

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE

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IN RE:

JOINT APPLICATION OF CARTWRIGHT CREEK, LLC, AND LIMESTONE WATER UTILITY OPERATING COMPANY, LLC, FOR AUTHORITY TO SELL OR TRANSFER TITLE TO THE ASSETS, PROPERTY, AND REAL ESTATE OF A PUBLIC UTILITY AND FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

DOCKET NO.

1
19-01035

JOINT APPLICATION OF CARTWRIGHT CREEK, LLC, AND LIMESTONE WATER UTILITY OPERATING COMPANY, LLC, FOR AUTHORITY TO SELL OR TRANSFER TITLE TO THE ASSETS, PROPERTY, AND REAL ESTATE OF A PUBLIC UTILITY AND FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

Pursuant to Tenn. Code Ann. §§ 65-4-104 and 65-4-113 and TPUC Rules 1220-1-1-.03 and 1220-04-13-.10, Cartwright Creek, LLC, (“Cartwright Creek”) and Limestone Water Utility Operating Company, LLC, (“Limestone”) (collectively “Applicants”) respectfully submit this Joint Application requesting the Tennessee Public Utility Commission (“TPUC” or “Commission”) to authorize Cartwright Creek to sell or transfer title to all assets, property, and real estate currently used to provide regulated wastewater service to customers (“the Transaction”) in three separate service areas in Williamson County, Tennessee. In addition, to enable Limestone to operate the wastewater systems it proposes to acquire, Applicants request the Commission authorize the transfer of Cartwright Creek’s Certificate of Public Convenience and Necessity (“CCN”) or, alternatively, grant Limestone a new CCN pursuant to Tenn. Code Ann. § 65-4-201 and TPUC Rule 1220-4-13-.17.

Under terms of the *Agreement for Sale of Utility System*, as amended, governing sale of the Cartwright Creek wastewater systems, all authorizations and approvals requested in the preceding paragraph, and related accounting, ratemaking, and regulatory approvals, are conditions precedent to closing the Transaction. Because they wish to close the Transaction as soon as possible and also because they believe approving the Transaction and granting Limestone's request for a CCN serve the public interest and are necessary for public convenience, Applicants respectfully request the Commission consider this Joint Application on an expedited basis.

In support of their Joint Application, Applicants submit the following:

I. Introduction

1. The full names, addresses, and contact information for the Applicants are as follows:

Limestone Water Utility Operating Company, LLC
c/o Josiah Cox
Central States Water Resources, Inc.¹
500 Northwest Plaza Drive, Suite 500
St. Ann, MO 63074-2220
(314) 736-4672
jcox@cswrgroup.com

Cartwright Creek, LLC
c/o Stahelin Properties
Thomas L. Kolschowsky
800 Roosevelt Road, Suite A
Building A120
Glen Ellyn, IL 60137-5846
(630) 469-3331

2. All correspondence, notices, inquiries, questions, and other communications regarding the Joint Application should be directed to the persons or entities identified in the preceding paragraph, with copies to:

For Limestone:

Charles B. Welch, Jr.
Brittany L. Davis
Farris Bobango PLC

For Cartwright Creek:

Henry M. Walker
Bradley Arant Boult Cummings
Round About Plaza

¹ Limestone is an "affiliate" of Central States Water Resources, Inc. as that term is defined in TPUC Rule 1220-04-13-.16(2)(a).

414 Union Street
Suite 1105
Nashville, TN 37219

1600 Division Street
Suite 700
Nashville, TN 37203

3. In support of this Application, the following exhibits are attached hereto:
- a. **Exhibit 1** — Description and area maps of the Systems;
 - b. **Exhibit 2** — Limestone's articles of organization;
 - c. **Exhibit 3** — Limestone's certificate of existence;
 - d. **Exhibit 4** — Limestone's organization chart;
 - e. **Exhibit 5** — Chart of Limestone's affiliates and number of customers served;
 - f. **Exhibit 6** — Resumes of key personnel;
 - g. **Exhibit 7** — SEALED - financials;
 - h. **Exhibit 8** — SEALED - financials;
 - i. **Exhibit 9** — Agreement for Sale of Utility System;
 - j. **Exhibit 10** — Assignment of Rights;
 - k. **Exhibit 11** — Pre-filed testimony of Josiah Cox;
 - l. **Exhibit 12** — Customer notification letter draft.

II. Description of the Joint Applicants

4. Cartwright Creek is a Tennessee limited liability company. Its principal office and place of business is at 800 Roosevelt Rd., Suite A, Building A120, Glen Ellyn, Illinois, 60137-5846. Cartwright Creek holds a CCN from the Commission, and currently provides wastewater service to customers through three separate wastewater systems located in the following communities in Williamson County, Tennessee: Arrington Retreat, The Grasslands, and The Hideaway. As required by TPUC Rule 1220-04-13-.17(2)(a)7, a description of Cartwright Creek's service areas and service area maps of the three systems are attached to the Joint Application as **Exhibit 1** and are incorporated by reference.

5. Limestone is a Tennessee limited liability company. Its principal office and place of business is at 500 Northwest Plaza Drive, Suite 500, St. Ann, Missouri, 63074-2220. A certified copy of Limestone's articles of organization and certificate of existence, as filed with or issued by the Tennessee Secretary of State's office, are attached to the Joint Application as **Exhibits 2** and

3, respectively. Each of those exhibits is incorporated by reference. Limestone's sole member is Limestone Water Utility Holding Company, LLC, a Tennessee limited liability company, but Limestone is managed by Central States Water Resources, Inc. ("CSWR"), a Missouri corporation whose principal office is at 500 Northwest Plaza Drive, Suite 500, St. Ann, MO 63074.

6. Limestone, its parent company, and CSWR each is an "affiliate" of the other, as defined by TPUC Rule 1220-04-13-.16(2)(a). An organization chart illustrating Limestone's relationship to CSWR is attached the Joint to Application as **Exhibit 4**. Through affiliates identified in that exhibit, CSWR currently manages water and wastewater systems in Missouri and Arkansas that provide services to approximately 4,000 customers. Each of those affiliates and the number of customers it serves is identified in **Exhibit 5**. Those exhibits are incorporated into this Joint Application by reference.

7. Ready access to CSWR's technical and managerial resources and expertise has greatly improved the quality of service its operating affiliates in Missouri and Arkansas are able to provide their respective customers. Affiliation with CSWR also allows those companies to achieve economies not generally available to similarly-sized water and wastewater utilities. If the Commission grants the regulatory approvals sought in this Joint Application, CSWR would bring those same benefits to Limestone and the customers it proposes to serve. Resumes of key CSWR personnel who would be closely involved with Limestone's operations are attached to this Joint Application as **Exhibit 6** and are incorporated by reference. Information presented in those resumes demonstrate the considerable managerial and technical expertise and experience available to Limestone through its affiliation with CSWR. Where additional or supplemental expertise is required (e.g., personnel holding licenses or certifications required by Tennessee law), Limestone or CSWR will engage qualified independent contractors to satisfy those needs.

8. Limestone and its affiliates have the financial capability necessary to acquire, own, and operate the Cartwright Creek systems. CSWR's consolidated balance sheet and income statement for the most recent fiscal year are attached to the Joint Application as **Exhibit 7**. A pro-forma income statement and balance sheet for Limestone for the first three years of its proposed operation of the Cartwright Creek systems is attached as **Exhibit 8**. Each of those exhibits is incorporated by reference.

III. Description of the Transaction

9. Cartwright Creek has determined it is in the best interests of both the company and its customers to sell to a qualified operator the three wastewater systems at issue in this Joint Application. In furtherance of that objective, Cartwright Creek and CSWR entered into an *Agreement for the Sale of Utility System* dated August 22, 2018 ("Agreement"), which specifies terms for Cartwright Creek to sell and CSWR to purchase all assets Cartwright Creek uses to provide wastewater service to its three Williamson County systems including, but not limited to, wastewater service facilities and equipment, intangibles, franchises, inventory, contracts and contract rights, and real estate. Assets are to be transferred free of all liens, mortgages, and similar encumbrances. That Agreement was amended March 6, 2019. The purchase price is Eight Hundred and Eighty Thousand Dollars (\$880,000.00). No closing date is specified, but closing is expressly contingent on satisfaction of various conditions precedent, including obtaining all required regulatory approvals. A copy of the Agreement, as amended, is attached as **Exhibit 9** and incorporated by reference.

10. Section 17 of the Agreement authorizes CSWR to assign its rights to an affiliated entity. In accordance with that provision, CSWR has executed an *Assignment of Rights* that, at closing, would transfer to Limestone all rights, title, and interests to Cartwright Creek's utility

assets. A copy of that assignment is attached to this Joint Application as **Exhibit 10** and is incorporated by reference.

11. The sale of assets under terms specified in the Agreement promotes the interests of the public generally and of Cartwright Creek's customers more specifically. Numerous deficiencies exist in the wastewater systems CSWR and Limestone propose to acquire, and the current owner/operator of those systems is unwilling or unable to expend the capital necessary to remedy those deficiencies. For example, CSWR and Limestone estimate additional investment of more than \$2.3 million would be required to bring the wastewater system serving The Grasslands into compliance with operational and environmental standards. Inflow and infiltration already greatly exceed the system's 250,000 gpd capacity and the system currently fails to achieve standards established by the Tennessee Department of Environment and Conservation ("TDEC") for phosphorus. To alleviate these and other problems, existing facilities and processes must be extensively modified and additional plant must be constructed. If authorizations sought in this Joint Application are granted, CSWR and Limestone are willing to make those investments. And although Limestone will be required to make substantial capital investments to bring the Grasslands system into compliance, if the Commission grants the relief requested in the Joint Application Limestone intends to adopt rates currently in effect for all three of Cartwright Creek's systems.

12. The reasons Limestone wants to purchase Cartwright Creek's systems and Limestone's plans for improving both the systems and the level of service they provide is discussed in the written direct testimony of Josiah Cox, which is attached to this Joint Application as **Exhibit 11** and is incorporated by reference. Mr. Cox's testimony also includes all information required by TPUC Rule 1220-04-13-.17(2)(a)8(f).

13. A copy of the customer notification letter required by TPUC Rule 1220-04-13-.10(3)(f) is attached as **Exhibit 12** and is incorporated by reference.

14. Limestone has reviewed and is familiar with the requirements of TPUC Rules 122-04-13-.07 and .08 and 1220-04-13-.17(2)(e) regarding the need for wastewater utilities to demonstrate acceptable financial security, and pledges to provide the Commission evidence of financial stability sufficient to satisfy the requirements of those rules.

WHEREFORE, for the reasons previously stated, Cartwright Creek and Limestone request the Commission issue an order:

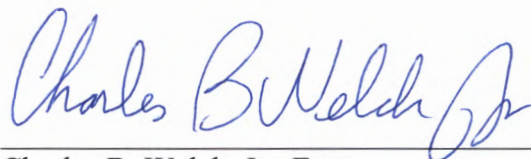
a. Authorizing Cartwright Creek to sell and transfer to CSWR and Limestone all assets used to provide wastewater utility services to customers in The Grasslands, The Hideaway, and Arrington Place service areas;

b. Authorizing the transfer to Limestone of Cartwright Creek's existing CCN or, in the alternative, granting Limestone a new CCN to provide wastewater utility service in the three areas currently served by Cartwright Creek; and

c. Providing such other relief as the Commission believes is necessary and appropriate under the circumstances.

Dated: March 14, 2019

Respectfully submitted,



Charles B. Welch, Jr., Esq.
Brittany L. Davis, Esq.
Farris Bobango PLC
414 Union Street, Suite 1105
Nashville, TN 37219
(615) 726-1200 (telephone)
cwelch@farris-law.com
bdavis@farris-law.com

***Attorneys for Applicant Limestone
Water Utility Operating Company, LLC***



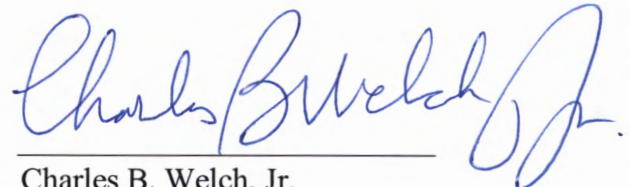
Henry M. Walker
Bradley Arant Boult Cummings
Round About Plaza
1600 Division Street, Suite 700
Nashville, TN 37203
(615) 252-2363 (telephone)
hwalker@bradley.com

***Attorneys for Applicant Cartwright
Creek, LLC***

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served via either U.S. Mail, postage prepaid, or electronically to the following this 14th day of March, 2019.

Cynthia Kinser
Daniel Whitaker
Consumer Protection and Advocate Division
Office of the Attorney General
P.O. Box 20207
Nashville, TN 37202



Charles B. Welch, Jr.

Exhibit 1

Description and area maps of the Systems

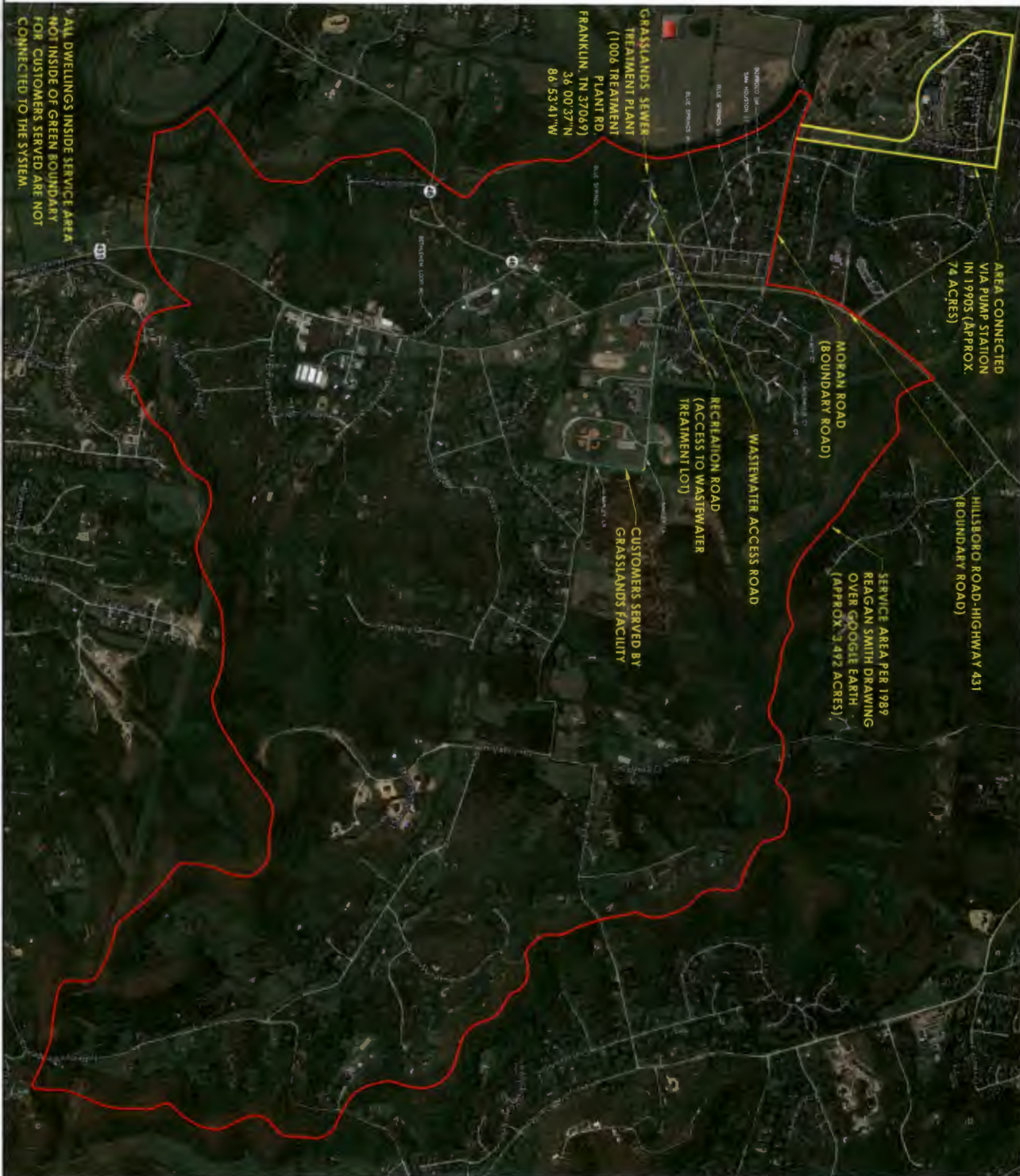


Exhibit 2

Limestone's articles of organization



000997814

**ARTICLES OF ORGANIZATION
LIMITED LIABILITY COMPANY**

SS-4270

**Tre Hargett**
Secretary of State**Division of Business Services**
Department of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102
(615) 741-2286Filing Fee: \$50.00 per member
(minimum fee = \$300.00, maximum fee = \$3,000.00)

For Office Use Only

-FILED-

Control # 000997814

The Articles of Organization presented herein are adopted in accordance with the provisions of the Tennessee Revised Limited Liability Company Act.**1. The name of the Limited Liability Company is:** Limestone Water Utility Operating Company, LLC

(Note: Pursuant to the provisions of T.C.A. §48-249-106, each Limited Liability Company name must contain the words "Limited Liability Company" or the abbreviation "LLC" or "L.L.C.")

2. Name Consent: (Written Consent for Use of Indistinguishable Name)☐ This entity name already exists in Tennessee and has received name consent from the existing entity.**3. This company has the additional designation of:** None**4. The name and complete address of the Limited Liability Company's initial registered agent and office located in the state of Tennessee is:**C T CORPORATION SYSTEM
300 MONTVUE RD
KNOXVILLE, TN 37919-5546
KNOX COUNTY**5. Fiscal Year Close Month:** December**6. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date and time is:**
(none) (Not to exceed 90 days)**7. The Limited Liability Company will be:**☐ Member Managed☒ Manager Managed☐ Director Managed**8. Number of Members at the date of filing:** 1**9. Period of Duration:** Perpetual**10. The complete address of the Limited Liability Company's principal executive office is:**300 MONTVUE RD
KNOXVILLE, TN 37919-5546
KNOX COUNTY



**ARTICLES OF ORGANIZATION
LIMITED LIABILITY COMPANY**

SS-4270



Tre Hargett
Secretary of State

Division of Business Services
Department of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102
(615) 741-2286

Filing Fee: \$50.00 per member
(minimum fee = \$300.00, maximum fee = \$3,000.00)

For Office Use Only

-FILED-

Control # 000997814

The name of the Limited Liability Company is: Limestone Water Utility Operating Company, LLC

11. The complete mailing address of the entity (if different from the principal office) is:

STE 500
500 NORTHWEST PLAZA DR
SAINT ANN, MO 63074-2220

12. Non-Profit LLC (required only if the Additional Designation of "Non-Profit LLC" is entered in section 3.)

- ☐ I certify that this entity is a Non-Profit LLC whose sole member is a nonprofit corporation, foreign or domestic, incorporated under or subject to the provisions of the Tennessee Nonprofit Corporation Act and who is exempt from franchise and excise tax as not-for-profit as defined in T.C.A. §67-4-2004. The business is disregarded as an entity for federal income tax purposes.

13. Professional LLC (required only if the Additional Designation of "Professional LLC" is entered in section 3.)

- ☐ I certify that this PLLC has one or more qualified persons as members and no disqualified persons as members or holders.

Licensed Profession:

14. Series LLC (optional)

- ☐ I certify that this entity meets the requirements of T.C.A. §48-249-309(a) & (b)

15. Obligated Member Entity (list of obligated members and signatures must be attached)

- ☐ This entity will be registered as an Obligated Member Entity (OME) Effective Date: (none)
☐ I understand that by statute: THE EXECUTION AND FILING OF THIS DOCUMENT WILL CAUSE THE MEMBER(S) TO BE PERSONALLY LIABLE FOR THE DEBTS, OBLIGATIONS AND LIABILITIES OF THE LIMITED LIABILITY COMPANY TO THE SAME EXTENT AS A GENERAL PARTNER OF A GENERAL PARTNERSHIP. CONSULT YOUR ATTORNEY.

16. This entity is prohibited from doing business in Tennessee:

- ☐ This entity, while being formed under Tennessee law, is prohibited from engaging in business in Tennessee.

17. Other Provisions:

Electronic

Signature

Attorney

Title/Signer's Capacity

Caroline M. Johnson as authorized representative for Limestone Water

Printed Name

Dec 4, 2018 10:37AM

Date

Exhibit 3

Limestone's certificate of existence



Tre Hargett
Secretary of State

Division of Business Services
Department of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

CAROLINE JOHNSON
13421 MANCHESTER RD. SUITE 103
ST. LOUIS, MO 63131

March 7, 2019

Request Type: Certificate of Existence/Authorization
Request #: 0308475

Issuance Date: 03/07/2019
Copies Requested: 1

Document Receipt

Receipt #: 004605537

Filing Fee: \$20.00

Payment-Credit Card - State Payment Center - CC #: 3751951786

\$20.00

Regarding: Limestone Water Utility Operating Company, LLC

Filing Type: Limited Liability Company - Domestic

Control #: 997814

Formation/Qualification Date: 12/04/2018

Date Formed: 12/04/2018

Status: Active

Formation Locale: TENNESSEE

Duration Term: Perpetual

Inactive Date:

Business County: KNOX COUNTY

CERTIFICATE OF EXISTENCE

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that effective as of the issuance date noted above

Limestone Water Utility Operating Company, LLC

* is a Limited Liability Company duly formed under the law of this State with a date of incorporation and duration as given above;

* has paid all fees, interest, taxes and penalties owed to this State (as reflected in the records of the Secretary of State and the Department of Revenue) which affect the existence/authorization of the business;

* has appointed a registered agent and registered office in this State;

* has not filed Articles of Dissolution or Articles of Termination. A decree of judicial dissolution has not been filed.

Tre Hargett
Secretary of State

Processed By: Cert Web User

Verification #: 032222826

Exhibit 4

Limestones' organization chart

Central States Water Resources Corporate Organizational Chart

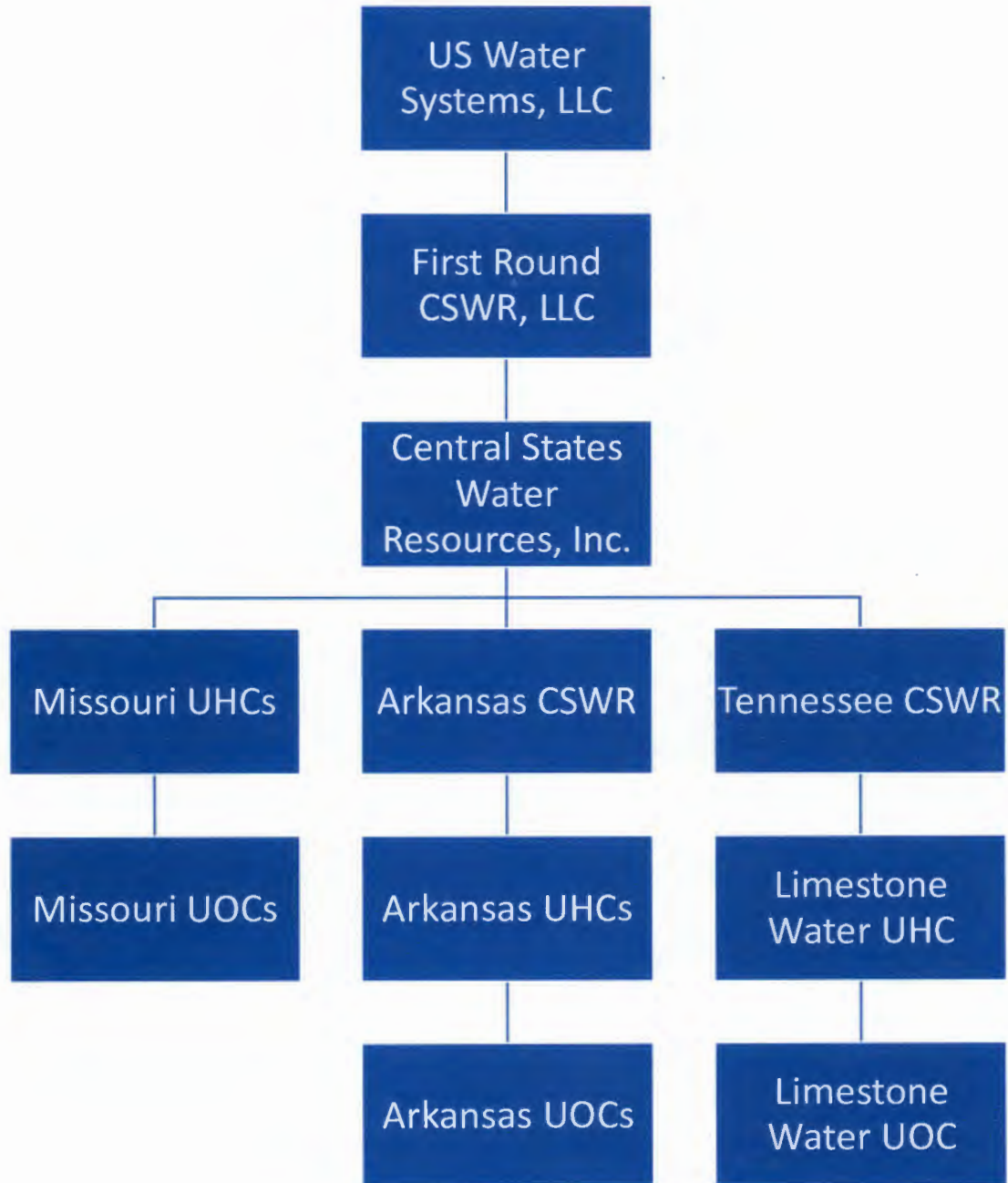


Exhibit 5

Chart of Limestone's affiliates and number of customers served

CSWR provides water and wastewater services to 10 utility operating companies in Missouri and Arkansas serving almost 4,000 customers total. Below is a list of utilities served:

Missouri

Utility Operating Company	Service Provided	Customers (Total Services)
Hillcrest UOC	Water & Wastewater	487
Raccoon Creek UOC	Wastewater	513
Indian Hills UOC	Water	684
Elm Hills UOC	Water & Wastewater	446
Confluence Rivers UOC	Water & Wastewater	910

Arkansas

Utility Operating Company	Service Provided	Customers (Total Services)
Hayden's Place UOC	Wastewater	127
St. Joesph's Glen UOC	Wastewater	182
Sebastian Lake UOC	Water & Wastewater	201
Oak Hill UOC	Wastewater	197
Eagle Ridge UOC	Wastewater	248

Exhibit 6

Resumes of key personnel

Philip W. Macias, CPA
584 Beste Lane
Beaufort, Missouri 63013
philipmacias@sbcglobal.net.net
(314) 853-5462

Summary

Certified Public Accountant with knowledge and practical hands-on operational and management experience in a broad variety of businesses and industries. Specialized experience in financial planning, budget development, finance & accounting operations, analysis & reporting, purchasing & materials management, audit, human resources, tax reporting & internal control. Strong organizational and analytical skills. A proven ability to provide effective leadership in a team setting.

Professional Experience

11/11 – Present US Soybean Export Council; Saint Louis Missouri
(Chief Financial Officer - 04/15 to present)
(Controller and Director of Accounting & Finance - 11/11 - 04/15)

- Partner with the CEO and Senior Management team on all operational and strategic issues as they arise; provide strategic recommendations to the CEO based on financial analysis and projections, compliance requirements/constraints, revenue/expense analysis, cost identification, analysis & allocation and impact on organizational effectiveness and productivity.
- Provide strategic direction to the Accounting, Finance, Information Technology, Human Resources, Budget, Contracts and Compliance functions and manage their activities and programs.
- Establish Accounting and Financial policies, procedures and internal controls in accordance with Generally Accepted Accounting Principles and funding source requirements.
- Oversee the preparation of financial reports in coordination with all reporting requirements.
- Coordinate and ensure timely, accurate and compliant accounting & finance work in the international offices and conduct internal audits.
- Manage Financial relationship with all applicable funding sources (ASA (FAS funding), USB, Membership, QSSB's, etc.)
- Manage third party relations with Attorneys, Auditors, Bankers, Foreign Agricultural Service Contacts, Payroll Firms, and other institutions as required.
- Directly manage, train and mentor the domestic and international staff in Accounting, Finance, IT, HR, Budget, Contracts & Compliance.
- Coordinate directly with the USSEC Treasurer and Audit & Budget Committee regarding Accounting and Finance activities.
- Prepare and present reports and related materials as requested to the Board and appropriate committee(s).
- Establish and maintain effective relationships with banking and financial resources and manage USSEC's LOC.
- Administer corporate credit card programs.
- Represent USSEC's financial interests at various forums, functions and events.
- Create and maintain effective budgeting and forecasting models.
- Manage business relationships with domestic and international independent auditors.
- Assist CEO with business funding decisions.
- Ensure compliance with local, state and federal reporting requirements.
- Prepare materials for and conduct Accounting and Finance orientation for new directors and employees.
- Oversee accurate and timely fiscal information to all departments.
- Assist in the development and implementation of special projects/programs as designated by the CEO.

(Philip W. Macias, CPA – continued)

08/06 – Present Columbia College; Saint Louis Missouri
Adjunct Instructor - Accounting

- Teach an introductory accounting course (Accounting 280 – Financial). Accredited by the Higher Learning Commission.

02/02 – 04/12 Philip W. Macias, CPA; Saint Louis Missouri
Independent Audit, Tax, Accounting & Business Advisor

- Provide a wide range of audit, accounting, tax, audit and business planning solutions and services including:
 - Independent financial audit & attestation.
 - International SEC audit and internal control review and testing.
 - A full range of small business tax, accounting and advisory services.
 - Individual tax planning & preparation.

02/02 – 12/02 GKN Aerospace Services; St. Louis Missouri (*Manufacture aircraft components*).
Senior Financial Planning Analyst – Corporate Finance Department, St. Louis, MO
Interim Controller – Engineering Development Center (EDC), Meriden, CT
Positions were held concurrently

- Directed the finance and accounting functions as the Engineering Development Center (an aerospace engineering design and testing subsidiary) as it transitioned from a 27 person, \$7 million (2002 rev.) integrated business unit with all accounting duties executed off-site at the corporate level, to a legally separate, stand-alone business entity with all finance and accounting operations performed on-site.
- Managed the budgeting process, internal financial reporting, performance analysis & forecasting functions.
- Managed the monthly close process.
- Worked closely with the General Manager and individual project managers to restructure complex percent of completion revenue recognition procedures, accounts receivable recording process and inventory/COGS reporting to ensure compliance with GAAP.
- Supervised accounting staff and coordinated finance/accounting duties assigned to project managers.
- Prepared real/personal property, and sales and use tax filings for the consolidated corporate entity. Initial sales and use tax review resulted in a Missouri refund of \$385,000 for tax year 2001.
- Assisted in the monthly close process at the corporate level.
- Developed financial analysis and forecasting tools. (cash management, inventory models, etc.)
- Developed various policies and procedures including the capitalization and travel policies.

02/00 – 10/01 CoreExpress, Inc.; Saint Louis Missouri
(Sold 11/01) **Senior Financial Project Manager** – Finance and Accounting Department

- Responsible for the timely preparation, analysis and presentation of internal management reports and internal/external financial reporting information to senior management, equity stakeholders and selected strategic business partners.
- Assisted in the development of the Company's long-range strategic business plan. Extensive involvement in the capital asset and business development cost modeling areas.
- Key participant in the development and implementation of a company wide \$475 million capital budget.
- Managed the finance and accounting process pertaining to all capital acquisitions.
- Managed the working relationships with external finance and credit partners. Directed the finance & accounting activities involving credit facilities and vendor financing agreements totaling \$470 million.
- Managed compliance issues attendant to credit facility/vendor financing agreement covenants.
- Designed, developed and implemented the Company's purchasing program.
- Responsible for the management of fixed assets totaling \$260 million.
- Directed a 4 member staff.

(Philip W. Macias, CPA – continued)

02/99 – 02/00 Washington University; Saint Louis Missouri
Accounting Operations Project Manager - Accounting Services Department
Interim Manager - Sponsored Project Department

- Prepared and presented timely analysis on the Financial Services division's financial and management activities to the Vice Chancellor for Financial Affairs, Controller and members of Senior Management.
- Managed the financial compliance & reporting process pertaining to grants and awards from the NIH and NSF. Worked closely with the Primary Investigators and their staffs to monitor grant budgets and to review, approve and process acquisition requests. Reviewed and approved Financial Status Reports (NIH) and provided other financial status documentation to both public and private grant authorities.
- Worked closely with University management to identify and analyze process and productivity issues, develop practical alternatives, and guide their subsequent implementation.

01/97 – 02/99 Ernst & Young, LLP; Saint Louis, Missouri
Senior Accountant - Assurance & Advisory Business Services

- Provided a full range of advisory and audit services to a diverse client base including companies in the manufacturing, banking, brokerage & investment, not for profit, communications, technology and software development industries.
- Successfully combined strong personal interaction and communications skills with a firm knowledge of generally accepted accounting principles, and practical operational experience, to successfully manage multiple client engagements. This process entailed establishing and developing relationships at various client levels to forge the consensus necessary for the successful resolution of audit issues.
- Exercised strong technical and practical accounting skills in anticipation of, and in response to, a wide variety of client needs.
- Assisted in the preparation of both individual and partnership tax returns.

09/93 - 12/96 Attended Saint Louis University

01/92 - 09/93 The Anheuser-Busch Eye Institute (Saint Louis University); Saint Louis, Missouri
Purchasing Manager - Financial Services Department

- Successfully managed all purchasing activities related to the Institute's \$25 million expansion and relocation project. The project included controlling the purchase process for all construction materials and services & interior design development, and directing the subsequent issuance of purchase orders for the additional acquisition of \$4 million in capital equipment.
- Worked closely with selected physicians and senior management to identify and cost efficiently acquire \$7MM in operational equipment, materials and services.
- Developed the purchasing policies and procedures for the Institute's 14 bed hospital facility.
- Negotiated contracts for current and multi-year purchasing agreements.
- Managed the reallocation and disposal of all corporate assets.
- Managed the zero inventory supply system for clinical, research and academic facilities.
- Directly supervised a 4 member staff.

1979 - 92 United States Coast Guard; Various Locations
Financial Manager - Finance and Supply Division

- Established financial policies and procedures for this newly created Command. Formulated, implemented and monitored the annual budgets. Prepared expenditure analysis and reported on compliance with established national guidelines. Managed procurement and AP activities. Brought "on-line" the Coast Guard's new purchasing/accounting computer system.
- Various non-finance/accounting sea & shore assignments (1979 – 1987).

(Philip W. Macias, CPA continued)

Education

Saint Louis University; Saint Louis, Missouri

Degree: Bachelor of Science in Business & Administration (1996)

Major: Accounting – Magna Cum Laude

Forrest (Todd) Thomas
67 Champagne Drive
Lake Saint Louis, Missouri 63367
636 399-8283
forrestthomas@gmail.com

EDUCATION

Olin Business School, Washington University
Saint Louis, Missouri
MBA December, 1996

University of Missouri-Rolla
Rolla, Missouri
B.S. Civil Engineering, 1986

WORK EXPERIENCE

Central States Water Resources

Saint Ann, MO
January 2017 - Present
Senior Vice President

Brotcke Well and Pump

Fenton, Missouri
(January 2011 – December 2016)
President

American Water/ EMC

O'Fallon, Missouri
(January 2002 – December 2010)
American Water - Midwest Regional Vice President of Sales – (May 2010 – December 2010)
EMC - General Manager– (July 2006 – May 2010)
EMC - Director of Business Development – (Nov 2005 – July 2006)
EMC - Director of Operations– (Jan 2002 – Nov 2005)

MEMC Electronic Materials Company, Inc.

Saint Peters, Missouri
(February 1996 – December 2001)
Global Implementation Leader for i2 (Advanced Planning System) –
(June 2000 – December 2001)
Plant Implementation Leader for SAP (Enterprise Resource Planning
system) at St. Peters plant– (Nov 1998 to June 2000)
Operating Supervisor of Epitaxial Application – (February 1996 to
November 1998)

Berco Table Works, Inc.

Saint Louis, Missouri

Plant Manager – (October 1993 – February 1996)

Responsible for all areas of manufacturing, maintenance, shipping and receiving. Led manufacturing turnaround

Conoco, Inc.

Hartford, Illinois – Conoco Lubricants Plant

Capital and Maintenance Project Manager (Feb 1989 - Oct 1993)

Denver, Colorado – Conoco Pipeline Western Division

District Engineer (December 1988 – February 1989)

Houston, Texas – Conoco Pipeline Headquarters

Staff Engineer (February – December 1988)

Ponca City, Oklahoma – Conoco Pipeline Midwest Operations

Associate Engineer (January 1987 – February 1988)

Various pipeline and pumping station projects.

Jami A. Favor

417 Spring Trace
O'Fallon, MO 63368
(314) 240-2377

DETAILED SUMMARY OF EXPERIENCE

Woodard and Curran, PWSD #2 of Saint Charles County, Missouri

April 2018-Present: Area Manager

Responsibilities include support services and customer service for the water, wastewater, collection, distribution, and meter-reading systems. Manage 50 employees, 34 sanitary lift stations, 16 elevated and 4 ground storage tanks, 682 miles of water distribution mains, 151 miles of sanitary sewer mains, a 22 MGD water treatment plant, 2 well systems, 11 wastewater treatment facilities and maintain all district owned assets, vehicles and equipment.

Implementation of technologies for operations data management, maintenance and asset management, and engineering support and planning to improve service and efficiency and maintain a high level of service while minimizing cost impacts.

Woodard and Curran, Quincy, Washington

2007 to March 2018: General Manager

Responsibilities include budget and financial accountability, Creating and implementing Capital Improvement plans, daily operations of a 1.45 MGD Class A reclaimed wastewater treatment facility, 4 MGD industrial wastewater facility, reuse facility that provides high-efficient softening and reverse osmosis treatment, implementation and oversight of Industrial Pretreatment Program, nine lift stations, supervision of eight union employees, and coordinator of the safety program.

Environmental Management Corporation, Godfrey, Illinois

2004 to 2007: Facility Manager

Responsibilities include budget and financial accountability, daily operations of a 2.2 MGD wastewater treatment facility, 14 lift stations, 100 miles of collection system, billing system for 5,400 customers, operation of two package plants located at Principia College, supervision of seven union employees and coordinator of the safety program.

Environmental Management Corporation, Quincy, Illinois

2004 to 2004: Industrial Pretreatment Coordinator/Assistant Plant Manager

Responsibilities included overseeing of 33 industrial users, scheduling industrial sampling, ensure all EPA and State pretreatment reports and requirements were completed, conducted onsite industrial inspections, write industrial discharge permits and self-monitoring reports, monitoring trucked waste discharges at POTW including necessary compliance testing, assisted plant manager with day-to-day operations of 22 MGD activated sludge treatment plant.

Environmental Management Corporation, Havana, Illinois

2000 to 2004: Public Works Director

Responsibilities include the daily operations of a .7 MGD wastewater facility, 1.0 MGD water treatment plant, 27 miles of collection system, nine lift stations, 30 miles of water distribution system, streets, garbage, budget, and financial accountability, safety program, and supervision of 13 union employees

City of Kansas City, Missouri

1998 to 2000: Chief Plant Operator

Responsibilities include planning, assigning and supervision activities pertaining to a 200 MGD water treatment and pumping facility operation. Duties included interpretation of laboratory analysis, decision making on chemical treatment, operation of chemical feed equipment, training in the safe handling of hazardous chemicals, proper filtration practices, troubleshooting, minor maintenance and supervision of union workforce.

City of Kansas City, Missouri

1996 to 1998: Operator II

Responsibilities include day-to-day operations of both 100 MGD wastewater treatment plant and 200 MGD water treatment plant. This included process changes, lab testing, sludge de-watering, chemical feed changes, backwashing filters, troubleshooting facilities.

EDUCATION

2018- Small Water System Disinfection: California State University (1.8 CEU's)
Treatment of Metal Wastestreams: California State University (4.5 CEU's)

2015- Water Treatment II: California State University (9 CEU's)

2012- Water Treatment I: California State University (9 CEU's)

2012- Small Wastewater O&M: California State University (9 CEU's)

2008 - Manage for Success: California State University (4.5 CEU's)

2007 - Operation of Wastewater Plants II: California State University (9 CEU's)

2005 - Pretreatment Facility Inspection: California State University (9 CEU's)

2002 - Utility Management course: California State University (9 CEU's)

2001 - Advanced Water Plant Operation course: Illinois Central College (12 wks)

2000 - Advanced Wastewater course: Illinois Central College (12 wks)

1997 - Advanced Water Treatment (60hrs)

Anaerobic Digester Control (16 hrs)

Industrial Maintenance course (16 wks): MCC Business and Technical School

1996 - Associate of Applied Sciences in Ecological Control:

Community College of the Air Force

Associate of Applied Arts: State Fair Community College

Activated Sludge Process Control (16hrs)

1995 - Backflow Certification Class (60 hrs)

Industrial Waste Treatment: California State University (9 CEU's)

1993 - Entry Level Wastewater Treatment: Tipton, Missouri (60 hrs)

1992 - Hazardous Materials Training (8 hrs)

United States Air Force Technical Training in Water and Wastewater Treatment:
Shepherd AFB, Texas

CERTIFICATIONS

Class A Missouri Wastewater Operator

Class A Missouri Water Operator

Class III Missouri Water Distribution Operator

Class IV Washington Wastewater Operator

Class I Illinois Wastewater Plant Operator

Class A Illinois Water Operator

Franklin Covey, Four Roles of Leadership Training

JACOB O. FREEMAN, P.E.

108 E. Bates St., Drexel, MO 64742 (314) 550-1167

jorville82@yahoo.com

I seek to further my career in the water and wastewater industry by joining Central States Water Resources to improve the quality of water provided to underserved communities around the country.

EXPERIENCE

MAR 2005 – OCT 2007

PROJECT MANAGER, CORRIGAN COMPANY MECHANICAL CONTRACTORS (CCMC)

Began my engineering training in the understudy of a Master Plumber and Professional Engineer where I gained design experience in industrial and municipal plumbing and mechanical process piping. In addition, I gained knowledge and experience in bid estimating and all facets of project management from kickoff to closeout. CCMC is one of the largest and long-standing mechanical contractors in St. Louis employing around 350 people with an average annual revenue of \$100M. My first 1.5 years were spent co-managing a large project in Metropolis, IL where CCMC installed the plumbing and HVAC systems in a new multi-story hotel associated with Harrah's Casino. I coordinated between the owner, design firm, our in-house plan team and the other contractors to make sure all the systems would fit into available spacing. Once finalized, I managed the dissemination of plans to our tradesmen and ran final installation including field driven design changes up to the engineering team for revision.

OCT 2007 – JAN 2016

PROJECT MANAGER, BROTCHE WELL & PUMP (BWP)

Continued my engineering training and achieved the level of Professional Engineer in multiple states. Acquired in-depth knowledge and experience with water wells, water and wastewater treatment and water and wastewater monitoring and control systems. Acquired sales business development experience and successfully originated several millions of dollars of new business and managed those projects to completion. Managed the design and construction of dozens of new potable water systems for large municipal, industrial and commercial clients. Managed the rehabilitation of hundreds of water wells to return their capacity and improve their efficiency and water quality. Managed several water and wastewater pumping and treatment rehabilitation projects.

JAN 2016 - CURRENT

VICE PRESIDENT, BROTCHE WELL & PUMP (BWP)

I was promoted to Vice President in 2016 and currently manage our office and operations in Kansas City which covers Kansas and western Missouri. BWP is one of the largest water well, pump and piping contractors in the Midwest. I am personally responsible for environmental regulatory design compliance, final design management, final construction implementation, project management and final drinking water quality and production levels for all water projects in my service territory. In addition, I have P&L accountability for our office along with individual project profitability responsibility.

EDUCATION

DEC 2004

BS IN MECHANICAL ENGINEERING, UNIVERSITY OF COLUMBIA, MISSOURI

LICENSES AND SKILLS

- Professional Engineering License: Missouri, Kansas and Illinois
- Well Driller and Pump Installer License
- Level 1 Certified Vibration Analyst and Schenk Balancing Machine Operator
- Engineering consultant management
- Troubleshooting, diagnosis, programming and repair of electrical systems, VFDs, motor controls, pumps and motors, control valves and pipe appurtenances, gear drives
- Construction implementation and scheduling
- AutoCAD, Microsoft Office, Microsoft Project, Sage Accounting, Adobe Pro

Kaleb P. Stephens

821 Malaga Ave #11 Wenatchee, WA 98801 | 715.790.2559 | ksteph43@gmail.com

Education & Certifications

Bachelor of Science | January 2013 | UW-Oshkosh

- Major: Environmental Science
- Emphasis: Policy & Values

Class C Operator & Certified Water Professional | October 2016 | Colorado

Group 1 Wastewater Treatment Plant Operator | July 2018 | Washington

Wastewater Operator Certification | May 2017 | Wisconsin

Eagle Scout | August 2008

Experience

ASSISTANT PLANT MANAGER | WOODARD & CURRAN | JULY 2017-CURRENT

- Implemented and maintained client specific regulatory programs to satisfy state and federal requirements and promote worker safety.
- Manage site specific training records and schedule safety training for all facilities.
- Site lead on implementation of new asset management system: conducted inventory of site equipment, setup new service schedules and established paperless work order distribution.
- Managed industrial water discharge monitoring reporting in compliance with NPDES and state requirements for both analytical and qualitative discharge monitoring.
- Prepared proposals and fee estimates, procured and managed subcontractors and vendors, and worked closely with clients upfront to proactively meet expectations on scope, schedule, and budget.
- Complete expense reports and assist in budget management using SAP Concur.
- Accurately performed water and solids sampling and preformed analysis in a certified lab.
- Assist with permit and documentation reviews.
- Assisted in documented audits of facilities to assess compliance with OSHA regulations.

LEAD OPERATOR | WOODARD & CURRAN | MAY. 2014-JUNE 2017

- Managed industrial water discharge monitoring reporting in compliance with NPDES and state requirements for both analytical and qualitative discharge monitoring.
- Accurately performed water and solids sampling and shipped it to the lab for analysis.
- Communicated with client staff by establishing strong relationships and offering preliminary consultations.
- Trained employees on water discharge regulations, sampling and site compliance inspections.
- Worked closely with clients upfront to proactively meet expectations on scope, schedule, and budget.

ASSISTANT WRESTLING COACH | SHEBOYGAN NORTH HIGH | NOV. 2016-FEB. 2017

- Planned practices and workouts to assist in athletes achieving goals.
- Organized and coordinated a 12-team event hosted by Sheboygan North.
- Responsible for athlete's well-being during all day events.

Exhibit 7

Financials

FILED UNDER SEAL

Exhibit 8

Financials

FILED UNDER SEAL

Exhibit 9

Agreement for Sale of Utility System

AGREEMENT FOR SALE OF UTILITY SYSTEM

THIS AGREEMENT ("Agreement"), is made and entered into this 22nd day of August, 2018, by and between Central States Water Resources, Inc., a Missouri corporation, or its affiliate ("Buyer"), and Cartwright Creek, LLC ("Seller"), collectively ("Parties").

WITNESSETH:

WHEREAS, Seller has developed and operates as a regulated sewer corporation operating sewer facilities, in the area more particularly described and depicted in the documents attached hereto as *Exhibit "A"*, situated in Williamson County, Tennessee (herein after the "System"); and

WHEREAS, Buyer is a corporation, organized and existing under the constitution and the laws of the State of Missouri with all the requisite power necessary to enter into the transaction described hereinafter; and

WHEREAS, Seller is a Tennessee limited liability company, organized and existing under the constitution and the laws of the State of Tennessee with all the requisite power necessary to enter into the transaction described hereinafter; and

WHEREAS, Seller desires to sell, and Buyer desires to purchase, all the assets, property and real estate connected with the System including, but not limited to, all associated improvements for the conveyance of sewer to each of the customers connected to the service area (defined further below as "Assets"); and

WHEREAS, the parties have reached an understanding with respect to the sale by Seller and the purchase by Buyer of all of the Assets (as hereinafter defined) of the System.

NOW, THEREFORE, it is mutually agreed that:

1. SALE OF ASSETS.

For and in consideration of the receipt of the Purchase Price, as set forth below, and the covenants and promises hereinafter set forth, Seller agrees that on the closing date, Seller shall sell, transfer, assign and deliver to Buyer, or Buyer's designated affiliate, all of Seller's then existing assets pertaining to the provision of sewer service in the Systems located in Williamson County, in the State of Tennessee, and related properties, including, without limitation, the following:

A. The land, improvements thereon, easements, rights of way, permits and leases related to the System area depicted in *Exhibit "A"* and/or generally described in *Exhibit*

"B", attached hereto;

B. All of Seller's sewer service facilities, equipment, lines, plant, pipes, manholes and appurtenances;

C. Any machinery and equipment such as meters, tools, devices, mobile work equipment, and all furniture, fixtures, machinery, supplies and other tangible items, if any, located in Williamson County, Tennessee, and used or held for use in connection with the System as generally described in *Exhibit "C"*, attached hereto;

D. All of Seller's rights, title and interest in and to any franchise agreements, franchise rights, warranties, contracts, supply contracts, agreements, and customer deposits, if any, pertaining to, allocable to or arising out of the provision of sewer service in Williamson County, Tennessee as generally described in *Exhibit "D"*, attached hereto;

E. All of Seller's inventory, merchandise, contract rights, supplies, goodwill, and general intangibles including accounts receivable pertaining to the sewer service, except accounts receivable accrued prior to the closing of this sale; and

F. All assets not described which are located in Williamson County, Tennessee, and used or useful to operate the System, excepting therefrom, and from any other assets described in the paragraphs above of this Section 1, any and all cash, cash equivalents and banking deposits in existence prior to the closing of the sale contemplated under this Agreement.

The assets to be sold and delivered, as above described, are hereinafter collectively described as the "Assets."

2. CONVEYANCES OF REAL ESTATE.

The real estate to be conveyed by Seller will include all facilities described herein and all interest of Seller in any sewer and other utility easements. The real estate will be conveyed by general warranty deed, in a form satisfactory to Buyer, and will vest marketable title in fact in the Buyer. Easements shall be assigned by written assignment or other means, in a form satisfactory to Buyer.

At Buyer's expense, Buyer shall obtain, at least thirty (30) calendar days prior to closing, a Commitment to issue an Owner's Policy of Title Insurance to Buyer in the amount of the Purchase Price issued by a company authorized to issue title insurance in the State of Tennessee, which policy shall insure the owner's title to be marketable as the same is described and defined

in the American Land Title Association ("ALTA") title examination standards ("Title Standards"). After delivery of said title insurance commitment and Buyer's completion of the examination and/or review of the commitment and other relevant title information, Buyer shall notify Seller, in writing, of any objections thereto (the Parties agreeing that any objection falling within the said Title Standards shall not constitute a valid objection so long as Seller furnishes affidavits or other papers as described in such standards in order for the title company to delete the same). If there shall be no such notice of objection, then any exceptions in such Commitment or deficiencies in the title to the property noted on such Commitment shall be deemed waived and delivery of a deed in compliance with the terms of the Commitment shall be deemed compliance with the terms of this Agreement. If notice of any objections to defects in the title, as defined above, shall be delivered to Seller, then Seller shall have five (5) business days to correct the title and Closing shall be postponed until such time, if necessary. If Seller elects not to, or cannot, correct such defects, then Buyer, at Buyer's option, may waive such defects and proceed to close or may cancel the contract and all obligations hereunder shall be null and void.

3. **REGULATORY APPROVAL.**

Buyer and Seller shall act diligently and cooperate with each other to obtain required regulatory approvals, if any, from the Tennessee Public Utility Commission ("TPUC"), Tennessee Regulatory Authority ("TRA"), or any other regulatory agency in the State of Tennessee and to obtain transfer of Seller's permits, if any.

4. **PURCHASE PRICE.** The purchase price shall be **Eight Hundred and Sixty Thousand Dollars (\$860,000.00)** ("Purchase Price"). Buyer shall provide an Earnest Money deposit of Twenty-Five Thousand Dollars (\$25,000.00) within three (3) business days of signing this Agreement. The Earnest Money shall be held in escrow by Buyer's attorney until said time that a title company issues the title commitment for the Assets, at which time the Earnest Money will be transferred to the title company, and upon termination of this Agreement in accordance with the conditions set forth herein by the Buyer, the Earnest Money shall be refunded to the Buyer.

5. **CLOSING.**

The closing of the sale shall take place at a mutually agreeable location no later than forty-five (45) days after the effective date of any necessary regulatory authority approval,

satisfaction of Seller's Representations and Warranties and Conditions Precedent set forth herein, and Buyer having obtained financing under terms acceptable to Buyer in Buyer's sole discretion, or at such other time as the parties hereto may mutually agree. At the closing, Seller shall have delivered to Buyer such deeds, bills of sale, endorsements, assignments and other sufficient instruments of transfer and conveyance as shall be effective to vest in Buyer such title to the Assets to be sold as provided in this Agreement and as set forth in Section 6.D, and Buyer will deliver to Seller the Purchase Price. From time to time, at Buyer's request and expense, whether at or after the closing and without further consideration, Seller shall execute and deliver such other instruments of conveyance and transfer and take such other action as Buyer reasonably may require to more effectively convey and transfer to Buyer any of the Assets to be sold hereunder, and will assist Buyer in the collection or reduction to possession of such Assets. Buyer will pay all sales, transfer and documentary taxes, if any, payable in connection with the sale, transfers and deliveries to be made to Buyer hereunder.

On the date of closing, Buyer shall accept and assume ownership and title to the Assets to be conveyed hereunder and Buyer shall assume liability, and become responsible, for all obligations in connection with the Assets going forward, excepting responsibility for any liabilities and/or obligations of Seller in connection with the Assets that existed prior to the date of closing.

6. **SELLER'S REPRESENTATIONS AND WARRANTIES.**

The Seller represents and warrants as follows:

A. **Organization and Standing of Seller.**

Seller is a limited liability company organized and existing under the constitution and laws of the State of Tennessee in good standing with the Tennessee Secretary of State, and Seller has all requisite power and authority to sell the Assets pursuant to the terms of this Agreement.

B. **Liabilities.**

All liabilities or obligations of Seller, whether accrued, absolute, contingent or otherwise pertaining to or arising out from the Assets are liabilities and obligations of the Seller and shall remain the obligations of Seller after the date of closing.

C. **Absence of Certain Changes.**

After Buyer's inspection and acceptance of the Assets, there shall not be:

i. Any material change in the use of the Assets in connection with the business or operations of the System;

ii. Any damage, destruction or loss whether or not covered by insurance, materially and adversely affecting the Assets.

D. Title to Properties.

Within twenty (20) days prior to Closing and with Buyer's assistance, Seller shall have obtained good and marketable title to all of the Assets. To the best of Seller's knowledge, unless Seller has disclosed any information in writing to the Buyer to the contrary, Seller owns the Assets to be sold under this Agreement, in all cases, free and clear of all liens, mortgages, pledges, leases, options, rights of first refusal, conditional sales agreements, encumbrances or other charges, except liens for taxes not yet due or payable, easements or right of ways, streets, railways, pipelines, electric transmission and distribution lines, telephone lines, drainage rights and other similar rights or restrictions of record which do not, either individually or in the aggregate have a materially adverse effect on the value or utility of the Assets to be sold hereunder.

Notwithstanding, but not in limitation of, the foregoing, Seller agrees to work with Buyer's surveyor during the PSC asset transfer process to establish, at Buyer's expense, the property boundaries and easement locations and to create a written plat of the distribution and collection lines showing the location of said lines with respect to lot lines, platted utility easements, if any, to the extent the same can be shown with reference to such lot lines and platted utility easements.

Within twenty (20) days prior to Closing and with Buyer's assistance, Seller agrees to have identified any and all interests in land (including easements or license agreements) it has obtained in connection with its operation and maintenance of the System and will provide Buyer or Buyer's representatives copies of the same or a reference to the book and page number of the records of the Williamson County Recorder's Office where such easements are recorded. The cost of such identification and any related search being the sole responsibility of the Buyer.

Buyer shall have until twenty (20) calendar days prior to the closing to determine: 1) if Seller lacks an easement or other interest necessary for operation of the System or 2) an easement is defective in title or interest conveyed. If it appears that Seller lacks a

valid easement for any portion of the System, or any easement identified suffers from a defect in title or interest conveyed, Buyer at its option and in its sole discretion may: 1) cancel this Agreement, 2) independently negotiate with the owner of the affected property toward acquisition of the treatment plant and collection lines easements or other easements, 3) notify Seller that Buyer will cancel the Agreement unless a necessary easement is acquired or a defect satisfactorily cured or remedied, and 4) undertake any action, which in Buyer's sole and absolute discretion, would correct an easement or remedy the situation caused by a lack of an easement or proper land interest. Buyer's failure to cancel this Agreement, however, shall not relieve Seller from any of its duties of indemnification set forth in subsequent paragraphs herein, nor shall such failure be construed as Buyer's waiver of any such provisions.

E. Authority to Operate.

The Assets, as described at Section 1 of this Agreement, constitute all of the assets presently owned by the Seller pertaining to the System. To the best of Seller's knowledge, without investigation, the System is being conducted, and as of the closing date, will be conducted in full compliance with requirements of all regulatory bodies exercising jurisdiction with regard to rates and conditions of service, and with local building and zoning codes.

F. Litigation.

There is no litigation or proceeding pending, or to the knowledge of Seller threatened, against or relating to Seller, the Assets, or the System, nor does Seller know, or have reasonable grounds to know, of any basis for any such action, or of any governmental investigation relative to Seller, the Assets, or the System, except as otherwise disclosed to Buyer.

G. No Violation or Breach.

The performance of this Agreement by Seller, including any preconditions or surviving warranties or representations, is not in violation of any laws, statutes, local ordinances, state or federal regulations, court orders or administrative order or ruling, nor is such performance in violation of any loan documents, conditions or restrictions in effect for financing, whether secured or unsecured.

7. **BUYER'S REPRESENTATIONS AND WARRANTIES.**

Buyer represents and warrants as follows:

A. **Organization and Standing of Buyer.**

Buyer is a body corporate organized, existing under the constitution and laws of the State of Missouri, in good standing, and has the requisite power to purchase the Assets which are to be sold pursuant to the terms of this Agreement.

B. **Authority.**

The execution and delivery of this Agreement by Buyer and the purchase of the Assets as contemplated hereby have been duly authorized by Buyer, and all necessary action on the part of Buyer has been taken to authorize the execution and delivery of this Agreement and to consummate the sale contemplated hereby.

8. **CONDITIONS PRECEDENT FOR BUYER TO CLOSE.**

All obligations of Buyer under this Agreement are subject to the fulfillment, prior to or at the closing, of each of the following conditions:

A. **Regulatory Approval.**

Both Parties shall diligently pursue the required approvals and authorizations contemplated herein. In the event the Parties are unable to obtain the required regulatory approval or authorization to complete the transactions contemplated herein, Buyer may terminate this Agreement by providing written notice to Seller at Buyer's sole and absolute discretion.

B. **Representations and Warranties True at Closing.**

Seller's representations and warranties contained in this Agreement shall be true at the time of closing as though such representations and warranties were made at such time.

C. **Performance.**

Seller shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Seller prior to or at the closing; including the payment of all taxes and assessments, or portions thereof, attributable to periods prior to or ending on the closing date, to include Public Service Commission assessments.

D. **Inspections.**

Completion of Buyer's examination, testing and inspection of the Assets and the securing of any and all licenses, permits or governmental approvals Buyer deems necessary for Buyer's proposed uses of the Assets, the results thereof to be satisfactory to Buyer, in its sole discretion. For purposes of this Agreement, the period from the date this Agreement is fully executed by both parties to the date that is twenty (20) days prior to the closing, shall be referred to herein as the "Inspection Period." During the Inspection Period, Buyer, its employees, agents and contractors, shall have the right to enter onto any property owned by Seller that is related to the operation of the System, as it deems necessary or desirable, on reasonable prior notice to Seller to perform and complete architectural, environmental, engineering and/or other surveys, studies, inspections and tests on the Assets; to review zoning laws and applicable building codes; to obtain all necessary city, county, and state zoning approval, site plan or subdivision approvals, licenses and permits to authorize the uses of the Assets as intended by Buyer.

E. **No Casualty.**

The Assets shall not have been adversely affected in any material way as a result of any strike, lockout, accident or other casualty or act of God or the public enemy, or any judicial, administrative or governmental proceeding.

F. **Buyer's Right to Terminate.** If Buyer determines, in its sole and absolute discretion, that any of the aforementioned conditions have not been met, Buyer shall have the right to terminate this Agreement at any time prior to closing upon written notice to Seller.

9. **CONDITIONS PRECEDENT FOR SELLER TO CLOSE**

All obligations of Seller under this Agreement are subject to the fulfillment, prior to or at the closing, of each of the following conditions:

A. **Representations and Warranties True at Closing.**

Buyer's representations and warranties contained in this Agreement shall be true at the time of closing as though such representations and warranties were made at such time.

B. **Performance.**

Buyer shall have performed and complied with all agreements and conditions

required by this Agreement to be performed or complied with by Buyer prior to or at the Closing.

10. **INDEMNIFICATION.**

Seller shall, and hereby does agree to indemnify and hold harmless Buyer, at any time after the closing against and in respect of:

A. All liabilities or obligations of Seller, whether accrued, absolute, contingent or otherwise, and including all liabilities or obligations arising out of the transactions entered into, or any state of facts existing, prior to the date of closing, including, without limitation, such liabilities or obligations as are described in paragraph B of Section 6 hereof;

B. Any claim, damage or deficiency resulting from any misrepresentation, untrue warranty, breach of warranty, or nonfulfillment of any agreement on the part of Seller under this Agreement or from any misrepresentation in or omission from any certificate or other instrument furnished or to be furnished to Buyer under this Agreement;

C. Any claim, liability, damage or obligation arising out of or attributable to, directly or indirectly, the storage or disposal of hazardous waste or materials prior to the date of closing;

D. All actions, suits, proceedings, demands, assessments, judgments, costs (including attorney's fees) and expenses incident to any of the foregoing.

Seller shall reimburse Buyer, on demand, for any payment involuntarily made, required by law to be made, or with the consent of Seller made by Buyer at any time after the date of closing in respect of any liability, obligation or claim to which the indemnity and hold harmless by Seller contained in this section relates.

11. **FEES AND COMMISSIONS.**

Each Party represents that it has not retained any broker or finder and is not paying, and is not obligated to pay, any finder's fee, commission or other transactional fee in connection with the transactions contemplated by this Agreement. Each Party shall pay its own fees for attorneys, accountants, appraisers or others engaged by it in the course of negotiating or executing this Agreement and in closing and completing the transactions hereunder provided.

12. **BENEFIT.**

All of the terms of this Agreement shall be binding upon, and inure to the benefit of, and be enforceable by, the respective legal representatives of Seller, its successors and assigns, and the successors and assigns of Buyer.

13. **GOVERNING LAW.**

This Agreement shall be construed and enforced in accordance with the laws of the State of Tennessee.

14. **COUNTERPARTS.**

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement shall not be binding until executed by all Parties.

15. **NO THIRD PARTY BENEFICIARIES.**

This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

16. **ENTIRE AGREEMENT.**

This Agreement (including the documents referred to herein) constitutes the entire agreement among the Parties and supersedes any prior understandings, agreements or representations by or among the Parties, written or oral, to the extent they have related in any way to the subject matter hereof.

17. **SUCCESSION AND ASSIGNMENT.**

This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. Buyer shall be permitted to assign its rights in this Agreement to an affiliated entity that the Buyer controls without need of consent by the Seller by providing written notice to the Seller of such assignment. Other than the foregoing permitted assignment, no Party may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of Buyer and Seller, said approval not to be unreasonably withheld.

18. **HEADINGS.**

The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

19. **NOTICES.**

All notices, demands, consents, requests or other communications required to or permitted to be given pursuant to this Agreement shall be in writing, shall be given only in accordance with the provisions of this Section 19, shall be addressed to the parties in the manner set forth below, and shall be conclusively deemed to have been properly delivered: (a) upon receipt when hand delivered during normal business hours (provided that, notices which are hand delivered shall not be effective unless the sending party obtains a signature of a person at such address that the notice has been received); (b) upon receipt when sent by facsimile if sent between the hours of 8:00 a.m. and 5:00 p.m. (the recipient's time) on a business day to the number set forth below with written confirmation of a successful transmission by the sender's facsimile machine; (c) when sent by electronic mail if (1) identified in the subject line as a notice under this Agreement, (2) sent between the hours of 8:00 a.m. and 5:00 p.m. on a business day to the email address set forth below, and (3) acknowledged as received by the recipient, by reply or separate email, (d) upon the day of delivery if the notice has been deposited in an authorized receptacle of the United States Postal Service as first-class, registered or certified mail, postage prepaid, with a return receipt requested (provided that, the sender has in its possession the return receipt to prove actual delivery); or (e) one (1) business day after the notice has been deposited with FedEx, United Parcel Service or other reliable overnight courier to be delivered by overnight delivery (provided that, the sending party receives a confirmation of actual delivery from the courier). The addresses of the parties to receive notices are as follows:

If to Buyer:

Josiah Cox, President
Central States Water Resources, Inc.
500 Northwest Plaza Drive #500
St. Ann, MO 63074
Facsimile: (314) 238-7201
Email: jcox@cswrgroup.com

With a Copy to:

James A. Beckemeier
The Beckemeier Law Firm, LC
13421 Manchester Road, Suite 103
St. Louis, MO 63131
Facsimile: (314) 965-0127

Email: jim@beckemeierlaw.com

If to Seller:

Thomas L. Kolschowsky
800 Roosevelt Road
Building A, Suite 120
Glen Ellyn, IL 60137
Facsimile: 630-469-3390
Email: tom@stahelin.com

Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

20. **AMENDMENTS AND WAIVERS.**

No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by Buyer and Seller. No waiver by any party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

21. **SEVERABILITY.**

Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

22. **EXPENSES.**

Buyer and Seller shall each bear its own costs and expenses (including legal and accounting fees and expenses) incurred in connection with the preparation of this Agreement and activities necessary for Closing.

23. **CONSTRUCTION.**

The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise

favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation.

24. **INCORPORATION OF EXHIBITS.**

The Exhibits identified in this Agreement are incorporated herein by reference and made a part hereof.

25. **DEFAULT; ATTORNEY'S FEES.**

If either Party shall default in their performance under this Agreement, which default results in the expenditure of attorneys' fees to enforce the terms of this Agreement or to recover damages for breach of this contract, then the prevailing party shall be entitled to receive their reasonable and actually incurred attorneys' fees and costs in addition to any other damages that the Party is entitled to recover at law or in equity.

26. **AUTHORITY TO EXECUTE.** Each person whose signature appears hereon represents, warrants and guarantees that he or she has been duly authorized and has full authority to execute this Agreement on behalf of the party on whose behalf this Agreement is executed.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the day and year first above written.

SELLER:

Cartwright Creek, LLC

By: 

Name: Thomas L. Kolschowsky

Title: Senior Vice President and Corporate Counsel

BUYER:

Central States Water Resources, Inc.

By: 

Josiah Cox, President

EXHIBIT "A"

Service Area Description

EXHIBIT "B"

Description of Land, Improvements thereon, Easements, Rights of Way, Permits and Leases
(The legal description(s) of the Land, Improvements thereon, Easements, Rights of Way shall be determined by
survey and title commitments, which shall be inserted prior to Closing).

EXHIBIT "C"

Personal Property and Equipment

(meters, tools, devices, mobile work equipment, furniture, fixtures, machinery, supplies, and other tangible items)

Description	Balance of Associated Debt & Lender Information

EXHIBIT "D"

Rights Via Agreements, Contracts, Misc.

(franchise agreements, franchise rights, warranties, contracts, supply contracts, agreements, and customer deposits)

Customer Agreement

**AMENDMENT TO
AGREEMENT FOR SALE OF UTILITY SYSTEM**

This Amendment to Agreement for Sale of Utility System ("Amendment") is made and entered into this 6th day of March, 2019, by and between Central States Water Resources, Inc., a Missouri corporation ("Buyer"), and Cartwright Creek, LLC ("Seller"), collectively (the "Parties").

RECITALS

A. The Parties entered into that certain Agreement for Sale of Utility System dated August 22, 2018, with respect to the sale and purchase of that certain sewer system in Williamson County, Tennessee (the "Agreement").

B. By entering into this Amendment, Buyer and Seller desire to amend and modify the Agreement upon the terms and conditions described herein.

The following terms and/or provisions shall be amended within the Agreement:

1. The Seller and the Buyer acknowledge and agree that Buyer has assigned its rights in the Agreement to its affiliate, Limestone Water Utility Operating Company, LLC; therefore, all references to "Buyer" in the Agreement going forward shall refer to Limestone Water Utility Operating Company, LLC.

2. The Purchase Price shall be increased to Eight Hundred Eighty Thousand Dollars (\$880,000.00) from Eight Hundred Sixty Thousand Dollars (\$860,000.00).

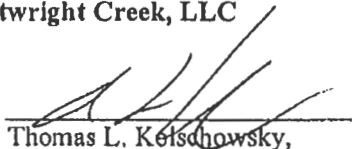
3. The remaining terms of the Agreement shall remain unchanged, and shall remain in full force and effect except as provided herein. If any provision of this Amendment conflicts with the Agreement, the provisions of this Amendment shall control.

IN WITNESS WHEREOF, the Parties have duly executed this Amendment as of the day and year first above written either simultaneously or in one or more counterparts,

each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

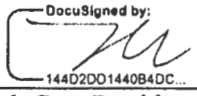
SELLER:

Cartwright Creek, LLC

BY: 
Thomas L. Kelschowsky,
Sr. Vice President and Corp. Counsel

BUYER:

Central States Water Resources, Inc.

BY: 
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Josiah Cox, President

**Limestone Water Utility Operating
Company, LLC**

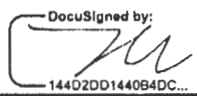
BY: 
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Josiah Cox, President

Exhibit 10

Assignment of Rights

ASSIGNMENT OF INTERESTS

WHEREAS, Cartwright Creek, LLC, (“Seller”) and Central States Water Resources, Inc., (“Buyer”) entered into an *Agreement for Sale of Utility System* (“Agreement”) dated August 22, 2018; and

WHEREAS, under terms of the Agreement Buyer will acquire all Seller’s assets pertaining to Seller’s provision of sewer services through three sewer systems located in Williamson County, Tennessee; and

WHEREAS, Section 17 of the Agreement gives Buyer the right, at closing, to assign to an affiliated entity all of Buyer’s rights, title, and interests in Seller’s assets and to do so without need to obtain Seller’s consent; and

WHEREAS, Limestone Water Utility Operating Company, LLC, (“Limestone”) is an affiliate of Buyer formed for the purpose of owning and operating sewer systems in the state of Tennessee;

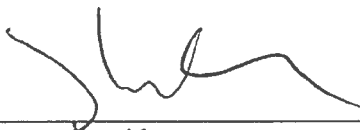
NOW, THEREFORE, in accordance with its rights under the Agreement, Buyer hereby assigns to Limestone, at closing of the transaction contemplated by the Agreement, all Buyer’s right, title, and interests to the assets acquired from Seller, including, without limitation, the following:

1. The land, improvements, easements, rights of way, permits, and leases related to sewer systems owned and operated by Seller in Williamson County, Tennessee, and as depicted or described in Exhibits A and B of the Agreement;
2. All of Seller’s sewer service facilities, equipment, lines, plant, pipes, manholes, and appurtenances;
3. Any machinery and equipment, such as meters, tools, devices, mobile work equipment, and all furniture, fixtures, machinery, supplies, and other tangible items, if any, as located in Williamson County, Tennessee, and used or held for use in connection with Seller’s ownership and operation of its three sewer systems, as described in Exhibit C of the Agreement;
4. All of Seller’s rights, title, and interest to any franchise agreements, franchise rights, warranties, contracts, supply contracts, agreements, and customer deposits, if any, pertaining to, allocable to, or arising out of Seller’s provision of sewer service in Williamson County, Tennessee, and as more generally described in Exhibit D of the Agreement;
5. All of Seller’s inventory, merchandise, contract rights, supplies, goodwill, and general intangibles, including accounts receivable pertaining to the provision of sewer service, except accounts receivable accrued prior to the closing date specified in the Agreement; and
6. All assets not otherwise described or identified that are located in Williamson County, Tennessee, and are used or useful to Seller to operate its three sewer systems, except any and all cash, cash equivalents, and bank deposits in existence prior to closing the transaction contemplated by the Agreement.

Consistent with this Assignment of Interests and its obligations under the Agreement, Buyer agrees to take all actions necessary to ensure Seller fully and lawfully transfers all interests subject to this assignment to Limestone at closing of the transaction contemplated by the Agreement.

Executed this 5th day of March 2019.

**CENTRAL STATES WATER
RESOURCES, INC.**



President

Exhibit 11

Pre-filed testimony of Josiah Cox

**DIRECT TESTIMONY OF
JOSIAH COX
LIMESTONE WATER UTILITY OPERATING COMPANY, LLC**

WITNESS INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Josiah Cox. My business address is 500 Northwest Plaza Drive Suite 500. St. Ann Missouri, 63074

Q. WHAT IS YOUR POSITION WITH LIMESTONE WATER UTILITY OPERATING COMPANY, LLC (LIMESTONE OR COMPANY)?

A. I hold the office of President of Limestone. I also am President of Central States Water Resources, Inc. ("CSWR"), a Limestone affiliate. Later in my testimony I will describe CSWR's relationship to Limestone and discuss the role CSWR would play in Limestone's future operations if the Commission approves the Joint Application in this case.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL EXPERIENCE.

A. I received a Bachelor of Science with a major in Environmental Science from the University of Kansas. Professionally I have worked at the Kansas state biological survey, where I performed a wildlife habitat study. I then worked at a civil engineering firm where I was involved in various facets of the land development process including permitting, entitlement, civil design, project management, and construction management. I focused mainly on the water and wastewater side of the civil engineering business and participated in every part of that business from waste-load allocation studies (now known as the anti-degradation processes), design, permitting, project management, and construction management. I also ran the firm's environmental consulting division and was the second private consultant to submit a water quality impact study in the state

of Missouri in 2003. I joined the engineering firm's executive leadership team and helped run all the firm's operations.

Beginning in 2005, I raised money from a group of investors and formed a full-service civil engineering, environmental consulting, general contracting, and construction management firm. I served as the Chief Operating Officer, and finally Chief Executive Officer, I obtained extensive experience with rural communities in every facet of the water and wastewater compliance process, including environmental assessment, permitting, design, construction, operation and community administration of the actual water and wastewater (sewerage) systems. The firm performed stream sampling and built waste-load allocation models to determine receiving water-body protective permit-able effluent pollutant loads. We have done full engineering design of multiple whole community wastewater and water infrastructure systems including wells, water distribution, water treatment, water storage, wastewater conveyance, and wastewater treatment plants and taken these designs through federal and state administered permitting processes in Missouri. The engineering firm also administered the construction of these water and wastewater systems from green field site selection all the way through system startup and final engineering sign off.

During this time, I began the Master of Business Administration (MBA) program at Washington University in St. Louis, from which I graduated in 2007.

In addition, starting in 2008, I took over the operations of an existing rural sewer district, and I still operate a system managing the functioning, testing, and maintenance of the system. I also act as the administrator for this municipal system performing all the billing, emergency response, accounts payable/accounts receivable, collections, budgeting, customer service, and public town meetings required to service the community.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS CASE?

A. The purpose of my testimony is to describe Limestone's proposal to acquire all assets currently used by Cartwright Creek, LLC, ("Cartwright") to provide wastewater utility service to customers in three service areas in Williamson County, Tennessee – Arrington Retreat, The Grasslands, and The Hideaway – and explain why both Limestone and Cartwright believe their proposed transaction is in the public interest. I also will describe Limestone's relationship to CSWR, the role CSWR would play in Limestone's operation of the sewer systems at issue in this case, and the benefits Limestone's relationship with CSWR would bring to customers served by those systems. Finally, to the extent applicable, I will provide the Commission information required by TPUC Rule 1220-04-13-.17(2)(f).

**BACKGROUND INFORMATION REGARDING LIMESTONE
AND ITS AFFILIATES**

Q. PLEASE PROVIDE SOME BACKGROUND INFORMATION ABOUT LIMESTONE AND CSWR.

A. Limestone is a limited liability company formed to acquire Cartwright Creek's assets. If the Commission grant's the requests the Joint Applicants have made in this case, Limestone would operate the three wastewater systems being acquired from Cartwright Creek.

Limestone is an affiliate of CSWR. A corporate organization chart illustrating that relationship was filed in this case as Exhibit 4 to the Joint Application.

In late 2010, after working on several small, failing water and wastewater systems, I created a business plan to acquire and recapitalize failing systems as investor-owned regulated water and wastewater utility companies. In early 2011, I went to the capital markets to raise money to implement my plan. Over a period of approximately three years, I met with over fifty-two infrastructure investment groups trying to raise necessary financing. In February 2014, I achieved

my goal, and I used the debt and equity capital I was able to raise to start CSWR. Since its formation, CSWR has acquired, and currently is operating through various affiliates, 9 small water and 16 wastewater systems in Missouri and Arkansas. In Missouri, those systems are regulated by the Missouri Public Service Commission. In Arkansas, the systems are outside the Arkansas Public Service Commission's jurisdiction due to annual revenue thresholds.

In 2018, I was able to attract an additional large institutional private equity investor, which allowed me to expand the scope of my business plan beyond Missouri and Arkansas. This new investor is allowing CSWR to form companies for the purpose of acquiring distressed water and wastewater systems in additional states including Tennessee.

Q. WHAT IS CSWR's BUSINESS PLAN WITH REGARD TO THE ACQUISITION AND OPERATION OF DISTRESSED WATER AND WASTEWATER SYSTEMS?

A. CSWR's business plan is to pursue the purchase and recapitalization of failing water and wastewater systems and to operate those systems as investor-owned regulated utilities. Many of those systems are not currently regulated, and of those that are regulated by state utility commissions many, if not most, are out of compliance with commission rules and with federal or state pollution laws and regulations. Many of those companies do not even have the federal or state permits required to lawfully operate those systems. We also have found that many of the regulated companies have not increased their rates for a decade or more and, as a result, they don't have the financial resources necessary to build, maintain, and replace assets used to provide service or to bring their operations into compliance with rapidly-changing environmental and water quality regulations. Some of these companies are in receivership and, therefore, lack access to capital necessary to improve their systems.

Because it has made the effort to find investment capital and investors who are willing to make investments and take risks necessary to bring small water and wastewater systems into compliance with current statutes, rules, and regulations, CSWR, through its affiliates, has been able to acquire distressed systems, invest capital necessary to construct or repair physical facilities, and operate those systems in a way that satisfies customers, regulators, and investors alike. CSWR's business plan and the expertise its personnel provide to affiliates have proven successful in multiple states, and there is every reason to believe that record of success would continue if Limestone is authorized to acquire Cartwright Creek's assets and is given the authority to operate those assets in the three areas where Cartwright Creek currently provides service.

Q. IF THE AUTHORIZATIONS REQUESTED IN THE JOINT APPLICATION ARE GRANTED, WOULD LIMESTONE HIRE EMPLOYEES TO PROVIDE SERVICE IN THE AREAS CURRENTLY SERVED BY CARTWRIGHT CREEK?

A. No, Limestone would not hire employees to operate those three systems.

Q. THEN HOW DOES LIMESTONE PROPOSE TO PROVIDE SERVICE TO CUSTOMERS OF THOSE SYSTEMS?

A. If the Joint Application is approved, Limestone would hire a local third-party Operations and Maintenance (O&M) firm that has knowledgeable and experienced personnel, carries the necessary state licenses, and has insurance coverage necessary to manage the daily wastewater operations of the systems at issue in this case. In addition to its service obligations during normal business hours, the O&M firm would be required to have a 24-hour emergency service line for service disruption. In addition, notice of all service disruption calls would be forwarded to me, as Limestone's president.

CSWR has developed a centralized computerized maintenance management system (CCMS) that monitors the performance of our drinking water and wastewater systems and allows CSWR to track the ongoing maintenance and testing of O&M contractors at all our facilities. CSWR uses GIS survey information to accurately map all infrastructure assets which leads to proactive on-going targeted ongoing infrastructure re-investment as part of overall CSWR ownership.

Limestone also will hire a billing and customer service firm to send out bills and handle service-related billing questions. Historically, CSWR has always ensured the billing firm we hire has in place or quickly can establish an online billing system to receive credit card and e-checks from customers and a Limestone-specific customer service email account to field ongoing customer interactions. The customer service representatives are available during normal business hours, can take messages twenty-four hours a day, and all customer correspondence is recorded and logged to consumers' accounts to ensure the highest level of service.

While day-to-day operational, billing, and customer service functions would be provided by non-employee contractors, all management, financial reporting, underground utility safety and location services, Commission regulatory reporting, environmental regulatory reporting and management, operations oversight, utility asset planning, engineering planning, ongoing utility maintenance, utility record keeping, and final customer dispute management would be performed by personnel at CSWR's corporate office, with proportional costs for those services passed down to Limestone. CSWR personnel also would monitor the activities of the non-employee contractors to make sure the systems are being operated and maintained properly and customers needs are being met. The resumes of CSWR personnel who, in addition to me, will be responsible for

providing services or oversight to Limestones operation were attached to the Joint Application as Exhibit 6.

Q. PLEASE DESCRIBE YOUR AFFILIATES' EXPERIENCE WITH WASTEWATER/SEWER SYSTEMS.

A. On the wastewater side of the business, our group of affiliated companies has purchased 16 wastewater treatment plants with associated sewer pumping stations, gravity force mains, and gravity conveyance lines. In Missouri, the companies have designed, permitted, and completed construction, with Missouri Department of Natural Resources approval, of approximately \$5 million of sanitary sewer systems since March of 2015. These improvements include wastewater line repairs to remove infiltration and inflow, building sewer main extensions, the repair of multiple lift stations, the construction of lift stations, the closure of an existing regulatory impaired wastewater system, building two fully activated sludge plants, constructing moving bed bio-reactor plants (MBBR), converting two failing wastewater systems into sludge storage/flow equalization and treatment basins, converting failed mechanical systems to I-Fast systems, and constructing various other wastewater supporting improvements. Central States has completed the design and construction permitting for major wastewater improvements for two additional wastewater systems in Missouri, and for new utility acquisitions recently approved in an Elm Hills Utility Operating Company, Inc. acquisition case. These designs include constructing two moving bed bio-reactor plants (MBBR) and constructing various other wastewater supporting improvements. CSWR has also completed or is in the permitting process with the Arkansas Department of Environmental Quality (ADEQ) the design of improvements associated with ten additional wastewater plants in Arkansas.

Q. DOES CSWR HAVE PERSONNEL QUALIFIED TO PERFORM THE SERVICES YOU IDENTIFIED IN YOUR PRECEDING ANSWER?

A. Yes, it does, as evidenced by the fact CSWR already is providing those and other similar services for water and wastewater systems in Missouri and Arkansas. I already described my background and experience in the water and wastewater utility industry, and resumes of the key members of CSWR's senior team who would be involved in Limestone's operations were filed as Exhibit 6 to the Joint Application. Each of those senior leaders, and the other CSWR employees who would assist them, is well-qualified to meet the demands of Limestone and its customers and of this commission and other regulators charged with overseeing Limestone's operations. That level of experience and expertise CSWR currently provides affiliated systems in Missouri and Arkansas and that it would bring to Limestone if the Joint Application is approved is not usually available to small systems like those at issue in this case. But CSWR's business model provides these assets to its affiliates and does so, through economies of scale CSWR's centralized management structure can achieve, at a lower cost than would be the case if Limestone or a similarly-sized company had to acquire or provide such expertise and support on its own.

Q. HAS YOUR GROUP OF AFFILIATED COMPANIES TAKEN STEPS TO IMPROVE SERVICES AT THE SYSTEMS IT NOW OPERATES?

A. Yes. In addition to the capital improvements made on all of the systems, the organization has built from scratch customer service systems at each utility that comply with the Missouri Commission's rules and provide benefits to the customers. This includes 24-hour emergency service phone lines for potential service issues, on-call emergency service contractor personnel, implementation of a computerized maintenance management system for wastewater and drinking water utility assets, customer dissemination of Missouri Department of Natural Resources

mandated drinking water testing information, on-line bill-pay options, up-to-date website bulletins about current service status, and service initiation or discontinuance procedures.

Q. DO LIMESTONE AND CSWR HAVE THE FINANCIAL CAPACITY TO FINANCE, OWN, AND OPERATE THE SYSTEMS YOU PROPOSE TO ACQUIRE FROM CARTWRIGHT CREEK?

A. Yes, Limestone and CSWR have the financial capacity to finance, own, and operate the three systems we propose to acquire from Cartwright Creek.

DESCRIPTION OF THE PROPOSED TRANSACTION

Q. PLEASE DESCRIBE THE WASTEWATER SYSTEMS LIMESTONE PROPOSES TO ACQUIRE FROM CARTWRIGHT CREEK.

A. As I mentioned earlier in my testimony, Limestone proposes to acquire three wastewater systems from Cartwright Creek: Arrington Retreat, The Grasslands, and The Hideaway. All those systems are located in Williamson County. Maps and aerial photographs showing the areas to be acquired from Cartwright Creek were filed as Exhibit 1 to the Joint Application.

Terms of the proposed asset sale are governed by an *Agreement for the Sale of Utility System*, as amended (“Agreement”), between Cartwright Creek and CSWR. A copy of the Agreement, as amended, was filed as Exhibit 9 to the Joint Application, and a copy of the document assigning all assets acquired from Cartwright Creek to Limestone was filed as Exhibit 10. As specified in the Agreement, the purchase price for the assets being acquired from Cartwright Creek is \$880,000.

No closing date for the transaction has been set, but the Agreement identifies various conditions precedent, including obtaining all required regulatory approvals, that must be satisfied before the transaction can close. Section 17 of the Agreement also authorizes CSWR to assign all

its rights to the acquired assets to an affiliated entity. In accordance with that section, at closing CSWR will transfer to Limestone all sewer system assets acquired from Cartwright Creek.

Q. PLEASE DESCRIBE SOME OF THE PROBLEMS THAT EXIST IN THE THREE SYSTEMS CARTWRIGHT CREEK PROPOSES TO SELL TO LIMESTONE.

A. The Grasslands is the largest of the systems Cartwright Creek proposes to sell to Limestone, and it's also the system with the most problems and greatest need for capital investment. The Grasslands service area is a community with approximately 549 residential connections. The collection system is primarily gravity-flow with two mechanical pumping stations, but no flow monitoring or remote monitoring equipment is in place. Facilities serving that area have a total capacity of 250,000 gallons per day ("gpd"), however current inflow and infiltration greatly exceed that capacity – by factors as great as four to seven times designed gpd capacity. The treatment facility serving The Grasslands receives excessive inflow and infiltration and, as a result, exceeds certain maximum operating limits. For example, the total nitrogen limit of 1.9 mg/l is not being met. The system also sometimes exceeds allowable phosphorous. The system is in dire need of repairs to avoid these and other problems at the treatment facility, and CSWR estimates additional investment of more than \$2.3 million would be required to bring the system up to standard and into regulatory compliance.

Q. IF THE COMMISSION APPROVES THE JOINT APPLICATION, IS LIMESTONE WILLING AND ABLE TO MAKE IMPROVEMENTS NECESSARY TO BRING THE WASTEWATER SYSTEM SERVING GRASSLANDS UP TO STANDARD AND INTO COMPLIANCE?

A. Yes. If the Commission grants Limestone the authority it seeks in the Joint Application, Limestone and CSWR are willing and able to invest the capital necessary to bring the Grassland

system up to standard and into compliance. As I described previously, because of the affiliated structure of which they are part, Limestone and CSWR have access to capital adequate to make current improvements to that system and to continue to operate it in a manner that complies with applicable statutes, rules, and regulations and is in the public interest.

Q. WHAT RATES, RULES, AND REGULATIONS WOULD BE IN EFFECT FOR THE THREE SYSTEMS AT ISSUE IN THIS CASE?

A. Initially, Limestone proposes to adopt the tariffs, rules, and rates currently in effect for the three Cartwright Creek systems. However, if the revenue requirement for any or all those systems increase – as likely would be the case given the additional capital investment needed for system upgrades and improvements – or as our own operating experience dictates, in the near-term future Limestone may petition the Commission to increase rates or change certain operating regulations. In the future, Limestone also may also seek authority to consolidate the rates of the three systems it proposes to acquire.

Q. ARE LIMESTONE AND CSWR FAMILIAR WITH THE COMMISSION’S RULES AND REGULATIONS GOVERNING WASTEWATER UTILITIES AND DO YOU PLEDGE TO OPERATE THE THREE SYSTEMS IN A MANNER THAT COMPLIES WITH THOSE RULES AND REGULATIONS?

A. Yes, we have familiarized ourselves with the Commission’s rules and regulations and pledge to operate the three systems in a manner that complies with all Commission requirements.

Q. DO YOU BELIEVE THE PROPOSED TRANSACTIONS ARE IN THE PUBLIC INTEREST?

A. Yes. I believe the proposed acquisition of Cartwright Creek’s would be consistent with and would promote the public interest. Limestone and CSWR are fully qualified, in all respects, to own and operate the systems to be acquired and to otherwise provide safe and adequate service.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

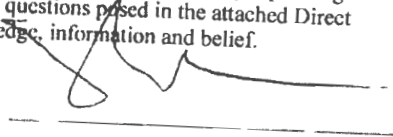
A. Yes, it does.

JOSIAH COX
DIRECT TESTIMONY

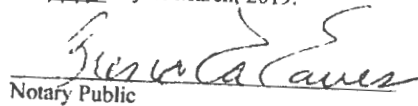
AFFIDAVIT

STATE OF MISSOURI)
COUNTY OF St Louis) ss

I, Josiah Cox, state that I am the President of Limestone Utility Operating Company, LLC and, that the answers to the questions posed in the attached Direct Testimony are true to the best of my knowledge, information and belief.



Subscribed and sworn to before me this 11th day of March, 2019.


Notary Public

My Commission Expires: 01/31/2021

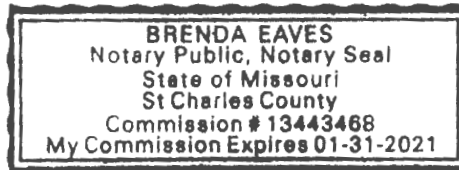


Exhibit 12

Customer notification letter draft

SAMPLE

March xx, 2019

Dear Resident of Arrington Estates,

Limestone Water Utility Operating Company, LLC. (Limestone Water) and Cartwright Creek Utility Company (Cartwright Creek) have filed a joint application with the Tennessee Public Utility Commission (TPUC) seeking Commission authorization for Cartwright Creek to sell to Limestone Water its sewer system assets. Cartwright Creek is currently serving approximately 877 customers in Franklin County.

If the proposal is approved by the TPUC, Limestone Water would become a regulated water and sewer utility that would be subject to the jurisdiction of the TPUC in the Arrington Estates, Grasslands, and Hideaway at Arrington service areas.

Limestone Creek proposes to adopt the existing rate structure for all sewer customers.

After completing the proposed acquisition of these utility systems, Limestone Water plans to construct numerous improvements to the systems, to address degradation due to age and environmental compliance issues.

Those wishing to comment should contact the **TN Public Utility Commission**

*502 Deaderick Street
4th Floor
Nashville, TN 37243
(800) 342-8359
615-741-2904
contact.tpuc@tn.gov*

TPUC website is: <https://www.tn.gov/tpuc/divisions/consumer-services-division-csd.html>

Refer to Case No. XX-XXXX-XXXX in all correspondence.

If you have questions, please contact Limestone Water at 314-736-4672 or the above public office of the Tennessee Public Utility Commission.

Josiah Cox,
Limestone Utility Operating Company, LLC