

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

IN RE:)	
)	
JOINT APPLICATION OF LIMESTONE)	
WATER UTILITY OPERATING)	
COMPANY, LLC, SUNSET COVE)	
CONDOMINIUM HOA OF NORRIS)	
LAKE, INC. AND COMMERCIAL)	DOCKET NO. 23-00070
BANK FOR APPROVAL OF THE)	
ACQUISITION OF AND TO OPERATE)	
THE WASTEWATER SYSTEM OF)	
SUNSET COVE CONDOMINIUM HOA)	
OF NORRIS LAKE, INC. AND)	
COMMERCIAL BANK AND TO ISSUE)	
A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY)	

**CONSUMER ADVOCATE’S FIRST SET OF DISCOVERY REQUESTS
TO SUNSET COVE CONDOMINIUM HOA OF NORRIS LAKE, INC AND
COMMERCIAL BANK**

Pursuant to Rules 26, 33, 34, and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Reg. 1220-01-02-.11, the Consumer Advocate Division of the Office of the Tennessee Attorney (the “Consumer Advocate”), by and through counsel, propounds the following First Set of Discovery Requests to Sunset Cove Condominium HOA of Norris Lake, Inc. and Commercial Bank (Individually “Sunset Cove,” or “Commercial Bank” and together the “Sellers”).

The Sellers shall serve full and complete responses in accordance with the Tennessee Rules of Civil Procedure. The responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Consumer Advocate Division, John Sevier Building, 500 Dr. Martin L. King Jr. Blvd., Nashville, Tennessee 37243, c/o Shilina B. Brown, on or before 2:00 p.m. (CDT), November 21, 2023.

PRELIMINARY MATTERS AND DEFINITIONS

1. **Continuing Request.** These discovery requests are to be considered continuing in nature and are to be supplemented from time to time as information is received by the Company and any of its affiliates which would make a prior response inaccurate, incomplete, or incorrect.

2. **Clear References.** To the extent that the data or information requested is incorporated or contained in a document, identify the document including page/line number if applicable.

3. **Format of Responses.** Provide all responses in the format in which they were created or maintained, for example, Microsoft Word or Microsoft Excel format with all cells and formulas intact and in working order. If a document (including without limitation a financial or other spreadsheet or work paper) is not created or maintained in Microsoft Excel format, convert the document to Microsoft Excel format or provide the document in a format that enables or permits functionality like or similar to Microsoft Excel (including without limitation the functionality of working cells and formulas), or provide the software program(s) that will enable the Consumer Advocate to audit and analyze the data and information in the same manner as would be enabled or permitted if the document were provided in Microsoft Excel format.

4. **Objections.** If any objections to this discovery are raised on the basis of privilege or immunity, include in your response a complete explanation concerning the privilege or immunity asserted. If you claim a document is privileged, identify the document and state the basis for the privilege or immunity asserted. If you contend that you are entitled to refuse to fully answer any of this discovery, state the exact legal basis for each such refusal.

5. **Singular/Plural.** The singular shall include the plural, and vice-versa, where appropriate.

6. **Definitions.** As used in this Request:

(a) "You," "Your," "Sellers," "Sunset Cove," or "Commercial Bank," shall mean Sunset Cove Condominium HOA of Norris Lake, Inc. and Commercial Bank and all employees, agents, attorneys, representatives, or any other person acting or purporting to act on its behalf.

(b) "Central States Water" or "CSWR" shall mean Central States Water Resources, Inc. and all employees, agents, attorneys, representatives, or any other person acting or purporting to act on its behalf.

(c) "Limestone" or "Buyer" shall mean Limestone Water Utility Operating Company, LLC., and all employees, agents, attorneys, representatives, or any other person acting or purporting to act on its behalf.

(d) "Affiliate" shall mean any entity who, directly or indirectly, is in control of, is controlled by, or is under common control with the Company. For greater clarification, "control" is the ownership of 20% or more of the shares of stock entitled to vote for the election of directors in the case of a corporation, or 20% or more of the equity interest in the case of any other type of entity, or status as a director or officer of a corporation or limited liability company, or status as a partner of a partnership, or status as an owner of a sole proprietorship, or any other arrangement whereby a person has the power to choose, direct, or manage the board of directors or equivalent governing body, officers, managers, employees, proxies, or agents of another person. In addition, the term "Affiliate" shall mean any entity that directly or indirectly provides management or operational services to the Company or any affiliate (as defined in the preceding sentence) of the Company, or to which the Company provides management or operational services. Further, the payment of money to the Company or receipt by the Company of money from an entity with which the Company has any relationship, other than such payment or receipt, shall include the payor or recipient of such money as an "Affiliate."

(e) "Communication" shall mean any transmission of information by oral, graphic, written, pictorial or otherwise perceptible means, including but not limited to personal conversations, telephone conversations, letters, memoranda, telegrams, electronic mail, newsletters, recorded or handwritten messages, meetings and personal conversations, or otherwise.

(f) "Document" shall have the broadest possible meaning under applicable law. "Document" shall mean any medium upon which intelligence or information can be recorded or retrieved, such as any written, printed, typed, drawn, filmed, taped, or recorded medium in any manner, however produced or reproduced, including but not limited to any writing, drawing, graph, chart, form, letter, note, report, electronic mail, memorandum (including memoranda, electronic mail, report, or note of a meeting or communication), work paper, spreadsheet, photograph, videotape, audio tape, computer disk or record, or any other data compilation in

any form without limitation, which is in your possession, custody or control. If any such document was, but no longer is, in your possession, custody or control, state what disposition was made of the document and when it was made.

(g) "Person" shall mean any natural person, corporation, firm, company, proprietorship, partnership, business, unincorporated association, or other business or legal entity of any sort whatsoever.

(h) "Identify" with respect to:

- i. Any natural person, means to state the full name, telephone number, email address and the current or last known business address of the person (if no business address or email address is available provide any address known to you) and that person's relationship, whether business, commercial, professional, or personal with you;
- ii. Any legal person, business entity or association, means to state the full name, the name of your contact person with the entity, all trade name(s), doing business as name(s), telephone number(s), email address(es), and current or last known business address of such person or entity (if no business address is available provide any address known to you);
- iii. Any document, means to state the type of document (e.g., letter), the title, identify the author, the subject matter, the date the document bears and the date it was written; and
- iv. Any oral communication means to state the date when and the place where it was made, identify the person who made it, identify the person or persons who were present or who heard it, and the substance of it.

(i) "And" and "or" shall be construed conjunctively or disjunctively as necessary to make the discovery request inclusive rather than exclusive.

(j) "Including" shall be construed to mean including but not limited to.

FIRST SET OF DISCOVERY REQUESTS

1-1. Provide a copy of all federal, state, county, and other audits (financial, environmental, etc.) of the Sunset Cove wastewater system since 2017.

RESPONSE:

1-2. Provide answers to the following:

- a) Provide a comprehensive explanation of how the wastewater system was originally funded;
- b) Whether residents of Sunset Cove paid any fee or assessment when joining the building and what was the purpose of the fee or assessment;
- c) Whether the owners were charged a tap fee to join the system(s);
- d) Whether owners have ever been charged an assessment for access to wastewater service; and
- e) Which party is currently carrying the assets and liabilities making up the Sunset Cove system on their balance sheet?

RESPONSE:

1-3. Provide the year ending 2022 balance sheet and income statement for the system and indicate whether the financial statements were reviewed or audited by an independent third party?

RESPONSE:

1-4. Provide the general ledger(s) for the system for the most recently completed fiscal year.

RESPONSE:

1-5. Identify the amount and date of any capital expenditures by year and by entity since 2013.

RESPONSE:

1-6. Confirm that neither Sunset Cove nor Commercial Bank holds any "Security Deposits" from its customers.

RESPONSE:

1-7. There are two different Legal Counsels representing the three Petitioners in this docket. How will legal costs be billed? Will costs be billed separately for each Petitioner? Provide a statement detailing how these costs are being recorded for each Petitioner and the costs

incurred to date for each Petitioner. This is an ongoing request and should be reasonably supplemented.

RESPONSE:

- 1-8.** Refer to the Joint Application, page 11. Provide the amount billed for monthly HOA dues. Additionally, provide a listing of the services that these HOA dues cover.

RESPONSE:

- 1-9.** Provide the current contracts for Operation and Maintenance services for the system.

RESPONSE:

- 1-10.** Provide any documents that were transferred to either Commercial Bank or the Sunset Cove HOA as part of the foreclosure proceedings when the system was acquired by Commercial Bank.

RESPONSE:

RESPECTFULLY SUBMITTED,



SHILINA B. BROWN (BPR No. 020689)

Assistant Attorney General

VICTORIA B. GLOVER (BPR No. 037954)

Assistant Attorney General

Office of the Tennessee Attorney General

Consumer Advocate Division

P.O. Box 20207

Nashville, Tennessee 37202-0207

Telephone: (615) 741-2357

Email: shilina.brown@ag.tn.gov

Email: victoria.glover@ag.tn.gov

In re: Limestone / Sunset Cove

TPUC Docket No. 23-00070

Consumer Advocate's First Set of Discovery Requests to the Sellers

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:

Melvin Malone
Katherine Barnes
Butler Snow LLP
The Pinnacle at Symphony Place
150 Third Avenue South, Suite 1600
Nashville, TN 37201
Phone: (615) 651-6700
Email: Melvin.Malone@butlersnow.com
Email: Katherine.Barnes@butlersnow.com

Josiah Cox
1630 Des Peres Road, Suite 140
St. Louis, MO 63131
Phone: (314) 380-8544
Email: regulatory@cswrgroup.com

Eddie Castles, President
Sunset Cove Condominium HOA of Norris Lake, Inc.
200 Sunset Coves Drive
Maynardville, TN 37807
Email: ccastles_8721@fuse.net

Adam Robertson, President
Commercial Bank
6710 Cumberland Gap Parkway
Harrogate, TN, 37752
Phone: (423)869-5151
Email: arobertson@cbtn.com

Gregory C. Logue
Woolf - McClane
P.O. Box 900
Knoxville, TN 37901
Phone: (865) 215-1000
Email: GLogue@wmbac.com

On this the 7th day of November 2023.



SHILINA B. BROWN
Assistant Attorney General