

July 25, 2023

Electronically Filed in TPUC Docket
Room on July 25, 2023 at 2:19 p.m.

VIA ELECTRONIC FILING

David Foster, Director
Utilities Division
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 Mr. Foster:

We are in receipt of your data requests to Limestone Water Utility Operating Company, LLC ("Limestone"), dated July 11, 2023. Please find Limestone's responses below.

1. *Regarding Commission Rule 1220-04-13-.17(2)(a)(7)(v): Page 12 of the Petition filing indicates that the build-out of the wastewater system will be established in three separate phases. Please provide a map showing the approximate area where each phase will be located.*

Response: An updated map is attached as Supplemental Exhibit 1.

2. *Regarding Commission Rule 1220-04-13-.17(2)(b)(3): If an agreement between the Developer and its designated contractor exists for this project, please provide a copy.*

Response: Please see Attachment A.

3. *Regarding Commission Rule 1220-04-13-.17(2)(d)(2): Although the Petition states this information was filed as Exhibit 16, the required information cannot be found in Exhibit 16. Exhibit 15 filed with the Petition does provide Certificates of Competency for Dana L. Douglas, but the Commission rule requires a copy of the State Operator's Certificate for the operator of the wastewater system at Nash Ridge/Grasslands.*

Response: The Certificates of Competency are the operator's certificates. Please see Attachment B, an email from TDEC confirming that the Certificates of

*The Pinnacle at Symphony Place
150 3rd Avenue South, Suite 1600
Nashville, TN 37201*

KATHERINE B. BARNES
615.651.6797
katherine.barnes@butlersnow.com

*T 615.651.6700
F 615.651.6701
www.butlersnow.com*

Competency demonstrate that an operator is licensed to operate wastewater systems in Tennessee.

4. *Regarding Commission Rule 1220-04-13-.17(2)(d)(1): Provide documentation from the Tennessee Department of Environment and Conservation stating that the existing NPDES permit for the Grasslands wastewater system is sufficient to handle or can be modified to sustain the additional load being transported from the proposed Nash Ridge Subdivision.*

Response: With regard to existing capacity, Limestone is working on the replacement of a failed influent screen, inflow and infiltration (“I & I”) investigations, and a sewer main/manhole lining project to reduce flow coming to the plant. These projects are expected to be completed within the next year and will improve the facility’s ability to treat the wastewater feeding into it. The amount of trash and nuisance solids are hindering the plant’s ability to treat to its full potential and Limestone believes that these projects will free up previously underutilized or wasted treatment capacity to treat waste from new connections from the Nash Ridge Subdivision.

With regard to additional capacity, please see Attachment C, an email between Limestone and TDEC regarding the Grasslands facility and a Schedule for Construction that was submitted to TDEC by Limestone pursuant to Consent Order & Assessment WPC22-0086. This Schedule for Construction will allow Limestone to upgrade the facility to handle additional capacity at the Grasslands system.

5. *Regarding Commission Rule 1220-04-13-.17(2)(e)(9): Provide estimates of costs and customers added by month for the first five (5) years based upon the construction build-out schedule for developers in the service area of the proposed wastewater system. For each year, by month, provide an estimated number of customers by customer class anticipated to be served by the wastewater system. Include the utility’s basis and assumptions used for these projections. Provide this information in a spreadsheet in Microsoft Excel format with all assumptions clearly documented.*

Response: Please see Attachment D.

6. *Regarding Commission Rule 1220-04-13-.17(2)(e)(11): The Developer issued a performance bond for a project in “Franklin” County with the “Tennessee Public Utility Commission” as the beneficiary. Please re-submit a complete performance bond with the Utility as the beneficiary for the Nash Ridge project in Williamson County, Tennessee.*

Response: The Developer is working to correct the performance bond. Limestone will file the bond as soon as it is available.

7. *Regarding Commission Rule 1220-04-13-.17(2)(f)(5): The Direct Testimony of Todd Thomas did not contain a statement that the applicant is aware of the requirement of Commission Rule 1220-04-13-.09(7) concerning the completion of the construction of the wastewater system*

within three years of the Commission's written approval of the CCN. Please amend the testimony to include this statement.

Response: The updated Direct Testimony of Todd Thomas is attached as Replacement Exhibit 7.

8. *Regarding Commission Rule 1220-04-13-.17(2)(a)(11): Please provide a copy of Serenity Trust's Certificate of Trust (COT). If one cannot be provided, please provide a copy of the Trust Agreement for Serenity Trust.*

Response: Please see Attachment E.

9. *Regarding Commission Rule 1220-04-13-.17(2)(e)(6): The Utility Service Agreement filed on June 21, 2023, states that the Developer "Serenity Trust" will be contributing \$100,000 to the facilities the Utility will use to collect accepted sewage. Is the Company using this amount as its estimate of CIAC for the Nash Ridge Subdivision? A copy of a Construction Design/Build Agreement between the Developer and Contractor for the value of work performed has not been filed in the docket. Please file the detailed cost of construction per phase in this docket.*

Response: Limestone is not using the \$100,000 in its estimate of CIAC. Section 2.1 of the Utility Services Agreement provides, "Developer shall design and construct, at its sole expense, all Infrastructure within the Property[.]" Additionally, Section 6.3 provides, "In accordance with its approved rates and tariffs, Utility will charge a sewer tap fee...to each builder or User within the Property." As such, all Infrastructure will be contributed either by the Developer (\$477,751, as provided in Exhibit 23 to the Application) or by each User in the form of applicable Tap Fees. The \$100,000 in section 6.1 of the Agreement will not be tied to any Infrastructure or Asset and therefore cannot be booked as CIAC. Additionally, Limestone is working on the requested cost estimate and will file it as soon as it is available.

10. *In Commission Docket No. 21-00053, the Commission granted Limestone permission to acquire the assets of Cartwright Creek and the CCN for that territory. On July 16, 2021, the Company responded to the Consumer Advocate's DR 1-7 that it believes \$1.1 million would be required to bring the wastewater system at Grasslands into compliance with operational and environmental standards. The Company also responded to DR 1-26 of the Consumer Advocate explaining that Limestone estimated \$540,000 for collection inflow and infiltration repairs recommended by Inflow Design Group to the Grasslands system. Please identify by project, including costs, and discuss in detail the purpose of each repair/capital project improvement made since Limestone's purchase for the Grasslands system.*

Response: Since Limestone's acquisition of the Grasslands system and the responses provided in the Consumer Advocate's discovery requests in Docket No. 21-00053, Limestone has entered into Consent Order & Assessment WPC22-0086 with TDEC in order to make repairs and address issues at the facility. As such, the figures cited

David Foster, Director

July 25, 2023

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above have likely changed and need updating. Limestone is working to compile those cost estimates and will provide them to you as soon as they are available.

Sincerely,

BUTLER SNOW LLP



Katherine Barnes

Attachments

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

SUPPLEMENTAL EXHIBIT 1



RaganSmith

Nashville - Murfreesboro - Chattanooga
ragansmith.com

NASH RIDGE FOR SERENITY TRUST

2600 HILLSBORO ROAD, BRENTWOOD, TENNESSEE

Scale: 1"=200'

Date: 2022.09.19

Approved By: M.MERRILL

Revisions:

Drawing Title:

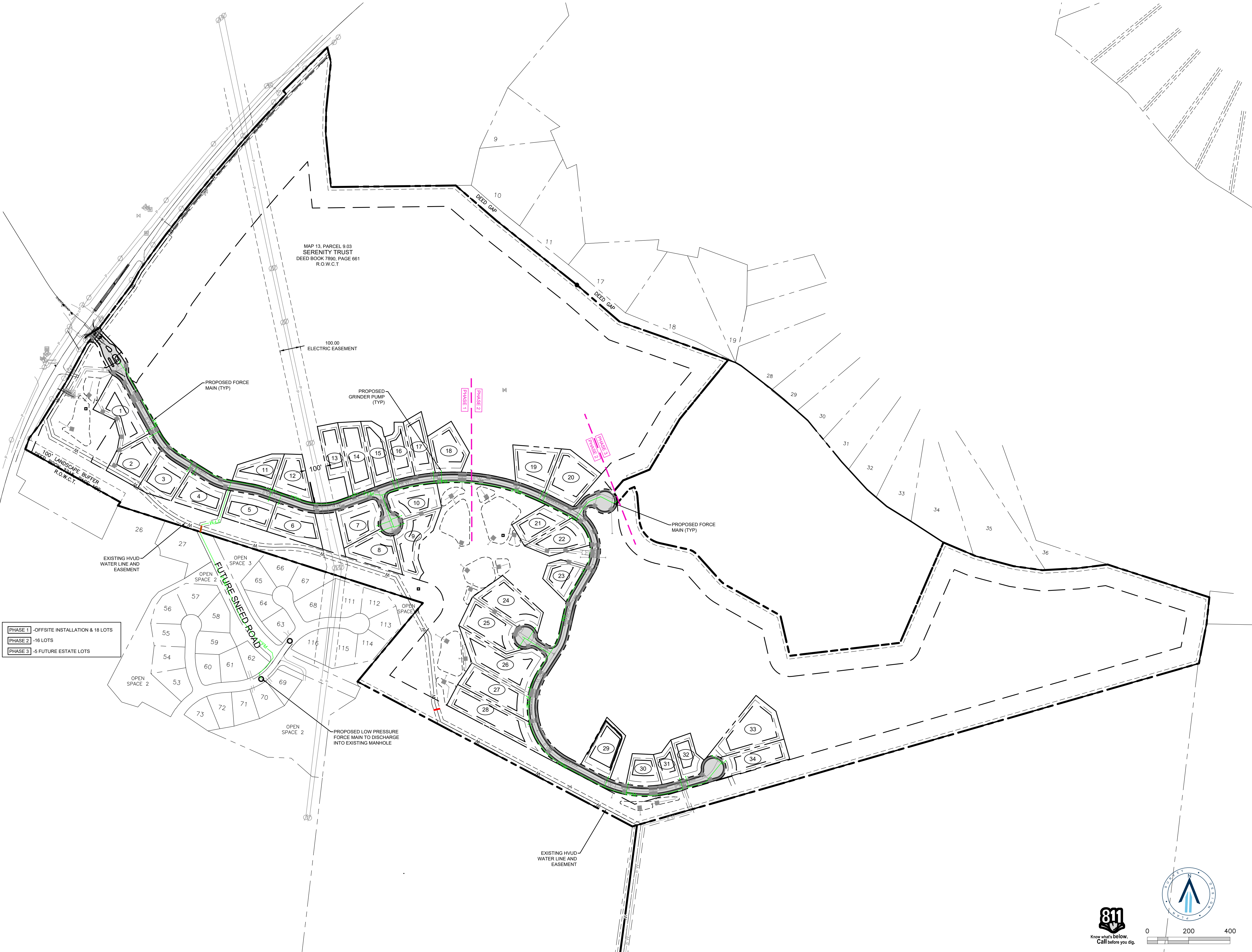
OVERALL SEWER

Drawing No.

S1.0

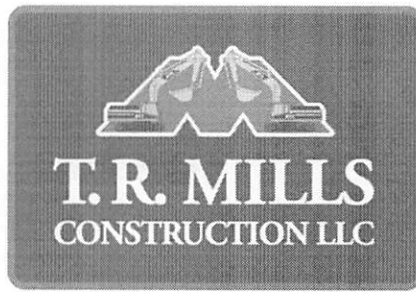
Project No.

19163



GEORGE WATSON CIVIL ENGINEERING, INC. ENGINEER OF RECORD. SEWERAGE OVERALL SEWER S1.0
PLOTTED BY MARIA MERRILL ON 11/09/2022 9:59 AM. LAST UPDATED BY MERRILL ON 09/20/2022 12:17 PM

ATTACHMENT A



April 7, 2023

Serenity Trust
Attn: Leslie McMahon
334 E. Lake Rd. #176
Palm Harbor, FL 34685


Re: Confirmation of Contractor for Sewer Installation at the Proposed Development for Property Located at 2600 Hillsboro Rd. Brentwood, TN 37027, Parcel ID 013 0090000007013.

Dear Ms. McMahon:

Please accept this letter as our confirmation that we have provided you with the proposal for the installation of the Sanitary Sewer Utilities at the above mentioned project executed by both parties on April 7, 2023 and attached hereto. Final numbers will require approval from the ownership group once construction plans have been approved by the County. It is our understanding that you have approved us to be the contractor to install these improvements and that we will begin this work once the service area is approved by the Tennessee Public Utility Commission, Williamson County, including plan approval by Limestone (Central States). We are licensed in the State of Tennessee to perform such work and our license number is 61802.

Very truly yours,

T. R. Mills Construction, LLC


Tommy R. Mills



ITEM	DESCRIPTION	QUANTITY	UNIT	TOTAL
SEWER	4: FORCE MAIN PVC	5838'	LF	\$172,221.00
	3" SCH 40 PVC	260'	LF	\$9,100.00
	SERVICE CONNECTION	34	EA	\$31,450.00
	METER BOX & LID	34	EA	\$33,150.00
	1 1/4" SCH 40 PVC	1480'	LF	\$39,960.00
	4" BALL VALVE & ASSEMBLY	1	EA	\$2,350.00
	2" BALL VALVE & ASSEMBLY	1	EA	\$2,200.00
	2" BALL VALVE & CLEAN OUT	6	EA	\$16,500.00
	1 1/4" FORCE MAIN LOT SERVICE	34		\$28,900.00
	MISC FITTINGS		LS	\$24,000.00
	PRESSURE TEST	7200'	LF	\$11,520.00
	BEDDING STONE	1,800	TN	\$68,400.00
	CLEAR R.O.W. & TIE IN EXISTING		LS	\$38,000.00
	SubTotal			\$477,751.00

EXCLUSION	1	Permits, Usage, Capacities, Inspection Fees, Tap Fees, Bonds or Deposits
	2	Soil Analysis or Compaction Testing
	3	Undercutting
	4	Sinkhole Filling
	5	Dewatering
	6	No Haul-in if Needed
	7	No Haul-off if Needed
	8	Excludes Grinder pumps & tanks

CONDITIONS	1	Owner to provide onsite Bench Marks
	2	Owner to provide GeoTech Engineers
	3	TRMCON shall install all Erosion Control Devices &
	4	Temporary Construction Entrance prior to starting grading operations
	5	The Lots are going to be built to Plan Grade
	6	Bid is based on Preliminary Plat & Construction Drawing dated 9/19/2022

Acceptance of Proposal

The above prices, specifications and conditions are satisfactory and are accepted.

Prices and Materials are based on the Final Plans provided by SEC, Inc. Any additions or deletions in the form of Change Orders will be agreed upon by the Owner and Contractor.

OWNER

CONTRACTOR

Tommy R. Mills
 signature
 Sole Member of the Real
 Estate Management
 Committee Serenity
 Trust

Tommy R. Mills
 signature
 TOMMY R. MILLS

Tommy Mills
 901-489-8000
 tommy@trmillsconstruction.com

PO BOX 1700
 Shelbyville, TN 37162

ATTACHMENT B

From: [Katherine Barnes](#)
To: [Katherine Barnes](#)
Subject: FW: Quick Certificate Question
Date: Tuesday, July 25, 2023 11:45:39 AM

From: Terry Highsmith <Terry.Highsmith@tn.gov>
Sent: Thursday, July 13, 2023 7:48 AM
To: Katherine Barnes <Katherine.Barnes@butlersnow.com>
Cc: Sara Page <Sara.Page@tn.gov>
Subject: [External Email] RE: Quick Certificate Question

The Certificate of Competency is the Board granted certificate, for that person to be able to operate a plant or system that is graded at the level of certification, as long as it is considered active. Grade IV certificates allows someone to operate any Water or Wastewater System in Tennessee, regardless of size. Hope that clears up the question. All the Certificates of Competency attached are the highest levels attained in Tennessee and all are valid/active status.



Terry Highsmith / ASA 4 / Certification Coordinator

Fleming Training Center
2022 Blanton Drive
Murfreesboro, TN 37129
Cell 615-630-0634

[FTC Website](#)

[Customer Satisfaction Survey](#)

ATTACHMENT C

From: [Michael Lancaster](#)
To: [Jake Freeman](#)
Cc: [Cody Harris](#); [Enrique Chavez, Jr.](#)
Subject: RE: Proposed timeline and extension request - WPC2-0086 Grassland STP
Date: Thursday, June 29, 2023 6:51:26 AM
Attachments: [image002.png](#)
[image003.png](#)

Good morning Jake,

The schedule you provided will fulfill the order requirement for a Corrective Action Plan. If construction occurs according to the schedule and is complete by July, 2026, this is in line with the schedule we had originally outlined in the order. If you will continue to submit quarterly reports of progress for the project, that will keep everything on track.

If you happen to run into permitting issues or other delays, please provide a written request for extension of compliance dates, with expected dates of completion and an explanation of the causes of delay. I can then submit the request and extend the order as needed.

Thank you,
-Mike



Michael Lancaster – Environmental Consultant
Division of Water Resources
312 Rosa L. Parks Ave.
Nashville, TN 37243
p. (615) 854-0483
michael.lancaster@tn.gov
tn.gov/environment

From: Jake Freeman <jfreeman@cswrgroup.com>
Sent: Tuesday, June 20, 2023 11:44 AM
To: Michael Lancaster <Michael.Lancaster@tn.gov>
Cc: Cody Harris <charris@cswrgroup.com>; Enrique Chavez, Jr. <echavez@cswrgroup.com>
Subject: [EXTERNAL] RE: Proposed timeline and extension request - WPC2-0086 Grassland STP

***** This is an EXTERNAL email. Please exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email - STS-Security. *****

Michael,
See the attached preliminary schedule for Grassland from our consulting engineer GMC. Let me know if you have any questions. Thanks.

Jacob O. Freeman, PE

Director, Engineering

Central States Water Resources
1630 Des Peres Rd., Suite 140
Des Peres, MO 63131
Direct: (314) 380-8598
Cell: (314) 550-1167
centralstateswaterresources.com



From: Jake Freeman
Sent: Tuesday, June 13, 2023 11:29 AM
To: Michael Lancaster <Michael.Lancaster@tn.gov>
Cc: Cody Harris <charris@cswrgroup.com>; Enrique Chavez, Jr. <echavez@cswrgroup.com>
Subject: RE: Proposed timeline and extension request - WPC2-0086 Grassland STP

Michael,
Our engineers have been working on the schedule and we are planning to review it this week so I hope to have you something this week still. Thanks for your patience.

Jacob O. Freeman, PE
Director, Engineering

Central States Water Resources
1630 Des Peres Rd., Suite 140
Des Peres, MO 63131
Direct: (314) 380-8598
Cell: (314) 550-1167
centralstateswaterresources.com



From: Michael Lancaster <Michael.Lancaster@tn.gov>
Sent: Friday, June 9, 2023 5:25 AM
To: Jake Freeman <jfreeman@cswrgroup.com>
Subject: Proposed timeline and extension request - WPC2-0086 Grassland STP

Good morning Jake,

Any developments on the proposed timeline for the "4-step process" we discussed previously

regarding the Grassland facility upgrade? Once I receive the proposed timeline, I can begin work on the extension of compliance dates for this order.

Thanks, and have a great day,

-Mike



Michael Lancaster – Environmental Consultant

Division of Water Resources

312 Rosa L. Parks Ave.

Nashville, TN 37243

p. (615) 854-0483

michael.lancaster@tn.gov

tn.gov/environment

CSWR Grassland WWTF.mpp																
ID		Task Mode	Task Name	Duration	Start	Finish										
1			CSWR: Grassland WWTF	835 days	Mon 7/3/23	Fri 9/11/26										
2			Engineer NTP	0 days	Mon 7/3/23	Mon 7/3/23										
3			Design	375 days	Mon 7/3/23	Fri 12/6/24										
4			Request for Information (RFI)	1 wk	Mon 7/3/23	Fri 7/7/23										
5			Preliminary project discussion (PPD)	1 wk	Mon 7/10/23	Fri 7/14/23										
6			Preliminary Engineering Report (PER) including LCCAs for alternatives	12 wks	Mon 7/17/23	Fri 10/6/23										
7			ER (Basis of Design)	4 wks	Mon 10/9/23	Fri 11/3/23										
8			BOD Complete	0 days	Fri 11/3/23	Fri 11/3/23										
9			Preliminary Plans (ER-PP)	225 days	Mon 11/6/23	Fri 9/13/24										
10			30%	15 wks	Mon 11/6/23	Fri 2/16/24										
11			60%	15 wks	Mon 2/19/24	Fri 5/31/24										
12			90%	15 wks	Mon 6/3/24	Fri 9/13/24										
13			Construction documents/100% (CD)	8 wks	Mon 9/16/24	Fri 11/8/24										
14			Permitting	23 wks	Mon 6/3/24	Fri 11/8/24										
15			Permitting - Float	4 wks	Mon 11/11/24	Fri 12/6/24										
16			CDs Complete	0 days	Fri 12/6/24	Fri 12/6/24										
17			Bidding - Contractor Procurement	3 mons	Mon 12/9/24	Fri 2/28/25										
18			Construction	400 days	Fri 2/28/25	Fri 9/11/26										
19			Contractor NTP	0 days	Fri 2/28/25	Fri 2/28/25										
20			Mobilization	1 mon	Mon 3/3/25	Fri 3/28/25										
21			Review submittals	10 mons	Mon 3/31/25	Fri 1/2/26										
22			Assist 3rd party CM with questions and RFIs	15 mons	Mon 3/31/25	Fri 5/22/26										
23			Site visits as needed	15 mons	Mon 3/31/25	Fri 5/22/26										
24			Substantial Completion	0 days	Fri 5/22/26	Fri 5/22/26										
25			Final inspection	2 mons	Mon 5/25/26	Fri 7/17/26										
26			Final Completion	0 days	Fri 7/17/26	Fri 7/17/26										
27			Develop as-built drawings	2 mons	Mon 7/20/26	Fri 9/11/26										
			<div><div><div>Critical</div><div>Critical Split</div><div>Critical Progress</div><div>Task</div></div><div><div></div><div></div><div></div><div></div></div><div><div>Split</div><div>Task Progress</div><div>Manual Task</div><div>Start-only</div></div><div><div></div><div></div><div></div><div></div></div><div><div>Finish-only</div><div>Duration-only</div><div>Baseline</div><div>Baseline Split</div></div><div><div></div><div></div><div></div><div></div></div><div><div>Baseline Milestone</div><div>Milestone</div><div>Summary Progress</div><div>Summary</div></div><div><div></div><div></div><div></div><div></div></div><div><div>Manual Summary</div><div>Project Summary</div><div>External Tasks</div><div>External Milestone</div></div><div><div></div><div></div><div></div><div></div></div><div><div>Inactive Task</div><div>Inactive Milestone</div><div>Inactive Summary</div><div>Deadline</div></div><div><div></div><div></div><div></div><div></div></div></div>													
Page 1																

ATTACHMENT D

INCOME STATEMENT

	Year 1 (Months 12 - 18 post TPUC Approval)	Year 2 (Months 18-30 Post TPUC Approval)	Year 3 (30+ months Post TPUC Approval)
OPERATING REVENUE			
Residential Connections		18	34
Metered service revenue	\$ -	\$ -	\$ -
Flat rate service revenue	\$ 8,618	\$ 16,279	\$ 18,673
Re-connect fees	\$ 181	\$ 181	\$ 181
Returned check charge	\$ 91	\$ 91	\$ 91
Late payment charge	\$ 181	\$ 181	\$ 181
Total Operating Revenue	\$ 9,072	\$ 16,733	\$ 19,127
OPERATING EXPENSES			
Outside labor expenses (non-employees)	\$ 7,077	\$ 7,077	\$ 7,077
Administrative and office expense	\$ 2,165	\$ 2,165	\$ 2,165
Maintenance and repair expense	\$ 1,200	\$ 1,200	\$ 1,200
Electric power expense (exclude office)	\$ 1,500	\$ 1,500	\$ 1,500
Chemicals expense	\$ 1,200	\$ 1,200	\$ 1,200
Other operating expense	\$ 432	\$ 816	\$ 936
Total Operating Expenses	\$ 13,574	\$ 13,958	\$ 14,078
Annual Depreciation Expense	\$ 9,660	\$ 9,660	\$ 9,660
Total Expenses	\$ 23,233	\$ 23,617	\$ 23,737
INCOME TAXES			
Total Income Taxes	\$ -	\$ -	\$ -
Net income (Loss)	\$ (14,161)	\$ (6,884)	\$ (4,610)

	Capital Budget		
	Year 1	Year 2	Year 3
Acquisition	\$ -	\$ -	\$ -
Improvements	\$ -	\$ -	\$ -
Reinvestment of Depreciation	\$ 9,660	\$ 9,660	\$ 9,660

ASSUMPTIONS	
Water Connections	-
Water Initial Rate	\$ -
Water Step Rate	\$ -
Water Final Rate	\$ -
Wastewater Connections	39
Wastewater Initial Rate	\$ 42.00
Wastewater Step Rate	\$ -
Wastewater Final Rate	\$ -
State Tax Rate	6.5%
Federal Tax Rate	21.0%
Depreciation Rate	3.5%
Outside Labor Expense	\$ 590
Customer Service	\$ 78
Repairs	\$ 100
Power	\$ 125
Chemicals	\$ 100
Administrative Expense	\$ 180

REPLACEMENT EXHIBIT 7

DIRECT TESTIMONY

OF TODD THOMAS

LIMESTONE WATER UTILITY OPERATING COMPANY, LLC

WITNESS INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Todd Thomas. My business address is 1630 Des Peres Road, Suite 140, St. Louis Missouri, 63131.

Q. PLEASE DESCRIBE CSWR, LLC, AND LIMESTONE WATER UTILITY OPERATING COMPANY.

A. CSWR, LLC (“CSWR”) is a holding company that currently indirectly owns utility operating companies in 11 states. Limestone Water Utility Operating Company, LLC (“Limestone Water” or “Company”) is the CSWR-affiliated utility operating company in Tennessee.

Q. WHAT IS YOUR POSITION WITH CSWR?

A. I am Senior Vice President of CSWR, the affiliated company that has operational oversight over CSWR’s utility operating companies including Limestone Water. At CSWR, my responsibilities include the acquisition, development, and operation of CSWR-affiliated utilities. Among other duties, and relevant to this testimony, I am responsible for engaging and overseeing management and maintenance service providers including those contractors responsible for day-to-day operations and maintenance (“O&M”) of CSWR operating affiliates like Limestone Water. In addition, I am responsible for engaging and

overseeing customer service providers. At the present time, I oversee such activities for affiliated operating companies providing water or wastewater utility services to approximately 135,000 connections in Kentucky, Missouri, Arkansas, Tennessee, Louisiana, Texas, Mississippi, North Carolina, South Carolina, Arizona, and Florida. CSWR has additional applications pending in most of these states as well as in California seeking authorization to acquire even more systems and customers. If those applications are approved, my oversight responsibilities will extend to those additional systems and customers.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL EXPERIENCE.

A. My education includes a 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, I was President of Brotcke Well and Pump (the 2nd largest well driller and service provider in the Midwest); 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. I currently serve on the East Central Missouri Board of Directions and am an Advisory Board member for the Public Water Supply District 2 of St. Charles County, Missouri which is the largest water and sewer district in the State of Missouri serving approximately 60,000 connections.

Brotcke Well and Pump serves municipal potable, regulated potable, and industrial ground water suppliers in the states of Missouri, Illinois, Kansas, Tennessee, Kentucky, and Arkansas. Its total number of clients exceeds 200 and they range in size from the City of Bloomington, Illinois, with 31,000 water customers, to 230 customers in the City of Eminence, Missouri. Brotcke Well and Pump drills wells, cleans and treats wells, installs pumps, services pumps, rebuilds pumps, tests wells for regulatory compliance, and installs and services well controls. As President of Brotcke Well and Pump, I was involved in the design, maintenance, and repair of all client well systems. I have 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.

As Vice President of Operations and Business Development of the Midwest for American Water Contract Operations, I was responsible for the water and wastewater operations and maintenance contracts for municipal and industrial clients. These clients included wastewater systems owned and operated by the City of St. Charles, in Missouri, and the cities of Godfrey, Mount Vernon, Quincy, Litchfield, Lincoln, Pittsfield, and Elwood in Illinois. These clients also included water and wastewater systems owned and operated by the City of Foristell, Missouri, and the Illinois cities of Brighton, and Monmouth. At one time I had responsibility for operating water and wastewater systems serving approximately 64,000 residential connections. My responsibilities included the direction and management of annual budgeting for each plant's operations and maintenance, design and planning of plant upgrades and maintenance projects, regulatory reporting, plant operations, and regulatory compliance of these systems.

My position as General Manager of Midwest Operations for Environmental Management Corporation was similar to my position with American Water Contract Operations with regard to the size and scope of the systems the company managed.

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”) through which Limestone asks that the Commission expand the company’s Certificate of Convenience and Necessity (“CCN”) to allow it to own and operate a wastewater system to serve the Nash Ridge subdivision in Williamson County. My testimony describes the proposed expansion and explains why Limestone believes the expansion is in the public interest. Specifically, I will discuss the development envisioned for the proposed service area, as well as the need for the CCN expansion so that Limestone can operate the wastewater treatment system to be constructed for the proposed development.

I also describe Limestone’s relationship to CSWR, the role CSWR would play in Limestone’s operation of the wastewater 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 required by TPUC Rule 1220-04-13-.17(2) and other rules applicable to the Application. 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 Tennessee limited liability company formed to acquire water and wastewater assets in Tennessee and to operate those assets as a regulated public utility. In Docket No. 19-00062, involving Limestone's acquisition of Aqua Utilities Company, Inc., the Commission first authorized Limestone to operate in Tennessee. There the Commission held:

Based on the evidentiary record, the Hearing Panel found that Limestone has the requisite managerial, technical, and financial capabilities to operate the water system and wastewater system in Hardin County serving Points of Pickwick, The Preserve, and Northshore (Phases 1, 2, and 3) now owned by Aqua.

The Commission subsequently reached similar conclusions regarding the managerial, technical and financial capabilities of Limestone when it approved the acquisition of Cartwright Creek and the expansion of Limestone's CCN:

The Commission found that Limestone demonstrated that it has sufficient financial, managerial, and technical expertise to operate the Williamson County wastewater systems at issue.

As a result of these acquisitions, Limestone now serves approximately 455 water customers and 1,771 wastewater customers.

Limestone is a subsidiary 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 is included as **Exhibit 5** to the Application.

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

Furthermore, CSWR-affiliated entities have additional acquisitions pending in several of these states as well as in the state of California.

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 that CSWR acquires do not even have federal or state permits required to lawfully operate those systems. CSWR also has found that many regulated systems that it has acquired 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 operations into compliance with rapidly changing environmental and water quality regulations. Some systems that CSWR acquires are in receivership, and therefore lack the ability to raise capital necessary to improve their systems. In contrast, since CSWR 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, it has been able to acquire distressed systems, upgrade or repair physical facilities, and operate those systems in a way that satisfies customers, regulators, and investors alike.

Q. PLEASE DESCRIBE CSWR-AFFILIATES' EXPERIENCE WITH WASTEWATER SYSTEMS.

A. If this application is approved, Limestone has the financial, technical, and managerial ability to serve the Nash Ridge subdivision 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. As of the end of 2022, CSWR was the twelfth largest investor-owned water and wastewater utility in the United States. We also are the largest single owner operator of individual wastewater systems in the United States, and we will be on track to singlehandedly bring into compliance the largest number of individual wastewater plants across our national footprint in recent United States history (potentially ever). The CSWR-affiliated group of companies is likely the most qualified utility in the United States to service customers based on the number of systems we own, the number of systems that we have purchased and kept in environmental compliance, and our personnel having the most relevant experience running small utilities. Our affiliate group current owns and operates more than 800 water and wastewater plants within our eleven-state operational footprint. On a daily basis we deliver, on average, more than 14.6 million gallons of water daily to our more than 42,000 water connections and treat almost 20 million gallons of wastewater to our more than 60,000 wastewater connections. In Louisiana, alone, our affiliate has removed fifty-nine (59) systems from Agreements on Consent with the Louisiana Department of Environmental Quality – the fastest timeframe ever for a large group of systems – and we are 100% compliant with environmental compliance agreements entered into with state regulators. These agreements are necessary because of the extremely distressed nature of many systems our group acquires, and our record of compliance with and removal from these agreements is testament to our ability to own and operate such systems in a manner that complies with applicable laws and provides safe and reliable service to customers.

Specifically, on the wastewater side of the business, CSWR affiliates (including Limestone) have 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 fully activated sludge plants, constructing moving bed bio-reactor plants 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.

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

- A. Yes. This fact is evidenced by the fact that CSWR is already providing those and other similar services for wastewater systems in Tennessee, as well as 10 other states. While I have already described my background and experience in the water and wastewater utility industry, the resumes of the other key members of CSWR's senior team who would be involved in Limestone's operations are included as **Exhibit 13**. The resumes of the CSWR senior team shows that Limestone is well-qualified to meet the demands of Limestone and its customers as well as any requirements of this Commission and other regulators charged with overseeing Limestone's operations. The types and quality of services that CSWR provides to Limestone are not typically available to small systems like that at issue in this

case. However, CSWR's business model was developed specifically to provide that expertise and experience to affiliates and to do so while achieving economies of scale attributable to CSWR's centralized management structure.

Q. PLEASE DESCRIBE THE CUSTOMER SERVICES THAT CSWR PROVIDES TO ITS AFFILIATE CUSTOMERS.

- A. In addition to these operational capabilities, CSWR also provides customer service to customers that meet or exceed regulatory commission rules. CSWR provides 24/7 access to customer service representatives via phone and email. Similarly, CSWR provides around the clock emergency response to operational problems. Furthermore, through its website, CSWR customers can access information regarding advisories, payment options and customer education items. If the Application is approved, Limestone would provide this same level of customer service to the Nash Ridge customers.

Q. DO LIMESTONE AND CSWR HAVE THE FINANCIAL CAPACITY TO PROVIDE WASTEWATER SERVICE TO THE NASH RIDGE SUBDIVISION?

- A. Yes, Limestone and CSWR have the financial capacity to provide wastewater services to the Nash Ridge subdivision. The CSWR-affiliated group, of which Limestone is a member, has been able to secure an ongoing commitment from a Wall Street private equity firm that enables CSWR utility affiliates to not only purchase small, oftentimes distressed, water and wastewater systems, but to also make the 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.

Q. HOW DOES LIMESTONE PROPOSE TO PROVIDE OPERATIONAL SUPPORT TO THE NASH RIDGE SUBDIVISION?

- A. As it currently does for its other Tennessee service areas, Limestone would hire a local, non-affiliated third-party Operations and Maintenance (“O&M”) firm that has knowledgeable and experienced personnel, possesses requisite state licenses, and carries insurance coverage necessary to operate the Nash Ridge system.

In addition to its service obligations during normal business hours, the O&M firm would also be required to have a 24-hour emergency service line to deal with customers experiencing service disruptions. CSWR has developed a centralized computerized maintenance management system that monitors the performance of both its drinking water and wastewater systems and allows it to track the ongoing maintenance and testing work performed by its O&M contractors. 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.

While day-to-day operational 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. 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. As mentioned, 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 13**.

DESCRIPTION OF THE PROPOSED SERVICE AREA EXPANSION

Q. PLEASE DESCRIBE THE CERTIFICATE EXPANSION THAT LIMESTONE SEEKS IN THIS APPLICATION.

A. The proposed service area expansion is approximately 206.12 acres in Williamson County, which consists of a 39-lot residential subdivision. A map showing the location of this system is provided as **Exhibit 1** to the Application. The subdivision is being developed by Serenity Trust.

Q. DOES THE PROPOSED SUBDIVISION FALL WITHIN THE SERVICE AREA OF ANY WATER / WASTEWATER PROVIDERS?

A. The subdivision does not fall within the service area of Harpeth Valley Utilities District. For this reason, Serenity Trust, developer of the Nash Ridge subdivision, proposes to construct its own wastewater collection system and send flows to the existing Grasslands Treatment Facility. The decentralized wastewater system will utilize watertight, precast concrete septic tanks for each home with grinder system pumps and controls and PVC pipe collection force mains. This new collection system for the development will connect to the Grasslands collection system at an existing manhole. From there, flows will be sent to the Grasslands Treatment facility.

Q. WHAT IS LIMESTONE'S ROLE IN THIS PROJECT?

A. While Serenity Trust plans to construct the wastewater treatment assets, it does not wish to be the ongoing operator of the treatment system. For this reason, Limestone was asked to accept ownership of the treatment system and accept ongoing responsibility for the operation of the system as well as providing wastewater services to the customers within this service area.

Q. IF THE COMMISSION APPROVES THE APPLICATION, IS LIMESTONE WILLING AND ABLE TO OPERATE THE WASTEWATER SYSTEM IN A MANNER THAT COMPLIES 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 operate the system in a manner that complies with applicable laws and regulations. As I described previously, the affiliate group of which Limestone and CSWR are part has access to capital adequate to operate that system in a manner that is in the public interest and complies with applicable statutes, rules, and regulations.

Q. WHAT RATES, RULES, AND REGULATIONS WOULD BE IN EFFECT FOR THE NASH RIDGE SUBDIVISION?

A. Initially, Limestone proposes to utilize the rates, rules and regulations that are currently applicable to its Cartwright Creek service area. The applicable tariff is attached to the Application as **Exhibit 519**. That tariff would be applicable at least until Limestone files a Tennessee rate case. At that time, Limestone may seek to adjust the rates, rules or regulations for this service area. Limestone may also seek authority to consolidate the rates of this system with those of other systems it operates in Tennessee.

Q. ARE LIMESTONE AND CSWR FAMILIAR WITH THE COMMISSION'S RULES AND REGULATIONS GOVERNING WASTEWATER 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, As indicated, Limestone currently operates in the state of Tennessee. Therefore, CSWR and Limestone are familiar with the Commission's rules and regulations and pledge to continue to operate the system in a manner that complies with all Commission requirements and all applicable state statutes and regulations.

Q. HOW DOES LIMESTONE PROPOSE TO SATISFY THE FINANCIAL SECURITY REQUIREMENTS IMPOSED BY TPUC RULES 122-04-13-.07 AND 1220-04-13-.08?

A. To demonstrate financial security as required by the Commission's rules, Limestone has already secured a corporate surety bond in the maximum required under the Commission's rule (\$300,000) in a form that complies with TPUC Rule 1220-04-13-.08.

Q. DO YOU BELIEVE THE PROPOSED SERVICE AREA EXPANSION IS IN THE PUBLIC INTEREST?

A Yes. I believe Limestone's proposed expansion of its certificated service area, to include the Nash Ridge service area, 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. Furthermore, as previously explained, this tract is currently undeveloped. Through the operation of the wastewater

facility to be constructed by Serenity Trust, Limestone's service area expansion allows for the development of this land.

Q. IS LIMESTONE AWARE OF THE REQUIREMENT OF RULE 1220-04-13-.09(7) CONCERNING THE COMPLETION OF THE CONSTRUCTION OF THE WASTEWATER SEYSEM WITHIN THREE (3) YEARS OF TPUC'S WRITTEN APPROVAL OF THE CCN?

A. Yes.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

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ATTACHMENT E

CERTIFICATION OF TRUST

STATE OF TEXAS

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF DALLAS

§

§

This Certification of Trust is being provided pursuant to Section 114.086 of the Texas Property Code as an alternative to providing a copy of the trust instrument.

1. A trust currently exists which was executed on September 25, 2008 and which is identified by the name, SERENITY TRUST (hereinafter referred to as the "Trust").
2. The name of the Settlor of the Trust is Confidential.
3. The identity and mailing address of the currently acting Trustee is:

JPMorgan Chase Bank, N.A.
1900 N. Akard St. 5th Floor
Dallas, TX 75201
4. The tax identification number (EIN) of the Trust is 38-6864093.
5. The trust powers include at least all the powers granted a trustee by Subchapter A, Chapter 113 of the Texas Property Code.
6. The Trust is revocable and the identity of the person who possesses the power to revoke the Trust is Confidential.
7. The Trustee signing this Certification has the authority, as Trustee, to sign on behalf of the Trust.
8. The manner in which title to trust property should be taken is as follows: JPMorgan Chase Bank, N.A., as Trustee of Serenity Trust dated September 25, 2008.
9. The Trust has not been revoked, modified, or amended in any manner that would cause the representations contained in this Certification to be incorrect.

This Certification was executed in Dallas, Texas, on the 24th day of February, 2023.

JPMORGAN CHASE BANK, N.A., as Trustee of
SERENITY TRUST

By: 

William S. Dykeman, Executive Director

STATE OF TEXAS

§

§

COUNTY OF DALLAS

§

This instrument was acknowledged before me on the 24th day of February, 2023, by William S. Dykeman, Executive Director of JPMorgan Chase Bank, N.A., Trustee of SERENITY TRUST.




Notary Public, State of Texas

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
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This the 25th day of July 2023.



Katherine Barnes