

**FARRIS BOBANGO, PLC**

ATTORNEYS AT LAW

Nashville · Memphis

PHILIPS PLAZA  
414 UNION STREET, SUITE 1105  
NASHVILLE, TENNESSEE 37219

(615) 726-1200 telephone · (615) 726-1776 facsimile

Tyler A. Cosby  
tcosby@farris-law.com

(615) 687-4225 (direct)

July 21, 2020

**VIA ELECTRONIC FILING**

Chairman Robin L. Morrison  
c/o Ectory Lawless  
Tennessee Public Utilities Commission  
502 Deaderick Street, 4<sup>th</sup> Floor  
Nashville, TN 37243

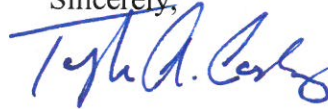
**RE:** *Docket 20-00038 Petition of Integrated Resource Management, Inc. for a Certificate of Convenience and Necessity.*

Dear Chairman Morrison:

Attached for filing, please find a Second Amended and Restated Utility Services Agreement, supplemental engineering design plans, the Pre-Filed Direct Testimony of Joe Shirley in Docket 15-00130 referencing the depreciation rates for the system, and the contractor's license as required by TPUC Rule 1220-04-13(2)(c)(4).

As required, I have mailed the originals of each document to the TPUC office. Please let us know if you require any additional information.

Sincerely,



Tyler A. Cosby

Encls.

Cc: Jeffrey Cox



**Integrated Resource Management, Inc.**

*A Privately Owned Public Utility*

P.O. Box 642

3444 Saint Andrews Drive

White Pine, Tennessee 37890

Phone (Vol) 674-0828

Facsimile (Vol) 674-2352

Toll Free (877) 746-2910

**SECOND AMENDED AND RESTATED UTILITY  
SERVICES AGREEMENT**

This Amended and Restated Utility Services Agreement (the "Agreement") is made and entered into effective the 20<sup>th</sup> day of July, 2020, by and between Integrated Resource Management, Inc. d/b/a IRM Utility, Inc., a Tennessee Corporation, with its principal office located at 3444 Saint Andrews Drive, White Pine, Tennessee, 37890 (the "Utility") and September Bloom, Inc., a Tennessee Corporation, with its principal office located at 118 Seva Lane, McMinnville, TN 37110 (the "Developer"), (collectively, the "Parties").

**Recitals:**

1. Developer is the record owner of ISHA Enclave Subdivision (the "Development") recorded in the Registered of Deeds Office in Van Buren County, Tennessee; and

2. The Utility is a privately owned public utility in the business of providing wastewater and sewer treatment systems to residential and commercial consumers.

**NOW, THEREFORE,** in consideration of the mutual promises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Developer shall construct and install a sewage collection, treatment, and disposal system in the Development. Upon the completion of the construction and installation of the System and acceptance by the Utility, the Developer shall convey title to the "entire Wastewater System" (as defined in TPUC Rule. 1220-04-13.02(7), hereinafter referred to as the "System") and the underlying real property on which the System is installed. In addition, the Developer shall convey, to the Utility, a perpetual Utility easement in order to access the entire System (including each and every pipe that connects the main lines to the individual lines and any access through the development to System. Developer and Utility enter into this Agreement for the purpose of establishing the terms and conditions for

Utility Services Agreement

**IRM Utility, Inc. & September Bloom, LLC**  
ISH Enclave Subdivision, Van Buren County

   
Page 1 of 6



construction, installation, operation, and maintenance of the System. Upon the execution of this Agreement, and prior to consideration by the Tennessee Public Utilities Commission ("TPUC") of the IRM Petition for a Certificate of Public Convenience and Necessity in docket number 20-00038, the Developer shall deposit into an escrow account ("Escrow Account") an amount sufficient to ensure payment of all costs for the construction of the System, including without limitation all regulatory, licensing, and conveyance fees (the "Costs"), and the payment of any income taxes ("Taxes") which accrue as an obligation of the Utility in accordance with the federal Tax Cuts and Jobs Act of 2017 and any other applicable provision of the Internal Revenue Code, as calculated in accordance with TPUC Tariff No. 1 Section 7. The Escrow Account shall be opened in the name of a third-party chosen by agreement of the Parties and shall be administered in accordance with the terms of a written escrow agreement.

2. The Developer shall construct and install the System to serve the Development in accordance with drawings, plans, and specifications selected and approved by Utility's engineers or representatives. The replacement, repair, maintenance, and operation and non-routine maintenance of the System installed to serve the Development shall be the responsibility of the Utility after the construction of the System is complete and approved for operation by the Utility.

3. The Developer shall provide a cash deposit of \$796,010 ("Cash Deposit"), as surety, to ensure completion of the construction of the system to serve Phase I of the Development, prior to the approval of the plat. The funds shall be deposited into a Reserve Account, under the control of a third-party escrow company. \$521,810.00 has already been deposited into the escrow account. The Developer shall pay any and all expenses associated with setting up the third-party escrow company and terms of such will be approved by Utility. The amount is equal to the Utility's estimated cost to construct and install the System plus twenty percent (20%) of such costs. All remaining amounts of the Cash Deposit is refundable back to the Developer, if not needed to complete the construction of the system. Once the system is at 80% capacity, the Parties shall agree to the cost for the construction of the system to serve Phase II and the amount of financial security, consistent with the terms of this Paragraph 3, for the construction of the system to serve Phase II of the Development. All parties shall instruct the third-party escrow company to release the entire Cash Deposit back to the Developer if Utility or construction subcontractor does not receive the required appropriate regulatory authorization.

4. The Cash Deposit shall be used to provide for the payment of all Costs and fees. The Developer shall perform all of the work necessary for the complete and final installation of the System in accordance with the drawings, plans, and specifications approved by Utility's engineers or its representatives. The estimated Costs and Taxes are attached hereto as **Appendix I** to this Amendment and shall include an "Contingency" amount equal to twenty percent (20%) of the estimated Costs which shall be refunded to Developer to the extent the Contingency

Utility Services Agreement

**IRM Utility, Inc. & September Bloom, LLC**

**ISH Enclave Subdivision, Van Buren County**



Page 2 of 6



is not used for completion of the System. The Developer's deposit to the Escrow Account shall equal the total of the estimated Costs and estimated Taxes.

5. Unless other satisfactory arrangements are agreed upon by the Parties, the Developer shall pay Utility a non-refundable amount equal to ten percent (10%) of the estimated construction cost of the System for the expenses incurred by the Utility during construction as inspection fees.

6. Construction of the System shall be subject to the supervision and approval of Utility. The Utility shall have a right of inspection throughout the progress of the work. The Utility will coordinate with the construction subcontractor not to backfill soils over or cover any pipe, fittings, or connections until first inspected and approved by Utility. Utility will be responsible for documenting the locations of the various components of the System. If any digging or drilling is required of other contractors during or after the construction of the System, then Utility shall stake out, mark and locate the components to avoid accidental damage. If another contractor damages the System because a component was not accurately located by Utility, then Utility shall repair at its own expense. If another subcontractor damages the System due to the negligence of that contractor, then Developer shall advance the funds to repair the System.

7. The Utility shall petition the Tennessee Public Utilities Commission ("TPUC") for a Certificate of Public Convenience and Necessity ("CCN") authorizing the utility to provide the services to the Development. Utility shall supply TPCU the engineering and design of the System showing where the easements will be needed to provide wastewater services to the Development. All cost associated with the petition for a CCN, including reasonable attorney fees, shall be paid by the Developer. The Developer shall apply and provide for the payment of any fees necessary for a state operating permit to be issued in the name of the Utility by the Tennessee Department of Environment and Conservation ("TDEC"). In the event the CCN is not issued by TPUC or the state operating permit is not issued by TDEC, the Developer agrees to release, indemnify, and hold the Utility harmless from any and all obligations associated with the Development.

8. Unless other satisfactory arrangements are agreed upon by the Parties, the contractor the Developer engages to build the system shall have the duty to immediately repair, all breaks, leaks, or defects in the System of any and all description which occur within one (1) year from the date the System is accepted by the Utility. In the event the contractor fails to make such immediate repairs, then the Utility shall be authorized to make such repairs at the sole cost and expense of the Developer.

9. Developer will facilitate and execute Restrictive Covenants and Bylaws of the Development providing that a service agreement or contract between the lot owner and Utility will be required by each lot owner to establish



wastewater service. The service agreements or contracts to be entered into between the lot owner and the Utility shall include, without limitation, a recitation that the Utility will charge a security deposit of \$60.00; and a monthly fee to be determined and established by its tariffs. A monthly charge will be assessed to unimproved lots bi-annually for "Sewer Access". The service agreement or contract shall be in a form substantially similar in all its material terms to **Exhibit A**, attached hereto and incorporated by reference. Unimproved Lot shall be defined as a lot which has been sold to a lot owner or is available for sale to a lot owner and has access to an active sewer tap.

10. Upon the issuance of the CCN to the Utility by TPUC, the Developer will turn over any and all funds collected from third parties for the purpose of operating the System, including but not limited to the security deposits collected from the homeowners.

11. Notwithstanding the Utility taking title to the System and the underlying real property on which the System is installed, the Utility cannot increase the capacity or extend the System without the consent of the Developer or Homeowners Association. In addition, the System shall only service the Development and any other projects by the Developer. When the real estate documents are prepared for filing with the Recorder of Deeds conveying title, those deed documents will reflect these promises made to the Developer.

12. The Developer hereby represents and warrants that at the time the Utility approves the System for operation, all materials and labor attributable to the System shall be paid in full at the time of the completion of construction and installation of the System and that the System shall be free from any and all liens and encumbrances.

13. The Developer hereby represents and warrants that the System will be in conformance to the plans and specifications approved by the Utility.

14. The Developer hereby represents and warrants it has the right, title, and intent to convey and shall convey the System and the underlying real property on which the treatment system is installed to the Utility upon approval of the CCN by the Tennessee Public Utility Commission.

15. Upon the Utility's approval of the proper construction of the System, the Developer shall convey a perpetual utility easement, in favor of the Utility, to the real property surrounding the System for access to inspect, repair, replace and maintain the System.

16. If any part of this Agreement for any reason shall be declared invalid or unenforceable, such decision shall not affect the validity or enforceability of any remaining portion, which shall remain in full force and effect; provided, however, that in the event a part of this Agreement is declared invalid and the invalidity or



enforceability of such part has the effect of materially altering the obligations of any Party under this Agreement, the Parties agree, promptly upon such declarations being made, to negotiate in good faith to amend this Agreement so as to put such Party in a position substantially similar to the position such Party was in prior to such declaration.

17. The Utility shall not have any right to assign this Agreement or any of their respective rights or obligations under this Agreement to any third party. The Utility shall have no right to assign, transfer, convey, pledge, or hypothecate the permits or any interest thereto without any necessary approval of TDEC, and the prior written agreement of the purchaser or assignee to be bound by the terms and conditions of this Agreement. Developer shall have a right to assign this Agreement or any of its respective rights and obligations under this Agreement to (a) an affiliated party of the Developer without the consent of Utility. An affiliated party shall be defined as any of Developer's divisions or business segments, together with its predecessors, successors, assigns, parents, subsidiaries, members, partners, shareholders, owners, officers, directors, employees and agents, and any person acting or purporting to act on their respective behalf; or (b) any third-party after the satisfactory construction of the System.

18. The terms and conditions of this Agreement and the performance thereof shall be interpreted in accordance with and governed by the laws of the State of Tennessee; irrespective of its conflicts of law principles. Any claim, dispute, or other matter in question arising out of or relating to this Agreement or the breach thereof, except for claims which have been waived pursuant to this Agreement, shall be governed by the laws of Tennessee and all actions shall be instituted and litigated in the State of Tennessee in the Davidson County courts, and the Parties hereto submit to the jurisdiction of said courts. In any litigation, the prevailing party shall be entitled to recover its reasonable attorneys' fees from the other party.

19. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior oral or written agreements or understandings of the parties with regard to the subject matter hereof. No interpretation, change, termination, or waiver of any provision hereof shall be binding upon a Party unless in writing and executed by both Parties. No modification, waiver, termination, recession, discharge, or cancellation of any right or claim under this Agreement shall affect the right of any Party hereto to enforce any other claim or right hereunder.

20. This agreement may be executed in counterparts, each of which will be deemed to be an original, but all of which, taken together, will constitute one and the same agreement.

21. This Agreement shall not be amended or modified except in writing signed by the Parties hereto.



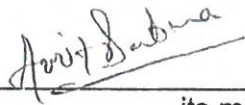


**IN WITNESS** hereto have entered into this Agreement effective as of the day and date first above written.

**INTEGRATED RESOURCE  
MANAGEMENT, INC. D/B/A  
IRM UTILITY, INC.**

**ISHA ENCLAVE SUBDIVISION  
SEPTEMBER BLOOM INC.**

By:   
Jeffrey W. Cox, Sr., its President

By:   
\_\_\_\_\_, its managing partner

20-Jul-20

Table I - Cost Broken Down

	Estimated Cost Today's Date			Appendix I	TPUC Tariff	Escrow Calculation (FOR PLAT)	
	Treatment System Cost Phase I	Collection System Cost Phase I	Individual Totals			IRM Requirement of 20% Contingencies on Estimated Cost	Total - Cost - IRM Requirement of 20% Contingencies on Estimated Cost
Materials	155,781	102,383	258,164	Treatment System Cost Phase I For Total CIAC Calculation	CIAC - Tariff Calculation X .2658 Total System & Contingency	IRM Requirement of 20% Contingencies on Estimated Cost	Total - Cost - IRM Requirement of 20% Contingencies on Estimated Cost
Labor	148,720	108,416	257,136				
Contingencies			103,060				
Property	50,000						
Sub-Total	354,501	210,799	618,360	668,360	177,650		618,360
Total							
* Total Bonding Cost					177,650		796,010



**SEWER SUBSCRIPTION AGREEMENT**


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 Printed Name

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 Lot # / Address of Property

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 Mailing Address

---

 Telephone Number / Electronic-Mail Address

I hereby make application to IRM Utility, Inc. (IRM) for sewer service at the address of property stated above. In consideration of the undertaking on the part of IRM to furnish sewer service, I understand, covenant and agree as follows:

1. I understand that components of a sewer system have been installed on the property referred to above, which is owned or occupied by me, and which is to be connected with a wastewater disposal system owned and/or maintained by IRM. I warrant that any connection to and/or subsequent use to this system by the components on my property shall be in accordance with the Rules and Regulations and Plans of IRM including all required standardized equipment requirement. Regarding my usage of the system components on my property, which are owned by me, I covenant to follow the guidelines set forth in the Biological Users Manual (List of Required Practices). Should I violate these Rules and/or abuse or damage my components, I understand that I must bear the expense to repair or replace the same in accordance with the Plans of IRM.
2. I acknowledge IRM, its successors and assigns have a perpetual easement in, over, under and upon the above specified land as shown on the property plat, with the right to operate and repair all components of the sewer system on my property, including but not limited to the septic tank, the STEG (Septic Tank Effluent Gravity) or STEP (Septic Tank Effluent Pumping) system. I further grant IRM permission to enter upon my property for any reason connected with the provision or removal of sewer service or collection therefore.
3. For all other plumbing and structures on the property, including the out fall line to the septic tank, I agree that I am responsible for all operation and repair thereof.
4. I hereby authorize IRM to purchase and install a cutoff valve on my side of my water meter and grant IRM exclusive right to use such valve in accordance with its Rules and Regulations. However, the use of this valve does not in any way relieve me of my obligation to pay for water service to the service provider.
5. I understand and agree to pay a security deposit of \$60.00, to promptly pay for service at the then current schedule of rates and fees and agree to abide by and be subject to IRM's billing and cutoff procedures. Should I not pay in accordance with IRM's Rules, I agree to pay all costs of collection, including attorney fees.
6. I accept the current Rules and Regulations and the Rates and Fees Schedule and agree to abide by any amendments to such Schedules.
7. For existing STEP/STEG Systems applying for connection, the system will need to be upgraded to TDEC standards for such systems at the customer's expense.
8. I agree that this Agreement shall remain in effect for as long as I own, reside upon or rent the above-described property. When such circumstances no longer exist, I agree to provide notice to IRM at least thirty (30) days in advance of my vacating the property.

☐ Residential ☐ Rental/Commercial \_\_\_\_\_ Sleeps \_\_\_\_\_

*Your Subdivision May Have Bedroom Limits*

Number of Bedrooms (1,2,3,4,5,6,7,8)

Gallons Per Day                      OFFICE USE ONLY

Subscribers Signature

Date

**Please fill out and send this original to IRM Utility.**

Exhibit A

**CONSTRUCTION PLANS AND SPECIFICATIONS**  
for  
**A Low Pressure Sanitary Sewage Collection System**  
to Serve  
**ISHA Enclave Subdivision**  
**Van Buren County, Tennessee**

As Proposed  
By  
**ISHA Foundation, Inc.**  
**McMinnville, Tennessee**

Prepared By:  
**TARE, INC.**  
**P.O. Box 846**  
**Crossville, Tennessee**

June, 2019



Sewer Additions Reviewed and accepted By:

 **PRESIDENT**

Private Public Utility Operator  
Integrated Resource Management, Inc.  
Dba IRM Utility

Date:

6-20-19

WPN 19.0595

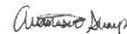
**APPROVED FOR CONSTRUCTION**

THE DOCUMENT BEARING THIS STAMP HAS BEEN RECEIVED AND REVIEWED BY THE

TENNESSEE DEPT. OF ENVIRONMENT & CONSERVATION

DIVISION OF WATER RESOURCES

AND IS HEREBY APPROVED FOR CONSTRUCTION BY THE COMMISSIONER

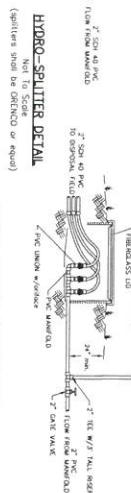


March 24, 2020

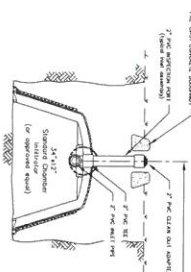
THIS APPROVAL SHALL NOT BE CONSTRUED AS CREATING A  
PRESUMPTION OF CORRECT OPERATION OR AS WARRANTING BY THE  
COMMISSIONER THAT THE APPROVED FACILITIES WILL REACH THE  
DESIGNED GOALS.

APPROVAL EXPIRES ONE YEAR FROM ABOVE DATE

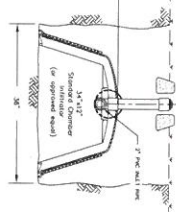




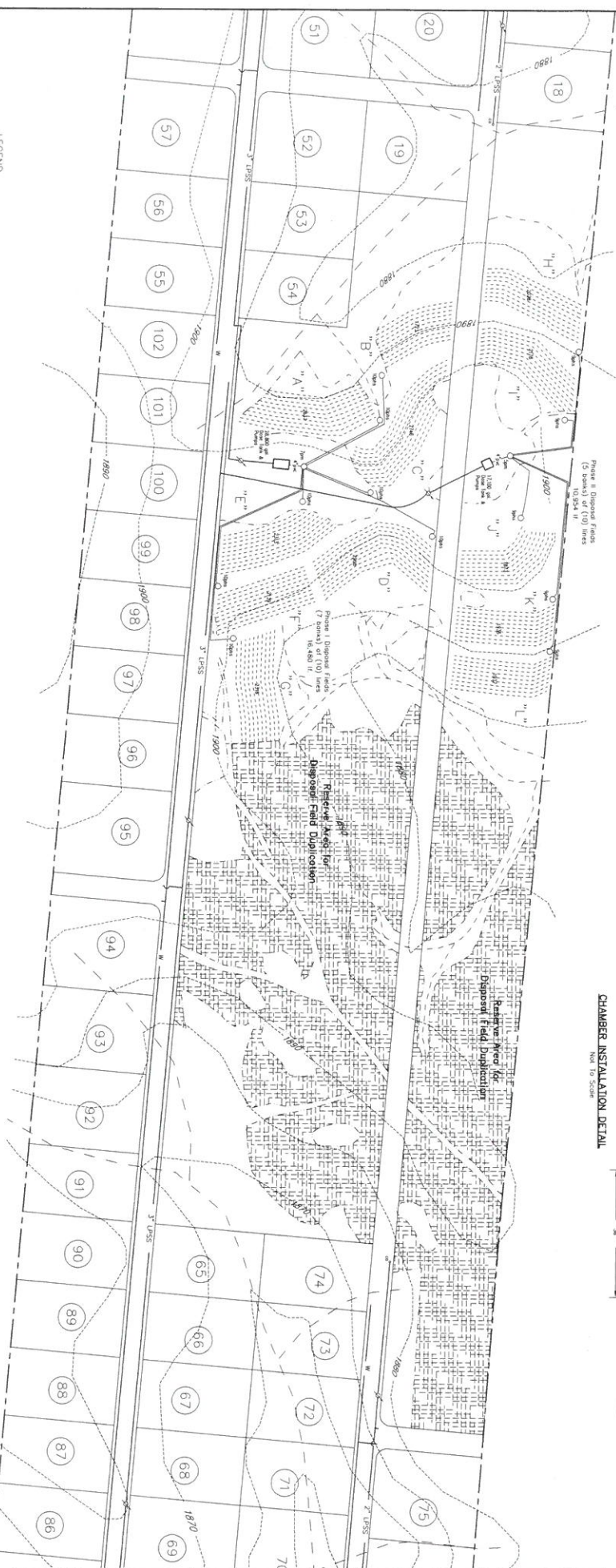
**HYDRO-SPLITTER ORIFACE NOTE:**  
10 PORT HYDRO SPLITTER (see specifications for orifice size)



### CHAMBER INSTALLATION DETAIL

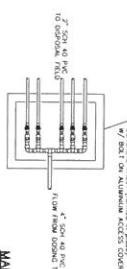


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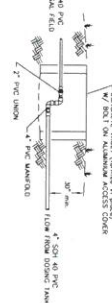


### LEGEND

- | PROPERTY LIMITS |   |
|-----------------|---|
| 1               | DESIGN CONDUCT (10' interval)                         |
| 2               | DESIGN CONDUCT ON SUBSISTENCE WASTE DISPOSAL DURATION |
| 3               | MATERIAL DRAINAGE                                     |
| 4               | LOT NUMBER  |
| 5               | 7 FOOT WAREHOUSE                                      |
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Not To Scale  
Five (5) Part Monifold Shown



TARE, INC.

Terre-Aqua Resource Engineering, Inc.  
Crowsville, Tennessee

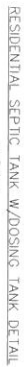
DISPOSAL FIELD INSTALLATION

ISHA ENCLAVE SUBDIVISION  
SANITARY SEWER SYSTEM

the

DISPOSAL FIELD INSTALLATION

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DMH	11/18	TM	11/18	TCM	11/18	NOTED		3822	2 of 4

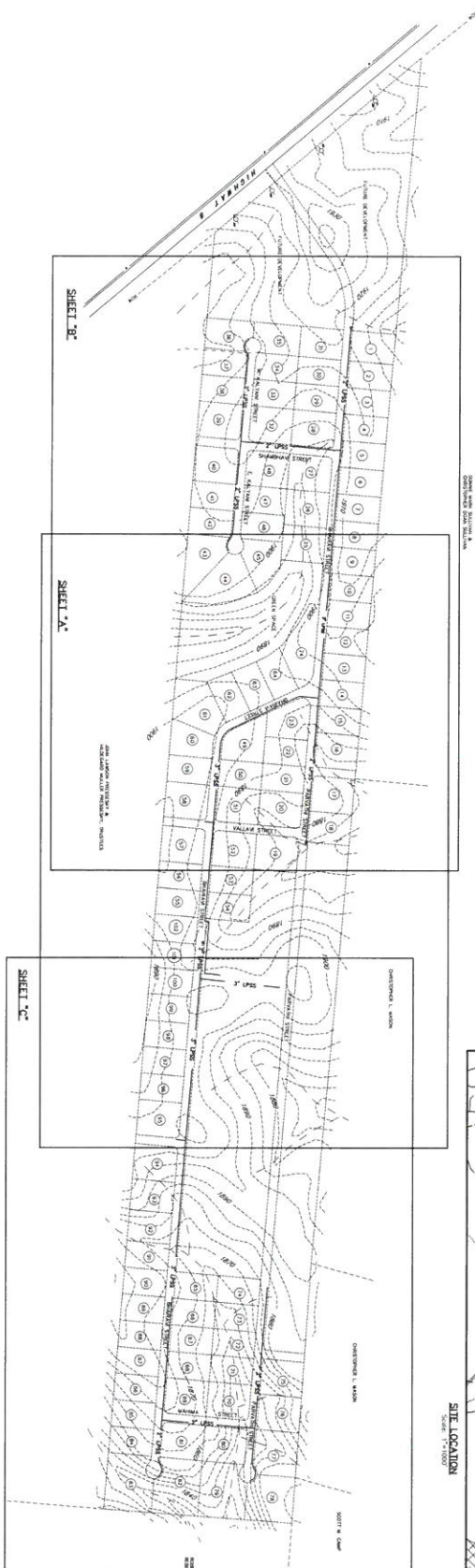
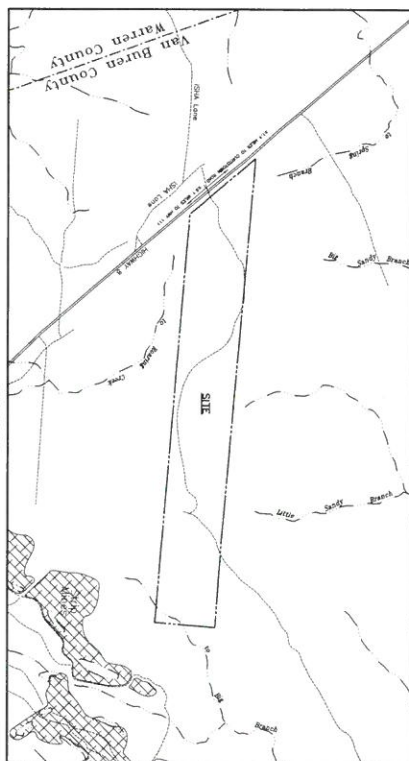
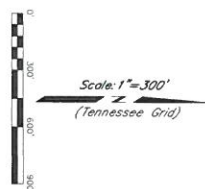


NOTES:

Terre-Aqua Resource Engineering, Inc.  
Creswell, Tennessee

RECEIVED FOR 152C REVIEW									
<p align="center"> <b>ISHA FOUNDATION, INC.</b>          McMinnville, Tennessee       </p> <p align="center"> <b>ISHA ENCLAVE SUBDIVISION</b>  <b>SANITARY SEWER SYSTEM</b> </p>									
Drawing Title									
<p align="center"><b>DOSING TANK DETAILS</b></p>									
drawn	date	title	sheet	date	score	total	date	score	total
MAN	11/18	11/18	10/1	11/18	NOTED	30/27	3 of 4		





- NOTES:**
1. THIS PROPERTY LIES WITHIN ZONE "7" AREA OF MONROE TOWN. AS PERMITTED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) IN RESPONSE MAP #77-200-015, DATED 4/19/2010.
  2. BUILDING STRUCTURES SHALL BE AS FOLLOWS:  
FIREFIGHT (12) FEET ALONG SIDE, 10 FEET ALONG FRONT, 10 FEET FEET ALONG REAR, 10 FEET ALONG LOTS.
  3. PUBLIC UTILITY AND DRAINAGE EXISTENCES SHALL BE AS FOLLOWS:  
SEWER (10) FEET ALONG SIDE, 10 FEET ALONG FRONT, 10 FEET ALONG REAR, 10 FEET ALONG LOTS.  
WATER (10) FEET ALONG SIDE, 10 FEET ALONG FRONT, 10 FEET ALONG REAR, 10 FEET ALONG LOTS.  
STORM (10) FEET AS SPECIFIED FROM THE EDGE OF ALL MAJOR DRAINS AND STRUCTURES.

- LEGEND**
- LOT LINES/RIGHT OF WAY  
PROPOSED LOW PRESSURE STEEP COLLECTION  
LOT NUMBER  
NATURAL DRAINWAY  
EXISTING CONTOUR (5' interval)

**TARE, INC.**  
Terra-Aqua Resource Engineering, Inc.  
Cresville, Tennessee

<p style="text-align: center;">ISHA FOUNDATION, INC. MEMPHIS, TENNESSEE</p>									
<p style="text-align: center;">ISHA ENCLAVE SUBDIVISION LOW PRESSURE STEP COLLECTOR SYSTEM</p>									
<p style="text-align: center;">Drawing Title      SITE LOCATION    &amp;    SHEET INDEX</p>									
DATE	DATE	DATE	DATE	DATE	DATE	DATE	DATE	DATE	DATE
12/18	1/16	12/18	1/16	12/18	1/16	12/18	1/16	12/18	1/16
1	2	3	4	5	6	7	8	9	10





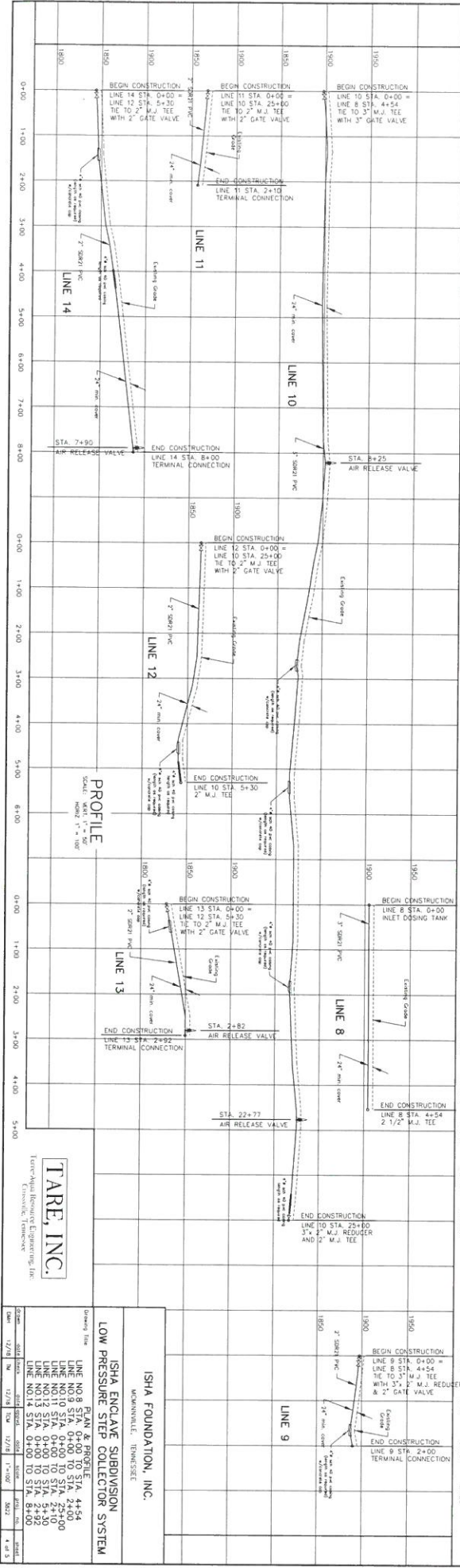
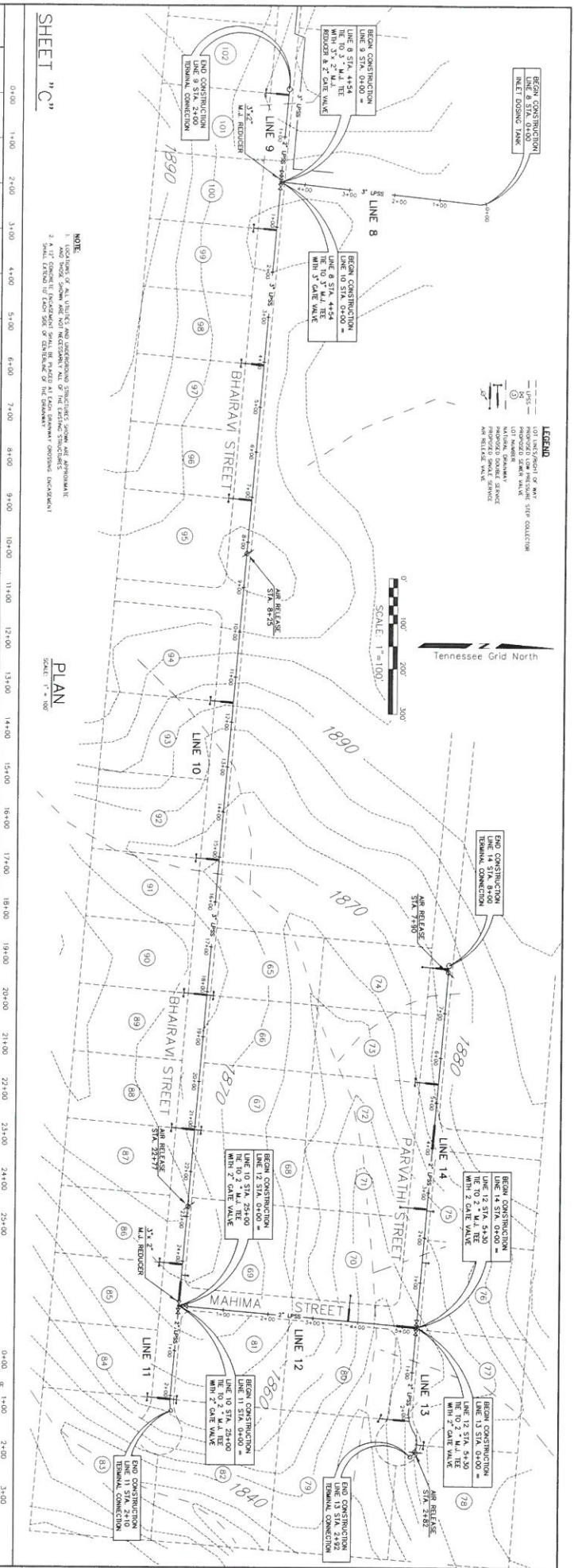


# SHEET "C"

NOTE:  
1. LOCATIONS OF ALL STRUCTURES AND UNDERPASSING STRUCTURES, SHOWN ARE APPROXIMATE.  
2. A 3" CONCRETE UNDERPASS SHALL BE PLACED AT EACH SHOWN CROSSING LOCATION.  
3. ALL ELEVATIONS ARE BASED ON THE DATUM OF THE DRAWING.

## PLAN

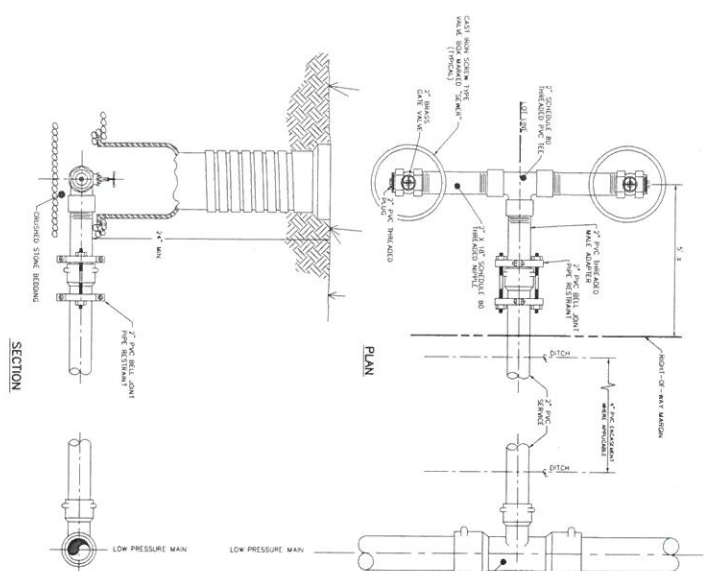
SCALE: 1" = 100'



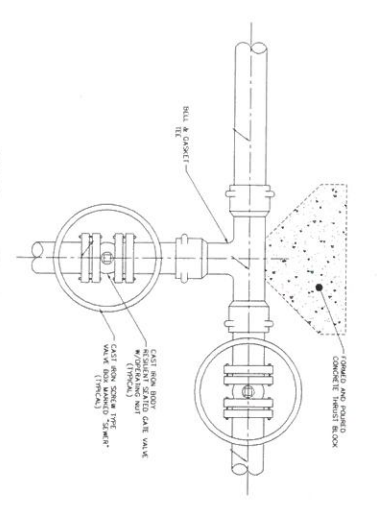
ISHA ENCLAVE SUBDIVISION LOW PRESSURE STEP COLLECTOR SYSTEM									
ISHA FOUNDATION, INC. MEMPHIS, TENNESSEE									
DRAWING TITLE LINE NO.8 STA. 0+00 TO STA. 4+54 LINE NO.9 STA. 0+00 TO STA. 2+60 LINE NO.10 STA. 0+00 TO STA. 2+40 LINE NO.11 STA. 0+00 TO STA. 5+30 LINE NO.12 STA. 0+00 TO STA. 5+30 LINE NO.13 STA. 0+00 TO STA. 8+00 LINE NO.14 STA. 0+00 TO STA. 8+00									
DATE	1/1/83	REV	12/1/83	DATE	12/1/83	REV	12/1/83	DATE	12/1/83
1"=40'-0"									
SHEET 1 OF 3									

1500		1500	
BEGIN CONSTRUCTION		END CONSTRUCTION	
LINE 8 STA. 0+00 =		LINE 9 STA. 2+50	
LINE 9 STA. 4+54		TERMINAL CONNECTION	
TIE TO 3" M.J. TEE			
WITH 3" x 4" M.J. REDUCER			
A 2" GATE VALVE			
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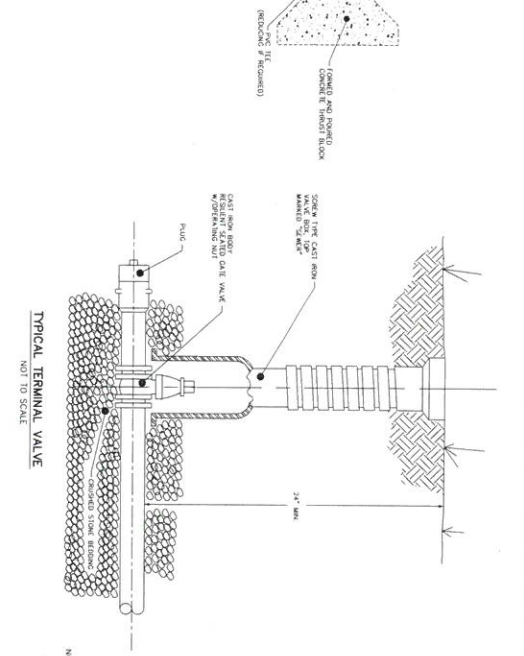




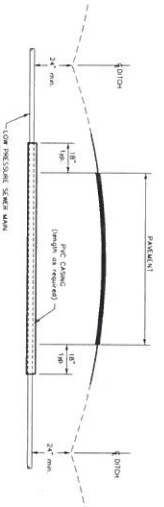
**TYPICAL SERVICE LINE CONNECTION**  
 NOTE: 1. TYPICAL CONNECTION SHOWN FOR 12\"/>



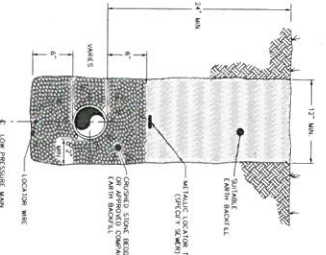
**TYPICAL JUNCTION CONNECTION**  
 NO SCALE



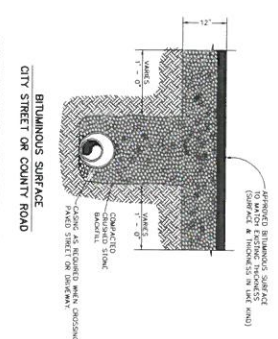
**TYPICAL TERMINAL VALVE**  
 NOT TO SCALE



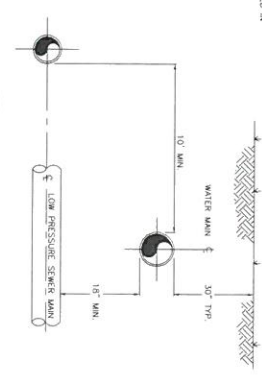
**TYPICAL CITY - COUNTY ROAD CROSSING**  
 NOTE: STATE ROAD CROSSINGS SHALL BE BORDED AND STEEL CASD



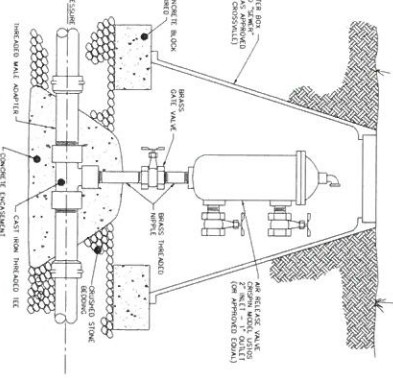
**TYPICAL BEDDING DETAIL**  
 NOTE: METALLIC LOCATION TAPE (SERIES) TO BE INSTALLED IN BRANCH 6\"/>



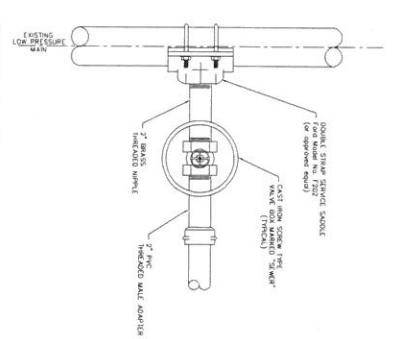
**BUTTRRESS SURFACE**  
 CITY STREET OR COUNTY ROAD  
 STATE ROAD CROSSINGS ARE TO BE BORDED & CASD



**SEPARATION OF PIPED UTILITIES**  
 NO SCALE



**AUTOMATIC AIR RELEASE VALVE**  
 NO SCALE



**SERVICE CONNECTION TO EXISTING MAIN**  
 NO SCALE

NOTE: ALL PIPING AND APPURTENANCES SHALL BE AS SPECIFIED OR EQUAL AS APPROVED BY THE ENGINEER AND UTILITY DEPARTMENT.

**TARE, INC.**  
 1000-Alexander Road, Knoxville, TN 37912

ISHA FOUNDATION, INC.				
MEMPHIS, TENNESSEE				
LOW PRESSURE STEP COLLECTOR SYSTEM				
STANDARD DETAILS				
Sheet	DATE	BY	CHECKED	DATE
12/18	12/18	12/18	12/18	12/18
12/18	12/18	12/18	12/18	12/18
12/18	12/18	12/18	12/18	12/18



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

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

March 24, 2020

Mr. Darrell M. Hall  
Engineer  
e-copy: dhalhtare@frontier.com  
TARE, Inc.  
2242 Hwy 70 E  
P.O. Box 846  
Crossville, TN 38557

Subject: **Integrated Resource Management, Inc.**  
**County: Van Buren**  
**Wastewater Project Number: 19.0595**  
**Project: Isha Enc**

Dear Mr. Hall:

The Tennessee Department of Environment and Conservation, Division of Water Resources, acknowledges the receipt of construction documents on March 23, 2020.

The project consists of STEP effluent collection to subsurface chamber system disposal.

Approval is granted in accordance with certain requirements of the Water Quality Control (WQC) Act of 1977 and Regulations of the Water Quality Control Board. **On the coversheet(s) of the site's set of plans and specifications, an approval date and its expiration date will be stamped by the division. Any indication of tampering with the bound set of documents will be subject to investigation and prosecution.** One complete set of construction documents, bearing the official stamp, must be kept at the construction site.

Approval expires one year from the stamped approval date (March 24, 2021) unless construction is either underway or complete. Any request for extension must be made prior to this expiration date. Significant deviations from the approved plan documents must be submitted and approved in writing before such changes are made. Minor changes made during construction need not have prior written approval. Modifications, however, may be required by this Department should the changes be deemed inappropriate. It is advisable, therefore to obtain prior approval in cases where the significance of the change is uncertain.

The Division of Water Resources is authorized to inspect the construction work to verify compliance with the approved plans and specifications, which are on the site. Therefore, the engineer shall notify our staff at the Cookeville Environmental Field Office by calling (931) 520-6688 before the start of construction.

Approval of these construction documents should not be construed as a permit for any activities related to this project. Activities which may require a permit under the WQC Act and Regulations include, but are not limited to, the following: streambank vegetation removal; creek crossing(s) for equipment or utility lines; construction within twenty (20) feet of a stream bank; construction in or near a marshy area or wetland, and/or land disturbance equal to or greater than one acre. Additionally, this approval does not authorize connection and use




of sewer that will cause or contribute to collection system overflow or overload of receiving wastewater treatment facility.

The Cookeville Environmental Field Office should also be contacted for determinations regarding whether modification of the existing NPDES or SOP permit, an Aquatic Resource Alteration Permit (ARAP) and/or a National Pollutant Discharge Elimination System (NPDES) construction stormwater permit will need to be obtained prior to the beginning of construction of this project.

The division's most recent TDEC Technical/Engineering Documents, including "Design Criteria for Sewage Works Construction Plans and Documents", Chapters 1-17 is available on our website:  
<https://www.tn.gov/environment/program-areas/wr-water-resources/water-quality/water-quality-reports---publications.html>.

To expedite matters, please reference the assigned wastewater project number 19.0595 on any future correspondence. If you have any questions, please feel free to contact Ms. Anastasia Sharp at (615) 532-1508 or by E-mail at [anastasia.sharp@tn.gov](mailto:anastasia.sharp@tn.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Anastasia Sharp". The signature is fluid and cursive, with the first name and last name clearly distinguishable.

Anastasia Sharp, E.I.  
Land-Based Systems

cc: Land-Based Systems File



*Integrated Resource Management, Inc.*  
*A Privately Owned Public Utility*

P.O. Box 642  
3444 Saint Andrews Drive  
White Pine, Tennessee 37890  
Phone (Vol) 674-0828  
Facsimile (Vol) 674-2352  
Toll Free (877) 746-2910

March 27, 2020

Mr. Brad Harris, Manager  
Tennessee Department of Environment & Conservation  
Division of Water Resources  
William R. Snodgrass - Tennessee Tower  
312 Rosa L. Parks Avenue, 11<sup>th</sup> Floor  
Nashville, Tennessee 37243-1102

Sent Via Electronic Mail: [Brad.Harris@tn.gov](mailto:Brad.Harris@tn.gov)  
[Allen.Rather@tn.gov](mailto:Allen.Rather@tn.gov)  
[Wade.Murphy@tn.gov](mailto:Wade.Murphy@tn.gov)

RE: SOP – 19016  
ISHA Enclave Subdivision  
Van Buren County, Tennessee

Dear Mr. Harris,

Integrated Resource Management, Inc. d/b/a IRM Utility, Inc. ("IRM") is requesting a Minor Modification ("Modification") of the SOP Permit for the project referenced above. The Modification of the SOP Permit requests a change of the originally submitted final disposal method of chambers to a Low-Pressure Pipe System. IRM as the operating Utility prefers the Low-Pressure Pipe method. TARE, Inc., the design engineer, concurs the disposal method change and has designed the substitute Low-Pressure Pipe System. September Bloom, Inc., the developer of the project agrees with the Modification.

There are no changes proposed in flow or effluent amounts of disposal. The collection system techniques are the same. IRM is simply requesting the modification of one approvable subsurface sewage disposal system to another approvable system within the "Rules Governing Subsurface Sewage Disposal". Below is a discussion of the benefits noted of the Modification.

- The overall distribution on the beds will be more evenly distributed throughout the beds rather than the introduction of effluents in one end of a line and counting on the flow to get to the end of the chamber bed.
- The amount of the dose will be lessened further supporting even distribution.
- The operators of IRM Utility, Inc. have operated low-pressure pipe systems as well as installed these systems, and are willing to operate the system.
- This will actually provide the reserve area as well as adding more reserve area by 2± times.
- Pump requirements will be lessened and easier to manage.





Maintenance can be enhanced by IRM due to these factors:

- Operators will easily be able to check adjustments on the beds. The beds will be checked in a schedule with our routine maintenance and Septic Tank Effluent System maintenance schedule. Three (3) beds can be checked each month for flushing and adjustment during these routine and non-routine site visits.
- Telemetry and checking the pump counts will assure the dosing frequency.
- Flow meters into the dosing tanks will indicate the dosing time settings for the adjustments needed as the subdivision develops.

As a Professional Soil Scientist, I contend that due to the shallowness of rock and higher permeability of soil, that the distribution with a low-pressure pipe system versus counting on the effluents to flow through a chamber system will be less likely to cause a build-up on one end of the ditches. Thus, as a Utility Operator also, the LPP will be a system that will be more reliable for the Utility to operate over time. A set of Minor Modification layout sheets of the distribution bed arrangement and Technical Data Sheets are attached.

Please call if you have any questions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jeffrey W. Cox, Sr.", is written over a light blue horizontal line.

Jeffrey W. Cox, Sr., LPSS  
Certified BNS Wastewater & Collection System Operator  
President of,

**IRM** Utility, Inc.

JWCSr/mjc

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

**IN RE:**

**JOINT PETITION OF INTEGRATED  
RESOURCE MANAGEMENT, INC.  
AND TRA STAFF (AS A PARTY) TO  
INCREASE RATES AND CHARGES**

)  
)  
)  
)  
)  
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**DOCKET NO. 15-00130**

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**PRE-FILED DIRECT TESTIMONY**

**OF**

**JOE SHIRLEY**

---



1    **Q.    Please state your name, position and business address.**

2    A.    My name is Joe Shirley. I am the Deputy Chief of Utilities for the Tennessee  
3           Regulatory Authority. My business address is 502 Deaderick Street, Fourth Floor,  
4           Nashville, Tennessee 37243.

5    **Q.    Please provide a summary of your educational background and professional**  
6           **experience.**

7    A.    I have a B.S. in Accounting from Western Kentucky University, an M.B.A. from  
8           Middle Tennessee State University and a J.D. from the Nashville School of Law. I am  
9           a licensed attorney and C.P.A. in Tennessee. I have over thirty years of professional  
10          experience as an attorney, utility consultant, financial analyst and auditor, with nearly  
11          sixteen of those years in public utility ratemaking and regulation in the telephone,  
12          natural gas, water and wastewater industries. I have litigated various utility rate cases  
13          as the lead attorney and I have testified in various utility rate hearings as an expert  
14          witness before the Tennessee Regulatory Authority and its predecessor agency, the  
15          Tennessee Public Service Commission. I have also advised the leadership of the  
16          Authority and Commission on a host of regulatory issues.

17   **Q.    What is the purpose of your testimony in this proceeding?**

18   A.    The purpose of my testimony is to present the forecast for Integrated Resource  
19          Management, Inc.'s ("IRM") (1) rate base; (2) rate case expense; (3) amortization and  
20          depreciation; and (4) taxes and fees. The related TRA Staff Exhibits and Workpapers  
21          are attached to the pre-filed direct testimony of Tiffany Underwood.

22   **Q.    Please explain your forecast for rate base.**

1 A. Rate base constitutes the value of property on which a public utility is permitted to earn  
2 an authorized rate of return established by a regulatory agency. In general, the rate base  
3 consists of the value of property the utility uses to provide service.

4 In this case, IRM's rate base components include: additions for net utility plant in  
5 service ("UPIS"), deferred rate case expense and working capital funds advanced by the  
6 utility; and deductions for net contributions in aide of construction ("CIAC") and  
7 escrow and customer deposits held by the utility.

8 As reflected on TRA Staff Exhibit Schedule 2, IRM's rate base for the 12 Months  
9 Attrition Period Ending December 31, 2016 is forecasted to be \$113,893. The rate base  
10 amount is relatively small primarily because most of IRM's plant is financed by  
11 donations of plant or contributions for construction of plant by other persons. These  
12 donations or contributions are known as "contributions in aide of construction"  
13 ("CIAC") and are deducted from rate base since the utility's own funds are not invested  
14 in the plant. Further, depreciation on contributed plant is not used as an expense in  
15 establishing rates for the utility.

16 **UPIS and CIAC.** As shown on TRA Staff Workpapers 2.01 and 2.02, the balances for  
17 net UPIS and net CIAC were traced to the general ledger for the Test Period, and then  
18 these amounts were computed for the Attrition Period by assuming no additions or  
19 retirements and by applying a composite depreciation rate of 3.957% for UPIS and a  
20 composite amortization rate of 3.755% for CIAC. The average of the forecasted  
21 beginning and ending UPIS and CIAC balances for the Attrition Period were then  
22 included in rate base, as reflected on TRA Staff Exhibit Schedule 2.



1       **Deferred Rate Case Expense.** An allowance for rate case expense of \$2,500 was  
2       made, with recovery of this amount over three years. This results in an average  
3       deferred rate case expense of \$2,084 for the Attrition Period, which was included in rate  
4       base as reflected on TRA Staff Exhibit Schedule 2. Given the nature of this proceeding,  
5       this rate case expense allowance is reasonable.

6       **Cash Working Capital.** Consistent with long-standing ratemaking practice, an  
7       allowance for cash working capital was made by taking one-eighth of cash operating  
8       expenses (total operating expenses less non-cash expenses for depreciation and  
9       amortization). This method essentially assigns a 45-day time lag for cash working  
10      capital purposes and, as reflected in TRA Staff Exhibit Schedule 2, results in an  
11      estimated balance of \$24,112 for the Attrition Period.

12      **Escrow and Customer Deposits.** As shown on TRA Staff Exhibit Schedule 2, the  
13      average Test Period balances for escrow and customer deposits were used as estimates  
14      for these rate base deductions for the Attrition Period.

15      Due to the small size of IRM's rate base, and consistent with the rate case proceedings  
16      for similar wastewater utilities, TRA Party Staff determined that utilizing the Operating  
17      Margin Method to establish rates was preferable in this case. Further, IRM has agreed  
18      to this methodology. Additional testimony concerning use of the Operating Margin  
19      Method to set rates in this case is presented by Tiffany Underwood.

20      **Q. Please explain your forecast for rate case expense.**

21      A. As discussed previously, an allowance of \$2,500 for the costs of this case has been  
22      made, with recovery over a three year period. This results in annual rate case expense  
23      of \$834, as shown on TRA Staff Exhibit Schedule 3, Line 12. Given the nature of this

case and assistance received by Party Staff, this amount of rate case expense is reasonable.

**Q. Please explain your forecast for depreciation and amortization.**

A. As shown on TRA Staff Workpaper 2.02, the net annual depreciation expense for the Attrition Period is forecasted to be zero. As discussed previously, no depreciation expense is recognized for ratemaking purposes in this case because IRM's utility plant in service is contributed plant. And as reflected on TRA Staff Workpaper 2.02, annual amortization of organization expense of \$1,886 was traced to the Test Period, and this same amount was allowed for the Attrition Period, as shown on TRA Staff Exhibit Schedule 3, Line 13.

**Q. Please explain your forecast for inspection fees.**

A. As reflected on TRA Staff Exhibit Schedule 3, Line 14, TRA inspection fees of \$627 was forecasted for the Attrition Period. As shown on TRA Staff Workpaper 5.03, the statutory formula for determining the TRA inspection fee was applied to the Attrition Period revenue forecast to calculate the projected fee.

**Q. Please explain your forecast for property taxes.**

A. As reflected on TRA Staff Exhibit Schedule 3, Line 15, \$2,778 was forecasted for property tax expense for the Attrition Period. Since the Attrition Period forecast assumes no growth in property, plant and equipment, which is one of the main drivers of property tax liability, the forecasted property tax was taken directly from IRM's 2015 property tax notices, as shown on TRA Staff Workpaper 5.02.

**Q. Please explain your forecast for franchise taxes.**



1 A. As reflected on TRA Staff Exhibit Schedule 3, Line 16, \$236 was forecasted for  
2 franchise tax expense for the Attrition Period. This amount was estimated by estimated  
3 taxable net worth by deducting unamortized CIAC forecasted for the Attrition Period  
4 from net UPIS for the Attrition Period and applying the statutory tax rate, as shown on  
5 TRA Staff Workpaper 5.01.

6 **Q. Please explain your forecast for state excise and federal income taxes.**

7 A. As shown on TRA Staff Exhibit Schedule 3, Lines 17 and 18, no provision for state  
8 excise tax or federal income tax has been made in this case. Review of state and federal  
9 income tax returns since 2012 indicates that the Company has reported net operating  
10 losses. Further, IRM has reported net operating losses in its Annual Reports to the  
11 TRA. Under both state and federal tax codes, IRM will be able to carry forward these  
12 net operating losses ("NOLs") to reduce its income tax liability in future years. Should  
13 the requested rate increase be approved and the forecasted operating margin be  
14 achieved, it is estimated that sufficient NOL carryforwards will be available to reduce  
15 any resulting state excise and federal income tax liabilities to zero in the Attrition  
16 Period. Thus, no provision for excise or income taxes has been included in rates.

17 **Q. Does this conclude your testimony?**

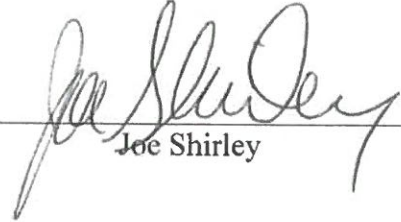
18 A. Yes it does.

VERIFICATION

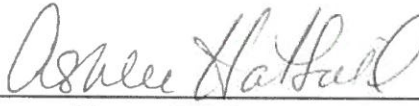
STATE OF TENNESSEE )

COUNTY OF DAVIDSON )

I, Joe Shirley, being duly sworn, state that I am authorized to make this verification on behalf of TRA Staff (As a Party); that I have read the foregoing Pre-filed Direct Testimony, Exhibits and Workpapers of Joe Shirley and know the content thereof; and that the same are true and correct to the best of my knowledge, information and belief.

  
Joe Shirley

Sworn to and subscribed before me the 8<sup>th</sup> day of January, 2016.

  
Notary Public

My Commission Expires: March 8, 2016



My Commission Expires MAR. 8, 2016



# State of Tennessee

360124 11826268

## BOARD FOR LICENSING CONTRACTORS

### CONTRACTOR

SEPTEMBER BLOOM INC

*This is to certify that all requirements of the State of Tennessee have been met.*

ID NUMBER: 73885  
LIC STATUS: ACTIVE  
EXPIRATION DATE: August 31, 2021  
\$1,500,000.00; BC



IN-1313  
DEPARTMENT OF  
COMMERCE AND INSURANCE