

Electronically Filed in TPUC Docket
Room on July 19, 2024 at 1:49 p.m.

July 19, 2024

David Foster, Director
Utilities Division
Tennessee Public Utilities Commission
Andrew Jackson State Office Bldg.
502 Deaderick Street, 4th Floor
Nashville, TN 37243-0001

In Re: Docket 24-00015, *Petition of Tennessee Wastewater Systems, Inc. to Amend its Certificate of Convenience and Necessity to Include the Chesterfield Farms Subdivision in Bedford County, Tennessee.*

Mr. Foster:

Please see below for Tennessee Wastewater Systems, Inc.'s responses to your letter dated July 11, 2024, regarding the company's petition filed in the above referenced docket.

1. Regarding Commission Rule 1220-04-13-.17(2)(a)(7): The maps provided with the petition are not readable due to being blurry. Please provide readable maps identifying drip field areas, treatment facilities, and roads to access the associative parcel.

RESPONSE: A map is attached to this letter with the drip area and plant identified. A higher quality PDF of the map will be provided separately to staff should they need to examine the map in greater detail.

2. Regarding Commission Rule 1220-04-13-.17(2)(b)(1): Provide a letter from the Bedford County government regarding its intent/non-intent to provide service to this development.

RESPONSE: TWSI is waiting on the letter from the county.

3. Regarding Commission Rule 1220-04-13-.17(2)(b)(3): Provide a copy of the construction agreement for the wastewater system.

RESPONSE: The construction agreement is not yet available. A copy will be provided in the docket once it has been executed.

4. Regarding Commission Rule 1220-04-13-.17(2)(c)(4): Provide a copy of a valid contractor's license for the contractor that is being utilized to build the wastewater system. If the designated contractor will remain Adenus Solutions Group, LLC, disregard this question.

RESPONSE: The developer will be bidding the construction of this project. A copy of the contractor's license will be provided in the docket once the contract is awarded.

5. Regarding Commission Rule 1220-04-13-.17(2)(d)(1): Provide a letter from TDEC indicating receipt of a complete SOP application for this project. In addition, if a draft permit has been issued, provide a copy.

RESPONSE: Copies of the complete application letter from TDEC and the draft permit are attached to this letter.

6. Regarding Commission Rule 1220-04-13-.17(2)(d)(4): A list of any complaint(s), notices of violation or administrative action filed with or issued by a regulatory agency. Identify the nature of the complaint notices of violation or administrative action, which agency is involved, and how the issue was or is being resolved.

RESPONSE: Copies of the most recent NOV's and Utility Responses are attached (as noted in the Consumer Advocate's MFR letter, not all of the company responses to these NOV's have been uploaded to the TDEC data viewer). The last NOV was received on July 16th and response is not due until mid-August. Most of

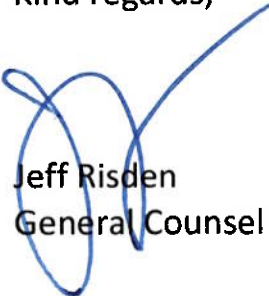
the remedial work has already been done. Most of the issues addressed in the NOV were due to a lightning strike that hit around the facility.

7. Although the following information has been provided, it is requested that the company refile the following as non-confidential.
 - A. Exhibit 14, Sanitary Sewer Service Agreement including all attachments; and
 - B. Exhibit 31, Five year Buildout Estimate of Development

RESPONSE: The exhibits are attached to this letter.

Please let me know if you or the staff have any questions about the information provided or if I can provide any further information to aid in your evaluation of TWSI's petition.

Kind regards,



Jeff Riden
General Counsel

NO	DATE	REVISION	DR	CHK

St John ENGINEERING, LLC
 ENGINEERING • PLANNING •
 ENVIRONMENTAL CONSULTING
 425 JACKSON STREET
 MANASSAS, VA 20108
 PHONE: 703.791.1100 FAX: 703.791.1101
 WWW.STJOHNENGINEERING.COM

CHESTERFIELD FARMS
PRELIMINARY PLAT

10-988
1.0
 SHEETS
 OF



Parcel Size Table

Parcel #	Length	Width	Area
1	10.00	10.00	1.00 AC
2	10.00	10.00	1.00 AC
3	10.00	10.00	1.00 AC
4	10.00	10.00	1.00 AC
5	10.00	10.00	1.00 AC
6	10.00	10.00	1.00 AC
7	10.00	10.00	1.00 AC
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Curve Table

Curve #	Length	Radius	Chord	Area
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35	10.00	10.00	10.00	1.00 AC
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SITE
VICINITY MAP

A vicinity map showing a network of roads. A thick black arrow points to a specific location on a road, indicating the project site. The map includes various road types, some with lane markings, and several green triangular markers. The text 'SITE' and 'VICINITY MAP' is printed in large, bold, black letters at the top of the map.

TDEC-DWR - Notice of Complete Permit Application

bryan.pope@tn.gov <bryan.pope@tn.gov>

Tue 4/9/2024 10:05 AM

To: Jeff Riden <jeff.riden@adenus.com>

Cc: bryan.pope@tn.gov <bryan.pope@tn.gov>

*** This is an EXTERNAL email. Please exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. ***

State of Tennessee
Department of Environment and Conservation
Division of Water Resources

Permit Number	SOP-24006
Permittee Name	Tennessee Wastewater Systems, Inc.
Project Name	Chesterfield Farms

The Division of Water Resources (the division) acknowledges the receipt of a permit application in our office on 27-FEB-24.

Rules of the Tennessee Department of Environment and Conservation, Division of Water Resources, Chapter 0400-40-5-.05 (2): Permit Application, Issuance, state, in part: "The applicant will be provided notice of completeness of the application and re-submitted material within 30 days of a determination that such material constitutes a complete application. This provision does not preclude the commissioner from later requesting additional material that subsequent to the notice of completeness is determined to be necessary for permit processing."

Your application was deemed complete on 09-APR-24.

Details regarding this permit application and associated documents can be viewed at:
https://dataviewers.tdec.tn.gov/dataviewers/f?p=2005:34051::::34051:P34051_PERMIT_NUMBER:SOP-24006

If you have questions, please contact Bryan Pope at 931-224-3098 or by E-mail at bryan.pope@tn.gov.

Thank you for helping us protect Tennessee waters.

We accept and encourage electronic document submittals via WaterPermits@tn.gov

Please tell us how you think we're doing by completing TDEC Customer Satisfaction Survey at:
<https://www.surveymonkey.com/r/TDECSurvey>



**STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF WATER RESOURCES
William R. Snodgrass - Tennessee Tower
312 Rosa L. Parks Avenue, 11th Floor
Nashville, Tennessee 37243-1102**

Underground Injection Control Authorization No. BED 0000050

In accordance with Tennessee Code Annotated section 69-3-108 and Rule Chapter 0400-45-06, the following entity is authorized to construct and operate a Class V injection well at the identified property:

Tennessee Wastewater Systems, Inc.- Chesterfield Farms TF
Davis Lane and Longview Road
(35.6274 / -86.53285)
Bedford County, TN

This injection well is a subsurface fluid distribution system and is authorized by rule. Fluids authorized for underground injection through this well are limited to sanitary waste. Construction, operation, and abandonment of the injection well must comply with all provisions identified in Rule 0400-45-06-.14 located at <http://publications.tnsosfiles.com/rules/0400/0400-45/0400-45-06.20140505.pdf>. A paper copy of this rule will be provided upon request.

This authorization is issued as a result of the application received on February 20, 2024 by the Tennessee Department of Environment and Conservation, Division of Water Resources, and in conformity with plans, specifications, and other data submitted in support of the application. Activities associated with the construction, operation and abandonment of the injection well must not present a hazard to groundwater that is currently used or has the potential to be used as an underground source of drinking water.

The owner/operator of a Class V injection well is responsible for notifying the Division of: change in the owner or operator of the well; change in nature of injected fluids; or, intent to abandon the well when it is no longer used or is usable for its intended purpose.

If the owner/operator wishes to continue the activity regulated by this authorization after the expiration date of this authorization, the applicant must apply for and obtain a new authorization prior to the expiration of this authorization.

This authorization shall become effective on: March 6, 2024.

Bradley Smith
Environmental Consultant I
Division of Water Resources – Land-based Systems



STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF WATER RESOURCES

William R. Snodgrass - Tennessee Tower
312 Rosa L. Parks Avenue, 11th Floor
Nashville, Tennessee 37243-1102

April 16, 2024

Mr. Jeff Ridsen
CEO
Tennessee Wastewater Systems, Inc.
e-copy: jeff.ridsen@adenus.com
851 AVIATION PKWY
SMYRNA, TN 37167

Subject: **Draft of State Operating Permit No. SOP-24006**
Tennessee Wastewater Systems, Inc.
Chesterfield Farms
Unionville, Bedford County, Tennessee

Dear Mr. Ridsen:

Enclosed please find one copy of the draft state operating permit, which the Division of Water Resources (the division) proposes to issue. The issuance of this permit is contingent upon your meeting all of the requirements of the Tennessee Water Quality Control Act and the rules and regulations of the Tennessee Water Quality, Oil and Gas Board.

TDEC's approval of this land application waste treatment system shall not be construed as creating a presumption of correct operation nor as warranting by the commissioner that the approved facilities will reach the designated goals. T.C.A. § 69-3-108(i). Similarly, TDEC's issuance of a state operating permit in no way guarantees that this land application system will function properly. Notwithstanding these approvals, owners and operators are required to ensure that operation of this system does not result in pollution of waters of the state, including groundwater.

If you disagree with the provisions and requirements contained in the draft permit, you have thirty (30) days from the date of this correspondence to notify the division of your objections. If your objections cannot be resolved, you may appeal the issuance of this permit. This appeal should be filed in accordance with Section 69-3-110, Tennessee Code Annotated.

If you have questions, please contact the Columbia EFO at 1-888-891-TDEC; or, at this office, please contact Bryan Pope at (931) 224-3098 or by E-mail at bryan.pope@tn.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Brad Harris", with a stylized flourish at the end.

Brad Harris, P.E.
Manager, Land-Based Systems

Enclosure

cc: Permit File
Columbia Environmental Field Office (EFO)

STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF WATER RESOURCES
William R. Snodgrass - Tennessee Tower
312 Rosa L. Parks Avenue, 11th Floor
Nashville, Tennessee 37243-1102

Permit No. SOP-24006

PERMIT

For the operation of Wastewater Treatment Facilities

In accordance with the provision of Tennessee Code Annotated section 69-3-108 and Regulations promulgated pursuant thereto:

PERMISSION IS HEREBY GRANTED TO

Tennessee Wastewater Systems, Inc.
Chesterfield Farms
Unionville, Bedford County, Tennessee

FOR THE OPERATION OF

Fenced drip dispersal system located at latitude 35.62802 and longitude -86.5401 in Bedford County, Tennessee to serve approximately 75 homes by the Chesterfield Farms Treatment Facility. The design capacity of the system is Columbia .0225 MGD and will be dispersed on approximately 2.6 acres of suitable soils.

This permit is issued as a result of the application filed on February 27, 2024, in the office of the Tennessee Division of Water Resources. This permit is contingent on the submission and department approval of construction plans, specifications and other data in accordance with rules of the department. Updated plans and specifications must be approved before any further construction activity.

This permit shall become effective on:

This permit shall expire on:

Issuance date:

for Jennifer Dodd
Director

A. GENERAL REQUIREMENTS

The treatment system shall be monitored by the permittee as specified below:

<u>Parameter</u>	<u>Sample Type</u>	<u>Daily Maximum</u>	<u>Monthly Average</u>	<u>Measurement Frequency</u>
Flow *	Totalizer			Daily
BOD ₅	Grab	45 mg/l	N/A	Once/Year
Ammonia as N	Grab	Report	N/A	Once /Quarter

No E. Coli monitoring if fields are fenced

* Report average daily flow for each calendar month.

Sampling requirements in the table above apply to effluent being discharged to the drip irrigation plots.

This permit allows the operation of a wastewater drip dispersal, treatment, and storage system with disposal of treated wastewater through approved drip dispersal areas. There shall be no discharge of wastewater to any surface waters or to any location where it is likely to enter surface waters. There shall be no discharge of wastewater to any open throat sinkhole. In addition, the drip irrigation system shall be operated in a manner preventing the creation of a health hazard or a nuisance.

TDEC's approval of this land application waste treatment system shall not be construed as creating a presumption of correct operation nor as warranting by the commissioner that the approved facilities will reach the designated goals. T.C.A. § 69-3-108(i). Similarly, TDEC's issuance of a state operating permit in no way guarantees that this land application system will function properly. Notwithstanding these approvals, owners and operators are required to ensure that operation of this system does not result in pollution of waters of the state, including groundwater.

The land application component shall be operated and maintained to ensure complete hydraulic infiltration within the soil profile, transmission of the effluent away from the point of application, and full utilization of the soil profile as a portion of the treatment system.

Instances of surface saturation, ponding or pooling within the land application area as a result of system operation are prohibited. Instances of surface saturation, ponding or pooling shall be promptly investigated and noted on the Monthly Operations Report. The report shall include details regarding location(s), determined cause(s), the actions taken to eliminate the issue, and

the date the corrective actions were made. Any instances of surface saturation, ponding or pooling not associated with a major precipitation event not corrected within three days of discovery shall be reported to the local Environmental Field Office at that time for investigation. Surface saturation, ponding or pooling resulting in the discharge of treated wastewater into Waters of the State or to locations where it is likely to move to Waters of the State shall be immediately reported to the local Environmental Field Office, unless the discharge is separately authorized by a NPDES permit.”

All drip fields shall be fenced sufficiently to prevent or impede unauthorized entry as well as to protect the facility from vandalism. Fencing shall be a minimum of four feet in height. Fencing shall be constructed of durable materials. Gates shall be designed and constructed in a manner to prevent or impede unauthorized entry. All designs are subject to division approval. Fence shall be installed prior to beginning of operation.

All drip lines shall be buried and maintained 6 to 10 inches below the ground surface.

The site shall be inspected by the certified operator or his/her designee, at a minimum, once per fourteen days (default) OR in accordance with an operating and maintenance inspection schedule in the permit administrative file record. The default inspection frequency will apply if an operating and maintenance inspection schedule is not submitted to be a part of the permit administrative file record. The operating and maintenance inspection schedule shall at a minimum evaluate the following via onsite visits or telemetry monitoring or a combination of the two:

- the condition of the treatment facility security controls (doors, fencing, gates, etc.),
- the condition of the drip area security controls (doors, fencing, gates, etc.),
- the condition of the site signage,
- the operational status of the mechanical parts of the treatment system (pumps, filters, telemetry equipment, etc.)
- the condition of the UV bulbs (if applicable)
- the condition of the land application area including the location of any ponding
- the name of the inspector
- the description of any corrective actions

Submission of the schedule, or revisions to the schedule, may be submitted to the division electronically. The schedule shall be submitted on or before the effective date of the permit. The permittee is responsible for maintaining evidence that the schedule, or revisions, have been submitted to the division.

B. MONITORING PROCEDURES

1. Representative Sampling

Samples and measurements taken in compliance with the monitoring requirements specified above shall be representative of the volume and nature of the monitored discharge, and shall be taken at the following location(s):

Effluent to drip irrigation plots.

2. Test Procedures

Unless otherwise noted in the permit, all pollutant parameters shall be determined according to methods prescribed in Title 40, CFR, Part 136.

C. DEFINITIONS

The "daily maximum concentration" is a limitation on the average concentration, in milligrams per liter, of the discharge during any calendar day.

The "***monthly average concentration***", other than for *E. coli* bacteria, is the arithmetic mean of all the composite or grab samples collected in a one-calendar month period.

A "grab sample" is a single influent or effluent sample collected at a particular time.

For the purpose of this permit, "***continuous monitoring***" means collection of samples using a probe and a recorder with at least one data point per dosing cycle.

A "quarter" is defined as any one of the following three-month periods: January 1 through March 31, April 1 through June 30, July 1 through September 30, and/or October 1 through December 31.

"Wastewater" for the purpose of this permit means "sewage" as defined in TCA 69-3-103

D. REPORTING

1. Monitoring Results

Monitoring results shall be recorded consistent with the general requirements imposed in Part A above OR in accordance with the operating and maintenance inspection schedule in the permit administrative file record and submitted quarterly.

Submittals shall be postmarked no later than 15 days after the completion of the reporting period. A copy should be retained for the permittee's files. Monitoring results shall be reported in a format approved by the division. Operation reports and any communication regarding compliance with the conditions of this permit must be sent to:

Division of Water Resources
Columbia Environmental Field Office
1421 Hampshire Pike
Columbia, TN 38401

Sampling results may be submitted electronically to: DWRWW.Report@tn.gov.

The first operation report is due on the 15th of the month following the quarter containing the permit effective date. Until the construction of the treatment system is complete and the treatment system is placed into operation, operational reports shall report "monitoring not required".

2. Additional Monitoring by Permittee

If the permittee monitors any pollutant at the location(s) designated herein more frequently than required by this permit, using approved analytical methods as specified in Rule 0400-40-05-.07(2)(h)2, the results of such monitoring shall be included in the calculation and reporting of the values required in the Quarterly Operation Report. Such increased frequency shall also be indicated.

3. Falsifying Reports

Knowingly making any false statement on any report required by this permit may result in the imposition of criminal penalties as provided for in Section 69-3-115 of the Tennessee Water Quality Control Act.

4. Signatory Requirement

All reports or information submitted to the commissioner shall be signed and certified by the persons identified in Rules 0400-40-05-.05(6)(a-c).

PART II

A. GENERAL PROVISIONS

1. Duty to Reapply

The permittee is not authorized to discharge after the expiration date of this permit. In order to receive authorization to discharge beyond the expiration date, the permittee shall submit such information and forms as are required to the Director of Water Resources (the "Director") no later than 180 days prior to the expiration date.

2. Right of Entry

The permittee shall allow the Director, or authorized representatives, upon the notification of permittee and presentation of credentials:

- a. To enter upon the permittee's premises where an effluent source is located or where records are required to be kept under the terms and conditions of this permit, and at reasonable times to copy these records;
- b. To inspect at reasonable times any monitoring equipment or method or any collection, treatment, pollution management, or discharge facilities required under this permit; and
- c. To sample at reasonable times any discharge of pollutants.

3. Availability of Reports

All reports prepared in accordance with the terms of this permit shall be available for public inspection at the offices of the Division of Water Resources.

4. Proper Operation and Maintenance

The permittee shall at all times properly operate and maintain all facilities and systems (and related appurtenances) for collection and treatment which are installed or used by the permittee to achieve compliance with the terms and conditions of this permit. Proper operation and maintenance also includes adequate laboratory and process controls and appropriate quality assurance procedures. This provision requires the operation of backup or auxiliary facilities or similar systems which are installed by a permittee only when the operation is necessary to achieve compliance with the conditions of the permit. Backup continuous pH and flow monitoring equipment are not required.

The monitoring frequency stated in this permit shall not be construed as specifying a minimum level of operator attention to the facility. It is anticipated that visits to the treatment facility by the operator will occur at intervals frequent enough to assure proper operation and maintenance, but in no case less than one visit every fourteen days OR in accordance with an operating and maintenance inspection schedule in the permit administrative file record. If monitoring reports, division's inspection reports, or other information indicates a problem with the facility, the permittee may be subject to enforcement action and/or the permit may be modified to include increased parameter monitoring, increased monitoring frequency or other requirements as deemed necessary by the division to correct the problem. The permittee shall ensure that the certified operator is in charge of the facility and observes the operation of the system frequently enough to ensure its proper operation and maintenance regardless of the monitoring frequency stated in the permit

Dilution water shall not be added to comply with effluent requirements.

5. Property Rights

The issuance of this permit does not convey any property rights in either real or personal property, or any exclusive privileges, nor does it authorize any injury to private property or any invasion of personal rights, nor any infringement of Federal, State, or local laws or regulations.

6. Severability

The provisions of this permit are severable. If any provision of this permit due to any circumstance, is held invalid, then the application of such provision to other circumstances and to the remainder of this permit shall not be affected thereby.

7. Other Information

If the permittee becomes aware that he failed to submit any relevant facts in a permit application, or submitted incorrect information in a permit application or in any report to the Director, then he shall promptly submit such facts or information.

B. CHANGES AFFECTING THE PERMIT

1. Planned Changes

The permittee shall give notice to the Director as soon as possible of any planned physical alterations or additions to the permitted facility.

2. Permit Modification, Revocation, or Termination

a. This permit may be modified, revoked and reissued, or terminated for cause as described in Section 69-3-108 (h) of the Tennessee Water Quality Control Act as amended.

b. The permittee shall furnish to the Director, within a reasonable time, any information which the Director may request to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit. The permittee shall also furnish to the Director, upon request, copies of records required to be kept by this permit.

3. Change of Ownership

This permit may be transferred to another person by the permittee if:

a. The permittee notifies the Director of the proposed transfer at least 30 days in advance of the proposed transfer date;

b. The notice includes a written agreement between the existing and new permittees containing a specified date for transfer of permit responsibility, coverage, and liability between them; and

c. The Director, within 30 days, does not notify the current permittee and the new permittee of his intent to modify, revoke or reissue, or terminate the permit and to require that a new application be filed rather than agreeing to the transfer of the permit.

4. Change of Mailing Address

The permittee shall promptly provide to the Director written notice of any change of mailing address. In the absence of such notice the original address of the permittee will be assumed to be correct.

C. NONCOMPLIANCE

1. Effect of Noncompliance

Any permit noncompliance constitutes a violation of applicable State laws and is grounds for enforcement action, permit termination, permit modification, or denial of permit reissuance.

2. Reporting of Noncompliance

a. 24-Hour Reporting

In the case of any noncompliance which could cause a threat to public drinking supplies, or any other discharge which could constitute a threat to human health or the environment, the required notice of non-compliance shall be provided to the appropriate Division environmental field office within 24 hours from the time the permittee becomes aware of the circumstances. (The environmental field office should be contacted for names and phone numbers of emergency response personnel.)

A written submission must be provided within five days of the time the permittee becomes aware of the circumstances unless this requirement is waived by the Director on a case-by-case basis. The permittee shall provide the Director with the following information:

- i. A description of the discharge and cause of noncompliance;
- ii. The period of noncompliance, including exact dates and times or, if not corrected, the anticipated time the noncompliance is expected to continue; and
- iii. The steps being taken to reduce, eliminate, and prevent recurrence of the non complying discharge.

b. Scheduled Reporting

For instances of noncompliance which are not reported under subparagraph 2.a. above, the permittee shall report the noncompliance on the Quarterly Operation Report. The report shall contain all information concerning the steps taken, or planned, to reduce, eliminate, and prevent recurrence of the violation and the anticipated time the violation is expected to continue.

3. Overflow

a. **"Overflow"** means the discharge of wastewater from any portion of the collection, transmission, or treatment system other than through permitted outfalls.

b. Overflows are prohibited.

c. The permittee shall operate the collection system so as to avoid overflows.

d. No new or additional flows shall be added upstream of any point in the collection system, which experiences chronic overflows (greater than 5 events per year) or would otherwise overload any portion of the system. Unless there is specific enforcement action to the contrary, the permittee is relieved of this requirement after: 1) an authorized representative of the Commissioner of the Department of Environment and Conservation has approved an engineering report and construction plans and specifications prepared in accordance with accepted engineering practices for correction of the problem; 2) the correction work is underway; and 3) the cumulative, peak-design, flows potentially added from new connections and line extensions upstream of any chronic overflow point are less than or proportional to the amount of inflow and infiltration removal documented upstream of that point. The inflow and infiltration reduction must be measured by the permittee using practices that are customary in the environmental engineering field and reported in an attachment to a Monthly Operating Report submitted to the local TDEC Environmental Field Office on a quarterly basis. The data measurement period shall be sufficient to account for seasonal rainfall patterns and seasonal groundwater table elevations.

e. In the event that more than 5 overflows have occurred from a single point in the collection system for reasons that may not warrant the self-imposed moratorium or completion of the actions identified in this paragraph, the permittee may request a meeting with the Division of Water Resources EFO staff to petition for a waiver based on mitigating evidence.

4. Upset

a. **"Upset"** means an exceptional incident in which there is unintentional and temporary noncompliance with technology-based effluent limitations because of factors beyond the reasonable control of the permittee. An upset does not include noncompliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventive maintenance, or careless or improper operation.

b. An upset shall constitute an affirmative defense to an action brought for noncompliance with such technology-based permit effluent limitations if the permittee

demonstrates, through properly signed, contemporaneous operating logs, or other relevant evidence that:

- i. An upset occurred and that the permittee can identify the cause(s) of the upset;
- ii. The permitted facility was at the time being operated in a prudent and workman-like manner and in compliance with proper operation and maintenance procedures;
- iii. The permittee submitted information required under "Reporting of Noncompliance" within 24-hours of becoming aware of the upset (if this information is provided orally, a written submission must be provided within five days); and
- iv. The permittee complied with any remedial measures required under "Adverse Impact."

5. Adverse Impact

The permittee shall take all reasonable steps to minimize any adverse impact to the waters of Tennessee resulting from noncompliance with this permit, including such accelerated or additional monitoring as necessary to determine the nature and impact of the noncomplying discharge. It shall not be a defense for the permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.

6. Bypass

- a. "**Bypass**" is the intentional diversion of wastewater away from any portion of a treatment facility.
- b. Bypasses are prohibited, unless:
 - i. The bypass was unavoidable to prevent loss of life, personal injury, or severe property damage;
 - ii. There were no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate backup equipment should have been installed in the exercise of reasonable engineering judgment to prevent a bypass which occurred during normal periods of equipment downtime or preventive maintenance; and
 - iii. For anticipated bypass, the permittee submits prior notice, if possible at least ten days before the date of the bypass; or
 - iv. For unanticipated bypass, the permittee submits notice of an unanticipated bypass within 24 hours from the time that the permittee becomes aware of the bypass.

c. A bypass that does not cause effluent limitations to be exceeded may be allowed only if the bypass is necessary for essential maintenance to assure efficient operation.

d. "Severe property damage" when used to consider the allowance of a bypass means substantial physical damage to property, damage to the treatment facilities which causes them to become inoperable, or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.

D. LIABILITIES

1. Civil and Criminal Liability

Nothing in this permit shall be construed to relieve the permittee from civil or criminal penalties for noncompliance. Notwithstanding this permit, the permittee shall remain liable for any damages sustained by the State of Tennessee, including but not limited to fish kills and losses of aquatic life and/or wildlife, as a result of the discharge of wastewater to any surface or subsurface waters. Additionally, notwithstanding this Permit, it shall be the responsibility of the permittee to conduct its wastewater treatment and/or discharge activities in a manner such that public or private nuisances or health hazards will not be created.

2. Liability Under State Law

Nothing in this permit shall be construed to preclude the institution of any legal action or relieve the permittee from any responsibilities, liabilities, or penalties established pursuant to any applicable State law.

PART III OTHER REQUIREMENTS

A. CERTIFIED OPERATOR

The waste treatment facilities shall be operated under the supervision of a Biological Natural System certified wastewater treatment operator and collection system shall be operated under the supervision of a the grade I certified collection system operator in accordance with the Water Environmental Health Act of 1984.

B. PLACEMENT OF SIGNS

The permittee shall place a sign at the entrance to the land application area if fenced or all reasonable approaches to the land application area. The sign should be clearly visible to the public. The minimum sign size should be two feet by two feet (2' x 2') with one inch (1") letters. The sign should be made of durable material

**RECLAIMED WASTEWATER
DRIP IRRIGATION
(PERMITTEE'S NAME)
(PERMITTEE'S PHONE NUMBER)
TENNESSEE DIVISION OF WATER
RESOURCES
Columbia Environmental Field Office
PHONE NUMBER: 1-888-891-8332**

No later than sixty (60) days from the effective date of the permit, the permittee shall have the above sign(s) on display in the location specified. New facilities must have the signs installed upon commencing operation.

C. ADDITION OF WASTE LOADS

The permittee may not add wasteloads to the existing treatment system without the knowledge and approval of the division.

D. SEPTIC (STEP) TANK OPERATION

The proper operation of this treatment system depends, largely, on the efficient use of the septic tank. The solids that accumulate in the tank shall be removed at a frequency that is sufficient to insure that the treatment plant will comply with the discharge requirements of this permit.

E. SEPTAGE MANAGEMENT PRACTICES

The permittee must comply with the provisions of Rule 0400-48-01-.22. If the septage is transported to another POTW for disposal, the permittee shall note the amount of septage wasted in gallons and name of the facility the hauler intends to use for disposal of the septage on the monthly operation report. Sludge or any other material removed by any treatment works must be disposed of in a manner which prevents its entrance into or pollution of any surface or subsurface waters. Additionally, the disposal of such sludge or other material must be in compliance with the Tennessee Solid Waste Disposal Act, TCA 68-31-101 et seq. and Tennessee Hazardous Waste Management Act, TCA 68-46-101 et seq.

F. OWNERSHIP OF THE TREATMENT FACILITIES

a. The permittee shall own the treatment facilities (and the land upon which they are constructed) including the land to be utilized for wastewater dispersal. A perpetual easement (properly recorded) may be accepted in lieu of ownership. Evidence of ownership of the treatment facility land application site(s) and/or a copy of the perpetual easement(s) must be furnished to the division for approval prior to construction of the wastewater collection and dispersal system. Signed agreements stating the intent of the existing landowner to transfer ownership may be provided to support permit issuance. Evidence of such ownership or access rights must be provided to, and approved by, the Commissioner prior to commencement of operation.

b. Where the treatment facility serves private homes, condominiums, apartments, retirement homes, nursing homes, trailer parks, or any other place where the individuals being served have property ownership, rental agreements, or other agreements that would prevent their being displaced in the event of abandonment or noncompliance of the sewerage system, ownership of the treatment facilities must be by a municipality, a public utility, a wastewater authority, or a privately owned public utility (having a Certificate of Convenience and Necessity from the Tennessee Public Utility Commission) or another public agency.

Attachment 1

RATIONALE

Tennessee Wastewater Systems, Inc.
STATE OPERATION PERMIT NO. SOP-24006
Unionville, Bedford County, Tennessee

Permit Writer: Columbia Columbia

FACILITY CONTACT INFORMATION:

Columbia Columbia Columbia

CEO

Phone: () 220-7200

jeff.risden@adenus.com

Northeastern Intersection of Davis Lane and Longview Road

SMYRNA, TN 37167

Activity Description: Treatment of domestic wastewater via a decentralized waste water system to support construction of

Facility location: 35.62803 Latitude and -86.54001 Longitude

Name of the nearest stream: No discharge allowed.

Treatment system: Fenced Drip Dispersal with RMF for 75 homes

Permit period: This permit will be issued for a five year period effective from the issuance date on the title page.

Terms & Conditions: BOD₅ is a standard measure of sewage strength. The 45 mg/L daily maximum limit is the required treatment standard for domestic waste water in Tennessee. Ammonia and BOD₅ reporting serve to demonstrate the treatment system is meeting minimum treatment standards. Land application, versus stream discharge, enables reduced monitoring frequency for these parameters. Narrative conditions for drip disposal and septage management are proposed in support of proper system operation to prevent runoff to streams and avoidance of nuisance conditions. E.coli limits apply when the diposal area is not fenced.

Financial Security: Municipalities and Utility Districts are government entities exempt from the financial security requirement in TCA 69-3-122

Annual Maintenance Fee: An annual maintenance fee for the permit will apply after permit issue and upon receipt of an invoice. The fee is currently \$350.00 for non-discharging facilities with influent flow less than 0.075 MGD.

**Items Requisite for
Operation:**

This draft permit proposes terms and conditions for planning purposes and to seek public comment on the potential water quality impacts of the proposed activity. Actual operation of the sewerage system is contingent on the following items (items may occur in any order):

- Approval of sewerage system construction plans and specifications per TCA 69-3-108(i),
- Final construction inspection and submission of O &M manual per Rule 0400-40-02-.09,
- Issuance of a Certificate of Convenience and Necessity (CCN) by the Public Utility Commission,
- Utility ownership of sewerage system assets consistent with Rule 0400-40-16-.02(8). Sewerage system assets broadly consist of those units integral to the collection, treatment and disposal of both the solid and liquid component of sewage (i.e. septic tanks and pumps, collection lines, treatment system and drip irrigation area and related appurtenances), and
- Final issue of the permit.



STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF WATER RESOURCES
William R. Snodgrass - Tennessee Tower
312 Rosa L. Parks Avenue, 11th Floor
Nashville, Tennessee 37243-1102

March 6, 2024
Tennessee Wastewater Systems, Inc.
851 Aviation Parkway
Smyrna, TN 37167

RE: UIC Authorization - Tennessee Wastewater Systems - Chesterfield Farms TF
UIC Number: **BED 0000050**

Mr. Ridsen,

Thank you for submitting the required application materials for the UIC authorization by rule for a Class V injection well. Enclosed you will find the Class V UIC approval for the septic system located at the intersection of Davis Lane and Longview Road in Unionville, TN.

Please feel free to contact me at (731) 234-1408 / bradley.e.smith@tn.gov if I can be of any assistance.

Sincerely,

Bradley Smith
Environmental Consultant I
Land Based Systems Unit



**STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
Division of Water Resources**

Nashville Environmental Field Office
711 R.S. Gass Blvd.
Nashville, Tennessee 37216

Phone 615-687-7000 Statewide 1-888-891-8332 Fax 615-687-7078

September 15, 2023

Mr. Jeff Ridsen, Chief Executive Officer
Tennessee Wastewater Systems, Inc.
e-copy: jeff.ridsen@adenus.com
849 Aviation Pkwy
Smyrna, TN 37167

RE: Compliance Evaluation Inspections and Notice of Violation
Tennessee Wastewater Systems, Inc.
The Bluff at Bradbury Farms
Permit #SOP-11020
Montgomery County

Dear Mr. Ridsen,

On Wednesday August 30, 2023, Mrs. Christina Wingett performed a Compliance Evaluation Inspection at The Bluff at Bradbury Farms treatment facility for compliance with State Operating Permit SOP-11020, which became effective on December 2, 2021, and will expire on November 30, 2026. She met with Mr. Tracy Nichols and Mrs. Jenny Nichols on site. The Division would like to thank Mr. and Mrs. Nichols for their time and courtesy shown while on site.

Permit and Records Review

A current copy of the permit was able to be electronically accessed. The permit description differs from the as-built site. The permit description incorrectly states ultraviolet (UV) is present and does not provide an approximated drip field acreage. Mrs. Nichols has emailed the Division to correct this issue.

Copies of quarterly reports and maintenance logs were provided via email on August 29, 2023. All permit parameters are analyzed by a contract laboratory. During review of the quarterly operating reports, it was noted a sample was collected on February 24, 2021, on the contract laboratory report but February 4, 2021, was reported on the Operating Report. The other reporting issues noted such as placing an 'X' in the column when the sample was below the detection limit rather than the MDL were corrected before submitting the reports.

Mr. and Mrs. Nichols were made aware of the permit requirements regarding reporting of ponding water on drip fields on Operating Reports and instances that cannot be repaired within three days must be reported to the Nashville Environmental Field Office and to report overflows and releases in the collections system to the Nashville Environmental Field Office per permit requirements.

SOP-11020 The Bluff at Bradbury Farms NOV
September 15, 2023
Page 2 of 2

Site Review

The sand filter appeared well maintained and services approximately 50 homes. No divots were visible in the surface and the grounds around the filter tanks are sufficiently vegetated with no woody growths or observable indications of leaks. Pumps and wet wells were observed with no signs of corrosion or other problems. Mr. Nichols indicated that site is visited every month at the minimum, and logbooks confirmed this. Preventative maintenance measures are in place. Effluent was slightly turbid but clear and free of excessive odors. UV Disinfection is not present, in contrast to the permit description. Telemetry is in use and the field lines for the ~2.4 acres of active drip are fenced and locked with a sign present with ~1 acre of reserve drip. I observed multiple wet and damp spots across all three zones, including on hill slopes. When questioning Mr. Nichols, he replied that the soils are causing the ponding water. The reserve area may need to be utilized to prevent oversaturation of the current zones.

Conclusions and Action Items

Failure to report the ponding water in the drip fields, and the presence of the saturated soils are violations of the permit. Therefore, this letter also serves as a notice of violation.

Please provide a written response to the following action items within **30 days** of the receipt of this letter or by October 15, 2023, whichever occurs first:

1. Maintain communication with the Division to correct the permit to match the site, copy your inspector on all correspondence for this facility.
2. Resubmit a corrected 1st Quarter 2021 Operating Report to the Division.
3. Report overflows and releases if they occur, record ponding water in the drip fields on operating reports, and report instances of ponding water that cannot be repaired within three days per permit requirements.
4. Operate the facility in a way as to not violate permit parameters for ponding water on the drip fields potentially through use of the reserve capacity.

The Division would like to thank Mr. and Mrs. Nichols again for their courtesy and cooperation shown during these inspections. If you have any questions or concerns, please contact your inspector at 615-961-3875 or christina.wingett@tn.gov.

Sincerely



Michael Murphy
Program Coordinator
Division of Water Resources

e-copy: Matt Nicks, Project Coordinator, matthew.nicks@adenus.com
Jenny Nichols, Quality Control Technologist, jenny.nichols@adenus.com
Tracy Nichols, Operator, tracy.nichols@adenus.com
Timmy Jennette, TDEC, tim.jennette@tn.gov
Brad Harris, TDEC, brad.harris@tn.gov



851 Aviation Parkway
Smyrna, TN 37167

October 13, 2023

Ms. Christina Wingett
Tennessee Department of Environment and Conservation
Nashville Environmental Field Office
711 R.S. Gass Blvd.
Nashville, TN 37216

VIA EMAIL: christina.wingett@tn.gov

Re: Compliance Evaluation Inspection and Notice of Violation
The Bluffs at Bradbury Farms – SOP #11020
Montgomery County, Tennessee

Ms. Wingett:

This letter is in response to the Compliance Evaluation Inspection and Notice of Violation ("Report") conducted at the Bluffs at Bradbury Farms treatment facility on August 30, 2023. You identified four action items in the report and requested a response by October 15, 2023.

Action Item Responses:

1. The Report states "Mrs. Nichols has emailed the Division to correct this issue".
2. The corrected 1st Quarter 2021 Operations Report has been submitted to the Division.
3. TWSI is aware of the reporting requirements for ponding. Ponding was not observed in the drip fields at the time of the inspection. Saturated soils and "wet and damp spots" are not violations of the permit.
4. The system is being operated in compliance with the permit. Operators will continue to monitor any issues related to ponding.



851 Aviation Parkway
Smyrna, TN 37167

If you have any further questions or concerns, please contact Matthew Nicks at matthew.nicks@adenus.com or 615-220-7700

Regards,

Jeff Riden
General Counsel

Cc: Matthew Nicks – matthew.nicks@adenus.com
Jenny Nichols – jenny.nichols@adenus.com
Tracy Nichols – tracy.nichols@adenus.com
Timmy Jennette – tim.jennette@tn.gov
Brad Harris – brad.harris@tn.gov



**STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
Division of Water Resources**

Nashville Environmental Field Office
711 R.S. Gass Blvd.

Nashville, Tennessee 37216

Phone 615-687-7000 Statewide 1-888-891-8332 Fax 615-687-7078

October 31, 2023

Mr. Jeff Riden | Chief Executive Officer
e-copy: jeff.riden@adenus.com
Tennessee Wastewater Systems, Inc.
849 Aviation Pkwy
Smyrna, TN 37167

RE: Compliance Evaluation Inspection
Long-Kelly Treatment Facility
Permit #SOP-17020
Williamson County

Dear Mr. Riden,

On September 21, 2023, I performed a Compliance Evaluation Inspection (CEI) at the Long-Kelly Treatment Facility servicing the Terravista Subdivision in Williamson County to determine compliance with the State Operating Permit SOP-17020, which is operated by Adenus Utilities. This inspection covers the time period from November 2020 to August 2023. While on site, I met with the operator in charge Mr. Tracy Nichols. Mrs. Jenny Nichols provided the requested quarterly reports electronically. I would like to thank your staff for their collective time and courtesy shown during the inspection.

Records and Reports

The permit became effective on November 1, 2020, and will expire on October 31, 2025. A copy of the current permit is kept on file at Adenus' central office. The subdivision's development began providing flow to the treatment facility during 2nd quarter of 2023. Daily flow averages are approximately 35% of the facility's design capacity during this time. The facility's first quarterly report submitted to the Division of Water Resources (Division) for April 2023 to June 2023 was reviewed. No effluent violations were observed for the facility and sampling is occurring at the required frequencies for each parameter. The permit number submitted was TN0074764; this is incorrect, and the 2nd quarterly 2023 report will need to be resubmitted with the correct permit number.

Site Review

This system treats sewage from approximately 30 to 40 homes with a designed capacity for 99 homes.

Long Kelly Treatment Facility CEI, SOP-17020
October 31, 2023
Page 2 of 2

The subdivision is currently under active construction. The filter gravel was level and free of vegetation. The facility is visited a minimum of once per month as specified by the TDEC approved maintenance plan. Site visits are recorded on a log stored in the locked control room. The sandfilter did not have a fence preventing unauthorized entry but Mr. Nichols informed the Division the sandfilter should have a fence installed by the subdivision's developer in approximately three months. Adjacent to the sandfilter is a storage pond that would serve as emergency relief in case of failure or an upset to the treatment facility. The discharge line to the storage pond appeared to require manual actuation. The Division recommends securing the relief valve to prevent an unauthorized discharge to the storage pond.

According to the engineering report submitted to the Division, the drip field totals approximately 3.42 acres and is accompanied by an area of reserve totaling approximately 3.44 acres. The effluent going to the drip fields was clear and free of solids and did not have a noticeable odor. Identification signs were posted outside the fence surrounding the drip fields and displayed the correct information. The drip field and reserve area were well maintained, and no observable ponding or soft soils were observed during the inspection. Telemetry is used in case of failure of the system.

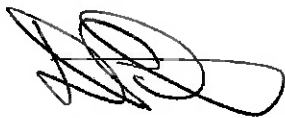
Conclusions

The facility is well maintained and operated and produces acceptable effluent. Please provide the following information by November 30, 2023:

- The proposed date when the fence is to be installed around the sandfilter; photographic documentation of the fence should be sent when completed.
- Corrected quarterly report for the 2nd quarter of 2023.
- Method(s) implemented to prevent unauthorized discharges to the relief pond.
- Response procedure in the event of discharging wastewater into the relief pond.

You may submit these documents to my email at the bottom of this letter. I would like to thank Ms. Jenny Nichols and Mr. Tracey Nichols again for the courtesy and cooperation shown during this inspection and file review. This document will not be physically mailed unless requested. If you have any questions or concerns, please contact me at 615-970-1222 or daniel.pleasant@tn.gov.

Sincerely,



Daniel Pleasant
Environmental Scientist II
Division of Water Resources

e-copy: Michael Murphy, TDEC DWR, michael.p.murphy@tn.gov
Matthew Nicks, Adenus, matthew.nicks@adenus.com
Jenny Nichols, Adenus, jenny.nichols@adenus.com
Tracy Nichols, Adenus, tracy.nichols@adenus.com

November 28, 2023

Mr. Daniel Pleasant
Tennessee Department of Environment and Conservation
Nashville Environmental Field Office
711 R.S. Gass Blvd.
Nashville, TN 37216

VIA EMAIL: daniel.pleasant@tn.gov

Re: Compliance Evaluation Inspection
Long Kelly Treatment Facility
Permit #SOP-17020
Williamson County, Tennessee

Mr. Pleasant:

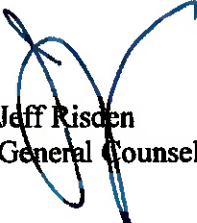
This letter is in response to the Compliance Evaluation Inspection ("CEI") conducted at the Long Kelly Treatment Facility ("System") on September 21, 2023. You identified certain action items in the report and requested a response by November 30, 2023.

Action Item Responses:

1. The fence is scheduled to be installed by February 27, 2024.
2. The corrected quarterly report for 2nd quarter 2023 has been submitted.
3. The buildings and gates are locked to prevent unauthorized access to the pumps that handle the discharges to the relief pond.
4. The storage pond is a Williamson County requirement. TWSI has never had a system discharge to a storage pond in Williamson County. The only time a discharge to the pond would occur is if it was needed for backup while making repairs to the system. In the event of a discharge to the pond, the treated effluent would either be left to evaporate or pumped, if necessary.

If you have any further questions or concerns, please contact Matthew Nicks at matthew.nicks@adenus.com or 615-220-7700

Regards,



Jeff Riscien
General Counsel

Cc: Matthew Nicks – matthew.nicks@adenus.com
Jenny Nichols – jenny.nichols@adenus.com
Tracy Nichols – tracy.nichols@adenus.com
Michael Murphy – michael.murphy@tn.gov



STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
KNOXVILLE ENVIRONMENTAL FIELD OFFICE
DIVISION OF WATER POLLUTION CONTROL
3711 MIDDLEBROOK PIKE
KNOXVILLE, TN 37921
PHONE 865-594-6035 STATEWIDE 1-888-891-8332 FAX 865-594-6105

9-19-2023

Tennessee Wastewater Systems Inc

RE: State Operating Permit No. SOP-99016
Tennessee Wastewater Systems Inc – Townsend Town Square
Townsend, Blount County, Tennessee

To Whom it may concern:

On September 19, 2023, William Luke from the Tennessee Division of Water Resources conducted a complaint investigation due to the discharge of sewage from failing treatment facilities and drip fields from Townsend Town Square operating under State Operating Permit 99016. Mr. Luke met with a member of Tennessee Wastewater Inc and discussed the state of the system. Below are the findings.

Investigation Findings

During the investigation the day of September 19, 2023, the Townsend Town Square wastewater treatment plant was observed overflowing sewage from the dip field pump station and running into drainage leading to the Little River. Also noted in this investigation the effluent is flowing on the surface of the ground in the drip field area and not assimilating into the soil profile. The recirculating sand filter appeared to have some minor ponding. The representative from TWI stated they had been exceeding 4000 gallons per day in wastewater flow Based on these observations the following are **violations** of the effluent limits established in State Operating Permit 99016.

Part II.A.4. of the State Operating Permit states:

The permittee shall at all times properly operate and maintain all facilities and systems (and related appurtenances) for collection and treatment which are installed or used by the permittee to achieve compliance with the terms and conditions of this permit.

Part II.C.2.a & 3.b Reporting of Noncompliance & Overflow

SOP-99016

Tennessee Wastewater Systems Inc – Townsend Town Square

2.a. In the case of any noncompliance which could cause a threat to public drinking supplies, or any other discharge which could constitute a threat to human health or the environment, the required notice of non-compliance shall be provided to the appropriate Division environmental field office within 24 hours from the time the permittee becomes aware of the circumstances.

3.b. Overflows are prohibited.

SOP-99016

Tennessee Wastewater Systems Inc – Townsend Town Square



SOP-99016

Tennessee Wastewater Systems Inc – Townsend Town Square

Tennessee Wastewater Systems Inc must respond in writing to this Notice of Violation by December 31, 2023 with a plan for correcting the violations documented in this letter. At this time, a Corrective Action Plan (CAP) must be developed and implemented to ensure compliance with current State Operating Permit 99016. The CAP should include, but not be limited to, modifications to operation and maintenance necessary to eliminate violations and a timeline in which the modifications will be put into operation.

If you have any questions concerning this investigation or if we may be of any further assistance to you in any way, please feel free to contact Michael Caudill by phone at (865) 594-5476 or by email at Michael.caudill@tn.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Atchley", is written over a light blue horizontal line.

Michael Atchley
Environmental Program Manager
Knoxville Environmental Field Office
Division of Water Resources
cc: Enforcement & Compliance Section, Nashville, WPC



851 Aviation Parkway
Smyrna, TN 37167

October 13, 2023

Michael Caudill
Tennessee Department of Environment and Conservation
Division of Water Resources
Knoxville Environmental Field Office
3711 Middlebrook Pike
Knoxville, TN 37921

VIA EMAIL: michael.caudill@tn.gov

Re: State Operating Permit No. SOP-99016
Tennessee Wastewater Systems, Inc. – Townsend Town Square
Townsend, Blount County, Tennessee

Mr. Caudill:

This letter is in response to the Notice of Violation (“NOV”) issued to Tennessee Wastewater Systems, Inc. (“TWSI”) on September 19, 2023 related to the Townsend Town Square Treatment Facility in Blount County, Tennessee. The NOV requests a response by December 31, 2023

The Investigative Findings states that “the Townsend Town Square wastewater treatment plant was observed overflowing sewage from the drip field pump station and running into drainage leading to the Little River”. This is not possible because the system does not have a pump station.

Furthermore, the system operator, Jeramy Stewart, was present for and accompanied Mr. Luke during the site inspection. According to Mr. Stewart, there was no water observed coming out of the drip field to any drainage and in fact, the fence line where the drainage ditch and storm drains are located was not inspected at this site visit.

Treated effluent was observed ponded on the drip field which was muddy. This aligns with Mr. Stewart’s observations as well as one of the two photos that were provided with the NOV. The other photo contains no context and looks to be a photo of the drip field. If the Department has additional photos or video of the purported overflow from the drip field to the drainage to the Little River, TWSI requests that documentation be provided so the utility can evaluate these allegations more fully.

As for corrective action, the area with the ponded water was limed and straw was spread. TWSI will continue to monitor the site for additional ponding issues and any overflows.



851 Aviation Parkway
Smyrna, TN 37167

TWSI will also attempt to locate additional land that may be utilized for additional drip in the event there are continued soils issues.

If you have any further questions or concerns, please contact Matt Nicks at matthew.nicks@adenus.com or 615-220-7200.

Regards,

Jeff Riden
General Counsel

Cc: Matthew Nicks – matthew.nicks@adenus.com
Jeremy Stewart – jeramy.stewart@adenus.com
Michael Atchley – michael.atchley@tn.gov



**STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
Division of Water Resources**

Nashville Environmental Field Office
711 R.S. Gass Blvd.

Nashville, Tennessee 37216

Phone 615-687-7000 Statewide 1-888-891-8332 Fax 615-687-7078

September 7, 2023

Jeff Ridsen, Owner
e-copy: jeff.ridsen@adenus.com
Adenus Group, LLC
849 Aviation Parkway
Smyrna, TN 37167

RE: Compliance Evaluation Inspection, Notice of Violation, and Compliance Review Meeting
Tennessee Wastewater Systems – River Road Lagoon
NPDES Permit # TN0074764
Cheatham County

Dear Mr. Ridsen,

On Thursday, July 5, 2023, Mr. Jordan Fey and Mr. Daniel Pleasant, with the Division of Water Resources (Division), performed a Compliance Evaluation Inspection (CEI) at the Tennessee Wastewater Systems River Road Lagoon to assess compliance with the National Pollutant Discharge Elimination System (NPDES) Permit #TN0074764. This permit became effective on November 1, 2010, expired on September 30, 2015, and the permit renewal has been incomplete since April 15, 2015. Therefore, this letter serves as a **Notice of Violation** for operating without permit coverage. The time period covered by this inspection is from July 2020 to June 2023. While on-site, they met with Mrs. Jenny Nichols and Mr. Tracy Nichols. I would like to thank your personnel for their time and courtesy shown during this inspection.

Permit and Records Review

This facility is currently unpermitted. The facility retains at least three years of effluent data as required by the expired permit. Maintenance records, Discharge Monitoring Reports (DMRs), and Monthly Operational Reports (MORs) from July 2020 through June 2023 were reviewed. The facility reported "No Discharge" from Outfall 001 during that time.

No copy of the expired permit was available due to the application process being deemed incomplete. A notice of an incomplete application was sent by letter dated April 9, 2015. The expired NPDES permit was issued to Tennessee Wastewater Systems, Inc. (TWSI), a corporation owned by Adenus

Group, LLC. However, the facility is located on property owned by Lost Hollow Limited Partnership. A letter dated October 19, 2016, from Mr. Charles Hyatt, indicated the required information for the permit renewal will be forthcoming in the next thirty days, and an easement has been drafted and will be executed granting permanent access and rights to TWSI for the land encompassing the wastewater treatment facilities, including the lagoon. It was anticipated the easement would be completed and recorded within thirty days of the letter, and once recorded, a copy of the easement would be provided to the Division. A report overview from TWSI was submitted on October 5, 2018, to the Tennessee Public Utility Commission (TPUC), stating TWSI is awaiting a signed easement for the land occupied by the sewer system. There is no record the Division has received the required documentation for the permit renewal and easement as of the date of this letter.

Site Review

The facility receives sewerage from five residences in the surrounding area. The lagoon consists of one facultative cell separated by an earthen berm. Disinfection is to be achieved from the facility's chlorine contact chamber. However, the control building has not been constructed from the approved design plans, and no power supply is available to transfer the lagoon's effluent into the chlorine contact chamber or flow measurement. This has been noted from prior inspections conducted in 2001, 2003, 2008, 2015, and 2016. The lagoon and chlorine contact chambers are adequately fenced and locked to prevent unauthorized access.

The fact that the lagoon does not hold water, even after major flooding events like in 2010, indicate the lagoon liner is failing or was not installed.

There is no level gauge installed within the lagoon. The Division's design criteria require a level gauge installed to a stationary structure. This is necessary to determine when significant water level drops occur to indicate potential leakage. A level gauge must be installed, and the gauge readings be documented during each facility inspection. This was detailed in the 2015 and 2016 Notice of Violations (NOVs). The lagoon had significant vegetation surrounding the berm, preventing a proper assessment of the embankment's integrity. During the inspection, significant rodent activity was discovered on the southern, eastern, and northern perimeter. Keeping the embankments clear of heavy vegetation is necessary to allow routine inspection of the structure for damage caused by burrowing animals, erosion, or leakage. This was explained in the 2016 NOV. The location of the outfall was inaccessible due to overgrown vegetation. An accessible path must be maintained to assess the condition of the outfall and its required.

Lab and Sampling Review

Mrs. Nichols provided the requested MORs electronically on June 6, 2023. Sampling has not been occurring due to the facility not actively discharging to its outfall—the appropriate No Data Indicator (NODI) code has been recorded for the facility not discharging to its outfall.

Conclusions

The treatment facility is incomplete per the approved engineering specification; no operational control exists. The violations and compliance items cited in the previous inspections have not been corrected. The lagoon and surrounding property are not properly maintained to allow for the routine inspections

detailed in this letter. Not providing proper maintenance of the wastewater system and failure to complete system construction per the approved engineering plans and specifications are violations of the *Tennessee Water Quality Control Act*.

Action Items and Recommendations

The lagoon liner must be evaluated for its presence and integrity. This must be completed by a qualified third party. The evaluation and an official report must be completed by October 15, 2023, and submitted to the Division, to the attention of Mr. Daniel Pleasant at his email address below, by the same date. After the evaluation, if warranted, a Corrective Action Plan (CAP) must be developed and submitted to the Division within 30 days of the final report. The CAP must detail how the liner will be repaired or installed, with a completion date no longer than 120 days from the plan submittal.

Due to the repeat and ongoing nature of the violations outlined in this letter, Adenus Group, LLC is required to attend a Compliance Review Meeting to outline what is being done to correct and prevent the violations from continuing and to show why the Division should not pursue further enforcement action. Attendees should include yourself or your designee, as well as any other personnel that you feel would be helpful for this meeting. The Compliance Review Meeting will be held at the Nashville Environmental Field Office; the address is provided at the top of this letter, on **September 20, 2023, at 10:30 AM**. You should be prepared to discuss all the violations outlined in this letter and any other items related to the operation of the facility at your site.

The Division would like to thank your staff for their time and cooperation while on site and for Adenus Group's attention to these matters. If you have any questions or concerns, please contact Mr. Daniel Pleasant at 615-970-1222 or Daniel.Pleasant@tn.gov

It is requested a written response be provided to this office by October 7, 2023, detailing specific actions with completion dates taken or estimated to address these concerns. The response letter can be submitted by email to Mr. Daniel Pleasant. If you have any questions or concerns, please contact Mr. Daniel Pleasant at 615-970-1222 or daniel.pleasant@tn.gov

Sincerely,



Michael Murphy
Program Coordinator
Division of Water Resources

e-copy: Matthew Nicks, Adenus, matthew.nicks@adenus.com
 Jenny Nichols, Adenus, jenny.nichols@adenus.com
 Tracy Nichols, Adenus, tracy.nichols@adenus.com
 Jordan Fey, TDEC DWR, jordan.fey@tn.gov
 Michael Murphy, TDEC DWR, michael.p.murphy@tn.gov
 Timmy Jennette, TDEC-DWR, tim.jennette@tn.gov



851 Aviation Parkway
Smyrna, TN 37167

October 9, 2023

Mr. Daniel Pleasant
Tennessee Department of Environment and Conservation
Nashville Environmental Field Office
711 R.S. Gass Blvd.
Nashville, TN 37216

VIA EMAIL: daniel.pleasant@tn.gov

Re: Compliance Evaluation Inspection and Notice of Violation, and
Compliance Review Meeting

Tennessee Wastewater Systems – River Road Lagoon
NPDES Permit #TN0074764
Cheatham County, Tennessee

Mr. Pleasant:

This letter is in response to the Compliance Evaluation Inspection (“CEI”) conducted at the River Road Lagoon (“System”) on July 5, 2023. You identified certain action items in the report and requested a response by October 7, 2023.

As a preliminary matter, some comments about the system and the CEI report:

1. The status of the permit was noticed by TWSI several months ago. At that time TWSI contacted the Department and began discussions as to how to remedy the situation. Those talks have been ongoing. Current TWSI leadership was not involved with the permit renewal in 2016. The person responsible at that time for the renewal ceased employment with Adenus/TWSI shortly after the application was made. The renewal application for the NPDES permit was made within the required 180-day window. Attached is the only communication TWSI has from the Department regarding the application. The document seeks some additional information, but no additional required documentation. While



851 Aviation Parkway
Smyrna, TN 37167

its renewal application has been pending with the Department, TWSI has continued to operate the system in compliance with the permit that was in effect at the time the renewal application was made. MOR's have been provided to the Department monthly to this effect.

2. As noted in the report, the System only has 5 residences connected to it. This results in an average daily flow of around 875 gpd into the lagoon. Calculations based solely on evaporation loss shows evaporation exceeds the amount of daily flow into the plant and a decrease in water over time should be expected.
3. The System is a non-discharging system, meaning no effluent is discharged into any receiving waters. This is due to how few connections there are to the system and the size of the lagoon. All necessary treatment for the effluent happens within the lagoon ecosystem.
4. Because the System is non-discharging, items such as the control building are not yet needed because there is nothing to control within the system to achieve the level of treatment required for discharge or disposal in general. The plan has always been to add those components once discharge is necessary.
5. The report states that the lagoon does not hold water and a liner is not present yet provides no evidence of such claims. It was mentioned at the Compliance Review Meeting that the belief that the lagoon leaks is based on aerial photographs taken after the 2010 flood, however how the loss was calculated and how much water loss occurred could not be explained to the TWSI representative. Current photographs of the lagoon clearly show it is holding water.
6. The report states that the level gauge is a requirement under the design criteria. The design criteria are guidelines, not requirements.
7. Lost Hollow Limited Partnership is a partnership formed by the Pickney family. Adenus Group, LLC which is the sole shareholder of TWSI is owned by three of the Pickney's involved with Lost Hollow (River Road is the family property of the Pickneys). The easement over the System property was drafted back in 2016 and has been waiting on the partnership to execute it. There is and has been no issue with TWSI ever having access to the property for any purpose. TWSI has always owned and operated the system.
8. The NPDES permit is silent about vegetation and rodent control around the facility.



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Smyrna, TN 37167

Action Item Responses:

1. The lagoon contains a compacted clay liner that was installed when the lagoon was first constructed. The Department should have record of this from any construction inspection report made when the Department inspected the construction as required under Tenn. Comp. R & Regs 0400-40-02-.08. Furthermore, the fact that the lagoon is holding water despite such low flow into the lagoon is further evidence of the presence of a liner.
2. TWSI will file a copy of the executed easement for the System property once received from Lost Hollow General Partnership.
3. The vegetation around the lagoon will be cut down.
4. A water level gauge will be installed in the lagoon (one had been installed but was washed away).

If you have any further questions or concerns, please contact Matthew Nicks at matthew.nicks@adenus.com or 615-220-7700

Regards,



Jeff Ridsen
General Counsel

Cc: Matthew Nicks – matthew.nicks@adenus.com
Jenny Nichols – jenny.nichols@adenus.com
Tracy Nichols – tracy.nichols@adenus.com
Jordan Fey – jordan.fey@tn.gov
Michael Murphy – michael.murphy@tn.gov
Timmy Jennette – tim.jennette@tn.gov



**STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF WATER RESOURCES
William R. Snodgrass - Tennessee Tower
312 Rosa L. Parks Avenue, 11th Floor
Nashville, Tennessee 37243-1102**

April 9, 2015

Mr. Roy Denney, Chief Technical Officer

e-copy: roy.denney@adenus.com

Adenus Group LLC

849 Aviation Parkway

Smyrna, TN 37167

**Subject: NPDES Permit No. TN0074764
Notice of Incomplete Application
TN Wastewater Systems - River Road STP - Lost Hollow Subdivision
Ashland City, Cheatham County, Tennessee**

Dear Mr. Denney:

The Division of Water Resources (the division) has received your application for the above referenced project on March 24, 2015. We have reviewed the application for completeness in accordance with TDEC rule 0400-40-5-.05 (2) and find the application to be incomplete. The processing of this application has been suspended until the following information has been submitted:

1. Regarding signatory to the application: EPA and TN rules require the application to be submitted "by a responsible corporate officer, i.e., president, secretary, treasurer, or vice president of the corporation in charge of a principal business function....". Because this facility is owned by Lost Hollow Limited Partnership and is located on property owned by the Partnership, Parcel 065-099.00, we request that you submit evidence that Mr. Denney holds a role as a "responsible corporate officer" for Lost Hollow Limited Partnership.
2. Because the lagoon has not discharged to surface waters but apparently discharges to ground water, please explain why you are applying for a surface water discharge permit rather than a State Operating Permit for a subsurface discharge.

A complete application should be submitted at the address above within 30 days of the date of this letter. You should be aware that in accordance with TDEC Rule 0400-40-5-.05 (2), your receipt of this notice does not preclude the division from later requesting additional material that subsequent to the notice of completeness is determined to be necessary for permit processing.

If you have questions, please contact the Nashville Environmental Field Office at 1-888-891-TDEC; or, at this office, please contact Mr. Bob Alexander at (615) 532-0659 or by E-mail at Robert.Alexander@tn.gov.

Sincerely,

A handwritten signature in dark ink, appearing to read "Vojin Janjic".

**Vojin Janjic
Manager, Water-Based Systems**

cc: Permit File & Nashville Environmental Field Office
Land-based Systems (brad.harris@tn.gov)
Mr. Charles R. Hyatt, CEO, Adenus Group, LLC, Charles.Hyatt@adenus.com



**STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
Division of Water Resources**

Nashville Environmental Field Office
711 R.S. Gass Blvd.

Nashville, Tennessee 37216

Phone 615-687-7000 Statewide 1-888-891-8332 Fax 615-687-7078

November 3, 2023

Jeff Ridsen, Owner
e-copy: jeff.ridsen@adenus.com
Adenus Group, LLC
849 Aviation Parkway
Smyrna, TN 37167

RE: Compliance Review Meeting Follow Up
Tennessee Wastewater Systems (TWSI) – River Road Lagoon
NPDES Permit # TN0074764
Cheatham County

Dear Mr. Ridsen,

We appreciate Mr. Matthew Nicks meeting with personnel from the Division of Water Resources (Division) for a Compliance Review Meeting (CRM) on September 20, 2023, to discuss items noted in the September 7, 2023, Compliance Evaluation Inspection (CEI) and Notice of Violation (NOV).

During the meeting, Division representatives discussed the history of previous NOV's from the Division, the inactive status of the most current permit application, and the facility's condition during the July 5, 2023, CEI. Also discussed was a previous NOV response letter from Mr. Charles Hyatt in 2016 indicating a drafted easement would be executed granting permanent access and rights to TWSI for the land encompassing the wastewater treatment facilities, including the lagoon.

Mr. Nicks informed the Division his calculations of the volume of wastewater flowing to the lagoon could be naturally managed and agreed to provide said calculations when requested during the CRM. Given the Division's concerns about the lagoon's integrity, lack of operational control, and its ability to properly treat wastewater, Mr. Nicks proposed a potential solution of installing an appropriately sized Bioclere treatment system and dismantling the existing lagoon. The Division never received the requested calculations or proposed alternate treatment solution(s) from your October 9, 2023, response letter.

The Division agreed to Mr. Nick's request to postpone our decision resulting from the September 20, 2023, CRM so TWSI could consider his proposed solutions. Given the contents of TWSI's response

Compliance Review Meeting Follow Up

Exhibit CA-8

NPDES #TN0074764

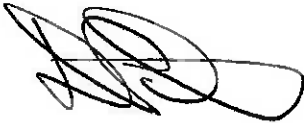
November 3, 2023

Page 2 of 2

letter from October 9, 2023, no viable solutions have been proposed nor have the requested calculations from the CRM been submitted. We will be referring this case to the Compliance and Enforcement unit for possible further enforcement action.

The Division would like to thank Mr. Nicks for meeting with us to discuss these issues. If you have any questions regarding this letter, please reach out to me at daniel.pleasant@tn.gov or (615) 970-1222.

Sincerely,

A handwritten signature in black ink, appearing to read 'DP', with a horizontal line drawn through the middle of the signature.

Daniel Pleasant
Environmental Scientist II
Division of Water Resources

e-copy: Matthew Nicks, Adenus, matthew.nicks@adenus.com
 Jordan Fey, TDEC DWR, jordan.fey@tn.gov
 Michael Murphy, TDEC DWR, michael.p.murphy@tn.gov
 Timmy Jennette, TDEC-DWR, tim.jennette@tn.gov
 Angela Jones, TDEC-DWR, angela.jones@tn.gov
 Ryne Ruddock, TDEC-DWR, ryne.ruddock@tn.gov

SANITARY SEWER SERVICE AGREEMENT

5-16 This Sanitary Sewer Service Agreement (the "Agreement") is made and entered as of this day of MARCH, 2024, by and between TENNESSEE WASTEWATER SYSTEMS, INC., a Tennessee corporation ("TWS") and NAG Investments LLC, a Tennessee limited liability company ("Developer").

WITNESSETH:

WHEREAS, Developer plans and intends to develop a residential development community presently known as Chesterfield Farms Subdivision (the "Development"), located at Longview Road & David Road, Bedford County, Tennessee and identified as Map 024, Parcel 016.01, in Bedford County, TN described on Exhibit A attached hereto (the "Property"); and

WHEREAS, Developer has requested TWS to commit to provide wastewater service to the Development; and,

WHEREAS, TWS is willing to provide service upon being granted a Certificate of Convenience and Necessity by the Tennessee Public Utility Commission to service the Development; and

WHEREAS, TWS has the ability and technology to own and operate a system for the collection, treatment, and disposal of wastewater, and is willing and able to serve said Property, including the Development, subject to the terms, provisions and conditions set out in this Agreement, all of which are acceptable to the Developer; and

WHEREAS, Developer is responsible for constructing the wastewater collection, treatment, and disposal systems to serve the Development in accordance with the Plans and Specifications, as defined herein;

NOW, THEREFORE, for and in consideration of the mutual covenants of the parties, and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, the parties do hereby agree as follows:

1. **Definitions.** In addition to the terms defined in the text of this Agreement, for purposes hereof, the following terms shall have the meaning ascribed to them below:
 - (a) "Applicable Laws" means all applicable constitutions, treaties, statutes, rules, regulations, ordinances, orders, directives, codes, judgments, decrees, injunctions, writs and determinations of any governmental or quasi-governmental authority.
 - (b) "Certified Installer" means a person who is certified by Tennessee Wastewater Systems, Inc to construct and install the watertight tanks and service line connections within the Lot(s) of the Development.
 - (c) "Development" means that certain residential housing development owned and developed by Developer upon the Property and located adjacent and contiguous to the Sewage Facility Land.
 - (d) "Effective Date" means the date the last of the parties hereto executes this Agreement.
 - (e) "Event of Force Majeure" means a strike, lockout, labor dispute, embargo, flood, earthquake, storm, dust storm, lightning, fire, epidemic, act of God, war, national emergency,

civil disturbance, riot, act of sabotage or terrorism, restraint by court order or order of another governmental authority, or any other occurrence beyond the reasonable control of the party in question; provided lack of necessary funds shall not be considered an "Event of Force Majeure" for purposes hereof.

(f) "GSPD" means average gallons of sewage per day, calculated on a monthly basis. For example, if a customer of TWS released 300 gallons of sewage into the Sewer System in a thirty (30) day month, such customer would have released 10 GSPD during such month.

(g) "Lot" or "Lots" shall mean a portion or portions of the Property, which are shown on a Plat after the Plat has been recorded in the County Register of Deeds which Lot (except as otherwise noted herein) is to be used for residential purposes.

(h) "Lot Owner" or "Lot Owners" shall mean and refer to one or more persons who hold the record title to any platted Lot within the Property, including, but not limited to the Developer, which is part of the Property, but excluding in all cases any party holding an interest merely as security for the performance of an obligation.

(i) "Plans and Specifications" shall mean and refer to the plans and specifications for construction, installation and development of the Sewer System, as more particularly described on Exhibit C, attached hereto, which have been approved in writing by TWS. The Plans and Specifications shall also be in accordance with requirements of the State of Tennessee, Bedford County, and all Applicable Laws.

(j) "Plat" shall mean a subdivision plat of all or a portion of the Property which shows roads, open space, residential Lots and Wastewater Lots.

(k) "Property" shall mean and refer to the real property described on Exhibit A, attached hereto.

(l) "TPUC" means the Tennessee Public Utility Commission and any successor thereto.

(m) "Sewage Facility" shall mean and refer to that certain sewage treatment facility constructed by or for the Developer on the Sewage Facility Land which is to be operated by TWS upon conveyance to TWS by the Developer in accordance with this Agreement.

(n) "Sewage Facility Land" means that land described on Exhibit B upon which the Sewage Facility is located, attached hereto.

(o) "Sewer System" means the Sewage Facility Land approved for 22,500 gallons per day of design flow for seventy-five (75) residential lots, and the Sewage Facility as more particularly described in the Plans and Specifications, including, but not limited to all lines, pipes, meters, lift stations, equipment, machinery, fixtures, trade fixtures, easements and personal property used in connection with the operation thereof, whether or not located on the Sewage Facility Land or the Property, as the same may be altered, improved, modified, expanded or relocated from time to time.

(p) "Sewer System Construction" means the construction of improvements for the Sewer System necessary to accommodate the Development as more particularly described in the Plans and Specifications.

(q) "Wastewater Lot" means the same as shown on any Plat of the Property.

(r) "Bedford County" or the "County" means Bedford County, Tennessee.

2. **Compensation.**

- (a) Developer will pay TWS a \$ 1,200.00 per lot inspection and review fee. This amount is due when TWS signs the Subdivision Plat for the Lots as approved by the Bedford County, TN Planning Commission
- (b) TWS will withhold signing any plat for the Development until all fees associated with the construction and installation of the Sewer System have been paid in full by the Developer.

3. **Sanitary Sewer Service.**

- (a) *Dedication.* From and after the date the Sewer System is completed in accordance with the Plans and Specifications approved by TWS, and upon the completion or satisfaction by Developer and TWS of all the other terms and conditions set forth herein, TWS shall give written acceptance of the system to the Developer and shall provide sanitary sewer service to all lots in the Development.
 - (b) *Usage.* Lot Owners shall only have the right to discharge sanitary sewage into the Sewer System, and the Lot Owners agree to use the Sewer System in a manner that complies with the "User Manual Do's and Don'ts for Effluent Collection Systems" attached hereto as Exhibit D. If sewer service to the Property is temporarily interrupted due to an Event of Force Majeure, TWS shall have no liability to the Developer or any Lot Owner on account of such interruption. In such event of temporary interruption, TWS shall use its best efforts to restore sewer service to the Property as quickly as possible. Developer represents and warrants that its contract of sale with each third-party purchaser or third-party builder of each Lot shall include in it the requirement that such person or entity must enter into a Sewer Service Agreement with TWS in form and substance as attached hereto as Exhibit E.
 - (c) *Acceptance by TWS.* Once the Developer completes the Sewer System for each phase of the Development, TWS inspects and provides written approval of the Sewer System, and all fees due under Section 2 have been paid, TWS will accept contribution of the system as an expansion and improvement of the Sewage Facility and Sewer System and will commence providing sewer service for such phase.
4. **Permits.** TWS shall obtain and pay for all permits, licenses and other approvals necessary to allow TWS to deposit the applicable GSPD into the Sewer System, including, but not limited to, any regulatory approvals that must be obtained from the TPUC or any other governmental or quasi-governmental authority having jurisdiction over the Sewer System. Developer agrees to cooperate and use best efforts to assist TWS in obtaining any permits, licenses, and approvals necessary for TWS to provide service to the Property.
5. **Sewer System Construction.**

- (a) *Installation and Developer Responsibility.* Developer shall furnish, install, lay and construct all of the Sewer System at its own expense and at no cost or expense to TWS. The construction and installation of the Sewer System improvements shall be in strict accordance with the Plans and Specifications as approved by TWS. TWS shall inspect the construction of the improvements upon intervals determined by TWS and communicated to Developer in advance. All

Sewer System improvements shall be located as set forth in the Plans and Specifications. Any proposed changes to the approved Sewer System plans must be presented to TWS and agreed to in writing by the Parties. TWS may withhold approval and acceptance of the Sewer System in the event changes are made without prior TWS approval.

Developer Responsibility.

- (a) **Delegation by Developer.** The Plans and Specifications require that Developer must install watertight tanks and service connection lines within Lots in accordance with the Plans and Specifications, at Developer's expense. Should Developer authorize a Lot Owner or third-party builder to construct such watertight tanks and service connection lines within any Lot, Developer represents and warrants that it will require such person or entity to comply with the Plans and Specifications and bear all expense of compliance and ensure that the installation work is performed by a Certified Installer.
- (b) **Wastewater System Performance Bonds.** The Developer shall post any bonds as required by TPUC, TWS, and/or Bedford County in accordance with the respective entities' rules and regulations.
- (c) **No Liens.** Developer shall complete the development and construction of the Sewer System in accordance with the Plans and Specifications, and the Sewer System shall be free of any laborers', materialmen's, mechanics', or other liens on any part of the Sewage Facility Land or the Sewer System, and Developer shall not permit any such lien to be filed or otherwise imposed on any part of the Sewage Facility. In the event any such lien is filed against the Sewage Facility the Sewage Facility Land, or the Sewer System, Developer or Developer's contractor shall promptly cause such lien to be discharged or in lieu thereof file a bond or other security for the payment of such lien in form and amount satisfactory to TWS.

6. **Conveyance and Transfer.** Upon completion, Developer shall:

- (a) convey by quit claim deed (the "Deed"), in the form attached hereto as Exhibit F, the Sewage Facility Land to TWS;
- (b) provide TWS with an owner's policy of title insurance for the value of the facility and land issued by a nationally recognized title company showing the status of title to the Sewage Facility Land as free and clear of all material or interfering encumbrances (determined in TWS's sole discretion), including, but not limited to, any monetary liens, including mortgages or deeds of trust, in the name of TWS for the full amount of the construction of the Sewage Facility and the value of the Sewage Facility Land (the "Title Policy");
- (c) provide TWS with a survey of the Sewage Facility Land prepared by a surveyor or engineer licensed in the State of Tennessee sufficient to allow the title company to eliminate the standard printed exceptions in the owner's title policy pertaining to discrepancies in the area or boundary lines, encroachments, overlaps, improvements, or similar matters (the "Survey"), which Survey shall be certified to TWS and the title company;
- (d) provide the TWS with "as-built" plans for the Sewer System;
- (e) grant TWS a non-exclusive sewer line easement, in the form attached hereto as Exhibit G, across those portions of the Property lying five (5) feet of either side of the sewer line within the Property.

All costs, fees and expenses related to the foregoing within this Section 6 shall be the sole responsibility of Developer, including, without limitation, recording fees, transfer taxes, title

premiums, title endorsement charges and survey costs.

7. **Developer Warranty.** The Developer hereby warrants all Sewer System improvements installed pursuant to the provisions of this Agreement against defects in workmanship and materials for the particular phase being platted from the time TWS accepts the Sewer System and for a period of one (1) year from the date TWS obtains twenty-five percent (25%) of the platted lots in the phase being connected to the system. The Developer shall reimburse TWS upon demand for all costs and expenses incurred by TWS to repair all breaks, leaks or defects of any type whatsoever arising from any cause whatsoever occurring from the time TWS accepts the Sewer System and for a period of one (1) year from the date TWS obtains twenty-five percent (25%) of the platted lots in the phase connected to the Sewer System. The Developer hereby warrants that the Sewer System improvements shall be paid for in full and that no liens or encumbrances of persons claiming by, through or under the Developer shall remain in regard to the Sewer System improvements.

8. **Representations and Warranties.**

- (a) TWS represents, warrants and covenants to Developer that:

(i) TWS is a corporation duly organized and validly existing and in good standing under the laws of the State of Tennessee and is duly qualified to transact business in the State of Tennessee; and

(ii) TWS has all necessary power to execute and deliver this Agreement and perform all its obligations hereunder without the consent or approval of any governmental authority; and

(iii) The execution, delivery and performance of this Agreement by TWS does not conflict with or result in a violation of its organizational documents or Applicable Laws; and

(iv) The execution, delivery and performance of this Agreement by TWS does not conflict with or constitute a breach of, or constitute a default under, any contract, agreement or other instrument by which the TWS is bound; and

(v) TWS has not received notice of any litigation, administrative action, investigation or other governmental or quasi-governmental proceeding which would or could have an adverse effect upon its ability to fulfill all of its obligations under this Agreement; and

(vi) The execution, delivery and performance of this Agreement by TWS will not conflict with or result in a breach of any order, judgment, writ, injunction or decree of any court or governmental instrumentality; and

(vii) TWS is not a party to any voluntary or involuntary proceedings under any law relating to insolvency, bankruptcy, moratorium or creditors' rights.

(viii) All necessary permits as required by the State, County, and any other governing authority for the operation of the Sewage Facility have been or will be timely applied and obtained prior to commencement of the operation of the Sewage Facility, including, specifically, the issuance of a Certificate of Public Convenience and Necessity from TPUC to TWS.

- (b) Developer represents, warrants and covenants to the TWS that:

(i) Developer is duly organized and validly existing and in good standing under the laws of the State of Maryland and is duly qualified to transact business in the State of

Tennessee; and

(ii) Developer has all necessary power to execute and deliver this Agreement and perform all its obligations hereunder, without the consent or approval of any governmental authority; and

(iii) The execution, delivery and performance of this Agreement by Developer does not conflict with or result in a violation of its organizational documents or Applicable Laws; and

(iv) The execution, delivery and performance of this Agreement by Developer does not conflict with or constitute a breach of, or constitute a default under, any contract, agreement or other instrument by which Developer is bound; and

(v) Developer has not received notice of any litigation, administrative action, investigation or other governmental or quasi-governmental proceeding which would or could have an adverse effect upon its ability to fulfill all of its obligations under this Agreement; and

(vi) The execution, delivery and performance of this Agreement by Developer will not conflict with or result in a breach of any order, judgment, writ, injunction or decree of any court or governmental instrumentality; and

(vii) Developer is not a party to any voluntary or involuntary proceedings under any law relating to insolvency, bankruptcy, moratorium or creditors' rights and;

(viii) That to its knowledge all necessary permits as required by the State, County, and any other governing or regulatory authority have been applied or will be applied for by the Contractor and obtained prior to the construction of the Sewer Facility.

9. **Default and Termination.**

(a) Notwithstanding anything to the contrary herein, TWS may, at all times prior to the completion of the Sewer System, terminate this Agreement in the event that:

(i) Developer has materially failed to perform its obligations with regard to construction of the Sewer System pursuant to the terms of this Agreement and in accordance with the Plans and Specifications and has failed to cure said failure within fifteen (15) calendar days after receiving written notice from TWS specifying in detail the nature of such failure; provided if such failure cannot reasonably be cured within said fifteen (15) calendar day period, then TWS may not terminate this Agreement if Developer has commenced to cure the failure within said fifteen (15) calendar day period and thereafter prosecutes such cure to completion with reasonably acceptable diligence; or

(ii) Developer has defaulted in the payment to TWS of the fees set forth in Section 2(a) as and when required and fails to cure such default within fifteen (15) calendar days after notice from TWS thereof and thereafter prosecutes such cure to completion with reasonably acceptable diligence.; or

(iii) A receiver, liquidator, or trustee of Developer shall be appointed by court order, or a petition to liquidate or reorganize Developer shall be filed against Developer under any bankruptcy, reorganization or insolvency law and such order or petition is not vacated or dismissed within sixty (60) calendar days, or Developer shall voluntarily file a petition in bankruptcy or request for reorganization under any provision of the bankruptcy reorganizational insolvency laws unless such petition is dismissed within sixty (60)

calendar days after the filing thereof, or if Developer shall make an assignment of all or substantially all of its assets for the benefit of creditors, or if Developer is adjudicated bankrupt.

- (b) Developer may terminate this Agreement, at any time during the term of this Agreement prior to completion of the Sewer System, if a receiver, liquidator, or trustee of TWS shall be appointed by court order, or a petition to liquidate or reorganize TWS shall be filed against TWS under any bankruptcy, reorganization or insolvency law and such order or petition is not vacated or dismissed within sixty (60) calendar days, or TWS shall voluntarily file a petition in bankruptcy or request for reorganization under any provision of the bankruptcy reorganizational insolvency laws unless such petition is dismissed within sixty (60) calendar days after the filing thereof, or if TWS shall make an assignment of all or substantially all of its assets for the benefit of creditors, or if TWS is adjudicated bankrupt.

Further, Developer may terminate this Agreement in the event that TWS has materially failed to perform its obligations will regard pursuant to the terms of this Agreement and has failed to cure said failure or default within fifteen (15) calendar days after receiving written notice from Developer specifying in detail the nature of such failure; provided if such failure cannot reasonably be cured within said fifteen (15) calendar day period, then Developer may not terminate this Agreement if TWS has commenced to cure the failure within said fifteen (15) calendar day period and thereafter prosecutes such cure to completion with reasonably acceptable diligence.

10. Indemnification.

- a) Each party agrees to indemnify and hold harmless the other from, against and/or with respect to:
 - i) Any loss, expense, liability, damage, or deficiency resulting from any material misrepresentation, breach of warranty, or nonfulfillment of any covenant or agreement on the part of such party made or given in or with respect to this Agreement, or from any material misrepresentation in or omission from any certificate, schedule, exhibit or other document or instrument furnished or to be furnished to the other in connection with the transactions provided for in this Agreement, or from any gross negligence or willful misconduct of the other party; and/or
 - ii) Any and all costs and expenses (including attorneys' fees) arising in connection with any of the foregoing.
- b) In addition to the above, Developer shall indemnify and hold TWS harmless of, from, against and in respect of:
 - i) Any tax lien, levy, assessment, payment, liability, penalty or other deficiency, whether disputed or not, suffered or incurred by TWS as a result of or arising out of Developer's ownership of the Property;
 - ii) Any judgment, award, payment, settlement, cost or expense arising out of Developer's ownership of the Property, and rendered against or suffered or incurred by TWS as a result of or with respect to any lawsuit;

- iii) Any and all costs and expenses (including attorneys' fees) arising in connection with any of the foregoing.
 - iv) Any violation of any permit requirement of the State of Tennessee, Bedford County, and any other governing or regulatory authority with jurisdiction over the construction of the sanitary sewer.
- c) The provisions of this section shall survive for a period of three (3) years after the later date of completion of the Project and/or expiration or termination of this Agreement.

11. **Environmental Indemnity.** In addition to the above, Developer represents, warrants and covenants to, for and with TWS that:

(a) there are no Hazardous Materials which have been generated and disposed of by Developer or which have been generated and disposed of by Developer and have migrated to the Property (including the ground water thereon) from any adjacent real estate owned, leased, or otherwise controlled by Developer, (except for those Hazardous Materials which may be stored on or about the Property in accordance with the Applicable Environmental Laws), as such terms are defined in the Applicable Environmental Laws, or in any regulations promulgated pursuant thereto; and

(b) there are no underground storage tanks which are owned or operated by Developer located in or about the Property; and

(c) Developer has not received any notice and to the knowledge of Developer no notice has been given to any party in the chain of title to the Property, by any person claiming any violation of, or requiring compliance with, any Applicable Environmental Laws, demanding payment or contribution for environmental damage; and

(d) to the knowledge of Developer, no investigation, administrative order, consent order or agreement, litigation, or settlement with respect to Hazardous Materials located on about or under all or a portion of the Property or contiguous or adjacent to the Property (provided that such contiguous or adjacent property is owned or controlled by Developer) is pending, or, to the knowledge of Developer, proposed, threatened or anticipated.

To the extent that Developer breaches any of the aforementioned representations and TWS is required by law to undertake any remedial or removal actions in connection therewith, as defined in the Applicable Environmental Laws, or to the extent that TWS is otherwise liable to incur costs or may otherwise be held liable to any third party in connection with such breach or for any removal or remedial actions taken with respect thereto, then, within a reasonable period of time following receipt of notice thereof from TWS, Developer shall indemnify TWS and hold TWS harmless from all liabilities, damages and costs incurred by TWS with respect to such breach including, without limitation, all claims, liabilities, loss, costs or expenses arising from the incurrence of any penalties, charge or expenses with respect thereto in defending itself against any suit or action brought by such third party, and in paying or satisfying any judgment obtained by such third party against TWS. The obligations of Developer under this section and the indemnity given hereunder shall survive the Closing for a period of three (3) years.

12. **Developer Obligations.**

(a) The Developer shall pay a monthly wastewater capacity reservation fee of \$10.00 per platted Lot, or as may be amended from time to time by the TPUC, for each Lot owned that is not attached to the Sewer System. Should the Developer sell a Lot, the Developer agrees to include in the sales contract with the purchaser the requirement to pay to TWS the monthly wastewater capacity reservation fee at the then current TPUC established rate. The fee shall be payable each month by the 15th of the month for the owners of record as of the 1st of such month. When the Lot Owner attaches to the Sewer System and accepts service with the Sewer System, such Lot Owner shall not be charged a monthly fee thereafter so long as the Lot Owner maintains service.

13. **Operation, Maintenance and Improvements.**

(a) TWS shall:

(i) perform all repairs, maintenance, and replacements necessary to keep the Sewer System in a good working order; and

(ii) operate the Sewer System in compliance with Applicable Laws, including, but not limited to, all Applicable Laws related to human health, safety, and the environment. To the extent reasonably possible, TWS shall perform all repairs, maintenance, and replacements to the Sewer System in a manner that does not interfere with its ability to provide sewer service to the Property. In the event any repairs, maintenance or replacements to the Sewer System will result in an interruption of sewer service to the Property, TWS shall notify Developer thereof and use its best efforts to minimize the interference caused thereby, which efforts shall include, but not be limited to, working with Developer to schedule the repairs, maintenance and replacements so as to avoid or lessen the disruption. Service by TWS will be provided in compliance with its established tariff in effect with the TPUC.

(b) Developer further agrees to execute, acknowledge and deliver to TWS any and all mutually agreed upon easements that may be necessary or appropriate as reasonably determined by TWS for the construction, expansion, access, operation and maintenance of TWS's Sewer System, or portion thereof.

14. **Restrictive Covenants.** Developer shall include, within any declaration or other instrument regarding restrictive covenants for the Development, a provision regarding the sewage disposal system set forth herein in Exhibit H, attached hereto.

15. **Water Valve Requirements.** Developer is required to install a water shut off valve with an appropriate valve box on the water line on the customer's side of the water meter at each home in the subdivision. If the Developer sells the lot to allow another party to build on the lot, they must ensure that the purchaser is notified of the water valve requirements.

16. **Assignment.** Neither Developer nor TWS shall have the right to sell, assign, transfer, lease or convey all or a portion of its rights hereunder without the prior written consent of the other party. Developer and TWS shall have the right to assign all of its rights under this Agreement to any party purchasing the Sewer System or the Property so long as such party assumes all of Developer or TWS's respective obligations hereunder. It is agreed that as used herein, "Developer" shall mean Developer and its respective successors, assigns, transferees and tenants, with the exception of homebuilders purchasing finished lots on the Property and customers purchasing completed homes on the Property, and "TWS" shall mean TWS and its respective successors and assigns.

17. **Miscellaneous.**

(a) **Entire Agreement.** This Agreement (i) constitutes the entire agreement and understanding of Developer and TWS with respect to the subject matter hereof, and (ii) may be amended only by a written instrument executed by Developer and TWS.

(b) **Governing Law.** This Agreement shall be governed by and construed under the laws of the State of Tennessee.

(c) **Successors and Assigns.** This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

(d) **No Waiver.** No waiver of any provision of this Agreement shall be deemed to have been made unless expressed in writing and signed by the party charged therewith. No delay or omission in the exercise of any right or remedy accruing upon the breach of this Agreement shall impair such right or remedy or be construed as a waiver of such breach. The waiver by Developer or TWS of any breach shall not be deemed a waiver of any other breach of the same or any other provision of this Agreement.

(e) **Severability.** If any provision of this Agreement is found by a court of competent jurisdiction to be illegal, invalid or unenforceable, the remaining terms hereof will not be affected, and in lieu of each provision that is found to be illegal, invalid or unenforceable, a provision will be added as a part of this Agreement that is as similar to the illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

(f) **Prior Drafts.** All negotiations, considerations, representations and understandings between Developer and TWS are incorporated herein. No inference shall be drawn from the addition, deletion or modification of any language contained in any prior draft of this Agreement.

(g) **Attorneys' Fees.** If any legal proceeding is commenced to (i) enforce the terms of this Agreement or (ii) interpret the provisions contained herein, the prevailing party in such legal proceeding shall be entitled to recover its reasonable attorneys' fees, court costs and litigation expenses from the non-prevailing party.

(h) **Exhibits.** TWS and Developer hereby acknowledge and agree that all exhibits referenced in this Agreement are attached hereto and incorporated herein by reference.

(i) **Relationship Between the Parties.** This Agreement shall not be deemed or construed to create a partnership or joint venture between Developer and TWS or cause Developer or TWS to be liable or responsible in any way for the agreements, actions, liabilities, debts or obligations of the other.

(j) **Counterparts.** This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed as original documents and all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the Effective Date.

TWS

TENNESSEE WASTEWATER SYSTEMS, INC.
a Tennessee corporation

By: _____

Name: Jeff Risdien

Title: Chief Executive Officer

Developer

NAG Investments, LLC
a Tennessee limited liability company

By: 

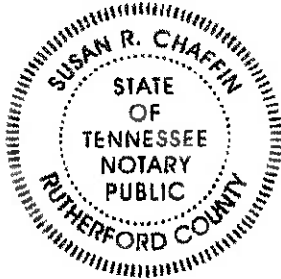
Name: GARY WISNIEWSKI

Title: MEMBER

STATE OF TENNESSEE
COUNTY OF Rutherford

Personally appeared before me, Susan Chaffin, Notary Public, Jeff Riden, with whom I am personally acquainted and who acknowledged that he executed the within instrument for the purposes therein contained, and who further acknowledged that he is the Chief Executive Officer of Tennessee Wastewater Systems, Inc., the within named bargainer, a Tennessee corporation, and is authorized to execute this instrument on behalf of Tennessee Wastewater Systems, Inc.

WITNESS my hand, at office, this 5 day of March, 2024.



Susan R. Chaffin
Notary Public
My Commission Expires: 01/25/26

STATE OF TENNESSEE
COUNTY OF Wilson

Personally appeared before me, Shelley Harper, Notary Public, Gary Wisniewski, with whom I am personally acquainted and who acknowledged that he/she executed the within instrument for the purposes therein contained, and who further acknowledged that he/she is the member of NAC Investments LLC, the within named bargainer, an LLC, and is authorized to execute this instrument on behalf of NAC Investments LLC.

WITNESS my hand, at office, this 5th day of MARCH, 2024.

Shelley Harper
Notary Public
My Commission Expires: June 25, 2024

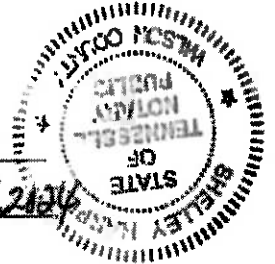


Exhibit A

Property

Exhibit B
Sewage Facility Land

Exhibit C
Plans and Specifications

USER MANUAL

User Guidelines

For

EFFLUENT COLLECTION SYSTEMS

Copy to be provided and can be viewed online at:

www.adenus.com

Exhibit E
Sewer Service Agreement

DATE: _____

PRINTED NAME

ADDRESS OF PROPERTY

LOT #

MAILING ADDRESS

TELEPHONE NUMBER

EMAIL ADDRESS

I hereby make application to Tennessee Wastewater Systems, Inc. ("TWS") for sewer service at the address of property stated above. In consideration of the undertaking on the part of TWS to furnish sewer service, I understand, covenant and agree as follows:

1. I understand that the components of a sewer system have been installed on the property referred to above, which is owned or occupied by me, and which is to be connected with a wastewater disposal system owned and/or maintained by TWS. I warrant that any connection to and/or subsequent use to this system by the components on my property shall be in accordance with the Rules, Regulations and Plans of TWS. Regarding my usage of the system components on my property, which are owned by me, I covenant to follow the guidelines set forth in the USER MANUAL (Do's and Don'ts for an Effluent Collection System). Should I violate these Rules and/or abuse or damage my components, I understand that I must bear the expense to repair or replace the same in accordance with the Plans of TWS.
2. I acknowledge TWS, its successors and assigns have a perpetual easement in, over, under and upon the above specified land as shown on the property plat, with the right to operate and repair all components of the sewer system on my property, including but not limited to the interceptor tank and the Interceptor Pump or Interceptor Gravity Tank systems. I further grant TWS permission to enter upon my property for any reason connected with the provision or removal of sewer service or collection therefore.
3. For all other plumbing and structures on the property, including the outfall line to the interceptor tank, I agree that I am responsible for all operation and repair thereof.
4. I hereby authorize TWS to purchase and install a cutoff valve on my side of my water meter and grant TWS exclusive right to use such valve in accordance with its Rules and Regulations. However, the use of this valve does not in any way relieve me of my obligation to pay for water service to the service provider.
5. I understand and agree to promptly pay for service at the then current schedule of rates and fees and agree to abide by and be subject to TWS's billing and cutoff procedures. Should I not pay in accordance with TWS's Rules, I agree to pay all costs of collection, including attorney fees.
6. I accept the current Rules and Regulations and the Rates and Fees Schedule and agree to abide by any amendments to such Schedules.
7. I agree that this Agreement shall remain in effect for as long as I own, reside upon or rent the above-described property. When such circumstances no longer exist, I agree to provide notice to TWS at least thirty (30) days in advance of my vacating the property.

SUBSCRIBER'S SIGNATURE

Exhibit F

Form of Deed

QUITCLAIM DEED

I, [____], Grantor, of [address], County of [____], State of Tennessee, for valuable consideration paid, the receipt of which is acknowledged, do convey and warrant to [name of grantee], of [address], County of [____], State of Tennessee, Grantee's Successors and assigns forever, all right, title and interest of the Grantor in and to that parcel of land identified situated in [____], County of [____], State of Tennessee, and bounded as follows: [insert legal description].

In witness, I, [____], have set my hand to this instrument this [____] day of [month, year].

Signed: _____
Print Name: _____

ACKNOWLEDGEMENT

The foregoing instrument was sworn to and subscribed before me this _____ day of _____, 20____ by _____ who is personally known to me or has produced _____ as identification.

Signature of Notary

My Commission Expires: _____

Exhibit G

Form of Sewer Line Easements

Tennessee Wastewater Systems, Inc.
851 Aviation Parkway
Smyrna, TN 37167

Subdivision _____
Book _____
Page _____

DEED FOR EASEMENT FOR WASTEWATER SYSTEM LINES & EQUIPMENT

This Deed made by and between _____, LLC, Grantor, and Tennessee Wastewater Systems, Inc., a public utility company, Grantee.

WITNESSETH:

WHEREAS, Grantor owns a certain Subdivision in the _____ Civil District of _____ County, Tennessee, the same being the land conveyed to them by _____ of record in Deed Book # _____, Page # _____, Register's Office of _____ County, Tennessee, and

WHEREAS, Grantee's Contractor is installing wastewater lines and equipment throughout the subdivision property for the purpose of installing a state approved sanitary sewer system, and

WHEREAS, it is the desire of the Grantor to grant a perpetual easement to the Grantee for the laying, installation, operation and maintenance of wastewater lines and equipment along, over and across the lands.

NOW, THEREFORE, Grantor, for and inconsideration of inducing Grantee to construct the said wastewater lines and equipment and for no monetary consideration and other good and valuable consideration, the receipt of all of which is hereby acknowledged, does hereby grant, give and convey unto Grantee, its successors and assigns, the perpetual right and non-exclusive easement to lay, construct and install wastewater lines and equipment and to operate, maintain and repair said wastewater system under and across their land. Said easement shall be a twenty (20) foot construction easement with a perpetual easement ten (10) feet in width (five (5) feet on either side of the wastewater lines) as shown on Exhibit A attached hereto and parallel to the wastewater lines. Grantor does hereby grant, give and convey to Grantee a perpetual right to cut, trim or remove the trees, shrubbery and like obstructions, and for the purpose of the construction, reconstruction, repairing, operating and maintaining said lines along, over and across the area which is located within Five (5) feet of the side of the center line of said wastewater line as actually installed.

It is agreed and understood that the contractor for Grantee shall be financially responsible for all damages done to the fences and any other structures at the time of installation or maintenance of the wastewater lines and shall cleanup and re-grass according to present usage.

Grantor will give notice of this deed to each and all of his assigns of the subject property.

As used where, the singular includes the plural and the masculine includes the feminine.

IN WITNESS WHEREOF, the undersigned have set their hands and seals on the _____ day of _____, 20____.

GRANTOR: _____

By: _____

GRANTEE: TENNESSEE WASTEWATER SYSTEMS, INC

By: _____

STATE OF TENNESSEE

COUNTY OF _____

Personally appeared before me, the undersigned authority, a Notary Public, in and for the State and County aforesaid, the forenamed bargainers, _____, with whom I am personally acquainted, and who acknowledged the execution of the foregoing instrument for the purpose contained therein.

Witness my hand and official seal on this the _____ day of _____, 20____.

NOTARY PUBLIC

MY COMMISSION EXPIRES:

Exhibit H

Restrictive Covenants

SPECIAL PROVISIONS REGARDING WASTEWATER DISPOSAL

Section 1. Wastewater System. The Property and each Residential Unit located thereon shall be served by a wastewater treatment and disposal system to be operated by the Wastewater Utility. Each Owner, by purchase of a Residential Unit [or Lot], agrees to enter into an agreement regarding the Wastewater System with such Wastewater Utility in form and substance satisfactory to such Wastewater Utility as approved by the Tennessee Public Utility Commission, and to abide by any rules, regulations or other requirements of such Wastewater Utility regarding the Wastewater System .

Section 2. Wastewater Utility. No individual wastewater disposal system shall be permitted on any Residential Unit. The Wastewater System of the Property will be owned and operated by the Wastewater Utility, a public utility company, which is regulated by the Tennessee Public Utility Commission. Water and sewer lines will be installed to the line of each Residential Unit. It will be the responsibility of a Lot Owner who is building a home to extend these lines to the dwelling and install components per the specifications of the Wastewater Utility.

Section 3. System Requirements.

(a) The Wastewater System being installed requires the Owner of each Residential Unit to purchase and install a tank system on the Residential Unit when constructing a building and before occupancy of the dwelling. After installation of the tank is accepted by the Wastewater Utility, all maintenance, service and/or replacement will thereafter be the responsibility of the Wastewater Utility. The Owner by accepting a deed to a Residential Unit in the _____ subdivision grants a convenience easement onto and across the property to the Wastewater Utility responsible for maintenance of the collection lines and sewer tank system. The Owner shall purchase and install, at the Owner's expense, a tank system of a size, shape, and nature as required by and in compliance with specifications as provided to the then Owner by the Wastewater Utility.

(b) Each Owner shall be required to ensure that a water shut-off valve with an appropriate valve box is installed in the water line on the Owner's side of the water meter at each residence built on a Residential Unit within the Property. The valve shall comply with specifications established by the Wastewater Utility.

(c) The Wastewater Utility will authorize the Owner to discharge wastewater into the Wastewater System only after the Wastewater Utility has inspected and approved the equipment installation.

Section 4. Owner Responsibilities. The Owner agrees that by accepting a deed to a Residential Unit and by installing and using the tank system that such Owner will not knowingly discharge nor allow to be discharged any material, chemical, solid, or liquid into the Wastewater

System that will create an environmental hazard or that will cause damage to any part of the Wastewater System.

Section 5. Fees.

(a) A stand-by fee for each Residential Unit is charged by the Wastewater Utility until a dwelling is constructed and connected to the Wastewater System and the Owner signs up for service. The amount of the stand-by fee is set by the Tennessee Public Utility Commission and is \$10.00 per month as of the date of adoption of this Declaration, or as may be amended in the future by the Tennessee Public Utility Commission. Such fee shall be paid by the Owner of each Residential Unit by the 15th of each month and shall be paid by the record Owner of such Residential Unit as of the 1st of such month.

(b) In order to secure wastewater service to a home, the Owner will be required to enter into a service agreement with the utility. The monthly rate for wastewater service is set by the Tennessee Public Utility Commission.

Section 6. Survival. The terms and conditions of this Article in its entirety shall survive closing of the sale of any Residential Unit and acceptance of a deed thereto and shall not be merged therein and shall be binding upon successive Owners of each Residential Unit.

Chesterfield Farms Longview Road Development

18-Mar-24

Projected Income Statement		Year				
Line No.	Item	Year 1	Year 2	Year 3	Year 4	Year 5
	Number of Sewer Customers	25	50	75	75	75
	<u>Access Fees</u>					
	Number of lots with sewer access but no customer	58	33	8	0	0
	Access fee revenue (\$120 x lots)	\$ 6,960.00	\$ 3,960.00	\$ 960.00	\$ -	\$ -
	<u>Operating Revenue</u>					
1	Service Revenue	\$ 15,654.00	\$ 31,308.00	\$ 46,962.00	\$ 46,962.00	\$ 46,962.00
2	Re-connect Fees	\$ -	\$ -	\$ -	\$ -	\$ -
3	Returned Check Charge	\$ -	\$ -	\$ -	\$ -	\$ -
4	Late Payment Charge	\$ -	\$ -	\$ -	\$ -	\$ -
5	Total Operating Revenue (sum of Line 1 through 4)	\$ 15,654.00	\$ 31,308.00	\$ 46,962.00	\$ 46,962.00	\$ 46,962.00
	<u>Operating Expenses</u> ¹					
6	Total salaries and wages and payroll taxes (employees only)	\$ 750.00	\$ 950.00	\$ 1,100.00	\$ 1,300.00	\$ 1,300.00
7	Outside labor expenses (non-employee)	\$ -	\$ -	\$ -	\$ -	\$ -
8	Administrative and office expenses	\$ 250.00	\$ 350.00	\$ 450.00	\$ 550.00	\$ 550.00
9	Maintenance and repair expense ²	\$ 400.00	\$ 500.00	\$ 600.00	\$ 750.00	\$ 750.00
10	Purchased water	\$ -	\$ -	\$ -	\$ -	\$ -
11	Purchased sewerage treatment	\$ -	\$ -	\$ -	\$ -	\$ -
12	Electric power expense ³	\$ 350.00	\$ 450.00	\$ 550.00	\$ 650.00	\$ 650.00
13	Chemical expense	\$ -	\$ -	\$ -	\$ -	\$ -
14	Testing fees	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00
15	Transportation expense	\$ 250.00	\$ 300.00	\$ 350.00	\$ 400.00	\$ 400.00
16	Other operating expense	\$ -	\$ -	\$ -	\$ -	\$ -
17	Telemetry	\$ 1,320.00	\$ 1,320.00	\$ 1,320.00	\$ 1,320.00	\$ 1,320.00
18	Total operation and maintenance expenses (sum of Line 6 through Line 17)	\$ 4,520.00	\$ 5,070.00	\$ 5,570.00	\$ 6,170.00	\$ 6,170.00
19	Annual depreciation expense	\$ 28,846.15	\$ 28,846.15	\$ 28,846.15	\$ 28,846.15	\$ 28,846.15
20	Property taxes paid on utility property	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00
21	Franchise (gross receipts tax)	\$ 2,075.00	\$ 2,075.00	\$ 2,075.00	\$ 2,075.00	\$ 2,075.00
22	Annual NCLC regulatory fee	\$ 665.30	\$ 1,330.59	\$ 1,995.89	\$ 1,995.89	\$ 1,995.89
23	Total operating expenses (sum of Line 18 through Line 22)	\$ 37,206.45	\$ 38,421.74	\$ 39,587.04	\$ 40,187.04	\$ 40,187.04
	<u>Income taxes</u>					
24	Income taxes	\$ -	\$ -	\$ -	\$ -	\$ -
25	State income taxes	\$ -	\$ -	\$ -	\$ -	\$ -
26	Federal income taxes	\$ -	\$ -	\$ -	\$ -	\$ -
27	Total income taxes	\$ -	\$ -	\$ -	\$ -	\$ -
28	Net operating income	\$ (14,592.45)	\$ (3,153.74)	\$ 8,334.97	\$ 6,774.97	\$ 6,774.97
29	Interest expense	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
30	Net income	\$ (15,592.45)	\$ (4,153.74)	\$ 7,334.97	\$ 5,774.97	\$ 5,774.97

1. Expenses were estimated using comparisons to known expenses from similar sewer systems.
2. It is assumed that maintenance expense will increase due to more homes sending wastewater flow into the sewer system.
3. It is assumed that electric power expense will increase due to the sewer system treating more wastewater flow.