

From: [Patsy Fulton](#)
To: [Ectory R. Lawless](#)
Subject: FW: Redacted Copy to be filed in Docket 21-00001
Date: Thursday, April 1, 2021 4:16:03 PM

From: Patsy Fulton
Sent: Thursday, April 1, 2021 4:12 PM
To: Patsy Fulton <Patsy.Fulton@tn.gov>
Subject: Redacted Copy to be filed in Docket 21-00001

From: Patsy Fulton
Sent: Wednesday, March 24, 2021 5:51 PM
To: john-powell@comcast.net
Cc: halnovak@whnconsulting.com; David Foster <David.Foster@tn.gov>; Michelle Mairs <Michelle.Mairs@tn.gov>
Subject: FW: Superior Docket 2021-00001

Mr. Powell,

After further review of the CCN Petition in Docket 21-00001, I do have questions. I believe we discussed that if there was anything that we needed that I should email or call you with any questions, in hopes that we could resolve quickly. I sent the email below to Hal Wednesday; however, I do have additional questions that might could resolve quicker, if we could discuss in a phone conversation. Please call me at 615-770-6887 if you have any questions or would like to discuss before responding.

The information that is needed is noted below:

1. As noted in the below email to Hal last Wednesday, parts of this Petition, as well as parts of the Contract and Pre-Filed Testimony refer to the treatment system as existing with this being merely an expansion with only rights to the collection system being passed on to the Utility. Based on information provided in our initial conference call, as well as the new SOP-20021 for 8,100 gpd and other areas that refer to a new system, the Developer will be constructing a new separate treatment system and collection system and turning them over to the Utility at final plat signing. Please correct all parts of the documentation filed in this docket to reflect the new system.
2. Provide a copy of the contract between the Developer and John Powell Construction, LLC (assuming that is the company that is building the system for the Developer, because that is the copy of the contractor's licensed that was filed with this Petition) or whatever Contractor that will be building the system. This should resolve any issues above because it will provide who will build the "agreed to system" to be paid for by the Developer. In addition, please make sure that all of the build-out specifics that were not included in the contract between the Utility and the Developer are included in the contract between the builder of the system and the Developer. The combined contracts should provide the information as required in this Commission Rule:

1220-4-13-.17(2)(b)(3) All contracts or agreements between the builder(s) of the treatment and/or collection system, the utility, and the property and/or subdivision developer that show entitlement or ownership to the land, system specifications, costs for the wastewater system, timeline for the system to be built, and rights to the system once it is completed. Documents presented by the applicant should be signed by all parties and bear marks or stamps, such as those provided by notaries or public officials, as necessary.

3. If John Powell Construction, LLC is not going to be the builder of the wastewater system, please provide the Tennessee Contractor's license for the contractor that will build the system.

4. [REDACTED]

5. The WTFSA that was submitted is referenced on Page 1 as dated November 30, 2020; however, the signature page is dated December 4, 2019 so perhaps there is another WTFSA that should be attached to this signature page? Please explain or provide a current, signed contract.

6. [REDACTED]

7. Based on the build-out provided, revenue has been noted for all 27 properties starting from the first month. Have all 27 lots been sold? If not, and the developer will be paying those fees until the lots are sold, it should be stated in the agreement with the Utility.

8. Mr. Johnson's license that was submitted with this Petition has expired. Please provide a copy of the newly issued license.

9. [REDACTED] However, based on our rules, it is a requirement for the installation of the water valve to be installed unless Superior can negotiate an agreement with the water provider to terminate water services. Rule stated below. Please explain where Superior is with this proposed issue.

(Rule 1220-04-13-.14 (a) The public wastewater utility to install and have exclusive right to use a cutoff valve in the water line between the water meter and the premises (or in customer's water line where no meter exists) in accordance with both the rules and regulations of the public wastewater utility, as found in the tariff approved by the Commission, and this rule; or (b) The public wastewater utility to execute an agreement with a water provider to terminate water services. If the water service is discontinued based on an

agreement between a water service provider and the public wastewater utility, this agreement shall be submitted and on file with the Commission prior to any termination of water service in accordance with its provisions so that each customer is treated in a just and reasonable manner.

10. [REDACTED]
11. [REDACTED]
12. Will the treatment system be warranted by the Developer for a year – 2 years (pumps and equipment) or anything that goes wrong? Although we did see in the Advantex Ax-Max package that was filed with the Petition that certain pumps and pieces of the system will be warranted, since the Developer is purchasing the equipment, will he be passing those warranties over to Superior and will Superior be able to make any claims necessary? [REDACTED]
13. Exhibits 5.4, 5.6 and 5.7 of the Petition provides ownership, a journal entry that will record the wastewater plant-in-service for the Taliaferro Road Parcel and the associated costs. The costs total \$334,010 with \$120,000 for Collection Sewers and \$214,000 for Treatment and Disposal Equipment to served 27 homes. Previously the same documents; Exhibits 5.4, 5.6 and 5.7 were provided in Superior Dockets 19-00043 and 20-00109 where the treatment system already existed; however, requiring expansion and collection systems for both. The amount of CIAC to be contributed from each of the Developers was provided in Exhibit's 5.4, 5.6, and 5.7 with an explanation as to ownership and costs associated with each system. Hill and Roberts was calculated to total \$1,563,972, approximately \$9,961 per lot and the Fox Property totaled \$1,564,915, approximately \$20,063 per lot. The costs that were provided for Taliaferro Road totaled \$334,010, which should have included a full treatment system and collection system. The total cost of the treatment system is valued at \$214,000 costing approximately \$7,923 per lot for treatment and \$4,444per lot for the collection system. However, the Taliaferro did not include a lot of the costs that were included for the other two sites. The concern is why would things like fencing, value of drip field land, filters, pumps just to name a few not be included in costs. The system must be finished according to the TDEC specifications, which would even include fencing to be complete prior to the Utility signing the final plat. We do understand that the costs could be higher because of the number of lots being serviced; however, costs for critical parts required to operate a wastewater system were not listed on the Taliaferro Road project. Required components were omitted from the Taliaferro site and we just need to make sure the Developer is deeding/giving title to/turning over ownership of the entire system to Superior, which includes the tanks, fencing, ponding, etc., everything it takes to operate the wastewater system, including

the reserve drip field, required by Williamson County. Please reconcile or explain the differences.

14. Please legend with a description of all land that will be deeded to the Utility for drip fields, ponds and treatment system on a copy of the map and include on Exhibit A of the WTFSA and have the developer initial or sign. [REDACTED]
15. Williamson County requires an additional area for drip and/or treatment and there seems to be about almost 2 acres set aside on the plans for drip fields and reserve drip fields, land for ponds are also in the design maps provided, and land set aside for the treatment system; however, there doesn't appear to be costs associated with these land areas or prepping them for use. Please explain.
16. The last bond filing was Docket #18-00050; therefore, an updated bond filing should be filed as soon as possible. Based on Commission Rule 1220-04-13-.07 (c) The public wastewater utility must provide proof that its financial security is still in effect by July 1 of each year. In addition, the amount of the bond should be updated annually based on the Utility's revenue amount. I understand that this year's Annual Report is not due for another week; however, if the April 1, 2021 Annual Report and Inspection Fee information is ready, it would be good to file based on the updated information, because if you file, based on the April 1, 2021 information then you wouldn't have to file again by July 1, 2021 because it would be the same information; however, for purposes of being compliant now, we need the bond updated as soon as possible. If the only numbers that you have are the 2019, then use those to "catch up" and become compliant with Commission Rules.
17. The last filing for the bond-true-up was in 2017, Tariff # 17-0076; therefore, in addition to the bond update, as we discussed earlier, we also need a tariff filing for the bond true-up, required annually by Commission Rules and by Order in Docket #14-00158.
18. Based on the response to Exhibit 5.11, I will attempt to explain the purpose of this requirement: In the Petition filed January 5, 2021 is for a performance bond that is required from the developer, with the Utility as the beneficiary, to insure the system will be built out completely—(all 27 connections as quickly as possible) to insure the Utility will have full revenue for operation of the Utility, as soon as possible. This provides insurance from the developer to the Utility to insure complete build-out of the system and that all connections are complete before the developer vacates the development. However, this is the same bond that Williamson County requires until their systems are built -out to X per cent; therefore, all that is required in a case where the County requires this same bond is "documentation"/a copy of the Williamson County Rule/bonding requirements that is imposed by the County. If the local government requires this bond, the Commission does not require the bond. Exhibit 5.10 concerns Local Bonding Requirements. If it was in a county where local bonding for build-out of the system is not required, a performance bond would be a CCN requirement, which is the case in most counties, such as Maury County. Also, the reason Ashby, as the developer for the systems in Williamson County didn't have to provide a bond to the Utility and the Utility did not have to provide a copy to the Commission to meet the CCN requirements in the previous dockets.

19. Based on the response in the Petition to the funding requirement: Exhibit 5.12 – The funding sources that are referred to and needed are for operation of the system (not build-out). So far, the wastewater utilities in Tennessee have not been involved with funding or build-out of the systems very often, only with funding of their expanded operational expenses. However, Superior's financials/Annual Report along with the pro-formas filed with the Petition actually supports the wastewater operations of 27 more homes without any additional funding; therefore, all that would be required for this requirement would be a statement of explanation.
20. We need to please address the escrow situation and discuss how it can be brought to a compliant amount as soon as possible and discuss the affect that increased operations will have on the escrow balance going forward.

To: Hal Novak <halnovak@whnconsulting.com>

Subject: Superior Docket 2021-00001

Hey,

I have been working on making sure we have all that is required for Docket 21-00001, and I think some revisions are in order and if so, it might be something you might just want to send in pages for replacements. I keep reading in this that the system is already existing, and I understood this is to be a brand new treatment system specifically with a flow of 8,100 gpd, as well as collection; however, on many pages it keeps referring to an existing treatment system. Could that be where it was cut and pasted from a previous petition that was connected to the existing treatment system? If so, there will have to be some changes, particularly in the contract and in the pre-filed testimony.

Ex.: This is just one example, there is reference throughout to the existing treatment system..... Page 4 *Pre Filed Testimony* – page 4 bottom of A10. Upon completion and passing final inspection, the collection system will become the responsibility of SWS for ownership and operation. SWS has to own it all---previous testimonies in previous dockets state that SWS already owned the treatment system---which they did; however, I don't think that is the case in this docket. This is just one example---there are several of this same nature.

Also Exhibit 4.5 refers to Fox Parcel, that is good, however, we need this one to say Taliaferro Road Parcel. With that said, I think we need to refer to this site more specifically. We will use the proposed subdivision name as well as the map 137 parcel 035.00 because Taliaferro Road has several parcels associated with it. However, I don't think you need to change anything there, due to all of the other identity specifics were also mentioned.

You can call me at 615-770-6887 [REDACTED]. I may have completely missed the boat but if I did, I need you to please explain.

Thanks, Patsy

