

SUPERIOR WASTEWATER SYSTEMS

Providing Superior Wastewater Service to Tennessee

May 17, 2021

Via Electronic Delivery

Chairman, Tennessee Public Utility Commission
c/o Ectory Lawless, Dockets and Records Manager
502 Deaderick Street, 4th Floor
Nashville, TN 37243

**Re: Petition of Superior Wastewater Systems, LLC for a Certificate of
Convenience and Necessity Amendment to Provide Wastewater Service to
the Taliaferro Road Parcel in Williamson County Docket 21-00001**

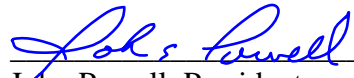
Response to TPUC Staff Discovery Request of May 14, 2021

Ms. Lawless:

Superior Wastewater Systems, LLC files the attached response to the Commission Staff's Discovery Request of May 14, 2021.

Please contact me if you have any questions or need additional information.

Respectfully submitted,


John Powell, President

Enclosures

**SUPERIOR WASTEWATER SYSTEMS
DOCKET NO. 21-00001
SECOND DISCOVERY REQUEST OF THE COMMISSION STAFF**

- 2-1. On April 13, 2021 the Commission received Superior Wastewater Systems, LLC responses to Staff's Data Request dated April 1, 2021 (the responses were dated April 9, 2021 by the Company). Superior Wastewater Systems, LLC requested the response to be designated as confidential and not be placed on the Commission's website.**

In an effort to move this docket along, it is requested that Superior Wastewater Systems, LLC refile its responses, including revised testimony, as non-confidential. Should the Company refuse to lift the confidentiality of any requested item, including testimony, Staff respectfully requests that the Company provide a legal brief and/or detailed explanation as to why such item should be treated as confidential.

Response:

SWS hereby releases the confidentiality designation of its April 13, 2021 responses to the Commission Staff's First Discovery Request. A non-confidential copy of these responses are attached to this request.

**SUPERIOR WASTEWATER SYSTEMS
DOCKET NO. 21-00001
FIRST DISCOVERY REQUEST OF THE COMMISSION STAFF**

- 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.**

Response:

SWS objects to the question because it calls for changes to our filing that have no impact on the CCN request. For example, SWS has used the term “collection system” in the current filing interchangeably with the term “wastewater system” with no change in meaning. In addition, the Commission Staff has not specifically cited each and every occurrence of any objectionable terms in the filing making it difficult for us to completely address this issue.

Without removing our objection, SWS responds as follows:

- Attachment 1-1a contains the Revised Direct Testimony of John Powell. This revision includes a change in Paragraph A7 (page 2) to refer to a “proposed wastewater system” instead of an “existing wastewater treatment system”. This revision also includes a correction in Paragraph A10 (page 4) to refer to a “wastewater system” instead of a “collection system”. This revised testimony also includes an updated affidavit. No other changes to Mr. Powell’s original testimony have been made.
- Attachment 1-1b contains an update to Exhibit 1.8 in order to refer to “the wastewater system” instead of “a collection system”.
- Attachment 1-1c contains an update to Exhibit 1.9 in order to refer to a “wastewater system” instead of a “collection system”.
- Attachment 1-1d contains an update to Exhibit 4.5 in order to refer to the “Taliaferro Road Parcel” instead of the “Fox Parcel”.
- Attachment 1-1e contains an update to Exhibit 5.6 in order to refer to a “wastewater system” instead of a “collection system”.
- Attachment 1-1f contains an update to Exhibit 5.7 in order to refer to a “wastewater system” instead of a “wastewater collection system”.
- Attachment 1-1g contains an update to Exhibit 5.12 in order to refer to a “wastewater system” instead of a “wastewater collection system”.

ATTACHMENT 1-1a
REVISED TESTIMONY OF
JOHN POWELL

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

PETITION OF SUPERIOR)	
WASTEWATER SYSTEMS, LLC TO)	
AMEND ITS EXISTING SERVICE)	DOCKET NO. 21-00001
TERRITORY IN WILLIAMSON)	
COUNTY)	
)	

REVISED DIRECT TESTIMONY
of
JOHN POWELL

ON BEHALF OF SUPERIOR WASTEWATER SYSTEMS, LLC

April 9, 2021

1 ***Q1. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS FOR THE***
2 ***RECORD.***

3 ***A1.*** My name is John Powell and my business address is 9539 Mullens Road,
4 Arrington, TN 37014.

6 ***Q2. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?***

7 ***A2.*** I am the owner and president of Superior Wastewater Systems, LLC (“SWS”) a
8 provider of wastewater utility service, regulated by this Commission.

10 ***Q3. WHAT ARE YOUR RESPONSIBILITIES FOR SWS?***

11 ***A3.*** I am responsible for the day-to-day operation, permitting, and long-term planning.
12 Among other things, this includes supervision of the system; review and approval
13 of expenditures; reviewing and resolving customer issues; scoping and obtaining
14 proposals for maintenance work; establishment of contracts; contact with
15 regulatory personnel on existing and future permit requirements and issues;
16 preparation of portions of and review of tariff documents; investigation of
17 physical and operational conditions of the distribution systems; and evaluation of
18 proposals for plant upgrades and replacement.

20 ***Q4. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS***
21 ***PROCEEDING?***

22 ***A4.*** The purpose of my testimony is to present information to the Tennessee Public
23 Utility Commission on the managerial, financial, and technical capabilities of

1 SWS in order to amend our Certificate of Convenience & Necessity to allow SWS
2 to provide wastewater service to the Taliaferro Road property.

3

4 ***Q5. PLEASE DESCRIBE THE TALIAFERRO ROAD PARCEL SERVICE***
5 ***AREA.***

6 **A5.** The proposed service territory encompasses the Taliaferro Road property in
7 Williamson County. SWS ultimately anticipates providing wastewater service to
8 27 single family homes in this area.

9

10 ***Q6. DOES A NEED PRESENTLY EXIST FOR WASTEWATER SERVICE IN***
11 ***THIS AREA?***

12 **A6.** Yes. Currently there is no provider of wastewater service in this area. Therefore,
13 in order to address the need for adequate and timely wastewater service to the
14 Taliaferro Road Property, SWS is asking the TPUC to amend our existing
15 Certificate of Convenience & Necessity.

16

17 ***Q7. WHAT TYPE OF WASTEWATER COLLECTION AND WASTEWATER***
18 ***TREATMENT IS SWS PROPOSING TO PROVIDE SEWER SERVICE***
19 ***TO THIS AREA?***

20 **A7.** Wastewater service to the Taliaferro Road Parcel will be provided by collection
21 tanks at each home. Wastewater from the collection tanks will be gravity fed to
22 force mains sending wastewater to the proposed wastewater system. An Orenco

1 Ax Max system will be used as outlined in the permit application. After being
2 treated the affluent will be sent to drip fields.

3

4 ***Q8. WHAT IS THE CURRENT STATUS OF THE TALIAFERRO ROAD***
5 ***PARCEL DEVELOPMENT?***

6 ***A8.*** The civil engineering design of the development is underway. The design
7 includes soil analysis and many studies approved by the state and Williamson
8 County the wastewater collection treatment and disposal systems. Construction
9 activity will not commence until Williamson County and TDEC approval is
10 granted to the overall development. The County and State permitting and
11 approval process will continue through this year with site construction in late
12 2021.

13

14 ***Q9. DOES SWS POSSESS THE MANAGERIAL CAPABILITIES TO***
15 ***OPERATE A WASTEWATER DISTRIBUTION SYSTEM?***

16 ***A9.*** Yes. As the Commission is aware, I have managed the operations of SWS since
17 its inception in 2004. I am very proud that SWS has the lowest wastewater rates
18 of any privately-owned utility in Tennessee. In addition, to my knowledge, the
19 Commission has never had a customer complaint regarding SWS's operations.
20 Finally, SWS has engaged legal, accounting and regulatory experts to advise and
21 assist it with the managerial responsibilities of operating a wastewater distribution
22 system.

23

1 ***Q10. DOES SWS POSSESS THE FINANCIAL CAPABILITIES TO OPERATE***
2 ***A WASTEWATER DISTRIBUTION SYSTEM?***

3 ***A10.*** Yes. However, the entire cost of the Taliaferro Road Property wastewater system
4 will be funded by the developer of the subdivision. Therefore, I do not expect
5 that SWS's provision of wastewater service to this area to result in any drain on
6 the financial resources of SWS. SWS will review and approve the wastewater
7 system design and will field inspect and approve the construction. Upon
8 completion and passing final inspection, the wastewater system will become the
9 responsibility of SWS for ownership and operation.

10

11 ***Q11. DOES SWS POSSESS THE TECHNICAL CAPABILITIES TO OPERATE***
12 ***A WASTEWATER DISTRIBUTION SYSTEM?***

13 ***A11.*** Yes. SWS has engaged a qualified engineer to be its wastewater distribution
14 operator and to monitor and test the wastewater distribution system of SWS on a
15 regular basis in compliance with TDEC rules.

16

17 ***Q12. WHAT RATES AND CHARGES WILL BE USED FOR THE***
18 ***TALIAFERRO ROAD PARCEL DEVELOPMENT?***

19 ***A12.*** SWS intends to apply its existing wastewater rates to new customers in the
20 Taliaferro Road Parcel development.

21

22 ***Q13. DOES SWS, ANY OF ITS AFFILIATES, OR YOURSELF HAVE ANY***
23 ***FINANCIAL INTEREST IN THE PROPOSED DEVELOPMENT, THE***

1 ***CONSTRUCTION OF THE PROPOSED WASTEWATER SYSTEM, OR***
2 ***THE PROVISION OF MATERIALS & SUPPLIES FOR THE***
3 ***CONSTRUCTION OF THE PROPOSED WASTEWATER SYSTEM?***

4 ***A13.*** No.

6 ***Q14. WHY DOES SWS WANT TO SERVE THIS NEW DEVELOPMENT AND***
7 ***WHAT BENEFIT IS IT TO THE EXISTING SEWER CUSTOMERS?***

8 ***A14.*** SWS wants to provide service to the Taliaferro Road Parcel development because
9 it is close in proximity to our existing service territory, meaning that it can be
10 served with relatively few incremental resources. In addition, this increase in our
11 customer base will provide SWS with a greater economy of scale to maintain low
12 rates to our existing customers.

14 ***Q15. WILL SWS ABIDE BY THE ORDERS AND RULES OF THE***
15 ***COMMISSION?***

16 ***A15.*** Yes.

18 ***Q16. IS SWS AWARE OF RULE 1220-04-13-.09 (7) WHICH REQUIRES THE***
19 ***CONSTRUCTION OF THE WASTEWATER SYSTEM TO BE***
20 ***COMPLETED WITHIN 3 YEARS OF TPUC'S WRITTEN APPROVAL***
21 ***OF THE CCN?***

22 ***A16.*** Yes.

1 ***Q17. DOES THIS COMPLETE YOUR TESTIMONY?***

2 ***A17.*** Yes, it does.

ATTACHMENT 1-1b
REVISED EXHIBIT 1.8

Provide a description of the type of proposed wastewater system to be constructed including the design capacity and the maximum potential number of customers the Utility will service in the proposed service area. Indicate the technology used for the wastewater system (e.g. membrane, sand filter, wetland cell and/or lagoon). The type of system and design capacity should match the type and design capacity of the associated TDEC permit and permit application.

RESPONSE:

Wastewater service to the Taliaferro Road Parcel will be provided by collection tanks at each home. Wastewater from the collection tanks will be gravity fed to force mains sending wastewater to the proposed wastewater treatment system. An Orenco Ax Max system will be used as outlined in the permit application. After being treated the effluent will be sent to drip fields. The developer will bear all expenses of the engineering, treatment expansion, construction of the wastewater system and additional soils for drip fields. The Homes at Mulberry Meadows Subdivision will be a single-phase development consisting of 27 lots for single family dwellings.

ATTACHMENT 1-1c
REVISED EXHIBIT 1.9

Provide the estimated dates for the commencement and completion of the construction of the system and the estimated date the wastewater system will be placed into service. If the wastewater system will be constructed or placed into service in phases, provide the anticipated dates for each phase.

RESPONSE:

After approval by the Tennessee Public Utility Commission, construction of the proposed wastewater system for the Taliaferro Road Parcel will take approximately 60 days to complete and be immediately placed into service. All construction is being completed in a single phase.

ATTACHMENT 1-1d
REVISED EXHIBIT 4.5

Provide a certification from a design engineer that the wastewater system was constructed in accordance with the TDEC approved construction plans and specifications. The certification shall be filed in the docket prior to providing service.

RESPONSE:

Superior Wastewater Systems will provide a certification from a design engineer that the wastewater system at Taliaferro Road Parcel was constructed in accordance with the TDEC approved construction plans and specifications when construction is complete and before providing service to any end-use customers.

ATTACHMENT 1-1e
REVISED EXHIBIT 5.6

Provide the total estimated detailed cost of construction of the wastewater system to be constructed for the proposed service area. If the wastewater system will be constructed in phases, provide detailed construction cost estimates for each phase. Indicate whether the developer or the applicant will pay for the construction of the system.

RESPONSE:

The estimated cost of construction for the wastewater system for the Taliaferro Road Parcel is \$334,000. See attached back up for detailed costs. All these costs will be funded by the developer of the Taliaferro Road Parcel.

ATTACHMENT 1-1f
REVISED EXHIBIT 5.7

Indicate the identity of the owner of the wastewater system once construction is complete. If a party other than the utility pays the cost of construction and transfers ownership of the wastewater system to the applicant, provide a detailed breakdown of the estimated amount of contributed capital that will be recorded on the applicant's financial books.

RESPONSE:

Once the construction of the wastewater system at the Taliaferro Road Parcel has been completed, title for the system including all drip fields will be transferred to Superior Wastewater Systems.

Superior Wastewater Systems' estimate of the journal entry to appropriately record the contributions in aid of construction for the transfer of the wastewater plant from the developer is as follows:

Account	Debit	Credit
353 – Land & Land Rights	\$10	
360 – Collection Sewers-Force	120,000	
380 – Treatment & Disposal Equipment	214,000	
271 – Contributions in Aid of Construction		334,010

ATTACHMENT 1-1g
REVISED EXHIBIT 5.12

List all funding sources available to the applicant for the wastewater system proposed by the applicant.

RESPONSE:

Funding for the wastewater system at the Taliaferro Road Parcel will be supplied by the developer. After the wastewater system is completed, the developer intends to transfer title to the wastewater system, including drip fields over to Superior Wastewater Systems to operate. Superior Wastewater Systems will not be supplying any funding for construction of the wastewater system at the Taliaferro Road Parcel.

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FIRST DISCOVERY REQUEST OF THE COMMISSION STAFF**

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.

Response:

At this time, there is no construction contract for the wastewater system between the developer and John Powell Construction, LLC. Instead, the parties are waiting for approvals from both the Tennessee Public Utility Commission (TPUC) and the Tennessee Department of Environment & Conservation (TDEC) before they can then approach the Williamson County Planning Commission (Williamson County) for approval of a residential development on the Taliaferro Road Parcel.

Once approval from Williamson County is obtained, the parties will then enter into a contract for the construction of a wastewater system at Taliaferro Road. SWS will supplement the record in this docket by providing a copy of the construction contract when it has been executed.

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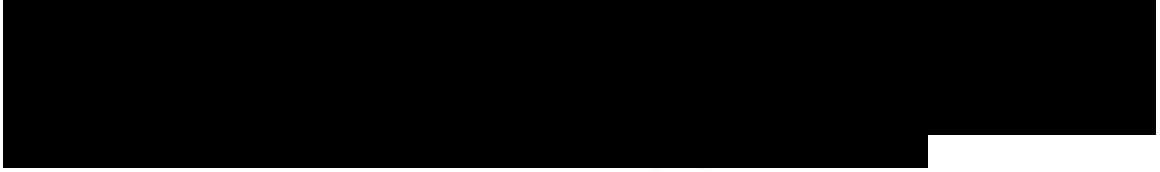
- 3. If John Powell Construction, LLC is not going to be the builder of the wastewater system, please provide the Tennessee Contractor's license for the contractor that will build the system.**

Response:

Not applicable. It is the intention of the parties that John Powell Construction, LLC will be the builder of the wastewater system.

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4.



Response:

SWS and the developer (collectively, the Parties) originally intended to provide service to 157 single family homes in the Taliaferro Road Parcel as reflected in the contract provided under seal in Exhibit 2.3 of the Petition. After further consideration, the parties agreed to reduce the scope of service to 27 single family homes.

SWS believes that this reduction in scope does not require a restated contract between the Parties since the entire cost of the wastewater system is being contributed by the developer to SWS to operate.

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FIRST DISCOVERY REQUEST OF THE COMMISSION STAFF**

- 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.**

Response:

SWS and the developer (collectively, the Parties) originally intended to provide service to 157 single family homes in the Taliaferro Road Parcel as reflected in the contract provided under seal in Exhibit 2.3 of the Petition. After further consideration, the parties agreed to reduce the scope of service to 27 single family homes. The Parties then updated the terms of the WTFSA for the new changes and retained the original signature page to the contract.

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6.



Response:

Since the developer will already be providing for the cost of the entire wastewater treatment system for the Taliaferro Road Parcel, SWS does feel that it would be appropriate to also charge an Access Fee for any unsold lots.

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- 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.**

Response:

At this time, the lots in the Taliaferro Road Parcel have not been sold. In addition, SWS will not be implementing any Access Fees to the developer on any unsold lots. See response to Item 1-6 for further information.

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

Response:

See Attachment 1-8a.

ATTACHMENT 1-8a
2021 Operators License

**WATER AND WASTEWATER
OPERATOR CERTIFICATION BOARD**

NAME AND MAILING ADDRESS

**James B. Johnson
307 Stafford Ct.
Smyrna Tennessee 37167**

STATE OF TENNESSEE	
DEPARTMENT OF ENVIRONMENT AND CONSERVATION	
WATER AND WASTEWATER OPERATOR CERTIFICATION BOARD	
I.D. NO.	EXPIRATION DATE
1186	12/31/2021
THIS IS TO CERTIFY THAT:	
James B. Johnson	
IS IN GOOD STANDING WITH THE BOARD FOR THE CLASSIFICATIONS	
LISTED:	
WW4	
WHEN CORRESPONDING ALWAYS REFER TO YOUR I.D. NUMBER	
AND SEND NOTIFICATION OF ADDRESS CHANGE	

**SUPERIOR WASTEWATER SYSTEMS
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9.

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.

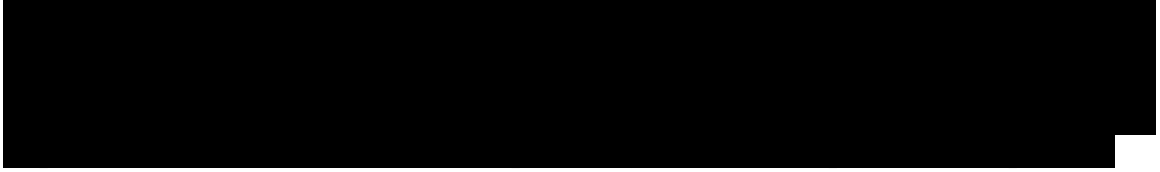
(Rule 1220-04-13-.14 (a) The public wastewater utility to install and have exclusive right to use a cutoff valve in the water line between the water meter and the premises (or in customer's water line where no meter exists) in accordance with both the rules and regulations of the public wastewater utility, 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.

Response:

It is SWS's intention to require the installation of a water cut-off valve for each of the homes in the Taliaferro Road Parcel.

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10.



Response:

SWS will be inspecting the system upon completion but does not intend to charge an inspection fee to the developer.

**SUPERIOR WASTEWATER SYSTEMS
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11.



Response:

SWS will be making arrangements to have individual collection tanks installed at each of the 27 lots in the Taliaferro Road Parcel. SWS will then inspect the installation of each collection tank. There will be no inspection fee assessed by SWS on collection tanks.

**SUPERIOR WASTEWATER SYSTEMS
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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]

Response:

The Developer will be passing all warranties on equipment purchases to SWS.

**SUPERIOR WASTEWATER SYSTEMS
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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.

Response:

The developer of the Taliaferro Road Parcel is paying for the complete cost of the wastewater treatment and collection system and then turning over the title to this system to Superior Wastewater Systems to operate. The complete wastewater system includes the treatment system, collection system, tanks, fencing, and ponding among other items necessary to operate. The difference in cost between the Taliaferro Road Parcel and other parcels operated by SWS has to do with the specific topography of each area.

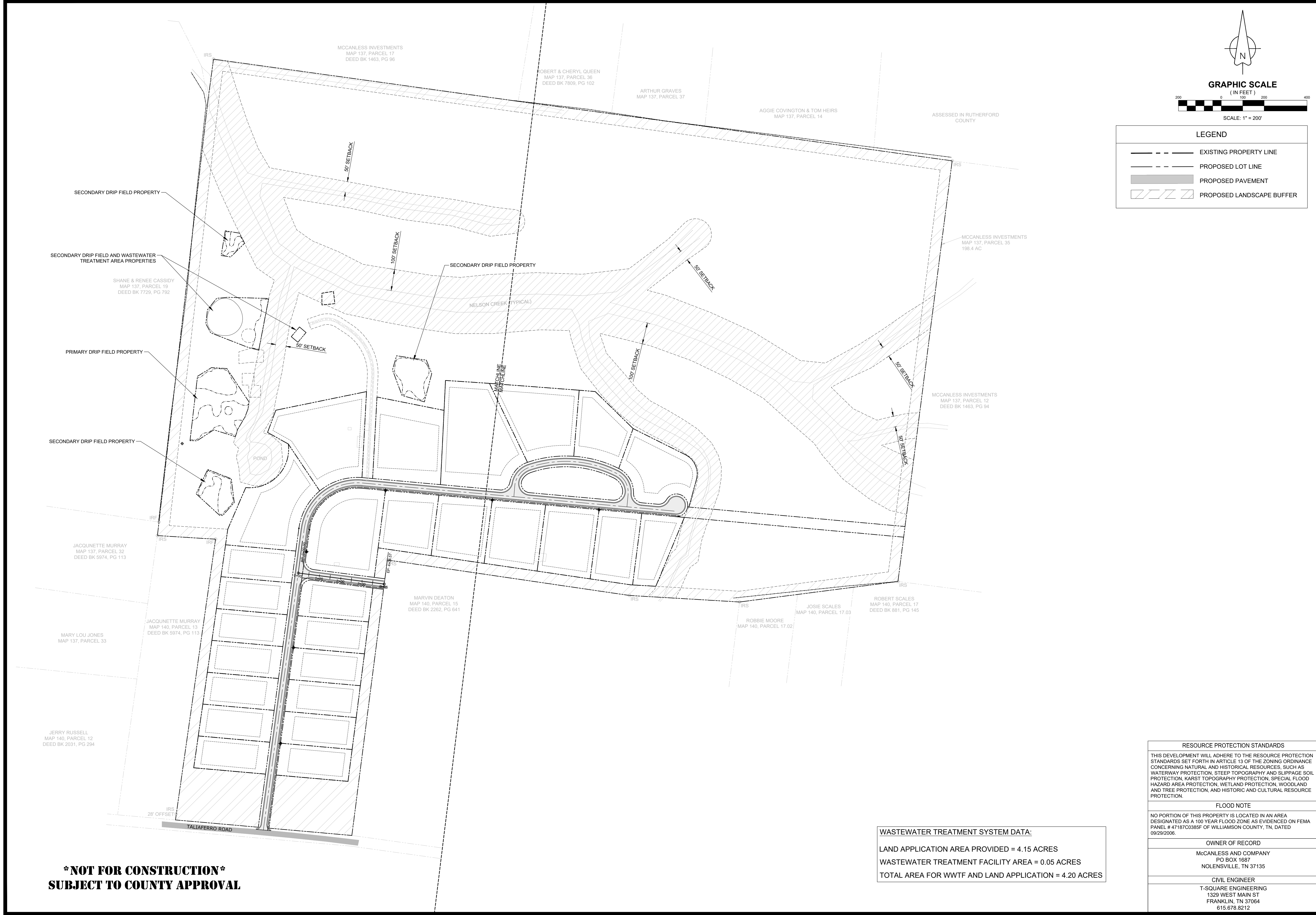
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14. Please legend with a description of all land that will be deeded to the Utility for drip fields, ponds and treatment system on a copy of the map and include on Exhibit A of the WTFSA and have the developer initial or sign. [REDACTED]

Response:

See Attachment 1-14a.

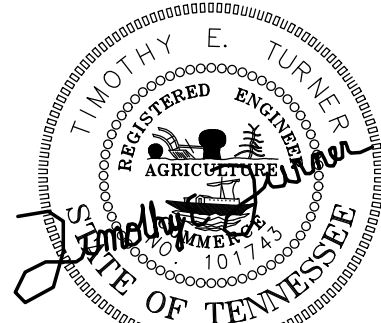
ATTACHMENT 1-14a
Taliaferro Road Parcel Wastewater Map



NOT FOR CONSTRUCTION
SUBJECT TO COUNTY APPROVAL

WASTEWATER TREATMENT SYSTEM DATA:
LAND APPLICATION AREA PROVIDED = 4.15 ACRES
WASTEWATER TREATMENT FACILITY AREA = 0.05 ACRES
TOTAL AREA FOR WWTF AND LAND APPLICATION = 4.20 ACRES

RESOURCE PROTECTION STANDARDS
THIS DEVELOPMENT WILL ADHERE TO THE RESOURCE PROTECTION STANDARDS SET FORTH IN ARTICLE 13 OF THE ZONING ORDINANCE CONCERNING NATURAL AND HISTORICAL RESOURCES, SUCH AS WATERWAY PROTECTION, STEEP TOPOGRAPHY AND SLIPPAGE SOIL PROTECTION, KARST TOPOGRAPHY PROTECTION, SPECIAL FLOOD HAZARD AREA PROTECTION, WETLAND PROTECTION, WOODLAND AND TREE PROTECTION, AND HISTORIC AND CULTURAL RESOURCE PROTECTION.
FLOOD NOTE
NO PORTION OF THIS PROPERTY IS LOCATED IN AN AREA DESIGNATED AS A 100 YEAR FLOOD ZONE AS EVIDENCED ON FEMA PANEL # 47187C0385F OF WILLIAMSON COUNTY, TN, DATED 09/29/2006.
OWNER OF RECORD
McCANLESS AND COMPANY PO BOX 1687 NOLENSVILLE, TN 37135
CIVIL ENGINEER
T-SQUARE ENGINEERING 1329 WEST MAIN ST FRANKLIN, TN 37064 615.678.8212



04-06-2021

PROJECT
19-0904

SHEET
C-2.3

**SUPERIOR WASTEWATER SYSTEMS
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- 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.**

Response:

The original cost for real property transferred from the developer to SWS is done through a quit claim deed at a nominal cost.

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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.

Response:

SWS filed their annual report for 2020 on April 1, 2021. SWS has prepared a new bond filing for proof of financial security that will be separately filed from this CCN docket for the Taliaferro Road Parcel.

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- 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.**

Response:

SWS has prepared a new bond reconciliation that will be separately filed from this CCN docket for the Taliaferro Road Parcel.

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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.

Response:

So noted.

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- 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.**

Response:

The funding for the continuing operation of the wastewater system for the Taliaferro Road Parcel will come from the SWS tariff rates that are charged to customers.

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- 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.**

Response:

So noted.