

**PRE-FILED DIRECT TESTIMONY
OF JASON SAPP**

SAPP INVESTMENTS, LLC

WITNESS INTRODUCTION

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Jason Sapp. My business address is 101 West Court Street, Paragould, AR
3 72450, and I am the sole owner and CEO of Sapp Investments, LLC (“Sapp Investments”).

4 **Q. PLEASE PROVIDE A GENERAL BACKGROUND OF SAPP INVESTMENTS,**
5 **LLC.**

6 A. Sapp Investments was established in 2003, initially focusing on residential rental
7 properties, commercial real estate, and medical facilities. The company expanded into the
8 vacation-rental industry in Florida beginning in 2012 and has continued to develop and
9 invest in real estate opportunities. Sapp Investments operates in Arkansas, Florida, and
10 Tennessee. Sapp Investments has built out over 60,000 square feet of new vacation rentals
11 in Florida, as well as other residential and commercial developments. Sapp Investments
12 has also developed approximately 50,000 square feet in residential and commercial space
13 across Northeast Arkansas.

14 **Q. PLEASE DESCRIBE YOUR BACKGROUND AND PROFESSIONAL**
15 **EXPERIENCE.**

16 A. I attended Arkansas State University from 1991 to 1993 before transferring to the
17 University of Arkansas for Medical Sciences, where I studied from 1993 to 1994 and
18 received an Associate’s Degree in Respiratory Therapy. Shortly after completing my
19 education, I made the transition from the medical field into entrepreneurship, beginning a
20 career that would eventually encompass numerous businesses and investments.

1 In 1995, I founded Pulmonary & Sleep Diagnostics, a healthcare company
2 specializing in sleep disorders and non-invasive ventilation. Under my leadership, the
3 company developed more than 30 sleep-disorder clinics throughout Arkansas, Tennessee,
4 and Missouri. For more than 30 years, Pulmonary & Sleep Diagnostics has focused on
5 providing specialized services and technologies for patients with sleep-related and
6 respiratory disorders. I continue to serve as the company's Founder and Chief Executive
7 Officer.

8 In 2007, I became involved with Elite Investments, a company focused on
9 developing commercial facilities for state and federal government agencies. Through Elite
10 Investments, more than 150,000 square feet of commercial space has been developed and
11 leased back to government agencies. I am a managing partner in Elite Investments. The
12 company has also performed pool-service contracts for government facilities for
13 approximately 20 years.

14 I also founded Sapp Development in 2008 to pursue commercial real estate
15 development, including commercial strip centers and larger-scale development projects.
16 My real estate activities have grown to encompass a diverse portfolio of commercial and
17 residential investments in several states, including Arkansas, Florida, Illinois, Indiana,
18 Missouri, and Tennessee.

19 In 2020, I became a founder and managing member of Fidus Global, a software and
20 engineering company focused on the logistics industry. The company has developed
21 patented software technologies and received industry recognition for its innovations. Fidus
22 Global provides technology and engineering solutions to major companies, including
23 Fortune 10 and Fortune 100 organizations within the logistics industry.

PURPOSE OF TESTIMONY

1 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS CASE?**

2 A. The purpose of my testimony is to oppose the Amended Petition to Terminate CCN of Aqua
3 Green Utility, Inc. for Thunder Mountain (“Amended Petition”). I continue to believe that
4 Aqua Green Utility, Inc. (“Aqua Green”) and Sapp Investments can work cooperatively
5 together to reach a mutually satisfactory resolution that serves the public interest.

THUNDER MOUNTAIN DEVELOPMENT

6 **Q. CAN YOU PROVIDE SOME BACKGROUND ON HOW SAPP INVESTMENTS**
7 **AND AQUA GREEN CAME TOGETHER ON THE THUNDER MOUNTAIN**
8 **DEVELOPMENT BEFORE ENTERING THE CONTRACT ATTACHED TO THE**
9 **AMENDED PETITION?**

10 A. Sapp Investments reached out to various agencies during that time to ascertain information
11 about qualified providers and that is how we learned about Aqua Green.

12 **Q. ARE THERE OTHER PROVIDERS OF WASTEWATER SERVICES IN THE**
13 **AREA WHERE THE THUNDER DEVELOPMENT PROJECT IS LOCATED?**

14 A. When Sapp Investments started on this project, we were not aware of any such wastewater
15 providers. This is why Aqua Green submitted a letter to the Sevier County Water
16 Department asking if it would serve Thunder Mountain. In its April 6, 2022, response,
17 which is part of the record in Docket No. 22-00028, the Sevier County Water Department
18 stated that it did not provide and did not intend to provide wastewater services in this area.

19 **Q. BEFORE ENTERING THE CONTRACT WITH AQUA GREEN AND ADVANCED**
20 **SEPTIC, INC., WERE YOU CONFIDENT OF DART KENDALL’S ABILITY AND**

1 **COMMITMENT TO BUILD AND OPERATE A CERTIFIED WASTEWATER**
2 **SYSTEM TO SERVE THE THUNDER MOUNTAIN DEVELOPMENT?**

3 A. Yes. Sapp Investments met with Mr. Kendall many times to discuss the Thunder Mountain
4 project, including the various anticipated development phases, the wastewater system
5 needed to serve the project, and the applicable requirements and regulations that would be
6 involved. During these conversations, Mr. Kendall also outlined and discussed his
7 experience in building and operating wastewater systems. After these discussions, Sapp
8 Investments was confident in Mr. Kendall's commitment to our project, which Aqua Green
9 reiterated in its March 26, 2022, and January 10, 2023, letters to the Tennessee Public
10 Utility Commission ("TPUC" or "Commission"), and in his ability to build and operate the
11 required wastewater system.

12 **Q. IN HIS TESTIMONY, MR. KENDALL STATES THAT "IF THE DEVELOPMENT**
13 **IS SOLD OR REMAINS SUBSTANTIALLY UNDEVELOPED," AQUA GREEN'S**
14 **OPERATING LOSSES COULD "CONTINUE INDEFINITELY."¹ DO YOU HAVE**
15 **A RESPONSE TO THIS?**

16 A. Sapp Investments has committed significant financial resources to the Thunder Mountain
17 project and remains steadfastly committed to its completion. To that end, Sapp Investments
18 has already paid approximately \$411,709.39, which is more than the contract price, to Aqua
19 Green to construct the wastewater system and even agreed to a 10% increase to the contract
20 price as a show of good faith and cooperation.

21 We very much desire to move forward on the development. Without the wastewater
22 system being approved by the Sevier County Planning & Zoning Department (the

¹ *Pre-filed Direct Testimony of Aqua Green Witness Dart Kendall, Exhibit 5 to Amended Petition at 6, TPUC Docket No. 22-00028 (July 31, 2026) (hereinafter "Kendall Direct").*

1 “County”) and the Tennessee Department of Environment and Conservation (“TDEC”),
2 we are limited in our ability to proceed with more cabin construction, as any completed
3 cabins could not be utilized because the wastewater system is not yet operable.

LAND TRANSFER & EASEMENTS

4 **Q. DOES THE CONTRACT ENTERED INTO AMONG SAPP INVESTMENTS,**
5 **AQUA GREEN, AND ADVANCED SEPTIC, INC. CONTAIN A PROVISION**
6 **REGARDING THE TRANSFER OF LAND?²**

7 A. Yes. The contract attached to the Amended Petition (the “Agreement”) provides that Sapp
8 Investments would transfer ownership of the land for drip disposal fields and for the
9 wastewater facilities to Aqua Green.

10 **Q. DOES SAPP INVESTMENTS OWN THE LAND THAT IS TO BE TRANSFERRED**
11 **TO AQUA GREEN FREE AND CLEAR?**

12 A. Yes. Sapp Investments purchased the land that is to be transferred in 2017, and it owns the
13 land free and clear. We do not owe anything on this land and it is not otherwise encumbered.

14 **Q. WHY HAS THIS LAND NOT BEEN TRANSFERRED TO AQUA GREEN?³**

15 A. Sapp Investments witness Logan Sapp will provide more details on why the land has not
16 yet been transferred to Aqua Green. We have always been ready to transfer the land to Aqua
17 Green pursuant to the Agreement but we could not transfer the land until the County agreed
18 to sign-off on the transfer so it could be properly recorded. The County had not agreed to
19 sign-off on the land transfer until recently, as outlined in the County’s June 22, 2026, letter,
20 that is a part of the record in this case. For this reason, Sapp Investments was unable to

² *Id.* at 2.

³ *Id.*

1 transfer the land to Aqua Green during the period after Aqua Green sent Sapp Investments
2 a Notice to Cure letter.

3 Notwithstanding the fact that the County had not agreed to sign-off on the land
4 transfer until recently, Aqua Green moved forward with constructing the wastewater
5 system.

6 **Q. WHY DID SAPP INVESTMENTS NOT TRANSFER THE LAND SUBSEQUENT**
7 **TO JUNE 22, 2026?**

8 A. We wanted to transfer the land upon learning that the County was ready sign-off on the
9 transfer. But, at that time Mr. Kendall was not interested in moving forward. While we have
10 long had the legal transfer documents drafted and ready for execution, we did not transfer
11 the land because if Aqua Green is permitted to abandon its CCN the transfer would have
12 needed to be reversed. Sapp Investments could not reverse the land transfer unilaterally.

13 **Q. MR. KENDALL HAS TESTIFIED THAT SAPP INVESTMENTS HAS NOT**
14 **GRANTED THE REQUIRED EASEMENTS.⁴ HAVE THE NECESSARY**
15 **EASEMENTS REFERENCED IN THE AGREEMENT BEEN GRANTED?**

16 A. The Permanent Utility Easement and the Non-Exclusive Grant of Easement were executed
17 on April 25, 2025, both are attached to Sapp Investments Response as **Sapp Investments**
18 **Collective Response Exhibit 11**. These easements were executed before the November
19 17, 2025, cure letter from Aqua Green.

⁴ *Id.* at 3.

1 **Q. MR. KENDALL HAS TESTIFIED THAT SAPP INVESTMENTS HAS FAILED TO**
2 **DEVELOP THE THUNDER MOUNTAIN PROJECT. CAN YOU RESPOND TO**
3 **THIS?**⁵

4 A. We have moved forward on the development as far as we can without a certified wastewater
5 system approved by the County and TDEC. We could not justify further cabin construction
6 when any completed cabins could not be utilized due to the absence of an approved and
7 operable wastewater system. This is also the reason we have not provided copies of future
8 contracts or performance bonds for Phases 3 and 4.

PROJECT SCOPE

9 **Q. DID SAPP INVESTMENTS EXPLORE MODIFYING ITS ORIGINAL PLAN FOR**
10 **A MAXIMUM OF 693 BEDROOMS TO A MAXIMUM OF 591 BEDROOMS? IF**
11 **SO, PLEASE EXPLAIN.**

12 A. The original proposal is for Sapp Investments to develop a maximum of 693 bedrooms in
13 four (4) phases, with phase 1 consisting of thirty (30) bedrooms. With Aqua Green's
14 assistance and expertise, Sapp Investments explored the feasibility of compliantly reducing
15 the maximum of 693 bedrooms to a maximum of 591 bedrooms. We always understood
16 that if we learned that the explored modifications were not feasible to the Commission, to
17 TDEC, or for other relevant reasons, Sapp Investments remains committed to continue with
18 the maximum build of 693 bedrooms.

19 **Q. WAS A CONTRACT EXECUTED WITH RESPECT TO A CHANGE FROM A**
20 **MAXIMUM OF 693 BEDROOMS TO A MAXIMUM OF 591 BEDROOMS?**

⁵ *Id.* at 2.

1 A. No. But Mr. Kendall, owner of both Aqua Green and Advanced Septic, Inc., did submit a
2 contract to Sapp Investments and a potential new owner, Next Gen Properties LLC,
3 regarding the exploration of a new owner being a part of the development that would
4 connect to and be served by Aqua Green's wastewater system.⁶

5 **Q. YOU USED THE PHRASE “COMPLIANTLY EXPLORE” IN YOUR ANSWER.**
6 **PLEASE EXPLAIN?**

7 A. Sure. If the feasibility of any modifications were positive, and there was a decision to try
8 and move forward with those modifications, we discussed with Mr. Kendall the possibility
9 of needing to advise regulatory authorities of any such modifications, including the County,
10 TDEC, TPUC, and comply with any related requirements.

11 In fact, the potential modification from a maximum of 693 bedrooms to a maximum
12 of 591 bedrooms was disclosed to the County and would have to also be submitted to TDEC
13 for review and approval as a revision to Aqua Green's previously approved plan
14 documents.⁷ Also, the draft contract that Mr. Kendall submitted also contemplated
15 notification to and compliance with, TPUC and TDEC.

16 **Q. IF A DECISION WAS MADE TO FORMALLY PURSUE A CHANGE FROM A**
17 **MAXIMUM OF 693 BEDROOMS TO A MAXIMUM OF 591 BEDROOMS, HOW**
18 **WOULD THAT HAVE IMPACTED THE PROJECT AND THE WASTEWATER**
19 **SYSTEM? IF SO, PLEASE EXPLAIN.**

20 A. Mr. Kendall worked with Sapp Investments and told us how many bedrooms we would
21 lose if we removed a certain section of soils to build more units. This information was

⁶ See Sapp Investments Response Exhibit 10.

⁷ See, e.g., Sapp Investments Response Exhibit 6 (noting the potential change in plant capacity revised from 693 bedrooms to 591 bedrooms.).

1 gathered by Aqua Green to allow us to review our development to ensure we had enough
2 bedrooms to construct the total development. Aqua Green had informed Sapp Investments
3 that certain items would need to be changed in Aqua Green's SOP but assured us that it
4 would not be a problem to make those changes. Moreover, Aqua Green never informed
5 Sapp Investments that there were not enough soils. This is why we spoke with Aqua Green
6 first to learn if what we were exploring was feasible and so that we had the information
7 necessary to make a sound decision about the bedroom count. In any event, and as
8 discussed in my answer above, Aqua Green and Sapp Investments understood that a
9 modification to the bedroom count would have needed to be technically and regulatorily
10 feasible for Sapp Investments to pursue a change from a maximum of 693 bedrooms to a
11 maximum of 591 bedrooms.

12 **Q. WHY DID SAPP INVESTMENTS EXPLORE MODIFYING ITS ORIGINAL PLAN**
13 **FOR A MAXIMUM OF 693 BEDROOMS TO A MAXIMUM OF 591 BEDROOMS?**

14 A. To comply with County regulations, we needed to adjust our plan to build more cabins. We
15 discussed this issue with James Temple to see how many more units we could build. Sapp
16 Investments was under the impression that we could remove 102 bedrooms and build four
17 additional units, which would allow Aqua Green to bill for more units built, i.e., available
18 lot connections. Our only reason for modifying the bedroom count was to maximize the
19 land usage for our development.

20 **Q. WHAT IS THE STATUS OF THE EXPLORATION OF THE FEASIBILITY OF**
21 **MODIFYING THE ORIGINAL PLAN FOR A MAXIMUM OF 693 BEDROOMS**
22 **TO A MAXIMUM OF 591 BEDROOMS OR ANY OTHER MODIFICATIONS**
23 **RELATED TO THE DEVELOPMENT?**

1 A. As noted above, Sapp Investments always understood that if we (Sapp Investments and
2 Aqua Green) learned that the explored modifications were not feasible to the Commission,
3 to TDEC, or for other relevant reasons, Sapp Investments remains committed to continue
4 with the maximum build of 693 bedrooms. Presently, we are no longer exploring this
5 alternative.

6 **Q. IS SAPP INVESTMENTS THE SOLE OWNER AND DEVELOPER OF THE**
7 **THUNDER MOUNTAIN DEVELOPMENT?**

8 A. Yes. Sapp Investments is the sole owner of the development project and no other new
9 owners are involved.

10 **Q. MR. KENDALL HAS MADE A REFERENCE ABOUT SAPP INVESTMENTS**
11 **SELLING THE PROJECT. CAN YOU RESPOND TO THIS?⁸**

12 A. Sapp Investments has not once even insinuated that it plans to sell the development. Sapp
13 Investment did list a cabin and lots for sale to test market demand. Aqua Green was aware
14 of this and only asked that the easements for those lots be finalized before any sale.

15 **Q. PLEASE RESPOND TO MR. KENDALL'S STATEMENT THAT BASED ON ALL**
16 **THE CIRCUMSTANCES AS THEY EXIST TODAY, IT WOULD APPEAR THAT**
17 **THIS DEVELOPMENT CANNOT BE BUILT WITH THE RENTAL CABINS AS**
18 **REPRESENTED TO THE COMMISSION IN THE APPLICATION FOR THE**
19 **CCN?⁹**

20 A. The overall development is approved for rental cabins. All County regulatory requirements
21 have been met. We have a 20-unit development that is closest to the wastewater system and

⁸ Amended Petition at 7; *Kendall Direct* at 3-4.

⁹ *Kendall Direct* at 4.

1 would be the fastest and most economical start to the development. Furthermore, this 20-
2 unit development was approved in 2024, and we are ready to build these units as soon as
3 all regulatory requirements are met for the wastewater system. Once completed, this 20-
4 unit build out will allow Aqua Green to start billing for 20 additional units.

VARIOUS ISSUES RAISED BY AQUA GREEN

5 **Q. MR. KENDALL HAS TESTIFIED THAT “REQUIRING AQUA GREEN TO**
6 **CONTINUE HOLDING THE CCN WOULD RESULT IN SUBSTANTIAL AND**
7 **ONGOING FINANCIAL HARM WITHOUT PROVIDING CORRESPONDING**
8 **PUBLIC BENEFIT.”¹⁰ CAN YOU RESPOND TO THIS TESTIMONY?**

9 A. Mr. Kendall’s assertion relies on an erroneous assumption that Sapp Investments does not
10 intend to complete the Thunder Mountain development project. But that is simply not the
11 case. Sapp Investments has committed significant financial resources to this project and
12 remains steadfastly committed to seeing it through to completion, notwithstanding some of
13 the challenges and delays Sapp Investments and Aqua Green have experienced to date,
14 which are not uncommon in development projects like this one.

15 **Q. MR. KENDALL HAS NOTED THAT “ONLY 2 CABINS HAVE BEEN BUILT AND**
16 **ONLY ONE OF THOSE CABINS IS SUITABLE FOR CONNECTION TO THE**
17 **WASTEWATER SYSTEM.”¹¹ DO YOU HAVE ANY RESPONSE TO THIS?**

18 A. Only one cabin has received a Will Serve letter from Aqua Green. The other cabin is on a
19 traditional septic system. Without Aqua Green servicing the wastewater system, the six-

¹⁰ *Id.* at 2.

¹¹ *Id.* at 3.

1 bedroom cabin is not in compliance with County regulatory requirements. The land on
2 which the six-bedroom cabin was constructed is only approved for a four-bedroom unit.

3 **Q. IN SUPPORT OF THE AMENDED PETITION, MR. KENDALL TESTIFIED THAT**
4 **“NO ROADS HAVE BEEN BUILT, CLEARED FOR, OR EVEN ROUGH GRADED**
5 **IN THE AREA TO BE DEVELOPED.”¹² PLEASE RESPOND TO THIS**
6 **TESTIMONY?**

7 A. All the roads in our development are cleared and rough graded. The only remaining road
8 yet to be completed would be for the 20-unit buildout. This buildout is right against the
9 county road and would be the fastest part of the development. Aqua Green has also used
10 our cleared roads to get easier access when they were installing the wastewater system.

PUBLIC INTEREST

11 **Q. MR. KENDALL HAS TESTIFIED THAT “TERMINATION OF THE CCN IS IN**
12 **THE PUBLIC INTEREST.”¹³ DO YOU AGREE WITH MR. KENDALL? IF NOT,**
13 **PLEASE EXPLAIN.**

14 A. No, I do not. Mr. Kendall submitted sworn testimony before the Commission to obtain the
15 CCN. In that sworn testimony, Mr. Kendall stated that “Aqua Green Utility will provide
16 wastewater service: including all maintenance of the sewer treatment tanks, pressure lines
17 and drip field. All operation and maintenance will be done in a manner as to meet all
18 requirements of the state operating permit.”¹⁴ Mr. Kendall further submitted sworn

¹² *Id.*

¹³ *Id.* at 2.

¹⁴ *Pre-filed Direct Testimony of Aqua Green Witness Mr. Dart Kendall*, pp. 1-2, Petition of Aqua Green Utility, Inc. to Amend its Certificate of Convenience and Necessity, TPUC Docket No. 22-00028 (Aug. 26, 2022).

1 testimony before the Commission that “I have contacted the public utilities in the area and
2 they have no plans to provide service to this location.”¹⁵

3 With full knowledge that Sapp Investments could not develop this project without
4 wastewater service, and with full knowledge that Sapp Investments had no other provider
5 options, Aqua Green declared under oath that it would provide this service. Sapp
6 Investments has relied on this sworn testimony and invested substantial funds in relation
7 to the Thunder Mountain project. If Sapp Investments had known that Mr. Kendall retained
8 the unilateral option to just casually walk away after cashing our checks for over \$400,000
9 and leave us with a wastewater system that has not been certified by either the County or
10 TDEC, we would never have teamed up with Aqua Green.

CONCLUSION

11 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

12 **A.** Yes, it does.

¹⁵ *Id.* at 2:47-48.

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE

PETITION OF AQUA GREEN UTILITY,)
INC. TO AMEND ITS CERTIFICATE OF)
CONVENIENCE AND NECESSITY TO)
EXPAND ITS SERVICE AREA TO)
INCLUDE A PORTION OF SEVIER)
COUNTY IN TENNESSEE KNOWN AS)
THUNDER MOUNTAIN LOCATED ON)
LITTLE COVE ROAD NEAR THE)
INTERSECTION OF THUNDER)
MOUNTAIN ROAD)

DOCKET NO. 22-00028

VERIFICATION

STATE OF Florida)

COUNTY OF Okaloosa)

I, JASON SAPP, being duly sworn, state that I am authorized to testify on behalf of Sapp Investments, LLC in the above-referenced docket, that if present before the Commission and duly sworn, my testimony would be as set forth in my pre-filed testimony in this matter, and that my testimony herein is true and correct to the best of my knowledge, information, and belief.


JASON SAPP

Sworn to and subscribed before me
this 27 day of August, 2026.

Notary Public


Terry L. Ingram

My Commission Expires:
102365460.v1

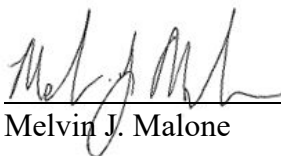


CERTIFICATE OF SERVICE

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

Charles B. Welch, Jr.
Phelps Dunbar LLP
414 Union Street, Suite 1105
Nashville, TN 37219
chuck.welch@phelps.com

This the 31st day of August 2026.



Melvin J. Malone