

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

<b>IN RE:</b>	)	
	)	
<b>PETITION OF TENNESSEE</b>	)	
<b>WASTEWATER SYSTEMS, INC.,</b>	)	
<b>FOR APPROVAL TO USE ITS</b>	)	<b>DOCKET NO. 21-00087</b>
<b>ESCROW &amp; RESERVE FUNDS FOR</b>	)	
<b>CAPITAL IMPROVEMENTS AT</b>	)	
<b>SUMMIT VIEW RESORT</b>	)	

---

**DIRECT TESTIMONY OF MATTHEW NICKS**

---

- Q1. What is your name and business address?**  
A. My name is Matthew Nicks, and my business address is 849 Aviation Parkway, Smyrna Tennessee, 37167.
- Q2. By whom are you employed and in what capacity?**  
A. I am President of Tennessee Wastewater Systems, Inc. (TWSI).
- Q3. What is the purpose of your testimony in this proceeding?**  
A. The purpose of my testimony is to provide support to TWSI's petition for approval of the use of its escrow and reserve funds to pay for the expansion of the wastewater treatment facilities at the Summit View Resort in Sevierville, TN.
- Q4. What is the history of the treatment facility at the Summit View Resort?**  
A. TWSI was granted a CCN for Summit View Resort in 2006<sup>1</sup>. The developer planned to build a cabin community of approximately thirty-seven 2-3-bedroom cabins and the wastewater facility was designed and constructed to treat up to 8,000 gallons per day. The developer ended up building much larger cabins, some capable of housing twenty or more people, which resulted in a strain being put on the wastewater system.
- Q5. What is the current operating condition of the treatment facility at Summit View Resort?**  
A. Currently, the system is operating in accordance with the facility's State Operating Permit (SOP-06035). The primary cause for concern is due to the system being undersized, as it struggles to handle surge flows during periods of high occupancy. To that end, we need to install an equalization tank to help balance these flows and not overload the system.

---

<sup>1</sup> Docket No. 06-00078

- Q6. Has any enforcement action been taken by TDEC regarding the treatment facility at Summit View Resort?**
- A. In 2014 TDEC issued a Director's Order alleging certain permit violations (Petition Exhibit 1). The Order was resolved in August of 2020 through a Settlement Agreement under which TWSI agreed to make certain improvements to the facility (Petition Exhibit 2).
- Q7. Has TWSI developed plans to address the issues with the treatment facility?**
- A. Yes. Per the terms of the Settlement Agreement with TDEC, TWSI has submitted to TDEC and TDEC has approved the plans and design of a 10,000-gallon equalization tank (Petition Exhibits 3 and 4). The estimated cost of the approved improvements is approximately \$85,000 (Petition Exhibit 5).
- Q8. How does TWSI propose to fund the system expansion at Summit View Resort?**
- A. TWSI proposes to fund the new system by utilizing the company's escrow and Contribution in Aid of Construction (CIAC) reserve funds (Petition Exhibits 6 and 7). The utility currently has over \$1.7M in its escrow and reserves.<sup>2</sup> The Utility's monthly sewer bill includes as a portion of its rates, an amount set aside for escrow. TWSI has over 4200 customers and, on average, receives about \$43,000 per month for escrow. TWSI will not need to seek additional funding for this project from its customers.
- Q9. Who will perform the work at Hidden Springs?**
- A. TWSI and Adenus Solutions Group, LLC will perform the work. Several material and equipment vendors and subcontractors will be utilized.
- Q10. Does Adenus Solutions Group, LLC have a valid and current contractor's license by the applicable licensing board of the State of Tennessee?**
- A. Yes. Adenus Solutions Group, LLC is licensed by the Tennessee Board for Licensing Contractors for two classifications: (1) Building Construction (BC), which includes residential, commercial, and industrial construction; and (2) Municipal and Utility Construction (MU) (Petition Exhibit 8).
- Q11. Did TWSI seek bids for the proposed work at Summit View?**
- A. No. Due to the extremely long lead times needed for construction projects in this current market, the only way to satisfy the timeline to complete the project as set forth in the TDEC Settlement Agreement is for TWSI and Adenus to do the work. Though historically with other TWSI projects that have been put out to bid, other companies have not been able to do the work as inexpensively as TWSI and/or Adenus has.
- Q12. What is the timeline for competition of the work to expand the Summit View system?**
- A. This project is ready to begin and will commence as soon as the Commission approves this funding. It is anticipated that construction will take approximately 6 months weather permitting.
- Q13. Is all information contained in the Petition true and correct to the best of your knowledge and belief?**

A. Yes.

**Q.14. Does TWSI agree to abide by all orders and rules of the Commission, including its affiliate transaction rules?**

A. Yes.

**Q.15. Does this complete your testimony?**

A. Yes.

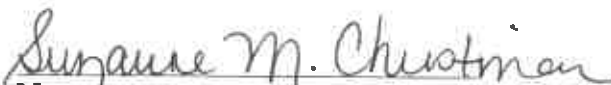
### AFFIDAVIT

My name is Matthew Nicks and the attached direct testimony is true and correct to the best of my knowledge.

  
Matthew Nicks

County of Rutherford           )  
State of Tennessee           )

On this 2<sup>nd</sup> day of AUGUST 2021, personally appeared before me, Suzanne Christman, a notary public, the above-named Matthew Nicks known to me personally who was duly sworn and on oath executed the above Affidavit.

  
Notary

My commission expires: 10/21/2024

