IN THE TENNESSEE PUBLIC UTILITY COMMISSION AT NASHVILLE, TENNESSEE

IN RE:)	
)	
APPLICATION OF LIMESTONE WATER)	
UTILITY OPERATING COMPANY, LLC)	Docket No. 21-00055
FOR AUTHORITY TO SELL OR TRANSFER)	
TITLE TO THE ASSETS, PROPERTY AND)	
REAL ESTATE OF A PUBLIC UTILITY)	
AND FOR A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY)	

PETITION TO INTERVENE

The Consumer Advocate Unit in the Financial Division of the Office of the Attorney General ("Consumer Advocate"), by and through counsel, pursuant to Tenn. Code Ann. § 65-4-118, respectfully petitions the Tennessee Public Utility Commission (TPUC or the "Commission") to grant the Consumer Advocate's intervention into this proceeding because consumers' interests, rights, duties, or privileges may be determined or affected by the *Application of Limestone Water Utility Operating Company, LLC, for Authority to Sell or Transfer Title to the Assets, Property and Real Estate of a Public Utility and for a Certificate of Public Convenience and Necessity ("Petition")*. For cause, the Consumer Advocate would show as follows:

- 1. The Consumer Advocate is authorized by Tenn. Code Ann. § 65-4-118 to represent the interests of Tennessee consumers of public utility services by initiating and intervening as a party in any matter or proceeding before the TPUC in accordance with the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-101, *et seq.*, and the TPUC rules.
- 2. Shiloh Falls Utilities, Inc. ("Shiloh Falls") is a public utility regulated by TPUC, and it provides wastewater services to consumers in Hardin County, Tennessee. Shiloh Falls is

¹ Petition, p. 3, TPUC Docket No. 21-00055 (May 14, 2021).

the permittee of State Operating Permit (SOP) No. SOP-094011 from the Tennessee Department of Environment and Conservation (TDEC).² This permit authorizes Shiloh Falls to operate a collection system, lagoons, UV disinfection and fenced spray irrigation system to serve approximately 259 homes with a design capacity of .055 MGD.³

- Limestone Water Utility Operating Company, LLC ("Limestone") is a Tennessee limited liability company, whose principal office is located at 1650 Des Peres Rd., Suite 303, St. Louis, MO 63131.⁴ Limestone is managed by Central States Water Resources, LLC (CSWR), which is a "Missouri limited liability company, and its principal office is located at 1650 Des Peres Rd., Suite 303, St. Louis, MO 63131." In turn, CSWR is managed by Central States Water Resources, Inc.⁶ ("Central States"), which is a Missouri corporation, and its principal office is located at 1650 Des Peres Rd., Suite 303, St. Louis, MO 63131.⁷
- 4. On October 13, 2018, Shiloh Falls entered into an Agreement for Sale of Utility System ("Agreement") with Central States.⁸ The purchase price set forth in the Agreement is
- 5. On May 14, 2021, Limestone filed its *Petition*, seeking authorization for Shiloh Falls to sell or transfer all assets, property, and real estate currently used to provide regulated wastewater services to customers in Shiloh Falls' service territory to Limestone.¹⁰ Additionally,

² Id. at p. 15, Appendix A,II.(2)(a)(7); see also Petition at Exhibit 16.

³ Petition at Exhibit 6.

⁴ *Id.* at pp. 2, 3-4.

⁵ *Id.* at pp. 2, 4-5.

⁶ "Central States Water Resources, Inc., merely serves as the manager of CSWR." Limestone's Response to the Consumer Advocate's First Discovery Request, DR No. 1-4 ("Limestone Response 19-00062"), TPUC Docket No. 19-00062 (February 14, 2020). "US Water Systems, LLC (US Water), is the sole owner and member of CSWR. . . Other than its status as the ultimate parent of the affiliate group . . . US Water performs no duties, provides no services, and has no formal business relationship with either Limestone Operating or Limestone Holding." Id. at DR No. 1-1 and DR No. 1-3.

⁷ Central States' corporate filing can be found at the Missouri Secretary of State's website at https://bsd.sos.mo.gov/e-commerce/company/search/528176 (last visited June 8, 2021).

⁸ Petition at Exhibit 7, p. 3, § 4, filed under seal.

⁹ *Id*.

¹⁰ *Id.* at p. 1.

Limestone seeks authorization for Shiloh Falls to transfer its Certificate of Public Convenience and Necessity (CCN) or, alternatively, for the Commission to grant Limestone a new CCN.¹¹

- 6. This *Petition* was not filed jointly with Shiloh Falls, and to date, Shiloh Falls has not joined as a party indicating its support of this *Petition*. As the Seller, Shiloh Falls likely possesses documents and information regarding the wastewater system that Limestone does not possess and/or cannot access.
- 7. In reviewing the *Petition*, the Consumer Advocate utilized the TDEC public Data Viewers¹² to determine if there were any documented problems or compliance issues. During this public records search, the Consumer Advocate located a recent Notice of Violation (NOV) issued by TPUC to Shiloh Falls on May 28, 2021.¹³ In this NOV, TDEC listed four primary deficiencies and one violation documented during the inspection:
 - 1) Deficiency. "The UV/Filter Building at the WWTP is dilapidated.¹⁴ Its condition is such that the structure appears to be very unsafe and is likely inadequate for providing protection from the elements for valuable treatment infrastructure."
 - 2) Deficiency. "There were no signs posted for the wastewater disposal field as required by Part III, Section B of your permit."
 - 3) Deficiency. "Although the collection system itself was not evaluated as part of this inspection, the Division was notified via a complaint of an overflow at the Roberts Lane pump station during the time of site visit. Please be advised that sewer system overflows are prohibited"
 - 4) Deficiency. "There was a broken lateral line in the spray field area. 15 (This item was promptly corrected by Mr. Lynn Baker of D and K Construction upon notification.)"

¹⁵ *Id.* at p. 11, Image 11.

¹¹ Id

¹² TDEC's Data Viewers can be accessed at www.tn.gov/environment/about-tdec/tdec-dataviewers.html.

¹³ Notice of Violation/Compliance Review Meeting Request, State Operating Permit No. SOP-94011 (May 28, 2021). A copy of this NOV is attached as Exhibit CA-1.

¹⁴ Photo Log of TDEC Inspection, State Operating Permit No. SOP-94011, pp.7-8, Images 7-8 (May 12, 2021). A copy of the Photo Log is attached as Exhibit CA-2.

5) Violation. "There is clear evidence to indicate that the existing spray field is not sufficiently sized to allow for the disposal of the volume of water being applied. In addition to the site observations showing evidence of ponding, 16 runoff 17 and dead or dying vegetation there are historical records showing that the spray field, which is currently being used as the sole disposal area, was originally proposed for secondary use only. The engineering report from F & M Consulting Inc. (February 2003) proposed this site for a maximum of 25,000 gallons per day (gpd). Flow values reported over the past 12 months and the estimate given on your application for permit renewal, dated April 14th, 2021, greatly exceed the disposal area's capacity for hydrologic absorption and very likely exceed its nutrient uptake ability as well. Ponding resulting in the discharge of treated wastewater into Waters of the State or to locations where it is likely to move to Waters of the State are considered a violation of your SOP." 18

As a result of the above listed deficiencies and violation, TDEC directed Shiloh Falls to correct the listed deficiencies as soon as practicable. Also, TDEC scheduled a Compliance Review Meeting for the violation regarding the overloaded spray field.¹⁹

8. In its *Petition*, Limestone acknowledges that the Shiloh Falls system needs maintenance.²⁰ Specifically, in its *Petition*, Limestone states:

Limestone believes that system needs some minor cleanup. The fencing is not very secure and minor repairs need to be made. Additionally, regrading around the lagoon is necessary to avoid overland stormwater flow into the lagoon cells. Lastly, there is no flow monitoring or remote monitoring system in place. Limestone plans to install these systems to improve access to and knowledge of the status of the system.²¹

9. In its *Petition*, Limestone proposes to adopt the current rates and tariffs for all of Shiloh Falls' systems.²² In Exhibit 9 of its *Petition*, however, Josiah Cox testifies that it is likely that Limestone will petition the Commission to increase rates "given the additional capital investment needed for system upgrades and improvements."²³ Limestone also acknowledges that

¹⁶ *Id.* at p. 13, Image 13.

¹⁷ *Id.* at pp. 9-10,15, Images 9-10, 15.

¹⁸ Exhibit CA-1 at p. 2.

¹⁹ Id. There is no documentation regarding Compliance Review Meeting in TDEC's public Data Viewer.

²⁰ Petition at pp. 5-6.

²¹ *Id*.

²² Id. at p. 9.

²³ Id. at Exhibit 9 (Direct Testimony of Josiah Cox, pp. 13-14, TPUC Docket No. 21-00055 (May 14, 2021)).

they "may also seek authority to consolidate rates of the systems it proposes to acquire in this case with those of other wastewater systems it operates in Tennessee."²⁴

10. The interests of consumers in the transfer of authority to provide wastewater services from Shiloh Falls to CSWR and Limestone may be affected by determinations and orders made by the Commission with respect to its interpretation, application, and implementation of Tenn. Code Ann. § 65-4-113 and other relevant statutory and regulatory provisions. Such interests include, but are not limited to, the disposition of funds residing in these escrow accounts funded by customers; the maintenance needed to meet permit requirements; the affiliate relationship of Limestone and its parent company CWSR; the impact of the purchase price on the rates of the Shiloh Falls consumers; the benefit to consumers which may be gained from the transfer; and the assessment of the suitability, the financial responsibility, and technical capability of both Limestone and CSWR to operate the Shiloh Falls wastewater systems.

11. Only by participating as a party to this proceeding can the Consumer Advocate adequately carry out its statutory duty to represent the interests of Tennessee consumers.

Wherefore, the Consumer Advocate requests the TPUC grant this *Petition to Intervene*.

{Intentionally blank, signature page follows}

²⁴ Petition at Exhibit 9, p. 14.

RESPECTFULLY SUBMITTED,

HERBERT H. SLATERY III (BPK No. 009077)

Attorney General and Reporter

State of Tennessee

RACHEL C. BOWEN (BPR No. 039091)

Assistant Attorney General

KAREN H. STACHOWSKI (BPR No.019607)

Senior Assistant Attorney General

Office of the Tennessee Attorney General

Financial Division, Consumer Advocate Unit

P.O. Box 20207

Nashville, Tennessee 37202-0207

Phone: (615) 741-8733 Fax: (615) 741-8151

Email: rachel.bowen@ag.tn.gov Email: karen.stachowski@ag.tn.gov

TPUC Docket No. 21-00055, Application of Limestone Water Utility Operating Company, LLC, for Authority to Sell or Transfer Title to the Assets, Property and Real Estate of a Public Utility and for a Certificate of Public Convenience and Necessity

Petition to Intervene

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail, with a courtesy copy by electronic mail, upon:

Charles B. Welch, Jr., Esq. Farris Bobango PLC 414 Union Street, Suite 1105 Nashville, TN 37219

Telephone: (614) 726-1200 Email: cwelch@farris-law.com

This the day of July, 2021.

RACHEL C. BOWEN
Assistant Attorney General



STATE OF TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION JACKSON ENVIRONMENTAL FIELD OFFICE 1625 HOLLYWOOD DRIVE JACKSON, TENNESSEE 38305-4316 PHONE (731) 512-1300 STATEWIDE 1-888-891-8332 FAX (431) 661-6283

Certified Mail Receipt # 7018 0040 0000 6354 9481

May 28, 2021

Ms. Lisa S. Thomas Owner Shiloh Falls Utilities, Inc. e-copy: <u>lisa.thomas@sfdcares.com</u> 450 Church Street Savannah, TN 38372

RE: Notice of Violation/Compliance Review Meeting Request

State Operating Permit No. SOP-94011 Shiloh Falls Utilities, Inc.

Pickwick Dam/Counce, Hardin County, Tennessee

Dear Ms. Thomas:

On May 12th, 2021, Bradley Smith, a representative of the Tennessee Department of Environment and Conservation, Division of Water Resources (The Division), performed a routine compliance evaluation inspection (CEI) at the above referenced facility in order to evaluate compliance with your State Operating Permit (SOP). The Division thanks contract operator Virgil Morris for his time and assistance. Please see the sections below for details regarding the inspection.

I. Permit

This permit covers the collection system, lagoons, UV disinfection and fenced spray irrigation system located at latitude 35.030556 and longitude -88.229167 in Hardin County, Tennessee to serve approximately 259 homes in the Shiloh Falls Utilities, Inc, in the Pickwick Dam/Counce area. The design capacity of the system is .055 MGD.

II. Records/Reports

A review of the facility's self-monitoring was performed. Monitoring records were available upon request, complete and current. Laboratory data from 2020 were traced through the process from generation to final reporting and found to be complete and without error.

III. Facility Site Review, Self-Compliance Program, Operations & Maintenance, and Sanitary Sewer Overflows

The wastewater treatment process is described as a 2-celled lagoon, pressure filtration, UV disinfection and a holding pond. Disposal of treated wastewater is by spray irrigation to a fenced area located adjacent

Notice of Violation/Compliance Review Meeting Request Shiloh Falls Utilities, Inc. 05/28/21 Page 2

to the wastewater treatment plant (WWTP) at latitude 35.030556 and longitude -88.229167 in Hardin County, Tennessee. No wastewater discharge is allowed.

Four deficiencies were documented during the inspection:

- The UV/Filter Building at the WWTP is dilapidated. Its condition is such that the structure appears to be very unsafe and is likely inadequate for providing protection from the elements for valuable treatment infrastructure.
- 2. There were no signs posted for the wastewater disposal field as required by Part III, Section B of your permit.
- 3. Although the collection system itself was not evaluated as part of this inspection, the Division was notified via a complaint of an overflow at the Roberts Lane pump station during the time of site visit. Please be advised that sewer system overflows are prohibited. Details are available in Part II, Section C. 3 of your permit.
- 4. There was a broken lateral line in the spray field area. (This item was promptly corrected by Mr. Lynn Baker of D and K Construction upon notification.)

One violation was documented during the inspection:

1. There is clear evidence to indicate that the existing spray field is not sufficiently sized to allow for the disposal of the volume of water being applied. In addition to the site observations showing evidence of ponding, runoff and dead or dying vegetation there are historical records showing that the spray field, which is currently being used as the sole disposal area, was originally proposed for secondary use only. The engineering report from F & M Consulting Inc. (February 2003) proposed this site for a maximum of 25,000 gallons per day (gpd). Flow values reported over the past 12 months and the estimate given on your application for permit renewal, dated April 14th, 2021, greatly exceed the disposal area's capacity for hydrologic absorption and very likely exceed its nutrient uptake ability as well.

Ponding resulting in the discharge of treated wastewater into Waters of the State or to locations where it is likely to move to Waters of the State are considered a violation of your SOP.

IV. Flow Measurement

The flow to the disposal field is measured by a "water-type" meter.

V. Laboratory

All monitoring parameters required by the SOP are being subcontracted to Waypoint Analytical in Jackson, TN. The subcontract laboratory was not evaluated as part of this inspection.

VI. Sludge Handling/Disposal (or Biosolids Handling/Disposal)

No sludge removal has been necessary to date.

Notice of Violation/Compliance Review Meeting Request Shiloh Falls Utilities, Inc. 05/28/21 Page 3

VII. Required Actions

Please implement measures to correct the deficiencies listed in Section III as soon as practicable. As a result of the overloaded spray field a Compliance Review Meeting (CRM) has been scheduled for June 22, 2021 at 9:00am in the Jackson Environmental Field located at 1625 Hollywood Drive, Jackson TN to discuss the violation and corrective actions. Please bring any documents, records or representatives with you that would be beneficial to this meeting. Until such time as corrective actions are discussed and approved by the Division and successfully implemented any and all practical means should be used to eliminate the unpermitted discharge of treated wastewater to Waters of the State.

VIII. Conclusion

Compliance with your SOP requirements helps ensure the protection of downstream fish and aquatic life and water quality. Your efforts will help ensure permit compliance and protect state water quality. If I may be of assistance in matters concerning this report, please contact me via telephone at (731) 571-7790 or via email at Conner.Franklin@tn.gov or Brad Smith at (731)-234-1408 or at Brad Smith at (731)-234-1408 or at <a href="mailto:Bradley.E.Smith@

Sincerely,

cc:

Conner Franklin

Environmental Field Office Manager

Division of Water Resources

Jackson Environmental Field Office

Bradley Smith, Environmental Consultant I, JEFO (via email)



TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION JACKSON ENVIRONMENTAL FIELD OFFICE 1625 HOLLYWOOD DRIVE JACKSON, TENNESSEE 38305-4316 PHONE (731) 512-1300 STATEWIDE 1-888-891-8332 FAX (731) 661-6283

Image Log

DATE: 05/13/21

Site: Shiloh Falls Utilities – SOP-94011 Personnel Present: Bradley Smith

Subject: Compliance Evaluation Inspection

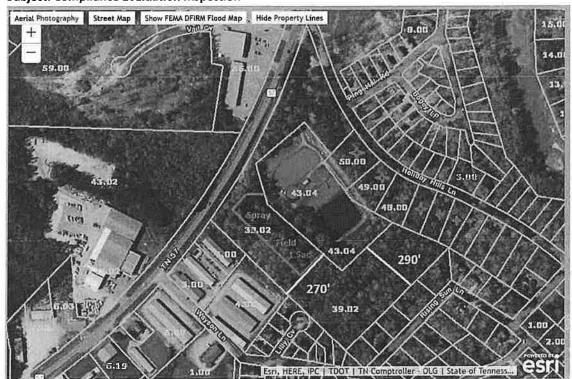


Image 1 - Property Aerial

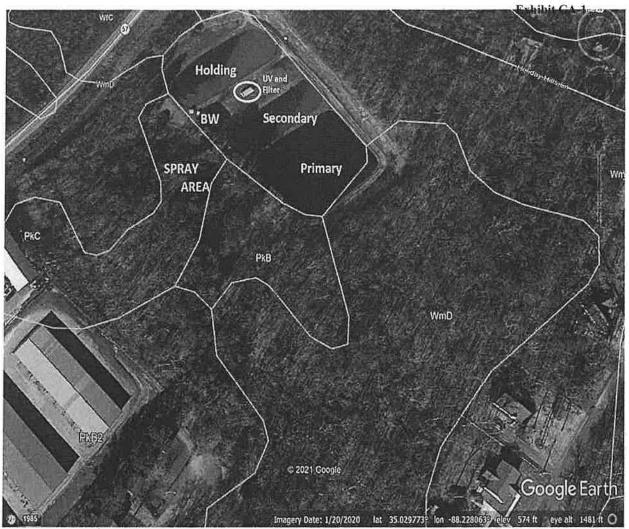


Image 2 - WebSoil Aerial (See Figure 1 below for High Intensity Soils Map)

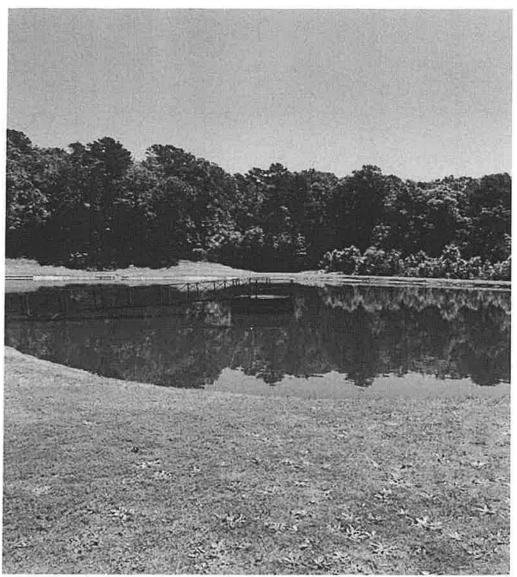


Image 3 - Primary Lagoon



Image 4 - Secondary Lagoon





lmage 5 - Filter Backwash Basin



Image 6 - Holding Lagoon



Image 7 - Sand Filter and UV System Building

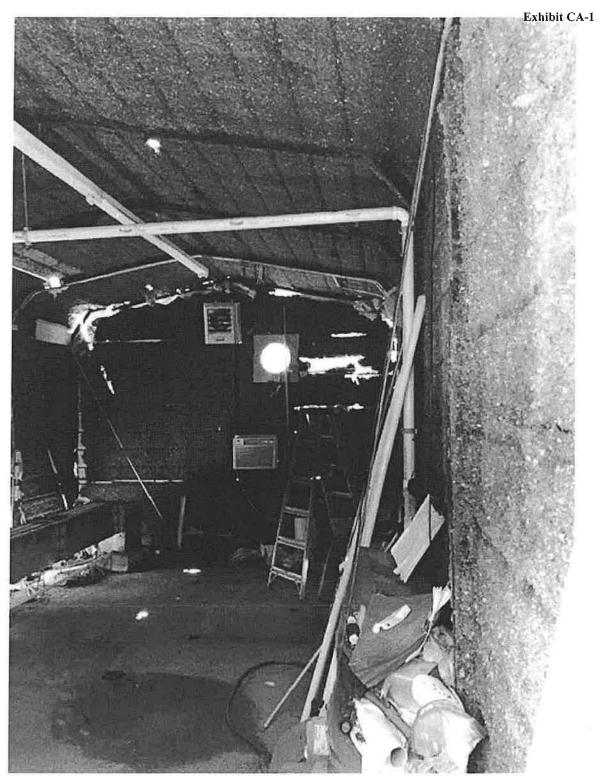


Image 8 - UV System (Lower Left)



Image 9 - Channel indicating runoff on SE side of spray field.

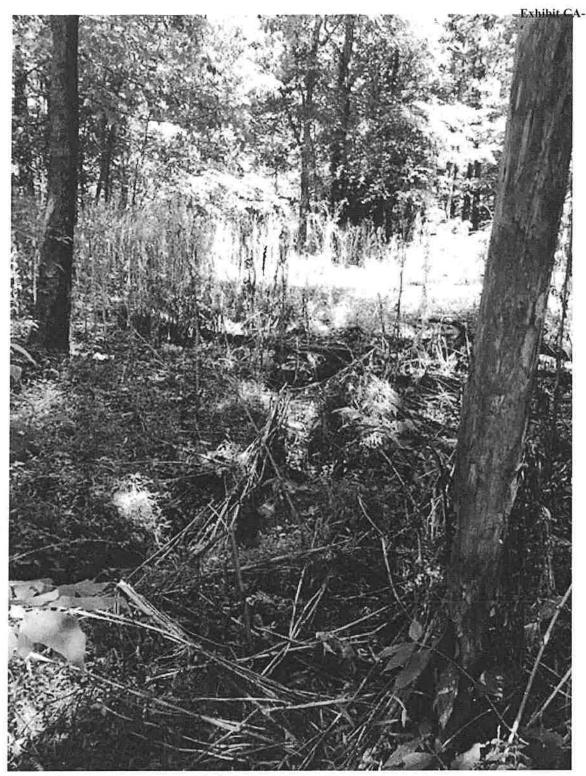


Image 10 - Same channel as above with different aspect.



Image 11 - Broken spray field lateral. (Promptly repaired upon notification.)



Image 12 - Evidence of wastewater migration pathway at head of exclusion zone on South side of fenced area.



Image 13 - Area where wastewater has clearly been ponding.

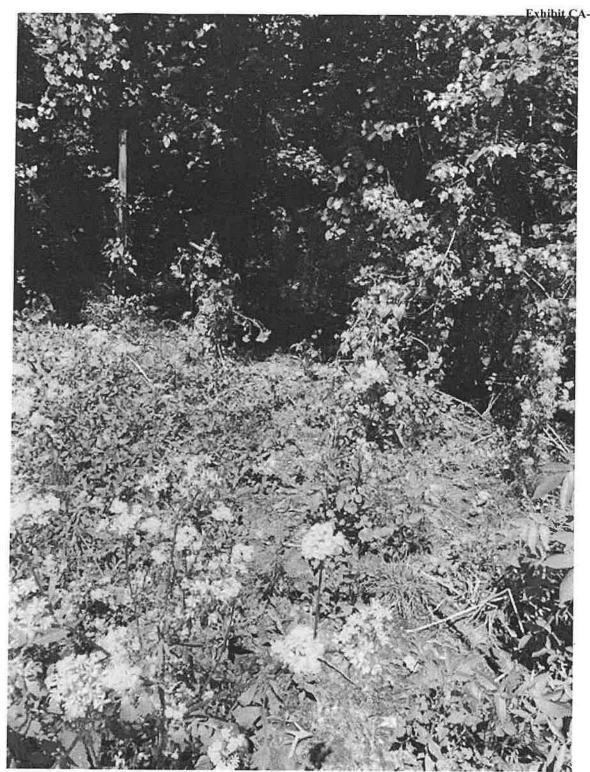


Image 14 - Braided migration pathway on SW side of spray field at perimeter fence.



Image 15 - More evidence of offsite migration at perimeter fence.

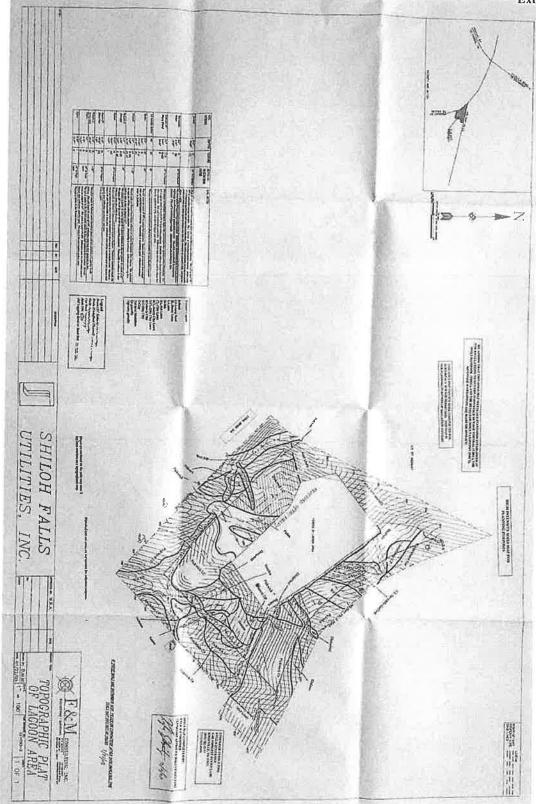


Figure 1 - High Intensity Soils Map form February 2003 Engineering Report "Proposed Secondary Spray Irrigation Field"



TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION JACKSON ENVIRONMENTAL FIELD OFFICE 1625 HOLLYWOOD DRIVE JACKSON, TENNESSEE 38305-4316 PHONE (731) 512-1300 STATEWIDE 1-888-891-8332 FAX (731) 661-6283

Image Log

DATE: 05/13/21

Site: Shiloh Falls Utilities – SOP-94011 Personnel Present: Bradley Smith

Subject: Compliance Evaluation Inspection



Image 1 - Property Aerial

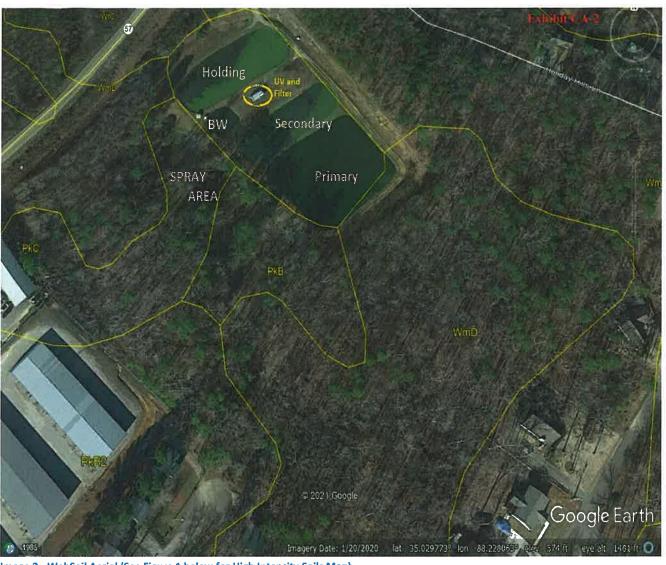


Image 2 - WebSoil Aerial (See Figure 1 below for High Intensity Soils Map)

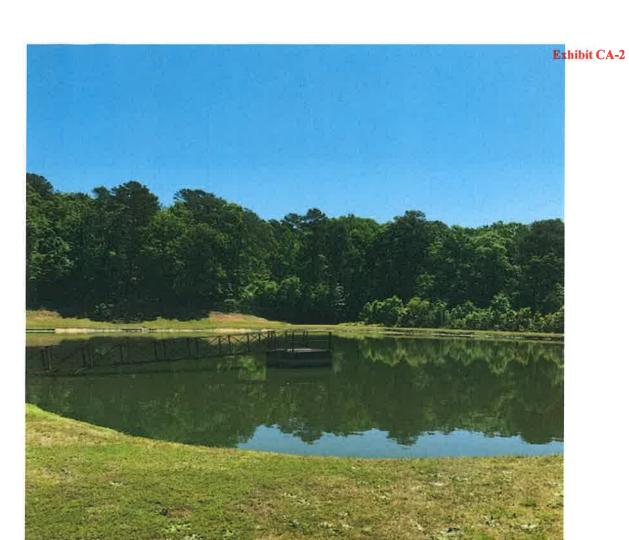


Image 3 - Primary Lagoon



Image 4 - Secondary Lagoon



lmage 5 - Filter Backwash Basin



Image 6 - Holding Lagoon



Image 7 - Sand Filter and UV System Building

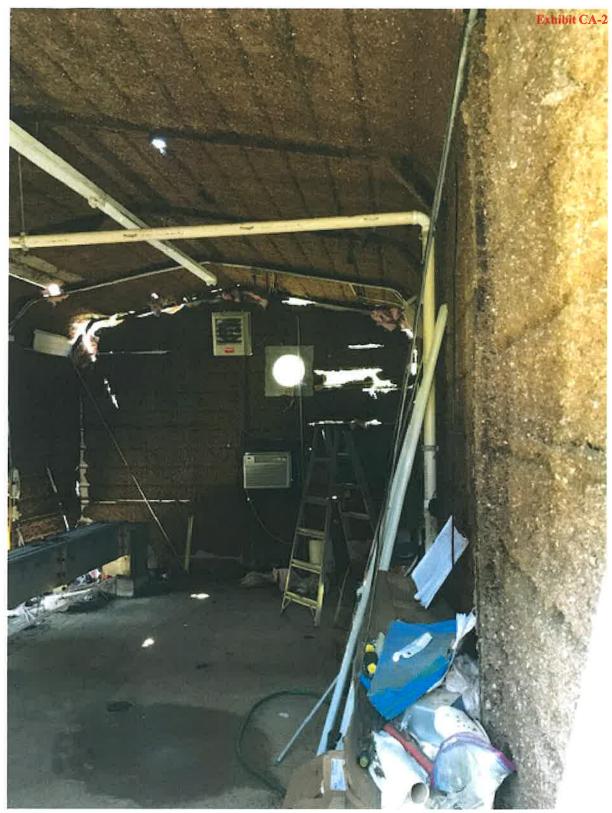


Image 8 - UV System (Lower Left)



Image 9 - Channel indicating runoff on SE side of spray field.



Image 10 - Same channel as above with different aspect.



Image 11 - Broken spray field lateral. (Promptly repaired upon notification.)



Image 12 - Evidence of wastewater migration pathway at head of exclusion zone on South side of fenced area.



Image 13 - Area where wastewater has clearly been ponding.

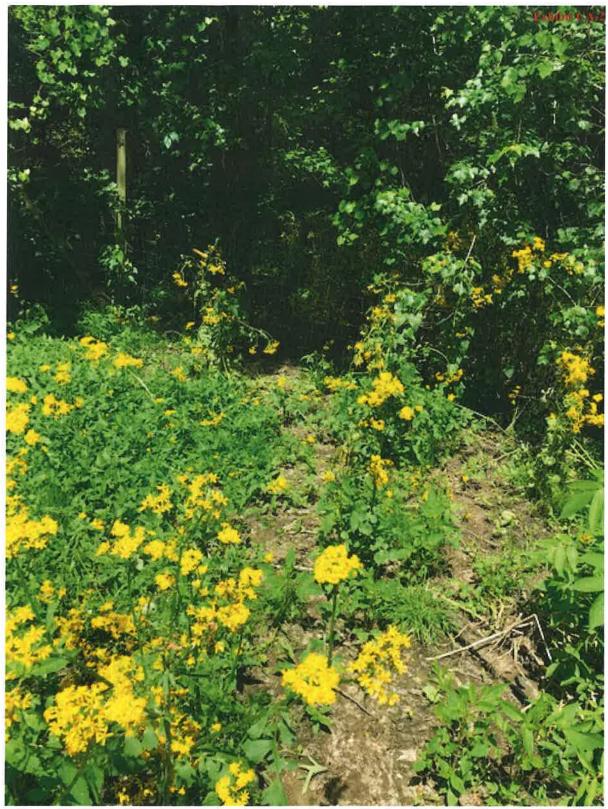


Image 14 - Braided migration pathway on SW side of spray field at perimeter fence.



Image 15 - More evidence of offsite migration at perimeter fence.

Figure 1 - High Intensity Soils Map form February 2003 Engineering Report "Proposed Secondary Spray Irrigation Field"