

**IN THE TENNESSEE PUBLIC UTILITY COMMISSION  
AT NASHVILLE, TENNESSEE**

<b>IN RE:</b>	)	
	)	
<b>APPLICATION LIMESTONE WATER</b>	)	
<b>UTILITY OPERAITNG COMPANY,</b>	)	
<b>LLC FOR AUTHORITY TO PURCHASE</b>	)	
<b>TITLE TO THE ASSETS, PROPERTY</b>	)	<b>DOCKET NO. 21-00060</b>
<b>AND REAL ESTATE OF A</b>	)	
<b>WASTEWATER SYSTEM AND FOR A</b>	)	
<b>CERTIFICATE OF PUBLIC</b>	)	
<b>CONVENIENCE AND NECESSITY</b>	)	
	)	

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**CHAPEL WOODS HOMEOWNERS ASSOCIATION  
SUPPLEMENTAL RESPONSE TO CONSUMER ADVOCATE’S FIRST SET OF  
DISCOVERY REQUESTS**

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**SUPPLEMENTAL RESPONSE TO FIRST SET OF DISCOVERY REQUESTS**

1-1. Provide a copy of all federal, state, county, and other audits (financial, environmental, etc.) of the Chapel Woods wastewater system dated within the period January 1, 2017 – May 31, 2022.

**RESPONSE:** Please see the attachments “1-1 2018 CEI Report” and “1-1 2020 CEI Report” for Chapel Woods HOA’s audits since 2017. Please see Chapel Woods HOA’s response to the 2018 CEI Report previously filed on 10/20/21. No response was required for the 2020 CEI Report.

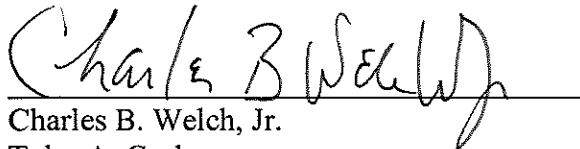
1-11. Refer to the Company’s filing on October 20, 2021. Specifically, refer to Appendix D as filed with the Company’s response. Has the Company completed the work outlined in this document? If not, provide a listing of the work not completed to date.

**RESPONSE:** The Company has not completed all of the work outlined in this document. Phase 2 of the short-term countermeasure for Inflow and Infiltration has not been completed due to funds availability. Action Item B in response to Item 5 of the CEI report regarding internal rust of anerobic reactor tank has also not been completed due to funds availability.

**1-12.** Provide the underlying support for the Exhibit 19 as filed with the Company's Petition. Additionally, reconcile Exhibit 19 with the 2019 Chapel Woods Balance Sheet filed on February 7, 2022.

**RESPONSE:** Please see the attachment "1-3 Balance Sheet & Income Statement" for the underlying support for Exhibit 19. Limestone used this 2020 balance sheet to create Exhibit 19; therefore, there is no reconciliation with the 2019 balance sheet.

**RESPECTFULLY SUBMITTED,**

A handwritten signature in cursive script, reading "Charles B. Welch, Jr.", written over a horizontal line.

Charles B. Welch, Jr.

Tyler A. Cosby

Farris Bobango PLC

414 Union Street, Suite 1105

Nashville, TN 37219

Email: [cwelch@farris-law.com](mailto:cwelch@farris-law.com)

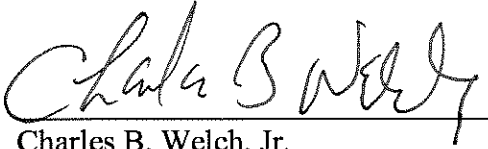
Email: [tcosby@farris-law.com](mailto:tcosby@farris-law.com)

**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:

JAMES P. URBAN (BPR No. 033599)  
Deputy 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) 741-3739  
Fax: (615) 741-8151  
Email: [james.urban@ag.tn.gov](mailto:james.urban@ag.tn.gov)  
Email: [karen.stachowski@ag.tn.gov](mailto:karen.stachowski@ag.tn.gov)

On this the 22<sup>nd</sup> day of June 2022.

  
Charles B. Welch, Jr.



STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
COLUMBIA ENVIRONMENTAL FIELD OFFICE  
1421 HAMPSHIRE PIKE  
COLUMBIA, TENNESSEE 38401

PHONE (931) 380-3371      STATEWIDE 1-888-891-8332      FAX (931) 380-3397

July 16, 2018

Mr. William Pegram  
Chairman of the Board  
Chapel Woods Home Owners Association  
P.O. Box 39  
Chapel Hill, TN 37304

Re: Compliance Evaluation Inspection  
NPDES Permit No. TN0062073  
Chapel Woods Home Owners Association  
Chapel Hill, Marshall County, Tennessee

Dear Mr. Pegram:

On June 21, 2018, I conducted a Compliance Evaluation Inspection (CEI) of the Chapel Woods Home Owners Association (HOA) wastewater treatment plant. A CEI is conducted to determine compliance with the permit and to review the operation and maintenance of the treatment system. The following observations were made during the inspection:

1. The current permit expired on June 30, 2018. An application for renewal was received on March 31, 2018. The Division requested that the HOA supply supplemental information prior to processing the application for permit renewal. The HOA provided the information in a manner acceptable to the Division. Discharges from the facility will be authorized until the new permit is reissued through the administrative extension of the expired permit.
2. The HOA has completed the following tasks identified as being necessary for the HOA to qualify as a public sewerage system:
  - a. Transferred ownership of the sewer treatment system to the HOA
  - b. Restored the HOA state business filing to active standing
  - c. Provided a \$20,000 certificate of deposit performance bond

Additionally, the HOA located and documented the outfall line near the Duck River on January 2, 2018. On January 19, 2018, Columbia Environmental Field Office staff participated in a dye trace of the outfall line. It was determined that sufficient evidence existed to confirm that the located outfall line is connected to the sewerage system's effluent pump station.

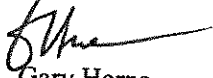
3. There are two pumps installed in the influent lift station. The influent lift station electrical panel is scheduled to be replaced with new wiring and switches. New floats are also scheduled to be installed. The lift station is equipped with a high level light.
4. Discussions during the inspection indicated that the treatment plant experiences inflow & infiltration (I&I) during some rain events. A collections maintenance program needs to be adopted to determine the cause and location of the I&I. Septic tanks installed at each home should have a water-tight seal and proper fittings used to connect the piping from the septic tank to the gravity sewer line.
5. The metal treatment reactor has developed external rust along the top two sections of the unit which needs to be addressed. Iron content from inside of this tank is affecting the output of the ultraviolet (UV) disinfection unit.
6. An extension has been built beyond the filter tower to enclose the effluent discharge and UV disinfection unit. The HOA is in the process of completing quotes to make the following improvements in this area:
  - a. Add a new power source and control panel inside of the enclosure for the control of the discharge and recirculation pumps
  - b. Install a second discharge pump and new level floats for both pumps
  - c. Add lighting inside of the building extension
7. The UV disinfection unit is functioning. It was discovered that the iron content from the rust inside of the metal reactor was blocking the effectiveness of the UV system, still causing some e-coli permit violations. In an attempt to prevent future violations, the plant uses bleach to disinfect the wastewater after passing through the UV system. The plant uses Norweco Bio- Max tablets to dechlorinate the wastewater. The discharge was clear during the inspection.
8. The HOA is presently running around eighty percent current on fee collection. A new sewer service agreement has been adopted and must be signed for both new customers and resold properties.
9. The HOA is working with a local contractor to bushhog and smooth up the property surrounding the treatment plant to facilitate the ease of mowing and maintaining the appearance of the property.

It is requested that a written reply be submitted to this office within thirty (30) days receipt of this letter regarding corrective action for items 4 & 5 listed above.

I would like to thank Mr. Skinner for his time and cooperation during the inspection. If you have any questions you may reach me at 931-840-4166 or by e-mail at [gary.horne@tn.gov](mailto:gary.horne@tn.gov).

Mr. Pegram  
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Sincerely,

A handwritten signature in black ink, appearing to read "G. Horne", with a long horizontal flourish extending to the right.

Gary Horne  
Division of Water Resources



STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
COLUMBIA ENVIRONMENTAL FIELD OFFICE

1421 HAMPSHIRE PIKE  
COLUMBIA, TENNESSEE 38401

PHONE (931) 380-3371      STATEWIDE 1-888-891-8332      FAX (931) 380-3397

July 27, 2020

Mr. William Pegram, President  
Chapel Woods Homeowners Association  
P.O. Box 39  
Chapel Hill, TN 37304

RE: Compliance Evaluation Inspection  
Chapel Woods Homeowners Association  
NPDES Permit No. TN0062073  
Chapel Hill, Marshall County, Tennessee

Dear Mr. Pegram:

On July 17, 2020, I conducted a Compliance Evaluation Inspection (CEI) of the Chapel Woods Homeowners Association (HOA) wastewater treatment plant. A CEI is conducted to determine compliance with permit and to review the operation and maintenance of the treatment plant. The following observations were made during the inspection:

### **I. Permit**

The current permit expired on June 30, 2018. The Division requested supplemental information from the HOA prior to processing the application for renewal submitted on March 31, 2018. The HOA provided the information in a manner that was acceptable to the Division. Discharges from the facility have been authorized until the new permit is reissued through the administrative extension of the expired permit. The draft permit for this facility is scheduled to be put out for public notice on August 4, 2020

### **II. Records/Reports**

Monthly Operation Reports (MORs) are being submitted to the Columbia Environmental Field Office. The iron content from the rust on the inside of the reactor still blocks the effectiveness of the UV system, causing occasional E-coli violations. The plant uses bleach to disinfect prior to the UV disinfection in an attempt to prevent future violations. The plant uses Norweco Bio-Max tablets to dechlorinate the wastewater.

### **III. Laboratory**

The facility is equipped to perform the Total Residual Chlorine (TRC), pH, Dissolved Oxygen (DO) and Settleable Solids (SS) analytical testing requirements of the permit. The Total Suspended Solids (TSS), BOD and E-coli analytical testing is performed by Microbac. A chain of custody and analytical results of the testing performed by Microbac is being submitted with the Monthly Operation Report (MOR). A new HACH DO/pH meter has been purchased since the previous inspection. Annual laboratory equipment and instrument calibration is being performed by Labtronix.

### **IV. Facility Site Review and Operations and Maintenance**

The treatment system consists of an influent lift station, metal treatment reactor, filter tower, recirculation tank and UV disinfection system. The metal treatment reactor has been sandblasted and painted since the previous inspection. Sludge drain valves have been replaced on the metal treatment reactor. The influent lift station has been equipped with two new pumps and floats. A new accessible cover has been installed on the lift station. A new electrical control panel, new wiring, high level alarm and a pump hour meter has been installed on the influent lift station. New influent valves have been installed between the lift station and the reactor. Two new effluent pumps and a new control panel have been installed since the previous inspection. A spare effluent pump was also purchased. Clean up of the grounds surrounding the treatment plant has been performed to facilitate the ease of mowing and maintaining the property. The road at the entrance to the plant has been asphalted. A new perimeter fence with a locked gate surrounds the treatment plant. The Chapel Woods Homeowners Association (HOA) is presently in discussion with Limestone Water Utilities Co regarding the acquisition of the wastewater treatment plant in the near future.

### **V. Conclusion**

The facility is being operated and maintained in accordance with the terms and conditions of NPDES Permit No. TN0062073. I would like to thank you for your time and cooperation during the inspection. If you have any questions concerning this correspondence you may reach me at 931-840-4166 or by e-mail at [gary.horne@tn.gov](mailto:gary.horne@tn.gov).

Sincerely,



Gary Horne  
Division of Water Resources