

BEFORE THE TENNESSEE PUBLIC SERVICE COMMISSION
Nashville, Tennessee

APRIL 6, 1994

IN RE: THE APPLICATION OF ON-SITE SYSTEMS, INC. FOR A
CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE
SEWAGE COLLECTION, TREATMENT AND DISPOSAL FOR A PROPOSED
DEVELOPMENT IN MAURY COUNTY.

DOCKET NO. 93-09040

O R D E R

This matter is before the Tennessee Public Service Commission upon the application of On-Site Systems, Inc. for a Certificate of Convenience and Necessity as set forth in the above caption.

The matter was set for hearing and was heard on February 23, 1994, before Mack H. Cherry, Administrative Judge. On March 17, 1994 the Administrative Judge issued his Initial Order recommending that the application be granted.

The Commission considered this matter at the Commission Conference held on April 5, 1994. It was concluded after careful consideration of the entire record, including the Administrative Judge's Initial Order and all applicable laws and statutes and particularly the requirements of T.C.A. 65-15-107 that the Administrative Judge's Initial Order should be approved and the authority granted. The Commission further ratifies and adopts the findings and conclusions of the Administrative Judge as its own.

IT IS THEREFORE ORDERED:

1. That the Administrative Judge's Initial Order dated March 17, 1994, in this docket is hereby ratified, adopted and incorporated by reference in this Order as fully as though copied verbatim herein, including the findings and conclusions of the Administrative Judge which the Commission adopts as its own.


2. That On-Site Systems, Inc. is hereby authorized to provide sewage collection, treatment and disposal for a proposed

development in Maury County.


3. That any party aggrieved with the Commission's decision in this matter may file a Petition for Reconsideration with the Commission within ten (10) days from and after the date of this Order.

4. That any party aggrieved with the Commission's decision in this matter has the right of judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty (60) days from and after the date of this Order.

ATTEST:


EXECUTIVE DIRECTOR


CHAIRMAN


COMMISSIONER


COMMISSIONER

BEFORE THE TENNESSEE PUBLIC SERVICE COMMISSION
Nashville, Tennessee
March 17, 1994

IN RE: APPLICATION OF ON-SITE SYSTEMS, INC. FOR A
CERTIFICATE OF CONVENIENCE AND NECESSITY TO
PROVIDE SEWAGE COLLECTION, TREATMENT AND DISPOSAL
FOR A PROPOSED DEVELOPMENT IN MAURY COUNTY.

DOCKET NO. 93-09040

ORDER

This matter is before the Tennessee Public Service Commission upon its own motion.

Having reviewed the Initial Order in the above captioned matter on March 17, 1994, the Commission, pursuant to T.C.A. Section 4-5-315(b), hereby notifies all parties that it will review all issues raised in the record of this proceeding before the Administrative Judge.

Any party may note an exception to the Initial Order by filing a brief with the Commission within five days of the date of this order. Reply briefs may also be filed within five days after filing exceptions. Any party may request oral argument on the issues raised in the briefs.

Requests for extensions of time within which to file briefs must be made in writing to the Executive Director of this Commission and accompanied by a proposed order to be signed by the Chairman of this Commission. The request must

Indicate that copies of the request and proposed order have been served on all parties.

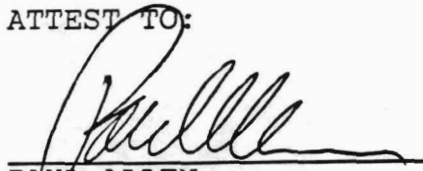
The Commission decision to review the Initial Order does not affect any party's right to petition the Administrative Judge to reconsider the Initial Order pursuant to T.C.A. Section 4-5-317. Should such a petition be filed, the time limits set forth in this Order for the submission for exceptions and replies will be suspended and will begin to run ab initio, from the date of the final order disposition of the petition to reconsider.


CHAIRMAN FRANK COCHRAN


COMMISSIONER KEITH BISSELL


COMMISSIONER STEVE HEWLETT

ATTEST TO:


PAUL ALLEN
EXECUTIVE DIRECTOR

TENNESSEE PUBLIC SERVICE COMMISSION
460 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243-0505

FRANK COCHRAN, CHAIRMAN
KEITH BISSELL, COMMISSIONER
STEVE HEWLETT, COMMISSIONER
PAUL ALLEN, EXECUTIVE DIRECTOR



RECEIVED

MAR 17 1994

TN PUBL. SERVICE COM. M.
UTILITY RATE DIVISION

March 17, 1994

Mr. Robert J. Pinkney
7638 River Road Pike
Nashville, Tennessee 37209

IN RE: THE APPLICATION OF ON-SITE SYSTEMS, INC. FOR A
CERTIFICATE OF CONVENIENCE AND NECESSITY.

DOCKET NO. 93-09040

Dear Mr. Pinkney:

I have enclosed a copy of the Initial Order of the Administrative Judge in the case noted above.

The Commission will review all of the issues addressed by the Judge in his decision and will provide all parties an opportunity to express their opinion of the findings of the Judge.

Enclosed is a copy of the order setting the matter for review. This order does not affect your right to request reconsideration of the Initial Order of the Administrative Judge.

Sincerely,

Paul Allen
Executive Director

enclosures

OFFICIAL FILE

PLEASE

DO NOT REMOVE

BEFORE THE TENNESSEE PUBLIC SERVICE COMMISSION
Nashville, Tennessee
March 17, 1994

IN RE: APPLICATION OF ON-SITE SYSTEMS, INC. FOR A CERTIFICATE OF
CONVENIENCE AND NECESSITY TO PROVIDE SEWAGE COLLECTION,
TREATMENT AND DISPOSAL FOR A PROPOSED DEVELOPMENT IN
MAURY COUNTY

DOCKET NO. 93-09040

INITIAL ORDER

This matter is before the Tennessee Public Service Commission upon the petition of On-Site Systems, Inc., (On-Site Systems or Petitioner) for a certificate of public convenience and necessity to provide sewage collection, treatment and disposal for a proposed development of a 175 acre parcel of land in Maury County, Tennessee.

The matter was set for hearing and heard on February 23, 1994 before Administrative Judge Mack Cherry, at which time the following appearances were made:

APPEARANCES:

ROBERT J. PINKNEY, 7638 River Road Pike, Nashville, TN 37209, appearing on behalf of the petitioner, pro se

DAVID W. YATES, Assistant General Counsel, Tennessee Public Service Commission, 460 James Robertson Parkway, Nashville, Tennessee 37243-0505, appearing on behalf of the Commission Staff.

A proposed initial order was filed by the Staff March 16.

Certificates of Public Convenience and Necessity are granted pursuant to T.C.A. 65-4-204. Should a certificate be granted, rates approved must be just and reasonable and must conform to the requirements of T.C.A. 65-5-201.

THE APPLICANT

On-Site Systems is a corporation established to provide sewage collection, treatment and disposal for a proposed development of a 175 acre parcel of land in Maury County, Tennessee. The Petitioner is owned by Robert Pinkney and his two brothers and is based in Nashville. Robert Pinkney testified as President of On-Site Systems. Mr. Pinkney is an engineer with a degree from Tennessee Technological University. He and his brothers have substantial experience in this type of engineering.

Currently there is no sewer service available to the site and none is projected to be available in the future. The Maury County Commission has passed resolutions prohibiting the Board of Utilities from providing sewer service in this area. Individual sewage disposal systems are not possible due to large areas of poor soil. The Petitioner has proposed to serve approximately 65 lots in this development. Mr. Pinkney testified that the plans for the system include a small diameter gravity collection system, with sub-surface disposal via a low pressure pipe distribution system. The plans will be reviewed and approved by the Division of Ground Water Protection of the Department of Health and Environment. The concept is relatively new in this area. Mr. Pinkney learned of the concept from similar sewer system developments in the western states.

The developer of the property will pay for all design and installation of the sewer system. On-Site Systems, Inc. will have no capital investment in the system and the developer will turn the system over upon completion to On-Site Systems, Inc.

Rates

The Company proposed a total monthly rate of \$8.49 plus bond costs. As a condition of approval, the Maury County Planning Commission will require a bond, however, the exact amount and type are not known at this time. According to Mr. Pinkney, the Maury County Planning Commission will determine the amount of the bond after the Tennessee Public Service Commission issues a final order in this docket. Mr. Brent Bustin, Financial Analyst for the Commission, testified that the \$8.49 flat rate per month is reasonable based on similar charges for other regulated sewer companies and the City of Spring Hill, the closest incorporated area to the proposed system. However, Mr. Bustin recommended that the Commission not set rates based on the future action of the Maury County Planning Commission. Mr. Bustin recommended that the Company file a petition for a rate increase, if necessary, after the bond issue is settled.

CONCLUSION

Mr. Pinkney appears knowledgeable and well qualified to bring about the utility. The sewer system proposed should serve the interest of the people who come to live in the development as well as the surrounding community. The concept proposed should have application in other areas of the state in the future.

On-Site Systems appears to have satisfied the requirements of T.C.A. 65-4-204. The public convenience and necessity will be well served by a grant of the authority. I also find that the flat rate of \$8.49 per month is just and reasonable.

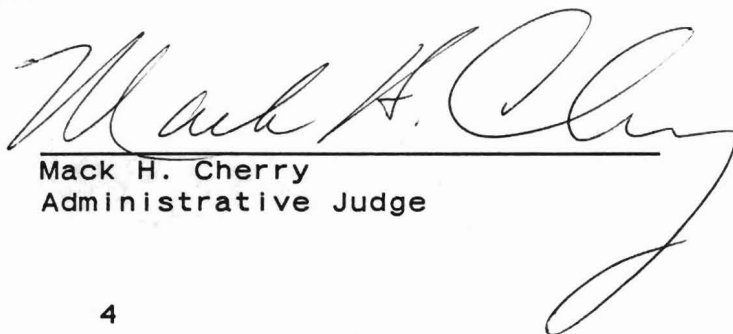
T.C.A. 4-5-315 provides that all parties shall have an opportunity to appeal initial orders to the Commission. However, the Commission reviews all initial orders, thereby assuring review. All parties may file exceptions in the form of a brief setting forth specific issues. The exceptions and any replies will be considered by the Commission in its review. The Commission will consider the matter in a regularly scheduled Commission Conference. Affected parties may then seek reconsideration of the Commission's Final Order or may appeal the Final Order to the Court of Appeals, Middle Division, within 60 (sixty) days of the Final Order.

This Initial Order is prepared in conformity with the Tennessee Uniform Administration Procedures Act, T.C.A. 4-5-101, et seq. Procedures whereby parties seek review stay or reconsideration are found in T.C.A. 4-5-315 - 318. Judicial review of Commission orders is described in T.C.A. 4-5-322.

IT IS THEREFORE ORDERED:

1. That a public certificate of convenience and necessity be granted to On-Site Systems, Inc. to provide sewage collection, treatment and disposal for a proposed development in Maury County, Tennessee.

2. The rate of \$8.49 per month is reasonable and is hereby approved. On-Site Systems, Inc. is hereby ordered to file a tariff with the Commission containing those rates.


Mack H. Cherry
Administrative Judge

BEFORE THE TENNESSEE PUBLIC SERVICE COMMISSION
NASHVILLE, TENNESSEE
FEBRUARY 23, 1994

IN RE: ON-SITE SYSTEMS, INC.

PETITION FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO
PROVIDE SEWAGE COLLECTION, TREATMENT AND DISPOSAL FOR A
PROPOSED DEVELOPMENT IN MAURY COUNTY

DOCKET NO. 93-09040

BEFORE: MACK CHERRY
ADMINISTRATIVE JUDGE

APPEARANCES:

FOR PICKNEY BROS., INC.

ROBERT J. PICKNEY
7638 RIVER ROAD PIKE
NASHVILLE, TN 37209-5733

FOR THE TENNESSEE PUBLIC SERVICE COMMISSION

DAVID YATES
460 JAMES ROBERTSON PARKWAY
NASHVILLE, TN 37243-0505

FOR MAURY COUNTY

MICHAEL S. DELVIZIS
TRIBBLE & RICHARDSON, INC.
CENTURY CITY PLAZA 1, SUITE 100
51 CENTURY BOULEVARD
NASHVILLE, TN 37214

(Send copy of Order to:
Maury County
Maury County Courthouse
Columbia, TN

Attn: Sam Kennedy, County Executive
Judy Langsdon, Community Development Director)

MARGARET HEATH
REPORTER

Order to be written by
Mr. Yates

TENNESSEE PUBLIC SERVICE COMMISSION

460 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243-0505

FRANK COCHRAN, CHAIRMAN
KEITH BISSELL, COMMISSIONER
STEVE HEWLETT, COMMISSIONER

PAUL ALLEN, EXECUTIVE DIRECTOR
HENRY M. WALKER, GENERAL COUNSEL



February 11, 1994

Mr. Paul Allen
Executive Director
Tennessee Public Service Commission
O F F I C E

IN RE: PETITION OF ON-SITE SYSTEMS, INC. FOR A CERTIFICATE OF
CONVENIENCE AND NECESSITY TO PROVIDE SEWAGE COLLECTION,
TREATMENT AND DISPOSAL FOR A PROPOSED DEVELOPMENT IN
MAURY COUNTY.

DOCKET NO. 93-09040

Dear Mr. Allen:

Attached is the testimony of Staff witness Brent L. Bustin in the
above styled cause to be heard on Wednesday, February 23, 1994,
at 9:30 A.M., in the Commission Hearing Room, 460 James Robertson
Parkway, Nashville, Tennessee. Sufficient copies are being
furnished to the Commission and parties of record.

Sincerely,

David Yates
Assistant General Counsel

DY:bb
Attachment

xc: Parties of Record

Exh 1

Before The
PUBLIC SERVICE COMMISSION
Of The
STATE OF TENNESSEE

in re:
ON-SITE SYSTEMS, INC.
(Docket No. 93-09040)

Testimony
of
Brent L. Bustin

February 1994

1 **Q. Please state your name for the record.**

2 A. My name is Brent L. Bustin.

3 **Q. By whom are you employed and what is your position?**

4 A. I am employed by the Tennessee Public Service Commission as a Financial
5 Analyst.

6 **Q. How long have you been employed by the Commission?**

7 A. Approximately four years.

8 **Q. What is your educational background and what degrees do you hold?**

9 A. I have a Bachelors degree in Business Administration from Belmont College with a
10 major in Accounting and a Bachelors degree in Mathematics from the University of
11 Southern Mississippi. I am licensed to practice as a Certified Public Accountant in
12 Tennessee.

13 **Q. Would you briefly describe your duties as a Financial Analyst since your**
14 **employment with the Commission?**

15 A. I have participated in several rate case audits of utilities subject to the
16 Commission's jurisdiction. In addition, I have assisted in the preparation of
17 testimony and exhibits presented in Commission hearings. I have also been
18 involved with the audit and analysis of the various financial reports submitted by
19 utilities to this Commission.

20 **Q. What is the purpose of your testimony?**

21 A. The purpose of my testimony is to present information to the Commission
22 regarding the Staff's consideration of the petition of On-Site Systems, Inc.
23 (Company) for a Certificate of Convenience and Necessity (CCN).

24 **Q. Please explain what On-Site System, Inc. is.**

25 A. On-Site Systems, Inc. is a corporation established to provide sewage collection,
26 treatment and disposal for a proposed development of a 175 acre parcel of land in
27 Maury County, Tennessee. There is currently no sewer service available to this

1 site and none is projected to be available by an established system in the future.
2 Since there is a public need for this service, the Company has proposed to develop
3 approximately 65 lots that the system will serve.

4 **Q. Does the Company have any customers now?**

5 A. No. At this time, the Company does not have any customers. However, the
6 Company has stated that they plan to serve approximately 65 customers in this
7 development with possible expansion of the system as the customer base expands.
8 The Company does not have a definite time period that this work will be
9 completed.

10 **Q. What rate structure does the Company intend to charge the customers of the**
11 **system?**

12 A. The Company has proposed that the total monthly rate would be \$8.49 plus bond
13 costs. As a condition of approval, the Maury County Planning Commission will
14 require a bond, however, the exact amount and type are not known at this time.
15 According to the Company, the Maury County Planning Commission will
16 determine the amount of the bond after the Public Service Commission (PSC)
17 issues a final order for this docket.

18 **Q. Does the county commission's requirement for the bond cause any problems**
19 **with the PSC?**

20 A. Yes. The Public Service Commission will not set utility rates based on the future
21 action of another regulatory agency which uses the decision of the PSC in
22 establishing a bond for operation for the system in question. The Staff proposes to
23 allow the Company to charge the \$8.49 requested. If the Company feels that a
24 rate increase is warranted after the bond issue is settled, it may then petition the
25 PSC for a rate increase.

26 **Q. What rate structure does the Staff propose for On-Site Systems, Inc.?**

27 A. The Staff feels that the \$8.49 flat rate per month is reasonable based on similar

1 charges for other regulated sewer companies and the City of Spring Hill, the
2 closest incorporated area to the proposed system.

3 **Q. Does the Company understand how it must keep its records and books?**

4 A. The Staff has provided the Company with both the TPSC rules and regulations and
5 the Uniform System of Accounts for Class C and D water/sewer systems. The
6 Company understands that upon approval of this CCN, it must keep its books and
7 records in accordance with the requirements contained in these publications.

8 **Q. What is the Staff's recommendation to the Commission in regards to On-Site
9 Systems, Inc.?**

10 A. The Staff recommends that the CCN be approved for On-Site Systems, Inc. and
11 that the initial rate be \$8.49 per month.

12 **Q. Does this conclude your testimony?**

13 A. Yes, it does.

Affidavit

State of Tennessee)
)
County of Davidson)

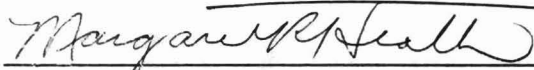
Brent L. Bustin, being first duly sworn, deposes and says that he is the same Brent L. Bustin whose prepared testimony accompanies this affidavit.

Brent L. Bustin further states that, to the best of his knowledge and belief, his answers to the questions contained in such prepared testimony are true and accurate to the best of his knowledge and belief.

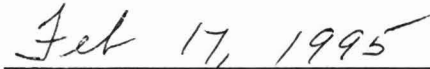


Brent L. Bustin

Sworn to and subscribed before me,
a Notary Public, on this the 11th
day of February, 1994.



My Commission Expires:



TENNESSEE PUBLIC SERVICE COMMISSION

460 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243-0505

FRANK COCHRAN, CHAIRMAN
KEITH BISSELL, COMMISSIONER
STEVE HEWLETT, COMMISSIONER



REC'D TN. PUBLIC
SERVICE COMM.
PAUL ALLEN, EXECUTIVE DIRECTOR
HENRY WALKER, GENERAL COUNSEL
1994 FEB 11 AM 11:26

OFFICE OF THE
EXECUTIVE DIRECTOR

February 11, 1994

Mr. Paul Allen
Executive Director
Tennessee Public Service Commission
O F F I C E

IN RE: PETITION OF ON-SITE SYSTEMS, INC. FOR A CERTIFICATE OF
CONVENIENCE AND NECESSITY TO PROVIDE SEWAGE COLLECTION,
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Sincerely,

A handwritten signature in dark ink, appearing to read "David Yates", is written over a horizontal line.

David Yates
Assistant General Counsel

DY:bb
Attachment

xc: Parties of Record

Before The
PUBLIC SERVICE COMMISSION
Of The
STATE OF TENNESSEE

in re:
ON-SITE SYSTEMS, INC.
(Docket No. 93-09040)

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February 1994

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19 **with the PSC?**

20 A. Yes. The Public Service Commission will not set utility rates based on the future
21 action of another regulatory agency which uses the decision of the PSC in
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3 **Q. Does the Company understand how it must keep its records and books?**

4 A. The Staff has provided the Company with both the TPSC rules and regulations and
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8 **Q. What is the Staff's recommendation to the Commission in regards to On-Site
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10 A. The Staff recommends that the CCN be approved for On-Site Systems, Inc. and
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12 **Q. Does this conclude your testimony?**

13 A. Yes, it does.

Affidavit

State of Tennessee)
)
County of Davidson)

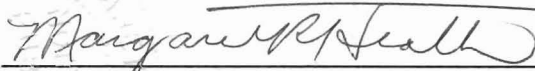
Brent L. Bustin, being first duly sworn, deposes and says that he is the same Brent L. Bustin whose prepared testimony accompanies this affidavit.

Brent L. Bustin further states that, to the best of his knowledge and belief, his answers to the questions contained in such prepared testimony are true and accurate to the best of his knowledge and belief.




Brent L. Bustin

Sworn to and subscribed before me,
a Notary Public, on this the 11th
day of February, 1994.



My Commission Expires:



TENNESSEE PUBLIC SERVICE COMMISSION

460 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243-0505

FRANK COCHRAN, CHAIRMAN
KEITH BISSELL, COMMISSIONER
STEVE HEWLETT, COMMISSIONER

PAUL ALLEN, EXECUTIVE DIRECTOR
HENRY M. WALKER, GENERAL COUNSEL



NOTICE OF HEARING

DOCKET: 93-09040

PETITIONER: ON-SITE SYSTEMS, INC.

PETITIONER'S ATTORNEY: Robert J. Pickney

IN RE PETITION OF ON-SITE SYSTEMS, INC. FOR CERTIFICATE OF
CONVENIENCE AND NECESSITY TO PROVIDE SEWAGE COLLECTION,
TREATMENT AND DISPOSAL FOR A PROPOSED DEVELOPMENT IN
MAURY COUNTY

DATE: February 4, 1994

Pursuant to T.C.A. 65-4-203, the Commission has scheduled a hearing in the above captioned proceeding for Wednesday, February 23, 1994 at 9:30 a. m. in the Hearing Room on the ground floor of the Tennessee Public Service Commission, 460 James Robertson Parkway, Nashville, Tennessee, 37243-0505.

The hearing will be conducted in accordance with the Tennessee Uniform Administrative Procedures Act, T.C.A. 4-5-101 et seq. All parties are entitled to be represented by counsel.

Any motion to change the date of this hearing must be made in writing, filed with the office of the Executive Director of the Commission, and directed either to the presiding Administrative Judge or the Chairman of the Commission. Copies of the motion must be served on all parties.

FOR THE TENNESSEE PUBLIC SERVICE COMMISSION:

Paul Allen, Executive Director

cc: Interested Parties

PA/db

Tennessee Association of Broadcasters
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Nashville, TN 37224-1015

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Reese L. Smith, Jr.
Cartwright Creek Util. Co.
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Mr. Donald O. Peterson
Chairman - Tenn State Leg. Comm.
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Nashville, TN 37221-2448

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Mr. J. William Denny
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Mr. E. B. Blasingame
Aqua Utilities Company
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Adamsville, TN 37310

Ms. Elizabeth Owen, Director
Tennessee Dept of Consumer Affairs
500 James Robertson Pky
5th Floor, Volunteer Plaza
Nashville, TN 37243-0600

Thomas R Pickney
On-site Systems, Inc.
7996 River Rd Pike
Nashville, TN 37209

Kenneth Ledbetter, Chairman
Maury Co Board of Public Util
County Courthouse
Room 104
Columbia, TN 38401

James Bailey
Chairman of County Commission
PO Box 531
Mt Pleasant, TN 38474

Sam Kennedy
Maury County Executive
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Columbia, TN 38401

Robert J Pickney
On-site Systems, Inc.
307 Patton Drive
Mt Juliet, TN 37122

William E Pickney
On-site Systems, Inc.
7640 River Rd Pike
Nashville, TN 37209

The Daily Herald
P.O. Box 1425
Columbia, TN 38402

The Record
P.O.Box 1425
Columbia, TN 38402-1425

The Shopper
P.O. Box 1424
Columbia, TN 38401

Bob McKay
WKRM/WKOM
Box 1377
Columbia, TN 38401

Carl Swafford
WXRQ
4007 Westwood Drive
Columbia, TN 38401-5062

Earl Williford
WMCP
Box 711
Columbia, TN 38401

News Director
WCMG
609 West 7th Street
Columbia, TN 38401-3138

ON-SITE SITE SYSTEMS INC.
A PUBLIC UTILITY COMPANY

SERVICE COMM.

1993 DEC -3 PM 1:26

OFFICE OF THE
EXECUTIVE DIRECTOR

79310
12/11/93

November 29, 1993

Mr. Paul Allen
Executive Director
Tennessee Public Service Commission
460 James Robertson Parkway
Nashville TN 37243-0505

OFFICIAL FILE
PLEASE
DO NOT REMOVE

93-9040

Dear Mr. Allen:

Pursuant to information received from your office, we are herewith submitting our "PETITION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY."

We trust that the information contained in the attached petition is self explanatory; however, should you require additional information, please contact Robert Pickney, On-Site Systems Inc., 7638 River Road Pike, Nashville TN 37209-5733, phone 615-356-7294, at your convenience.

Sincerely,



Robert J. Pickney, President
On-Site Systems Inc.

**PETITION FOR A CERTIFICATE OF
CONVENIENCE AND NECESSITY**

Item I; Utility's Owners:

Onsite Systems Inc. is owned by the following individuals:

Robert J. Pickney, P.E.
307 Patton Drive
Mt. Juliet TN 37122
Ownership - 33-1/3%

William E. Pickney
7640 River Road Pike
Nashville TN 37209
Ownership - 33-1/3%

Thomas R. Pickney
7996 River Road Pike
Nashville TN 37209
Ownership - 33-1/3%

Officers and Managers:

President: Robert J. Pickney, P.E.

Vice-President: Thomas R. Pickney

Secretary - Treasurer: William E. Pickney

Manager: Robert J. Pickney, P.E.

Item II; Description of Service

On-Site Systems Inc. intends to provide sewage collection, treatment and disposal for the proposed development of a 175 acre parcel of land known as Maury County Tax Map 9 Parcel 2. (Cecil Keltner Property).

Item III; Service Area

The area to be served the On-Site Systems Inc. is known as Maury County Tax Map 9 Parcel 2. The property is located on Hardison Road. There is no sewer service available to this site, nor is any projected in the near future. There is a public need for this service. Approximately 65 lots will be served at this facility. Additional customers are expected in the near future on nearby parcels.

Item IV; Franchise or Ordinance

See attached resolution from the Maury County Board of Public Utilities. (Addendum #1)

Item V; Public Need

Maury County is in the midst of an influx of development. The highest and best use of the proposed site is for use as residential development. Public sewer is not available, and the Maury County Commission has passed resolutions prohibiting Board of Utilities from providing sewer service in the future. Individual sewage disposal systems are not possible due to large areas of poor soils.

It is therefore in the best public interest, to insure the general public health and integrity of the environment, that a utility be established to serve the approximate 65 customers of this development, with the possibility serving many other areas of Maury County in the expanded future.

Item VI; Engineering and Construction Plans

Plans and specifications are presently being prepared. Preliminary plans are for a small diameter gravity collection system, with subsurface disposal via a Low Pressure Pipe Distribution system. Plans will be reviewed and approved by the Division of Ground water Protection of the Department of Health and Environment.

Item VII; Financial Statement

On-Site Systems Inc. is a new corporation established for the exclusive purpose of owning and operating sewage collection, treatment and disposal systems. At present, the corporation has been chartered, but has conducted no business. On-Site Systems will be capitalized as needed by owners at the appropriate time. See personal financial statements of owners; Addendum # 2

Item VIII; A- Construction Cost Estimates:

Small Diameter Collection System and subsurface disposal \$2750 / lot

Total Project Cost	65 Lots @ \$2750	\$178,750
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(Developer will pay for all design and installation of sewage system; On-Site Systems will have no capital investment in system. Developer will turn over system upon completion to On-Site Systems Inc.

B- Revenues and Expenses (1st year)

Revenues for the first year will be nominal, due to the need to build new homes and bring them on-line as rate payers. However, since there is little true operating cost (electricity for lift station) the expenses will be commiserate with expenses. See Addendum # 3 for longterm Septic System Expense.

Item IX; Proposed Rate:

Sewer: 8.49 + (cost of bonding operation) per month

SPAIN & WATERS, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

MELVIN C. SPAIN, JR., CPA
FRANK A. WATERS, JR., CPA

(615) 269-9395
FAX (615) 297-6987

To William E. Pickney
1401 Lost Hollow Lane
Ashland City, TN 37015

We have compiled the accompanying statement of financial condition of William E. Pickney as of June 30, 1993 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of the individuals whose financial statements are presented. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Spain & Waters, P.C.

November 30, 1993

WILLIAM E. PICKNEY
STATEMENT OF FINANCIAL CONDITION
JUNE 30, 1993

ASSETS

Cash	\$ 19,100
Accounts and Loans Receivable (Note B)	37,500
Investments (Note C)	
Pickney Development	78,000
Pickney Brothers, Inc.	27,255
TJB, Limited Partnership	4,000
Real Estate (Note D)	260,000
Automobiles (Note E)	3,500
Personal effects (Note E)	15,000

	\$ 444,355
	=====

LIABILITIES

-0-

NET WORTH

\$ 455,355
=====

SEE ACCOMPANYING NOTES AND ACCOUNTANTS' REPORT

WILLIAM E. PICKNEY
NOTES TO FINANCIAL STATEMENT
JUNE 30, 1993

NOTE A-BASIS OF ACCOUNTING

The accompanying financial statements include the assets and liabilities of William E. Pickney. Assets are stated at their estimated current values and liabilities at their estimated current amounts.

NOTE B-ACCOUNTS AND LOANS RECEIVABLE

Accounts receivable consist of a demand note receivable from Pickney Development Co., Inc. which is non-interest bearing.

NOTE C-INVESTMENTS

The estimated current values of investments are determined by the projected annual cash receipts and payments capitalized at rates determined by Mr. Pickney.

NOTE D-REAL ESTATE

The estimated current values of real estate are determined by prevailing market values for similar property in the area as determined by local real estate brokers. A summary of the properties held is as follows:

Address	Acres	Improvements	Mortgage	Market Value	Payments	Yr. Acquired
588 Hannah Ford	1.5	4 Apartments	-0-	40,000	-0-	1,985
Lot 28, Dry Creek	3	Trailer	-0-	20,000	-0-	1,982
1401 Lost Hollow Lane	1	House	-0-	140,000	-0-	1,986
1494 Pond Creek	1	House	-0-	60,000	-0-	1,991
TOTALS			-0-	260,000	-0-	

WILLIAM E. PICKNEY
NOTES TO FINANCIAL STATEMENT
JUNE 30, 1993

NOTE E-AUTOMOBILES AND PERSONAL EFFECTS

The estimated current value of automobiles and personal effects are based on current fair market values of these assets.

NOTE F-OTHER INFORMATION

Other information related to the financial condition of William E. Pickney is as follows:

Business or Occupation:

Contractor

Partner in other ventures:

Pickney Brothers/Pickney Development

Dependent Children:

None

Current Will:

Yes

General Information:

Are any assets pledged?

No

Are you a defendant in any legal actions?

No

Have you ever taken bankruptcy?

No

Banking Relationships:	Cash Balance	Loans Outstanding	Secured By
First American Bank	\$ 12,000	-0-	N/A
Nashville Bank of Commerce	7,100	-0-	N/A
Total	\$ 19,100		

Sources of Income:

Salary	\$ -0-
Real Estate Income	16,080
Pickney Brothers	6,197
Total	\$ 22,277

WILLIAM E. PICKNEY
NOTES TO FINANCIAL STATEMENT
JUNE 30, 1993

NOTE F-OTHER INFORMATION (CONTINUED)

Banking References:

Kevin Marchetti, Third National Bank, Murfreesboro Road Branch, Nashville, TN

THOMAS R. AND MARY JO PICKNEY
STATEMENT OF FINANCIAL CONDITION
JUNE 30, 1993

SPAIN & WATERS, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

MELVIN C. SPAIN, JR., CPA
FRANK A. WATERS, JR., CPA

(615) 269-9395
FAX (615) 297-6987

To Thomas R. and Mary Jo Pickney
7996 River Road
Nashville, TN 37209

We have compiled the accompanying statement of financial condition of Thomas R. and Mary Jo Pickney as of June 30, 1993 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of the individuals whose financial statements are presented. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Spain & Waters, P.C.

November 30, 1993

**THOMAS R. AND MARY JO PICKNEY
STATEMENT OF FINANCIAL CONDITION
JUNE 30, 1993**

ASSETS

Cash	\$ 13,000
Accounts and Loans Receivable (Note B)	37,500
Investments (Note C)	
Pickney Development	78,000
Pickney Brothers, Inc.	27,255
TJB, Limited Partnership	8,000
Real Estate (Note D)	213,000
Automobiles (Note E)	6,000
Personal effects (Note E)	23,000

	\$ 405,755
	=====

LIABILITIES

Notes Payable (secured)	\$ 20,250
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NET WORTH

\$ 385,505

\$ 405,755
=====

SEE ACCOMPANYING NOTES AND ACCOUNTANTS' REPORT

THOMAS R. AND MARY JO PICKNEY
NOTES TO FINANCIAL STATEMENT
JUNE 30, 1993

NOTE A-BASIS OF ACCOUNTING

The accompanying financial statements include the assets and liabilities of Thomas R. and Mary Jo Pickney. Assets are stated at their estimated current values and liabilities at their estimated current amounts.

NOTE B-ACCOUNTS AND LOANS RECEIVABLE

Accounts and Loans Receivable consist of a demand note receivable from Pickney Development Co., Inc. which is non-interest bearing.

NOTE C-INVESTMENTS

The estimated current values of investments are determined by the projected annual cash receipts and payments capitalized at rates determined by Mr. and Mrs. Pickney.

NOTE D-REAL ESTATE

The estimated current values of real estate are determined by prevailing market values for similar property in the area as determined by local real estate brokers. A summary of the properties held is as follows:

Address	Acres	Improvements	Mortgage	Market Value	Payments	Yr. Acquired
586 Hannah Ford	50% ownership	4 Apartments	-0-	40,000	-0-	1,985
Chestnut Lane	7.4	House/Trailer	-0-	60,000	-0-	1,980
810 Bellevue	#281	Condo	16,300	43,000	200	1,986
1492 Pond Creek	1	House	-0-	70,000	-0-	1,991
TOTALS			16,300	213,000	200	

**THOMAS R. AND MARY JO PICKNEY
NOTES TO FINANCIAL STATEMENT
JUNE 30, 1993**

NOTE E-AUTOMOBILES AND PERSONAL EFFECTS

The estimated current value of automobiles and personal effects are based on current fair market values of these assets.

NOTE F-OTHER INFORMATION

Other information related to the financial condition of Thomas R. and Mary Jo Pickney is as follows:

Business or Occupation:

Contractor/Nurse

Partner in other ventures:

Pickney Brothers/Pickney Development

Dependent Children:

Four

Current Will/Executor:

Yes/Spouse

General Information:

Are any assets pledged?

No

Are you a defendant in any legal actions?

No

Have you ever taken bankruptcy?

No

Banking Relationships:	Cash Balance	Loans Outstanding	Secured By
First American Nat. Bank	\$ 12,000	-0-	N/A
Sovran Bank	1,000	-0-	N/A
Total	\$ 13,000	-0-	

**THOMAS R. AND MARY JO PICKNEY
NOTES TO FINANCIAL STATEMENT
JUNE 30, 1993**

NOTE F-OTHER INFORMATION (CONTINUED)

Sources of Income:

Salary	\$ 6,400
Real Estate Income	15,240
Pickney Brothers	12,394
Total	\$ 34,034

Banking References:

Kevin Marchetti, Third National Bank, Murfreesboro Road Branch, Nashville, TN

ROBERT J. AND REBEKAH B. PICKNEY
STATEMENT OF FINANCIAL CONDITION
JUNE 30, 1993

SPAIN & WATERS, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

MELVIN C. SPAIN, JR., CPA
FRANK A. WATERS, JR., CPA

(615) 269-9395
FAX (615) 297-6987

To Robert J. and Rebekah B. Pickney
307 Patton Drive
Mt. Juliet, TN 37122

We have compiled the accompanying statement of financial condition of Robert J. and Rebekah B. Pickney as of June 30, 1993 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of the individuals whose financial statements are presented. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Spain & Waters, P.C.

November 30, 1993

ROBERT J. AND REBEKAH B. PICKNEY
STATEMENT OF FINANCIAL CONDITION
JUNE 30, 1993

ASSETS

Cash	\$ 3,900
Investments (Note B)	
Pickney Development	78,000
Pickney Brothers, Inc.	27,255
Pickney, Inc.	18,200
Pickney Brothers Construction	8,200
TJB, Limited Partnership	4,000
Real Estate (Note C)	135,000
Automobiles (Note D)	17,000
Personal effects (Note D)	20,000

	\$ 311,555
	=====

LIABILITIES

Notes Payable (secured)	\$ 65,000
-------------------------	-----------

NET WORTH

\$ 246,555

\$ 311,555
=====

SEE ACCOMPANYING NOTES AND ACCOUNTANTS' REPORT

ROBERT J. AND REBEKAH B. PICKNEY
NOTES TO FINANCIAL STATEMENT
JUNE 30, 1993

NOTE A-BASIS OF ACCOUNTING

The accompanying financial statements include the assets and liabilities of Robert J. and Rebekah B. Pickney. Assets are stated at their estimated current values and liabilities at their estimated current amounts.

NOTE B-INVESTMENTS

The estimated current values of investments are determined by the projected annual cash receipts and payments capitalized at rates determined by Mr. and Mrs. Pickney.

NOTE C-REAL ESTATE

The estimated current values of real estate are determined by prevailing market values for similar property in the area as determined by local real estate brokers. A summary of the properties held is as follows:

Address	Acres	Improvements	Mortgage	Market Value	Payments	Yr. Acquired
307 Patton Drive	1	Residence	62,500	135,000	425	1,982

NOTE D-AUTOMOBILES AND PERSONAL EFFECTS

The estimated current value of automobiles and personal effects are based on current fair market values of these assets.

ROERT J. AND REBEKAH B. PICKNEY
NOTES TO FINANCIAL STATEMENT
JUNE 30, 1993

NOTE E-OTHER INFORMATION

Other information related to the financial condition of Robert J. and Rebekah B. Pickney is as follows:

Business or Occupation:

Contractor Engineer/Teacher

Partner in other ventures:

Pickney Brothers/Pickney Development

Dependent Children:

One

Current Will/Executor:

Yes/Spouse

General Information:

Are any assets pledged?

No

Are you a defendant in any legal actions?

No

Have you ever taken bankruptcy?

No

Banking Relationships:	Cash Balance	Loans Outstanding	Secured By
Third National Bank	\$ 1,000	-0-	N/A
Sovran Bank	-0-	2,500	Car
Citicorp	-0-	62,500	House
Educators Credit Union	2,000	-0-	N/A
U.S. Court House Cr. Union	900	-0-	N/A
Total	\$ 3,900	65,000	

ROBERT J. AND REBEKAH B. PICKNEY
NOTES TO FINANCIAL STATEMENT
JUNE 30, 1993

NOTE E-OTHER INFORMATION (CONTINUED)

Sources of Income:

Salary	\$ 25,200
Pickney Brothers	6,197
 Total	 \$ 31,397

Banking References:

Kevin Marchetti, Third National Bank, Murfreesboro Road Branch, Nashville, TN

WILLIAM E. PICKNEY
STATEMENT OF FINANCIAL CONDITION
JUNE 30, 1993

Maury County Board of Public Utilities

Water System
381-3690
Room 104
County Courthouse
Columbia, Tennessee 38401

RESOLUTION

WHEREAS, the Maury County Board of Public Utilities has received a request to provide sewer service to the Oakwood Sub-Division - Section III, and

WHEREAS, the Maury County Board of Public Utilities has no plans and does not desire to provide sewer service to this Subdivision at the present time, and

WHEREAS, the Maury County Board of Public Utilities has no objection to a private utility company providing sewer service to this subdivision, and

WHEREAS, the Maury County Board of Public Utilities has no power to grant such a private utility the right to provide sewer service in the subdivision, such power and jurisdiction being vested in the Tennessee Public Service Commission, and

WHEREAS, the Maury County Board of Public Utilities in no way assumes any control over or responsibility for such a private sewer utility.

BE IT HEREBY RESOLVED that the Maury County Board of Public Utilities does not desire and has no plans to provide sewer service to the Oakwood Subdivision - Section III and assumes no control over or responsibility for the operation of any private utility which may provide sewer service to the subdivision, such control being vested with the Tennessee Public Service Commission.

Resolution passed
this 22 day of
February, 1993.

Keith Ledbetter
Keith Ledbetter, Chairman

Berry Attkisson
Berry Attkisson

John Boyd Cothran, Jr.
John Boyd Cothran, Jr.

Neal Wall
Neal Wall

Mack Whiteside
Mack Whiteside