

Filed Electronically in TPUC Docket Room on 2/8/2019 at 1:16 p.m.

**IN THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE**

IN RE:)	
)	
PETITION OF TENNESSEE)	
WASTEWATER SYSTEMS INC. FOR)	
APPROVAL OF CAPITAL)	DOCKET NO. 16-00096
IMPROVEMENT SURCHARGES AND)	
FINANCING ARRANGEMENTS)	

NOTICE

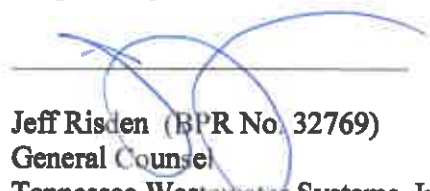
Tennessee Wastewater Systems, Inc. ("TWSI" or "Company"), pursuant to Paragraph 20(B) of the Stipulation and Settlement Agreement approved by the Tennessee Public Utility Commission ("TPUC") in this Docket, files this Notice, and states as follows:

1. The 80% spending trigger for the repairs at the Cedar Hill facility has been reached as of the monthly report filed in this Docket on February 5, 2019. Spending as of this filing is at 89% of the project's budgeted amount.
2. Updated ledgers are attached as Exhibit A.
3. The work which remains is the completion of the sand filter, installation of the tanks and installation of the facility controls in the control building. The building and drip field are already installed. A revised estimate for the completion of the project will be filed as a supplement to this Notice once completed by the engineer.
4. The project has primarily run overbudget on equipment rentals and materials and supplies. This was anticipated and discussed at the Hearing when this Agreement was approved as the budgeted amounts were based on 3-year-old projections and the cost for equipment and

materials and supplies has risen significantly over the last few years (as has labor). Specifically, the rental cost for equipment (dozer, excavator) is higher as are the cost of pumps and the treatment system itself.

5. At this time, TWSI does not anticipate seeking approval from TPUC for additional financing. The other two projects, Smoky Village and Maple Green, have had some preliminary work done, have not yet begun in earnest. These projects are going forward one at a time, not concurrently so the Company is hopeful it can realize some savings on these projects to offset any cost increases on Cedar Hill. Furthermore, the Company is using cash, as it is able, to limit reliance on the loan and cost to the ratepayer by way of the rate rider. So, while spending against the budget for Cedar Hill is currently at 89% or \$247,608 (based on figures in Exhibit A), the Company has only drawn \$152,335.66 for the Cedar Hill repairs against the loan, which represents 17% of the overall loan amount (actual draw against the loan is 32% with the other projects included).

Respectfully submitted,



Jeff Riden (BPR No. 32769)
General Counsel
Tennessee Wastewater Systems, Inc.
851 Aviation Parkway
Smyrna, TN 37167
615-220-7171
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CERTIFICATE OF SERVICE

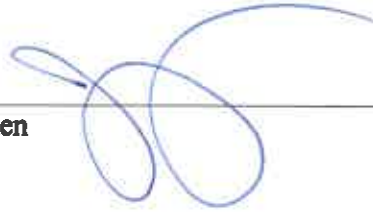
I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail or electronic mail upon:

Karen H. Stachowski
Assistant Attorney General

Office of the Tennessee Attorney General
Financial Division, Consumer Advocate Group
PO Box 20207
Nashville, TN 37202-0207
615-741-2370
Email: Karen.Stachowski@ag.tn.gov

This the 8th day of February, 2019.

Jeff Riden

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke, positioned above a horizontal line.

105.3 - CEDAR HILL - CONSTRUCTION IN PROCESS
As of 2/7/19

Type	Date	Num	Name	Memo	Debit	Credit	Balance
Bill	8/7/2018		1764 Adenus Operations	E&D - Cedar Hill Settlement	40,000.00		40,000.00
Bill	10/22/2018		753930 Hayes Pipe Supply	Materials	703.13		40,703.13
Bill	10/23/2018	2433483-00	Southern Pipe & Supply	Sand Filter	2,845.14		43,548.27
Bill	11/1/2018	1562170	Midway Supply Company	Filter walls	717.71		44,265.98
Bill	11/1/2018	1562208	Midway Supply Company	Filter walls	108.28		44,374.26
Bill	11/7/2018	756372	Hayes Pipe Supply	Materials	354.67		44,728.93
Bill	11/21/2018	13764	Cumberland Tractor & Equipment	Excavator Rental	5,899.51		50,628.44
Bill	11/23/2018	13820	Cumberland Tractor & Equipment	Excavator Rental	6,664.25		57,292.69
Bill	11/29/2018	13823	Cumberland Tractor & Equipment	Excavator Rental	3,659.88		60,952.57
Bill	12/4/2018	16033	Adenus Technologies, LLC	Materials	328.90		61,281.47
Bill	12/14/2018	13877	Cumberland Tractor & Equipment, LLC	Equipment Rental	6,143.64		67,425.11
Bill	12/20/2018	13949	Cumberland Tractor & Equipment, LLC	Equipment Rental	6,118.00		73,543.11
Bill	12/20/2018	16100	Adenus Technologies, LLC	Sand Filter	55,144.23		128,687.34
Bill	12/21/2018	12103	Cumberland Tractor & Equipment, LLC	Equipment Rental	655.50		129,342.84
Bill	12/26/2018	31876727	Vulcan	Sand Filter	5,769.71		135,112.55
Bill	1/7/2019	4060677	Winn Materials, LLC	Filter Media	765.63		135,878.18
Bill	1/8/2019	31883914	Vulcan	Sand Filter	1,254.34		137,132.52
Bill	1/8/2019	4060732	Winn Materials, LLC	Filter Media	1,566.63		138,699.15
Bill	1/9/2019	1824	Adenus Operations	Labor	10,018.87		148,718.02
Bill	1/9/2019	4060775	Winn Materials, LLC	Filter Media	1,553.32		150,271.34
Bill	1/10/2019	763906	Hayes Pipe Supply, INC.	Drip Zone Materials	155.75		150,427.09
Bill	1/10/2019	1066648-01	Steinhouse Supply Co. Inc.	Control Building - Electrical	347.70		150,774.79
Bill	1/11/2019	16189	Adenus Technologies, LLC	Sand Filter	1,457.59		152,232.38
Bill	1/12/2019	4060868	Winn Materials, LLC	Filter Media	11,758.29		163,990.67
Bill	1/14/2019	1066772-01	Steinhouse Supply Co. Inc.	Control Building - Electrical	32.02		164,022.69
Bill	1/14/2019	16201	Adenus Technologies, LLC	Sand Filter	1,803.14		165,825.83
Bill	1/15/2019	4060959	Winn Materials, LLC	Filter Media	2,332.92		168,158.75
Bill	1/16/2019	47311	J.R. Hayes Construction Co., Inc.	Filter Media	14,903.17		183,061.92
Bill	1/17/2019	16223	Adenus Technologies, LLC	Sand Filter	21,130.12		204,192.04
Bill	1/17/2019	14047	Cumberland Tractor & Equipment, LLC	Dozer Rental	6,172.63		210,364.67
Bill	1/18/2019	4061085	Winn Materials, LLC	Filter Media	1,684.46		212,049.13
Bill	1/22/2019	4061140	Winn Materials, LLC	Filter Media	2,402.90		214,452.03
Bill	1/27/2019	1286335-0001	Equipment Finders, Inc.	Skyjack Reachlift Rental	3,360.35		217,812.38
Bill	1/28/2019	16253	Adenus Technologies, LLC	Sand Filter	14,427.24		232,239.62
Bill	1/30/2019	1112	Adam E. Proffitt	Subcontractor - Trucking	2,550.00		234,789.62
Bill	1/31/2019	1836	Adenus Operations	Labor	12,818.38		247,608.00

EX. A

**Cedar Hill
Cost Analysis
7-Feb-19**

EXPENSES

	<u>Units</u>	<u>per</u>	<u>Price Per</u>	<u>Budget</u>	<u>Expenditures</u>	<u>% of Cost</u>
Consulting & Engineering						
Project Management	1 each		23,650.00	\$ 23,650.00		
Bond	1 each		4,250.00	\$ 4,250.00		
Engineering	1 each		\$ 24,000.00	\$ 24,000.00		
			Subtotal	\$ 51,900.00		
				\$ 51,900.00	\$ 40,000.00	77.07%
Adenus Technology	<u>Units</u>	<u>per</u>	<u>Price per</u>	<u>Budget</u>		
Sand Filter	1 each		\$ 42,600.00	\$ 42,600.00		
Drip Zones	1 each		\$ 18,500.00	\$ 18,500.00		
Dose Tank Pumps & Parts	1 each		\$ 14,000.00	\$ 14,000.00		
Control Panel & Arkal	1 each		\$ 19,000.00	\$ 19,000.00		
Recirculation Tank Pumps & Parts	1 each		\$ 5,000.00	\$ 5,000.00		
			Subtotal	\$ 99,100.00		
				\$ 99,100.00	\$ 106,199.95	107.16%
Tanks, Pond, Filter Media & Building	<u>Units</u>	<u>per</u>	<u>Price per</u>	<u>Budget</u>		
Filter media	1 each		\$ 15,000.00	\$ 15,000.00		
Dose Tank	1 each		\$ 10,000.00	\$ 10,000.00		
Recirculation Tank	1 each		\$ 11,000.00	\$ 11,000.00		
Control Building	1 each		\$ 10,000.00	\$ 10,000.00		
			Subtotal	\$ 46,000.00		
				\$ 46,000.00	\$ 37,347.04	81.19%
Equipment	<u>Units</u>	<u>per</u>	<u>Price per</u>	<u>Budget</u>		
Instrumentation	1 each		\$ 7,500.00	\$ 7,500.00		
Pumps	2 each		\$ 3,000.00	\$ 6,000.00		
Excavator	8 weeks		\$ 1,000.00	\$ 8,000.00		
			Subtotal	\$ 21,500.00		
				\$ 21,500.00	\$ 41,223.76	191.74%
Labor	<u>Units</u>	<u>per</u>	<u>Price per</u>	<u>Budget</u>		
Labor	800 hour		\$ 75.00	\$ 60,000.00		
			Subtotal	\$ 60,000.00		
				\$ 60,000.00	\$ 22,837.25	38.06%
			<u>TOTAL</u>	\$ 278,500.00	\$ 247,608.00	88.91%

**Maple Green
Cost Analysis
29-Aug-18**

EXPENSES

	<u>Units</u>	<u>per</u>	<u>Price Per</u>	<u>Budget</u>		<u>Expenditures</u>	<u>% of Cost</u>
Consulting & Engineering							
Project Management	1 each		29,750.00	\$ 29,750.00			
Bond	1 each		5,400.00	\$ 5,400.00			
Engineering	1 each		\$ 24,000.00	\$ 24,000.00			
			Subtotal	\$ 59,150.00			
					\$ 59,150.00	\$ 40,000.00	67.62%

Adenus Technology	<u>Units</u>	<u>per</u>	<u>Price per</u>	<u>Budget</u>			
Sand Filter	1 each		\$ 58,500.00	\$ 58,500.00			
Drip Zones	1 each		\$ 26,500.00	\$ 26,500.00			
Dose Tank Pumps & Parts	1 each		\$ 20,500.00	\$ 20,500.00			
Control Panel & Arkal	1 each		\$ 24,750.00	\$ 24,750.00			
Recirculation Tank Pumps & Parts	1 each		\$ 7,000.00	\$ 7,000.00			
			Subtotal	\$ 137,250.00			
					\$ 137,250.00	\$ 22,156.51	16.14%

Tanks, Pond, Filter Media & Building	<u>Units</u>	<u>per</u>	<u>Price per</u>	<u>Budget</u>			
Filter media	1 each		\$ 22,000.00	\$ 22,000.00			
Dose Tank	1 each		\$ 12,000.00	\$ 12,000.00			
Recirculation Tank	1 each		\$ 17,000.00	\$ 17,000.00			
Fencing	800 in		\$ 17.00	\$ 13,600.00			
Control Building	1 each		\$ 10,000.00	\$ 10,000.00			
			Subtotal	\$ 74,600.00			
					\$ 74,600.00		

Equipment	<u>Units</u>	<u>per</u>	<u>Price per</u>	<u>Budget</u>			
Instrumentation	1 each		\$ 7,500.00	\$ 7,500.00			
Pumps	2 each		\$ 3,000.00	\$ 6,000.00			
Excavator	8 weeks		\$ 1,000.00	\$ 8,000.00		\$ 3,208.73	53.48%
			Subtotal	\$ 21,500.00			
					\$ 21,500.00		

Labor	<u>Units</u>	<u>per</u>	<u>Price per</u>	<u>Budget</u>			
Labor	960 hour		\$ 75.00	\$ 72,000.00			
			Subtotal	\$ 72,000.00			
					\$ 72,000.00		

TOTAL \$ 364,500.00 \$ 65,365.24 17.93%

Type	Date	Num	Name	Memo	Debit	Credit	Balance
Bill	8/7/2018	15406	Adenus Technologies, LLC	Maple Green - Pump Replacement	3,208.73		3,208.73
Bill	8/7/2018	1763	Adenus Operations	E&D - Maple Green Settlement	40,000.00		43,208.73
General Journal	8/27/2018	82718		Reclass Maple Green repairs to CIP account	22,156.51		65,365.24

**Smoky Village
Cost Analysis
29-Aug-18**

EXPENSES

<u>Consulting & Engineering</u>	<u>Units</u>	<u>per</u>	<u>Price Per</u>	<u>Budget</u>	<u>Expenditures</u>	<u>% of Cost</u>
Project Management/Engineering	1	each	14,167.34	\$ 14,167.34	\$ 14,167.34	100.00%

Subtotal \$ 14,167.34

\$ 14,167.34

Previous Completed Construction

\$ 1,869.32

<u>Construction</u>	<u>Units</u>	<u>per</u>	<u>Price per</u>	<u>Budget</u>
Labor	1	each	\$ 46,135.00	\$ 46,135.00
Material	1	each	\$ 28,296.40	\$ 28,296.40
Equipment	1	each	\$ 34,510.00	\$ 34,510.00
Contingencies (5%)	1	each	\$ 5,447.07	\$ 5,447.07
Overhead (15%)	1	each	\$ 16,341.21	\$ 16,341.21
Profit	1	each	\$ 12,528.26	\$ 12,528.26

\$ 143,257.94

Property Acquisition	\$	42,000.00	*Paid from checking - due from loan
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<u>TOTAL</u>	\$	159,294.60	\$ 14,167.34	8.89%
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Type	Date	Num	Name	Memo	Debit	Credit	Balance
Bill	8/7/2018	1765	Adenus Operations	E&D - Smoky Village Settlement	14,167.34		14,167.34