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July 25, 2024

VIA ELECTRONIC FILING

Electronically Filed In TPUC Docket
Room on July 25, 2024 at 11:23 a.m.

Hon. David Jones, Chairman
c/o Ectory Lawless, Docket Room Manager
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243
TPUC.DocketRoom@tn.gov

RE: *Limestone Water Utility Operating Company, LLC's Application to Expand its Certificate of Convenience and Necessity to Serve the Nash Ridge Subdivision, Williamson County, Tennessee, TPUC Docket No. 23-00036*

Dear Chairman Jones:

Attached for filing please find *Limestone Water Utility Operating Company, LLC's Initial Report of the Status of Compliance*, pursuant to the Order Amending Certificate of Public Convenience and Necessity in the above-captioned matter.

As required, the original plus four (4) hard copies will be mailed to your office. Should you have any questions concerning this filing, or require additional information, please do not hesitate to contact me.

Sincerely,

BUTLER SNOW LLP



Katherine Barnes

clw

Attachment

cc: Russ Mitten, Central States Water Resources
Vance Broemel, Consumer Advocate Division
Karen H. Stachowski, Consumer Advocate Division

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**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE**

IN RE:)	
)	
LIMESTONE WATER UTILITY)	
OPERATING COMPANY, LLC'S)	
APPLICATION TO EXPAND ITS)	DOCKET NO. 23-00036
CERTIFICATE OF CONVENIENCE)	
AND NECESSITY TO SERVE THE)	
NASH RIDGE SUBDIVISION IN)	
WILLIAMSON COUNTY, TENNESSEE)	

**LIMESTONE WATER UTILITY OPERATING COMPANY, LLC'S
INITIAL REPORT OF THE STATUS OF COMPLIANCE**

Limestone Water Utility Operating Company, LLC's ("Limestone Water" or "Company") respectfully submits this report to the Tennessee Public Utility Commission ("TPUC" or "Commission") as an update regarding its compliance with the conditions contained in the Commission's January 26, 2024 *Order Amending Certificate of Public Convenience and Necessity* ("2024 CCN Order") in the above-captioned matter. Those conditions require Limestone Water to make the following filings into this docket:

- a. The deed and/or easements for all the land and ownership rights to the wastewater system within fifteen (15) days of being issued and before the first customer is connected to the wastewater system, as set for in the contract submitted by Limestone Water Utility Operating Company, LLC, with the Commission;
- b. Certification from an engineer that Limestone Water Utility Operating Company, LLC, has sufficient capacity to serve the additional customers at the Nash Ridge development prior to new customers being connected to the system;

- c. Copies of all necessary Tennessee Department of Environment and Conservation approved documents relating to the Nash Ridge Development, if any, prior to new customers being connected to the system;
- d. A copy of the as-built plans with signed certification by Limestone Water Utility Operating Company, LLC, indicating the wastewater system has been inspected and is approved to begin operation; and
- e. A copy of the signed plat once the area of development is approved by the City and/or County government within fifteen (15) days of being issued and before the first customer is connected to the wastewater system.

If the previously stated conditions have not been met within six (6) months of the Commission's 2024 CCN Order, Limestone Water is required to file a report of the status of the provision of wastewater service to the Nash Ridge Subdivision, as well as on the status of the filing of required documentation. The Company's initial report is as follows:

I. STATUS OF WASTEWATER SERVICE

The Grassland wastewater treatment system was constructed in the mid-1970's, which means that much of the infrastructure is approaching 50 years old and various plant components are approaching, or have passed, the end of their useful lives. The generally poor condition of the wastewater treatment facility meant some treatment processes were no longer functioning properly, which caused the facility to be cited for violations of biochemical oxygen demand (BOD), ammonia, total nitrogen, dissolved oxygen, suspended solids, total residual chlorine, and *E. coli* limits during a three-year period immediately prior to acquisition by Limestone Water.

Since its acquisition, Limestone Water has taken steps to improve the system's treatment efficacy until more significant improvement projects are completed. These include repairs to

aeration equipment, solids removal from the plant and lift stations, electrical repairs at the treatment facility, repairs to facility piping, repairs and replacement of damaged catwalk and stair structures, repairs to the blower building, general site cleanup including improvements to the access road, signage, and structure, and general housekeeping measures, repairs to the collection system including work on mains, lift stations, and service lines, and installation of remote monitoring at lift stations and the treatment plant. Repairs and improvements also have been made to the lab/blower building and equipment within.

The Grassland system is also plagued by extensive stormwater inflow and infiltration (I&I), attributable to the age and condition of the collection system, that considerably swells the flow coming to the facility. This additional flow is over and above what is coming to the facility from customers. Since August 2023, Limestone Water has experienced significant increases in the flow volumes being sent to the Grassland facility for treatment, which are wholly attributable to significant increases in stormwater I&I.

Although the Company initially planned to make repairs to address I&I issues, further study of the system following acquisition showed that repair of underground collection facilities at Grassland is more difficult than at a typical system. In some areas, piping is buried exceptionally deep – in some places more than fifty (50) feet – to account for topography in the area, which means replacing or repairing those facilities would be extremely costly. To further study and validate its I&I problems, Limestone Water plans to (1) replace the inflow meter, which will improve the accuracy of inflow measurement at the Grassland facility, and (2) install SmartCover units to collect data during wet weather events to better analyze and understand the effects of I&I on the Grassland facility.

Despite increased flows caused by I&I, which exceed the facility's design flow, since January 2024 the facility has consistently operated within its permit limits, issued by the Tennessee Department of Environment and Conservation ("TDEC"), for concentrations and mass loadings, which include measurements for substances such as BOD, ammonia, total nitrogen, dissolved oxygen, suspended solids, total residual chlorine, and *E. coli*. Indeed, since it acquired the Grassland facility, Limestone Water has reduced total pollutants annually discharged from that facility from 19,171 pounds in 2019 to 6,380 pounds in 2023. Further, in numerous conversations with regulators, TDEC officials have stated they are not concerned with design flow exceedances at the Grassland facility, as long as it continues to meet the mass loading requirements of the operating permit. For the foregoing reasons, and as will be outlined further below, with the reduced total pollutants annually discharged from the facility, coupled with the system's ongoing compliance with the mass loading requirement of its operating permit, the Grassland facility could serve the additional thirty-nine houses proposed for construction in Nash Ridge *today* if those homes were ready today. The proposed homes, however, have not yet been built.

II. STATUS OF COMPLIANCE WITH SPECIFIED CONTINGENCIES IN THE 2024 CCN ORDER

The lengthy process to replace the Grassland wastewater collection and treatment facilities commenced many months prior to the Commission's *2024 CCN Order*. In July 2023, Limestone Water engaged third-party engineering firm Goodwyn Mills Cawood, LLC ("GMC"), to prepare a preliminary engineering and basis of design report that identified options recommended to improve the Grassland facility. That report was submitted in December 2023 and serves as the basis for the replacement process currently underway.

A timeline detailing all activities required to complete the Grassland system replacement project is attached to this report as **Exhibit A**. Although the exhibit details numerous preliminary

activities, one of the most critical items identified in the timeline is the 27-week period (which includes a 4-week “float”) for TDEC permitting. Until required permits are obtained, which require TDEC review and approval of proposed construction plans, actual construction of the replacement facilities cannot commence. As noted on the timeline, preliminary permitting activities began in early June 2024, and to help ensure the process is completed on time Limestone Water and GMC have proactively engaged, and will continue to engage, TDEC, where appropriate, so potential roadblocks can be identified and resolved as early as possible.

Because Exhibit A does not project completion of the Grassland replacement project until July 2026, Limestone Water has not yet been able to comply with any of the conditions identified in the Commission’s *2024 CCN Order*. Indeed, with one possible exception, none of those conditions can be complied with until sometime after the replacement facilities have been constructed. As required by the Commission, Limestone Water will submit future reports regarding the status of the Grassland project.

As noted earlier in this report, despite the many problems plaguing the Grassland facilities, preliminary repairs and replacements have allowed Limestone Water to consistently meet mass loading standards specified in the Company’s TDEC operating permit. And, as noted in data request responses and other data submitted over the course of this docket, Limestone Water believes the existing Grassland facilities can continue to meet those mass loading limits with the addition of all thirty-nine homes planned for construction in the Nash Ridge development. This is true because although the quantity of flow into the Grassland treatment facility regularly exceeds design flow, I&I is diluting raw sewage by 50-75 percent of typical strength during periods of high flow. These diluted flows are easier to treat, which enables Limestone Water’s facility to process above design flows and still meet mass loading requirements.

Attached as **Exhibit B** is the Affidavit of Jacob Freeman, the Director of Engineering at CSWR, LLC, Limestone Water's ultimate parent company. In his affidavit, Mr. Freeman explains that the facility is not only currently in compliance with the mass loading limits specified in the facility's TDEC operating permit but is also now able to handle the anticipated, additional flow from the thirty-nine houses planned for the Nash Ridge development. In his affidavit, Mr. Freeman further asserts: 1) the Grassland facility has consistently satisfied TDEC mass loading permit standards since January 2024; 2) Limestone Water is confident the Grassland facility can continue to satisfy its permit mass loading requirements with the addition of all thirty-nine houses proposed for construction in Nash Ridge; and 3) that in conversations with TDEC officials they have stated they are not concerned about Limestone Water's exceeding the design flow of the Grassland operating permit, as long as it continues to meet all mass loading requirements of its TDEC operating permit. Notwithstanding the foregoing, it is reasonably possible that by the time the additional homes in Nash Ridge are ready to connect to Limestone Water's sewer system, which according to the developer may be later 2025 or early 2026, the Grassland replacement facility will be at or near completion.

III. CONCLUSION

Limestone Water appreciates the opportunity to submit this report and to inform the Commission of the Company's compliance with the *2024 CCN Order*. As summarized above, Limestone Water has improved the operation of the Grassland facilities since the acquisition, and even subsequent to the filing of Limestone Water's Application to Expand in this docket. Given the current operation of the Grassland facility, as well as the likely date of the completion of the new homes, Limestone Water would submit that a compliance update every three (3) months is not warranted. Rather, Limestone Water would propose a compliance update on or before

January 1, 2025, and every six (6) months thereafter until the completion of the replacement facility.

Respectfully submitted,



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***Attorneys for Applicant Limestone Water
Utility Operating Company, LLC***

EXHIBIT A

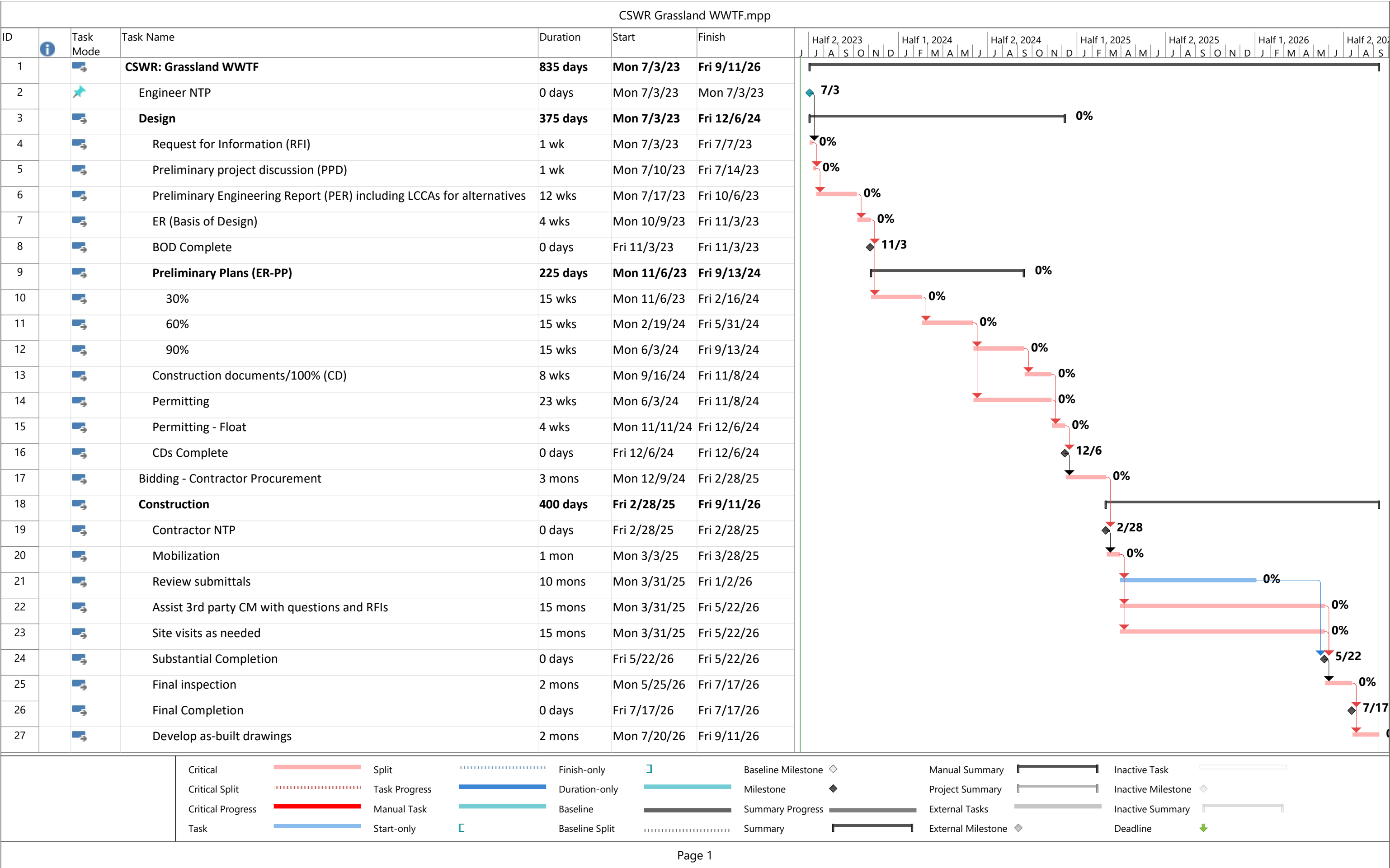


EXHIBIT B

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE**

IN RE:

**LIMESTONE WATER UTILITY OPERATING
COMPANY, LLC'S APPLICATION TO
EXPAND ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY TO SERVE
THE NASH RIDGE SUBDIVISION IN
WILLIAMSON COUNTY, TENNESSEE**

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DOCKET 23-00036

AFFIDAVIT OF JACOB FREEMAN

I, Jacob Freeman, being duly sworn in accordance with the law, hereby states as follows:

1. I do hereby attest that I am the Director of Engineering for CSWR, LLC, the ultimate parent company of Limestone Water Utility Operating Company, LLC ("Limestone Water").
2. I am a licensed professional engineer in the States of Missouri, Kansas and Illinois.
3. I am familiar with the Grassland wastewater facility ("Grassland") that is the subject of the Tennessee Public Utility Commission's January 26, 2024 *Order Amending Certificate of Public Convenience and Necessity* ("2024 CCN Order") in the above-captioned matter.
4. It has been my observation that Grassland is plagued by extensive stormwater inflow and infiltration (I&I), attributable to the age and condition of the collection system. This I&I considerably swells the flow coming to the facility, and the additional flow is over and above what is coming to the facility from customers. Since August 2023, Limestone Water has experienced significant increases in the flow volumes being sent to Grassland for treatment, which are wholly attributable to significant increases in stormwater I&I.
5. I have also observed that, despite the I&I and additional flow issue, Grassland has consistently satisfied TDEC mass loading permit limits since January 2024.

6. Based on my observations of Grassland, recent historical results of wastewater testing conducted at Grassland, and my best professional judgment, it is my belief that the Grassland facility can continue to satisfy its permit mass loading requirements with the addition of all thirty-nine houses proposed for construction in Nash Ridge.
7. In conversations with TDEC officials, they have stated they are not concerned about Limestone Water's exceeding the design flow of the Grassland system, as long as Grassland continues to meet all mass loading requirements of its TDEC operating permit.

FURTHER AFFIANT SAYETH NOT.



Jacob Freeman, Director of Engineering
CSWR, LLC

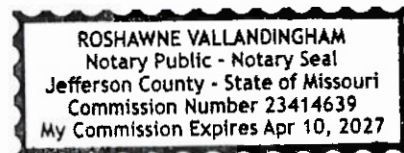
STATE OF Missouri

COUNTY OF St. Louis

Sworn to and subscribed before me this 25TH day of July, 2024.


Notary Public

My commission expires: 04-10-2027
88741409.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:

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This the 25th day of July 2024.



Katherine Barnes