

G. EVERETT SINOR, JR.
Attorney at Law

February ^{22nd}, 2016

The Honorable Sue Tollett
Clerk and Master
Cumberland County Chancery Court
60 Justice Center Drive, Suite 226
Crossville, Tennessee 38555

*RE: Tennessee Regulatory Authority v. Laurel Hills Condominiums Property
Owners Association, Docket No. 2012-CH-560*

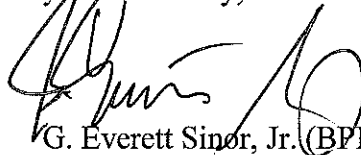
VIA UNITED STATES FIRST CLASS MAILS

Dear Ms. Tollett:

Please find enclosed herewith the Receiver's Second Report and Motion for Approval of Fees and Expenses and Interim Taxation of Costs, along with a proposed order granting the Receiver's motion.

Please return to me a copy of this letter, once stamped received at your office, in the self-addressed, stamped envelope. Thanking you for your consideration of this matter, I remain,

yours sincerely,



G. Everett Sinor, Jr. (BPR #017564)
Attorney at Law

Enclosures

ec: Receivership Management, Inc.
Shiva K. Bozarth, Esq.
Donald Scholes, Esq. and Benjamin Gastel, Esq.
Melanie Davis, Esq.
Vance Broemel, Esq.
Roger York, Esq.

IN THE CHANCERY COURT FOR CUMBERLAND COUNTY, TENNESSEE
THIRTEENTH JUDICIAL DISTRICT, AT CROSSVILLE

TENNESSEE REGULATORY AUTHORITY)
)
 Petitioner,)
)
)
 v.) > No. 2012-CH-560
) > Chancellor Thurman
)
 LAUREL HILLS CONDOMINIUMS)
 PROPERTY OWNERS ASSOCIATION)
)
)
 Respondent.)

COPIES

RECEIVER'S SECOND REPORT AND MOTION FOR APPROVAL OF FEES AND
EXPENSES AND INTERIM TAXATION OF COSTS

Robert E. Moore, Jr., Attorney and Chief Operations Officer of Receivership Management, Inc. [hereinafter the Receiver], the court appointed Receiver of the Laurel Hills water system [hereinafter the "LHWS"] previously controlled by Laurel Hills Condominiums Property Owners Association [hereinafter the "Laurel Hills Condominiums POA"], submits the Receiver's Second Report and moves this Honorable Court for an order approving the fees and expenses presented for payment by the Receiver, and for an interim taxation of costs.

1. On October 26, 2015, the Plaintiff, the Tennessee Regulatory Authority [hereinafter the "TRA" or the "Authority"] filed a Motion for Appointment of Receiver in the above-styled action. Said motion was granted that same day, and, pursuant to Tenn. Code Ann. §§ 65-3-105 and 29-1-101, the Court appointed Receivership Management, Inc. as Receiver of the Laurel Hills Water System by order dated October 26, 2015.

2. The Receiver filed its first report with the Cumberland County Clerk and Master on December 12, 2015, in which it provided the Court with financial and operational

information for the LHWS, summarized the Receiver's activities regarding the system, and detailed some of the legal issues involving control of the water system properties in question.

Receiver's Activity Report

3. Since the filing of the first report, representatives of the Receiver, Robert E. Moore, Jr. and G. Everett Sinor, Jr., have made one (1) trip to Cumberland County, Tennessee to meet with several people regarding the LHWS. In particular, Mr. Moore and Mr. Sinor personally met with Mr. Everett Bolin, Mr. Gerald Williams, and Mr. MC Deck, all officials of the Crab Orchard Utility District [hereinafter the "COUD"] to gather more information about the different components of the LHWS (i.e., pipes, pumps, pump station, etc.). As recommended by the COUD officials, Mr. Moore and Mr. Sinor walked the entire length of the supply pipe line from the top of Renegade Mountain down to the pump station near the base of the mountain and viewed and inspected the 700 ft. of piping that sits on top of the ground. The pump station and pumps were also viewed.

4. While in Cumberland County, Mr. Moore and Mr. Sinor also met with Cumberland County Mayor Kenneth Carey, Jr., and discussed the history of the Renegade Mountain development, the status of the receivership, and the issues surrounding the County's desire for an E911 tower on Renegade Mountain or elsewhere within the County.

5. Also while in Cumberland County, Mr. Moore and Mr. Sinor met with Mr. Wendell Harkleroad, President of Eagle's Nest, LLC, at the Eagle's Nest development on Renegade Mountain, and viewed the development, along with Barry R. Field, P.E., Eagle's Nest's contracting engineer.

6. Since that time, the Receiver's main objective has been to operate the LHWS, consisting mainly of billing and receiving payment for water service, and to prepare and

submit an emergency rate filing with the Authority to obtain an increase in the LHWS's rates.

Status of Water System Operations & Condition

7. The LHWS currently charges \$33.10 per customer per month for water service. This rate was previously recommended by the Authority and instituted by this Honorable Court. No distinction is made between ratepayers as to how much water is being used. It is believed that there are many meters installed throughout the LHWS, but not all customers have metered service, and so it is impractical at this time to determine water usage on a per customer basis.

8. As mentioned above, representatives of the Receiver walked the entirety of the supply pipe line at the recommendation of COUD officials. It is clear that the condition of the supply pipe line is old. It is evident that, in certain places of the pipe, some maintenance and repair is needed. A little over 700 feet of the supply line is lying on top of the ground, on rugged, rocky, steep terrain. Where the supply line individual pipe sections meet, there are concerns about the integrity of the joints. At one spot, a leak was found and estimated by a representative of COUD to leak about a quarter of a gallon per minute. Lateral support for the supply pipe line is provided by a collection of rebar supports and by wire cables tied to trees near the pipe. Near the bottom of the mountain is the pump house with the pumps. Mr. Williams with the COUD has strongly recommended that the emergency back-up pump be repaired as quickly as possible, as a failure by the main pump would prevent any water from being pumped up the mountain and delivered to customers of the LHWS until a repair could be made.

9. As previously reported, the LHWS is leaking a tremendous amount of water (originally estimated as between 60% to 80% of the water purchased), and there are ongoing efforts to determine where the leaks are and fix them.

10. As discussed in more depth below, the water tower and the parcel upon which it sits at the top of Renegade Mountain have yet to be conveyed to the Receiver, as required by the settlement agreement entered into by and between the parties to this action.

Financial Information

11. There are one hundred thirty (130) known current potential users within the service area of the system.¹ Of this amount, one hundred twenty-two (122) are customers currently receiving water service, who are invoiced \$33.10 per month, consistent with the TRA applied rate.² On a cash basis, LHWS had a net pre-receivership loss in 2014 of \$1,568.01, and a net pre-receivership gain in 2015 of \$2,854.26. See Collective Exhibit A.³ However, by letter dated November 20, 2015, the Crab Orchard Utility District, the entity which supplies water to the LHWS, indicated that LHWS was “currently delinquent in the amount of \$8,950.50.” See Exhibit B. Under the present tariff/rate structure, the LHWS has accrued no funds for maintenance, repairs, or improvements, nor has it any capital resources to fund such activities. With the increase of the added expense of the receivership, the loss is greater. Based upon the financial information provided to the Receiver, on an incurred basis, LHWS had a projected operating loss of \$2,227.24 prior to the institution of the receivership on October 26, 2015. See Exhibit C.⁴ Since the institution of the receivership, LHWS has incurred a loss of \$26,113.10. Overall, the LHWS

¹ There are 8 known potential users (timeshare unit holders within the Laurel Hills POA) who are tapped into the LHWS and who are not being currently billed by the LHWS. The proposed new tariff/rate proposes that these 8 known potential users also be required to pay the new rate.

² This figure includes 38 individual users who are each individually billed, as well as the Cumberland Pointe Condominium Association, which is billed and which pays for each of its 84 condominium units. This figure does not include timeshare unit holders within the Laurel Hills POA, who are the 8 known potential users referenced above.

³ These figures are derived from numbers contained within Laurel Hills POAs financial records provided to the Receiver.

⁴ From January 1, 2015 to October 26, 2015, Laurel Hills POA invoiced customers for water service in the total amount of \$40,382.00, paid or incurred \$34,018.74 in expenses, and had \$8,590.50 in known unpaid expenses.

is projected to have experienced a net operating loss of \$31,743.34 on an accrual basis for the year ending December 31, 2015.⁵

12. As of January 31, 2016, LHWS had \$6520.11 in its main operating account. See Collective Exhibit D. On a strictly cash basis, the LHWS is running about break even, although the LHWS suffered a cash basis loss of \$1168.73 in January of 2016. See Collective Exhibit D.

Emergency Rate Petition Filed with the Authority

13. Given the financial condition of the LHWS, the Receiver is confident that the current rate of \$33.10 per month is insufficient to pay for the LHWS's expenses. Accordingly, on January 28, 2016, the Receiver filed a petition for emergency relief with the Authority, requesting that the Authority make a recommendation to this Honorable Court of the appropriate rate to be charged LHWS's customers. A copy of the Receiver's Petition for Emergency Relief is attached hereto as Exhibit E and is incorporated herein by reference.

14. Three different proposed revised tariff sheets were prepared and submitted with the petition for emergency relief. The three proposed revised tariff sheets differ in the manner in which the LHWS receivership costs are recouped by the Authority. In particular, here is a summary of the differences of the proposed rates:

- a. The emergency rates can be calculated to provide that receivership costs that post-date the approval of the new rates be allocated to the LHWS rate-payers, but that receivership costs that pre-date the approval of the new rates be recouped by the Authority through the eventual sale of the LHWS or by other

⁵ The estimated total combined loss as of December 31, 2015, calculated on an incurred basis, is \$31,743.34, constituting \$26,113.10 of post-receivership losses, \$2,227.24 in 2015 pre-receiver losses, and the estimated cost to repair the back-up pump of \$3,403.00. See Exhibit C.

means. Using this method (*See Exhibit D-1* of the petition), the following rates are proposed:

Customer Use Rate: \$104.49 per month
Pump Repair Special Assessment: \$6.55 per month for 4 months
Customer Tap Fee: \$1,000.00 per connection
Connection Charge/Reconnection Charge: Previous unpaid Customer Use Rate Amounts

b. The emergency rates can be calculated to provide that receivership costs that post-date the approval of the new rates, as well as receivership costs that pre-date the approval of the new rates, along with pre-receivership losses, be allocated to the LHWS rate-payers, with all receivership costs that pre-date the approval of the new rates being paid in a special assessment over a period of twenty-four (24) months. Using this method (*See Exhibit D-2* of the petition), the following rates are proposed:

Customer Use Rate: \$104.49 per month
Pump Repair Special Assessment: \$6.55 per month for 4 months
Previous Losses Special Assessment: \$16.74 per month for 24 months
Customer Tap Fee: \$1,000.00 per connection
Connection Charge/Reconnection Charge: Previous unpaid Customer Use Rate Amounts

c. The emergency rates can be calculated to provide that receivership costs that post-date the approval of the new rates, as well as receivership costs that pre-date the approval of the new rates be recouped by the Authority through the eventual sale of the LHWS or by other means. Using this method (*See Exhibit D-3* of the petition), the following rates are proposed:

Customer Use Rate: \$42.95 per month
Pump Repair Special Assessment: \$6.55 per month for 4 months
Customer Tap Fee: \$1,000.00 per connection
Connection Charge/Reconnection Charge: Previous unpaid Customer Use Rate Amounts

For a more complete and thorough explanation of the Receiver's petition for emergency relief, reference is made to the full petition attached hereto as Exhibit E.

15. The institution of a new rate is not expected until at the very least the latter part of March of 2016. The date for the hearing at the Authority to consider the rate change is March 14, 2016. Prospectively assuming the Authority recommends a new rate, and a new rate is authorized by this Honorable Court, the actual projected loss will be somewhat greater, as the increase in revenue for the LHWS is not projected to start until the new rate is instituted. For purposes of the petition for emergency relief filed with the Authority, total post-receivership losses prior to the prospective institution of a new rate were projected to be \$52,226.20.⁶

16. On February 8, 2016, the Attorney General and Reporter for the State of Tennessee, by and through the Consumer Protection and Advocate Division [hereinafter the "Attorney General"], filed a Petition to Intervene in the Emergency Relief Rate matter. A copy of said Petition to Intervene is attached hereto as Exhibit F and is incorporated herein by reference. On February 11, 2016, Authority staff filed a Petition to Intervene in the Emergency Relief Rate matter. A copy of said Petition to Intervene is attached hereto as Exhibit G and is incorporated herein by reference.

Ownership and Control of Water System Properties in Question

17. It has now been over three (3) months since the institution of this receivership. Yet, as of this date, **the Receiver has still not been given ownership and control of the entire LHWS**, contrary to the settlement agreement between the parties to this action. In particular, (a) the water tower and the parcel upon which it sits has not been conveyed to the Receiver, as required by said settlement agreement (subject to

⁶ This amount is double the estimated post-receivership loss incurred by LHWS as of December 31, 2015. If the new rate is instituted sometime in March of 2015, then it is projected that post-receivership losses in early 2016 will be roughly equal to the post-receivership losses in 2015.

conditions set forth in the agreement); and (b) to the best of the Receiver's knowledge, an irrevocable license has not been obtained by the Laurel Hills Condominiums POA, as required by said settlement agreement. The failure of the Defendant, Laurel Hills Condominiums POA to fulfill its obligations under its settlement agreement with the Authority is frustrating the efforts of the Receiver to rehabilitate the LHWS and operate the water system as intended.

18. As the water tower and parcel have not been conveyed to the Receiver, efforts to rehabilitate, clean and refurbish the tower cannot start. Furthermore, as set out in the Receiver's first report, there are environmental concerns that have been expressed by the Tennessee Department of Environment and Conservation [hereinafter "TDEC"] that must be addressed before the water tower can be put in use. The cost to address those concerns and obtain TDEC approval have been estimated to be between \$134,000.00 and \$180,000.00. Plans to address those concerns cannot be developed until the Receiver has title to the water tower and the parcel upon which it sits.

19. Currently, the Receiver understands that only a revocable license agreement exists to permit the maintenance, repair, etc. of the LHWS by the Receiver. The settlement agreement requires that the Laurel Hills Condominiums POA obtain an irrevocable license so as to make certain that there will not be an interruption in the ability of the Receiver to ensure that customary water service is provided to the customers of the LHWS.

Fees and Expenses of Receiver

20. Pursuant to the October 26, 2015 Order Appointing Receiver [hereinafter the "October 26th Order"] entered in the above-styled action, compensation for the Receiver is payable from funds or assets of the LHWS, if such funds are available. *See* October 26th Order at ¶ 10. If the funds or assets of the LHWS are not available to pay Receivership fees and costs, then those fees and costs are to be taxed as interim court costs to be paid by the

Authority. The Receiver is to submit invoices to the Authority on a monthly basis for approval. These invoices are reviewed and paid after approval of the Authority and the Court, through interim taxation of costs, if necessary. *Id.*

21. As shown in Collective Exhibit H, attached hereto and incorporated herein by reference, Mr. Robert E. Moore, Jr, Chief Operations Officer of the Receiver, and other persons at RMI, including Ms. Jeanne Bryant, Mr. Billy Spaulding and Ms. Jere Cowan, performed work for this Receivership for the period of November 1, 2015 through November 30, 2015 in the amount of \$2234.50.⁷ Those working on contract for the Receiver under Mr. Moore (Mr. Sinor) have performed work for the Receivership and have incurred fees and expenses as shown in Collective Exhibit H for the period November 1, 2015 through November 30, 2015 in the amount of \$3032.98.

22. As further shown in Collective Exhibit H, Mr. Robert E. Moore, Jr, Chief Operations Officer of the Receiver, and other persons at RMI, including Mr. Billy Spaulding and Ms. Jere Cowan, performed work for this Receivership for the period of December 1, 2015 through December 31, 2015 in the amount of \$4436.17.⁸ Those working on contract for the Receiver under Mr. Moore (Mr. Sinor) have performed work for the Receivership and have incurred fees and expenses as shown in Collective Exhibit H for the period December 1, 2015 through December 31, 2015 in the amount of \$2788.19.

23. The Authority has determined these fees, costs and expenses to be reasonable, appropriate and necessary for the services rendered for the Receivership, and, thus, these fees, costs and expenses have been approved for payment by the Authority. *See* Affidavit of Shiva K. Bozarth, Chief Counsel, Compliance Division for the Tennessee

⁷ This figure includes normal overhead and operating costs and expenses, charged by Receivership Management, Inc., for the period of November 1, 2015 through November 30, 2015, which total \$244.70.

⁸ This figure includes normal overhead and operating costs and expenses, charged by Receivership Management, Inc., for the period of December 1, 2015 through December 31, 2015, which total \$638.17.

Regulatory Authority, attached hereto as Exhibit I and incorporated herein by reference; *see also* Affidavit of Robert E. Moore, Jr., attached hereto as Exhibit J and incorporated herein by reference.

24. The billings so reviewed, and for which Court approval is sought, are as follows:

- a. Invoices for Robert E. Moore, Jr. and others at the Receiver for November of 2015: \$2234.50
- b. Invoices for those working under Mr. Moore for November of 2015: \$3032.98
- c. Invoices for Robert E. Moore, Jr. and others at the Receiver for December of 2015: \$4436.17
- d. Invoices for those working under Mr. Moore for December of 2015: \$2788.19

25. At present, and based upon initial review by the Receiver, there do not exist sufficient assets, over and above what is needed for operations of Laurel Hills Water System for the Laurel Hills Water System Receivership estate to pay the above-referenced fees and expenses. *See* Moore Affidavit, Exhibit J. Accordingly, as provided in the Court's October 26th Order, request is made for the interim taxation of costs to the Tennessee Regulatory Authority in the amount of those fees and expenses.

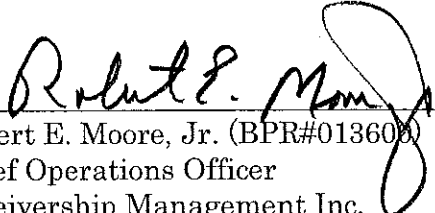
26. In the October 26th Order, a procedure is set forth in paragraph 10 whereby the Receiver submits to this Honorable Court for approval its fees and expenses. If no opposition is filed within ten (10) calendar days of the filing of this Motion, the Court shall order the approval of the fees and expenses and tax them as costs, if necessary, absent question raised by the Court upon its review. Submitted herewith is a proposed Order Granting Motion for Approval of Fees and Expenses and Interim Taxation of Costs for the Court's consideration if no opposition is filed.

Motion for Approval of Fees and Expenses and Interim Taxation of Costs

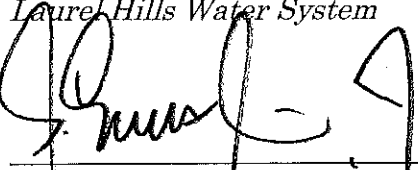
Accordingly, the Receiver respectfully **MOVES** this Court for an order approving the payment of fees and expenses as set forth in the aggregate amount of \$12,491.84, and further **MOVES** this Court to tax costs to the Authority on an interim basis in said aggregate amount.

Respectfully Submitted,

Laurel Hills Water System in Receivership

By: 
Robert E. Moore, Jr. (BPR#013600)

Chief Operations Officer
Receivership Management Inc.
1101 Kermit Drive, Suite 735
Nashville, Tennessee 37217
615-370-0051 (Phone)
615-373-4336 (Facsimile)
rmoore@receivermgmt.com (Email)
*Court Appointed Receiver for
Laurel Hills Water System*



G. Everett Sinor, Jr. (BPR#017564)
Attorney at Law
Counsel for Receivership Management, Inc.
3504 Robin Road
Nashville, Tennessee 37204
615-969-9027 (Phone)
Everett.Sinor@gmail.com (Email)

Certificate of Service

The undersigned hereby certifies that a true and correct copy of the foregoing report and motion (without the Petition for Emergency Relief, which has previously been served upon the parties listed below) has been served upon the parties hereto and the other persons listed below, at:

Shiva K. Bozarth, Esq.
Chief of Compliance
Counsel for Tennessee Regulatory Authority
502 Deaderick Street, Fourth Floor
Nashville, Tennessee 37243

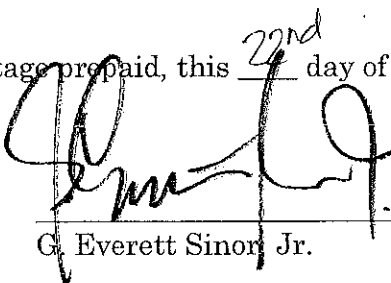
Donald Scholes, Esq.
Benjamin Gastel, Esq.
Branstetter, Stranch & Jennings
Counsel for Laurel Hills Condominiums
Property Owners Association
223 Rosa L. Parks Boulevard, Suite 200
Nashville, Tennessee 37203

Melanie Davis, Esq.
Kizer & Black
329 Cates Street
Maryville, Tennessee 37801

Vance Broemel, Esq.
Consumer Advocate and Protection Division
Tennessee Attorney General and Reporter
Post Office Box 20207
Nashville, Tennessee 37202

Roger York, Esq.
York & Bilbrey
456 North Main Street, Suite 201
Crossville, Tennessee 38555

via the United States Mails, postage prepaid, this 22nd day of February, 2016.



G. Everett Sinor Jr.

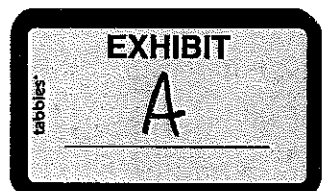
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01/21/16

Cash Basis

Laurel Hills Condominiums POA
Profit & Loss - WATER DEPT ONLY
January through December 2014

	Jan - Dec 14
Ordinary Income/Expense	
Income	
Connect & Reconnect Fees Income	250.00
Water Income	47,796.40
Total Income	<u>48,046.40</u>
Gross Profit	48,046.40
Expense	
Contract Labor	450.00
Penalties	15.00
Water Testing	6,103.00
Depreciation	1,061.00
Real Estate Taxes	200.00
Licenses & Permits	637.00
Interest Expense	3.78
Legal Fees	9,450.00
Community Club Fees	125.00
Accounting Services	2,790.00
Postage & Delivery	53.00
Repair & Maintenance	
Plumbing Parts	481.89
Grounds	628.07
Total Repair & Maintenance	<u>1,109.96</u>
Utilities	
Water	23,305.35
Electric	4,311.32
Total Utilities	<u>27,616.67</u>
Total Expense	<u>49,614.41</u>
Net Ordinary Income	<u>-1,568.01</u>
Net Income	<u><u>-1,568.01</u></u>



10:36 AM
01/21/16
Cash Basis

Laurel Hills Condominiums POA
Profit & Loss - WATER DEPT ONLY
January 1 through October 26, 2015

	<u>Jan 1 - Oct 26, 15</u>
Ordinary Income/Expense	
Income	
Water Income	36,873.00
Total Income	<u>36,873.00</u>
Gross Profit	36,873.00
Expense	
Water Testing	5,103.00
Accounting Services	2,060.00
Postage & Delivery	64.00
Repair & Maintenance	
Plumbing Parts	<u>1,014.48</u>
Total Repair & Maintenance	1,014.48
Utilities	
Water	21,675.44
Electric	<u>4,101.82</u>
Total Utilities	<u>25,777.26</u>
Total Expense	<u>34,018.74</u>
Net Ordinary Income	<u>2,854.26</u>
Net Income	<u><u>2,854.26</u></u>

November 20, 2015

Crab Orchard Utility
2089 East First Street
Crossville, TN 38555
(931) 484-6987

0001-00900-001
RECEIVERSHIP MANAGEMENT
RECEIVERSHIP MANAGEMENT, INC.
783 OLD HICKORY BLVD. SUITE 255
Brentwood, TN 37027

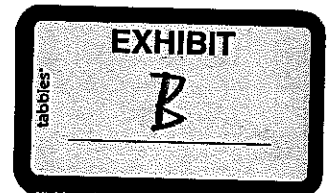


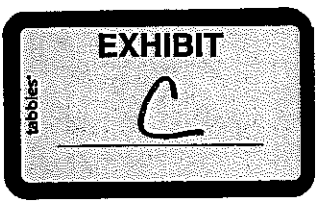
Dear Customer,

Our records indicate that your account is currently delinquent in the amount of \$8,590.50. If payment is not received by December 8, 2015, your service will be disconnected on December 9, 2015. If your service is disconnected a reconnect fee of \$50.00, in addition to the amount delinquent, will be due before service can be re-established.

If you have any questions regarding this notice or your current bill please contact our office at: (931) 484-6987.

*Bill -
For the file
R.M.
12-10-2015*





	POST	RECEIVERSHIP	PRE	RECEIVERSHIP
REVENUE				
NOV		4,038.20		40,382.00
DEC		4,038.20		
		<u>8,076.40</u>		

EXPENSE				
WATER TESTING FEES		201.00		5,103.00
G WILLIAMS				
NOV		500.00		
DEC		500.00		
GRAB ORCHARD UTILITY				21,875.44
NOV		2,250.00		
DEC		2,250.00		
ACCOUNTING				2,060.00
NOV		300.00		
DEC		300.00		
ELECTRIC				4,101.82
NOV		442.00		
DEC		442.00		
RECEIVERSHIP FEES & EXPENSES				
OCT		10,561.02		
NOV		5,267.48		
DEC		7,000.00		
DEPRECIATION - PUMP				1,078.48
NOV		88.00		
DEC		88.00		
BACKUP PUMP REPAIR				
MAINTENANCE AND IMPROVEMENTS				
NOV		2,000.00		
DEC		2,000.00		
		<u>34,189.50</u>		<u>34,018.74</u>

NET POST RECEIVERSHIP LOSS (26,113.10)
 NET PRE RECEIVERSHIP LOSS PER QUICKBOOKS (2,227.24)
 REPAIR BACKUP PUMP (3,403.00)

6,363.26 PER QUICKBOOKS
 (8,590.50) UNPAID EXP
(2,227.24) PRE RECEIVERSHIP LOSS

BACKUP PUMP REPAIR AMORT. 4 MONTHS
 3403.00/4= 851.00

POST RECEIVERSHIP EXPENSES ARE PRESENTED ON AN INCURRED BASIS

1/14/2016 8:40

LAUREL HILLS WATER DISTRICT
REGIONS BANK ACCOUNT 232618611

1/31/2016

OPERATING BANK ACCOUNT

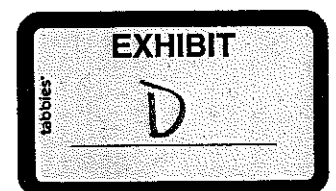
	<u>BALANCE PER BANK STMT</u>	<u>BALANCE PER GENERAL LEDGER</u>
END OF MONTH AC 232618611	6,532.11	6,520.11
END OF MONTH AC 232618638	(12.00)	
OUTSTANDING CHECKS	-	

8-Feb-16
06:57 AM



<u>6,520.11</u>	<u>6,520.11</u>
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OUTSTANDING CHECKS





Regions Bank
 Brentwood
 329 Franklin RD
 Brentwood, TN 37027

LAUREL HILLS CONDO POA IN RECEIVERSHIP
 783 OLD HICKORY BLVD STE 255
 BRENTWOOD TN 37027-4508

ACCOUNT #

0232618611

Cycle 053
 Enclosures 26
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 1 of 2

LIFEGREEN BUSINESS CHECKING

January 1, 2016 through January 29, 2016

SUMMARY

Beginning Balance	\$7,700.84	Minimum Balance	\$6,532
Deposits & Credits	\$3,773.40 +	Average Balance	\$7,633
Withdrawals	\$0.00 -		
Fees	\$0.00 -		
Automatic Transfers	\$0.00 +		
Checks	\$4,942.13 -		
Ending Balance	\$6,532.11		

DEPOSITS & CREDITS

01/08	Deposit - Thank You	33.10
01/15	Deposit - Thank You	695.10
01/25	Deposit - Thank You	3,045.20
Total Deposits & Credits		\$3,773.40

CHECKS

Date	Check No.	Amount	Date	Check No.	Amount
01/12	1004	600.00	01/28	1007	2,684.79
01/20	1005	1,000.00	01/25	1008	100.00
01/27	1006	557.34			
				Total Checks	\$4,942.13

* Break In Check Number Sequence.

DAILY BALANCE SUMMARY

Date	Balance	Date	Balance	Date	Balance
01/08	7,733.94	01/20	6,829.04	01/28	6,532.11
01/12	7,133.94	01/25	9,774.24		
01/15	7,829.04	01/27	9,216.90		



Regions Bank
 Brentwood
 329 Franklin RD
 Brentwood, TN 37027

LAUREL HILLS CONDO POA IN RECEIVERSHIP
 783 OLD HICKORY BLVD STE 255
 BRENTWOOD TN 37027-4508

ACCOUNT # 0232618638

Cycle 053
 Enclosures 26
 Page 0
 1 of 1

BUSINESS MONEY MARKET
 January 1, 2016 through January 29, 2016

SUMMARY

Beginning Balance	\$12.00 -	Minimum Balance	\$12 -
Deposits & Credits	\$12.00 +	Average Balance	\$5 -
Withdrawals	\$0.00 -		
Fees	\$12.00 -		
Automatic Transfers	\$0.00 +		
Checks	\$0.00 -		
Ending Balance	\$12.00 -		

DEPOSITS & CREDITS

01/15 Bank Credit Fee Refund Laurel Hills C 12.00

FEEES

01/29 Monthly Fee 12.00

DAILY BALANCE SUMMARY

Date	Balance	Date	Balance
01/15	0.00	01/29	12.00 -

**REGIONS' NEW ONLINE SMALL BUSINESS
 LENDING APPLICATION MAKES IT EASIER AND
 FASTER THAN EVER TO APPLY FOR THE LOAN
 YOU NEED TO GROW YOUR BUSINESS. GET
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For all your banking needs, please call 1-800-REGIONS (734-4667).
 or visit us on the Internet at www.regions.com.

Thank You For Banking With Regions!

LHWD REGISTER REPORT
1/1/16 Through 1/31/16

Date	Account	Num	Description	Memo	Category	Amount
			BALANCE 12/31/15			7,688.84
1/8/16	REGIONS LHWD 02326186...	1004	LANSFORD & STEPHENS	OCT & NOV FEES	5695/LHWD	-600.00
1/8/16	REGIONS LHWD 02326186...	1005	GERALD WILLIAMS	OCT & NOV FEES	5697/LHWD	-1,000.00
1/8/16	REGIONS LHWD 02326186...	DEP	DEPOSIT	STEPHENS DEPOSIT	4010/LHWD	33.10
1/15/16	REGIONS LHWD 02326186...	DEP	DEPOSIT	STEPHENS DEPOSIT	4010/LHWD	695.10
1/21/16	REGIONS LHWD 02326186...	1006	RECEIVERSHIP MANAGEMENT INC.	UTILITY REIMBURSEMENT	6290/LHWD	-557.34
1/21/16	REGIONS LHWD 02326186...	1007	CRAB ORCHARD UTILITY DISTRICT	THRU 11/18-12/18/15	6290/LHWD	-2,684.79
1/25/16	REGIONS LHWD 02326186...	1008	RECEIVERSHIP MANAGEMENT INC.	REIMBURSE INITIAL DEPO...	2190/LHWD	-100.00
1/25/16	REGIONS LHWD 02326186...	DEP	DEPOSIT	STEPHENS DEPOSIT	4010/LHWD	3,045.20
			TOTAL 1/1/16 - 1/31/16			-1,168.73
			BALANCE 1/31/16			6,520.11
			TOTAL INFLOWS			3,773.40
			TOTAL OUTFLOWS			-4,942.13
			NET TOTAL			-1,168.73

LHWD CASH RECEIPTS (DISBURSEMENTS)

1/1/16 Through 1/31/16

2/11/16

Date	Account	Num	Description	Memo	Amount
1/25/16	REGIONS LHWD 0232618...	1008	EXPENSES 2190-ACCOUNTS PAYABLE RECEIVERSHIP MANAGEMENT INC. TOTAL 2190-ACCOUNTS PAYABLE	REIMBURSE INITIAL DEPOSIT	-100.00 -100.00
1/8/16	REGIONS LHWD 0232618...	DEP	4010-WATER BILL RECEIPTS DEPOSIT	STEPHENS DEPOSIT	33.10
1/15/16	REGIONS LHWD 0232618...	DEP	DEPOSIT	STEPHENS DEPOSIT	695.10
1/25/16	REGIONS LHWD 0232618...	DEP	DEPOSIT	STEPHENS DEPOSIT	3,045.20
			TOTAL 4010-WATER BILL RECEIPTS		3,773.40
1/8/16	REGIONS LHWD 0232618...	1004	5695-FEES ACCOUNTING LANSFORD & STEPHENS TOTAL 5695-FEES ACCOUNTING	OCT & NOV FEES	-600.00 -600.00
1/8/16	REGIONS LHWD 0232618...	1005	5697-OTHER CONTRACT LABOR GERALD WILLIAMS TOTAL 5697-OTHER CONTRACT LABOR	OCT & NOV FEES	-1,000.00 -1,000.00
1/21/16	REGIONS LHWD 0232618...	1006	6290-UTILITIES RECEIVERSHIP MANAGEMENT INC.	UTILITY REIMBURSEMENT THRU 11/18-12/18/15	-557.34 -2,684.79
1/21/16	REGIONS LHWD 0232618...	1007	CRAB ORCHARD UTILITY DISTRICT TOTAL 6290-UTILITIES		-3,242.13
			TOTAL EXPENSES		-1,168.73
			OVERALL TOTAL		-1,168.73

G. Everett Sinor, Jr.
Attorney at Law

RECEIVED

2015 JAN 29 PM 1:13

T.R.A. DOCKET ROOM

January 28, 2015
6

Ms. Sharla Dillon
Dockets and Records Manager
Tennessee Regulatory Authority
Andrew Jackson Building
502 Deaderick Street, Fourth Floor
Nashville, Tennessee 37243

16-00012

RE: *Filing of Petition of Laurel Hills Water System in Receivership for Approval of Adjustment of its Rates and Charges and Ancillary Documents*

HAND-DELIVERED

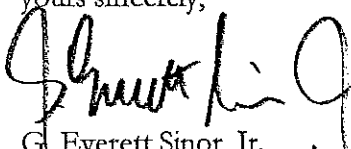
Dear Ms. Dillon:

Please find enclosed herewith the Petition of Laurel Hills Water System in Receivership [hereinafter "LHWS"] for Approval of Adjustment of its Rates and Charges, for filing with the Tennessee Regulatory Authority, along with LHWS's Proposed Revised Tariff, and Mr. Robert E. Moore, Jr.'s Pre-Filed Direct Testimony.

Should you have any questions, please do not hesitate to contact me.

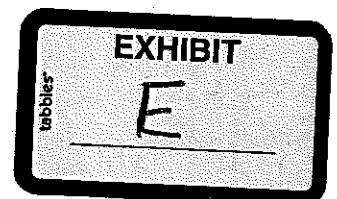
Thanking you for your consideration of this matter, I am,

yours sincerely,


G. Everett Sinor, Jr.
Attorney at Law

Enclosure

cc: Shiva K. Bozarth, Esq.
Donald Scholes, Esq. and Benjamin Gastel, Esq.
Melanie Davis, Esq.
Vance Broemel, Esq.
Roger York, Esq.



Nashville, Tennessee 37217
Phone: 615-370-0051
Fax: 615-373-4336
Email: rmoore@receivermgmt.com

with a copy to:

G. Everett Sinor, Jr.
Attorney at Law
3504 Robin Road
Nashville, Tennessee 37204
Phone: 615.969.9027
Email: Everett.Sinor@gmail.com

3. Laurel Hills Water System ("LHWS") was operated by the Laurel Hills Condominium Property Owners Association ("Laurel Hills POA") until October 26, 2015, when, upon Petition by the TRA, the Chancery Court of Cumberland County, Tennessee appointed Receivership Management Inc. ("RMI" or "the Receiver") as the court-appointed receiver of the LHWS. Laurel Hills POA was never licensed to operate the LHWS, nor did it ever obtain a certificate of convenience and necessity from the TRA to operate the LHWS. The LHWS is currently being operated by RMI under the auspices of the Chancery Court of Cumberland County (the "Receivership Court"), and the recommendation of the Authority on this matter will be forwarded to the Receivership Court.

4. The LHWS serves the area of Renegade Mountain in Cumberland County, Tennessee formerly known as Renegade Mountain Resort and all the developed property located within that planned community.

5. On August 8, 2012, the Honorable Chancellor Ronald Thurman entered an Agreed Order setting a monthly rate of \$43.20 for individual customers until such time as the TRA made a determination of the appropriate rate. On April 8, 2013, the TRA held a hearing concerning rates to be charged by Laurel Hills POA during the pendency of their application for a certificate of convenience and necessity. After taking proof and testimony the TRA issued an Order, which, among other things, set an interim rate of \$33.10 per customer month. The Receivership Court adopted this rate following entry of the TRA's April 18, 2013 order. The

components to this rate are the following monthly expenses, based upon the TRA's April 18, 2013 Order:

Water Testing:	\$600.00
Property Tax:	\$200.00
Telephone Expense:	\$61.00
Insurance Expense:	\$433.00
Postage Expense:	\$8.00 (P.O. Box Rental)
Engineering & Labor	\$333.00
Construction Costs:	\$0.00
Depreciation:	\$88.00
Penalties & Permits:	\$25.00
Debt Interest Expense:	\$0.00
Legal Expense:	\$259.00 per month (\$46,783 amortized over 15 years)
Accounting:	\$242.00
Office Expense:	\$14.00
Equipment Rental:	\$6.00
Maintenance & Repair:	\$0.00
Wholesale Water Expense:	\$1,528.00
Electricity:	\$274.00
Rate of Return Or Margin:	6.5%

6. There are one hundred thirty (130) known current potential users within the service area of the system.¹ Of this amount, one hundred twenty-two (122) are customers currently receiving water service, who are invoiced \$33.10 per month, consistent with the TRA approved rate.² On a cash basis, LHWS had a net pre-receivership loss in 2014 of \$1,568.01, and a net pre-receivership gain in 2015 of \$2,854.26. See Collective Exhibit A.³ However, by letter dated November 20, 2015, the Crab Orchard Utility District, the entity which supplies water to the LHWS, indicated that LHWS was “currently delinquent in the amount of \$8,950.50.” See Exhibit B. Under the present tariff/rate structure, the LHWS has accrued no funds for maintenance, repairs, or improvements, nor has it any capital resources to fund such activities. With the increase of the added expense of the receivership, the loss is greater. Based upon the financial information provided to the Receiver, on an incurred basis, LHWS had a projected operating loss of \$2,227.24 prior to the institution of the receivership on October 26, 2015. See Exhibit C.⁴

7. The LHWS’s existing rates and charges do not provide it sufficient revenue to recover all of the costs it incurs in providing adequate water service to its customers.

8. The LHWS has an agreement with the Crab Orchard Utility District (“COUD”) in which LHWS purchases water from the COUD and resells such water to the customers of the LHWS.

¹ There are 8 known potential users (timeshare unit holders within the Laurel Hills POA) who are tapped into the LHWS and who are not being currently billed by the LHWS. The proposed new tariff/rate proposes that these 8 known potential users also be required to pay the new rate.

² This figure includes 38 individual users who are each individually billed, as well as the Cumberland Pointe Condominium Association, which is billed and which pays for each of its 84 condominium units. This figure does not include timeshare unit holders within the Laurel Hills POA, who are the 8 known potential users referenced above.

³ These figures are derived from numbers contained within Laurel Hills POAs financial records provided to the Receiver.

⁴ From January 1, 2015 to October 26, 2015, Laurel Hills POA invoiced customers for water service in the total amount of \$40,382.00, paid or incurred \$34,018.74 in expenses, and had \$8,590.50 in known unpaid expenses.

9. The LHWS has significant pending maintenance issues that Laurel Hills POA failed to address prior to the institution of the receivership, namely, proper maintenance and upkeep of the LHWS pumps and supply pipes. The current rate does not provide revenue to address these issues. The LHWS has received an estimate of \$3,403.00 to purchase a motor/engine to repair a back-up pump controller. The Receiver proposes to recover this amount during the first four (4) months after approval by the TRA of the new rate. Furthermore, there are incalculable costs for leak repairs and general maintenance. These costs are factored into the newly proposed rate at \$2,000.00 per month. If the leak repairs and general maintenance expense does not exceed the amount collected, the Receiver proposes to retain the overage for additional unexpected maintenance or repair that may occur during the pendency of the receivership, and to address any cash flow problems the Receiver may experience throughout the course of the receivership. LHWS has an estimated water loss of 50% to 80% of the water it is purchasing and supplying through the LHWS system. Efforts are underway to determine where these leaks are located. One leak has been detected in the main supply pipe in the area that is exposed on the side of Renegade Mountain.

10. Since the institution of the receivership, LHWS has incurred a loss of \$26,113.10. Overall, the LHWS is projected to have experienced a net operating loss of \$31,743.34 on an accrual basis for the year ending December 31, 2015.⁵ Such a return is not fair and reasonable and is confiscatory.

11. Even with the requested rate increase, LHWS is projected to experience a net operating loss for the year ending December 31, 2015. Due to the filing date of this petition, and

⁵ The estimated total combined loss as of December 31, 2015, calculated on an incurred basis, is \$31,743.34, constituting \$26,113.10 of post-receivership losses, \$2,227.24 in 2015 pre-receiver losses, and the estimated cost to repair the back-up pump of \$3,403.00. See Exhibit C.

prospectively assuming the Authority grants the relief sought in this petition, the actual projected loss will be somewhat greater as the increase in revenue for the LHWS is not projected to start until at least March of 2016. For purposes of this petition, total post-receivership losses prior to the prospective institution of a new rate, are projected to be \$52,226.20.⁶

12. LHWS seeks emergency relief for its water rates during the pendency of the receivership proceeding. LHWS requests an emergency relief of its rates under the provision of Tenn. Code Ann. Section 65-5-103(b)(2) due to increased expenses of maintenance and repair, the need for adequate cash flow to meet existing needs, and the institution of the receivership proceeding, as well as the lack of adequate information provided to the TRA at the time the TRA adopted the current rate. The request does not include emergency relief of rates for capital expenditures, as those costs cannot yet be estimated, and there are continuing concerns about title to the water tower that sits atop Renegade Mountain, and the parcel on which it sits.

13. The Receiver understands that costs in the LHWS receivership proceeding filed in the Receivership Court are taxed as court costs to be paid by the Authority to the Receiver if “funds or assets of Laurel Hills’ water system are not available to pay Receivership fees and costs.” The Receiver further understands that the “Authority reserves the ability to recoup amounts so paid if later there are assets or funds available for such recoupment.”⁷ For the

⁶ This amount is double the estimated post-receivership loss incurred by LHWS as of December 31, 2015. If the new rate is instituted sometime in March of 2015, then it is projected that post-receivership losses in early 2016 will be roughly equal to the post-receivership losses in 2015.

⁷ See *Tennessee Regulatory Authority v. Laurel Hills Condominiums Property Owners Association*, Docket No. 2012-CH-560, Order Appointing Receiver, Cumberland County Chancery Court, ¶ 10, pages 4-5, entered October 26, 2015.

allocation of those costs, there appear to be three (3) different methods by which the new rates can be calculated. Those three methods are set out as follows:

a. The emergency rates can be calculated to provide that receivership costs that post-date the approval of the new rates be allocated to the LHWS rate-payers, but that receivership costs that pre-date the approval of the new rates be recouped by the Authority through the eventual sale of the LHWS or by other means. Using this method (See Exhibit D-1), the following rates are proposed:

Customer Use Rate: \$104.49 per month
Pump Repair Special Assessment: \$6.55 per month for 4 months
Customer Tap Fee: \$1,000.00 per connection
Connection Charge/Reconnection Charge: Previous unpaid Customer Use Rate Amounts

The requested rates will result in an increase of \$77.94 per month for all customers for the first four (4) months while being specially assessed for the pump repairs, and an increase of \$71.39 per month thereafter.

The emergency rate request will result in an approximate increase in water rate revenues of \$41,588.00 for the first four (4) months after institution of the new rate, and \$114,546.00 of additional revenue per annum after the special assessment is completed.

b. The emergency rates can be calculated to provide that receivership costs that post-date the approval of the new rates, as well as receivership costs that pre-date the approval of the new rates, along with pre-receivership losses, be allocated to the LHWS rate-payers, with all receivership costs that pre-date the approval of the new rates being paid in a special assessment over a period of twenty-four (24) months. Using this method (See Exhibit D-2), the following rates are proposed:

Customer Use Rate: \$104.49 per month
Pump Repair Special Assessment: \$6.55 per month for 4 months
Previous Losses Special Assessment: \$16.74 per month for 24 months
Customer Tap Fee: \$1,000.00 per connection

Connection Charge/Reconnection Charge: Previous unpaid Customer Use Rate Amounts

The requested rates will result in an increase of \$94.68 per month for all customers for the first four (4) months while being specially assessed for the pump repairs and the pre-rate increase losses, an increase of \$88.13 for all customers for months five (5) through twenty-four (24) while being specially assessed for the pre-rate increase losses, and an increase of \$71.39 per month thereafter.

The emergency rate request will result in an approximate increase in water rate revenues of \$50,292.80 for the first four (4) months after institution of the new rate, \$234,434.00 of additional revenue for months five (5) through twenty-four (24) after institution of the new rate, and \$114,456.00 of additional revenue per annum after the special assessments are completed.

c. The emergency rates can be calculated to provide that receivership costs that post-date the approval of the new rates, as well as receivership costs that pre-date the approval of the new rates be recouped by the Authority through the eventual sale of the LHWS or by other means. Using this method (*See Exhibit D-3*), the following rates are proposed:

Customer Use Rate: \$42.95 per month
Pump Repair Special Assessment: \$6.55 per month for 4 months
Customer Tap Fee: \$1,000.00 per connection
Connection Charge/Reconnection Charge: Previous unpaid Customer Use Rate Amounts

The requested rates will result in an increase of \$16.40 per month for all customers for the first four (4) months while being assessed for the pump repairs, and an increase of \$9.85 per month thereafter.

The emergency rate request will result in an approximate increase in water rate revenues of \$9587.20 for the first four (4) months after institution of the new rate, and \$18,543.60 of additional revenue per annum after the special assessment is completed.

14. The proposed tariff revision sheets, which set out new proposed rates utilizing all three (3) methods described above, and which compare such newly proposed rates with existing rates, are set forth in Exhibits D-1, D-2, and D-3, Proposed Tariff Revision Sheets. It is proposed that

all potential customers having access to the LHWS be required to pay these rates, whether they are now being billed or not.⁸ It is further proposed that any new developer or condominium owner/POA whose individual users are permitted to tap into the LHWS, or any new homeowner or other individual user, be required, as a condition of permission to tap into the LHWS, to convey to the LHWS via warranty deed all pipes, meters, pumps, and other water system items necessary to operate the LHWS and provide water service to such individual users, along with easement rights to maintain, repair and construct additional water service pipes, meters, pumps, and other water system items. All financial projections are based on a rate increase becoming effective in March 2016.

15. The LHWS acknowledges that if these interim emergency rates are recommended to the Receivership Court by the Authority and adopted by the Receivership Court, such rates are subject to change at the conclusion of this rate case and the termination of the Receivership Court's jurisdiction over the LHWS.

16. The LHWS respectfully requests the Authority to waive the bond requirement for such interim emergency rates, as the bond requirement is discretionary and not required pursuant to Tenn. Code Ann. Section 65-5-103(b)(1).

17. The LHWS requests this emergency rate relief to be effective immediately upon recommendation by the Authority and approval by the Receivership Court.

18. In further support of this petition, the LHWS has filed seasonably herewith the following:

a. pre-filed testimony of Robert E. Moore, Jr. regarding a general overview of LHWS's operations and a summary of the rate relief requested; and,

⁸ This would include the 8 known condominium units in the Laurel Hills POA, as well as any other users tapped onto the LHWS that are not now known to the Receiver.

b. revised tariff sheets providing the adjustments to rates and charges for each of the three (3) potential rating methodologies.

WHEREFORE, the LHWS respectfully requests that the Authority:

- A. schedule this petition for hearing on March 14, 2016, upon proper notice;
- B. approve this Motion for Emergency Relief and make an emergency rate recommendation to the Receivership Court after finding such recommended rate is just and reasonable and in the public interest, the new rate to be effective upon order of the Chancery Court of Cumberland County, Tennessee; and,
- C. grant or recommend such other, further, general or different relief as circumstances may warrant.

Respectfully submitted,

Laurel Hills Water System in Receivership

By: 

Robert E. Moore, Jr. (BPR#013600)
Receivership Management Inc.
783 Old Hickory Blvd., Suite 255
Brentwood, TN 37027
615-370-0051
615-373-4336 FAX

*Court Appointed Receiver for
Laurel Hills Water System in Receivership*

By: 

G. Everett Sinor, Jr. (BPR#017564)
Attorney at Law
Counsel for Receivership Management, Inc.
3504 Robin Road
Nashville, Tennessee 37204
615-969-9027 (Phone)
Everett.Sinor@gmail.com

Certificate of Service

The undersigned hereby certifies that a true and correct copy of the foregoing pleading has been served upon the parties hereto and the other persons listed below, at:

Shiva K. Bozarth, Esq.
Chief of Compliance
Counsel for Tennessee Regulatory Authority
502 Deaderick Street, Fourth Floor
Nashville, Tennessee 37243

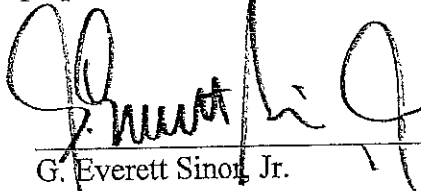
Donald Scholes, Esq.
Benjamin Gastel, Esq.
Branstetter, Stranch & Jennings
Counsel for Laurel Hills Condominiums
Property Owners Association
227 Second Avenue North, Fourth Floor
Nashville, Tennessee 37201

Melanie Davis, Esq.
Kizer & Black
329 Cates Street
Maryville, Tennessee 37801

Vance Broemel, Esq.
Consumer Advocate and Protection Division
Tennessee Attorney General and Reporter
Post Office Box 20207
Nashville, Tennessee 37202

Roger York, Esq.
York & Bilbrey
456 North Main Street, Suite 201
Crossville, Tennessee 38555

via the United States Mails, postage prepaid, this 28th day of January, 2016.



G. Everett Sino, Jr.

10:37 AM
01/21/16
Cash Basis

Laurel Hills Condominiums POA
Profit & Loss - WATER DEPT ONLY
January through December 2014

	Jan - Dec 14
Ordinary Income/Expense	
Income	
Connect & Reconnect Fees Income	250.00
Water Income	47,796.40
Total Income	48,046.40
Gross Profit	48,046.40
Expense	
Contract Labor	450.00
Penalties	15.00
Water Testing	6,103.00
Depreciation	1,061.00
Real Estate Taxes	200.00
Licenses & Permits	637.00
Interest Expense	3.78
Legal Fees	9,450.00
Community Club Fees	125.00
Accounting Services	2,790.00
Postage & Delivery	53.00
Repair & Maintenance	
Plumbing Parts	481.89
Grounds	628.07
Total Repair & Maintenance	1,109.96
Utilities	
Water	23,305.35
Electric	4,311.32
Total Utilities	27,616.67
Total Expense	49,614.41
Net Ordinary Income	-1,568.01
Net Income	-1,568.01

Exhibit A to
Emergency
Retiree
Petition →



10:36 AM
01/21/16
Cash Basis

Laurel Hills Condominiums POA
Profit & Loss - WATER DEPT ONLY
January 1 through October 26, 2015

	<u>Jan 1 - Oct 26, 15</u>
Ordinary Income/Expense	
Income	
Water Income	36,873.00
Total Income	<u>36,873.00</u>
Gross Profit	36,873.00
Expense	
Water Testing	5,103.00
Accounting Services	2,060.00
Postage & Delivery	64.00
Repair & Maintenance	
Plumbing Parts	1,014.48
Total Repair & Maintenance	<u>1,014.48</u>
Utilities	
Water	21,675.44
Electric	4,101.82
Total Utilities	<u>25,777.26</u>
Total Expense	<u>34,018.74</u>
Net Ordinary Income	<u>2,854.26</u>
Net Income	<u><u>2,854.26</u></u>

November 20, 2015

Crab Orchard Utility
2089 East First Street
Crossville, TN 38555
(931) 484-6987

0001-00900-001
RECEIVERSHIP MANAGEMENT
RECEIVERSHIP MANAGEMENT, INC.
783 OLD HICKORY BLVD. SUITE 255
Brentwood, TN 37027

00006



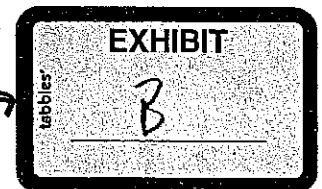
Dear Customer,

Our records indicate that your account is currently delinquent in the amount of \$8,590.50. If payment is not received by December 8, 2015, your service will be disconnected on December 9, 2015. If your service is disconnected a reconnect fee of \$50.00, in addition to the amount delinquent, will be due before service can be re-established.

If you have any questions regarding this notice or your current bill please contact our office at: (931) 484-6987.

*Bill -
For the file
R.M.
12-10-2015*

*Exhibit B to
Emergency Relief
Petition*



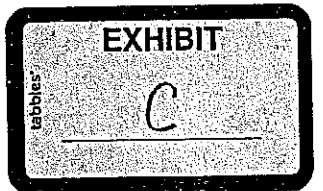


Exhibit C to
Emergency
Relief
Petition

	POST	RECEIVERSHIP	PRE	RECEIVERSHIP
REVENUE				
NOV		4,038.20		40,382.00
DEC		4,038.20		
		<u>8,076.40</u>		

	POST	RECEIVERSHIP	PRE	RECEIVERSHIP
EXPENSE				
WATER TESTING FEES		201.00		5,103.00
G WILLIAMS		500.00		
NOV		500.00		
DEC				21,675.44
CRAB ORCHARD UTILITY		2,250.00		
NOV		2,250.00		
DEC				2,060.00
ACCOUNTING		300.00		
NOV		300.00		
DEC				4,101.82
ELECTRIC		442.00		
NOV		442.00		
DEC				
RECEIVERSHIP FEES & EXPENSES				
OCT		10,561.02		
NOV		5,267.48		
DEC		7,000.00		
DEPRECIATION - PUMP		88.00		
NOV		88.00		
DEC				1,078.48
BACKUP PUMP REPAIR				
MAINTENANCE AND IMPROVEMENTS				
NOV		2,000.00		
DEC		2,000.00		
		<u>34,189.50</u>		<u>34,018.74</u>

NET POST RECEIVERSHIP LOSS (26,113.10)
 NET PRE RECEIVERSHIP LOSS PER QUICKBOOKS (2,227.24)
 REPAIR BACKUP PUMP (3,403.00)
(31,743.34)
 PER QUICKBOOKS 6,363.26
 UNPAID EXP (8,590.50)
 PRE RECEIVERSHIP LOSS (2,227.24)

BACKUP PUMP REPAIR AMORT. 4 MONTHS
 3403.00/4 = 851.00

POST RECEIVERSHIP EXPENSES ARE PRESENTED ON AN INCURRED BASIS

1/14/2016 8:40

COMPARISON OF CURRENT RATE ALLOCATION WITH PROPOSED RATE ALLOCATION

BASIS: EXHIBIT D-1

<u>Current Rate Item</u>	<u>Current Rate Monthly Allocation</u>	<u>Proposed Rate Monthly Allocation</u>
Water Testing	\$600.00	\$67.00
Property Tax	\$200.00	\$0.00
Telephone Expense	\$61.00	\$0.00
Insurance Expense	\$433.00	\$0.00
Postage Expense	\$8.00	\$11.00
Engineering & Labor	\$333.00	\$500.00
Construction Costs	\$0.00	\$0.00
Depreciation	\$88.00	\$88.00
Penalties & Permits (TDEC)	\$25.00	\$25.00
Debt Interest Expense	\$0.00	\$0.00
Legal Expense	\$259.00	\$0.00
Accounting	\$242.00	\$333.00
Office Expense	\$14.00	\$0.00
Equipment Rental	\$6.00	\$0.00
Maintenance & Repair	\$0.00	\$2,000.00
Wholesale Water Expense	\$1,528.00	\$2,159.00
Electricity	\$274.00	\$401.00
Rate of Return or Margin	6.50%	\$0.00
Receiver's Fee		\$8,000.00
<i>Pump Rate Special Assessment (4 months)</i>		\$851.00
Estimated Number of Customers		130
Monthly Customer Use Rate (first 4 months)		\$111.04
Monthly Customer Use Rate Thereafter	\$33.10	\$104.49

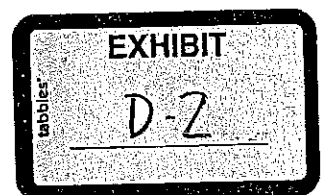


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Exhibit D-1 to
Emergency Petition

COMPARISON OF CURRENT RATE ALLOCATION WITH PROPOSED RATE ALLOCATION

BASIS: EXHIBIT D-2

<u>Current Rate Item</u>	<u>Current Rate Monthly Allocation</u>	<u>Proposed Rate Monthly Allocation</u>
Water Testing	\$600.00	\$67.00
Property Tax	\$200.00	\$0.00
Telephone Expense	\$61.00	\$0.00
Insurance Expense	\$433.00	\$0.00
Postage Expense	\$8.00	\$11.00
Engineering & Labor	\$333.00	\$500.00
Construction Costs	\$0.00	\$0.00
Depreciation	\$88.00	\$88.00
Penalties & Permits (TDEC)	\$25.00	\$25.00
Debt Interest Expense	\$0.00	\$0.00
Legal Expense	\$259.00	\$0.00
Accounting	\$242.00	\$333.00
Office Expense	\$14.00	\$0.00
Equipment Rental	\$6.00	\$0.00
Maintenance & Repair	\$0.00	\$2,000.00
Wholesale Water Expense	\$1,528.00	\$2,159.00
Electricity	\$274.00	\$401.00
Rate of Return or Margin	6.50%	\$0.00
Receiver's Fee		\$8,000.00
<i>Pre-Rate Change Losses & Costs (24 months)</i>		\$2,176.09
<i>Pump Rate Special Assessment (4 months)</i>		\$851.00
Estimated Number of Customers		130
Monthly Customer Use Rate (first 4 months)		\$127.78
Monthly Customer Use Rate (months 5-24)		\$121.23
Monthly Customer Use Rate Thereafter	\$33.10	\$104.49

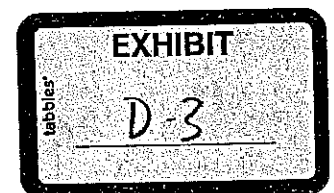


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Exhibit D-2 to
Emergency Petition

COMPARISON OF CURRENT RATE ALLOCATION WITH PROPOSED RATE ALLOCATION

BASIS: EXHIBIT D-3

<u>Current Rate Item</u>	<u>Current Rate Monthly Allocation</u>	<u>Proposed Rate Monthly Allocation</u>
Water Testing	\$600.00	\$67.00
Property Tax	\$200.00	\$0.00
Telephone Expense	\$61.00	\$0.00
Insurance Expense	\$433.00	\$0.00
Postage Expense	\$8.00	\$11.00
Engineering & Labor	\$333.00	\$500.00
Construction Costs	\$0.00	\$0.00
Depreciation	\$88.00	\$88.00
Penalties & Permits (TDEC)	\$25.00	\$25.00
Debt Interest Expense	\$0.00	\$0.00
Legal Expense	\$259.00	\$0.00
Accounting	\$242.00	\$333.00
Office Expense	\$14.00	\$0.00
Equipment Rental	\$6.00	\$0.00
Maintenance & Repair	\$0.00	\$2,000.00
Wholesale Water Expense	\$1,528.00	\$2,159.00
Electricity	\$274.00	\$401.00
Rate of Return or Margin	6.50%	\$0.00
Receiver's Fee		\$0.00
<i>Pump Rate Special Assessment (4 months)</i>		\$851.00
Estimated Number of Customers		130
Monthly Customer Use Rate (first 4 months)		\$49.50
Monthly Customer Use Rate Thereafter	\$33.10	\$42.95



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Exhibit D-3
to Emergency

Laurel Hills Water System in Receivership
TRA #1
Water Tariff

Option: Exhibit D-1

Effective Date: Upon order of the Chancery Court in Cumberland County, Tennessee

SCHEDULE OF RATES AND CHARGES

Customer Use Rate: \$104.49 per month

Pump Repair Special Assessment: \$6.55 per month for 4 months

Customer Tap Fee: \$1,000.00 per connection

Connection Charge/Reconnection Charge: Previous unpaid Customer Use Rate Amounts

- All rates and charges are applicable to all classes of service rendered and all areas or districts serviced by the water system

Laurel Hills Water System in Receivership
TRA #1
Water Tariff

Option: Exhibit D-2

Effective Date: Upon order of the Chancery Court in Cumberland County, Tennessee

SCHEDULE OF RATES AND CHARGES

Customer Use Rate: \$104.49 per month

Pump Repair Special Assessment: \$6.55 per month for 4 months

Previous Losses Special Assessment: \$16.74 per month for 24 months

Customer Tap Fee: \$1,000.00 per connection

Connection Charge/Reconnection Charge: Previous unpaid Customer Use Rate Amounts

- All rates and charges are applicable to all classes of service rendered and all areas or districts serviced by the water system

Laurel Hills Water System in Receivership
TRA #1
Water Tariff

Option: Exhibit D-3

Effective Date: Upon order of the Chancery Court in Cumberland County, Tennessee

SCHEDULE OF RATES AND CHARGES

Customer Use Rate: \$42.95 per month

Pump Repair Special Assessment: \$6.55 per month for 4 months

Customer Tap Fee: \$1,000.00 per connection

Connection Charge/Reconnection Charge: Previous unpaid Customer Use Rate Amounts

- All rates and charges are applicable to all classes of service rendered and all areas or districts serviced by the water system

provide testimony on the ratemaking methodologies and calculations used to forecast the LHWS's cost of service and rate design moving forward.

Q: Mr. Moore, could you please describe the LHWS's water operations?

A: Yes. The LHWS currently provides water services to 122 residential water customers. The LHWS's service territory is approximately the extent of Renegade Mountain, a mountain located in Cumberland County, Tennessee just east of Crab Orchard, Tennessee and just south of Interstate 40. As the LHWS is currently in receivership and subject to the jurisdiction of the Thirteenth Judicial District Chancery Court, no Certificate of Public Convenience and Necessity has been sought or obtained from the Tennessee Regulatory Authority [hereinafter "the TRA" or "the Authority"] by the Receiver. The LHWS purchases water from the Crab Orchard Utility District and then redelivers such water to its customers. The system was originally designed and constructed in the late 1960s and early 1970s and then put into use in approximately 1972. The system was designed to use a pump station near the bottom of Renegade Mountain to transport water up the mountain through a six (6) inch diameter pipe, parts of which lay on the ground, pump the water into a water tank that sits atop the mountain, and then let gravity provide adequate pressure to deliver water through a main pipe running back down to service residential customers. However, at this time, the water tower is not being utilized due to (a) environmental concerns expressed by the Tennessee Department of Environment and Conservation; and (b) the Receiver's inability to lawfully use the water tower, as the water tower and the parcel upon which the tower sits are owned by another entity that is not a party to the receivership proceeding. At this time, the pumps in the pump station are constantly used to transport water up the mountain so as to provide adequate pressure

to the LHWS's customers. Overall, the LHWS is found to have been archaically designed, neglected for much of its life, and in need of numerous repairs and maintenance.

Q: Are all of the LHWS's current customers residential customers?

A: Yes, to the best of my knowledge.

Q: When was the LHWS's last rate change?

A: By order of Chancellor Thurman, the LHWS's rates were reduced from \$43.20 per customer per month to \$33.10 per customer per month on April 18, 2013. Chancellor Thurman's order was entered after a similar order was entered by the Authority in that same amount.

Q: Are there any particular expense items the LHWS is requesting in this docket?

A: Yes, and I would refer the Authority to the emergency petition and my later written testimony for a more thorough explanation of each rating element. I will, however, note three (3) extraordinary expense items at this time. First, a new engine/motor for one of the pumps (the back-up pump) appears to be an immediate necessity. This particular expense, estimated at Thirty-Four Hundred and Three Dollars (\$3403.00), is proposed to be recovered in a special assessment over a period of four (4) months after approval of the new rate. Second, there are incalculable costs for leak repairs and general maintenance to the LHWS. These costs are factored into the newly proposed rate at Two Thousand Dollars (\$2,000.00) per month. If the leak repairs and general maintenance expense does not exceed the amount collected, the Receiver proposes to retain the overage for additional unexpected maintenance or repair that may occur during the pendency of the receivership, and to address any cash flow problems the Receiver may

experience throughout the course of the receivership. Third, there are receivership costs that must be recovered. These costs are estimated at Eight Thousand Dollars (\$8000.00) per month. This is purely an estimate, but this figure is based upon (a) expenditures by the Receiver and its representatives since the institution of the receivership, and (b) the Receiver's judgment on the costs to properly administer the receivership estate going forward. In particular, the Receiver's fees and expenses, in the aggregate, for 2015, are as follows: October 2015: \$10,561.02. November 2015: \$5267.48. December 2015: \$6931.86. No rate of return or profit margin is being sought by the Receiver.

Q: What rate relief is the LHWS requesting?

A: The LHWS's current rates and charges are insufficient to cover its operating costs and the costs of the receivership. Without rate relief, the Receiver estimates that the LHWS will have a revenue deficiency of approximately \$104,452.00 for the 2016 calendar year. In order merely to cover its operating expenses, the Receiver is requesting that the Authority recommend to the Thirteenth Judicial District Chancery Court that the LHWS be allowed to increase rates and charges to eliminate any revenue deficiency in accordance with 1 of the 3 proposed tariff revision sheets provided by the Receiver. If ordered by Chancellor Thurman, customers will see an increase in rates and charges beginning with the first bill after the order is entered.

Q: Please explain how the LHWS's revenue deficiency was computed.

A: As delineated in footnote 6 of the LHWS's petition for emergency relief, post-receivership losses as of year-end 2015 (which constitutes the period of October 26, 2015 through December 31, 2015) were \$26,113.10. This is my best estimate of what a 3 month revenue deficiency would be, as the revenue deficiency in the 5 days in October

would likely equal the revenue deficiency for a full month. Therefore, that figure, \$26,113.10, was multiplied by four (4) to get the annual revenue deficiency number of \$104,452.00.

Q: Please explain the revenue requirement calculation for the LHWS in this case.

A: Most calculations, assumptions, and adjustments necessary to determine the LHWS's rate need were based on a review of the LHWS's financial and operational records in the hands of its accountant, Terry Stephens, as well as physically viewing the water system, including the pump station and the main supply line. The individual components of the requested rate are as follows:

Water Testing. This figure is calculated based upon a review of invoices provided to and paid by the LHWS over the past year or so.

Property Tax. There is no known property tax being assessed against the LHWS at this time. If the water tower and the parcel on which the water tower sits are ever conveyed to the Receiver as required by the settlement agreement entered into by and between the Authority and Laurel Hills Condominiums Property Owners Association, then it is likely that there may be a property tax assessment. At this time, the Receiver understands that the water tower and the parcel upon which the water tower sits are owned by an entity that is not a party to the receivership action.

Telephone Expense. There is no telephone expense, as those services are included within the Receiver's fee.

Insurance Expense. The Receiver has attempted in vain to procure insurance to cover the LHWS. Those attempts continue, but no provision is made in this filing for insurance.

Postage Expense. This figure is calculated based upon a review of invoices provided to and paid by the LHWS over the past year or so.

Engineering & Labor. This figure represents the amount paid to Mr. Gerald Williams to take care of any day to day needs on-site at Renegade Mountain, and is a continuation of the amount paid to Mr. Williams over the past year or so.

Construction Costs. No provision is made for construction costs as this is an emergency relief filing.

Depreciation. This figure is the amount calculated by the LHWS's accountant, Mr. Terry Stephens, who uses a straight line method to depreciate the LHWS's pump station asset. The figure utilized in this filing is consistent with the depreciation figure accepted by the Authority and the Cumberland County Chancery Court.

Penalties and Permits. This figure represents the amount owed to the Tennessee Department of Environment and Conservation [hereinafter "TDEC"] for a water system with less than 250 customer connections, and is consistent with the LHWS's previous rate filing. This figure is confirmed by invoices from TDEC and was further confirmed with a telephone call to a TDEC account technician.

Debt Interest Expense. No provision is made for debt interest expense.

Legal Expense. No provision is made for legal expense as all legal expenses are included in the Receiver's fee.

Accounting. This figure is based upon the Receiver's contract with the LHWS's accountant, Mr. Terry Stephens, who continues to provide bookkeeping services, and who it is planned will file tax returns on the LHWS's behalf.

Office Expense. No provision is made for office expense as all such expenses are included in the Receiver's fee.

Equipment Rental & Maintenance. No provision is made for equipment rental and maintenance, as no expenditure for any such items was made in 2015, and none is anticipated in 2016.

Maintenance & Repair. As indicated above, there are incalculable costs for leak repairs and general maintenance. It is impossible to estimate what those costs may be in 2016. These costs are factored into the newly proposed rate at Two Thousand Dollars (\$2,000.00) per month. If the leak repairs and general maintenance expense does not exceed the amount collected, the Receiver proposes to retain the overage for additional unexpected maintenance or repair that may occur during the pendency of the receivership, and to address any cash flow problems the Receiver may experience throughout the course of the receivership.

Wholesale Water Expense. Some judgment has been used to estimate future wholesale water expense. A review of the 2014 and 2015 invoices from the Crab Orchard Utility District, the LHWS's wholesale water supplier, demonstrates that the LHWS's average monthly bill for the 9/18/2014 through 9/18/2015 time period was \$2720.35. That review further demonstrates that the LHWS's average monthly bill for four (4) full months closely preceding the institution of the receivership (5/20/2015 through 9/18/2015) was \$2158.85. There was a spike in water usage in the Early Spring of 2015 that is causing the discrepancy. In an email colloquy with Mr. Everett Bolin, General Manager with the Crab Orchard Utility District, Mr. Bolin informed counsel for the Receiver stated the following: "I think going forward, the lower number will be correct. I know Gerald

[Williams] is working on some leaks, and isolating more. I think by spring, he will have it under control.” Accordingly, the \$2158.85 figure is used for the rate filing.

Electricity. For the twenty-one (21) month period closely preceding the institution of the receivership (1/1/2014-9/18/2015), the LHWS paid Volunteer Electric on average \$400.63 per month for electrical services for the water system. This figure is used in the proposed rate.

Rate of Return. As the LHWS is in receivership, no rate of return or margin is sought.

Receiver’s Fee. As indicated above, there are receivership costs that must be recovered. These costs are estimated at Eight Thousand Dollars (\$8000.00) per month. This is purely an estimate, but this figure is based upon (a) expenditures by the Receiver and its representatives since the institution of the receivership, and (b) the Receiver’s judgment on the costs to properly administer the receivership estate going forward. In particular, the Receiver’s fees and expenses, in the aggregate, for 2015, are as follows: October 2015: \$10,561.02. November 2015: \$5267.48. December 2015: \$6931.86.

Pump Assessment. Mr. Gerald Williams has indicated that a new engine/motor for one of the pumps (the back-up pump) will cost \$3403.00. He has indicated that this is a critical repair item that must be fixed immediately, else it could be devastating for the water system. It is recommended that this amount be collected over a period of four (4) months as a special assessment.

Pre-Rate Change Losses and Costs. Pre-rate change losses and costs have been calculated based upon financial information calculated by the Receiver on an accrual or incurred basis and reflect monies owed to the Receiver and other losses incurred since the

institution of the receivership. Those figures and calculations can be found in Exhibit C to the LHWS's petition for emergency relief.

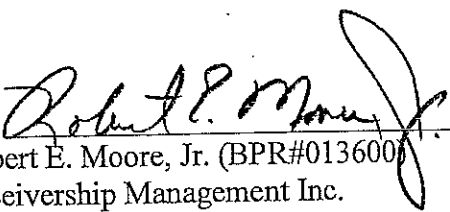
Overall Recommendation. In light of the foregoing factors, I am of the opinion that the proposed rate design, no matter which proposed tariff sheet is utilized is necessary and reasonable and I recommend it to the Authority.

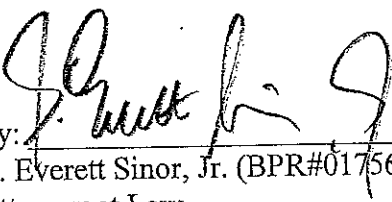
Q: Does this conclude your testimony.

A: Yes it does.

Respectfully submitted,

Laurel Hills Water System in Receivership

By: 
Robert E. Moore, Jr. (BPR#013600)
Receivership Management Inc.
783 Old Hickory Blvd., Suite 255
Brentwood, TN 37027
615-370-0051
615-373-4336 FAX
*Court Appointed Receiver for
Laurel Hills Water System in Receivership*

By: 
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Nashville, Tennessee 37204
615-969-9027 (Phone)
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Certificate of Service

The undersigned hereby certifies that a true and correct copy of the foregoing pre-filed direct testimony of Robert E. Moore, Jr., has been served upon the parties hereto and the other persons listed below, at:

Shiva K. Bozarth, Esq.
Chief of Compliance
Counsel for Tennessee Regulatory Authority
502 Deaderick Street, Fourth Floor
Nashville, Tennessee 37243

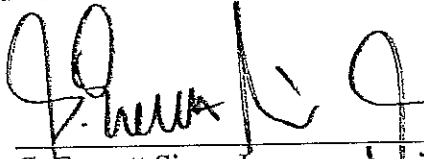
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via the United States Mails, postage prepaid, this 28th day of January, 2016.



G. Everett Sinor, Jr.

filed electronically in docket office on 02/08/16

IN THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE

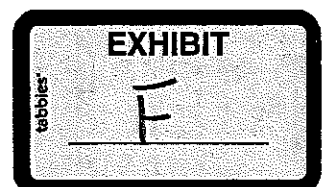
IN RE:)
PETITION OF LAUREL HILLS WATER)
SYSTEM IN RECEIVERSHIP FOR)
APPROVAL OF ADJUSTMENTS OF ITS)
RATES AND CHARGES)

DOCKET NO. 16-00012

PETITION TO INTERVENE

Herbert H. Slatery III, Attorney General and Reporter for the State of Tennessee, by and through the Consumer Protection and Advocate Division of the Office of the Attorney General ("Consumer Advocate" or "Petitioner"), pursuant to Tenn. Code Ann. § 65-4-118, respectfully petitions the Tennessee Regulatory Authority ("TRA" or "Authority") to grant the Consumer Advocate's intervention into this proceeding because consumers' interests, rights, duties or privileges may be determined or affected by the *Petition of Laurel Hills Water System in Receivership for Approval of Adjustments of its Rates and Charges* ("Petition"). The *Petition* sets forth three options for a rate increase; the first two options represent an increase from the current \$33.10 per month to a minimum of \$104.49 per month. In addition, as will be shown, the first two options involve a shift of Receivership costs to consumers that appear to be in conflict with the *Order Appointing a Receiver* issued by the Chancery Court of Cumberland County, October 26, 2015. For cause, Petitioner would show as follows:

1. The Consumer Advocate is authorized by Tenn. Code Ann. § 65-4-118 to represent the interests of Tennessee consumers of public utilities services by initiating and intervening as a party in proceedings before the Authority in accordance with the Uniform Administrative Procedures Act and Authority rules.



2. Laurel Hills Water System (“LHWS”) is a small water distribution system on Renegade Mountain in Cumberland County, Tennessee.

3. LHWS is under the control of Receivership Management, Inc. (“the Receiver”). The Receiver gained control of the water system on October 26, 2015, by order of the Chancery Court of Cumberland County.

4. In its *Petition* filed on January 28, 2016, in TRA Docket 16-00012, LHWS asserts that its current rates do not provide sufficient revenue to address “significant pending maintenance issues.” *Petition* at ¶ 9. LHWS also projects that its “total post-receivership losses prior to the prospective institution of a new rate” are approximately \$52,226.20. *Petition* at ¶ 11.

5. LHWS requests emergency relief of its rates pursuant to Tenn. Code Ann. § 65-5-103(b)(2), citing “increased expenses of maintenance and repair, the need for adequate cash flow to meet existing needs, and the institution of the receivership proceeding, as well as the lack of adequate information provided to the TRA at the time the TRA adopted the current rate.” *Petition* at ¶ 12. As background, the TRA approved the current rate of \$33.10 per month in an *Order* dated April 18, 2013, at which time the Laurel Hills Condominium Property Owners Association operated the water system. *Petition* at ¶ 5.

6. In the *Petition*, the Receiver sets forth three different rate increase proposals and requests that the TRA “recommend” one of the three to the Chancery Court that appointed the Receiver. The first two proposals, labeled as “a” and “b” in the *Petition*, represent an increase from the current rate of \$33.10 per month to \$104.49 per month, with option “a” being reduced after a certain period. Option “c” proposes an increase to \$42.95 per month. The three options proposed by the Receiver include a number of different components, accordingly, the three

proposals are reproduced here in full because certain components will be referred to in the remaining portion of this *Petition to Intervene*:

- a. The emergency rates can be calculated to provide that receivership costs that post-date the approval of the new rates be allocated to the LHWS rate-payers, but that receivership costs that pre-date the approval of the new rates be recouped by the Authority through the eventual sale of the LHWS or by other means. Using this method

(See Exhibit D-1), the following rates are proposed:

Customer Use Rate: \$104.49 per month

Pump Repair Special Assessment: \$6.55 per month for 4 months

Customer Tap Fee: \$1,000.00 per connection

Connection Charge/Reconnection Charge: Previous unpaid Customer Use Rate Amounts

The requested rates will result in an increase of \$77.94 per month for all customers for the first four (4) months while being specially assessed for the pump repairs, and an increase of \$71.39 per month thereafter.

The emergency rate request will result in an approximate increase in water rate revenues of \$41,588.00 for the first four (4) months after institution of the new rate, and \$114,546.00 of additional revenue per annum after the special assessment is completed.

- b. The emergency rates can be calculated to provide that receivership costs that post-date the approval of the new rates, as well as receivership costs that pre-date the approval of the new rates, along with pre-receivership losses, be allocated to the LHWS rate-payers, with all receivership costs that pre-date the approval of the new rates being paid in a special assessment over a period of twenty-four (24) months. Using this method

(See Exhibit D-2), the following rates are proposed:

Customer Use Rate: \$104.49 per month

Pump Repair Special Assessment: \$6.55 per month for 4 months

Previous Losses Special Assessment: \$16.74 per month for 24 months

Customer Tap Fee: \$1,000.00 per connection

Connection Charge/Reconnection Charge: Previous unpaid Customer Use Rate Amounts

The requested rates will result in an increase of \$94.68 per month for all customers for the first four (4) months while being specially assessed for the pump repairs and the pre-rate increase losses, an increase of \$88.13 for all

customers for months five (5) through twenty-four (24) while being specially assessed for the pre-rate increase losses, and an increase of \$71.39 per month thereafter.

The emergency rate request will result in an approximate increase in water rate revenues of \$50,292.80 for the first four (4) months after institution of the new rate, \$234,434.00 of additional revenue for months five (5) through twenty-four (24) after institution of the new rate, and \$114,456.00 of additional revenue per annum after the special assessments are completed.

- c. The emergency rates can be calculated to provide that receivership costs that post-date the approval of the new rates, as well as receivership costs that pre-date the approval of the new rates be recouped by the Authority through the eventual sale of the LHWS or by other means. Using this method

(See Exhibit D-3), the following rates are proposed:

Customer Use Rate: \$42.95 per month

Pump Repair Special Assessment: \$6.55 per month for 4 months

Customer Tap Fee: \$1,000.00 per connection

Connection Charge/Reconnection Charge: Previous unpaid Customer Use Rate Amounts

The requested rates will result in an increase of \$16.40 per month for all customers for the first four (4) months while being assessed for the pump repairs, and an increase of \$9.85 per month thereafter.

The emergency rate request will result in an approximate increase in water rate revenues of \$9587.20 for the first four (4) months after institution of the new rate, and \$18,543.60 of additional revenue per annum after the special assessment is completed.

Petition, TRA Docket No. 16-00012 (Jan. 28, 2016) at ¶ 13, pp. 7-8.

7. Based on a review of the *Petition*, options “a,” and “b,” which both involve payment of fees and costs of the Receiver by consumers in rates, appear to be in conflict with the terms of the *Order Appointing Receiver* issued by the Chancery Court of Cumberland County, No. 2012-CH-560 (Oct. 26, 2015), attached as **Exhibit A**. The *Order Appointing Receiver* provides as follows with regard to payment of costs and fees of the Receiver:

The compensation of the Receiver, counsel, clerks and assistants and all expenses of taking possession of Laurel Hills’ water system and conducting the proceeding

(hereinafter "Receivership fees and costs") shall be submitted monthly, shall be approved by the Court and shall be paid out of the funds or assets of Laurel Hills' water system, if such funds are available. If, through the progression of the Receivership, funds or assets of Laurel Hills' water system are not available to pay Receivership fees and costs, then those fees and costs will be taxed as court costs to be paid by the Authority to the Receiver. In such instance(s), the Receiver will present the Receivership fees and costs to the Court for approval as a request for interim tracing of costs while simultaneously invoicing the Receivership fees and costs to the Authority, who will pay the Receivership fees and costs upon approval of the Court. The Authority reserves the ability to recoup amounts so paid if later there are assets or funds available for such recoupment.

Order Appointing Receiver at ¶ 10, p. 4, attached as **Exhibit B** (emphasis added). Thus, under the *Order Appointing Receiver*, the Receiver's fees and costs are to be paid out of the assets of the utility, if available; if there are no such assets, the TRA is to pay, with the possibility of later "recoupment," i.e., in the event of a sale.

8. Options "a," and "b" as set forth by the Receiver, however, propose that consumers pay in rates the fees and costs of the Receiver, even though the *Order Appointing Receiver* makes no reference to such a method. Thus, options "a," and "b" appear to be an improper attempt to shift the recovery of the Receiver's fees and costs to the rates of consumers.

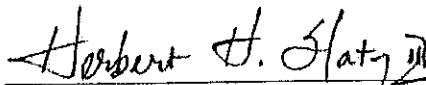
9. Option "c" may also burden customers with the Receiver's fees and costs, depending on what constitutes "other means" for the Authority to recoup its expenditure.

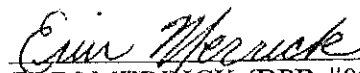
10. This attempt to shift costs to consumers is not only in conflict with the Chancery Court's *Order Appointing Receiver*, it is also in conflict with statements by the TRA Party Staff in Docket No. 12-00077 that the appointment of a Receiver would have no impact on consumers. The TRA requested the appointment of a Receiver as a result of a Settlement Agreement in TRA Docket No. 12-00077 between TRA Party Staff and Laurel Hills Condominium Property Owners Association; in which the Association agreed to a "voluntary receivership." *Settlement Agreement and Release*, TRA Docket No. 12-00077, July 27, 2015, at p.3.

11. The TRA Party Staff, in Docket No. 12-00077, in a hearing at the TRA told the Consumer Advocate and the customers of Laurel Hills that nothing done in Docket No. 12-00077 would affect consumers' rates, even though it was known that the resolution of Docket No. 12-00077 involved the appointment of a Receiver: "First, as I said, on consumer impact, there is simply none in this case." Transcript of TRA Conference, June 29, 2015, at 56:1-5 (reference to "receivership"); and 57:12-13 (no "impact"). Now, however, it appears that the Receiver is asking the TRA to recommend action that would certainly "impact" consumers' rates.

WHEREFORE, the Consumer Advocate respectfully asks the Authority to grant this *Petition to Intervene*.

RESPECTFULLY SUBMITTED,


HERBERT H. SLATTERY III (BPR #09077)
Attorney General and Reporter
State of Tennessee


ERIN MERKICK (BPR #033883)
Assistant Attorney General
Vance L. Broemel (BPR #011421)
Senior Counsel
Consumer Protection and Advocate Division
P.O. Box 20207
Nashville, Tennessee 37202-0207
(615) 741-8722
(615) 741-1026 - FAX

Dated: Feb 8, 2016

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing *Petition to Intervene* was served via U.S. Mail or electronic mail upon:

Robert E. Moore, Jr., Esq.
Receivership Management, Inc.
1101 Kermit Drive, Suite 735
Nashville, TN 37217
Phone: 615-370-0051
Fax: 615-373-4336
Email: rmoore@receivermgmt.com

G. Everett Sinor, Jr.
Attorney at Law
3504 Robin Road
Nashville, Tennessee 37204
Phone: 615-969-9027
Email: Everett.Sinor@gmail.com

Laurel Hills Water System in Receivership
Post Office Box 25
Crossville, Tennessee 38555

This the 8 day of Feb, 2016.


ERIN MERRICK

**IN THE CHANCERY COURT OF CUMBERLAND COUNTY, TENNESSEE
THIRTEENTH JUDICIAL DISTRICT
AT CROSSVILLE**

TENNESSEE REGULATORY AUTHORITY)
)
 Petitioner,)
)
 v.)
)
LAUREL HILLS CONDOMINIUMS)
PROPERTY OWNERS ASSOCIATION)
)
 Respondent.)

**No. 2012-CH-560
Chancellor Thurman**

FILED 10:25 AM
 Date 10-26 2015 at PM
 Entered 10-26-15
 SUE TOLLETT, CLERK & MASTER
 Cumberland County, Crossville, TN
 BY

ORDER APPOINTING RECEIVER

1. Pursuant to the motion filed on October 26, 2015, by the Petitioner, Tennessee Regulatory Authority ("Authority"), pursuant to T.C.A. § 65-3-105¹ and T.C.A. § 29-1-101, and upon good cause shown, the Court appoints Receivership Management, Inc. of Brentwood, Tennessee as Receiver for the water system controlled by Respondent, Laurel Hills Condominium Property Owners Association ("Laurel Hills").

2. The appointment of Receivership Management, Inc. as Receiver of Laurel Hills' water system is based upon, arises out of and/or is derived from the activities described in the Petition for Appointment of Receiver. Through this appointment, the Court deems the Receiver as a party to these proceedings.

3. Receivership Management, Inc., as Receiver, is directed forthwith to take exclusive custody, control and possession of all bank accounts, goods, chattels, causes of action,

¹ The provisions of T.C.A. § 65-3-105 are made applicable to public utilities regulated by the Petitioner pursuant to T.C.A. § 65-4-105.

*Exhibit A to
AG / Consumer Advocate
Petition to
Intercede*

credits, monies, investments, stocks, shares, effects, books and records of account and other papers and property or interests owned or held by the Respondent relating in whole or in part to the water system, with full power to sue for, collect, receive and take possession of such properties and to conserve and administer them under the general supervision of the Court.

4. Receivership Management, Inc., as Receiver of Laurel Hills' water system, shall forthwith contact all financial, agency, trust or depository institutions ("financial institutions") maintaining accounts on behalf of Respondent, Laurel Hills relating in whole or in part to the water system and employ whatever lawful means necessary to secure the funds in these, and any other accounts, for the Receivership, and to amend the signature cards so that only those persons approved by the Receiver shall be permitted to withdraw upon such accounts.

5. Receivership Management, Inc., as Receiver of Laurel Hills' water system, shall secure from any financial institution, wherever located, where Laurel Hills maintains property or accounts, the funds within financial institution accounts and all financial information concerning all such accounts. Said financial institution shall provide those funds and the information to the Receiver.

6. All persons, firms, corporations and associations, including but not limited to Respondent, Laurel Hills, and its officers, directors, stockholders, members, subscribers, agents and all other persons in active concert or participation with it, are prohibited and enjoined from the transaction of further business of the Respondent's water system; from the waste, transfer or disposition of property of the Respondent's water system; from doing any act or thing whatsoever to interfere with the taking control, possession and administration by the Receiver of the receivership properties or to in any way interfere with the Receiver, or to harass or interfere with the Receiver, or to interfere in any manner with the exclusive jurisdiction of this Court over

the receivership properties; from the institution or further prosecution of any actions or proceedings, except within this receivership itself; from the making of any sale or deed for nonpayment of taxes or assessments that would lessen the value of the assets of the Respondent; from the withholding from the Receiver of books, accounts, documents or the records relating to the business of the Respondent; from any other threatened or contemplated action that might lessen the value of the Respondent's assets or prejudice the rights of investors, creditors or any proceeding under the Receivership; or the obtaining of preferences, judgments, attachments or other liens, or the making of any levy against the Respondent or against its assets or any party thereof or from enforcing any lien upon, or taking or attempting to take possession of, or retaining possession of, any receivership property or attempting to foreclose, forfeit, alter or terminate any interests of the Respondent, in any property, whether such acts are part of a judicial proceeding or otherwise, until further order of this Court; from accelerating the due date of any obligation or claimed obligation; and that this Court further authorizes the Receiver to apply outside of Tennessee for the relief above described.

7. Pursuant to Tenn. Code Ann. § 65-3-105 and Tenn. Code Ann. §§ 29-1-101 *et seq.*, the officers, managers, directors, trustees, owners, employees or agents of Respondent, Laurel Hills, and any other persons with authority over or in charge of any segment of the Respondent's affairs and persons in control of assets, books and records of the receivership entities, or their physical locations, including but not limited to any offices of the Respondent, are required to cooperate with the Receiver in the carrying out of the Receivership. The term "person" shall include any person who exercises control directly or indirectly over activities of the Respondent through any holding company or other affiliate of the Respondent. "To cooperate" shall include, but shall not be limited to, the following: (1) to reply promptly in

writing to any inquiry from the Receiver requesting such a reply; (2) to make available to the Receiver any books, bank and investment accounts, documents or other records or information or property of or pertaining to the Respondent and/or in possession, custody or control of the Respondent, which relate to, arise out of or are derived from the activities described in the Petition for Appointment of Receiver, Restraining Order, and Temporary and Permanent Injunction Complaint. No person shall obstruct or interfere with the Receiver in the conduct of this Receivership.

8. All customers of and vendors/suppliers to Laurel Hills are hereby ordered to cooperate with reasonable requests of the Receiver regarding information and documentation concerning services received from Laurel Hills or services or goods provided to Laurel Hills.

9. No person shall obstruct or interfere with the Receiver in the conduct of this Receivership, and efforts to obstruct will be dealt with by the Court upon the Receiver's filing for contempt.

10. Receivership Management, Inc., as Receiver, is authorized to employ such counsel, professional advisors, clerks or assistants as deemed necessary. The persons employed under this section shall serve at the direction of the Receiver. The compensation of the Receiver, counsel, clerks and assistants and all expenses of taking possession of Laurel Hills' water system and conducting the proceeding (hereinafter "Receivership fees and costs") shall be submitted monthly, shall be approved by the Court and shall be paid out of the funds or assets of Laurel Hills' water system, if such funds are available. If, through the progression of the Receivership, funds or assets of Laurel Hills' water system are not available to pay Receivership fees and costs, then those fees and costs will be taxed as court costs to be paid by the Authority to the Receiver. In such instance(s), the Receiver will present the Receivership fees and costs to the Court for

approval as a request for interim taxing of costs while simultaneously invoicing the Receivership fees and costs to the Authority, who will pay the Receivership fees and costs upon approval of the Court. The Authority reserves the ability to recoup amounts so paid if later there are assets or funds available for such recoupment. The Receivership fees and expenses will generally consist of services rendered by the Receiver's president, Jeanne B. Bryant, billed at \$ 160/hour, expenses and costs of other staff employed by the Receiver, normal overhead costs of the Receiver and professional fees and expenses incurred by the Receiver, the hourly billing rate of its principal counsel. The Receiver will present motions monthly to the Court for approval of the Receivership fees and costs. If the motions are unopposed after being on file for ten (10) calendar days, then the Court shall order their approval, absent question raised by the Court upon its review. If a motion for approval of Receivership fees and costs is opposed, it will be set for hearing at the next available time on the Court's docket in Cumberland County, Tennessee or elsewhere if circumstances so dictate.

11. If the taxation to, and payment of, Receivership fees and costs by the Authority becomes onerous to the Authority, it may move the Court to relieve it of the obligation of such taxation and payment. The Receiver reserves the ability to move the Court to be relieved of its position if payment of Receivership fees and costs is jeopardized or not otherwise provided for.

12. The Receiver is ordered to make an accounting to the Court no less frequently than semi-annually. The report shall include the Receiver's opinion as to the likelihood that additional action under T.C.A. § 65-3-105 and/or §§ 29-1-101, *et seq.* will be necessary.

13. The Receiver may take such action as it deems necessary or appropriate to reform, revitalize and/or rehabilitate Laurel Hills' water system. It shall have all the powers of the directors, officers and managers, whose authority shall be suspended, except as such is

re-delegated by the Receiver. It shall have full power to direct and manage, to hire and discharge employees, subject to any contract rights they may have, and to deal with the property and business of Laurel Hills' water system. The Receiver is empowered to petition the appropriate regulatory authority or tribunal to address changes in the rates charged for Laurel Hills' water system's services. The Receiver may consult and cooperate with other state and federal authorities who may have jurisdiction over any parts of the property and business of Laurel Hills' water system, including, but not limited to, any ancillary liquidator who may be appointed. In addition, the Receiver shall have any other powers given by state law.

14. If it appears to the Receiver that there has been criminal or tortuous conduct, or breach of any contractual or fiduciary obligation detrimental to Laurel Hills, by any officer, manager, agent, broker, employee or other person, it may pursue all appropriate legal remedies on behalf of Laurel Hills's water system, including, but not limited to, the making of criminal referrals to the appropriate state and/or federal authorities/law enforcement agencies and the institution of civil actions on behalf of Laurel Hills' water system or on behalf of Laurel Hill's water system's creditors and claimants.

15. If the Receiver determines that reorganization, consolidation, conversion, merger, dissolution, liquidation or other transformation of Laurel Hills' water system is appropriate, it shall prepare a plan to effect such changes, including, if necessary, the liquidation and sale of all of Laurel Hill's water system assets. Upon application of the Receiver for approval of the plan, and after such notice and hearing as the Court may prescribe, the Court may either approve or disapprove the plan proposed, or may modify it and approve it as modified. Any plan approved under this section shall be, in the judgment of the Court, fair and equitable to all parties concerned. If the plan is approved, the Receiver shall carry out the plan.

16. The Receiver shall have the power to avoid fraudulent transfers. Every transfer made or suffered and every obligation incurred by Laurel Hills within one (1) year prior to the filing of a successful Petition for Receivership is fraudulent as to then existing and future creditors, if made or incurred without fair consideration, or with actual intent to hinder, delay or defraud either existing or future creditors. Transfers which are considered fraudulent may be voided by the Receiver, except as to a person who, in good faith, is a purchaser, lienholder or obligee, who, in good faith, has given a consideration less than fair for such transfer, lien or obligation, may retain the property, lien or obligation as security for repayment. The Court may, on due notice, order any such transfer or obligation to be preserved for the benefit of the estate, and, in that event, the Receiver shall succeed to and may enforce the rights of the purchaser, lienholder or obligee.

17. Laurel Hills and/or its counsel will immediately inform the Receiver of all legal proceedings to which Laurel Hills is a party or in which Laurel Hills is involved (e.g., receipt of a subpoena, etc.). Any court in this State before which any action or proceeding in which Laurel Hills is a party, or is obligated to defend a party, shall stay the action or proceeding for one hundred twenty (120) days and such additional time as is necessary for the Receiver to obtain proper representation and prepare for further proceedings. The Receiver shall take such action respecting the pending litigation as it deems necessary in the interest of justice and for the protection of creditors, investors and the public. The Receiver shall immediately consider all litigation pending outside this State and shall petition the Courts having jurisdiction over that litigation for stays whenever necessary to protect the estate of Laurel Hills.

18. No statute of limitations or defense of laches shall run with respect to any action by or against Laurel Hills's between the filing of the Petition for Order directing Receivership

Management, Inc. to serve as Receiver for Laurel Hills's water system and the entry of the Order granting or denying this Petition. Any action against Laurel Hills that might have been commenced when the Petition was filed may be commenced for at least sixty (60) days after this Order Appointing Receiver is entered. Any such action filed against Laurel Hills, as well as actions pending against Laurel Hills, may be subject to dismissal if the Court approves, as part of any plan recommended to it (as referenced in Paragraph 14 above), that all claims as against Laurel Hills' water system be handled through a unified proof of claim process within the Receivership. The Receiver may, upon entry of this Order, within one (1) year, or such other longer time as applicable law may permit, institute an action or proceeding on behalf of Laurel Hills' water system upon any cause of action against which the period of limitation fixed by applicable law has not expired at the time of the filing of the Petition upon which this Order is entered.

19. The Receiver, and its employees, agents, representatives or counsel, shall not be held personally responsible for any claims against Laurel Hills' water system which existed, arose, matured or vested prior to the Receiver's appointment.

20. The Receiver, and its employees, agents, representatives or counsel, shall not be held personally responsible for amounts of funds, goods or services already provided or extended to Laurel Hills' water system, or which will be provided or extended to Laurel Hills' water system in the future.

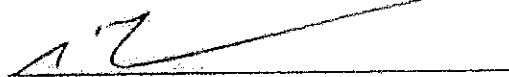
21. Pursuant to T.C.A. § 29-1-104, the Receiver will post a bond of \$ Waived with the Cumberland County Clerk & Master within five (5) business days of the entry of this Order. This Order will be effective, however, during the five (5) day period and will be effective thereafter. The beneficiary of the bond will be the Laurel Hills' water system Receivership

estate and, therefore, the costs of the bond will be paid with funds available to Laurel Hill's Receivership estate or will be taxed as costs and paid by the Authority as outlined in Paragraph 10 above.

It is so ORDERED, this the 26th day of October, 2015.


RONALD THURMAN, CHANCELLOR

Submitted for Entry By:



Shiva K. Bozarth, BPR No.22685
Chief of Compliance
Tennessee Regulatory Authority
502 Deaderick Street, 4th Floor
Nashville, Tennessee 37243

Counsel for Tennessee Regulatory Authority

CERTIFICATE OF SERVICE

I certify that I have served a copy of the forgoing document on the following persons by depositing a copy of same in the U.S. Mail, postage prepaid, addressed to them at the addresses shown below:

Donald Scholes
Benjamin Gastel
227 Second Avenue North
Fourth Floor
Nashville, Tennessee 37201

Melanie Davis
329 Cates Street
Maryville, Tennessee 37801

Vance Broemel
Consumer Advocate and Protection Division
Tennessee Attorney General and Reporter
P.O. Box 20207
Nashville, Tennessee 37202

Roger York
456 North Main Street, Suite 201
Crossville, Tennessee 38555

This the 21st day of October, 2015.



Shiva K. Bozarth

RECEIVED

BEFORE THE TENNESSEE REGULATORY AUTHORITY AT

2016 FEB 11 AM 11:24

NASHVILLE, TENNESSEE

T.R.A. DODNET ROOM

IN RE:

PETITION OF LAUREL HILLS WATER SYSTEM
IN RECEIVERSHIP FOR APPROVAL OF
ADJUSTMENTS OF IT RATES AND CHARGES

DOCKET NO. 16-00012

PETITION TO INTERVENE

Comes now Tennessee Regulatory Authority ("TRA" or "Authority") Staff acting as a Party ("Party Staff") appointed in Docket Nos. 12-00030 and 12-00077 to respectfully request permission to intervene in this matter. In support of this Petition to Intervene ("Petition") Party Staff would show as follows:

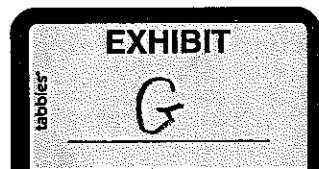
Procedural History

1. On April 10, 2012, Laurel Hills Condominiums Property Owners Association ("Laurel Hills") filed a Petition for a Certificate of Public Convenience and Necessity ("CCN") to operate a water system on Renegade Mountain in Cumberland County, Tennessee.¹
2. On May 1, 2012, a group of Laurel Hills' customers ("Consumers") filed a petition to intervene in the CCN case.²
3. On June 28, 2012, the Consumer Advocate and Protection Division of the Office of the Attorney General ("Advocate") filed a petition to intervene in the CCN case.³

¹ *Petition of Laurel Hills Condominiums Property Owners Association for a Certificate of Public Convenience and Necessity*, Docket No. 12-00030, (April 10, 2012).

² *Petition of Gary Haiser, et al. to Intervene in Docket 12-00030*, Docket 12-00030, (May 1, 2012).

³ *Petition to Intervene*, Docket 12-00030, (June 28, 2012).



4. On February 13, 2013, the Authority held a hearing on Laurel Hills' CCN petition.
5. On March 15, 2013, the Consumers filed a post-hearing brief requesting that the water system be placed into receivership due to Laurel Hills' inability to operate the water system.⁴
6. On March 15, 2013, the Advocate filed a post-hearing brief requesting that laurel Hills be forced to divest itself of the water system through action in court.⁵
7. On April 18, 2013, after a full hearing the Authority issued an Order Denying Certificate of Public Convenience and Necessity and Requiring Divestiture of Water System ("April 18th Order") denying Laurel Hills' petition for a CCN and ordered that Laurel Hills divest itself of the water system.⁶
8. Party Staff entered an agreement with Laurel Hills to place the water system into receivership.
9. This Settlement Agreement was approved by the Authority on September 25, 2015.⁷
10. On October 26, 2015, the Chancery Court of Cumberland County issued an Order Appointing Receiver (Receivership Order").⁸ The Receivership Order clearly envisions that the Receiver will be paid out of the funds of the water system and only if the costs of the receivership exceed the costs of the funds of the water system will the TRA be taxed with costs.⁹ The Receiver was also empowered to request changes in rates.¹⁰ Absolutely nothing in the receivership order precludes the receiver from requesting that its costs be

⁴ *Customer Intervener's Brief/Closing Argument*, p. 14, Docket No. 12-00030, (March 15, 2013).

⁵ *Post-Hearing Brief of the Consumer Advocate*, p. 74, Docket No. 12-00030, (March 15, 2013).

⁶ *Order Denying Certificate of Public Convenience and Necessity and Requiring Divestiture of the Water System*, (April 18, 2013).

⁷ *Order Approving Petition to Adopt Settlement Agreement and Release, as Amended by the First Addendum*, p. 7, Docket no. 12-00077, (September 25, 2015).

⁸ *Order Appointing Receiver*, Cumberland County Chancery Court, Docket No. 2012-CH-560, (October 26, 2015).

⁹ *Id.* at paragraph 10.

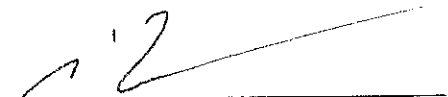
¹⁰ *Id.* at paragraph 13.

included in the customers' rates in fact it is clearly anticipated by the Receivership Order.

11. Counsel for Party Staff has communicated on many occasions with the Consumers as well as the Advocate that the Authority could not bear the costs of the receivership and that such costs would be passed on to the Consumers through rates.¹¹
12. Party Staff requests this intervention in order to ensure that the Authority is aware that the Consumers as well as the Advocate were aware that the appointment of a receivership would increase costs to the Consumers through higher rates.
13. Party Staff's Petition is also a request that Party Staff be instructed to request that the Authority be released from its obligation to pay the receiver's fees pursuant to the Receivership Order if rates are not increased to allow recovery of receivership fees.¹²

Wherefore, Party Staff respectfully requests permission to intervene in this matter.

Respectfully Submitted,



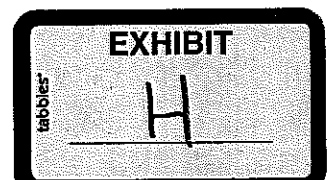
Shiva K. Bozarth, BPR No.22685
Counsel for Party Staff
Tennessee Regulatory Authority
502 Deaderick Street
Nashville, Tennessee 37243

¹¹ Counsel for Party Staff wants to be clear that Ms. Merrick who is representing Advocate in this Docket was not present at any of these conversations and in fact may not have been employed by the Attorney General's Office when many of them occurred.

¹² *Order Appointing Receiver*, paragraph 11 Cumberland County Chancery Court, Docket No. 2012-CH-560, (October 26, 2015).

SUMMARY TIME SHEET- RMI
SERVICES PROVIDED FOR LAUREL HILLS WATER DISTRICT
FOR THE PERIOD 11/1/15 THROUGH 12/31/15

<u>Receivership Management, Inc.</u>		
NOV 2015 FEES & EXPENSES	2,234.50	
DEC 2015 FEES & EXPENSES	<u>4,436.17</u>	
		6,670.67
<u>Everett Sinor, Jr.</u>		
NOV 2015 FEES & EXPENSES	3,032.98	
DEC 2015 FEES & EXPENSES	<u>2,788.19</u>	
		<u>5,821.17</u>
TOTAL FEES		12,491.84



NOVEMBER 2015 FEES & EXPENSES

RMI BILLING - LHWD DETAIL
11/1/15 Through 11/30/15

2/11/16

Date	Num	Description	Memo	Category	Amount
		EXPENSES			
		5610-CONTRACT LABOR			
		RMI-CONTRACT LABOR - RMI			
11/30/15	1105	JBB NOV CHARGES	JBB 2.6 HRS	5610:RMI/LHWD	-387.40
11/30/15	1106	BBS NOV CHARGES	BBS 0.5 HRS	5610:RMI/LHWD	-54.50
11/30/15	1108	REM NOV CHARGES	REM 10.10 HRS	5610:RMI/LHWD	-1,403.90
11/30/15	1109	JC2 NOV CHARGES	JC2 4.00 HRS	5610:RMI/LHWD	-144.00
		TOTAL RMI-CONTRACT LABOR - RMI			-1,989.80
		TOTAL 5610-CONTRACT LABOR			-1,989.80
11/30/15	1119	5690-RMI OH EXPENSE		5690/LHWD	-240.80
		NOV OHALLOC			-240.80
		TOTAL 5690-RMI OH EXPENSE			
11/30/15	S	5697-OTHER CONTRACT LABOR			
		EVERETT SINOR JR	NOVEMBER INVOICE	5697/LHWD	-3,032.98
		TOTAL 5697-OTHER CONTRACT LABOR			-3,032.98
11/30/15	1122	6205-COPIES			
		NOV COPY CHARGES		6205/LHWD	-3.90
		TOTAL 6205-COPIES			-3.90
		TOTAL EXPENSES			-5,267.48
		OVERALL TOTAL			-5,267.48

Receivership Management, Inc.
P. O. Box 2307
Brentwood, TN 37024

Invoice for Professional Services

LAUREL HILLS WATER DISTRICT **November 2015**

Date	Person	Description	Hours	Rate	Total
11/2/2015	Jere P. Cowan	TELEPHONE CONVERSATIONS WITH L. COOPER RE: MINIMUM NEEDED FOR BANKING ACCOUNT;	0.2	\$50.00	\$10.00
11/2/2015	Robert E. Moore, Jr.	REVIEW AND RESPOND TO EMAILS RE: CONFERENCE CALL WITH S.BOZARTH AND E. SINOR .10; MEETING WITH B.SPAULDING RE: EMAIL ON ACCOUNT SET UP .2	0.3	\$153.00	\$45.90
11/3/2015	Jere P. Cowan	STRATEGY CONFERENCE WITH J. BRYANT, R. MOORE AND B. SPAULDING RE: INVOICING, PAYMENTS, FUNDING	0.2	\$50.00	\$10.00
11/3/2015	Robert E. Moore, Jr.	CONFERENCE CALL WITH E. SINOR AND S.BOZARTH RE: TITLE ISSUES, EASEMENT ISSUES, TANK REPAIR ISSUES, POTENTIAL MEETING WITH MOY TOY AND LAUREL HILLS POA 2.0; REVIEW LETTER FROM M.DAVIS RE: EAGLES NEST, EMAIL SAME TO E. SINOR AND S.BOZARTH .2	2.2	\$153.00	\$336.60
11/5/2015	Jere P. Cowan	TELEPHONE CONVERSATION WITH T. STEPHENS RE: SENDING ENGAGEMENT LETTER; EMAIL TO R. MOORE	0.2	\$50.00	\$10.00
11/9/2015	Robert E. Moore, Jr.	MEETING WITH S.BOZARTH, B.GASTEL, E. SINOR, R.SCHWERER RE: PROPERTY ASSETS TO BE TURNED OVER TO RECEIVER, MEETING WITH E. SINOR RE: CORRESPONDENCE TO B.GASTEL, OTHER ASSET TRANSFER ISSUES PENDING 3.25	3.25	\$153.00	\$497.25
11/11/2015	Jere P. Cowan	CONFERENCE WITH J. BRYANT RE: FUNDING	0.1	\$50.00	\$5.00
11/13/2015	Jere P. Cowan	CONFERENCE WITH J. BRYANT RE: BANKING ACCOUNTS; PREPARE MATERIALS FOR DELIVERY TO REGIONS FOR NEW ACCOUNT SET UP; TRAVEL TO REGIONS FOR MEETING WITH L. COOPER RE: NEW-ACCOUNT DETAILS AND SET UP; COMPLETE SAME; RETURN TRAVEL	1.2	\$50.00	\$60.00
11/13/2015	Robert E. Moore, Jr.	REVIEW AND RESPOND TO EMAILS FROM E. SINOR RE: TRA DIRECTORS MEETING, GERALD WILLIAMS CALL .10	0.1	\$153.00	\$15.30

Wednesday, February 10, 2016

LAUREL HILLS WATER DISTRICT

November 2015

Date	Name	Description	Hours	Amount	Total
11/16/2015	Jere P. Cowan	ASSIST R. MOORE RE: DRAFT EXHIBITS AND SUPPORTING MATERIALS FOR RECEIVERS STATUS REPORTING; UPDATE ACCOUNTING RECORDS RE: RATE SCHEDULES	0.7	\$550.00	\$355.00
11/19/2015	Jere P. Cowan	TELEPHONE CONVERSATION WITH L. COOPER AT REGIONS RE: ACCOUNT SET UP CHECKS; EMAIL R. MOORE AND B. SPAULDING RE: SAME	0.2	\$550.00	\$10.00
11/23/2015	Billy B. Spaulding	PREPARE MONTH END CLOSING ENTRIES AND UPDATE TRIAL BALANCE THRU 10-31-15. INSPECT ASSET AND LIABILITY . ACCOUNTS FOR PROPER BACKUP DOCUMENTATION. PREPARE SCHEDULE OF RECEIPTS AND DISBURSEMENTS THRU 10-31-15.	0.5	\$123.00	\$61.50
11/23/2015	Jere P. Cowan	ASSISTANCE WITH PREPARATION OF RECEIVERS STATUS REPORTING FOR COURT FILING; PREPARATION OF EXHIBITS AND SUPPORTING MATERIALS FOR SAME; CONFERENCE WITH B. SPAULDING RE: SAME	1.2	\$550.00	\$60.00
11/23/2015	Robert E. Moore, Jr.	PRE HEARING MEETING WITH E. SINOR RE: PRESENTATION TO TRA, LACK OF UPDATES FROM B.GASTEL .75; TRA HEARING, MEETING AFTER HEARING WITH TRA STAFF, POST HEARING MEETING WITH E. SINOR, CALL WITH G.WILLIAMS, PLANNING FOR MEETING WITH EAGLES NEST, UPDATE J.BRYA	3.75	\$153.00	\$573.75
11/30/2015	Robert E. Moore, Jr.	PROCESS INVOICES FOR APPROVAL .2; CALL WITH S.MITCHELL RE: LEAK LIABILITY QUESTIONS .10; CALL WITH J.RENAUGH RE: WATER RATES .2	0.5	\$153.00	\$76.50
Total					\$1,806.80

Receivership Management, Inc.
P. O. Box 2307
Brentwood, TN 37024

Invoice for Professional Services

LAUREL HILLS WATER DISTRICT **November 2015**

Date	Name	Description	Hours	Rate	Total
11/2/2015	Jeanne Barnes Bryant	DISCUSSION WITH ROB MOORE RE INFORMATION FROM MEETINGS	0.2	\$163.00	\$32.60
11/3/2015	Jeanne Barnes Bryant	MEETING RE INFORMATION FROM ROB MOORE, QUESTIONS RE MOY TOY AND CONTRACTS, E-MAILS FROM EVERETT SINOR RE RESEARCH ON PROPERTY, UPDATE FROM ROB MOORE AFTER CALL	0.5	\$163.00	\$81.50
11/4/2015	Jeanne Barnes Bryant	DISCUSSION WITH ROB MOORE RE SCHEDULE	0.1	\$163.00	\$16.30
11/6/2015	Jeanne Barnes Bryant	E-MAILS RE PROBLEMS AND SCHEDULE FOR CALL	0.1	\$163.00	\$16.30
11/9/2015	Jeanne Barnes Bryant	E-MAILS RE MEETING, UPDATE FROM ROB MOORE RE SAME	0.2	\$163.00	\$32.60
11/10/2015	Jeanne Barnes Bryant	E-MAIL RE LETTER TO LAUREL HILLS COUNSEL, REVIEW SAME	0.1	\$163.00	\$16.30
11/11/2015	Jeanne Barnes Bryant	E-MAILS AND PROCESS FOR ACCOUNT; E-MAIL FROM ROB MOORE RE ACCOUNTANT CONTRACT, CALL RE SAME	0.2	\$163.00	\$32.60
11/12/2015	Jeanne Barnes Bryant	QUESTION RE CHECKING ACCOUNT, REVIEW ACCOUNTANT CONTRACT, DISCUSSION WITH BILLY SPAULDING RE SAME	0.2	\$163.00	\$32.60
11/13/2015	Jeanne Barnes Bryant	REVIEW AND SIGN BANK FORMS	0.1	\$163.00	\$16.30
11/16/2015	Jeanne Barnes Bryant	E-MAIL RE REPORT	0.1	\$163.00	\$16.30
11/17/2015	Jeanne Barnes Bryant	REVIEW REPORT, E-MAILS RE SAME	0.4	\$163.00	\$65.20
11/18/2015	Jeanne Barnes Bryant	E-MAIL FROM BILLY SPAULDING RE EXHIBIT	0.1	\$163.00	\$16.30
11/23/2015	Jeanne Barnes Bryant	E-MAIL FROM BILLY SPAULDING RE OCTOBER COSTS, DISCUSSION WITH ROB MOORE RE HEARING, DISCUSSION WITH ROB MOORE RE RATE FILING	0.3	\$163.00	\$48.90

Total **\$423.80**

Wednesday, February 10, 2016

**G. Everett Sinor, Jr.
Attorney at Law**

RECEIVERSHIPS ADMIN. OFFICE

DEC 04 2015

RECEIVED

December 1, 2015

Receivership Management, Inc.
Attn: Mr. Robert E. Moore, Jr.
783 Old Hickory Boulevard, Suite 255
Brentwood, Tennessee 37027

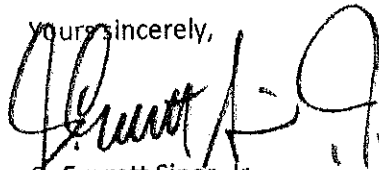
RE: November 2015 Billing – RMI/Laurel Hills Water System in Receivership

VIA UNITED STATES FIRST CLASS MAIL & ELECTRONIC MAIL

Dear Mr. Moore:

Please find enclosed herewith my billings for the previous month. If you have any questions about this bill, please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in black ink, appearing to read "G. Everett Sinor, Jr.", written over a horizontal line.

G. Everett Sinor, Jr.
Attorney at Law

Enclosure

G. Everett Sinor, Jr., Attorney at Law

<u>Date</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Fee</u>
11/1/2015	Review of e-mails from Rob Moore and Shiva Bozarth	0.1		
11/2/2015	Reivew R. Moore and S. Bozarth e-mails; calendar invitation, review of S. Bozarth attached documents, including settlement order, revocable license, and J. Moore chronology	1.6		
11/3/2015	Conf. call w R. Moore and S Bozarth; call to B. Gastel; review of Eagles Nest letter from Melanie Davis	2.0		
11/4/2015	Read S. Bozarth/E. Bolin email exchange; T.C. w Ben Gastel re titling issues and meeting; e-mail to S. Bozarth and R. Moore re same	0.5		
11/6/2015	R. Moore e-mail; B. Gastel e-mail	0.1		
11/9/2015	S. Bozarth e-mail; T.C. w B. Gastel prior to meeting; drive to Nashville, Tenn.; mtg in Nashville w Ben Gastel, S. Bozarth and R. Moore and C.C. w R. Schwermer re water system and water tower tract titling, easement and licensure issues; mtg. w R. Moore re settlement agreement and order appointing receiver; C.C. w R. Moore and S. Bozarth	4.4		
11/10/2015	Letter to Cumberland County Register of Deeds recording settlement agreement and order; T.C. w R. Moore; email from S. Bozarth; internet review of Integra Water	0.9		
11/11/2015	Letter to B. Gastel completion and mailing; T.C. w Sean McMillan w Integra Water LLC re Laurel Hills Water System and Integra's qualifications; e-mail to R. Moore re: same	0.8		
11/12/2015	E-mail to G. Williams w COWD; T.C. w Shiva Bozarth re: appearance before TRA meeting; T.C. w R. Moore	0.2		
11/13/2015	T.C. w G. Williams w COWD re: McQueen status and engineering issues re Eagle's Rest; e-mail to R. Moore re same; T.C. w S. Bozarth confirming attendance at TRA; call to R. Moore re developments	0.6		
11/17/2015	Review first draft of First Report of Receiver; suggest revisions to First Report; review J. Bryant revisions and e-mail	0.9		
11/18/2015	Review of notes and first report of receiver; T.C. w Rob Moore re: report, Eagle's Nest, COWD, Cumberland County, and grant writing	1.2		

G. Everett Sinor, Jr.
3504 Robin Road
Nashville, Tennessee 37204
615.969.9027
Everett.Sinor@gmail.com

11/19/2015	Review of G. Williams email; Review of R. Moore email and letter to Laurel Hills customers	0.1		
11/23/2015	Meeting w R. Moore re Laurel Hills issues; attendance at participation in TRA meeting; meeting w staff of TRA following TRA meeting; meeting w R. Moore concerning legal and engineering issues of Laurel Hills water system and plans for Eagle's Nest, Renegade Mtn. CC, and Crab Orchard Utility District meetings	4.2		
11/24/2015	Review of irrevocable license agreement draft and letter to Cumberland County Mayor re: e911 tower; T.C. w S. Bozarth; T.C. w Wendell Harkleford with Eagle's Nest; T.C. w J. Moore w Renegade Mtn CC; T.C. w G. Williams w COUD; T.C. w E. Bolin w COUD; T.C. w Mayor Carey re: e911 antenna, tower issues, and grant possibilities; T.C. w S. Bozarth re letter and proposed license agreement, and Terra Mountain conveyance	2.1		
11/25/2015	2 T.C.s w Rob Moore to discuss conversations w/ Renegade Mtn interested parties, rate filing and meetings on 12/7	0.5		
11/30/2015	T.C. w E. Bolin; T.C. w G. Williams; T.C. w Mayor Carey's office setting up meeting; e-mails to and from R Moore re meetings and S Bozarth rate mtg request	<u>0.7</u>		
	Hourly Billing Total	20.9	\$140.00	\$2,926.00
		<u>Miles</u>	<u>Rate</u>	
11/9/2015	Drive to Nashville Tenn. from Brentwood Tenn. for TRA meeting	<u>10.6</u>		
	Mileage Total	10.6	\$0.47	<u>\$4.98</u>
11/10/2015	Cost of Recordation of Order Approving Settlement Agreement between TRA and Laurel Hills	\$102.00		
	Other Expenses Reimburseable Total			<u>\$102.00</u>
	Balance Owed this month			\$3,032.98

G. Everett Sinor, Jr.
3504 Robin Road
Nashville, Tennessee 37204
615.969.9027
Everett.Sinor@gmail.com

Previous Balance Owed

\$5,411.78

Total Amount Due and Payable

\$8,444.76

Please remit payment to: Everett Sinor, 3504 Robin Road, Nashville, Tennessee 37204

G. Everett Sinor, Jr.
3504 Robin Road
Nashville, Tennessee 37204
615.969.9027
Everett.Sinor@gmail.com

Laurel Hills notes

exp

JUDY GRAHAM SWALLOWS
Register of Deeds
CUMBERLAND County, TN

Payment Receipt
Batch# 95425

11/16/2015

RCVD OF: EVERETT SINDR

When Revenue Is Paid By Check, Receipt
Is Not Valid Until Check Is Paid By Bank

Check # 5265 102.00

Inst # 15013462 10:10 AM
MISC. INSTRUMENT

Book: 1464 Page: 421

Grantor: LAUREL HILLS CONDOMINIUMS PROPER

Grantee: TO WHOM IT MAY CONCERN

Recording Fee 100.00

BP Fee 2.00

Document Total: 102.00

Batch Total: 102.00

Return To:
EVERETT SINDR

DECEMBER 2015 FEES & EXPENSES

RMI BILLING - LHWD DETAIL
12/1/15 Through 12/31/15

2/11/16

Date	Num	Description	Memo	Category	Amount
		EXPENSES			
		5610-CONTRACT LABOR			
		RMI-CONTRACT LABOR - RMI			
12/31/15	1207	S BBS DEC CHARGES	BBS 4.50 HRS	5610:RMI/LHWD	-490.50
12/31/15	1210	S REM DEC CHARGES	REM 22.5 HRS	5610:RMI/LHWD	-3,127.50
12/31/15	1212	S JC2 DEC CHARGES	JC2 5.00 HRS	5610:RMI/LHWD	-180.00
		TOTAL RMI-CONTRACT LABOR - RMI			-3,798.00
		TOTAL 5610-CONTRACT LABOR			-3,798.00
		5690-RMI OH EXPENSE			
12/31/15	1227	S DEC OHALLOW		5690/LHWD	-448.00
		TOTAL 5690-RMI OH EXPENSE			-448.00
		5697-OTHER CONTRACT LABOR			
12/31/15	S	EVERETT SINOR JR	DECEMBER INVOICE	5697/LHWD	-2,788.19
		TOTAL 5697-OTHER CONTRACT LABOR			-2,788.19
		6205-COPIES			
12/31/15	1221	S DEC COPY CHARGES		6205/LHWD	-18.60
		TOTAL 6205-COPIES			-18.60
		6210-POSTAGE			
12/31/15	1222	S DEC POSTAGE CHARGES		6210/LHWD	-11.15
		TOTAL 6210-POSTAGE			-11.15
		6222-TELEPHONE LONG DISTANCE			
12/18/15	15685	S WINDSTREAM COMMUNICATIONS		6222/LHWD	-14.00
		TOTAL 6222-TELEPHONE LONG DISTANCE			-14.00
		6350-TRAVEL EXPENSE			
12/31/15	S	ROB MOORE JR	TRAVEL 12-07-15	6350/LHWD	-146.42
		TOTAL 6350-TRAVEL EXPENSE			-146.42
		TOTAL EXPENSES			-7,224.36
		OVERALL TOTAL			-7,224.36

Receivership Management, Inc.
P. O. Box 2307
Brentwood, TN 37024

Invoice for Professional Services

LAUREL HILLS WATER DISTRICT

December 2015

Date	Service Provider	Description of Service	Hours	Rate	Total
12/1/2015	Billy B. Spaulding	PREPARE TY 2015 GL DATABASE FROM QUICKBOOKS FILE PROVIDED BY CPA.	1.5	\$123.00	\$184.50
12/1/2015	Jere P. Cowan	EMAIL FROM L. COOPER AT REGIONS RE: ACCOUNT FUNDING STATUS; EMAIL FROM T. STEPHENS OFFICE SENDING OUTSTANDING INVOICES FOR PAYMENT; REVIEW SAME	0.3	\$50.00	\$15.00
12/1/2015	Robert E. Moore, Jr.	REVIEW AND RESPOND TO EMAIL FROM M.MCCLUNG RE: COMPUTER EQUIPMENT INVOICE .10; EMAIL TO D.FOSTER AT TRA RE: INFORMATION RESEARCH ON RATE FILING .10;	0.2	\$153.00	\$30.60
12/2/2015	Billy B. Spaulding	PHONE CONFERENCE WITH CPA TO DISCUSS BUILDING ACCOUNTING FILES. PREPARE AND DISTRIBUTE ACCOUNTING PROCEDURES TO BE USED. ANALYSIS OF TY 2014 EXPENSES. PREPARE SCHEDULES TO BE USED IN RATE FILING DISCUSSION WITH TRA	2	\$123.00	\$246.00
12/2/2015	Jere P. Cowan	EMAIL FROM B. SPAULDING RE: PROCESSES FOR PAYMENT OF INVOICES RECEIVED AND ADMINISTRATION OF FUNDS RECEIVED; CONFERENCE WITH B. SPAULDING RE: SAME; ASSIST R MOORE RE: STATUS REPORTING AND PREPARATION OF EXHIBITS FOR SAME; CONFERENCE WITH R. MOORE RE: AFFIDAVIT AND LETTER NEEDED FOR EXHIBITS; AND CERTIFICATE OF SERVICE MAILINGS; TELEPHONE CONVERSATION WITH L. COOPER RE: NOTARY	1.1	\$50.00	\$55.00
12/2/2015	Robert E. Moore, Jr.	EMAIL RESPONSE TO D.WEAVER AT BROWN INSURANCE RE: PENDING APPLICATION AND PROBLEMS OF OWNERSHIP .2; CONFERENCE CALL WITH D.FOSTER AND J.SHIRLEY RE: PROCEDURES FOR RATE FILINGS, TARIFFS, INFORMATION CONCERNS 1.2; FINALIZE FIRST REPORT .2	1.6	\$153.00	\$244.80

LAUREL HILLS WATER DISTRICT

December 2015

Date	Name	Description	Hours	Rate	Total
12/3/2015	Jere P. Cowan	ASSIST R. MOORE WITH FINALIZING STATUS REPORTING; EMAIL STATUS REPORT TO SHIVA FOR REVIEW AND EXECUTION OF AFFIDAVIT; EMAIL FROM R. MOORE RE: SAME; EMAIL FROM T. STEPHENS RE: FUNDS DEPOSIT UPDATE; EMAIL FROM B. SPAULDING RE: TRACKING DEPOSITS	1	\$50.00	\$50.00
12/4/2015	Jere P. Cowan	REVIEW DEPOSIT DETAILS; UPDATE ACCOUNTING RECORDS	0.2	\$50.00	\$10.00
12/7/2015	Robert E. Moore, Jr.	REVIEW DRAFT IRREVOCABLE LICENSE AND RESPOND WITH COMMENTS TO S.BOZARTH RE: DRAFT FAILURE TO POSSIBLY MEET SETTLEMENT TERMS .25; PICK UP AFFIDAVIT FROM S.BOZARTH, BRIEF DISCUSSION RE: CROSSVILLE TRIP .25; TRAVEL TO CROSSVILLE TENNESSEE 2.0	2.5	\$153.00	\$382.50
12/8/2015	Jere P. Cowan	TELEPHONE CONVERSATION WITH L. ZABELNY RE: LHWD INVOICES RECEIVED AND EDITS NEEDED; EMAIL RE: SAME; ASSIST R. MOORE WITH FINALIZING STATUS REPORT FOR FILING WITH COURT; EMAIL WITH L. COOPER AT REGIONS RE: FUNDS IN ACCOUNT; EMAIL WITH R. MOORE RE: FINALIZING REPORT AND CERTIFICATE MAILINGS; TRAVEL TO POST OFFICE RE: CERTIFIED MAILING TO COURT	1.2	\$50.00	\$60.00
12/8/2015	Robert E. Moore, Jr.	PRELIMINARY MEETING WITH E.SINOR RE: ISSUES TO REVIEW .25; TRAVEL TO MEETING .25; MEETING WITH E.BOLIN, G.WILLIAMS, W.HARKLEROAD, M.C. DELK, BY TELEPHONE CONFERENCE MELANIE DAVIS AND JOHN MOORE RE: CONDITIONS REQUIRED FOR EAGLES NEST TO JOIN THE SYSTEM, CURRENT STATUS AND CHALLENGES FACING WATER SYSTEM 2.75; TRAVEL TO WATER SYSTEM, WALK SUPPLY LINES, INSPECT PUMPING STATION 2.0; MEETING WITH MAYOR CAREY RE: WATER SYSTEM, WATER TOWN, ISSUES PENDING WITH CUMBERLAND COUNTY .5; REVIEW AND PLANNING MEETING WITH E.SINOR .5; MEETING WITH W.HARKLEROAD AND HIS CIVIL ENGINEER B.FIELDS AT EAGLES NEST, REVIEW SITE AND PROJECT .8; RETURN TRAVEL TO NASHVILLE TN 2.0	9.05	\$153.00	\$1,384.65
12/9/2015	Jere P. Cowan	CREATE ONLINE BANKING ACCOUNTS AND ACCESS; TELEPHONE CONVERSATION WITH L. COOPER AT REGIONS RE: FUNDING; FINALIZE REPORTING AND FORWARD TO CUMBERLAND COUNTY CLERK AND MASTER OFFICE FOR FILING	1	\$50.00	\$50.00

LAUREL HILLS WATER DISTRICT

December 2015

Date	Name	Description	Hours	Rate	Total
12/9/2015	Robert E. Moore, Jr.	CALL WITH S.BOZARTH RE: MEETING UPDATE .4	0.4	\$153.00	\$61.20
12/10/2015	Robert E. Moore, Jr.	REVIEW EMAIL FROM BARRY FIELDS AND RESPOND RE: SIGNATURE REQUEST .10; PREPARE MEMO FOR S.BOZARTH RE: MEETINGS IN CROSSVILLE .75; DRAFTING EMERGENCY PETITION 2.3	3.15	\$153.00	\$481.95
12/14/2015	Robert E. Moore, Jr.	CALL WITH S.BOZARTH RE: SHOW CAUSE PROCEEDING .10; MEETING WITH B.SPAULDING RE: EXHIBITS TO RATE FILING .6; REVIEW WORKSHEETS FROM B.SPAULDING, EMAIL QUESTIONS-OBSERVATIONS TO B.SPAULDING, J.BRYANT, AND E.SINOR ON RATES 1.2	1.9	\$153.00	\$290.70
12/15/2015	Billy B. Spaulding	DISCUSSIONS WITH R MOORE ON PROJECTION OF EXPENSE AND RECEIPT ESTIMATES.	1	\$123.00	\$123.00
12/15/2015	Robert E. Moore, Jr.	QUESTIONS FROM E.SINOR RE: NEW SERVICE PROCEDURE, ADVISE ON SAME, REVIEW EMAIL FROM E.SINOR TO T.STEVENS RE: NEW SERVICE-SAME ISSUE .10	0.1	\$153.00	\$15.30
12/16/2015	Robert E. Moore, Jr.	FINALIZE DRAFT PETITION AND TWO PRELIMINARY EXHIBITS, DISCUSS SAME WITH B.SPAULDING, FORWARD TO TRA STAFF FOR DRAFT REVIEW 1.15; EMAIL TO M.MCCLUNG RE: LAUREL HILLS CONDO PAYMENT OF WATER SERVICES .10; EMAILS FROM E.SINOR RE: HARKELROAD EAGLES NEST INFORMATION RESPOND TO SAME .10; REVIEW OF PLANS AND DISCUSSION WITH E.SINOR .25; CALL WITH B.FIELD RE: ENGINEER DRAWINGS AND REPORT .25; CALL WITH S.BOZARTH RE: EAGLES NEST APPLICATION .10	1.95	\$153.00	\$298.35
12/17/2015	Robert E. Moore, Jr.	CALL WITH S.BOZARTH RE: QUESTIONS ON WATER TANK AND PROPERTY USE RIGHTS, SETTLEMENT AGREEMENT PROVISIONS .4	0.4	\$153.00	\$61.20
12/18/2015	Robert E. Moore, Jr.	CALL WITH TRA RE: QUESTIONS ON RATES AND FILINGS .75	0.75	\$153.00	\$114.75
12/21/2015	Jere P. Cowan	EMAIL FROM T. STEPHENS SENDING DEPOSIT RECORDS; UPDATE SAME	0.1	\$50.00	\$5.00
12/22/2015	Jere P. Cowan	EMAIL FROM T. STEPHENS AND B. SPAULDING RE: VEC INVOICES	0.1	\$50.00	\$5.00
12/22/2015	Robert E. Moore, Jr.	EMAIL FROM B.SPAULDING RE: VOLUNTEER ELECTRIC ISSUE .10	0.1	\$153.00	\$15.30
12/28/2015	Robert E. Moore, Jr.	CALL WITH W.HARKELROAD RE: EAGLES NEST EXTENSION, EMAIL FROM W.HARKELROAD AND E.SINOR RE: SAME .4	0.4	\$153.00	\$61.20

LAUREL HILLS WATER DISTRICT

December 2015

Total

\$4,246.00

	A	B	C	D	E	F
1	RMI TRAVEL REIMBURSEMENT REQUEST					
2						
3	TRAVEL TO:		<u>Crossville Tennessee</u>			
4						
5	COMPANY TO CHARGE:		<u>LWHD</u>			
6						
7	DATES IN TRAVEL STATUS		<u>12/7/2015 TO 12/8/2015</u>			
8						
9	PER DIEM REIMBURSEMENT @\$39 PER DAY (3/4 1ST & LAST DAYS)					
10						
11	ENTER DATE IN COLUMN A AND AMOUNT IN COLUMN D					
12						
13	12/7/2015			29.25		
14	12/8/2015			29.25		
15						
16						
17						
18						
19						
20					<u>58.50</u>	
21						
22	MILEAGE REIMB @ 47 CENTS PER MILE					
23						
24	ENTER DATE IN COLUMN A AND MILES IN COLUMN B					
25						
26		MILES	RATE	AMOUNT		
27						
28			0.470	-		
29			0.470	-		
30			0.470	-		
31						
32						
33						
34					<u>-</u>	
35						
36						
37	LODGING TOTAL				<u>87.92</u>	
38	ENTER TOTAL LODGING FOR TRIP. DO NOT					
39	BREAK DOWN TOTAL BY DAY. ATTACH INVOICE.					
40						
41						
42	OTHER EXPENSES:					
43	ENTER BRIEF DESCRIPTION IN COLUMN A AND AMT IN COLUMN D					
44						
45						
46						
47						
48						
49					<u>-</u>	
50						
51						
52	SUMMARY					
53	\$	58.50	PER DIEM REIMBURSEMENT @\$39 PER DAY (3/4 1ST & LAST DAYS)			
54		-	MILEAGE REIMB @ 47 CENTS PER MILE			
55		87.92	LODGING TOTAL			
56		-	OTHER EXPENSES:			
57	\$	<u>146.42</u>	REIMBURSEMENT REQUESTED			
58						
59	1/5/2016 13:44					

*rodewith
E. Sinoe*

[Signature]
Posted
BI
1.8.15



BAYMONT CROSSVILLE

4038 HIGHWAY 127 NORTH
CROSSVILLE, TN 38571 US

Phone: (931) 456-9338

Fax: (931) 456-8758

Email: rajpatel@baymontinncrossville.net

Printed: 12/8/2015 7:50:35 AM

Folio (Detailed)

Name:	MOORE, ROBERT		Confirmation Number:	88116027	
			Account Number:	005-911540	
			WyndhamRewards #:	152235401D	
Address:	749 HOUSE AVE MADISON, TN 37115 US		Nights:	1	Guests: 1/0
Room:	219	Room Type:	NQQ1,		
Rate Plan:	SDC1	Daily Rate:	\$74.99 + \$12.93 Tax	GTD: VI - VISA	
Arrival:	12/7/2015 (Mon)	Departure:	12/8/2015 (Tue)	XXXX XXXX XXXX 0004	

Room Rate:
12/7/2015 (Mon) - 12/7/2015 (Mon) \$74.99 + \$12.93 Tax per night.

Date	Code	Description	Amount	Balance
12/7/2015	RM	ROOM CHARGE	\$74.99	\$74.99
12/7/2015	TAX1	STATE TAX	\$7.31	\$82.30
12/7/2015	TAX2	CITY TAX	\$5.62	\$87.92
12/8/2015	VI	VISA XXXX XXXX XXXX 0004	(\$87.92)	\$0.00

Summary

Room	Tax	F&B	Other	CC	Cash	DB
\$74.99	\$12.93	\$0.00	\$0.00	(\$87.92)	\$0.00	\$0.00

By signing below, I agree to these terms and conditions.

Guest Signature: _____

(1) Regardless of charge instructions, the undersigned acknowledges the above as personal indebtedness. (2) This property is privately owned and management reserves the right to refuse services to any one, and will not be responsible for injury or accidents to guests or loss of money, jewelry or any personal valuables of any kind.
"We or our affiliates may contact you about goods and services unless you call 888-946-4283 or write to Opt/Privacy, Wyndham Hotel Group, LLC, 22 Sylvan Way, Parsippany, NJ 07054 to opt out. View our website about privacy."

**G. Everett Sinor, Jr.
Attorney at Law**

January 4, 2015

Receivership Management, Inc.
Attn: Mr. Robert E. Moore, Jr.
1101 Kermit Drive, Suite 735
Nashville, Tennessee 37217

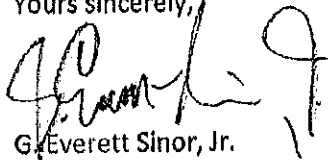
RE: December 2015 Billing – RMI/Laurel Hills Water System In Receivership

VIA UNITED STATES FIRST CLASS MAIL & ELECTRONIC MAIL

Dear Mr. Moore:

Please find enclosed herewith my billings for the previous month. If you have any questions about this bill, please do not hesitate to contact me.

Yours sincerely,



G. Everett Sinor, Jr.
Attorney at Law

Enclosure

G. Everett Sinor, Jr., Attorney at Law

<u>Date</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Fee</u>
12/1/2015	T.C. w Melanie Davis re J Moore and W Harkleroad meetings; T.C. w W Harkleroad concerning December visit; T.C. w R. Moore concerning developments; e-mail to S Bozarth on rate filing meeting; T.C. w S. Bozarth re: rate filing meeting; review of R. Moore email to M. McClung re: bill from internet service provider	0.5		
12/2/2015	E-mails to J. Moore & W. Harkleroad re meetings; email to R. Moore; T.C. with Mayor Carey's office	0.2		
12/3/2015	Confirmation of all meetings in Crossville for the subsequent week; e-mail to R. Moore; review of T. Stephens email	0.4		
12/5/2015	Review of J Moore email	0.1		
12/7/2015	R. Schwerer email and S. Bozarth email review; review draft revocable license agreement; email to S. Bozarth; drive to Crossville, Tenn for meetings; read M. Davis email, letter & attachments	2.7		
12/8/2015	Meeting w R. Moore; Drive to COUD; meeting w W. Harkleroad, E. Bolin, G. Williams, R. Moore & KC re: COUD interests, Eagle's Nest interests, and LH Water System engineering and legal issues; meeting w R. Moore re: same; drive from Crossville to Crab Orchard; viewing/tracking of water system supply line; drive from Crab Orchard to Crossville; meeting with Mayor Carey re: e911 tower and county's interest in Renegade Mountain; meeting w W. Harkleroad and Brian Field w FECS re: Eagle's Nest development and engineering issues to hook up spec home and other homes in development; drive from Crossville to Nashville	10.5		
12/14/2015	Review R Moore email on LHWS budget & rate filing	0.1		
12/15/2015	T.C. w Gerald Williams w COUD re Mike Neale; T.C. w Mike Neale re new service; T.C. w Terry Stephens regarding Mr. Neale's water service; email to T Stephens	0.2		
12/16/2015	Read W Harkleroad email; email to R Moore re Harkleroad request for letter; review J. Bryant and R. Moore emails; respond to W. Harkleroad's email request for a letter; c.call w engineer (Barry Field) for Eagles' Nest to discuss his report; review of engineer's report for Eagle's Nest; review of draft emergency tariff filing; conf. call w S Bozarth re engineering plans and TRA jurisdiction, and discussion re TRA show cause hearing	1.2		

G. Everett Sinor, Jr.
 3504 Robln Road
 Nashville, Tennessee 37204
 615.969.9027
 Everett.Sinor@gmail.com

12/17/2015	Prepare draft response letter to Upper Cumberland Comm. District as requested by W Harkleroad; send draft to R Moore and J Bryant; review and make suggested revisions to letter and send letter and email	1.3		
12/18/2015	Email from and to W Harkleroad re: Cumberland Co Planning Commission deliberations on Eagles Nest; T.C. w W Harkleroad re: same; email to J Bryant and R Moore re: same; e-mail to W Harkleroad regarding authority of G Williams to sign Eagles nest plans/plat	0.3		
12/21/2015	T.C. (2) w Shiva Bozarth; emails (2) to Rob Moore; T.C. w E. Bolin w COUD and review letter from E Bolin re: expansion of Laurel Hills WS to Eagles Nest Development	0.3		
12/22/2015	Email from S Bozarth re COUD letter; email to R Moore re same	0.1		
12/29/2015	E-mail from W Harkleroad re hookup to LHWS; email to R Moore re same	<u>0.1</u>		

Hourly Billing Total **18.0** **\$140.00** **\$2,520.00**

		<u>Miles</u>	<u>Rate</u>	
12/7/2015	Mileage (Nashville to Crossville)	113.2		
12/8/2015	Mileage (Crossville to Crab Orchard)	10.1		
12/8/2015	Mileage (Crab Orchard to Crossville)	10.1		
12/8/2015	Mileage (Crossville to Nashville)	<u>113.2</u>		

Mileage Total **246.6** **\$0.47** **\$115.90**

12/7/2015	Travel Day Meals Per Diem	\$29.25
12/8/2015	Travel Day Meals Per Diem	\$29.25
12/8/2015	Lodging at Baymont Inn Crossville for 1 night	\$93.79

Other Expenses Reimburseable Total **\$152.29**

Balance Owed this month **\$2,788.19**

*posted
1-8-16*

G. Everett Sinor, Jr.
3504 Robin Road
Nashville, Tennessee 37204
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Everett.Sinor@gmail.com

Previous Balance Owed \$8,444.76

Total Amount Due and Payable \$11,232.95

Please remit payment to: Everett Snor, 3504 Robin Road, Nashville, Tennessee 37204

G. Everett Snor, Jr.
3504 Robin Road
Nashville, Tennessee 37204
615.989.9027
Everett.Snor@gmail.com



BAYMONT CROSSVILLE

4038 HIGHWAY 127 NORTH
CROSSVILLE, TN 38571 US

Phone: (931) 456-9338

Fax: (931) 456-8758

Email: rajpatel@baymontinncrossville.net

Printed: 12/8/2015 7:48:09 AM

Folio (Detailed)

Name: SINOR, GEORGE

Confirmation Number: 86703409
Account Number: 092-077902
WyndhamRewards #: 151571931B

Address: 3504 ROBIN RD
NASHVILLE, TN 37204 US

Room: 319 Room Type: NK1, Nights: 1 Guests: 1/0
Rate Plan: RACK Dally Rate: \$79.99 + \$13.80 Tax GTD: VI - VISA
Arrival: 12/7/2015 (Mon) Departure: 12/8/2015 (Tue) XXXX XXXX XXXX 1246

Room Rate:
12/7/2015 (Mon) - 12/7/2015 (Mon) \$79.99 + \$13.80 Tax per night.

Date	Code	Description	Amount	Balance
12/7/2015	RM	ROOM CHARGE	\$79.99	\$79.99
12/7/2015	TAX1	STATE TAX	\$7.80	\$87.79
12/7/2015	TAX2	CITY TAX	\$6.00	\$93.79
12/8/2015	VI	VISA XXXX XXXX XXXX 1246	(\$93.79)	\$0.00

Summary

Room	Tax	F&B	Other	CC	Cash	DB
\$79.99	\$13.80	\$0.00	\$0.00	(\$93.79)	\$0.00	\$0.00

By signing below, I agree to these terms and conditions.

Guest Signature: _____

(1) Regardless of charge instructions, the undersigned acknowledges the above as personal indebtedness. (2) This property is privately owned and management reserves the right to refuse services to any one, and will not be responsible for injury or accidents to guests or loss of money, jewelry or any personal valuables of any kind.

"We or our affiliates may contact you about goods and services unless you call 888-946-4283 or write to Opt/Privacy, Wyndham Hotel Group, LLC, 22 Sylvan Way, Parsippany, NJ 07054 to opt out. View our website about privacy."

IN THE CHANCERY COURT OF CUMBERLAND COUNTY, TENNESSEE
THIRTEENTH JUDICIAL DISTRICT, AT CROSSVILLE

TENNESSEE REGULATORY AUTHORITY)

Petitioner,)

v.)

LAUREL HILLS CONDOMINIUMS)
PROPERTY OWNERS ASSOCIATION)

Respondent.)

No. 2012-CH-560
Chancellor Thurman

AFFIDAVIT OF SHIVA K. BOZARTH

STATE OF TENNESSEE)

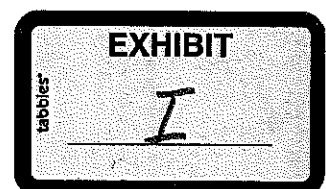
COUNTY OF DAVIDSON)

COMES NOW, Shiva K. Bozarth, after being duly sworn, state as follows:

1. I am of majority age and have personal knowledge of the facts set forth herein. I submit this Affidavit in support of the Receiver's Motion for Approval of Fees and Expenses and Interim Taxation of Costs.

2. I am the Chief of Compliance and Counsel for the Tennessee Regulatory Authority in this matter. Pursuant to Tennessee law, the Tennessee Regulatory Authority took over the operations of the Laurel Hills Water System and moved this Court to appoint Receivership Management, Inc. as Receiver. Said Motion was granted on October 26, 2015.

3. Either I, or my staff at my direction, have reviewed the invoices for fees and expenses contained in this filing for the services performed by the Receiver for the period of November 1, 2015 through December 31, 2015.



4. Based on my personal review, and the recommendations of my staff, I have determined that the rates being charged by the Receiver for the services provided are either at a discounted or market rate for the area.

5. Either I, or my staff at my direction, have reviewed the invoices for fees and expenses presented by the Receiver, and I have determined that all of the fees charged are fair, reasonable and proper for the services provided and that they are necessary costs of this Receivership. The invoices for fees and expenses attached as Exhibits to the Receiver's Motion note the work performed, the amount charged and the person performing the work. No billings were excessive or duplicative.


6. Furthermore, either I, or my staff at my direction, have reviewed the fees and expenses for outside counsel approved by the Receiver and presented with this filing, and, based upon this review and the recommendations of the Receiver, I have determined that both the rate and the amount of those fees and expenses are fair, reasonable and proper for the services provided.

7. I believe that all fees and expenses contained in this filing and presented for approval are fair, reasonable and proper for the necessary services provided.

[intentionally blank]

8. Pursuant to the Court's October 26, 2015 Order Appointing Receiver, I request that the Court approve the fees and expenses, as submitted and supported, and that the Court order payment of those amounts as an interim taxation of costs in this matter.

FURTHER THE AFFIANT SAITH NOT.



SHIVA K. BOZARTH

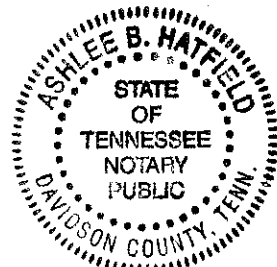
Sworn to and subscribed before me this

22nd day of February, 2015.



NOTARY PUBLIC

My commission expires: March 8, 2016



My Commission Expires MAR. 8, 2016

3. The Receiver has filed a Motion for interim fees and expenses in the RBS Receivership. The Receiver's Motion seeks approval of the amount of fees and expenses incurred for the period of time between November 1, 2015 through December 31, 2015.

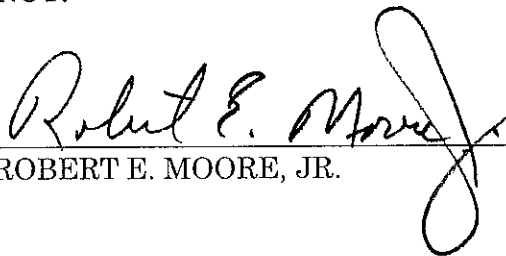
4. I have reviewed all of the fee and expense items for the staff of Receivership Management, Inc. who have performed services to this Receivership, the overhead and operating charges of Receivership Management, Inc. The fees and expenses were necessary for the work provided and are not duplicative or excessive. I believe the fees presented for approval are fair, reasonable and proper for the services provided. I have also determined that the rates charged by these individuals for the services provided are either at a discounted or market rate for their area.

5. Therefore, I believe that all fees and expenses presented for approval contained in this filing are fair, reasonable and proper for the necessary services provided.

[intentionally blank]

6. Based upon an initial review of financial documentation for LHWS, it does not appear that there are assets available for matters beyond the operational needs of LHWS. There are not sufficient assets available to address the payment of the fees and expenses presented for approval in the Receiver's Motion. Accordingly, and pursuant to the Court's October 26, 2015 Order Appointing Receiver, it is requested that the Court order an interim taxation of costs in the amount of \$12,491.84 (i.e., the amount of fees and expenses set forth in the Receiver's Motion).

FURTHER THE AFFIANT SAITH NOT.



ROBERT E. MOORE, JR.

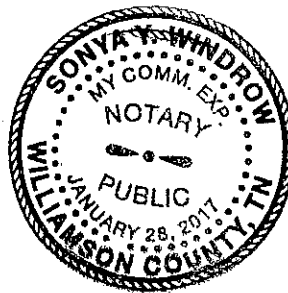
Sworn to and subscribed before me on this

12 day of February, 2017.



Notary Public

Commission Expires: January 28, 2017



STATE OF TENNESSEE
IN THE CHANCERY COURT FOR CUMBERLAND COUNTY
THIRTEENTH JUDICIAL DISTRICT
AT CROSSVILLE

TENNESSEE REGULATORY AUTHORITY)

v.)

LAUREL HILLS CONDOMINIUMS)
PROPERTY OWNERS ASSOCIATION)

\ Docket No. 2012-CH-560
/ Chancellor Thurman

ORDER GRANTING RECEIVER'S MOTION

On motion of Receivership Management, Inc. [hereinafter the Receiver], filed with this Honorable Court on or about the ____ day of February, 2016, the Receiver petitioned this Honorable Court to approve the Receiver's fees and expenses for November and December of 2015 and tax costs on an interim basis in the amount of such fees and expenses to the Plaintiff, the Tennessee Regulatory Authority.

The Receiver's motion being well taken, and no opposition being filed with this Honorable Court within ten (10) calendar days of the filing date of the Receiver's motion, it is **ORDERED, ADJUDGED, and DECREED** that the Receiver's fees and expenses are hereby **APPROVED** in the amount of \$12,491.84, and costs are taxed on an interim basis to the Plaintiff, the Tennessee Regulatory Authority, in said amount.

ENTERED this ____ day of _____, 2016.

The Honorable Ronald Thurman, Chancellor

PREPARED FOR ENTRY:



G. Everett Sinor, Jr. (BPR #017564)

Attorney at Law

Counsel for Receivership Management, Inc.

3504 Robin Road

Nashville, Tennessee 37204

615.969.9027

Everett.Sinor@gmail.com

Certificate of Service

The undersigned hereby certifies that a true and correct copy of the foregoing pleading has been served upon the parties hereto and the other persons listed below, at:

Shiva K. Bozarth, Esq.
Chief of Compliance
Counsel for Tennessee Regulatory Authority
502 Deaderick Street, Fourth Floor
Nashville, Tennessee 37243

Donald Scholes, Esq.
Benjamin Gastel, Esq.
Branstetter, Stranch & Jennings
Counsel for Laurel Hills Condominiums
Property Owners Association
223 Rosa L. Parks Boulevard, Suite 200
Nashville, Tennessee 37203

Melanie Davis, Esq.
Kizer & Black
329 Cates Street
Maryville, Tennessee 37801

Vance Broemel, Esq.
Consumer Advocate and Protection Division
Tennessee Attorney General and Reporter
Post Office Box 20207
Nashville, Tennessee 37202

Roger York, Esq.
York & Bilbrey
456 North Main Street, Suite 201
Crossville, Tennessee 38555

via the United States Mails, postage prepaid, this ____ day of _____, 2016.

G. Everett Sinor, Jr.