



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

Davy Crockett Tower, 9<sup>th</sup> Floor  
500 James Robertson Pkwy  
Nashville, Tennessee 37243

April 24, 2024

Mr. Mark Rowan  
CFO  
Loblolly Ventures, LLC  
e-copy: [mark@thecaverns.com](mailto:mark@thecaverns.com)

Subject: **Notification of Incomplete Application and Plans  
State Operating Permit No. SOP-23019; WPN24.0207  
LOBLOLLY VENTURES LLC  
The Caverns Yurt Village  
Pelham, Grundy County, Tennessee**

Dear Mr. Rowan:

On March 22, 2024, the Division of Water Resources (the division) received a revised application for the above referenced state operating permit and a preliminary engineering report (PER) titled: *"Preliminary Engineering Report, Wastewater Collection and Disposal, February 2024, The Caverns Yurt Village, Monteagle, TN"* by Mr. Ryan W. Maloney, PE, Griggs and Maloney File No. 1520-01. These documents were prepared by Griggs & Maloney on your behalf. The division recognizes these documents respond to the incomplete application notification from the division dated September 6, 2023, and that the PER moves the project in the direction toward permitting. However, the division requests additional information relative to system ownership and design in order to make a permit decision.

There are at least three facets to ownership that are related to the system design. First, the PER establishes that the sewer system is located at 333 Charlie Roberts Road on a privately-owned farm. The division does not have authority to issue a permit for a person to operate a sewerage system on property belonging to someone else. The division requests a copy of the portions of the lease agreement between Loblolly Ventures, LLC, and the property owner that authorize construction, operation, maintenance and removal of the sewer system along with the portions of the agreement that show when the agreement was executed and by whom.

Second, state regulations<sup>1</sup> require, in part: 1) that the owner own the sewerage system including any parts thereof and 2) that the division impose monitoring and reporting to assure proper operation of the system and adequate treatment of the wastewater. The division cannot impose monitoring conditions on sewage haulers contracted by the permittee. The permittee has to either own and operate hauling equipment itself and arrange an agreement with a treatment plant to receive the wastes for the life of the sewerage system or to somehow have some lawful control over the contracted hauler and its receiver agreement such that the permittee bears responsibility for the hauling and waste delivery. Being licensed by TDEC to haul septage under the subsurface sewage disposal system (SSDS) regulations<sup>2</sup> does not give the division authority to regulate the hauler in the state operating permit. However, state licensing is still required of persons engaged in the business of removing sewage from holding tanks, and the division does not appear to have issued Clean & Green a septage hauler's license.

Third, as stated in the incomplete application notification of September 6, 2023, a private operator of a sewerage system must post a financial security acceptable to the department prior to construction and throughout the operation of the system. In the absence of any basis of design factors that limit the risk to the public health and environment of system failure or abandonment, the division sets the security amount at \$75,000. The Tennessee Department of Environment & Conservation's Division of Financial Responsibility accepts certificates of deposits, letters of credit or performance bonds to satisfy the statutory and regulatory requirement in the Water Quality Control Act. Information regarding necessary documentation can be found at <https://www.tn.gov/environment/about-tdec/fin-financial-responsibility.html>. The security will have to be in the name of the entity that owns the sewerage system equipment. This entity and the permit applicant must also be the same.

The Engineering Services Unit has two concerns specifically related to design that it requests be addressed through MyTDEC Forms, Submission ID # HQ2-AFDM-KZ7CG. First, generally accepted engineering practice for the management of sewage is typically through the use of a conventional subsurface sewage disposal system (or equivalent system under TDEC Rules 0400-48), connection to a publicly owned treatment works or use of a decentralized, land application system. The provided alternatives do not sufficiently rule out all of these technologies. The included letter from the soil scientist does not explain the extent of soils evaluated. The site is located on a 1,000 acre tract of land. The report states that the concessions at the main venue site, owned by Loblolly Ventures, is on a conventional septic system. Is there not an easement along the gravel access to the Yurts that could be used to

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<sup>1</sup> TDEC Rules [0400-40-06](#): State Operating Permits

<sup>2</sup> TDEC Rules [0400-48-01](#): Regulations to Govern Subsurface Sewage Disposal Systems

pump wastewater to property owned by the applicant? Or soils somewhere on the leased farm property for use as subsurface or other non-discharging disposal?

Second, the division acknowledges that it does not have specific criteria for a pump and haul sewage system. However, it is unclear from the proposal how the configuration of the 300-gallon repurposed water tanks is protective of human health and the environment. Wastewater generation rates summarized in the report should be supported by water use, pumpage and occupancy records. If the tanks are connected as proposed, will they be protected from clogging or still be watertight after the connector pipe is added? How are the tanks accessed by the hauler and, if they are above ground, is there secondary containment for potential spillage?

Potentially impacting sewerage system design, the division records show that the status of the drinking water plans for the transient non-community water system serving yurt village, tracking number DW20230694, submitted for division approval are still incomplete. Final design of a water system potentially impacts the design and operation of the sewage system. You should be aware that in accordance with TDEC Rules 0400-40-5-.05 (2), your receipt of this notice does not preclude the division from later requesting additional material that subsequent to the notice of completeness is determined to be necessary for permit processing.

If you have questions, please contact the Chattanooga Environmental Field Office at 1-888-891-TDEC; or, at this office, please contact Ms. Cindy Wheeler at (615) 939-0058 or by E-mail at [Cindy.Wheeler@tn.gov](mailto:Cindy.Wheeler@tn.gov) regarding water or Mr. Wade Murphy at (615) 532-0666 or by E-mail at [Wade.Murphy@tn.gov](mailto:Wade.Murphy@tn.gov) regarding sewer.

Sincerely,



Vojin Janjic, Manager  
Water Based Systems Unit

cc: Mr. Joe Lurgio, General Manager, Loblolly Ventures, LLC, [joe@thecaverns.com](mailto:joe@thecaverns.com)  
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Permit File