

# SUPERIOR WASTEWATER SYSTEMS

Providing Superior Wastewater Service to Tennessee

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June 28, 2021

**Via Electronic Delivery**

Chairman, Tennessee Public Utility Commission  
c/o Ectory Lawless, Dockets and Records Manager  
502 Deaderick Street, 4<sup>th</sup> 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's Third Discovery Request of June 25, 2021**

Ms. Lawless:

Superior Wastewater Systems, LLC files the attached response to the Commission Staff's Discovery Request of June 25, 2021.

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

Respectfully submitted,

  
John Powell, President

Enclosures

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P.O. Box 40  
Arrington, TN 37014  
615-496-8681

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

- 3-1. All finalized Agreements/Contracts entered into by the utility, construction companies, developers and/or landowners should be signed by all appropriate parties and filed in Docket No. 21-00001. Contracts must include the following pursuant to 1220-4-13-.17(2)(b)(3).
- a. System specifications that are in line with the TDEC State Operating Permit;
  - b. Costs for the wastewater system being built;
  - c. Timeline for the system to be built;
  - d. Rights to the system once it is completed; and
  - e. All documents presented by the Utility should be signed by all parties and bear marks or stamps, such as those provided by notaries or public officials.

**RESPONSE:**

See Attachment 3-1a for the Wastewater Treatment Facility Service Agreement between Superior Wastewater Systems and McCanless and Company.

See Attachment 3-1b for the Wastewater Facility Construction Agreement between Superior Wastewater Systems, JP Construction Communities and McCanless and Company.

**ATTACHMENT 3-1a**  
**Wastewater Treatment Facility**  
**Service Agreement**

## **WASTEWATER TREATMENT FACILITY SERVICE AGREEMENT**

This Wastewater Treatment Facility Service Agreement (this "Agreement") dated this 28 day of June, 2021 is between:

**Superior Wastewater Systems, LLC ("SWS")**, a Tennessee limited liability company authorized and licensed by the State of Tennessee to operate as a public utility. SWS develops and operates wastewater treatment facilities and systems. Its office is located at 9539 Mullins Road, Arrington, TN; and

**MCCANLESS AND COMPANY ("MCCANLESS AND COMPANY")**, requires the use of sewage and wastewater treatment facilities for its proposed residential development. The primary office of MCCANLESS AND COMPANY is located at P.O. Box 1687 Nolensville TN 37165.

SWS and MCCANLESS AND COMPANY may be hereinafter referred to individually as a "Party" and collectively as the "Parties."

### **RECITALS**

**Whereas**, MCCANLESS AND COMPANY owns, and is currently conducting its diligence on, certain property in Williamson County, Tennessee, here in the ("Property"), on which it plans to build a residential development;

**Whereas**, The general condition of the property is undeveloped part wooded and agricultural awaiting the CCN issued by TPUC in order to proceed to county planning commission approval.

**Whereas**, SWS and its consultants are applying to the Tennessee Department of Environment and Conservation ("TDEC"), the Tennessee Public Utility Commission ("TPUC") and Williamson County for approval to expand the service area of SWS to include this property.

**Whereas**, the improvements to be installed pursuant to this Agreement to expand the Facility to serve the Property will serve not less than 27 single-family households and related common elements on the Property, or such other quantity of lots approved by the Williamson County Planning Commission for the Property, and will be paid for by MCCANLESS AND COMPANY

**Whereas**, MCCANLESS AND COMPANY has requested SWS, as a privately owned, wastewater treatment utility, holding a license from TPUC, to provide wastewater service to the Property;

**Whereas**, SWS desires to provide the requested services to MCCANLESS AND COMPANY , including performance of sanitation treatment of customer sewage and wastewater;

**Whereas**, SWS desires to ensure that the facility is designed, constructed, and operated in accordance with State of Tennessee and local laws, regulations, and ordinances, including those of Williamson County, TPUC and TDEC to serve the Property; and



**Whereas**, MCCANLESS AND COMPANY may hire and put out for bid to any licensed Tennessee contractor to construct the collection lines, treatment plant, disposal drip fields or any portion of construction services necessary for the Facility to accept wastewater from the Property.

**NOW THEREFORE**, in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the Parties agree as follows:

1. DEVELOPMENT OF THE PROPERTY. If MCCANLESS AND COMPANY or an affiliate thereof, as applicable, does not develop the Property, for any reason or no reason, this Agreement will immediately terminate and, except for paragraphs 5.1 through 5.5 (which shall survive such termination), the Parties will have no further obligations under this Agreement.

2. SWS OWNS AND OPERATES THE FACILITY.

2.1. SWS will own the Facility in its entirety. following construction completion of the wastewater facility on the Property, certain portions of or underground improvements and easements on the Property must be conveyed to SWS by MCCANLESS AND COMPANY by easement and by quit claim pursuant to this section. Easements may be designated on the final plats to service, repair and maintain collection or transfer lines or pipes. SWS requires a minimum of ten feet, with pipe or line being in the middle. Any property required to be owned by SWS as mandated by the State of Tennessee or Williamson County will be quit claimed to SWS by MCCANLESS AND COMPANY and the Parties will be compliant. Following such a conveyance or easement the real property or improvements within these areas will be part of the Facility managed and owned by SWS pursuant to this Agreement. SWS will own and operate the Facility for the purpose of treating water-borne waste products presented to the Facility for treatment from the Property.

2.2. SWS will not pledge, mortgage, leverage, assign, or otherwise encumber in any way its rights or interest in the Facility. MCCANLESS AND COMPANY may be responsible for any federal income taxes due that SWS may be required to pay when property and plant are conveyed. MCCANLESS AND COMPANY must convey this Property and Facility free and clear of any encumbrances.

3. FACILITY OPERATING REQUIREMENTS AND PROHIBITIONS.

3.1. SWS will operate the Facility in a first rate manner consistent with the regulations, dictates and demands of TPUC, TDEC and any other governing federal, state, and local regulatory authorities and with its obligations under this Agreement, including, without limitation, in a manner necessary to properly service all customers of the Property, and will do so continuously except when prevented from doing so by catastrophic events beyond SWS's control. In the event of a suspension of services provided by SWS, notwithstanding the cause thereof, SWS will incur all expenses and financial burden necessary to provide temporary facilities and expeditiously return the Facility to fully functioning status.

3.2. SWS will accept for sewer and wastewater treatment at the Facility any and all customers of the Property. SWS will not accept for sewer and wastewater treatment at the Facility any other sewer and wastewater customers unless and until SWS or such other customers procure,



at their sole expense, additional treatment capacity and additional soil fields, including all related improvements, separate and apart from, and without interference with service to the Property.

3.3. SWS will, at its sole expense, maintain the Facility, including the drip fields wherein the Facility utilizes such reserve and primary drip fields, in good order and condition.

3.4. SWS will, at its sole expense, maintain the growth or undergrowth including, without limitation, shrubs and grasses upon property which the Facility utilizes in a manner consistent with the maintenance standards of the Property. Drip fields will be bush hogged at least three times a year by SWS. SWS will not be responsible for maintaining vegetation in common areas or easement areas.

4. FEES FOR CUSTOMER SEWAGE AND WASTEWATER TREATMENT. SWS acknowledges that by this Agreement, and with respect to operating the Facility, SWS revenues will be limited to earning and collecting reasonable, regulated service fees from SWS customers who present their sewage and wastewater to the Facility for treatment. SWS shall be responsible for all billings and collections. MCCANLESS AND COMPANY will be liable for an annual service of Eighty Four dollars (\$84) for all lots that remain unsold with no residential home constructed. MCCANLESS AND COMPANY shall insert language acceptable to SWS, acting reasonably, in the Declarations of Protective Covenants or the By Laws of the home owners association governing the Property that allows SWS through the association to collect sewer fees at which time the association may assess and lien the lot/property that has not paid sewer fees. Example of acceptable language of SWS:

*Utility Fees. Each Lot Owner or amenity (USER) must connect to the sewer system already available to the property and designated by Declarant. USER is obligated to pay all monthly or annual sewer fees along with costs and expenses associated therewith. Delinquent fees shall be deemed an "assessment" collectable as provided herein. Each USER when requesting service must have contractor approved by SWS install initial collection tank to be placed on the property of the USER, at cost to USER.*

4.1. SWS requests the installation of water cut off valves between the water meter and the home. This installation will be made by the builder at the time of home construction or by McCanless and company not SWS

#### 5. PROFESIONAL & FEES

5.1 Soil Scientists have been employed and paid by MCCANLESS AND COMPANY to identify any acceptable soil areas for drip fields.

5.2 T squared (the "Engineer") has been engaged by MCCANLESS AND COMPANY with approval from SWS to design the wastewater treatment facilities needed to serve the Property along with related components and elements to be constructed on the Property lots (the "Lots"), and to develop construction plans therefor (collectively, the "Plans"). To assist in development of the Plans, MCCANLESS AND COMPANY will be provided an engineering plan reflecting the location of all existing and potential sewerage/wastewater lines on or serving the Property, as well as the locations where SWS recommends that collection tanks servicing the Lots be placed. Once the Plans are received from the Engineer, SWS shall promptly deliver the same to MCCANLESS



AND COMPANY for its review and approval. If within ten business days after MCCANLESS AND COMPANY receives the Plans from SWS, MCCANLESS AND COMPANY does not give notice to SWS of any comments thereto, then the Plans will be deemed approved by MCCANLESS AND COMPANY. If MCCANLESS AND COMPANY has reasonable, good faith comments to the Plans, SWS shall cause the Plans to be promptly revised to address such comments. The procedure for approval or comments by the Parties set forth above will be repeated until such Plans are finally approved.

5.3 WHN Consulting (Hal Novak) has been hired to complete the CCN application process, required by TPUC to obtain the extension of the CCN. This is a direct cost of providing service to the Property and MCCANLESS AND COMPANY will pay for this professional fee cost.

5.4 Chuck Welch has been hired to represent SWS for the benefit of the Property. An attorney is required by TPUC on any contested case or a case that has an intervention. The State of Tennessee Consumer Advocate has intervened making an attorney necessary to obtain the extension of the CCN. This is a direct cost of providing service to the Property and MCCANLESS AND COMPANY will pay for this professional fee cost.

5.5 Prior to construction of the collection system which serves the individual Lots, MCCANLESS AND COMPANY and SWS will be required to submit for approval the construction plans to TDEC, which application fees for approval shall be paid by MCCANLESS AND COMPANY.

6. NO ASSIGNMENT BY SWS OF THIS AGREEMENT. SWS will not assign or otherwise convey its rights and obligations under this Agreement, except as required or approved by TPUC. If TPUC should require a conveyance of SWS's obligations under this Agreement, such assignment shall be conducted in a manner that would not result in an interruption of service contemplated in this Agreement.

7. ASSIGNMENT BY MCCANLESS AND COMPANY. MCCANLESS AND COMPANY may assign this Agreement and MCCANLESS AND COMPANY's rights and obligations under this Agreement to any person who or entity that acquires an interest in the Property with written notice to SWS. SWS shall not withhold its consent without reasonable cause. After SWS's consent MCCANLESS AND COMPANY shall be released of all of its obligations under this Agreement.

8. INDEMNIFICATION AGAINST FAILURE. SWS agrees to indemnify, defend and hold MCCANLESS AND COMPANY and its affiliates and its and their members, shareholders, partners, managers, directors officers, employees and agents harmless from and against any and all claims, actions, causes of action, demands, judgments, losses, injury to person or property and expenses, including reasonable attorneys' fees and expenses, arising from or relating to any act or omission of SWS, its employees, contractors or agents in the maintenance, repair or operation of the Facility.

9. GENERAL INDEMNIFICATION. MCCANLESS AND COMPANY agrees to indemnify, defend and hold SWS harmless from and against any and all claims, actions, causes of action, demands, judgments, losses, injury to person or property and expenses, including reasonable attorneys' fees and expenses, arising from or relating to any act or omission of MCCANLESS AND COMPANY, its employees or contractors for any claims of lien of laborers



or material men or others, for work performed or materials or supplies furnished for SWS to provide service to the Property. In the event SWS incurs assessments or other costs resulting from MCCANLESS AND COMPANY 's failure to properly pay for the components necessary to serve the Property, MCCANLESS AND COMPANY will indemnify and promptly pay SWS for 100% of any disbursements made or required to be made by SWS to cure any such failure, including reasonable attorneys' fees and expenses.

10. PERFORMANCE BONDS & FINANCIAL SECURITY. SWS will be responsible for securing any bonds, letters of credit or other security instruments required in connection with the Project, as required by TPUC. MCCANLESS AND COMPANY will be responsible for securing any performance bonds, or maintenance bonds required by Williamson County in connection with the improvements constructed to serve the Property.

- (a) PAYMENT FOR THE COST OF BUILDING. The Parties agree that SWS is not responsible for any of the costs associated with constructing the Facility to service the Property. MCCANLESS AND COMPANY shall bear the responsibility of securing payment and paying for the cost of constructing the components necessary to service the Property (collectively, the "Project") pursuant to the Plans (the "Project Cost") The "Project Cost" shall include: construction soft costs including, but not limited to, the Design Fees, any performance bond obtained in connection with the Project, all engineering, consulting, legal, County and State regulatory fees, permits and inspection fees; hard construction costs of the Project including, but not limited to, installation of collection lines, construction of new treatment additions, construction of required drip fields, force mains to drip fields, any pump station(s) and buildings required to operate the Project; and other costs incidental to the foregoing, specified and approved by TDEC. The "Project Cost" shall exclude the cost of a two-inch gravity line connecting the Lots to the Pump Station and the cost of collection tanks installed on the Lots, these costs will be paid by lot owners builders or MCCANLESS AND COMPANY . As used herein, the "Design Fees" means the actual engineering and consulting and legal fees and other costs associated with development.
- (b) MCCANLESS AND COMPANY is a general contract as well as the owner for this property. Whatever the "Project Cost" is they will build and pay for. Specific elements of the Project Cost are defined above. AT this time MCCANLESS AND COMPANY cannot determine the exact Project Cost. MCCANLESS AND COMPANY will be responsible for the Project Cost and will dedicate and gift the constructed system to SWS unencumbered.
- (c) MCCANLESS AND COMPANY contemplates constructing the improvements on the Property in one phase. Following preliminary approval of the first Phase by Williamson County and issuance of a grading and construction permit for such Phase, MCCANLESS AND COMPANY will cause itself or its contractor(s) to start constructing the improvements or components necessary for SWS to provide service to that Phase and such Lots. SWS will sign the final plat for that Phase after all components have been constructed and paid for by MCCANLESS AND COMPANY.



- (d) Builders of individual homes will either contract with a company that SWS approves or pay SWS an inspection fee when individual collection tanks at lots are installed.

10.2. To the extent not paid for by owners of the Lots or another third party, MCCANLESS AND COMPANY will be responsible for the cost of installing the collection tanks required for each Lot. Any collection tanks installed on the Property must be installed by an approved vendor of SWS.

11. REPRESENTATIONS AND WARRANTIES. Each Party represents to the other Party as follows:

11.1. It is duly qualified, licensed and in good standing to do business in the jurisdiction(s) where the Property (and, in the case of SWS, the Facility) is located.

11.2. This Agreement has, by proper action, been duly authorized, executed and delivered by such Party and this Agreement, and the covenants and agreements of such Party contemplated herein, are valid and binding obligations of such Party, enforceable in accordance with their terms, except as limited by applicable relief, liquidation, conservatorship, bankruptcy, moratorium, rearrangement, insolvency, reorganization or similar laws affecting the rights or remedies of creditors generally, as in effect from time to time.

11.3. There is no litigation or regulatory action pending or to such Party's knowledge threatened against or by such Party wherein an unfavorable ruling or decision would materially adversely affect such Party's ability to carry out its obligations under this Agreement.

12. TERM. This agreement will terminate when SWS accepts the completed and paid for components for the Facility and signs the final plat(s) for the Project.

13. WAIVER. If either Party allows the other Party aberrations from this Agreement, such aberrations shall not operate or be construed to relieve any Party from strict adherence to this Agreement in the future.

14. INFORMATION EXCHANGE. The Parties agree to exchange information necessary to confirm and effect compliance with this Agreement, including but not limited to, SWS customer information.

15. RELATIONSHIP. This Agreement does not establish a partnership, joint venture, association or other business relationship between the Parties. The Parties will not act in concert to share with each other profits or expenses, but instead are separate legal entities independently conducting separate and distinct profit-seeking activities.

16. NOTICE. All notices and other communications given pursuant to this Agreement will be in writing and will be deemed properly served (a) the same day if delivered in person to the Party to whom it is addressed, (b) the same day if delivered by email before 5:00 pm Central Time on a business day and the next business day if delivered by email after 5:00 pm Central Time on a business day (or any time on a day other than a business day), in each case to the Party to whom it is addressed, or (c) one business day after being deposited with a nationally recognized overnight carrier service, in each case addressed to the address for such Party set forth below. A Party may change its notice address by providing notice of such change to the other Party pursuant to this paragraph. Any notice may be given by a Party's attorney. Notice to a Party shall be given as follows:

If to SWS: P.O. Box 40  
Arrington, TN 37014  
Attention: John Powell

If to MCCANLESS AND COMPANY :  
P.O. Box 1687 Nolensville TN 37165

17. ENTIRE AGREEMENT. This Agreement is the entire agreement between the Parties with respect to the Facility, including the Project, and no alteration, modification, or interpretation hereof shall be binding on the Parties unless made in writing and executed by both Parties.
18. RECITALS AND EXHIBITS. The recitals, and all exhibits referred to in this Agreement and attached hereto, will be deemed a part of this Agreement.
19. APPLICABLE LAW. This Agreement shall be construed and enforced in accordance with the laws of the State of Tennessee.
20. SEVERABILITY. If any passage, provision, or language contained in this Agreement is inconsistent with or in violation of governing law, the offending element shall be deemed inoperative, with the spirit and effect of the Agreement remaining intact to the extent possible.
21. INTERPRETATION. This Agreement has been submitted to the scrutiny of both Parties and shall be given a fair and reasonable interpretation without consideration being given to its having been drafted by either Party or such Party's counsel.
22. COUNTERPARTS. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**[INTENTIONALLY LEFT BLANK – SIGNATURE PAGE TO FOLLOW]**



IN WITNESS WHEREOF, the Parties hereto have executed this amended Agreement this 28<sup>th</sup> day of June 2021

SUPERIOR WASTEWATER SYSTEMS, LLC,  
a Tennessee limited liability company

By: Clint Nichols  
Clint Nichols – Operation Manager

MCCANLESS AND COMPANY, INC

By: James C. McCannless  
Name: James C. McCannless  
Its: PRESIDENT

Sworn to and subscribed before me  
this 28 day of June, 2021.

Catherine E. Sullivan  
NOTARY PUBLIC

My commission expires: 3-26-22



**ATTACHMENT 3-1b**  
**Wastewater Facility**  
**Construction Agreement**



## **WASTEWATER FACILITY CONSTRUCTION AGREEMENT**

This Wastewater Facility Construction Agreement (this "Agreement") dated this 22 day of June, 2021 is between:

**John Powell CONSTRUCTION, LLC** ("JP CONSTRUCTION"), a Tennessee limited liability company who will construct the wastewater facility. Its office is located at 9539 Mullins Road, Arrington, TN; and

**Superior Wastewater Systems, LLC** ("SWS"), a Tennessee limited liability company authorized and licensed by the State of Tennessee to operate as a public utility. SWS develops and operates wastewater treatment facilities and systems. Its office is located at 9539 Mullins Road, Arrington, TN, SWS will eventually own the property where facility is to be constructed herein; and

**MCCANLESS AND COMPANY, INC** ("MCCANLESS AND COMPANY"), a TN Corporation that requires the use of sewage and wastewater treatment facilities for its proposed residential development. The primary address of MCCANLESS AND COMPANY is P.O. Box 1687 Nolensville TN 37135

JP CONSTRUCTION and MCCANLESS AND COMPANY may be hereinafter referred to collectively as the "Parties."

**WHEREAS**, MCCANLESS AND COMPANY, is currently conducting its due diligence on, certain property in Williamson County, Tennessee, shown on the attached DEED herein (the "Contract Property"), on which it plans to build a residential development consisting of not less than 27 single-family homes[ a subdivision named Homes at Mullberry ] (the "**Project**");

**WHEREAS**, the Parties through their consultants have applied to the Tennessee Department of Environment and Conservation ("TDEC"), to obtain an SOP to service the Project in Williamson County.

**WHEREAS**, the Parties through their consultants have applied to the Tennessee Public Utility Commission ("TPUC") and are awaiting a CCN under docket # 21-0001 to serve the Project

**WHEREAS**, the improvements to be installed pursuant to this Agreement for a new facility to serve the Property will serve not less than 27 single-family lots approved by the Williamson County Planning Commission for the Property, and will be paid for by MCCANLESS AND COMPANY;

**WHEREAS**, it is intended that MCCANLESS AND COMPANY will tender a deed to SWS after SWS accepts facility as is where is. SWS will own the land that comprises the primary and reserve drip fields, the treatment system and the storage pond. McCanless and Company must show on the final plat all easements to access all other component such as, but not limited to, pipes, force mains, pump stations, tanks, and connections to all components associated with the collection system and the land that holds the treatment center that will service this Project;

**WHEREAS**, MCCANLESS AND COMPANY owns all of the property that JP CONSTRUCTION will be constructing the wastewater system for the Project. After construction



has been completed MCCANLESS AND COMPANY will Quit claim the property for Ten Dollars (\$10.00) to SWS. A copy of the current deed is attached to this agreement as DEED.

1. **ASSIGNMENT BY MCCANLESS AND COMPANY.** MCCANLESS AND COMPANY may assign this Agreement and MCCANLESS AND COMPANY's rights and obligations hereunder to any person or entity that acquires an interest in the Contract Property or the Project, or to any affiliated or related entity, without the consent of, but upon written notice to, JP CONSTRUCTION. Following any such assignment, MCCANLESS AND COMPANY will be released of all obligations under this Agreement.

2. **ASSIGNMENT BY JP CONSTRUCTION.** JP CONSTRUCTION may assign this Agreement and rights and obligations under this Agreement to any licensed TN Contractor to complete the project in whole or in part with written notice to MCCANLESS AND COMPANY.

3. **DESCRIPTION OF SYSTEM AND FACILITIES TO BE CONSTRUCTED.**

Subject to the maximum amount set out in paragraph 5 below, MCCANLESS AND COMPANY shall pay the cost of constructing the components necessary to service the Contract Property pursuant to the approved plans. The cost of the Treatment Facility shall include all construction costs associated with the approved plans including, but not limited to i) soft costs such as design Fees, performance bonds obtained in connection with the Project by Williamson County Planning, engineering and consulting fees, legal fees, County and State regulatory fees, including any required ARAP permits; and ii) hard construction costs of the Project including, but not limited to, installation of collection lines by and between pump station and drip fields, construction of construction of required drip fields, force mains to drip fields, any pump station(s) and buildings required to operate the Project; and other costs incidental to the foregoing as may be specified and required by TDEC (the "Construction Costs"). Construction Costs does not include the cost collection lines from residential lots to the pump station(s) on the Property, nor does it include the cost of collection tanks and water cut off valves installed on the Project Lots, nor does it include any inspection fees required by SWS these costs will be paid by either the MCCANLESS AND COMPANY, Builder or Lot owner. As used herein, the "Design Fees" means the actual engineering and consulting and legal fees and other costs associated with development of the wastewater facility. Some of these fees have already been paid by MCCANLESS AND COMPANY. **PRICE FOR SYSTEM.** The total amount charged to MCCANLESS AND COMPANY for construction of the Wastewater system in accordance with this Agreement shall be approximately Two Hundred Fourteen Thousand Dollars (\$214,000) (the "Contract Price"). The Contract Price may Change as conditions and construction materials will. This price does not include the collection System which will be built by individual lot owners and MCCANLESS AND COMPANY. It is anticipated that the construction of the facility shall not exceed six months.

4. **JP CONSTRUCTION** will invoice MCCANLESS AND COMPANY during the construction and completion of the system and facilities. MCCANLESS AND COMPANY will promptly pay all invoices within 10 days. JP CONSTRUCTION will not present bills more than once a month. All requests for payment shall include a certification from the SWS Engineer confirming completion of the improvements in question. MCCANLESS AND COMPANY will



pay this engineer the inspection Fee which will not be included in the contract price in section 5 above.

5. JP Construction will install all collection tanks and collection lines thereto. Individual builders / lot owners will pay for this construction, which should be approximately 5,000.00 SWS approves JP Construction for this task.

6. **INDEMNIFICATION AGAINST FAILURE.** JP CONSTRUCTION agrees to indemnify, defend and hold MCCANLESS AND COMPANY and its affiliates and their members, managers, shareholders, partners, directors, officers, employees and agents harmless from and against any and all claims, actions, causes of action, demands, judgments, losses, injury to person or property and expenses, including reasonable attorneys' fees and expenses, arising from or relating to any act or omission of either JP CONSTRUCTION its employees, contractors or agents in the construction, maintenance, repair or operation of the Facility.

7. **GENERAL INDEMNIFICATION.** MCCANLESS AND COMPANY agrees to indemnify, defend and hold JP CONSTRUCTION harmless from and against any and all claims, actions, causes of action, demands, judgments, losses, injury to person or property and expenses, including reasonable attorneys' fees and expenses, arising from or relating to any act or omission of MCCANLESS AND COMPANY, its employees or contractors for any claims of lien of laborers or material men or others, for work performed or materials or supplies furnished for SWS to provide service to the Property. In the event SWS incurs assessments or other costs resulting from MCCANLESS AND COMPANY's failure to properly pay for the components necessary to serve the Property, MCCANLESS AND COMPANY will indemnify and promptly pay SWS for 100% of any disbursements made or required to be made by SWS to cure any such failure, including reasonable attorneys' fees and expenses.

8. **PERFORMANCE BONDS & FINANCIAL SECURITY.** SWS will be responsible for securing any bonds, letters of credit or other security instruments required in connection with the Project, as required by TPUC. MCCANLESS AND COMPANY will be responsible for securing any performance bonds, or maintenance bonds required by Williamson County in connection with the improvements constructed to serve the Property. In the event Williamson County Planning requires a performance / maintenance bond that may include construction costs for other customers or another project outside of the Property such responsibilities will be divided by percentage so each party provides its own bond, security or portions thereof. Combined costs may include but not be limited to treatment capacity, drip fields and force mains.

9. **REPRESENTATIONS AND WARRANTIES.** Each Party represents to the other Party as follows:

9.1. It is duly qualified, licensed and in good standing to do business in the jurisdiction(s) where the Contract Property and Project.

9.2. This Agreement has, by proper action, been duly authorized, executed and delivered by such Party and this Agreement, and the covenants and agreements of such Party contemplated herein, are valid and binding obligations of such Party, enforceable in accordance with their terms, except as limited by applicable relief, liquidation, conservatorship, bankruptcy, moratorium, rearrangement, insolvency, reorganization or similar laws affecting the rights or remedies of creditors generally, as in effect from time to time.



9.3. There is no litigation or regulatory action pending or to such Party's knowledge threatened against or by such Party wherein an unfavorable ruling or decision would materially adversely affect such Party's ability to carry out its obligations under this Agreement.

10. TERM. THIS IS AN AGREEMENT TO PROVIDE CONSTRUCTION FOR A FACILITY LOCATED ON LAND OWNED BY MCCANLESS WHEN THE CONSTRUCTION IS COMPLETED AND THE PROPERTY DEEDED TO AND ACCEPTED BY SWS THE AGREEMENT WILL HAVE BEEN FULFILLED AND THEN THE CONTRACT IS NO LONGER AN EXECUTORY CONTRACT.

11. WAIVER. If either Party allows the other Party aberrations from this Agreement, such aberrations shall not operate or be construed to relieve any Party from strict adherence to this Agreement in the future.

12. INFORMATION EXCHANGE. The Parties agree to exchange information necessary to confirm and effect compliance with this Agreement.

13. WARRANTIES: MCCANLESS AND COMPANY WILL TRANSFER ANY PLANT OR EQUIPMENT WARRANTIES TO AVAILABLE TO SWS.

14. RELATIONSHIP. This Agreement does not establish a partnership, joint venture, association or other business relationship between the Parties. The Parties will not act in concert to share with each other profits or expenses, but instead are separate legal entities independently conducting separate and distinct profit-seeking activities.

15. NOTICE. All notices and other communications given pursuant to this Agreement will be in writing and will be deemed properly served (a) the same day if delivered in person to the Party to whom it is addressed, (b) the same day if delivered by email before 5:00 pm Central Time on a business day and the next business day if delivered by email after 5:00 pm Central Time on a business day (or any time on a day other than a business day), in each case to the Party to whom it is addressed, or (c) one business day after being deposited with a nationally recognized overnight carrier service, in each case addressed to the address for such Party set forth below. A Party may change its notice address by providing notice of such change to the other Party pursuant to this paragraph. Any notice may be given by a Party's attorney. Notice to a Party shall be given as follows:

If to SWS: P.O. Box 40  
Arrington, TN 37014  
Attention: John Powell  
Email: john-powell@comcast.net

If to JP CONSTRUCTION : P.O. Box 190  
Arrington, TN 37014  
Attention: John Powell  
Email: john-powell@comcast.net

If to MCCANLESS AND COMPANY/WDG:  
P.O. Box 1687 Nolensville TN 37135  
Email: mcc2002@comcast.net

16. ENTIRE AGREEMENT. This Agreement forms the entire construction agreement between MCCANLESS AND COMPANY and JP CONSTRUCTION with respect to the subject



matter hereof, and no amendment or modification hereof will be binding on the Parties unless made in writing and executed by both Parties.

17. RECITALS AND EXHIBITS. The recitals, and all exhibits referred to in this Agreement and attached hereto, will be deemed a part of this Agreement.

18. APPLICABLE LAW & VENUE. This Agreement shall be construed and enforced in accordance with the laws of the State of Tennessee, any litigation shall be heard in Williamson County TN.

19. SEVERABILITY. If any passage, provision, or language contained in this Agreement is inconsistent with or in violation of governing law, the offending element shall be deemed inoperative, with the spirit and effect of the Agreement remaining intact to the extent possible.

20. INTERPRETATION. This Agreement has been submitted to the scrutiny of both Parties and shall be given a fair and reasonable interpretation without consideration being given to its having been drafted by either Party or such Party's counsel.

21. COUNTERPARTS. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and delivered by email.

**[INTENTIONALLY LEFT BLANK – SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the Effective Date.

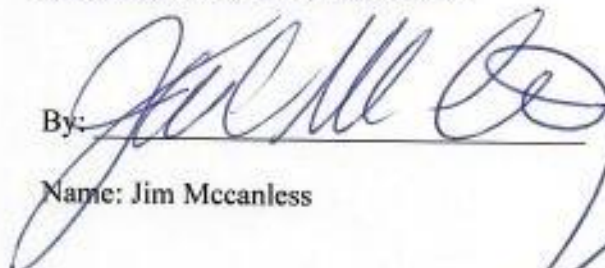
**SUPERIOR WASTEWATER SYSTEMS, LLC,**  
a Tennessee limited liability company

By:   
Clint Nichols, Operation Manager

**JP CONSTRUCTION COMMUNITIES, LLC**

By:   
Clint Nichols, Construction Manager

**MCCANLESS AND COMPANY**

By:   
Name: Jim Mccanless

Sworn to and subscribed before me  
this 28 day of June, 2021.

  
NOTARY PUBLIC



My commission expires: 3-26-22



**EXHIBIT A**  
**(The Contract Property)**

See Attachment

## WARRANTY DEED 422 944

ADDRESS NEW OWNER (S) AS FOLLOWS:		SEND TAX BILLS TO:		MAP PARCEL NUMBERS	
McCanless & Company		McCanless & Company		137-35-A	
Post Office Box 216		Post Office Box 216			
Brentwood, Tennessee 37027		Brentwood, Tennessee 37027			

FOR AND IN CONSIDERATION of the sum of Ten and No/100

cash in hand paid by the hereinafter named grantee, and other good and valuable consideration, the receipt of which is hereby acknowledged, Ruby Rogers Ferguson has

this day bargained and sold, and do hereby transfer, and convey unto the said McCanless & Company, a Tennessee corporation

Williamson

**FIRST TRACT:** Beginning at a rock, the northwest corner of the tract; thence south 89° east 210 poles and 12 links to a stake, Redmond's corner; thence south 1° west 87 poles and 2½ links to a stake in Redmond's line; thence west 43 poles to a rock; thence south 2½° west 43 poles and 20 links to a rock; thence south 88° west 32 poles to a rock thence north 88° west 69 poles and 5 links to a rock; thence south 1° west 82 poles and 10 links to a stake in Pate's line; thence west 42 poles and 22½ links to a point in the center of the Versailles Road; thence north 4½° east 81 poles and 8½ links to a rock; thence west 16 poles and 13½ links to a point in the center of the road; thence north 1½° east with Jones' and Crockett's line 133 poles and 18½ links to the beginning, containing 189 acres and 8 poles, more or less.

**SECOND TRACT:** Beginning at a rock, W.C. Biffle's southeast corner and running in a northeasterly direction to a rock, Jim Redmond's southwest corner, near Nelson Creek; thence with the said Jim Redmond's line to Biffle's corner; thence with said Biffle's line to the beginning, containing by estimation 10 acres, more or less. (12 foot right of way and sufficient space on Nelson Creek for watering stock down said Redmond's line to said Creek is expressly reserved.)

Being the same property conveyed to Clyde Ferguson and wife, Ruby Rogers Ferguson, by deed from Thomas A. Patillo and wife, Dora Dill Patillo, of record in Book 115, page 563, Register's Office for Williamson County, Tennessee. Said Clyde Ferguson having predeceased the said Ruby Rogers Ferguson.

STATES OF TENNESSEE  
COUNTY OF WILLIAMSON

The actual consideration or value which is hereby conveyed to the said Grantee is \$10,000.00

Witness my hand and seal this 1st day of September, 1982.

My Commission Expires Dec 24, 1983.

(Name Seal)

(Signature)

(City or Town)

TO HAVE AND TO HOLD said real estate, with the appurtenances, unto the said Grantee their heirs and assigns forever, except for 1982 real property taxes, which have been prorated and assumed by Grantee.

My further covenants and obligations, my heirs and representatives, to warrant and defend the title to said real estate to said Grantee, their heirs and assigns, against the lawful claims of all persons.

Whenever said, the singular number shall denote the plural, the plural the singular and the use of any gender shall be applicable to all genders.

Witness our hands this 1st day of September, 1982.

at my hand and seal, having caused its name to be signed hereto by its duly authorized officers on said day and date.

Ruby Rogers Ferguson  
Ruby Rogers Ferguson



STATE OF TENNESSEE  
COUNTY OF DAVIDSONJESSE  
Amson

422 945

Personally appeared before me, Jesse E. Amson, a Notary Public in and for said County and State, Ruby Rogers Ferguson

the within named bargainer, with whom I am personally acquainted, and she acknowledged that she executed the within instrument for purposes therein contained.

Witness my hand and official seal this 15 day of September, 1952 Brundwood Treasurer.Commission expires November 24, 1955 Jesse E. Amson Notary PublicSTATE OF TENNESSEE  
COUNTY OF DAVIDSON

Before me, Jesse E. Amson, a Notary Public of the State and County aforesaid, personally appeared \_\_\_\_\_ with whom I am personally acquainted, \_\_\_\_\_ as, upon oath, acknowledged \_\_\_\_\_ self to be \_\_\_\_\_ of the \_\_\_\_\_ a corporation, that \_\_\_\_\_ as each \_\_\_\_\_ being authorized so to a \_\_\_\_\_ executed the foregoing instrument for the purpose therein contained, by signing the name of the corporation by \_\_\_\_\_ self as \_\_\_\_\_.

Witness my hand and seal at office in \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_ \_\_\_\_\_ Notary PublicCommission expires \_\_\_\_\_ \_\_\_\_\_ Notary Public

TRANSFERRED

SEP 7 1952

WAYNE C. IRWIN, PROB. ASSessor  
WILLIAMSON COUNTY

WILLIAMSON COUNTY — STATE OF TENNESSEE  
 Received for record the 3 day of Sept 1952  
 at 12:01 o'clock P M Noted in Note Book 321 page 50  
 and Recorded in Book No. 422 page 944 State Tax  
 Paid 226.00 Fee 50 Recording Fee 600 Total 292.50  
 Receipt No. 39575 Witness my hand

J. D. Bennett, Registrar

WARRANTY DEED

FROM

RUBY ROGERS FERGUSON

TO

MCCANLESS &amp; COMPANY,

a Tennessee corporation

THIS INSTRUMENT PREPARED BY:

Ralph Z. Levy, Jr.  
 Barksdale, Whalley, Gilbert,  
 Frank & Milorn  
 13th Floor, Third National Bank Bldg.  
 Nashville, Tennessee 37219

Compliments of  
 Chicago Title Insurance Company  
 First Floor — First American Center

Phone 235-4631  
 NASHVILLE, TENNESSEE 37236



137-35A 122 046

For and in Consideration of One Dollar to it paid, the receipt of which is acknowledged, and the other considerations hereinafter mentioned, McCanless & Company, a Tennessee corporation

transfer and convey, to Ralph Z. Levy, Jr. have this day bargained and sold, and do hereby certain property in the State of Tennessee, Williamson County, described as follows, to wit: Two tracts of land lying and being situated in the 18th Civil District of Williamson County, Tennessee, described as follows:

**FIRST TRACT:** Beginning at a rock, the northwest corner of the tract; thence south  $89^{\circ}$  east 210 poles and 12 links to a stake, Redmond's corner; thence south  $1^{\circ}$  west 87 poles and 24 links to a stake in Redmond's line; thence west 43 poles to a rock; thence south  $2\frac{1}{2}^{\circ}$  west 43 poles and 20 links to a rock; thence south  $8\frac{1}{2}^{\circ}$  west 32 poles to a rock thence north  $88^{\circ}$  west 69 poles and 5 links to a rock; thence south  $1^{\circ}$  west 82 poles and 10 links to a stake in Pate's line; thence west 42 poles and  $22\frac{1}{2}$  links to a point in the center of the Versailles Road; thence north  $4\frac{1}{2}^{\circ}$  east 81 poles and 8 links to a rock; thence west 16 poles and  $13\frac{1}{2}$  links to a point in the center of the road; thence north  $1\frac{1}{2}^{\circ}$  east with Jones' and Crockett's line 135 poles and  $18\frac{1}{2}$  links to the beginning, containing 189 acres and 8 poles, more or less.

**SECOND TRACT:** Beginning at a rock, W.C. Biffle's southeast corner and running in a northerly direction to a rock, Jim Redmond's southwest corner, near Nelson Creek; thence with the said Jim Redmond's line to Biffle's corner; thence with said Biffle's line to the beginning, containing by estimation 10 acres, more or less. (12 foot right of way and sufficient space on Nelson Creek for watering stock down said Redmond's line to said Creek is expressly reserved.)

Being the same property conveyed to McCanless and Company, a Tennessee corporation, by deed from Ruby Rogers Ferguson, of record in Book \_\_\_\_\_, Register's Office for Williamson County, Tennessee.

Do hereby and to hold said property to the said Ralph Z. Levy, Jr. Trustee, and his successor in trust, forever. The undersigned does covenant that it is lawfully seized of the said property, have a good right to convey it, and that the same is unencumbered, except for 1982 taxes. The undersigned does further covenant and bind itself, and its successors, heirs and assigns, to warrant and defend the title to said property to the said Ralph Z. Levy, Jr. Trustee, and his assigns, forever, against the lawful claims of all persons. But this conveyance is made in trust for the following uses and trusts, and for no other purpose, to wit:

To secure the payment of a debt evidenced by a promissory note of even date herewith, executed by the Grantor, payable to Ruby Rogers Ferguson, or to her order for the principal sum of Eighty-two Thousand, Five Hundred and No/100 Dollars (\$82,500.00), with interest from the date hereof as the rate of seven and one-half percent (7 1/2%) per annum, all as set forth in said note.

Amount of indebtedness under any contingency is \$82,500.00.

Now if, McCanless & Company shall pay the sum aforesaid when due, according to the terms of said note, then this instrument is to be of no further force or effect. But if it shall fail to pay the said sum of money when due as aforesaid, or any part of said sum, according to the terms above expressed, then, all of the indebtedness hereby secured shall, at the option of the owner thereof, and without notice, become immediately due and payable, and upon such default, this conveyance remains in full force and effect, and the said Trustee, or his successor in trust, is hereby authorized and empowered, upon giving 21 days' notice, by publication in some newspaper of general publication by three weekly notices in Davidson County, Tennessee, to sell said property at the Courthouse door in said County, to the highest bidder, for cash, and free from the equity of redemption, homestead, dower, and all other exemptions of every kind, which are hereby expressly waived, and the said Trustee, or his successor in trust, is authorized to make a deed to the purchaser. The creditor may bid at any sale under this conveyance. The undersigned agrees that the Trustee may, at any time after default in payment of principal or interest as each falls due respectively, enter and take possession of said property, and shall only account for net rents received by him.

And the undersigned agrees to keep all the buildings on said property insured in some reliable fire insurance company or companies for the sum of a maximum until the sum herein secured is fully paid, and to have the loss made payable on the policy to said Trustee for the benefit of the owners and holders of the debt herein secured. It is further agreed to keep the improvements on said property in good repair and preservation and to pay all taxes and assessments, and to pay them when due; and in case it shall fail to do either, then said Trustee, or the creditor herein secured, may do either, and charge and treat the amount so expended as a part of the debt herein secured.

In case of sale under this Deed of Trust, the proceeds will be applied by the Trustee: First—To pay all the costs and charges of executing this trust, including attorney's fees and the expenses of any litigation which may arise on account of the execution and enforcement of this trust.



FULL RELEASE OF LIEN

Amount of Note: \$82,500.00

MAIL: McCarless & Co.  
241 Wilson Pike Circle  
Nashville, In. 37027

The undersigned, Ruby L. Ferguson, hereby declares that he was the true and lawful holder and owner at the time of payment of the entire indebtedness fully described in and secured by a lien in the instrument from McCarless & Company to Ruby L. Ferguson of record in Book 427 Page 246 of the Register's Office for Williamson County, Tennessee, to which reference is here made, and hereby acknowledges payment in full of said indebtedness and the satisfaction and discharge of said lien.

Whoever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders. IN WITNESS WHEREOF, he has hereunto subscribed his name on this 4th day of Sept. 1986. Attest: Ruby L. Ferguson

STATE OF TENNESSEE  
WILLIAMSON COUNTY

PERSONAL ACKNOWLEDGMENT

Personally appeared before me, Mary Lou Fox, a Notary Public in and for said County of Tennessee, the within named

the bargainers, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who acknowledged that she executed the within instrument for the purpose therein contained.

Witness my hand and official seal at Franklin, Tennessee, this 4th day of September, 1986. Commission expires 2-11-87 Notary Public Mary Lou Fox

STATE OF TENNESSEE  
WILLIAMSON COUNTY

CORPORATE ACKNOWLEDGMENT

Before me, \_\_\_\_\_, a Notary Public in and for the State and County aforesaid, personally appeared \_\_\_\_\_, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the \_\_\_\_\_ of the \_\_\_\_\_, a corporation, and that he as such \_\_\_\_\_ executed the foregoing instrument for the purpose therein contained, by signing the name of the corporation by himself as

Witness my hand and official seal at Franklin, Tennessee, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_. Commission expires \_\_\_\_\_ Notary Public \_\_\_\_\_

STATE OF TENNESSEE  
WILLIAMSON COUNTY

PARTNERSHIP ACKNOWLEDGMENT

Before me, \_\_\_\_\_, a Notary Public in and for the State and County aforesaid, personally appeared \_\_\_\_\_, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be a partner of the within named bargainer, a partnership and that he as such partner, executed the foregoing instrument for the purpose therein contained, by signing the name of the partnership by himself as partner.

Witness my hand and official seal at Franklin, Tennessee, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_. Commission expires \_\_\_\_\_ Notary Public \_\_\_\_\_

STATE OF TENNESSEE  
J.D. BENNETT, JR.  
REGISTER OF DEEDS

1986 SEP -4 PM 3:12

Note Book 39 Page 113  
Record Book 614 Page 285  
State Tax \_\_\_\_\_ Fee \_\_\_\_\_ Recording 4.00  
Rec. No. 62648 Total Pd. \_\_\_\_\_

J. D. Bennett  
REGISTER OF DEEDS  
FRANKLIN, TENNESSEE

ADDRESS

TO

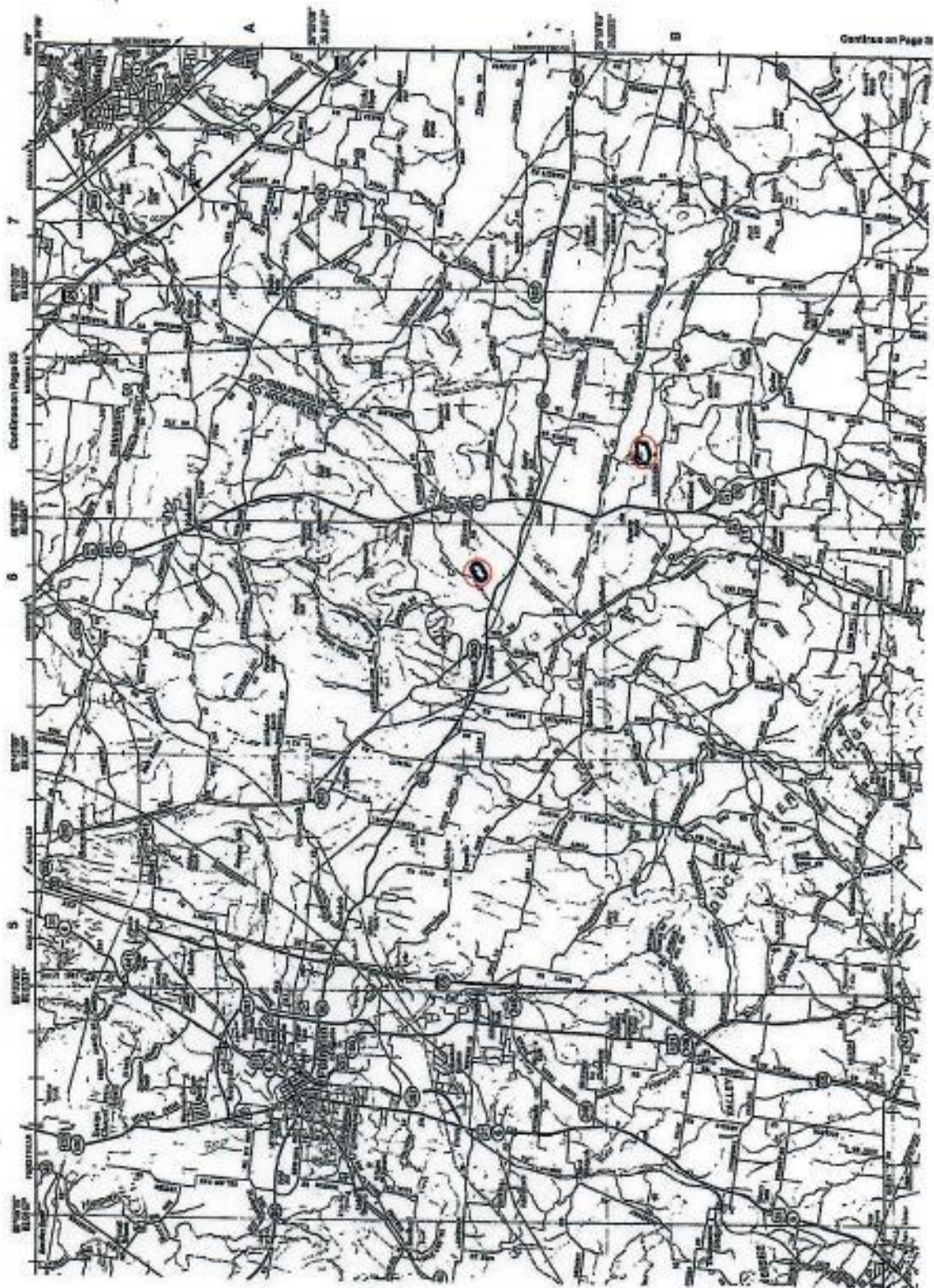
FROM

Full Release  
Of Lien

**EXHIBIT B**  
**(SWS Treatment Areas & Drip Fields)**

See Attachment





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

**3-2. Provide responses to the items below regarding the Wastewater Facility Construction Agreement ("Construction Agreement").**

- a. Paragraph 3 on page 1 states that SWS owns the property where the facilities will be constructed: Paragraph 6 on same page 1, however, states that McCanless is currently conducting due diligence on certain property in Williamson County, Tennessee shown in Exhibit A (the "Contract Property"), on which it plans to build a residential development consisting of not less than 27 single-family homes. Please confirm the entity that currently owns the property that will ultimately be deeded to the Utility.

**RESPONSE:**

McCanless and Company Inc. currently owns the property. McCanless and Company will deed the property to Superior Wastewater Systems after the facility has been constructed. See Page 1 of Attachment 3-1b for further details.

- b. Please provide a copy of the deed showing the entity which now owns the property referenced above.

**RESPONSE:**

See Exhibit A of Attachment 3-1b.

- c. Provide Exhibit A to the Construction Agreement that includes the description and details as to the property (a blank Exhibit A was included with the email).

**RESPONSE:**

See Exhibit A of Attachment 3-1b.

- d. Is McCanless and Company/WDG (referred to on Pg. 5) the same company as McCanless and Company. If so, please make sure that the name is changed accordingly on all the documentation filed in this Petition. If not, please explain.

**RESPONSE:**

"McCanless and Company/WDG" is the same company as "McCanless and Company". This differentiation has been corrected in Exhibit A of Attachment 3-1b.



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

- e. **The License that was provided to build the system is that of John Powell Construction. The signature on the Construction Agreement gives reference to a company named JP Construction Communities, LLC. Please explain.**

**RESPONSE:**

The correct name is "John Powell Construction". This differentiation has been corrected in Attachment 3-1b.

- f. **There are references for Assignments of the Construction Contract for both McCanless and Company and John Powell Construction. Any assignment made pursuant to a contract would have to be filed and approved by [the] Commission if it involves a change to any part of an approved CCN. New deeds and new licenses would need to be filed. Please confirm in writing by all parties their understanding that assignments cannot be made without approval of the Commission.**

**RESPONSE:**

The assignments referred to in the Construction Contract are between McCanless and Company and John Powell Construction and in no way relate to any obligation of Superior Wastewater Systems or its customers. We see no requirement in TPUC rules that would prevent such an assignment of obligations and responsibilities between the developer and the construction company. These types of assignment clauses are typical in construction contracts and provide for McCanless and Company to sell its interest in the development if it should so desire and for John Powell Construction to hire subcontractors to assist it with the construction of the wastewater plant.

- g. **It is requested that the contract state that McCanless and Company will deed the land for drip fields and reserve drip fields, the treatment system and any additional ponds required by Williamson County and will be in areas accepted by TDEC. Also, it is requested that McCanless and Company state that easements will be provided by McCanless and Company to access all other components such as, but not limited to, pipes, force mains, tanks, and connections to all components. Easements are normally laid out in the plat that retains all the official signatures.**

**RESPONSE:**

McCanless and Company will deed the property to Superior Wastewater Systems after the facility has been constructed. McCanless and Company will also provide easements, and access to all other components such as, but not limited to, pipes, force mains, tanks, and connections to all components. See Page 1 of Attachment 3-1b for further details.

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

- h. #3 on page 2 of the Construction Agreement provides a description of the system to be constructed and includes construction of "new treatment additions". Will the treatment system be entirely new or is there a treatment system that will just require new treatment additions? Please explain.**

**RESPONSE:**

The treatment system will be entirely new. There is no existing treatment system at this site. This differentiation has been corrected in Exhibit A of Attachment 3-1b.

- i. Please list items/components included in construction of the collection system and connection to collection system including tanks, connection lines from home to tank and from tank to pump station, along with any other components. Is this where the "cut-off" valve will be installed? For this installation, is \$5,000 what the homeowner pays to JP Construction? Does this include a 1,500-gallon tank?**

**RESPONSE:**

The water cut off valve is installed before the water enters the house, it is not a part of the collection system.

From the house to the collection tank (1700 gallons) a 4 inch PVC pipe is placed with adequate elevation drop to the tank. Normally, the plumber of the home builder installs the collection tank. The entity installing the tank may be asked to install for an additional fee. These fees can vary if rock is present. Filters are installed inside the collection tank. From the collection tank and after the filters, a PVC pipe will be installed to the collection line. From the Collection tank to the main collection pipe a cut off ball valve will be installed and a back flow preventor, risers and a lid installed so that the utility can access the cutoff valve. From the cut off valve a 1.25 inch PVC line will intersect the main line which is a two to four inch PVC pipe. These lines will go to a pump station or directly to the plant.

The \$5,000 pays for the 1700 gallon tank as well. The builder contractor of the home pays this money during construction of the home.



**SUPERIOR WASTEWATER SYSTEMS**

**DOCKET NO. 21-00001**

**THIRD DISCOVERY REQUEST OF THE COMMISSION STAFF**

- j. The cost for the treatment system as stated in the Petition (Exhibit 5.6) and the Engineer's Cost Estimates in the Design Development Report for The Homes at Mulberry Meadows is \$334,000; however, in the most recent Construction Agreement, the contract price for building the system is \$214,000. Please reconcile and explain.

**RESPONSE:**

The \$120,000 difference between the \$214,000 and the \$334,000 is primarily the cost of the collection line system. The construction contract does not include the collection line construction, which can only be completed after the treatment and effluent disposal has been finished. These collection construction costs will be completed as homes are built and lot lines established. These cost estimates were comprised from civil engineers.

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

- 3-3. Regarding the *Wastewater Treatment Facility Service Agreement* between the Developer and the Utility (Petition Exhibit 2.3), Staff requests further clarification of contract provisions listed below:
- a. Has McCanless and Company finished its diligence and purchased the property for the residential development where the wastewater treatment system is to be built? (Agreement pg. 1). Please provide documentation.

**RESPONSE:**

McCanless and Company cannot proceed with its due diligence with Williamson County until it has a sewer provider, with an approved CCN from TPUC. McCanless and Company has hired engineers to lay out the development and create the SOP application. McCanless and Company has also hired soil scientists to evaluate soils and provide statements for approval of drip fields. All of these items have been documented in our CCN application. In addition, many of these items are also present in the SOP application, the DDR and the DSIR.

- b. Based on the Construction Agreement (Page 2), is McCanless and Company hiring John Powell Construction to build the wastewater system? If John Powell Construction has been hired, please explain why is there a need for any re-assignment language?

**RESPONSE:**

The assignments referred to in the Construction Contract are between McCanless and Company and John Powell Construction and in no way relate to any obligation of Superior Wastewater Systems or its customers. These types of assignment clauses are typical in construction contracts and provide for McCanless and Company to sell its interest in the development if it should so desire and for John Powell Construction to hire subcontractors to assist it with the construction of the wastewater plant.

- c. Please provide a map showing the location of the new treatment system (SOP-20021) and the existing treatment system (SOP-03032).

**RESPONSE:**

See Exhibit B of Attachment 3-1b.



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

- d. It is requested the Service Agreement state that the entire wastewater facility will be conveyed to the Utility by McCanless and Company by entitlement to facility and deeds to land areas and easements will be designated on the final plats to service, repair and maintain all wastewater facility components.

**RESPONSE:**

See Section 2 (SWS OWNS AND OPERATES THE FACILITY) on Page 2 of Attachment 3-1a. In addition, see Page 1 of Attachment 3-1b for further details on the deed transfer from McCanless and Company to Superior Wastewater Systems.

- e. The tarified annual access fee revenue of \$84 for each unsold lot or per lot should be clearly stated.

**RESPONSE:**

See Section 4 (FEES FOR CUSTOMER SEWAGE AND WASTEWATER TREATMENT) on Page 3 of Attachment 3-1a.

- f. Will Superior be billing each customer directly for Superior's tarified wastewater fees? Please provide a copy of a proposed customer bill that will be sent to customers at the Homes at Mulberry Meadows.

**RESPONSE:**

Yes. Superior will be billing each customer directly for Superior Wastewater System's wastewater fees. At this time, the proposed customer bill that would be sent to customers at The Homes at Mulberry Meadows would be a flat rate of \$35.11 as shown in SWS's proposed tariff sheets included with SWS Exhibit 5.8 filed in this Docket.

- g. The *Agreement* states that Superior may request the installation of water cut-off valves at its sole discretion in between the water fee[d] and valve and the home. Does Mr. McCanless know that it is a Commission rule requirement that each home must have this required installation? Staff requests this requirement be made clear in the Service Agreement and identify who will bill and collect the installation fee.

**RESPONSE:**

See Section 4.1 (FEES FOR CUSTOMER SEWAGE AND WASTEWATER TREATMENT) on Page 3 of Attachment 3-1a.

**SUPERIOR WASTEWATER SYSTEMS**

**DOCKET NO. 21-00001**

**THIRD DISCOVERY REQUEST OF THE COMMISSION STAFF**

- h. In the *Agreement*, under the title *Utility Fees*, it is stated that each User is obligated to paying all monthly or annual sewer fees along with "costs and expenses" associated therewith. Please identify individually all "cost and expenses" being referred to in this statement.

**RESPONSE:**

Because there will be a homeowner's association for this development, it is important for potential homeowners to know that they are responsible for any costs or expenses associated with their service. Items of cost or expenses include but are not limited to destruction of tanks and lines by fence and pool contractors. In addition, trash and grease are not meant to be accumulated in the collection tanks. Many of the service calls that Superior Wastewater Systems responds to, through its contractors, involve individual homeowner's actions that caused the system to work incorrectly. In these circumstances the homeowners are billed for these repairs as "costs and expenses".

- i. The *Agreement* states that the Developer will be responsible for the Williamson County bonds and Superior will be responsible for the Commission bonds; however, the tariff was presented without any bond surcharge. Please explain. Also, will the bonds to satisfy the Commission Rule be charged to all of Superior's customers? If not, please explain.

**RESPONSE:**

Superior Wastewater Systems believes that it is inappropriate to bill the bond surcharge for one development to the customers of another development. For example, it would be unfair for the customers in the Taliaferro Road parcel to pay for the bonding costs incurred for the King's Chapel subdivision. Therefore, SWS intends to apply the bonding costs of the Taliaferro Road parcel to only those particular customers.

The Commission's bond requirements are based on fifty percent (50%) of the previous calendar year's revenues. At this point, there are no revenues from the customers in the Taliaferro Road parcel, therefore there is no bond rate to apply in the Taliaferro Road tariff. As lots are sold and customers come online at the Taliaferro Road parcel, a bond surcharge will be developed and applied to these customers, thereby satisfying the Commission's rules.



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

- 3-4. Please provide a complete 2020 Annual Report because the report received by the Commission [for] 2020 was incomplete. Pages labeled S3, S4, S5, SU and the check sheet were omitted. Therefore, Staff requests a complete 2020 Annual Report be filed because this information is relied upon for assessing financial capabilities.

**RESPONSE:**

Please see Attachment 3-4a for a complete copy of the 2020 Annual Report for Superior Wastewater Systems.

**ATTACHMENT 3-4a**  
**2020 TPUC Annual Report for**  
**Superior Wastewater Systems**



# STATE OF TENNESSEE

COUNTY OF **Williamson**

We the undersigned John Powell  
and \_\_\_\_\_  
of Superior Wastewater Systems, LLC

on our oath do severally say that the foregoing return has been prepared,  
under our direction, from the original books, papers and records of said  
utility; that we have carefully examined the same, and declare the same to be  
a correct statement of the business and affairs of said utility for the period  
covered by the return in respect to each and every matter and thing therein  
set forth, to the best of our knowledge, information and belief.

  
.....  
(Chief Officer)

.....  
(Officer in charge of accounts)

Subscribed and sworn to before me this.....  
day of....., 20.....  
.....  
Notary Public, .....County, .....  
My commission will expire.....  
.....  
(Seal)

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Adjusted Net Operating Income.....	SU-1



[illegible]

Name of Respondent Superior Wastewater Systems, LLC	This Report is: (1) <u>X</u> An Original (2) <u>  </u> A Resubmission	Date of Report (Mo, Da, Yr) 3-31-21	Year of Report 2020		
<b>INCOME STATEMENT</b>					
Account Name (a)	Ref Page (b)	Water (c)	Sewer (d)	Other (e)	Total (f)
<b>Gross Revenue:</b>					
Residential			\$125,923		\$125,923
Commercial			0		0
Industrial			0		0
Multi-Family			0		0
Other (Please Specify)			0		0
Other (Please Specify)			0		0
Other (Please Specify)			0		0
Other (Please Specify)			0		0
<b>Total Gross Revenue</b>			\$125,923		\$125,923
Operation & Maint. Expense	W3/S3		\$122,463		\$122,463
Depreciation Expense	F-5		0		0
Amortization Expense			0		0
Other Expense (Please Specify)			0		0
Other Expense (Please Specify)			0		0
Taxes Other Than Income	F-7		6,267		6,267
Income Taxes	F-7		0		0
<b>Total Operating Expenses</b>			\$128,730		\$128,730
<b>Net Operating Income</b>			-\$2,807		-\$2,807
<b>Other Income:</b>					
Nonutility Income			\$0		\$0
Other (Please Specify)			0		0
Other (Please Specify)			0		0
Other (Please Specify)			0		0
Other (Please Specify)			0		0
<b>Total Other Income</b>			\$0		\$0
<b>Other Deductions:</b>					
Misc. Nonutility Expenses			\$0		\$0
Other - Interest Expense			0		0
Other (Please Specify)			0		0
Other (Please Specify)			0		0
Other (Please Specify)			0		0
<b>Total Other Deductions</b>			\$0		\$0
<b>Net Income</b>			-\$2,807		-\$2,807



Name of Respondent Superior Wastewater Systems, LLC	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 3-31-21	Year of Report 2020
<b>COMPARATIVE BALANCE SHEET</b>			
Account Name (a)	Ref Page (b)	Current Year (c)	Previous Year (d)
<b>ASSETS</b>			
Utility Plant in Service (101-105)	F5/W1/S1	\$699,152	\$689,063
Accum. Depreciation and Amortization (108)	F5/W2/S2	191,312	177,950
<b>Net Utility Plant</b>		<b>\$507,840</b>	<b>\$511,113</b>
Cash		\$1,180	\$6,004
Customer Accounts Receivable (141)		4,001	0
Escrow Deposits (132)		5,551	9,126
Other Assets (Please Specify)		0	0
Other Assets (Please Specify)		0	0
Other Assets (Please Specify)		0	0
<b>Total Assets</b>		<b>\$518,572</b>	<b>\$526,243</b>
<b>LIABILITIES AND CAPITAL</b>			
Common Stock Issued (201)	F-6	\$0	\$0
Preferred Stock Issued (204)	F-6	0	0
Other Paid-In Capital (211)		0	0
Retained Earnings (215)	F-6	-7,188	-4,381
Capital (Proprietary & Partnership-218)	F-6	169,114	169,114
<b>Total Capital</b>		<b>\$161,926</b>	<b>\$164,733</b>
Long-Term Debt (224)	F-6	\$0	\$0
Accounts Payable (231)		0	0
Notes Payable (232)		0	0
Customer Deposits (235)		2,760	2,760
Accrued Taxes (236)		0	0
Advances Payable		0	0
Escrowed Deposits (235.1)		108,334	99,836
Other Liabilities (Please Specify)		0	0
Other Liabilities (Please Specify)		0	0
Other Liabilities (Please Specify)		0	0
Advances for Construction		0	0
Contributions In Aid Of Const.-Net (271-2)	F-8	245,552	258,914
<b>Total Liabilities</b>		<b>\$356,646</b>	<b>\$361,510</b>
<b>Total Liabilities &amp; Capital</b>		<b>\$518,572</b>	<b>\$526,243</b>

<b>Name of Respondent</b> Superior Wastewater Systems, LLC	<b>This Report is:</b> (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr) 3-31-21	<b>Year of Report</b> 2020
<b>NET UTILITY PLANT</b>			
<b>Plant Accounts (101-107) Inclusive</b> (a)	<b>Water</b> (c)	<b>Sewer</b> (d)	<b>Other</b> (e)
			<b>Total</b> (f)
Utility Plant in Service (101)		\$699,152	\$699,152
Construction Work in Progress (105)		0	0
Other (Please Specify)		0	0
Other (Please Specify)		0	0
Other (Please Specify)		0	0
Other (Please Specify)		0	0
Other (Please Specify)		0	0
Other (Please Specify)		0	0
Other (Please Specify)		0	0
<b>Total Utility Plant</b>		<b>\$699,152</b>	<b>\$699,152</b>
<b>ACCUMULATED DEPRECIATION AND AMORTIZATION OF UTILITY PLANT</b>			
<b>Account 108</b> (a)	<b>Water</b> (c)	<b>Sewer</b> (d)	<b>Other</b> (e)
			<b>Total</b> (f)
<b>Balance First of Year</b>		\$177,950	\$177,950
<b>Credits During Year:</b>			
Accruals charged to Depr. Account		\$13,362	\$13,362
Salvage		0	0
Other Credits (Please Specify):		0	0
Other Credits (Please Specify):		0	0
Other Credits (Please Specify):		0	0
Other Credits (Please Specify):		0	0
<b>Total Credits</b>		<b>\$13,362</b>	<b>\$13,362</b>
<b>Debits During Year:</b>			
Book/Historical Cost of Plant Retired		\$0	\$0
Cost of Removal		0	0
Other Debits (Please Specify):		0	0
Other Debits (Please Specify):		0	0
Other Debits (Please Specify):		0	0
Other Debits (Please Specify):		0	0
<b>Total Debits</b>		<b>\$0</b>	<b>\$0</b>
<b>Balance End of Year</b>		<b>\$191,312</b>	<b>\$191,312</b>



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<b>CAPITAL STOCK (201 - 204)</b>			
<b>(a)</b>	<b>Common Stock (b)</b>	<b>Preferred Stock (c)</b>	
Par or stated value per share	N/A	N/A	
Shares Authorized	N/A	N/A	
Shares issued and outstanding	N/A	N/A	
Total par value of stock issued	0	0	
Dividends declared per share for year	0	0	
<b>RETAINED EARNINGS (215)</b>			
<b>(a)</b>	<b>Appropriated (b)</b>	<b>Unappropriated (c)</b>	
<b>Balance first of year</b>	0	-4,380	
Changes during year NET INCOME/(NET LOSS)	0	-2,807	
Changes during year (Please Specify)			
Changes during year (Please Specify)			
Changes during year (Please Specify)			
Changes during year (Please Specify)			
Changes during year (Please Specify)			
<b>Balance end of year</b>	0	-7,187	
<b>PROPRIETARY CAPITAL (218)</b>			
<b>(a)</b>	<b>Proprietor (b)</b>	<b>Partner (c)</b>	
<b>Balance first of year</b>	\$169,114		
Deposits from Owners	0		
Net Income	0		
Changes during year (Please Specify)	0		
Changes during year (Please Specify)	0		
Changes during year (Please Specify)	0		
Changes during year (Please Specify)	0		
<b>Balance end of year</b>	\$169,114		
<b>LONG-TERM DEBT (224)</b>			
<b>Description of Obligation including Issue &amp; Maturity Dates (a)</b>	<b>Interest Rate (b)</b>	<b>Year End Balance (c)</b>	
N/A	0.00%	\$0	
N/A	0.00%	0	
N/A	0.00%	0	
N/A	0.00%	0	
N/A	0.00%	0	
N/A	0.00%	0	
N/A	0.00%	0	
N/A	0.00%	0	
N/A	0.00%	0	
N/A	0.00%	0	
N/A	0.00%	0	
<b>Total Long-Term Debt</b>		<b>\$0</b>	

<b>Name of Respondent</b> Superior Wastewater Systems, LLC	<b>This Report is:</b> (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr) 3-31-21	<b>Year of Report</b> 2020
<b>TAXES ACCRUED (236)</b>			
<b>Description</b> (a)	<b>Water</b> (b)	<b>Sewer</b> (c)	<b>Other</b> (d)
<b>Total</b> (e)			
<b>Balance First of year</b>		\$0	\$0
<b>Accruals Charged:</b>			
Federal Income Tax		\$0	\$0
Local Property tax		0	0
State ad valorem tax		0	0
TN State Sales Tax		0	0
Regulatory Assessment Fee		0	0
Payroll Tax		0	0
Other Taxes (Please Specify)		0	0
Other Taxes (Please Specify)		0	0
<b>Total Taxes Accrued</b>		\$0	\$0
<b>Taxes Paid</b>			
Federal Income Tax		\$0	\$0
Local Property tax		0	0
State ad valorem tax		0	0
TN State Sales Tax		0	0
Regulatory assessment fee		0	0
Payroll Tax		0	0
TN Treasurer (Permit Fee)		0	0
TN Fran & Excise		0	0
<b>Total Taxes Paid</b>		\$0	\$0
<b>Balance End of Year</b>		\$0	\$0
<b>PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES</b>			
Report all info concerning rate, management, construction, advertising, labor relations, or other professional services rendered to the Utility for which total payments during the year to any Corp, Pnshp, indiv, or organization of any kind, amounted to \$500 or more.			
<b>Name of Recipient</b>	<b>Amount</b>	<b>Description of Service</b>	
Premier Property Management	83,237	Salary & Benefits, Contractual Services, Office Expense	
WHN Consulting	11,000	Regulatory & Accounting Services	
Middle TN Electric	7,926	Electric Supplier	
Rock City Machine	7,027	Maintenance & Repair	
Irvin Law Firm	5,395	Legal Services	
Evans, Jones & Reynolds	3,922	Legal Services	
James Johnson	3,000	Testing Services	
Farris, Bobango, Branan	2,570	Legal Services	
Jeffrey Solomon, CPA	1,535	Accounting Services	
Corvettes & More	1,523	Miscellaneous	
AT&T	1,288	Communication Services	
Smith Manus	1,170	Bonding Services	
Anglin Septic Service	1,148	Maintenance & Repair	
See Attached Schedule F-7a for Additional Payments			



Supplement to Page F-7

Name of Recipient	Amount	Description of Service
Home Depot	1,000	Materials & Supplies
Office Depot	772	Office Expemse
Staples	625	Office Expemse
Rogers Group	511	Insurance

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<b>CONTRIBUTIONS IN AID OF CONSTRUCTION (271)</b>			
<b>Description</b> <b>(a)</b>	<b>Water</b> <b>(b)</b>	<b>Sewer</b> <b>(c)</b>	<b>Total</b> <b>(d)</b>
<b>Balance First of Year</b>		\$258,914	\$258,914
Add Credits During Year		0	0
Less Charges During Year		0	0
<b>Balance End of Year</b>		\$258,914	\$258,914
Less Accumulated Amortization		13,362	13,362
<b>Net Contributions in Aid of Construction</b>		\$245,552	\$245,552
<b>ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION DURING YEAR (CREDITS)</b>			
<b>Report below all developers or contractors agreements from which cash or property was received during the year</b> <b>(a)</b>	<b>Indicate "Cash" or "Property"</b> <b>(b)</b>	<b>Water</b> <b>(c)</b>	<b>Sewer</b> <b>(d)</b>
Contractor or Developer #1			\$0
Contractor or Developer #2			0
Contractor or Developer #3			0
Contractor or Developer #4			0
Contractor or Developer #5			0
Contractor or Developer #6			0
Contractor or Developer #7			0
Contractor or Developer #8			0
Contractor or Developer #9			0
Contractor or Developer #10			0
Contractor or Developer #11			0
Contractor or Developer #12			0
Contractor or Developer #13			0
Contractor or Developer #14			0
Contractor or Developer #15			0
Contractor or Developer #16			0
Contractor or Developer #17			0
Contractor or Developer #18			0
Contractor or Developer #19			0
Contractor or Developer #20			0
Contractor or Developer #21			0
Contractor or Developer #22			0
Contractor or Developer #23			0
Contractor or Developer #24			0
Contractor or Developer #25			0
Contractor or Developer #26			0
Contractor or Developer #27			0
Contractor or Developer #28			0
Contractor or Developer #29			0
Contractor or Developer #30			0
<b>Total Credits During Year</b>			\$0



<b>Name of Respondent</b> Superior Wastewater Systems, LLC		<b>This Report is:</b> (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		<b>Date of Report</b> (Mo, Da, Yr) 3-31-21	<b>Year of Report</b> 2020
<b>SEWER UTILITY PLANT ACCOUNTS</b>					
Acct No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351	Organization	\$248,414	\$0	\$0	\$248,414
352	Franchises	0	0	0	0
353	Land & Land Rights	10	10,089	0	10,099
354	Structures & Improvements	0	0	0	0
360	Collection Sewers - Force	171,854	0	0	171,854
361	Collection Sewers - Gravity	0	0	0	0
362	Special Collecting Structures	0	0	0	0
363	Services to Customers	0	0	0	0
364	Flow Measuring Devices	3,385	0	0	3,385
365	Flow Measuring Installations	400	0	0	400
370	Receiving Wells	15,000	0	0	15,000
371	Pumping Equipment	0	0	0	0
380	Treatment & Disposal Equipment	250,000	0	0	250,000
381	Plant Sewers	0	0	0	0
382	Outfall Sewer Lines	0	0	0	0
389	Other Plant & Miscellaneous Equipment	0	0	0	0
390	Office Furniture & Equipment	0	0	0	0
391	Transportation Equipment	0	0	0	0
392	Stores Equipment	0	0	0	0
393	Tools, Shop & Garage Equipment	0	0	0	0
394	Laboratory Equipment	0	0	0	0
395	Power Operated Equipment	0	0	0	0
396	Communication Equipment	0	0	0	0
397	Miscellaneous Equipment	0	0	0	0
398	Other Tangible Plant	0	0	0	0
<b>Total Sewer Plant</b>		<b>\$689,063</b>	<b>\$10,089</b>	<b>\$0</b>	<b>\$699,152</b>

Name of Respondent Superior Wastewater Systems, LLC				This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Re submission		Date of Report (Mo, Da, Yr) 3-31-21		Year of Report 2020	
ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - SEWER									
Account Number (a)	Account (b)	Average Service Life in Years (c)	Average Salvage Value in Percent (d)	Depreciation Rate Applied* (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accumulated Depreciation Balance End of Year (i)	
354	Structures & Improvements	0	0.00%	0.00%	\$0	\$0	\$0	\$0	
360	Collection Sewers - Force	50	0.00%	2.00%	44,681	0	3,437	48,118	
361	Collection Sewers - Gravity	0	0.00%	0.00%	0	0	0	0	
362	Special Collecting Structures	0	0.00%	0.00%	0	0	0	0	
363	Services to Customers	0	0.00%	0.00%	0	0	0	0	
364	Flow Measuring Devices	10	0.00%	10.00%	3,809	0	0	3,809	
365	Flow Measuring Installations	10	0.00%	10.00%	440	0	0	440	
370	Receiving Wells	50	0.00%	2.00%	3,960	0	300	4,260	
371	Pumping Equipment	0	0.00%	0.00%	0	0	0	0	
380	Treatment & Disposal Equipment	26	0.00%	3.85%	125,121	0	9,625	134,746	
381	Plant Sewers	0	0.00%	0.00%	0	0	0	0	
382	Outfall Sewer Lines	0	0.00%	0.00%	0	0	0	0	
389	Other Plant & Miscellaneous Equipment	0	0.00%	0.00%	0	0	0	0	
390	Office Furniture & Equipment	0	0.00%	0.00%	0	0	0	0	
391	Transportation Equipment	0	0.00%	0.00%	0	0	0	0	
392	Stores Equipment	0	0.00%	0.00%	0	0	0	0	
393	Tools, Shop & Garage Equipment	0	0.00%	0.00%	0	0	0	0	
394	Laboratory Equipment	0	0.00%	0.00%	0	0	0	0	
395	Power Operated Equipment	0	0.00%	0.00%	0	0	0	0	
396	Communication Equipment	0	0.00%	0.00%	0	0	0	0	
397	Miscellaneous Equipment	0	0.00%	0.00%	0	0	0	0	
398	Other Tangible Plant	0	0.00%	0.00%	0	0	0	0	
Totals					\$177,581	\$0	\$13,362	\$191,213	
*State basis used for percentages used in schedule.									



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<b>SEWER OPERATION &amp; MAINTENANCE EXPENSE</b>				
<b>Acct No.</b>	<b>Description (a)</b>	<b>Amount (b)</b>		
701	Salaries & Wages - Employees	\$0		
703	Salaries & Wages - Officers, Directors & Stockholders	20,000		
704	Employee Pensions & Benefits	28,363		
710	Purchased Sewage Treatment	0		
711	Sludge Removal Expense	0		
715	Purchased Power	7,927		
716	Fuel for Power Production	0		
718	Chemicals	0		
720	Materials & Supplies	3,748		
730	Contractual Services	39,948		
740	Rents	0		
750	Transportation Expense	3,035		
755	Insurance Expense	0		
765	Regulatory Commission Expense	0		
770	Bad Debt Expense	0		
775	Miscellaneous Expenses	19,443		
	<b>Total Sewer Operation &amp; Maintenance Expense</b>	<b>\$122,463</b>		

<b>SEWER CUSTOMERS</b>				
<b>Description (a)</b>	<b>Customers First of Year (b)</b>	<b>Additions (c)</b>	<b>Disconnections (d)</b>	<b>Customers End of Year (e)</b>
Metered Customers:				
5/8 Inch	277	28	0	305
3/4 Inch	0	0	0	0
1.0 Inch	0	0	0	0
1.5 Inch	0	0	0	0
2.0 Inch	0	0	0	0
2.5 Inch	0	0	0	0
3.0 Inch	0	0	0	0
4.0 Inch	0	0	0	0
6.0 Inch	0	0	0	0
8.0 Inch	0	0	0	0
Other (Please Specify)	0	0	0	0
Other (Please Specify)	0	0	0	0
Other (Please Specify)	0	0	0	0
Unmetered Customers	0	0	0	0
<b>Total Customers</b>	<b>277</b>	<b>28</b>	<b>0</b>	<b>305</b>

<b>Name of Respondent</b> Superior Wastewater Systems, LLC	<b>This Report is:</b> (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr) 3-31-21	<b>Year of Report</b> 2020
<b>PUMPING EQUIPMENT</b>			
<b>Description***</b> (a)	<b>Lift Station #1</b> (b)	<b>Lift Station #2</b> (c)	<b>Lift Station #3</b> (d)
Make, Model, or Type of Pump			
Year Installed	2006		
Rated Capacity (GPM)	75 GPM		
Size (HP)	1.5 HP		
Power (Electric/Mechanical)	Electric		
Make, Model or Type of Motor	Oreco PJ51512 Turbine		

<b>SERVICE CONNECTIONS</b>				
<b>Description***</b> (a)	<b>Service Connection #1</b> (b)	<b>Service Connection #2</b> (c)	<b>Service Connection #3</b> (d)	<b>Service Connection #4</b> (e)
Size (Inches)	1.0"			
Type (PVC, VCP, etc)	PVC			
Average Length (Feet)	50'			
Connections-Beginning of Year	277	0	0	0
Connections-Added during Year	28	0	0	0
Connection-Retired during Year	0	0	0	0
<b>Connections-End of Year</b>	<b>305</b>	<b>0</b>	<b>0</b>	<b>0</b>
Number of Inactive Connections	0	0	0	0

<b>COLLECTING MAINS, FORCE MAINS, &amp; MANHOLES</b>			
<b>Description</b> (a)	<b>Collecting Mains</b> (b)	<b>Force Mains</b> (c)	<b>Manholes</b> (d)
Size (Inches)	2.0"	6.0"	N/A
Type	PVC	PVC	N/A
Length/Number-Beginning of Year	0	0	0
Length/Number-Added During Year	12,000 LF	2,000 LF	0
Length/Number-Retired During Year	0	0	0
Length/Number-End of Year	12,000LF	2,000 LF	0

\*\*\*If more space is needed to list equipment please attach additional sheets as necessary.



<b>Name of Respondent</b> Superior Wastewater Systems, LLC	<b>This Report is:</b> (1) <u>X</u> An Original (2) A Resubmission		<b>Date of Report</b> (Mo, Da, Yr) 3-31-21	<b>Year of Report</b> 2020
<b>TREATMENT PLANT</b>				
<b>Description***</b> (a)	<b>Treatment Facility</b> #1 (b)	<b>Treatment Facility</b> #2 (c)	<b>Treatment Facility</b> #3 (d)	<b>Treatment Facility</b> #4 (e)
Manufacturer	Oreco			
Type	PS01512			
Steel or Concrete	Steel			
Total Capacity	560 GPM			
Average Daily Flow	36,500 Gal			
Effluent Disposal	Land			
Total Gallons of Sewage Treated	13,035,500			
<b>MASTER LIFT STATION PUMPS</b>				
<b>Description***</b> (a)	<b>Master Pump</b> #1 (b)	<b>Master Pump</b> #2 (c)	<b>Master Pump</b> #3 (d)	<b>Master Pump</b> #4 (e)
Manufacturer	Oreco			
Capacity (GPM)	75 GPM			
Size (HP)	1.5 HP			
Power (Electric/Mechanical)	Electric			
Make, Model, or Type of Motor	Turbine			
<b>OTHER SEWER SYSTEM INFORMATION</b>				
Present Number of Equivalent Residential Customer's * being served			305	
Maximum Number of Equivalent Residential Customer's * that the system can efficiently serve			561	
Estimated Annual Increase in Equivalent Residential Customers *			25/Year	
* Equivalent Residential Customers = (Total Gallons Treated / 365 Days) / 275 Gallons Per Day. Total Gallons Treated includes both sewage treated and purchased sewage treatment.				
State any plans and estimated completion dates for any enlargements of this system: <u>N/A</u>				
If the present systems do not meet environmental requirements, please submit the following: A. An evaluation of the present plant or plants in regard to meeting the requirements. B. Plans for funding and construction of the required upgrading. C. The date construction will begin. <span style="float: right;">N/A</span>				
What is the percent of the certificated area that have service connections installed? <u>All (100%) of the certificated area of SWS have service connections in place.</u>				

\*\*\*If more space is needed to list equipment please attach additional sheets as necessary.

<b>Name of Respondent</b> Superior Wastewater Systems, LLC	<b>This Report is:</b> (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr) 3-31-21	<b>Year of Report</b> 2020
<b>SUPPLEMENTAL FINANCIAL DATA TO THE ANNUAL REPORT</b>			
<b>Rate Base</b>			
<b>Additions:</b>			
Plant In Service		\$699,152	
Construction Work in Progress		0	
Property Held For Future Use		0	
Materials & Supplies		0	
Working Capital Allowance		0	
Escrow Deposits		5,551	
Other Additions (Please Specify)		0	
<b>Total Additions to Rate Base</b>		<b>\$704,703</b>	
<b>Deductions:</b>			
Accumulated Depreciation		\$191,312	
Accumulated Deferred Income Taxes		0	
Pre 1971 Unamortized Investment Tax Credit		0	
Customer Deposits		2,760	
Contributions in Aid of Construction		245,552	
Escrow Liability		108,334	
Other Deductions (Please Specify)		0	
<b>Total Deductions to Rate Base</b>		<b>\$547,958</b>	
<b>Rate Base</b>		<b>\$156,745</b>	
<b>Adjusted Net Operating Income</b>			
<b>Operating Revenues:</b>			
Residential		\$125,923	
Commercial		0	
Industrial		0	
Public Authorities		0	
Multiple Family		0	
Fire Protection		0	
All Other		0	
<b>Total Operating Revenues</b>		<b>\$125,923</b>	
<b>Operating Expenses:</b>			
Operation		\$122,463	
Depreciation		0	
Amortization		0	
Taxes Other Than Income Taxes		6,267	
Income Taxes		0	
<b>Total Operating Expense</b>		<b>\$128,730</b>	
<b>Net Operating Income</b>		<b>-\$2,807</b>	
Other (Please Specify)		0	
Other (Please Specify)		0	
<b>Adjusted Net Operating Income</b>		<b>-\$2,807</b>	
<b>Rate of Return (Line 49 / Line 25)</b>		<b>-1.79%</b>	

All amounts should be calculated in a manner consistent with the last Rate Order issued by the Commission for this Company.



Superior Wastewater Systems  
Activity Report for Escrow Account  
For the Twelve Months Ended December 31, 2019

SU-2

Escrow Liability Required Per Books (Account 235.1)					Escrow Assets Provided Per Bank (Account 132.2)			
Month	Beginning Balance	Accrued Into Escrow	Removed From Escrow	Ending Balance	Beginning Balance	Deposited Into Escrow	Removed From Escrow	Ending Balance
January	\$99,836.10	1,713.04	1,535.62	\$100,013.52	\$9,125.81	\$2,500.00	\$1,235.62	\$10,390.19
February	100,013.52	1,722.65		101,736.17	10,390.19			10,390.19
March	101,736.17	3,666.05	228.88	105,073.33	10,390.19			10,390.19
April	105,073.33	2,273.19	3,545.23	103,801.29	10,390.19	2,500.00	268.48	12,621.71
May	103,801.29	2,047.79	4,742.06	101,107.02	12,621.71	2,500.00	3,251.35	11,870.36
June	101,107.02	2,630.31	1,561.18	102,176.15	11,870.36			11,870.36
July	102,176.15	2,307.00	220.00	104,263.15	11,870.36		2,666.89	9,203.47
August	104,263.15	2,356.94	1,750.01	104,870.08	9,203.47			9,203.47
September	104,870.08	2,229.89	1,415.37	105,684.61	9,203.47	2,500.00	1,502.19	10,201.28
October	105,684.61	2,257.39	2,535.06	105,406.94	10,201.28		1,905.46	8,295.82
November	105,406.94	3,927.97		109,334.91	8,295.82			8,295.82
December	109,334.91	2,238.12	3,239.22	108,333.80	8,295.82	0.00	2,744.94	5,550.88
<b>Total</b>		<b>\$28,270.33</b>	<b>\$20,772.63</b>			<b>\$10,000.00</b>	<b>\$13,574.93</b>	

Total Balance at End of Fiscal Year:

Escrow Assets	5,550.88
Escrow Liability	108,333.80
<b>Net Escrow Assets (Shortfall)</b>	<b>-102,782.92</b>

NOTE: This supplemental schedule to the Company's Annual Report is provided in conformance with the requirements of the TRA's Order in Docket 07-00062.

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

- 3-5. Please provide the primary contact name, title of the individual and phone number for McCanless and Company.

**RESPONSE:**

McCanless and Company, Inc  
Jim McCanless, President  
Phone Number: 615-776-5555



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

- 3-6. Please file a Statement of Cash Flows for Year End December 31, 2020.**

**RESPONSE:**

Please see Attachment 3-6a for the 2020 Cash Flow Report of Superior Wastewater Systems.

**ATTACHMENT 3-6a**  
**2020 Cash Flow Report for**  
**Superior Wastewater Systems**



**Superior Wastewater Systems**  
**Statement of Cash Flows**  
January - December 2020

	<u>Total</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	-2,607.16
Adjustments to reconcile Net Income to Net Cash provided by operations:	0.00
141.00 Customer Accounts Receivable	-4,001.16
235.10 Escrowed Deposits	8,497.71
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	<u>\$ 4,496.55</u>
Net cash provided by operating activities	<u>\$ 1,689.39</u>
<b>INVESTING ACTIVITIES</b>	
108.00 Accumulated Depreciation	13,362.00
353.00 Utility Plant in Service:Land & Land Rights	-10,088.69
Net cash provided by investing activities	<u>\$ 3,273.31</u>
<b>FINANCING ACTIVITIES</b>	
271.00 Cont in Aid of Construction	-13,362.00
Net cash provided by financing activities	<u>-\$ 13,362.00</u>
Net cash increase for period	<u>-\$ 8,399.30</u>
Cash at beginning of period	15,130.18
Cash at end of period	<u>\$ 6,730.88</u>

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

- 3-7. Will Superior be billing the customer for any charges which are not tarified charges, such as installation of water cut-off valves, collection tanks (including inspections) and late fees. If so, please list all such charges.

**RESPONSE:**

Superior Wastewater Systems will not be billing customers for any non-tarified charges. Instead, the installation of cut-off valves and collection tanks will be paid for through arrangements between the Developer and Home Builders. Superior Wastewater Systems will not be billing late fees to its customers.



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

- 3-8. Exhibit 1.4 of this Petition references affiliates and states that no transactions, direct or indirect, are anticipated to occur with any affiliates of Superior Wastewater Systems, LLC that are related to the provision of wastewater service for the Taliaferro Road Project. Superior Wastewater Systems, LLC (John Powell, Sole Member) will be accepting a wastewater system built by John Powell Construction (John Powell, Sole Proprietor). Does Superior Wastewater Systems, LLC consider this transaction an indirect or direct transaction with an affiliate?

**RESPONSE:**

Superior Wastewater Systems does not believe that the contract between John Powell Construction, LLC and McCanless and Company (the Parties) for the construction of a wastewater system in the Taliaferro Road parcel results in either a direct or indirect affiliate transaction since no costs are ever assigned to SWS or its customers.

Specifically, the construction contract between the Parties calls for McCanless and Company to pay for the entire costs of the construction project and then contribute this plant to SWS at no cost to SWS. Since the entire cost of the plant is contributed to SWS, there is no affiliate transaction cost and no customers of SWS will pay for the cost of plant construction.

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

- 3-9. Provide a copy of Superior's current Sewer Service Agreement that its customers sign which includes all services, rates and terms applicable to customers.**

**RESPONSE:**

Please see Attachment 3-9a for a copy of the Sewer Subscription Contract that is also included within the tariff of Superior Wastewater Systems.

## ATTACHMENT 3-9a

### Sewer Subscription Contract for Superior Wastewater Systems



## SEWER SUBSCRIPTION CONTRACT

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 Printed Name

---

 Address of Property

---

 Mailing Address

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 Telephone Number

I hereby make application to Superior Wastewater Systems for wastewater service at the address of property stated above. In consideration of the undertaking on the part of Superior Wastewater Systems to furnish wastewater service, I understand, covenant and agree as follows:

1. I understand that components of a wastewater 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 Superior Wastewater Systems. 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 Superior Wastewater Systems. 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 Superior Wastewater Systems.
2. I acknowledge Superior Wastewater Systems, 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 wastewater 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 Superior Wastewater Systems permission to enter upon my property for any reason connected with the provision or removal of wastewater 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 Superior Wastewater Systems to purchase and install a cutoff valve on my side of my water meter and grant Superior Wastewater Systems 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 Superior Wastewater System's billing and cutoff procedures. Should I not pay in accordance with Superior Wastewater System'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. 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 Superior Wastewater Systems at least thirty (30) days in advance of my vacating the property.

---

 Subscribers Signature

---

 Date

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

- 3-10. The tariff filed in this Petition, (Exhibit 5.8) states a \$30.87 rate is being [billed] to Ashby Communities; however, in the most recent bond true-up filing, the Utility provides that it has been charging \$35.11 for Ashby Communities plus an additional charge of \$4.24 for bond costs. Please provide an explanation.

**RESPONSE:**

The base rate of Superior Wastewater Systems for Ashby Communities is \$35.11. In addition to this base rate, SWS's tariff also currently provides for a bond cost surcharge of \$-4.24 resulting in a net billing rate per the tariff of \$30.87.

On March 15, 2021, SWS made a tariff filing with the Commission to true-up our bond costs and recoveries. A component of this true-up filing noted the following:

**Bond Surcharge Rate Error** – SWS had previously filed tariffs with the Commission to implement a bond surcharge (refund) of \$-4.24 to be effective on and after September 1, 2017. Unfortunately, the \$-4.24 refund rate was entered into our billing system as a \$4.24 surcharge rate. We have therefore calculated the current true-up of bonding costs based on the \$4.24 surcharge rate that was billed to customers.

We are currently waiting for the Commission Staff to complete their review of our proposed bond true-up to implement new bond surcharge rates.

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

- 3-11. The tariff charge provided in the informational tariff filed with the Petition for Fox Parcel, Hill and Roberts Parcel and Taliaferro Road Parcel (Homes at Mulberry Meadows) is \$35.11. Do these three locations have a bond charge?**

**RESPONSE:**

The Commission's bond requirements are based on fifty percent (50%) of the previous calendar year's revenues. At this point, there are no revenues from the customers in the Fox, Hill & Roberts, or the Taliaferro Road parcels. Therefore, there is no bond rate to apply at this time to these service territories. As lots are sold and customers come online, a new bond surcharge will be developed and applied to these customers.



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

- 3-12. Please explain in detail how costs of the Williamson [County] Bonding Requirements are assessed and collected. This explanation should include how the amount billed to customers is derived, the entity that bills the bond charge and the entity that receives the bond charge payments.

**RESPONSE:**

Williamson County requires collection bonds that in its judgment are necessary to ensure the operation of the wastewater collection system should a wastewater provider default on its obligation to provide this function to customers. These collection bonds (as opposed to construction bonds which are paid by the developer) are secured by the wastewater provider from an independent Surety and submitted to Williamson County as proof of compliance.

Superior Wastewater Systems is currently using Smith/Manus-Lexon Insurance Company as our Surety to provide this service. A copy of each of SWS's collection bonds was included in our March 15, 2021, tariff filing with the Commission to true-up bond costs. We are currently waiting for the Commission Staff to complete their review of our proposed bond true-up to implement new bond surcharge rates.

SWS submits the costs of Williamson County collection bonds as well as performance bonds required by the Tennessee Public Utility Commission for approval to surcharge our customers. After TPUC approval of new tariff rates that include the bond surcharge, these rates are billed to customers by SWS. SWS then receives the payment for the bond surcharge as a component from the customer's monthly payments for wastewater service.

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

- 3-13. Financial security should be filed annually based on Commission Rule 1220-04-13-.07. Please [provide] an updated Bond or Letter of Credit demonstrating compliance with the financial security requirement of Rule 1220-04-13-.07 and 1220-04-13-.17(2)e(13).

**RESPONSE:**

TPUC Rule 1220-04-13-.07(2)(b) requires wastewater utilities to provide proof of financial security "On or before July 1 of each year". Superior Wastewater Systems is seeking to expand its current bond to approximately \$56,000 and intends to provide the Commission with proof of its financial security by July 1, 2021.

SWS's has calculated its new financial security requirement for 2021 as follows.

Item	Amount
2020 Revenues per SWS Annual Report	\$125,923
Less 2020 Bond Receipts per Bond True-Up	-14,208
<b>Net Receipts for Financial Security Calculation</b>	<b>\$111,715</b>
TPUC Bond Requirement Percentage	50%
<b>2021 Financial Security Requirement</b>	<b>\$55,857</b>