

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE**

IN RE:)
PETITION OF INTEGRA WATER TENNESSEE, LLC)
FOR A CERTIFICATE OF PUBLIC CONVENIENCE) Docket No. 17-0014
AND NECESSITY AND AUTHORITY TO CHARGE)
RATES IN CASEY COVE SUBDIVISION)
LOCATED IN DEKALB COUNTY, TENNESSEE)

**PETITIONER'S RESPONSES TO SECOND DISCOVERY REQUEST OF THE
CONSUMER PROTECTION AND ADVOCATE DIVISION**

Pursuant to Rules 26, 33, 34 and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Reg. 1220-1-2-.11, Petitioner Integra Water Tennessee, LLC ("Integra TN" or "Company") hereby responds to the Second Set of Discovery Requests served by the the Consumer Protection and Advocate Division of the Attorney General's Office (Consumer Advocate).

SECOND DISCOVERY RESPONSES

2-1. Given the Company's forecasted operation results produce negative margins for the first several years of its operation, what analytical basis should be used going forward to measure the reasonableness of the Company's rates (i.e. what analytical measure should be used in evaluating any future ratemaking proposal from the Company)?

RESPONSE:

The Company maintains that evaluating the relevant Operating Ratio would provide a reasonable measure of the reasonableness of the Company's proposed rates.

2-2. Referring to the Company's Response to TPUC DR #1-5, the Company does not identify Envirolink as an affiliate entity. However in its Response to TPUC DR #1-8, the Company provides a copy of an unexecuted contract between the Company and Envirolink. On page 7 of this contract, Michael Myers is listed as President of Envirolink. In the Company's Response to TPUC DR #1-5, Michael Myers is listed as a Member of both Integra Water LLC and Integra Water - Tennessee LLC.

- a. Does Integra Tennessee LLC acknowledge that Envirolink is an affiliate pursuant to the definition of an affiliate contained in TPUC's Pre-filed Proposed Final Rules 1220- 4-13.16, as well as the common definition of the term "affiliate" as is used in utility regulation? A copy of the TPUC's Pre-filed Proposed Final Rules can be found at http://share.tn.gov/trn/orders/2016/16001_12h.pdf.
- b. If not, provide a comprehensive explanation supporting the conclusion that Envirolink is not an affiliate of Integra Water-Tennessee LLC
- c. If yes,
 - i. Explain in detail all steps taken by the Company to review the proposed contract in light of the affiliate arrangement. Include in your response other entities considered and the terms of those offers.
 - ii. Did Michael Myers participate in any vote, meeting or discussion regarding the approval of the contract? If yes, provide details of each vote, meeting and discussion.
 - iii. Identify the Company's contact regarding the handling of this proposed contract.

RESPONSE:

- a. No.
- b. It is the Company's position that the reference Rule is proposed and that to date there is no guidance on the interpretation of these rules. Integra TN does feel that the definition in this proposed rule is overly broad and could potentially lead to overreaching. Until additional guidance and interpretation is provided, Mr. Myers has resigned his position and interest in Integra TN and subject to additional clarity around this rule, neither Mr. Myers nor Envirolink will conduct business with Integra TN.
- c. Despite its response to the foregoing question, the Company further states that the Contract was reviewed by the members of Integra TN. Mr. Myers did not participate in any vote, meeting, or discussion regarding the approval of the contract. The Company further states that Envirolink is unwilling to support Integra TN and will evaluate its relationship at a future date once additional clarity surrounding this rule is provided. As a result, we have had to reevaluate the proposed cost structure, which is resulting in a higher cost of service, since we are unable to leverage the expertise and size of Envirolink.

2-3. If Integra Tennessee LLC acknowledges that Envirolink is an affiliate of Integra Tennessee, provide the following:

- a. Identify all members of Envirolink.
- b. Identify all officers of Envirolink.
- c. An updated organizational chart, provided in Response to TPUC DR #1-5, showing the relationship between the Company and Envirolink.

RESPONSE:

The Company objects to this request on the grounds that the related rule is not effective and does not yet apply to the present proceeding and the Company maintains that Envirolink is not subject to discovery in the present proceeding in the present form.

- 2-4. If Integra Tennessee LLC acknowledges that Envirolink is an affiliate company:
- a. Does it agree that services provided by Envirolink should be recorded at

the lower of the affiliates fully allocated costs or market rate pursuant to TPUC Pre-Filed Proposed Final Rules 1220-4-13.16 (4)(c)? A copy of the TPUC's Pre-filed Proposed Final Rules can be found at <http://share.tn.gov/tra/orders/2016/1600112h.pdf>.

- b. If Integra Tennessee LLC does not agree that this pricing provision is neither required, nor appropriate, explain how the reasonableness of these transactions should be evaluated for purposes of setting rates.

RESPONSE:

- a. Integra TN does not acknowledge that Envirolink is an affiliate and as indicated, Envirolink is unwilling to do conduct business with Integra Water TN at this time. As such, Integra Water TN will have to provide the services provided by Envirolink third party or allocated cost. The impact is that the cost of service will be significantly higher.
- b. The Company states that Envirolink is unwilling to support Integra TN.

2-5. Does Integra Tennessee LLC agree to provide access to the Consumer Advocate to the books and records of Envirolink, including review of the support for individual transactions, to ensure the reasonableness of transactions between Integra Tennessee LLC and Envirolink in subsequent Integra Tennessee dockets pertaining to changes in customer rates pursuant to Tenn. Code Ann. §65-5-101 or § 65-5-103?

RESPONSE:

The Company cannot legally grant such access.

2-6. Admit or deny that Integra Tennessee LLC has the burden of proof to establish the reasonableness of transactions between Integra Tennessee LLC and the following entities: Old North State Water Company (ONSWC);

- a. Integra Water Baldwin, LLC;
- b. Integra Water Creola, LLC;
- c. Integra Water Madison County, LLC;
- d. South Carolina Water Company, LLC; and
- e. Envirolink.

If you deny any of the above, explain fully and with specificity the reason for denial.

RESPONSE:

- a. Deny. Old North State Water Company, LLC will not conduct business with Integra TN;
- b. Deny. Integra Water Baldwin LLC will not conduct business with Integra TN;
- c. Deny. Integra Water Creola, LLC will not conduct business with Integra TN;
- d. Deny. Integra Water Madison County, LLC will not conduct business with Integra TN;
- e. Deny. South Carolina Water Company, LLC will not conduct business with Integra TN;
- f. Deny. Envirolink will not conduct business with Integra TN.

2-7. Refer to the Company's Response to TPUC DR #1-38 where the Company states Integra Water is in the process of securing a security bond or bank letter of credit.

- a. Provide an update on the progress on securing such bond or letter of credit.
- b. Provide ongoing updates to this. request until such financial security is obtained.
- c. Is the cost of obtaining the required financial security reflected in the Operating Expenses provided in an earlier data response?

- i. If so, provide the estimated cost and identify where it is reflected in the Operating Expenses.
- ii. Provide the actual cost of acquiring the financial security once such costs are known.
- iii. If not, provide an estimate of the costs and explain why it is not reflected in the projected financial statements.

RESPONSE:

- a. The Company has requested and the bonding company is processing the request.
- b. The Company will provide updates on this as they become available.
- c. The cost is not yet reflected in the operating expenses. The Company shall provide updates as soon as it has some. Having never procured such a surety instrument in Tennessee before, the Company is without sufficient information to accurately estimate this cost but will provide the cost amount when it becomes aware of the cost.

2-8. Referring to the Company's Response to TPUC DR #1-8, the Company provides a copy of an unexecuted contract between the Company and Envirolink. Regarding this unexecuted contract, provide the following:

- a. An update to the contract if any changes are or were made.
- b. A final executed copy once the contract is executed.
- c. Are the costs of the Monthly Operating Fee (Exhibit D) reflected in the financial projects provided by Integra?
 1. If so, provide the reference to the line item which incorporate the cost estimates.
 - n. Identify the amount and provide a brief analysis supporting the details supporting the estimate (work to be performed* Unit rates).
- d. Section xiv (sic) of the unexecuted contract with Envirolink indicates

Envirolink will perform billing, collection and accounting services for Integra Water-Tennessee LLC. However, the response to TPUC DR #1-2 indicates that such services will be provided to Integra Water-Tennessee by Integra Water. Provide an explanation reconciling the terms of the contract with the table provided in response to TPUC DR #1-2.

- e. The file titled "Preferred Client Rate Sheet" was provided as a Supplemental Discovery Request. Confirm whether these labor rates are those that are to be incorporated within Exhibit E to the Public Works and Utility Management and Service Agreement Between Integra Water- Tennessee LLC and Envirolink, Inc.
- f. Subject to the Protective Order, identify each employee listed below and the annual base salary for the following positions referenced within the Preferred Client Rate Sheet:
 - i. Director of Utility;
 - ii. Senior Project Manager;
 - iii. Project Manager; and
 - iv. Executive Assistant.
- g. Identify all private entities (non-public) in which Michael Myers has an ownership interest and the amount of his interest.
- h. Regarding the Preferred Client Rate Sheet, provide an estimated cost by individual that would be assigned to Integra Water- Tennessee LLC on an annualized basis. Include in your response whether such cost is incorporated within the forecasted Income Statement of Integra Water-Tennessee, and if so where it can be found.

RESPONSE:

- a. N/a
- b. N/a
- c. Yes but will need to be updated based on the fact that Integra TN will not be able to leverage the support and back office systems of Envirolink;
- d. Integra TN will provide customer service & billing.
- e. This no longer applies as Envirolink refuses to support Integra TN;
- f. Envirolink is not an affiliated company and refuses to provide this information. Further, Envirolink refuses to support Integra TN necessitating that the Company reevaluate our cost for supporting this project;
- g. The Company objects to this request as overly broad, unduly burdensome, and not reasonably calculated to lead to the discovery of admissible evidence in this proceeding;
- h. As stated, Envirolink is refusing to conduct business with Integra TN and as such, this cost estimates are no longer valid.

2-9. Subject to the Protective Order, provide the Board Minutes from January 1,

2016 to current for the following entities:

- a. Envirolink;
- b. Integra Water LLC; and
- c. Integra Water-Tennessee.

RESPONSE:

The Company objects to this request as overly broad, unduly burdensome, and that it seeks irrelevant information and information that is not in the Company's possession, custody, or control.

2-10. Provide an electronic version of the Integra Water LLC's General Ledger for the periods:

- a. Calendar Year 2016; and

- b. 2017 year to date.

RESPONSE:

See attached documents, which are being submitted in accordance with the Protective Order governing confidential information in this proceeding.

11. Referring to the Company's Response to TPUC DR #1-5, the Company did not identify Old North State Water Company (ONSWC) even though the Company lists ONSWC's facilities as its North Carolina facilities (<http://integrawater.com/locations.php>) and provides an application for new service on the Company's website for these North Carolina facilities <http://integrawater.com/establish-new-svc-NC.php>). However, the Company did list ONSWC and other affiliates in its Response to CPAD #1-5.

- a. Provide an explanation regarding the differing response.
- b. Identify all members of:
 - i. ONSWC;
 - ii. Integra Water Baldwin, LLC;
 - iii. Integra Water Creola, LLC;
 - iv. Integra Water Madison County, LLC; and
 - v. South Carolina Water Company, LLC.
- c. Identify all officers of:
 - 1. ONSWC;
 - 11. Integra Water Baldwin, LLC;
 - 111. Integra Water Creola, LLC;
 - 1iv. Integra Water Madison County, LLC; and
 - v. South Carolina Water Company, LLC.
- d. Provide an organizational chart showing the relationship between Integra Water LLC and its affiliates ONSWC; Integra Water Baldwin, LLC;

Integra Water Creola, LLC; Integra Water Madison County, LLC; and
South Carolina Water Company, LLC.

RESPONSE:

These were not included in our response to TPUC #1-5 because in follow discussions with TPUC staff, we interpreted this question to be asking for affiliated entities that potentially could do business with Integra TN. Since neither South Carolina Water Company and ONSWC have any employees and would never do business with Integra TN, they were not included. In the case of CPAD #1-5, the Company interpreted this to be requesting a complete list regardless of the potential of the entities to do business.

2-12. Refer to the Company's Response to CPAD #1-17, specifically, refer to lines 11E, 11H, 11L, and 11M in the provided response:

- a. Are these projected amounts calculated via the terms of the
Support Service Agreement provided as an Exhibit in response
to CPAD #1-6?
- b. Regardless of your response to CPAD #2-1a above, describe in detail
how these amounts are calculated.

RESPONSE:

These amounts are budgetary when actual cost are incurred they will be booked.

2-13. Refer to the Company's Response to CPAD #1-30, wherein the Company states that the system is projected to be finished in January of 2018:

- a. Describe in detail the projected timeline for the systems construction.
- b. Has the Company normally completed its projects within the projected timeline?
- c. If the answer to is no, identify the projects not completed on time and the specific reasons for any delay in completion.

RESPONSE:

- a. It was originally estimated that Integra would receive its CCN in August and the project would be completed 6 months later (January 2018). Construction has not yet begun because Integra has not received its CCN. Construction will begin hopefully in December once Integra receives its approval for its CCN and the project will be completed in 6 months. Once Integra has CCN approval we will receive our SOP from TDEC so we can start construction.
- b. Yes

2-14. Refer to the Company's Response to CPAD #1-33:

- a. Were these existing homes and businesses approached to be provided service by the Company?
- b. If yes, provide details of the responses of each entity and identify the person approached.
- c. If they were not, provide a narrative response giving the reason(s) why each specific entity was not approached.

RESPONSE:

No the existing homes and businesses were not approached. The design of the wastewater treatment plant only has capacity to service the 31 homes in Casey Cove and it was never the intent and is not the intent to have any additional homes other than the 31 in Casey Cove.

2-15. Refer to the Company's Response to CPAD #1-36:

- a. How many individual units does the Company anticipate will be in the condo development?

- b. Will the company be treating the condo development as a single customer or as multiple customers?

RESPONSE:

The developer has told Integra that he anticipates 4-5 condos and each condo will be a single customer.

- 2-16. Refer to the Company's Response and Exhibit to CPAD #1-13, can a consumer pay via Debit Card with this payment processor?

RESPONSE:

Yes

- 2-17. Refer to the Company's Confidential Response to CPAD #1-30, and specifically, the tab "NEW TRA CCN APP" of the confidential rate model and then refer to marked line 19 entitled - "Other Charges" that references a new account fee:

- a. Does the Company intend to include the revenues from this fee in Operating Revenue?
- b. Does the Company intend to include this fee in its proposed Tariff?
- c. What is the fee designed to cover?
- d. How was the fee calculated and determined? Provide the basis and support for the fee.

RESPONSE:

- a. Yes.
- b. The Company will bill in accordance with the Tariff. If a fee is not listed in the Tariff, it is not billed.
- c. Administrative cost of setting up the account.

- d. It is the Company's standard fee in other territories.

2-18. Refer to the Company's Petition and Confidential Response to CPAD #1-30:

- a. Is the Company requesting an operating margin return?
- b. If yes, what percentage margin is the Company proposing?
- c. How was it calculated or determined?

RESPONSE:

- a. Operating Margin
- b. 15%
- c. 15% of O&M cost.

2-19. Refer to the Company's Responses to TPUC DR #16 - #17 where the Company's response regarding an inquiry about a contract with the Homeowner's Association was to "See Exhibit DR2". However, Exhibit DR #2 contains filings with the Tennessee Secretary of State and not a contract.

- a. If Integra Water LLC has entered into a contract, provide a copy of the contract.
- b. If not, once the contract has been finalized with the Casey Cove Homeowners Association, provide the following:
 - i. A draft of such contract.
 - ii. The final contract once executed.
 - iii. All notes and/or correspondence between the real estate developer and any Integra Water affiliate regarding such services.

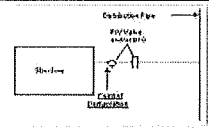
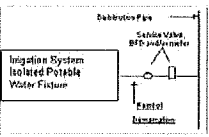
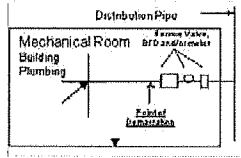
- iv. Identify who will be or is involved in the contract negotiations.

RESPONSE:

The Company has not and will not enter into a contract with the HOA.

2-20. Refer to the Company's Response to TPUC DR #18 where the Company's response referred to "the following diagram showing our standard Points of Demarcation." However, the referred to diagram was not provided. Provide a copy of the diagram referred to in the Company's response.

RESPONSE:

Point of Demarcation	Applicable Scenario	Sketch
Point of demarcation is the downstream side of the PIV valve or backflow prevention device whether inside or outside building footprint.	Fire suppression system on dedicated feed from water main.	 A schematic diagram showing a horizontal 'Distribution Pipe' with an arrow indicating flow direction. A vertical line labeled 'Point of Demarcation' is positioned to the left of the pipe. A 'PIV Valve, Backflow Prevention' device is located on the pipe to the right of the demarcation line. A 'Fire-suppression' system is connected to the pipe downstream of the valve.
Point of demarcation is the downstream side of the backflow prevention device, service valve, or meter.	Irrigation system or isolated potable water fixtures (outside fountains, yard hydrants, spigots, water points, etc.) fed directly from distribution system.	 A schematic diagram showing a horizontal 'Distribution Pipe' with an arrow indicating flow direction. A vertical line labeled 'Point of Demarcation' is positioned to the left of the pipe. A 'Service Valve, BFD and/or meter' is located on the pipe to the right of the demarcation line. An 'Irrigation System Isolated Potable Water Fixture' is connected to the pipe downstream of the valve.
Point of demarcation is the 5-foot line exterior to building footprint. Note: As appurtenances are upgraded, repaired, or renewed they shall be installed at the proximity of five feet from the building or inside the mechanical room.	No appurtenances exist on the service line.	None
Point of demarcation is the downstream side of interior backflow prevention device, valve or water meter located on the service line whichever is furthest downstream yet still inside the mechanical room. If the facility has separate feeds for the domestic waterline as well as the fire suppression line, this applies to both lines and both BFD's belong to the successful bidder.	Appurtenance is located inside the building mechanical room.	 A schematic diagram showing a horizontal 'Distribution Pipe' with an arrow indicating flow direction. A vertical line labeled 'Point of Demarcation' is positioned to the left of the pipe. A 'Service Valve, BFD and/or meter' is located on the pipe to the right of the demarcation line. A box labeled 'Mechanical Room Building Plumbing' is connected to the pipe downstream of the valve.

Point of Demarcation	Applicable Scenario	Sketch
<p>Point of demarcation is the upstream side of the serviceable cleanout device. Serviceable is defined as located five feet or more from the building footprint.</p> <p>Note: A new cleanout device should be installed at the proximity of ten feet from building during any repair or renewal action. The upstream side of the new cleanout device will then become the new point of demarcation.</p>	Cleanout is located at the proximity of five feet or more from the building footprint on the service line exiting the structure.	
<p>Point of demarcation is the five foot line exterior to the building on service line.</p> <p>Note: A new cleanout device should be installed at the proximity of ten feet from the building during any repair or renewal action. The upstream side of the cleanout device will then become the new point of demarcation.</p>	No cleanout exists on the service line exiting the structure.	
<p>Point of demarcation is the downstream side of grease trap or oil/water separator.</p> <p>Note: This POD does not apply to grease traps or oil/water separators included as a part of the wastewater system inventory (connected to lift/pump stations).</p>	Grease trap or oil/water separator.	
Point of demarcation is the upstream side of ejector pump.	Ejector pumps located inside building footprint and connected to the wastewater system.	

Service	Point of Demarcation	Applicable Scenario	Sketch
Water	Picrme is responsible to the downstream side of the water meter/valve.	Water meter /valve on a housing unit.	
	Picrme is responsible for water laterals and mains	No water meter and water laterals and mains are three inches and smaller in diameter.	
	ONUS is responsible for repairs/replacement of all water laterals, mains or to the water meter if present	Water laterals and mains are larger than 3 inches in diameter.	
Sewer	Point of connection to the main, at a manhole or between two manholes.	Housing unit has no cleanout	
	Upstream side of the cleanout device. Cleanout device must be functional, i.e., not closer than five feet to the building.	Housing unit has a cleanout	
	All future construction shall provide a cleanout device no closer than ten feet from the housing units and the point of demarcation shall be the upstream side of the cleanout device		

2-21. Referring to the Company's Response to TPUC DR #31, provide a copy of the contract, agreement or any other documents between the Company and the developer that sets out the terms of the ownership transfer of the wastewater treatment and collection system.

RESPONSE:

The APA is attached hereto to these responses.

2-22. Referring to the *Second Amended Petition* and the *Amended Tariff*, the Company states that the consumer will pay a late fee of 10%. However the Company's *Initial Petition*¹ at Addendum 1, the Company states the finance charge for a late payment is 1%.

- a. Provide an explanation for this change in the late fee from 1% to 10% from the *Initial Petition* to the *Second Amended Petition* and the *Amended Tariff*?
- b. Provide a list of late fees the Company assesses in other states, and provide an explanation for the differences of late fee assessments between states.

RESPONSE:

2-23. In addition to the change in assessed finance charge for a late penalty in the *Initial Petition* (1%) to the *Second Amended Petition* and the *Amended Tariff* (10%), Old North State Water Company (ONSWC) assesses a finance charge for a late penalty of

1% as evidenced in Orders issued by the North Carolina Public Utilities Commission Docket No. W-1300, Sub 37 and Docket No. W-1300, Sub 38. Copies of the Orders in these two dockets are attached as **CPAD Exhibit 2-A**.

- a. How was the 1% finance charge fee calculated and determined. Provide the basis and support for the 1% finance charge for a late penalty as identified in the Company's *Initial Petition*.
- b. How was the 10% finance charge fee calculated and determined. Provide the basis and support for the 10% finance charge for a late penalty as identified in to the *Second Amended Petition* and the *Amended Tariff*.
- c. Provide the basis and support of a 10% finance charge in Tennessee when the finance charge in North Carolina is 1%.

RESPONSE:

2-24. Referring to the Company's Response to TPUC DR #2, the Company states that Integra Water will perform the billing functions. Does Integra Water perform the billing function for its affiliates operating in Alabama and North Carolina? If so, what procedures are in place to ensure that Tennessee customers will not be assessed fees charged in Alabama or North Carolina and not authorized by TPUC? Examples of other fees charged in other states by affiliates can be found in the service applications. Attached as **CPAD Exhibit 2-B** is the application for Alabama which is located at <http://www.integrawater.com/establish-new-svc-AL.php>. The application for North As explained in CPAD #2-1, ONSWC is listed on the Company's website, lists ONSWC's

Carolina is located at <http://www.integrawater.com/establs-new-svc-NC.php> and attached as **CPAD Exhibit 2-C**.

RESPONSE:

Integra sets up separate fee structure based on individual tariffs to be sure the correct fees are charged.

2-25. Referring to *Initial Petition* at Addendum 1, #19 New Account Fee:

- a. How is the New Account Fee calculated and determined? Provide the basis and support for assessing a fee of \$20 for new accounts.
- b. Identify what other states the Company assesses this New Account Fee?
- c. Identify the amount of this New Account Fee for each state and explain the reason for the differences among the states.

RESPONSE:

This appears to be the same question as 2-17, please refer to the response to 2-17.

2-26. Referring to the *Second Amended Petition* and *Amended Tariff* about the Reconnection Charge:

- a. How is the Reconnection Charge calculated and determined? Provide the basis and support for assessing a fee of \$100 for new accounts.
- b. Identify what other states the Company assesses this Reconnection Charge?
- c. Identify the amount of this Reconnection Charge for each state and explain the reason for the differences among the states.

RESPONSE:

- a. This basis cost of mobilizing a tech and installing a water shut off vale.
- b. The Company charges a reconnection charge in all other states.
- c. The amount of this charge in other states varies from \$100 to actual cost. The reasons for the difference in cost is based on individual state requirements and state law.

2-27. Referring to the *Amended Tariff*, Section 6.A. Company Contact, it states that the Company's representatives will be available "Monday - Friday from 9 a.m. to 5 p.m. to respond to customer inquiries."

- a. What is the time zone for these hours of 9 a.m. to 5 p.m.?
- b. Will the Company add the time zone in its proposed tariff to clarify the available hours?

RESPONSE:

The correct time should be 8 a.m. to 5 p.m Central time. We will make the correction to time and add the time zone on the Tariff.

2-28. Referring to the *Amended Tariff*, Section 6.A. Company Contact:

- a. Does the Company have an email address for customers to contact with inquiries?
 - i. If yes, provide the email address for customer inquiries.
 - ii. Will the Company be adding the email address to the proposed tariff since no email address is currently provided?
- b. Does the Company have a website address for customers to contact with inquiries?
 - i. If yes, provide the website address for customer inquiries.

- ii. Will the Company be adding the website address to the proposed tariff since no email address is currently provided?

RESPONSE:

Yes, the email address is info@integrawater.com which goes to the Customer Service Manager. Yes the Company has a website address which is integrawater.com. The Company has added both to the proposed amended tariff filed with these Responses.

2-29. Referring to the *Amended Tariff*, Section 6.B. Company Contact, it states that the Company's Emergency Contact number is 877-511-2911. The Emergency Contact telephone number is the same telephone number as the Customer Service contact number identified in *Amended Tariff*, Section 6.A.

- a. Is it correct that the Emergency Contact number is the same number as the Customer Service contact number available between the hours of 9 a.m. to 5 p.m.?
- b. Is this phone number (877-511-2911) staffed by a live person 24 hours a day, 7 days a week?
- c. Is the person that staffs this telephone number the one making the determination of what is an "emergency" and what is an "inquiry"? If so, how is this determination made? Are there written procedures?

RESPONSE:

- a. Yes the emergency contact number is the same as customer service number.
- b. Yes the phone number is staffed by a live person 24 hours a day 7 days a week.
- c. Yes the staff is making a determination along with customer request and what the field technicians state. Parameters given are anything life threatening or environmentally threatening is immediately prioritized. The on-call field

technicians investigate and respond directly to the customer.

2-30. Refer to the Company's Response to CPAD #1-12 which states "Customers can pay by check, auto draft, over the phone, or online."

- a. Does the Company assess any fees for payment transactions set up by auto draft? If yes, provide the amount, basis and support for the fee and its amount.
- b. Does the Company assess a fee for a payment transaction completed over the phone? If yes, provide the amount, basis and support for the fee and its amount.
- c. Does the Company assess a fee when a customer's check is returned by the bank? If yes, provide the amount, basis and support for the fee and its amount.
- d. Does the Company intend to include the revenues from this fee in Operating Revenue?

RESPONSE:

- a. No
- b. Yes, it's the same fee listed on the tariff. Customer service has to log into the customers accounts just as they would do from our website and enter the information as the customer would do. The credit card processor charges the fee rather we enter the information or the customer.
- c. Yes, only for NFS checks. The rate is set by industry standard. We charge \$23.50. This fee is included in the attached amended tariff.
- d. Yes.

2-31. Refer to the Company's Response to CPAD #1-12, answer the following and provide the documents to support your answers:

- a. Did the Company receive multiple bids from vendors for online payment processing services?
 - i. If so, how many and how much was each bid?
 - ii. If not, what was the process for awarding such contracts?
- b. Identify all vendors the Company has contracted over time regarding online payment processing services and each of the corresponding Credit Card Convenience Fees charged to the Company's customer for each vendor since.
- c. Provide copies of any bids and contracts.
- d. If the Company has only had one vendor providing the online credit card processing service, provide the Credit Card Convenience Fees charged to the Company's customers by year since date of implementation.
- e. Identify the contact at the current vendor for the Company?
- e. Provide billing statements from the vendor(s) for 2014, 2015 and 2016.
- f. Provide all documents relating to the amount of fees collected from customers to process a payment on line.
- g. Provide all documents relating to the amount of monies generated from fees collected from customers to process a payment online.
- h. Identify all Company employees who participated in the selection of the vendor.

RESPONSE:

- a. Yes, two bids
- b. First Data (now Ignite Payments) and Paytek. The both charged the same \$2.95 for \$.01 to \$50, \$3.50 for \$50.01 to \$149.00 and 2.75% for \$150.00 to \$9999.

- c. See Attachment.
- d. N/A
- e. See Attachment.
- f. Does not exist. The Company does not collect the fees. The fees go directly to the processor.
- g. Does not exist. The Company does not collect the fees. The fees go directly to the processor.
- h. Shawn Dickson and John McDonald

2-32. Referring to the Company's Response to CPAD #1-13 and the Company's Notice of Filing Instructions filed with TPUC on October 3, 2017, explain the conflicting credit card convenience fees set out in each.

- a. Which is the correct credit card convenience fee to be charged to the Company's customers who opt to pay their bill online?
- b. The credit card convenience fee is not set out in the *Initial Petition* or the two *Amended Petitions* or the *Amended Tariff*. If the Company still intends to assess a credit card convenience fee, explain why the fee is not included in the *Initial Petition* or the two *Amended Petitions* or the *Amended Tariff*.
- c. If the Company intends to assess the credit card convenience fee, when will the Company amend its *Petition* and *Proposed Tariff* to include this fee?

RESPONSE:

- a. The response provided to CPAD #1-13 was in error. The amounts listed in the previous answer are the fees the Company would charge.

- b. It was an oversight on our part. The fees are listed on the Amended Tariff attached to this response.
- c. The Company includes this charge in the Amended Tariff filed along with these responses.

2-33. Does the Company and the Developer have an agreement regarding a "developer's operating subsidy" or "maintenance fee" which is a negotiated fee between the Company and developer to cover the maintenance of the plan until enough customers connect to make the utility plant sustainable?

- a. If yes, what is the fee amount?
- b. How is the fee calculated and determined? Provide the basis and support for this fee.
- c. Provide a copy of the agreement detailing this fee and any other documents regarding the agreement and the fee between the Company and the developer.
- d. Does the Company intend to include the revenues from this fee in Operating Revenue?

RESPONSE:

No

2-34. Does the Company and the Developer have an agreement for a "capacity development fee"?

- a. If yes, what is the fee amount?
- b. How is the fee calculated and determined? Provide the basis and support

for this fee.

- c. Provide a copy of the agreement and any other documents regarding the agreement and the fee between the Company and the developer.
- d. Does the Company intend to include the revenues from this fee in Operating Revenue?

RESPONSE:

No

2-35. Referring to the Company's Notice of Filing Instructions filed with TPUC on October 3, 2017, the Company's application for Service requires a copy of a potential customer's driver's license, the individual's driver's license number and the individual's social security number. Answer the following questions regarding the security for this personal identifiable information of potential customers, who may or not become actual customers:

- a. For what purpose does the Company require this personal identifiable information?
- b. How long does the Company retain this personal identifiable information beyond the use described in subsection a. above.
- c. Does the Company have a privacy and security policy, and does the policy apply to personal identifiable information of its customers?
- d. Does the Company have policies on storing personal identifiable information including where it is stored, how long it is stored, and how it is eliminated?
 - i. What are the specific procedures for the retention and elimination of

the personal identifiable information of potential customers who are denied service?

- ii. What are the specific procedures for the retention and elimination of the personal identifiable information of customers who have terminated their service?
- e. Does the Company conduct periodic risk assessments to identify cybersecurity threats, vulnerabilities and potential business consequences?
- f. What are the Company's processes and systems for dealing with cybersecurity threats and protection of personal identifiable information?
- g. Are all personnel who come in contact with personal identifiable information trained on adequate protection of the information? Explain the type, duration and frequency of this training.
- h. Does the Company have an annual independent assessment made of its cybersecurity processes?
- i. Are the Company's technology systems regularly updated?
- J. Is advanced authentication used by the Company? Can the Company explain the process?
- k. Does the Company have a chief information security officer or equivalent position?

RESPONSE:

The Company does not require this information. The Company requests it and it is up to the customer whether they provide.

- a. The Company utilizes it for bad debt collections, refunds and account security.
- b. When an account is closed and balance paid, the account is deactivated and

archived.

- c. Yes
- d. Yes in conjunction with the Company's IT support team.
 - a. To date the Company has not denied service but if the Company did all documents are shredded and data deleted from email service and customer service system.
 - b. All data is encrypted. When a customer account is closed with a zero balance the account is inactivated and archived.
- e. Yes, the Company has an ongoing program with our IT professionals.
- f. All data is encrypted and protected with SSL (Secure Socket Layer).
- g. Yes, Customer Service reps key information into UMS and data is encrypted where only administration and manager levels have access. All electronic and paper copies are shredded and permanently deleted. The Company has ongoing customer service training pertaining to customer security.
- h. No its covered by our IT professionals
- i. Yes
- j. Yes, password required customer service technology and only administrative/manager can decrypt customers personal information.
- k. No

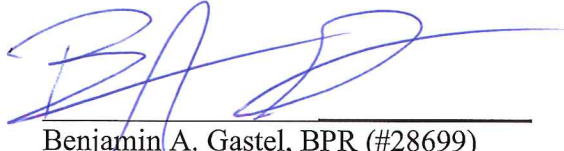
2-36. Is there an agreement between Integra and Envirolink, written or oral that Envirolink will be the exclusive provider of specified services? If so, please summarize the details surrounding this exclusivity provision.

RESPONSE:

No

Date: October 20, 2017

Respectfully submitted,

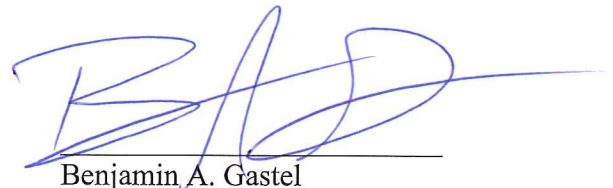


Benjamin A. Gastel, BPR (#28699)
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Nashville, Tennessee 37203
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Email: beng@bsjfirm.com

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was sent by U.S. Mail, postage prepaid and electronic mail on October 20, 2017 to the following:

KAREN H. STACHOWSKI, B.P.R. # 019607
Assistant Attorney General
Office of the Tennessee Attorney General
Public Protection Section
Consumer Advocate and Protection Division
P.O. Box 20207
Nashville, Tennessee 37202
(615) 741-2370
Email: karen.stachowski@ag.tn.gov



Benjamin A. Gastel

ATTACHMENT 2-10 – GENERAL LEDGER/TRIAL
BALANCE FOR RELEVANT PERIODS

REDACTED IN ENTIRETY FOR PUBLIC DISCLOSURE
VERSION

EXCEL SPREADSHEETS CONTAINING EXHIBIT ARE
PRODUCED ELECTRONICALLY SEPERATELY UNDER
PROTECTIVE ORDER

AGREEMENT

between

DEVELOPMENT COMPANY

and

INTEGRA WATER TENNESSEE, LLC

for the Installation, Conveyance, and Operation of the

WASTEWATER UTILITY SYSTEM

to be installed to serve

Casey Cove Estates Development

Smithville, Tennessee

April 24, 2017

AGREEMENT

This Agreement for the installation, conveyance, and operation of the wastewater utility system to be installed to serve Casey Cove Estates Development ("Agreement") is made as of the 24 day of April 2017, by and between **Mitchell Bowman** and **INTEGRA WATER TENNESSEE, LLC (INTEGRA)**, a Tennessee Limited Liability Corporation; **DEVELOPMENT COMPANY** and **INTEGRA** shall collectively be referred to as the "Parties".

WITNESSETH:

WHEREAS, **DEVELOPMENT COMPANY** has requested and **INTEGRA** has agreed that upon completion of the Wastewater Utility System Phase (defined below), **DEVELOPMENT COMPANY** shall convey the Wastewater Utility System Assets (defined below) constructed during such phase to **INTEGRA**, and **INTEGRA** shall accept such Wastewater Utility Assets and, thereafter, own and operate such facilities, all in accordance with this Agreement.

NOW, THEREFORE, for and in consideration of the premises and of the rights, powers, and duties hereinafter set forth to be performed by each Party, **DEVELOPMENT COMPANY** and **INTEGRA** do mutually agree as follows:

1. DEFINITIONS

1.1. "Agreement" shall mean this Agreement for the installation, conveyance, and operation of the wastewater utility systems serving Casey Cove Estates (defined below), including all exhibits and schedules hereto, if any, as amended from time to time.

1.2. "Casey Cove Estates Development" shall mean the property to be developed by **DEVELOPMENT COMPANY** known as Casey Cove Estates Subdivision and consisting of approximately TBD acres along Highway Casey Cove Road, **Dekalb** County, Tennessee, which will consist of approximately 31 residences, and the following amenities: TBD, TBD, and TBD.

1.3. "Certificate" shall mean the Certificate of Public Convenience and Necessity for providing wastewater utility service in Casey Cove Estates Subdivision to be issued by the Regulatory Authority (defined below).

1.4. "Certificate Extension" shall mean an extension to the Certificate.

1.5. "Closing" shall mean each instance upon which Wastewater Utility System Assets (defined below), as the context requires, are transferred from **DEVELOPMENT COMPANY** to **INTEGRA**.

1.6. "Closing Date" shall mean the date of the applicable Closing, as the context requires.

1.7. *"Collection System Permit"* shall mean the permit for the construction and operation of the Wastewater Collection System issued by TDEC as Permit No. TBD.

1.8. Regulatory Authority *"County"* shall mean Dekalb County, Tennessee.

1.9. *TDEC "GPD"* means gallons per day.

1.10. *"Green Space Areas"* shall mean the areas referred to as Green Area in the Permit (if any).

1.11. *"Non-Discharge Permit"* shall mean the permit for the construction and operation of the Wastewater Utility System issued by TDEC as Permit No. TBD, including all modifications thereto.

1.12. *"Permit"* or *"Permits"* shall mean the Collection System Permit and/or the Non-Discharge Permit (defined below), as the context requires.

1.13. *"Regulatory Authority"* shall mean the Tennessee Regulatory Authority

1.14. *"Residential Unit Equivalent" or "RUE"* shall mean a residential unit rate determined as follows: To determine the RUE for any connection, divide the design flow of the facility estimated in GPD by 300 GPD.

1.18. *"TDEC"* shall mean the Tennessee Department of Environment and Conservation.

1.19. *"Treated Effluent"* shall mean the wastewater that has been treated to the point that it meets the quality standards required by the Non-Discharge Permit.

1.15. *"Wastewater Collection System"* shall mean the wastewater service lines, gravity collection lines, force mains, lift stations, and all appurtenant equipment that will deliver wastewater from the customers in Casey Cove Estates Development to the WWTP (defined below).

1.16. *"Wastewater Plans"* are all plans and specifications for the Wastewater Utility System approved by the County (if required), INTEGRA, and TDEC and engineered by DEVELOPMENT COMPANY's engineer.

1.17. *"Wastewater Service Line"* shall mean the portion of the individual household wastewater line for which INTEGRA will assume maintenance responsibility. The Wastewater Service Line shall include only that portion of the individual household wastewater line that extends from the sewer cleanout at or near the property line to INTEGRA's wastewater main at or near the street. The portion of the line extending from the home to the sewer cleanout shall not be included in the term "Wastewater Service Line."

1.18. *"WCSDS" or "Wastewater Collection, Storage and Disposal Utility System"* shall mean the Wastewater Collection System, the Drip Irrigation, all lift stations, if any, and other

facilities used in the collection, holding and disposal of the wastewater. Attached as Exhibit 1.24 is a map of the Wastewater Utility System. DEVELOPMENT COMPANY shall install the WCSDS. It shall be DEVELOPMENT COMPANY's responsibility to install the WCSDS.

1.19. "*Wastewater Collection, Storage and Disposal Utility System Assets*" shall mean the Wastewater Collection System, Drip Irrigation, sites of adequate size for the WWTP, including adequate buffers, and the Wastewater Collection System.

1.20. "*Wastewater Utility System Phase*" shall mean any discrete phase of development of the Wastewater Utility System.

1.21. "*WWTP*" or "*Wastewater Treatment Plant*" shall mean the 9,424 GPD wastewater treatment plant to be located within Casey Cove Estates Development.

1.22. "*WWTP Site*" shall mean the WWTP site of adequate size for the WWTP, Drip Irrigation, including adequate buffers.

2. REPRESENTATIONS AND WARRANTIES OF DEVELOPMENT COMPANY

DEVELOPMENT COMPANY hereby represents and warrants as follows:

2.1. Organization; Good Standing; Power. DEVELOPMENT COMPANY is a corporation duly organized, validly existing and in good standing under the laws of the State of Tennessee and has all the requisite power and authority to own, lease and operate its properties, to carry on its business as now being conducted and to enter into this Agreement and perform its whole obligations hereunder.

2.2. Authority Relative to Agreement. The execution, delivery and performance of this Agreement by DEVELOPMENT COMPANY have been duly and effectively authorized by all necessary action. This Agreement has been duly executed by DEVELOPMENT COMPANY and is a valid and legally binding obligation of DEVELOPMENT COMPANY enforceable in accordance with its terms except (i) as limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors' rights generally, (b) laws relating to the availability of specific performance, injunctive relief, or other equitable remedies, or (ii) to the extent the indemnification provisions may be limited by applicable federal or state securities laws.

2.3. Effect of Agreement. The execution, delivery and performance of this Agreement by DEVELOPMENT COMPANY and the consummation of the transactions contemplated hereby will not (i) require the consent, approval or authorization of any person, corporation, partnership, joint venture or other business association or public authority other than the Regulatory Authority or TDEC, (ii) violate, with or without the giving of notice or the passage of time or both, any provisions of law now applicable to DEVELOPMENT COMPANY or (iii) result in a violation of articles of organization or operating agreement.

3. REPRESENTATIONS AND WARRANTIES OF INTEGRA

INTEGRA hereby represents and warrants as follows:

3.1. Organization; Good Standing; Power. INTEGRA is a limited liability corporation duly organized, validly existing and in good standing under the laws of the State of Tennessee, and has all requisite corporate power and authority to own, lease and operate its properties, to carry on its business as now being conducted and to enter into this Agreement and perform its obligations hereunder.

3.2. Authority Relative to Agreement. The execution, delivery and performance of this Agreement by INTEGRA have been duly and effectively authorized by all necessary corporate action. This Agreement has been duly executed by INTEGRA and is a valid and legally binding obligation of INTEGRA enforceable in accordance with its terms except (i) as limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors' rights generally, (b) laws relating to the availability of specific performance, injunctive relief, or other equitable remedies, or (ii) to the extent the indemnification provisions may be limited by applicable federal or state securities laws.

3.3. Effect of Agreement. The execution, delivery and performance of this Agreement by INTEGRA and the consummation of the transactions contemplated hereby will not (i) require the consent, approval or authorization of any person, corporation, partnership, joint venture or other business association or public authority other than the Regulatory Authority or TDEC, (ii) violate, with or without the giving of notice or the passage of time or both, any provisions of law now applicable to INTEGRA, or (iii) result in a violation of INTEGRA's charter or bylaws.

4. INSTALLATION OF WASTEWATER TREATMENT PLANT

4.1 Design of WWTP. DEVELOPMENT COMPANY shall pay for all engineering costs and permit fees associated with the design and TDEC approval and permitting of the WWTP.

4.2 Construction of WWTP. DEVELOPMENT COMPANY shall be obligated to construct a Wastewater Treatment Plant capable of treating up to 9,424 GPD of wastewater treatment capacity in such a manner to meet the effluent permit requirements established by TDEC in Permit TBD.

4.4 Connection Fees. INTEGRA shall collect a connection fee of \$0 for each single-family residential connection or Residential Unit Equivalent (REU) connected to the Wastewater Utility System.

5. INSTALLATION OF WASTEWATER COLLECTION, STORAGE AND DISPOSAL UTILITY SYSTEM

5.1 Design of WCSWC. The Wastewater Storage and Disposal System has been designed by DEVELOPMENT COMPANY engineer. DEVELOPMENT COMPANY shall pay for all engineering cost and permits fees associated with the design and TDEC approval and permitting of the Wastewater Collection System necessary to serve the Casey Cove Estates Development.

5.2 Construction of WCSWC. DEVELOPMENT COMPANY shall be responsible for the construction and installation of the *WCSDS*. In connection with development of each phase of Casey Cove Estates Development, DEVELOPMENT COMPANY shall cause to be installed, at DEVELOPMENT COMPANY's expense, a complete Wastewater Collection System to serve all lots in that phase of Casey Cove Estates Development. The entire Wastewater Collection System shall be constructed in such a manner as to restrict entry of groundwater and surface waters into the Wastewater Utility System to the greatest extent practicable and, at a minimum, shall conform to the minimum standards established by the TDEC regulations for infiltration/inflow.

5.3 The *WCSDS* shall be installed in accordance with the approved Wastewater Plans. Furthermore: prior to the commencement of any construction work on the Wastewater Utility System, DEVELOPMENT COMPANY shall obtain INTEGRA's approval of all contractors and subcontractors who will perform work on the installation of the Wastewater Utility System.

5.4 DEVELOPMENT COMPANY shall furnish to INTEGRA copies of all required surveys, maps, and engineering drawings and specifications sufficient for filing an application with the Regulatory Authority for the Certificate or Certificate Extension. Surveys, maps and engineering drawings shall be submitted to INTEGRA in both paper and electronic versions, with the electronic files being in a ".dwg" format.

5.5 INTEGRA may periodically inspect the construction and may require correction to portions of the construction that are not consistent with the Wastewater Plans which changes must be specifically authorized by the Wastewater Plans and in accordance with all applicable law.

6. APPLICATION FOR CERTIFICATE.

After the execution of this Agreement, and prior to the installation of each Wastewater Utility System Phase, INTEGRA will apply to the Regulatory Authority as soon as may be practicable for a Certificate or Certificate Extension to provide wastewater service to that phase of Casey Cove Estates Development. The Parties agree to fully cooperate and use commercially reasonable efforts to obtain Regulatory Authority issuance of the Certificate. DEVELOPMENT COMPANY shall furnish to INTEGRA the necessary financial information for utility plant investment including back-up invoices necessary for INTEGRA to complete the Certificate

application and data request responses to the Regulatory Authority. INTEGRA shall provide all bonds required by the Regulatory Authority for the Certificate and each Extension. INTEGRA shall notify DEVELOPMENT COMPANY in writing upon the issuance of an order by the Regulatory Authority approving the Certificate or any Certificate Extension. INTEGRA may terminate this Agreement if the Regulatory Authority, in conjunction with its issuance of the Certificate, does not approve both the full purchase price as rate base for INTEGRA and INTEGRA's applied for rates.

7. CONVEYANCE OF WASTEWATER UTILITY SYSTEM ASSETS

7.1. Conveyance of Wastewater Utility System Assets. At the times and on the terms described below, DEVELOPMENT COMPANY shall convey to INTEGRA, by easements and bill of sale, as appropriate, the *WCSDS* assets and the WWTP Site. The WWTP site shall front upon publicly dedicated streets to provide free and reasonable access to the WWTP site located thereon. In the event that the WWTP site does not front upon a publicly dedicated completed street, DEVELOPMENT COMPANY shall convey a perpetual 30 foot easement for ingress, egress, regress, and access to the WWTP with an all-weather gravel access road and also for the installation, operation, maintenance, repair and replacement of such utilities.

7.2. Initial Closing.

(a) Pre-Closing Deliveries.

(i.) DEVELOPMENT COMPANY shall deliver to INTEGRA notice of installation of initial phase of the Wastewater Collection System, together with engineering certification of completion of same;

(ii.) DEVELOPMENT COMPANY shall deliver to INTEGRA title insurance for the WWTP Site, pursuant to Section 7.8 of this Agreement;

(iii.) DEVELOPMENT COMPANY shall deliver to INTEGRA title insurance commitments for the WWTP Site and for the perpetual easements for the collection mains, force mains, collection pumping stations, and for the collection lift stations (if any) to be conveyed at the initial Closing, pursuant to Section 7.7 of this Agreement; and

(iv.) DEVELOPMENT COMPANY's engineer shall supply INTEGRA with an electronic copy of engineering drawings of the Wastewater Utility System as constructed ("as-builts") and also a hard copy of the as-builts. The electronic version of the as-builts shall be submitted to INTEGRA in ".dwg" format with two spatial references to location and elevation.

(b) Initial Closing Date. Upon receipt of the last item described in Section 7.3(a) of this Agreement, the Parties shall mutually agree upon a date for the transfer of the WWTP Site of adequate size for the WWTP, and the initial phase of the Wastewater Collection

System, which date shall not be more than 30 days from the date of delivery of the last item described above.

(c) Closing Deliveries. At the initial Closing,

(i.) DEVELOPMENT COMPANY shall deliver to INTEGRA the easements described in Section 7.6 and 7.7 of this Agreement.

(ii.) The Parties shall deliver such other agreements, documents and certificates necessary or desirable to effect such transfers.

(iii.) DEVELOPMENT COMPANY shall deliver to INTEGRA a written certification of DEVELOPMENT COMPANY's installation cost with respect to the initial Wastewater Facility Phase.

(iv.) DEVELOPMENT COMPANY shall cause its contractors to provide to INTEGRA a one-year warranty on all *WCSDS* components commencing on the date of issuance of the final engineering certification.

(v.) DEVELOPMENT COMPANY shall deliver to INTEGRA the lot numbers and addresses of all properties to be served by the Wastewater Facilities.

(vi.) DEVELOPMENT COMPANY shall deliver to INTEGRA a recorded plat showing each unit in the Subdivision.

(d) Initial Closing Representations. At the initial Closing, DEVELOPMENT COMPANY shall represent and warrant the following to INTEGRA:

(i.) The conveyance of the WWT, the WWTP Site including adequate buffers, and the initial phase of the Wastewater Collection System to be conveyed at the Closing will not violate any judicial, governmental or administrative order, award, judgment, or decree applicable to DEVELOPMENT COMPANY or to such Wastewater Utility System Assets;

(ii.) there are no existing contracts or commitments whatsoever of any type or nature in effect with respect to the WWTP. The WWTP including adequate buffers, and the initial phase of the Wastewater Collection System to be conveyed at the initial Closing, other than this Agreement, and DEVELOPMENT COMPANY is not aware of any default by any Party to any such agreement; and

(iii.) Except as described herein, there are no liens, claims, or encumbrances whatsoever of any type or nature upon or against the WWTP. The WWTP including adequate buffers, and the initial phase of

the Wastewater Collection System to be conveyed at the initial Closing, including but not limited to deeds of trust, financing statements or security agreements filed under the Uniform Commercial Code either in the County or with the Tennessee Secretary of State.

7.3. Subsequent Closings.

(a) Notice. After the initial Closing, DEVELOPMENT COMPANY shall notify INTEGRA in writing upon the completion of each of the following items with respect to a Wastewater Utility System Phase:

(i.) Installation of the components of the Wastewater Utility System relating to a Wastewater Utility System Phase pursuant to the Wastewater Plans, including the interconnection and necessary upgrades to the existing Wastewater Collection System, and has provided the engineering certification of completion;

(ii.) Delivery to INTEGRA of a written certification of DEVELOPMENT COMPANY's installation cost with respect to such Wastewater Utility System Phase.

(b) Closing Date for Subsequent Closings. Upon receipt of the last notice described in Section 5.3(a) of this Agreement, the Parties shall mutually agree upon a date for the transfer of such Wastewater Utility System Assets, which date shall not be more than thirty (30) days from the date of notice provided by DEVELOPMENT COMPANY and described above.

(c) Closing Deliveries for Subsequent Closings. At each subsequent Closing:

DEVELOPMENT COMPANY shall convey by warranty deed and bill of sale, and INTEGRA shall accept, the Wastewater Utility System Assets for such Wastewater Utility System Phase.

DEVELOPMENT COMPANY shall convey to INTEGRA the easements described in Sections 7.6 and 7.7 of this Agreement.

The Parties shall deliver such other agreements, documents and certificates necessary or desirable to effect such transfers.

(i.) DEVELOPMENT COMPANY shall deliver to INTEGRA a written certification of DEVELOPMENT COMPANY's installation cost with respect to the initial Wastewater Facility Phase.

(ii.) DEVELOPMENT COMPANY shall cause its contractors to provide to INTEGRA a one-year warranty on all Wastewater Utility System components installed during such Wastewater Utility System Phase commencing on the date of issuance of the final engineering certification.

(iii.) DEVELOPMENT COMPANY shall deliver to INTEGRA the lot numbers and addresses of all properties to be served by the Wastewater Facilities.

(iv.) DEVELOPMENT COMPANY shall deliver a disk copy of Auto CAD program or other drafting program used in the preparing the Wastewater Utility System plans for such Wastewater Utility System Phase.

(v.) DEVELOPMENT COMPANY shall deliver to INTEGRA a recorded plat showing each unit in the Subdivision.

(vi.) At each Closing and thereafter, each Party shall execute and deliver such other agreements, documents and certificates necessary or desirable to effect transfer of the Wastewater Utility System Assets.

7.4. Subsequent Closing Representations. At each Closing, DEVELOPMENT COMPANY shall represent and warrant the following to INTEGRA:

(i.) The conveyance of all the Wastewater Utility System Assets at the Closing will not violate any judicial, governmental or administrative order, award, judgment, or decree applicable to DEVELOPMENT COMPANY or the Wastewater Utility System Assets;

(ii.) There are no existing contracts or commitments whatsoever of any type or nature in effect with respect to the Wastewater Utility System Assets being transferred to INTEGRA, except this Agreement and DEVELOPMENT COMPANY is not aware of any default by any party to any such agreement; and

(iii.) Except as described herein, there are no liens, claims, or encumbrances whatsoever of any type or nature upon or against any of the Wastewater Utility System Assets being transferred to INTEGRA, including but not limited to deeds of trust, financing statements or security agreements filed under the Uniform Commercial Code either in the County or with the Tennessee Secretary of State.

7.5. Easements for Force Mains and Collection Mains. At the time of completion of the transfer of the Wastewater Utility System Assets relating to each Wastewater Utility System Phase to INTEGRA, DEVELOPMENT COMPANY shall convey to INTEGRA a perpetual easement with a total width of 20 feet centered on the main within that phase of DEVELOPMENT COMPANY for ingress, egress, regress, and access for the installation, operation, maintenance, repair and replacement of the collection system lines, valves and other equipment appurtenant to the Wastewater Collection System. These easements may be conveyed to INTEGRA by restrictive covenants recorded in the County Register of Deeds.

(a) Gravity services shall consist of a wastewater service tap, a 4" home service line, and a cleanout at the easement or right of way line. DEVELOPMENT COMPANY shall use commercially reasonable efforts to ensure that the employees, contractors, and subcontractors under its control do not break, damage or bury these cleanouts.

(b) It shall be the responsibility of the owner of each dwelling unit with a gravity service line to maintain such service line from their residence to the cleanout at or near the property line. If the cleanout is not at or near the property line, then the owner of that dwelling shall be responsible for maintenance of the gravity collection service line up to the property line.

9. GENERAL PROVISIONS

9.1. Execution of Future Agreements. After the execution of this Agreement, all Casey Cove Estates Development agreements entered into by DEVELOPMENT COMPANY with respect to development at Casey Cove Estates Development shall be consistent with the terms of this Agreement to the extent addressing the provision of wastewater service to Casey Cove Estates Development.

9.2. Cooperation for All Necessary Government Approvals. DEVELOPMENT COMPANY and INTEGRA agree to cooperate in obtaining all necessary permits including the Permits and issuance of the Certificate and/or Certificate Extensions by the Regulatory Authority to INTEGRA. INTEGRA, at INTEGRA's cost, shall file for all Certificates and Certificate Extensions.

9.3. Representations, Warranties, Covenants and Agreements Survive Closing. All representations and warranties of DEVELOPMENT COMPANY and INTEGRA hereunder shall survive each Closing. Further, any covenant or agreement herein which contemplates performance after the time of any Closing shall not be deemed to be merged into or waived by the instruments delivered in connection with such Closing, but shall expressly survive such Closing and be binding upon the Parties obligated thereby.

9.4. Binding upon Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of DEVELOPMENT COMPANY and INTEGRA, and the successors and permitted assigns of each.

9.5. No Third Party Beneficiary Rights. Nothing expressed or referred to in this Agreement will be construed to give any person other than the Parties any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement, except such rights as shall inure to a permitted successor or assignee pursuant to Section 9.4 of this Agreement.

9.6. Independent Contractors. The Parties are and shall be independent contractors to one another, and nothing herein shall be deemed to cause this Agreement to create an agency, partnership, or joint venture between the Parties.

9.7. Counterparts. This Agreement may be executed in one or more counterpart signature pages, each of which (including counterpart signature pages transmitted by facsimile or other electronic means) will be deemed to be an original of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

9.8. Headings. The headings of particular provisions of this Agreement are inserted for convenience only and shall not be construed as a part of this Agreement or serve as a limitation or expansion on the scope of any term or provision of this Agreement.

9.9. Enforcement of Agreement. Each Party acknowledges and agrees that the other Party would be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms and that any breach of this Agreement by a Party could not be adequately compensated in all cases by monetary damages alone. Accordingly, in addition to any other right or remedy to which a Party may be entitled, at law or in equity, it shall be entitled to enforce any provision of this Agreement by a decree of specific performance and to temporary, preliminary and permanent injunctive relief to prevent any breach or threatened breach of any of the provisions of this Agreement, without posting any bond or other undertaking.

9.10. Waiver. No waivers of, or exceptions to, any term, condition or provision of this Agreement, in any instance or instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, condition or provision.

9.11. Entire Agreement. This writing and the documents referred to herein embody the entire agreement and understanding between the Parties and there are no other agreements or understandings, oral or written, with reference to the subject matter hereof that are not merged herein and superseded hereby.

9.12. Modifications in Writing. This Agreement shall not be modified, amended, or changed in any respect except in writing, duly signed by the Parties and each Party hereby waives any right to amend this Agreement in any other way.

9.13. Consent to Jurisdiction. The Parties agree that the state and federal courts of Tennessee shall have exclusive jurisdiction over this Agreement and any controversies arising out of, relating to, or referring to this Agreement, the formation of this Agreement, and actions undertaken by the Parties hereto as a result of this Agreement, whether such controversies sound in tort law, contract law or otherwise. Each of the Parties hereto expressly and irrevocably consents to the personal jurisdiction of such state and federal courts, agrees to accept service of process by mail, and expressly waives any jurisdictional or venue defenses otherwise available.

9.14. Governing Law. This Agreement shall be governed by the internal substantive laws of the State of Tennessee, without regard to such state's conflict of law or choice of law rules.

9.15. Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be sent either (i) personally by hand delivery, (ii) by registered or

certified United States first-class mail, postage prepaid, return receipt requested, (iii) by nationally recognized overnight courier, or (iv) by facsimile addressed to the address or facsimile number indicated below (or at such other address or facsimile number as such Party or permitted assignee shall have furnished to the other Party hereto in writing). All such notices and other written communications shall be effective on the date of delivery.

If to DEVELOPMENT COMPANY, such notice shall be addressed to:

Mitchell Bowman
1980 Old Fort Parkway
Murfreesboro, TN 37129

If to INTEGRA, such notice shall be addressed to:

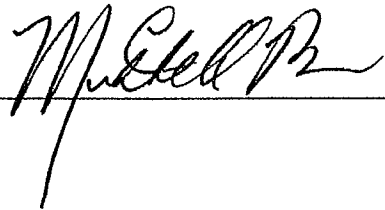
INTEGRA Water Tennessee, LLC
John L. McDonald, Manager
600 University Park Place, Suite 275
Birmingham, AL 35209

[Signature page follows]

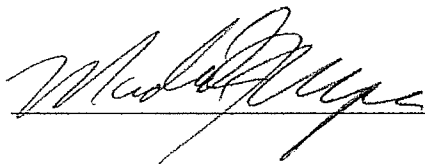
[Signature Page to Agreement]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed in their respective names, all by authority duly given, the day and year first above written.

Mitchell Bowman

By: _____

INTEGRA WATER TENNESSEE, LLC.

By: _____



Phone: 800-353-9130 Fax: 615-869-0435
240 Glenis Dr. Murfreesboro, TN 37129
www.paynseconds.com

PAY N SECONDS CHECKLIST

Merchants who wish to process ACH, Debit Card or Credit Card payments using the Pay N Seconds system must complete the Merchant Processing Application, PNS Client Agreement and submit them to Pay N Seconds with the supplementary documentation listed below. Federal law requires that all financial services companies obtain, verify and record information that identifies each person and business entity that opens a merchant account. The information requested will be used to process the application and will be kept confidential. Please provide the following information to complete the setup of your account. Incomplete applications will delay the setup of Pay N Seconds services.

MERCHANT APPLICATION - Please fill out completely

- Federal Tax ID#, SS# and banking ABA # fields
- Initial each page at the bottom
- Copy of Business Certificate / License (or) Articles of Incorporation
- Copy of EIN / TIN/SS-4 Certificate (or) Page 1 of Tax form showing EIN #
- Copy of Driver's License of Principal of Merchant

COMPANY INFORMATION - Please furnish additional information as appropriate for your form of organization:

- If a non-profit claiming tax-exemption under IRS Section 501(c)(3) – Provide a copy of IRS Ruling or Determination letter.
- If a Corporation or Partnership, in order to verify that the individual signing the attached Application and Terms and Conditions is authorized by the Corporation or Partnership to execute this document – Provide a copy of the Corporate or Partnership resolution. (Does not apply to sole proprietorships)
- If a Publicly held Corporation or Utility, Hospital, etc. – Provide a copy of most recent Annual Report.

BANK ACCOUNT INFORMATION

- For each bank account specified in the Merchant Application, a copy of a VOIDED check or bank letter that clearly identifies the bank name, account holder, route/transit number, and account number.
- Bank Statements (last 2 months) or Company Financials

**Completed applications and supplemental information must be emailed to
info@paynseconds.com.**

For assistance on the Application, contact Pay N Seconds @ 800-353-9130.



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240 Glenis Drive Murfreesboro, TN 37129
www.paynseconds.com

Client Agreement

Client Information (Client)					
Company Name Integra Water, LLC			Doing Business As (if applicable) Integra Water		
Business Street Address 600 University Park Place, Ste 275		City Birmingham	State AL	Zip Code 35209	Business Phone (205) 326-3200
Billing Address (if different from above)		City	State	Zip Code	Business Phone ()
Business Email sdickson@integrawater.com		Fax Number ()	# of Locations	Website URL www.integrawater.com	
Provide some official document that verifies or confirms your Federal Employer Identification Number, for example: Tax Return - must be signed by preparer, Quarterly payroll form, IRS TIN (SS-4 form) or 501(c)3 letter					
FEIN # or SS# 20-1847075		State EIN #		Dunn Bradstreet #	
In Business Since (MM/YYYY)					
Provide documentation regarding the formation of your legal business entity (such as Articles of Incorporation). Legal Status of Business: <input type="checkbox"/> Corporation S or C <input checked="" type="checkbox"/> LLC <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Professional Assoc. <input type="checkbox"/> Government <input type="checkbox"/> Nonprofit					
Description of Business or Service, Markets Served and Types of Business Location (e.g., retail, commercial, industrial)			Reason for the Transactions (i.e. bill payments, down payments)		Additional Information
Utility			Bill Payments		
Company Contacts					
Name Shawn Dickson		Title Customer Service	Business Phone (205) 326-3200		Email Address sdickson@integrawater.com
Name Heather Sexton		Title Director of Account	Business Phone (205) 326-3200		Email Address hsexton@integrawater.com
Principal Owners (List Company Officers & Partners) • Publicly Traded Companies and Nonprofits are NOT Required to complete the "Principal Owners" section. • All other Companies are Required to complete the "Principal Owners" section. This information is confidential and is required to comply with USA Patriot Act Compliance, OFAC and Banking Regulations.					
Name & Title		Date of Birth	SS#		Home Phone # ()
Residence Address		City			State Zip
Name & Title		Date of Birth	SS#		Home Phone # ()
Residence Address		City			State Zip
Publicly Traded Companies and Nonprofits only • Please provide a copy of annual reports and/or a letter from your bank attesting account ownership and banking history. • For OFAC Compliance provide at least one residential contact name - No credit check required.					
Name & Title		Residence Address			
Title		City		State	Zip



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Client Agreement

Bank Account Information						
<ul style="list-style-type: none">For each bank account specified, provide a copy of a voided check that clearly identifies the bank name, account holder, route/transit number and account number - Do Not Send a Deposit SlipProvide copies of 2 Months of Bank Statements from the Bank or Financial Institution to which transaction amounts are to be posted.						
Name of Financial Institution Regions Bank		Branch		Contact Name		Email Address
Address		City		State	Zip Code	Phone # ()
Fax # ()	Type of Account:	<input checked="" type="checkbox"/> Business	<input type="checkbox"/> Personal	<input type="checkbox"/> Checking	<input type="checkbox"/> Savings	
Single Bank Account - All debits and credits will be issued using this account						
Account Number:			Bank Routing Number:			

OR

You may designate individual bank accounts for Deposits, Chargebacks and Billing Service.	
Daily Funding / Deposits - Funds will be deposited into this bank account.	
Account Number:	Bank Routing Number:
Returns & Chargebacks - Items returned for any reason (Chargebacks) will be debited from this account.	
Account Number:	Bank Routing Number:
Billing Services (if applicable) - Setup Fees, Monthly Minimums, Chargeback Fees & NSF Fees	
Account Number:	Bank Routing Number:

Payment Types Accepted			Monthly Transaction Size & Volume		
eCheck	Credit Cards	Debit Only	Average Ticket	Total Volume	Max Ticket
<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ 150.00	\$ 5000	\$ 1500

Batch Settlement Closing Time
PNS performs a daily batch close out of all transactions made to your business each day. This batch settlement cutoff time will occur Monday - Friday (except on bank holidays) based on the following
ACH Check Batch: 5:30 p.m. Central Time Credit/Debit Card Batch: 5:30 p.m. Central Time

Setup Options and Fees	Cost	Total
<input checked="" type="checkbox"/> Web <input type="checkbox"/> VT <input type="checkbox"/> Pre-Auth <input type="checkbox"/> Recurring <input type="checkbox"/> POS/Retail	\$99.00	\$ 0
<input type="checkbox"/> IVR (Interactive Voice Response)	\$799.00	\$ 0
POS Hardware/Equipment <input type="checkbox"/> Card Swipe (\$139.00 / unit) _____ # units	\$139.00	\$ 0
Total Cost		\$ 0



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240 Glenis Drive Murfreesboro, TN 37129
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Client Agreement

This Pay N Seconds Agreement is entered into by and between the above listed Client (CLIENT) and PNS Partners, LLC (PNS), DBA Pay N Seconds with a principal place of business at 240 Glenis Drive, Murfreesboro, Tennessee, 37129 and shall run for the benefit of other parties named herein (the "Agreement"). The Effective Date is the date that PNS signs below.

SCOPE OF SERVICES: PNS will provide billing services on behalf of CLIENT for CLIENT's consumers via a web portal found at www.paynseconds.net, automated telephone service (IVR) and Mobile payment platform SMS called Pay N Seconds. The parties may expand or limit various portions of this Agreement as contained in Addendum A to this Agreement. If there is an Addendum A, the terms of the Addendum shall control if there is a conflict between this Agreement and Addendum A. PNS is a Payment Service Provider who uses its Authorized Processors (PROCESSORS) Bank (BANK) or Banks (BANKS) (the Authorized Processors and their Bank or Banks are referred to collectively herein as "Processors" or "Authorized Processors") to settle transactions to PNS CLIENT'S through the respective card associations or ACH system for eCheck transactions.

1. DEFINITIONS. For purposes of this Agreement, the following shall apply:

- a) "Agreement" means this Agreement entered by and between PNS Partners, LLC and Client.
- b) "Client" means the party identified as such in the signature block.
- c) "Customer" means a person or business that is eligible to pay, or is required to pay, amounts due to Client.
- d) "PNS" or "PNS Partners" means PNS Partners, LLC, a Tennessee Limited Liability Company.
- e) "Processor(s)" or "Authorized Processor(s)" means any company with whom PNS has contracted to settle transactions on behalf of PNS and specifically includes any Bank(s) that Processor may use to settle any such transactions.
- f) "NACHA" means The Electronic Payments Association that manages governance of the ACH network.
- g) "ACH" means a nationwide electronic funds transfer (EFT) system that provides for inter-bank clearing of credit and debit transactions
- h) "ISO" means, collectively, PNS and its Authorized Processors and Independent Sales Organizations, along with any Bank or Banks utilized by PNS, its Authorized Processors and Independent Sales Organizations.
- i) "TMF" means the Terminated CLIENT File.
- j) "Guarantor" means, collectively, the Client, any corporation on whose behalf this Agreement is executed and any party otherwise executing this Agreement, or identified as, a guarantor.
- k) "Card Association" means, a network of issuing banks and acquiring banks that process payment cards such as Visa, MasterCard, and Discover.
- l) "Card" means both the plastic card and other device of the account and the account number, issued to the cardholder, which you accept from your customer as payment for their purchases from the CLIENT, and for the transactions with respect to which PNS agrees to process.
- m) "Service Fee" means a fee that is charged to the Customer for the ability to make a payment through the PNS system.
- n) "Client Service Fee" means all fees due PNS by the Client.
- o) "Principal Amount" means funds due to Client less any Service Fee on all Payment Transactions made through the PNS System.
- p) "PNS System" means any payment type utilized through Pay N Seconds in order to facilitate a Customers payment transaction.
- q) "Payment Transaction" means both Principle amount and Service Fee, all regular, periodic due, fixed dues and assessment payments, and all other amounts, fixed or variable, payable by the Customer to the Client and/or PNS.
- r) "Chargeback" means a reversal of a Card or ACH sale previously settled through the PNS system.

2. PAYMENT SERVICE TYPES:

- a) Web – An online payment application that gives the Customer the option to submit a payment using the Internet.
- b) IVR – An automated Interactive Voice Response system that gives the customer the option to submit a payment using their telephone.
- c) POS – A Point of Sale terminal used to process in person transactions.
- d) Virtual Terminal – A web based virtual terminal that provides live operators the ability to process Customer payments over the telephone.



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- e) Mobile Text (SMS) Bill Pay and EBilling – A service that allows Clients' Customers the ability to view their balance due online, enroll in mobile text (SMS) billing and transmit payment to Client through mobile text (SMS).

3. PNS AGREES TO:

In consideration of the mutual promises and obligations in this Agreement, the sufficiency of which is hereby acknowledged, the parties agree as follows:

- a) Make available Visa, MasterCard, Discover and E-Check processing services to CLIENT for CLIENT's customers and;
- b) Notify CLIENT via email when payments are made to CLIENT and;
- c) Instruct its AUTHORIZED PROCESSORS to initiate a deposit of principal amount due to CLIENT into CLIENT designated bank checking account within two (2) business days for card and five (5) business days for ACH transactions (excluding holidays), and charge CLIENT or CLIENT customers a service fee as listed in PNS pricing section (17) below for all payments processed through PNS and;
- d) Grant access to PNS dashboard for managing account features like employee accounts, location details, payment transactions, scripts, etc. and;
- e) Provide a link from Client website to PNS and;
- f) Provide Training on the use of PNS and;
- g) Provide CLIENT web access to view/run Transaction and Settlement reports;

4. CLIENT AGREES THAT IT SHALL:

- a) Furnish PNS, its Authorized PROCESSORS and its ISO with all underwriting materials prior to approval including but not limited to a minimum of the most current two months bank statements, credit card processing statements (if applicable), previous years financials and a copy of the signers driver's license and;
- b) Confirm that you, your company, its principals and key employees have never been terminated by an ACH or credit card processor and that your company has not been placed on the Terminated CLIENT File (TMF) and;
- c) Pay all applicable setup fees before PNS service begins and any applicable Client Service fees as shown in paragraph 17 and;
- d) Use the PNS system as it was designed and intended for use and;
- e) Comply with all State, Federal, and Local laws, statutes, ordinances, the Electronic Funds Transfer Act, Regulation 'E', other current or prevailing NACHA operating rules, and card association rules (VISA/MasterCard & Discover) in the conduct of its business. These rules are available online at the respective party's websites and;
- f) Maintain a chargeback ratio of less than 1% for all card transactions;
- g) Maintain a minimum of twenty (20) transactions per month as found in terms and conditions C & D and;
- h) Guarantee unconditionally to PNS and its authorized PROCESSORS payment for any and all consumer eCheck/ACH returns and/or Credit or Debit card processing chargebacks that were previously funded by PNS to CLIENT and;
- i) Execute a Sub-CLIENT Agreement with Authorized PROCESSORS if your business processes over \$100,000 in Credit and/or Debit Cards within a calendar year and;
- j) CLIENT will be responsible for inserting web link on CLIENT website for navigating CLIENT customers to PNS and;
- k) CLIENT shall enter into all applicable credit card and ach processing agreements required to process payments with PNS and;
- l) CLIENT shall notify CLIENT customers within 60 days from the Effective Date with instructions on how to access PNS by adding a message to CLIENT business phone messaging system and by inserting instructions on CLIENT customer billing statements and;
- m) CLIENT shall notify all CLIENT customers of any transaction fees to be paid by CLIENT customers and shall be solely responsible for all such notifications to CLIENT customers.

5. TERMS AND CONDITIONS

- a) PNS agrees to provide our services to CLIENT as outlined in this Agreement and;
- b) This Agreement will begin on the Effective Date and continue for a term of 2 (two) years from the Effective Date, unless sooner terminated as provided herein below. After the 2 (two) year term, the Agreement will then automatically renew for additional 1 (one) year periods. Either party has the right to cancel immediately without notice if the either party reasonably suspects fraud, collusion, dishonesty or misrepresentation and;



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- c) When CLIENT owes PNS money for any reason, PNS (through its Processors) may ACH CLIENT's checking account for all fees and/or payments due PNS, with notice. CLIENT must pay PNS on demand for this Agreement and any future agreement and;
- d) A minimum of twenty (20) transactions per monthly billing cycle must be met by the CLIENT. If this minimum transaction limit is not met, a flat charge of \$50 will be electronically debited from CLIENT's bank account by PNS for any CLIENT not meeting the minimum transaction limit and;
- e) A consumer may Chargeback, some or all of a Payment Transaction. If the Consumer only issues a Chargeback for the Service Fee the Client will be responsible to PNS for the Service Fee. If a consumer issues a complete Chargeback including both the Principle Amount and Service Fee both a \$35 Chargeback fee and the original Principle Payment Transaction amount will be debited by ACH from the same account that the funds were deposited into. If an ACH debit returns for any reason by CLIENT's bank, a \$39 fee per occurrence will apply and;
- f) CLIENT acknowledges that all Payment Transactions and credits provided to CLIENT are provisional and subject to suspension, to Chargebacks and to Adjustments in accordance with this Agreement. Without limiting Authorized Processor or PNS remedies, Authorized Processors or PNS may obtain the amount due by deducting it from the Settlement Account, Reserve Account or other accounts of or funds due CLIENT.
- g) If PNS or CLIENT terminates this Agreement, then PNS retains access to CLIENT bank account for 365 days from the time of termination to process chargebacks as per NACHA and Card Association rules and;
- h) All users of PNS must follow PNS's Privacy Policy which may change with or without notice, the terms of which are incorporated by references as if fully set forth herein and found on the PNS website and;
- i) An investigative or Consumer Report may be made in connection with the application. Applicants authorize PNS or its BANK or/and any credit bureau or credit reporting agency employed by PNS and/or agents of PNS to investigate references, statements or data obtained from the CLIENT or any of the principals, officers, employees or agents for the purpose of this application and Agreement and will be used to determine the financial condition of the CLIENT and;
- j) The consumer service fee pricing is based on information provided to PNS from CLIENT as well as the processing cost from Authorized PROCESSORS. PNS reserves the right to adjust pricing if the information provided by CLIENT is not accurate or changes over time and/or in the event the Authorized PROCESSORS increase processing costs to PNS.

6. CORPORATE GUARANTY

FOR VALUE RECEIVED, the undersigned corporation CLIENT guarantees unconditionally to PNS, and its Authorized PROCESSORS, as the case may be, payment at maturity or upon demand of any and all indebtedness obligations, whether direct or indirect, absolute or contingent, primary or secondary, joint or several, and any and all renewals, extensions, restructuring, continuations, consolidations and increases thereof for which PNS or Authorized PROCESSORS now or hereafter may become liable or indebted as a result of PNS processing credit card and ACH payments on behalf of CLIENT, whether arising by contract, chargebacks of credit card items, notes, drafts, overdrafts, discount, under law or in equity or otherwise (hereinafter collectively referred to as the "Guaranteed Indebtedness").

In the event of payments due by PNS or PROCESSORS in the payment or performance of all or any portion of the Guaranteed Indebtedness, when such Guaranteed Indebtedness becomes due, either by its terms or as the result of the exercise of any power to accelerate, CLIENT shall, on demand and without further notice of dishonor, pay the full amount due thereon to PNS at its office in Tennessee. CLIENT hereby waives notice of acceptance of this Guaranty, notice of default to CLIENT and waives all other notices in connection herewith or in connection with the Guaranteed Indebtedness, and further waives diligence, presentment, protest, and suit on the part of PNS or PROCESSORS in the collection of any of the Guaranteed Indebtedness or to foreclose, proceed against, or exhaust any collateral or security for any Guaranteed Indebtedness (or to represent any item that is the subject of any chargeback), before requiring CLIENT to pay the full amount of the liability hereby created. Suit may be brought and maintained against CLIENT at the election of PNS or PROCESSORS without joinder of the Debtor or any other guarantors. CLIENT shall pay PNS and authorized PROCESSORS reasonable collection and attorneys' fees incurred in PNS's effort to collect the Guaranteed Indebtedness from Client. Demand hereunder shall be deemed to have been made when in person or mailed postage prepaid to CLIENTS's address as hereinafter set forth.

This Guaranty is a continuing guaranty and it shall continue to apply without regard to the form or amount of Guaranteed Indebtedness that the Client (with or without notice to CLIENT) may create, incur, renew, extend or alter, in whole or in part. CLIENTS's liability hereunder shall not be affected by any surrender, release, exchange or alteration of any collateral or security for any Guaranteed Indebtedness or any release, settlement, payment (partial or in full) or other agreement with the Client or other person or entity relating to the Guaranteed Indebtedness. The rights of PNS and Authorized PROCESSORS hereunder shall be cumulative. The exercise by PNS or PROCESSORS of any right or remedy hereunder or under any other instrument, or at law or in equity, shall not preclude



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concurrent or subsequent exercise of any right or remedy. This Guaranty is performable for all purposes in Rutherford County, TN, and CLIENT waives the right to sue or be sued elsewhere.

Notwithstanding any other provision of this Guaranty, PNS, PROCESSORS and CLIENT agree that Guarantor shall never be required to pay interest in excess of the maximum interest rate permitted by law. Any contract for interest shall be subject to reduction to the maximum interest rate allowed under law.

This Guaranty shall be governed by and construed in accordance with the laws of the State of Tennessee.

7. PERSONAL GUARANTEE

In the event that the CLIENT Fails to make any payments to PNS, or PROCESSORS, as the case may be, including the failure to pay any Guaranteed Indebtedness or fails to perform in any manner under this Agreement, the Guarantor signed below does hereby promise to make all payments to PNS or PROCESSORS, as the case may be, in the same manner as if they were the party named in this Agreement. This is a guarantee of payment and not collection and the undersigned also guarantees to PNS payment of all cost of collection to enforce this guarantee including PNS or PROCESSORS' legal fees.

8. REPRESENTATIONS AND WARRANTIES

THE WEB SITE SERVICES ARE PROVIDED TO CLIENT ON AN "AS IS" "AS AVAILABLE" BASIS WITHOUT WARRANTY OF ANY KIND EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF CLIENTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT, PNS, AND/OR PROCESSORS MAKE NO WARRANTY AS TO THE ACCURACY, COMPLETENESS, CURRENCY, OR RELIABILITY OF ANY CONTENT AVAILABLE THROUGH THE WEB SERVICE. CLIENT IS RESPONSIBLE FOR VERIFYING ANY INFORMATION BEFORE RELYING ON IT. USE OF THE WEB SERVICE AND THE CONTENT ON THE WEB SERVICE IS AT THE CLIENT'S SOLE RISK. PNS AND/OR PROCESSORS MAKE NOT REPRESENTATIONS OR WARRANTIES THAT USE OF THE WEB SERVICE WILL BE UNINTERRUPTED OR ERROR-FREE.

9. LIMITATION OF LIABILITY

CLIENT releases and discharges PNS and Authorized PROCESSORS, and agrees to indemnify and hold harmless, PNS and Authorized PROCESSORS for any loss, cost, judgment, penalty, claim, action, damage, expenses or attorney's fees which may be incurred by PNS or Authorized PROCESSORS from any loss sustained by CLIENT as a result of any acts, errors, or failures to act of CLIENT, the Automated Clearing House, banks, credit or debit card processors, communications carriers or clearing houses through which entries may be originated or PNS receives or transmits information, and no such entity shall be deemed PNS or Authorized PROCESSORS agent. Further, CLIENT agrees that PNS or Authorized PROCESSORS shall have no responsibility, nor bear any loss, liability or delay caused by fires, earthquakes, wars, civil disturbances, power surges or failures, acts of government, labor disputes, terrorist attacks, failure in communication networks, legal constraints or other events beyond PNS or Authorized PROCESSORS control. No action or proceeding arising out of this Agreement may be brought by us or you more than one year after the cause of action has arisen. If at any time, CLIENT believes PNS is in breach of this Agreement, CLIENT must give an officer of PNS actual written notice and allow PNS or Authorized PROCESSORS thirty (30) days to cure the alleged breach.

10. INTELLECTUAL PROPERTY

"Intellectual Property" means all of the following owned by a party: (i) trademarks and service marks (registered and unregistered) and trade names and goodwill associated therewith; (ii) patents, patentable inventions, computer programs, and software; (iii) databases; (iv) trade secrets and the right to limit the use or disclosure thereof; (v) copyrights in all works, including software programs; and (vi) domain names. The rights owned by a party in its Intellectual Property shall be defined, collectively, as "Intellectual Property Rights." Other than the express licenses granted by this Agreement, PNS grants no right or license to CLIENT by implication, or otherwise to PNS's Products or any Intellectual Property Rights of PNS. PNS shall retain all ownership rights, title, and interest in and to its own products and services (including in the case of any PNS services provided to CLIENT) and all Intellectual Property Rights therein. CLIENT will cooperate with PNS in pursuing such protection. CLIENT acknowledges that all services provided to CLIENT by PNS, including any improvements or changes made in the Intellectual Property or services remain the Intellectual Property of PNS and CLIENT has no ownership rights.

11. MUTUAL INDEMNIFICATION AND HOLD HARMLESS

CLIENT agrees to indemnify and hold harmless PNS and Authorized PROCESSORS, its employees, officers, agents, and directors from any and all Losses, fines, penalties, claims, expenses (including attorney fees), or other liabilities resulting from or in connection with CLIENT's obligations and performance under this Agreement, or CLIENT's breach of this Agreement. PNS agrees to indemnify and hold harmless CLIENT, its employees, officers, agents, and directors from any and all Losses, fines, penalties, claims, expenses (including attorney fees), or other liabilities resulting from or in connection with PNS's obligations and performance under this Agreement, or PNS's breach of this Agreement.



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12. NO MODIFICATIONS

No oral modification to this Agreement will be accepted. Any written modification must be approved in writing by an officer of PNS. PNS is not an agent or fiduciary of CLIENT or others. PNS and Authorized PROCESSORS are arm's length independent contractors. Any unenforceable clause within this Agreement will be excluded and the remainder enforced. PNS or Authorized PROCESSORS may assign this Agreement in writing. If CLIENT transfers or sells its business and the new operator or owner continues to use PNS's service, they are also bound by this Agreement. PNS may change the terms of this Agreement at any time upon reasonable notice to CLIENT.

13. ARBITRATION RESOLUTION

CLIENT agrees that any dispute or claim related this Agreement as between CLIENT and PNS will be settled by the American Arbitration Association using the commercial arbitration rules. Judgment on the award rendered may be entered in a court in Rutherford County, Tennessee. The sole site of the arbitration shall be Rutherford County, Tennessee. Tennessee law will apply. The Arbitrator may, in the Arbitrator's discretion, award the prevailing party in the arbitration up to the full amount of its reasonable costs and expenses occasioned by the arbitration. This may include, but not be limited to, attorney's fees, costs of reproduction, travel expense, and other expense as a direct result of the arbitration.

14. FORCE MAJEURE

Neither party will be responsible for delays or failures on performance resulting from acts beyond the control of such party. Such acts will include but not limited to acts of God, strikes, lockouts, riots, power outages, acts of war, terrorist attacks, epidemics, and government regulations superimposed after the fact, fire, communication line failures, earthquakes or other disasters.

15. COMPLETE AGREEMENT: AMENDMENT

This Agreement and any attached Addendums constitute the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties whether written or oral, referring to the same subject matter. Modifications, amendments, cancellations or supplements to or any other change in any term or condition of this Agreement, including any exhibits, work orders, or other attachments will be enforceable only if they are in writing and are signed by an officer of PNS. CLIENT acknowledges and agrees that PNS' ISO, and in particular Authorized PROCESSORS shall be a third party beneficiary and may enforce this Agreement against CLIENT and guarantees as Guarantors as set forth herein, notwithstanding that such ISO or Authorized PROCESSORS are not signatories hereto.

16. CONFIDENTIALITY

The Parties expressly acknowledge that the data and other information to which the Parties and their employees and agents have access in connection with the negotiation; performance and administration of this Agreement have commercial value and are proprietary to the respective Party. Each Party agrees that it will not use for its own purposes, will not disclose to any third party, and will retain in strictest confidence all information and data belonging to or relating to the business of the other (including without limitation the terms and pricing of this Agreement), and that each Party will safeguard such information and data by using the same degree of care and discretion that it uses to protect its own confidential information.



Phone: 800-353-9130 Fax: 615-869-0435
240 Glenis Drive Murfreesboro, TN 37129
www.paynseconds.com

Client Agreement

17. PNS PRICING

Payment Types Accepted		Monthly Transaction Size & Volume				Client Service Fee	
Payment Method	Average Ticket	Max Ticket	Monthly Volume	Monthly Transactions	Per Transaction		
<input type="checkbox"/> eCheck	\$	\$	\$	#			
<input checked="" type="checkbox"/> Credit / Debit Cards	\$ 150.00	\$ 1599	\$ 5000	#			
<input type="checkbox"/> Debit Only	\$	\$	\$	#			

Client Service Fees						
Service Type	Setup Fee	Discount Rate	Transaction Fee	Monthly Fee	Monthly Min	Service Fee
<input type="checkbox"/> Web	\$	%	\$	\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> IVR	\$	%	\$ (per min)	\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> POS	\$	%	\$	\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Virtual Terminal	\$	%	\$	\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Text (SMS)	\$	%	\$	\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No

Consumer Fee Table		Debit / Credit Pricing				eCheck Pricing	
Service Type	\$ 0 to \$ 149.99	\$ 150.00 to \$ 9999	\$ to \$	\$ to \$	Flat Rate		
<input checked="" type="checkbox"/> Web	\$ 3.50	% \$ 22.35	% \$	% \$	% \$	\$ 3.50	
<input type="checkbox"/> IVR	\$	% \$	% \$	% \$	% \$	\$	
<input type="checkbox"/> POS	\$	% \$	% \$	% \$	% \$	\$	
<input type="checkbox"/> Virtual Terminal	\$	% \$	% \$	% \$	% \$	\$	
<input type="checkbox"/> Text (SMS)	\$	% \$	% \$	% \$	% \$	\$	

Website Design and Setup			
Do you have a website?	If no, would you like us to build you one?	Will we link from your site to Pay N Seconds?	Will we create this link for you?
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Website Contact for your Company	Name	Email	Phone
Technical Contact for your Company	Name	Email	Phone

18. AUTHORITY TO EXECUTE

The party executing this Agreement on behalf of the parties represents and warrants that he or she has been duly-authorized under the party's charter documents and applicable law to do so. This Agreement shall not be effective until executed by a member of PNS Partners, LLC.

CLIENT SIGNATURE AND AUTHORIZATION		
Client Signature <i>Shawn Dickson</i>	Print Name and Title Shawn Dickson Customer Service & Billing Manager	Date 2-22-16
PNS REPRESENTATIVE		
Representative Signature	Print Name and Title	RSP ID #
PNS PARTNERS, LLC		
Signature	Print Name and Title	Effective Date

* Pricing Amended per email (Attached)

Sean McMillan

From: Shawn Dickson
Sent: Friday, October 20, 2017 8:28 AM
To: Lauren Drescher; Sean McMillan
Subject: FW: Integra Water convenience fee

Shawn Dickson

Integra Water

Customer Service Manager

Phone: (877)511-2911 x228

Fax: (205)326-6856

Email: sdickson@integrawater.com

From: John McDonald
Sent: Tuesday, May 10, 2016 9:01 AM
To: Stacey Baxter <sbaxter@payteksolutions.com>
Cc: Shawn Dickson <sdickson@integrawater.com>
Subject: RE: Integra Water convenience fee

Stacey,

Thanks for getting the tiered fee schedule. Please let me know what level of payments would you anticipate needing before another fee break could be expected. Also, please move forward with the accounts mentioned below.

John

John L. McDonald
President



600 University Park Place
Suite 275
Birmingham, AL 35209
205.326.3200 p
205.326.6856 f
www.integrawater.com

From: Stacey Baxter [<mailto:sbaxter@payteksolutions.com>]
Sent: Monday, May 09, 2016 1:39 PM
To: John McDonald <JMcDonald@integrawater.com>
Subject: RE: Integra Water convenience fee

Hi John,

Hope you had a great weekend. Per our discussion last week, the average ticket based on all the processing you have done so far is \$77.00 (attached). This was passed along to Ricky Robinson, our Senior VP, and he has authorized me to adjust the tiered schedule as follows.

Card Payments:

0.01 – 50.00 = \$2.95

50.01 – 149.99 = \$3.50

150.00 – 9999.00 = 2.75%

ACH Payments:

Flat Fee \$2.95

Please let me know if you approve of these changes & I will update the fee schedule.

I also received a request from Shawn to add 2 more accounts (Kingston on Thompson Hill & Bella Vista). Is this something you want me to move forward with? I'm about half way complete with it.

Thanks,

Stacey K Baxter

Senior Account Manager

240 Glenis Drive

Murfreesboro, TN 37129

Toll Free: 800-353-9130 x242

Direct: 615-869-0376

Fax: 615-869-0435

sbaxter@payteksolutions.com

PAYTEK
SOLUTIONS
THE PREMIER PAYMENT PROCESSOR

PAY  **SECONDS**

Work Hard. Trust God. Enjoy Life.

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From: John McDonald [<mailto:JMcDonald@integrawater.com>]

Sent: Friday, May 06, 2016 9:55 AM

To: Stacey Baxter

Subject: Integra Water convenience fee

Stacey,

I realized after hanging up, that Paytek should know exactly what our average transaction is, verses us guessing what the average may be. We have several other accounts with First Data that we are contemplating moving over, but would like

Attachment for CAD
REQUEST 2-31

to see the convenience fee lower first. Please let me know what you are seeing for the average so far on our account. Going forward it will be a bit lower, as the other companies typical bills are smaller.

Thanks,

John

John L. McDonald
President



600 University Park Place
Suite 275
Birmingham, AL 35209
205.326.3200 p
205.326.6856 f
www.integratwater.com

MERCHANT SERVICES AGREEMENT for SUB-MERCHANTS

In connection with Integra Water, LLC ("Merchant") agreement with Pay N Seconds ("Provider"), Vantiv, LLC and its designated Member Bank (collectively "Vantiv") will provide Merchant with certain payment processing services ("Services") in accordance with the terms of this Merchant Services Agreement. In consideration of Merchant's receipt of credit or debit card funded payments, and participation in programs affiliated with MasterCard International Inc. ("MasterCard"), VISA U.S.A. Inc. ("VISA"), Discover ("Discover"), and certain similar entities (collectively, "Associations"), Merchant is required to (i) enter into a direct relationship with an entity that is a member of the Associations and (ii) agree to comply with Association rules as they pertain to applicable credit and debit card payments. By executing this Merchant Services Agreement, Merchant is fulfilling the Association rule of entering into a direct relationship with a Member of the Associations; however, Vantiv understands that Merchant may have contracted with Provider to obtain certain processing services and that Provider may have agreed to be responsible to Merchant for all or part of Merchant's obligations contained herein.

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual promises contained herein, the parties agree as follows:

1. Certain Merchant Responsibilities.

Merchant agrees to participate, and to cause third parties acting as Merchant's agent ("Agents"), to participate, in the Associations in compliance with, and subject to, the by-laws, operating regulations and/or all other rules, policies and procedures of the Associations (collectively "Operating Regulations"). Merchant also agrees to comply with all applicable state, federal, and local laws, rules, and regulations ("Laws"). Without limiting the foregoing, Merchant agrees that it will fully comply with any and all confidentiality and security requirements of the USA Patriot Act (or similar law, rule or regulation), VISA, MasterCard, Discover, and/or Other Networks, including but not limited to the Payment Card Industry Data Security Standard, the VISA Cardholder Information Security Program, the MasterCard Site Data Protection Program, and any other program or requirement that may be published and/or mandated by the Associations. For purposes of this section, Agents include, but are not limited to, Merchant's software providers and/or equipment providers.

If appropriately indicated in Merchant's agreement with Provider, Merchant may be a limited-acceptance Merchant, which means that Merchant has elected to accept only certain Visa and MasterCard card types (i.e., consumer credit, consumer debit, and commercial cards) and must display appropriate signage to indicate the same. Vantiv has no obligation other than those expressly provided under the Operating Regulations and applicable law as they may relate to limited acceptance. Merchant, and not Vantiv, will be solely responsible for the implementation of its decision for limited acceptance, including but not limited to policing the card type(s) accepted at the point of sale.

Merchant shall only complete sales transactions produced as the direct result of bona fide sales made by Merchant to cardholders, and is expressly prohibited from processing, factoring, laundering, offering, and/or presenting sales transactions which are produced as a result of sales made by any person or entity other than Merchant, or for purposes related to financing terrorist activities.

Merchant may set a minimum transaction amount to accept a card that provides access to a credit account, under the following conditions: i) the minimum transaction amount does not differentiate between card issuers; ii) the minimum transaction amount does not differentiate between MasterCard, Visa, or any other acceptance brand; and iii) the minimum transaction amount does not exceed ten dollars (or any higher amount established by the Federal Reserve). Merchant may set a maximum transaction amount to accept a card that provides access to a credit account, under the following conditions: Merchant is a i) department, agency or instrumentality of the U.S. government; ii) corporation owned or controlled by the U.S. government; or iii) Merchant whose primary business is reflected by one of the following MCCs: 8220, 8244, 8249 - Schools, Trade or Vocational; and the maximum transaction amount does not differentiate between MasterCard, Visa, or any other acceptance brand.

2. Merchant Prohibitions.

Merchant must not i) require a cardholder to complete a postcard or similar device that includes the cardholder's account number, card expiration date, signature, or any other card account data in plain view when mailed, ii) add any tax to transactions, unless applicable law expressly requires that a Merchant impose a tax (any tax amount, if allowed, must be included in the transaction amount and not collected separately), iii) request or use an account number for any purpose other than as payment for its goods or services, iv) disburse funds in the form of travelers checks if the sole purpose is to allow the cardholder to make a cash purchase of goods or services from Merchant, v) disburse funds in the form of cash unless Merchant is dispensing funds in the form of travelers checks, TravelMoney cards, or foreign currency (in such case, the transaction amount is limited to the value of the travelers checks, TravelMoney cards, or foreign currency, plus any commission or fee charged by the Merchant), or Merchant is participating in a cash back service, vi) submit any transaction receipt for a transaction that was previously charged back to the acquirer and subsequently returned to Merchant, irrespective of cardholder approval, vii) accept a Visa consumer credit card or commercial Visa product issued by a U.S. issuer to collect or refinance an existing debt, viii) accept a card to collect or refinance an existing debit that has been deemed uncollectable by Merchant, or ix) submit a transaction that represents collection of a dishonored check. Merchant further agrees that, under no circumstance, will Merchant store cardholder data in violation of the Laws or the Operating Regulations including but not limited to the storage of track-2 data. Neither Merchant nor its Agent shall retain or store magnetic-stripe data subsequent to the authorization of a sales transaction.

3. Settlement.

Upon receipt of Merchant's sales data for card transactions through Provider Services, Vantiv will process Merchant's sales data to facilitate the funds transfer between the various Associations and Merchant. After Vantiv receives credit for such sales data, Vantiv will fund Merchant, either directly to the Merchant-Owned Designated Account or through Provider to an account designated by Provider ("Provider Designated Account"), at Vantiv's sole option, for such card transactions. Merchant agrees that the deposit of funds to the Provider Designated Account shall discharge Vantiv of its settlement obligation to Merchant, and that any dispute regarding the receipt or amount of settlement shall be between Provider and Merchant. Vantiv will debit the Provider Designated Account for funds owed to Vantiv as a result of the Services provided hereunder, unless a

Attachment for CAD
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Merchant-owned account is otherwise designated below. Further, if a cardholder disputes a transaction, if a transaction is charged back for any reason, or if Vantiv reasonably believes a transaction is unauthorized or otherwise unacceptable, the amount of such transaction may be charged back and debited from Merchant or Provider.

2. Merchant-Owned Designated Account

Name of Bank: _____
ABA No.: _____
Account No. _____
Account Name: _____

4. Term and Termination

This Merchant Services Agreement shall be binding upon Merchant upon Merchant's execution. The term of this Merchant Services Agreement shall begin, and the terms of the Merchant Services Agreement shall be binding upon Vantiv, on the date Vantiv accepts this Merchant Services Agreement by issuing a merchant identification number, and shall continue until either party gives at least thirty (30) days prior written notice to the other party.

Notwithstanding the foregoing, Vantiv may immediately cease providing Services and/or terminate this Merchant Services Agreement without notice if (i) Merchant or Provider fails to pay any amount to Vantiv when due, (ii) in Vantiv's opinion, provision of a service to Merchant or Provider may be a violation of the Operating Regulations, or any applicable state, federal, or local laws, rules, and regulations ("Laws"), (iii) Vantiv believes that Merchant has violated or is likely to violate the Operating Regulations or the Laws, or iv) Vantiv is required to do so by any of the Associations.

5. Indemnification and Limits of Liability.

Merchant agrees to provide Vantiv with written notice, specifically detailing any alleged failure, within thirty (30) days of the date on which the alleged failure or error first occurred; failure to so provide notice shall be deemed an acceptance by Merchant and a waiver of any and all rights to dispute such failure or error. Vantiv shall bear no liability and have no obligations to correct any errors resulting from Merchant's failure to comply with the duties and obligations of the preceding sentence

Merchant shall indemnify and hold harmless Vantiv, and its directors, officers, employees, affiliates, and agents from and against all proceedings, claims, demands, losses, liabilities, damages and expenses resulting from or otherwise arising out of (i) the Services in this Merchant Services Agreement, (ii) Merchant's or Merchant's employees and agents acts or omissions in connection with the Services provided pursuant to this Merchant Services Agreement, (iii) any infiltration, hack, breach, or violation of the processing system resulting from, arising out of, or in any way related to Merchant's ability to use of the services provided herein including but not limited to Merchant's use of an Agent or any other third party processor or system or (iv) any issue between Merchant and Provider. This indemnification shall survive the termination of the Agreement. Vantiv's liability related to or arising out of this Merchant Services Agreement shall in no event exceed \$5,000. Merchant's sole and exclusive remedy for any and all claims against Vantiv arising out of or in any way related to the transactions contemplated herein shall be termination of this Merchant Services Agreement. Merchant acknowledges that Vantiv is not liable for any action or failure to act by Provider, and that Merchant shall have no liability whatsoever in connection with any products or services provided to Merchant by Provider.

6. Miscellaneous.

This Merchant Services Agreement is entered into, governed by, and construed pursuant to the laws of the State of Ohio without regard to conflicts of law provisions. This Agreement may not be assigned by Merchant without the prior written consent of Vantiv. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, transferees and assignees. This Agreement is for the benefit of, and may be enforced only by, Vantiv and Merchant and is not for the benefit of, and may not be enforced by, any other party. Vantiv may amend this Merchant Services Agreement upon notice to Merchant in accordance with Vantiv's standard operating procedure. If any provision of this Agreement is determined to be illegal or invalid, such illegality or invalidity of that provision will not affect any of the remaining provisions and this Merchant Services Agreement will be construed as if such provision is not contained in the Agreement "Member Bank" as used in this Merchant Services Agreement shall mean a member of VISA, MasterCard and/or Discover, as applicable, that provides sponsorship services in connection with this Merchant Services Agreement. As of the commencement of this Merchant Services Agreement, Member Bank shall be Fifth Third Bank, an Ohio Banking Corporation, located at 38 Fountain Square Plaza, Cincinnati, OH 45263. The Member Bank is a party to this Merchant Services Agreement. The Member Bank may be changed, and its rights and obligations assigned to another party by Vantiv at any time without notice to Merchant.

IN WITNESS WHEREOF, this Merchant Services Agreement has been executed by the parties' authorized officers as of the dates set forth below.

Integra Water, LLC

By: Shawn Dickson
Name: Shawn Dickson
Title: Manager of Customer Service Billing
Date: 2-22-16
Address: 600 University Park Place, Ste 275
Birmingham, AL 35209

Pay N Seconds

By: _____
Name: _____
Title: _____
Date: _____
Address: _____



EFT Network, Inc.

Reset Form

Merchant Processing Application/Agreement Additional Information Addendum

Thank you for your application for ACH/Check 21 Processing Services offered by EFT Network, Inc.

Owing to more stringent Audit & Regulatory Requirements being enforced by various entities of our Federal and State Government's banking authorities and NACHA itself, we are now required to collect more detailed information relating to the business activities of our prospective customers. While the heightened level of this enforcement is 'new', the concept itself is not, and falls well within the 'Know Your Customer' obligations of all participants in the banking system, including EFTN as your ACH/Check 21 Processor.

Accordingly, please provide answers/information to the following:

1. Name of your company/organization:
Integra Water
2. Name and date of person completing this form on behalf of company/organization:
Name: Carrie Schaffer Date: (mm/dd/yyyy)
3. How did you come to know EFT Network as a source for ACH/Check 21 processing?:
Paytek Solutions
4. State/describe the basic or general nature & purpose of your company/organization's business activity:
Utility
5. Please describe in detail the products or services offered by your company/organization:
6. Who do you typically offer or sell your products or services to? (ie. consumers or other businesses?):
Both
7. How are your products or services offered or sold to your customers? (ie. direct 'storefront' sales, website, telephone sales, wholesale to others, etc.):
Direct
8. If you are a Third Party Collection Agency, what type of collections work are you performing? (ie. collecting NSF checks/ACH or collecting on bad debt.):
NA
9. Third Party Collection Agencies
- a. If you are a Third Party Collection Agency, describe your typical customer clients. (ie. medical, credit card, auto loan, mortgage, commercial debt holders, etc.)
NA
- b. If you are a Third Party Collection Agency, are You or any of your customers processing debt related to payday loan companies or debt consolidators?
NA
- c. If you are a Third Party Collection Agency, please list all associations and industry groups you belong to.
NA
10. Please note your primary website address.
carries@ums2000.com
11. If we have any follow-up questions, who can we contact?
Name: Carrie Schaffer
Title: Representative
Phone: (256) 734-0007
Email:

Please **Save & Print** form and fax back to 914.747.7218 attn: New Business or **Click Here** to submit form via email.

For questions, please call 800.492.2794 x. 610

Thank you for your cooperation!

TARIFF OF

INTEGRA WATER TENNESSEE, LLC

SCHEDULE OF RATES, TERMS AND CONDITIONS FOR WASTEWATER SERVICE FOR CASEY COVER SUBDIVISION

Issued by: INTEGRA WATER TENNESSEE, LLC

Address: 600 UNIVERSITY PARK PL STE 275
BIRMINGHAM, AL 35209-6789 USA

Issue Date:

Effective Date:

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Schedule of Rates and Charges

Residential Monthly Wastewater Service: \$90 per month
All residential customers

Miscellaneous Charges:

Application Fee	\$20
Reconnection Charge	\$100
Late Payment Penalty	10 % per month
Credit Card Convenience Fee	\$2.95/transaction for bill \$0-\$49.99 \$3.50/transaction for bill \$50-\$149.99 2.75%/total amount for bill over \$150
Security Deposit	1x the monthly wastewater service charge
Return Check Fee	\$23.50

No other charges or fees of any other type by whatever name can be charged to any customer without the prior approval of the TPUC.

RULES AND REGULATIONS

1. Purpose

The general purpose of these rules and regulations are to establish procedures for furnishing wastewater service on a uniform basis to the customers within the service area boundary of Integra Water Tennessee, LLC.

2. Definitions

- A. Company – shall mean Integra Water Tennessee, LLC
- B. Customer – shall mean any person who receives wastewater service from the Company.
- C. Commission – shall mean the Tennessee Public Utility Commission.
- D. Residential Service – shall mean the provision of wastewater service to a customer whose primary use is for a customer's personal dwelling or residence.
- E. Commercial Service – shall mean the provision of wastewater service to a customer whose primary use is other than residential service.

3. Authorization of Rules and Regulations

Integra Water Tennessee, LLC, a corporation organized and engaged in business as a wastewater public utility in the state of Tennessee under a Certificate of Convenience and Necessity approved by the Tennessee Public Utility Commission on _____, 2017 under Docket No. _____.

4. Application and Contract

Each customer will complete an application for wastewater service in the form attached as Exhibit A. A customer may be asked to provide a security deposit of no more than 1 times the monthly scheduled tariff charges if they are not able to provide evidence they have previously received utility services for a period of 12 months with timely payments or they are a service member of the armed forces. The security deposit shall be held in an escrow account and returned to the customer at the end of 12 months of service with timely payments.

5. Customer Duty and Responsibility

- A. Each customer shall have the duty to maintain their wastewater system on the customer's side of the wastewater connection. Failure to properly maintain service lines may result in temporary suspension of wastewater service after proper notice and an opportunity to respond.
- B. Each customer shall have the responsibility to promptly notify the Company of any and all service interruptions, unexpected odors and leaks of the system for which the customer becomes aware.

6. Company Contact

- A. The Company's company customer contact information is listed here and Company representatives shall be available Monday – Friday from 8 a.m. to 5 p.m. local time (Central Time Zone) of the customers to respond to customer inquiries.

Customer Service
600 University Park Place Suite 275
Birmingham, AL 35209-6789 USA
Phone: 877-511-2911
Email: info@integrawater.com
Website: www.integrawater.com

- B. The Company's Emergency Contact is listed here for customers to report emergency situations such as service interruptions, odor issues and leaks in the system. The

number shall be answered 24 hours per day 7 days a week by a live person. The number shall appear on all communications with customers including billings:

Customer Service
600 University Park Place Suite 275
Birmingham, AL 35209-6789 USA
Phone: 877-511-2911

7. Billing and Payment

- A. Bills cannot be paid in person.
- B. Consumers may pay bills by check, auto draft, over the telephone or online.
- C. Bills for monthly wastewater service will be mailed to the customer during the first week of each month for the wastewater service for that month's service.
- D. In addition to three days allowed for mailing of the bills, customers shall have at least 14 days additional days after the mailing of the bill to remit their payment for the particular month's service.
- E. Wastewater bills shall be paid by the due date on the bill. The due date shall be at a minimum 17 days after mailing of the bill by the Company.
- F. When the due date for a bill falls on a weekend or holiday, the due date shall be the next business day.

8. Disputed Bill

In disputing a period billing statement, a customer shall first try to resolve the issue by discussion with the Company's personnel. The Company's personnel shall investigate the disputed issue and shall try to resolve that issue by negotiation. If the negotiation does not resolve the dispute, the account holder may obtain informal review by contacting the Consumer Services Division and formal review with the Public Service Commission. While an account holder is proceeding with either informal or formal review of a dispute, no termination of service shall be permitted if amounts not disputed are paid when due.

9. Nonpayment Penalties

- A. A penalty of 10% of the monthly charges shall be due after the 25th day after the date on the bill. Thereafter, after 3 days and notice and an opportunity to respond is provided to the customer, the Company may disconnect the customer's service.
- B. A fee of \$100 will be charged for reconnection of service.

- C. The Company may permit the customer to make payments to bring their account current including the costs of the disconnection and re-connection fees for a period of up to 5 month billing cycles. Service shall be promptly turned back on again upon payment of the charges or payment of the first payment by the customer arranged payment plan to the Company.
- D. If the customer is a member of the armed services on active duty, the Company will comply with state and federal law regarding collection from active duty service members before disconnecting service.

10. Credit/Debit Card Use Fees

The Company will clearly and conspicuously advise its customers of the fact it charges a fee to pay the customer's bill by debit or credit card on its bills and it shall be a separate clearly delineated charge. The notice shall include the amount of the fee and methods of payment available to the customer without having to pay the fee. The Company's website shall also include the notice.

11. Alternate Address Notification

Customers may provide an alternate address for notification for potential disconnection that will also receive any required notices of disconnection. In addition during the initial application for service of process, the customer will be notified at least twice a year of this option on the monthly bills along with the address and telephone number to contact to add the additional address. The Company's website shall also clearly and conspicuously disclose how to add an alternate address notification to the customer's account.

12. Disconnection of Service

After notice and an opportunity to be heard is given to the customer, service under any customer contract may be discontinued if the following reasons exist:

- A. Nonpayment as set forth in this tariff.
- B. Material misrepresentation on an application.
- C. For modifying or repairing any Company property without Company permission.
- D. For intentionally damaging any service pipes or Company property.
- E. Abandonment or vacating the premises for more than 30 days without notice to the Company and nonpayment as set forth in this tariff.

13. Change in Ownership, Tenancy Service

A new application and agreement must be made and approved by the Company on any change in ownership of property, or in tenancy, or in the service as described in the application. In the event of failure of a new owner or tenant to make such application, the Company shall have the right to discontinue service until such new application is made and approved.

14. Customer's Statement of Rights and Responsibilities

The Company will provide a copy of the "Customer's Statement of Rights and Responsibilities" when sewer service is extended to an account holder, annually, and upon first notice of an impending service disconnection.

15. Construction Standards

Within 10 days of a written request, the Company shall provide copies of its required construction standards at no costs. The standards shall also be filed with the TPUC and any updates provided within 10 business days of becoming effective to the TPUC.

16. Inspection

All pipes, valves and fixtures of the Company shall be subject to inspection by the Company or its duly authorized agent during reasonable hours and times.

17. TPUC Regulations

The Company in its operation shall comply with all the applicable rules and regulations promulgated from time to time by the TPUC.

STATEMENT OF UTILITY CUSTOMER RIGHTS AND RESPONSIBILITIES

The Tennessee Utility Commission has established rules about utility/consumer/ company relationships. These rules cover customer relations, customer billing, reconnection, service disconnection and other matters. These rules assure Customers of certain rights and outline Customer responsibilities.

Customer Rights. The Company will:

- Provide service if you are a qualified applicant.
- Follow specific procedures for service disconnection.
- Continue service for a reasonable time if you provide a physician's statement that a medical emergency exists in your home.
- Give you written information about Commission rules and your rights and responsibilities as a Customer under those rules.

Customer Responsibilities. You, the Customer will:

- Use services safely and pay for them promptly.
- Contact the Company when you have a problem with payment, service, safety, billing, or customer service.
- Notify the Company about billing or other errors.
- Contact the Company when you anticipate a payment problem to attempt to develop a payment plan.
- Notify the Company when you are moving to another residence.
- Notify the Company about stopping service in your name or about stopping service altogether.
- Permit access for essential Company personnel and equipment.

To contact the Company, call the telephone number shown on your utility bill.

If you have a problem, call the Company first at

Customer Service
600 University Park Place Suite 275
Birmingham, AL 35209-6789 USA
Phone: 877-511-2911

If you cannot resolve the problem you may obtain contact the Consumer Services Division of the Tennessee Public Utility Commission at the following

Telephone number: (615) 741-2904

Facsimile: (615)741-8953

Mailing Address: 502 Deaderick Street, 4th Floor, Nashville, TN 37243

Website Address: <http://www.tn.gov/tpuc/article/csd-online-utility-complaint-form>