

June 21, 2023

Electronically Filed in TPUC Docket
Room on June 21, 2023 at 3:57 p.m.

VIA ELECTRONIC FILING

Hon. Herbert H. Hilliard, Chairman
c/o Ectory Lawless, Docket Room Manager
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243
TPUC.DocketRoom@tn.gov

RE: *Limestone Water Utility Operating Company, LLC's Application to Expand its Certificate of Convenience and Necessity to Serve the Nash Ridge Subdivision, TPUC Docket No. 23-00036*

Dear Chairman Hilliard:

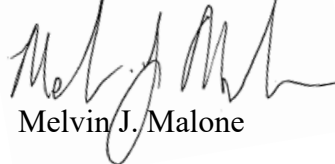
Attached for filing please find *Exhibit 19A* and *Exhibit 20A* to the Joint Application filed on May 22, 2023.

Please note that Exhibit 19A to the Application is being submitted **UNDER SEAL** as **CONFIDENTIAL** and **PROPRIETARY**. Both a public version and a nonpublic, **CONFIDENTIAL** version of Exhibit 19A is attached.

As required, the original plus four (4) hard copies will be mailed to your office. Should you have any questions concerning this filing, or require additional information, please do not hesitate to contact me.

Very truly yours,

BUTLER SNOW LLP



Melvin J. Malone

clw

Attachments

cc: Russ Mitten, Limestone Water Utility Operating Company, LLC
Vance L. Broemel, Consumer Advocate Division
Karen H. Stachowski, Consumer Advocate Division

PUBLIC VERSION

EXHIBIT 19A

CSWR 2022 Audited Financials

EXHIBIT 20A

UTILITY SERVICES AGREEMENT

This agreement to provide sewer utility services ("Agreement") is entered into this 14 day of June, 2023 between **CENTRAL STATES WATER RESOURCES, INC.**, a Missouri Corporation ("Utility") and **SERENITY TRUST**, an unincorporated Tennessee Trust ("Developer") (each a "Party" and jointly "the Parties").

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

WHEREAS, Developer is a Trust, organized and existing under the constitution and the laws of the State of Tennessee, with all the requisite power necessary to enter into the Agreement;

WHEREAS, Developer has acquired or will acquire property in the State of Tennessee, County of Williamson, being known as Nash Ridge Subdivision (hereinafter "the Property"), as set out herein on **EXHIBIT A**, attached hereto and incorporated herein; and

WHEREAS, Developer desires to develop the Property as a residential subdivision in accordance with applicable state and local zoning and development regulations and provide all dwellings within the Property with central sewer service; and

WHEREAS, Utility has requested authorization to provide sewer service to the area where the Property is located and desires to own and operate sewer facilities and equipment constructed or installed by Developer to serve structures within the Property;

NOW THEREFORE, for the consideration expressed in the Agreement and subject to all its terms and conditions, the sufficiency of which is hereby acknowledged, the Parties contract and agree as follows:

1. DEFINITIONS

- 1.1 "Accepted Sewage"** means domestic sewage such as sewage from residences, office buildings, motels, restaurants and other commercial uses, but expressly excludes: (i) all substances that will damage, clog, or adversely affect lines and facilities owned or operated by Utility, (ii) industrial or toxic wastes, (iii) any other wastes that Utility (or any governmental agency) determines Utility's sewage treatment facilities (and its lines or other facilities) cannot handle, and (iv) storm and rain water.
- 1.2 "Environmental Regulator"** means all state or local governmental agencies regulating the construction of Infrastructure (herein defined) within the Property.
- 1.3 "Final Property Plan"** means the as-recorded official and fully-approved (if governmental approvals are required) map and plat of the Property.
- 1.4 "Infrastructure"** means:

Sewer infrastructure including but not limited to, lines, pipes, conduit, tubing, systems, pumps, lift stations, tanks and structures, mechanical apparatus, and facilities constructed,

placed, or located by Developer for the receipt and transmission of sewage from at least forty (40) dwellings on the Property; and

1.5 "Services" means:

Sewer services, which is the receipt and treatment of Accepted Sewage by Utility from structures within the Property; and

1.6 "User" means a customer utilizing Services within the Property.

1.7 "Utility Construction Requirements" means Utility's construction specifications, notes and details for Infrastructure for the Property.

2. SEWER SYSTEM

2.1 Developer shall design and construct, at its sole expense, all Infrastructure within the Property in accordance with engineering plans and specifications of the Developer's engineer prepared in accordance with all applicable governmental standards and regulations and Utility's Utility Construction Requirements. Plans and specifications shall be submitted to Utility for review, and must have received Utility's written approval before construction begins, which approval shall not be reasonably withheld or delayed.

2.2 All Infrastructure shall be constructed by a contractor that is selected by Developer and approved by Utility prior to beginning construction, which approval shall not be unreasonably withheld or delayed. The contractor must hold all required state and local licenses and, if required by Utility, must produce a valid Certificate of Insurance showing Utility as an additional insured during construction of the Infrastructure.

2.3 Developer must submit, at no charge to Utility, all construction plans and specifications for the Infrastructure. The plans submitted in accordance with this section shall be Developer's plans which have received all required governmental approvals.

2.4 Upon completion of the Infrastructure, Developer must submit to Utility, at no charge, three (3) sets of "As Built" construction plans and specifications as well as an electronic copy of all plans in a format acceptable to Utility.

3. EASEMENTS/SERVITUDES AND REAL PROPERTY

3.1 By its execution of the Agreement, Developer grants, conveys, sets over, and assigns unto Utility a non-exclusive easement/servitude of use and passage within all utility easements/servitudes, rights of ways, and streets within the Property as shown on the final subdivision plan or similar document. The easement/servitude of passage shall be used by Utility exclusively in connection with the maintenance, construction, and operation of the Infrastructure within the Property. Notwithstanding the foregoing, Developer further agrees to execute assignments, easements/servitudes, and any additional documents requested by Utility in order to memorialize this grant of easement/servitude.

- 3.2** Developer agrees to add the following wording to the final subdivision plan or similar document as recorded in the official real estate records of each county/parish where the Property is located: "Central State Water Resources and its successors and assigns, is hereby granted the right to construct, maintain, and provide sewer services within the street rights of way, both public and private, and easements and servitudes set forth herein and/or hereafter granted and is further granted the exclusive right to provide sewer services as a non-public, investor-owned utility. No single structure sewage treatment may be constructed while sewer service is available from Central States Water Resources and/or its successors and assigns."
- 3.3** Upon completion and acceptance by Utility of the facilities to be constructed and installed by Developer in accordance with the Agreement, all Infrastructure shall become the property of Utility, as installed and without the requirement of written documents of transfer. Utility shall own, operate, and maintain such facilities at its sole cost and responsibility and shall have all right, title, and interest as sole owner of those facilities. Notwithstanding the foregoing, Developer shall execute a deed(s), bill of sale and/or other documents reasonably requested by Utility as necessary or desirable, in its sole opinion, to convey to Utility and ensure Utility's ownership of, ready access to, and operations and maintenance of the Infrastructure.

4. WARRANTIES AND REPRESENTATIONS

- 4.1** Upon final acceptance and transfer to Utility of the Infrastructure at Closing (hereinafter defined), Utility will provide Services to Users within the Property.
- 4.2** Upon final acceptance and transfer to Utility of the Infrastructure at Closing, Utility agrees to indemnify and hold harmless Developer from all liability for Services provided to Users.
- 4.3** Developer represents that the Infrastructure is free of real property tax liens, federal or state tax liens, judgment liens, utility liens, assessment liens and that Utility take the Property free of any liens, mortgages, pledges, leases, options, rights of first refusal, conditional sales agreements, encumbrances or other charges. Developer further agrees to indemnify and hold harmless Utility from any and all liability related to construction and transfer of the Infrastructure, including but not limited to all liens and encumbrances that may be filed and/or attached to the Infrastructure at the time of their transfer to Utility in accordance with the Agreement and agrees to cure any title issues related to the same, at the sole cost of Developer.

5. RIGHTS & OBLIGATIONS OF UTILITY AND DEVELOPER

- 5.1** Following final transfer of the Infrastructure at Closing, Utility shall be entitled to charge monthly user fees and connection fees for Services within the Property as set and established by state utility regulatory authorities.
- 5.2** Prior to Closing, Developer or Developer's engineer shall inspect the Infrastructure within the Property during construction and shall be responsible for notifying Utility of any and all deviations from the plans and specifications approved by Utility for construction of the Infrastructure.

- 5.3 Prior to Closing, Developer or Developer's approved contractor shall lamp test or smoke test the Infrastructure related to the sewer system at the cost and expense of Developer. A field supervisor from Utility must be present for all testing.
- 5.4 Prior to Closing, Developer shall deliver to Utility a certification from its approved contractor that the Infrastructure related to the sewer system and its connection to Utility's sewer system has been performed in accordance with the approved plans and specifications and is ready for domestic use.
- 5.5 Prior to Closing, and upon substantial completion of the Infrastructure within the Property, Developer or Developer's approved contractor shall provide a notice of completion to Utility that all work has been substantially completed in accordance with the approved plans and specifications, and further certifying the Infrastructure have been tested in accordance with this section and are approved for use. Utility shall have a period of **fourteen (14) days** from the date of such notice and receipt of the as-built drawings from Developer's approved contractor to provide Developer a written list of any objections or defects of the Infrastructure. In the event Utility provides a notice and listing of objections and defects within the time specified, then Developer shall have a reasonable period of time within which to take such corrective measures as may be necessary to remove such objections and defects. The standard for any review of objections and defects of the Infrastructure shall be the plans and specifications for Infrastructure approved by Utility. Developer shall provide notice to Utility of completion of work required to remove all objections and defects set forth in Utility's notice, and thereafter Utility shall have **seven (7) days** within which to provide notice of any additional defects or objections to the Infrastructure. This process of notification by Utility and corrective action by Developer shall continue until all defects and objections have been remedied or corrected to the reasonable satisfaction of Utility.
- 5.6 Upon the transfer from Developer to Utility in accordance with this section, all warranties Developer may have from vendors, manufacturers, contractors, or subcontractors in connection with construction of the Infrastructure shall be assigned and transferred to Utility. Developer further agrees to execute an assignment and any additional documents requested by Utility in order to memorialize this transfer and assignment of warranty.
- 5.7 Each Party agrees to provide reasonable support and assistance required by the other Party to secure governmental approvals, authorizations, and certificates necessary to effectuate the objectives of this Agreement.

6. RATES AND CHARGES

- 6.1 Developer agrees to pay **One Hundred Thousand and 00/100 (\$100,000.00)** as Developer's contribution to the facilities Utility will use to collect Accepted Sewage and/or provide potable water from the Property. The full amount shall be paid by Developer upon signing of this Agreement. Within **thirty (30) days** prior to Developer's request for final acceptance, Developer also must pay all federal and state taxes Utility will incur as a result of the Infrastructure being classified as a "Contribution in Aid of Construction" under applicable tax laws and regulations. Under no circumstances will the Infrastructure be

allowed to connect to Utility's facilities prior to receipt of all sums due by Developer to Utility under Section 6.

6.2 If Developer fails to timely render any payments mentioned in this Section 6, Utility shall have the right to cease all activities undertaken on Property in furtherance of this Agreement in addition to all other remedies provided in Section 8.

6.3 In accordance with its approved rates and tariffs, Utility will charge a sewer tap fee, a monthly sewer rate, and any other authorized fees and charges to each builder or User within the Property.

7. REGULATORY APPROVAL; CLOSING

7.1 Upon receipt of all regulatory approvals, in a form satisfactory to Utility in Utility's reasonable discretion, the Utility's authorization to provide sewer service to the property, and approval of the Infrastructure by Utility, pursuant to Section 5.6, the Parties shall schedule a Closing on a mutually agreed-upon date and place ("Closing"). At the Closing, Developer shall execute and deliver instruments of conveyance, transferring to Buyer the and any real property interests, including but not limited to easements/servitudes, required Infrastructure for Utility to provides Services to the Property, free of any and all liens and encumbrances.

8. GOVERNING LAW

8.1 This Agreement shall be subject to, and governed by, the laws of the State of Tennessee, without regard to principles of conflicts of law.

9. ATTORNEY'S FEES

9.1 If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of any alleged dispute, breach, default, or misrepresentation in connection with any provisions of this Agreement and such action is successful, the prevailing parties shall be entitled to recover reasonable attorney's fees, court costs, and all reasonable expenses, even if not taxable or assessable as court costs (including, without limitation, all such fees, costs, and expenses incident to appeal) incurred in that action or proceeding in addition to any other relief to which such party may be entitled.

10. REMEDIES

10.1 In the event of breach of this Agreement, the parties shall be entitled to any and all remedies available to them in law or equity, all of which are cumulative, and include injunctive or other extraordinary relief.

11. NOTICES

11.1 Any notice required or permitted to be given or served by any Party to the other Party shall be deemed given in accordance with the provisions of this Agreement upon the addressee's receipt by the addressee by certified mail, return receipt requested, addressed as follows:

If to Utility: Central States Water Resources, Inc.
c/o Josiah Cox, President
1630 Des Peres Road, Suite 140
St. Louis, Missouri 63131

With a Copy to: James A. Beckemeier
Beckemeier LeMoine Law
13421 Manchester Road, Suite 103
St. Louis, MO 63131
Facsimile: (314) 965-0127
Email: jim@bl-stl.com

If to Developer: Serenity Trust
Attn: Leslie McMahon
334 E. Lake Harbor Rd., Suite 176
Palm Harbor, FL 34685
Email: lesliewmc@gmail.com

With a Copy to: Schuyler Hanson
2929 Entertainment
11601 Wiltshire Blvd., Suite 200
Los Angeles, CA 90025
Phone: (310) 309-5710
Email: skyh@wagner-cuban.com

- 11.2** Any Party may change its address by delivering written notice of such change to the other Party in the manner specified above, with the effective date of the change being **ten (10) days** from the date of the receipt of the notice of change.

12. CAPTIONS; HEADINGS

- 12.1** The paragraph headings or captions appearing in this Agreement are for convenience and direction only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement.

13. ENTIRE CONTRACT MODIFICATION

- 13.1** This written Agreement constitutes the entire and complete agreement among the Parties and supersedes any prior oral or written agreements, letters, or correspondence between the parties regarding matters covered by the Agreement. It is expressly agreed that there are no verbal understandings or agreements that in any way change the terms, covenants, and conditions set forth here, and no modification of this Agreement or waiver of any of its terms and conditions shall be effective unless made in writing and duly executed by all Parties.

14. ASSIGNMENT

- 14.1** This Agreement shall not be assigned by Developer to any third party without the prior written consent of Utility, which consent shall not unreasonably be withheld. Any assignment must include the express written assent by assignee to assume all obligations of Developer and to be bound by all terms and conditions of this Agreement. Utility shall be permitted to assign its rights in this Agreement to an affiliated entity that Utility controls without need of consent by the Developer by providing written notice to the Developer of such assignment.

15. WARRANTIES

- 15.1** All covenants, agreements, warranties, representations, and other provisions of the Agreement shall be binding upon and inure to the benefit of the Parties and also to their respective heirs, executors, administrators, representatives, successors, and permitted assigns.

16. SEVERABILITY

- 16.1** If any of the terms or conditions of this Agreement shall for any reason be held to be invalid, unlawful, or unenforceable in any respect, such invalidity, unlawfulness, or unenforceability shall not affect the other terms and conditions, and thereafter the terms and conditions of the Agreement shall thereafter be construed as if such invalid, illegal or unenforceable terms or conditions had never been included.

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

UTILITY:

CENTRAL STATES WATER
RESOURCES, INC.

By: 

Josiah Cox, President

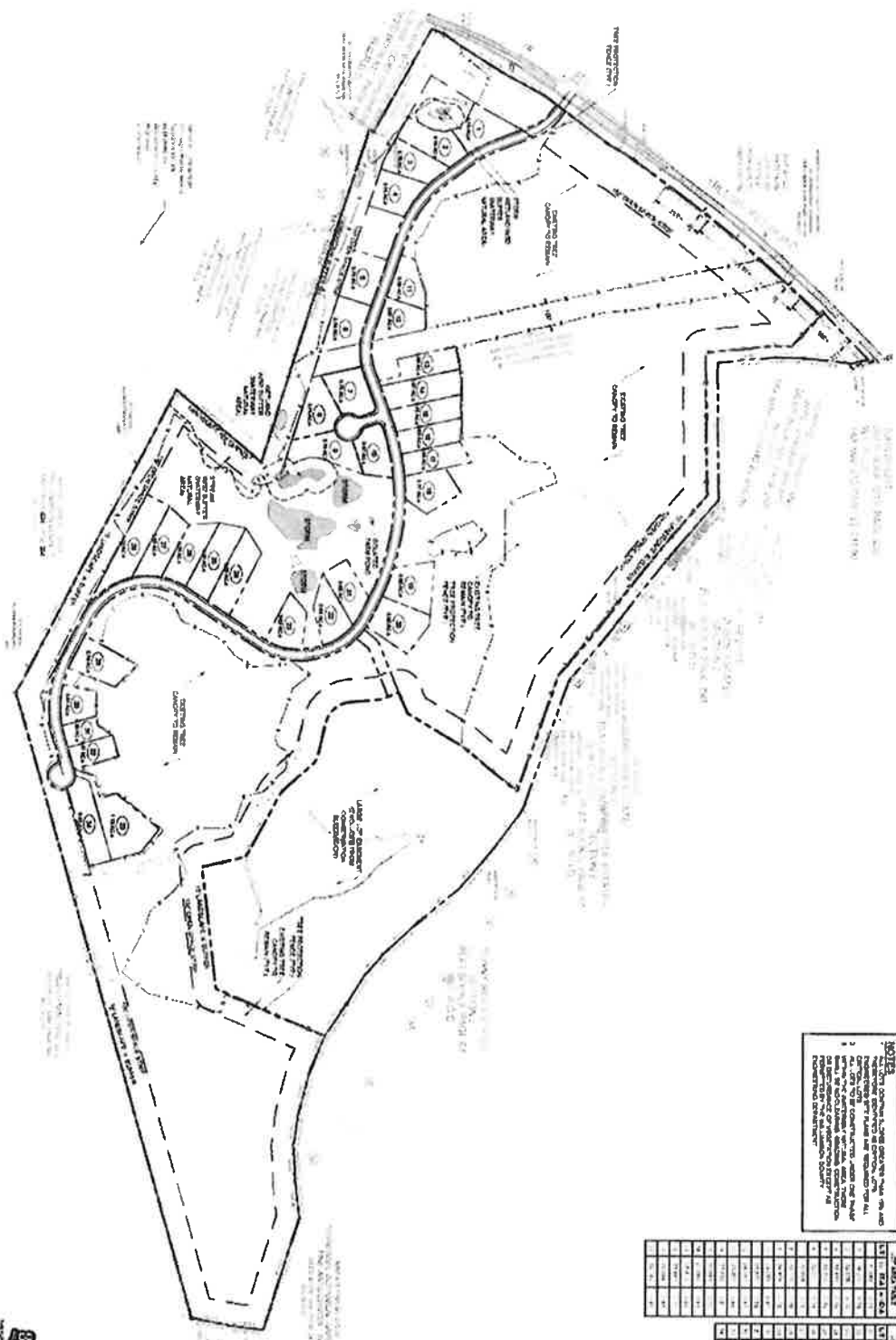
DEVELOPER:

JPMorgan Chase Bank, N.A. as Trustee of the
Serenity Trust dated 09/25/2008

By: 

Matthew A. Theisen, Executive Director

EXHIBIT A



NOTES

1. THIS CONCEPTUAL LAYOUT PLAN IS FOR INFORMATIONAL PURPOSES ONLY. IT IS NOT A FINAL DESIGN AND SHOULD NOT BE USED FOR ANY OTHER PURPOSES.
2. THE PROPOSED DRIVE IS SUBJECT TO THE APPROVAL OF THE LOCAL GOVERNMENT AND THE STATE DEPARTMENT OF TRANSPORTATION.
3. THE PROPOSED DRIVE IS SUBJECT TO THE APPROVAL OF THE LOCAL GOVERNMENT AND THE STATE DEPARTMENT OF TRANSPORTATION.
4. THE PROPOSED DRIVE IS SUBJECT TO THE APPROVAL OF THE LOCAL GOVERNMENT AND THE STATE DEPARTMENT OF TRANSPORTATION.
5. THE PROPOSED DRIVE IS SUBJECT TO THE APPROVAL OF THE LOCAL GOVERNMENT AND THE STATE DEPARTMENT OF TRANSPORTATION.

EXISTING DRIVE		PROPOSED DRIVE	
STATION	WIDTH	STATION	WIDTH
1+00	12.00	1+00	12.00
2+00	12.00	2+00	12.00
3+00	12.00	3+00	12.00
4+00	12.00	4+00	12.00
5+00	12.00	5+00	12.00
6+00	12.00	6+00	12.00
7+00	12.00	7+00	12.00
8+00	12.00	8+00	12.00
9+00	12.00	9+00	12.00
10+00	12.00	10+00	12.00
11+00	12.00	11+00	12.00
12+00	12.00	12+00	12.00
13+00	12.00	13+00	12.00
14+00	12.00	14+00	12.00
15+00	12.00	15+00	12.00
16+00	12.00	16+00	12.00
17+00	12.00	17+00	12.00
18+00	12.00	18+00	12.00
19+00	12.00	19+00	12.00
20+00	12.00	20+00	12.00



2600 HILLSBORO ROAD FOR SERENITY TRUST

2600 HILLSBORO ROAD, GREENWOOD, IN 46141 178.51 ACRES 34.70 TOTAL LOT'S



Overall
Conceptual
Layout Plan
C1.0
10-10-2010

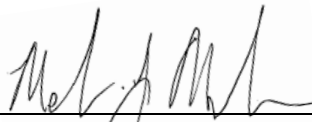
CERTIFICATE OF SERVICE

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

Vance L. Broemel, Esq.
Senior Assistant Attorney General
Office of the Tennessee Attorney General
Consumer Advocate Division
P.O. Box 20207
Nashville, TN 37202-0207
Vance.Broemel@ag.tn.gov

Karen H. Stachowski, Esq.
Senior Assistant Attorney General
Office of the Tennessee Attorney General
Consumer Advocate Division
P.O. Box 20207
Nashville, TN 37202-0207
Karen.Stachowski@ag.tn.gov

This the 21st day of June 2023.



Melvin J. Malone