

Wade Murphy

From: Wade Murphy
Sent: Tuesday, June 15, 2021 11:57 AM
To: Dave Carter
Subject: RE: Draft Revoke and Reissue; TN0068594; Cumberland Point POA; Cumberland County

Thank you, Dave. I'll make the revisions and send you a copy to proof. Wade

From: Dave Carter <daveacarter@outlook.com>
Sent: Tuesday, June 15, 2021 11:54 AM
To: Wade Murphy <Wade.Murphy@tn.gov>
Subject: [EXTERNAL] Re: Draft Revoke and Reissue; TN0068594; Cumberland Point POA; Cumberland County

Thanks Wade. Cumberland Point fully concurs with your recommendations below, as written.

Dave

From: Wade Murphy <Wade.Murphy@tn.gov>
Sent: Tuesday, June 15, 2021 12:44:29 PM
To: Dave Carter <daveacarter@outlook.com>
Subject: RE: Draft Revoke and Reissue; TN0068594; Cumberland Point POA; Cumberland County

Good morning Dave. I have reviewed the proposed edits to the property owner association conditions, and I am happy to incorporate your suggestions into the final permit for the POA. However, since the revised conditions will be related to your books being kept by "independent professional financial management", I would like to define what we mean by that in this permit. I propose to keep it very simple as in:

For the purposes of this section of the permit, "independent professional financial management" means accounting and/or bookkeeping services by a certified public accountant who is fully licensed as active by the State of Tennessee Accountancy Board and who is not a property owner in, or member of, the Cumberland Point Condominium Property Owner Association.

The proposed language is meant to enable book keeping by an individual with fiduciary responsibility as a licensed CPA without requiring services of a licensed public accounting firm. In the addendum to rationale, I would like to say that [the POA currently uses Terry G. Stephens, CPA, dba Lansford & Stephens, Crossville, TN, for bookkeeping services.](#)

Feel free to comment on my proposed language in blue font.

And thank you for your timely review and comment on your draft permit. Have a great day.



Wade D. Murphy | E.I.
Division of Water Resources, Water-Based Systems Unit
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External Customers: We value your feedback! Please complete our [customer satisfaction survey](#).

From: Dave Carter <daveacarter@outlook.com>

Sent: Thursday, June 10, 2021 12:52 PM

To: Wade Murphy <Wade.Murphy@tn.gov>

Subject: [EXTERNAL] Re: Draft Revoke and Reissue; TN0068594; Cumberland Point POA; Cumberland County

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Wade,

I'm coordinating the attached suggestions informally to solicit your feedback. We are completely satisfied with continuing our permit language in section 3.5 as it currently reads in the draft permit. However, we do think it could be worded where compliance could be less cumbersome for both your office and our association, while fully meeting the intent. If you wouldn't mind could you take a look at the attached suggestions to changes for para. 3.5 (which have the suggested changes in bold), and let me know what you think. We don't want to suggest anything that will slow down the process so if these comments would do so, or are inappropriate I apologize.

Dave

From: Wade Murphy <Wade.Murphy@tn.gov>

Sent: Tuesday, June 8, 2021 3:14:07 PM

To: 'daveacarter@outlook.com' <daveacarter@outlook.com>

Cc: knklemon@hotmail.com <knklemon@hotmail.com>; Beverly Glass <Beverly.L.Glass@tn.gov>; Lucas Hix <Lucas.Hix@tn.gov>

Subject: Draft Revoke and Reissue; TN0068594; Cumberland Point POA; Cumberland County

Mr. Carter, the attachments are the draft permit and the public notice document associated with our proposal to revoke and reissue your sewerage system permit for a new five-year term ahead of its November expiration date. This will enable your permit to reflect your new financial security amount after the 30-day comment period ends in July. Please notice that this new permit also tightens the ammonia limits consistent with last year's planning documents for your new sewer system. Also, this draft permit includes multiple changes associated with new requirements for reporting your effluent monitoring data electronically.

If you have trouble opening these documents, please let me know. We do not plan to send out paper copies unless you instruct us otherwise. If you have any corrections, comments or questions, please contact me.



Wade D. Murphy | E.I.

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3.5. SPECIAL REQUIREMENTS FOR HOMEOWNERS' ASSOCIATIONS

Historically, Homeowners' Associations have been less reliable in STP/collection system operation than municipalities, public utilities, and utility districts. Due to this lack of reliability and/or financial stability, this permit requires that the Homeowners' Association comply with the following provisions:

Operating and Maintenance Fund

1. The Homeowners' Association shall properly operate and maintain the collection system in accordance with the provisions of this permit and all applicable federal and state regulations and law.
2. The Homeowners' Association shall levy and collect any assessments needed to provide the funds required to properly operate and maintain the collection and/or treatment system. Funds required to properly operate and maintain the system shall include monies to fund all operation, maintenance, principle and interest of debt service and depreciation. Should the levied assessments fail to provide the required funds, the Homeowners' Association shall levy additional assessments as necessary.
3. O&M Fund Accounting: The O&M fund shall be **(remove the word “separately)** accounted for in the financial management and accountability system. The O&M fund shall exist for the anticipated life of the collection and/or treatment system.
4. O&M Fund Reporting: The Homeowners' Association shall **have available for the Division's review**, the estimated operation and maintenance costs as specified above along with documentation of the annual assessments to be levied in order to provide the required funds. **This information shall be provided to the Division, upon request by the Division.**

Reserve Fund

1. The Homeowners' Association shall grant authority to the officers of the Association, via the governing documents of the Association and/or its Bylaws, to levy and collect such assessments and/or tap fees in an amount to be determined by the Board of Directors of the Association. Each purchaser of a unit in the

Association area shall be assessed a tap fee. **All revenue from tap fees shall be accounted for in the financial management accounting system showing deposit has been made into to the reserve fund.** The reserve fund shall be restricted to capital expenses, and thus, it may not be applied to operating expenses in the ordinary course of business.

2. The Homeowners' Association shall create, maintain and use reserve funds that are readily available to repair the collection system, in the event of damages, destruction or repair needs that are not considered to be normal maintenance. The reserve funds shall also be adequate to pay any penalties, fines or damage assessments. In determining the adequate amount of reserve funds, the Homeowners' Association must consider life expectancy of equipment, depreciation and replacement costs.

3. Reserve Fund Accounting: The reserve fund shall be separately accounted for in the financial management and accountability of the system. The reserve fund shall exist for the anticipated life of the collection and/or treatment system.

4. Reserve Fund Reporting: **The amount of the reserve funds specified above shall be available to the Division for review and approval at any time after the effective date of this permit. Unless using independent professional financial management services** the Homeowner's Association shall submit to the Division an audit of the Association within sixty (60) days of the effective date of this permit. Thereafter, the Association shall submit an audit to the Division annually. **If the Association uses independent professional financial management the Association will make available and provide complete financial management records to the Division, upon request.**

Funding Priority

The Homeowners' Association, in its Bylaws, or on publicly recorded Plats, shall identify the collection system as a common area which will receive the highest priority for expenditures by the Association except for federal, state and local taxes and insurance.

Association Authority

In addition, the governing documents of the Association shall grant the Association the authority to obtain and execute a lien on any property where the owner fails or refuses to pay the necessary fees and assessments.