

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION  
NASHVILLE, TENNESSEE**

**IN RE:**

**APPLICATION OF LIMESTONE  
WATER UTILITY OPERATING  
COMPANY, LLC, FOR AUTHORITY TO  
PURCHASE TITLE TO THE ASSETS,  
PROPERTY, AND REAL ESTATE OF A  
WATER SYSTEM AND FOR A  
CERTIFICATE OF PUBLIC  
CONVENIENCE AND NECESSITY**

**DOCKET NO. 21-00059**

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**APPLICATION OF LIMESTONE WATER UTILITY OPERATING COMPANY,  
LLC, FOR AUTHORITY TO PURCHASE TITLE TO THE ASSETS, PROPERTY,  
AND REAL ESTATE OF A WATER SYSTEM AND FOR A CERTIFICATE OF  
PUBLIC CONVENIENCE AND NECESSITY**

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Pursuant to Tenn. Code Ann. §§ 65-4-104 and 65-4-113 and TPUC Rule 1220-01-01-.03, Limestone Water Utility Operating Company, LLC, ("Limestone") ("Applicant") respectfully submits this Application requesting the Tennessee Public Utility Commission ("TPUC" or "Commission" ) to authorize Limestone to purchase title to all assets, property, and real estate currently used by Candlewood Lakes Property Owners Association, Inc. and Candlewood Lakes POA Water Works, Inc. (together, "Candlewood Lakes") to provide water service to customers in in Hardeman County, Tennessee - ("the Transaction"). In addition, to enable Limestone to operate the water system it proposes to acquire ("System"), Applicant requests the Commission authorize and grant Limestone a Certificate of Convenience and Necessity ("CCN") pursuant to Tenn. Code Ann. § 65-4-201. While not directly applicable to this matter, Limestone provides herewith the information requested by TPUC Rule 1220-04-13.17 for wastewater applications in **Appendix A**.

Under terms of the *Agreement for Sale of Utility System* governing the sale of the System, 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 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 Application on an expedited basis.

In support of its Application, Applicant submits the following:

**I.     Introduction**

1.       The full names, addresses, and contact information for the Applicant is as follows:

Limestone Water Utility Operating Company, LLC  
c/o Josiah Cox  
Central States Water Resources, Inc.<sup>1</sup>  
1650 Des Peres Rd., Suite 303,  
St. Louis, MO 63131  
(314) 736-4672  
[jcox@cswrgroup.com](mailto:jcox@cswrgroup.com)

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

**For Limestone:**  
Charles B. Welch, Jr.  
Farris Bobango PLC  
414 Union Street  
Suite 1105  
Nashville, TN 37219

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

3. In support of this Application, the following appendix and exhibits are attached hereto:

- a. **Appendix A** - Minimum filing requirements;
- b. **Exhibit 1** - Description and area map of the System;
- c. **Exhibit 2** - Limestone's Articles of Organization;
- d. **Exhibit 3** - Limestone's Operating Agreement;
- e. **Exhibit 4** - Limestone's Certificate of Existence;
- d. **Exhibit 5**- CSWR's organization chart;
- e. **Exhibit 6** - Chart of Limestone's affiliates and number of customers served;
- f. **Exhibit 7** - SEALED - *Agreement for Sale of Utility System*;
- g. **Exhibit 8**- Assignment of Rights Agreement;
- h. **Exhibit 9** - Direct Testimony of Josiah Cox;
- i. **Exhibit 10** - SEALED - CSWR consolidated financial statements;
- J. **Exhibit 11** - SEALED - Limestone proforma financial statements;
- k. **Exhibit 12** - Resumes of key CSWR personnel;
- I. **Exhibit 13** - Customer notification letter draft;
- m. **Exhibit 14**- Officer/key employee organization chart;
- n. **Exhibit 15** - Candlewood Lakes' state operator's certificate;
- o. **Exhibit 16** - Proposed chart of accounts;
- p. **Exhibit 17** - Proposed Tariff.

## **II. Description of the Transaction Parties**

### **4. General Information**

#### **A. Candlewood Lakes**

Candlewood Lakes Property Owners Association, Inc. and Candlewood Lakes POA Water Works, Inc. are Tennessee corporations. Their principal office and place of business is at 389 Candlewood Drive, Saulsbury, Tennessee 38067. Candlewood Lakes currently provides water service to customers through a water system located in Hardeman County, Tennessee. A description of Candlewood Lakes' service area and a service area map are attached to the Application as **Exhibit 1** and are incorporated by reference.

#### **B. Limestone**

Limestone is a Tennessee limited liability company. Its principal office and place of business is at 1650 Des Peres Rd., Suite 303, St. Louis, MO 63131. Limestone currently provides

water and wastewater services to approximately 400 water customers and 350 wastewater customers in Hardin County, Tennessee. A certified copy of Limestone's articles of organization, operating agreement, and certificate of existence, as filed with or issued by the Tennessee Secretary of State's office, are attached to the Application as **Exhibits 2, 3, and 4** respectively, and are incorporated by reference. Limestone's sole member is Limestone Water Utility Holding Company, LLC, ("LWUHC"), a Tennessee limited liability company, whose sole officer is its president, Josiah Cox. Limestone maintains on file with the TPUC the information described in TPUC 1220-04-03.05.

Limestone and LWUHC are part of a group of affiliated companies that directly or indirectly own and operate water or wastewater systems in Missouri, Arkansas, Kentucky, Louisiana, Texas, and Tennessee and provide services to approximately 126,000 customers. Each company within the group is an "affiliate" of each other company, as defined by TPUC Rule 1220-04-13-.16(2)(a). An organization chart showing all affiliate relationships within the group is attached to the Application as **Exhibit 5**. Each affiliate that directly owns and operates a water or wastewater system and the number of customers it serves is identified in **Exhibit 6**. Those exhibits are incorporated into this Application by reference.

One of Limestone's affiliates, CSWR, LLC, ("CSWR"), provides financial, technical, and managerial expertise and services to each of the group's utility operating affiliates and will manage Limestone and the System at issue if the Commission approves the Transaction that is the subject of the Application. CSWR is the only company within the group that has employees and is the only affiliate that would provide services to Limestone. The technical, managerial, and financial services CSWR would provide Limestone are described elsewhere in the Application. CSWR is a Missouri limited liability company, and its principal office is located at 1650 Des Peres Rd., Suite

303, St. Louis, MO 63131. It currently does not conduct business in Tennessee and does not intend to do so in the future; therefore, CSWR is not required to have a business license or any other authorization from the Tennessee Secretary of State.

### **III. Description of the Transaction**

Candlewood Lakes has determined it is in the best interests of both the company and its customers to sell the water System at issue in this Application to a qualified operator. In furtherance of that objective, Candlewood Lakes and Central States Water Resources, Inc. entered into a binding *Agreement for Sale of Utility System* dated November 3, 2020 ("Agreement"). A copy of the full Agreement is attached, under seal, as Proprietary and Confidential **Exhibit 7** and incorporated by reference. The Agreement specifies terms for Candlewood Lakes to sell and CSWR to purchase all assets Candlewood Lakes uses to provide water services to its Hardeman County system, including, but not limited to, water 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. No closing date is specified because closing is expressly contingent on satisfaction of various conditions precedent, including obtaining all required regulatory approvals. The closing date will be as described in TPUC Rule 1220-04-13-.10(2).

Limestone proposes to acquire all assets Candlewood Lakes currently uses to provide water services to customers located in Hardeman County, Tennessee. The Candlewood Lakes drinking water System is composed of one drinking water well, one 55,000-gallon standpipe, and utilizes hypochlorination for disinfection. The System is in generally good condition and, from reviewing the previous inspection report, is in good standing with Tennessee Division of Water. However, Limestone will explore the need for a second well, as well as alternatives, and does propose to

make the following corrective actions in order to address matters that could create potential violations: vegetation control around the facility by removing trees and cutting grass around the fencing; protection of power outlets connected to system power; regrade around the well head to prevent rainwater pooling; clean corroded piping within the chlorine room and paint with rust preventing paint; and, install a secondary containment device on the chlorine barrel.

Section 19 of the Agreement authorizes Central States Water Resources, Inc. to assign its rights to an affiliated entity. In accordance with that provision, Central States Water Resources, Inc. has executed an *Assignment of Rights* that, at closing, would transfer to Limestone all rights, title, and interests to Candlewood Lakes assets. A copy of that assignment is attached to this Application as **Exhibit 8** and incorporated by reference.

The sale of assets under terms specified in the Agreement promotes the interests of the public generally and of Candlewood Lakes' customers more specifically. The sale of assets under terms specified in the Agreement promotes the interests of the public generally and of Candlewood Lakes' customers more specifically. Limestone and CSWR are willing and able to invest capital necessary to keep the Candlewood Lakes System in compliance with applicable law. The affiliate group of which Limestone and CSWR are part has access to capital adequate to make necessary upgrades and improvements to the Candlewood Lakes System and to continue to operate that System in a manner that is in the public interest and complies with applicable statutes, rules, and regulations. If the Commission grants the relief requested in the Application, Limestone intends to adopt rates currently in effect for the Candlewood Lakes' system.

The reasons Limestone wants to purchase Candlewood Lakes' System and Limestone's plans for the System are discussed in the written direct testimony of Josiah Cox, which is attached to this Application as **Exhibit 9** and incorporated by reference. Mr. Cox's testimony also includes

information identified by TPUC Rules 1220-04-13-.12 and 1220-04-13-. 17(2)(a)8(f) and confirms Limestone's intent to fully comply with all applicable statutes, rules, and regulations.

**IV. Limestone Possesses the Technical, Managerial and Financial Expertise Necessary to Provide Utility Services**

Through its affiliation with CSWR, Limestone possesses the requisite technical, financial and managerial capabilities to operate as a utility services provider. These capabilities are further explained in detail below and in Mr. Cox's direct testimony. As previously noted, in addition to the water and wastewater services Limestone already provides in Tennessee, CSWR-affiliated companies currently operate water or wastewater systems in Missouri, Arkansas, Kentucky, Louisiana, and Texas. For each of the systems an affiliate currently owns or operates, CSWR provides the technical, managerial, and financial resources necessary to acquire and operate those systems. CSWR would continue to provide similar support for the System Limestone proposes to acquire in this case.

**A. Technical Qualifications**

CSWR's technical resources and expertise have greatly improved the quality of service its utility operating affiliates are able to provide their respective customers in Missouri, Arkansas, Kentucky, Louisiana, Tennessee, and Texas. CSWR has on staff engineers and other similarly qualified personnel with experience in the design and operation of water and wastewater systems, and supplements those resources with qualified and licensed local contract operators who are responsible for day-to-day plant operations. Access to these and other resources available through its affiliation with CSWR allow Limestone to achieve economies not generally available to similarly sized water and wastewater utilities. If the Commission grants the regulatory approvals sought in this Application, CSWR would bring the same benefits it currently provides to customers in Missouri, Arkansas, Kentucky, Louisiana, Texas, and Tennessee customers to the Candlewood

Lakes customers Limestone proposes to serve through this application. In his direct testimony, Mr. Cox describes and discusses the technical qualifications of Limestone and its affiliates to own and operate the Candlewood Lakes System.

**B. Financial Qualifications**

CSWR has access to investment capital necessary to acquire small, oftentimes distressed, water and sewer systems and make investments necessary to upgrade, improve, and maintain those systems so they can consistently provide safe and reliable water and wastewater service to customers. Equity capital used to acquire Candlewood Lakes' assets, to fund initial capital upgrades and improvements, and providing necessary working capital will be provided by CSWR. After the acquisition is completed, Limestone will determine if future system improvements will be funded by equity, debt, or a combination of both, with future debt capital to be obtained from commercial sources, if available, at reasonable interest rates. Limestone and its affiliates thus have the financial capability necessary to acquire, own, and operate the Candlewood Lakes System. CSWR's consolidated balance sheet and income statement for the most recent fiscal year are attached to the Application as **Exhibit 10**, as Limestone began operations as of March 18, 2021, and does not yet have financial statements of its own. A pro-forma income statement and balance sheet for Limestone for the first three years of its proposed operation of the Candlewood Lakes System is attached as **Exhibit 11**. Each of those exhibits is incorporated by reference.

**C. Managerial Qualifications**

Resumes of key CSWR personnel who are closely involved with Limestone's operations are attached to this Application as **Exhibit 12** and are incorporated by reference. Information presented in those resumes demonstrates 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.

**V. Approval of Limestone's Application is in the Public Interest**

Granting Limestone's Application is consistent with the public interest. In that regard, Applicant makes the following representations to the Commission:

- a. Limestone possesses the technical, financial, and managerial resources sufficient to provide the services requested;
- b. Limestone's services will meet the service standards required by the Commission;
- c. The provision of services by Limestone will not adversely impact the availability of affordable utility service; and
- d. The provision of utility services by Limestone will not adversely impact the public interest.

To minimize any adverse effects on customers, Limestone proposes to adopt the rates currently charged by Candlewood Lakes, and any future changes in those rates would be subject to the Commission's review and approval.

**VIII. Conclusion**

Both Candlewood Lakes and Limestone believe it is in the best interests of the customers for Limestone to acquire the System from Candlewood Lakes with the result that Limestone will be the exclusive provider of wastewater within the service area of the System.

In properly maintaining and supporting a water system, successful operators will inevitably be confronted with, among other things, increasing costs and mounting capital expenditures. Aging

infrastructure and technological advances must be consistently and appropriately studied and addressed. Limestone has the capability and resources to ensure that the System is appropriately maintained and upgraded in the days ahead as conditions warrant.

The representations and warranties described in the *Agreement for Sale of Utility System* reflect the determination by the parties involved that going forward Limestone, rather than Candlewood Lakes, is best suited to provide service to customers of the System, including making future capital improvements necessary to maintain the efficiency and quality of the System.

The *Agreement for Sale of Utility System* and the requested regulatory treatment and approvals are necessary and proper for the public convenience and properly conserve, promote, and protect the public interest. A copy of a customer notification is attached as **Exhibit 13** and is incorporated by reference.

This Application demonstrates that Limestone possesses the technical, financial, and managerial resources to provide water services. Therefore, the issuance of a CCN to Limestone serves the public interest.

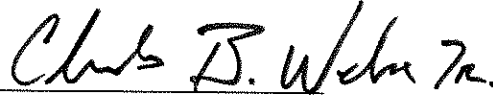
**WHEREFORE**, for the reasons previously stated, Limestone requests the Commission issue an order:

- a. Authorizing Limestone to purchase all Candlewood Lakes' assets used to provide water utility services to customers in Hardeman County, Tennessee;
- b. Authorizing and granting Limestone a CCN to provide wastewater utility services in areas currently served by Candlewood Lakes; and
- c. Providing such other relief as the Commission believes is necessary and appropriate

under the circumstances on an expedited basis.

Dated: May 20, 2021

Respectfully submitted,



Charles B. Welch, Jr., Esq.  
Tyler A. Cosby, Esq.  
Farris Bobango PLC  
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Nashville, TN 37219  
(615) 726-1200 (telephone)  
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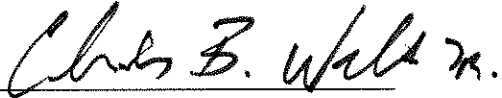
Dean L. Cooper MBE#36592  
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P. O. Box 456  
Jefferson City, MO 65102  
(573) 635-7166  
[dcooper@brydonlaw.com](mailto:dcooper@brydonlaw.com)

*Attorneys for Applicant Limestone Water  
Utility Operating Company, 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 20<sup>th</sup> day of May , 2021.

Vance Broemel Karen H. Stachowski Terra Allen Consumer Protection and Advocate Division Office of the Attorney General P.O. Box 20207 Nashville, TN 37202	Candlewood Lakes Property Owners Association, Inc. and Candlewood Lakes POA Water Works, Inc. 389 Candlewood Drive Saulsbury, Tennessee 38067
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Charles B. Welch, Jr., Esq.

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION  
NASHVILLE, TENNESSEE**

**IN RE:**

**APPLICATION LIMESTONE WATER  
UTILITY OPERATING COMPANY,  
LLC, FOR AUTHORITY TO PURCHASE  
TITLE TO THE ASSETS, PROPERTY,  
AND REAL ESTATE OF A WATER  
SYSTEM AND FOR A CERTIFICATE OF  
PUBLIC CONVENIENCE AND  
NECESSITY**

**DOCKET NO. \_\_\_\_\_**

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**VERIFICATION**

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STATE OF MISSOURI     )

COUNTY OF ST. LOUIS     )


I, Josiah Cox, being first duly sworn, am authorized to represent and warrant, on behalf of Limestone Water Utility Operating Company, LLC, in the above-referenced docket. To the best of my knowledge, the statements in the Application filed in this Docket are true and correct. Limestone will comply with all applicable laws, regulations, and Commission rules. I declare under the penalty of perjury that the foregoing is true and correct.



MERANDA K. KEUBLER  
My Commission Expires  
November 13, 2022  
St. Louis County  
Commission #14631487

  
\_\_\_\_\_  
Josiah Cox

Sworn and subscribed before me this 10th day of May, 2021.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: 11/13/2022

## **APPENDIX A**

### **I. Definitions**

The term "Not Applicable" contained herein is used as a response to the wastewater Minimum Filing Requirements that pertain to the construction of a new system and not the purchase of an existing system.

### **II. TPUC Rule 1220-04-13-.17 Minimum Requirements for New and Amendments to Certificate of Convenience and Necessity for Wastewater (although not applicable, provided for the benefit of the Commission).**

(1) See attached application and direct testimony of Josiah Cox (**Exhibit 9**).

(2)

(a) (1) The legal corporate names and addresses of the Applicant is shown in Section I, paragraph 1 of the Application.

(2) An organization chart showing each officer and other key personnel of applicant Limestone is attached as **Exhibit 14**.

(3) Limestone's sole member is Limestone Water Utility Holding Company, LLC, a Missouri limited liability company. Its sole officer is its president Josiah Cox and whose office address is 1650 Des Peres Rd., Suite 303, St. Louis, MO 63131. The company's telephone number is (314) 380-8544.

(4) An organization chart showing Limestone's affiliated companies is attached to the Application as **Exhibit 5**. One of Limestone's affiliates, CSWR, LLC, will provide technical and financial support and will assume responsibility for overseeing day-to-day operations of Limestone's systems.

(5) Copies of Limestone's Articles of Organization and Operating Agreement

are attached to the Application as **Exhibits 2 and 3**, respectively.

(6) A copy of Limestone's license to engage in business in the state of Tennessee, as registered with the Secretary of State, is attached to the Application as **Exhibit 4**.

(7) Limestone proposes to acquire all assets used by Candlewood Lakes to provide water services to customers in Hardeman County, Tennessee. The TDEC permit associated with the water system is as follows: State Operating permit No. TN0000797. Maps depicting the areas served by Candlewood Lakes are on file with the Commission, and those maps are incorporated into the Application by reference.

(8) Not applicable.

(9) Not applicable.

(10) Not applicable.

(11) Not applicable.

(12) The Applicant will respond completely to information requests from the Commission staff.

(b) (1) Not applicable.

(2) The System Limestone proposes to acquire is not located in an area that requires a municipal or county franchise.

(3) Not applicable.

(c) (1) Biographies of officers and/or key water and wastewater utility staff that demonstrate their managerial ability and relevant certifications and professional licenses, are attached to the Application as **Exhibit 12**.

(2) Limestone's affiliates have purchased and currently are operating public drinking water and/or wastewater serves in Missouri, Arkansas, Kentucky, Louisiana, Tennessee,

and Texas that provide safe, and reliable service to approximately 126,000 customers. Limestone-affiliated companies currently have additional acquisition applications pending in Mississippi, North Carolina, Florida, and Texas.

(3) Not applicable.

(4) Not applicable.

(d) (1) Limestone has not filed or applied for a State Operating Permit with the TDEC for the Candlewood Lakes System. If the Commission grants Limestone the authority to acquire the System currently owned and operated by Candlewood Lakes, Limestone will obtain from the TDEC all permits and other operating authorizations required by law. Limestone holds State Operating Permit No. TN0000948 for water and SOP-92082 for wastewater, as to its current systems in Tennessee.

(2) A copy of Candlewood Lakes' State Operator Certificate for the water system operator of record is attached to the Application as **Exhibit 15**.

(3) Josiah Cox is the person responsible for and knowledgeable about Limestone's proposed operations in Tennessee. Mr. Cox's address and telephone number are provided in the Application and in this Appendix in Section 2(a)(3).

(4) Candlewood Lakes and Limestone currently have no complaints or notices of violation or administrative action issued by any federal, state, or local regulatory agency.

(5) Not applicable.

(e) (1) Financial statements for CSWR, LLC for the most recent fiscal year are attached to the Application as **Exhibit 10**. Limestone began operations as of March 18, 2021 and does not yet have financial statements of its own.

(2) Proforma income statements showing the first three (3) years of Limestone's



operation of the water system it proposes to acquire are attached to the Application as **Exhibit 11**.

(3) A proposed chart of accounts, which follows the NARUC Uniform System of Accounts for water and wastewater utilities, is attached to the Application as **Exhibit 16**.

(4) Candlewood Lakes is unregulated and therefore a list of plant-in-service account numbers and names, along with estimated account balances, is unavailable.

(5) For the system it proposes to acquire, Limestone proposes to use depreciation rates most recently approved by the Commission for Candlewood Lakes.

(6) Not applicable.

(7) If the Commission approves the Application, Limestone will be the owner of all assets acquired from Candlewood Lakes.

(8) If the Commission approves the Application, Limestone proposes to adopt the tariff attached to the Application as **Exhibit 17**. The proposed tariff shows products, services, terms, conditions and proposed rates to be charged for water service, as well all fees, including but not limited to, customer deposits, disconnect or reconnect fees, late fees, tap fees, escrow fees, bond fees, franchise fees and taxes. Limestone proposes to initially use the rates currently charged by Candlewood Lakes.

(9) Limestone is not currently projecting any customer growth during the first five years of operations for the Candlewood Lakes System.

(10) Not applicable.

(11) Not applicable.

(12) Limestone plans to make the acquisitions proposed in the Application through an infusion of equity capital from CSWR, LLC.

(13) Not applicable.

(f) (1) Not applicable.

(2) The written testimony of Josiah Cox is attached to the Application as **Exhibit 9**. That testimony includes a description of the water system Limestone proposes to acquire from Candlewood Lakes.

(3) The written testimony of Josiah Cox is attached to the Application as **Exhibit 9**. That testimony includes a statement that Limestone is aware of and will abide by all applicable Tennessee statutes and Commission rules.

(4) The written testimony of Josiah Cox is attached to the Application as **Exhibit 9**. That testimony describes and discusses the technical, managerial, and financial capabilities of Limestone and its affiliates and their ability to acquire and operate the water system at issue in the Application.

(5) Not applicable.

(6) The written testimony of Josiah Cox is attached to the Application as **Exhibit 9**. That testimony includes a signed affidavit that all information submitted in the Application and in Mr. Cox's written testimony is true and correct to the best of the witness' knowledge and belief.

## Exhibit 1 – Description and Area Maps of the System

Currently, Candlewood Lakes provides wastewater services to customers in the following service areas in Hardeman County, Tennessee.

The maps provide a complete description of the geographic territory served by Candlewood Lakes, including the names of surrounding streets and roads. The maps also include the locations of the system components.

The following are maps off the referenced service areas currently served by Candlewood Lakes:



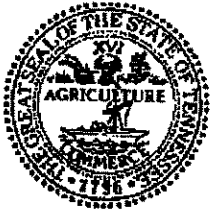




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**ARTICLES OF ORGANIZATION  
LIMITED LIABILITY COMPANY**

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-**

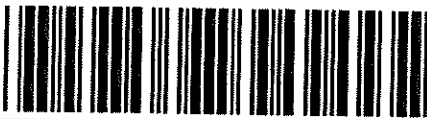
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**The Articles of Organization presented herein are adopted in accordance with the provisions of the Tennessee Revised Limited Liability Company Act.****1. The name of the Limited Liability Company is:** Limestone Water Utility Operating Company, LLC

(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**EXHIBIT**

2



**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

## **OPERATING AGREEMENT OF LIMESTONE WATER UTILITY OPERATING COMPANY, LLC**

THIS OPERATING AGREEMENT (this "Agreement") is signed as of the 1<sup>st</sup> day of January, 2019 (the "Effective Date"), by Limestone Water Utility Holding Company, LLC, a Tennessee limited liability company as the sole Member of LIMESTONE WATER UTILITY OPERATING COMPANY, LLC, a Tennessee limited liability company (the "Company").

### **RECITALS**

WHEREAS, on December 4, 2018, the Company was organized a limited liability company under the laws of Tennessee pursuant to the Tennessee Revised Limited Liability Company Act, Title 48, Chapter 249 (the "Act") for the purpose of, among other things, of investing in and operating water and waste water utilities;

WHEREAS, the aforementioned Member desires to adopt this Operating Agreement setting forth the Member's desire for the management and operation of such limited liability company.

NOW THEREFORE, in consideration of the mutual covenants and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Member hereby states as follows:

### **ARTICLE I. ORGANIZATION**

1.1. Certain Definitions. As used herein, the following terms have the following meanings:

- (a) "Act" is defined in Section 1.2 hereof.
- (b) "Agreement" means this Operating Agreement, as the same may be amended from time to time.
- (c) "Business Property" means all properties, assets and interests (whether real or personal, tangible or intangible) now or hereafter owned or held by the Company.
- (d) "Capital Account" means the Capital Account maintained by the Company for each Member in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv), as amended from time to time.
- (e) "Capital Contributions" means with respect to the Member, the total amount of money and the fair market value of the other property, if any, to be contributed to the Company by the Member in accordance with Article II hereof. The Member's "Paid-In Capital Contribution" means the amount of the Member's Capital Contribution actually paid in cash or other property actually contributed to or on behalf of the Company. With respect to the Company, such terms shall mean the aggregate



Capital Contributions and aggregate Paid-In Capital Contributions, respectively, of the Member.

(f) "Capital Transaction" means any of the following items or transactions: a sale, transfer or other disposition of all or substantially all of the assets of the Company, condemnation actions, net insurance recoveries (other than for temporary loss of use), the refinancing of the mortgage or other indebtedness of the Company. The payment of Capital Contributions by the Member shall not be included within the meaning of the term "Capital Transaction."

(g) "Code" means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute.

(h) "Company" means this limited liability company and any successors hereto.

(i) "Depreciation" means for each fiscal year, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such fiscal year. In the event the book value of an asset differs from its adjusted tax basis at the beginning of such year, then the Depreciation shall be an amount which bears the same ratio to the fair market value (as may be adjusted pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(f) and (g)) as the Depreciation determined for federal income tax purposes bears to the beginning adjusted tax basis.

(j) "Dissolution Proceeds" is defined in Section 10.2 hereof.

(k) "Net Profits" or "Net Losses" for the applicable period means the gross income of the Company minus (a) all net cash outlays of any kind, whether capital in nature or not, to the extent the same are not depreciable or amortizable for federal income tax purposes (or, as the context may require, to the extent the same are not depreciated or amortized for federal income tax purposes), including, without limiting the generality of the foregoing, all operating expenses payable by the Company, salaries, life insurance premiums on policies owned by the Company, and interest on any Company indebtedness; and (b) all Depreciation allowable for federal income tax purposes. In the event that such sum is a positive number, it shall be considered "Net Profits" and if the sum is a negative number, it shall be considered "Net Losses."

(l) "Person" is defined in Section 1.9 hereof.

(m) "Treasury Regulation(s)" means the Income Tax Regulations promulgated under the Code, as such Treasury Regulations may be amended or supplemented from time to time.

1.2. Formation. The Member has formed the Company under and pursuant to the provisions of the Act, for the limited purposes and scope set forth in this Agreement. The Member has filed in the appropriate governmental office(s) Articles of Organization which conform to the requirements of the Act in order to constitute the



Company as a valid limited liability company under the Act. The costs and expenses associated with such filing shall be borne by the Company.

1.3. Name. The business and affairs of the Company shall be conducted solely under the name of "LIMESTONE WATER UTILITY OPERATING COMPANY, LLC", and such name shall be used at all times in connection with the business and affairs of the Company; provided that the Member may operate the Company under any other name necessary or convenient to qualify it to do business in any state or jurisdiction.

1.4. Term. The Company shall continue in existence perpetually, or until dissolved by the Member under the terms of this Agreement.

1.5. Business of the Company. The business of the Company is to: (i) invest in and operate water and waste water utilities; (ii) own, finance, hold, manage, manufacture, sell, exchange or otherwise deal with and dispose of all or any part of the Business Property; and (iii) transact any and all lawful business for which a limited liability company may be organized under the Act and exercise all rights and engage in all activities related thereto (the "Business").

1.6. Principal Office. The principal office of the Company shall be at 500 Northwest Plaza Drive, Suite 500, St. Ann, MO 63074, or such other location as may be hereafter determined by the Manager.

1.7. Registered Office and Registered Agent. The name of the Company's registered agent for service of process in Tennessee and the address of the Company's registered office in Tennessee shall be as provided in the Articles of Organization. The Manager may in his sole discretion and from time to time change the address of the registered office and the registered agent by filing the documents required by law.

1.8. Articles of Organization and Other Instruments. The Member has executed or has authorized the execution of the Articles of Organization in accordance with the Act, and shall execute such other documents and instruments and take all such other actions as may be deemed by the Manager to be necessary or appropriate to effectuate and permit the continuation of the Company under the laws of the State of Tennessee or the laws of any other state in any other state which the Member deems necessary or appropriate. The Manager shall, from time to time, take appropriate action, including the preparation and filing of such other amendments to the Articles of Organization and other certificates as may be required under the laws of the State of Tennessee or any other state, to enable the Company to do business in the State of Tennessee or any other state.

1.9. Additional Definitions. The definitions in Section 1.1 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun used herein shall include the corresponding masculine, feminine and neuter forms. The term "Person" includes individuals, partnerships, corporations, limited liability companies, trusts, and other associations and entities. The words "include," "includes," and "including" shall be deemed to be followed by the phrase

"without limitation." The words "herein," "hereof," "hereunder," and similar terms shall refer to this Agreement, unless the context otherwise requires.

## **ARTICLE II. CAPITAL CONTRIBUTIONS**

2.1. Initial Capital Contributions. The Member shall make the Capital Contribution to the Company as reflected on Exhibit A attached hereto and incorporated herein by reference.

## **ARTICLE III. DISTRIBUTIONS**

3.1. Distributions. Except as otherwise requested by the Member or required by law, cash distributions shall be made to the Member on the following bases at such time (but at least annually) and in such amounts as the Manager in his sole discretion shall determine:

(a) Distributions, other than from a Capital Contribution, shall be made in the following order of priority:

(i) To the payment of liabilities of the Company then due and owing to Persons other than the Member;

(ii) To the Member, in an amount equal to the unpaid balance of principal and accrued interest of any loan by the Member to the Company;

(iii) The balance, if any, shall be distributed to the Member.

(b) The proceeds of any Capital Transaction and the distribution upon liquidation under Section 10.2 shall be made in the following order of priority:

(i) To the payment of liabilities of the Company then due and owing to Persons other than the Member;

(ii) To establish such reserves as the Manager in his discretion determines to be reasonably necessary for any contingent or foreseeable liability or obligation of the Company; provided, however, that the balance of any such reserve remaining at such time as the Manager shall reasonably determine shall be distributed in accordance with subparagraphs (iii) through (v) of this Section 3.1(b);

(iii) To the payment to the Member of an amount equal to the unpaid balance of principal and accrued interest of any Loan by the Member;

(iv) To the Member, an amount equal to its Capital Contributions reduced (but not below zero) by the amount of all prior distributions to it under this Section 3.1;

(v) The balance, if any, shall be distributed to the Member.

3.2. Distributions to Be Made In Cash. Unless otherwise determined by the Member, all distributions to the Member shall be made in cash.

#### **ARTICLE IV. ALLOCATION OF NET PROFITS AND NET LOSSES**

4.1. Profits and Losses. Net Profits and Net Losses incurred and/or accrued shall be allocated to the Member.

#### **ARTICLE V. ACCOUNTING; RECORDS**

5.1. Accounting Methods. The Company books and records shall be prepared in accordance with generally accepted accounting principles, consistently applied. All Federal, state and local tax returns of the Company shall be prepared by the Company's certified public accountants, under the direction of the Manager.

5.2. Fiscal Year. The fiscal year of the Company shall be the twelve calendar month period ending December 31.

5.3. Tax Status. The Member shall elect such tax status that it deems appropriate for each tax year by notifying the Manager of such election.

#### **ARTICLE VI. POWERS, RIGHTS AND DUTIES OF THE MEMBER AND MANAGER**

6.1. Restriction of the Member's Rights to Participate in Management. Except as otherwise expressly provided herein, the Member shall have no voice in, take any part in, nor interfere with, the conduct, control, or management of the business of the Company in its capacity as the Member, nor shall the Member have any authority or power to act for, or on behalf of, the Company, or to bind the Company in any respect whatsoever.

6.2. Member Consent. (a) The affirmative vote, approval or consent of the Member shall be required to: (i) alter the primary purposes of the Company as set forth in Section 1.5; (ii) do any act in contravention of this Agreement or cause the Company to engage in any business not authorized by the Articles of Organization or the terms of this Agreement; (iii) do any act which would make it impossible to carry on the usual course of business of the Company; (iv) change or reorganize the Company into any other legal form; (v) amend this Agreement; (vi) issue an Interest in the Company to any Person and admit such Person as a Member; (vii) approve a merger or consolidation with another Person, (viii) change the status of the Company from one in which management is vested in the one or more Managers to one in which management is vested in the Member, or vice versa; (ix) possess any Company property or assign the rights of the Company in specific Company property for other than a Company purpose; (x) perform any act (other than an act required by this Agreement or any act taken in good faith reliance upon counsel's opinion) which would, at the time such act occurred, subject the Member to liability as a general

partner in any jurisdiction; (xi) operate the Company in such a manner as to have the Company classified as an "investment company" for purposes of the Investment Company Act of 1940; (xii) have an order for relief entered against the Company under applicable federal bankruptcy law; OR (xiii) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against the Company in any bankruptcy, reorganization or insolvency proceeding.

(b) The Member shall have the right to replace a Manager of the Company and name its successor at any time by providing written notice to the Manager being replaced of such decision in which the successor Manager is also set forth.

### 6.3. Manager.

(a) The Manager shall have the power to do all things necessary or convenient to carry out the business affairs of the Company. The initial Manager shall be Central States Water Resources, Inc., a Missouri corporation.

(b) The Manager shall not have any contractual right to such position and shall serve until the earliest of (i) the withdrawal of the Manager, or (ii) the removal of the Manager. The Manager may be removed and replaced in accordance with the provisions of Section 6.2(b).

(c) Except to the extent provided herein, the Member hereby agrees that only the Manager and agents of the Company authorized by the Manager shall have the authority to bind the Company. The Member shall not take any action to bind the Company without notifying the Manager of such action. If the Member takes any action to bind the Company, it shall indemnify and hold harmless the Manager against any claim, loss, expense or liability (including, without limitation, attorneys' fees and expenses, whether or not litigation is commenced) incurred by the Manager as a result of the unauthorized action of such Member.

(d) The Manager's duty of care in the discharge of the duties of the Manager to the Company and the Member is limited to discharging his duties pursuant to this Agreement in good faith, with the care a corporate officer of like position would exercise under similar circumstances, in the manner he reasonably believes to be in the best interests of the Company. In discharging his duties, the Manager shall not be liable to the Company or to the Member for any mistake or error in judgment or for any act or omission believed in good faith to be within the scope of authority conferred by this Agreement or by separate written instrument executed by the Member.

(e) The Manager's compensation shall be established by the Member, and the Manager shall be entitled to reimbursement of any general overhead expenses incurred in the regular course of his duties.

#### 6.4. Indemnification

(a) The Company, except as provided in Section 6.4(b), shall indemnify any Person who is or was a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether criminal, civil, administrative or investigative, including without limitation any action by or in the right of the Company, by reason of the fact that he/it was or is a Member or Manager of the Company or is or was a Member or Manager of the Company who is or was serving at the request of the Company as a member, manager, director, officer, agent, employee, partner or trustee of another limited liability company, corporation, partnership, joint venture, trust or other enterprise; against expenses, including attorneys' fees, judgments, fines, taxes and amounts paid in settlement, actually and reasonably incurred by him in connection with such action, suit or proceeding if such Person's conduct is not finally adjudged to be knowingly fraudulent, deliberately dishonest or willful misconduct. The right to indemnification conferred in this paragraph shall be a contract right and shall include the right to be paid by the Company expenses incurred in defending any actual or threatened civil or criminal action, suit or proceeding in advance of the final disposition of such action, suit or proceeding. Such right will be conditioned upon receipt of an undertaking by or on behalf of the Member or manager to repay such amount if it shall ultimately be determined that he/it is not entitled to be indemnified by the Company as authorized in this Article. Such right shall survive any amendment or repeal of this Article with respect to expenses incurred in connection with claims, regardless of when such claims are brought, arising out of acts or omissions occurring prior to such amendment or repeal. The Company may, by action of the Member, provide indemnification to employees and agents of the Company with the same scope and effect as the foregoing indemnification of Member and Manager.

(b) If a claim under Section 6.4(a) is not paid in full by the Company within thirty (30) days after a written claim has been received by the Company, the claimant may at any time thereafter bring suit against the Company to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense, including reasonable attorneys' fees and costs, of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Company) that the claimant has not met the standards of conduct which make it permissible under the limited liability company law of Tennessee for the Company to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Company. Neither the failure of the Company (including the Member or independent legal counsel) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he/it has met the applicable standard of conduct set forth in the limited liability company law of Tennessee, nor an actual determination by the Company (including its Member or independent legal counsel) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

(c) The indemnification provided by this Section 6.4 shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any agreement, consent of the Member or otherwise, both as to action in his/its official capacity and as to action in another capacity while holding such office, and shall continue as to a Person who has ceased to be a Member, Manager, employee, partner, trustee or agent and shall inure to the benefit of the heirs, executors and administrators of such a Person.

(d) The Company may purchase and maintain insurance on behalf of any Person who is or was a Member, Manager, employee or agent of the Company, or is or was serving at the request of the Company as a member, manager, director, officer, employee, partner, trustee or agent of another limited liability company, corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his/its status as such, whether or not the Company would have the power to indemnify him against such liability under the provisions of this Section 6.4.

(e) For the purposes of this Section 6.4, references to the Company includes the resulting or surviving entity in any merger or consolidation so that any Person who is or was a Member, Manager, employee or agent of such a constituent entity or is or was serving at the request of such constituent entity as a member, manager, director, officer, employee, partner, trustee or agent of another limited liability company, corporation, partnership, joint venture, trust or other enterprise shall stand in the same position under the provisions of this Section 6.4 with respect to the resulting or surviving entity as he/it would if he/it had served the resulting or surviving entity in the same capacity.

(f) For purposes of this Section 6.4, the term "other enterprise" shall include employee benefit plans; the term "fines" shall include any excise taxes assessed on a Person with respect to any employee benefit plan; and the term "serving at the request of the Company" shall include any service as a member, manager, director, officer, employee, partner, trustee or agent of, or at the request of, the Company which imposes duties on, or involves services by, such member, manager, director, officer, employee, partner, trustee or agent with respect to an employee benefit plan, its participants, or beneficiaries.

(g) In the event any provision of this Section 6.4 shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision of this Section 6.4 and any other provisions of this Section 6.4 shall be construed as if such invalid provision had not been contained in this Section 6.4. In any event, the Company shall indemnify any Person who is or was a Member or Manager of the Company, or is or was a Member or Manager of the Company who is or was serving at the request of the Company as a member, manager, director, officer, agent, employee, partner or trustee of another limited liability company, corporation, partnership, joint venture, trust or other enterprise, to the full extent permitted under Tennessee law, as from time to time in effect.

6.5. Liability of the Member. The Member shall not be liable as such for the liabilities of the Company. The failure of the Company to observe any formalities or

requirements relating to the exercise of its powers or management of its business or affairs under this Agreement or the Act shall not be grounds for imposing personal liability on the Member or a Manager for liabilities of the Company.

#### **ARTICLE VII. DETERMINATIONS BY THE MEMBER**

7.1. Actions by the Member. The Member shall have the right to take any action set forth herein in accordance with the terms of the Agreement. In addition, if the Member determines that it wants to take an action that is not expressly granted to it within this Agreement, it shall take such action only after notifying the Manager in writing of the intended action.

#### **ARTICLE VIII. ACTIONS OF THE MANAGER**

8.1. Actions by the Manager. The Manager shall decide any question related to the operations of the Company, unless the question is one upon which, by express provision of the Act, the Articles of Organization or this Agreement, the Member is required to consent, in which case such express provision shall govern and control the decision on such question.

#### **ARTICLE IX. TRANSFER OF MEMBER'S INTEREST**

9.1. Transfer of Member's Interest. The Member shall have the right to transfer all or part of its Interest to another Person upon such terms that the Member deems acceptable. Prior to the effective date of the transfer of all or part of the Interest, the Member must notify the Manager of the transfer in writing.

9.2. Effect of Assignment; Documents. All Interests in the Company transferred pursuant to the provisions of this Article shall be subject to the restrictions and obligations set forth in this Agreement. As a condition to any Person being admitted as an additional Member or a substituted Member, such Person must execute this Agreement and agree to be bound by all of its terms and provisions as a substituted Member or additional Member.

#### **ARTICLE X. DISSOLUTION OF THE COMPANY**

##### **10.1. Dissolution Acts.**

(a) No act, thing, occurrence, event or circumstance shall cause or result in the dissolution of the Company except that the happening of any one of the following events shall work as an immediate dissolution and termination of the Company:

(i) A determination by Member to dissolve and terminate the Company; and

(ii) The event of the death of the Member.

(b) Without limiting the other provisions hereof, the transfer of all or any part of a Member's Interest, in accordance with the provisions of this Agreement or the admission of a new Member, shall not work the dissolution of the Company.

10.2. Distribution of Proceeds on Dissolution; Reserves. Upon the dissolution and termination of the Company, a the Member or such other Person designated by the Member (the "Winding-Up Member") shall file a Notice of Winding Up pursuant to the Act and shall proceed with the liquidation and termination of the Company as promptly as possible, but in an orderly and businesslike manner so as not to involve undue sacrifice, and the proceeds therefrom and any other funds and assets of the Company (the "Dissolution Proceeds"), shall be applied and distributed pursuant to the provisions of Section 3.1.b.

## **ARTICLE XI. GENERAL**

11.1. Notices. Any notice, request, approval, consent, demand or other communication required or permitted hereunder shall be given in writing by (1) personal delivery, (2) expedited delivery service with proof of delivery, (3) United States Mail, postage prepaid, registered or certified mail, return receipt requested, or (4) email or facsimile (provided that such email or facsimile is confirmed as received), and shall be deemed to have been given and received either at the time of personal delivery or, in the case of delivery service or mail, as of the date of first attempted delivery at the last known address, or in the case of email or facsimile, upon receipt.

11.2. Amendments. This Agreement may be amended by a written agreement of amendment executed by the Member.

11.3. Miscellaneous. Except as herein otherwise specifically provided, this Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, legal representatives, successors and assigns. Captions contained in this Agreement in no way define, limit, or extend the scope or intent of this Agreement. If any provision of this Agreement or the application of such provision to any Person or circumstance shall be held invalid, the remainder of this Agreement, or the application of such provision to any other Persons or circumstances, shall not be affected thereby.

11.4. Remedies. If the Company or any party to this Agreement obtains a judgment against any other party by reason of breach of this Agreement or failure to comply with the provisions hereof, reasonable attorneys' fees as fixed by the court shall be included in such judgment. No remedy conferred upon the Company or the Member in this Agreement is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. No waiver by the Member or the Company of any breach of this Agreement shall be deemed to be a waiver of any other breach of any kind or nature and no acceptance of payment or performance by a Member or the Company after any such



breach shall be deemed to be a waiver of any breach of this Agreement, whether or not such Member or the Company knows of such breach at the time it accepts such payment or performance. If the Member has the right herein to approve or consent to any matter or transaction, such approval or consent may be withheld in the sole discretion of the Member for any reason or no reason. No failure or delay on the part of the Member or the Company to exercise any right it may have shall prevent the exercise thereof by the Member or the Company at any time such other may continue to be so in default, and no such failure or delay shall operate as a waiver of any default.

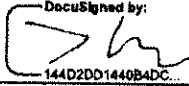
11.5. Compliance with Securities Laws. Notwithstanding anything herein contained to the contrary, no transfer or disposition of Interests in the Company pursuant to the terms hereof shall be made unless such transfer or disposition complies in all respects with the provisions of the Securities Act of 1933 and the securities laws of any and all states with jurisdiction over such transfer or disposition, and the rules and regulations promulgated thereunder.

11.6. Binding Effect. This Agreement and any amendment hereto made as provided herein shall be binding upon and inure to the benefit of the Company and its successors and assigns, and the Member, its heirs, executors, administrators, and legal or personal representatives.

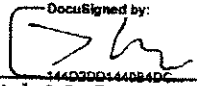
11.7. Governing Law. This Agreement and the rights of the parties hereunder shall be governed by and interpreted in accordance with the laws of the State of Tennessee.

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date first above written.

**Limestone Water Utility  
Holding Company, LLC**

By:  DocuSigned by:  
144D2DD1440B4DC...  
Josiah M. Cox, President of  
Central States Water Resources, Inc.,  
Manager

Agreed and Accepted by:

 DocuSigned by:  
144D3DD1440B4DC...  
Josiah M. Cox, President of  
Central States Water Resources, Inc.,  
Manager

**EXHIBIT A  
INITIAL CAPITAL CONTRIBUTIONS**

<u>Member's Name and Address</u>	<u>Member's Interest</u>	<u>Capital Contribution</u>
Limestone Water Utility Holding Company, LLC	100%	Kept by Company Accountant



**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

LIMESTONE WATER UTILITY OPERATING COMPANY, LLC  
KRIS WHITTEN  
SUITE 303  
1650 DES PERES ROAD  
DES PERES, MO 63131

May 3, 2021

Request Type: Certificate of Existence/Authorization  
Request #: 0415492

Issuance Date: 05/03/2021  
Copies Requested: 1

Document Receipt

Receipt #: 006338914

Filing Fee: \$20.00

Payment-Credit Card - State Payment Center - CC #: 3806073067

\$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

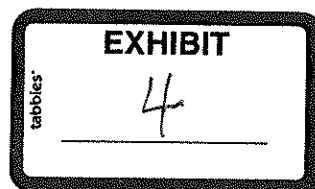
\* is a Limited Liability Company duly formed under the law of this State with a date of incorporation and duration as given above;

\* 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 filed the most recent annual report required with this office;

\* 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.



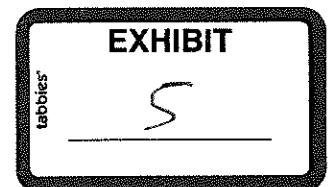
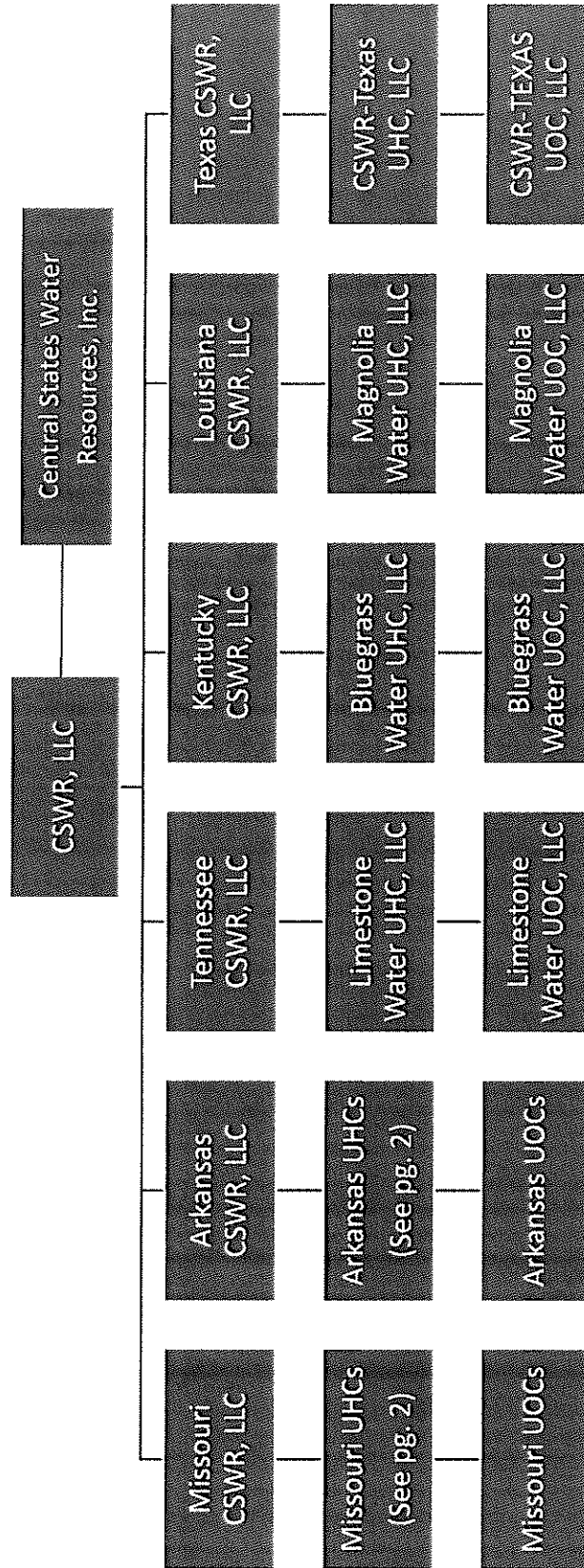
*Tre Hargett*  
Tre Hargett

Secretary of State

Processed By: Cert Web User

Verification #: 046029631

**Central States Water Resources Corporate Entity Organizational Chart**



## Operating Companies

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**EXHIBIT**

6

### ASSIGNMENT OF CONTRACT RIGHTS

This Assignment of Contract Rights ("Assignment") is executed as of the \_\_\_\_ day of May, 2021, by CENTRAL STATES WATER RESOURCES, INC., a Missouri corporation ("Assignor"), in favor of LIMESTONE WATER UTILITY OPERATING COMPANY, LLC, a Tennessee limited liability company ("Assignee").

**WHEREAS**, on November 3, 2020, Assignor entered into an Agreement for Sale of Utility System ("Purchase Agreement"), with Candlewood Lakes Property Owners Association, Inc., a Tennessee public benefit corporation, and Candlewood Lakes POA Water Works, Inc., a Tennessee public benefit corporation (collectively, "Candlewood Lakes");

**WHEREAS**, Section 19 of the Purchase Agreement provides that Assignor may assign its rights to the Purchase Agreement to an entity affiliated with Assignor and controlled by Assignor, but without the need for Candlewood Lakes' consent;

**WHEREAS**, Assignee is an entity affiliated with Assignor that Assignor controls;

**NOW, THEREFORE**, in consideration of the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, Assignor and Assignee hereby agree:

As of the date of this Assignment, Assignor hereby assigns, conveys, transfers and sets over unto Assignee all of Assignor's right, title and interest in and to the Purchase Agreement, and any amendments or addendums thereto.

**IN WITNESS WHEREOF**, the parties have executed this Assignment as of the date first set forth above.

#### **ASSIGNOR:**

CENTRAL STATES WATER RESOURCES, INC.,  
a Missouri corporation

By: \_\_\_\_\_  
Josiah M. Cox, President

#### **ASSIGNEE:**

LIMESTONE WATER UTILITY OPERATING  
COMPANY, LLC, a Tennessee limited liability  
company

By: CENTRAL STATES WATER RESOURCES,  
INC., its manager

By: \_\_\_\_\_  
Josiah M. Cox, President

**EXHIBIT**

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8

**DIRECT TESTIMONY**

**OF JOSIAH COX**

**LIMESTONE WATER UTILITY OPERATING COMPANY, LLC**

**WITNESS INTRODUCTION**

**Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

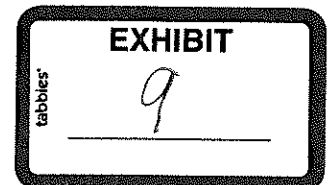
A. My name is Josiah Cox. My business address is 1650 Des Peres Road, Suite 303. St. Louis Missouri, 63131.

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

A. I am President of Limestone. I also am President of CSWR, LLC, (“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 Application.

**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.



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. 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. This new investor is allowing CSWR to form companies for the purpose of acquiring water and wastewater systems in additional states. Since its formation, CSWR has acquired, and currently is operating through various affiliates, 292 water or wastewater systems in Missouri, Kentucky, Louisiana, Texas, Tennessee, and Arkansas. In Missouri, those systems are regulated by the Missouri Public Service Commission; in Kentucky they are regulated by the Kentucky Public Service Commission; in Louisiana they are regulated by the Louisiana Public Service Commission; in Texas they are regulated by the Public Utility Commission of Texas; and in Arkansas, the systems are outside the Arkansas Public Service Commission's jurisdiction due to the fact each system falls below annual revenue thresholds that trigger regulation in that state.

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

A. The purpose of my testimony is to support the application filed in this case ("Application") which seeks Commission authority for Limestone to acquire all assets currently used by Candlewood Lakes Property Owners Association, Inc. and Candlewood Lakes POA Water Works, Inc. (together, "Candlewood Lakes") to provide water utility service to customers in Hardeman County, Tennessee. My testimony describes the proposed transaction and explains why both

Limestone and Candlewood Lakes believe authorizing consummation of the transaction is in the public interest. I also describe Limestone's relationship to CSWR, the role CSWR would play in Limestone's operation of the water system at issue in this case, and the benefits Limestone's relationship with CSWR would bring to customers served by that system. Finally, to the extent applicable, I provide the Commission information called for by TPUC Rule 122 0-04-13- .17(2) in regard to wastewater applications for the Commission's benefit. In this testimony, I also adopt the Application and verify that all information included there is true and correct to the best of my information and belief.

**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 water and wastewater assets in Tennessee and to operate those assets as a regulated public utility. In its Docket No. 19-00062, the Commission authorized Limestone to acquire and operate water and wastewater systems previously owned by Aqua Utilities Company. Currently, Limestone serves approximately 400 water customers and 350 wastewater customers. If the Commission grant's the requests the Applicants have made in this case, Limestone would acquire, own, and operate the water system currently owned by Candlewood Lakes.

Limestone is an affiliate of CSWR, a Missouri limited liability company formed to provide managerial, technical, and financial support to its utility operating affiliates. A corporate organization chart illustrating that relationship was filed as **Exhibit 5** to the Application.

To date, CSWR-affiliated utility operating companies have acquired and are operating water or wastewater systems in Missouri, Kentucky, Louisiana, Texas, Tennessee, and Arkansas.

And our affiliated group has applications pending in Mississippi, North Carolina, Florida, Louisiana, Missouri, and Texas to acquire even more such systems.

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

A. CSWR's business plan is to pursue the purchase and recapitalization of small water and wastewater systems and to operate those systems as investor-owned regulated utilities. Many of those systems are not currently regulated. Of those that are regulated, many, if not most, are out of compliance with utility commission rules and with federal or state pollution and safety laws and regulations. Indeed, many systems we acquire do not even have federal or state permits required to lawfully operate those systems. We also have found that many regulated systems we acquire have not increased their rates for a decade or more and, as a result, lack the financial resources necessary to build, maintain, and replace assets used to provide service or bring their operations into compliance with rapidly changing environmental and water quality regulations. Some systems we acquire are in receivership and, therefore, lack the ability to raise capital necessary to improve their systems. However, because it has found investors 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 upgrade 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 convinced regulators in Missouri, Kentucky, Louisiana, and Texas to acquire and operate numerous small water and wastewater systems in those states, and we expect to be authorized to acquire additional

systems in those and other states in the future. If the Commission authorizes Limestone to acquire Candlewood Lakes' assets, they would be added to the portfolio of systems the Company currently operates in Tennessee. We hope the Commission will give us the same opportunity in this case it gave us in the previous Aqua Utilities acquisition case so we can continue in Tennessee the record of success our affiliated group has achieved elsewhere.

**Q. PLEASE DESCRIBE YOUR AFFILIATES' EXPERIENCE WITH WATER AND WASTEWATER SYSTEMS.**

A. Limestone and its affiliates have the financial, technical, and managerial ability to acquire, own, and operate Candlewood Lakes' water system in a manner that fully complies with applicable health, safety, and environmental protection laws and regulations and provides reliable, safe, and adequate service to customers. Limestone is part of an affiliated group that currently owns and operates wastewater systems serving approximately 78,000 customers and drinking water systems serving approximately 49,000 customers in Missouri, Arkansas, Kentucky, Louisiana, Texas, and Tennessee.

On the wastewater side of the business, our affiliate group has purchased wastewater treatment plants with associated sewer pumping stations, gravity force mains, and gravity conveyance lines. With the approval of state wastewater regulatory authorities, since March 2015, CSWR-affiliated companies have designed, permitted, and completed construction, of numerous sanitary sewer system improvements. 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 multiple 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.

On the water side of the business, since March 2015, affiliates have designed, permitted, and completed construction – with the approval of state regulatory authorities – upgrades and improvements to numerous drinking water systems. Those upgrades and improvements include construction of ground water storage tanks and drinking water pressurization pump assemblies, drilling water wells, erecting or rehabilitating well houses, closing failed wells, blasting/coating water storage tanks, replacing meter pits with new meters, replacing or repairing numerous water distribution lines, installing numerous isolation valve systems, installing multiple flush hydrants, repairing hundreds of leaking lines, and constructing or rehabilitating various other improvements to existing drinking water systems.

**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, Arkansas, Kentucky, Louisiana, Texas, and Tennessee. I already described my background and experience in the water and wastewater utility industry and the resumes of the other key members of CSWR's senior team who would be involved in Limestone's operations shows we are well-qualified to meet the demands of Limestone and its customers and of this Commission and other regulators charged with overseeing Limestone's operations. CSWR provides Limestone the same level of experience and expertise CSWR currently provides affiliated systems outside Tennessee. The types and quality of services CSWR provides Limestone are not usually available to small systems like those at issue in this case. However, CSWR's business model was developed to provide that expertise and experience

to affiliates and to do so while achieving economies of scale attributable to CSWR's centralized management structure. Not only would CSWR and Limestone provide current Candlewood Lakes customers expertise not generally available to small water and wastewater systems, it can realize economies of scale that would not be possible if Limestone had to acquire or provide such expertise and support on a company- or system-specific basis.

**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 systems our affiliate group has acquired, we have built from scratch customer service systems that meet or exceed regulatory commission rules and provide numerous benefits to the customers.

If the Application is approved, Limestone would implement operational changes to improve and enhance service to Candlewood Lakes' current customers. For example, those customers would have access to a 24-hour phone line to report any utility service issues. Those calls would then be transferred into the computerized maintenance management system and converted into work orders, which creates a historical record of all reported service issues. The work order also will ensure contracted customer service personnel can commence work required to deal quickly and efficiently with any customer service issues. Second, Limestone would ensure customers have access to customer service representatives during normal business hours to talk about any customer concerns, and would establish a utility-specific webpage and dedicated email address to keep customers informed about their utility service. Information available on the website would include dissemination of state-mandated information, up-to-date website bulletins about service issues, and procedures for service initiation or discontinuance. Mirroring relevant utility homepage information, Limestone would provide a dedicated social media page to offer

another avenue of communication with customers about utility matters. The social media account is manned by customer service representatives that can answer customer questions. Finally, Limestone offers online bill paying options to customers, including e-checks, debit card, and credit cards.

**Q. WHAT EVIDENCE CAN YOU PROVIDE TO SUPPORT YOUR CLAIMS ABOUT THE ABILITY OF LIMESTONE'S AFFILIATES TO PROVIDE THESE SERVICES OUTSIDE TENNESSEE?**

A. The Missouri Public Service Commission and the Missouri Department of Natural Resources have recognized the solid track record CSWR and its affiliates have established for acquiring, rehabilitating, maintaining, and operating troubled water and wastewater systems in that state. And in a recent order authorizing the group's Kentucky affiliate to acquire several troubled wastewater systems, the Kentucky Public Service Commission expressly found the group has the financial, technical, and managerial ability necessary to provide reasonable service to the public.

**Q. DO LIMESTONE AND CSWR HAVE THE FINANCIAL CAPACITY TO ACQUIRE, OWN, AND OPERATE THE SYSTEM YOU PROPOSE TO PURCHASE FROM CANDLEWOOD LAKES?**

A. Yes, Limestone and CSWR have the financial capacity to finance, own, and operate the system we propose to acquire from Candlewood Lakes. The affiliated group of which Limestone is a member has been able to secure an ongoing commitment from Sciens Capital Management, a Wall Street private equity firm, to provide capital necessary to purchase small, oftentimes distressed, water and wastewater systems and then make investments necessary to bring those systems into compliance with applicable health, safety, and environmental protection laws and regulations. This investment commitment also includes working capital necessary to operate until

an application for compensatory rates can be prepared and prosecuted. To date, CSWR, through its affiliates, has invested almost \$100 million to purchase, upgrade, and operate water and wastewater systems. Although those investments have been almost exclusively in the form of equity, Limestone plans to pursue debt financing from non-affiliated commercial sources that would allow the company to balance its capital structure. Ultimately, Limestone's objective is a capital structure consisting of 50% equity and 50% debt.

**Q. IF THE AUTHORIZATIONS REQUESTED IN THE APPLICATION ARE GRANTED, WOULD LIMESTONE HIRE CURRENT EMPLOYEES TO PROVIDE SERVICE IN THE AREA SERVED BY CANDLEWOOD LAKES?**

A. No, Limestone does not plan to hire Candlewood Lakes' current employees to perform any services after closing.

**Q. AFTER CLOSING, HOW DOES LIMESTONE PROPOSE TO PROVIDE SERVICE TO CUSTOMERS OF THAT SYSTEM?**

A. If the Application is approved, Limestone intends to hire a local, non-affiliated third-party Operations and Maintenance (O&M) firm that has knowledgeable and experienced personnel, carries required state licenses, and has insurance coverage necessary to manage daily water operations at the system at issue in this case. This is what Limestone has done at the former Aqua Utilities systems. It also is the approach that Limestone's affiliated utility operating companies have successfully employed at the water and wastewater systems they operate outside Tennessee.

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 to deal with customers experiencing service disruptions. However, notice of all service disruption calls would be forwarded to me, as CSWR's manager and the executive ultimately responsible for service in the areas served by each of



CSWR's utility affiliates. CSWR has developed a centralized computerized maintenance management system (CCMS) that monitors the performance of our drinking water and wastewater systems and allows us to track the ongoing maintenance and testing work performed by the O&M contractors we employ at each of our facilities. In addition, CSWR uses geographic information system ("GIS") survey information to accurately map all infrastructure assets, which allows the Company to specifically target ongoing infrastructure re-investment as part of the overall managerial and technical support CSWR provides each of its utility operating affiliates.

Limestone also would use a non-affiliated third-party billing and customer service firm to send out bills and handle service-related billing questions. The billing firm, which is used by all CSWR's utility affiliates, has in place an online billing system to receive credit card and e-checks from customers. The billing firm also would establish a Limestone-specific customer service email account to field ongoing customer interactions. Customer service representatives employed by the billing firm would be available during normal business hours, would take messages twenty-four hours a day, and all customer correspondence would be 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 a proportional share of costs for those services passed down to Limestone. CSWR personnel also would monitor the activities of the non-employee contractors to make sure the system is being operated and maintained properly and

customers' needs are being met. The resumes of CSWR personnel who, in addition to me, would be responsible for providing services or oversight to Limestone's operation, are attached to the Application as **Exhibit 12**.

**DESCRIPTION OF THE PROPOSED TRANSACTION**

**Q. PLEASE DESCRIBE THE WATER SYSTEM LIMESTONE PROPOSES TO ACQUIRE FROM CANDLEWOOD LAKES.**

A. Limestone proposes to acquire Candlewood Lakes' water system located in Hardeman County. Maps and aerial photographs showing the location of this system were filed as **Exhibit 1** to the Application. The system currently serves approximately 308 customers.

Terms of the proposed asset sale are governed by the November 3, 2020, *Agreement for the Sale of Utility System* ("Agreement"), between Candlewood Lakes and CSWR. A copy of the Agreement was filed as **Exhibit 7** to the Application.

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 19 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 Candlewood Lakes. A copy of the document assigning CSWR's interests in Candlewood Lakes' assets to Limestone was filed as **Exhibit 8** to the Application.

**Q. IF THE COMMISSION APPROVES THE APPLICATION, IS LIMESTONE WILLING AND ABLE TO MAKE ANY IMPROVEMENTS NECESSARY TO KEEP CANDLEWOOD LAKES' WATER SYSTEM UP TO STANDARD AND IN COMPLIANCE WITH APPLICABLE REGULATIONS?**

A. Yes. If the Commission grants Limestone the authority it seeks in the Application, Limestone and CSWR are willing and able to invest capital necessary to bring the Candlewood Lakes system up to standard and into compliance with applicable law. As I described previously, the affiliate group of which Limestone and CSWR are part has access to capital adequate to make necessary upgrades and improvements to the Candlewood Lakes system and to continue to operate that system in a manner that is in the public interest and complies with applicable statutes, rules, and regulations.

**Q. PLEASE DESCRIBE THE CANDLEWOOD LAKES FALLS SYSTEM AND ITS CURRENT CONDITION.**

A. The Candlewood Lakes drinking water System is composed of one drinking water well, one 55,000-gallon standpipe, and utilizes hypochlorination for disinfection. The System is in generally good condition and, from reviewing the previous inspection report, is in good standing with Tennessee Division of Water. However, Limestone will explore the need for a second well, as well as alternatives, and does propose to make the following corrective actions in order to address matters that could create potential violations: vegetation control around the facility by removing trees and cutting grass around the fencing; protection of power outlets connected to system power; regrade around the well head to prevent rainwater pooling; clean corroded piping within the chlorine room and paint with rust preventing paint; and, install a secondary containment device on the chlorine barrel.

**Q. WHAT RATES, RULES, AND REGULATIONS WOULD BE IN EFFECT FOR THE CANDLEWOOD LAKES SYSTEM AT ISSUE IN THIS CASE?**

A. Initially, Limestone proposes to adopt the rates, rules, and regulations found in the tariff attached to the Application as **Exhibit 17**. Limestone proposes to initially charge the current rates

used by Candlewood Lakes. However, if the revenue requirement for that system increases in the future - as likely would be the case given the additional capital investment needed for system upgrades and improvements - Limestone may petition the Commission to increase rates or change certain operating regulations. Limestone may also seek authority to consolidate rates of the system it proposes to acquire in this case with those of other systems it operates in Tennessee.

**Q. ARE LIMESTONE AND CSWR FAMILIAR WITH THE COMMISSION'S RULES AND REGULATIONS GOVERNING WATER UTILITIES AND DO THOSE COMPANIES PLEDGE TO OPERATE THE SYSTEM AT ISSUE IN THIS CASE IN A MANNER THAT COMPLIES WITH THOSE RULES AND REGULATIONS?**

A Yes, CSWR and Limestone are familiar with the Commission's rules and regulations and pledge to operate the system in a manner that complies with all Commission requirements and all applicable state statutes and regulations.

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

A Yes. I believe Limestone's proposed acquisition of the water system currently owned and operated by Candlewood Lakes would be consistent with and would promote the public interest. Limestone and CSWR are fully qualified, in all respects, to own and operate that system and to otherwise provide safe and adequate service.

**Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

A. Yes, it does.

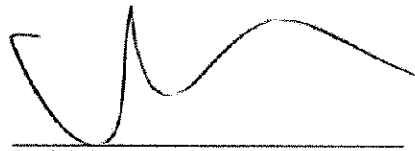
Affidavit

STATE OF MISSOURI     )  
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COUNTY OF ST. LOUIS    )

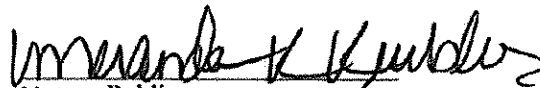
I, Josiah M. Cox, state that I am President of Limestone Utility Operation Company, LLC,  
and that the answers to the questions posted in the attached Direct Testimony are true and correct  
to the best of my knowledge, information, and belief.

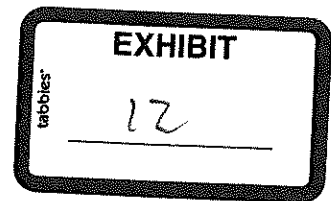


MERANDA K. KEUBLER  
My Commission Expires  
November 13, 2022  
St. Louis County  
Commission #14631487

  
\_\_\_\_\_  
Josiah M. Cox

Subscribed and sworn to me before this 10<sup>th</sup> day of May 2021.

  
\_\_\_\_\_  
Notary Public



**Josiah Cox – President**

Mr. Cox is President of Limestone Water Utility Operating Company, LLC, and also of CSWR, LLC, ("CSWR"). Both companies are part of an affiliated group that provide water or wastewater utility services to more than 40,000 customers in six states.

Mr. Cox received a Bachelor of Science with a major in Environmental Science from the University of Kansas. Professionally he has worked at the Kansas state biological survey, where he performed a wildlife habitat study. He then worked at a civil engineering firm where he was involved in various facets of the land development process including permitting, entitlement, civil design, project management, and construction management. He 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. He 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. He joined the engineering firm's executive leadership team and helped run all the firm's operations.

Beginning in 2005, he formed a full-service civil engineering, environmental consulting, general contracting, and construction management firm. He 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. They did 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, he also began the Master of Business Administration (MBA) program at Washington University in St. Louis, from which he graduated in 2007.

In addition, starting in 2008, he took over the operations of an existing rural sewer district, and he still operates a system managing the functioning, testing, and maintenance of the system. He also acts 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.

In late 2010, after working on several small, failing water and wastewater systems, Mr. Cox created a business plan to acquire and recapitalize failing systems as investor-owned regulated water and wastewater utility companies. In early 2011, he went to the capital markets to raise money to implement my plan, and over a period of approximately three years met with over fifty-two infrastructure investment groups trying to raise necessary financing. In February 2014, he was able to raise sufficient debt and equity capital to start CSWR. In 2018, he attracted an additional large institutional private equity investor, which allowed CSWR to expand the scope of its business plan. Since its formation, CSWR has acquired, and currently is operating more than 257 water and/or wastewater systems in Missouri, Kentucky, Louisiana, Texas, Tennessee, and Arkansas.

### **Marty Moore – Chief Financial Officer**

Marty Moore is the Chief Financial Officer of CSWR, LLC, and has held this position since April 2020. As CFO, Mr. Moore provides leadership, direction, and management to the finance and accounting teams, manages the process for financial forecasting, budgeting, and reporting and oversees the human resources and risk management functions.

After receiving a Bachelor of Business Administration in Accounting from Abilene Christian University, he gained a wide range of experience. Moore's extensive senior-level finance and operational experience includes serving as CFO of international automation equipment manufacturer Baldwin Technology Co., a company he helped Barry-Wehmiller/Forsyth Capital take private in 2012. Prior to that, Mr. Moore held senior leadership positions with Summit Marketing, Consolidated Terminals, Barnhill's Buffet Inc., and Global Materials Services. He began his career at Arthur Andersen. Moore most recently led finance and corporate services as CFO of Gardner Capital, a national affordable housing and renewable energy developer, investor, and tax credit syndicator. He has an extensive background in mergers and acquisitions and will work alongside Mr. Cox in accelerating the company's already rapid growth trajectory.

### **Todd Thomas – Vice President**

Todd Thomas holds the office of Senior Vice President of CSWR, LLC. Mr. Thomas received his Bachelor of Science in Civil Engineering from The Missouri University of Science and Technology, and a Master of Business Administration from Washington University in St. Louis.

Before joining CSWR, Mr. Thomas was President of Brotcke Well and Pump, Vice President of Operations and Business Development of the Midwest for American Water Contract Operations, and General Manager of Midwest Operations for Environmental Management Corporation. Mr. Thomas currently serves on the Technical Advisory Team for the Public Water Supply District 2 of St. Charles County, MO.

Mr. Thomas's previous employment provided him extensive experienced in water and sewer utilities. He has extensive firsthand experience with how much damage can be done by lack of maintenance on a well system and how much money and effort is required to restore a well system after neglect.

In his position as Senior Vice President at CSWR, Mr. Thomas's main responsibilities include utility operations along with the acquisition, development, and rate stabilization of CSWR-affiliated utilities. Those duties include operations, maintenance, capital planning, and regulatory compliance for all affiliate-owned facilities. He is responsible for the management of all operations and maintenance service providers, customer service and billing service providers, and engineering firms.

### **Mike Duncan –Vice President**

Mike Duncan is the Vice President of CSWR, LLC, and was promoted to that position in October 2020. As Vice President, he has played an integral role in preparing, filing, and processing acquisition applications in Missouri, Kentucky, Tennessee, Louisiana, Texas, North Carolina, and Mississippi. He also has taken a leading role in preparing and filing rate cases in Missouri, Kentucky, and Louisiana.

After receiving a Bachelor of Arts degree from Washington University in St. Louis, the first eleven years of his career were spent as an administrator and later director at a non-profit

organization in St. Louis Missouri. As Director he oversaw accounting, finance, human resources, IT, and communications for the organization. During his employment he received a master's in business administration from Olin School of Business at Washington University. Prior to his employment with CSWR, he spent two years as Director of Operation with Auto Tire & Parts Napa, a partner-owned chain of auto parts stores, overseeing projects related to distribution, logistics, IT, and general management.

#### **Stacy Culleton – Director of Customer Experience**

Stacy Culleton is the Director of Customer Experience of CSWR, LLC. She has held this position since March 2020, and previously held the position of Project Manager. As Director of Customer Experience, Stacy leads the development, implementation and evaluation of strategic, tactical, and operational customer engagement plans, programs, and initiatives. She also advises the executive team regarding customer satisfaction measures, customer experience strategies, and drives the ongoing development of a customer service culture.

After receiving her Bachelor of Business Administration degree in Management from Lindenwood University, Stacy held positions as Director of Client Services at Unit 4 Education Solutions, Senior Business System Analyst and Sales Planning and Reporting Manager at Allianz Global Corporate and Specialty, Senior Product Manager at Unit 4, and Senior Consultant at Daugherty Business Solutions. Her experience and extensive background in managing teams helps ensure an exceptional customer experience and provides the technical and managerial expertise needed to run this critical customer service function.

#### **Jake Freeman – Director of Engineering**

Jake Freeman is the Director of Engineering of CSWR, LLC, and has held this position since January 2019. As Director of Engineering, he oversees all engineering, surveying, and facility construction upgrades for all newly acquired CSWR water and sewer utilities including those in Missouri, Arkansas, Kentucky, Louisiana, Texas, Mississippi, Tennessee, and North Carolina. He also oversees ongoing capital upgrade projects on all CSWR affiliated and operated facilities.

After receiving a Bachelor of Science degree in Mechanical Engineering from the University of Missouri – Columbia, he spent the first two years of his career working for Corrigan Mechanical, a design-build mechanical contractor in St. Louis designing, estimating, and managing plumbing, HVAC and process piping construction projects in Missouri and southern Illinois. He then spent eleven years performing similar tasks for Brotcke Well & Pump, a well and pump service contractor servicing water wells and water treatment equipment throughout Missouri, Illinois, Kentucky, and Kansas. Prior to his employment with CSWR, he was serving as Vice President of Brotcke Well & Pump and Principal for their engineering services and managing their newly opened office in Kansas City.

#### **Jami Favor – Environmental, Health and Safety Director**

Jami Favor holds the office of Environmental, Health and Safety Director of CSWR, LLC. Mr. Favor holds several top water and wastewater certifications throughout the country. Mr. Favor also has received his Associate of Science in Ecological Controls and Associate of Applied Arts.

Before joining CSWR, Mr. Favor worked for Woodard and Curran's as an Area Manager of Contract Operations and Maintenance for Public Water Supply District 2 of St. Charles County, Missouri, and General Manager of a similar system in Quincy, Washington. Mr. Favor's responsibilities included budget and financial accountability, creating, and implementing capital



improvement plans, daily operations of wastewater and water treatment facilities, including both industrial wastewater and reuse facilities that provided highly efficient softening and reverse osmosis treatment to industrial customers, implementation and oversight of Industrial Pretreatment Programs, collection, and water distribution maintenance.

Mr. Favor's previous employment provided him extensive experience in water and sewer utilities. He has extensive firsthand experience in managing water and wastewater treatment facilities safely and in a financially and operationally sound manner.

In his position as Environmental, Health and Safety Director at CSWR, Mr. Favor's main responsibilities include budgeting/financial accountability of operations, identifying capital improvements projects, overseeing regulatory compliance, implementing Computer Maintenance Management System and Regulatory Data bases for all CSWR-affiliated facilities, development of safety programs, and overseeing third party Operations and Maintenance contractors of CSWR facilities.

**Customer Notification Letter Draft**

May xx, 2021

Dear Current Customer of Candlewood Lakes,

Limestone Water Utility Operating Company, LLC. (Limestone Water) and Candlewood Lakes Property Owners Association, Inc. (Candlewood Lakes) have filed a joint application with the Tennessee Public Utility Commission (TPUC) seeking Commission authorization for Candlewood Lakes to sell to Limestone Water its sewer system assets. Candlewood Lakes is currently serving approximately 123 connections in Hardeman County.

If the proposal is approved by the TPUC, Limestone Water be subject to the jurisdiction of the TPUC in the following service areas:

- Candlewood Lakes HOA

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

After completing the proposed acquisition of these service areas, 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 at:

502 Deaderick Street  
4th Floor  
Nashville, TN 37243  
(800) 342-8359  
675-747-2904  
contact.tpuc@tn.gov

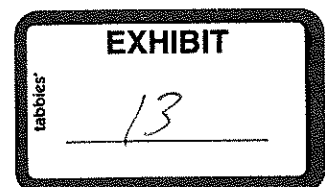
Refer to TPUC Docket Number \_\_\_\_\_ in all correspondence.

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

Sincerely,

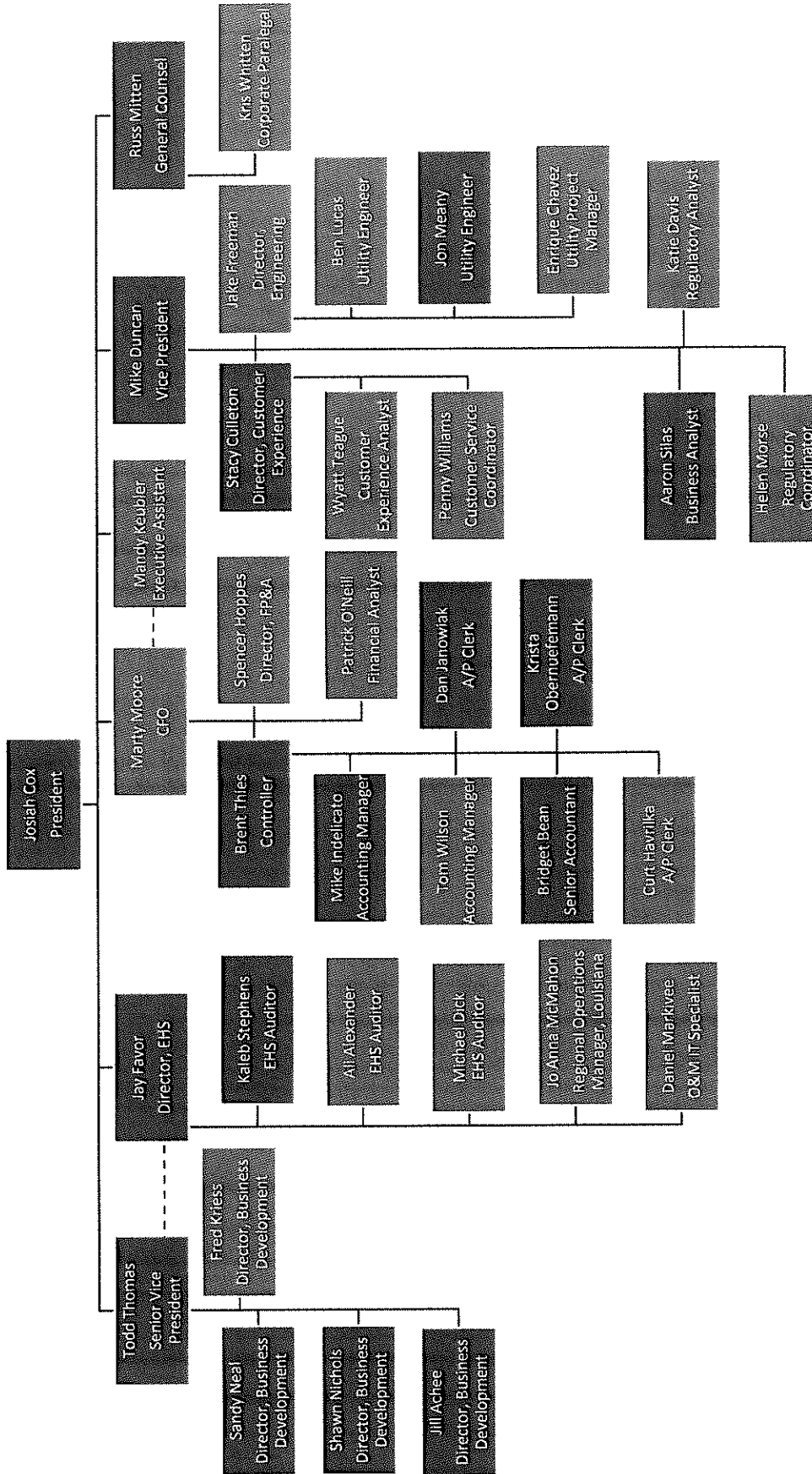
Josiah Cox

Limestone Utility Operating Company, LLC





CSWR Org Chart - Updated March 3<sup>rd</sup> 2021



STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
WATER AND WASTEWATER OPERATOR CERTIFICATION BOARD

I.D. NO.  
**4978**

EXPIRATION DATE  
**12/31/2021**

THIS IS TO CERTIFY THAT:

**James D. Kirk**

IS IN GOOD STANDING WITH THE BOARD FOR THE CLASSIFICATIONS  
LISTED:

**WT2, DS2**



**CSWR, LLC - Limestone UOC**

**Chart of Accounts**

**Account Name**

106.000-05-013 - Utility Plant Purchased/Sold (TN, Limestone)  
107.001-05-013 - CIP (Plant) (TN, Limestone)  
107.002-05-013 - CIP (Engineering) (TN, Limestone)  
107.003-05-013 - CIP (Legal) (TN, Limestone)  
107.004-05-013 - CIP (Startup) (TN, Limestone)  
107.005-05-013 - CIP (Debt Carry) (TN, Limestone)  
108.000-05-013 - AccumDepre Plant in Service (TN, Limestone)  
108.100-05-013 - Accum Deprec Salvage Reserve (TN, Limestone)  
108.300-05-013 - Accum Amort Plant in Service (TN, Limestone)  
114.000-05-013 - Utility Plant Acq Adj (TN, Limestone)  
123.000-05-013 - Investment in Associated Companies (TN, Limestone)  
131.100-05-013 - Cash Operating (TN, Limestone)  
131.200-05-013 - Cash Receipts (TN, Limestone)  
141.000-05-013 - Customer AR (TN, Limestone)  
143.000-05-013 - AR Other (TN, Limestone)  
144.000-05-013 - Accum Prov for Uncoll Accts (TN, Limestone)  
145.000-05-013 - N/R from Assoc Companies (TN, Limestone)  
146.000-05-013 - A/R from Assoc Companies (TN, Limestone)  
166.000-05-013 - Prepayments (TN, Limestone)  
181.000-05-013 - Unamortized Debt Disc/Exp (TN, Limestone)  
183.000-05-013 - Preliminary Survey and Investigation Charges (TN, Limestone)  
183.001-05-013 - PSI - Engineering (TN, Limestone)  
183.002-05-013 - PSI - Legal (TN, Limestone)  
186.000-05-013 - Misc Deferred Debits (TN, Limestone)  
201.000-05-013 - Common Stock Issued (TN, Limestone)  
204.000-05-013 - Preferred Stock Issued (TN, Limestone)  
211.000-05-013 - APIC (TN, Limestone)  
215.000-05-013 - Retained Earnings (TN, Limestone)  
216.000-05-013 - Unappropriated Retained Earnings (TN, Limestone)  
218.000-05-013 - Capital (TN, Limestone)  
221.000-05-013 - Bonds (TN, Limestone)  
224.000-05-013 - LT Debt (Other) (TN, Limestone)  
231.000-05-013 - Notes Payable (TN, Limestone)  
232.000-05-013 - Accounts Payable (TN, Limestone)  
233.000-05-013 - Notes Payable Associated Companies (TN, Limestone)  
235.000-05-013 - Customer Deposits (TN, Limestone)  
236.000-05-013 - Taxes Payable (TN, Limestone)  
242.000-05-013 - Misc Current & Accrued Liab (TN, Limestone)  
242.001-05-013 - LT Debt (Current Portion) (TN, Limestone)  
265.000-05-013 - Misc Operating Reserves (TN, Limestone)  
271.000-05-013 - CIAC (TN, Limestone)  
272.000-05-013 - CIAC Accum Amort (TN, Limestone)  
283.000-05-013 - Accumulated Deferred Income Taxes (TN, Limestone)

**EXHIBIT**

tabbles

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304.000-05-013 - Structures & Improvements (TN, Limestone)  
305.000-05-013 - Collecting & Impound Reservoirs (TN, Limestone)  
306.000-05-013 - Lake, River & Other Intakes (TN, Limestone)  
307.000-05-013 - Wells and Springs (TN, Limestone)  
308.000-05-013 - Infiltration Galleries & Tunnels (TN, Limestone)  
309.000-05-013 - Supply Mains (TN, Limestone)  
310.000-05-013 - Power Generating Equipment (TN, Limestone)  
311.000-05-013 - Pumping Equipment (TN, Limestone)  
320.000-05-013 - Water Treatment Equipment (TN, Limestone)  
330.000-05-013 - Distb'n Reservoirs & Standpipes (TN, Limestone)  
331.000-05-013 - Transmission & Distribution Mains (TN, Limestone)  
333.000-05-013 - Services (TN, Limestone)  
334.000-05-013 - Meter & Meter Installations (TN, Limestone)  
335.000-05-013 - Hydrants (TN, Limestone)  
339.000-05-013 - Other Plant & Misc. Equipment (TN, Limestone)  
340.000-05-013 - Office Furniture & Equipment (TN, Limestone)  
341.000-05-013 - Transportation Equipment (TN, Limestone)  
342.000-05-013 - Stores Equipment (TN, Limestone)  
343.000-05-013 - Tools, Shop & Garage Equipment (TN, Limestone)  
344.000-05-013 - Laboratory Equipment (TN, Limestone)  
345.000-05-013 - Power Operated Equipment (TN, Limestone)  
346.000-05-013 - Communication Equipment (TN, Limestone)  
347.000-05-013 - Miscellaneous Equipment (TN, Limestone)  
348.000-05-013 - Other Tangible Plant (TN, Limestone)  
351.000-05-013 -Organization (TN, Limestone)  
352.000-05-013 - Franchises (TN, Limestone)  
353.000-05-013 - Land & Land Rights (TN, Limestone)  
354.000-05-013 - Structures & Improvements (TN, Limestone)  
360.000-05-013 - Collection Sewers-Force (TN, Limestone)  
361.000-05-013 -Collection Sewers-Gravity (TN, Limestone)  
362.000-05-013 -Special Collection Structures (TN, Limestone)  
363.000-05-013 -Services to Customers (TN, Limestone)  
364.000-05-013 - Flow Measuring Devices (TN, Limestone)  
365.000-05-013 - Flow Measuring Installations (TN, Limestone)  
370.000-05-013 - Receiving Wells (TN, Limestone)  
371.000-05-013 - Puming Equipment (TN, Limestone)  
380.000-05-013 - Treatment & Disposal Equipment (TN, Limestone)  
381.000-05-013 - Plant Sewers (TN, Limestone)  
382.000-05-013 - Outfall Sewer Lines (TN, Limestone)  
389.000-05-013 - Other Plant & Miscellaneous Equipment (TN, Limestone)  
390.000-05-013 -Office Furniture & Equipment (TN, Limestone)  
391.000-05-013 - Transportation Equipment (TN, Limestone)  
392.000-05-013 - Stores Equipment (TN, Limestone)  
393.000-05-013 - Tools, Shop & Garage Equipment (TN, Limestone)  
394.000-05-013 - Laboratory Equipment (TN, Limestone)  
395.000-05-013 - Power Operated Equipment (TN, Limestone)  
396.000-05-013 - Communication Equipment (TN, Limestone)

397.000-05-013 - Miscellaneous Equipment (TN, Limestone)  
398.000-05-013 - Other Tangible Plant (TN, Limestone)  
403.000-05-013 - Depreciation Expense (TN, Limestone)  
403.100-05-013 - Depreciation Expense CIAC (TN, Limestone)  
403.200-05-013 - Depreciation Expense Salvage Reserve (TN, Limestone)  
405.000-05-013 - Amortization Expense (TN, Limestone)  
408.100-05-013 - Taxes (Other) (TN, Limestone)  
408.120-05-013 - Taxes SS & Med (TN, Limestone)  
408.140-05-013 - Taxes Unemployment (TN, Limestone)  
408.160-05-013 - Taxes Property (TN, Limestone)  
409.000-05-013 - Taxes Income (TN, Limestone)  
410.000-05-013 - Provision for Deferred Income Tax (TN, Limestone)  
414.000-05-013 - Gains(Losses) on Disposal of Utility Property (TN, Limestone)  
420.000-05-013 - AFUDC (TN, Limestone)  
426.000-05-013 - Miscellaneous Income Deductions (TN, Limestone)  
427.000-05-013 - Interest Long (TN, Limestone)  
428.000-05-013 - Amortization of Debt Discount & Expense (TN, Limestone)  
433.000-05-013 - Extraordinary Income (TN, Limestone)  
434.000-05-013 - Extraordinary Expense (TN, Limestone)  
461.100-05-013 - Water Revenue Residential (TN, Limestone)  
461.200-05-013 - Water Revenue Commercial (TN, Limestone)  
461.300-05-013 - Water Revenue Industrial (TN, Limestone)  
461.400-05-013 - Water Revenue Multi-Family (TN, Limestone)  
470.000-05-013 - Late Fees Water (TN, Limestone)  
471.000-05-013 - Miscellaneous Service Revenues (TN, Limestone)  
471.100-05-013 - Tap Fees (TN, Limestone)  
521.100-05-013 - Sewer Revenue Residential (TN, Limestone)  
521.200-05-013 - Sewer Revenue Commercial (TN, Limestone)  
521.300-05-013 - Sewer Revenue Industrial (TN, Limestone)  
521.400-05-013 - Sewer Revenue Multi-Family (TN, Limestone)  
532.000-05-013 - Late Fees Sewer (TN, Limestone)  
536.000-05-013 - Miscellaneous Service Revenues (TN, Limestone)  
536.100-05-013 - Tap Fees (TN, Limestone)  
600.000-05-013 - Operation Supervision and Engineering (TN, Limestone)  
601.000-05-013 - Salaries & Wagers - Employees (TN, Limestone)  
603.000-05-013 - Miscellaneous (TN, Limestone)  
603.000-05-013 - Salaries & Wagers - Officers, Directors & Stockholders (TN, Limestone)  
604.000-05-013 - Employee Pension & Benefits (TN, Limestone)  
610.000-05-013 - Purchased Water (TN, Limestone)  
611.000-05-013 - Maintenance S&I (TN, Limestone)  
612.000-05-013 - Maintenance Collecting and Impounding Reservoirs (TN, Limestone)  
613.000-05-013 - Maintenance Lake, River and Other Intakes (TN, Limestone)  
614.000-05-013 - Maintenance Wells and Springs (TN, Limestone)  
615.000-05-013 - Purchased Power (TN, Limestone)  
616.000-05-013 - Fuel for Power PRoduction (TN, Limestone)  
618.000-05-013 - Chemicals (TN, Limestone)  
620.000-05-013 - Materials & Supplies (TN, Limestone)



621.000-05-013 - Fuel for Power Production (TN, Limestone)  
622.000-05-013 - Power Production Labor and Expense (TN, Limestone)  
623.000-05-013 - Fuel/Power Purchased for Pump (TN, Limestone)  
624.000-05-013 - Pumping Labor and Expense (TN, Limestone)  
626.000-05-013 - Miscellaneous Expenses Water Pumping (TN, Limestone)  
630.000-05-013 - Contractual Services (TN, Limestone)  
631.000-05-013 - Maintenance S&I (TN, Limestone)  
632.000-05-013 - Maintenance Power Production Equipment (TN, Limestone)  
633.000-05-013 - Maintenance Pumping Equipment (TN, Limestone)  
640.000-05-013 - Rents (TN, Limestone)  
641.000-05-013 - Chemicals (TN, Limestone)  
642.000-05-013 - Operation Labor and Expense (TN, Limestone)  
643.000-05-013 - Miscellaneous Expenses Wtr Trtm (TN, Limestone)  
650.000-05-013 - Transportation Expense (TN, Limestone)  
652.000-05-013 - Maintenance Equipment (TN, Limestone)  
655.000-05-013 - Insurance Expense (TN, Limestone)  
660.000-05-013 - Operation Supervision and Engineering (TN, Limestone)  
661.000-05-013 - Storage Facilities Expense (TN, Limestone)  
662.000-05-013 - Transm and Distr Lines Expenses (TN, Limestone)  
663.000-05-013 - Meter Expenses (TN, Limestone)  
664.000-05-013 - Customer Installations Expenses (TN, Limestone)  
665.000-05-013 - Regulatory Commission Expense (TN, Limestone)  
670.000-05-013 - Bad Debt Expense (TN, Limestone)  
671.000-05-013 - Maintenance Structures and Improvements (TN, Limestone)  
672.000-05-013 - Miscellaneous Expense (TN, Limestone)  
673.000-05-013 - Maintenance Transmission & Distribution Mains (TN, Limestone)  
674.000-05-013 - Maintenance Fire Mains (TN, Limestone)  
675.000-05-013 - Maintenance Services (TN, Limestone)  
676.000-05-013 - Maintenance Meters (TN, Limestone)  
677.000-05-013 - Maintenance Hydrants (TN, Limestone)  
678.000-05-013 - Maintenance Miscellaneous Plant (TN, Limestone)  
700.000-05-013 - Collection Supervision and Engineering (TN, Limestone)  
701.000-05-013 - Salaries & Wages - Employees (TN, Limestone)  
702.000-05-013 - Services to Customers (TN, Limestone)  
703.000-05-013 - Salaries & Wages - Officers, Directors & Stockholders (TN, Limestone)  
704.000-05-013 - Employee Pensions & Benefits (TN, Limestone)  
710.000-05-013 - Sludge Removal Expense (TN, Limestone)  
711.000-05-013 - Maintenance Collection Structures and Improvements (TN, Limestone)  
712.000-05-013 - Maintenance Collection Sewers (TN, Limestone)  
713.000-05-013 - Maintenance Services to Cust (TN, Limestone)  
714.000-05-013 - Maintenance Flow Measuring Devices (TN, Limestone)  
715.000-05-013 - Purchased Power (TN, Limestone)  
716.000-05-013 - Fuel for Power Production (TN, Limestone)  
720.000-05-013 - Materials & Supplies (TN, Limestone)  
721.000-05-013 - Fuel and Power Purchased for Pumping (TN, Limestone)  
722.000-05-013 - Pumping Labor & Expenses (TN, Limestone)  
724.000-05-013 - Miscellaneous Expenses (TN, Limestone)



730.000-05-013 - Contractual Services (TN, Limestone)  
731.000-05-013 - Maintenance Pumping Structures and Improvements (TN, Limestone)  
732.000-05-013 - Maintenance Sewer Pump Equip (TN, Limestone)  
740.000-05-013 - Rents (TN, Limestone)  
741.000-05-013 - Sewer Treatment Chemicals (TN, Limestone)  
742.000-05-013 - Treatment Labor & Expense (TN, Limestone)  
743.000-05-013 - Fuel & Power Sewage T&P (TN, Limestone)  
744.000-05-013 - Miscellaneous Expense (TN, Limestone)  
750.000-05-013 - Transportation Expense (TN, Limestone)  
751.000-05-013 - Maintenance T&D Structures & Improvements (TN, Limestone)  
752.000-05-013 - Maintenance T&D Plant (TN, Limestone)  
753.000-05-013 - Maintenance T&D Other (TN, Limestone)  
755.000-05-013 - Insurance Expense (TN, Limestone)  
765.000-05-013 - Regulatory Commission Expense (TN, Limestone)  
770.000-05-013 - Bad Debt Expense (TN, Limestone)  
775.000-05-013 - Miscellaneous Expense (TN, Limestone)  
903.100-05-013 - Cust Record Collect (Billing) (TN, Limestone)  
903.200-05-013 - Cust Record Collect (Postage) (TN, Limestone)  
903.280-05-013 - Cust Record Collect (Bank Fees) (TN, Limestone)  
904.000-05-013 - Uncollectible Accounts (TN, Limestone)  
905.000-05-013 - Miscellaneous Customer Accounts Expense (TN, Limestone)  
907.000-05-013 - Cust Service & Inform Ex (TN, Limestone)  
920.000-05-013 - Salaries Admin & General (TN, Limestone)  
921.000-05-013 - Office Supp Exp (TN, Limestone)  
921.110-05-013 - Office Supp Exp (Meals, Travel) (TN, Limestone)  
921.500-05-013 - Office Supp Ex (Communication) (TN, Limestone)  
921.800-05-013 - Office Supplies Expense (TN, Limestone)  
922.000-05-013 - Administrative Expenses Transferred (TN, Limestone)  
923.100-05-013 - Outside Services (Bank Fees) (TN, Limestone)  
923.300-05-013 - OutsideService (Eng Consult) (TN, Limestone)  
923.400-05-013 - OutsideService (Legal Fees) (TN, Limestone)  
923.500-05-013 - OutsideService (Audit/Accounting) (TN, Limestone)  
923.600-05-013 - OutsideService (Manage Consult) (TN, Limestone)  
923.800-05-013 - Outside Services (Payroll Fees) (TN, Limestone)  
923.900-05-013 - Outside Services (IT) (TN, Limestone)  
924.000-05-013 - Property Insurance (TN, Limestone)  
924.200-05-013 - Property Insurance Environmental (TN, Limestone)  
924.300-05-013 - Property Insurance Worker's Comp (TN, Limestone)  
924.400-05-013 - Property Insurance Commercial (TN, Limestone)  
926.100-05-013 - EE Benefits Keyman (TN, Limestone)  
926.200-05-013 - EE Benefits Healthcare (TN, Limestone)  
926.300-05-013 - EE Benefits Retirement (TN, Limestone)  
926.400-05-013 - EE Benefits Life/STD/LTD/ADD (TN, Limestone)  
928.100-05-013 - Regulatory Expense DNR (TN, Limestone)  
928.200-05-013 - Regulatory Expense PSC (TN, Limestone)  
928.400-05-013 - Regulatory Expense Business License (TN, Limestone)  
930.200-05-013 - Misc General Expense (TN, Limestone)

931.000-05-013 - Rents Admin & General (TN, Limestone)

Rules and Regulations Governing Rendering of  
Water Service

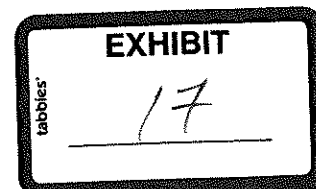
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9 .....3.	Company Employees and Customer Relations
10 .....4.	Applications for Service
11 .....5.	Inside Piping and Water Service Lines
15 .....6.	Improper or Excessive Use
16 .....7.	Discontinuance of Service by Company
21 .....8.	Termination of Water Service at Customer's Request
22 .....9.	Interruptions in Service
23 .....10.	Bills for Service
27 .....11.	Meters and Meter Installations
30 .....12.	Meter Tests and Test Fees
31 .....13.	Bill Adjustments Based on Meter Tests
32 .....14.	Extension of Water Mains

- \* Indicates new rate or text  
+ Indicates change



Issue Date: \_\_\_\_\_  
Month /Day/Year

Effective Date: \_\_\_\_\_  
Month /Day/Year

ISSUED BY \_\_\_\_\_  
Name and Title of Issuing Officer Mailing Address

Limestone Water Utility  
Operating Company, LLC  
1650 Des Peres Rd. Suite 303  
St. Louis, MO 63131

Tariff

Sheet No. 2

Rules and Regulations Governing Rendering of  
Water Service

Schedule of Rates

\* Indicates new rate or text  
+ Indicates change

Issue Date: \_\_\_\_\_  
Month /Day/Year

Effective Date: \_\_\_\_\_  
Month /Day/Year

ISSUED BY \_\_\_\_\_  
Name and Title of Issuing Officer Mailing Address

Rules and Regulations Governing Rendering of  
Water Service

Schedule of Service Charges

The following Miscellaneous Charges apply as authorized and Described elsewhere in the Company's filed Rule and Regulations:

<u>New Service Connection Fee</u>	Actual Cost
Consists of the costs incurred by the Company for construction including parts, material, labor and equipment, but excluding the cost of the meter. See Rule 5 B.	
<u>Service Connection Inspection Fee</u>	\$82.50
See Rule 5 B. 2 and 5 B. 3.	
<u>Water Service Line Inspection Fee</u>	\$25
See Rule 5 C.	
<u>Turn-On/Turn-Off (Requested by the Customer)</u>	
8 am to 5 pm Monday through Friday (scheduled 24hrs in advance)	\$27.50
Before 8 am and after 5 pm, Saturdays/Sundays, or scheduled less than 24 hours in advance	\$164.00
<u>Turn-On/Turn-Off Associated With Non-Payment</u>	\$27.50
<u>On-site Collection Charge</u>	\$27.50
This charge will be added to the current bill if the Company personnel is on-site to disconnect the service when the Customer pays the bill. The disconnection fee may not be assessed if the service is not physically disconnected.	

Schedule of Service Charges continued

Meter Test Fee	\$120
See Rule 12 B.	

- \* Indicates new rate or text
- + Indicates change

Issue Date: \_\_\_\_\_  
Month /Day/Year

Effective Date: \_\_\_\_\_  
Month /Day/Year

ISSUED BY \_\_\_\_\_  
Name and Title of Issuing Officer Mailing Address

Rules and Regulations Governing Rendering of  
Water Service

Late Charges

\$5 or 3%

The late charge is calculated monthly with the greater amount above being added to the delinquent bill in accordance with Rule 10 G.

Returned Check Charges

\$25

Service Calls for Damages caused by Customer

Actual cost but not less than

- \* Indicates new rate or text
- + Indicates change

Issue Date: \_\_\_\_\_  
Month /Day/Year

Effective Date: \_\_\_\_\_  
Month /Day/Year

ISSUED BY \_\_\_\_\_  
Name and Title of Issuing Officer Mailing Address

Rules and Regulations Governing Rendering of  
Water Service

Rule 1 DEFINITIONS

- A. The "COMPANY" is Limestone Water Utility Operating Company, Inc., acting through its officers, managers, or other duly authorized employees or agents.
- B. The "CURB STOP" is a valve on the Service Connection, located at or near the Customer's property line, and used to shut off water service to the premises. The Curb Stop is owned and maintained by the Company.
- C. A "CUSTOMER" is any person, firm, corporation or governmental body which has contracted with the Company for water service or is receiving service from Company, or whose facilities are connected for utilizing such service, and except for a guarantor is responsible for payment for service.
- D. The "DATE OF CONNECTION" shall be the date of the permit for installation and connection issued by the Company. In the event no permit is taken and a connection is made, the date of connection shall be based on available information such as construction/occupancy permits, electric service turn-on date, or may be the date of commencement of construction of the building upon the property.
- E. A "DEVELOPER" is any person, firm, corporation, partnership or any entity that, directly or indirectly, holds title to, or sells or leases, or offers to sell or lease, or advertises for sale or lease, any lots in a subdivision.
- F. "DISCONTINUANCE OF SERVICE" is the intentional cessation of service by the Company not requested by the Customer.
- G. The "MAIN" is a pipeline which is owned and maintained by the Company, located on public property or private easements, and used to transport water throughout the Company's service area.
- H. The "METER" is a device, owned by the Company, used to measure and record the quantity of water that flows through the service line, and is installed in the outdoor meter setting, or inside the Customer's building where the water service line enters through a foundation wall.

\* Indicates new rate or text

+ Indicates change

Issue Date: \_\_\_\_\_  
Month /Day/Year

Effective Date: \_\_\_\_\_  
Month /Day/Year

ISSUED BY \_\_\_\_\_  
Name and Title of Issuing Officer Mailing Address

Rules and Regulations Governing Rendering of  
Water Service

- I. The "METER SETTING" is a place either in the service connection or building plumbing for a water meter to be installed. An outdoor meter setting is located at or near the property line, and includes the meter box, meter yoke, lid, and appurtenances, all of which shall be owned and maintained by the Company. Indoor meter settings are located inside the Customer's premises where the water service line enters the foundation wall either installed directly in the piping or in a meter yoke.
- J. A "RETURNED CHECK" is a check that is returned to the Company from any bank unpaid for any reason.
- K. A "SEASONAL CUSTOMER" is a Customer who is absent from the premises and may turn off, or request the Company turn off, water service temporarily. All Rates, Rules and Regulations within this tariff continue to apply to "Seasonal Customers" during periods of seasonal absence or turn-off.
- L. The "SERVICE CONNECTION" is the pipeline connecting the main to the Customer's water service line and includes the curb stop, or outdoor meter setting and all necessary appurtenances located at or near the property line, or at the property line if there is no curb stop or outdoor meter setting. If the property line is in a street, and if the curb stop or meter setting is not located near the edge of the street abutting the Customer's property, the service connection shall be deemed to end at the edge of the street abutting the Customer's property. The service connection shall be owned and maintained by the Company.
- M. A "SUBDIVISION" is any land in the state of Tennessee which is divided or proposed to be divided into two or more lots or other divisions of land, whether contiguous or not, or uniform in size or not, for the purpose of sale or lease, and includes resubdivision thereof.
- N. "TERMINATION OF SERVICE" is cessation of service requested by the Customer.
- O. "TURN-OFF" is the act of turning water service off by physically turning a valve

\* Indicates new rate or text

+ Indicates change

Issue Date: \_\_\_\_\_  
Month /Day/Year

Effective Date: \_\_\_\_\_  
Month /Day/Year

ISSUED BY \_\_\_\_\_  
Name and Title of Issuing Officer Mailing Address



Rules and Regulations Governing Rendering of  
Water Service

such that water is unavailable to a Customer's premises.

- P. "TURN-ON" is the act of turning water service on by physically turning a valve to allow water to be available to a Customer's premises.
- Q. The word "UNIT" or "LIVING UNIT" shall be used herein to define the premises or property of a single water consumer, whether or not that consumer is the Customer. It shall pertain to any building whether multi-tenant or single occupancy, residential or commercial, or owned or leased. Each domicile within a multi-tenant building is a separate unit. Each mobile home in a mobile home park and each rental unit of a multi-tenant rental property are considered as separate units for each single family or firm occupying same as a residence or place of business.
- R. The "WATER SERVICE LINE" is a pipe with appurtenances installed, owned and maintained by the Customer, used to conduct water to the Customer's unit from the property line, curb stop or outdoor meter setting, including the connection to the curb stop or meter setting. If the property line is in a street, then the water service line shall be deemed to begin at the edge of the street abutting the Customer's property.

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Rule 2 GENERAL RULES & REGULATIONS

- A. Every applicant, upon signing an application for any water service rendered by the Company, or any Customer upon taking of water service, shall be considered to have expressed consent to be bound by these Rates, Rules and Regulations.
- B. The Company's Rules and Regulations governing rendering of service are set forth in these numbered sheets. The rates applicable to appropriate water service or service in particular service areas are set forth in rate schedules and constitute a part of these Rules and Regulations.
- C. The Company reserves the right, subject to authority of the Tennessee Public Utility Commission, to prescribe additional Rates, Rules or Regulations or to alter existing Rates, Rules or Regulations as it may from time to time deem necessary and proper.
- D. After the effective date of these Rules and Regulations, all new facilities, construction contracts, and written agreements shall conform to these Rules and Regulations, and in accordance with the statutes of the state of Tennessee and the Rules and Regulations of the Tennessee Public Utility Commission. Pre-existing facilities that do not comply with applicable Rules and Regulations may remain, provided that their existence does not constitute a service problem or improper use, and reconstruction is not practical.
- E. The point of delivery of water service shall be at the connection of the Customer's service line to the Company's service connection.
- F. The Company shall have the right to enter upon the Customer's premises for the purpose of inspecting for compliance with these Rules and Regulations. Company personnel shall identify themselves and such inspections shall be conducted during reasonable hours.

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Rule 3 COMPANY EMPLOYEES AND CUSTOMER RELATIONS

- A. Employees or agents of the Company are expressly forbidden to demand or accept any compensation for any services rendered to its Customers except as covered in the Company's Rules and Regulations.
- B. No employee or agent of the Company shall have the right or authority to bind it by any promise, agreement or representation contrary to the intent of these Rules and Regulations.
- C. The Company shall not be responsible for damages caused by any failure to maintain water pressure or water quality, or for interruption, if such failure or interruption is without willful default or negligence on its part.
- D. The Company shall not be liable for damages due to, or interruptions caused by, defective piping, fittings, fixtures and appliances on the Customer's premises and not owned by the Company.
- E. The Company shall not be liable for damages due to Acts of God, civil disturbances, war, government actions, or other uncontrollable occurrences.

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Rule 4 APPLICATIONS FOR SERVICE

- A. A written application for service, signed by the Customer, stating the type of service required and accompanied by any other pertinent information, will be required from each Customer before service is provided to any unit.
- B. If service is requested at a point not already served by a main of adequate capacity, a main of adequate size shall be extended as may be necessary in accordance with Rule 14.
- C. When, in order to provide the service requested a main extension or other construction or equipment expense is required, the Company may require a written contract. Said contract may include, but not be limited to, the obligations upon the Company and the applicant, and shall specify a reasonable period of time necessary to provide such service.

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**Rule 5 INSIDE PIPING AND WATER SERVICE LINES**

- A. The Company will provide water service at the outdoor meter, at the curb stop if an indoor meter setting is utilized; or at the property line if neither an outdoor meter nor a curb stop exists at or near the property line, or at the edge of the street if such property line is in the street. Separate buildings shall be served through separate water service lines if they are not on one lot that cannot be subdivided.
- B. The service connection from the water main to the Customer's property line shall be owned and maintained by the Company. Construction of the service connection, outdoor meter setting and curb stop shall be accomplished in one of the following ways at the Customer's option:
1. The Company will construct the service connection, outdoor meter setting and curb stop, as necessary, and make the connection to the main, within ten (10) business days of an application for service, or within the time period specified in an application for service (See Rule 4). The Customer shall be responsible for payment of the New Service Connection Fee, as specified by or provided for in the Schedule of Service Charges; or,
  2. The Customer may have installed by a professional contractor or plumber, the service connection from the water main to the meter setting, and make the connection to the main, subject to prior approval of the Company; or,
  3. The Customer may have installed by a professional contractor or plumber, the service connection from the water main to the meter setting, and the Company will tap the main and connect the service connection. The Customer shall be responsible for payment of a New Service Connection Fee as specified by or provided for in the Schedule of Service Charges.
- C. A service connection installation constructed by the Customer as provided for

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in paragraphs B. 2. or 5 B. 3., above, is subject to inspection by the Company. The Service Connection Inspection Fee as specified in the Schedule of Service Charges shall apply if the Company must make a trip solely to conduct an inspection of a service connection constructed by the Customer, and shall not apply if the inspection of a service connection is accomplished at the same time as a tap is made for the Customer, or the same time as an inspection of the water service line as provided for in paragraph D., below, or if the Company installs the service connection as provided in 5 B. 1., above.

- D. Water service line construction and maintenance from the property line, curb stop or meter setting, including the connection to the curb stop or meter setting, to the building shall be the responsibility of the Customer, and is subject to inspection by the Company. The Customer shall be responsible for any applicable fees as listed in the Schedule of Service Charges.
- E. Customers shall be responsible for the cost of repairing any damage to the Company's mains, curb stops, valve boxes, meters, and meter installations caused by the Customer, Customer's agent, or tenant.
- F. Existing water service lines and service connections may be used in connecting with new buildings only when they are found by examination and testing not to constitute a hazard to the health and safety of any Customer or the Company's facilities.
- G. The water service line shall be brought to the unit at a depth of not less than thirty-six inches (36") and have a minimum inside diameter of three-quarters inch (3/4"). The Customer is responsible for the determination of whether or not a larger size is needed to provide adequate flow to the unit. A valve must be installed in the service line where it enters the unit. This valve must be kept in good repair in order to shut off the water supply and drain the inside plumbing, if necessary.
- H. Water service lines and inside piping shall be of material conforming to

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recognized standards for potable water service and shall have a pressure rating of at least one hundred sixty (160) psi working pressure.

- I. The Company will not install a service connection to a vacant lot if such lot is not intended and recognized by the Company to be for intermittent use such as camping or picnic activity in a recreational subdivision, and the Customer installs a frost-free lockable hydrant at any point of use.
- J. Any change in the location of an existing service connection requested by the Customer shall be made by the Company or with the Company's approval, at the Customer's expense.
- K. The Company shall have the right to enter the Customer's premises, after reasonable notice, for the purposes of inspection to ensure compliance with these Rules and Regulations. Company personnel shall identify themselves and make these inspections only at reasonable hours.
- L. Neither water service lines nor service connections may be extended along public streets or roadways or through property of others in connecting with the Company's mains. The service connection may, however, extend through the water main easement and roadway easement as necessary in order to be connected to a main located across and adjacent to a street in front of the Customer's living unit. The service connection and service line must be laid in a straight line and at right angles to the main and the face of the structure or as nearly so as possible. Any deviation from this because of physical obstruction, landlocked property, or a clear impossibility to construction a future main extension for further subdivision development or additional future customers, will be at the discretion of the Company.
- M. Any Customer having a plumbing arrangement, or a water-using device that could allow backsiphonage of any chemical, petroleum, process water, water from a questionable supply, or other substance that could create a health hazard or damage to the water system; or, any Customer's plumbing classified as an actual or potential backflow hazard in the Regulations of the Tennessee Department of Environment and Conservation shall be required to install and

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maintain a backflow prevention device. This rule may also apply to Customers on whose premises it is impossible or impractical for the Company to perform a cross connection survey. The device, installation, location and maintenance program shall be approved by the Company.

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Rule 6 IMPROPER OR EXCESSIVE USE

- A. No Customer shall be wasteful of the water supplied to the unit by the Customer's willful action or inaction. It shall be the responsibility and duty of each Customer to maintain all piping and fixtures at the unit in a good and efficient state of repair at all times.
- B. No Customer shall make or cause to be made a cross connection between the potable water supply and any source of chemical or bacterial contamination or any other water supply. The Company shall deny or discontinue service where Customer's water service line or inside piping may, in the opinion of the Company, cause a cross-connection with non-potable water or otherwise jeopardize the health and safety of other Customer's or the Company's facilities.
- C. The Customer shall not make or cause to be made a connection to a device that will result in excessive water demand or excessive shock, such as water-hammer, to the Company's mains.
- D. The Customer shall not tamper with, remove, or willfully damage a water meter or attempt to operate the shutoff cock on the service connection or meter yoke, or allow any such action. Licensed plumbers may operate such valves in order to work on the Customer's premises and to test their work, but must leave such valves open or closed as found.
- E. The Customer shall not attempt to take unmetered water from the Company mains either by an unauthorized tap or direct connection to service connection nor by connection to a fire hydrant.
- F. Customers will not be permitted to supply water in any way to premises other than the service address, nor to permit others to use their hose or attachments, nor leave them exposed to use by others without permission from the Company.

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Rule 7 DISCONTINUANCE OF SERVICE BY COMPANY

- A. The Company may discontinue service for any of the following reasons:
1. Non-payment of a delinquent account not in dispute; or
  2. Failure to post a security deposit or guarantee acceptable to the utility; or
  3. Unauthorized interference, diversion or use of the utility service situated or delivered on or about the Customer's premises; or
  4. Misrepresentation of identity in obtaining utility service; or
  5. Enclosing or obstructing any meter so as to make reading or repairs unreasonably difficult, or
  6. Failure to comply with the terms and conditions of a settlement agreement; or
  7. Refusal after reasonable notice to grant access at reasonable times to equipment installed upon the premises of the Customer for the purpose of inspection, meter reading, maintenance or replacement; or
  8. Violation of any of these Rules and Regulations on file with and approved by the Tennessee Public Utility Commission, or for any condition which adversely affects the safety of the Customer or other persons, or the integrity of the utility's delivery system; or
  9. Non-payment of a sewer bill issued by the Company or by a sewer utility requesting discontinuance of water service by an agreement between the Company and such sewer utility. When water service is discontinued for non-payment of a sewer bill and if the sewer bill is not issued by the Company, any service charges for turn on/off or disconnection/reconnection within these Rules and Regulations shall not

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apply, and notice to the Customer shall be provided by rules and procedure applicable to the Customer's sewer service in lieu of notification required by these Rules and Regulations.

- B. None of the following shall constitute sufficient cause for the Company to discontinue service:
1. The failure of the Customer to pay for merchandise, appliances, or service not subject to Commission jurisdiction as an integral part of the utility service provided by the Company; or
  2. The failure of the Customer to pay for service received at a separate metering point, residence, or location. In the event of discontinuance or termination of service at a separate residential metering point, residence, or location in accordance with these Rules and Regulations, the Company may transfer and bill any unpaid balance to any other residential service account of the Customer and may discontinue service after twenty-one (21) days after rendition of the combined bill, for nonpayment, in accordance with this rule; or
  3. The failure of the customer to pay for a different class of service received at the same or different location. The placing of more than one (1) meter at the same location for the purpose of billing the usage of specific devices under operational rate schedules or provisions is not construed as a different class of service for the purpose of this rule; or
  4. The failure to pay the bill of another customer, unless the customer whose service is sought to be discontinued received substantial benefit and use of the service billed to the other customer; or
  5. The failure of a previous owner or occupant of the premises to pay an unpaid or delinquent bill except where the previous occupant remains an occupant of the living unit; or
  6. The failure to pay a bill correcting a previous underbilling, whenever the

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customer claims an inability to pay the corrected amount, unless a utility has offered the customer a payment arrangement equal to the period of underbilling.

- C. The Company may discontinue service after notice by first class mail is sent to the Customer at least ten (10) days prior to the date of the proposed discontinuance. Service of notice by mail is complete upon mailing. If written notice is hand delivered to the Customer, it shall be done at least ninety-six (96) hours prior to discontinuance. If the Company intends to discontinue service to a multi-tenant dwelling with occupants who are not customers, a notice shall also be conspicuously posted in the building ten (10) days prior to the proposed discontinuance, along with information pertaining to how one or more of the tenants may apply to become customers. Discontinuance shall occur within thirty (30) calendar days after the date given as the discontinuance date, shall occur between the hours of 8:00 a.m. and 4:00 p.m., and shall not occur on a day when the Company will not be available to reconnect service or on a day immediately preceding such a day.
- D. A discontinuance notice provided to a customer shall include:
1. The name and address of the Customer, the service address if different than the Customer's address; and
  2. A statement of the reason for the proposed discontinuance of service and the cost for reconnection; and
  3. How the customer may avoid the discontinuance; and
  4. The possibility of a payment agreement if the claim is for a charge not in dispute and the Customer is unable to pay the charge in full at one time; and
  5. A telephone number the Customer may call from the service location without incurring toll charges and the address and any available electronic contact information of the utility prominently displayed where the customer may make an inquiry.

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- E. The Company shall make reasonable efforts to contact the Customer, at least twenty-four (24) hours prior to any discontinuance, regarding the reason(s) for discontinuance of service, and the resolution. If discontinuance of service would affect an occupant who is not the Company's Customer, or is not responsible for payment of the bill, then the Company shall make reasonable efforts to inform such occupant(s).
- F. The Company shall postpone the discontinuance if personnel will not be available to restore service the same day, or if personnel will not be available to restore service the following day. The Company also shall postpone discontinuance if a medical emergency exists on the premises, however the postponement may be limited to twenty-one (21) days, and the Company may require proof of a medical emergency.
- G. The Company shall have the right to enter the Customer's premises for purposes of discontinuance of service in compliance with these Rules and Regulations. Discontinuance of service will be made during reasonable hours. Company personnel shall identify themselves and announce the intention to discontinue service, or leave a conspicuous notice of the discontinuance. The Company shall have the right to communicate with the owner of the Customer's Unit for purposes of gaining access to the property for discontinuance of service in accordance with the Tennessee Public Utility Commission's billing practices, but any extra costs for arranging such access shall not be charged to the Customer's account.
- H. The provisions of paragraphs C. and E. above may be waived if safety of Company personnel while at the premises is a consideration.
- I. Discontinuance of service to a unit for any reason shall not prevent the Company from pursuing any lawful remedy by action at law or otherwise for the collection of monies due from the Customer.
- J. In case the Company discontinues its service for any violation of these Rules and Regulations, then any monies due the Company shall become immediately due and payable.

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- K. The Company has the right to refuse or to discontinue service to any unit to protect itself against fraud or abuse.
- L. The Company shall deal with Customers, handle Customer accounts, and manage discontinuance of service procedures in accordance with the Tennessee Public Utility Commission's Utility Billing Practices.
- M. Applicable Turn-off and turn-on charges are specified in the Schedule of Service Charges.

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Rule 8 TERMINATION OF WATER SERVICE AT CUSTOMER'S REQUEST

- A. Service will be terminated at the Customer's request, by giving not less than twenty-four (24) hours' notice to the Company during its regular office hours. The Company shall, on the requested day, read the Customer's meter and charges for water service rendered up to and including the time of termination shall be computed and will become due and payable immediately.
- B. A Customer may request temporary turn-off by the Company for the Customer's own convenience; however, the Customer shall still be charged for service at the appropriate rate as specified in the Schedule of Rates during the time the service is turned off.
- C. Turn-off and turn-on charges shall apply, and are specified in the Schedule of Service Charges.
- D. A Customer who requests termination of service, but returns to the premises and requests water service within nine (9) months of such termination, at the Company's discretion may be deemed to have been a seasonal customer, and applicable charges incurred during the period of absence may apply.

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Rule 9 INTERRUPTIONS IN SERVICE

- A. The Company reserves the right to discontinue water in its mains at any time, without notice, for making emergency repairs to the water system. Whenever service is interrupted for scheduled repairs or maintenance, Customers affected by such interruptions will be notified in advance whenever it is possible to do so. Every effort will be made to minimize interruption of service.
- B. No refunds of charges for water service will be made for interruptions of service unless due to willful misconduct of the Company.
- C. In order to avoid service problems when extraordinary conditions exist, the Company reserves the right, at all times, to determine the limit of and regulate water usage in a reasonable and non-discriminatory manner.

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Rule 10 BILLS FOR SERVICE

- A. The charges for water service shall be at the rates specified in the Schedule of Rates in these Rules and Regulations. Other applicable service charges are set forth in the Schedule of Service Charges in these Rules and Regulations.
- B. New Builds or new constructions will be metered right away while existing customers will remain at a flat rate until such time a new meter can be installed. Customer will then move to metered rate.
- C. The owner of the premises, the occupant and the user of the service shall be jointly and severally liable to pay for the sewer service to such premises; and the service is furnished to the premises by CSWR only upon the condition that the owner of the premises, occupant and user of the services are jointly and severally liable to CSWR. In accordance with 20 CSR 4240-13.050, debts incurred by one tenant will not be conveyed to a successive tenant. This provision is applicable only to new accounts established after the effective date of this tariff sheet.
- D. Each Customer is responsible for furnishing the Company with the correct address. Failure to receive bills will not be considered an excuse for non-payment nor reason to permit an extension of the date when the account would be considered delinquent. Bills and notices relating to the Company or its business will be mailed or delivered to the mailing address entered in the Customer's application unless the Company is notified in writing by the Customer of a change of address.
- E. Payments shall be made at the office of the Company or at such other places conveniently located as may be designated by the Company, by ordinary mail, or by electronic methods employed by the Company. Payment must be received by the close of business on the date due, unless the date due falls on a non-business day in which case payment must be received by the next business day.
- F. Neither the Company nor the Customer will be bound by bills rendered under

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mistake of fact as to the quantity of service rendered or as a result of clerical error. Customers will be held responsible for charges based on service provided.

- G. A separate bill shall be rendered for each Customer with itemization of all water service charges. All bills for service shall state the due date. The Company shall render bills monthly.

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- H. Monthly bills shall be due twenty-one (21) calendar days from the date of rendition, unless such due date falls on a Sunday, a legal holiday, or other day when the office is closed, in which case the due date shall be extended to the next business day. Bills unpaid after the stated due date will be delinquent and the Company shall have the right to discontinue service in accordance with Rule 7. Delinquent bills may be subject to a late charge as provided in the Schedule of Service Charges. The Company shall not be required to restore or connect any new service for such delinquent Customers until the unpaid account due the Company under these Rules and Regulations has been paid in full or arrangements satisfactory to the Company have been made to pay said account.
- I. When bills are rendered for a period of less than a complete billing period due to the connection or termination of service, the billing shall be the monthly or quarterly minimum plus an amount based on the water used at the commodity (water usage) rate or one-half (1/2) of the flat rate if applicable.
- J. The Company may require a security deposit or other guarantee as a condition of new service if the Customer:
1. Still has an unpaid account with a utility providing the same type of service accrued within the last five (5) years; or,
  2. Has diverted or interfered with the same type of service in an unauthorized manner within the last five (5) years; or,
  3. Is unable to establish a credit rating with the Company. Adequate credit rating for a residential Customer shall be established if the Customer:
    - a. Owns or is purchasing a home; or,
    - b. Is and has been regularly employed full time for at least one (1) year; or,
    - c. Has an adequate and regular source of income; or
    - d. Can provide credit references from a commercial credit source.

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- K. The Company may require a security deposit or other acceptable written guarantee of payment as a condition of continued service if:
1. The water service of the Customer has been discontinued for non-payment of a delinquent account not in dispute; or,
  2. The utility service to the unit has been diverted or interfered with in an unauthorized manner; or,
  3. The Customer has failed to pay undisputed bills before the delinquency date for five (5) billing periods out of twelve (12) consecutive monthly billing periods.
- L. The amount of a security deposit shall not exceed utility charges applicable to one (1) billing period plus thirty (30) days, computed on estimated or actual annual usage.
- M. Interest shall be payable annually on all deposits, but shall not accrue after the utility has made reasonable effort to return the deposit. Interest will be paid at a per annum rate equal to the prime bank lending rate, as published in the *Wall Street Journal* for the last business day of the preceding calendar year, plus one (1) percentage point. Interest may be credited to the Customer's account.
- N. After a Customer has paid proper and undisputed utility bills by the due dates, for a period not to exceed one (1) year, credit shall be established or re-established, and the deposit and any interest due shall be refunded. The utility may withhold full refund of the deposit pending resolution of a disputed matter.
- O. The utility shall give a receipt for deposits received, but shall also keep accurate records of deposits, including Customer name, service address, amounts, interest, attempts to refund and dates of every activity regarding the deposit.
- P. All billing matters shall be handled in accordance with the Tennessee Public Utility Commission's Rules and Regulations regarding Utility Billing Practices, 4 CSR 240-13.

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Rule 11 METERS AND METER INSTALLATIONS

- A. When water meters are utilized for billing, the Company shall furnish and install a suitable meter for each Customer, and the Company's installed meter shall be the standard for measuring water used to determine the bill. All meters shall be furnished, installed, maintained and removed by the Company and shall remain its property.
- B. The Company shall have the right to determine, on the basis of the Customer's flow requirements, the type and size of meter to be installed and location of same. No meter size selection will be based solely on the size of the Customer's service line. If flow requirements increase or decrease subsequent to installation and a larger or smaller meter is requested by the Customer, the cost of installing such larger or smaller meter shall be paid by the Customer.
- C. Domestic water service to any one Customer at a single premise shall be furnished through a single service connection. Individual units of a multi-unit building may have separate connections and meter installations only if each unit has separate plumbing, ground-level space, an individual service connection and meter installation location, and frontage to a Company-owned main. For multi-unit buildings with one service connection and meter installation, the inside piping may be rearranged at the Customer's own expense so as to separate the units and meter tenants, then divide the bill accordingly.
- D. The owners of premises wherein meters are located shall be held responsible for the safekeeping of the Company's meters and metering appurtenances, and are required to keep meters located within their property accessible to the Company for reading and for meter change outs. If a Customer limits accessibility, or fails to protect a meter against damage, the Company may discontinue service and/or refuse to supply water until accessibility is restored and the Company is paid for any such damage. The amount of the charge shall be the cost of the necessary replacement parts and the labor cost necessary to make the repair.

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- E. If the Company determines that no suitable outdoor location is available, then the meter may be installed inside the Customer's premises where the water service line enters the building and just downstream of the inside shutoff valve. The Company shall install a curb stop within the service connection at or near the property line as practical. When the meter is installed inside the Customer's premises, the Customer will either provide a meter yoke to accept installation of the Company's meter, or provide proper fittings for the house plumbing pipe to allow for direct installation of the Company's meter, along with a proper grounding strap installed around the meter to prevent electric charge build-up on either side of the meter or while a meter is removed. If installation in a special setting is necessary, the excess cost of installation shall be paid by the Customer.
- F. If an existing basement meter location is determined by the Company to be inadequate or inaccessible, then the Customer must provide for the installation of a meter to be located at or near the Customer's property line. The Customer shall furnish or obtain from the Company, as appropriate, the necessary meter installation appurtenances conforming to the Company's specifications, and the cost of said appurtenances and labor shall be paid by the Customer.
- G. Approved meter installation locations in dry basements, sufficiently heated to keep the meter from freezing, may remain provided the meter is readily accessible, at the Company's and Customer's convenience as determined by the Company, for servicing and reading and the meter space provided is located where the service line enters the building. The Company may, at its discretion, require the Customer to install a remote reading device at an approved location, for the purpose of reading the meter. It is the responsibility of the Customer and/or the owner of the premises to provide a location for the water meter which, in the event of water discharge as a result of leakage from the meter or couplings, will not result in damage. The Company's liability for damages to any and all property caused by such leakage shall in no event exceed the price of water service to the affected premises for one average billing period in the preceding year. Where damage is caused by the negligence of Company personnel at the premises, this limitation will not apply. If a Customer refuses to provide an accessible location for a meter as determined by the Company, the Company will notify the Staff of the Water and Sewer Unit of the Tennessee Public Utility Commission before ultimately refusing service or proceeding to discontinue

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service.

- H. The Customer shall promptly notify the Company of any defect in, or damage to, the meter setting.
- I. Any change in the location of any existing meter or meter setting at the request of the Customer shall be made at the expense of the Customer, and with the approval of the Company.

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Rule 12 METER TESTS AND TEST FEES

- A. Any Customer may request the Company to make a special test of the accuracy of the meter through which water is supplied to the Customer. This test will be made in accordance with water industry test procedures, and to check for accuracy as required by Regulations of the Tennessee Public Utility Commission.
- B. The Company reserves the right to remove and test a meter at any time and to substitute another in its place. In case of a dispute involving a question as to the accuracy of the meter, a test will be made by the Company upon the request of the Customer without charge if the meter has not been tested within twelve (12) months preceding the requested test; otherwise, an approved charge will be made if the test indicates meter accuracy within five percent (5%).
- C. A meter test requested by the Customer may be witnessed by the Customer or the Customer's duly authorized representative, except for tests of meters larger than two inch (2") inlet, which will be conducted by the water manufacturer. A certified copy of the test report will be provided to the Customer.
- D. If a test shows an average error of more than five percent (5%), billings shall be adjusted in accordance with Rule 13.

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Rule 13 BILL ADJUSTMENTS BASED ON METER TESTS

- A. Whenever any test by the Company of a meter while in service or upon its removal from service shall show such meter to have an average error of more than five percent (5%) on the test streams prescribed by the Tennessee Public Utility Commission, the Company shall adjust the Customer's bills by the amount of the actual average error of the meter and not the difference between the allowable error and the error as found. The period of adjustment on account of the under-registration or over-registration shall be determined as follows:
1. Where the period of error can be shown, the adjustment shall be made for such period; or
  2. Where the period of error cannot be shown, the error found shall be considered to have existed for three (3) months preceding the test.
- B. If the meter is found on any such test to under-register, the Company may render a bill to the Customer for the estimated consumption not covered by bills previously rendered during the period of inaccuracy as above outlined. Such action shall be taken only when the Company was not at fault for allowing the inaccurate meter to remain in service.
- C. If the meter is found on any such test to over-register, the Company shall refund to the Customer any overcharge caused during the period of inaccuracy as above defined. The refund shall be paid within a reasonable time and may be in the form of a bill credit.

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Rule 14 EXTENSION OF WATER MAINS

- A. This rule shall govern the extension of mains by the Company within its certified area where there are no water mains.
- B. Upon receipt of a written application for a main extension, the Company will provide the applicant(s) an itemized estimate of the cost of the proposed extension. Said estimate shall include the cost of all labor and materials required, including valves, fire hydrants, booster stations, storage facilities, reconstruction of existing mains (if necessary), and the direct costs associated with supervision, engineering, permits, and bookkeeping. The estimate will not include unanticipated costs such as rock excavation.
- C. Applicant(s) shall enter into a contract with the Company for the installation of said extension and shall tender to the Company the amount determined in paragraph B. above. Any applicable New Service Connection Fee will become due after the cost incurred by the Company has been ascertained, as per Rule 5 B. 1. or 3., and as specified in the Schedule of Service Charges. The contract may allow the Customer to contract with an independent contractor for the installation and supply of material, except that mains of twelve inches (12") or greater diameter must be installed by the Company, and the reconstruction of existing facilities must be done by the Company.
- D. The cost to single-family residential applicant(s) connecting to a main extension for which other applicant(s) paid an amount determined in paragraph B., above, subject to subsequent adjustments for actual cost, shall be as follows:
  - 1. For single-family residential applicant(s) applying for service in a platted subdivision, the Company shall divide the actual cost of the extension by the number of lots abutting said extension to determine the per lot extension cost. When counting lots, corner lots which abut existing mains shall be excluded.
  - 2. For single-family residential applicant(s) applying for service in areas that are unplatted in subdivision lots, an applicant(s) cost shall be equal to the

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total cost of the main extension divided by the total length of the main extension in feet times one hundred (100) feet.

3. For industrial, commercial, or multifamily residential applicants, the cost will be equal to the amount calculated for a single-family residence in paragraphs D.1. or D.2. above, multiplied by the flow factors of the applicants' meter. The flow factors of the various sizes of meters are as follows:

<u>Meter Size</u>	<u>Flow Factor</u>
5/8"	1
1"	2.5
1 1/2"	5
2"	8
3"	15
4"	25

- E. Refunds of funds paid by applicant(s) for any estimated costs or actual costs of a main extension shall be made to such applicant(s) as follows:
1. Should the actual cost of the extension be less than the estimated cost, the Company shall refund the difference to the applicant(s) as soon as the actual cost has been ascertained.
  2. During the first ten (10) years after the main extension is completed, the Company will refund to the applicant(s) who paid for the extension the money collected from applicant(s) in accordance with paragraph D. above. The refund shall be paid within a reasonable time after the money is collected.
  3. The sum of all refunds to any applicant shall not exceed the total amount which the applicant(s) has paid.
- F. Extensions made under this rule shall be and remain the property of the Company.

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- G. The Company reserves the right to further extend the main and to connect mains on intersecting streets and easements. Connecting new Customers to such further extensions shall not entitle the applicant(s) paying for the original extension to a refund for the connection of such Customers.
- H. Extensions made under this rule shall be of Company-approved pipe sized to meet water service requirements. If the Company chooses to size the extension larger in order to meet the Company's overall system requirements, the additional cost caused by the larger size of pipe shall be borne by the Company.
- I. No interest will be paid by the Company of payments for the extension made by the applicant(s).
- J. If extensions are required on private roads, streets, through private property, or on private property adjacent to public right-of-way, a proper deed of easement must be furnished to the Company without cost to the Company, before the extension will be made.

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