

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TN

December 3, 2015

IN RE:)	
)	
PETITION OF TENNESSEE)	
WASTEWATER SYSTEMS, INC., FOR)	DOCKET NO. <u>16-00007</u>
APPROVAL OF CAPITAL)	
IMPROVEMENT ASSESSMENT FOR)	
STARR CREST RESORTS)	

DIRECT TESTIMONY OF DEBORAH MASON

Q. What is your name and how are you involved with this Petition?

A. Deborah Mason and I am the president of the Starr Crest Owners Association ("SCOA").

Q. What is the SCOA?

A. The SCOA is the home owners association for Starr Crest Resort that owns the common grounds that the waste water treatment plant and drip lines are situated. SCOA collects dues to maintain the common grounds that include private roads, pool and playground. SCOA also provides landscaping, along with other services as approved by the owners.

Q. As President of the SCOA, what are your duties?

A. Per our restrictions, Article VI

"Section 4 Duties (a) President-shall be the executive officer of the Association. The President shall preside at all meetings of the Association and of the Board of Directors and shall have all the general powers and duties which are usually vested in the office of the president of an association, including but not limited to the power to appoint committees from among the Owners as the President's discretion determines to be appropriate. The President shall sign all contracts, leases, mortgages, deeds and other legally binding documents as approved by the Board."

Q. Have you been authorized by the cabin and lot owners in Starr Crest Resort to act on their behalf in this matter?

A. Yes. When I first broached this situation with the other cabin/lot owners I told them we could do this as a unified group or they were free to deal with the matter individually. The owners decided it would be better to be unified in this pursuit. We conducted a vote of the cabin and lot owners at the annual owner meeting and authority was given to the SCOA to negotiate and enter into agreements related to the expansion and funding of the wastewater system in our community. A copy of the approved motion granting authority to the SCOA is attached (Exhibit A).

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to provide support for TWSI's petition and further insight into the Memo of Understanding ("MOU") the SCOA, on behalf of the cabin and lot owners, has entered into with TWSI evidencing our mutual agreement regarding the expansion of the wastewater facility.

Q. What steps have you taken to educate yourself about the wastewater facilities located at Starr Crest Resort?

A. I have spent an extensive amount of time talking to people at several levels of TWSI, from Charles Hyatt to John Czahoroski, the supervisor of our specific plant. I have asked for and received copies of many documents such as field inspections, environmental reports, and flow documents. As SCOA's president, I hired a Tennessee attorney who works with the TRA and had lengthy discussions with her about the legal position SCOA is in. I have talked with the original builder of the system, and the developer at length. I have talked with the presidents of other HOAs in the area who have a similar problem with their sewer system and TWSI. I have talked with several people connected with the Pigeon Forge City sewer system as well. I have reviewed the original plans and permits for Starr Crest Resort sewer system.

Q. Did you negotiate the MOU (Petition Exhibit A) with TWSI for SCOA on behalf of the cabin and lot owners?

A. Yes, as authorized by the cabin and lot owners. The MOU is a result of many conversations over several months wherein I discussed with TWSI the problems facing our community pertaining to the wastewater system, the cause of those problems, the approach to remedy those problems, and how we were going to ultimately finance the solution. Throughout the course of my conversations and negotiations with TWSI I kept the board and owners apprised of what was going on and received feedback on the situation which was then further discussed, either internally or with TWSI. In addition I continued to do research and sought out people within the legal and local communities to get their input on our progress as well.

Q. Does the Memo of Understanding accurately reflect the intentions and agreement of the cabin and lot owners?

A. Yes it does. As discussed above, this agreement was not reached lightly and is a result of a lot of time and hard work. While no one wants to pay any of their hard earned money towards expanding a sewer system, it needs to agreement.

Q. Does the SCOA plan to be involved with the bid and selection process for the construction of the expanded wastewater treatment facilities?

A. Yes. As part of our agreement, SCOA will have an active role in the bidding, selection, and approval process. We realize there are standards that must be met by the bidders, however since it is our money that is being spent, we will be involved. We have been assured we will be able to review the request for bid before it is sent out, and will be allowed to review the bid submissions. TWSI has assured us they will work with SCOA to be sure all parties are satisfied with the bid before it is accepted.

Q. Will the SCOA have any role in the assessing the cabin and lot owners or in the oversight of the use of the funds collected by TWSI?

A. SCOA will not have a role in the assessment as that will come to the cabin and lot owners directly from TWSI, however we will be involved in oversight as it pertains to the funds collected by TWSI. TWSI has assured us the assessment monies will be put into a trust fund and that monthly payments will be made after SCOA has reviewed and approved monthly construction updates. Further SCOA understands that the work will be covered by a performance bond, and that 5% of the funds will be held in reserve until the entire project is completed and SCOA signs off on the completion. We will receive monthly accounting and will be watching construction progress.

Q. Does this conclude your testimony?

A. Yes.



Date: 1-11-2016

Deborah Mason

President

Starr Crest Owners Association

ACKNOWLEDGMENT

State of Florida)
County of Walton)

Personally appeared before me, Deborah S. Mason, notary public of this county, Walton, the within named witness, with whom I am personally acquainted, and who acknowledged that such person executed the within instrument for the purposes therein contained.

Witness my hand, at office, this 11 day of January, 2016

Tracy Dawn McGriff
Notary

My commission expires: 11-9-2019

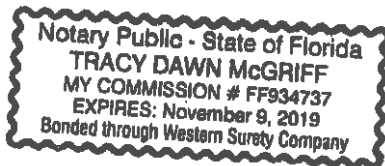


Exhibit A

To whom it may concern, the following motion was approved by the owners of Starr Crest Resort in 2015.

We move that SCOA BOARD be given express consent to act on behalf of the homeowners of Star Crest Resort in all matters pertaining to agreements with Tennessee Waste Water, an Adenus Utility, related to expanding the wastewater treatment system, including but not limited to, design, construction, regulatory approval, financing, and operations.