



JASON E. MUMPOWER
Comptroller

Agenda
Tennessee Board of Utility Regulation
March 14, 2024
10:00 AM

- I. Call to Order
- II. Conflict of Interest Statement
- III. Approval of Minutes
- IV. Water Loss Presentation
- V. Public Comment Period
- VI. Water Loss Cases
 - a. Clearfork Utility District
 - b. Clinton
 - c. Ocoee Utility District
 - d. Oneida
 - e. Mason
 - f. Linden
 - g. Perryville Utility District
 - h. Ridgely
 - i. Spring City
- VII. Update Cycle
 - a. Bulls Gap
 - b. Gleason
 - c. Hornsby
 - d. Leoma Utility District
 - e. Quebeck Walling Utility District
 - f. Rutherford
 - g. Tiptonville
- VIII. Release Cases
 - a. Collinwood
 - b. Dyer
 - c. Greenbrier
 - d. Spring Creek Utility District
 - e. Wartburg
 - f. Water and Wastewater Treatment Authority of Coffee County
- IX. Training Non-Compliance
 - a. Atwood
 - b. Big Sandy
 - c. Bluff City
 - d. Church Hill

- e. Clearfork Utility District
- f. Gleason
- g. Oneida
- h. Rives
- i. West Point Utility District
- IX. Manager Cases
 - a. Bean Station Sewer Proposal
 - b. Huntland
 - c. Jackson Energy Authority Ethics Policy Approval
 - d. Leoma Utility District Comptroller Investigation
 - e. Madison Suburban Utility District Customer Complaint
 - f. Mason
 - g. South Fork Utility District Comptroller Investigation
- X. East Tennessee
 - a. Bristol Bluff City Utility District and South Fork Utility District
 - b. Clearfork Utility District
 - c. Intermont Utility District
 - d. Mooresburg Utility District
 - e. Parrottsville
 - f. Webb Creek Utility District
- XI. Middle Tennessee
 - a. Petersburg
 - b. Spencer
 - c. Tarpley Shop Utility District
- XII. West Tennessee
 - a. Hohenwald
- XIII. Board Discussion

From: Melanie Lawson >
Sent: Thursday, March 7, 2024 1:57 PM
To: Seth May ; Benjamin S Johnson
Subject: Melanie Lawson - Water leak issue

Dear Mr. May & Mr. Johnson,

Thank you for your response and for clarifying the jurisdiction and the procedures of the Tennessee Board of Utility Regulation regarding my complaint about the underground water leak at my residence. I understand that the Board may not conduct an informal hearing on the matter due to its limited jurisdiction. However, I appreciate the opportunity to address the Board and share my concerns during the public comment period at the upcoming meeting.

The core of my issue lies in the unanticipated and undetectable nature of the underground leak, which resulted in an unusually high utility bill. Without a detection system in place by the utility provider, customers like myself are at a significant disadvantage, only becoming aware of such leaks after incurring substantial financial costs. This situation highlights a broader issue that affects not only my household but potentially others within the jurisdiction served by the utility provider.

Given these circumstances, I propose a resolution that acknowledges the shared responsibilities in situations like these. Specifically, I suggest that the utility provider implements a policy whereby customers facing similar issues are charged only a portion of the bill attributable to the leak, such as 50%, or are offered a discounted rate. This approach would represent a fair compromise, recognizing the limitations in leak

detection capabilities and the financial burden placed on unsuspecting customers.

Furthermore, I recommend that the utility provider explores the adoption of technologies or programs aimed at early detection of leaks to prevent such occurrences in the future. This proactive measure would benefit both the utility provider and its customers, fostering goodwill and trust within the community.

I am open to discussing alternative solutions that the Board or the utility provider may suggest, with the aim of reaching a fair and reasonable resolution. I believe that addressing this issue not only serves my interest but also sets a positive precedent for handling similar cases in the future, enhancing customer service and satisfaction.

Thank you for considering my proposal. I look forward to the opportunity to further discuss this matter during the public comment period at the upcoming Board meeting.

Sincerely,

Melanie Lawson

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Jason E. Mumpower
Comptroller

Water Loss Compliance Referrals

The following utilities have failed to engage with a third-party and complete the AWWA v. 6.0 to be filed with our Office

1. Clearfork Utility District
2. Clinton
3. Lynnville
4. Mason
5. Ocoee Utility District
6. Oneida
7. Perryville Utility District
8. Ridgely
9. Spring City

Staff Recommendations:

The Board should order the following:

1. By May 31, 2024 the entity shall engage with a third-party expert and file the AWWA v. 6.0 with Board staff.
2. By July 31, 2024, the entity shall provide Board staff with the completed AWWA v. 6.0 water loss worksheet.
3. Should the Entity fail to comply with any directive in this order, the utility shall be prohibited from issuing debt or receiving grants.

Update Cycle

The following entities have complied with Board directives to remedy financial distress. Board staff will continue to monitor the progress of the below listed entities until the utility is released from Board oversight. There is no action required by the Board.

Bulls Gap
Gleason
Hornsby
Leoma Utility District
Quebeck Walling Utility District
Rutherford
Tiptonville

Financial Distress Release

The following entities have complied with Board directives to remedy financial distress. Board staff recommends the following entities be released from Board oversight.

Collinwood
Dyer
Greenbrier
Spring Creek Utility District
Wartburg
Water and Wastewater Treatment Authority of Coffee County

Staff Recommendation:

The Board should order the following to the above referenced entities:

1. The Entity is officially released from the Board's oversight.
2. Staff and Counsel shall close the case.



Jason E. Mumpower
Comptroller

Training Violation Referrals

The following entities ("the Entities") have been referred to the Board for non-compliance with applicable governing body member training requirements.

1. Atwood
2. Big Sandy
3. Bluff City
4. Church Hill
5. Clearfork Utility District
6. Gleason
7. Oneida
8. Rives
9. West Point Utility District

Staff Recommendation:

The Board should order the following :

1. By May 31, 2024, the Entities shall send Board staff proof that all members of the utility system's governing body have complied with the applicable training requirements.
2. Should any of the Entities fail to comply with this order, that entity is prohibited from issuing any debt or receiving any grants until compliance is met.
3. If any of the Entities shows that all governing body members are compliant with training requirements and Board staff are unaware of any reason for which that entity should remain under Board supervision, Board staff may close that entity's case as to non-compliance with training requirements without further action by the Board.

Entity: Bean Station

The Town of Bean Station has provided the accompanying petition and supplemental information requesting approval to begin a sewer system. Board staff has had several discussions with individuals involved with this potential project.

Board staff has concerns of the financial viability of this project in the long run should customers choose not to sign up for service. However, the projections provided by the Town indicate revenue sufficiency with the rates that are being offered.

Board staff is unable to provide a recommendation to the Board on the matter. There are representatives present in the meeting today that are able to provide answer for any questions the Board may have.

From the Desk of
Mayor Ben Waller

Town Of Bean Station

Ph.: 865-993-3177
Fax: 865-993-3619

785 Main Street
Bean Station, TN 37708



SUMMARY

Petition for Proposed Wastewater Collection System / Wastewater Utility, Town of Bean Station, TN
January 22, 2024 Submittal

Purpose of the Proposed Wastewater Utility

The proposed utility will, at a minimum:

- Better protect the surface water and groundwater resources of the Town from failing septic systems,
- Minimize smaller (and sometimes more difficult to regulate) treatment systems utilized by campgrounds, etc. that have already begun to operate in the service area of this utility, and
- Provide wastewater collection & treatment service for existing and future residential and commercial customers.

Service will be restricted to properties within the Town’s municipal boundaries.

Timing of the Request / Initial Funding

The Town has considered the creation of a wastewater utility several times in the past but funding was typically a roadblock to previous attempts. The following funding is now available and sufficient to fund the initial phase of the project (estimated at \$2,190,967, including design, construction oversight, and 10% contingency; noted as \$2,200,000 in the petition):

Grainger County and Town of Bean Station ARPA Funds	\$1,800,000
<u>Developer Capital Contributions</u>	500,000
Total	\$2,300,000

The current efforts have been underway for about two years, with the ARPA funds accelerating that work. Engineering plans for Phase I were submitted to the Tennessee Department of Environment and Conservation (TDEC) last year. The permit to utilize the US 25E bridge to cross Cherokee Lake was received last year as well. To ensure the project was on track to comply with ARPA deadlines, a meeting was held in January 2023 that included representatives of the Town, TDEC, the Town’s consultants, and consultants with the University of Tennessee’s Municipal Technical Advisory Service (UT-MTAS) to identify critical tasks to ensure a timely start of construction. Unfortunately, review by the TBOUR was not identified during that meeting and only came to light later in the year in a TDEC response to the Operating Permit application submitted by the Town’s consultant. The Town has been working diligently since then to seek the TBOUR’s review and approval.

Other Potential Owners / Operators of the Utility

At the onset of the current efforts, the Town approached both Bean Station Utility District (provider of water to the Town) and Morristown Utilities Commission (adjacent wastewater utility) regarding their interest in starting and owning the utility.

SUMMARY

Petition for Proposed Wastewater Collection System / Wastewater Utility, Town of Bean Station, TN
January 22, 2024 Submittal

Page 2 of 4

- Currently, the Bean Station Utility District only provides water service to its customers, including those within the Town limits. BSUD declined the Town's request, but agreed to provide meter reading information for billing of the Town's wastewater utility service as they do with sewer utilities within their service area.
- Morristown Utilities' current charter prohibits them from extending their services beyond (1) the municipal boundaries of the City of Morristown, or (2) outside of Hamblen County. Thus, the Hamblen County restriction prevents MUC from owning the collection system within the Town's boundaries. However, MUC has agreed to operate the collection system and to accept and treat the Town's collected wastewater. MUC's agreement to be the contract system operator and treatment provider is a significant "plus" for this utility, not only from the Town's perspective but also for regulatory agencies and the customers. MUC brings decades of experience "to the table" and is a well-respected utility among its peers and State and Federal agencies. The involvement of MUC also compliments TDEC's move to regionalize the operation of water and wastewater utilities whenever possible. As an illustration of this, the following location map depicts the proximity of Phase I of the proposed Bean Station to the MUC wastewater treatment plant.



Phasing of the Project

Phase I of the proposed utility will serve approximately 1.6 miles of the US 25E corridor that is immediately adjacent to Morristown / Hamblen County. Construction components of this phase include:

- Installation of approximately 15,000 linear feet (LF) of low-pressure sanitary sewer (LPSS) collection lines, serving just over 120 customers. This customer count does not include any new customers / development beyond what is already proposed in the area. A considerable amount of

SUMMARY

Petition for Proposed Wastewater Collection System / Wastewater Utility, Town of Bean Station, TN
January 22, 2024 Submittal

Page 3 of 4

developable and potentially re-developable property exists within and adjacent to this corridor, much of it bordering on Cherokee Lake, which may easily increase this customer count.

- Construction of a duplex pump station and pressure sanitary sewer main to convey the collected wastewater to the MUC collection system for treatment.

Future expansion of the utility would be accomplished using LPSS only, virtually eliminating the problems caused by infiltration / inflow (I/I) of groundwater and stormwater, an issue that plagues many wastewater systems. Gravity lines would only be allowed immediately adjacent to the Phase I sewerage pump station and any other pump station(s) that may be warranted in the future. If so, those gravity lines would be fused (i.e., no pipe joints) HDPW piping to further minimize I/I issues.

As the system expands northward into Bean Station, a total of 1,500 customers could be served. Once again, this does not include customers likely to be added by development / redevelopment of property.

Attached to this summary are Enclosures 3 and 4 of the Petition that depict the potential growth of the utility and Phase I construction, respectively. As illustrated in the preceding aerial photograph, the system is in very close proximity to the MUC's wastewater treatment plant that will provide treatment.

Financial Projections

Enclosure 7 of the Petition provides details of the financial projections conducted by UT-MTAS for the Town's wastewater utility. Projections have been conservative with respect to both the operational costs (greater than anticipated) and expected revenue (less than anticipated). The "modified approach" was utilized whereby the full expense of depreciation was not included in the projections. While not a common practice, it is allowed. Nevertheless, the projected rates generate the revenue necessary to properly operate and maintain the proposed utility and are just under those required for fully accounting for depreciation. The financial analysis also focused solely on Phase I construction; no allowance was made for either revenue or expenses associated with expansion(s) of the system.

A summary of the three-year financial and rate analysis (derived from Enclosure 7 of the Petition):

	Yr. 1 Estimate	Yr. 2 Estimate	Yr. 3 Estimate
# of Customers (121 total)	46	57	58
Net Position			
Net Investment in Capital Assets	\$2,200,000	\$2,200,000	\$2,200,000
Restricted	0	0	0
Unrestricted (less LPS Reserve)	68,082	102,602	149,240
Unrestricted – Reserved for LPS	8,280	18,540	28,980
Total Net Position	\$2,276,362	\$2,321,142	\$2,378,220
Operating Revenues	\$438,476	\$174,208	\$128,228
Operating Expenses	\$416,394	\$150,688	\$82,590
Operating Income (Loss)	\$22,082	\$23,520	\$45,638

The rates necessary to support these operations:

Usage Rate (per 1,000 gallons)		\$15.00
LPSS Maintenance Fee (per month)		\$15.00
Minimum Monthly Bill (Ready-to-Serve Fee)		\$30.00
Min. Monthly Bill / Ready-to-Serve Fee	Meter Size	Category Rate
	¾-inch	\$30.00

SUMMARY

Petition for Proposed Wastewater Collection System / Wastewater Utility, Town of Bean Station, TN
January 22, 2024 Submittal

Min. Monthly Bill / Ready-to-Serve Fee (cont.)	Meter Size	Category Rate
	1.5-inch	\$100.00
	2-inch	\$150.00
	3-inch	\$350.00
	4-inch	\$500.00
	6-inch	\$900.00

Note that the Sewer Use Ordinance (Petition Enclosure 2) and the billing agreement with BSUD (Petition Enclosure 6) requires all BSUD water customers to pay the base minimum monthly bill (whether connected to the system or not) within 24 months of the availability of sewer service. Failure to do so will result in termination of water service by BSUD.

These rates result in the following, typical Residential Monthly Bill (5,000-gallon usage):

Usage Fee	\$75.00
LPS Fee	15.00
<u>Min. Bill / Ready-to-Serve Fee</u>	<u>30.00</u>
Estimated Monthly Total	\$120.00

To ensure the proposed rates aren't completely out of line with those necessary to properly operate and maintain a wastewater system, the following table compares the typical 5,000-gallon residential sewer bill for the Town to other utilities within the region.

Utility	5000-gal	Source
Town of Bean Station	\$ 120.00	Estimated: UT-MTAS
	\$ 105.00	Bean Station less Pump Maintenance Fee
Blaine		Blaine Website
Inside City - Single Family	\$ 124.28	Flat rate per month
Oliver Spings (1)	\$ 129.39	2021 East TN Development District Survey
County - Single Family	\$ 186.43	Flat rate per month
Harrogate (2)	\$ 108.31	Harrogate Website
Rockwood - South Roane County (1)	\$ 105.07	2021 East TN Development District Survey
Morristown Utilities (1)	\$ 100.00	2021 East TN Development District Survey
Webb Creek Utility District	\$ 97.95	2021 East TN Development District Survey
Bluff City 2021 (1)	\$ 93.96	Comptroller Website
Luttrell	\$ 70.93	2021 East TN Development District Survey
White Pine 2021 - Residential (1)	\$ 64.91	Comptroller Website
White Pine 2021 - Commercial (1)	\$ 76.43	
Church Hill 2020 (1)	\$ 62.73	Comptroller Website
Kingsport 2021 (1)	\$ 61.20	Comptroller Website
Tusculum 2022	\$ 60.75	Comptroller Website
Surgoinsville 2021	\$ 56.00	Comptroller Website
Greenville Water Commission	\$ 49.89	2023 MUC Rate Survey
Rogersville 2020 (3)	\$ 29.49	Comptroller Website

Other Utilities:	Avg: \$ 86.92	
	Median: \$ 76.43	
	75th Percentile: \$ 105.07	Estimated TBS: \$105.00 (w/o pump fee)
	86th Percentile: \$ 120.45	Estimated TBS: \$120.00 (w/ pump fee)
	Max: \$ 186.43	
	Min: \$ 29.49	

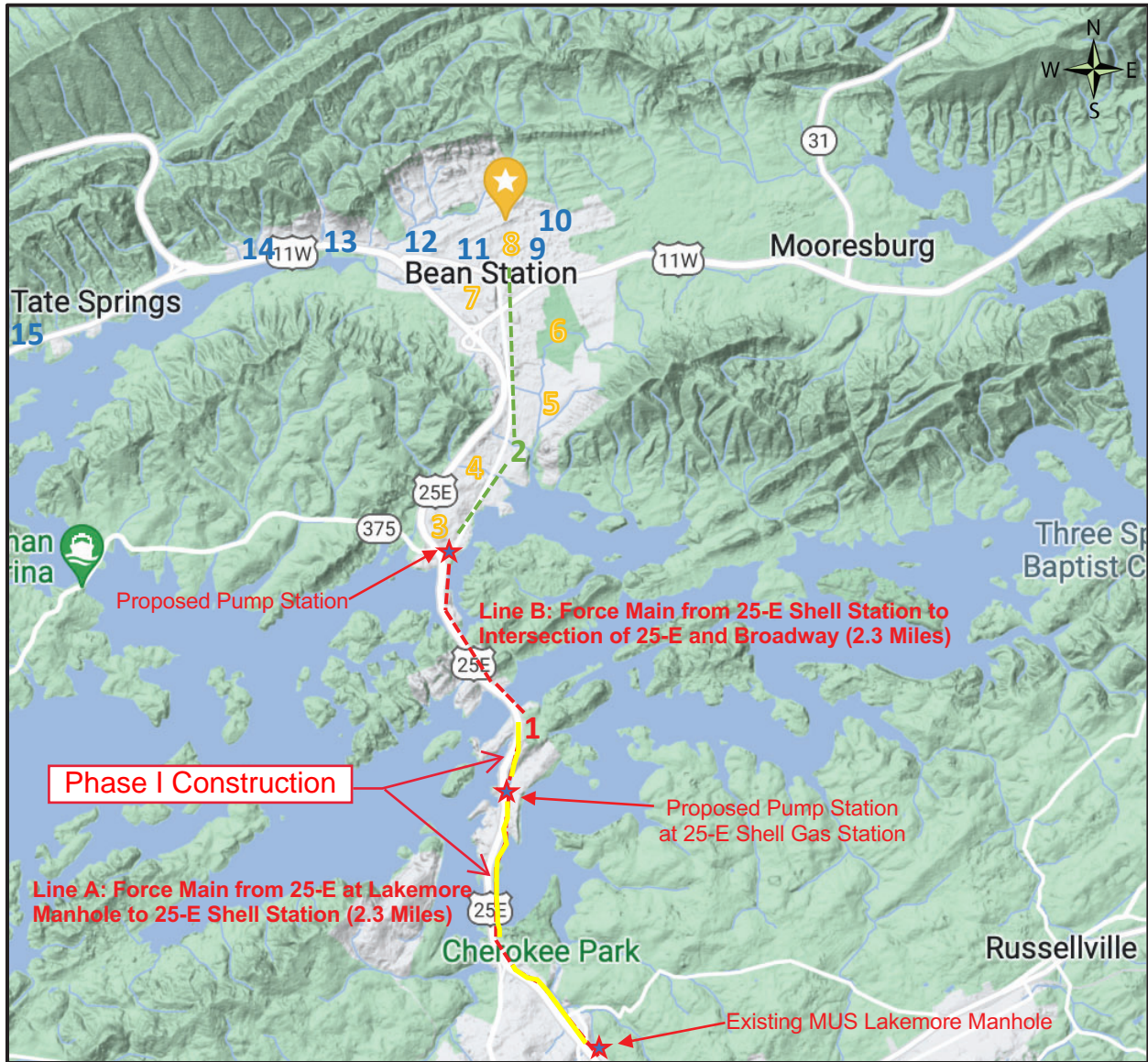
Notes:
 (1) - Outside City Rate
 (2) - No Outside City Rate shown
 (3) - Same rate, Inside / Outside City

ENCLOSURE 3

**BEAN STATION PROPOSED 30-YEAR
SANITARY SEWER SYSTEM MAP**

BEAN STATION SEWER - 30 YEAR DEVELOPMENT SUMMARY MAP

Bean Station, Grainger County, Tennessee



ENCLOSURE 4

TOWN OF BEAN STATION

**PHASE I LOW PRESSURE SANITARY SEWER (LPSS)
SERVICE AREA**

Bean Station Sewer

Phase 1 LPSS Service Area

Legend

- 971 US-25 E
- Cook's Boathouse
- Feature 1
- Feature 2
- Feature 3
- Feature 4
- Feature 5
- Johnson Ridge Small Wild Area
- Olen R. Marshall Bridge
- Path Measure
- StriperXtreme Guide Service

Phase I Wastewater Lift Station and Force Main to Morristown Utilities Wastewater Collection System

Phase I Low Pressure Sanitary Sewer (LPSS) Lines

RV Park (under construction) - Direct connection to Lift Sta.

Existing Business & Residential Areas to be served by LPSS construction and direct connection to Force Main



From the Desk of
Mayor Ben Waller

Town Of Bean Station

785 Main Street
Bean Station, TN 37708

Ph.: 865-993-3177
Fax: 865-993-3619



January 22, 2024

Mr. Greg Moody, Chairman
Tennessee Board of Utility Regulation
Comptroller of the Treasury
Cordell Hull Building
425 Rep. John Lewis Parkway North
Nashville, Tennessee 37243

Re: Petition for Review and Approval of Proposed Wastewater Collection System / Wastewater Utility,
Town of Bean Station, Tennessee

Dear Mr. Moody,

Following up on conversations and correspondence with Mr. Ben Johnson, Financial Analyst, Local Government Finance and Mr. Ross Colona, Assistant Director, Local Government Finance, and in accordance with Tennessee Code Annotated (TCA) § 68-221-1017, this letter serves as the petition of the Town of Bean Station, Tennessee, to the Tennessee Board of Utility Regulation (TBOUR) to review and approve the Town's proposal to construct and operate a wastewater collection system / wastewater utility to serve the residents and businesses of Bean Station. Also required by TCA § 68-221-1017 is a resolution from the Town's Board of Mayor and Aldermen (BMA) to petition the TBOUR for this review. A copy of the BMA's adopted resolution is enclosed with this letter (see Enclosure 1). This letter follows the petition requirements noted in Items (1) through (6) of Part (b) of TCA § 68-221-1017.

- (1) As noted above, the utility service proposed to be provided by the Town is wastewater collection and treatment. The Bean Station Utility District (BSUD) currently provides water service to the residents and businesses of Bean Station. The primary reason for the proposed wastewater utility is to provide more opportunities for commercial and residential development within the Town. It will also better protect the surface water and groundwater of the area from failing and/or improperly installed septic systems. This is especially critical given the Town's proximity to Cherokee Lake.
- (2) The Town proposes to serve only residents and businesses located within its municipal boundaries. There are no plans to extend service outside of the corporate limits and has included this limitation in the recently adopted Sewer Use Ordinance (Enclosure 2). Enclosure 3 depicts the system at its 30-yr. expansion, all within the Town's corporate limits, serving some 2,400 customers.
 - a. The first phase of the system will serve the corridor of US 25E from the Olen R. Marshall Bridge (boundary between Grainger County and Hamblen County) approximately 1.6 miles north to Crosby Road / Park Drive / Turtle Rock RV Park (see Enclosure 4). East of the US 25E / Livingston Road intersection, a wastewater lift station will be constructed to pump the collected sewage southward along US 25E about 2.14 miles to the wastewater collection system of the Morristown Utilities Commission (MUC); as noted below, the MUC will be providing wastewater treatment for the Town's utility. This 1.6-mile corridor will be served by low pressure sanitary sewer (LPSS) lines initially installed within existing

January 22, 2024
Mr. Greg Moody, Chairman
Tennessee Board of Utility Regulation

Re: Petition for Review and Approval of Proposed Wastewater Collection System / Wastewater Utility
Town of Bean Station, Tennessee Page 2 of 4

residential and commercial areas east of US 25E (shown also on Enclosure 4). This phase will serve just over 120 customers based simply on current and planned residential / commercial properties. While the proposed sanitary sewer will likely prompt redevelopment / new development, no such growth has been included in the enclosed financial projections.

- b. The previously referenced Enclosure 3 depicts proposed extensions of the Town's wastewater system using only low-pressure sanitary sewers with lift stations constructed as needed. If seen as viable in the future, HDPE (fused pipe, no joints) gravity lines may be used but only in small areas (e.g., immediately adjacent to lift stations).
- (3) The Town's charter is the General Law Mayor Alderman charter found in title 6, chapters 1-4 of the Tennessee Code. TCA § 6-2-201(11) of the charter grants municipalities incorporated under this charter with the power to "[a]cquire, construct, own, operate and maintain, or sell, lease, mortgage, pledge or otherwise dispose of public utilities or any estate or interest therein, or any other utility that is of service to the municipality, its inhabitants, or any part of the municipality, and further, may issue debt for these purposes under the Local Government Public Obligations Act, compiled in title 9, chapter 21." While the charter provides the general power to construct and operate a public utility, the Town is proposing this utility be created pursuant to general statutory law contained in title 7, chapter 35, part 4 of the Tennessee Code. Specifically, TCA 7-35-401 provides, "Every incorporated city and town in this state is authorized and empowered to own, acquire, construct, extend, equip, operate and maintain within or without the corporate limits of such city or town a waterworks system or a sewerage system, to provide water or sewerage service and to charge for such service." The subsequent sections of title 7, chapter 35, part 4 of the Tennessee Code provide the framework by which this proposal is made.
 - (4) The governing structure of the proposed utility will be as provided in TCA § 7-35-406 with the Mayor or his / her designee serving as the Manager of the system.
 - a. By agreement between the Town and MUC, MUC will be providing wastewater treatment services for the Town's system. Also by agreement, MUC personnel will be operating and maintaining the Town's collection system. MUC will designate a duly licensed Wastewater Collection System Operator to act as the Town's Operator-in-Charge. See Enclosure 5 for the Town's agreement with MUC.
 - b. BSUD will be providing monthly billing information to the Town for BSUD water customers served by the Town's wastewater utility. The Town will be responsible for the collection of all fees, monthly billings, etc., associated with the sanitary sewer system. As noted in the agreement with BSUD (see Enclosure 6), BSUD will terminate the water service of any Bean Station wastewater customer who fails to pay their sanitary sewer bill.
 - (5) The Town contacted BSUD and MUC regarding the option of either utility owning and operating a wastewater collection system to serve its residents and customers. BSUD has no interest in expanding its services to include wastewater collection. MUC's charter limits its service area to the City of Morristown and to areas outside the City that are within Hamblen County; Bean Station is located in Grainger County, thus preventing MUC from providing this service directly. However and as noted above, MUC has agreed to operate and maintain the collection system by interlocal agreement and likewise to provide wastewater treatment services. Should the MUC charter be

January 22, 2024
Mr. Greg Moody, Chairman
Tennessee Board of Utility Regulation

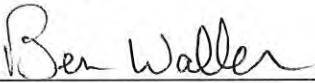
Re: Petition for Review and Approval of Proposed Wastewater Collection System / Wastewater Utility
Town of Bean Station, Tennessee Page 3 of 4

amended to allow extension of their wastewater system outside of Hamblen County, Bean Station will pursue transfer of its wastewater utility to MUC.

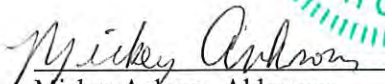
- (6) Financial and staffing needs of the Bean Station Wastewater Utility:
 - a. The estimated cost for construction of Phase 1 of the Bean Station wastewater system is about \$2,000,000. Other phases will be constructed as funding becomes available.
 - b. Mr. Travis Bishop, Financial Consultant with the University of Tennessee's Municipal Technical Advisory Service (UT-MTAS) has performed a detailed financial, rates, & fees analysis of the system's operation. See Enclosure 7 for the UT-MTAS study.
 - c. With MUC and BSUD providing most of the staffing needs of the Utility's operations, the initial administrative and field tasks borne by the Town will be assumed by the City Recorder and Street Superintendent. A Summary of Operations of the proposed Bean Station Wastewater Utility is included as Enclosure 8.

We, the Town of Bean Station Board of Mayor and Aldermen, respectfully submit this petition for review and approval of the Town's proposed Wastewater Utility. Please contact Mayor Ben Waller or City Recorder Sarah Fennell at (865) 993-3177 if you have any questions or need any other information.


Respectfully,


 Ben Waller, Mayor
 1451 Meadow Branch Road
 Bean Station, TN 37708

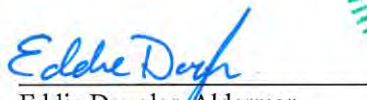
Sworn to and subscribed before me this 22
 day of January, 2024.
 My commission expires 04-24-2024
Sarah Sharp Fennell


 Mickey Ankrom, Alderman
 300 Country Club Estates
 Mooresburg, TN 37811

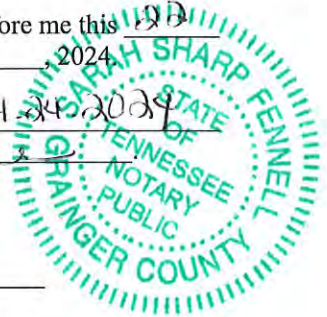
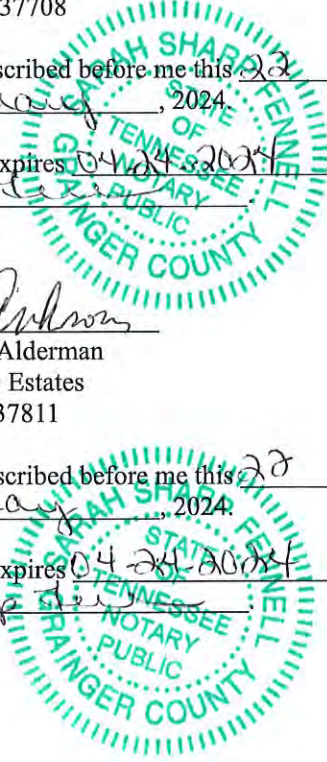
Sworn to and subscribed before me this 22
 day of January, 2024.
 My commission expires 04-24-2024
Sarah Sharp Fennell


 Jeff Atkins, Alderman
 168 Dotson Lane
 Bean Station, TN 37708

Sworn to and subscribed before me this 22
 day of January, 2024.
 My commission expires 04-24-2024
Sarah Sharp Fennell


 Eddie Douglas, Alderman
 700 Rocky Springs Road
 Bean Station, TN 37708

Sworn to and subscribed before me this 29
 day of January, 2024.
 My commission expires 04-24-2024
Sarah Sharp Fennell



January 22, 2024
Mr. Greg Moody, Chairman
Tennessee Board of Utility Regulation

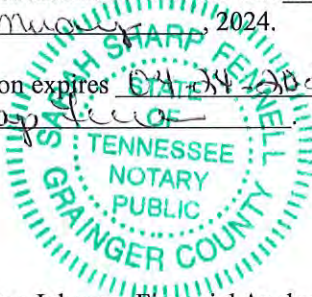
Re: Petition for Review and Approval of Proposed Wastewater Collection System / Wastewater Utility
Town of Bean Station, Tennessee Page 4 of 4

Patsy Winstead Harrell

Patsy Winstead Harrell, Alderman
410 City Drive
Bean Station, TN 37708

Sworn to and subscribed before me this 22
day of January, 2024.

My commission expires 07-24-2024
Sau Shap



Enclosures

Dist: Mr. Ben Johnson, Financial Analyst, Local Govt. Finance, Comptroller of the Treasury
Mr. Ross Colona, Assistant Director, Local Gov. Finance, Comptroller of the Treasury

ENCLOSURE 1

RESOLUTION NO. 2023-07-01

**A RESOLUTION AUTHORIZING THE SUBMISSION OF A PETITION TO
THE TENNESSEE BOARD OF UTILITY REGULATION FOR APPROVAL
OF THE TOWN'S WASTEWATER COLLECTION SYSTEM.**

RESOLUTION NO. 2023-07-01

**A RESOLUTION AUTHORIZING THE SUBMISSION OF A PETITION TO
THE TENNESSEE BOARD OF UTILITY REGULATION FOR APPROVAL
OF THE TOWN'S WASTEWATER COLLECTION SYSTEM.**

WHEREAS, the Town of Bean Station is an incorporated municipality within the State of Tennessee; and,

WHEREAS, the Town has a General Law Mayor Alderman charter; and,

WHEREAS, the Charter empowers the Town to 'acquire, construct, own, operate, and maintain' public utilities and to 'prescribe reasonable regulations regarding' public utilities; and

WHEREAS, the Mayor and Aldermen of the Town desire to construct, operate and maintain a sanitary sewer system and is adopting the necessary ordinances and regulations necessary for its operation and maintenance; and

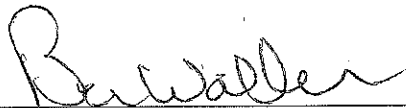
WHEREAS, Tennessee Code Annotated §68-221-1017 requires the governing body of a city or county that is desiring to establish a new water or wastewater system to (1) petition the Tennessee Board of Utility Regulation for review and approval of the proposed water or wastewater system, and (2) to authorize the submission of the petition by adoption of a resolution authorizing the petition's submission.

THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE TOWN OF BEAN STATION, TENNESSEE, THAT:

Section 1. The Mayor of the Town of Bean Station is authorized to petition the Tennessee Board of Utility Regulation to review and approve the Town's proposed Wastewater Collection System.

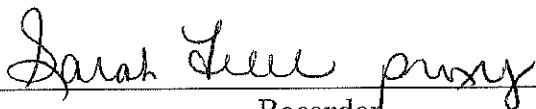
Section 2. This Resolution shall be effective from and after its adoption.

ADOPTED this 24 day of July, 2023.



Mayor

ATTEST:



Recorder

ENCLOSURE 2

BEAN STATION SEWER USE ORDINANCE (SUO)

ORDINANCE NO. 03-01-2023

AN ORDINANCE TO ADOPT WASTEWATER REGULATIONS

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ORDINANCE NO.03-01-2023

AN ORDINANCE TO ADOPT WASTEWATER REGULATIONS.

WHEREAS, the Town of Bean Station is an incorporated municipality within the State of Tennessee; and,

WHEREAS, the Town has a General Law Mayor Alderman charter; and,

WHEREAS, the Charter empowers the Town to ‘...acquire, construct, own, and operate public utilities and to ‘prescribe reasonable regulations regarding utilities;’ and

WHEREAS, the Mayor and Aldermen of the Town desire to construct a sanitary sewer system, and

WHEREAS, the Mayor and Alderman of the Town have executed a Memorandum of Understanding with the Morristown Utilities Commission (MUC) to (1) operate and maintain the Town’s sanitary sewer system, and (2) receive and treat wastewater collected by the Town’s sanitary sewer system; now, therefore:

BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE TOWN OF BEAN STATION, TENNESSEE, THAT:

Section 1. The following Wastewater Regulations shall be adopted as title 18 of the Bean Station Municipal Code.

TITLE 18

WATER AND SEWERS

CHAPTER

1. SEWER BOARD.
2. SEWER SYSTEM ADMINISTRATION.
3. GENERAL WASTEWATER REGULATIONS.
4. INDUSTRIAL/COMMERCIAL WASTEWATER REGULATIONS.
5. CROSS-CONNECTIONS, AUXILIARY INTAKES, ETC.

CHAPTER 1

SEWER BOARD

SECTION

18-101. Creation and composition of sewer board.

18-102. Bond, organization, compensation, and general powers and duties of the board and/or its members.

18-103. Board's additional authority and duties.

18-101. Creation and composition of sewer board. Pursuant to *Tennessee Code Annotated*, § 7-35-406, the town governing body hereby elects to perform the duties required of the boards under this title 7, chapter 35, part 4 of the *Tennessee Code*. The governing body shall have the duties and responsibilities imposed upon the board, and all references to the board shall refer to such governing body acting in the capacity of such board.

18-102. Bond, organization, compensation, and general powers and duties of the board and/or its members. Members shall be covered by the town's blanket bond and shall meet for the purpose of conducting the organization of the board as required in *Tennessee Code Annotated*, § 7-35-409. The members of the board shall receive an allowance of one dollar (\$1.00) per month for attendance at meetings, and they shall be allowed necessary traveling and other expenses while engaged in the business of the board.

After the board has perfected its organization, it shall have and exercise all the powers and duties imposed on it by *Tennessee Code Annotated*, § 7-35-401, et seq. and shall operate and function in the manner and shall keep the records and accounts required by said chapter, subject to the making of such additional provisions of *Tennessee Code Annotated*, § 7-35-401, et seq.

18-103. Board's additional authority and duties. (1) The sewer board, constituted as provided in this chapter and referred to in this chapter as the "board," has the power to take all steps and proceedings and to make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this part.

(2) The board shall have the power, and it shall be the board's duty, to proceed with all matters pertaining to construction, extensions, improvements and repairs necessary to proper completion of the works. After completion and acceptance of the works by the board, the board shall have the power, and it shall be its duty, to proceed with all matters and perform everything necessary to the proper operation of the works and collection of charges for services rendered, subject only to the limitation of funds available for operation and maintenance. To this end, the board may employ such employees as in its judgment may be necessary and may fix their compensation, all of whom shall do such work as the board shall direct. The board shall have power to employ engineers and attorneys whenever in its judgment such services are necessary.

CHAPTER 2

GENERAL WASTEWATER REGULATIONS

SECTION

- 18-201. Purpose and policy.
- 18-202. Administrative
- 18-203. Definitions.
- 18-204. Proper waste disposal required.
- 18-205. Private domestic wastewater disposal.
- 18-206. Connection to public sewers.

- 18-207. Septic tank effluent pump or grinder pump wastewater systems.
- 18-208. Regulation of holding tank waste disposal or trucked in waste.
- 18-209. Discharge regulations.
- 18-210. Enforcement and abatement.

18-201. Purpose and policy. This chapter sets forth uniform requirements for users of the Town of Bean Station, Tennessee, wastewater treatment system and enables the Town and/or the Morristown Utilities Commission (MUC) to comply with the Federal Clean Water Act and the state Water Quality Control Act and rules adopted pursuant to these acts. The objectives of this chapter are:

- (1) To protect public health,
- (2) To prevent the introduction of pollutants into the municipal wastewater treatment facility, which will interfere with the system operation;
- (3) To prevent the introduction of pollutants into the wastewater treatment facility that will pass through the facility, inadequately treated, into the receiving waters, or otherwise be incompatible with the treatment facility;
- (4) To protect facility personnel who may be affected by wastewater, wastewater borne components, and sludge in the course of their employment and the general public;
- (5) To promote reuse and recycling of industrial wastewater and sludge from the facility;
- (6) To provide for fees for the equitable distribution of the cost of operation, maintenance, and improvement of the facility; and
- (7) To enable the Town and/or MUC to comply with its National Pollution Discharge Elimination System (NPDES) Permit conditions, sludge and biosolid use and disposal requirement, and any other Federal or State industrial pretreatment rules to which the facilities of the Town and/or MUC are subject.

In meeting these objectives, this chapter provides that all persons in the service area of the Town of Bean Station must have adequate wastewater treatment either in the form of a connection to the municipal wastewater treatment system or, where the system is not available, an appropriate private disposal system.

This chapter shall apply to all users inside or outside the Town who are, by implied contract or written agreement with the Town, dischargers of applicable wastewater to the wastewater treatment facility. Chapter 2 provides for the issuance of permits to system users, for monitoring, compliance, and enforcement activities; establishes administrative review procedures for industrial users or other users whose discharge can interfere with or cause violations to occur at the wastewater treatment facility. Chapter 2 details permitting requirements including the setting of fees for the full and equitable distribution of costs resulting from the operation, maintenance, and capital recovery of the wastewater treatment system and from other activities required by the enforcement and administrative program established herein.

18-202. Administrative. Except as otherwise provided herein, the Mayor or duly authorized representative shall administer, implement, and enforce the provisions of this chapter. In the case of Significant Industrial Users, the Manager of the MUC or his designee serves the role of Local Administrative Officer and MUC shall be the Local Hearing Authority.

18-203. Definitions. Unless the context specifically indicates otherwise, the following terms and phrases, as used in this chapter, shall have the meanings hereinafter designated:

(1) "Administrator." The Administrator or the United States Environmental Protection Agency.

(2) "Act or the Act." The Federal Water Pollution Control Act, also known as the Clean Water Act, as amended and found in 33 U.S.C. § 1251, *et seq.*

(3) "Approval authority." The Tennessee Department of Environment and Conservation, Division of Water Pollution Control.

(4) "Authorized or Duly Authorized Representative of industrial user:

(a) If the user is a corporation:

(i) The president, secretary, treasurer, or vice-president of the corporation in charge of a principal business function, or any person who performs similar policy or decision-making functions for the corporation; or

(ii) The manager of one or more manufacturing, production, or operating facilities, provided the manager is authorized to make management decisions that govern the operation of the regulated facility including having the explicit or implicit duty of making major capital investment recommendations, and initiate and direct other comprehensive measures to assure long-term environmental compliance with environmental laws and regulations; can insure that the necessary systems are established or actions taken to gather complete and accurate information for individual wastewater discharge permit requirements; and where authority to sign documents has been assigned or delegated to the manager in accordance with corporate procedures.

(b) If the user is a partnership or sole proprietorship: a general partner or proprietor, respectively.

(c) If the user is a federal, state, or local governmental agency: a director or highest official appointed or designated to oversee the operation and performance of the activities of the governmental facility, or their designee.

(d) The individual described in paragraphs (a)-(c), above, may designate a duly authorized representative if the authorization is in writing, the authorization specifies the individual or position responsible for the overall operation of the facility from which the discharge originates or having overall responsibility for environmental matters for the company, and the written authorization is submitted to the Town.

(5) "Best Management Practices" or "BMPs" means schedules of activities, prohibitions of practices, maintenance procedures, and other management practices to implement the prohibitions listed in Section 18-209 of this chapter. BMPs also include treatment requirement, operating procedures, and practices to control plant site runoff, spillage or leaks, sludge or waste disposal, or drainage from raw materials storage.

(6) "Biochemical Oxygen Demand (BOD)." The quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure for five (5) days at 20 centigrade expressed in terms of weight and concentration (milligrams per liter (mg/l)).

(7) "Building sewer." A sewer conveying wastewater from the premises of a user to the publicly owned sewer collection system.

(8) "Categorical standards." The National Categorical Pretreatment Standards as found in 40 CFR Chapter I, Subchapter N, Parts 405-471.

(9) "Composite sample." A sample composed of two or more discrete samples. The aggregate sample will reflect the average water quality covering the compositing or sample period.

(10) "Control authority." The term "control authority" shall refer to the "approval authority," defined herein above; or the local hearing authority if the Town has an approved Pretreatment Program under the provisions of 40 CFR 403.11.

(11) "Customer." Any individual, partnership, corporation, association, or group who receives sewer service from the Town under either an express or implied contract requiring payment to the Town for such service.

(12) "Daily Maximum." The arithmetic average of all effluent samples for a pollutant (except pH) collected during a calendar day. The daily maximum for pH is the highest value tested during a 24-hour calendar day.

(13) "Daily Maximum Limit." The maximum allowable discharge limit of a pollutant during a calendar day. Where the limit is expressed in units of mass, the limit is the maximum amount of total mass of the pollutant that can be discharged during the calendar day. Where the limit is expressed in concentration, it is the arithmetic average of all concentration measurements taken during the calendar day.

(14) "Direct discharge." The discharge of treated or untreated wastewater directly to the waters of the State of Tennessee.

(15) "Domestic wastewater." Wastewater that is generated by a single family, apartment or other dwelling unit or dwelling unit equivalent or commercial establishment containing sanitary facilities for the disposal of wastewater and used for residential or commercial purposes only.

(16) "Environmental Protection Agency, or EPA." The U. S. Environmental Protection Agency, or where appropriate, the term may also be used as a designation for the administrator or other duly authorized official of the said agency.

(17) Fats, Oils, and Grease (FOG). Hexane Extractable Material test is to be used or an equivalent 40 CFR 136 approved method.

(18) "Grab sample." A sample which is taken from a waste stream on a one-time basis with no regard to the flow in the waste stream and is collected over a period of time not to exceed fifteen (15) minutes. Grab sampling procedure: Where composite sampling is not an appropriate sampling technique, a grab sample(s) shall be taken to obtain influent and effluent operational data. Collection of influent grab samples should precede collection of effluent samples by approximately one detention period. The detention period is to be based on a 24-hour average daily flow value. The average daily flow used will be based upon the average of the daily flows during the same month of the previous year. Grab samples will be required, for example, where the parameters being evaluated are those, such as cyanide and phenol, which may not be held for any extended period because of biological, chemical or physical interactions which take place after sample collection and affect the results.

(19) "Grease interceptor." Grease Control Equipment consisting of a large tank, usually 750 gallons to 2,000 gallons capacity, which provides FOG control for a FSE. Grease interceptors will be located outside the FSE, unless a variance request has been granted..

(20) "Grease trap." Grease Control Equipment consisting of an "under the sink" trap, a small container with baffles, or a floor trap. Once a FSE is approved to install a grease trap, the minimum size requirement is the equivalent of a 20-gallon per minute / 40-pound capacity trap.

All grease traps will have a flow control restrictor and venting.

(21) "Holding tank waste." Any waste from holding tanks such as vessels, chemical toilets, campers, trailers, septic tanks, and vacuum-pump tank trucks.

(22) "Incompatible pollutant." Any pollutant which is not a "compatible pollutant" as defined in this section.

(23) "Indirect discharge." The introduction of pollutants into the WWF from any non-domestic source.

(24) "Industrial user." A source of indirect discharge which does not constitute a "discharge of pollutants" under regulations issued pursuant to Section 402 of the Act (33 U.S.C. §1342).

(25) "Instantaneous limit." The maximum concentration of a pollutant allowed to be discharged at any time, determined from the analysis of any discrete or composited sample collected, independent of the industrial flow rate and the duration of the sampling event.

(26) "Interceptor." A device designed and installed to separate and retain for removal, by automatic or manual means, deleterious, hazardous or undesirable matter from normal wastes, while permitting normal sewage or waste to discharge into the drainage system by gravity.

(27) "Interference." A discharge that, alone or in conjunction with a discharge or discharges from other sources, inhibits or disrupts the WWF, its treatment processes or operations, or its sludge processes, use or disposal, or exceeds the design capacity of the Town's treatment works or collection system.

(28) "Local administrative officer." The Mayor or his duly authorized representative shall administer, implement, and enforce the provisions of this chapter. In the case of Significant Industrial Users, the Manager of the MUC serves the role of Local Administrative Officer.

(29) "Local hearing authority." The board of Morristown Utilities Commission, or such person or persons appointed by the board to administer and enforce the provisions of this chapter and conduct hearings pursuant to Section 18-305.

(30) "National categorical pretreatment standard" Any regulation containing pollutant discharge limits promulgated by the EPA in accordance with Section 307(b) and (c) of the Act (33 U.S.C. § 1347) which applies to a specific category of industrial users.

(31) "NAICS, North American Industrial Classification System." A system of industrial classification jointly agreed upon by Canada, Mexico, and the United States. It replaces the Standard Industrial Classification (SIC) System.

(32) "New source."

(a) Any building, structure, facility, or installation from which there is or may be a discharge of pollutants, the construction of which commenced after the publication of proposed Pretreatment Standards under section 307(c) of the Clean Water Act which will be applicable to such source if such Standards are thereafter promulgated in accordance with that section, provided that:

(i) The building structure, facility or installation is constructed at a site at which no other source is located; or

(ii) The building, structure, facility, or installation totally replaces the process or production equipment that causes the discharge of pollutants at an existing source; or

(iii) The production or wastewater generating processes of the building, structure, facility, or installation are substantially independent of an existing

source at the same site. In determining whether these are substantially independent, factors such as the extent to which the new facility is engaged in the same general type of activity as the existing source should be considered.

(b) Construction on a site at which an existing source is located results in a modification rather than a new source if the construction does not create a new building, structure, facility, or installation meeting the criteria of parts (a)(ii) or (a)(iii) of this definition but otherwise alters, replaces, or adds to existing process or production equipment.

(c) Construction of a new source as defined under this paragraph has commenced if the owner or operator has:

(i) Begun, or caused to begin as part of a continuous onsite construction program:

(A) Any placement, assembly, or installation of facilities or equipment; or

(B) Significant site preparation work including cleaning, excavation or removal of existing buildings, structures, or facilities which is necessary for the placement, assembly, or installation of new source facilities or equipment; or

(ii) Entered into a binding contractual obligation for the purchase of facilities or equipment which are intended to be used in its operation within a reasonable time. Options to purchase or contracts which can be terminated or modified without substantial loss, and contracts for feasibility, engineering, and design studies do not constitute a contractual obligation under this paragraph.

(33) "NPDES (National Pollution Discharge Elimination System)." The program for issuing, conditioning, and denying permits for the discharge of pollutants from point sources into navigable waters, the contiguous zone, and the oceans pursuant to Section 402 of the Clean Water Act as amended.

(34) "Pass-through." A discharge which exits the Wastewater Facility (WWF) into waters of the State in quantities or concentrations which, alone or in conjunction with a discharge or discharges from other sources, is a cause of a violation of any requirement of the WWF's NPDES permit including an increase in the magnitude or duration of a violation.

(35) "Person." Any individual, partnership, co-partnership, firm, company, corporation, association, joint stock company, trust, estate, governmental entity or any other legal entity, or their legal representatives, agents, or assigns. The masculine gender shall include the feminine and the singular shall include the plural where indicated by the context.

(36) "pH." The logarithm (base 10) of the reciprocal of the concentration of hydrogen ions expressed in grams per liter of solution.

(37) "Pollution." The man-made or man-induced alteration of the chemical, physical, biological, and radiological integrity of water.

(38) "Pollutant." Any dredged spoil, solid waste, incinerator residue, filter backwash, sewage, garbage, sewage sludge, munitions, medical waste, chemical wastes, biological materials, radioactive materials, heat, wrecked or discharged equipment, rock, sand, cellar dirt, and industrial, municipal, and agricultural waste and certain characteristics of wastewater (e.g., pH, temperature, turbidity, color, BOD, COD, toxic, or odor discharge into water).

(39) "Pretreatment or treatment." The reduction of the amount of pollutants, the

elimination of pollutants, or the alteration of the nature of pollutant properties in wastewater to a less harmful state prior to or in lieu of discharging or otherwise introducing such pollutants into a POTW. The reduction or alteration can be obtained by physical, chemical, biological processes, or process changes or other means, except through dilution as prohibited by 40 CFR Section 403.6(d).

(40) "Pretreatment coordinator." The person designated by the local administrative officer or his authorized representative to supervise the operation of the pretreatment program.

(41) "Pretreatment requirements." Any substantive or procedural requirement related to pretreatment other than a national pretreatment standard imposed on an industrial user.

(42) "Pretreatment standards or standards." A prohibited discharge standard, categorical pretreatment standard and local limit.

(43) "Publicly owned treatment works (POTW)." A treatment works as defined by Section 212 of the Act, (33 U.S.C. § 1292) which is owned in this instance by the municipality (as defined by section 502(4) of the Act). This definition includes any devices and systems used in the storage, treatment, recycling and reclamation of municipal sewage or industrial wastes of a liquid nature. It also includes sewers, pipes and other conveyances only if they convey wastewater to a POTW treatment plant. The term also means the municipality as defined in section 502(4) of the Act, which has jurisdiction over the indirect discharges to and the discharges from such a treatment works. See WWF, Wastewater Facility, found in definition number 63, below.

(44) "Shall" is mandatory; "May" is permissive.

(45) "Sharps" means any object contaminated with a pathogen, or that may become contaminated with a pathogen through handling or during transportation and also capable of cutting or penetrating skin or a packaging material. Sharps includes needles, syringes, scalpels, broken glass, culture slides, culture dishes, broken capillary tubes, broken rigid plastic, and exposed ends of dental wires.

(46) "Significant industrial user." The term significant industrial user means:

(a) All industrial users subject to categorical pretreatment standards under 40 CFR 403.6 and 40 CFR chapter I, subchapter N; or

(b) Any other industrial user that: discharges an average of 25,000 gallons per day or more of process wastewater to the WWF (excluding sanitary, non-contact cooling and boiler blowdown wastewater); contributes a process wastestream which makes up 5 percent or more of the average dry weather hydraulic or organic capacity of the POTW treatment plant; or is designated as such by the control authority (as defined in 40 CFR 403.3(f)) on the basis that the industrial user has a reasonable potential for adversely affecting the WWF's operation or for violating any pretreatment standard or requirement (in accordance with 40 CFR 403.8(f)(6)).

(47) "Significant noncompliance." Per 0400-40-14-.08(6)(b)8. (a) Chronic violations of wastewater discharge limits, defined here as those in which sixty-six percent or more of all of the measurements taken for each parameter taken during a six-month period exceed (by any magnitude) a numeric pretreatment standard or requirement, including instantaneous limit.

(b) Technical Review Criteria (TRC) violations, defined here as those in which thirty-three percent or more of all of the measurements for each pollutant parameter taken during a six-month period equal or exceed the product of the numeric

pretreatment standard or requirement, including instantaneous limits multiplied by the applicable TRC (TRC=1.4 for BOD, TSS, fats, oils and grease, and 1.2 for all other pollutants except pH). TRC calculations for pH are not required.

(c) Any other violation of a pretreatment standard or requirement (daily maximum or longer-term average, instantaneous limit, or narrative standard) that the WWF determines has caused, alone or in combination with other discharges, interference or pass through (including endangering the health of WWF personnel or the general public).

(d) Any discharge of a pollutant that has caused imminent endangerment to human health, welfare or to the environment or has resulted in the WWF's exercise of its emergency authority under Section 205(1)(b)(i)(D), Emergency Order, to halt or prevent such a discharge.

(e) Failure to meet, within 90 days after the schedule date, a compliance schedule milestone contained in a local control mechanism or enforcement order for starting construction, completing construction, or attaining final compliance.

(f) Failure to provide, within 45 days after their due date, required reports such as baseline monitoring reports, 90-day compliance reports, periodic self-monitoring reports, and reports on compliance with compliance schedules.

(g) Failure to accurately report noncompliance.

(h) Any other violation or group of violations, which may include a violation of Best Management Practices, which the WWF determines will adversely affect the operation or implementation of the local pretreatment program.

(i) Continuously monitored pH violations that exceed limits for a time period greater than 50 minutes or exceed limits by more than 0.5 s.u. more than eight times in four hours.

(48) "Slug." Any discharge of a non-routine, episodic nature, including but not limited to an accidental spill or a non-customary batch discharge, which has a reasonable potential to cause interference or pass-through, or in any other way violate the WWF's regulations, local limits, or Permit conditions.

(49) "Standard industrial classification (SIC)." A classification pursuant to the Standard Industrial Classification Manual issued by the Executive Office of the President, Office of Management and Budget, 1972.

(50) "State." The State of Tennessee.

(51) "Storm sewer or storm drain." A pipe or conduit which carries storm and surface waters and drainage, but excludes sewage and industrial wastes. It may, however, carry cooling waters and unpolluted waters, upon approval of the superintendent.

(52) "Storm water." Any flow occurring during or following any form of natural precipitation and resulting therefrom.

(53) "Superintendent." The designated wastewater collection system superintendent of the MUC, or his duly authorized representative.

(54) "Surcharge." An additional fee assessed to a user who discharges compatible pollutants at concentrations above the established surcharge thresholds. Surcharge thresholds are the level at which the permit holder will be billed higher rates to offset the cost of treating wastewater which exceeds the surcharge limits. A surcharge, as defined in the MUC Surcharge Policy, shall be charged based upon the strength of the wastewater in excess of established

thresholds. The Permittee shall not be subject to any further provisions for exceeding established thresholds (exceeding thresholds is not a violation of this permit) except as follows: any pollutant, including compatible pollutants such as BOD, TSS, Ammonia Nitrogen, Total Phosphorus, and FOG, released at a flow rate and/or pollutant concentration that either alone, or in interaction with other substances, causes interference with the POTW; pass through of the POTW, or constitutes an adverse environmental impact shall be deemed non-compatible and shall be subject to enforcement provisions.

(55) "Suspended solids." The total suspended matter that floats on the surface of, or is suspended in, water, wastewater, or other liquids and that is removable by laboratory filtering.

(56) "Town." The Board of Mayor and Aldermen, Town of Bean Station, Tennessee.

(57) "Toxic pollutant." Any pollutant or combination of pollutants listed as toxic in regulations published by the Administrator of the Environmental Protection Agency under the provision of CWA 307(a) or other Acts.

(58) "Twenty-four (24-) hour flow proportional composite sample." A sample consisting of several sample portions collected during a 24-hour period in which the portions of a sample are proportioned to the flow and combined to form a representative sample.

(59) "User." The owner, tenant or occupant of any lot or parcel of land connected to a sanitary sewer, or for which a sanitary sewer line is available if a municipality levies a sewer charge on the basis of such availability, Tennessee Code Annotated, § 68-221-201.

(60) "Wastewater." The liquid and water-carried industrial or domestic wastes from dwellings, commercial buildings, industrial facilities, and institutions, whether treated or untreated, which is contributed into or permitted to enter the WWF.

(61) "Wastewater Facility" Any or all of the following: the collection/transmission system, treatment plant, and the reuse or disposal system, which is owned by any person. This definition includes any devices and systems used in the storage, treatment, recycling and reclamation of municipal sewage or industrial waste of a liquid nature. It also includes sewers, pipes and other conveyances only if they convey wastewater to a WWF treatment plant. The term also means the municipality as defined in section 502(4) of the Federal Clean Water Act, which has jurisdiction over the indirect discharges to and the discharges from such a treatment works. WWF was formally known as a POTW, or Publicly Owned Treatment Works.

(62) "Waters of the state." All streams, lakes, ponds, marshes, watercourses, waterways, wells, springs, reservoirs, aquifers, irrigation systems, drainage systems, and other bodies of accumulation of water, surface or underground, natural or artificial, public or private, that are contained within, flow through, or border upon the state or any portion thereof.

(63) "0400-44-14." Chapter 0400-40-14 of the Rules and Regulations of the State of Tennessee, Pretreatment Requirements.

18-204. Proper waste disposal required.

(1) It shall be unlawful for any person to place, deposit, or permit to be deposited in any unsanitary manner on public or private property within the service area of the Town, any human or animal excrement, garbage, or other objectionable waste.

(2) It shall be unlawful to discharge to any waters of the state within the service area of the Town any sewage or other polluted waters, except where suitable treatment has been provided in accordance with provisions of this ordinance or Town or state regulations.

(3) Except as herein provided, it shall be unlawful to construct or maintain any privy, privy vault, cesspool, or other facility intended or used for the disposal of sewage.

(4) Except as provided in (6) below, the owner of all houses, buildings, or properties used for human occupancy, employment, recreation, or other purposes situated within the service area in which there is now located or may in the future be located a public sanitary sewer, is hereby required at their expense to install suitable toilet facilities therein, and to connect such facilities directly with the proper private or public sewer in accordance with the provisions of this chapter. Where public sewer is available, property owners shall within twenty four (24) months after date of official notice to do so, connect to the public sewer. Service is considered "available" when a public sewer main is located in an easement, right-of-way, road or public access way which abuts the owner's property.

(5) Discharging into the sanitary sewer without permission of the Town is strictly prohibited and is deemed "theft of service."

(6) Where a public sanitary sewer is not available under the provisions of (4) above, the building sewer shall be connected to a private sewage disposal system complying with the provisions of Section 18-205 of this ordinance.

(7) The owner of a manufacturing facility may discharge wastewater to the waters of the state provided that he obtains an NPDES permit and meets all requirements of the Federal Clean Water Act, the NPDES permit, and any other applicable local, state, or federal statutes and regulations.

(8) Users have a duty to comply with the provisions of this ordinance in order for the Town to fulfill the stated Policy and Purpose. Significant Industrial Users must comply with the provisions of this ordinance and applicable state and federal rules according to the nature of the industrial discharge.

(9) The Town may inspect the properties, facilities, including service lines or building sewer, of any user to ascertain whether the purpose of this chapter is being met and all requirements are being complied with. Persons or occupants of premises where wastewater is created or discharged shall allow the Town or its representative, with proper identification, ready access at all reasonable times to all parts of the premises for the purpose of inspection.

18-205. Private domestic wastewater disposal.

(1) Availability.

(a) Where a public sanitary sewer is not available under the provisions of Section 18-204(4), the building sewer shall be connected, until the public sewer is available, to a private wastewater disposal system complying with the provisions of the applicable local and state regulations.

(b) The owner shall operate and maintain the private sewage disposal facilities in a sanitary manner at all times, at no expense to the Town. When it becomes necessary to clean septic tanks, the sludge may be disposed of only according to applicable local, federal and state regulations.

(c) Where a public sewer becomes available, the building sewer shall be connected to said sewer as stipulated in Paragraph 104(4) of this ordinance.

(2) Requirements.

(a) The type, capacity, location and layout of a private sewerage disposal

system shall comply with all local or state regulations. Before commencement of construction of a private sewerage disposal system, the owner shall first obtain a written approval from the County Health Department and/or the State. The application for such approval shall be made on a form furnished by the County Health Department and/or the State which the applicant shall supplement with any plans or specifications that the Department and/or State has requested.

(b) Approval for a private sewerage disposal system shall not become effective until the installation is completed to the satisfaction of the local and state authorities, who shall be allowed to inspect the work at any stage of construction.

(c) The type, capacity, location, and layout of a private sewage disposal system shall comply with all recommendations of the Tennessee Department of Environment and Conservation, and the County Health Department. No septic tank or cesspool shall be permitted to discharge to waters of Tennessee.

(d) No statement contained in this chapter shall be construed to interfere with any additional or future requirements that may be imposed by the Town, the County, and/or the State.

18-206. Connection to public sewers.

(1) Application for Service.

(a) There shall be two (2) classifications of service: (1) residential and (2) commercial, industrial and other nonresidential establishments. In either case, the owner or his agent shall make application for connection on forms furnished by the Town. Applicants for service to commercial and industrial establishments shall be required to furnish information about all waste producing activities, wastewater characteristics and constituents. The application shall be supplemented by any plans, specifications or other information considered pertinent in the judgment of the superintendent. Details regarding commercial and industrial permits include but are not limited to those required by this ordinance. Service Connection Fees for establishing new sewer service are paid to the Town. Industrial User Discharge Permit Fees may also apply. The receipt by the Town of a prospective customer's application for connection shall not obligate the Town to render the connection. If the service applied for cannot be supplied in accordance with this chapter and the Town's rules and regulations and general practice, or state and federal requirement, the connection charge will be refunded in full, and there shall be no liability of the Town to the applicant for such service.

(b) Users shall notify the Town of any proposed new introduction of wastewater constituents or any proposed change in the volume or character of the wastewater being discharged to the system a minimum of sixty (60) days prior to the change. The Town may deny or limit this new introduction or change based upon the information submitted in the notification.

(2) **Prohibited connections.** No person shall make connections of roof downspouts, sump pumps, basement wall seepage or floor seepage, exterior foundation drains, area way drains, or other sources of surface runoff or groundwater to a building sewer or building drain which in turn is connected directly or indirectly to a public sanitary sewer. Any such connections which already exist on the effective date of this ordinance shall be

completely and permanently disconnected within sixty (60) days of the effective day of this ordinance. The owners of any building sewer having such connections, leaks or defects shall bear all of the costs incidental to removal of such sources. Pipes, sumps and pumps for such sources of ground water shall be separate from the sanitary sewer.

(3) Physical connection to public sewer.

(a) No person shall uncover, make any connections with or opening into, use, alter, or disturb any public sewer or appurtenance thereof. The Town shall make all connections to the public sewer upon the property owner first submitting a connection application to the Town.

The connection application shall be supplemented by any plans, specifications or other information considered pertinent in the judgment of the superintendent. A service connection fee shall be paid to the Town at the time the application is filed.

The applicant is responsible for excavation and installation of the building sewer which is located on private property. The Town will inspect the installation prior to backfilling and make the connection to the public sewer.

(b) All costs and expenses incident to the installation, connection, and inspection of the building sewer shall be borne by the owner including all service and connection fees. The owner shall indemnify the Town from any loss or damage that may directly or indirectly be occasioned by the installation of the building sewer.

(c) A separate and independent building sewer shall be provided for each building; except where one building stands at the rear of another on an interior lot and no private sewer is available or a building sewer cannot be constructed to the rear building through an adjoining alley, courtyard, or driveway, the building sewer from the front building may be extended to the rear building and the whole considered as one building sewer. However, the connection of the second building to the first building's sewer may require the payment of applicable fees in accordance with the Town's current schedule of rates and fees for sewer customers.

(d) Old building sewers may be used in connection with new buildings only when they are found, on examination and testing by the Town's representative, to meet all requirements of this chapter.

(e) Building sewers shall conform to the requirements of the Town's most recently adopted plumbing code or the current requirements of the MUC, whichever is most restrictive.

(f) Connections of building sewers to the public sewer system shall be made in accordance with the current requirements of the MUC.

(g) In all buildings in which any building drain is too low to permit gravity flow to the public sewer, sanitary sewage carried by such building drain shall be lifted by an approved pump system according to Section 18-207 and discharged to the building sewer at the expense of the owner.

(h) The methods to be used in excavating, placing of pipe, jointing, testing, backfilling the trench, or other activities in the construction of a building sewer which have not been described above shall conform to the requirements of the building and plumbing code or other applicable rules and regulations of the Town or in accordance with the current requirements of the MUC, whichever is most restrictive. Any deviation from the prescribed procedures and materials must be approved by the superintendent

before installation.

(i) All excavations for building sewer installation shall be adequately guarded with barricades and lights so as to protect the public from hazard. Streets, sidewalks, parkways, and other public property disturbed in the course of the work shall be restored in a manner satisfactory to the Town.

(j) Inspection of connections.

(i) The sewer connection and all building sewers from the building to the public sewer main line shall be inspected before the underground portion is covered by Town's authorized representative.

(ii) The applicant for discharge shall notify the Town's representative when the building sewer is ready for inspection and connection to the public sewer. The connection shall be made under the supervision of the Town's representative.

(4) Maintenance of building sewers.

(a) Each individual property owner shall be entirely responsible for the construction, maintenance, repair and/or replacement of the building sewer as deemed necessary by the superintendent to meet specifications of the Town. Owners failing to maintain or repair building sewers or who allow stormwater, groundwater, and/or other prohibited flows to enter the sanitary sewer may face enforcement action by up to and including discontinuation of water and sewer service.

(b) The Town may inspect the facilities of any user to ascertain whether the purpose of this chapter is being met and all requirements are being complied with.

(c) The point of division between the building sewer and the Town-owned sewer tap or service connection shall be at the property line, right-of-way line or the Town's easement. The Town-owned tap or service line connection cannot extend onto private property except that minimal distance to the edge of rights-of-way, easements, and/or that distance necessary to cross other utility lines and provide a location unencumbered by other underground utilities where the user can make a connection to the building sewer without risk of damage to those other utilities.

(5) Sewer extensions. All expansion or extension of the public sewer constructed by property owners or developers shall comply with the current requirements of the MUC. All plans and construction must follow the latest edition of the Standard Sanitary Sewer Specifications of the MUC. The entire cost of the construction of any extensions (including engineering design, review & approval by the State and/or other regulatory agencies, permits, easements (acquired in the name of the Town), construction inspection, preparation of as-built drawings, etc.) shall be borne by the property owners or developer. Upon completion of construction, the Town shall be provided as-built drawings (in PDF and in electronic format compatible with MUC's current GIS / mapping system), documentation of all proof-testing performed during construction, and other documentation as may be required by the current specifications and policies of the MUC. The developer / property owners shall provide a one-year warranty to the Town from the date of the Town's formal, written acceptance of the extension. The developer / property owners are responsible for all maintenance and repairs during the warranty period.

(6) Protection from damage. No person shall maliciously, willfully, or negligently break, damage, destroy, uncover, deface, or tamper with any structures, appurtenances or

equipment which is a part of the WWF.

18-207. Grinder Pumps / Low Pressure Sewer Systems.

(1) When connection of building sewers to the public gravity sewer by gravity flow lines is impossible due to elevation differences or other encumbrances, Grinder Pump (GP) systems may be installed subject to the regulations of the Town.

(a) Equipment requirements. Pumps must comply with the current regulations and practices of the MUC and shall be maintained by the homeowner or business owner.

(b) Installation requirements. Location of tanks, pumps, and effluent lines shall be subject to the approval of the Town. Installation shall comply with the current regulations and practices of the MUC.

(c) Costs. GP equipment for new construction shall be purchased and installed at the developer's, homeowner's, or business owner's expense according to the current regulations and practices of the MUC and the Town and connection will be made to the Town sewer only after inspection and approval of the Town.

(d) Ownership and easements. Homeowners or developers shall provide the Town with access to perform necessary maintenance or repair. Access by the Town to the GP system must be guaranteed to operate, maintain, repair, restore service, and remove sludge. Access manholes, ports, and electrical disconnects must not be locked, obstructed or blocked by landscaping or construction.

(2) Low Pressure Sewer Systems (LPSSs).

Portions of the Town's wastewater collection system are composed of low pressure sewers. Such LPSS's shall comply with the current regulations and practices of the MUC including, but not limited to, the GP, its installation, provision of electrical service by the customer, and ownership and maintenance of the GP. In addition to the general discharge regulations contained within this ordinance, the customer shall be responsible for damage to and/or clogging of the GP due to items and materials (e.g., wipes, rags, metal objects) introduced to the customer's building sewer.

18-208. Regulation of holding tank waste disposal or trucked in waste. (1) No person, firm, association or corporation shall haul in or truck into the WWF any type of domestic, commercial or industrial waste. This part includes waste from trucks, railcars, barges, etc., or temporally pumped waste, all of which are prohibited.

18-209. Discharge regulations.

(1) In addition to the following general discharge provisions, the Town adopts the following policies of the Morristown Utilities Commission:

(a) Industrial Pretreatment Limits, Morristown Utilities, dated April 2020 (see Appendix A);

(b) Fats, Oils & Grease (FOG) Management Policy, Morristown Utilities, dated May 25, 2017 (see Appendix B).

Should there be a conflict between the general provisions of this section and the MUC policies, the stricter of the two shall apply.

(2) General discharge prohibitions. No user shall contribute or cause to be contributed, directly or indirectly, any pollutant or wastewater which will pass through or

interfere with the operation and performance of the Town's and/or MUC's wastewater facilities (WWF). These general prohibitions apply to all such users of a WWF whether or not the user is subject to national categorical pretreatment standards or any other national, state, or local pretreatment standards or requirements. Violations of these general and specific prohibitions or the provisions of this section or other pretreatment standard may result in the issuance of an industrial pretreatment permit, surcharges, discontinuance of water and/or sewer service and other penalties and provisions of this ordinance.

18-210. Enforcement and abatement. Violators of these Wastewater Regulations may be cited to Town court, general sessions court, chancery court, or other court of competent jurisdiction face fines, have sewer service terminated or the Town may seek further remedies as needed to protect the collection system, treatment plant, receiving stream and public health including the issuance of discharge permits in compliance with the MUC's Industrial Pretreatment Regulations. Repeated or continuous violation of this ordinance is declared to be a public nuisance and may result in legal action against the property owner and/or occupant and the service line disconnected from sewer main. Upon notice by the superintendent that a violation has or is occurring, the user shall immediately take steps to stop or correct the violation. The Town may take any or all the following remedies:

- (1) Cite the user to Town or general sessions court, where each day of violation shall constitute a separate offense.
- (2) In an emergency situation where the superintendent has determined that immediate action is needed to protect the public health, safety or welfare, a public water supply or the facilities or workers of the sewerage system, the superintendent may discontinue water service or disconnect sewer service.
- (3) File a lawsuit in chancery court or any other court of competent jurisdiction seeking damages against the user, including if applicable legal costs, and further seeking an injunction prohibiting further violations by user.
- (4) Seek further remedies as needed to protect the public health, safety or welfare, the public water supply or the facilities of the sewerage system.

CHAPTER 3

INDUSTRIAL/COMMERCIAL WASTEWATER REGULATIONS

SECTION

- 18-301. Industrial pretreatment.
- 18-302. Discharge permits.
- 18-303. Industrial user additional requirements.
- 18-304. Reporting requirements.
- 18-305. Enforcement response plan.
- 18-306. Enforcement response guide table.
- 18-307. Fees and billing.
- 18-308. Validity.

18-301. Industrial pretreatment. In order to comply with Federal Industrial Pretreatment Rules 40 CFR 403 and Tennessee Pretreatment Rules 0400-40-14 and to fulfill the Purpose and Policy of this ordinance the following regulations are adopted.

(1) User discharge restrictions. All system users must follow the General and Specific discharge regulations specified in Section 18-209 of this ordinance.

(2) Users wishing to discharge pollutants at higher concentrations than Section 18-209, or those dischargers who are classified as Significant Industrial Users will be required to meet the current Industrial / Commercial Wastewater requirements of the MUC. Users who discharge waste which falls under the criteria specified in this Chapter and who fail to or refuse to follow the provisions shall face termination of service and/or enforcement action specified in Section 18-305.

(3) Discharge regulation. Discharges to the sewer system may be regulated through use of a permitting system. The permitting system may include any or all of the following activities: completion of survey/application forms, issuance of permits, oversight of user's monitoring and permit compliance, use of compliance schedules, inspections of industrial processes, wastewater processing, and chemical storage, public notice of permit system changes and public notice of users found in significant noncompliance.

(4) In order to comply with the requirements of this ordinance and/or other applicable Local, State and Federal pretreatment rules which may be in effect or take effect after the passage of this ordinance, the Town, in addition to the polices adopted in 18-209 (1), (a) and (b), adopts the following policy of the Morristown Utilities Commission: Industrial Pretreatment Policy, Morristown Utilities, dated August 2, 2020 and Appendix A, Enforcement Response Guide (ERG) of the Policy, dated August 1, 2021 (see Appendix C).

(5) Protection of treatment plant influent. The MUC pretreatment coordinator shall monitor the treatment works influent for each regulated parameter in their current Plant Protection Criteria. Industrial users shall be subject to reporting and monitoring requirements regarding these parameters as set forth in the current MUC regulations. In the event that the influent at the WWF reaches or violates the levels established by the MUC regulations or subsequent criteria calculated as a result of changes in pass through limits issued by the Tennessee Department of Environment and Conservation, the pretreatment coordinator shall initiate technical studies to determine the cause of the influent violation and shall recommend to the Town the necessary remedial measures, including, but not limited to, recommending the establishment of new or revised local limits, best management practices, or other criteria used to protect the WWF. The pretreatment coordinator shall also recommend changes to any of these criteria in the event that: the WWF effluent standards are changed, there are changes in any applicable law or regulation affecting same, or changes are needed for more effective operation of the WWF.

(6) User inventory. The superintendent will maintain an up-to-date inventory of users whose waste does or may fall into the requirements of this Chapter and will notify the users of their status.

(7) Right to establish more restrictive criteria. No statement in this chapter is intended or may be construed to prohibit the pretreatment coordinator from establishing specific wastewater discharge criteria which are more restrictive when wastes are determined to be harmful or destructive to the facilities of the WWF or to create a public nuisance, or to cause the

discharge of the WWF to violate effluent or stream quality standards, or to interfere with the use or handling of sludge, or to pass through the WWF resulting in a violation of the NPDES permit, or to exceed industrial pretreatment standards for discharge to municipal wastewater treatment systems as imposed or as may be imposed by the Tennessee Department of Environment and Conservation and/or the United States Environmental Protection Agency.

(8) Combined wastestream formula. When wastewater subject to categorical Pretreatment Standards is mixed with wastewater not regulated by the same Standard, the permitting authority may impose an alternate limit using the combined wastestream formula.

18-302. Discharge permits.

(1) Application for discharge of commercial or industrial wastewater. All users or prospective users which generate commercial or industrial wastewater shall make application to the superintendent for connection to the municipal wastewater treatment system and shall comply with all provisions of the MUC polices adopted herein. Applications shall be required from all new dischargers as well as for any existing discharger desiring additional service or where there is a planned change in the industrial or wastewater treatment process. Connection to the Town sewer or changes in the industrial process or wastewater treatment process shall not be made until the application is received and approved by the superintendent or the MUC Pretreatment Coordinator, the building sewer is installed in accordance with section 18-206 of this ordinance and an inspection has been performed by the superintendent or his representative.

The receipt by the Town of a prospective customer's application for connection shall not obligate the Town to render the connection. If the service applied for cannot be supplied in accordance with this chapter and the Town's rules and regulations and general practice, the connection charge will be refunded in full, and there shall be no liability of the Town to the applicant for such service.

18-303. Industrial user additional requirements.

(1) Monitoring facilities. The installation of a monitoring and sampling facility(s) shall be required for all industrial users and shall comply with MUC Pretreatment policies adopted herein and the MUC-issued permit. Installation, operation, and maintenance of such facility(s) shall be in compliance with the MUC Pretreatment Policies and Permit and shall be solely at the expense of the user.

(2) Inspection and sampling. The Town and/or MUC may inspect the facilities of any user to ascertain whether the purpose of this chapter is being met and all requirements are being complied with. Persons or occupants of premises where wastewater is created or discharged shall allow the Town, MUC, or their representative ready access at all reasonable times to all parts of the premises for the purpose of inspection, sampling, records examination and copying or in the performance of any of its duties. The Town, MUC, TDEC and EPA shall have the right to set up on the user's property such devices as are necessary to conduct sampling inspection, compliance monitoring and/or metering operations. The Town and/or MUC will utilize qualified personnel or a private laboratory to conduct compliance monitoring. Where a user has security measures in force which would require proper identification and clearance before entry into their premises, the user shall make necessary arrangements with their security guards so that upon presentation of suitable identification, personnel from the Town, MUC, TDEC and/or EPA will

be permitted to enter, without delay, for the purposes of performing their specific responsibility.

(3) Safety. While performing the necessary work on private properties, the pretreatment coordinator or duly authorized employees of the Town / MUC shall observe all reasonable safety rules applicable to the monitoring and sampling operation and the company shall be held harmless for injury or death to the Town / MUC employees and the Town shall indemnify the company against loss or damage to its property by Town / MUC employees and against liability claims and demands for personal injury or property damage asserted against the company and growing out of the monitoring and sampling operation, except as such may be caused by negligence or failure of the company to maintain safe conditions.

(4) New sources. New sources of discharges to the WWF shall have in full operation all pollution control equipment at startup of the industrial process and be in full compliance of effluent standards within 90 days of startup of the industrial process or as otherwise specified in the MUC-issued permit.

(5) Slug discharge evaluations. Evaluations will be conducted of each significant industrial user according to the state and federal regulations. Where it is determined that a slug discharge control plan is needed, the User shall prepare that plan according to the appropriate regulatory guidance.

(6) Accidental discharges or slug discharges.

(a) Protection from accidental or slug discharge. All industrial users shall provide such facilities and institute such procedures as are reasonably necessary to prevent or minimize the potential for accidental or slug discharge into the WWF of waste regulated by this chapter from liquid or raw material storage areas, from truck and rail car loading and unloading areas, from in-plant transfer or processing and materials handling areas, and from diked areas or holding ponds of any waste regulated by this chapter. Detailed plans showing the facilities and operating procedures shall be submitted to the pretreatment coordinator before the facility is constructed. The User shall comply with the MUC Slug Discharge Requirements.

The review and approval of such plans and operating procedures will in no way relieve the User from the responsibility of modifying the facility to provide the protection necessary to meet the requirements of this chapter.

(b) Notification of accidental discharge or slug discharge. Any person causing or suffering from any accidental discharge or slug discharge shall immediately notify the pretreatment coordinator in person, or by the telephone to enable countermeasures to be taken by the pretreatment coordinator to minimize damage to the WWF, the health and welfare of the public, and the environment. This notification shall be followed, within five (5) days of the date of occurrence, by a detailed written statement describing the cause of the accidental discharge and the measures being taken to prevent future occurrence.

Such notification shall not relieve the User of liability for any expense, loss, or damage to the WWF, fish kills, or any other damage to person or property; nor shall such notification relieve the User of any fines, civil penalties, or other liability which may be imposed by this chapter or state or federal law.

(c) Notice to employees. A notice shall be permanently posted on the User's bulletin board or other prominent place advising employees whom to call in the event of a dangerous discharge. Employers shall ensure that all employees who may cause or

suffer such a dangerous discharge to occur are advised of the emergency notification procedure.

18-304. Reporting requirements. Users, whether permitted or non-permitted may be required to submit reports detailing the nature and characteristics of their discharges according to the following subsections. Failure to make a requested report in the specified time is a violation subject to enforcement actions under Section 18-305. All such reports shall comply with and maintained in accordance with the MUC Industrial Pretreatment policies.

18-305. Enforcement response guide. Under the authority of Tennessee Code Annotated, § 69-3-123 et. Seq., the Town and its users shall utilize and comply with the current Enforcement Response Guide of the MUC as adopted herein.

Notwithstanding any other section of this policy, any user who is found to have violated any provision of this policy, or any permit or order issued hereunder, may be assessed a penalty in an amount not to exceed ten thousand dollars (\$10,000.00) per violation. Each day on which noncompliance shall occur or continue shall be deemed a separate and distinct violation. Such assessments may be added to the user's next scheduled sewer service charge and MUC shall have such other collection remedies as it has to collect other service charges. Unpaid charges and penalties shall constitute a lien against the individual user's property. Industrial users desiring to dispute such penalties must file a request for MUC to reconsider the penalty within ten (10) days of being notified of the fine. Where MUC believes a request has merit, it shall convene a hearing on the matter within fifteen (15) days of receiving the request from the industrial user.

18-306. Enforcement response guide table.

- (1) Purpose. The purpose of this chapter is to provide for the consistent and equitable enforcement of the provisions of this ordinance.
- (2) Enforcement Response Guide. The applicable officer shall utilize and comply with the applicable regulations and policies currently adopted by the of the MUC to impose sanctions or penalties for the violation of this ordinance.

18-307. Fees and billing. (1) Purpose. It is the purpose of this chapter to provide for the equitable recovery of costs from users of the Town's wastewater treatment system including costs of operation, maintenance, administration, bond service costs, capital improvements, depreciation, and equitable cost recovery of EPA administered federal wastewater grants.

- (2) Types of charges and fees. The charges and fees as established in the Town's schedule of charges and fees may include but are not limited to:
 - (a) Inspection fee and tapping fee;
 - (b) Fees for applications for discharge;
 - (c) Sewer use charges;
 - (d) Surcharge fees (utilizing the current MUC surcharge fees);
 - (e) Waste Hauler Permit;
 - (f) Fees to cover the cost of damage or interference caused by a user's

discharge or a user's neglect;

- (g) Industrial wastewater discharge permit fees;
- (h) Fees for industrial discharge monitoring; and
- (i) Other fees as the Town may deem necessary.

(3) Fees for application for discharge. A fee may be charged when a user or prospective user makes application for discharge as required by §302 of this chapter.

(4) Inspection fee and tapping fee. An inspection fee and tapping fee for a building sewer installation shall be paid to the Town's sewer department at the time the application is filed.

(5) Sewer user charges. The board of mayor and aldermen shall establish monthly rates and charges for the use of the wastewater system and for the services supplied by the wastewater system.

(6) Industrial wastewater discharge permit fees. A fee may be charged for the issuance of an industrial wastewater discharge fee in accordance with § 307 of this chapter.

(7) Fees for industrial discharge monitoring. Fees may be collected from industrial users having pretreatment or other discharge requirements to compensate the Town for the necessary compliance monitoring and other administrative duties of the pretreatment program.

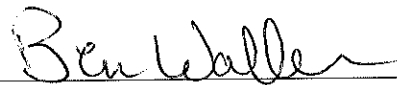
(8) Administrative civil penalties. Administrative civil penalties shall be issued according to the current schedule of the MUC.

18-308. Validity. This chapter and its provisions shall be valid for all service areas, regions, and sewage works under the jurisdiction of the Town.

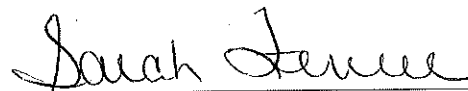
Section 2. Date of effect. This ordinance shall take effect from and after its final passage, the public welfare requiring it.

Passed 1st reading, March 27, 2023.

Passed 2nd reading, April 24, 2023.



Mayor



Recorder

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Town of Bean Station, Tennessee Municipal Code

TITLE 18 – WATER AND SEWERS

Appendix A

INDUSTRIAL PRETREATMENT LIMITS (April 2020)

Morristown Utilities Commission

Morristown, Tennessee

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Industrial Pretreatment Permit Limits

MORRISTOWN UTILITIES



April 2020

Prepared by



Strategic Services Company, LLC

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SECTION I INTRODUCTION

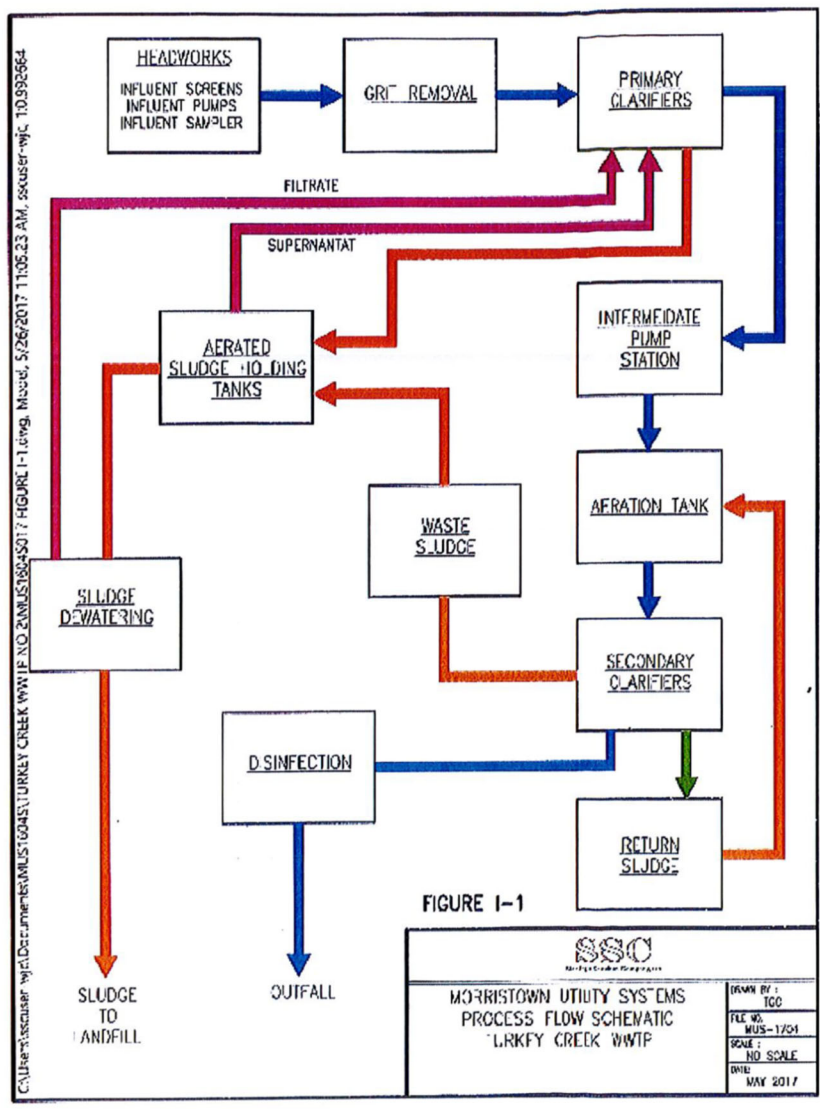
The Morristown Utilities Commission owns two (2) waste water treatment plants. The Turkey Creek Plant is the larger and older of the two. The Turkey Creek Plant discharges into the Cherokee embayment of the Holston River. The Plant's permitted capacity is 7.5 MGD (average monthly flow). The current NPDES Permit Number TN0023507 was issued effective November 1, 2019 as a secondary treatment plant. Figure I-1 shows the process flow schematic of the Turkey Creek Plant. Table I-1 show the flow data for 2019. However, data for the last 9 months was used to minimize infiltration/inflow (I/I) influence. For the purposes of this document calculations will be shown using both the 2019 average flow (4.2 MGD) and the design flow of 7.5 MGD. The Tennessee Department of Environment and Conservation (TDEC) issued pass through limits that are shown in Table I-2. The Morristown staff has completed an industrial waste survey as required. Industries that are permitted to discharge into the Turkey Creek System are shown in Table I-3. Table I-4 shows actual discharge data from a semi-annual report dated October 26, 2019.

The Lowland Treatment Plant is a relatively new facility. The NPDES Permit No. TN 0068187 was issued effective April 01, 2020. The discharge is into the Nolichucky River at mile 7.6. The Plant's permit is unusual in that it has multi-tiers with flows ranging from 0.5 MGD to 5.0 MGD. The plant is currently operating under the 0.5 MGD tier. Figure I-2 shows the process schematic of the plant. Table I-5 show the pass through limits for tier II (0.5 MDG). Table I-6 shows the permitted industries discharging to the Lowland facility. Table I-7 shows actual discharge data from a semi-annual report dated October 26, 2019. The current hydraulic load on the Lowland Plant is approximately 0.3 MGD. Calculations will be shown for allowable influent poundage of each pass through parameter for both current conditions and permitted capacity.

Historically, Morristown Utilities has permitted all users that had a "process discharge" in the program. Going forward it is the intent to change the program and only permit users who 1) meet the defined requirements of a significant industrial user or 2) have historically or have the potential of creating interference within the POTW. Currently there are two types of users; 1) SIU – which currently includes all users with a "process discharge" and 2) Non-Monitoring Industrial Users (NMIU) or those that have no "process discharge". It is the intent to redefine NMIU to be inclusive of small dischargers and to move those that do not meet the definition of SIU into the NMIU category. These users, approximately 10, have a process discharge flow of under 10,000 gallons per day and most typically under 5,000 gallons per day. Because these users have been within the program for a significant number of years, there is a large amount of data supporting the fact that their discharges are insignificant to the respective POTW's. The NMSU will receive a permit, for a period not to exceed 5 years, which will have provisions for monitoring should there be sufficient suspicion of significant process changes. Provisions for random, at staff's discretion, inspections will be included and these users will be included in each future Industrial Survey as a basis for evaluation of coming back into the program.

It is the intent to make critical allocations based on mass calculations. Using the current hydraulic loading, a substantial safety factor is available for growth within the two (2) systems. The industries are diverse. Some have metal discharge with low organic load and others are the reverse. Therefore, an equitable permitting program will be developed.

PROCESS FLOW SCHEMATIC TURKEY CREEK FIGURE - 1



**PERMITTED INDUSTRIES
TURKEY CREEK HUDRAULIC LOADING 2019
TABLE I – 1**

Month (2019)	Monthly Average (MGD)
January	5.581
February	7.785
March	8.182
April	5.42
May	4.603
June	4.341
July	4.265
August	3.755
September	3.398
October	3.616
November	3.953
December	4.403
Average Last 9 Months	4.194888889

**PASS THROUGH LIMITATIONS
TURKEY CREEK STP
TABLE I – 2**

Morristown Turkey Creek STP 10/02/2019 Hamblen County
Design Flow: 7.5 MGD TN0023507 1Q10: 217.8 MGD

<u>Parameter</u>	<u>Concentration (ug/l)</u>
Copper	80.00
Chromium, III	Report only
Chromium, VI	Report only
Chromium, Total	60.00
Nickel	100.00
Cadmium	5.00
Lead	45.00
Mercury	0.40
Silver	5.00
Zinc	200.00
Cyanide	49.39
Toluene	15.00
Benzene	3.00
1,1,1 Trichloroethane	30.00
Ethylbenzene	4.00
Carbon Tetrachloride	15.00
Chloroform	85.00
Tetrachloroethylene	25.00
Trichloroethylene	10.00
1, 2 trans Dichloroethylene	1.50
Methylene chloride	50.00
Total Phenols	50.00
Naphthalene	1.00
Total phthalates ¹	64.50

¹ Total Phthalates is the sum of Bis (2-ethylhexyl) phthalate, Butyl benzylphthalate, Di-n-butylphthalate and Diethyl phthalate.

Note: These limits are monthly averages. All sampling and analysis must be in accordance with 40 CFR 136 unless explicitly allowed by the NPDES permit. See Part 3.2. of the NPDES permit for sample type requirements. References include T.C.A. 0400-40-14-.12(7)(c), 40 CFR 136, and EPA From 3510-2C (8/90 version).

TURKEY CREEK INDUSTRIAL DISCHARGE 2020
TABLE I – 3

Name	Permit Number	Categorical Local (C/L)	Permitted Flow (1,000) GPD	Pollutant of Concern
Arvin - Meritor	1026	L	25	BOD, TSS, Phenol
Bodycote Thermal Products, Inc.	1023	L	10	FOG
Colgate – Palmolive	1042	L	500	BOD, TSS, FOG, Zinc, Phenol
Holtex Processing Co. LLC	1047	L	5	BOD, TSS, FOG, Phenol
Iatric Manufacturing Solutions	1048	L	25	BOD
Industrial Connections & Solutions	1020	C	25	Metals
Koch Foods Corporation Processing Plant P -509	1011	L	1,000	BOD, TSS, FOG
MAHLE Engine Components	1027	C	250	Metals
Rich Foods Corporation Plant 1	1032	L	100	BOD, TSS, FOG
Rich Foods Corporation Plant 2	1039	L	100	BOD, TSS, FOG

**MORRISTOWN UTILITIES
TURKEY CREEK SIMI-ANNUAL DATA
TABLE I – 4**

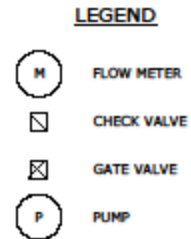
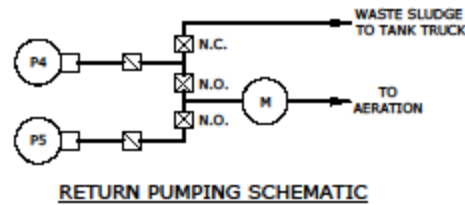
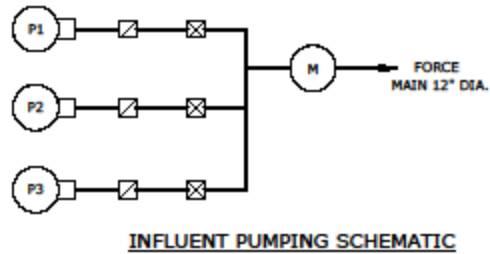
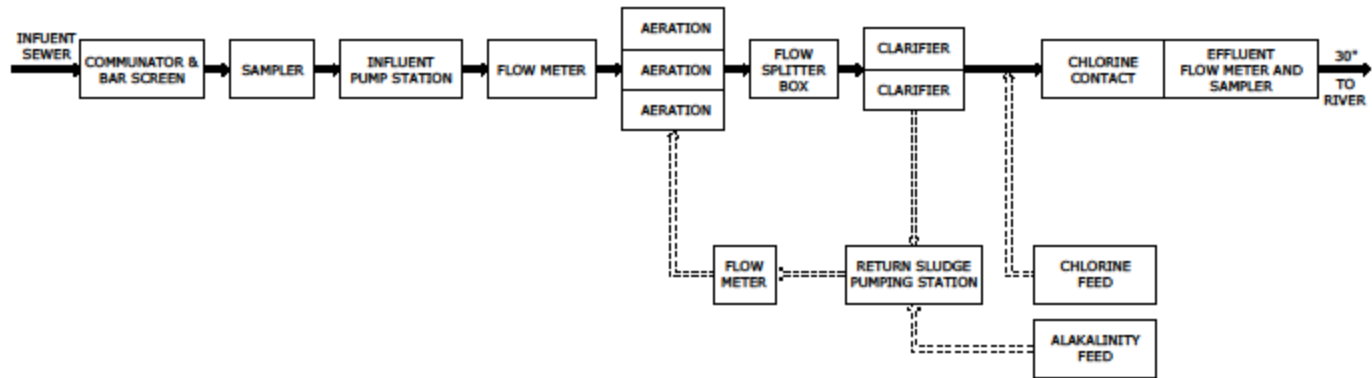
Parameter	Influent October 26, 2019 Report					Effluent October 26, 2019 Report			
	May 6, 2019 mg/l	July 24, 2019 mg/l	Plant Protection Criteria mg/l	Minimum Margin mg/l	% Unused	Conc. mg/l	Pass thru mg/l	Margin mg/l	% Unused
Copper	0.0209	0.0033	0.7326	0.7117	97.14715	0.017	0.08	0.0627	78.375
Chromium, Total	0.00062	0.00049	0.457	0.45638	99.86433	0.001	0.06	0.05881	98.01667
Nickel	0.0051	0.0069	0.2	0.1931	96.55	0.007	0.1	0.0933	93.3
Cadmium	0.00007	0.00003	0.0178	0.01773	99.60674	8E-05	0.005	0.00492	98.4
Lead	0.0004	0.0003	0.1	0.0996	99.6	5E-04	0.045	0.0445	99.88889
Mercury	0.00007	0.00007	0.00111	0.00104	93.69369	7E-05	0.0004	0.00033	82.5
Silver	0.00007	0.00001	0.025	0.02493	99.72	3E-05	0.005	0.00497	99.4
Zinc	0.057	0.0288	1.305	1.248	95.63218	0.051	0.2	0.1493	74.65
Cyanide	0.003	0.003	0.13	0.127	97.69231	0.003	0.04039	0.03739	92.57242
Toluene	0.015	0.0155	0.214	0.1985	92.75701	0.002	0.015	0.0135	90
Benzene	0.0004	0.0004	0.02	0.0196	98	4E-05	0.003	0.00296	98.66667
1,1,1 Trichloroethane	0.0004	0.0046	0.333	0.33254	99.86186	4E-05	0.03	0.02996	99.86667
Ethylbenzene	0.0009	0.0092	0.0328	0.0236	71.95122	9E-05	0.004	0.00391	97.75
Carbon Tetrachloride	0.0004	0.0048	0.075	0.0702	93.6	4E-05	0.015	0.01496	99.73333
Chloroform	0.0008	0.008	0.2995	0.2987	99.73289	8E-04	0.085	0.0842	99.05882
Tetrachloroethylene	0.0004	0.0049	0.13	0.1251	96.23077	4E-04	0.025	0.0246	98.4
Trichloroethylene	0.0004	0.0045	0.114	0.1095	96.05263	4E-04	0.01	0.0096	96
1,2 trans Dichloroethylene	0.0003	0.0038	0.007	0.0032	45.71429	3E-04	0.0015	0.0012	80
Methylene Chloride	0.0054	0.0545	0.132	0.0775	58.71212	0.005	0.05	0.0446	89.2
Phenols, Total	0.0067	0.0358	0.543	0.5072	93.407	0.002	0.05	0.048	96
Naphthalene	0.0005	0.0005	0.0081	0.0076	93.82716	5E-04	0.001	0.0005	50
Phthalates, Total	0.0028	0.002	0.2799	0.2771	98.99964	0.002	0.0645	0.0625	96.89922

**MORRISTOWN UTILITIES
LOWLAND PROCESS FLOW SCHEMEDIC
FIGURE I – 2**

Parameter	Point A	Point B
Copper	0.0126	0.0315
Total Chromium	LD	0.001
Nickel	LD	LD
Cadmium	LD	LD
Lead	LD	LD
Mercury	LD	LD
Silver	LD	LD
Zinc	0.0846	0.071
Cyanide	0.00741	0.008
Toluene	LD	LD
Benzene	LD	LD
1,1,1 Trichloroethane	LD	LD
Ethylbenzene	LD	LD
Carbon Tetrachloride	LD	LD
Chloroform	0.00797	.000555
Tetrachloroethylene	LD	LD
Trichloroethylene	LD	LD
1, 2 trans Dichloroethylene	LD	LD
Methylene chloride	LD	LD
Total Phenols	0.0484	0.0292
Naphthalene	LD	LD
Total phthalates	0.0811	0.0685

LD = less than detection

W:\LOWLAND_WWTP\NPDES_PERMIT_FLOW_SCHEMATIC.dwg, Model: 7/16/2019 9:56:45 AM, 1:200



**MORRISTOWN UTILITIES COMMISSION
LOWLAND WWTP FLOW SCHEMATIC**

DATE: JULY 2019
DRAWN BY: TGC
SCALE: NO SCALE



**PASS THROUGH LIMITATIONS
TIER – 0.5 MGD DESIGN FLOW
TABLE I – 5**

Morristown - Lowland STP 02/14/2020 Hamblen County
Design Flow: 0.5 MGD TN0068187 7Q10: 270 MGD

<u>Parameter</u>	<u>Concentration (ug/l)</u>
Copper	80.00
Chromium, III	Report only
Chromium, VI	Report only
Nickel	180.00
Cadmium	5.00
Lead	45.00
Mercury	0.40
Silver	5.00
Zinc	200.00
Cyanide	230.00
Toluene	15.00
Benzene	3.00
1,1,1 Trichloroethane	30.00
Ethylbenzene	4.00
Carbon Tetrachloride	15.00
Chloroform	85.00
Tetrachloroethylene	25.00
Trichloroethylene	10.00
1, 2 trans Dichloroethylene	1.50
Methylene chloride	50.00
Total Phenols	50.00
Naphthalene	1.00
Total phthalates ¹	64.50

¹ Total Phthalates is the sum of Bis (2-ethylhexyl) phthalate, Butyl benzylphthalate, Di-n-butylphthalate and Diethyl phthalate.

Note: These limits are monthly averages. All sampling and analysis must be in accordance with 40 CFR 136 unless explicitly allowed by the NPDES permit. See Part 3.2. of the NPDES permit for sample type requirements. References include T.C.A. 0400-40-14-.12(7)(c), 40 CFR 136, and EPA From 3510-2C (8/90 version).

**MORRISTOWN UTILITIES
LOWLAND PERMITTED INDUSTRIES 2020
TABLE I - 6**

Name	Permit Number	Categorical Local	Permitted Flow (1,000) GPD)	Pollutants of Concern
BASF Landfill	2010	L	25	Ammonia
Hamblen/Morristown Solid Waste Disposal	2001	L	15	Ammonia
Koch Foods, LLC Debone Plant	2003	L	250	BOD, TSS, FOG, Zinc
Lakeway MSW Landfill	2005	L	30	Ammonia
Lakeway Sanitation and Recycling C&D, LLC	2004	L	20	Ammonia
TDEC Landfill	2006	L	10	Ammonia

**MORRISTOWN UTILITIES
LOWLAND SEMI-ANNUAL DATA
Table I-7**

Parameter	Influent October 26, 2019 Report					Effluent October 26, 2019 Report			
	May 6, 2019 mg/l	July 24, 2019 mg/l	Plant Protection Criteria mg/l	Minimum Margin mg/l	% Unused	Conc. mg/l	Pass thru mg/l	Margin mg/l	% Unused
Copper	0.012	0.0104	.05	0.488	97.6	0.0098	0.08	0.0702	87.75
Nickel	0.0474	0.0219	0.25	0.2026	81.04	0.0303	0.18	0.1497	83.16667
Cadmium	0.00007	0.00005	0.03	0.02993	99.76667	0.0009	0.005	0.0041	82
Lead	0.0013	0.0009	0.1	0.0987	98.7	0.001	0.045	0.044	97.77778
Mercury	0.00007	0.00007	0.0016667	0.001597	95.80008	0.00007	0.0004	0.00033	82.5
Silver	0.00004	0.00002	0.294	0.29396	99.98639	0.00004	0.005	0.00496	99.2
Zinc	0.0489	0.0657	0.5	0.4343	86.86	0.103	0.2	0.097	48.5
Cyanide	0.003	0.003	0.2323	0.2293	98.70857	0.099	0.23	0.131	56.95652
Toluene	0.015	0.0155	0.1243	0.1988	92.76715	0.0015	0.015	0.0135	90
Benzene	0.004	0.004	0.015	0.011	73.33333	0.0004	0.003	0.0026	86.66667
1,1,1 Trichloroethane	0.0046	0.0046	0.2	0.1954	97.7	0.0046	0.03	0.0254	84.66667
Ethylbenzene	0.0092	0.0092	0.0286	0.0194	67.83217	0.0009	0.004	0.0031	77.5
Carbon Tetrachloride	0.0048	0.0048	0.0345	0.0297	86.08696	0.0048	0.015	0.0102	68
Chloroform	0.008	0.008	0.2576	0.2496	96.89441	0.016	0.085	0.069	81.17647
Tetrachloroethylene	0.0049	0.0049	0.125	0.1201	96.08	0.0049	0.025	0.0201	80.4
Trichloroethylene	0.0045	0.0045	0.091	0.0865	95.05495	0.0045	0.01	0.0055	55
1,2 trans Dichloroethylene	0.0038	0.0038	0.00455	0.00075	16.48352	0.0003	0.0015	0.0012	80
Methylene Chloride	0.0545	0.0545	0.1351	0.0806	59.65951	0.0054	0.05	0.0446	89.2
Phenols, Total	0.0622	0.0877	0.5	0.4123	82.46	0.007	0.05	0.043	86
Naphthalene	0.004	0.001	0.0077	0.0037	48.05195	0.0005	0.001	0.0005	50
Phthalates, Total	0.0145	0.029	0.179	0.15	83.79888	0.0025	0.0645	0.062	96.12403

**MORRISTOWN UTILITIES
TURKEY CREEK ALLOCATION DISCUSSION
SECTION II**

In developing an allocation of various parameters for distribution the allowable headworks loading must be determined. Literature and experience will be used in the required calculations. For Turkey Creek, flow data from table I-1 will be used with the pass through limits provided in Table I-2. This data will be used to calculate the allowable poundage to the discharged (Table II-1). Since the Turkey Creek Plant has primary clarifiers in addition to the activated sludge process (see Figure I-1) both processes will be taken into account. Table II-1 also shows the expected removal rates. The calculations will work from the plant effluent to the allowable headworks loading.

Table II - 1 also shows the inhibitory concentrations for the activated sludge process. Using that data the controlling poundage for each of the two (2) plant flow rate is shown.

Table I - 4 showed the actual loading. Based on allowable headworks loading as shown in Table II -1 the difference in allowable and actual is significant. It is clear at current combined loading (domestic, commercial, and industrial) there is a safety factor which can be considered for growth between the current 4.2 MGD flow and the permitted design flow of 7.5 MGD.

**MORRISTOWN UTILITIES
TURKEY CREEK ALLOWABLE LOADING CALCULATIONS
TABLE II – 1**

PARAMATER	Pass Thru (mg/l)	Pass Thru lbs. (Q=4.2)	Pass Thru lbs. Q = 7.5 MGD	Expected Removal Activated Sludge (0.00)	Q = 4.2 MGD Allowable Inlu. lbs. Activated	Q – 7.5 Allowable Inlu. lbs. Activated	Expected Removal Primaries (0.00)	AHL lbs. Q = 4.2 MGD	AHL lbs. Q = 7.5	AHL mg/l Q = 4.2	AHL mg/l Q = 7.5 MGD	Inhibitory Concentration mg/l	Controlling Concentration mg/l	Controlling lbs. Q = 4.2 MGD	Controlling lbs. Q = 7.5 MGD
Copper	0.08	2.80224	5.004	0.86	20.016	35.7429	0.22	25.66154	45.8242	0.7326	0.7326007	1	0.7326	25.661513	45.8241
Chromium, Total	0.06	2.10228	3.753	.082	11.679333	20.85	0.27	15.99909	28.5616	0.45675	0.456621	10	0.456621	15.99452	28.5616
Nickel	0.1	3.5028	6.255	.042	6.0393103	10.7845	0.14	7.022454	12.5401	0.20048	0.2004812	2.5	0.2	7.0056	12.51
Cadmium	0.005	0.17514	0.31275	0.67	0.5307273	0.94773	0.15	0.624385	1.11497	0.01783	0.0178253	10	0.0178	0.6234984	1.11339
Lead	0.045	1.57626	2.81475	0.61	4.0416923	7.21731	0.57	9.399284	16.7844	0.26834	0.2683363	0.1	0.1	3.5028	6.255
Mercury	0.0004	0.0140112	0.02502	0.6	0.035028	0.06255	0.1	0.03892	0.0695	0.00111	0.0011111	5	0.00111	0.0388811	0.06943
Silver	0.005	0.17514	0.31275	0.75	0.70056	1.251	0.2	0.8757	1.56375	0.025	0.025	2.5	0.025	0.8757	1.56375
Zinc	0.2	7.0056	12.51	0.79	33.36	59.5714	0.27	45.69863	81.6047	1.30463	1.3046314	10	1.305	45.71154	81.6278
Cyanide	0.04039	1.4147809	2.5263945	0.69	4.5638094	8.14966	0	4.563809	8.14966	0.13029	0.1302903	0.3	0.13	4.55364	8.1315
Toluene	0.015	0.52542	0.93825	0.93	7.506	13.4036	0	7.506	13.4036	0.21429	0.2142857		0.214	7.495992	13.3857
Benzene	0.003	0.105084	0.18765	0.8	0.52542	0.93825	0.25	0.70056	1.251	0.02	0.02		0.02	0.70056	1.251
1,1,1 Trichloroethane	0.03	1.05084	1.8765	0.85	7.0056	12.51	0.4	11.676	20.85	0.33333	0.3333333		0.33333	11.675883	20.8498
Ethylbenzene	0.004	1.140112	0.2502	0.86	1.0008	1.78714	0.13	1.150345	2.05419	0.03284	0.0328407		0.0328	1.1489184	2.05164
Carbon Tetrachloride	0.015	0.52542	0.93825	0.8	2.6271	4.69125	0	2.6271	4.69125	0.075	0.075		0.075	2.6271	4.69125
Chloroform	0.085	2.97738	5.31675	0.67	9.0223636	16.1114	0.14	10.49112	18.7341	0.29951	0.2995067		0.2995	10.490886	18.7337
Tetrachloroethylene	0.025	0.8757	1.56375	0.8	4.3785	7.81875	0.04	4.560938	8.14453	0.13021	0.1302083		0.13	4.55364	8.1315
Trichloroethylene	0.01	0.35028	0.6255	0.89	3.1843636	5.68636	0.2	3.98045	7.10795	0.11364	0.1136364		0.114	3.993192	7.1307
1,2 trans Dichloroethylene	0.0015	0.052542	0.093825	0.67	0.1592182	0.28432	0.36	0.248778	0.44425	0.0071	0.0071023		0.007	0.245196	0.43785
Methylene Chloride	0.05	1.7514	3.1275	0.62	4.6089474	8.23026	0	4.608947	8.23026	0.13158	0.1315789		0.132	4.623696	8.2566
Phenols, Total	0.05	1.7514	3.1275	0.9	17.514	31.275	0.08	19.03696	33.9946	0.54348	0.5434783		0.543	19.020204	33.9647
Naphthalene	0.001	0.035028	0.06255	0.78	0.1592182	0.28432	0.44	0.284318	0.50771	0.00812	0.0081169		0.0081	0.2837268	0.50666
Phthalates, Total	0.0645	2.259306	4.034475	0.64	6.27585	11.2069	0.36	9.806016	17.5107	0.27995	0.2799479		0.2799	9.8043372	17.5077

**MORRISTOWN UTILITIES
LOWLAND ALLOCATION DISCUSSION
SECTION III**

The same approach for calculating allowable headwork loading will be used for Lowland as used for Turkey Creek. It must be pointed out that Lowland does not have primary clarifiers. However, the same removal rates will be used for the Activated Sludge Process (see Table II-1). Table III-1 shows the permitted industries discharging to the Lowland facilities. The Lowland system has multi-landfills and an industrial park (ETPC). However, the major industry in ETPC is a poultry processor whose load is primarily organic. The Koch Food Debone Plant also has a Zinc discharge concentration of concern because the drinking water has a Zinc additive. The landfills have a high nitrogen content and small amounts of the parameters of concern in the pass through limits.

Table III – 2 shows the Lowland calculation similar to those of Table II – 1 for Turkey Creek. The allocation for metals will be based on mass. The landfills have a relatively low permitted flow; therefore, the permitted parameters may be expressed in concentration.

**MORRISTOWN UTILITIES
LOWLAND PERMITTED INDUSTRIES 2020
TABLE III – 1**

Name	Permit Number	Categorical Local	Permitted Flow (1,000) GPD	Pollutants of Concern
BASF Landfill	2010	L	25	Ammonia
Hamblen/Morristown Solid Waste Disposal	2001	L	15	Ammonia
Koch Foods, LLC Debone Plant	2003	L	250	BOD, TSS, FOG, Zinc, Ammonia
Lakeway MSW Landfill	2005	L	30	Ammonia
Lakeway Sanitation and Recycling C&D, LLC	2004	L	20	Ammonia
TDEC Landfill	2006	L	10	Ammonia

MORRISTOWN UTILITIES
LOWLAND ALLOWABLE LOADING CALCULATIONS
TABLE III – 2

PARAMATER	Pass Thru (mg/l)	Allowable lbs. in Effluent Q – 0.3 MGD	Expected Removal in Activated Sludge 0.00%	Allowable lbs. in Influent Q = 0.3 MGD	Allowable Conc. in Influent Q = 0.3 MGD	Allowable lbs. in Effluent Q = 0.5 MGD	AHL lbs. Q = 0.5 MGD	AHL mg/l Q = 0.5 MGD	Inhibitory Concentration mg/l	Controlling Concentration mg/l	Controlling lbs. (AHL) Q = 0.3 MGD	Controlling lbs. (AHL) Q = 0.5 MGD
Copper	0.08	0.20016	0.84	1.251	0.5	0.3336	2.085	0.5	0.5	0.5	1.251	2.085
Nickel	0.18	0.45036	0.34	0.682363636	0.272727273	0.7506	1.13727273	0.272727273	0.25	0.25	0.6255	1.0425
Cadmium	0.005	0.01251	0.85	0.0834	0.033333333	0.02085	0.139	0.033333333	10	0.03	0.07506	0.1251
Lead	0.045	0.11259	0.82	0.6255	0.25	0.18765	1.0425	0.25	0.1	0.1	0.2502	0.417
Mercury	0.0004	0.0010008	0.76	0.00417	0.001666667	0.001668	0.00695	0.001666667	5	0.0016667	0.004170083	0.006950139
Silver	0.005	0.01251	0.83	0.073588235	0.029411765	0.02085	0.12264706	0.029411765	5	0.294118	0.735883236	1.22647206
Zinc	0.2	0.5004	0.81	2.633684211	1.052631579	0.834	4.38947368	1.052631579	0.5	0.5	1.251	2.085
Cyanide	0.23	0.57546	0.01	0.581272727	0.232323232	0.9591	0.96878788	0.232323232	0.34	0.2323	0.5812146	0.968691
Toluene	0.015	0.03753	0.93	0.536142857	0.214285714	0.006255	0.89357143	0.214285714		0.2143	0.5361786	0.893631
Benzene	0.003	0.007506	0.8	0.03753	0.015	0.01251	0.06255	0.015		0.015	0.03753	0.06255
1,1,1 Trichloroethane	0.03	0.07506	0.85	0.5004	0.2	0.1251	0.834	0.2		0.2	0.5004	0.834
Ethylbenzene	0.004	0.010008	0.86	0.071485714	0.028571429	0.01668	0.11914286	0.028571429		0.0286	0.0715572	0.119262
Carbon Tetrachloride	0.015	0.03753	0.62	0.098763158	0.039473684	0.06255	0.16460526	0.039473684		0.0345	0.086319	0.143865
Chloroform	0.085	0.21267	0.67	0.644454545	0.257575758	0.35445	1.07409091	0.257575758		0.2576	0.6445152	1.074192
Tetrachloroethylene	0.025	0.06255	0.8	0.31275	0.125	0.10425	0.52125	0.125		0.125	0.31275	0.52125
Trichloroethylene	0.01	0.02502	0.89	0.227454545	0.090909091	0.0417	0.37909091	0.090909091		0.09091	0.22745682	0.3790947
1,2 trans Dichloroethylene	0.0015	0.003753	0.67	0.011372727	0.004545455	0.006255	0.10895455	0.004545455		0.00455	0.0113841	0.0189735
Methylene Chloride	0.05	0.1251	0.63	0.338108108	0.135135135	0.2085	0.56351351	0.135135135		0.1351	0.3380202	0.563367
Phenols, Total	0.05	0.1251	0.9	1.251	0.5	0.2085	2.085	0.5		0.5	1.251	2.085
Naphthalene	0.001	0.002502	0.87	0.019246154	0.007692308	0.00417	0.03207692	0.007692308		0.0076923	0.019246135	0.032076891
Phthalates, Total	0.0645	0.161379	0.64	0.448275	0.179166667	0.268965	0.747125	0.179166667		0.1792	0.4483584	0.747264

**MORRISTOWN UTILITIES
PROPOSAL INDUSTRIAL DISCHARGE PERMIT LIMITS
SECTION IV**

From the earlier sections there are a few pollutants of concern whose permitted concentrations have resulted in violations. Those include: Cyanide, Zinc, Phenols, and Nickel.

There is no industrial discharger that uses cyanide in their process. Therefore, it is assumed that cyanide violations are a result of analytical error. Morristown Utilities adds zinc to the drinking water as a corrosion inhibitor. Zinc concentrations for selected industries will be set on a “trading basis” to account for the background zinc concentration in the utility water. The allowable phenols discharge concentration will be revisited to accommodate those who have had problems in the past. Only one industry has experience occasional Nickel violation. Nickel will be handled in the same manner as zinc.

TURKEY CREEK WASTEWATER TREATMENT PLANT
DOMESTIC BASELINE SAMPLING
TABLE IV - 1

Parameter	Point A	Point B	Point C	Point D
Copper	0.084	0.0223	0.0474	0.0273
Total Chromium	0.0016	LD	LD	LD
Nickel	0.003	LD	0.0041	0.0032
Cadmium	LD	LD	LD	LD
Lead	LD	LD	LD	LD
Mercury	LD	LD	LD	LD
Silver	LD	LD	LD	LD
Zinc	LD	0.0499	0.0772	0.0469
Cyanide	LD	0.0022	LD	LD
Toluene	0.00092	LD	0.014	0.0002
Benzene	LD	LD	LD	LD
1,1,1 tichloroethane	LD	LD	LD	LD
Ethylbenzene	LD	LD	LD	LD
Carbon Tetrachloride	LD	LD	LD	LD
Chloroform	0.0018	LD	0.0013	LD
Tetrachloroethylene	LD	LD	LD	LD
Trichloroethylene	LD	LD	LD	LD
1, 2 trans Dichloroethylene	LD	LD	LD	LD
Methylene chloride	LD	LD	LD	LD
Total Phenols	0.075	LD	LD	0.026
Naphthalene	LD	LD	LD	LD
Total phthalates	LD	LD	LD	LD
Sampling:	Point A	Manhole 39E - 18 McGinnis Road 10/9/2018		
	Point B	Manhole 25B - 40 Holston Drive 10/9/2018		
	Point C	Manhole 26J - 06 Morris Boulevard 10/9/2018		
	Point D	Manhole 42G - 85 Hayter Drive 10/10/2018		

LD = less than detection

Table II – 1 shows the Turkey Creek allowable headworks concentration for each parameter TDEC provided a pass through concentration. It also shows the allowable poundage at the current plant flow rate and design capacity. Table I-4 shows the Turkey Creek influent and effluent concentrations from the October 2019 Semi-Annual report. For the pollutant of concern that represented violations based to the current industrial dischargers. Table IV-2 is a review of the data.

SELECTED POLLUTANT OF CONCERN DATA REVIEW TABLE IV - 2							
Parameter	Table IV-1				Table II-1	Table I-4	
Cyanide	LD	0.002	LD	LD	0.13	0.003	0.003
Zinc	LD	0.05	0.077	0.047	1.305	0.057	0.288
Phenols	0.075	LD	LD	0.026	0.543	0.0067	000358
Nickel	0.003	LD	0.004	0.0032	0.2	0.051	0.0069

Table I-3 shows the Turkey Creek dischargers with issues of the four (4) constituents of Table IV-2. Cyanide will not be addressed further because any issues are likely analytical in nature. Nickel is only of concern for one industry. Table IV – 3 reviews the Turkey Creek industries with Phenol and Zinc issues.

TURKEY CREEK INDUSTRIES TABLE IV - 3							
Industry	Phenol mg/l			Zinc mg/l			
	Current Limit	Average	Max	Current Limit	Average	Max	New Limit
Arvin-Meritor	0.5828	0.1716	0.603	2.9557	0.150	0.713	1.305
Colgate - Palmolive	0.5828	0.40	2.0	2.9557	0.3441	3.35	3.50
Holtex	0.5858	0.9646	2.1	2.9557	0.928	2.8	2.9
Koch Foods - Processing Plant	7.6 lbs.	1.8 lbs.	7.96 lbs.	2.9557	0.0794	0.05	0.10
Rich Foods # 1	0.5828	0.2682	0.667	2.9557	0.228	0.259	0.30
Rich Food # 2	0.5828	0.0583	0.212	2.9557	0.0431	0.0717	0.08

From Table I-3, the Koch Foods permit will be for 1.0 MGD. If their new discharge limit for zinc was 0.10 mg/l it would have a poundage limit of 0.834 lbs./day. Based on the Plant influent concentration of 1.305 mg/l the resultant daily poundage would be 10.8837 lbs. From Table I-3, Colgate-Palmolive's permit is for 0.5 MGD. If their new permit would be based on poundage, with a discharge concentration of 3.5 mg/l, the results would be 14.6 lbs. The allowable poundage based on 1.305 mg/l would be 5.63 lbs. Therefore, Colgate-Palmolive would need (14.6 – 5.63) 8.97 additional pounds per day. Since there is a surplus of (10.8837 – 0.834) 10.05 lbs. at Koch an equitable trade could occur with Koch set at 0.834 mg/l and Colgate-Palmolive at 3.5 mg/l.

Table II-1 shows the controlling influent concentration for Phenol to be 0.543 mg/l. Table I-4 shows the actual plant influent concentration (including domestic and industrial dischargers) to be approximately 0.1 of the controlling concentration. At the 4.2 MGD flow rate the allowable headworks poundage is 19.02 lbs./day. The current plant loading for phenol is 0.235 lbs. The July 24, 2019 Phenol concentration of 0.0067 (Table I-4) and 4.2 MGD flow rate. The following recommend actions for Phenol are:

Industry	Permitted Flow MGD	lbs.@ 0.543 mg/l	Max mg/l	Total Industrial lbs.
Arvin-Meritor	0.025	0.11822	0.603	0.126
Bodycote	0.01	0.0453	0.578	0.0482
Colgate-Palmolive	0.5	2.085	1.00	4.17
Holtex	0.005	0.0226	2.1	0.0876
Koch Foods – Processing Plant	1.0	4.529	1.00	8.034
Rich Foods # 1	0.1	0.453	0.66	0.55
Rich Foods # 2	0.1	0.453	0.21	0.175
Total		7.71		17.3

The current industrial phenol load from these industries is 7.71 lbs./day and the projected loading with new limits is 17.3 lbs./day. The actual additional phenol load is (17.3 – 7.71) 9.59 lbs./day. The total phenol load as shown in Table I-4 is 0.0067 mg/l. Therefore the resultant of added industrial permitted load is (9.59 + 0.0067) 9.60 lbs./day. This below the allowable 19.02 lbs.

**LOWLAND WASTEWATER TREATMENT PLANT
DOMESTIC BASELINE SAMPLING
TABLE IV – 5**

Parameter	Point A	Point B
Copper	0.0126	0.0315
Total Chromium	LD	0.001
Nickel	LD	LD
Cadmium	LD	LD
Lead	LD	LD
Mercury	LD	LD
Silver	LD	LD
Zinc	0.0846	0.071
Cyanide	0.00741	0.008
TU	LD	LD
Benzene	LD	LD
1,1,1 Trichlorethane	LD	LD
Ethylbenzene	LD	LD
Carbon Tetrachloride	LD	LD
Chloroform	0.00797	.000555
Tetrachloroethylene	LD	LD
Trichloroethylene	LD	LD
1, 2 trans Dichlorethylene	LD	LD
Methylene chloride	LD	LD
Total Phenols	0.0484	0.0292
Naphthalene	LD	LD
Total phthalates	0.0811	0.0685

LD = less than detection

Table IV-5 shows the results of the Lowland System Domestic baseline sampling. Most of the parameters were less than detection. Table III-1 shows the permitted dischargers to the Lowland facilities with their permitted flow and pollutants of concern. The plant is designed to oxidize Ammonia and treat BOD and TSS. The only pollutant of concern is Zinc from the Koch Food Debone Plant. Table III-2 shows the controlling allowable headworks concentration for Zinc to be 0.50 mg/l and at a flow rate of 0.3 MGD the resultant poundage is 1.251 lbs./day. Table I-7 shows actual influent plant loadings from the October 26, 2019 Semi-Annual report. The Zinc Concentration for July 24, 2019 was 0.0657 mg/l. At the flow rate of 0.3 MGD and plant influent Zinc concentration of 0.0657 mg/l the plant loading is 0.164 lbs. Over the past two years the Koch Food Debone Plant has had a maximum discharge of 0.175 mg/l with the permitted concentration of 0.1471 mg/l. a new discharge limit of 0.2 mg/l for zinc would be an additional 0.50 lbs./day to the plant. The plant influent loading would remain below the allowable.

Allowable Plant Influent lbs./day	Total Current Loading lbs./day	Difference lbs./day	Total Koch load lbs./day	Remains for Growth lbs./day
1.251	0.164	1.087	0.5	0.587

MORRISTOWN UTILITIES COMMISSION
INDUSTRIAL WASTEWATER DISCHARGE PERMIT

In accordance with the provisions of the City of Morristown Water Pollution Control Ordinance, formerly referred to as Sewer Use Ordinance (SUO), and the Morristown Utilities Commission Industrial Pretreatment Policy,



is hereby authorized to discharge industrial wastewater from the above identified facility through the outfall(s) identified herein into the Publicly Owned Treatment Works in accordance with the conditions set forth in this permit. All references to Sewer Use Ordinance, or SUO, contained in this permit shall be synonymous with Water Pollution Control Ordinance. Compliance with this permit does not relieve the Permittee of its obligation to comply with any and all applicable pretreatment regulations, standards, or other requirements under Local, State, and Federal laws inclusive of any such regulating standards, requirements, or laws that may become effective during the term of this permit. Additionally, all references to Morristown Utilities Commission (MUC) shall be synonymous with Morristown Utility Systems (MUS).

Noncompliance with any term or condition identified in this permit shall constitute a violation of the Water Pollution Control Ordinance and MUC Industrial Pretreatment Policy.

This permit shall become effective on [REDACTED], and shall expire on [REDACTED]

The Permittee shall not discharge after the date of expiration. In order to continue discharging beyond this date, the Permittee must complete an application for re-issuance of this permit. In accordance with the requirements of the MUC Industrial Pretreatment Policy, the application must be submitted a minimum of 180 days prior to the expiration date.

By: _____
[REDACTED]

Issued this [REDACTED] day of [REDACTED]

PART I - APPLICABLE EFFLUENT LIMITATIONS

A. During the period of [REDACTED] to [REDACTED], the Permittee is authorized to discharge process wastewater to the Publicly Owned Treatment Works from the below listed outfall(s):

Description of outfall(s):

<u>Outfall No.</u>	<u>Description</u>
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001	Through the existing monitoring manhole located [REDACTED] [REDACTED] [REDACTED] The effluent from this outfall is classified as Significant Noncategorical , and therefore subject to all applicable local limits and thresholds.
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B. During the period of [REDACTED] to [REDACTED] the monitoring frequency of pollutants limited by pretreatment standards shall be based upon the daily flow as established herein. Flow in excess of the established threshold shall be subject to increased monitoring requirements. The Permittee shall not be subject to any further provisions for exceeding established thresholds except as follows: any flow rate that either alone, or in interaction with other substances, causes interference with the POTW, pass through of the POTW, or constitutes an adverse environmental impact shall be subject to enforcement provisions. Furthermore, in accordance with Standard Permit Requirements, Part 5, Section E Additional Reporting Requirements, Paragraph 1 Reports of Changed Conditions, Each user must notify MUC of any significant changes to the user’s operations or system which might alter the nature, quality, or volume of its wastewater at least sixty (60) days before the change.

Parameter	Daily Threshold (GPD)	Max Threshold (GPM)	Type
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Flow	10,000	N/A	Local
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C. During the period of [REDACTED] to [REDACTED], the Permittee’s effluent shall be analyzed for compatible pollutants as set forth in the MUC Industrial Pretreatment Policy (IPP) at the Permittee’s expense. Compatible pollutants are defined as those pollutants that the POTW is designed to treat and remove to a substantial degree. A surcharge, as defined in the MUC Surcharge Policy, shall be charged based upon the strength of the wastewater in excess of established thresholds. The Permittee shall not be subject to any further provisions for exceeding established thresholds (exceeding thresholds is not a violation of this permit) except as follows: any pollutant, including compatible pollutants such as BOD, TSS, Ammonia Nitrogen, Total Phosphorus, and FOG, released at a flow rate and/or pollutant concentration that either alone, or in interaction with other substances, causes interference with the POTW; pass through of the POTW, or constitutes an adverse environmental impact shall be deemed non-compatible and shall be subject to enforcement provisions.

Parameter	Daily Threshold (mg/l)	Daily Maximum Limit (mg/l)	Type
BOD	250	5000	Local
TSS	250	3000	Local
FOG	75	200	Local

D. During the period of [REDACTED] to [REDACTED], the discharge from outfall shall not exceed the following effluent limitations.

Parameter	Daily Maximum Limit (mg/l)	Daily Maximum Limit (lbs/day)	Type
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Primary Inorganic Pollutants

Cyanide	0.0317	N/A	Local
pH	5.0 – 10.0 (SU)	N/A	Local
Phenols, Total	0.5828	N/A	Local

Secondary Inorganic Pollutants

Ammonia as N	Report only	N/A	Local
Nitrate	Report only	N/A	Local
Nitrite	Report only	N/A	Local
Phosphorus	Report only	N/A	Local
Total Kjeldahl Nitrogen	Report only	N/A	Local

Parameter	Daily Maximum Limit (mg/l)	Daily Maximum Limit (lbs/day)	Type
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Primary Metals

Cadmium	0.0161	N/A	Local
Chromium, Total	0.9771	N/A	Local
Copper	1.2916	N/A	Local
Lead	0.2389	N/A	Local
Mercury	0.0011	N/A	Local
Nickel	0.3700	N/A	Local
Silver	0.0607	N/A	Local
Zinc	2.9557	N/A	Local

Secondary Metals

Arsenic	Report Only	N/A	Local
Molybdenum	Report Only	N/A	Local
Selenium	Report Only	N/A	Local

Parameter	Daily Maximum Limit (mg/l)	Daily Maximum Limit (lbs/day)	Type
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Primary Organic Pollutants

Toluene	0.3720	N/A	Local
Benzene	0.0393	N/A	Local
1,1,1, Trichloroethane	0.8263	N/A	Local
Ethylbenzene	0.1098	N/A	Local
Carbon Tetrachloride	0.0276	N/A	Local
Chloroform	0.5804	N/A	Local
Tetrachloroethylene	0.2735	N/A	Local
Trichloroethylene	0.3096	N/A	Local
1,2, trans Dichloroethylene	0.0262	N/A	Local
Methylene Chloride	0.2060	N/A	Local
Napthalene	0.0485	N/A	Local
Phthalates, Total	0.6532	N/A	Local
Bis (2-ethylhexyl) phthalate			
Butyl benzylphthalate			
Di-n-Butylphthalate			
Diethyl phthalate			

Parameter	Daily Maximum Limit (mg/l)	Daily Maximum Limit (lbs/day)	Type
Secondary Organic Pollutants			
Acetone	Report Only	N/A	Local
Methyl Ethyl Ketone (MEK)	Report Only	N/A	Local
Methylisobutlketone (MIBK)	Report Only	N/A	Local
Tetrahydrofuran	Report Only	N/A	Local
Xylenes	Report Only	N/A	Local
Vinyl Acetate	Report Only	N/A	Local

Additional Requirement Report Only

Organic pollutants shall include, at minimum, Monocyclic Aromatics, Halogenated Aliphatics, Phthalate Esters, and shall identify and quantify if possible all parameters with peaks exceeding 10 times the adjacent background noise.

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- E. All discharges shall comply with all other applicable laws, regulations, standards, and requirements contained in the Water Pollution Control Ordinance, the MUC Industrial Pretreatment Policy and any applicable State and Federal laws, regulations, standards, and requirements, including any such laws, regulations, standards or requirements that may become effective during the term of this permit.

PART 2 -MONITORING REQUIREMENTS

A. From the period beginning [REDACTED] to [REDACTED] the effluent from outfall 001 shall be analyzed for the following parameters at the indicated frequency.

Parameter	Location	Frequency	Sample Type
Flow (Monthly Usage)	See note 1	1/Month	Water Meter ²
Flow (GPD)	See note 1	Semi-Annual ³	Flume Reading ⁴
Flow (GPD)	See note 1	Continuous	Effluent Flow Meter ^{7,8}
Compatible Pollutants			
BOD (mg/l)	See note 1	1/Month	24-hr Composite ⁵
TSS (mg/l)	See note 1	1/Month	24-hr Composite
FOG (mg/l)	See note 1	1/Month	Grab ⁶
Primary Inorganic Pollutants			
Cyanide (mg/l)	See note 1	Semi-Annual	Grab
pH (standard units)	See note 1	1/Month	Grab
Phenols, Total (mg/l)	See note 1	Semi-Annual	Grab
Secondary Inorganic Pollutants			
Ammonia as N (mg/l)	See note 1	Semi-Annual	24-hr Composite
Nitrate (mg/l)	See note 1	Semi-Annual	24-hr Composite
Nitrite (mg/l)	See note 1	Semi-Annual	24-hr Composite
Phosphorus (mg/l)	See note 1	Semi-Annual	24-hr Composite
Total Kjeldahl Nitrogen (mg/l)	See note 1	1/Month	24-hr Composite
Primary Metals			
Cadmium (mg/l)	See note 1	Semi-Annual	24-hr Composite
Chromium (mg/l)	See note 1	Semi-Annual	24-hr Composite
Copper (mg/l)	See note 1	Semi-Annual	24-hr Composite
Lead (mg/l)	See note 1	Semi-Annual	24-hr Composite
Mercury (mg/l)	See note 1	Semi-Annual	24-hr Composite
Nickel (mg/l)	See note 1	Semi-Annual	24-hr Composite
Silver (mg/l)	See note 1	Semi-Annual	24-hr Composite
Zinc (mg/l)	See note 1	Semi-Annual	24-hr Composite
Secondary Metals			
Arsenic (mg/l)	See note 1	Semi-Annual	24-hr Composite
Molybdenum (mg/l)	See note 1	Semi-Annual	24-hr Composite
Selenium (mg/l)	See note 1	Semi-Annual	24-hr Composite
Primary/Secondary Organic Pollutants			
Primary/Secondary Organics (mg/l)	See note 1	Semi-Annual	Grab
Special Conditions			

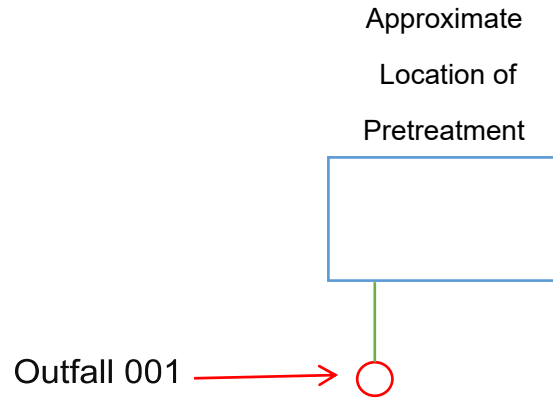
- B. All handling and preservation of collected samples and laboratory analyses of samples shall be performed in accordance with 40 CFR Part 136 and amendments thereto unless specified otherwise in the monitoring conditions of this permit.

 - C. Annual and Semi-Annual analyses shall be conducted per the MUC IPP, at the users expense, which shall satisfy the monitoring requirements for Industrial Users required to monitor at this frequency, and shall also satisfy two of the monitoring requirements for Industrial Users required to monitor more frequently than Semi-Annual. Analyses required more frequently than Semi-Annual shall also be conducted per the MUC IPP. The cost of additional analyses shall be the responsibility of the Industrial User.

 - D. The MUC reserves the right to increase monitoring frequencies for any Industrial User as deemed necessary to protect the POTW. Both daily maximum and monthly averages shall be used to verify compliance with applicable standards should monitoring occur more frequently.
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Notes:

- 1. Diagram provided below for exact location.
 - 2. Monthly water flows will be obtained from the Permittee's monthly water utility bill for surcharge purposes.
 - 3. Semi-Annual shall be conducted every half year within the following six-month periods: January 1 through June 30, and July 1 through December 31.
 - 4. Flume readings will be used for compliance monitoring and verification purposes.
 - 5. Definition of Composite Sample provided in Part 5, Section A, Standard Permit Requirements.
 - 6. Definition of Grab Sample provided in part 5, Section A, Standard Permit Requirements.
 - 7. Continuous effluent flow monitoring required once effluent flow meter is installed.
 - 8. Once installed, flow measurement devices shall be calibrated, at minimum, quarterly by the Permittee and annually by a service provider certified to service and calibrate equipment using standards and accuracies traceable to the National Institute of Standards and Technology (NIST). The annual calibration shall meet one of the Permittee's quarterly calibration requirements. The documentation of equipment maintenance and calibration shall include:
 - a) Date and time of calibration
 - b) Name of the individual who calibrated the instrument
 - c) Adjustments made to the instrument if applicable
 - d) Equipment failures
 - e) Corrective action procedures
 - f) Any additional noteworthy information
-



PART 3 – REPORTING REQUIREMENTS

A. Monitoring Reports

Monitoring results shall be summarized and reported on an Industrial User Monitoring Report on a semiannual basis prepared by the I.U. The first report is due on or before **January 10**. The report shall indicate the nature and concentration of all pollutants in the effluent for which sampling and analyses were performed during the preceding calendar months June through November. The second report is due on or before **July 10**. The report shall indicate the nature and concentration of all pollutants in the effluent for which sampling and analyses were performed during the preceding calendar months December through May. The reports shall include measured maximum and average daily flows. All compliance sampling and analysis shall be performed per the MUC IPP at the expense of the Industrial User.

B. Additional Monitoring

If MUC or the Industrial User (IU) monitors any pollutant more frequently than is required by this permit, using test procedures prescribed in 40 CFR Part 136 or amendments thereto, or otherwise approved by EPA or as specified in this permit, the results of such monitoring shall be included in any calculations of actual daily maximum or monthly average pollutant discharge and results shall be reported in the semiannual report.

The results of any monitoring performed by the IU are to be promptly reported to MUC. In the event monitoring performed by the IU detects a violation, this violation must be reported to MUC within 24 hours of detection. In addition, the IU must repeat the sampling and pollutant analysis and submit, in writing, the results of this repeat analysis within thirty (30) days of being notified of the first violation. All other monitoring results by the IU shall be submitted to MUC no later than the 15th day of the following calendar month.

C. Automatic Resampling

If the results of a wastewater analysis indicates that a violation of this permit has occurred, a repeat sampling and pollutant analysis will be conducted at the users expense to determine compliance.

D. Accidental Spill or Slug Discharge Report

1. All Industrial Users shall prepare a plan to prevent or control accidental spills or slug discharges of prohibited materials or other substances regulated by this permit, and shall submit said plan to the Pretreatment Coordinator for review and approval. An approved plan to prevent or control accidental spills or slug discharges of prohibited materials shall be on file with the Pretreatment Coordinator within 90 days after the effective date of this permit. In addition, such plans and operating procedures shall not relieve the IU from responsibility of any physical or

environmental damage that might result from accidental spills or slug discharges of prohibited materials. The approved plan must be evaluated by the IU on an annual basis, and approval of the Pretreatment Coordinator must be renewed every two years. The plan shall include, as a minimum, a description of discharge practices, including nonroutine batch discharges, and a description of all stored chemicals or other materials that could be accidentally discharged to the POTW. In addition, the plan should include procedures for immediately notifying the POTW of any accidental or slug discharge, and procedures to prevent adverse impact to the POTW or the environment from any slug or accidental discharge. IU's are also required to notify the POTW immediately of any changes at its facility affecting potential for a Slug Discharge.

2. The permittee shall notify the Pretreatment Coordinator immediately upon the occurrence of an accidental discharge or any slug loads or spills that may enter the public sewer. During normal business hours, the Pretreatment Coordinator should be notified by telephone at (423) 317-6331. At all other times, Morristown Utility Dispatch should be notified by telephone at (423)586-4121. The notification shall include the location of discharge, date and time thereof, type of waste including concentration and volume, and corrective actions taken.
3. The permittee's notification of accidental releases in accordance with this section does not relieve it of other reporting requirements that arise under local, State, or Federal laws.
4. Within five calendar days of an accidental discharge, the permittee shall submit to the Pretreatment Coordinator a detailed written report. The report shall specify:
 - a. Description and cause of the upset, slug load or accidental discharge, the cause thereof, and the impact on the permittee's compliance status. The description should also include location of discharge, type, concentration and volume of waste.
 - b. Duration of noncompliance, including exact dates and times of noncompliance and, if the noncompliance is continuing, the time by which compliance is reasonably expected to occur.
 - c. All steps taken or to be taken to reduce, eliminate, and/or prevent recurrence of such and upset, slug load, accidental discharge, or other conditions of noncompliance.
 - d. Such notification shall not relieve the permittee of any liability which may be incurred as a result of the accidental spill or slug discharge of prohibited materials, nor shall notification relieve the permittee of any fines, civil penalties, or other damages which may be imposed by any applicable regulations or laws.

5. A notice shall be permanently posted at a prominent place in the permittee's facility advising employees whom to call in the event of accidental spills or slug discharges of prohibited materials. The permittee shall insure that all employees who may cause or allow such a discharge to occur are advised of the emergency notification procedure.

E. Submission of Reports

All reports required by this permit shall be submitted to the Pretreatment Coordinator at the following address:

Morristown Utilities Commission
Turkey Creek Wastewater Treatment Plant
Attention: Pretreatment Coordinator
1722 Tyler Road
Morristown, TN 37814

F. Receipt of Reports

Written reports will be deemed to have been submitted on the date postmarked. For reports that are not mailed, postage prepaid, into a mail facility serviced by the United States Postal Service, the date of receipt of the report shall govern.

PART 4 – SPECIAL CONDITIONS

SECTION A – ADDITIONAL / SPECIAL MONITORING REQUIREMENTS

Should circumstances warrant additional or special monitoring requirements, the following conditions may be imposed as deemed appropriate.

1. Bio-monitoring or other toxicity testing to determine the toxicity of the discharge.
2. Additional monitoring of pollutants that are limited in the wastewater discharge permit in response to noncompliance.
3. Periodic monitoring for specific pollutants to verify absence (i.e. complete priority pollutant scans).
4. Development of sludge disposal plan, spill prevention or slug loading control plan, or Best Management Practices Plan.
5. Additional monitoring of pollutants not specifically contained in the permit, or other requirements as may be needed to insure compliance with all environmental concerns on a case by case basis.

SECTION B – COMPLIANCE SCHEDULE

Sample Compliance Schedule: **If no dates appear below, this section does not apply to this permit.**

1. The permittee shall accomplish the following tasks in the designated time period:

<u>Activity</u>	<u>Completion Date</u>
Prepare and deliver to the Control Authority, by the specified deadline, an engineering report outlining the proposed improvements along with the basis for design.	[Date]
Prepare and deliver to the Control Authority, by the specified deadline, design plans for a pretreatment facility.	[Date]
Commence construction of the pretreatment facility.	[Date]
Develop, and submit to the Control Authority, a slug control plan to eliminate or minimize accidental spills or slug discharges to the sewer system.	[Date]
Implement the slug loading control plan.	[Date]
Complete installation of the pretreatment facility	[Date]
Obtain full operational status of the pretreatment facility and achieve full compliance.	[Date]

2. Compliance Schedule Reporting

No later than 7 days following each date in the above schedule, the permittee shall submit to the Pretreatment Coordinator a report including, at a minimum, whether or not it complied with the increment process to be met on such date and, if not, the date on which the permittee expects to comply with the increment of progress, the reasons for delay, and the steps being taken to return the project to the established schedule.

PART 5 – STANDARD CONDITIONS

SECTION A – ABBREVIATIONS AND DEFINITIONS

Abbreviations:

BOD	Biochemical Oxygen Demand
°C	Degrees Celsius
CFR	Code of Federal Regulations
COD	Chemical Oxygen Demand
EPA	Environmental Protection Agency
°F	Degrees Fahrenheit
FOG	Fats, Oils, and Grease
GPD	Gallons per Day
GPM	Gallons per Minute
IPP	MUC Industrial Pretreatment Policy
IU	Industrial User
M.B.A.S.	Methylene Blue Active Substance (Surfactants)
MGD	Million Gallons per Day
mg/l	Milligrams per Liter
NPDES	National Pollutant Discharge Elimination System
POTW	Publicly Owned Treatment Works. This definition includes any devices and systems used in the storage, treatment, recycling and reclamation of municipal sewage or industrial wastes of liquid nature. It also includes sewers, pipes, and other conveyances connected to a facility providing treatment. The term also means the municipality, which has jurisdiction over the indirect discharges from such a treatment works.
SIU	Significant Industrial User
SUO	City of Morristown Sewer Use Ordinance
TKN	Total Kjeldahl Nitrogen
TOC	Total Organic Carbon
TOMP	Toxic Organic Management Plan
TSS	Total Suspended Solids
TTO	Total Toxic Organics

Bi-Weekly – Once every other week.

Bi-Monthly – Once every other month commencing in January.

Bypass - The diversion of wastes from any portion of a treatment facility.

Calendar Day – Any 24-hour period beginning at 12:00 a.m.

Categorical Industrial User – An industrial user subject to National categorical pretreatment standards.

City – City of Morristown, Tennessee

Control Authority – The City of Morristown, which has authorized Morristown Utilities Commission dba Morristown Utility Systems (MUS) to act on its behalf as the Control Authority, or any authorized person acting on its behalf.

Daily Maximum Concentration – The maximum allowable discharge of a pollutant in milligrams per liter during any calendar day. When a proportional-to-flow composite sample device is used, the daily concentration is the concentration of that 24 hour composite sample; when other sampling means are used, the daily concentration is the arithmetic mean of the concentrations of equal volume samples collected during any calendar day or sampling period. Where daily maximum limitations are expressed in units of mass, the daily discharge is the total mass discharged over the course of the day.

Composite Sample – A sample that is taken over time, formed either by continuous sampling or by mixing discrete samples. The sample may be composited either as a time composite sample: composed of discrete sample aliquots collected in one container at constant time intervals providing representative samples irrespective of stream flow; or as a flow proportional composite sample: collected either as a constant sample volume at time intervals proportional to stream flow, or collected by increasing the volume of each aliquot as the flow increases while maintaining a constant time interval between aliquots.

Cooling Water –

Uncontaminated (Non-contact) – Water used for cooling purposes only, which has no direct contact with any raw material, intermediate, or final product and which does not contain a level of contaminants detectably higher than that of the total intake water.

Contaminated (Contact) – Water used for cooling purposes only, which may become contaminated either through the use of water treatment chemicals used for corrosion inhibitors or biocides, or by direct contact with process materials and/or wastewater.

Grab Sample – An individual sample collected in less than 15 minutes, without regard to flow or time.

Instantaneous Maximum Concentration – The maximum concentration allowed in any grab sample.

Monthly Average – The arithmetic mean of the values for effluent samples collected during a calendar month or specified 30-day period (as opposed to a rolling 30-day window).

Pretreatment Coordinator – The person designated by MUC who is charged with certain duties and responsibilities regarding pretreatment of discharges set forth in this permit, or their duly authorized representative.

Threshold – A value established for parameters, such as compatible pollutants and flow rates, whereby exceeding the value will subject the permittee to a surcharge for compatible pollutants or

additional monitoring requirements for flow, but is not deemed a violation of the permit, the IPP, or the Water Pollution Control Ordinance.

Weekly Average – The arithmetic mean of the values for effluent samples collected over a period of seven consecutive days.

SECTION B – GENERAL CONDITIONS

1. Severability

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

2. Duty to Comply

The permittee must comply with all conditions of this permit. Failure to comply with the requirements of this permit may be grounds for administrative action, or enforcement proceedings including civil or criminal penalties, injunctive relief, and summary abatements.

3. Duty to Mitigate

The permittee shall take all reasonable steps to minimize or correct any adverse impact to the POTW or the environment resulting from noncompliance with this permit, including such accelerated or additional monitoring as necessary to determine the nature and impact of the non-compliant discharge.

4. Permit Modification and/or Revocation and Reissuance

This permit may be modified, revoked and reissued, or terminated for good causes including, but not limited to, the following:

- a. To incorporate any new or revised Federal, State, or local pretreatment standards or requirements
- b. Material or substantial alterations or additions to the permittee's operation processes, or discharge volume or character that were not considered in drafting the effective permit
- c. A change in any condition in either the industrial user or the POTW that requires either a temporary or permanent reduction or elimination of the authorized discharge
- d. Information indicating that the permitted discharge poses a threat to the MUC collection and treatment systems, POTW personnel or the receiving waters

- e. Violation of any terms or conditions of the permit
- f. Misrepresentation or failure to disclose fully all relevant facts in the permit application or in any required report
- g. Revision of or a grant of variance from such categorical standards pursuant to 40 CFR § 403.13
- h. To correct typographical or other errors in the permit
- i. To reflect the transfer of the facility ownership and/or operation to a new owner/operator
- j. Upon request of the permittee, provided such request does not create a violation of any applicable requirements, standards, laws, or rules and regulations

The filing of a request by the permittee for a permit modification, revocation and reissuance, or termination, or a notification of planned changes or anticipated noncompliance, does not stay any permit condition.

5. Permit Termination

This permit may be terminated for reasons including, but not limited to, the following:

- a. Falsifying self-monitoring reports
- b. Tampering with monitoring equipment
- c. Refusing to allow timely access to the facility premises and records
- d. Failure to meet effluent limitations
- e. Failure to pay fines
- f. Failure to pay sewer charges
- g. Failure to meet compliance schedules

6. Permit Appeals

- a. The permittee may petition to appeal the terms of this permit within thirty (30) days of the notice. This petition must be in writing; failure to submit a petition for review shall be deemed to be a waiver of the appeal. In its petition, the permittee must indicate the permit provisions objected to, the reasons for this objection, and the alternative condition, if any, it seeks to be placed in the permit.
- b. MUC shall not stay the effectiveness of this permit pending reconsideration. If MUC determines that reconsideration is proper, those permit provisions being reconsidered shall be stayed pending reissuance. A response will be provided in writing within 30 days, either modifying the permit or denying the appeal.

7. Property Rights

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

8. Limitation on Permit Transfer

Wastewater discharge permits are issued to a specific user for a specific operation. A wastewater discharge permit shall not be reassigned, or transferred, or sold to a new owner, new user, different premises, or a new or changed operation without prior written authorization from the Pretreatment Coordinator. Upon written request from the current owner, the Pretreatment Coordinator will forward a copy of the current permit to the proposed new owner; such actions must precede any further actions on the transfer.

Permits may be reassigned or transferred to a new owner and/or operator with prior approval by the Pretreatment Coordinator under the following conditions:

- a. The permittee must give at least thirty (30) days advance notice to the Pretreatment Coordinator.
- b. The notice must include a written certification by the new owner which:
 1. The new owner acknowledges receipt of the current facility permit from the Pretreatment Coordinator
 2. States that the new owner has no immediate intent to change the facility's operations and processes
 3. Identifies the specific date on which the transfer is to occur
 4. Acknowledges full responsibility for complying with the existing permit

9. Duty to Reapply

If the permittee intends to continue an activity regulated by this permit after the expiration date, the permittee must apply for, and obtain, a new permit. In accordance with the requirements of the MUC Industrial Pretreatment Policy, the application must be submitted a minimum of 180 days prior to the expiration date.

10. Dilution

The permittee shall not increase the use of potable or process water, or in any way attempt to dilute a discharge as a partial or complete substitute for adequate treatment to achieve compliance with Federal Categorical Pretreatment Standards, or any other pollutant-specific limitation developed by the State or contained in this permit.

11. General Prohibitive Standards

The permittee shall comply with all the general prohibitive discharge standards in the MUC Industrial Pretreatment Policy. Namely, the permittee shall not discharge wastewater into the public sewer, POTW, or any receiving stream any of the following described pollutants:

- a. Flammable or explosive liquids, solids, or gases; and in no case pollutants with a closed cup flash-point of less than 140°F (60°C) using the test methods specified in 40 CFR § 261.21, or pollutants which cause an exceedance of 10 percent of the Lower

- Explosive Limit (LEL) at any point within the POTW, or that cause two successive readings on an explosive hazard meter to be more than 5 percent of the LEL;
- b. Pollutants which may cause corrosive structural damage to the public sewers or the POTW, or a hazard to equipment or personnel of the system; and in no case shall any discharge have a pH lower than 5.0 or higher than 10.0, nor can the pH fluctuate more than one unit per hour;
 - c. Solid or viscous substances in amounts which may cause obstruction to the flow in the sewer or other interferences with the operation of the wastewater treatment facility. Prohibited materials include, but are not limited to grease, uncomminuted garbage, animal guts or tissues, paunch manure, bones, hair, hides or fleshings, entrails, feathers, ashes, cinders, sand, spent lime, stone or marble dust, metal, glass, mud, straw, shavings, grass clippings, rags, spent grains, spent hops, waste paper, wood, plastic, tar, asphalt residues, residues from refining or processing of fuel or lubricating oil and similar substances.
 - d. Any pollutant, including BOD, COD, total nitrogen, total phosphorus, total suspended solids and/or FOG released at a flow rate and/or pollutant concentration that either alone, or in interaction with other substances, will cause interference with the treatment plant or constitute an adverse environmental impact;
 - e. Discharges with elevated temperatures which may accelerate the biodegradation of wastes, creating noxious or corrosive gases to form in the public sewer or POTW, or which may inhibit biological activity in the system resulting in interference, but in no case shall the temperature at the user discharge point exceed 140°F (60°C), nor shall cause the temperature of the influent measured at the POTW to exceed 104°F (40°C);
 - f. Petroleum products, oil, non-biodegradable cutting oil, or products of mineral oil origin in amounts that will cause interference or pass through;
 - g. Pollutants which contain noxious, malodorous gases or substances in quantities that would create a public nuisance or hazard to life, or that might result in the creation of toxic gases, vapors, or fumes within the POTW in a quantity that may result in a nuisance or threaten worker health and safety;
 - h. Any trucked or hauled waste except at discharge points designated by the POTW;
 - i. Any wastewater containing radioactive waste or isotopes;
 - j. Any radiological, chemical, or biological warfare agent(s) that exceeds limits established by the City or applicable State or Federal Regulations;
 - k. Wastewater containing any element or compound that is not adequately removed by the POTW which is known to be an environmental hazard
 - l. Wastewater containing discoloration which is not removed in the treatment process such that the receiving water quality requirements cannot be met or interferes with plant processes or lab analyses;
 - m. Wastewater containing any element or compound known to act as a lacrimator, known to cause nausea, or known to cause odors constituting a public nuisance.

12. Compliance with Applicable Pretreatment Standards and Requirements

Compliance with this permit does not relieve the permittee from its obligations regarding compliance with any and all applicable local, State, and Federal pretreatment standards and

requirements including any such standards or requirements that may become effective during the term of this permit.

SECTION C – OPERATION AND MAINTENANCE OF POLLUTION CONTROLS

1. Proper Operation and Maintenance

- a. The permittee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) that are installed or used by the permittee to achieve compliance with the conditions of this permit.
- b. Proper operation and maintenance includes, but is not limited to, effective performance, adequate funding, adequate operator staffing and training, and adequate laboratory and process controls including appropriate quality assurance procedures. This provision requires the operation of backup or auxiliary facilities or similar systems only when necessary to achieve compliance with the conditions of the permit.

2. Duty to Halt or Reduce Activity

Upon reduction of efficiency of operation, or loss or failure of all or part of the treatment facility, the permittee shall, to the extent necessary to maintain compliance with this permit, control its production or discharges (or both) until operation of the treatment facility is restored or an alternative method of treatment is provided. For example, this requirement applies when the primary source of power to the treatment facility fails or is reduced. It shall not be a defense for a permittee in enforcement action that it would be necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.

3. Bypass of Treatment Facilities/Treatment Upset

- a. Bypass is prohibited unless it is unavoidable to prevent loss of life, personal injury, or severe property damage or no feasible alternatives exist.
- b. The permittee may allow bypass to occur that does not cause effluent limitations to be exceeded with prior authorization from the Pretreatment Coordinator, but only if it is for essential maintenance to assure efficient operation.
- c. Notice of bypass/treatment upset:
 1. Anticipated bypass: If the permittee knows in advance of the need for a bypass, it shall submit prior written notice, at least ten days before the date of the bypass, to the Pretreatment Coordinator.
 2. Unanticipated bypass/treatment upset: The permittee shall immediately notify the Pretreatment Coordinator, and submit a written notice to the POTW within 5 days. This report shall specify:
 - (i) A description of the bypass/upset, and its cause, including its duration;
 - (ii) Whether the bypass/upset has been corrected; and
 - (iii) The steps being taken or to be taken to reduce, eliminate and prevent a reoccurrence of the bypass/upset.

4. Removed Substances

Solids, sludges, filter backwash, or other pollutants removed in the course of treatment or control of wastewaters shall be disposed of in accordance with section 405 of the Clean Water Act and Subtitles C and D of the Resource Conservation and Recovery Act. When requested, the permittee shall submit a plan for such disposal to the Pretreatment Coordinator.

SECTION D – MONITORING AND RECORDS

1. Representative Sampling

- a. Samples and measurements taken as required herein shall be representative of the volume and nature of the monitored discharge. All samples shall be taken at the monitoring points specified in this permit and, unless otherwise specified, before the effluent joins or is diluted by any other wastestream, body of water or substance.
- b. Sampling shall be conducted on a day of normal to maximum process operation. All sampling shall be conducted on a day of normal to maximum process operation. All samples shall be taken at the monitoring points specified before the effluent joins, or is diluted, by any other wastestream, body of water, or substance. Monitoring points shall not be changed without notification to, and approval by, the Pretreatment Coordinator.
- c. For the purpose of pretreatment compliance monitoring, grab samples must be used for pH, cyanide, total phenols, oil and grease, sulfide, and volatile organics. A minimum of one grab is all that is required. At the discretion of the Pretreatment Coordinator, more than one grab may be required. If multiple grab samples are required, each must be analyzed individually. For all other parameters, 24-hour composite samples must be obtained through flow-proportional composite sampling techniques.
- d. Where approved by MUC, flow-proportional composite sampling may be waived if the permittee demonstrates that it is infeasible. In such cases, samples may be obtained through time-proportional composite techniques, or through a minimum of four grab samples where the permittee can document to MUC that this will provide a representative sample of the effluent being discharged. This documentation along with the MUC rationale for granting the waiver shall be clearly identified in this permit and become a part of the file for the IU. All sampling must be performed using the appropriate preservation techniques, containers, and analytical methods as specified in 40 CFR Part 136.

2. Flow Measurements

As flow measurement is required by this permit, the appropriate flow measurement devices and methods consistent with approved scientific practices shall be selected and used to ensure the accuracy and reliability of measurements of the volume of monitored discharges. The devices shall be installed, calibrated, and maintained to ensure that the accuracy of the measurements are consistent with the accepted capability of that type of device. Devices selected shall be capable of measuring flows with a maximum deviation of less than 10 percent from true discharge rates throughout the range of expected discharge volumes.

3. Analytical Methods to Demonstrate Continued Compliance

All sampling analysis required by this permit shall be performed in accordance with the techniques prescribed in 40 CFR Part 136 and amendments thereto, otherwise approved by EPA, or as specified in this permit.

4. Additional Monitoring by the Permittee

If the permittee monitors any pollutant more frequently than required by this permit, using test procedures prescribed in 40 CFR Part 136 and amendments thereto, otherwise approved by the EPA, or as specified in this permit, the results of this monitoring shall be provided to the Pretreatment Coordinator per Part 3.B of this permit.

5. Inspection and Entry

The permittee shall allow the City of Morristown, MUC, Tennessee Department of Environment and Conservation (TDEC), U.S. Environmental Protection Agency (EPA) or an authorized representative, upon the presentation of credentials to:

- a. Enter the permittee's premises where a regulated facility or activity is located or conducted, or where records must be kept under the conditions of this permit;
- b. Have access to, and copy, any records that must be kept under the conditions of this permit;
- c. Inspect any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required under this permit;
- d. Sample or monitor, for the purposes of assuring permit compliance, any substances or parameters at any location;
- e. Inspect any production, manufacturing, fabricating or storage area where pollutants regulated under the permit could originate.

6. Retention of Records

- a. The permittee shall retain records of all monitoring information, including all calibration and maintenance records and all original strip chart recordings for continuous monitoring instrumentation, copies of all reports required by this permit, and records of all data used to complete the application for this permit for a period of at least three years from the date of the sample, measurement, report or application.

This period may be extended at any time at the discretion of the MUC, TDEC and/or EPA.

- b. All records that pertain to matters that are the subject of special orders or any other enforcement or litigation activities brought by MUC, TDEC and/or EPA shall be retained and preserved by the permittee until all enforcement activities have concluded and all periods of limitation with respect to any and all appeals have expired.

7. Record Contents

Records of sampling information shall include:

- a. The date, exact place, time and methods of sampling or measurements, and sample preservation techniques or procedures;
- b. Who performed the sampling or measurements;
- c. The date(s) analyses were performed;
- d. Who performed the analyses;
- e. The analytical techniques or methods used;
- f. The results of such analyses.

8. Falsifying Information

Knowingly making any false statement on any report or other document required by this permit or knowingly rendering any monitoring device or method inaccurate may result in punishment under criminal law proceedings and/or civil penalties.

SECTION E – ADDITIONAL REPORTING REQUIREMENTS

1. Reports of Changed Conditions

Each user must notify MUC of any significant changes to the user's operations or system which might alter the nature, quality, or volume of its wastewater at least sixty (60) days before the change.

- (a) MUC may require the user to submit such information as may be deemed necessary to evaluate the changed condition, including the submission of a wastewater discharge permit application.
- (b) MUC may issue an individual wastewater discharge permit, or modify an existing wastewater discharge permit in response to changed conditions or anticipated changed conditions.

2. Duty to Provide Information

Permittee shall furnish to MUC, within 30 days any information which MUC 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 upon request, also provide to MUC within 30 days, copies of any records required to be kept in this permit.

3. Signatory Requirements

All applications, reports, or information submitted to MUC must contain the following certification statement and be signed as required in Sections (a), (b), or c) below:

“I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations.”

- a. By a responsible corporate officer, if the Industrial User submitting the reports is a corporation. For the purpose of this paragraph, a responsible corporate officers means:
 1. A president, secretary, treasurer, or vice-president of the corporation in charge of a principal business function, or any other person who performs similar policy – or decision-making functions for the corporation, or;
 2. The manager of one or more manufacturing, production, or operation facilities, provided, the manager is authorized to make management decisions which govern the operation of the regulated facility including having the explicit or implicit duty of making major capital investment recommendations, and initiate and direct other comprehensive measures to assure long-term environmental compliance with environmental law and regulations; can ensure that the necessary systems are established or actions taken to gather complete and accurate information for control mechanism requirements; and where authority to sign documents has been assigned or delegated to the manager in accordance with corporate procedures.
- b. By a general partner or proprietor if the Industrial User submitting the reports is a partnership or sole proprietorship respectively.
- c. By a duly authorized representative if:
 1. The authorization is made in writing by the individual described in paragraph (a)(1) or (a)(2);
 2. The authorization specifies either an individual or a position having responsibility for the overall operation of the facility from which the industrial discharge originates, such as the position of plant manager, operator of a well, or a well field superintendent, or a position of equivalent responsibility, or having overall responsibility for environmental matters for the company; and
 3. The written authorization is submitted to MUC.

If an authorization under paragraph (c) of this section is no longer accurate because a different individual or position has responsibility for the overall operation of the facility,

or overall responsibility for the environmental matters for the company, a new authorization satisfying the requirements of paragraph (c) of this section must be submitted to MUC prior to or together with any reports to be signed by an authorized representative.

SECTION F – ENFORCEMENT PROVISIONS

1. Enforcement Response Plan

The specific procedures established in Appendix A “Enforcement Response Guide,” are subject to change as necessary to enable MUC to provide efficient wastewater treatment to protect public health and the environment, and to enable MUC to meet requirements contained in its National Pollutant Discharge Elimination System (NPDES) permit and any other State law or Federal rules and regulations concerning the discharge of pollutants.

2. Significant Noncompliance

Any user meeting one or more of the following conditions shall be considered to be in significant noncompliance if its violation meets one or more of the following criteria:

- a. Chronic violations of wastewater discharge limits, defined here as those in which sixty-six percent or more of all the measurements taken during a six-month period exceed (by any magnitude) the daily maximum limit, the average limit, or the instantaneous limit for the same pollutant parameter;
- b. Technical Review Criteria (TRC) violations, defined here as those in which thirty-three percent or more of all the measurements for each pollutant parameter taken during a six-month period equal or exceed the product of the daily maximum limit, average limit, or the instantaneous limit multiplied by the applicable TRC (TRC = 1.4 for BOD, TSS, fats, oil, and grease, and 1.2 for all other pollutants except pH);
- c. Any other violation of a pretreatment standard or requirement (daily maximum, long-term average, instantaneous limit, or narrative standard or requirement) that MUC determines has caused, alone or in combination with other discharges, interference or pass through (including endangering the health of POTW personnel or the general public);
- d. Any discharge of a pollutant that has caused imminent endangerment to human health, welfare or to the environment or has resulted in the POTW’s exercise of its emergency authority under paragraph (f)(1)(vi)(B) of section 40 CFR 403.8 to halt or prevent such a discharge;
- e. Failure to meet within 90 days after the schedule date, a compliance schedule milestone contained in a local control mechanism or enforcement order for starting construction, completing construction, or attaining final compliance;

- f. Failure to provide within 45 days after the due date, required reports such as baseline monitoring reports, 90-day compliance reports, periodic self-monitoring reports, and reports on compliance with compliance schedules;
- g. Failure to accurately report noncompliance;
- h. Any other violation or group of violations, which may include a violation of pollution prevention alternatives, which MUC determines, will adversely affect the operation or implementation of the local pretreatment program.

3. Annual Publication

The Morristown Utilities Commission, in the largest daily newspaper within its service area, shall, at minimum, annually publish a list of all industrial users, which were determined to be in significant noncompliance during the twelve (12) previous months. Accordingly, the permittee is apprised that noncompliance with this permit may lead to an enforcement action and may result in publication of its name in an appropriate newspaper in accordance with this section.

4. Civil and Criminal Liability

Nothing in this permit shall be construed to relieve the permittee from civil and/or criminal penalties for noncompliance under local, or State, or Federal laws and regulations.

5. Penalties for Violations of Permit Conditions

City of Morristown Water Pollution Control Ordinance and the MUC Industrial Pretreatment Policy provide that any person, including but not limited to industrial users, who violates a permit condition is subject to a civil penalty of up to ten thousand (\$10,000) dollars per day for each day of such violation. Any person who willfully or negligently violates permit conditions is subject to criminal penalties and/or imprisonment of up to the maximum amount allowable by law. The permittee may also be subject to sanctions under State and/or Federal law.

6. Recovery of Costs Incurred

In addition to civil and criminal liability, the permittee violating any of the provisions of this permit or the MUC Industrial Pretreatment Policy, or causing damage to or otherwise inhibiting the MUC wastewater disposal system shall be liable to MUC for any expense, loss, or damage caused by such violation or discharge. MUC shall bill the permittee for the costs incurred by MUC for any cleaning, repair, or replacement work caused by the violation or discharge. Refusal to pay the assessed costs shall constitute a separate violation.

PART 6 – SURCHARGE FEES

MUC may accept waste for treatment at the POTW that contains excessive quantities of compatible pollutants. In the event MUC elects to accept such waste for treatment, a surcharge shall be charged based upon the strength of the discharge up to the maximum levels established herein. Any pollutant, including compatible pollutants such as BOD, Ammonia Nitrogen, Total Phosphorus, TSS and FOG, released at a flow rate and/or pollutant concentration that either alone, or in interaction with other substances, causes interference with the POTW, pass through of the POTW, or constitutes an adverse environmental impact shall be deemed non-compatible and shall be subject to enforcement provisions.

The surcharge for compatible pollutants shall be calculated as established in the City of Morristown Water Pollution Control Ordinance and/or the MUC Surcharge Policy.

Town of Bean Station, Tennessee Municipal Code

TITLE 18 – WATER AND SEWERS

Appendix B

FATS, OILS & GREASE (FOG) MANAGEMENT POLICY (May 25, 2017)

Morristown Utilities Commission

Morristown, Tennessee

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Morristown Utilities Commission

Fats, Oils & Grease (FOG) Management Policy



Adopted: May 25, 2017

Morristown Utilities Commission

Fats, Oils & Grease (FOG) Management Policy

Scope & Purpose

To prevent sanitary sewer system blockages, obstructions and overflows within the sewer and wastewater system of the Morristown Utilities Commission (MUC) due to the contribution and accumulation of fats, oils and grease from food service establishments, commercial facilities and industrial facilities.

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A. Definitions

Black Water: Wastewater containing human waste, from sanitary fixtures such as toilets and urinals.

Commercial Property: A commercial property, for the purpose of the FOG Management Policy, is any multi-dwelling unit and/or property occupied by a non-residential establishment not within the definition of an industrial user as defined in the MUS Pretreatment Policy, and which discharges into the MUC wastewater system.

Existing Food Service Establishment: Any establishment, business or facility engaged in preparing, serving or making food available for consumption that was in operation and permitted and served by MUC prior to the effective date of this Fats, Oils, & Grease (FOG) Management Policy

Fats, Oils, & Grease (FOG): Organic polar compounds derived from animal and/or plant sources. FOG may be referred to as "grease" or "greases" in this policy

Food Grinder: Grinders used for the grinding of food consumed on the premises. The grinders must shred the waste to a degree that all particles will be carried freely under normal flow conditions prevailing in the community sewers. Furthermore, waste from food grinders shall not be discharged into grease control equipment.

Food Service Establishment (FSE): Any establishment, business or facility engaged in preparing, serving or making food available for consumption. Single family residences are not a FSE, however, multi-dwelling units may be considered a FSE, or be required to install grease control equipment, at the discretion of MUC. Food Service Establishments will generally be classified as follows:

- Class 1: Deli - engaged in the sale of cold cut and micro-waved sandwiches/subs with no frying or grilling on site; Ice Cream shops and beverage bars as defined by NAICS 722213; Mobile Food Vendors as defined by NAICS 722330
- Class 2: Limited-Service Restaurants (e.g., fast food facilities) as defined by NAICS 722211 and Caterers as defined by NAICS 722320
- Class 3: Full Service Restaurants as defined by NAICS 722110 and grocery/retail chains
- Class 4: Buffet and Cafeteria Facilities as defined by NAICS 72212
- Class 5: Institutions (Schools, Hospitals, Nursing Homes, Prisons, etc.) as defined by NAICS 722310, but not to exclude self-run operations.
 - MUS retains the right to determine the class of FSE regardless of the NAICS.

Garbage Grinder: Grinders used for the grinding of plastic, cardboard, expanded polystyrene foam (i.e. Styrofoam®) or paper products, inert materials or garden refuse.

General Manager: The individual responsible for the operation, maintenance, administration and oversight of the MUC sewer and wastewater system or his authorized designee.

Gray Water: Refers to all other wastewater other than black water as defined in this section.

(Brown) Grease: Fats, oils and grease that are discharged to the grease control equipment.

(Yellow) Grease: Fats, oils and grease that have not been in contact with or contaminated by other sources (water, wastewater, solid waste, etc.) and can be recycled.

Grease Control Equipment (GCE): A device for separating and retaining wastewater FOG prior to wastewater exiting the FSE and entering the MUC wastewater system. The GCE is constructed to separate, trap and hold fats, oils and grease substances, thus preventing such substances from entering the MUC wastewater system. Devices include grease interceptors, grease traps, or other devices approved by MUC.

Grease Interceptor: Grease Control Equipment consisting of a large tank, usually 750 gallon to 2,000 gallon capacity, which provides FOG control for a FSE. Grease interceptors will be located outside the FSE, unless a variance request has been granted by MUC.

Grease Trap: Grease Control Equipment consisting of an "under the sink" trap, a small container with baffles, or a floor trap. Once a FSE is approved to install a grease trap, the minimum size requirement is the equivalent of a 20-gallon per minute/40 pound capacity trap. All grease traps will have a flow control restrictor and venting.

Grease Recycle Container: Container used for the storage of yellow grease.

MUC: The Morristown Utilities Commission. For purposes of this policy, Morristown Utility Systems (MUS) shall be considered synonymous with MUC and the two shall be used interchangeably.

NAICS: North American Industry Classification System. The website of NAICS may be found at: (<http://www.census.gov/eos/www/naics>).

New Food Service Establishment: Any establishment, business or facility engaged in preparing, serving, or making food available for consumption that was not in operation nor permitted or served by MUC prior to the effective date of this Fats, Oils, & Grease (FOG) Management Policy.

Series (Grease Interceptors Installed in Series): Grease interceptor tanks are installed one after another in a row and are connected by plumbing pipe.

Tee or "T" (Influent & Effluent): A T-shaped pipe extending from the ground surface below grade into the grease interceptor to a depth allowing recovery (discharge) of the water layer located under the layer of FOG. Influent & Effluent T's are recommended to

be made of PVC or equivalent material, and extend to within 12" to 15" of the bottom of the interceptor.

B. General Requirements

1. All Food Service Establishments (FSEs) are required to have grease control equipment (GCE) installed, maintained and operating properly in accordance with this FOG Management Policy.
2. No FSE will discharge fats, oils and/or grease in concentrations at a flow rate and/or pollutant concentration that either alone, or in interaction with other substances, causes interference with the MUC wastewater system, pass through of the system, or constitutes an adverse environmental impact. FOG concentration limits shall be as established in the MUC Industrial Pretreatment Policy, Section N Industrial Waste Surcharge.
3. All FSEs will be required to maintain records of annual certification, cleaning and maintenance of GCE. GCE maintenance records include, at a minimum, the following:
 - a. date of cleaning/maintenance;
 - b. company or person conducting the cleaning/maintenance;
 - c. volume (in gallons) of grease wastewater removed; and
 - d. final disposal location.

A grease waste hauler completed manifest, that includes all the minimum information mentioned above, will meet this requirement.

4. GCE maintenance records shall be maintained at the FSE premises and provided to MUC and/or the Health Department upon request.
5. The FSE shall maintain GCE certification and maintenance records for three (3) years.
6. Owners of Commercial Property will be held responsible for wastewater discharges by tenants or occupants of such property.
7. Grease Control Equipment Certification Requirement
 - a. All establishments with grease control equipment must have their grease interceptor or grease trap inspected and certified annually by a MUC "certified" grease waste hauler or plumber.
 - b. If a grease interceptor or grease trap satisfies all of the certification requirements, proof of certification shall be sent to MUC within 5 days. No further action is required.
 - c. If a grease interceptor or grease trap fails to satisfy any of the certification requirements, then a corrective action response is required by the FSE

owner per item 8(b) below. Certification forms [Grease Interceptor Certification (Form A) or Grease Trap Certification (Form B)] must be completed and signed by the grease waste hauler or plumber, as well as the FSE owner or authorized representative, and submitted to MUC.

- d. The **original** certification form must be submitted within ten (10) days from the date of certification to the following address:

MUC Wastewater Department
Attn: Pretreatment Coordinator
1722 Tyler Road
Morristown, TN 37814

8. Failure of a Grease Interceptor or Grease Trap Certification

- a. In the event of a failed Grease Interceptor Certification or Grease Trap Certification, the FSE owner or authorized representative is responsible for notifying MUC of the failure within 24-hours from the time the FSE becomes aware of the circumstances.
- b. A written submission must be provided within five days of the time the FSE becomes aware of the circumstances. The written submission should provide detailed "Corrective Action Response" information on the Grease Interceptor Certification form, or the Grease Trap Certification form, that is submitted to MUC. If necessary, additional pages may be attached to the certification form. At a minimum, the "Corrective Action Response" information must include the reason for the failed certification, what corrective action will be taken to correct the problem, and the date the corrective action will be completed. The written submission must be submitted to the following address:

MUC Wastewater Department
Attn: Pretreatment Coordinator
1722 Tyler Road
Morristown, TN 37814

- c. Upon completion of the required Corrective Actions a new Certification must be submitted to the address noted above.

9. Best Management Practices (BMPs) shall be observed by all FSEs for controlling the discharge of FOG from their facility. Examples of BMPs include:

- Recycle waste cooking oil; dispose in Grease Recycle Bin or Container. Do NOT pour any grease into sinks, floor drains or mop sinks.
- Post "NO GREASE" signs above all kitchen sinks as a reminder to employees.

- "Dry Wipe" and scrape into a trash container as much food particles and grease residue from pots, pans, and plates as possible.
 - Use Strainers in sink drains and floor drains to prevent large food particles and containers from going into the sewer line.
 - If an oil or grease spill occurs, clean up using "dry" oil absorbent material or use ice to make grease solidify. Scoop up and dispose into a trash container. Do NOT wash oil or grease into drains.
 - Dispose of food items in the trash. Food grinder use is discouraged due to buildup of solids in the GCE, which causes decreased efficiency and need to increase pumping frequency of the GCE.
 - Educate and train all employees on grease control and prevention of sewer pipe clogs and sewer overflows.
10. FSEs shall dispose of yellow grease in an approved container, or recycle container, and the contents shall not be discharged to any sanitary sewer line, storm water grate, drain or conveyance.
 11. Grease Trap waste should not be mixed with yellow grease in the grease recycle container. Yellow grease, oils or grease, poured or discharged into the FSE sewer lines or MUC wastewater system is a violation of this Policy.
 12. FSE shall not push or flush the non-water portion of GCE into the public sewer.

C. Approved Grease Waste Haulers List

1. To ensure proper maintenance of grease control equipment and proper disposal of the FOG waste, MUC will maintain an "Approved Grease Waste Haulers List". Criteria for the grease waste hauler to be placed on the "Approved Grease Waste Haulers List" include, but are not limited to, the following:
 - a. Submittal to MUC of a completed "Waste Hauler Agreement" signed by an authorized representative of the waste hauler.
 - b. The Waste Hauler Agreement sets forth, inter alia, the reporting requirements of the waste hauler and requires that the waste hauler make certain records available to MUC. Failure to comply with any of the provisions or terms of the Waste Hauler Agreement will result in removal of the grease waste hauler from the "Approved Grease Waste Haulers List" and/or enforcement action.
 - c. Proof of successful completion of a GCE certification class at another recognized wastewater system.

D. Grease Control Equipment Installation Requirements

1. Grease Control Equipment must remove fats, oils, & grease to prevent a flow rate and/or pollutant concentration that either alone, or in interaction with other

substances, causes interference with the MUC wastewater system, pass through of the system, or constitutes an adverse environmental impact. Failure to comply with this requirement shall result in an enforcement action in accordance with the Enforcement Action Section of this Policy.

2. Waste from garbage grinders used for the grinding of plastic, cardboard, expanded polystyrene foam (i.e. Styrofoam[®]) or paper products, inert materials or garden refuse shall not be discharged into a community sewer. For preparation of food consumed on the premises (food grinder), there is a "food" grinder exception but only where applicable fees are paid, and such grinders must shred the waste to a degree that all particles will be carried freely under normal flow conditions prevailing in the community sewers. Furthermore, waste from food grinders shall not be discharged into grease control equipment. At this time, MUC is not charging fees for food grinder use. However, users should be aware that a charge may be levied and use of a grinder is not recommended
3. Existing Food Service Establishment Requirement.
 - a. An existing FSE shall be required to submit a FOG plan to MUC for approval within 30 days of notification by MUC. The FOG plan shall include:
 - i. identification of all cooking and food preparation equipment (i.e., fryers, grills, woks, etc.);
 - ii. the number and size of dishwashers, sinks, floor drains, and other plumbing fixtures;
 - iii. the type of FSE classification;
 - iv. the type of food to be prepared and/or served; and
 - v. plans for the grease collection equipment dimensions and location.
 - b. An existing FSE may submit to MUC, for review and approval, a FOG plan comprised of a grease control equipment alternative to the minimum GCE required based on the FSE's classification. The alternative equipment shall be comparable to the minimum required GCE in its effectiveness to prevent FOG from entering the MUC sanitary sewer system.
 - c. As a minimum, kitchen and sanitary waste shall be plumbed as described in the "New FSE" section
 - d. The submitted FOG Plan shall include a proposed timeframe for implementation of the plan. MUC will review the FOG plan submitted by the FSE. The FOG plan may be approved as submitted or may be approved subject to such revisions and modifications as MUC determines in its discretion to be necessary for the proper protection of the MUC wastewater system.

- e. In the case that GCE is determined to be impractical or physically impossible to install, a variance for compliance with this policy may be granted if substantial evidence is provided by the owner of the FSE. It shall be the sole discretion of MUS to grant or deny a variance. A variance shall become invalid at such time as the FSE changes categories or undergoes substantial remodeling.
4. New Food Service Establishment, Upgrading of Existing Food Service Establishment, or Reactivation of a Food Service Establishment Requirement.
- a. The initial opening of a FSE, upgrading of an existing FSE, or reactivation of any establishment, business, or facility as an FSE following twelve (12) months of non-continuous use as an FSE will require the installation, maintenance, and proper operation of grease control equipment (GCE) in accordance with this FOG policy. Food service establishments in one of these categories shall submit a FOG plan to MUC for approval. The FOG plan shall include:
 - i. identification of all cooking and food preparation equipment (i.e., fryers, grills, woks, etc.);
 - ii. the number and size of dishwashers, sinks, floor drains, and other plumbing fixtures;
 - iii. the type of FSE classification;
 - iv. the type of food to be prepared and/or served; and
 - v. plans for the grease control equipment dimensions and location.

MUC will review the FOG plan submitted by the FSE. The FOG plan may be approved as submitted or may be approved subject to such revisions and modifications as MUC determines in its discretion to be necessary for the proper protection of the MUC sewer and wastewater system. **All required elements in the approved FOG Plan must be implemented prior to the FSE commencing operation.**

- b. New construction of FSEs shall have separate sanitary (restroom) and kitchen process lines. The kitchen process lines shall be plumbed to appropriately sized GCE. No sanitary wastewater or storm water shall be plumbed to the GCE.
- c. All of the FSE's internal plumbing shall be constructed to separate sanitary (restroom) flow from kitchen process flow. Sanitary flow and kitchen process discharges shall be approved separately by the City and shall discharge from the building separately. The kitchen process line(s) shall be plumbed to appropriately sized GCE. Kitchen process lines and sanitary lines may combine prior to entering the public sewer; however,

the lines cannot be combined until after the GCE. Existing FSEs shall meet this FOG Management Policy criterion.

5. **New Multi-Unit Facilities.**
 - a. New strip malls or strip centers must have two separate sewer line connections at each unit within the strip mall or strip center. One sewer line will be for sanitary wastewater and one sewer line will be for the kitchen area, or potential kitchen area, of each unit. The kitchen area, or potential kitchen area, sewer line will be connected to floor drains in the specified kitchen area, and will connect, or be able to connect, to other food service establishment kitchen fixtures, such as 3-compartment sink, 2-compartment sink, pre-rinse sink, mop sink and hand wash sink.
 - b. New multi-unit facility, or new strip mall facility, owners shall contact the City and MUC prior to conducting private plumbing work at the multi-unit facility site. Multi-unit facility owners, or their designated contractor, shall have plans for separate private wastewater lines for kitchen and sanitary wastewater for each unit. In addition, the plans shall identify "stub-out" locations to accommodate a minimum of a 1,000 gallon grease interceptor for each unit of the multi-unit facility. New multi-unit facility, or new strip mall facility, owners shall ensure that suitable physical property space and sewer gradient is available to accommodate the installation of an exterior, in-ground grease interceptor when determining the building location.
 - c. A FSE located in a new multi-unit facility shall have a minimum of a 1,000 gallon grease interceptor installed, unless that FSE is identified as a Class 1 FSE. Class 1 FSEs are exempt from the requirements to install grease interceptors. Sanitary wastewater, or Black Water, shall not be connected to GCE.
6. Variance to Grease Interceptor Installation. At the discretion of the MUC General Manager or his designee, some FSEs may receive a variance from the required installation of a grease interceptor.
7. Approval of Grease Control Equipment. All existing FSEs that have installed new grease control equipment, new FSEs, FSEs that are planning to upgrade their facilities, or FSEs that are planning to reactivate any establishment, business, or facility as an FSE following twelve (12) months of non-continuous use as an FSE, shall contact MUC for final approval of the proposed grease control equipment. This will include onsite inspection of the grease control equipment by MUC. Failure of the FSE to contact MUC to conduct the inspection of the new GCE will result in an enforcement action against the FSE owner.
8. Grease Control Equipment Sizing.
 - a. Minimum acceptable size of grease control equipment for each FSE Classification will be as follows:

- Class 1: Deli (engaged in the sale of cold cut and micro-waved sandwiches/subs with no frying or grilling on site), Ice Cream shops, Beverage Bars, Mobil Food Vendors - 20gpm/40 pound Grease Trap
 - Class 2: Limited-Service Restaurants (e.g., fast food facilities, pizzerias and family restaurants) Caterers, and - 1,000 gallon grease interceptor
 - Class 3: Full Service Restaurants - 1,000 gallon grease interceptor
 - Class 4: Buffet and Cafeteria Facilities - 1,500 gallon grease interceptor
 - Class 5: Institutions (Schools, Hospitals, Nursing Homes, Prisons, etc.) - 2,000 gallon grease interceptor
- b. MUC will review GCE sizing information received from the FOG plan information or the FSE's engineer, architect or contractor. MUC will make a decision to approve, or require additional grease interceptor volume, based on the type of FSE, the number of fixture units, and additional calculations. Grease interceptor capacity should not exceed 2,000 gallons for each interceptor tank. In the event that the grease interceptor calculated capacity needs to exceed 2,000 gallons, the FSE shall install an additional interceptor of the appropriate size. If additional interceptors are required, they shall be installed in series.
- c. Grease interceptors that are installed in series shall be installed in such a manner as to ensure positive flow between the tanks at all times. Therefore, tanks shall be installed so that the inlet invert of each successive tank shall be a minimum of 2" below the outlet invert of the preceding tank.

E. Grease Interceptor Design and Installation

1. Piping Design

- a. The inlet and outlet piping shall have 2-way cleanout tees installed.
- b. The inlet piping shall enter the receiving chamber 2-1/2" above the invert of the outlet piping.
- c. On the inlet pipe, inside the receiving chamber, a sanitary tee of the same size pipe in the vertical position with the top unplugged shall be provided as a turndown. To provide air circulation and to prevent "air lock," a pipe (nipple) installed in the top tee shall extend to a minimum of 6" clearance from the interceptor ceiling, but not less than the inlet pipe diameter. A pipe installed in the bottom of the tee shall extend to a point of 2/3 the depth of the tank. The inlet T should be made of Schedule 40 PVC or equivalent material. [See illustration on page 12.]

- d. The outlet piping shall be no smaller than the inlet piping, but in no case smaller than 4" ID.
- e. The outlet piping shall extend to 12" above the floor of the interceptor and shall be made of a non-collapsible material. Minimum requirement for outlet piping is Schedule 40 PVC.
- f. The outlet piping shall contain a tee installed vertically with a pipe (nipple) installed in the top of the tee to extend to a minimum of 6" clearance from the interceptor ceiling, but not less than the pipe diameter, with the top open. Minimum requirement for the outlet tee is Schedule 40 PVC. [See illustration on page 12.]

2. Baffles

- a. The grease interceptor shall have a non-flexing (i.e. Concrete, steel or other suitable material) baffle the full width of the interceptor, sealed to the walls and the floor, and extend from the floor to within 6" of the ceiling. The baffle shall have an inverted 90 degree sweep fitting at least equal in diameter size to the inlet piping, but in no case less than 6" ID. The bottom of the sweep shall be placed in the vertical position in the inlet compartment 12" above the floor. The sweep shall rise to the horizontal portion, which shall extend through the baffle into the outlet compartment. The baffle wall shall be seated to the sweep. [See illustration on page 12.]
- b. The inlet compartment shall be 2/3 of the total liquid capacity with the outlet compartment at 1/3 liquid capacity of the interceptor.

3. Access Openings (Manholes)

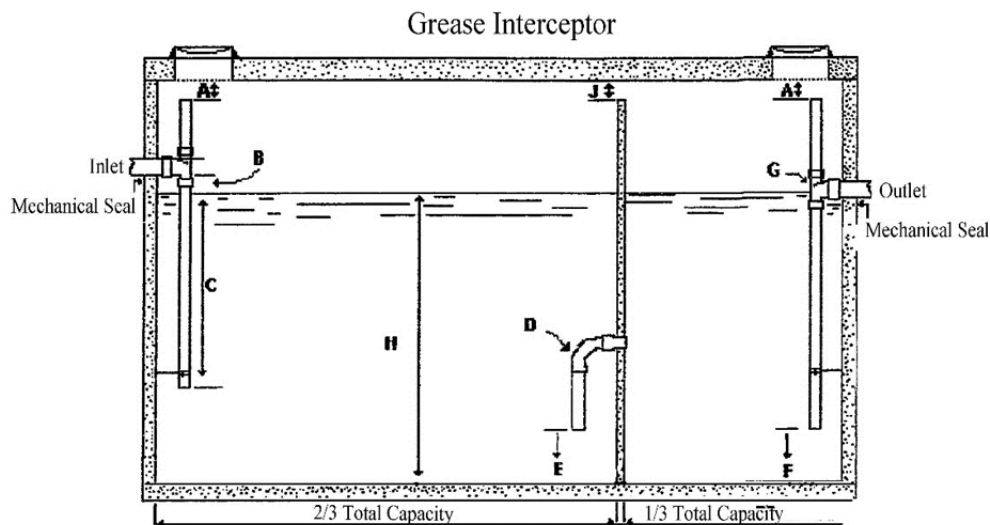
- a. Access to grease interceptors shall be provided by a minimum of one (1) manhole per interceptor division (baffle chamber) and of 24" minimum dimensions terminating 1" above finished grade with cast iron frame and cover. An 8" thick concrete pad extending a minimum of 12" beyond the outside dimension of the manhole frame shall be provided. One manhole shall be located above the inlet tee hatch and the other manhole shall be located above the outlet tee hatch.
- b. Access openings shall be mechanically sealed and gas tight to contain odors and bacteria and to exclude vermin, surface and ground water, in a manner that permits regular reuses.
- c. The manholes are to be accessible for inspection by MUC.

4. Additional Requirements

- a. Responsibility - Removal of the grease from the wastewater routed to a public or private sanitary system is the responsibility of the user/owner.

- b. Location - Grease interceptors shall be located so as to be readily accessible for cleaning, maintenance, and inspections. They should be located close to the fixture(s) discharging the greasy wastestream. If possible, grease interceptors should not be installed in "drive-thru" lanes or a parking area. Grease interceptor access manholes shall never be paved over.
- c. Water Tight - Precast concrete grease interceptors shall be constructed to be watertight. A static water test shall be conducted by the installer and timed so as to permit verification through visual inspection by MUC and any other regulatory agency. The water test shall consist of plugging the outlet (and the inlet if necessary) and filling the tank(s) with water to the tank top a minimum of 24 hours before the inspection. The tank shall not lose water during this test period. Certification by the plumbing contractor shall be supplied to MUC prior to final approval of grease control equipment.
- d. Construction Material - Grease interceptors shall be constructed of sound durable materials, not subject to excessive corrosion or decay, and shall be water and gas tight. Each interceptor shall be structurally designed to withstand any anticipated load to be placed on the interceptor (e.g., vehicular traffic in parking or driving areas).

NOTE: Concrete materials and other grease interceptor materials shall meet the American National Standards Institute, Inc. (ANSI) and International Association of Plumbing and Mechanical Officials (IAPMO) standards.



- A) Minimum 6", but not less than pipe diameter.
- B) Inlet pipe invert to be 2-1/2" above liquid surface.
- C) Inlet pipe to terminate 2/3 depth of water level.
- D) 90 degree sweep minimum size – 6".
- E) 12" from floor to end of sweep.
- F) 12" from floor to end of outlet pipe.
- G) Outlet pipe no smaller than Inlet pipe, minimum – 4".
- H) Minimum depth of liquid capacity – 42".
- J) Maximum distance from ceiling – 6".

5. Marking and Identification

Prefabricated gravity grease interceptors shall be permanently and legibly marked with the following:

- Manufacturer's name or trademark, or both
- Model number
- Capacity
- Month and year of manufacture
- Load limits and maximum recommended depth of earth cover in feet
- Inlet and outlet

NOTE: Grout shall not be used as a sealant for the Inlet or Outlet pipe at the sidewall.

F. Grease Interceptor Cleaning/Maintenance Requirements

1. Grease interceptor minimum size will be 1,000 gallon capacity, and maximum size will be 2,000 gallon capacity. If the FSE needs additional capacity, then grease interceptors will be installed in series.
2. Cleaning. Grease interceptors must be pumped-in-full when the total accumulations of surface FOG (including floating solids) and settled solids reaches twenty-five percent (25%) of the grease interceptor's overall liquid depth. This criterion is referred to as the "25 Percent Rule". Grease interceptors shall be cleaned at a frequency of not less than once every 90-days. Some FSEs may have to pump their grease interceptors on a 30-day or 60-day schedule to meet the "25 Percent Rule" criteria. At no time, shall the cleaning frequency exceed 90-days unless approved by MUC. Approval may be granted on a case-by-case basis after submission by the FSE of documentation establishing a proper basis for the proposed frequency.

3. Partial pumping of interceptor contents or on-site pump and treatment of interceptor contents will not be allowed due to reintroduction of fats, oils and grease to the interceptor.
4. The grease interceptor effluent-T shall be inspected during cleaning and maintenance and the condition noted by the grease waste hauler's company or individual conducting the maintenance. Effluent-T's that are loose, defective, or not attached must be repaired or replaced immediately.
5. Grease interceptors must be "certified" annually by a grease waste hauler or plumber. Grease Interceptor Certification (Form A) must be completed and submitted to MUC annually.
6. All records related to the periodic cleaning of the interceptor must be retained onsite by the FSE in accordance with this policy.

G. Grease Trap Sizing, Installation, Cleaning, & Maintenance Requirements

1. All grease traps shall have a flow control restrictor and be properly vented. Failure to have the flow restrictor and venting will be considered a violation.
2. All new FSEs that are required to install grease traps must have MUC approval prior to starting operations.
3. Grease trap minimum size requirement is a 20 gallon per minute/40 pound capacity trap.
4. Grease traps must have the Plumbing Drainage Institute certification, and be installed as per manufacturer's specifications.
5. No automatic or manual dishwasher shall be connected to an under-the-sink grease trap or floor grease trap.
6. No automatic or manual drip or feed system additives (i.e. enzymes, emulsifiers, chemical additives, etc.) are allowed prior to entering the grease trap.
7. A single grease trap device shall be installed for each significant kitchen fixture unit (i.e., each 3-compartment sink). MUC must approve the number of grease traps and connections to the grease trap prior to FSE operation.
8. During cleaning of the grease trap, the flow restrictor shall be checked to ensure it is attached and operational.
9. Grease traps will be completely cleaned of fats, oils, grease and food solids at a minimum of every two (2) weeks. If the FOG and food solids content of the grease trap are greater than twenty-five percent (25%), then the grease trap must be cleaned every week, or as frequently as needed to prevent twenty-five percent (25%) of capacity being taken by FOG and food solids.

10. Grease trap waste should be sealed or placed in a container to prevent leaking, and then disposed, or hauled offsite by a grease waste hauler or plumber to an approved disposal location.

H. Accidental Discharge-Safeguards

1. FSEs shall provide such facilities and institute such procedures as are reasonably necessary to prevent or minimize the potential for accidental discharge of fats, oils, and grease into the sewage collection system. This includes implementation of "Best Management Practices" protocols.

I. "Additives" Prohibited for use as Grease Management and Control

1. Additives include, but are not limited to, products that contain solvents, emulsifiers, surfactants, caustics, acids, enzymes and bacteria.
2. This FOG Management Policy prohibits the use of enzymes, emulsifiers or other additives to cause oil or grease to pass through the FSE's grease trap or grease interceptor designed to remove oils and grease. If MUC identifies FOG in the downstream sewer system from a FSE that is using an additive, MUC may require the FSE to discontinue use of the additive and initiate an enforcement action.
3. Additive use will not be a substitute for regular, required cleaning or pumping of grease control equipment.

J. Right of Entry - Inspection and Monitoring

1. The City, MUC and their respective authorized representatives shall have the right to enter the premises of FSEs to determine whether the FSE is complying with the requirements of this policy and city ordinances. FSEs shall allow City and MUC personnel and/or authorized representatives or agents, upon presentation of proper credentials, access to all parts of the FSE premises for the purpose of inspection, monitoring, and/or records examination. Unreasonable delays in allowing access to the FSE premises shall be a violation of this Policy and the City of Morristown Sewer Ordinance.
2. MUC may require that the FSE install monitoring or additional pretreatment equipment deemed necessary for compliance with this Policy and/or the City of Morristown Sewer Ordinance. A standard detail of a sampling vault (if required) is included with this policy.

K. Fee Option

1. MUC may charge inspection, monitoring assessment, impact, and permit fees to the FSEs to cover the cost of implementing and enforcing this FOG Management Policy.

L. FOG Treatment, Disposal and Resource Recovery Plan

1. MUC, at the discretion of the General Manager, may implement a FOG Treatment, Disposal and Resource Recovery Plan (Plan). The plan may be implemented if there are any problems identified with FOG disposal, continued FOG obstruction in the sewer system, or inconsistent maintenance provided by grease waste haulers to prevent FOG discharges from FSEs. Any costs incurred by MUC for implementing this program shall be passed on to the FSEs being serviced.

M. Violations and Enforcement Action

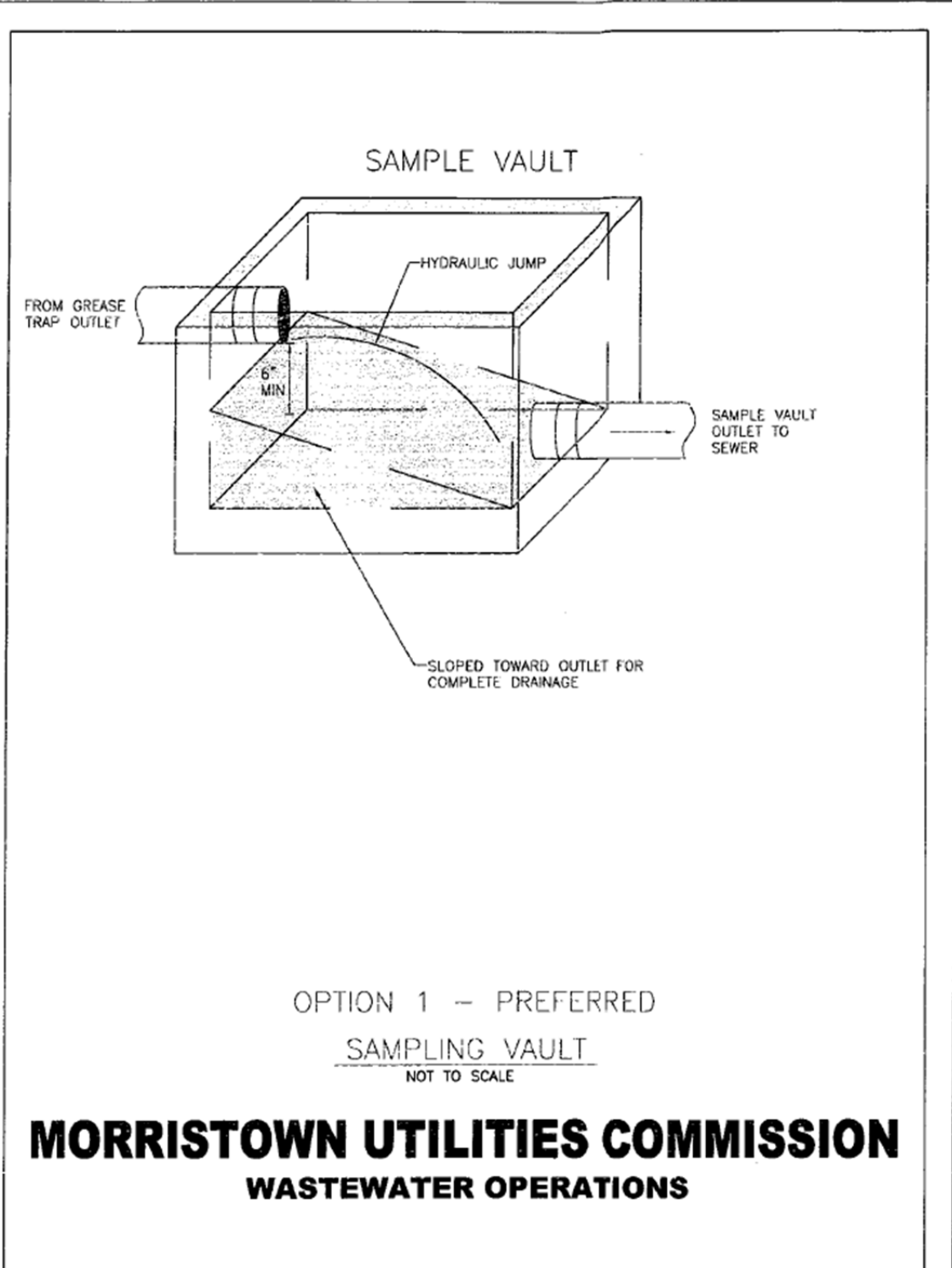
1. Causes for Enforcement Action against a FSE include but are not limited to:
 - a. failure to clean or pump GCE;
 - b. failure to maintain GCE including inspection and installation of properly functioning effluent-Tee and baffles;
 - c. failure to install GCE, failure to certify the grease interceptor or trap;
 - d. failure to control FOG discharge from the FSE;
 - e. use of additives so that FOG is diluted and pushed downstream of the FSE;
 - f. responsibility for sewer line obstructions;
 - g. responsibility for sanitary sewer overflow; or
 - h. any other failure of the FSE to comply with the terms and conditions of this Policy.
2. If FSE inspections and field investigations determine that any fats, oils and grease interference or blockage in the sewer system, a sewage pumping station, or the wastewater treatment plant is caused by a particular food service establishment, then that food service establishment shall be required to reimburse MUC for all labor, equipment, supplies and disposal costs incurred by MUC to clean the interference or blockage as well as administrative fees as approved by MUC. The FSE will be billed directly by MUC for such costs, and failure to reimburse these costs may result in termination of water and wastewater service.
3. If a FSE fails to pump, clean or maintain their GCE after a Notice of Violation due date, MUC may pump/clean the GCE to prevent additional FOG problems downstream. The FSE will be required to pay the cost of pumping and maintaining the FSE's GCE and the costs of all labor, equipment and supplies incurred by MUC, in addition to administrative fees as imposed by MUC. Mechanical failure of a GCE will be considered a violation of this FOG Management Policy pertaining to the construction and maintenance of pretreatment facilities and shall subject the FSE to penalties up to \$10,000 per violation per day.

4. Immediate discontinuance of water and/or wastewater service may result if the facility presents an immediate endangerment to the health, welfare of person or to the environment, causes stoppages or excessive maintenance to the sanitary sewer system, causes significant interference with the wastewater treatment plant or causes MUC to violate any condition of its NPDES permit. Service shall be reinstated when such conditions have been eliminated.

N. Penalties

1. Penalties and enforcement actions may be taken against any FSE violating this Policy, the MUC Industrial Pretreatment Policy and/or the City of Morristown Water Pollution Control Ordinance as authorized under the City of Morristown Sewer Ordinance.

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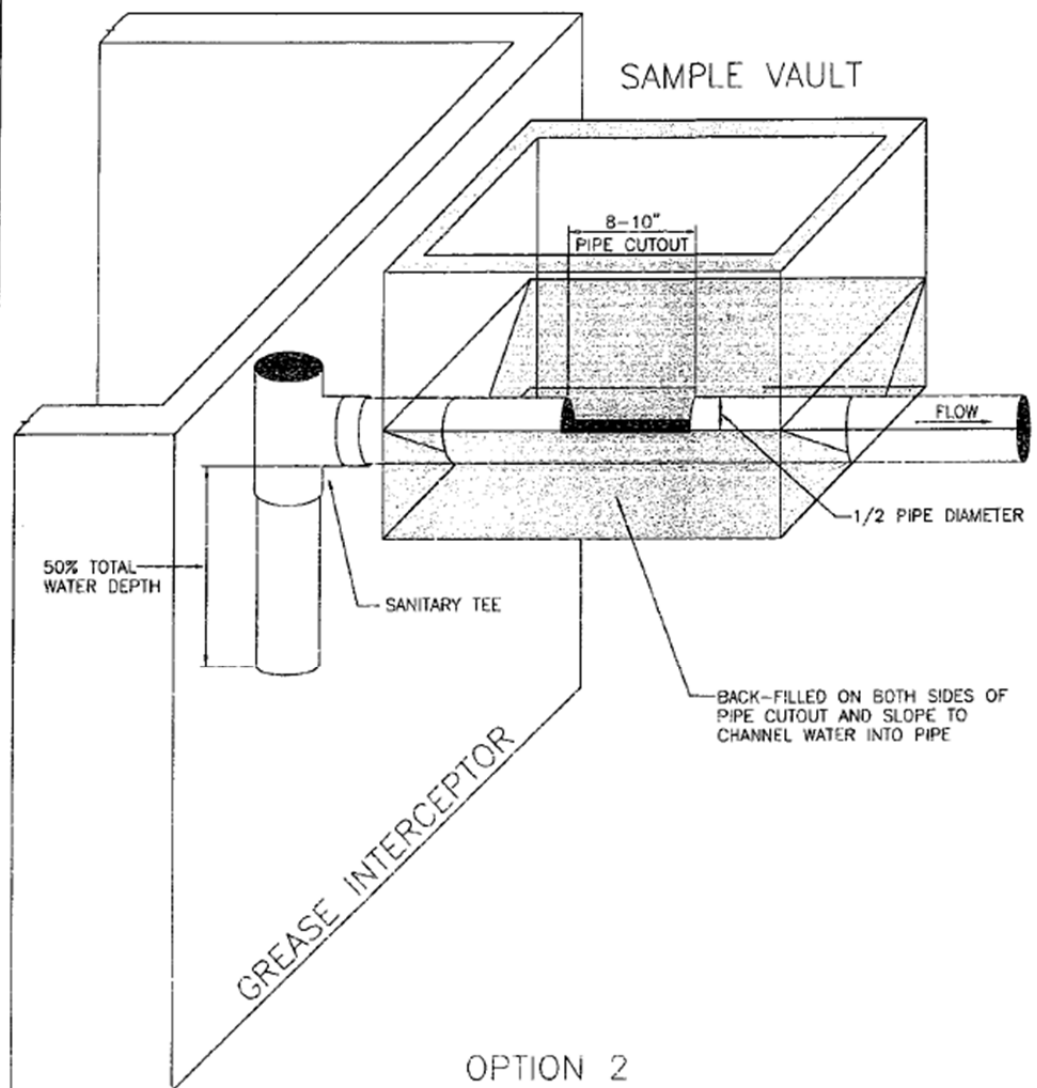


OPTION 1 - PREFERRED
SAMPLING VAULT
NOT TO SCALE

MORRISTOWN UTILITIES COMMISSION
WASTEWATER OPERATIONS

File: FOG SAMPLE VAULT.DWG

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OPTION 2
SAMPLING VAULT
NOT TO SCALE

MORRISTOWN UTILITIES COMMISSION
WASTEWATER OPERATIONS

File: FOG SAMPLE VAULT.DWG



This certification form must be completed by a "MUC Certified" Grease Waste Hauler or Plumber

GREASE INTERCEPTOR CERTIFICATION (Form A)
Morristown Utilities Commission

Every food service establishment in the Morristown Utilities Commission must have their grease interceptor certified annually to verify that all components of the grease control equipment are present and in good working condition. Furthermore, the certification will identify any structural problems with the grease interceptor. The completed **original** form must be submitted to: **Morristown Utilities Commission, Attn: Pretreatment Coordinator, 1722 Tyler Road, Morristown, TN 37814.**

Facility Name: _____ Phone#: _____

Address: _____
Street City State Zip

	<u>PASS</u>	<u>FAIL</u>
1. Interceptor completely emptied and cleaned before inspection?	<input type="checkbox"/>	<input type="checkbox"/>
2. There is access to all interceptor chambers for cleaning and inspections?	<input type="checkbox"/>	<input type="checkbox"/>
3. Influent (inlet) T is attached and extends downward at least 2/3 depth of tank?	<input type="checkbox"/>	<input type="checkbox"/>
4. Effluent (outlet) T is attached and extends downward to within 12" of tank bottom?	<input type="checkbox"/>	<input type="checkbox"/>
5. Effluent (outlet) T is made of non-collapsible material that does not easily flex or bend (i.e. minimum schedule 40 PVC, etc.), and is secure, not allowing fats, oils or grease to escape around edges?	<input type="checkbox"/>	<input type="checkbox"/>
6. Interceptor tank does not have visible holes or leaks?	<input type="checkbox"/>	<input type="checkbox"/>
7. Mid-wall baffle(s) is secure and operational?	<input type="checkbox"/>	<input type="checkbox"/>
8. Interceptor maintaining structural integrity?	<input type="checkbox"/>	<input type="checkbox"/>
9. No sewer clean-out covers missing or damaged?	<input type="checkbox"/>	<input type="checkbox"/>

IMPORTANT REQUIRED INFORMATION & RESPONSE: If the answer to any of the above questions is "Fail", the equipment has failed certification. A statement of the plan of action to be taken, with date to be completed by, must be provided on the reverse side of this form under "Response Comments" (attach additional sheets to explain corrective action, if necessary):

Inspector Certification: This grease interceptor has PASSED FAILED certification.

I, _____, of _____,
(print name of inspector) (print name of company)

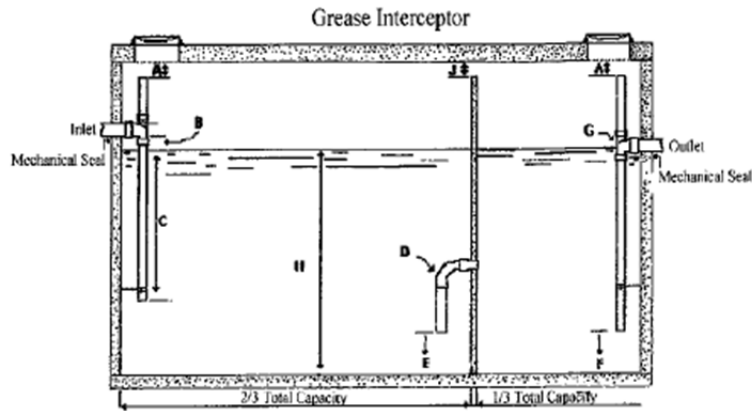
certify that the above listed facility has an approximate _____ gallon capacity interceptor. I have examined the interceptor and provided the above information.

(signature) (date) (phone number)

Facility Owner/Manager Certification:

I, _____, certify to the best of my knowledge the above
(print name)

statements to be true and correct. _____
(signature) (date)



- A) Minimum 6", but not less than pipe diameter.
- B) Inlet pipe invert to be 2.5" above liquid surface.
- C) Inlet pipe to terminate 2/3 depth of water level.
- D) 90 degree sweep minimum size – 6".
- E) 12" from floor to end of sweep.
- F) 12" from floor to end of outlet pipe.
- G) Outlet pipe no smaller than Inlet pipe, minimum – 4".
- H) Minimum depth of liquid capacity – 42".
- J) Maximum distance from ceiling – 6"

RESPONSE COMMENTS (required if grease interceptor FAILED certification):

Problem Identified:

Corrective Plan of Action:

Corrective Plan of Action to be completed by: _____
 (date)



This certification form must be completed by a "MUC Certified" Grease Waste Hauler or Plumber.

GREASE TRAP CERTIFICATION (Form B)
Morristown Utilities Commission

Every food service establishment in the Morristown Utilities Commission service area must have their grease trap (under-the-sink units) certified annually to verify that all components of the grease control equipment are present and in good working condition. The completed original form must be submitted to: **Morristown Utilities Commission, Attn: Pretreatment Coordinator, 1722 Tyler Road, Morristown, TN 37814.**

Facility Name: _____ Phone#: _____

Address: _____
Street City State Zip

	<u>PASS</u>	<u>FAIL</u>
1. Grease trap completely emptied and cleaned before inspection?	<input type="checkbox"/>	<input type="checkbox"/>
2. There is access to all trap chambers for cleaning?	<input type="checkbox"/>	<input type="checkbox"/>
3. Flow restrictor device is installed (before grease trap or at grease trap inlet?)	<input type="checkbox"/>	<input type="checkbox"/>
4. Flow restrictor device installation is correct (proper flow direction and orientation)?	<input type="checkbox"/>	<input type="checkbox"/>
5. Grease trap is vented (vent on flow restrictor)?	<input type="checkbox"/>	<input type="checkbox"/>
6. Grease trap has NO visible holes or leaks?	<input type="checkbox"/>	<input type="checkbox"/>
7. Baffle(s) (inlet, middle and outlet...depending on design) are secure and operational?	<input type="checkbox"/>	<input type="checkbox"/>
8. Automatic or machine dishwasher is NOT connected to the grease trap?	<input type="checkbox"/>	<input type="checkbox"/>
9. No sewer clean-out covers missing or damaged?	<input type="checkbox"/>	<input type="checkbox"/>

IMPORTANT REQUIRED INFORMATION & RESPONSE: If the answer to any of the above questions is "Fail", the equipment has failed certification. A statement of the plan of action to be taken, with date to be completed by, must be provided on the reverse side of this form under "Response Comments" (attach additional sheets to explain corrective action, if necessary):

Inspector Certification: This grease trap has PASSED FAILED certification.

I, _____, of _____,
(print name of inspector) (print name of company)

certify that the above listed facility has a _____ gallons per minute / _____ pound capacity grease trap. I have examined the grease trap and provided the above information.

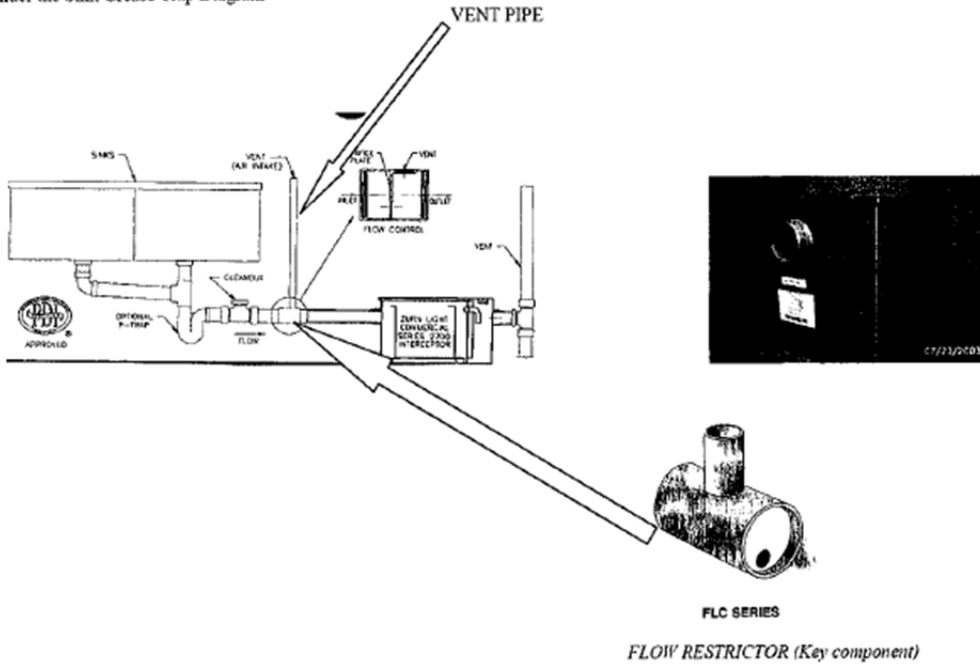
(signature) (date) (phone number)

Facility Owner/Manager Certification:

I, _____, certify to the best of my knowledge the above
(print name)

statements to be true and correct. _____
(signature) (date)

Under the Sink Grease Trap Diagram

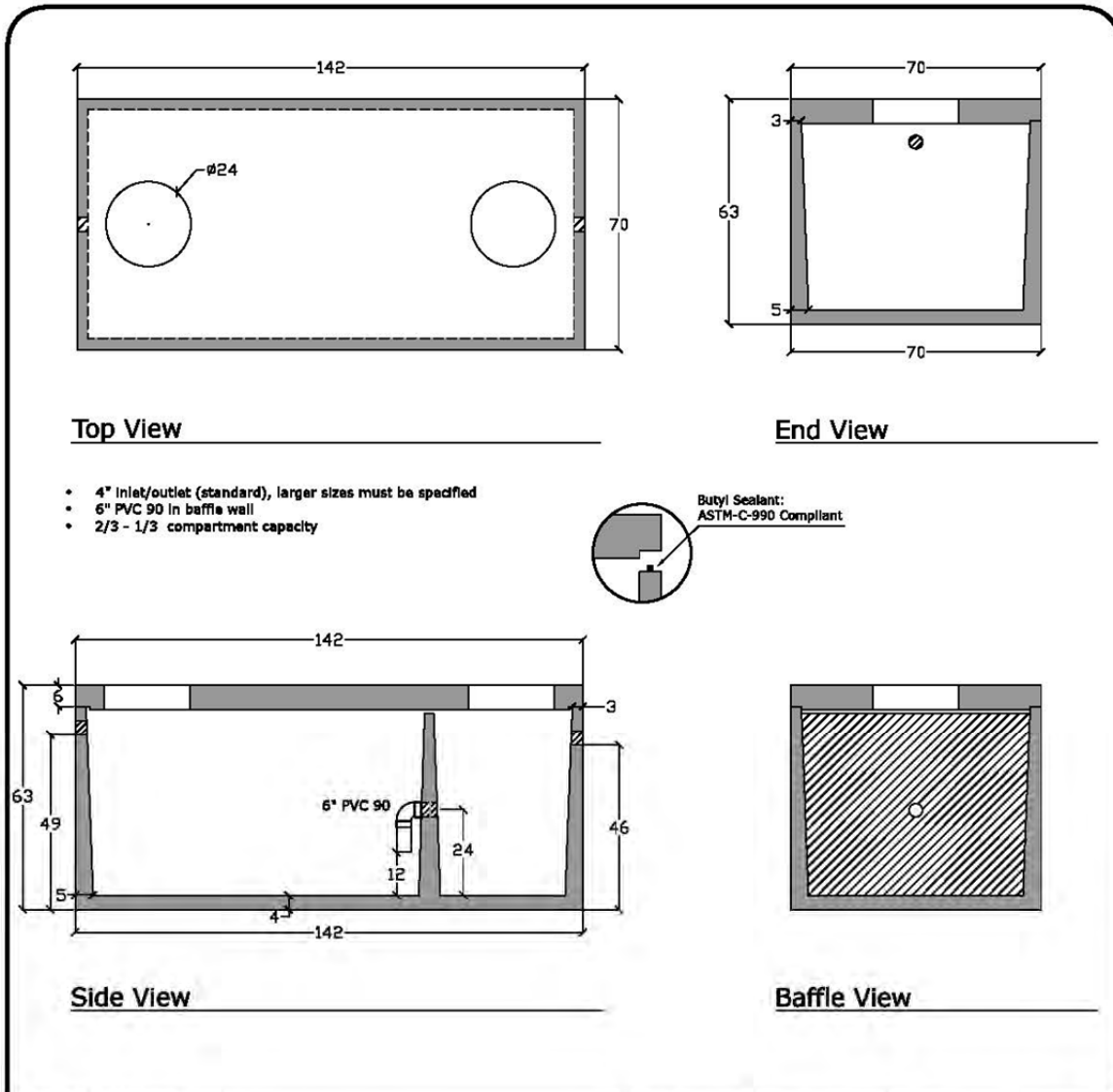


RESPONSE COMMENTS (required if grease trap FAILED certification):

Problem Identified:

Corrective Plan of Action:

Corrective Plan of Action to be completed by: _____
(date)



Top View

End View

- 4" Inlet/outlet (standard), larger sizes must be specified
- 6" PVC 90 in baffle wall
- 2/3 - 1/3 compartment capacity



Side View

Baffle View

Specifications

Concrete: 5,000 psi minimum strength (28 day)
Reinforcing: Primary reinforcement will be rebar.
Bars: Grade rings and manhole frames and covers sold separately.
Sealant: Sealant used in the seam of the tank will meet or exceed ASTM C990.
Pipe Penetrations: Inlet and outlets are fitted with seals that meet or exceed all ASTM C923 specifications.
Partition Wall: The partition wall, if present, is poured monolithically.
Weights: ASTM C 1227 latest revision. Tank must be tested within 3 working days of delivery.
Drawing: All measurements are accurate within ± 1 inch.

Tank Warranty: When installed in accordance with manufacturer's instructions is warranted against defective materials and/or workmanship for 1 year from the date of delivery to the project site. Should a defect appear within the warranty period, C. R. Barger & Sons, Inc. will supply a new tank in replacement thereof. C. R. Barger & Sons, Inc. liability is limited to the value of the tank itself and specifically excludes the cost of installation and/or removal and consequential damages. Failure to comply with C. R. Barger & Sons, Inc. installation procedures and general notes will void warranty.



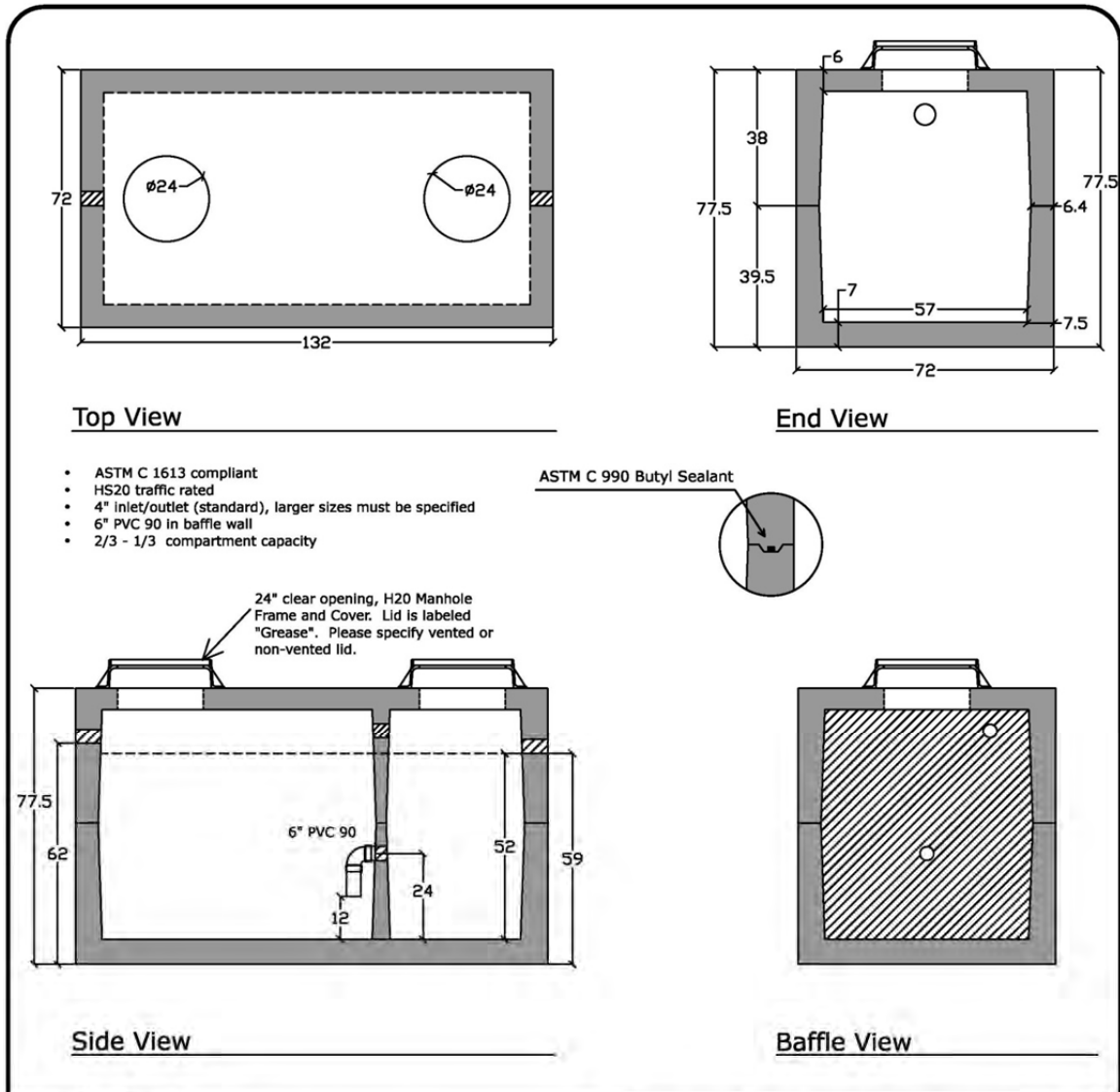
C. R. Barger & Sons, Inc.
 P.O. Box 370 - Kingston TN 37763
 Phone 888.882.5860 - BargerAndSons.com



Installation: The tank hole is not to be more than 18 in. longer and wider than the tank. There shall be a minimum of 6" of 3/4" stone bedding. Do not install across path of vehicles or heavy equipment. This tank is designed for one hundred fifty pounds per square foot (150 lb/ft²) uniform loading on the top of the tank with a max backfill cover of 36" and a minimum of 6".

**Grease Trap 1500 Gallon
 City of Morristown, TN**

Date: 4.19.2012	Drawn By: Eric Barger	Approx. Weight: 16,000 lbs.
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Specifications

Concrete: 5,000 psi minimum strength (28 day)
Reinforcing: Primary reinforcement will be rebar.
Risers: Grade rings and manhole frames and covers sold separately.
Sealant: Sealant used in the seam of the tank will meet or exceed ASTM C990.
Pipe Penetrations: Inlet and outlets are fitted with seals that meet or exceed all ASTM C923 specifications.
Partition Wall: The partition wall, if present, is poured monolithically.
Watertight: ASTM C 1227 latest revision. Tank must be tested within 3 working days of delivery.
Drawing: All measurements are accurate within ± 1 inch.

Tank Warranty: When installed in accordance with manufacturer's instructions is warranted against defective materials and/or workmanship for 1 year from the date of delivery to the project site. Should a defect appear within the warranty period, C. R. Barger & Sons, Inc. will supply a new tank in replacement thereof. C. R. Barger & Sons, Inc. liability is limited to the value of the tank itself and specifically excludes the cost of installation and/or removal and consequential damages. Failure to comply with C. R. Barger & Sons, Inc. installation procedures and general notes will void warranty.

Installation: The tank hole is not to be more than 18 in. longer and wider than the tank. There shall be a minimum of 6" of 3/4" stone bedding. This tank is designed for HS20 traffic loads and with a max backfill cover of 8' and a minimum of 6".



C. R. Barger & Sons, Inc.
 P.O. Box 370 - Kingston TN 37763
 Phone 888.882.5860 - BargerAndSons.com



**Grease Trap HS20 1500 Gallon
 City of Morristown, TN**

Date: 4.19.2012 Drawn By: Eric Barger Approx. Weight: 26,000 lbs.

Town of Bean Station, Tennessee Municipal Code

TITLE 18 – WATER AND SEWERS

Appendix C

INDUSTRIAL PRETREATMENT POLICY (IPP) (August 2, 2020) and APPENDIX A,
ENFORCEMENT RESPONSE GUIDE (ERG) of the IPP (August 1, 2021)

Morristown Utilities Commission

Morristown, Tennessee

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Morristown Utilities Commission

Industrial Pretreatment Policy



Adopted: August 1, 2020

**Morristown Utilities Commission (MUC)
Industrial Pretreatment Policy**

A. Definitions

For purposes of this policy, all definitions and abbreviations shall be as outlined in the City Water Pollution Control Ordinance and the Morristown Utilities Commission, Fats Oils and Grease Management Policy. MUC shall be synonymous with Morristown Utilities Commission or Morristown Utilities and the two shall be used interchangeably. Additionally, the term MUC shall mean the General Manager of the Morristown Utilities Commission, or his designee(s).

BOD	Biochemical Oxygen Demand
BTEX	the chemicals Benzene, Toluene, Ethylbenzene and Xylene
CAA	Clean Air Act
CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act
CFR	Code of Federal Regulations
COD	Chemical Oxygen Demand
CWA	Clean Water Act
EPA	Environmental Protection Agency
FOG	Fats Oils and Grease
IU	Industrial User
LEL	Lower Explosive Limit
MU	Morristown Utilities or Morristown Utilities Commission
MUC	Morristown Utilities Commission or Morristown Utilities
NMIU	Non-Monitoring Industrial User
NOV	Notice of Violation
NPDES	National Pollution Discharge Elimination System
NSCIU	Non-Significant Categorical Industrial User
O&M	Operations and Maintenance
POTW	Publicly Owned Treatment Works
RCRA	Resource Conservation and Recovery Act
SARA	Superfund Amendments and Reauthorization Act

SIU	Significant Industrial User
SS or TSS	Suspended Solids or Total Suspended Solids
SWDA	Solid Waste Disposal Act
TPH	Total Petroleum Hydrocarbons
TTO	Total Toxic Organic
WPCO	Water Pollution Control Ordinance

B. Permits.

1. All users proposing to connect to or contribute pollutants into the POTW shall obtain a wastewater discharge permit before connecting to or contributing a discharge of pollutants to the POTW.
2. In order to avoid wastewater influent to the treatment plant which creates adverse effects, or interferes with any wastewater treatment or collection processes, or creates any hazard in receiving waters or results in MUC being in violation of applicable effluent standards including sludge disposal standards, MUC shall establish and amend wastewater effluent limits as deemed necessary. Limits for certain parameters are set as protection criteria for the POTW. Discharge limits for industrial users will be set in discharge permits as outlined in this policy. Such limits will be calculated based on the anticipated ability of the plant to absorb specific wastewater constituents without violation of its NPDES permit, safety of the public, and/or disruption of plant operations including sludge disposal; not to exceed, however, federal limits where applicable.
3. Residential permits shall be issued on a permanent basis, and may be transferred automatically with the property without notification to MUC when a change in ownership occurs.
4. Commercial, industrial and special permits shall be issued for a specific time period, not to exceed five (5) years. A permit may be issued for a period less than a year or may be stated to expire on a specific date. The user shall apply for a permit re-issuance a minimum of 180 days prior to the expiration of the user's existing permit. Further provisions are as outlined in Section G Permit Duration of this policy
5. The terms and conditions of the permit may be subject to modification by MUC during the term of the permit as required to assure continued compliance with all federal and state permit conditions. The user shall be informed of any proposed changes in his permit at least thirty (30) days prior to the effective date of change. Any changes or new conditions in the permit shall include a reasonable time schedule for compliance.
6. Wastewater discharge permits are issued to a specified user for a specific operation. A wastewater discharge permit shall not be reassigned or transferred or sold to a

new owner, new user, different premises, or a new or changed operation without prior written authorization from MUC. Any succeeding owner or user shall also comply with the terms and conditions of the existing permit.

7. MUC shall monitor the POTW influent in accordance with its current NPDES permit, its Headwork Loading Parameters, as well as the EPA listed priority pollutants. In the event that the POTW influent reaches or exceeds the levels established by any listed standards above for two consecutive monitoring events, MUC shall initiate technical studies to determine the cause of the excessive influent loading, and shall take such remedial measures as are necessary, including the establishment of new or revised pretreatment levels for these parameters. The MUC may change any of the criteria stated in this policy in the event the POTW effluent standards are changed, or in the event that there are changes in any applicable law or regulation affecting biosolids use or disposal options, or in the event changes are needed for more effective operation of the POTW.

The MUC shall conduct surveys of all commercial and industrial users as needed to obtain current information relative to the nature and characteristics of any discharge to the POTW, but in no case shall the surveys be conducted less frequently than the term of the current NPDES permit.

8. There are hereby established four (4) classes of permits for users proposing to connect to or contribute pollutants into the POTW. These permits shall be expressly subject to all provisions of this chapter and all other applicable regulations, enforcement actions, user charges and fees established by MUC and the City of Morristown.

Class I -- Residential Permits. Each new residential user shall submit a written application to MUC for permission to discharge into the public sewers and shall present all necessary plans, documents or schedules at the time of application. The application shall be accompanied by the appropriate sewer connection fee and permit fees, and shall be signed by the licensed plumber responsible for the work to be performed. The work done under the permit shall be supervised by the city plumbing inspector.

Class II -- Commercial Permits. Each commercial user shall submit a written application to MUC for permission to discharge into the public sewers and shall present all necessary plans, documents or schedules at the time of application. The application shall be accompanied by the appropriate sewer connection fee and permit fees, and shall be signed by an authorized representative of the organization. The work done under the permit shall be supervised by the city plumbing inspector and MUC. The commercial permit shall be subject to annual renewal fees for the duration of the permit as defined below:

All commercial users that discharge only normal domestic wastewater or determined by MUC to have flows expected to have minimal potential impact on the wastewater system may be classified as Class 1 and shall not be required to

maintain a permit. Commercial users so designated shall immediately notify MUC should the nature of their discharge change.

MUC reserves the right to increase the classification of any Class I commercial business should it deem necessary to protect its systems.

All other commercial users that discharge liquid wastes from manufacturing processes, trade or business, as distinct from sanitary or normal domestic wastewater, shall be classified as Class II, and shall be subjected to annual renewal fees for the duration of the permit. Existing Class II commercial users shall apply for a Class II commercial permit within sixty (60) days after the effective date of this policy, but in no case later than thirty (30) days after being requested in writing to do so by MUC.

Class III -- Industrial Permits. Each IU shall submit a written application to MUC for permission to discharge into the public sewers and POTW and shall present all necessary plans, documents or schedules at the time of application. The application shall be accompanied by the appropriate sewer connection fees and permit fees, and shall be signed by an authorized representative of the organization. The work done under the permit shall be subject to annual renewal fees for the duration of the permit. Existing industrial users shall apply for a Class III industrial permit within ninety (90) days after the effective date of this policy, but in no case later than thirty (30) days after being requested in writing to do so by MUC. Proposed new industrial users shall apply for a Class III industrial permit at least ninety (90) days prior to connecting to or contributing pollutants to the POTW.

NMIU

All Industrial Users that discharge only normal domestic wastewater, that discharge process wastewater but do not meet the criteria of a SIU, as defined below, or determined by MUC to have flows expected to have minimal potential impact on the wastewater system may be classified as a NMIU and shall be required to maintain a NMIU permit. NMIU so designated shall immediately notify MUC should the nature of their discharge change. Existing NMIUs shall apply for a Class III NMIU permit in no case later than thirty (30) days after being requested in writing to do so by MUC.

MUC reserves the right to increase the classification of any NMIU should it deem necessary to protect its systems.

SIU

All other industrial users that discharge liquid wastes (process wastewater) from manufacturing processes, trade or business, as distinct from sanitary or normal domestic wastewater, shall be classified as SIU, and shall be subjected to annual renewal fees for the duration of the permit. SIU is defined in RULES OF THE TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION DIVISION OF WATER RESOURCES, CHAPTER 0400-40-14, PRETREATMENT REQUIREMENTS, Rule 0400-40-14-0.3(1) "Significant Industrial User" means:(a),(b), and (c). Existing SIUs shall apply for a Class III SIU permit in no case later than thirty (30) days after being requested in writing to do so by MUC.

Class IV -- Special permits.

a. Septic tank pumpers.

1. Each septic tank pumper shall submit a written application to MUC for permission to discharge into the POTW. The application shall be accompanied by the appropriate permit fee, and shall be subject to annual renewal fees for the duration of the permit. Existing septic tank pumpers shall apply for a Class IV permit within thirty (30) days after the effective date of this policy, but in no case later than thirty (30) days after being requested in writing to do so by MUC. Proposed new users shall apply for a Class IV permit at least thirty (30) days prior to contributing pollutants to the POTW.
2. All septic tank pumpers shall register each vehicle which will discharge loads into the POTW. This registration process shall be in addition to any other requirements of the Hamblen County Health Department or any other regulatory agency, and shall be in a form and manner established by MUC. Each vehicle shall have the city registration number clearly displayed on both sides and rear of the vehicle.

b. Non-residential batch wastes.

Any user proposing to discharge non-residential batch wastes into the POTW shall submit a written application to MUC for permission to discharge into the POTW. The application shall be accompanied by the appropriate permit fee. Each individual container of non-residential batch waste shall be subject to the permit fee. All non-residential batch waste loads to be discharged to the POTW must comply with any applicable pretreatment standard or requirements which would normally be applied to the source of the waste if discharged indirectly. Any wastes delivered to the POTW by truck, rail, dedicated pipeline, or septage wastes derived from

non-household sources are regulated under RCRA provisions and may meet the definition of hazardous wastes. Any waste classified as hazardous wastes shall not be accepted for discharge into the POTW.

c. Groundwater remediation projects.

Any user proposing to discharge wastewater from any groundwater remediation project into the POTW shall submit a written application to MUC for permission to discharge into the POTW. The application shall be accompanied by the appropriate permit fee and shall be subject to annual renewal fees for the duration of the permit. Existing groundwater remediation projects shall apply for a Class IV permit within thirty (30) days after the effective date of this Policy, but in no case later than thirty (30) days after being requested to do so by MUC. All wastewater from any groundwater remediation project must be metered at the discharge point to determine the flows into the POTW, and the user must pay the appropriate user and surcharge fees on a monthly basis. The discharge must be tested initially and on a monthly basis for BTEX, TPH, pH, TSS and FOG. MUC reserves the right to require testing for additional pollutants as deemed necessary to protect the POTW. The cost of all analyses conducted, either by the groundwater remediation project or MUC, shall be the responsibility of the groundwater remediation project.

C. Permitted discharges

In addition to all applicable provisions in this policy, all commercial and industrial users discharging FOG shall be subject to the MUC FOG Management Policy.

D. Prohibited Discharges

1. No person or user shall discharge or cause to be discharged any storm water, surface water, groundwater, roof runoff, subsurface drainage, uncontaminated cooling water or unpolluted industrial process waters to any sanitary sewer without written authorization from MUC.
2. No person or user shall make connection of roof down-spouts, exterior foundation drains, area drains or other sources or surface runoff or groundwater to a building sewer or building drain which in turn is connected directly or indirectly to a public sanitary sewer.
3. No person or user shall introduce into a POTW any pollutant(s) which cause Interference, Pass Through, cause the plant effluent to fail toxicity test, or are otherwise incompatible with such works.
4. No person shall discharge or cause to be discharged into a public sewer, or POTW, any of the following:

- (a) Fats, wax, grease or oils of animal or vegetable origin in concentrations of greater than specified in Section N of this policy, whether emulsified or not, or containing substances which may solidify or become viscous at temperatures between 32 degrees and 150 degrees F at the point of discharge into the system.
- (b) Pollutants in the form of any liquids, solids or gases which by reason of nature or quantity or may be sufficient alone or by interactions with other substances to cause fire or explosion hazard or be injurious in any way to the POTW, including but not limited to, wastestreams with a closed cup flash-point of less than 140 Fahrenheit (60 C) using the test methods specified in 40 CFR 261.21. In addition, at no time shall two (2) successive readings on an explosive hazard meter, at any point of the discharge into the system (or any point in the system) be more than five percent (5%) nor any single reading over ten percent (10%) of the Lower Explosive Limit (LEL) of the meter. Prohibited materials include, but are not limited to, gasoline, kerosene, aldehydes, peroxides, chlorates, perchlorates, bromates, carbides, hydrides and sulfides.
- (c) Pollutants which may cause corrosive structural damage to the public sewers or the POTW, or a hazard to equipment or personnel of the system, but in no case shall any discharge have a pH lower than 5.0 or higher than 10.0, nor can the pH fluctuate more than one unit per hour.
- (d) Solid or viscous substances in amounts which may cause obstruction to the flow in a sewer or other interferences with the operation of a wastewater treatment facility. Prohibited materials include, but are not limited to, grease, uncomminuted garbage, animal guts or tissues, paunch manure, bones, hair, hides or fleshings, entrails, feathers, ashes, cinders, sand, spent lime, stone or marble dust, metal, glass, mud, straw, shavings, grass clippings, rags, spent grains, spent hops, waste paper, wood, plastic, tar, asphalt residues, residues from refining or processing of fuel or lubricating oil, and similar substances.
- (e) Any pollutants, including oxygen demanding pollutants BOD, COD, total nitrogen, total phosphorus, total suspended solids and/or FOG released at a flow rate and/or pollutant concentration that either singly or in interaction with substances, will cause, or have been found to cause, interference with the POTW or constitute an adverse environment impact.
- (f) Any discharge with pollutant concentrations in excess of those outlined in Section N of this policy.
- (g) Excessive discharge rate. Wastewaters at a flow rate which is excessive relative to the capacity of the treatment works or which could cause a treatment process upset and subsequent loss of treatment efficiency; or wastewaters containing such concentrations or quantities of pollutants that their introduction into the treatment works would cause interference.

- (h) Discharges with elevated temperatures which may accelerate the biodegradation of the wastes, creating noxious or corrosive gases to form in the public sewer or POTW, or which may inhibit biological activity in the system resulting in interference, but in no case shall the temperature at the user discharge point exceed 140 degrees Fahrenheit (60 deg. C), nor shall the temperature of the influent measured at the POTW exceed 104 degrees Fahrenheit (40 deg. C).
- (i) Petroleum products, oil, non-biodegradable cutting oil, or products of mineral oil origin in amounts that will cause Interference or Pass Through.
- (j) Pollutants which contain noxious, malodorous gases or substances in quantities that would create a public nuisance or hazard to life, or that might result in the creation of toxic gases, vapors or fumes within the POTW in a quantity that may result in a nuisance or threaten worker health and safety.
- (k) Any trucked or hauled pollutants except at discharge points designated by the POTW.
- (l) Any wastewater containing any radioactive waste, or any radiological, chemical, or biological warfare agent(s) that exceeds limits established by MUC or applicable State or Federal Regulations, whichever is most protective.
- (m) Wastewater containing any element or compound which is not adequately removed by the POTW which is known to be an environmental hazard, including but not limited to those listed in any Federal Regulation (i.e., Priority Pollutants found in the CWA, SWDA, RCRA, CERCLA, SARA, CAA or other Federal or State Laws).
- (n) Wastewater containing a discoloration or any other condition affecting the quality of the POTW effluent such that receiving water quality requirements cannot be met or which interfere with plant processes or lab analyses.
- (o) Wastewater containing any element or compound known to act as a lacrimator, known to cause nausea, or known to cause odors constituting a public nuisance.
- (p) Dilution of a discharge as a partial or complete substitute for adequate treatment to achieve compliance with a discharge standard is prohibited unless expressly authorized by MUC.
- (q) In addition, all other prohibitions and specific pollutants, as may be determined by MUC now or in the future (or may be identified in the City of Morristown Water Pollution Control Ordinance).

E. Permit Application

All users required to obtain an individual wastewater discharge permit must submit a permit application. MUC may require users to submit all or some of the following information as part of a permit application:

1. Identifying information.
 - (a) The name and address of the facility, including the name of the operator and owner.
 - (b) Contact information, description of activities, facilities, and plant production processes on the premises.
2. Environmental permits. A list of any environmental control permits held by or for the facility.
3. Description of operations.
 - (a) A brief description of the nature, average rate of production (including each product produced by type, amount, processes, and rate of production), and standard industrial classifications of the operation(s) carried out by such user. This description should include a schematic process diagram, which indicates points of discharge to the POTW from the regulated processes;
 - (b) Types of wastes generated, and a list of all raw materials and chemicals used or stored at the facility which are, or could accidentally or intentionally be, discharged to the POTW;
 - (c) Number and type of employees, hours of operation, and proposed or actual hours of operation;
 - (d) Type and amount of raw materials processed (average and maximum per day); and
 - (e) Site plans, floor plans, mechanical and plumbing plans, and details to show all sewers, floor drains, and appurtenances by size, location, and elevation, and all points of discharge.
4. Time and duration of discharges.
5. The location for monitoring all wastes covered by the permit.
6. Flow measurement. Information showing the measured average daily and maximum daily flow, in gallons per day, to the POTW from regulated process streams and other streams, as necessary, to allow use of the combined waste stream formula set out in Tennessee Rule 0400-4-14-.06(5).
7. Measurement of Pollutants.
 - (a) The categorical pretreatment standards applicable to each regulated process and any new categorically regulated processes for existing sources.

- (b) The results of sampling and analysis identifying the nature and concentration, and/or mass, where required by the standard or by MUC, of regulated pollutants in the discharge from each regulated process.
 - (c) Instantaneous, daily maximum, and long-term average concentrations, or mass, where required, shall be reported.
 - (d) The sample shall be representative of daily operations and shall be analyzed in accordance with procedures set out in this policy. Where the standard requires compliance with a pollution prevention alternative, such as the certification alternative in lieu of required monitoring for TTO, the user shall submit documentation as required by MUC or the applicable standards to determine compliance with the standard.
 - (e) Sampling must be performed in accordance with procedures set out in this policy.
8. Any requests for a monitoring waiver (or a renewal of an approved monitoring waiver) for a pollutant neither present nor expected to be present in the discharge based on Tennessee Rule 0400-4-14-.12(5)(b).
9. Any other information as may be deemed necessary by MUC to evaluate the permit application.
10. Application signatories and certifications.
- (a) All wastewater discharge permit applications, user reports and certification statements must be signed by an authorized representative of the user and contain the certification statement in this policy.
 - (b) If the designation of an authorized representative is no longer accurate because a different individual or position has responsibility for the overall operation of the facility or overall responsibility for environmental matters for the company, a new written authorization satisfying the requirements of this section must be submitted to MUC prior to or together with any reports to be signed by an authorized representative.
11. A facility determined to be a (NSCIU) by MUC as defined in Section 18-403.2 “significant industrial user” paragraph (2) of the Water Pollution Control Ordinance must annually submit the signed certification statement, per Section L5(b) of this policy.
12. Incomplete or inaccurate applications will not be processed and will be returned to the user for revision.

F. Permit conditions.

An individual wastewater discharge permit shall include such conditions as are deemed reasonably necessary by MUC to prevent pass through or interference, protect the quality of the water body receiving the treatment plant's effluent, protect worker health and safety, facilitate sludge management and disposal, and protect against damage to the POTW.

Wastewater discharge permits shall be expressly subject to all provisions of this policy and all other regulations, user charges and fees established by MUC. The conditions of

wastewater discharge permits shall be uniformly enforced by MUC in accordance with this policy, as well as, applicable state and federal regulations. Permits shall contain all items required by federal regulation; and further, may include but not necessarily be limited to the following:

1. A statement that indicates the wastewater discharge permit issuance date, expiration date and effective date;
2. Requirements that the industrial user comply with any and all pretreatment standards and requirements either local, state or federal;
3. A statement of non-transferability without, at a minimum, prior notification to the POTW and provision of a copy of the existing permit to the new owner or operator;
4. The average and maximum wastewater constituents and characteristics;
5. Effluent limits, including pollution prevention alternatives, based on applicable pretreatment standards;
6. Self-monitoring, sampling, reporting, notification, and record-keeping requirements. These requirements shall include an identification of pollutants (or pollution prevention alternatives) to be monitored, sampling location, sampling frequency, and sample type based on federal, state, and local law;
7. The process for seeking a waiver from monitoring for a pollutant neither present nor expected to be present in the discharge in accordance with Section K9(b) of this policy.
8. A statement of applicable civil and criminal penalties for violation of pretreatment standards and requirements, and any applicable compliance schedule. Such schedule may not extend the time for compliance beyond that required by applicable federal, state, or local law;
9. Requirements to control slug discharge, if determined by MUC to be necessary;
10. Any grant of the monitoring waiver by MUC must be included as a condition in the user's permit;
11. Limits on the average and/or maximum rate of discharge, time of discharge, and/or requirements for flow regulation and equalization;
12. Requirements for installation of inspection and sampling facilities and schedules for said installation;
13. Requirements for installation and operation of pretreatment systems or process modifications and schedule for said installations;
14. Requirements for the development and implementation of spill control plans or other special conditions including management practices necessary to adequately prevent accidental, unanticipated, or non-routine discharges;
15. Requirements for maintaining plant records relating to wastewater discharge as specified by MUC and affording MUC access thereto;

16. Requirements that MUC maintain the right to enter onto the premises for inspection of operations including process areas, pretreatment areas, and any such other portions of the premises which may be deemed appropriate by MUC.
17. A statement that compliance with the individual wastewater discharge permit does not relieve the permittee of responsibility for compliance with all applicable federal and state pretreatment standards, including those which become effective during the term of the individual wastewater discharge permit; and
18. Other conditions as deemed appropriate by MUC to insure compliance with this policy and state and federal pretreatment standards and requirements.

G. Permit Duration

Permits shall be issued for a specified time period, not to exceed five (5) years. A permit may be issued for a period less than a year or may be stated to expire on a specific date. The permittee must apply for a renewal permit not less than 180 days prior to the expiration of his or her valid permit. If the user is not notified by MUC of permit expiration, the permit shall be considered extended for thirty (30) days at a time up to a total of one (1) additional year. The terms and conditions of the permit may be subject to modification and change by MUC during the life of the permit as limitations or requirements as identified hereinbefore are modified and changed. The user shall be informed of any proposed changes in his or her permit at least thirty (30) days prior to the effective, date of change. Any changes or new conditions in the permit shall include a reasonable time schedule for compliance.

H. Transfer of a permit.

Wastewater discharge permits are issued to a specific user for a specific operation. A wastewater discharge permit shall not be reassigned or transferred or sold to a new owner, new user, different premise, or a new or changed operation without written authorization by MUC.

I. Appeals

Any user may appeal the provisions of the wastewater discharge permit issued to that user within thirty (30) days of the effective date of issuance of the permit. The user must state in writing the specific provision or provisions of the permit that are being appealed, and the specific reason or reasons that the provision or provisions of the permit are inappropriate or inapplicable to the user. MUC will respond in writing to any appeal by a user within thirty (30) days, either modifying the permit or denying the appeal. The original provisions of the permit as issued shall remain in effect during the review period.

J. Revocation of discharge permit

MUC may revoke an individual wastewater discharge permit for good cause, including, but not limited to, the following reasons:

1. Failure to notify MUC of significant changes to the wastewater prior to the changed discharge;
2. Failure to provide prior notification to MUC of changed conditions pursuant to this policy;
3. Misrepresentation or failure to fully disclose all relevant facts in the wastewater discharge permit application;
4. Falsifying self-monitoring reports and certification statements;
5. Tampering with monitoring equipment;
6. Refusing to allow MUC timely access to the facility premises and records;
7. Failure to meet effluent limitations;
8. Failure to pay fines;
9. Failure to pay sewer charges;
10. Failure to meet compliance schedules;
11. Failure to complete a wastewater survey or the wastewater discharge permit application;
12. Failure to provide advance notice of the transfer of business ownership of a permitted facility; or
13. Violation of any pretreatment standard or requirement, or any terms of the wastewater discharge permit or this policy.

Individual wastewater discharge permits shall be voidable upon cessation of operations or transfer of business ownership. All individual wastewater discharge permits issued to a user are void upon the issuance of a new individual wastewater discharge permit to that user.

K. Reporting requirements.

1. Baseline monitoring reports.

Within either one hundred eighty (180) days after the effective date of a categorical pretreatment standard, or the final administrative decision on a category determination under Tennessee Rule 0400-4-14-.06(1)(d), whichever is later, existing categorical industrial users currently discharging to or scheduled to discharge to the POTW shall submit to MUC a report which contains the information listed below. At least ninety (90) days prior to commencement of their discharge, new sources, and sources that become categorical industrial users subsequent to the promulgation of an applicable categorical standard, shall submit to MUC a report which contains the information listed below. A new source shall

report the method of pretreatment it intends to use to meet applicable categorical standards. A new source also shall give estimates of its anticipated flow and quantity of pollutants to be discharged.

2. Required Submittals.

Users described above shall submit the information set forth below.

- (a) All information required in the policy as if it were a new discharge.
- (b) The user shall have a minimum of one (1) representative sample taken to compile that data necessary to comply with the requirements of this paragraph.
- (c) Samples should be taken immediately downstream from pretreatment facilities if such exist or immediately downstream from the regulated process if no pretreatment exists. If other wastewaters are mixed with the regulated wastewater prior to pretreatment the user should measure the flows and concentrations necessary to allow use of the combined wastestream formula in Tennessee Rule 0400-4-14-.06(5) to evaluate compliance with the pretreatment standards.
- (d) Where an alternate concentration or mass limit has been calculated in accordance with Tennessee Rule 0400-4-14-.06(5), this adjusted limit along with supporting data shall be submitted to MUC;

3. Sampling and analysis.

All required sampling and analysis shall be performed in accordance with this policy. MUC shall be responsible for conducting the required sampling and analysis and shall be reimbursed by the Industrial User for the cost of these efforts. Such costs will be included as an additional sewer use fee billed through the appropriate water utility.

- (a) MUC may allow the submission of a baseline report which utilizes only historical data so long as the data provides information sufficient to determine the need for industrial pretreatment measures;
- (b) The baseline report shall indicate the time, date and place of sampling and methods of analysis, and shall certify that such sampling and analysis is representative of normal work cycles and expected pollutant discharges to the POTW.

4. Compliance certification.

A statement, reviewed by the user's authorized representative as defined in this policy and certified by a qualified professional, indicating whether pretreatment standards are being met on a consistent basis, and, if not, whether additional O&M and/or additional pretreatment is required to meet the pretreatment standards and requirements.

5. Compliance schedule.

If additional pretreatment and/or O&M will be required to meet the pretreatment standards, the shortest schedule by which the user will provide such additional pretreatment and/or O&M must be provided. The completion date in this schedule shall not be later than the compliance date established for the applicable pretreatment standard. A compliance schedule pursuant to this section must meet the requirements set out in this policy.

6. Signature and report certification.

All baseline monitoring reports must be certified and signed by the authorized representative in accordance with Section L5 of this policy.

7. Compliance schedule progress reports.

The following conditions shall apply to the compliance schedule required by this policy:

- (a) The schedule shall contain progress increments in the form of dates for the commencement and completion of major events leading to the construction and operation of additional pretreatment required for the user to meet the applicable pretreatment standards (such events include, but are not limited to, hiring an engineer, completing preliminary and final plans, executing contracts for major components, commencing and completing construction, and beginning and conducting routine operation);
- (b) No increment referred to above shall exceed nine (9) months;
- (c) The user shall submit a progress report to MUC no later than fourteen (14) days following each date in the schedule and the final date of compliance including, as a minimum, whether or not it complied with the increment of progress, the reason for any delay, and, if appropriate, the steps being taken by the user to return to the established schedule; and
- (d) In no event shall more than nine (9) months elapse between such progress reports to MUC.

8. Reports on compliance with categorical pretreatment standard deadline.

Within ninety (90) days following the date for final compliance with applicable categorical pretreatment standards, or in the case of a new source following commencement of the introduction of wastewater into the POTW, any user subject to such pretreatment standards and requirements shall submit to MUC a report containing the information described in this policy. For users subject to equivalent mass or concentration limits established in accordance with this policy, this report shall contain a reasonable measure of the user's long-term production rate. For all other users subject to categorical pretreatment standards expressed in terms of allowable pollutant discharge per unit of production (or other measure of operation), this report shall include the user's actual production during the appropriate sampling period. All compliance reports must be signed and certified in accordance with Section L5 of this policy.

9. Periodic compliance reports.

- (a) All permitted significant industrial users must, at a frequency determined by MUC, submit no less than semiannually per year (unless otherwise specified), reports indicating the nature, concentration of pollutants in the discharge which are limited by pretreatment standards and the measured or estimated average and maximum daily flows for the reporting period. In cases where the pretreatment standard requires compliance with a pollution prevention alternative, the user must submit documentation required by MUC or the pretreatment standard necessary to determine the compliance status of the user.
- (b) MUC may authorize an industrial user subject to a categorical pretreatment standard to forego sampling of a pollutant regulated by a categorical pretreatment standard if the industrial user has demonstrated through sampling and other technical factors that the pollutant is neither present nor expected to be present in the discharge, or is present only at background levels from intake water and without any increase in the pollutant due to activities of the industrial user [see Tennessee Rule 0400-4-14-.12(5)(b)]. This authorization is subject to the following conditions:
 - i. The waiver may be authorized where a pollutant is determined to be present solely due to sanitary wastewater discharged from the facility provided that the sanitary wastewater is not regulated by an applicable categorical standard and otherwise includes no process wastewater.
 - ii. The monitoring waiver is valid only for the duration of the effective period of the individual wastewater discharge permit, but in no case longer than five (5) years. The user must submit a new request for the waiver before the waiver can be granted for each subsequent individual wastewater discharge permit.
 - iii. In making a demonstration that a pollutant is not present, the industrial user must provide data from at least one (1) sampling of the facility's process wastewater prior to any treatment present at the facility that is representative of all wastewater from all processes.
 - iv. The request for a monitoring waiver must be signed in accordance with this policy, and include a certification statement (per Section L5(c) of this policy.)
 - v. Non-detectable sample results may be used only as a demonstration that a pollutant is not present if the EPA approved method from 40 CFR part 136 with the lowest minimum detection level for that pollutant was used in the analysis.
 - vi. Any grant of the monitoring waiver by MUC must be included as a condition in the user's permit. The reasons supporting the waiver and any information submitted by the user in its request for the

waiver will be maintained by MUC for three (3) years after expiration of the waiver.

- vii. Upon approval of the monitoring waiver and revision of the user's permit by MUC, the industrial user must certify on each report with the statement below, that there has been no increase in the pollutant in its wastestream due to activities of the industrial user.
 - viii. In the event that a waived pollutant is found to be present or is expected to be present because of changes that occur in the user's operations, the user must immediately comply with the monitoring requirements of this policy or other more frequent monitoring requirements imposed by MUC.
 - ix. This provision does not supersede certification processes and requirements established in categorical pretreatment standards, except as otherwise specified in the categorical pretreatment standard.
- (c) All periodic compliance reports must be signed and certified in accordance with Section L5 of this policy.
 - (d) All wastewater samples must be representative of the user's discharge. Wastewater monitoring and flow measurement facilities shall be properly operated, kept clean, and maintained in good working order at all times . The failure of a user to keep its monitoring facility in good working order shall not be grounds for the user to claim that sample results are unrepresentative of its discharge.

10. Additional Sampling.

If a user subject to the reporting requirement in this section monitors any regulated pollutant at the appropriate sampling location more frequently than required, the results of this monitoring shall be included in the report.

11. Reports of changed conditions.

Each user must notify MUC of any significant changes to the user's operations or system which might alter the nature, quality, or volume of its wastewater at least sixty (60) days before the change.

- (a) MUC may require the user to submit such information as may be deemed necessary to evaluate the changed condition, including the submission of a wastewater discharge permit application.
- (b) MUC may issue an individual wastewater discharge permit, or modify an existing wastewater discharge permit in response to changed conditions or anticipated changed conditions.

12. Reports of potential problems.

- (a) In the case of any discharge, including, but not limited to, bypass of treatment/treatment upset, accidental discharges, discharges of a non-routine, episodic nature, a non-customary batch discharge, a slug discharge or slug load, that might cause potential problems for the POTW, the user shall immediately telephone and notify MUC of the incident. This notification shall include the location of the discharge, type of waste, concentration and volume, if known, and corrective actions taken by the user.
- (b) Within five (5) days following such discharge, the user shall, unless waived by MUC, submit a detailed written report describing the cause(s) of the discharge and the measures to be taken by the user to prevent similar future occurrences. Such notification shall not relieve the user of any expense, loss, damage, or other liability which might be incurred as a result of damage to the POTW, natural resources, or any other damage to person or property; nor shall such notification relieve the user of any fines, penalties, or other liability which may be imposed
- (c) A notice shall be permanently posted on the user's bulletin board or other prominent place advising employees who to call in the event of a discharge described in paragraph (a), above. Employers shall ensure that all employees, who could cause such a discharge to occur, are advised of the emergency notification procedure.

13. Notification Requirement.

Significant industrial users are required to notify MUC immediately of any changes at its facility affecting the potential for a slug discharge

L. Wastewater sampling and analysis.

1. Analytical requirements. All pollutant analyses, including sampling techniques, to be submitted as part of a wastewater discharge permit application or report shall be performed in accordance with the techniques prescribed in 40 CFR part 136 and amendments thereto, unless otherwise specified in an applicable categorical pretreatment standard. If 40 CFR part 136 does not contain sampling or analytical techniques for the pollutant in question, or where the EPA determines that the part 136 sampling and analytical techniques are inappropriate for the pollutant in question, sampling and analyses shall be performed by using validated analytical methods or any other applicable sampling and analytical procedures, including procedures suggested and/or used by MUC or other parties approved by EPA.
2. Sample collection. Samples collected to satisfy reporting requirements must be based on data obtained through appropriate sampling and analysis performed during the period covered by the report, based on data that is representative of conditions occurring during the reporting period:

- (a) Except as indicated below, samples must be collected using twenty-four (24) hour flow-proportional composite sampling techniques, unless time-proportional composite sampling or grab sampling is authorized by MUC. Where time-proportional composite sampling or grab sampling is authorized, the samples must be representative of the discharge. Using protocols (including appropriate preservation) specified in 40 CFR part 136 and appropriate EPA guidance, multiple grab samples collected during a twenty-four (24) hour period may be composited prior to the analysis as follows: for cyanide, total phenols, and sulfides, the samples may be composited in the laboratory or in the field; for volatile organics and oil and grease, the samples may be composited in the laboratory. Composite samples for other parameters unaffected by the compositing procedures as documented in approved EPA methodologies may be authorized by MUC, as appropriate. In addition, grab samples may be required to show compliance with instantaneous limits.
 - (b) Samples for oil and grease, temperature, pH, cyanide, total phenols, sulfides, and volatile organic compounds must be obtained using grab collection techniques.
 - (c) For sampling required in support of baseline monitoring and ninety (90) day compliance reports, a minimum of four (4) grab samples must be used for pH, cyanide, total phenols, oil and grease, sulfide and volatile organic compounds for facilities for which historical sampling data do not exist; for facilities for which historical sampling data are available, MUC may authorize a lower minimum. For the required reports, MUC will collect the number of grab samples necessary to assess and assure compliance with applicable pretreatment standards and requirements.
3. Control manhole. Unless otherwise exempted in writing by MUC, the owner of any property serviced by a building sewer carrying or having the potential to carry industrial wastes shall install a suitable control manhole together with such necessary meters and other appurtenances in the building sewer to facilitate observation, sampling and measurement of the wastes. Such manhole shall be accessible and safely located, and shall be constructed in accordance with plans approved by MUC. The manhole shall be installed by the user at its expense, and shall be maintained by the user so as to be safe and accessible at all times. MUC shall have access and use of the control manhole as may be required for their monitoring of the industrial discharge.
4. Recordkeeping. Users shall retain, and make available for inspection and copying by MUC, State and/or Federal authorities, all records of information obtained pursuant to any required monitoring activities, and any additional records of information obtained pursuant to monitoring activities undertaken by the user independent of such requirements. Records shall include the date, exact place, method, and time of sampling, and the name of the person(s) taking the samples; the dates analyses were performed; who performed the analyses; the analytical techniques or methods used; and the results of such analyses. These records shall

remain available for a period of at least three (3) years. This period shall be automatically extended for the duration of any litigation concerning the user or MUC, or where the user has been specifically notified of a longer retention period by MUC, State and /or Federal authorities.

5. Certification statements.

- (a) Certification of permit applications, user reports and initial monitoring waiver. The following certification statement is required to be signed and submitted by users submitting permit applications, baseline monitoring reports, compliance with the categorical pretreatment standard deadlines, periodic compliance reports, and an initial request to forego sampling of a pollutant. The following certification statement must be signed by an authorized representative as defined:

“I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.”

- (b) Annual certification for NSCIU as defined in Section E(11) of this policy and the WPCO. A facility determined to be a non-significant categorical industrial user must annually submit the following certification statement signed in accordance with the signatory requirements in this policy. This certification must accompany an alternative report required by MUC:

“Based on my inquiry of the person or persons directly responsible for managing compliance with the categorical Pretreatment Standards under 40 CFR, I certify that, to the best of my knowledge and belief that during the period from _____, to _____ [month, day, year]:

(1) The facility described as [facility name] met the definition of a Non-Significant Categorical Industrial User;

(2) The facility complied with all applicable Pretreatment Standards and requirements during this reporting period; and

(3) The facility never discharged more than 100 gallons of total categorical wastewater on any given day during this reporting period.

This compliance certification is based on the following information:

_____”

- (c) Certification of pollutants not present. Users that have an approved monitoring waiver must certify on each report with the following statement that there has been no increase in the pollutant in its waste stream due to activities of the user. The certification must be signed by the authorized representative as defined in this policy.

“Based on my inquiry of the person or persons directly responsible for managing compliance with the Pretreatment Standard for 40 CFR [specify applicable National Pretreatment Standard part(s)], I certify that, to the best of my knowledge and belief, there has been no increase in the level of [list pollutant(s)] in the wastewaters due to the activities at the facility since filing of the last periodic report”

M. Compliance monitoring.

1. Monitoring programs.

- (a) The monitoring program shall require the discharger to engage MUC to conduct a sampling and analysis program of a frequency and type specified by MUC to demonstrate compliance with prescribed wastewater discharge limits. All costs incurred by MUC for collection, analysis and reporting shall be reimbursed through the utility bill for that customer.
- (b) In the event that MUC suspects that a violation of any part of this policy or of the user's wastewater discharge permit is occurring, it may take additional samples for the purpose of monitoring the discharge. Should this monitoring verify that a violation is occurring, the costs of the monitoring and associated laboratory fees will be borne by the discharger. Should no violation be found, the costs will be at the expense of MUC.
- (c) Notice of violation/repeat sampling and reporting. If sampling performed by MUC indicates a violation, the user will be notified by MUC within

twenty-four (24) hours of MUC becoming aware of the violation.

- (d) The user may choose to split any sample(s) taken by MUC for the purposes of performing parallel analyses using a laboratory of their choice. All split sampling will be done at the sole cost of the user using the users chosen lab. Adequate notice shall be given to MUC of the users desire to split samples.
2. Right of entry: inspection and sampling. MUC, State and/or Federal authorities, shall have the right to enter the premises of any user to determine whether the user is complying with all requirements of this ordinance and any individual wastewater discharge permit or order issued hereunder. Users shall allow ready access to all parts of the premises for the purposes of inspection, sampling, records examination and copying, and the performance of any additional duties.
- (a) Where a user has security measures in force which require proper identification and clearance before entry into its premises, the user shall make necessary arrangements with its security guards so that, upon presentation of suitable identification, MUC, State, and/or Federal authorities shall be permitted to enter without delay for the purposes of performing specific responsibilities.
 - (b) MUC shall have the right to set up on the user's property, or require installation of, such devices as are necessary to conduct sampling and/or metering of the user's operations.
 - (c) MUC may require the user to install monitoring equipment as necessary. The facility's sampling and monitoring equipment shall be maintained at all times in a safe and proper operating condition by the user at its own expense. All devices used to measure wastewater flow and quality shall be calibrated quarterly to ensure their accuracy. Additionally, all devices shall be calibrated by an independent third party annually.
 - (d) Any temporary or permanent obstruction to safe and easy access to the facility to be inspected and/or sampled shall be promptly removed by the user at the written or verbal request of MUC and shall not be replaced. The costs of clearing such access shall be borne by the user.
 - (e) Unreasonable delays in allowing access to the user's premises shall be a violation of this policy and applicable State and/or Federal regulations.
3. Search warrants - If MUC has been refused access to a building, structure, or property, or any part thereof, and is able to demonstrate probable cause to believe that there may be a violation of this policy, or that there is a need to inspect and/or sample as part of a routine inspection and sampling program of MUC designed to verify compliance with this policy or any permit or order issued hereunder, or to protect the overall public health, safety and welfare of the community, MUC may seek issuance of a search warrant from the appropriate court having jurisdiction.
4. Confidential information - Information and data on a user obtained from reports, surveys, wastewater discharge permit applications, individual wastewater

discharge permits, and monitoring programs, and from MUC' inspection and sampling activities, shall be available to the public without restriction, unless the user specifically requests, and is able to demonstrate to the satisfaction of MUC, that the release of such information would divulge information, processes, or methods of production entitled to protection as trade secrets under applicable state law. Any such request must be asserted at the time of submission of the information or data. When requested and demonstrated by the user furnishing a report that such information should be held confidential, the portions of a report which might disclose trade secrets or secret processes shall not be made available for inspection by the public, but shall be made available immediately upon request to governmental agencies for uses related to the NPDES program or pretreatment program, and in enforcement proceedings involving the person furnishing the report. Wastewater constituents and characteristics and other effluent data, as defined at 40 CFR 2.302 shall not be recognized as confidential information and shall be available to the public without restriction.

5. Publication of users in significant noncompliance - MUC shall publish annually, in a newspaper of general circulation that provides meaningful public notice within the jurisdictions served by the POTW, a list of the users which, at any time during the previous twelve (12) months, were in significant noncompliance with applicable pretreatment standards and requirements. The term significant noncompliance shall be applicable to all significant industrial users (or any other industrial user that violates paragraphs (c), (d) or (h) of this section) if its violation meets one or more of the following criteria:
- (a) Chronic violations of wastewater discharge limits, defined here as those in which sixty-six percent (66%) or more of all the measurements taken for the same pollutant parameter taken during a six (6) month period exceed (by any magnitude) a numeric pretreatment standard or requirement, including instantaneous limits;
 - (b) Technical Review Criteria (TRC) violations, defined here as those in which thirty-three percent (33%) or more of wastewater measurements taken for each pollutant parameter during a six (6) month period equals or exceeds the product of the numeric pretreatment standard or requirement including instantaneous limits, multiplied by the applicable criteria (1.4 for BOD, TSS, fats, oils and grease, and 1.2 for all other pollutants except pH);
 - (c) Any other violation of a pretreatment standard or requirement as defined herein (daily maximum, long-term average, instantaneous limit, or narrative standard) that MUC determines has caused, alone or in combination with other discharges, interference or pass through, including endangering the health of POTW personnel or the general public;
 - (d) Any discharge of a pollutant that has caused imminent endangerment to the public or to the environment, or has resulted in MUC's exercise of its emergency authority to halt or prevent such a discharge;

- (e) Failure to meet, within ninety (90) days of the scheduled date, a compliance schedule milestone contained in an individual wastewater discharge permit or enforcement order for starting construction, completing construction, or attaining final compliance;
 - (f) Failure to provide within forty-five (45) days after the due date, any required reports, including baseline monitoring reports, reports on compliance with categorical pretreatment standard deadlines, periodic self-monitoring reports, and reports on compliance with compliance schedules;
 - (g) Failure to accurately report noncompliance; or
 - (h) Any other violation(s), which may include a violation of pollution prevention alternatives, which MUC determines will adversely affect the operation or implementation of the local pretreatment program.
6. Enforcement procedures.
- (a) Administrative enforcement remedies:
 - i. Notification of violation. Whenever MUC finds that any user has violated or is violating this policy, or a wastewater permit or order issued hereunder, MUC may serve upon said user NOV. If required in the NOV, a written explanation of the violation and a plan for the satisfactory correction and prevention thereof, to include specific required actions, shall be submitted to MUC within the time frame specified, not to exceed thirty (30) days. Submission of this plan in no way relieves the user of liability for any violations occurring before or after receipt of the notice of violation. Nothing in this section shall limit the authority of MUC to take any action, including emergency actions or any other enforcement action, without first issuing a notice of violation.
 - ii. Consent orders. MUC is empowered by the City Water Pollution Control Ordinance to enter into consent orders, assurances of voluntary compliance, or other similar documents establishing an agreement with a user responsible for the noncompliance. Such orders will include specific action to be taken by the user to correct the noncompliance within a time period also specified by the order. Provided the ordered time frames are met by the user, MUC may elect to not consider further violations of the original citation to be reason for escalated enforcement. Consent orders shall have the same force and effect as compliance orders issued pursuant to § 6(a)(iv) below.
 - iii. Show cause hearing. MUC may order any user who is in violation of or causes or contributes to violation of this policy or wastewater permit or order issued hereunder, to show cause why a proposed enforcement action should not be taken. Notice shall be served on

the user specifying the time and place for the meeting, the proposed enforcement action and the reasons for such action, and a request that the user show cause why this proposed enforcement action should not be taken. The notice of the meeting shall be served personally or by registered or certified mail (return receipt requested). Ten (10) days prior notice shall be given, if practical. Such notice may be served on any principal executive, general partner, corporate officer, site manager, or other person listed in pretreatment documents submitted by the user as a contact. Whether or not a duly notified user appears as noticed, immediate enforcement action may be pursued.

- iv. Compliance order. When MUC finds that a user has violated or continues to violate this policy or a permit or order issued thereunder, it may issue an order to the industrial user responsible for the discharge directing that, following a specified time period, sewer service shall be discontinued or penalties imposed unless adequate treatment facilities, devices, or other related appurtenances have been installed and are properly operated or other improvements as specified are carried out. Orders may also contain such other requirements as might be reasonably necessary and appropriate to address the noncompliance, including the installation of pretreatment technology, additional self-monitoring, disconnection of unauthorized sources of flow, and management practices. A compliance order may not extend the deadline for compliance established for a pretreatment standard or requirement, nor does a compliance order relieve the user of liability for any violation, including any continuing violation. Issuance of a compliance order shall not be a bar against, or a prerequisite for, taking any other action against the user.
- v. Cease and desist orders. When MUC finds that a user has violated or continues to violate this policy or any permit or order issued hereunder, MUC may issue an order to cease and desist all such violations and direct those persons in noncompliance to:
 - 1. Comply forthwith;
 - 2. Take such appropriate remedial or preventive action as may be needed to properly address a continuing or threatened violation, including halting operations and terminating the discharge. Issuance of a cease and desist order shall not be a bar against, or a prerequisite for, taking any other action against the user.
- vi. Administrative penalties.

- (a) Any septic tank pumping vehicle and/or driver discharging into any manhole in the sanitary sewer collection system without prior approval of MUC shall be penalized a minimum of \$500.00 and the permit shall be revoked on that vehicle. The permit may then be renewed only upon approval of MUC after any and all penalties imposed have been paid in full. In the event of a second offense involving either the vehicle or the driver, both the driver and his firm shall be penalized a minimum of \$2,500.00 each, plus the payment of any environmental cleanup costs if applicable, and the vehicle permit shall be permanently terminated.
 - (b) Any person or party who uncovers, makes any connections with or openings into, uses, alters or disturbs any public sewer or appurtenance thereof without first obtaining a written permit from MUC shall be penalized a minimum of \$500.00 and shall be liable to the city and MUC for any expense, loss or damage occasioned reason of such violation.
 - (c) Notwithstanding any other section of this policy, any user who is found to have violated any provision of this policy, or any permit or order issued hereunder, may be assessed a penalty in an amount not to exceed ten thousand dollars (\$10,000.00) per violation. Each day on which noncompliance shall occur or continue shall be deemed a separate and distinct violation. Such assessments may be added to the user's next scheduled sewer service charge and MUC shall have such other collection remedies as it has to collect other service charges. Unpaid charges and penalties shall constitute a lien against the individual user's property. Industrial users desiring to dispute such penalties must file a request for MUC to reconsider the penalty within ten (10) days of being notified of the fine. Where MUC believes a request has merit, it shall convene a hearing on the matter within fifteen (15) days of receiving the request from the industrial user.
- vii. Emergency suspensions.
- (a) MUC may suspend the wastewater treatment service and/or wastewater permit of an industrial user whenever such suspension is necessary in order to stop an actual or threatened discharge presenting or causing an imminent or substantial endangerment to the health or welfare of persons, the POTW, or the environment.

- (b) Any user notified of a suspension of the wastewater treatment service and/or the wastewater permit shall immediately stop or eliminate its contribution. In the event of a user's failure to immediately comply voluntarily with the suspension order, MUC may take such steps as deemed necessary, including immediate severance of the sewer connection, and/or suspension of water supply to prevent or minimize damage to the POTW, its receiving stream, or endangerment to any individuals. MUC may allow the user to recommence its discharge when the endangerment has passed, unless termination proceedings are initiated against the user.
- (c) An industrial user who is responsible, in whole or in part , for imminent endangerment shall submit a detailed written statement describing the causes of the harmful contribution and the measures taken to prevent any future occurrence to MUC prior to the date of the hearing described above in § 6(a)(iii).

Nothing in this section shall be interpreted as requiring a hearing prior to any emergency suspension under this section.

- viii. Revocation of permit. MUC may revoke the permit of any user as set forth herein.
- ix. Appeal of administrative penalties. Upon issuance of any administrative order or penalty, the user shall be notified that he or she shall be entitled to a hearing upon such order or penalty. Request for such hearing must be made within seven (7) days of notification of the administrative action. The hearing will be held before the City Administrator and City Attorney. At the hearing, the MUC General Manager or the manager's representative shall represent MUC. MUC and the customer shall be entitled to present evidence relevant and material to the penalty and to examine and cross examine witnesses. He may be represented by an attorney, if the user so chooses. The City Administrator and City Attorney shall render a decision upholding or overturning the administrative order or penalty. Notwithstanding the following, emergency suspensions as described in § 6(a)(vii) are effective immediately upon issuance, and right to appeal is contingent on compliance by the user.

b. Judicial remedies.

If any person discharges sewage, industrial wastes, or other wastes into the wastewater disposal system contrary to the provisions of this policy or any order or permit issued hereunder, MUC, through legal counsel, may

commence an action for appropriate legal and/or equitable relief in the applicable court.

- i. Injunctive relief. Whenever a user has violated or continues to violate the provisions of this policy or permit or order issued hereunder, MUC, through counsel, may petition the court for the issuance of a preliminary or permanent injunction or both (as may be appropriate) which restrains or compels the activities on the part of the user. MUC shall have such remedies to collect legal and other fees as it has to collect other sewer service charges. MUC may also seek such other action as is appropriate for legal and/or equitable relief, including a requirement for the user to conduct environmental remediation. A petition for injunctive relief shall not be a bar against, or a prerequisite for, taking any other action against a user.
- ii. Civil penalties.
 1. Any user who has violated or continues to violate this policy or any order or permit issued hereunder, shall be liable to MUC for actual damages incurred by the POTW. In addition to damages, MUC may recover reasonable attorney's fee, court costs, and other expenses associated with the enforcement activities, including sampling and monitoring expenses.
 2. MUC shall petition the court to impose, assess, and recover such sums. In determining the amount of liability, the court shall take into account all relevant circumstances, including, but not limited to, the extent of harm caused by the violation, the magnitude and duration, any economic benefit gained through the user's violation, corrective actions by the user, the compliance history of the user, and any other factor as justice requires.
 3. Filing a suit for civil penalties shall not be a bar against, or a prerequisite for, taking any other action against a user.
- iii. Criminal actions.
 1. Any industrial user who willfully or negligently violates any provision of this policy or any orders or permits issued hereunder shall, upon conviction, be guilty of a misdemeanor, punishable by penalty and imprisonment to the full extent allowed by law.
 2. Any industrial user who knowingly makes any false statements, representations or certification in any application, record, report, plan or other document filed or required to be maintained pursuant to this policy or waste

water permit, or who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required under this policy shall, upon conviction, be punishable by a penalty and imprisonment to the full extent allowed by law.

iv. Affirmative defenses.

1. Treatment upsets. Any industrial user who experiences an upset in operations that places it in a temporary state of noncompliance, which is not the result of operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventive maintenance, or careless or improper operation, shall inform MUC thereof immediately upon becoming aware of the upset. Where such information is given orally, a written report thereof shall be filed by the user within five (5) days. The report shall contain:
 - (a) A description of the upset, its cause(s) and impact on the discharger's compliance status.
 - (b) The duration of noncompliance, including exact dates and times of noncompliance, and if the noncompliance is continuing, the time by which compliance is reasonably expected to be restored.
 - (c) A user who wishes to establish the affirmative defense of upset shall demonstrate, through properly signed, contemporaneous operating logs, or other relevant evidence that:
 - i. An upset occurred and the user can identify the cause(s) of the upset;
 - ii. The facility was at the time being operated in a prudent and workman-like manner and in compliance with applicable operation and maintenance procedures; and
 - iii. The user has submitted the following information to MUC within twenty-four (24) hours of becoming aware of the upset [if this information is provided orally, a written submission must be provided within five (5) days]:
 - A description of the indirect discharge and cause of

noncompliance;

- The period of noncompliance, including exact dates and times or, if not corrected, the anticipated time the noncompliance is expected to continue; and
 - Steps being taken and/or planned to reduce, eliminate, and prevent recurrence of the noncompliance.
- (d) In any enforcement proceeding, the user seeking to establish the occurrence of an upset shall have the burden of proof.
- (e) Users shall have the opportunity for a judicial determination on any claim of upset only in an enforcement action brought for noncompliance with categorical pretreatment standards.
- (f) Users shall control production of all discharges to the extent necessary to maintain compliance with pretreatment standards upon reduction, loss, or failure of its treatment facility until the facility is restored or an alternative method of treatment is provided. This requirement applies in the situation where, among other things, the primary source of power of the treatment facility is reduced, lost, or fails.

2. Treatment bypasses.

- (a) A bypass of the treatment system is prohibited unless all the following conditions are met:
- i. The bypass was unavoidable to prevent loss of life, personal injury, or severe property damage;
 - ii. There was no feasible alternative to the bypass, including the use of auxiliary treatment or retention of the wastewater; and
 - iii. The industrial user properly notified MUC as described below.
- (b) Industrial users must provide immediate notice to MUC upon discovery of an unanticipated bypass. If necessary, MUC may require the industrial user to submit a written report explaining the cause(s),

nature, and duration of the bypass, and the steps being taken to prevent its recurrence.

- (c) An industrial user may allow a bypass to occur which does not cause pretreatment standards or requirements to be violated, only if it is for essential maintenance to ensure efficient operation of the treatment system. Industrial users anticipating a bypass must submit notice to MUC at least ten (10) days in advance. MUC may only approve the anticipated bypass if the circumstances satisfy those set forth above.

v. Remedies nonexclusive.

- 1. The remedies provided for in this policy are not exclusive. MUC may take any, all or any combination of these actions against a noncompliant user. Enforcement of pretreatment violations will generally be in accordance with the MUC enforcement response plan. However, MUC may take other action against any user when the circumstances warrant. Further, MUC is empowered to take more than one (1) enforcement action against any noncompliant user.

N. Industrial waste surcharge.

- 1. Surcharges shall be based upon the strength of wastes. In the event the user discharges industrial wastes to the POTW having an average BOD content in excess of two hundred fifty (250) mg/l, and/or an average SS content in excess of two hundred fifty (250) mg/l, an average ammonia nitrogen content in excess of forty five (45) mg/l, and/or an average FOG concentration in excess of seventy-five (75) mg/l, the user shall pay a surcharge based upon the excess strength of their wastes.

MUC reserves the right to establish individual average surcharge concentration(s), based upon the strength of wastes beyond the concentration(s) listed above. Any change(s) to the average surcharge concentration(s) above, shall be at the sole discretion of MUC and shall be based upon operating conditions of the POTW. Discharges in excess of the concentrations listed above shall be granted either in the dischargers permit or other direct correspondence.

2. To protect the MUC system, the surcharges identified above shall only apply up to a maximum concentration as stipulated below:

BOD	450 mg/l
Suspended Solids	450 mg/l
Ammonia Nitrogen	80 mg/l
FOG	100 mg/l

No discharges in excess of these concentrations shall be permitted unless express written authorization from MUC has been granted either in the dischargers permit or other direct correspondence

3. The cost of treatment will be reviewed periodically by MUC. The cost of treatment for each pound of BOD, SS, ammonia nitrogen and FOG removed by the POTW shall be reviewed for the period since the last periodic review or at the end of the current and previous fiscal years and the appropriate surcharge rates applied to the sewer billing. These rates shall be in effect until the next periodic rate review.

O. Validity.

1. Conflict. In case of conflict or inconsistency, the provisions of this policy shall supersede and take precedence over any other policies or part thereof or any other rules and regulations of the MUC.
2. Severability. It is hereby declared it is the intention of the MUC Board of Commissioners that sections, paragraphs, sentences, clauses, and words of this policy are severable, and if any such section, paragraph, sentence, clause, or word be declared unconstitutional or invalid by valid judgment or decree of any court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any remaining sections, paragraphs, sentences, clauses, or words since the same would have been enacted without the incorporation of the unconstitutional section, paragraph, sentence, clause or word.

APPENDIX A ENFORCEMENT RESPONSE GUIDE (ERG)

1.0 Purpose

The purpose of this guide is to provide guidance to the administration of the Industrial Pretreatment Program, in accordance with Section 18-407 of the City of Morristown Water Pollution Control Ordinance, and the MU Industrial Pretreatment Policy.

2.0 Description

The guide consists of a simple system described in three primary columns, nature of the violation, typical enforcement response and the personnel issuing the appropriate response. Not all possible violations are listed. Prior to use of the guide, the history of the IU should be reviewed for evidence that the noted problems have occurred in the past.

On the guide, three columns are associated with each violation, the “Nature of the Violation” column, the “Enforcement Responses”, and “Personnel” column. If no history of the current violation is noted, the Enforcement Responses column recommendation may be used to assess a typical response to the problem.

If the IU has a history of similar violations, escalating enforcement may be applied however “Good Faith of the User” will be considered in response to previously issued enforcement. Typically, violations that have occurred within the past 12 months will be considered for historical purposes however, based upon the severity of the violation longer periods of time may be reviewed when escalating enforcement is being considered.

TABLE 1
Response Guide for Violation

<u>DESCRIPTION OF VIOLATION</u>	<u>Nature/Description</u>	<u>Enforcement Response</u>	<u>Personnel</u>
A. Unpermitted discharge	IU unaware of requirement; no harm to POTW / environment	--Phone call/email --Informative letter explaining rules --NOV with Permit Application Form	I I PC
	IU unaware of requirement; harm to POTW	--NOV with Permit Application Form	PC
	Failure to apply continues after notice by the POTW	--NOV --Compliance Order with \$750 to \$1,500 penalty	PC MWO
B. Non-permitted discharge (failure to renew)	IU has not submitted application within 15 days of due date	--Phone call/email	I

<u>DESCRIPTION OF VIOLATION</u>	<u>Nature/Description</u>	<u>Enforcement Response</u>	<u>Personnel</u>
	IU has not submitted application within 31 days of due date	--Informative letter explaining rules --Notice of Violation	I PC
	IU has not submitted application within 45 days of due date	--Notice of Violation --Compliance Order with \$2,000 penalty	PC MWO
C. Exceeding Local or Federal Standard (permit limit)	Isolated, not significant (<3x permit limit)	--Phone call/email	I
		--Informative letter explaining rules --Notice of Violation --Consent Order --Compliance Order with \$500 to \$1,000 penalty	I PC PC MWO
	Isolated, significant (no harm) (>3X permit limit)	--Informative letter explaining rules --Notice of Violation --Consent Order --Compliance Order with \$750 to \$1,500 penalty	I PC PC MWO

<u>DESCRIPTION OF VIOLATION</u>	<u>Nature/Description</u>	<u>Enforcement Response</u>	<u>Personnel</u>
	Isolated, harm to POTW or environment	--Notice of Violation --Consent Order --Compliance Order with \$750 to \$3,000 penalty	PC PC MWO
	Multiple-Parameter, no harm to POTW/environment	--Informative letter/email explaining rules --Notice of Violation --Consent Order --Compliance Order with \$750 to \$1,500 penalty	I PC PC MWO
	Multiple-Parameter, significant (harm)	--Notice of Violation --Consent Order --Compliance Order with \$750 to \$3,000 penalty	PC PC MWO
D. Reporting violation			
	Report is improperly signed or Certified	--Phone call/email	I
	Report is improperly signed or certified after notice by POTW	--Phone call/email --Informative letter explaining rules --Notice of Violation	I I PC

<u>DESCRIPTION OF VIOLATION</u>	<u>Nature/Description</u>	<u>Enforcement Response</u>	<u>Personnel</u>
	Isolated, not significant (e.g., report 15 days or more late)	--Phone call/email --Informative letter/email explaining rules	I I
	Significant (e.g., report 45 days or more late)	--Notice of Violation	PC
	Reports are late 2 or more consecutive times (15 or more days) or no reports at all	--Informative letter/email explaining rules --Notice of Violation --Consent Order	I PC PC
	Failure to report spill or changed discharge (no harm)	--Notice of Violation --Consent Order	PC PC
	Failure to report spill or changed discharge (results in harm)	--Notice of Violation --Consent Order --Compliance Order with \$1,000 to \$3,000 penalty	PC PC MWO
	Falsification of self-monitoring reports and certification statements	--Compliance Order with \$1,000 to \$10,000 penalty	MWO

<u>DESCRIPTION OF VIOLATION</u>	<u>Nature/Description</u>	<u>Enforcement Response</u>	<u>Personnel</u>
E. Failure to install monitoring equipment	Delay of less than 30 days	--Notice of Violation	PC
	Delay of 30 days or more	--Compliance Order with \$750 penalty	MWO
F. Compliance Schedules (in permit)	Missed milestone by less than 30 days, or will not affect final milestone	--Informative letter/email explaining rules	I
		--Notice of Violation	PC
	Missed milestone by more than 30 days, or will affect final milestone (good cause for delay)	--Informative letter/email explaining rules	I
		--Notice of Violation	PC
Missed milestone by more than 30 days, or will affect final milestone (no good cause for delay)	--Notice of Violation	PC	
	--Consent Order	PC	
	--Compliance Order with \$1,000 to \$3,000 penalty	MWO	

<u>DESCRIPTION OF VIOLATION</u>	<u>Nature/Description</u>	<u>Enforcement Response</u>	<u>Personnel</u>
	Recurring violation or violation of schedule in Consent or Compliance Order	--Compliance Order with \$2,000 to \$5,000 penalty	MWO
	Recurring, violation of Administrative Order	--Compliance Order with \$3,000 to \$6,000 penalty	MWO
G. Other Permit Violations			
	Waste streams are diluted in lieu of treatment	--Notice of Violation --Consent Order --Compliance Order with \$1,000 to \$3,000 penalty	PC PC MWO
	Failure to mitigate noncompliance or halt production: (no harm)	--Notice of Violation --Consent Order --Compliance Order with \$750 to \$1,000 penalty	PC PC MWO
	Failure to mitigate noncompliance or halt production: (results in harm)	--Consent Order --Compliance Order with \$1,000 to \$3,000 penalty	PC MWO
	Failure to properly operate and maintain pretreatment facility	--Notice of Violation --Consent Order --Compliance Order with \$750 to \$3,000 penalty	PC PC MWO

<u>DESCRIPTION OF VIOLATION</u>	<u>Nature/Description</u>	<u>Enforcement Response</u>	<u>Personnel</u>
H. Violations detected during site visits	Entry denied or consent withdrawn/ copies of records denied	--Informative letter/email explaining rules	I
		--Notice of Violation	PC
		--Consent Order	PC
		--Compliance Order with \$750 to \$3,000 penalty	MWO
Illegal Discharge -No harm to POTW or environment	--Notice of Violation	PC	
	--Consent Order	PC	
	--Compliance Order with \$750 to \$3,000 penalty	MWO	
Illegal Discharge - Discharges cause harm or evidence of intent/negligence	--Notice of Violation	PC	
	--Consent Order	PC	
	--Compliance Order with \$750 to \$8,000 penalty	MWO	
Recurring, violation of Consent or Compliance Order	--Notice of Violation	PC	
	--Consent Order	PC	
	--Compliance Order with \$750 to \$8,000 penalty	MWO	

<u>DESCRIPTION OF VIOLATION</u>	<u>Nature/Description</u>	<u>Enforcement Response</u>	<u>Personnel</u>
	Inadequate recordkeeping -Inspector finds files incomplete or missing (no evidence of intent)	--Informative letter/email explaining rules --Notice of Violation --Consent Order --Compliance Order with \$1,000 penalty	I PC PC MWO
	Inadequate recordkeeping -Inspector finds files incomplete or missing (no evidence of intent) - Recurring	--Notice of Violation --Consent Order --Compliance Order with \$1,000 penalty	PC PC MWO
	Failure to report additional monitoring/inspector finds additional files	--Informative letter/email explaining rules --Notice of Violation --Consent Order --Compliance Order with \$750 to \$3,000 penalty	I PC PC MWO

I. Criminal intent

Whenever criminal intent is evident and sufficient evidence exists, such information shall be forwarded to the County District Attorney for review and possible action. Such shall be in addition to other actions as described in this document.

I = Inspector
PC = Pretreatment Coordinator
MWO = Manager of Water Operations
GM = General Manager
UA = Utility Attorney

3.0 Enforcement Responses

This section is intended to define the various enforcement responses as outlined in this guide.

The order of precedence is generally outlined in this document, however, nothing in this document shall prevent the POTW from moving to more severe actions before following all of the other actions. The remedies provided in this ERG are not exclusive. Morristown Utility Commission may take any, all, or any combination of these actions against a noncompliant user. Enforcement of pretreatment violations will be in conformance with the ERG, however, MU may take other action(s) against any noncompliant user when conditions warrant. MU may also take more than one simultaneous action against any noncompliant user. MU may also consider mitigating circumstances and/or immediate action and full cooperation before taking action against a noncompliant user.

The enforcement response guide is used as follows:

1. Locate the type of noncompliance in the first column and identify the most accurate description of the violation in the second.
2. Assess the appropriateness of the recommended response(s) in column 3 considering the following.
 - a. Magnitude of the Noncompliance.
 - b. Duration and effects of the Noncompliance.
 - c. Effects on the Receiving Stream and the Publicly Owned Treatment Works (POTW).
 - d. Compliance History of the User.
 - e. Good Faith of the User.
3. Apply the enforcement response to the industrial user, specifying corrective actions, penalty amounts and/or other actions required of the industrial user. Column 4 identifies responsible personnel.
4. Track the industrial user's response and compliance status and follow-up with escalated enforcement action if a response is not received or violation continues.

Since the remedies designed in the matrix are all considered appropriate, MU will weigh each of the above factors in deciding whether to use more or less stringent response.

Ordinarily, a show cause hearing will be held prior to any enforcement action except a phone call, information letter, or Notice of Violation. The purpose of the show cause hearing is to provide a forum for the IU to present a defense to charges as outlined. Show cause hearings are not absolutely required and should not be held when the nature of the violation requires immediate action.

3.1 Documented Phone Call or Email

In the case of the most minor violation of an IU's permit or MU Policy, a phone call, email, or informal meeting may be sufficient to obtain the desired compliance.

Such phone calls are to be documented in writing. A copy of the notes shall be placed in the IU's master file.

Likewise, when an informal meeting is required, written notes shall be kept summarizing the meeting. A formal summary of the notes should be distributed to all major participants of the meeting and both the notes and the summary placed in the IU's master file.

Persons wishing to take exception to the notes should be asked to respond in writing.

The MU Pretreatment Coordinator will endeavor to complete these steps within one (1) working day of first knowledge of the violation.

3.2 Information Letter

An information letter (IL) is distinguished from a notice of violation (NOV) only in emphasis.

The primary objective of the IL is to communicate requirements or commentary to parties requiring information. The letter may or may not reference violations of IU Permits or MU Policy, but if said violations are referenced, the purpose is to provide the required information to ensure voluntary future compliance by the IU

The MU Pretreatment Coordinator will endeavor to complete these steps within three (3) working days of first knowledge of the violation.

3.3 Notice of Violation

A notice of violation (NOV) is an official communication from Morristown Utilities Commission (MU) to a noncompliant industrial user, informing the user that a permit, or MU Industrial Pretreatment Policy violation has occurred.

An NOV may require the Industrial User to submit a written explanation of the violation or a plan for correction and prevention thereof. The NOV should, however, provide the IU with an opportunity to correct noncompliance on its own initiative rather than according to a strict schedule of actions determined by MU.

An NOV may contain a date by or on which MU will inspect or sample the industrial user to verify that compliance with the policy and permit has been reestablished.

An NOV will also be used as the transmittal document for orders to meet with MU representatives to arrange for the development of a Consent Order or further, to appear at a show cause hearing prior to issuance of a Compliance Order.

The MU Pretreatment Coordinator will endeavor to complete these steps within 14 calendar days of first knowledge of the violation

3.4 Enforcement Remedies

Consent and Compliance Orders are enforcement documents which direct users to undertake or cease specific activities.

- a) Consent Orders are enforcement documents establishing an agreement with the user responsible for the noncompliance, with their consent.

Such orders will include specific actions the user agrees to take to correct the noncompliance with an agreed time frame for completion specified.

No monetary penalties will accompany a Consent Order.

Failure of a user to enter into a Consent Order will result in issuance of a Compliance Order as outlined below.

Consent Orders will typically be executed within 30 days of the first knowledge of the violation.

- b) Compliance Orders are enforcement documents issued to the user without their consent. Such orders shall direct specific corrective measures with specific timeframes for completion and penalties. Failure to comply with the terms and timelines of the compliance order may result in issuance of additional penalties and/or termination of utility service to the user.

Compliance Orders are intended to assure compliance with an agreement and specific action to be taken by the user to correct the noncompliance within a time period specified by the order. Compliance Orders will be issued whenever a noncompliance is severe enough to warrant that action per Table 2 of this Guide or the user has failed to enter into a Consent Order as outlined in 4.4 (a) above.

The order shall require that the user: (a) Comply forthwith; and (b) Take such appropriate remedial or preventive action as may be needed to properly address a continuing or threatened violation, including halting operations and terminating the discharge.

Monetary penalties will accompany a Compliance Order per this policy and will be assessed based upon severity and compliance history

Compliance Orders will generally contain the following components:

- A. Title – The title will specify the type of order being issued (see above), to whom it is being issued, summarize the purpose of the order, contain an identification number and be printed on the MU letterhead.
- B. Legal Authority – The authority under which the order is issued (the MU Industrial Pretreatment Policy and the City of Morristown Water Pollution Control Ordinance).
- C. The Finding of Noncompliance – All violations will be described including the dates, the specific permit condition/policy/ordinance provisions violated, and any damages known and attributable to the violation.
- D. Ordered Activity – All orders should be clearly set out including installation of treatment technology, additional monitoring, appearance at show cause hearings, etc. Ordered penalties will generally be identified in this section.
- E. Milestone Dates for Corrective Actions – Where compliance schedules are used, all progress or “milestone” dates must be clearly established, including due dates for any required written reports.
- F. Standard Clauses – The document will contain clauses which provide that:
 - (i) Compliance with the terms and conditions of the AO will not be construed to relieve the user of its obligation to comply with applicable state, federal, or local law;
 - (ii) Violation of the Compliance Order itself may subject the user to all penalties available under the MU Policy and City Water Pollution Control Ordinance;
 - (iii) No provision of the order will be construed to limit MU’s authority to issue supplementary or additional orders or to take action deemed necessary to implement its pretreatment program or ordinance;
 - (iv) Provision of the order shall be binding upon the user, its offices, directors, agents, employees, successors, assigned, and all persons, firms incorporations acting under, through, or on behalf of the user.

Compliance Orders will typically be executed within 30 days of the first knowledge of the violation.

3.5 Judicial Remedies

As outlined in Section 18-407(9) of the ordinance, MU may petition the appropriate court(s) for the issuance of preliminary or permanent injunctions or both (as may be appropriate) to restrain or compel the activities on the part of a user.

Such action shall be taken through the MU General Manager and the Utility Attorney.

Due to the gravity of this situation, the Utility Attorney will typically be notified within 10 calendar days of the violation and the need for action.

3.6 Penalties, Administrative or Civil

The City Water Pollution Control Ordinance grants authority to the Morristown Utilities Commission to assess penalties not to exceed \$10,000 per violation. Each day on which the noncompliance occurs can be deemed a separate and distinct violation. Additionally, Section 6(b)(ii) of the Policy authorizes MU to seek a civil penalty for actual damages incurred by the POTW.

Before assessment of an administrative penalty, a show cause hearing should be held with the noncompliant industry. Although penalties are outlined within the “Response Guide for Violation, Table 1” these are general guides and may be assessed up to the maximum penalty as outline above.

The mechanism for leveling an administrative penalty shall be the Compliance Order. Upon receipt of a Compliance Order instructing it do so, the industrial user will submit payment to Morristown Utility Commission in the amount specified. Likewise, civil penalties will be made payable to Morristown Utility Commission in the amount specified.

In the event that the violation has resulted in conditions requiring the expenditure of utility funds for mitigation of damages, the actual cost of the mitigation shall be paid separately from any penalty. This is intended in no way to reduce or offset the liability of the user with respect to damages incurred.

Penalties will generally be identified in the issued Compliance Orders.

3.7 Service Termination

Service termination, whether water or sewer, should always be considered the last step with a recalcitrant user.

Service termination should never be initiated without a show cause hearing unless it can be clearly demonstrated that the continued action or inaction of the user is endangering the POTW or the environment.

Service termination should be attempted by requiring the user to disconnect from the POTW. Where noncompliance with a disconnect order is evident, MU shall physically disconnect and/or block all connections between the user and the POTW. Alternately, MU may, at its discretion, discontinue water service, which shall be considered equivalent to service discontinuation.

This action will be taken within 45 calendar days of MU's first knowledge of the violation, except in emergencies.

3.8 Criminal Action

In cases where criminal action is thought appropriate by MU, information is to be gathered and turned over to the District Attorney for the appropriate county for this action. Criminal prosecution, if pursued, shall be in addition to other actions as defined in this document.

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ENCLOSURE 3

**BEAN STATION PROPOSED 30-YEAR
SANITARY SEWER SYSTEM MAP**

BEAN STATION SEWER - 30 YEAR DEVELOPMENT SUMMARY MAP

Bean Station, Grainger County, Tennessee



ENCLOSURE 4

TOWN OF BEAN STATION

**PHASE I LOW PRESSURE SANITARY SEWER (LPSS)
SERVICE AREA**

Bean Station Sewer

Phase 1 LPSS Service Area

Legend

- 971 US-25 E 183
- Cook's Boathouse
- Feature 1
- Feature 2
- Feature 3
- Feature 4
- Feature 5
- Johnson Ridge Small Wild Area
- Olen R. Marshall Bridge
- Path Measure
- StriperXtreme Guide Service

Phase I Wastewater Lift Station and Force Main to Morristown Utilities Wastewater Collection System

Phase I Low Pressure Sanitary Sewer (LPSS) Lines

RV Park (under construction) - Direct connection to Lift Sta.

Existing Business & Residential Areas to be served by LPSS construction and direct connection to Force Main



Petition for Review and Approval of Proposed Wastewater Collection System / Wastewater Utility
Town of Bean Station, Tennessee

ENCLOSURE 5

**MORRISTOWN UTILITIES COMMISSION AND TOWN OF BEAN
STATION SEWER AGREEMENT**

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**MORRISTOWN UTILITIES COMMISSION AND TOWN OF BEAN STATION
SEWER AGREEMENT**

THIS AGREEMENT, made and entered into on this 22 day of September, 2023 by and between the following Parties: MORRISTOWN UTILITIES COMMISSION (herein after referred to as MUC) and the TOWN of BEAN STATION, TENNESSEE (hereinafter referred to as TOWN).

WITNESSETH

WHEREAS, MUC owns and operates a wastewater collection and treatment system;

WHEREAS, the Town is planning to construct a wastewater collection system (hereinafter referred to as System) and, with that system, will apply for and maintain a System Operating Permit issued by the Tennessee Department of Environment and Conservation (hereinafter referred to as TDEC);

WHEREAS, the Town desires to enter into an agreement with MUC to accept and treat the Town's wastewater;

WHEREAS, MUC operates their wastewater system under a TDEC-issued National Pollutant Discharge Elimination System (hereinafter referred to as "NPDES") Permit which changes from time to time;

WHEREAS, the Town by a separate and independent agreement with the Bean Station Utility District (herein after referred to as BSUD) is contracting with BSUD for billing and collecting fees associated with the operation of the System; and,

WHEREAS, the Town desires to contract with MUC for operation and maintenance services required for its wastewater system.

NOW THEREFORE, in consideration of these premises and mutual covenants contained in this Agreement, the Parties agree as follows:

SECTION I - PROVISIONS FOR ACCEPTANCE OF WASTEWATER FLOW

A. AMOUNT OF FLOW

- 1) The average daily flow shall not exceed 250,000 gallons per day (gpd) with a peak not to exceed 350 gallons per minute (gpm).
- 2) Infiltration/Inflow (hereinafter referred to as "I/I") into the System shall not exceed 50% of the seven-day, low-flow average as established over a 12-month period. In the event I/I exceeds such limits, the Town shall be responsible for the immediate implementation of System improvements to reduce I/I to the established limits.
- 3) All extensions to the System shall be reviewed by MUC prior to construction for the protection of MUC's POTW to ensure capacity and treatment abilities. Should a proposed extension be determined by MUC to be adversely detrimental to its collection and/or treatment system, MUC may deny said extension or require modifications to the extension's design to minimize and/or eliminate the detrimental effects of the extension.
 - a) MUC shall complete its review of a proposed System extension within three (3) months of their receipt of plans for the extension and submit to the Town its approval of such extension or denial of approval and the reason(s) for the denial.

b) Should MUC deny the Town's request for the extension, the Town may resubmit revised plans that address the concerns noted by MUC.

B. CHARACTER OF WASTEWATER

- 1) Wastewater from the Town accepted for treatment shall be in compliance with all MUC policies and regulations including, but not limited to, the fats, oil, and grease (hereinafter referred to as "FOG") program and Industrial Pretreatment Program (IPP).
- 2) Any industrial customer shall comply with the current Industrial / Commercial Wastewater requirements of the Town and shall be issued and shall maintain a MUC individual industrial wastewater permit. The Town shall, in collaboration with MUC, ensure enforcement of the conditions of the Permit.
- 3) The Town shall adopt an ordinance(s) requiring all industrial customers to comply with standards consistent with the current Industrial / Commercial Wastewater requirements of the MUC and shall require all industrial customers to be issued and maintain a MUC individual industrial wastewater permit. The Town shall, in collaboration with the MUC, ensure enforcement of the conditions of the permit.
- 4) MUC agrees to notify the Town of all amendments to the MUC discharge policies and regulations for residential, commercial, and/or industrial users during the TDEC-required public comment period in order for the Town to take appropriate action to amend the Town's applicable policies and regulations. The Town shall adopt all amendments in conjunction with MUC's adoption of the same.

C. POINT OF SERVICE

- 1) At its expense, the Town shall construct a monitoring manhole at a location acceptable to MUC. MUC shall review and approve plans prior to the commencement of construction and shall inspect and approve construction of the same. The monitoring manhole shall be constructed in accordance with the current specifications and/or practices of MUC and shall provide ease of access to the same.
- 2) Proper flow monitoring equipment shall be installed at the expense of the Town for the purposes of billing and flow control. It shall be compatible with MUC's Supervisory Control and Data Acquisition (hereinafter referred to as "SCADA") system. MUC shall operate and maintain the flow monitoring equipment and shall include the cost of the same in its billing(s) to the Town.
- 3) MUC shall have continual access to both the monitoring manhole and the flow monitoring equipment.

D. COST OF TREATMENT SERVICE

- 1) The rate for treating wastewater shall be based on a unit price per one thousand (1,000) gallons of flow as measured at the Town's monitoring manhole.
- 2) The initial treatment fee shall be \$5.00 per 1,000 gallons. Individual components of the monthly treatment rate shall include, but not necessarily be limited to, the following: (a) Labor, (b) Utilities, (c) Treatment Chemicals, and (d) Sludge disposal.
- 3) The initial rate will be valid for one (1) year. The rate may be adjusted annually, at MUC's sole discretion, but as needed to address MUC's actual cost of treatment of the Town's wastewater.
- 4) In the event that a National Pollution Discharge Elimination System (NPDES) permit change occurs

that requires a change in the treatment process, the pro-rated cost of such process changes shall be passed along to the Town. Such changes in treatment cost shall require a written amendment to the rate in effect at the time of the change in treatment processes.

E. PAYMENT FOR TREATMENT SERVICE

- 1) MUC shall invoice the Town on a monthly basis for all costs associated with MUC's acceptance and treatment of the Town's wastewater. Invoices may be hand delivered, delivered via the United States Postal Service or other such entity, or delivered electronically,
- 2) The Town shall pay for treatment services within 15 days of receipt of invoice.
- 3) Interest on delinquent payments shall be at a rate of 1% per annum.

SECTION II - TERMS OF SERVICE FOR TREATMENT SERVICES

- A. The initial term of this AGREEMENT for all services of treating wastewater in the MUC Turkey Creek Wastewater Treatment Plant is ten (10) years commencing on the effective date of this AGREEMENT.
- B. The term shall automatically renew at the end of the initial term, and any term, thereafter, for 10 years unless either Party provides written termination notice of the AGREEMENT to the other Party at least five (5) years prior to the end of any renewal term.

SECTION III - PROVISION OF OPERATION AND MAINTENANCE SERVICES

- A. MUC and/or its designated contractor agrees to operate and maintain the Town's wastewater collection system which contract work shall be referred to as O&M Services in this AGREEMENT.
- B. The O&M Services shall include the following MUC duties and responsibilities:
 - 1) Operate, monitor, repair and maintain the Town's wastewater collection system.
 - 2) Operate and maintain such equipment as is necessary to perform the O&M Services in accordance with the Town's ordinances, rules, regulations, and policies and the terms of this AGREEMENT.
 - 3) Prepare and submit monthly operations reports (MOR's) as required by TDEC. Other reports required by TDEC and/or other regulatory agencies shall be provided upon receipt and/or upon request.
 - 4) Construct and maintain an up to date wastewater mapping system using Geographic Information System (GIS) on ESRI platform. MUC shall GPS infrastructure as constructed in order to provide accurate field locations for utility locate request.
 - 5) Construct and maintain an Asset Management Program using City Works as the platform.
 - 6) Provide O&M services under the supervision of required certified operators as defined by TDEC and/or other regulatory agencies.
 - 7) Respond to and complete all wastewater infrastructure and pipeline locate requests.
 - 8) Answer and respond to all Town's System customer complaints and requests for service in accordance with the Town's ordinances rules, and regulations and policies governing the wastewater collection system. Such work will be closely coordinated with the Town's System operations designee.
 - 9) Provide adequate, properly trained, and properly equipped personnel as necessary to perform the

O&M services.

10) Respond to after-hours emergency calls, odor complaints, outage reports, etc. MUC will have no responsibility nor shall have any role in the disconnection / reconnection of utility services related to the Town's System. The Town shall ensure BSUD answers and responds to customer requests relative to disconnection and/or reconnection of services.

11) Provide mutually agreed upon reports to the Town on a mutually-agreed upon periodic basis on the operation of the Town's System and provide prompt notice of any major operational issues. Any special reports requested by the Town may be provided by MUC at cost.

12) Provide inspection services for compliance with FOG, IPP, and other wastewater discharge requirements, construction projects, etc.

13) Perform other additional duties as are more specifically prescribed in this AGREEMENT.

SECTION IV - SERVICES NOT INCLUDED IN O&M SERVICES

A. The services and work set forth in this Section shall not be considered Operation and Maintenance Services and are outside the scope of this section and shall remain the responsibility and obligation of the Town unless otherwise agreed upon by the parties and reduced to writing in the form of a separate agreement or as an Amendment to this AGREEMENT.

B. The Town shall pay the cost of any major maintenance projects and capital improvements. Major maintenance projects shall include, but are not necessarily limited to, the routine replacement of lines, manholes pump stations, valves, meters, etc. and/or the replacement of the same due to catastrophic failures not attributable to negligent actions of MUC, vandalism, "Acts of God," acts of terrorism, relocations due to roadway or other infrastructure improvements, etc. In the event the Town elects to have MUC perform any major maintenance projects and/or capital improvements, the Parties shall agree upon the scope of and compensation for such services which shall be incorporated into a written amendment to this AGREEMENT or incorporated into a separate agreement.

C. The Town shall be responsible for the cost of acquiring easements, attorney fees, engineering fees, construction inspections or any other professional or technical services associated with the routine O&M of a wastewater system. In the event the Town elects to have MUC perform any such services, the Parties shall agree upon the scope of and compensation for such services which shall be incorporated into a written amendment to this AGREEMENT or incorporated into a separate agreement.

D. The Town shall pay for all treatment costs as described in Section I of this AGREEMENT.

E. The Town shall set all rates and fees charged to its customers for wastewater services sufficient to include all expenses of owning, operating, and maintaining a sewerage system. MUC shall not be responsible for the setting of such rates and fees nor in providing any financial contributions to the Town's System.

F. The Town shall provide a billing system to collect necessary funds to cover all expenses.

SECTION V - COMPENSATION FOR PROVIDING O&M SERVICES

A. Management Fee. The Town shall pay MUC a Management Fee of \$5.00 per customer per month for the first five (5) years of the initial term of agreement. Five (5) years from the date of this agreement MUC shall review historical cost and planned Town sewer expansions to calculate a revised monthly fee for the next five (5) years of Management Fees. Management Fee shall include the following services:

- 1) TDEC Reporting requirements including Monthly Operating Reports
- 2) Operating FOG and Industrial Pretreatment programs including inspection, record keeping, and notification to customers for non-compliance.
- 3) Performing all Tennessee-One Call Utility locations for sewer.
- 4) Mapping activities including GPS of all infrastructure.
- 5) Maintaining Asset Management Program.

B. In addition to the Management fee, the Town shall compensate MUC on an actual cost plus 5% basis. MUC shall record all cost on its work order management system and invoice the Town for work as follows:

- 1) For the repair of any damage to the wastewater collection system caused by a customer or a third party, the Town shall pay MUC for its actual labor, equipment, and materials costs plus 5%. The Town shall be responsible for the recovery of such costs from the party responsible for such damage.
- 2) For routine leaks, etc. to the wastewater collection system which are not caused by a customer or a third party, the Town shall pay MUC for its labor, equipment, and materials cost plus 5% to repair such normal leaks.
- 3) For the furnishing of all labor and materials required to install a service line for a new customer service, the Town shall pay MUC for its labor, equipment, and materials cost plus 5%
- 4) Any other miscellaneous work outside the scope of the Management Fee shall be charged at cost plus 5%

SECTION VI – CHANGES IN COMPENSATION FOR O&M SERVICES

A. The Parties agree that the compensation paid to MUC under Section V shall remain in effect for the same initial term as outlined in Section II of this AGREEMENT.

B. After this initial Term, either Party may request a modification to the compensation set forth in Section V by giving the other Party at least three (3) months written notice before the end of the initial term or any extension thereof of its desire to revise the compensation. The parties shall negotiate in good faith to reach an agreement on the compensation changes for the following contract year.

C. In the event the Parties cannot reach an agreement about compensation changes before the end of the contract year, either party may terminate this AGREEMENT upon giving the other party a notice of termination after the end of the contract year. In the event MUC terminates this AGREEMENT under this Section, MUC agrees to continue to provide O&M Services for a period of twelve (12) months after the end of the contract year to give the Town an opportunity to find another person or entity to provide O&M Services. After this twelve-(12-) month period, the AGREEMENT shall terminate, and MUC will have no further responsibility for the operation and maintenance of the Town's System.

SECTION VII – TERM FOR O&M SERVICES

A. The initial term of this AGREEMENT for O&M services is ten (10) years commencing on the effective date of this AGREEMENT.

B. The term shall automatically renew at the end of the initial term, and any term, thereafter, for 10 years unless either Party provides written termination notice of the AGREEMENT to the other Party at least five

(5) years prior to the end of any renewal term.

SECTION VIII - TERMINATION OF AGREEMENT

A. Except as set forth otherwise in this Section, this AGREEMENT may be terminated by either Party for a material breach or default under the AGREEMENT not cured in accordance with Section VIII(B) during the Initial Term by giving written notice to the other Party which shall take effect five years from the date of said notice during the Initial Term, and this AGREEMENT may be terminated by either Party for a material breach or default not cured in accordance with Section –VIII(B) under the AGREEMENT during an Extended Term by giving written notice to the Other Party which shall take effect five (5) years from the date of said notice or at the end of Extended Term whichever occurs first.

B. If either Party should breach any provision of this AGREEMENT, the complaining Party shall serve the Party committing such breach with a written notice stating the nature of the violation and providing a reasonable time limit for the satisfactory correction. Any such breaching Party shall, within the period of time stated in the notice from complaining Party, cure the breach cited in the complaining Party's notice. In any event, the breaching Party shall be liable to the complaining Party for any expenses, losses or damages caused by such breach.

C. The Parties may terminate this AGREEMENT at any time in accordance with the provisions of Section VI and VII on account of their failure to agree to any compensation changes for O&M Services under this AGREEMENT.

D. In the event the Town fails to implement any recommendation by MUC in the operation of the Town's System or fails to implement a recommendation or to comply with the directive of any regulatory agency which MUC believes compromises its ability to effectively operate the Town's System and/or threatens the integrity of the MUC wastewater collection and/or treatment systems, MUC shall be entitled to terminate this AGREEMENT by giving the Town six (6) months written notice of the termination of the AGREEMENT, citing this Section of the AGREEMENT as the grounds for termination.

E. In the event the Town fails to timely pay MUC any compensation for services rendered under this AGREEMENT, this AGREEMENT may be terminated by MUC upon providing the Town six (6) months notice that it is terminating due to nonpayment.

F. Any compensation unpaid for O&M or Treatment Services rendered prior to the termination of this AGREEMENT shall remain the obligation of the Town.

SECTION IX - LIMITATION OF LIABILITY

In performing the O&M Services under this AGREEMENT, the Parties understand and agree that MUC shall not assume or become obligated to pay any of the Town's debt on its System. The Parties understand and agree that MUC shall not assume or become obligated to pay any liabilities of or claims against the Town of any type or kind arising out of the Town's ownership or operation of its System which are not caused by MUC's gross negligence or breach of this AGREEMENT.

SECTION X - OTHER DUTIES

In the event the Town desires that MUC perform other services for the Town not included in the O&M Services as set forth in this AGREEMENT, the Parties may agree upon the scope of such services and the

compensation for such services which shall be reduced to writing and incorporated as a written amendment to this AGREEMENT or into a separate agreement.

SECTION XI - COOPERATION

The Town agrees to cooperate fully with MUC in its performance of O&M Services for the Town's System and to respond timely to MUC's recommendations for the operation and maintenance of the system and to any request for direction from the Town related to the System.

SECTION XII - MISCELLANEOUS PROVISIONS

A. Independent Contactor; No Partnership. MUC, for all purposes arising out of this AGREEMENT, shall be an independent contractor and shall not be deemed an employee, agent or manager of the Town. The provision of the O&M or Treatment Services under this AGREEMENT shall not create a partnership or joint venture between the Parties.

B. Assignment. This AGREEMENT or any portion thereof may not be assigned by either Party without the express prior written consent of the other Party which consent may be granted or withheld on terms and conditions as reasonably determined by either Party. For purposes of this AGREEMENT, an assignment shall include both a voluntary transaction by either Party and/or a voluntary or involuntary transfer or assignment of this AGREEMENT, whether direct or indirect, by operation of law or pursuant to any bankruptcy, insolvency, receivership, or similar proceeding.

C. Successors and Assigns. This AGREEMENT shall inure to the benefit of and be binding upon the Parties named herein and their respective successors and assigns. Nothing in this AGREEMENT, expressed or implied, is intended to confer upon any person other than MUC and the Town any right or remedy under or by reason of this AGREEMENT.

D. Further Assurances. Each of the Parties further agrees to do any act or thing and execute any and all instruments that are reasonably necessary and proper to make effective the provisions of this AGREEMENT.

E. Notices.

All notices hereunder from MUC to the Town shall be sufficient if personally delivered to the Mayor of the Town, or if sent to said officer by registered or certified mail, return receipt requested, addressed to then current Mayor of the Town, 785 Main Street, Bean Station, TN 37708.

All notices hereunder from the Town to MUC shall be sufficient if personally delivered to MUC's General Manager, or if sent to said officer by registered or certified mail, return receipt requested, addressed to MUC's General Manager, 433 West 1st North Street, Morristown, TN 37814.

Either party shall notify the other in writing a change in the mailing address stated herein, and such changed mailing address shall thereafter be used in lieu of that address state herein.

F. Entire AGREEMENT. This AGREEMENT is the entire agreement and understanding of the Parties with respect to the subject matter of this AGREEMENT and supersedes all prior written or oral agreements, commitments, arrangements, or understandings, between the parties with respect thereto. There are no restrictions, agreements, promises, warranties, covenants, or undertakings with respect to the subject matter of this AGREEMENT other than those expressly set forth in this AGREEMENT.

G. Amendments and Waivers. No amendment, modification, or waiver of any provision of this AGREEMENT shall be effective or binding upon the Parties unless the same shall be writing and signed by

the Parties to this AGREEMENT. The waiver of any party of a breach of any provision in this AGREEMENT shall not operate or be construed as a waiver of any subsequent breach by any party.

H. Severability. If any one or more of the provisions of this AGREEMENT shall be held to be invalid, illegal, or unenforceable, the validity, legality or enforceability of the remaining provisions of this AGREEMENT shall not be affected thereby.

I. Captions and Terms. Section headings in this AGREEMENT are set forth for convenience of reference only and should not define or limit the provisions of this AGREEMENT.

J. Expenses and Attorneys' Fees. The Parties agree that in the event that either Party shall be required to engage legal counsel for the enforcement of any of the terms of this AGREEMENT as a result of a breach of or default under this AGREEMENT by the other Party, the breaching Party shall be responsible for and shall promptly pay to the Party engaging said legal counsel the reasonable amount of such Party's attorneys' fees, all court costs and collection costs, and any other expenses incurred by the party engaging counsel that result from such breach or default.

K. Governing Law and Disputes. This Agreement and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Tennessee.

L. Waiver of Breach. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provision hereof.


M. Third-Party Beneficiaries. The parties agree that they have not entered into this Agreement for the benefit of any third person or persons, and it is their express intention that the Agreement is intended to be for their respective benefit only and not for the benefit of others who might otherwise be deemed to constitute third-party beneficiaries hereof.

N. Gender and Number / Captions. The words "Town" and "MUC" and pronouns referring thereto shall be construed to be singular or plural, masculine or feminine, as the facts warrant.

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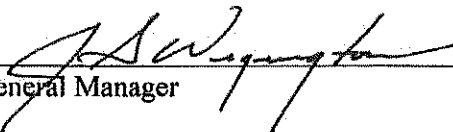
IN WITNESSETH WHEREOF, the Parties hereto have caused this AGREEMENT to be duly executed in duplicate by their respective officers as of the date and year first above written, each Party hereto retaining an executed copy hereof.

TOWN OF BEAN STATION, TENNESSEE



Mayor

MORRISTOWN UTILITIES COMMISSION



General Manager

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Petition for Review and Approval of Proposed Wastewater Collection System / Wastewater Utility
Town of Bean Station, Tennessee

ENCLOSURE 6

**TOWN OF BEAN STATION AND BEAN STATION UTILITY DISTRICT
AGREEMENT FOR BILLING SERVICES OF WASTEWATER SYSTEM**

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AGREEMENT FOR BILLING SERVICES OF WASTEWATER SYSTEM

THIS AGREEMENT is entered into as of the 28 day of September, 2023 by and between the Town of Bean Station, Tennessee, (hereafter the "Town"), and the Bean Station Utility District of Grainger County, Tennessee, a utility district organized pursuant to the provisions of the Utility District Law of 1937 (hereafter the "District").

FACTS

1. The Town is in the process of developing a wastewater utility system to serve residential and commercial customers in the Town.
2. District currently owns and operates a water utility system in Grainger County.
3. The Town desires to hire the District to bill and provide disconnection service for the Town's Wastewater System under the terms and conditions of this agreement.
4. The District is willing to provide these services to the Town under the terms and conditions of this agreement for the fees recited herein.
5. The parties are fully authorized to enter into this agreement under T.C.A. §§ 5-16-101, 5-16-107 and 5-16-108 and other applicable laws of the State of Tennessee.

AGREEMENTS

In consideration of the premises and mutual covenants contained in this agreement, the parties to this agreement agree as follows:

Section 1. Provision of Service

1.1 Subject to the terms and conditions of this agreement, the District agrees to bill for and provide disconnection services for the Town's Wastewater System. District shall provide its services to the Town under this agreement pursuant to the rates and charges provided for under Section 3 of this agreement.

1.2 The Work shall include the following District duties and responsibilities:

- (a) Conduct all billings for the Town Wastewater System in accordance with this agreement;
- (b) Provide Disconnection Service on behalf and at the sole direction and discretion of the Town Wastewater System for any customer not paying their

sewer bill as required by the delinquent date on the bill.

Section 2. Term and Termination

2.1 The term of this agreement shall be five (5) years (the "Initial Term") commencing from the effective date of this agreement and shall automatically continue in effect thereafter in one year renewal periods (the "Renewal Terms"), unless either party hereto gives a written termination notice of the agreement to the other party at least six months prior to the end of the Initial Term or at least six months prior to the end of the applicable Renewal Term.

2.2 Notwithstanding the above, this agreement may be terminated by either party for a material breach or default under the agreement not cured in accordance with Section 2.4 during the Initial Term by giving written notice to the other party which shall take effect six (6) months from the date of said notice during the Initial Term, and this agreement may be terminated by either party for a material breach or default not cured in accordance with Section 2.3 under the agreement during a Renewal Term by giving written notice to the other party which shall take effect three (3) months from the date of said notice. Any unpaid bills for services rendered prior to the termination of this agreement shall remain the obligations of the responsible party.

2.3 The parties may terminate this agreement at any time by mutual agreement or in accordance with the provisions of Section 3.2 on account of their failure to agree to any needed increase in the charges for service allowed under this agreement.

2.4 Should this agreement be terminated under the provisions of this Section or any other provision of this agreement, the District agrees to negotiate in good faith with the Town to allow the Town to utilize the District's water meters for billing of the Town's wastewater services.

Section 3. Charges for Service

3.1 District shall provide the billing under this agreement to the Town for a fee of \$1.50 per customer card which shall be paid monthly.

3.2 The charges for service provided by Section 3.1 shall be subject to modification on the anniversary date of the effective date each year during the Initial Term and any Renewal Term. If District desires a modification of these charges, the District shall request the modification at least three (3) months before the end of each contract year. The parties shall negotiate in good faith to determine the charges for service to be paid to District for the following contract year. If the parties to this agreement are unable to negotiate an acceptable price increase before the end of the contract year for the following contract year, either party may terminate this agreement by giving sixty (60) days written notice of termination to the other party.

3.3 Town agrees to pay District a connection and disconnection fee of \$30.00 per each occurrence under this agreement. In the event District's costs increase due to increases with materials, supplies, or labor directly related to District's customer billing or connection/disconnection services, all such increases shall be added to the existing billing and collection fee. District shall give the Town thirty (30) days written notice of any such increase.

3.4 Town agrees to pay District a "new customer" application fee of \$10.00 per customer. This fee shall be deducted from the Town's "new customer" fee with all remaining funds paid to the Town. The "new customer" fee shall be set by the Town in its Rates and Charges.

Section 4. Customer Billings and Termination of Sewer Service

4.1 District shall perform the monthly billing of the Town's sewer service fees and charges for its customers served by the Town Wastewater System at the rates set by the Town. The Town shall give District timely written notice of any changes to its sewer rates and charges to enable the District to incorporate the new rates and charges into the District's billing system by the effective date of any new rates and charges.

4.2 District agrees to terminate its water service to any District customer who fails to pay for sewer service provided by the Town or which is available to the customer and subsequent fees are charged to the customer under the Town's governing ordinances and in accordance with the District's rules and regulations governing utility service termination for non-payment. However, the District shall only act in a ministerial fashion and will not exercise any discretionary authority regarding termination of water services under this agreement.

The Town shall make and be responsible for all such decisions regarding termination of water services related to delinquent sewer bills and shall direct the District regarding termination of water services. The Town shall act solely and exclusive at the Town's direction in this regard. The Town further agrees to indemnify and hold harmless the District for any actions taken by the District in accordance with compliance with the terms of this agreement. In the event of litigation or the need to retain legal representation by the District for actions taken pursuant to compliance of this agreement, the District shall reserve the right to select legal counsel of its choice.

Any disconnection fee or reconnection fee charged by District related to the termination of water service for non-payment of the Town's sewer service charges shall be paid by the Town, and the responsibility for recovering these costs from the customer shall lie exclusively with the Town. The District shall be paid by the Town for any and all actions taken pursuant to this agreement in accordance with services rendered pursuant to this agreement.

Section 5. Cooperation and Authority

5.1 Cooperation. The parties hereto agree that they will cooperate with each other in all matters that are reasonable, necessary or desirable to facilitate the performance of their respective obligations under this agreement with a minimum of expense, trouble and interference with service, and each party hereto agrees to comply with the reasonable requests of the other party in connection therewith.

5.2 Authority. Each party agrees, when requested by the other party, to furnish to the requesting party a certified copy of the minutes of its board signifying the approval of this agreement and demonstrating the authority of officer(s) to execute and deliver the same, or where applicable, other documentation of the delegation of authority to the party's officer(s) to approve, execute and deliver this agreement.

Section 6. Miscellaneous Provisions

6.1 Independent Contactor; No Partnership. District, for all purposes arising out of this AGREEMENT, shall be an independent contractor and shall not be deemed an employee, agent or manager of the Town. The provision of the services under this AGREEMENT shall not create a partnership or joint venture between the Parties.

6.2 Assignment. This AGREEMENT or any portion thereof may not be assigned by either Party without the express prior written consent of the other Party which consent may be granted or withheld on terms and conditions as reasonably determined by either Party. For purposes of this AGREEMENT, an assignment shall include both a voluntary transaction by either Party and/or a voluntary or involuntary transfer or assignment of this AGREEMENT, whether direct or indirect, by operation of law or pursuant to any bankruptcy, insolvency, receivership, or similar proceeding.

6.3 Successors and Assigns. This AGREEMENT shall inure to the benefit of and be binding upon the Parties named herein and their respective successors and assigns. Nothing in this AGREEMENT, expressed or implied, is intended to confer upon any person other than the District and the Town any right or remedy under or by reason of this AGREEMENT.

6.4 Further Assurances. Each of the Parties further agrees to do any act or thing and execute any and all instruments that are reasonably necessary and proper to make effective the provisions of this AGREEMENT.

6.5 Notices.

All notices hereunder from the District to the Town shall be sufficient if personally delivered to the Mayor of the Town, or if sent to said officer by registered or certified mail, return receipt requested, addressed to then current Mayor of the Town, 785 Main Street, Bean Station, TN 37708.

All notices hereunder from the Town to the District shall be sufficient if personally delivered to District's General Manager, or if sent to said officer by registered or certified mail, return receipt requested, addressed to District's General Manager, 581 Broadway Drive, Bean Station, TN 37708.

Either party shall notify the other in writing a change in the mailing address stated herein,

and such changed mailing address shall thereafter be used in lieu of that address state herein.

6.6 Entire AGREEMENT. This AGREEMENT is the entire agreement and understanding of the Parties with respect to the subject matter of this AGREEMENT and supersedes all prior written or oral agreements, commitments, arrangements, or understandings, between the parties with respect thereto. There are no restrictions, agreements, promises, warranties, covenants, or undertakings with respect to the subject matter of this AGREEMENT other than those expressly set forth in this AGREEMENT.

6.7 Amendments and Waivers. No amendment, modification, or waiver of any provision of this AGREEMENT shall be effective or binding upon the Parties unless the same shall be writing and signed by the Parties to this AGREEMENT. The waiver of any party of a breach of any provision in this AGREEMENT shall not operate or be construed as a waiver of any subsequent breach by any party.

6.8 Severability. If any one or more of the provisions of this AGREEMENT shall be held to be invalid, illegal, or unenforceable, the validity, legality or enforceability of the remaining provisions of this AGREEMENT shall not be affected thereby.

6.9 Captions and Terms. Section headings in this AGREEMENT are set forth for convenience of reference only and should not define or limit the provisions of this AGREEMENT.

6.10 Expenses and Attorneys' Fees. The Parties agree that in the event that either Party shall be required to engage legal counsel for the enforcement of any of the terms of this AGREEMENT as a result of a breach of or default under this AGREEMENT by the other Party, the breaching Party shall be responsible for and shall promptly pay to the Party engaging said legal counsel the reasonable amount of such Party's attorneys' fees, all court costs and collection costs, and any other expenses incurred by the party engaging counsel that result from such breach or default.

6.11 Governing Law and Disputes. This Agreement and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Tennessee.

6.12 Waiver of Breach. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provision hereof.

6.13 Third-Party Beneficiaries. The parties agree that they have not entered into this Agreement for the benefit of any third person or persons, and it is their express intention that the Agreement is intended to be for their respective benefit only and not for the benefit of others who might otherwise be deemed to constitute third-party beneficiaries hereof.

6.14 Gender and Number / Captions. The words "Town" and "District" and pronouns referring thereto shall be construed to be singular or plural, masculine or feminine, as the facts warrant.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed in duplicate by their respective officers as of the day and year first above written, each party hereto retaining an executed copy hereof.

TOWN OF BEAN STATION, TENNESSEE

By: Ben Waller Mayor
Ben Waller, Mayor

9-29-23
Date

BEAN STATION UTILITY DISTRICT OF GRAINGER COUNTY, TENNESSEE

By: Melissa Wells
Melissa Wells, Board Member

9-28-23
Date

ENCLOSURE 7

**UT-MTAS TOWN OF BEAN STATION WASTEWATER SYSTEM
FINANCIAL, RATES, AND FEES ANALYSIS**

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**Town of Bean Station, TN – Proposed Wastewater Utility
Financial, Rate, and Fee Analysis
January 2024**

Collection System Description

At this time, the Town’s collection system will be composed solely of low-pressure sanitary sewers (LPSS) with lift stations constructed as needed. The LPSS option has been selected to minimize (1) the initial cost of construction, and (2) the threat of infiltration / inflow of groundwater and surface water that often plague conventional gravity collection systems. As noted herein, the Town proposes to assess each customer a monthly maintenance fee to maintain the customer’s on-site pump as long as it is properly operated. The Town’s sewer use ordinance (SUO) notes that “the customer shall be responsible for damage to and/or clogging of the (pump) due to items and materials (e.g., wipes, rags, metal objects) introduced to the customer’s building sewer” and will be invoiced for the cost of such repairs. The SUO requires the customer to dedicate necessary easements to the Town for access to operate and maintain the LPSS components (specifically including the pump) located on their property and to keep all such components free of obstructions that may limit access by the Town and/or its contractors.

While not anticipated but if seen as viable in the future, HDPE (fused pipe, no joints) gravity may be used but only in small areas (e.g., immediately adjacent to lift stations). Otherwise, the Town envisions the use of LPSS as the collection system expands.

Modified Approach For Reporting Infrastructure

The acquisition of infrastructure is reported as a capital asset. Typically, the cost of infrastructure would be allocated over the estimated useful life of the asset in the form of depreciation expense. The modified approach applies the concept that if infrastructure assets are properly maintained, they will provide service indefinitely. The allocation of these costs over a limited time would be futile. Under the modified approach, depreciation expense will not be recognized. The Town will solely operate a collection system making the system ideal for the modified approach.

The Town noted the following in their consideration of the modified approach:

1. Fixed asset records for the system will be maintained by Morristown Utilities Commission (MUC). Infrastructure mapping will be included in the MUC ESRI software. Operationally, the Town's collection system will be incorporated into MUC's Supervisory Acquisition and Data Acquisition (SCADA) system. This will provide 24/7 monitoring of the system and, therefore, rapid response to problems within the system.
2. An infrastructure condition assessment will be conducted every three years. The grading scale is included in Appendix A to this analysis. As noted in the Appendix, this triennial assessment will be conducted by the Town (as owner), MUC (as the wastewater collection system and treatment plant operator), and a licensed professional engineer and will include any financial, operational, and/or managerial changes that may be necessary to ensure the wastewater utility is being properly operated and maintained.
3. The Town has estimated maintenance costs at a conservative level to maintain infrastructure assets at an acceptable condition level.

The Town has elected to utilize the modified approach for infrastructure reporting. Depreciation will not be reported so long as the Town continues to meet the criteria to use the modified approach and chooses to do so.

Phase I Infrastructure Funding

Total cost of Phase 1 is estimated at \$2,200,000. Revenues to fund the infrastructure is estimated as follows:

County & Town ARPA Funds	\$ 1,700,000
Developer Capital Contributions	<u>500,000</u>
	<u>\$ 2,200,000</u>

Revenue

Usage Fees

The Town's projected operating revenues are estimated conservatively but can vary based on the number of customers joining the system. It is expected that customers will slowly join the system. The Town expects year 3 and thereafter to produce operating income that would provide for a sustainable system. By year 3, more customers will come onto the system and the Town's Ready To Serve Fee or Minimum Bill will be assessed. The Town projects the following usage based on known current usage:

- Year 1 projects a customer base which uses roughly 43% of current water usage (of existing Bean Station Utility District (BSUD) water customers) to join onto the system.
- Year 3 projects the customer base to increase to 63% of current water usage but the Town expects the developer to have a significant portion of the proposed development completed by the beginning of year 3. This development is expected to produce an estimated 60,000 gallons treated each month.

Again, these are conservative projections. No other new customers (e.g., restaurants) have been assumed in these calculations.

Capacity / Ready-to-Serve Fee (Minimum Bill)

A capacity charge, ready to serve, or minimum bill is proposed that will be based on meter size. Included in the SUO is a provision for billing of water customers who do not connect to the sewer system within 24 months of the availability of service. Those customers will be assessed the minimum bill based on their water meter size.

Rates

Projected rates are presented in the attached documents.



Expenses

The projected expenses to operate the system have been conservatively estimated. Escalating costs were projected for several costs but not all due to known facts. Significant cost estimates include:

- Modified approach for infrastructure report is used. As a result, depreciation expense will not be recognized.
- Engineering costs to score / grade the condition of assets will be incurred every three years.
- BSUD of Grainger County will provide billing services for the Town. Cost is \$1.50 per month for each customer. The agreement with BSUD includes a provision for termination of water service for non-payment of the customer's sewer bill.
- MUC will accept and treat the Town's wastewater. A treatment fee of \$5.00 will be incurred for every 1,000 gallons treated.
- In addition to operating and maintaining the Town's collection system, MUC will also provide operations and management services for services such as monthly reporting, GPS mappings, maintaining asset management program, and various other items at a cost of \$5 per month for each customer.
- As MUC and BSUD will provide a great deal of services for the Town, the salary, retirement, and benefits of the City Recorder are estimated at 10% of the Recorder's time. The Recorder's time is projected to consist of receiving monthly payments and preparing financial reports to the Board of Mayor and Alderman (BMA).
- Electric costs are projected not to exceed \$9,600 annually. This cost was estimated by Appalachian Electric. Costs incurred by the Town are projected to be less than the minimum monthly electric bill (\$800) which has been used for the expense projections.

While not incorporated into all projections, UT-MTAS consultants have recommended to the BMA that an annual Consumer Price Index (CPI) adjustment be included in the ordinance adopting the rates and fees for the Town's wastewater utility. The BMA agrees the CPI adjustment would be fiscally prudent.



Municipal Technical Advisory Service
INSTITUTE *for* PUBLIC SERVICE

**Town of Bean Station, TN – Proposed Wastewater Utility
Financial, Rate, and Fee Analysis
January 2024
Appendices**

Town of Bean Station, TN - Proposed Wastewater Utility
Summary Information

Customers Data

	Potential Phase I	Estimated Year 1	Estimated Year 2	Estimated Year 3
Number of Customers	121	46	57	58
Percentage of customer on system		38%	47%	48%
Projected Usage (Gallons)	7,365,600	3,153,600	3,938,400	4,658,400
% of customer usage vs. potential		43%	53%	63%

Cash

Cash at Year End		69,799	113,103	167,331
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Net Position

Net Investment in Capital Assets		2,200,000	2,200,000	2,200,000
Restricted		-	-	-
Unrestricted (Less Reserved for LPS)		68,082	102,602	149,240
Unrestricted - Reserved for LPS		8,280	18,540	28,980
Total Net Position		2,276,362	2,321,142	2,378,220

Town of Bean Station, TN - Proposed Wastewater Utility
Pro Forma Statement of Net Position

	Year 1	Year 2	Year 3	Year 4	Year 5
Assets					
Current Assets					
Cash	69,799	113,103	167,331	220,066	273,273
Accounts Receivable (Net of allowance)	6,563	8,039	10,889	11,216	11,552
Other	-	-	-	-	-
Total Current Assets	76,362	121,142	178,220	231,282	284,825
Other Noncurrent Assets					
Restricted Cash	-	-	-	-	-
Capital Assets Not Being Depreciated	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000
Total Other Noncurrent Assets	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000
Deferred Outflows of Resources					
Pension	-	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-	-
Liabilities and Net Position					
Current Liabilities					
Accounts Payable	-	-	-	-	-
Current Portion of Long-Term Debt	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-
Current Liabilities					
Pension	-	-	-	-	-
Long-Term Debt	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-
Deferred Outflows of Resources					
Pension	-	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-	-
Net Position					
Net Investment in Capital Assets	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000
Restricted	-	-	-	-	-
Unrestricted	76,362	121,142	178,220	231,282	284,825
Total Net Position	2,276,362	2,321,142	2,378,220	2,431,282	2,484,825

Town of Bean Station, TN - Proposed Wastewater Utility
 Pro Forma Statement Revenues, Expenses and Changes in Net Position

	Year 1	Year 2	Year 3	Year 4	Year 5
Operating Revenues					
Sewer Usage	46,836	58,608	69,408	70,449	71,506
Capacity/Service Fee	23,640	27,600	28,140	28,140	28,140
Ready to Serve Fee	-	-	22,680	22,680	22,680
Tap Fees	368,000	88,000	8,000	-	-
Total Revenues	438,476	174,208	128,228	121,269	122,326
Operating Expenses:					
Salaries	4,500	4,635	4,774	4,870	4,967
FICA	344	355	365	373	380
Retirement	144	148	152	155	158
Depreciation (NA - Modified Approach used)	-	-	-	-	-
Employee Training	1,000	1,000	1,000	1,000	1,000
Publication of Legal Notices	500	500	500	500	500
Memberships	250	250	250	250	250
Telephone	300	300	300	300	300
Accounting & Auditing	-	4,000	4,000	4,000	4,000
Electric	9,600	9,888	10,185	10,490	10,805
Computer and Software Expense	7,000	7,000	7,000	7,000	7,000
Office Expense	1,000	1,000	1,000	1,000	1,000
Operating Supplies	1,500	1,500	1,500	1,500	1,500
Engineering (Every 3 years)	-	-	1,500	-	-
Insurance	1,500	1,575	1,654	1,736	1,823
Bank Service Charges	100	100	100	100	100
Miscellaneous	100	100	100	100	100
Repairs & Maintenance	-	5,000	10,000	15,000	15,000
MUC Operation & Mgmt Fees	2,760	3,420	3,480	3,480	3,480
BSUD Billing Fee	828	1,026	2,178	2,178	2,178
MUC Treatment Costs (\$5/1000Gal)	15,768	19,692	23,292	23,292	23,292
Installation MUC Tap Costs	368,000	88,000	8,000	-	-
Purafil Media	1,200	1,200	1,260	1,323	1,389
Total Operating Expense	416,394	150,688	82,590	78,647	79,223
Operating Income (Loss)	22,082	23,520	45,638	42,622	43,103
Nonoperating Revenue:					
Capital Contributions - Excess Tap Fee	46,000	11,000	1,000	-	-
Capital Contribution - Developer	500,000	-	-	-	-
Capital Grant (ARPA)	1,700,000	-	-	-	-
LPP Fees	8,280	10,260	10,440	10,440	10,440
Total Nonoperating Revenue	2,254,280	21,260	11,440	10,440	10,440
Total Change in Net Position	2,276,362	44,780	57,078	53,062	53,543
Net Position Beginning of Year	-	2,276,362	2,321,142	2,378,220	2,431,282
Net Position End of Yr	2,276,362	2,321,142	2,378,220	2,431,282	2,484,825

Town of Bean Station, TN - Proposed Wastewater Utility
Potential Customers and Usage

Address	Estimated Number of Customer	Meter Size	Potential Gallons Used	Potential Monthly Capacity Fee	Potential Monthly Usage Revenue
Rabbit Patch Lane	1	3/4"	900	30	14
Rabbit Patch Lane	1	3/4"	-	30	-
Rabbit Patch Lane	1	2"	11,800	150	177
Customer # 1 HWY 25E	1	3/4"	3,100	30	47
Customer # 2 HWY 25E	1	3/4"	-	30	-
Customer # 3 HWY 25E	1	1"	700	45	11
Customer # 4 HWY 25E	1	3/4"	18,500	30	278
Customer # 5 HWY 25E	1	3/4"	4,300	30	65
Customer # 6 HWY 25E	1	1"	1,300	45	20
Customer # 7 HWY 25E	1	1"	4,600	45	69
Customer # 8 HWY 25E	1	3/4"	2,000	30	30
Customer # 9 HWY 25E	1	3/4"	2,500	30	38
Customer # 10 HWY 25E	1	1"	-	45	-
Customer # 11 HWY 25E	1	1"	10,900	45	164
Customer # 12 HWY 25E	1	3/4"	-	30	-
Customer # 13 HWY 25E	1	3/4"	12,000	30	180
Proposed Cabins	1	1"	60,000	45	900
Turtle Rock	1	4"	69,200	500	1,038
Park, Lake, Crosby Roads	54	3/4"	216,000	1,620	3,240
Livingston, Fred McCall Roads	40	3/4"	160,000	1,200	2,400
Bluff Village	9	3/4"	36,000	270	540
		Monthly	613,800	4,310	9,207
		Annual Total	7,365,600		

Estimated Number of Customers 121

Town of Bean Station, TN - Proposed Wastewater Utility
Rate Structure

Low Pressure Maintenance Fee		\$	15.00
Usage Rate	Each 1,000 Gallons	\$	15.00

Capacity Rates (Minimum Monthly Bill)

Meter Size	Category Rate
3/4"	\$ 30.00
1"	\$ 45.00
1.5"	\$ 100.00
2"	\$ 150.00
3"	\$ 350.00
4"	\$ 500.00
6"	\$ 900.00

Ready To Serve Fee (Minimum Bill)	\$	30.00
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Appendix F

The Town plans to adopt a modified approach for reporting infrastructure assets in the wastewater sewer system. Under this approach, the Town expenses certain maintenance and preservation costs and does not report depreciation expense. The wastewater sewer system is divided into three components - 1) Services 2) Collection system 3) Wastewater treatment plant (WWTP). The Town only has a Collection System.

The Town has adopted a simple scale for the purpose of scoring the condition of assets. The condition is intended to be appraised through joint discussion and analysis between the Town, WWTP Operator and an engineer. Assets will be scored per levels shown in Table I below. The Town will require itself to maintain an operation level of 2 - Functions as intended.

Table 1 - Asset Scoring Scale

Condition	Rating
Like New	1
Functions as Intended	2
Not Functioning as Intended	3
Not Operational	4

Table 2 - Asset Function

Condition	Collection System
1	100.0%
2	0.0%
3	0.0%
4	0.0%

Estimated Maintenance

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
\$ -	\$ 5,000	\$ 10,000	\$ 15,000	\$ 15,000	\$ 20,000	\$ 20,000	\$ 25,000	\$ 25,000	\$ 25,000

Town of Bean Station, TN - Proposed Wastewater Utility
Estimated Bill Based on Usage of 5,000 gallons

Estimated Monthly Bill

<u>Description</u>	<u>Gallons</u>	<u>Cost</u>
Usage	5,000	75
LPS Fee		15
Capacity Fee		30
RTS Fee		<u>-</u>
Estimated Monthly Total		120

Town of Bean Station, TN Wastewater Utility
 Comparative Rates
 January 22, 2024

Utility	5000-gal	Source
Town of Bean Station	\$ 120.00	Estimated: UT-MTAS
	\$ 105.00	Bean Station less Pump Maintenance Fee
Blaine		Blaine Website
Inside City - Single Family	\$ 124.28	Flat rate per month
Oliver Spings (1)	\$ 129.39	2021 East TN Development District Survey
County - Single Family	\$ 186.43	Flat rate per month
Harrogate (2)	\$ 108.31	Harrogate Website
Rockwood - South Roane County (1)	\$ 105.07	2021 East TN Development District Survey
Morristown Utilities (1)	\$ 100.00	2021 East TN Development District Survey
Webb Creek Utility District	\$ 97.95	2021 East TN Development District Survey
Bluff City 2021 (1)	\$ 93.96	Comptroller Website
Luttrell	\$ 70.93	2021 East TN Development District Survey
White Pine 2021 - Residential (1)	\$ 64.91	Comptroller Website
White Pine 2021 - Commercial (1)	\$ 76.43	
Church Hill 2020 (1)	\$ 62.73	Comptroller Website
Kingsport 2021 (1)	\$ 61.20	Comptroller Website
Tusculum 2022	\$ 60.75	Comptroller Website
Surgoinsville 2021	\$ 56.00	Comptroller Website
Greeneville Water Commission	\$ 49.89	2023 MUC Rate Survey
Rogersville 2020 (3)	\$ 29.49	Comptroller Website

Other Utilities: Avg: \$ 86.92

Median: \$ 76.43

75th Percentile: \$ 105.07 Estimated TBS: \$105.00 (w/o pump fee)

86th Percentile: \$ 120.45 Estimated TBS: \$120.00 (w/ pump fee)

Max: \$ 186.43

Min: \$ 29.49

Notes:

(1) - Outside City Rate

(2) - No Outside City Rate shown

(3) - Same rate, Inside / Outside City

Town of Bean Station, TN - Proposed Wastewater Utility
Ready To Serve Fee (Minimum Monthly Bill)

Year 3 Estimated Fixed Costs	44,038
Estimated Potential Customers	121
Estimated Ready to Serve Annual Fee	364
Monthly Fee per Customer	30

Town of Bean Station, TN - Proposed Wastewater Utility
Depreciation Estimate

	Cost	Life	Estimated Annual Depreciation
Infrastructure	2,000,000	50	40,000
Equipment	<u>200,000</u>	20	<u>10,000</u>
Total	2,200,000		50,000

* Depreciation expense will not be recognized under the modified approach.
Annual depreciation expense is shown for illustrative purposes only.

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ENCLOSURE 8

BEAN STATION WASTEWATER SYSTEM SUMMARY OF OPERATIONS

BEFORE THE TENNESSEE BOARD OF UTILITY REGULATION

IN THE MATTER OF:)
))
JACKSON ENERGY AUTHORITY) **TENN. CODE ANN. § 7-82-702(a)(6)**
))
))
))

ORDER

On March 14, 2024, the Tennessee Board of Utility Regulation (“the Board”) reviewed the Jackson Energy Authority’s (“the Authority’s”) code of ethics, pursuant to Tenn. Code Ann. § 7-82-702(a)(6). The Board finds that the Authority’s code of ethics is more stringent than the model of ethical standards prepared by the Tennessee Association of Utility Districts, as required by § 702(a)(6).

ENTERED this ____ day of March, 2024.

Greg Moody, Chair
Tennessee Board of Utility Regulation

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served via certified mail return receipt requested to the following on this, the ____ day of March, 2024:

Jackson Energy Authority
250 N Highland Avenue
Jackson, TN 38301

J. Seth May
Assistant General Counsel

TOWN OF BEAN STATION – WASTEWATER UTILITY
SUMMARY OF PROPOSED OPERATIONS

January 22, 2024

Page 1 of 1

Owner, TDEC Operating Permit Holder	Town of Bean Station (TBS)
Collection System O&M (by agreement).....	Morristown Utilities Commission (MUC)
Designation of Operator in Charge.....	TBS (using MUC operator)
Wastewater Treatment (by agreement).....	MUC
Adoption of ordinances, rates & fees, etc.....	TBS
Billing	
Generation of billing information via water sales (by agreement).....	Bean Station Utility District (BSUD)
Mailing of bills, collection of payments & fees, etc.....	TBS
Termination of service for non-payment (by agreement – includes termination of water).....	BSUD
Applications for Service, Monthly Billing, etc.....	TBS
Scheduling of LPSS pump installations, etc.....	TBS / MUC
Response to emergency calls.....	TBS / MUC



Jackson Energy Authority

J. Seth May
Assistant General Counsel
Comptroller of the Treasury
Office of General Counsel

Seth,

Jackson Energy Authority's Code of Ethics Policy has been approved previously, and while we have made a few changes to the policy, we feel that it remains more stringent than the current TAUD model policy.

Our policy, which I have provided, was amended by our Board of Directors on January 25, 2024. We made a change to the Ethics Officer from our General Counsel to our Chief Financial Officer; that change was made simply because we have gone through a restructuring and currently do not have a General Counsel.

Secondly, on advice from our outside General Counsel, we removed the section prohibiting employees from seeking public office. Tenn. Code Ann. § 7-51-1501 provides:

Notwithstanding any county, municipal, metropolitan, or other local governmental charter to the contrary, and notwithstanding any resolution or ordinance adopted by any such county, municipality or other local governmental unit to the contrary, every employee of every such local governmental unit shall enjoy the same rights of other citizens of Tennessee to be a candidate for any state or local political office, the right to participate in political activities by supporting or opposing political parties, political candidates, and petitions to governmental entities; provided, further, the city, county, municipal, metropolitan or other local government is not required to pay the employee's salary for work not performed for the governmental entity; and provided, further, that unless otherwise authorized by law or local ordinance, an employee of a municipal government or of a metropolitan government shall not be qualified to run for elected office in the local governing body of such local governmental unit in which the employee is employed.

As a result of that statute and on advice from outside counsel, we removed that section from our policy.

As to being more stringent than the proposed TAUD model policy, our policy has every provision the model policy has with three additional sections. Those provisions address: 1. Outside Employment, 2. Use of Position or Authority and 3. Use of Information, Time, Property, & Other Assets. In essence, our Policy mirrors the TAUD model policy but addresses additional potential conflicts our employees may encounter.

Thank you again for your time and consideration,

Ryan Porter
Chief Operating Officer/Senior Vice President
Jackson Energy Authority

**Jackson Energy Authority
Meeting of the Board of Directors
January 25, 2024**

Resolution approving revision to Jackson Energy Authority's Code of Ethics.

Background:

The Tennessee Ethics Commission was established by the General Assembly to sustain the public's confidence in government by increasing governmental transparency through the regulation of lobbying activities, financial disclosure requirements, and ethical conduct. As a result, the 2006 General Assembly passed the Ethics Act which requires municipalities to adopt a code of ethics by June 30, 2007, and submit it to the Tennessee Ethics Commission for approval. To comply with this law, on June 28, 2007, JEA Board of Directors adopted a Code of Ethics to supplement and replace the Conflict of Interest Policy that was previously adopted.

As a result of recent organizational changes, management recommends updating the Code of Ethics effective January 25, 2024. The substantive changes are as follows:

Disclosure of Conflicts of Interest

- Modified the following which replaces General Counsel with Chief Financial Officer as JEA's Ethics Officer in addition to the Chief Executive Officer.
 - *The Ethics Officer shall be the Chief Executive Officer or the Chief Financial Officer.*

Elected or Appointed Public Office

- Eliminated the paragraph due to recent review and recommendation by JEA's outside General Counsel, Dale Thomas.
 - *Unless permitted by state or federal law or prior written approval from JEA, any employee that wishes to accept or seek nomination, election, or appointment to any public office at the federal, state, or local level shall take an unpaid leave of absence from JEA employment. Upon election or appointment, the employee shall promptly resign from JEA employment. For the purpose of this section, public office is defined as an elected or appointed position with oversight or influence over JEA's activities.*

Adopted Resolution:

RESOLVED, That the Board adopts the attached JEA Code of Ethics as amended and revised on January 25, 2024.

ADOPTED, This 25th day of January, 2024.

Monte Jones, Chair

ATTEST:

Stacy Scoggins, Secretary

Jackson Energy Authority

Code of Ethics

The intent of this policy is to assist members of the Board of Directors, officers, and employees of Jackson Energy Authority (JEA) in avoiding a real or perceived conflict of interest, establish guidelines regarding the acceptance of gifts, promote integrity in our business conduct, and help achieve JEA 's mission and vision. Within the context of this policy, the term "employee" applies to all members of the Board of Directors, officers and employees.

Conflicts of Interest

A conflict of interest occurs when an employee engages in an activity, which appears incompatible with the performance of the employee's responsibilities or impairs the employee's judgment or action. An employee should avoid either an actual conflict of interest or the appearance of a conflict of interest in the performance of their duties. For the purpose of this Code of Ethics, "personal interest" means any financial, ownership, or employment interest of the employee, or a financial interest of the employee's spouse, parent(s), stepparent(s), grandparent(s), sibling(s), child(ren), or stepchild(ren).

Disclosure of Conflicts of Interest

An employee with the responsibility to vote on a measure and having a personal interest in such shall disclose during the meeting at which the vote takes place, before the discussion and vote and so it appears in the minutes, any personal interest that affects or would lead a reasonable person to infer that it affects the employee's vote on the measure. The employee shall refrain from any discussion on this matter and abstain from voting.

In all other non-voting circumstances, where an employee has a personal interest in the matter that affects or would lead a reasonable person to infer that it affects the exercise of discretion shall disclose the interest on a Conflict of Interest Disclosure Statement. The Conflict of Interest Disclosure Statement should be filed with JEA's Ethics Officer. The Ethics Officer shall be the Chief Executive Officer or the Chief Financial Officer. A sample form is attached to this Code of Ethics. In addition, the employee may, to the extent allowed by law, charter, ordinance, or policy, recuse himself from participating in the matter.

Acceptance of Gifts and Other Items of Value

An employee may not accept, directly or indirectly, any money, gift, gratuity, or other consideration or favor of any kind from anyone other than JEA or any organization owned in part or in whole by JEA:

- (1) For the performance of an act, or refraining from performance of an act, that he would be expected to perform, or refrain from performing, in the regular course of his duties; or
- (2) That might reasonably be interpreted as an attempt to influence his action, or reward him for past action, in executing JEA business. For purposes of this section, the definition of reasonable shall be what a reasonable person would do under the circumstances.

Use of Information, Time, Property, & Other Assets

An employee may not disclose any information obtained in his official capacity or position of employment that is made confidential under state or federal law except as authorized by law. An employee may not use or disclose information obtained in his official capacity or position of employment with the intent to result in financial gain for himself or any other person or entity.

An employee may not use or authorize the use of JEA time, property, or other assets for private gain or advantage to himself or any private person or entity, except as authorized by legitimate contract or lease that is determined to be in the best interest of JEA.

Use of Position or Authority

An employee may not make or attempt to make private purchases, for cash or otherwise, in the name of JEA. An employee may not use or attempt to use his position to secure any privilege or exemption for himself or others that is not authorized by the charter, general law, or policy of JEA.

Outside Employment

An employee may not engage in any outside employment if the work unreasonably inhibits the performance of his duties at JEA or conflicts with any provision of JEA's charter or any ordinance or policy.

Ethics Complaints

Administration of this policy is the responsibility of JEA's Ethics Officer. Upon the written request of an employee potentially affected by this Code of Ethics, the Ethics Officer may render an oral or written advisory ethics opinion based upon this Code or any applicable law.

The Ethics Officer shall investigate any credible complaint against an employee charging any violation of this Code, or may undertake an investigation on his own initiative when he acquires information indicating a possible violation and make recommendations for action to end or seek retribution for any activity that, in his judgment, constitutes a violation of this Code of Ethics.

The Ethics Officer may request that JEA hire an attorney, individual, or entity to act as ethics officer when he has or will have a conflict of interest in a particular matter.

When a complaint of a violation of any provision of this chapter is lodged against a member of JEA's Board of Directors, the Board of Directors shall either determine that the complaint has merit, determine that the complaint does not have merit, or determine that the complaint has sufficient merit to warrant further investigation. If the governing body determines that a complaint warrants further

investigation, it shall authorize an investigation by the Ethics Officer or another individual or entity chosen by the Board of Directors.

When a violation of this Code of Ethics also constitutes a violation of a personnel policy, rule, or regulation, the violation shall be dealt with as a violation of the personnel policy or other rule or regulation rather than as a violation of this Code of Ethics.

Violations

An employee who violates any provision of this Code is subject to disciplinary action.

Applicable State Laws

Following is a brief summary of selected state laws concerning ethics in government. These laws were in effect at the origination of this code of ethics, however, this list may not be complete, these laws may be amended, or new laws may be enacted by the state government. For the full text of these statutes, see the Tennessee Code Annotated (T.C.A.) sections indicated. To the extent that an issue is addressed by state law (law of general application, public law of local application, local option law, or private act), the provisions of that state law, to the extent they are more restrictive, shall control.

Conflict of interest- T.C.A. § 6-54-107 and § 12-4-101.

Conflict of interest- T.C.A. § 5-1-125

Conflict of interest- T.C.A. § 5-14-114

Conflict of interest- T.C.A. § 5-21-12 1

Gifts- T.C.A. § 5-14

Gifts- T.C.A. § 5-21-121

Fee statutes- T.C.A. §§ 8-21-101, 8-21-102, and 8-21-103

Crimes involving public officials-T.C.A. § 39-16-10

Official misconduct- T.C.A. § 39-16-402

Official oppression-T.C.A. § 39-16-403

Misuse of official information- T.C.A. § 39-16-404

Ouster law- T.C.A. § 8-47-10 I

Loss of Retirement Benefit- T.C.A. § 8-35-1 24

*Masculine pronouns have been used for convenience and readability, however these pronouns are not meant to be gender specific.

Leoma Utility District and Lawrence County

Staff Summary:

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Leoma Utility District. The investigation was limited to selected records for the period December 1, 2020, through December 31, 2022. The results of the investigation were communicated with the Office of the District Attorney General of the 22nd Judicial District.

Daily operations were managed by the general manager, Bradley Lee, until his resignation in November 2022. Tenn. Code Ann. § 68-221-904 states in part that it is unlawful to operate a water supply system “unless the competency of the operators in direct charge of such system are duly certified.” While Lee was general manager, he was also the certified operator for the district. To remain in statutory compliance for water distribution operations after Lee’s resignation, the board entered into a verbal agreement with Lee to continue working at the district as a contract employee and to be paid a monthly fee until a replacement certified operator could be hired. Lee continued as the certified operator for the district through June 30, 2023. A new certified operator was hired by the district, effective July 1, 2023.

The results of the investigation found the following deficiencies: the board failed to report suspicions of unlawful conduct to the Comptroller of the Treasury, the district’s board failed to adequately document labor agreements between Lee and the District, and Lee failed to maintain supporting documentation for some disbursements, and the district’s board failed to document internal controls or a formal written purchasing policy. District officials have indicated that they have corrected or intent do correct these deficiencies.

The below list details the utilities that operate in Lawrence County according to responses from the Annual Information Report, any open cases under the TBOUR involving the utilities, and utility customer counts:

Utility	Open Case	Water Count	Customer Count
Lawrenceburg	Water Loss	7407	5248
Loretto	Financial Distress	1684	806
Saint Joseph	Financial Distress	560	0
Fall River Road UD	None	1168	0
Iron City UD	Financial Distress, Water Loss	238	0
Leoma UD	Financial Distress	1329	0
Northeast Lawrence UD	None	1270	0
Summertown UD	None	1846	0
West Point UD	None	130	0

The below table details the connections with surrounding utilities according to the Annual Information Report. It appears Lawrenceburg and West Point UD inadvertently did not supply the correct information. Board staff will work with them to amend this in future submissions.

Utility	Connection Summary
Lawrenceburg	Not Provided
Loretto	Sells water to West Point Utility via 6 inch. Emergency connection to Leoma UD via 6 inch.

Saint Joseph	Sells water to Iron City Utility District via 6 inch. Emergency connection to Loretto via 6 inch.
Fall River Road UD	Alternative water supply from Lawrenceburg.
Iron City UD	Purchases water from Saint Joseph via 6 inch.
Leoma UD	Emergency connection with Lawrenceburg and Loretto via 6 inch.
Northeast Lawrence UD	Alternative water supply from Lawrenceburg.
Summertown UD	Purchases water from Lawrenceburg via 6 inch.
West Point UD	Not Provided

Board staff fielded numerous complaints from the above entities pertaining to water supply issues and water outages during the weather shift in January. There appears to be a lack of communication between the utilities considering many of the utilities have interconnections with each other to help share water supply.

There is currently a study being conducted by Rye Engineering to evaluate all water systems in Lawrence County. Board staff believes this study will be instrumental in determining the best path forward in terms of consolidating utilities to ensure the health of utilities in the long-run. Board staff also believes that one such solution would be the creation of a treatment authority that could condense the utilities to experience economies of scale with a utility with roughly 15,000 water customers.

While a Board order is not necessary at this moment Board staff finds it important to highlight this issue since this is a large undertaking that may require Board action in the future. Board staff hopes to have a preliminary report from Rye Engineering in Q1 of calendar year 2025. In the meantime, Board staff will be conducting talks with all stakeholders to find the optimal solution in the long run.

Staff Recommendation:

The Board should order the following:

1. By May 15, 2024, the Entity shall engage TAUD or another qualified expert for a review of internal controls and policies to correct the deficiencies noted in the Comptroller investigative report.
2. By September 1, 2024, the Entity shall provide proof to Board staff that proper internal controls and policies have been adopted to correct the deficiencies noted in the Comptroller investigative report.
3. Board staff shall begin discussions on behalf of the TBOUR with the local governments in Lawrence County to improve utility service within the county.



COMPTROLLER'S INVESTIGATIVE REPORT

Leoma Utility District

January 26, 2024

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

January 26, 2024

Leoma Utility District Board of Commissioners
2573 SR-6
Leoma, TN 38468

Leoma Utility District Board of Commissioners:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Leoma Utility District, and the results are presented herein.

Copies of this report are being forwarded to Governor Bill Lee, the State Attorney General, the District Attorney General of the 22nd Judicial District, certain state legislators, and various other interested parties. A copy of the report is available for public inspection in our Office and may be viewed at <http://www.comptroller.tn.gov/ia/>.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jason E. Mumpower", with a long horizontal line extending to the right.

Jason E. Mumpower
Comptroller of the Treasury

JEM/MLC

INVESTIGATIVE REPORT

Leoma Utility District

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Leoma Utility District. The investigation was limited to selected records for the period December 1, 2020, through December 31, 2022. The results of the investigation were communicated with the Office of the District Attorney General of the 22nd Judicial District.

BACKGROUND



The Leoma Utility District (district) in Leoma, Tennessee, provides water service to approximately 1,400 customers in Lawrence County. The district is governed by a five-member board of commissioners (board).

Daily operations were managed by the general manager, Bradley Lee, until his resignation in November 2022. Tenn.

Code Ann. § 68-221-904 states in part that it is unlawful to operate a water supply system “unless the competency of the operators in direct charge of such system are duly certified.” While Lee was general manager, he was also the certified operator for the district. To remain in statutory compliance for water distribution operations after Lee’s resignation, the board entered into a verbal agreement with Lee to continue working at the district as a contract employee and to be paid a monthly fee until a replacement certified operator could be hired. Lee continued as the certified operator for the district through June 30, 2023. A new certified operator was hired by the district, effective July 1, 2023.

RESULTS OF INVESTIGATION

1. FORMER GENERAL MANAGER BRADLEY LEE MISAPPROPRIATED DISTRICT FUNDS TOTALING AT LEAST \$7,944.08

During the period December 1, 2020, through December 31, 2022, former district general manager Lee misappropriated district funds totaling at least \$7,944.08. Lee perpetrated his misappropriation by making unauthorized purchases with district funds and obtaining petty cash that he retained for his personal use and benefit. Tenn. Code Ann. § 7-82-113 provides that all expenditures of money made by a utility district must be made for a lawful district purpose. Investigators noted the following improprieties:

A. Lee made personal purchases totaling at least \$1,858.96 from Amazon

The district’s bank account was linked by Lee to an Amazon account under his exclusive control. Lee knowingly utilized the district’s bank account to make personal purchases from Amazon totaling at least \$1,858.96. These purchases included such items as a countertop nugget ice maker, a beach tent canopy, and OnCloud running shoes. Lee attempted to conceal the nature of some of his personal purchases by providing fictitious justifications. On June 7, 2022, Lee ordered “Dog Shock Collar for 2 Dogs” that he had shipped to his home address. On the documentation for the district, Lee falsely indicated on the invoice that the item was a “dog beeper to run dogs away when reading meters...” Lee stated to investigators that the shock collar was a personal purchase. **(Refer to Exhibit 1.)**

Exhibit 1



Documentation Lee submitted for dog shock collars he purchased for his personal use, falsely indicating they were for the district.

B. Lee made personal purchases of automobile-related items totaling at least \$4,266.58

Lee purchased at least \$4,266.58 in automobile-related items, such as vehicle parts and repairs from vendors, including O’Reilly Auto Parts and other local automotive service repair shops, for his personal benefit. Lee attempted to conceal the nature of some of his personal purchases by providing fictitious justifications as well as falsified documentation.

In one example, Lee concealed a purchase from an automotive service repair shop by indicating on the invoice that the payment was for front-end work on the district’s service truck. However,

investigators confirmed using the vehicle identification number that the repair work was completed on Lee's personal vehicle. (Refer to Exhibit 2.)

Exhibit 2

Customer: lee, bradley

2006 GMC Sierra 2500 HD Work Truck Crew Cab 167" WB 4WD 4D P/U 8-6.6L Turbocharged Diesel Fuel Injection

Job Number:

Line	Oper	Description	Part Number	Qty	Extended Price \$	Labor	Paint
1		FRONT SUSPENSION					
2	Repl	LT Brake hose	19366683	1	51.95 m	0.6 M	
3		Bleed brake system			m	0.5 M	
4	Repl	LT Lower ball joint	19207137	1	110.57 m	0.9 M	
5	Repl	RT Lower ball joint	19207137	1	110.57 m	0.9 M	
6	Repl	RT Upper cntrl arm	25905442	1	247.02 m	1.0 M	
7	Repl	LT Upper cntrl arm	25905442	1	247.02 m	1.0 M	
8		STEERING GEAR & LINKAGE					
9	Repl	Idler arm 3/4, 1 ton	15891516	1	218.00 m	0.6 M	
open	Repl	Pitman arm 3/4, 1 ton	12479051	1	143.42 m	0.5 M	
11	Repl	RT Inner tie rod	26059210	1	90.10 m	0.7 M	
12	Repl	LT Inner tie rod	26059210	1	90.10 m	0.7 M	
13	Repl	RT Outer tie rod 3/4, 1 ton	19352244	1	122.43 m	Incl. M	
14	Repl	LT Outer tie rod 3/4, 1 ton	19352244	1	122.43 m	Incl. M	
15	#	Alignment		1	69.99		
16	#	rotate and balance		1	40.00		
SUBTOTALS					1,663.60	7.4	0.0

Service truck
front end
work

ESTIMATE TOTALS			
Category	Basis	Rate	Cost \$
Parts			1,663.60
Mechanical Labor	7.4 hrs @	\$ 65.00 /hr	481.00
Subtotal			2,144.60
Sales Tax	\$ 2,144.60 @	9.7500 %	209.10
Grand Total			2,353.70
Deductible			0.00
CUSTOMER PAY			0.00
INSURANCE PAY			2,353.70

Check

Documentation Lee submitted for repair work he falsely asserted was completed on the district's service truck.

In February 2022, Lee used district funds to purchase a replacement windshield for a personal vehicle (Jeep Wrangler) from an automotive shop. To conceal his personal purchase, Lee used his work computer to fabricate an invoice purported to be from the automotive shop and indicated the purchase was for a windshield replacement for the district's meter truck. (Refer to Exhibit 3.)

Summary of Misappropriation by Bradley Lee	
A. Personal Amazon Purchases	\$ 1,858.96
B. Personal Automotive Purchases	4,266.58
C. Petty Cash	<u>1,818.54</u>
Total Misappropriation	<u>\$ 7,944.08</u>

2. LEE MADE QUESTIONABLE PURCHASES TOTALING AT LEAST \$1,255.28

During the period December 1, 2020, through December 31, 2022, investigators identified at least \$1,255.28 in questionable expenditures of district funds made by Lee. In some instances, purchases were not supported with receipts, invoices, or other sufficient documentation. Due to inadequate records and supporting documentation, investigators could not determine whether these purchases were for the exclusive benefit of the district.

On January 25, 2024, the Lawrence County Grand Jury indicted Bradley Lee for one count of Theft of Property over \$2,500, one count of Computer Crimes, three counts of Criminal Simulation, and one count of Official Misconduct.

Bradley Lee was also indicted by the Lawrence County Grand Jury on January 25, 2024, for a criminal charge resulting from a concurrent investigation of the [Center Point Volunteer Fire Department found here](#).

The charges and allegations contained in the indictment are merely accusations of criminal conduct, and not evidence. The defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt and convicted through due process of law.

[Leoma Utility District Investigative Exhibit](#)

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed the following deficiencies in internal controls and compliance, some of which contributed to Lee’s ability to perpetrate his misappropriation without prompt detection:

Deficiency 1: The board failed to report suspicions of unlawful conduct to the Comptroller of the Treasury

Tennessee’s Local Government Instances of Fraud Reporting Act, Tenn. Code Ann. § 8-4-503 provides that “A public official with knowledge based upon available information that reasonably

causes the public official to believe that unlawful conduct has occurred shall report the information in a reasonable amount of time to the office of the comptroller of the treasury.” Public officials are defined as persons “...elected or appointed to any office of a public entity.” A reasonable amount of time “...shall not under any circumstances exceed five (5) working days.” The board did not report their knowledge of unlawful conduct by Lee to the Comptroller’s Office as required.

Deficiency 2: The board failed to adequately document labor agreements between Lee and the district

Lee resigned from his position as general manager effective November 12, 2022, and the board failed to document his resignation as general manager. Further, the board entered into a verbal agreement with Lee for his continued employment with the district as the certified operator. It was agreed that the district would pay Lee a monthly fee of \$900 for his contracted work, but the board failed to ensure that the contractual terms of the labor agreement were legally sufficient and properly documented.

The board became aware of potential inappropriate purchases and possible fraudulent conduct by Lee in December 2022, at which point the board met with Lee and entered into a verbal agreement to attempt to make district customers “whole.” The board and Lee agreed that he would forfeit his \$900 monthly fee from their previous verbal agreement as repayment for the funds he misappropriated by making unauthorized and personal purchases. As part of the verbal agreement, Lee returned some of the unauthorized items to the district that he had purchased with district funds and retained for his personal benefit. Investigators determined that this verbal agreement remained in effect from February 2023 through June 2023. The board failed to document this agreement and did not report Lee’s potentially fraudulent conduct. Failure to ensure that employment contract terms are lawful and properly documented increases the risk of legal liabilities.

Deficiency 3: Lee failed to maintain supporting documentation for some disbursements

Lee failed to maintain supporting documentation for numerous disbursements, including reimbursement payments to himself and payments to Amazon. Requiring and maintaining adequate supporting documentation, such as invoices or receipts, allows district officials to verify that all disbursements are proper and for the exclusive benefit of the district, and decreases the risk for errors or misappropriations to occur without prompt detection.

Deficiency 4: The board failed to document internal controls or a formal written purchasing policy

The board failed to document internal controls over district operations and failed to document a formal written purchasing policy. Tenn. Code Ann. § 9-18-102 requires that utility districts “establish and maintain internal controls, which shall provide reasonable assurance that...funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation.” The *Internal Control and Compliance Manual* prepared by the Comptroller’s Office maintains that “developing an adequate internal control system requires written documentation as well as continual analysis and modification to address changing circumstances.”

The lack of documented internal controls and a formal written purchasing policy increases the risk of fraud, waste, and abuse.

Officials indicated that they have corrected or intend to correct these deficiencies.



Jason E. Mumpower
Comptroller

Entity Referred: **Madison Suburban Utility District of Davidson County**

Referral Reason: **Customer Complaint**

Utility Type Referred: **Water**

Staff Summary:

The District has refunded all customers and the customers that hadn't paid have had the fee removed from the outstanding invoices.

Staff Recommendation:

The Board should close the case.

Madison Suburban Utility District of Davidson County

	Category: Water		County: Davidson	
	2020	2021	2022	2023
Net Assets	\$43,630,795.00	\$54,061,585.00	\$54,770,307.00	\$53,894,842.00
Deferred Outflow Resources	\$925,464.00	\$1,275,187.00	\$1,662,664.00	\$2,455,579.00
Net Liabilities	\$13,843,559.00	\$23,450,579.00	\$21,664,747.00	\$21,457,866.00
Deferred Inflow Resources	\$729,878.00	\$596,290.00	\$1,845,890.00	\$669,992.00
Total Net Position	\$29,982,822.00	\$31,289,903.00	\$32,922,334.00	\$34,222,563.00
Operating Revenues	\$9,848,437.00	\$9,957,307.00	\$11,288,881.00	\$12,827,417.00
Net Sales	\$8,612,778.00	\$8,714,819.00	\$9,928,525.00	\$11,388,785.00
Operating Expenses	\$9,690,828.00	\$9,149,239.00	\$10,170,578.00	\$11,921,598.00
Depreciation Expenses	\$2,094,715.00	\$2,081,689.00	\$2,141,396.00	\$2,430,294.00
Non Operating Revenues	-\$99,635.00	-\$279,091.00	-\$209,892.00	-\$166,781.00
Capital Contributions	\$512,127.00	\$778,104.00	\$724,020.00	\$561,191.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$570,101.00	\$1,307,081.00	\$1,632,431.00	\$1,300,229.00
Statutory Change In Net Position	\$57,974.00	\$528,977.00	\$908,411.00	\$739,038.00



Jason E. Mumpower
Comptroller

Entity Referred: **Town of Mason**

Referral Reason: **Administrative Review**

Utility Type Referred: **Water And Sewer**

Staff Summary:

On November 10, 2021, the Water and Wastewater Financing Board ordered an investigation of the financial condition of the Town of Mason's utilities ("the Town"). The Town required significant infrastructure upgrades and improved internal controls, policies, and procedures to ensure improved administrative management. On April 21, 2022, the Water and Wastewater Financing Board ordered the Town to contract with a third party to conduct a rate study and review several different policies for the utility. The Town has since completed the rate study with the assistance of the Tennessee Association of Utility Districts. Unfortunately, the Town neglected to provide the rate study consultant with the amount the Town is paying the new management company responsible for the operation of the utility. Since the Tennessee Association of Utility Districts did not factor in the cost of this contract, which is roughly \$400,000 annually, due to the Town failing to provide the information, the Board should order the Town to work with the Tennessee Association of Utility Districts to revise the rate study. Otherwise, the Town adopted the recommendations of the study as presented.

Staff Recommendation:

The Board should order the following:

1. By May 15, 2023, the Entity shall provide Board staff with the updated rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation.

Mason

	Category: Water And Sewer		County: Tipton	
	2019	2020	2021	2022
Net Assets	\$4,128,019.00	\$4,337,485.00	\$4,368,416.00	\$4,405,265.00
Deferred Outflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Net Liabilities	\$661,175.00	\$499,772.00	\$322,127.00	\$333,847.00
Deferred Inflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Total Net Position	\$3,466,844.00	\$3,837,713.00	\$4,046,289.00	\$4,071,418.00
Operating Revenues	\$717,985.00	\$786,066.00	\$794,554.00	\$890,435.00
Net Sales	\$687,896.00	\$723,516.00	\$747,028.00	\$794,396.00
Operating Expenses	\$708,022.00	\$691,796.00	\$630,166.00	\$882,951.00
Depreciation Expenses	\$91,108.00	\$90,606.00	\$80,427.00	\$81,119.00
Non Operating Revenues	-\$3,418.00	\$1,548.00	-\$5,962.00	\$9,360.00
Capital Contributions	\$498,546.00	\$275,051.00	\$50,150.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$505,091.00	\$370,869.00	\$216,861.00	\$16,844.00
Statutory Change In Net Position	\$6,545.00	\$95,818.00	\$166,711.00	\$16,844.00

**PROFESSIONAL OPERATING SERVICES
AND MANAGEMENT AGREEMENT**

THIS AGREEMENT made and entered into as of this 19th day of September 2023 by and between The Town of Mason, Tennessee, (hereinafter referred to as "Utility") and ALLIANCE WATER RESOURCES, INC., a Missouri corporation (hereinafter referred to as "Alliance").

WITNESSETH:

WHEREAS, Alliance is engaged in the business of providing management, operation and maintenance services for public water supply, treatment plant, distribution systems, wastewater collection, treatment systems; and

WHEREAS, Utility owns a public utility system and is engaged in providing water and wastewater services in certain areas in the town; and

WHEREAS, Utility is desirous of retaining Alliance to perform management, operation and maintenance services in accordance with the terms and conditions of this Agreement;

NOW, THEREFORE, for and in consideration of the mutual promises herein contained and for other good and valuable consideration, the receipt of which hereby is acknowledged, Utility and Alliance hereby agree as follows:

1. INTRODUCTION

- 1.1 The foregoing recitals are adopted as part of this Agreement.
- 1.2 This Agreement shall supersede and nullify, as of the effective date hereof, any and all prior agreements, amendments to agreements offers, service fees, quotations, and estimates between the parties with respect to the management, operation and maintenance of Utility's System (as that term is defined herein).
- 1.3 This Agreement, including any and all Appendices, Addenda, and Amendments hereto, constitutes the entire Agreement between Utility and Alliance with respect to the management, operation and maintenance of Utility's System.

2. DEFINITIONS

- 2.1 "Benefit Plans" shall mean employee benefit programs such as health insurance, group life insurance, and paid vacation periods normally included as part of Alliance's employees' overall compensation package.
- 2.2 "Duly Authorized Representative" shall mean such person, designated by either party by written notice to the other, as specific representative of the designating party in connection with performance of this Agreement.
- 2.3 "Certified Operators" shall mean water and/or wastewater systems operation personnel who have met the applicable licensing requirements of the State of Tennessee.
- 2.4 "Capital Expenditures" shall mean any expenditure for new plant or equipment items, the installation of which materially extends service life, or for replacements, or which are considered capital expenditures in accordance with generally accepted accounting principles, or which are non-routine types of expenditures on an annual basis, or expenditures which the Utility has planned or budgeted as capital expenditures.
- 2.5 "Operating Expenses" shall mean costs of every kind and nature that Alliance shall determine necessary to pay or to become obligated to pay because of, or in connection with, the management, operation and maintenance of the Utility System.
- 2.6 "Maintenance Expenditures" shall mean those Operating Expenditures incurred by Alliance to perform routine or repetitive activities required or recommended by the equipment or plant item manufacturer, or Alliance, to maximize the service life of the equipment or plant item.
- 2.7 "Equipment, Vehicle or Facility Repair Expenditures" shall mean those Operating Expenditures for labor, materials and subcontractors incurred by Alliance to perform those non-routine or non-repetitive activities required for operational continuity, safety and performance and which generally arise upon failure of equipment, a vehicle, or the facility, or some component thereof.

- 2.8 "Base Fee" shall mean management fee and direct costs plus administrative overhead expense where direct costs shall include labor, materials, supplies, equipment, subcontractor expense or operating expense of any kind necessary to operate and maintain the Utility System in accordance with the Scope of Services as defined in this Agreement.
- 2.9 "Repair Limit" is defined as the total dollar amount that Alliance will be responsible for in a twelve-month period relating to Maintenance Expenditures and Equipment, Vehicle or Facility Repair Expenditures. Utility is responsible for all such expenditures that exceed the Repair Limit. If repair costs are less than the annual Repair Limit, Alliance will refund to the Utility the difference.
- 2.10 "Chemical Limit" is defined as the total dollar amount that Alliance will be responsible for in a twelve-month period relating to Chemical Expenditures. Utility is responsible for all such expenditures that exceed the Chemical Limit. If Chemical costs are less than the annual Chemical Limit, Alliance will refund to the Utility the difference.
- 2.11 "Utility System" or "Facility" shall mean the facilities owned by Utility including additions, replacements and improvements to such systems as described in Section 3 of this Agreement.
- 2.12 "Customer" is defined as any person, persons, firm, corporation or partnership using or allowing the use of, water and/or sewer service(s) provided by Utility.
- 2.13 "Utility Services" means the provision by Utility of water and/or sewer services to its customers.

3. UTILITY SYSTEM

- 3.1 The Utility System to be managed, operated and maintained by Alliance shall consist of the water treatment, wastewater treatment, sewer collection, water distribution, owned by the Utility including but not limited to water treatment plant(s), wastewater treatment plant(s), wells, collection system, and water distribution. It shall include additions, replacements, and improvements to such systems.

3.2 Utility System shall include all physical property, whether real, personal or mixed, comprising such systems, the land thereunder owned or leased by Utility or other town or municipal owned, water or wastewater system contracting with Utility for services and easements and rights of way.

4. OWNERSHIP

4.1 Utility System shall remain the property of Utility.

4.2 All additions, replacements and improvements to Utility System, and extensions thereof, shall be and remain the property of Utility as installed.

5. SCOPE OF SERVICES

5.1 Subject to the terms and conditions of this Agreement, Alliance shall provide management, operation and maintenance services and shall bear the cost of such operating services as necessary to enable Utility to provide Utility Services to its customers.

5.2 Within the design capacity and capability of the Utility System, Alliance shall operate and maintain the Utility System to meet the requirements of the Tennessee Department of Environment & Conservation, Tennessee Public Utilities Commission and any other governmental entity or agency having regulatory control over the Utility System.

5.3 All services hereunder shall be in accordance with sound management, accounting and engineering principles and the law.

5.4 Alliance shall not be responsible for payment of extraordinary utility system and equipment maintenance, repair or replacement expenses.

Extraordinary expenses shall be defined as costs in excess of the maximum annual Repair Limit as specified herein. In addition, any unbudgeted individual project repair costs in excess of \$2000 shall be considered extraordinary.

In the event that any extraordinary expenses should occur, Utility shall be promptly notified and shall be provided with an accounting of such expenses. Any extraordinary expenses must be approved by Utility in advance and payment thereof shall be the responsibility of Utility.

- 5.5 Alliance shall maintain documentation of routine maintenance as to how that such maintenance was performed in accordance with manufacturer's specifications or Alliance's professional judgment. A duly authorized representative of Utility shall have the right to inspect these records during regular business hours. Maintenance shall not include repair resulting from flood, fire or other extraordinary occurrences customarily not encountered in the operation and maintenance of the Utility System.
- 5.6 Except as stated in Section 5.7, Capital Expenditures are not included in the scope of Alliance's services under this Agreement. All capital expenditures shall be the responsibility of Utility, and if to be performed by Alliance, shall be the subject of a separate agreement and paid for by Utility.
- 5.7 Notwithstanding Section 5.6, Alliance shall make emergency Capital Expenditures if such expenditures are necessary to continue operation of the Utility System so as to provide adequate service, and prior approval of Utility reasonably cannot be obtained. Utility shall reimburse Alliance for such emergency Capital Expenditures in accordance with Section 7.
- 5.8 The following expenditures are specifically excluded from Alliance's scope of work and payment obligations:
 - a. Capital Expenditures, except those described in Section 5.7
 - b. Changes in scope of work which would have the effect of increasing Alliance's payment obligations, except as otherwise mutually agreed upon by Alliance and Utility.
 - c. Flood and fire damages.
 - d. Property damage, liability, and director's liability insurance.

- e. Utility expenses including electric, gas, telephone, water and sewer, SCADA, circuit communications and alarm expenses. (Cell phone and internet expenses excluding those related to SCADA and meter reading are included in Alliance's Base Fee.)
 - f. Excavations and repairs made by contractors for extraordinary or routine maintenance of mains and appurtenances.
 - g. Professional services including but not limited to legal, accounting and design engineering services.
 - h. Extraordinary maintenance and repair services necessary to restore newly acquired facilities to reasonable operating condition.
 - i. Personal property or other taxes.
 - j. Extraordinary maintenance repair or equipment replacement expense as specified in Section 5.4 or as otherwise provided for in the annual utility budget.
 - k. Wholesale wastewater treatment charges or water purchase expenses.
 - l. All office and field services building expense including but not limited to rent, utilities and maintenance expense.
 - m. Council, board or commissioners' compensation.
 - n. All mowing and trimming within City and Utility System.
- 5.10 Alliance shall provide
- a. All customer meter reading.
 - b. On-site dedicated personnel to meet regulatory and sampling requirements.
 - c. Provide daily plant operations.
 - d. Perform necessary plant maintenance.
 - e. Respond to emergencies.
 - f. On-site dedicated Manager.

- g. Human Resources support will be provided, should there be any transfer employees currently employed by the Utility.
 - h. All regular, overtime, and standby support labor to assure 24/7/365 service coverage.
 - i. Provide laboratory testing, reagents, chemicals, and sampling required by the Mason NPDES permit.
 - j. Perform preventative maintenance according to the manufacturer's recommendations and accepted industry standards to ensure long equipment life.
 - k. Maintain all warranties.
 - l. Assure calibration of Mason lab equipment is maintained.
 - m. Monitor all lift stations and treatment facilities.
 - n. Provide comprehensive safety, compliance, and operations and maintenance training programs.
- 5.11 Alliance will staff Utility System with sufficient numbers of State Certified Operators experienced in Utility System operation and maintenance to meet regulatory requirements and shall provide personnel to oversee repairs and maintenance performed by town paid contractors. Within the first 60 days of this contract, Alliance shall meet with representatives of TDEC and seek written confirmation that the staffing and qualifications of staff meet TDEC requirements.
- 5.12 Alliance has the right to use subcontractors and consultants to satisfy its obligations under this Agreement.
- 5.13 Utility at any time may request Alliance to perform additional services which are outside the Scope of Services under this Agreement. Alliance shall invoice such services to Utility at actual cost plus 10%. Utility shall pay such invoices in accordance with Section 7.
- 5.14 Alliance shall develop, prepare, and distribute Consumer Confidence Reports to customers in accordance with TDEC regulations.
- 5.15 Alliance shall work cooperatively with and provide records and all other necessary pertinent information to Utility's Legal Counsel.
- 5.16 Alliance shall direct the work of any of the Utility's real estate and easement acquisition agents, work cooperatively with the Utility's engineers and Legal Counsel for the purposes of obtaining water and

sewer easements, property acquisitions and other real estate needs as determined necessary by Utility.

- 5.17 Alliance shall develop and prepare annual budgetary proposals and recommendations for Utility's consideration and perform other financial work as directed by Utility. Approval of the budget shall be a function of the city board.
- 5.18 Alliance shall prepare or assist in the preparation of governmental, official and customer correspondence including monthly, quarterly or annual reports, develop and prepare press releases, provide other information and educational materials as deemed necessary or appropriate to help perform Utility's public purpose.
 - a. Alliance shall cooperate with Utility's engineering and grant consultants, providing information required to complete grant, State Revolving Fund, and other funding applications.
- 5.19 Utility shall:
 - a. Provide for Alliance use of all land, equipment, improvements, buildings, structures and Facility under its ownership and presently located at the Facility or currently available to or assigned to utility use.
 - b. Make Capital Expenditures at the Facility as deemed necessary by Utility. Alliance will cooperate with Utility to determine the necessity and cost of Capital Expenditures.
 - c. Perform all functions and retain all responsibilities and obligations related to Facility not expressly assumed herein by Alliance.
 - d. Provide functional utility service vehicles for use by Alliance that are currently being used for Facility operations. These vehicles must be capable of perform necessary duties. At least two (2) vehicles must be provided by Utility for daily operations.
 - e. Perform, or cause to be performed, mowing and trimming to help enhance the appearance of the Utility System.
 - f. Perform all natural gas related functions.

- g. Provide fuel for city equipment and vehicles provided for Alliance use.

6. COMPENSATION

- 6.1 Utility shall pay Alliance an Annual Base Fee of \$ 391,728.00 (\$ 32,644.00 per month) for services rendered as described in the Agreement for the first year of service.

This monthly base fee is a fixed monthly base fee for the first year of service and includes a \$ 15,000.00 Repair Limit and a \$ 5,000.00 Chemical Limit as described in this agreement.

Should population growth (water connections-multi-family dwellings shall be counted per unit, not as one single connection) increase by ten (10) percent or more from the start date of this agreement, Utility and Alliance shall negotiate the cost for additional staff. The cost for additional staff shall not be less than the lowest compensated local Alliance employee at the time of negotiation. This provision shall be triggered for each ten (10) percent increase.

- 6.2 The Base Fee, Repair Limit, and Chemical Limit shall be subject to renegotiation at the end of the first year of service and annually thereafter and thus may be revised with the written consent of both parties. In the event that the parties fail to agree, the Base Fee, Repair Limit, and Chemical Limit shall be adjusted in proportion to the change in the Consumer Price Index for all urban consumers (U.S. City Average) in the most recent twelve (12) month period prior to the time of renegotiation as published by the U.S. Department of Labor. Such increase shall not be less than 3% and not more than 8% unless otherwise agreed upon.
- 6.3 The Base Fee, Repair Limit, and Chemical Limit shall be subject to renegotiation due to any substantial change in the costs of Utility System operation and maintenance, including but not limited to changes in flow, customer accounts, monitoring or reporting requirements, personnel or staffing requirements, or increased costs due to Force Majeure occurrences.
- 6.4 In the event that a change in the Scope of Service provided by Alliance occurs, and is mutually agreed upon with Utility, Alliance and

Utility will negotiate a commensurate adjustment in compensation. All compensation adjustments resulting from changes in the Scope of Services provided by Alliance shall be retroactive to the date the new or increased level of service is first provided.

7. PAYMENT OF COMPENSATION

- 7.1 The compensation for services described in Section 5 shall be payable monthly and shall be due and payable on the first of the month for which services were rendered.
- 7.2 All other compensation due Alliance from Utility shall be due upon receipt of Alliance's invoice and payable within thirty (30) days.
- 7.3 Utility shall pay interest at the rate of nine percent (9%) per annum on compensation not paid when due, or payments of invoices not paid within thirty (30) calendar days. Interest shall commence on the due date.

8. INDEMNITY, LIABILITY AND INSURANCE

- 8.1 Alliance shall indemnify, save harmless and defend Utility from any and all claims, liabilities, penalties, fines, forfeitures, suits and costs and expenses incident thereto, including reasonable attorneys' fees, which Utility may incur, pay in settlement, or become responsible for as result of death or bodily injury to any person, damage to any property, adverse effects on the environment, or violation of any law arising out of or relating to Alliance's material breach of any term of this Agreement, or any negligent or willful act or omission of Alliance, its employees, or subcontractors in the performance of this Agreement.

Utility shall indemnify, save harmless and defend Alliance from any and all claims, liabilities, penalties, fines, forfeitures, suits and costs and expenses incident thereto, including reasonable attorney's fees, which Alliance may incur, pay in settlement, or becoming responsible for as a result of death or bodily injury to any person, damage to any property, adverse effects on the environment, or violation of any law arising out of or relating to Utility's material breach of any term of this Agreement, or any negligent or willful act or omission of Utility, its employees, or subcontractors in the performance of this Agreement.

Utility and Alliance shall each provide the other with prompt and timely written notice of any event or proceeding of which either acquires knowledge and for which indemnification may be sought so that each shall have any opportunity which exists to take such actions as may be desirable to contain or minimize the consequences of any such event or proceeding and to defend or settle at such party's expense any such proceeding.

- 8.2 Alliance shall be liable for fines or civil penalties imposed by regulatory agencies for violation of the Utility's NPDES permits or rules or regulations of the Tennessee Department of Environment & Conservation or the United States Environmental Protection Agency which occur during the term of this Agreement and which were caused by Alliance negligence or willful conduct. Alliance shall be given full authority to contest such violations and Utility shall assist Alliance in such proceedings. Except to the extent caused by Alliance's negligence, willful conduct, or breach of its obligations under this Agreement, Alliance shall not be responsible for fines or penalties or any other liability if influent characteristics exceed Facility design parameters, influent contains biologically toxic substances, source water contains non-treatable substances, or the Facility is inoperable due to circumstances beyond Alliance's control (See Exhibit B).
- 8.3 Alliance's liability under this Agreement specifically excludes any and all indirect or consequential damages arising from the operation, maintenance, and management of the Facility. Alliance shall not be responsible for damages caused by any defects or flaws inherent in the Utility System as it exists prior to Alliance beginning operations. Additionally, Alliance shall not be responsible for such damages in the event that Alliance has notified Utility of any defects and Utility fails to authorize appropriate corrective action. Alliance and the Utility agree that throughout the life of this Agreement any and all damage claims related to the Utility System shall continue to be processed and resolved in accord with current Utility practice.
- 8.4 Each party shall obtain and maintain insurance coverage of a type and in amounts described in Exhibit A. Each party, to the extent permitted by law, shall name the other party as an additional insured

on all insurance policies covering the Facility and shall provide the other party with satisfactory proof of insurance upon written request.

9. TERM AND TERMINATION

- 9.1 This Agreement shall become effective on the 16th day of October, 2023 and shall remain in effect through the 31st day of October, 2027, subject to annual appropriation of funds by Utility. If Utility appropriates funds for operation and/or maintenance of the Utility System this Agreement shall remain in force and effect.
- 9.2 This Agreement shall be automatically renewed for successive terms of five (5) years each unless notice of cancellation is given by either party no less than ninety (90) days prior to date of expiration.
- 9.3 This Agreement may be terminated by either party for breach of contract terms by the other. Such right of termination shall be in addition to any other claims or remedies either party may have against the other at law or in equity. Should the Utility fail to fund maintenance of the Utility System per Alliance recommendations resulting in noncompliance, Utility shall be considered in breach.
- 9.4 Such termination shall be affected as follows: The party declaring a breach shall give the other written notice of the breach and sixty (60) days from the date of notice to cure. In the event the other party fails to cure within that period, the party serving notice may elect to terminate and shall give written notice of its election to terminate effective not more than ninety (90) days after the date of the notice of election to terminate.
- 9.5 If a breach is claimed by Alliance over a disputed invoice or payment, Alliance will, at Alliance's option, continue to perform under the Agreement subject to resolution of the dispute by a court or agency of competent jurisdiction, provided either party initiates such action within the sixty (60) day cure period.

10. LABOR

- 10.1 In the event labor stoppages by employee groups or unions (i.e., picketing) cause a disruption in Alliance's employees entering and

working on the Utility System, Alliance, at its own option, may seek appropriate injunctive court orders or temporary, additional, qualified personnel. During the labor dispute, Alliance shall operate the Utility System on a best-efforts basis until labor relations are normalized.

11. EXTRAORDINARY CIRCUMSTANCES

- 11.1 Neither party shall be liable for its failure to perform its obligations under this Agreement if performance is made extraordinarily difficult, or costly, due to any unforeseeable occurrences beyond its reasonable control, including, but not limited to, fire, abnormal flooding, riot, war, sabotage, governmental laws, ordinances, rules or regulations, except that Alliance will be responsible for failure to perform as a result of governmental action based on Alliance's failure to comply with rules, regulations and laws pertaining to the Utility System; inability to obtain electricity or other type of power, cessation of transportation, and other similar contingencies.
- 11.2 The party claiming inability to perform hereunder shall notify the other party immediately by verbal communication and in writing by certified mail, return receipt requested, of the nature and extent of the contingency within fourteen (14) days after its occurrence.
- 11.3 A declaration of inability to perform under this contract by either party does not relieve the parties from obligations not affected by the conditions claiming inability under this provision of the Agreement.

12. FUTURE CONSTRUCTION

- 12.1 Alliance, along with Utility and Utility's designated Consulting Engineering firm, will work together to maintain accessibility and minimize disruption and outages to the existing Utility System when future improvements are under construction.
- 12.2 Alliance will work with Utility and Utility's consulting engineer(s) and contractor(s) to coordinate activities. In the event a critical piece of equipment or plant must be taken out of service, a plan shall be developed and approved by all parties ten (10) working days prior to the scheduled outage, and addressing the impact on plant operations, length of outage, and methods of removing and

reactivating the equipment to full service. Utility shall pay all extra costs associated with said equipment outage. Alliance shall not be responsible for regulatory violations due to such interruptions.

12.3 In the event Utility's contractor or subcontractor causes damage to the Utility System, Alliance shall immediately notify Utility's duly authorized representative and shall take all actions necessary to minimize further damage.

12.4 Utility, or Alliance on behalf of Utility, shall direct the contractor to complete all repairs within a reasonable time. In the event that contractor does not make the repairs in a timely and reasonable manner, Alliance shall notify contractor and Utility of such failure to repair, and if work is not initiated immediately to effectuate such repair, within forty-eight (48) hours of such notice, Alliance shall, with Utility's consent, make said repairs, and recover costs of the repairs from Utility.

13. AMENDMENTS

13.1 This Agreement may be modified only by written amendment signed by both parties.

14. WAIVER

14.1 A waiver on the part of either party of any term, provision, or condition of this Agreement shall not constitute precedent, nor bind either party to a waiver of any succeeding breach of the same or any other term, provision, or condition of this Agreement.

15. APPLICABLE LAW

15.1 This Agreement shall be governed by and interpreted in accordance with the laws of the State of Tennessee.

16. ASSIGNMENT

16.1 This Agreement shall be binding upon and endure to the benefit of the respective successors and assigns of each of the parties hereof.

17. HEADINGS

17.1 Section headings used in this Agreement are inserted for convenience of reference only and shall not affect the content of its various provisions.

18. NOTICE

18.1 All notices shall be in writing and delivered in person or transmitted by certified mail, return receipt requested, postage prepaid, as follows:

On Utility: Town of Mason
 12157 Main Street
 Mason, TN 38049

On Alliance: Alliance Water Resources, Inc.
 206 South Keene Street
 Columbia, MO 65201

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized and their respective corporate seals to be herewith affixed and attested by their respective officers having custody thereof the day and year first above written.



UTILITY:

BY: *Edwin [Signature]*

TITLE: *Manager*

(SEAL)

ATTEST:

Norma Davis
Clerk

ALLIANCE WATER RESOURCES, INC.

BY: *T. H. [Signature]*

TITLE: PRESIDENT

(SEAL)

ATTEST:

Mary Ann Perkins
Secretary

EXHIBIT A

A.1 Alliance shall maintain:

1. Statutory Worker's Compensation Insurance for all Alliance employees at the Utility as required by law.
2. Comprehensive or commercial general liability insurance for bodily injury and/or property damage as follows:

General Aggregate	\$3,000,000
Each Occurrence Limit	\$1,000,000
Umbrella Aggregate	\$4,000,000

A.2 Each Party:

1. Shall maintain adequate property insurance for its equipment and real and personal property, including but not limited to extended coverage.
2. Shall provide, with respect to its owned vehicles, Commercial Automobile Liability Insurance for bodily injury and/or property damage with \$1,000,000 per occurrence.

A.3 Utility agrees:

1. To file sewer backup claims with their insurance carrier.
2. Alliance will assist the Utility to provide information and documentation to support or deny the settlement of claims by the Utility's insurance carrier.

EXHIBIT B

FACILITY CHARACTERISTICS

WATER TREATMENT FACILITY

- B.1 Alliance shall not be responsible for fines or penalties or any other liability if there are limitations with the water treatment facility which limit adequate treatment, or the Utility System is inoperable due to circumstances beyond Alliance's control.
- B.2 In the event that water quality requirements are revised in the future, Alliance shall have the right to renegotiate the terms of Sections 5 and 7 in the Agreement by giving notice to the Utility of the revised water quality requirements.

WASTEWATER TREATMENT FACILITY

- B.3 Alliance shall not be responsible for fines or penalties or any other liability if there are limitations in the collection system design or plant design which limit adequate collection or treatment, or if the wastewater influent exceeds facility design parameters including maximum daily and instantaneous flow, does not contain adequate nutrients, contains biologically toxic substances, or the Facility is inoperable due to circumstances beyond Alliance's control.
- B.4 Alliance liability regarding payment of fines, penalties or any other related liability is restricted to effluent limitations established in existing NPDES Permits. In the event that effluent limitations are revised in subsequent NPDES permits, Alliance shall have the right to renegotiate the terms of Sections 5, 6 and 7 in the Agreement by giving notice to the Utility within forty-five (45) days after the effective date of the revised permit.



COMPTROLLER'S INVESTIGATIVE REPORT

South Fork Utility District

January 23, 2024

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

January 23, 2024

South Fork Utility District
Board of Commissioners
2800 Highway 421 #5
Bristol, TN 37620

South Fork Utility District Management:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the South Fork Utility District, and the results are presented herein.

Copies of this report are being forwarded to Governor Bill Lee, the State Attorney General, the District Attorney General of the 2nd Judicial District, certain state legislators, and various other interested parties. A copy of the report is available for public inspection in our Office and may be viewed at <http://www.comptroller.tn.gov/ia/>.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jason E. Mumpower", is written over a faint, larger version of the signature.

Jason E. Mumpower
Comptroller of the Treasury

JEM/MLC

INVESTIGATIVE REPORT

South Fork Utility District

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the South Fork Utility District. The investigation was initiated after investigators received additional allegations following the release of a separate South Fork Utility District report on April 7, 2022. The new investigation was limited to selected records for the period August 1, 2020, through December 6, 2022. The results of the investigation were communicated with the Office of the District Attorney General of the 2nd Judicial District.

BACKGROUND



The South Fork Utility District (SFUD) in Bristol, Tennessee, was created in August 2020 by the merger of the Holston Utility District and the South Bristol-Weaver Pike Utility District. The SFUD provides water service to approximately 3,400 customers in Sullivan County. The SFUD is governed by a five-person board of commissioners who are appointed to four-year terms by the Sullivan County Mayor. The SFUD's daily operations are managed by the district manager.

On April 7, 2022, the Office of the Comptroller of the Treasury issued a SFUD Investigative Report detailing numerous potential conflicts of interest involving the former district manager, questionable transactions, and deficiencies for the period May 2018 through June 2021 (see the April 7, 2022, report [here](#)). After the report was issued, four of the five board members resigned. On December 6, 2022, the SFUD district manager referenced in the April 2022 investigative report resigned.

RESULTS OF INVESTIGATION

- **THE SFUD MADE QUESTIONABLE PAYMENTS TO AN EMPLOYEE'S BUSINESS TOTALING AT LEAST \$148,277.50**

For the period August 4, 2020, through April 15, 2022, the SFUD made payments to a SFUD employee's business totaling at least \$148,277.50. According to the employee, he started the business at the recommendation of former SFUD officials with the sole purpose of employing his father to work as a heavy machinery contractor for the SFUD. The employee stated that his business's only income was payments for SFUD work performed by his father, and all payments

SFUD Payments to Employee's Business	
Year	Total Payments
2020	\$ 59,797.50
2021	\$ 67,645.00
2022	\$ 20,835.00
	<u>\$ 148,277.50</u>

SFUD officials indicated they have corrected or intend to correct this investigative finding.



Jason E. Mumpower
Comptroller

Entity Referred: **Bristol-Bluff City Utility District and South Fork Utility District**

Referral Reason: **Decrease In Net Position**

Utility Type Referred: **Water**

Staff Summary:

The Bristol-Bluff City Utility District ("the Entity") is under supervision for financial distress following its FY 2022 audit.

Board staff has received an analysis of the feasibility of the Entity potentially merging with South Fork Utility District (SFUD). Board staff believes that the results of the merger favor a merger between the entity and SFUD. Board staff plans to hold a public hearing within service area of the entity to notify customers of the potential merger. There is no action needed from the Board at this time.

Staff Recommendation:

Board staff has no recommendation at this time.



Jason E. Mumpower
Comptroller

Entity Referred: **Clearfork Utility District**

Referral Reason: **Decrease In Net Position**

Utility Type Referred: **Water**

Staff Summary:

The Clearfork Utility District ("the Entity") is under the oversight of the Tennessee Board of Utility Regulation ("the Board") for financial distress.

The Entity has had several years of delinquent audits but most recently has completed audits for FY 2020 and FY 2021. In December of 2022 the Utilities Management Review Board issued an order for the Entity to contract with a third-party and complete a rate study by July 31, 2023. The Entity was able to contract with a third party to completed the rate study and feasibility analysis but the contractor has stated they would not be confident in the results of either study without audits for FY 2022 and FY2023. The entity was given a six month extension to complete the requirements of the previous order but has failed to meet that deadline. The utility is also experiencing issues with training non-compliance and water loss.

Staff Recommendation:

Board staff does not currently have a recommendation, but believes this matter should be discussed by the Board for possible action against the utility.

Clearfork Utility District

	Category: Water		County: Claiborne	
	2018	2019	2020	2021
Net Assets	\$2,176,840.00	\$2,001,676.00	\$1,895,395.00	\$1,816,534.00
Deferred Outflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Net Liabilities	\$15,580.00	\$23,278.00	\$18,131.00	\$11,323.00
Deferred Inflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Total Net Position	\$2,161,260.00	\$1,978,398.00	\$1,877,264.00	\$1,805,211.00
Operating Revenues	\$307,820.00	\$279,302.00	\$312,090.00	\$327,750.00
Net Sales	\$293,360.00	\$277,727.00	\$307,588.00	\$315,186.00
Operating Expenses	\$367,581.00	\$467,595.00	\$438,554.00	\$405,177.00
Depreciation Expenses	\$77,148.00	\$77,469.00	\$82,186.00	\$81,040.00
Non Operating Revenues	\$4,100.00	\$5,431.00	\$8,295.00	\$5,374.00
Capital Contributions	\$12,375.00	\$0.00	\$17,035.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	-\$43,286.00	-\$182,862.00	-\$101,134.00	-\$72,053.00
Statutory Change In Net Position	-\$55,661.00	-\$182,862.00	-\$118,169.00	-\$72,053.00



Jason E. Mumpower
Comptroller

Entity Referred: **Intermont Utility District**

Referral Reason: **Decrease In Net Position**

Utility Type Referred: **Water**

Staff Summary:

The Intermont Utility District ("the Entity") is under supervision for financial distress following its FY October 28, 2021. The Tennessee Association of Utility Districts ("TAUD") finalized a rate study that was ordered in September of 2023. The rate study provided a recommendation that the Entity eliminate all gallons included in its minimum bill along with adopting new rates. Board staff was advised that the Entity increased rates in January of 2024. However, the Entity has determined that they will not adopt further TAUD recommendations.

Board staff has also received proof of Utility Commissioner training as required by the Order and determined that the governing body is in compliance.

Staff Recommendation:

The Board should order the following:

1. By May 1, 2024, the Entity shall provide Board staff with proof of implementation of the recommendations of their most recent rate study, or a proposed plan of implementation.
2. If the Entity does not adopt all provisions of the TAUD rate study, or take other actions Board staff finds sufficient to remedy the Entity's financial distress, the Entity's governing body shall appear in-person before the board at the next regularly scheduled meeting to address why recommendations from the TAUD rate study have not been implemented.
3. Should the Entity adopt the full recommendations of the TAUD rate study, the governing body will not be required to appear before the Board as described in paragraph 2 of this order. Should the Entity adopt other remedial measures Board staff believes are sufficient to remedy the Entity's financial distress, Board staff will update the Board at the next meeting but the Entity's governing body and manager will not be required to attend.
4. Should the Entity fail to comply with, or indicate it will not comply with, any directive in this order, Board staff may issue subpoenas for members of the Entity's governing body, manager, and any other necessary staff to appear in-person before the Board during its next meeting.

Intermont Utility District

	Category: Water		County: Sullivan	
	2019	2020	2021	2022
Net Assets	\$5,336,370.00	\$5,259,251.00	\$5,113,438.00	\$5,131,050.00
Deferred Outflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Net Liabilities	\$1,669,547.00	\$1,658,190.00	\$1,604,735.00	\$1,575,237.00
Deferred Inflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Total Net Position	\$3,666,823.00	\$3,601,061.00	\$3,508,703.00	\$3,555,813.00
Operating Revenues	\$370,088.00	\$378,807.00	\$387,050.00	\$502,184.00
Net Sales	\$334,795.00	\$344,170.00	\$370,247.00	\$476,358.00
Operating Expenses	\$378,449.00	\$386,322.00	\$460,088.00	\$397,950.00
Depreciation Expenses	\$113,575.00	\$115,917.00	\$118,727.00	\$121,130.00
Non Operating Revenues	-\$55,259.00	-\$58,247.00	-\$58,356.00	-\$57,124.00
Capital Contributions	\$74,188.00	\$0.00	\$0.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$10,568.00	-\$26,725.00	-\$131,394.00	\$47,110.00
Statutory Change In Net Position	-\$63,620.00	\$12,312.00	-\$131,394.00	\$47,110.00



Jason E. Mumpower
Comptroller

Entity Referred: **Mooreburg Utility District**

Referral Reason: **Decrease In Net Position**

Utility Type Referred: **Water**

Staff Summary:

The Mooreburg Utility District ("the Entity") is under supervision for financial distress following its fiscal year 2020 audit. The Utility Management Review Board issued an order regarding the entity in 2021, and a new order in December of 2022. The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Mooreburg Utility District. The investigation was limited to selected records for the period July 2022 through September 2023. The results of the investigation were communicated with the Office of the District Attorney General of the 3rd Judicial District. There were numerous deficiencies noted in the accompanying report.

The Entity has partially complied with the December 2022 order. The Entity contracted with Jackson Thornton for a rate study that was completed in July of 2023. The governing body has decided not to follow the recommendations outlined in the rate study. The December 2022 order required the Entity to implement the results of the rate study by September 1st, 2023 and the board most recently ordered the entity to implement the results by April 1, 2024.

Board Staff has been informed that members of the entity's governing body will be present at the meeting and would like to address the board.

Staff Recommendation:

1. By May 15, 2024, the Entity shall engage TAUD or another qualified expert for a review of internal controls and policies to correct the deficiencies noted in the Comptroller investigative report.
2. By September 1, 2024, the Entity shall provide proof to Board staff that proper internal controls and policies have been adopted to correct the deficiencies noted in the Comptroller investigative report.

Mooresburg Utility District

	Category: Water		County: Hawkins	
	2018	2019	2020	2021
Net Assets	\$3,843,577.00	\$3,738,196.00	\$3,665,810.00	\$3,595,682.00
Deferred Outflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Net Liabilities	\$2,172,660.00	\$2,129,213.00	\$2,103,001.00	\$2,045,093.00
Deferred Inflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Total Net Position	\$1,670,917.00	\$1,608,983.00	\$1,562,809.00	\$1,550,589.00
Operating Revenues	\$336,608.00	\$344,489.00	\$364,391.00	\$384,750.00
Net Sales	\$310,261.00	\$316,420.00	\$331,151.00	\$347,665.00
Operating Expenses	\$287,848.00	\$331,164.00	\$339,257.00	\$329,397.00
Depreciation Expenses	\$125,783.00	\$140,267.00	\$138,207.00	\$138,357.00
Non Operating Revenues	\$79,849.00	-\$75,259.00	-\$71,308.00	-\$67,573.00
Capital Contributions	\$0.00	\$0.00	\$0.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$128,609.00	-\$61,934.00	-\$46,174.00	-\$12,220.00
Statutory Change In Net Position	\$128,609.00	-\$61,934.00	-\$46,174.00	-\$12,220.00



COMPTROLLER'S INVESTIGATIVE REPORT

Mooresburg Utility District

February 5, 2024

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

February 5, 2024

Mooresburg Utility District
Board of Commissioners
800 Old Highway 11W
Mooresburg, TN 37811

Mooresburg Utility District Board of Commissioners:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Mooresburg Utility District, and the results are presented herein.

Copies of this report are being forwarded to Governor Bill Lee, the State Attorney General, the District Attorney General of the 3rd Judicial District, certain state legislators, and various other interested parties. A copy of the report is available for public inspection in our Office and may be viewed at <http://www.comptroller.tn.gov/ia/>.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jason E. Mumpower", is written over a faint, larger version of the signature.

Jason E. Mumpower
Comptroller of the Treasury

JEM/MLC

INVESTIGATIVE REPORT

Mooresburg Utility District

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Mooresburg Utility District. The investigation was limited to selected records for the period July 2022 through September 2023. The results of the investigation were communicated with the Office of the District Attorney General of the 3rd Judicial District.

BACKGROUND



The Mooresburg Utility District (district) in Hawkins County provides water service to approximately 650 residents within the Mooresburg community. The district is governed by a three-person board of commissioners (board) appointed to four-year terms by the Hawkins County Mayor. The board has the responsibility to establish and maintain an adequate system of internal controls for the district. During the period reviewed, the district employed an office manager, secretary, additional office employee, and four to five field employees.

During July and August 2023, prior to the start of the investigation, the board president, board secretary, office manager, and office secretary resigned. Investigators determined that the resignations occurred at different times and for reasons not associated with the findings in this report.

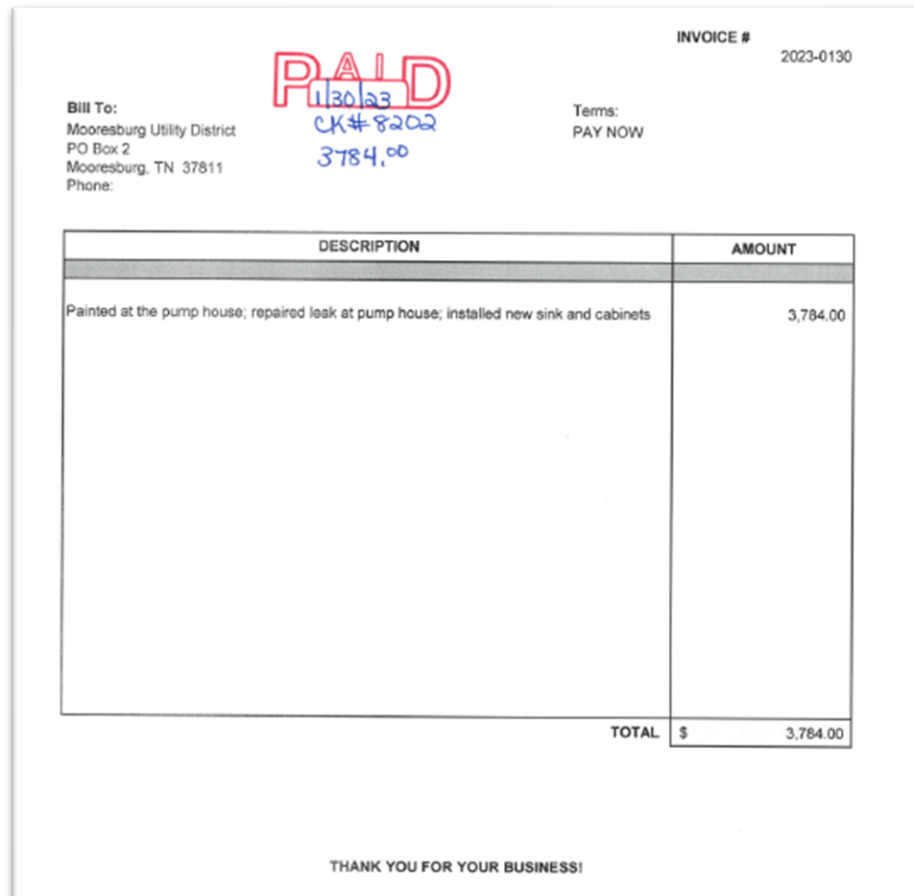
RESULTS OF INVESTIGATION

1. THE DISTRICT MADE QUESTIONABLE PAYMENTS TO A PART-TIME EMPLOYEE TOTALING AT LEAST \$26,710

For the period October 2022 through August 2023, the district routinely made questionable payments to a part-time employee as an independent contractor totaling at least \$26,710. These amounts were not paid through the district's payroll system and were in addition to the employee's regular earnings related to his district job responsibilities. Investigators were unable to determine whether the district provided the employee with Internal Revenue Service (IRS) form 1099 for the additional payments in 2022. The employee submitted invoices from his business to the district

for payments (**Refer to Exhibit 1**), but the invoices lacked sufficient detail for investigators to determine the dates and times of work performed, if work was performed during or after regular work hours, and if district payments were reasonable. According to invoices and district employees, the questionable payments to the part-time employee were for equipment and building repairs, septic repairs, electrical work, and painting for the district.

Exhibit 1



INVOICE # 2023-0130

PAID
1/30/23
CK # 8202
3784.00

Bill To:
Mooresburg Utility District
PO Box 2
Mooresburg, TN 37811
Phone:

Terms:
PAY NOW

DESCRIPTION	AMOUNT
Painted at the pump house; repaired leak at pump house; installed new sink and cabinets	3,784.00
TOTAL	\$ 3,784.00

THANK YOU FOR YOUR BUSINESS!

January 2023 invoice submitted by part-time employee for district work performed as an independent contractor

Since the payments to the employee as an independent contractor were not paid through the district’s payroll system, the payments were not subjected to income tax, Social Security, or Medicare deductions. Also, the district did not report and pay its required matching Social Security and Medicare associated with these payments. Employees should not be compensated by the district as independent contractors in addition to their regular pay. All pay to employees for work performed should be paid through the district’s payroll system to reflect their total salary properly. Also, all wages should be subjected to the proper employee payroll taxes and the district’s matching payments. Finally, the district should maintain sufficient supporting documentation for

disbursements detailing the purpose of transactions, the scope of any work performed, and authorization for payment.

The following table summarizes questionable district payments to the part-time employee, as an independent contractor, by month:

Year	Month	Amount
2022	October	\$1,500
2022	November	\$7,000
2023	January	\$4,034
2023	February	\$8,432
2023	April	\$774
2023	May	\$350
2023	August	\$4,620
	Total	<u>\$26,710</u>

2. THE DISTRICT MADE OTHER QUESTIONABLE DISBURSEMENTS TOTALING AT LEAST \$1,763

The district made other questionable disbursements totaling at least \$1,763 during the period reviewed. The disbursements included purchases for food and supplies that were not supported with itemized receipts or other documentation. Therefore, investigators could not determine whether these purchases were exclusively for the benefit of the district. The district should only make authorized disbursements for the benefit of the district and maintain adequate supporting documentation for all disbursements.

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

The Mooresburg Utility District Internal Control Policy provides that the board has the responsibility to establish and maintain an adequate system of internal control to help ensure assets are not exposed to unauthorized access and use, transactions are properly recorded in the financial records, and financial information is reliable.

Our investigation revealed the following deficiencies in internal controls and compliance:

Deficiency 1: District management did not always sign employees' timesheets as evidence of review and approval

In some instances, district management did not sign employees' timesheets as evidence of review and approval. Management's failure to review and approve timesheet records increases the risk of improper or incorrect payroll payments.

Deficiency 2: The board and district management failed to properly oversee district operations, which contributed to multiple purchasing deficiencies

Investigators noted the following purchasing deficiencies resulting from a lack of board and district management oversight:

- District management did not require or retain adequate supporting documentation for some disbursements. Investigators could not determine whether these disbursements were for the benefit of the district. Management should require and maintain adequate supporting documentation for all disbursements, such as invoices or receipts, so that they can verify the payments as proper and reasonable.
- The board did not authorize written policies for uniform purchases during the period reviewed. In some instances, district management paid for boots for employees ranging from \$150 to \$180. The lack of a uniform policy increases the risk that uniform purchases exceed a permitted limit, do not comply with IRS fringe benefit regulations, and do not meet required safety standards.
- In some instances, district management paid credit card bills late during the period reviewed, resulting in the payment of avoidable fees and interest totaling at least \$1,406. District management should pay credit card bills on time to avoid unnecessary interest, fees, and penalty charges.
- The board did not authorize written policies for the use of credit cards during the period reviewed. The board should provide written guidance identifying employees authorized to use credit cards, the types of purchases for which credit cards can be used, and internal controls safeguarding credit cards and related purchases.
- District management did not obtain at least three quotes for several purchases of goods/services during the period reviewed. District policy requires at least three quotes for certain disbursements ranging from \$1,000 to \$5,000, as well as individual board approval for any single purchase of goods/services that exceeds \$1,500. District management was unable to provide adequate documentation of quotes obtained and board approval for these applicable disbursements. District management should obtain quotes in compliance with district policy to ensure the best use of district funds and proper board authorization.
- In some instances, district management pre-signed checks prior to their preparation and issuance. Checks should never be pre-signed and should contain two signatures to provide a degree of control for disbursements by indicating that both signers agree that the payment is proper and reasonable.
- District management did not issue purchase orders for some purchases. District policy provides that a properly completed and approved purchase order should be required prior to payment for all expenses and purchases, except routine expenses and purchases.

Deficiency 3: District management did not reconcile bank statements with the general ledger monthly

District management did not reconcile bank statements with the general ledger monthly. Sound business practices dictate that management should reconcile bank statements to the general ledger at least monthly. The failure to reconcile bank statements with the general ledger increases the risk that errors or misappropriations will not be detected in a timely manner.

Deficiency 4: District management did not issue official consecutively prenumbered receipts for some collections

In some instances, district management did not issue official consecutively prenumbered receipts for collections. Tenn. Code Ann. § 9-2-104 requires official consecutively prenumbered receipts to be issued for all collections. Without official consecutively prenumbered receipts, investigators were unable to determine if all funds had been accounted for properly. The practice of not issuing official consecutively prenumbered receipts weakens internal controls over collections and increases the risk of fraud and misappropriation.

Deficiency 5: District management failed to pay 941 payroll taxes and file IRS forms timely, resulting in unnecessary interest and penalties totaling at least \$1,634

The IRS requires employers to file Form 941 (Quarterly Federal Tax Returns) to report federal income taxes, Social Security tax, and Medicare tax deducted from employee's paychecks as well as the employer's part of Social Security and Medicare tax. In addition, the IRS requires employers to pay Form 941 payroll taxes to the IRS within a certain time frame after each payroll. For the period reviewed, district management did not consistently pay 941 payroll taxes and file related IRS forms timely, resulting in the district paying the IRS unnecessary interest and penalties totaling at least \$1,634. District management should pay 941 payroll taxes and file related IRS forms timely to ensure IRS compliance and avoid unnecessary interest and penalties.

Deficiency 6: The board failed to review all adjustments to customer accounts

In some instances, the board failed to review adjustments to customer accounts to ensure appropriateness and documented support. District policy requires board approval for certain customer account adjustments, but not all adjustments. During the period reviewed, district employees had the authority to make certain adjustments to customer accounts without board oversight or approval. The district's computerized accounting system provides a report of account adjustments performed by employees, and this report is available for review; however, the board did not review this report during the investigative period. The board should periodically review and approve all adjustments to customer accounts to reduce the risk of errors or misappropriations going undetected.

District management indicated they have corrected or intend to correct these deficiencies.



Jason E. Mumpower
Comptroller

Entity Referred: **Town of Parrottsville**
 Referral Reason: **Decrease In Net Position**
 Utility Type Referred: **Sewer**

Staff Summary:

The Town of Parrottsville ("the Entity") is under supervision of the Tennessee Board of Utility Regulation ("the Board") for financial distress following its 2017 fiscal year audit. In March of 2023 the Water and Wastewater Financing Board issued an order to the Entity requiring them to conduct a feasibility study of a potential merger with the City of Newport. The City of Newport is currently providing sewer billing services for the Entity.

The entity contracted with the Tennessee Association of Utility Districts (TAUD) to carry out the feasibility study and the study was completed in January of 2024. Board staff has been informed that the entity has yet to come up with a plan of implementation of the results of the recommendations of the feasibility study.

Board staff believes that the entity will need additional time to come up with a plan of implementation of the results of the recommendations of the feasibility study. Board staff believes that the entity will need to work with Newport on the results of the recommendation as well as the Department of Environment and Conservation.

Staff Recommendation:

The Board should order the following:

1. By August 31, 2024, the Entity shall provide Board staff with proof of implementation of the resulting recommendations or a proposed plan of implementation.

Parrottsville

	Category: Sewer		County: Cocke	
	2019	2020	2021	2022
Net Assets	\$822,075.00	\$805,989.00	\$796,582.00	\$782,530.00
Deferred Outflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Net Liabilities	\$253,396.00	\$248,761.00	\$230,830.00	\$220,295.00
Deferred Inflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Total Net Position	\$568,679.00	\$557,228.00	\$565,752.00	\$562,235.00
Operating Revenues	\$68,679.00	\$39,138.00	\$49,782.00	\$34,140.00
Net Sales	\$43,154.00	\$39,138.00	\$42,521.00	\$45,703.00
Operating Expenses	\$59,256.00	\$49,123.00	\$62,150.00	\$35,581.00
Depreciation Expenses	\$18,037.00	\$24,244.00	\$24,499.00	\$24,863.00
Non Operating Revenues	-\$1,165.00	-\$1,466.00	-\$1,908.00	-\$2,076.00
Capital Contributions	\$24,690.00	\$0.00	\$22,800.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$32,948.00	-\$11,451.00	\$8,524.00	-\$3,517.00
Statutory Change In Net Position	\$8,258.00	-\$11,451.00	-\$14,276.00	-\$3,517.00



Jason E. Mumpower
Comptroller

Entity Referred: **Webb Creek Utility District**

Referral Reason: **Administrative Review**

Utility Type Referred: **Water And Sewer**

Staff Summary:

It was reported to Board staff that a commissioner ("the Commissioner") on Webb Creek Utility District's ("the District") board of directors may be ineligible to serve as a commissioner. After discussion with individuals at the District, Board staff has been led to believe that the commissioner may not be eligible to serve as he may not be a customer of the District.

Staff Recommendation:

The Board should order the following:

By May 31, 2024, the District shall confirm the eligibility of all commissioners to serve on the Entity's board of commissioners. The District shall further provide the initial appointment dates for all commissioners and supporting documentation showing that they are legally eligible to serve as commissioners as outlined in TCA 7-82-307.

Webb Creek Utility District

	Category: Water And Sewer		County: Sevier	
	2019	2020	2021	2022
Net Assets	\$3,007,431.00	\$3,065,287.00	\$3,068,932.00	\$3,099,716.00
Deferred Outflow Resources	\$0.00	\$0.00	\$0.00	\$307,153.00
Net Liabilities	\$1,054,795.00	\$1,020,614.00	\$974,302.00	\$948,323.00
Deferred Inflow Resources	\$138,694.00	\$117,643.00	\$90,869.00	\$242,286.00
Total Net Position	\$1,813,942.00	\$1,927,030.00	\$2,003,761.00	\$2,216,260.00
Operating Revenues	\$1,207,009.00	\$1,386,421.00	\$1,471,780.00	\$1,600,709.00
Net Sales	\$1,195,517.00	\$1,372,616.00	\$1,460,225.00	\$1,587,334.00
Operating Expenses	\$1,145,690.00	\$1,241,814.00	\$1,357,694.00	\$1,352,114.00
Depreciation Expenses	\$127,568.00	\$112,277.00	\$114,808.00	\$118,452.00
Non Operating Revenues	-\$61,007.00	-\$31,519.00	-\$37,355.00	-\$36,096.00
Capital Contributions	\$0.00	\$0.00	\$0.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$312.00	\$113,088.00	\$76,731.00	\$212,499.00
Statutory Change In Net Position	\$312.00	\$113,088.00	\$76,731.00	\$212,499.00



Jason E. Mumpower
Comptroller

Entity Referred: **Town of Petersburg**
Referral Reason: **Decrease In Net Position**
Utility Type Referred: **Water**

Staff Summary:

The Town of Petersburg ("the Entity") has been referred to the Water and Wastewater Financing Board ("the Board") for financial distress since its fiscal year 2019. The Entity previously complied with Board directives in completing a rate study. The Entity experienced a positive change in net position in 2020, but the Entity reported negative changes in net position in 2021 and 2022.

On March 23, 2023 the Board ordered the Town to complete another rate study to ensure the Entity's rates are sufficient to improve its financial position, and to examine the potential for the Entity's utilities to merge with Fayetteville Public Utilities. Jackson Thornton has provided this study, and finds that a merger with Fayetteville Public Utilities is feasible. Board staff has been in contact with the Fayetteville Public Utilities and is traveling to Fayetteville on March 27, 2024 to meet with local officials to discuss this matter further. Board staff will be holding a public hearing in the area regarding the merger between the utilities before the next Board meeting and will relay the outcomes of the hearing to the Board. Board staff does not find any action necessary from the Board at this point.

Petersburg

	Category: Water And Sewer		County: Lincoln; Marshall	
	2020	2021	2022	2023
Net Assets	\$758,679.00	\$759,188.00	\$805,175.00	\$761,884.00
Deferred Outflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Net Liabilities	\$61,814.00	\$62,700.00	\$155,338.00	\$150,088.00
Deferred Inflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Total Net Position	\$696,865.00	\$696,488.00	\$649,837.00	\$611,796.00
Operating Revenues	\$240,782.00	\$257,761.00	\$207,379.00	\$248,327.00
Net Sales	\$234,285.00	\$209,611.00	\$201,941.00	\$236,877.00
Operating Expenses	\$234,984.00	\$271,589.00	\$254,148.00	\$353,986.00
Depreciation Expenses	\$44,097.00	\$44,136.00	\$44,611.00	\$29,807.00
Non Operating Revenues	\$407.00	\$1,825.00	\$118.00	\$1,638.00
Capital Contributions	\$0.00	\$0.00	\$0.00	\$4,314.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$17,831.00	-\$12,003.00	\$15,015.00	-\$99,707.00
Statutory Change In Net Position	\$17,831.00	-\$12,003.00	\$15,015.00	-\$104,021.00

JACKSON THORNTON

Certified Public Accountants
& Consultants

September 19, 2023

Mr. Randy McDonald, Mayor
Town of Petersburg
120 Eastside Square
Petersburg, Tennessee 37144

Re: Rate Study

Dear Mayor:

Jackson Thornton & Co. ("JT") was asked by the Town of Petersburg ("the Town") to help the Town comply with requirements of the Tennessee Water and Wastewater Financing Board's Order pursuant to Tenn. Code Ann. §§ 68-221-1010, items 1b-d. This letter constitutes the report of our observations and analysis as to the feasibility of the District and its rates. Our analysis and report rely on information as provided by the Town.

Item 1 – JT completed a Cost of Service and Rate Study for the District. The results of this study were presented to the Town in September 2023.

Item 1b – Based on the results of the Rate Study, the Town's rates are not currently sufficient to ensure the financial health of the Town.

Item 1c – Based on the results of the Rate Study, the Town will need to consider raising the Inside Town rates.

Item 1d – Based on the results of the Rate Study, a 5,000 gallon/month customer needs to pay approximately \$85/month. A 5,000 gallon/month customer that is on Fayetteville's Outside City rate pays approximately \$51/month, or 40% less than the full cost rates at the Town.

JACKSON THORNTON & CO, P.C.



James B Marshall, III
Principal



Jason E. Mumpower
Comptroller

Entity Referred: **City of Spencer**

Referral Reason: **Administrative Review**

Utility Type Referred: **Water And Sewer**

Staff Summary:

The City of Spencer has adopted a resolution to being the process of a merger with the Warren County Utility District. The City has an outstanding TBOUR order requiring a feasibility study be conducted for the merger with the Warren County Utility District. This order should be rescinded since the merger is in the process of being completed. The case should remain open until the merger is complete.

Staff Recommendation:

The Board should order the following:

1. The Entity is released from any previous Board order requiring the study of the feasibility of a merger between itself and any surrounding utilities.

Spencer

	Category: Water And Sewer		County: Van Buren	
	2020	2021	2022	2023
Net Assets	\$16,360,151.79	\$16,331,852.53	\$16,358,450.65	\$16,145,008.70
Deferred Outflow Resources	\$71,877.51	\$88,732.72	\$175,317.26	\$161,180.49
Net Liabilities	\$2,431,424.01	\$2,451,810.95	\$2,523,690.74	\$2,616,518.20
Deferred Inflow Resources	\$39,313.46	\$18,566.27	\$151,673.29	\$11,084.37
Total Net Position	\$13,961,291.83	\$13,950,208.03	\$13,858,403.88	\$13,678,586.62
Operating Revenues	\$1,410,302.04	\$1,487,234.29	\$1,554,497.43	\$1,737,209.00
Net Sales	\$1,325,553.94	\$1,044,685.53	\$1,064,292.96	\$1,575,991.86
Operating Expenses	\$1,447,317.83	\$1,781,410.24	\$1,938,013.20	\$1,982,086.89
Depreciation Expenses	\$470,562.28	\$0.00	\$476,003.69	\$481,721.75
Non Operating Revenues	-\$59,637.62	-\$22,849.85	-\$24,808.56	-\$50,274.66
Capital Contributions	\$33,945.16	\$305,942.00	\$316,520.18	\$115,335.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	-\$62,708.25	-\$11,083.80	-\$91,804.15	-\$179,817.55
Statutory Change In Net Position	-\$96,653.41	-\$317,025.80	-\$408,324.33	-\$295,152.55



Jason E. Mumpower
Comptroller

Entity Referred: **Tarpley Shop Utility District**

Referral Reason: **Administrative Review**

Utility Type Referred: **Water**

Staff Summary:

The Tarpley Shop Utility District (TSUD) is a water utility district in Giles County, serving 1,160 customers. It purchases water from the City of Pulaski and is connected to the South Giles Utility District, which purchases water from TSUD. In December 2022, the Utility Management Review Board (UMRB) began investigating TSUD. The District is currently pursuing talks with the South Giles Utility District regarding a possible merger. On March 26, 2024, there is a joint meeting between both utility district boards to discuss this matter. Board staff will hold a public hearing regarding a merger with a surrounding utility should the discussions fail between the two districts. If the utilities are able to merge on their own, Board staff will not need to hold a public hearing to continue the Board ordered merger process. There is no recommendation at this time.

Tarpley Shop Utility District

	Category: Water		County: Giles	
	2019	2020	2021	2022
Net Assets	\$3,712,495.00	\$3,702,039.00	\$3,664,969.00	\$3,561,864.00
Deferred Outflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Net Liabilities	\$456,030.00	\$433,728.00	\$385,106.00	\$364,924.00
Deferred Inflow Resources	\$0.00	\$0.00	\$0.00	\$0.00
Total Net Position	\$3,256,465.00	\$3,268,311.00	\$3,279,863.00	\$3,196,940.00
Operating Revenues	\$570,953.00	\$592,339.00	\$612,842.00	\$660,452.00
Net Sales	\$537,981.00	\$577,744.00	\$607,712.00	\$652,717.00
Operating Expenses	\$550,620.00	\$571,587.00	\$591,432.00	\$733,091.00
Depreciation Expenses	\$91,668.00	\$86,854.00	\$82,561.00	\$82,561.00
Non Operating Revenues	-\$13,087.00	-\$8,906.00	-\$9,858.00	-\$10,374.00
Capital Contributions	\$0.00	\$0.00	\$0.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$7,246.00	\$11,846.00	\$11,552.00	-\$83,013.00
Statutory Change In Net Position	\$7,246.00	\$11,846.00	\$11,552.00	-\$83,013.00



Jason E. Mumpower
Comptroller

Entity Referred: **City of Hohenwald**

Referral Reason: **Decrease In Net Position**

Utility Type Referred: **Water And Sewer**

Staff Summary:

The City of Hohenwald ("the Entity") was referred to the Tennessee Board of Utility Regulation ("the Board") for financial distress following its fiscal year 2023 audit. The Entity returned its financial distress questionnaire to Board staff. Board staff has identified the following weaknesses.

1. The Entity has not completed a rate study in five years. Rates were raised in July of 2023.
2. Based on the information provided in the 2023 audit, the water and sewer rates are roughly 50% higher for customers that live outside of the city limits.

Staff Recommendation:

The Board should order the following:

1. The Entity shall have the Tennessee Association of Utility Districts, or another qualified expert, as approved by Board staff, perform a rate study that includes the following:
 - a. a review of the capitalization policy, including any recommended modifications;
 - b. a review of the debt management policy, including any recommended modifications;
 - c. the creation of a five-year capital asset budget, to be taken from the current capital asset list and to include future anticipated needs;
 - d. a review of relevant utility fees including but not limited to connection or tap fees, including any recommended modifications;
 - e. verification that all governing body members of the utility are in compliance with all relevant training requirements;
 - f. a review of the leak adjustment policy, including any recommended modifications or adoption of such policy should one not exist; and,
 - g. a justification of the inside and outside the city limit rates, including any recommended modifications to the rate structure.
2. By May 28, 2024, the Entity shall send Board staff a copy of the contract between the Entity and the qualified expert who is to perform the tasks in paragraph 1.
3. By December 31, 2024, the Entity shall provide Board staff with the completed rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation.
4. Board staff is given the authority to grant one extension of up to six months of the foregoing deadlines upon a showing of good cause by the Entity.

Hohenwald

	Category: Water And Sewer		County: Lewis	
	2020	2021	2022	2023
Net Assets	\$21,602,935.00	\$21,514,883.00	\$21,590,920.00	\$20,434,585.00
Deferred Outflow Resources	\$85,810.00	\$65,136.00	\$190,249.00	\$212,523.00
Net Liabilities	\$8,433,623.00	\$7,821,920.00	\$7,964,438.00	\$7,205,280.00
Deferred Inflow Resources	\$62,894.00	\$46,068.00	\$322,190.00	\$20,587.00
Total Net Position	\$13,192,228.00	\$13,712,031.00	\$13,494,541.00	\$13,421,241.00
Operating Revenues	\$2,758,877.00	\$3,065,861.00	\$2,997,364.00	\$3,100,777.00
Net Sales	\$2,676,324.00	\$2,974,115.00	\$2,887,980.00	\$2,975,463.00
Operating Expenses	\$2,611,695.00	\$2,653,513.00	\$2,927,646.00	\$3,033,809.00
Depreciation Expenses	\$700,779.00	\$745,473.00	\$826,400.00	\$893,656.00
Non Operating Revenues	-\$155,928.00	-\$174,845.00	-\$287,208.00	-\$140,268.00
Capital Contributions	\$152,675.00	\$282,300.00	\$0.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00
GAAP Change In Net Position	\$143,929.00	\$519,803.00	-\$217,490.00	-\$73,300.00
Statutory Change In Net Position	-\$8,746.00	\$237,503.00	-\$217,490.00	-\$73,300.00