

September 10, 2024

Karen H. Stachowski
Senior Assistant Attorney General
Financial Division, Consumer Advocate Unit
Office of the Attorney General
P.O. Box 20207
Nashville, TN 37202

Electronically Filed in TPUC Docket Room
on September 10, 2024 at 10:27 a.m.

VIA Email: karen.stachowski@ag.tn.gov

RE: Tennessee Public Utility Commission ("TPUC" or "Commission"), Docket No. 24-00050, *Petition of Tennessee Wastewater Systems, Inc. to Amend its Certificate of Convenience and Necessity to Include Star Creek and Hyde Park in Williamson County Tennessee*

Dear Ms. Stachowski,

The following are responses to your MFR letter dated August 30, 2024, related to the CCN Petition in the above referenced docket.

Rule 1220-04-13-.17(2)(a)(3) – The updated exhibit is attached.

Rule 1220-04-13-.17(2)(d)(4) - TWSI's responses to the two notices of violation and summary of TWSI's issues with the TDEC report are attached.

Rule 1220-04-13-.17(2)(e)(7) – The updated exhibit showing 50 lots is attached.

The remaining items from your letter will be addressed as discussed with documents filed as soon as they are available.

Kind regards,



Jeff Ridsen
General Counsel

cc: Kelly Cashman-Grams – kelly.grams@tn.gov

TENNESSEE WASTEWATER SYSTEMS, INC.
OWNERSHIP and ORGANIZATIONAL CHART

Ownership

Thomas Pickney 33.33%
William Pickney 33.33%
Robert Pickney 33.33%
851 Aviation Parkway
Smyrna TN, 37167
615-220-7200

Officers

Jeff Ridsen, CEO
Matthew Nicks, President
Thomas Pickney, Secretary
William Pickney, Treasurer
Tim, Barber, Controller

August 16, 2024

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
Meadowlands Subdivision Treatment Facility – SOP #11014
Montgomery County, Tennessee

Ms. Wingett:

This letter is in response to the Compliance Evaluation Inspection and Notice of Violation (“Report”) conducted at the Meadowlands treatment facility on June 18, 2024. You identified four action items in the report and TWSI responds as follows:

Action Item Responses:

1. The maintenance log and 2nd quarter MOR have been updated to reflect detail of the lightning strike. A copy of the revised MOR is attached.
2. The fencing and signage have been repaired/replaced. See attached photos.
3. Vegetation will be maintained to ensure proper operation and health of the drip fields, not for the convenience of inspections. TWSI representatives met with and discussed this issue with TDEC representatives earlier in the week. The SOP language is ambiguous and allows for too much subjectivity by the inspector. TWSI is seeking additional guidance and rulemaking from the Division on the issue.

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
Michael P. Murphy – michaelp.murphy@tn.gov
Robert Dixon – robert.dixon@tn.gov
Teri Horsley – teri.horsley@tn.gov

September 3, 2024

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
Maple Green Treatment Facility – SOP #01028
Robertson County, Tennessee

Ms. Wingett:

This letter is in response to the Compliance Evaluation Inspection and Notice of Violation (“Report”) issued after your inspection of the Maple Green Treatment Facility on July 3, 2024. You identified seven action items in the report and requested a response by September 2, 2024.


Action Item Responses:

1. The 1st Quarter 2024 Operation Report does not need to be corrected. The January inspection was conducted the day after a substantial rainfall where almost three quarters of an inch of rain fell at the treatment facility. The standing water observed in the drip field was rainwater that had not yet dissipated. It was not ponded effluent. Furthermore, the pictures provided from that inspection do not show a leak of treated effluent, but of rainfall runoff. Instances of ponding were not observed by the operator at the time of the monthly site visit, so there was no reason to note it in the log. Quarterly reports will not be changed when the facts do not support making a change. Inspector observation alone does not provide sufficient basis to require such changes – especially when the conditions under which an inspection occurs may not provide an accurate assessment of how a site is performing.

2. The 2nd Quarter 2024 Operation Report does not need to be corrected. The inspection occurred after the second quarter ended (July 3 inspection date, quarter ends on June 30). The areas observed at the July 3 inspection had been inspected the two days prior by TWSI and no leaks observed. The purple pipe that was exposed was covered by the operator while the inspector was on site, which should have been noted in the CEI-NOV. It should also be noted that the inspection occurred two days after a heavy two-day rainstorm, so any ponding observed at the July 3 inspection was due to remnants of the rainwater that had not yet been absorbed into the soil or evaporated, which occurs slower at the facility due to the drip field being in a shaded wooded area.
3. The uprooted purple pipe occurred during the aforementioned rainstorm and is noted on the 3rd Quarter 2024 Operational Report.
4. The “oil sheen” was investigated and it has been determined that what was observed in the tank was not oil. See that attached picture showing a clean sample.
5. The drip field, contrary to what is stated in this NOV, is mostly fenced. TWSI is receiving quotes to complete the fencing and will provide documentation of the completed fencing once the work is done. It would be anticipated this will be in the next 90 days, but that is dependent upon the quotes and availability of the fencing companies to do the work in that timeframe.
6. Exposed or damaged drip lines are repaired and covered 6-10’ below the surface.
7. Vegetation will be maintained to ensure proper operation and health of the drip fields, not for the convenience of inspections. TWSI representatives met with and discussed this issue with TDEC representatives a few weeks ago. The SOP language is ambiguous and allows for too much subjectivity by the inspector and does not take operational health of the fields into account. TWSI is seeking additional guidance and rulemaking from the Division on the issue.

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
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TWSI Comments on TDEC's Drip Report

The drip disposal program in Tennessee is important. With all the impacted rivers and streams, NPDES permits are virtually impossible to obtain and until more robust reuse rules are adopted to provide an additional avenue to utilize treated wastewater, drip disposal is the present and future of sewage treatment in Tennessee. TDEC's efforts to assess the condition of all the drip areas in the State is commendable and a good first step in helping the industry better understand how these systems are performing, however this effort does not provide an accurate picture of the totality of the drip program in the state.

TDEC inspected roughly 400 or so drip areas in the State over a 3-week period in January and February. These are two of the wettest and coldest months of the year. Drip fields behave differently in the winter than they do in the spring, summer, and fall. However, during these wet, cold months, normally compliant systems can appear to be non-compliant and non-compliant systems can appear even worse. TDEC conducted follow up inspections of the sites they deemed most critical in June and July. Over half of the TWSI sites deemed "critical" by TDEC after the January inspections were no longer classified as such and nothing changed with those sites other than the seasonal conditions.

The inspections, as noted in the report, are just field observations. TDEC did not take samples to determine whether the ponding or runoff they observed was wastewater (treated or untreated). For instance, runoff was observed at one site, but when TWSI tested the water (via a third-party lab), it was from an underground spring - not the sewer system. This is important because many instances of ponding that are observed is from standing rainwater or runoff from a neighboring property sitting in a low point in a drip field. This persistent saturation can and does cause the dead vegetation of the kind observed by TDEC inspectors, but it was not, in many cases, effluent. This is not a violation of the permit. It should also be noted that any effluent found to be ponding in a drip field or running off a site is treated, in the case of TWSI's systems, treated multiple times. It is not raw sewage or untreated wastewater. Its potential threat to the public is very minimal.

There certainly are some sites with serious problems (some admittedly belong to TWSI). TDEC's January inspections are a step in the right direction for the industry to get a better sense of how drip fields are operating and begin to get a better idea for how to establish reasonable rules to better regulate drip systems. However, to get a true, full picture of the state of drip systems across the state, a yearlong study – at a minimum, needs to be undertaken to evaluate how the drip fields perform and better understand the impact seasonal changes have on the operation of these systems. This report is nothing more than a small snapshot of these sites under the worst of conditions.

As for TWSI, we had two meetings, one in January and another in August, with TDEC to discuss the inspection and report. We are waiting on TDEC to issue notices of

violation for the remaining critical sites (those sites and issues have not been made known to the utility). Once the notices are received, our plan is to evaluate those sites and determine what corrective action needs to be taken. We will then propose the corrective action and seek to enter into an Agreed Order with TDEC that will outline the sites, corrective actions, timelines, and penalties should timelines not be met. Some sites will require more time, work, and resources than others; including the purchase of additional land to increase drip areas where the existing drip soils have failed. TWSI intends to use the notices and Agreed Order as the basis for a petition to the Commission to use its escrow funds, where appropriate, to complete the work necessary to bring the problematic sites into compliance.

Starwood Treatment facility
Amended August 30, 2024

Projected Income Statement						
Line No.	Item	Year 1	Year 2	Year 3	Year 4	Year 5
	Number of Sewer Customers	20	40	50	50	50
	<u>Access Fees</u>					
	Number of lots with sewer access but no customer	30	10	0	0	0
	Access fee revenue (\$120 x lots)	\$ 3,600.00	\$ 1,200.00	\$ -	\$ -	\$ -
	<u>Operating Revenue</u>					
1	Service Revenue	\$ 11,488.80	\$ 22,977.60	\$ 28,722.00	\$ 28,722.00	\$ 28,722.00
2	Re-connect Fees	\$ -	\$ -	\$ -	\$ -	\$ -
3	Returned Check Charge	\$ -	\$ -	\$ -	\$ -	\$ -
4	Late Payment Charge	\$ -	\$ -	\$ -	\$ -	\$ -
5	Total Operating Revenue (sum of Line 1 through 4)	\$ 11,488.80	\$ 22,977.60	\$ 28,722.00	\$ 28,722.00	\$ 28,722.00
	<u>Operating Expenses</u> ¹					
6	Total salaries and wages and payroll taxes (employees only)	\$ 350.00	\$ 450.00	\$ 550.00	\$ 650.00	\$ 650.00
7	Outside labor expenses (non-employee)	\$ -	\$ -	\$ -	\$ -	\$ -
8	Administrative and office expenses	\$ 100.00	\$ 125.00	\$ 150.00	\$ 150.00	\$ 150.00
9	Maintenance and repair expense ²	\$ 200.00	\$ 300.00	\$ 400.00	\$ 500.00	\$ 500.00
10	Purchased water	\$ -	\$ -	\$ -	\$ -	\$ -
11	Purchased sewerage treatment	\$ -	\$ -	\$ -	\$ -	\$ -
12	Electric power expense ³	\$ 220.00	\$ 280.00	\$ 340.00	\$ 340.00	\$ 340.00
13	Chemical expense	\$ -	\$ -	\$ -	\$ -	\$ -
14	Testing fees	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00
15	Transportation expense	\$ 100.00	\$ 150.00	\$ 200.00	\$ 200.00	\$ 200.00
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)	\$ 2,540.00	\$ 2,875.00	\$ 3,210.00	\$ 3,410.00	\$ 3,410.00
19	Annual depreciation expense	\$ 28,923.08	\$ 28,923.08	\$ 28,923.08	\$ 28,923.08	\$ 28,923.08
20	Property taxes paid on utility property	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00
21	Franchise (gross receipts tax)	\$ 28.72	\$ 57.44	\$ 71.81	\$ 71.81	\$ 71.81
22	Annual NCUC regulatory fee	\$ 488.27	\$ 976.55	\$ 1,220.69	\$ 1,220.69	\$ 1,220.69
23	Total operating expenses (sum of Line 18 through Line 22)	\$ 32,880.08	\$ 33,732.07	\$ 34,325.57	\$ 34,525.57	\$ 34,525.57
	Income taxes	\$ -	\$ -	\$ -	\$ -	\$ -
24	State income taxes	\$ -	\$ -	\$ -	\$ -	\$ -
25	Federal income taxes	\$ -	\$ -	\$ -	\$ -	\$ -
26	Total income taxes	\$ -	\$ -	\$ -	\$ -	\$ -
27	Net operating income	\$ (17,791.28)	\$ (9,554.47)	\$ (5,603.57)	\$ (5,803.57)	\$ (5,803.57)

