

October 25, 2017

DOCKET NO.

17-00118

Chairman David Jones
c/o Sharla Dillon
Tennessee Public Utilities Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243

RE: Petition of Tennessee Wastewater Systems, Inc. For Approval of Financing Arrangement

Dear Chairman Jones,

Enclosed, please find the filing fee and an original and four (4) copies of Tennessee Wastewater's Petition for Approval of Financing Arrangement seeking the Commission's approval of a loan for the purchase of a new vehicle.

Please let me know if you have any questions.

Kind regards,



Jeff Risdien
General Counsel

BEFORE THE TENNESSEE REGULATORY AUTHORITY

IN RE:

**PETITION OF TENNESSEE
WASTEWATER SYSTEMS, INC., FOR
APPROVAL OF FINANCING
ARRANGEMENT**

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DOCKET NO.

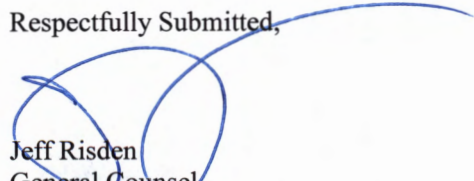
17-00118

**PETITION OF TENNESSEE WASTEWATER SYSTEMS, INC. FOR APPROVAL OF FINANCING
ARRANGEMENT**

Tennessee Wastewater Systems, Inc. ("TWSI") petitions the Tennessee Regulatory Authority ("TRA") to approve the attached loan pursuant to T.C.A. § 65-4-109. TWSI has negotiated a loan with Wilson Bank and Trust for \$43,007.88 (Exhibit A) for the purchase of a truck (Exhibit B) necessary for system operators to perform their operational and maintenance duties.

The loan is necessary so that TWSI can continue to provide a high level of service to its customers and comply with state regulations. The terms and conditions of the financing arrangement is described in the attached loan documents. The loan has been obtained at reasonable terms, supports purchases that are not uncommon in the utility and wastewater industries, is similar to vehicle loans this Commission has previously approved for TWSI, and is in the public interest. TWSI hereby respectfully requests the Authority to approve the financing arrangement.

Respectfully Submitted,


Jeff Ridsen
General Counsel

Tennessee Wastewater Systems, Inc.
851A Aviation Parkway
Smyrna, TN 37167
Phone: 615-220-7171
Email: jeff.ridsen@adenus.com



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**PROMISSORY NOTE**

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$43,007.88	10-18-2017	10-18-2021	70000342694	4 / 103	TAA1284	039	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "*****" has been omitted due to text length limitations.

Borrower: TENNESSEE WASTEWATER SYSTEMS INC
851 AVIATION PKWY
SMYRNA, TN 37167-0000

Lender: WILSON BANK & TRUST
Smyrna Office
210 Commerce Drive
Smyrna, TN 37167

Principal Amount: \$43,007.88**Interest Rate: 5.000%****Date of Note: October 18, 2017**

PROMISE TO PAY. TENNESSEE WASTEWATER SYSTEMS INC ("Borrower") promises to pay to WILSON BANK & TRUST ("Lender"), or order, in lawful money of the United States of America, the principal amount of Forty-three Thousand Seven & 88/100 Dollars (\$43,007.88), together with interest on the unpaid principal balance from October 18, 2017, calculated as described in the "INTEREST CALCULATION METHOD" paragraph using an interest rate of 5.000% per annum, until paid in full. The interest rate may change under the terms and conditions of the "INTEREST AFTER DEFAULT" section.

PAYMENT. Borrower will pay this loan in full immediately upon Lender's demand. If no demand is made, Borrower will pay this loan in 47 payments of \$990.45 each payment and an irregular last payment estimated at \$990.25. Borrower's first payment is due November 18, 2017, and all subsequent payments are due on the same day of each month after that. Borrower's final payment will be due on October 18, 2021, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; and then to any late charges. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year (365 during leap years), multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

PREPAYMENT. Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. Except for the foregoing, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Wilson Bank & Trust, Attn: Loan Servicing, P.O. Box 768 Lebanon, TN 37088.

LATE CHARGE. If a payment is 15 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased to 18.000% per annum. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Insolvency. The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

Change In Ownership. Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment, is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within thirty (30) days; or (2) if the cure requires more than thirty (30) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of

the State of Tennessee without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Tennessee.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of WILSON County, State of Tennessee.

DISHONORED ITEM FEE. Borrower will pay a fee to Lender of \$25.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts.

COLLATERAL. Borrower acknowledges this Note is secured by 2017 CHEVROLET SILVERADO 2500 CK25953 DOUBLE CAB 4W VIN #1GB2KUEG5HZ319504.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

USURY SAVINGS CLAUSE. It is the intention of Lender and Borrower to comply strictly with all applicable usury laws; and, accordingly, in no event and upon no contingency shall Lender ever be entitled to charge, receive, collect, or apply as interest any interest, fees, charges, or other payments equivalent to interest, in excess of the maximum rate which the Lender may lawfully charge under applicable state and federal statutes and laws from time to time in effect; and, in the event that Lender ever receives, collects, or applies as interest, any such excess, such amount which, but for this provision, would be excessive interest shall be applied to the reduction of the unpaid principal amount of the Note; and, if said principal amount and all lawful interest thereon is paid in full, any remaining excess shall be refunded to Borrower. All interest paid or agreed to be paid shall, to the maximum extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of the loan, including any renewals, until payment in full of the principal. Any provision hereof, or of any other agreement between Lender and Borrower, that operates to bind, obligate, or compel Borrower to pay interest in excess of such maximum lawful contract rate shall be construed to require the payment of the maximum rate only. The provisions of this paragraph shall be given precedence over any other provision contained herein or in any other agreement between Lender and Borrower that is in conflict with the provisions of this paragraph.


GENERAL PROVISIONS. This Note is payable on demand. The inclusion of specific default provisions or rights of Lender shall not preclude Lender's right to declare payment of this Note on its demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

TENNESSEE WASTEWATER SYSTEMS INC

By: 
CHARLES HYATT, President of TENNESSEE
WASTEWATER SYSTEMS INC

LENDER:

WILSON BANK & TRUST

x 
John W. Foster, SVP - Head of Consumer Lending



AUTHORIZED AGREEMENT FOR DIRECT PAYMENTS (ACH DEBITS)

Company Name: Wilson Bank and Trust

Company ID: 62-1310507

I (we) hereby authorize Wilson Bank and Trust, hereinafter called COMPANY, to initiate debit entries to my (our) () Checking () Savings account (select one) indicated below at the depository financial institution named below, hereinafter called DEPOSITORY, and to debit the same to such account.

RDFI (BANK)

NAME _____ BRANCH _____

CITY _____ STATE _____ ZIP _____

ROUTING NUMBER _____ ACCOUNT NUMBER _____

This authorization is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it.

SIGNATURE _____ DATE _____

*****PLEASE ATTACH A VOIDED CHECK WITH THIS APPLICATION*****

CUSTOMER NAME _____

LOAN ACCOUNT NUMBER _____

DEBIT AMOUNT _____

LOAN PAYMENT AMOUNT _____

USE PAYMENT AMOUNT FOR TRANSFER (Y/N) _____

USE DEBIT AMOUNT FOR LOANS (Y/N) _____

PAYMENT FREQUENCY _____
(Monthly, Weekly, Quarterly, Annually)

FIRST EFFECTIVE DATE _____

EXPIRATION DATE _____

Employee's Signature _____

Date _____

Serra Chevrolet Buick GMC					BUYER'S ORDER				
2340 Gallatin Pike N, Madison, TN 37115 (615) 851-8000					Cust Number	108779	Date	10/16/2017	
					County	Rutherford	Stock No	C71897	
Purchaser's Name		Tennessee Wastewater Systems Inc			Salesperson	Lockert, Victor	Mileage	12	
Purchaser's Name					VIN	1GB2KUEG5HZ319504			
Address		851 Aviation Parkway Smyrna, TN 37167							
Phone	(615) 220-7179		Phone WVP: (615) 220-7207		XX New ___ Used ___ Demo ___ Car ___ XX Truck				
Year	Make	Model	Model #	Color	Body Style	Cylinders			
2017	Chevrolet	Silverado 2500	CK25953	White	Double Cab 4W				
FACTORY ACCESSORIES				Total Sales Price		40,606.50			
				Service Contract		N/A			
				Tire & Wheel Road Hzd		N/A			
				Secure etch		N/A			
				Processing Fee		N/A			
DEALER ACCESSORIES				Misc. Taxes/Fees		5.00			
Buyer understands the following charges or accessories are non-General Motors Products				State and Local Sales Tax		2,926.72			
				Business Tax		60.91			
				License/Title Fees		213.75			
				TOTAL CASH PRICE		43,812.88			
1) 1000.00 2) N/A 3) N/A 4) N/A 5) N/A				Rebates/Incentives		1,000.00			
The information you see on the Buyer's Guide for this vehicle is part of this contract. Information on the window form overrides any contrary provisions in the contract of sale.				Deposit/Down Payment		N/A			
Trade-In 2				Trade-In 1		N/A			
Yr/Make/Model				Yr/Make/Model					
VIN				VIN					
Mileage/Color				Mileage/Color					
**LIEN PAYOFF AFFIDAVIT				Lien Payoff		N/A			
This is an estimated payoff only since we cannot confirm an exact amount at this time, and if the actual payoff is higher than the amount stated, it will be necessary to collect additional money. Customer agrees to pay any additional monies within 48 hours of being notified. If payment is not received, the undersigned customer authorizes Serra Chevrolet-Buick-GMC to record a lien on the vehicle being purchased.				Account No					
				Lender					
				Address					
				Good Until					
x _____ Date 10/16/2017				Title to trade-in is guaranteed to be free of second liens and is not a reconstructed vehicle.					
x _____ Date _____									
Term	2	Payment	21406.44	Total Down Payment		1,000.00			
Begin Date	10/16/2017			Amount to be Financed		42,812.88			
Lender	WILSON BANK AND TRUST			GAP		0.00			
	1130 N. CASTLE HIGHTS AVE Lebanon, TN 37087			Credit Life Ins. Yes <input checked="" type="checkbox"/> No ___ Age		N/A			
I have read the matter on the back hereof and agree to it as a part of this order the same as if it were printed above my signature. The front and back hereof comprise the entire agreement pertaining to this purchase and no other agreement of any kind, verbal understanding or promise has been made. Purchaser certifies s/he is 18 years of age or older. Processing fees represent a charge by Serra Chevrolet-Buick-GMC for the processing, and continuing maintenance, of all paperwork associated with this transaction.				Accident & Health Ins. Yes <input checked="" type="checkbox"/> No ___		N/A			
				VSI		N/A			
				Total		42,812.88			
The undersigned hereby acknowledges receipt of a true and complete copy of this order at the time of its execution.									
This Contract is expressly subject to the terms of the Third Party Financing and Payoff Statements of even date executed by Buyer, if applicable.									
Buyer's Signature				Buyer's Signature					
Not Valid Unless Accepted by Serra Chevrolet-Buick-GMC:									
Unless this box is marked, this will serve as written permission to be contacted at any time by dealership regardless of Federal or State "Do Not Call" lists.									
ID VERIFIED W/DL				POWER OF ATTORNEY					
I hereby appoint _____ of _____ as my attorney in fact to sign my name to all applicable documentation relative to any title or registration transactions for the vehicles described above.									
Buyer	Date 10/16/2017	Co-Buyer	Date	Authorized Signature					
Notary Public				My Commission Expires					
ODOMETER DISCLOSURE STATEMENT									
I, Serra Chevrolet-Buick-GMC, state that the odometer of the vehicle described below now reads 12 (no tenths) miles and to the best of my knowledge that it reflects the actual mileage of the vehicle described below unless one of the following statements is checked.									
{ } I hereby certify that to the best of my knowledge the odometer reading reflects the amount of mileage in excess of its mechanical limits.									
{ } I hereby certify that the odometer reading is NOT the actual mileage. WARNING - ODOMETER DISCREPANCY.									
MAKE	Chevrolet	MODEL	Silverado 2500	BODY TYPE	Double Cab 4WD	VIN NO.	1GB2KUEG5HZ319504	YEAR	2017
Federal law (and state law, if applicable) requires that you state the mileage upon transfer of ownership, failure to complete or providing a false statement may result in fines and/or imprisonment.									
Street		2340 Gallatin Pike N		City		Madison		State TN ZIP 37115	
DATE OF STATEMENT		10/16/2017		(SELLER) TRANSFEROR'S SIGNATURE		(SELLER) TRANSFEROR'S PRINTED NAME			
TRANSFeree's NAME AND ADDRESS (BUYER)				(BUYER'S) TRANSFeree's SIGNATURE		(BUYER'S) TRANSFeree's PRINTED NAME			
Tennessee Wastewater Systems Inc									
Street		City		State		Zip			
851 Aviation Parkway		Smyrna TN 37167							

BEFORE THE TENNESSEE REGULATORY AUTHORITY

IN RE:)	
)	
PETITION OF TENNESSEE)	DOCKET NO. _____
WASTEWATER SYSTEMS, INC.,)	
FOR APPROVAL OF LOANS)	

DIRECT TESTIMONY OF CHARLES HYATT

Q: What is your name and occupation?

A: I am Charles Hyatt, president of Tennessee Wastewater Systems, Inc. ("TWSI").

Q: What is the purpose of your testimony?

A: The purpose of my testimony is to explain the purpose and necessity of the loan that is the subject of this petition.

Q: Are you familiar with the petition that has been filed in this matter?

A: Yes.

Q: Would you summarize the petition?

A: TWSI asks the Authority to approve a loan in the amount of \$43,007.88 from Wilson Bank and Trust. The loan is for the purchase of a truck for Tennessee Wastewater Systems, Inc.

Q: Why is the truck necessary?

A: The truck is replacing an older one in our fleet which is currently used by facility operators. The truck is used for transportation to and from the facilities, maintenance calls, and line locates. The truck is used every day in the ordinary course of our business and is considered by us to be reasonable business expenditure.

Q: What kind of security is being used for this loan?

A: The truck is the collateral. There are no personal guarantees from any of the owners of TWSI or affiliates.

Q: What impact will this loan have on customer rates?

A: In the short term, there will be no impact on customer rates. In this petition we are not asking the Authority for an increase in rates, just the approval of the financing arrangement. We do anticipate re-filing for a rate increase at some point in the future, at which time all the utility's expenses will be considered as we seek to determine a fair and reasonable rate structure.

Q: How does this financing arrangement address any public interest concerns?

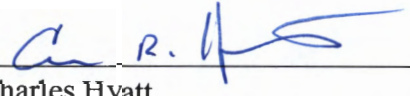
A: The financing arrangement is consistent with the public interest and will not impair the ability of TWSI to perform services to the customer. The public interest does not include just the rate the customers are asked to pay. The public also has an interest in the proper operation, management, and maintenance of their wastewater systems by the utility. This loan allows TWSI to continue to provide the highest level of service to its customers and remain responsive to their needs.

Q: Does this complete your testimony?

A: Yes

AFFIDAVIT


My name is Charles Hyatt and the attached is direct testimony and is true and correct to the best of my knowledge.


Charles Hyatt

County of Rutherford)
State of Tennessee)

On this 24 day of October, 2017, personally appeared before me, the above-named Charles Hyatt known to me personally who was duly sworn and on oath executed the above Affidavit.




Notary

My commission expires: 12/1/2020