Your response should provide details of the corrective actions and completion dates or a schedule for completion for each item.

Your prompt attention to these matters is appreciated. I would like to thank Mr. Carter for his assistance and cooperation during the inspection. If you should have any questions, or if I can be of assistance, please contact me at 615-687-7123.

Sincerely,



Ann E. Rochelle, Assistant Manager
Division of Water Pollution Control

Enclosure

Cc: Patrick Parker, Manager, WPC Enforcement & Compliance
Allen Rather, Environmental Specialist, DWS Groundwater Management Section
Brian Carter, Operations & Maintenance Manager, Adenus Operations, LLC
Bob Pickney, CTO, Adenus Group, LLC







