

November 21, 2023

VIA ELECTRONIC FILING

Electronically Filed in TPUC Docket Room
on November 21, 2023 at 1:24 p.m.

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: *Joint Application of Limestone Water Utility Operating Company, LLC, Sunset Cove Condominium HOA of Norris Lake, Inc. and Commercial Bank for Approval of the Acquisition of and to Operate the Wastewater System of Sunset Cove Condominium HOA of Norris Lake, Inc. and Commercial Bank, and to Issue a Certificate of Public Convenience and Necessity, TPUC Docket No. 23-00070*

Dear Chairman Hilliard:

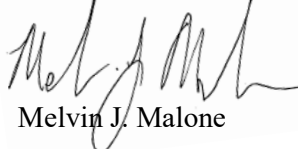
Attached for filing please find *Limestone Water Utility Operating Company, LLC's Responses to First Set of Discovery Requests of the Consumer Advocate* in the above-referenced docket.

Please note that Response DR 1-10 contains CONFIDENTIAL INFORMATION. Also, Exhibit 2 to Response to DR 1-10 is being submitted **UNDER SEAL** as **CONFIDENTIAL and PROPRIETARY**. Both a public version and a nonpublic, **CONFIDENTIAL** version of the Responses and Exhibit 2 to Response to DR 1-10 are 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

Attachments

cc: Russ Mitten, Limestone Water Utility Operating Company, LLC
Eddie Castles, Sunset Cove Condo HOA of Norris Lake, Inc.
Adam Robertson, Commercial Bank
Gregory Logue, Commercial Bank
Shilina B. Brown, Consumer Advocate Division
Victoria B. Glover, Consumer Advocate Division

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BUTLER SNOW LLP

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

IN RE:)	
)	
JOINT APPLICATION OF LIMESTONE)	
WATER UTILITY OPERATING)	
COMPANY, LLC, SUNSET COVE)	
CONDOMINIUM HOA OF NORRIS)	
LAKE, INC. AND COMMERCIAL BANK)	
FOR APPROVAL OF THE)	DOCKET NO. 23-00070
ACQUISITION OF AND TO OPERATE)	
THE WASTEWATER SYSTEM OF)	
SUNSET COVE CONDOMINIUM HOA)	
OF NORRIS LAKE, INC. AND)	
COMMERCIAL BANK AND TO ISSUE)	
A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY)	

**LIMESTONE WATER UTILITY OPERATING COMPANY, LLC’S RESPONSES
TO FIRST SET OF DISCOVERY REQUESTS OF THE CONSUMER ADVOCATE**

Limestone Water Utility Operating Company, LLC (“Limestone”), by and through counsel, hereby submits its Responses to the First Set of Discovery Requests propounded by the Consumer Advocate Division of the Attorney General’s Office (“Consumer Advocate”).

GENERAL OBJECTIONS

1. Limestone objects to all requests that seek information protected by the attorney-client privilege, the work-product doctrine and/or any other applicable privilege or restriction on disclosure.

2. Limestone objects to the definitions and instructions accompanying the requests to the extent the definitions and instructions contradict, are inconsistent with, or impose any obligations beyond those required by applicable provisions of the Tennessee Rules of Civil

Procedure or the rules, regulations, or orders of the Tennessee Public Utility Commission (“TPUC” or “Authority”).

3. The specific responses set forth below are based on information now available to Limestone, and Limestone reserves the right at any time to revise, correct, add to or clarify the objections or responses and supplement the information produced.

4. Limestone objects to each request to the extent that it is unreasonably cumulative or duplicative, speculative, unduly burdensome, irrelevant or seeks information obtainable from some other source that is more convenient, less burdensome or less expensive.

5. Limestone objects to each request to the extent it seeks information outside Limestone’s custody or control.

6. Limestone’s decision, now or in the future, to provide information or documents notwithstanding the objectionable nature of any of the definitions or instructions, or the requests themselves, should not be construed as: (a) a stipulation that the material is relevant or admissible, (b) a waiver of Limestone’s General Objections or the objections asserted in response to specific discovery requests, or (c) an agreement that requests for similar information will be treated in a similar manner.

7. Limestone objects to those requests that seek the identification of “any” or “all” documents or witnesses (or similar language) related to a particular subject matter on the grounds that they are overbroad and unduly burdensome and exceed the scope of permissible discovery.

8. Limestone objects to those requests that constitute a “fishing expedition,” seeking information that is not relevant or reasonably calculated to lead to the discovery of admissible evidence and is not limited to this matter.

9. Limestone does not waive any previously submitted objections to the Consumer Advocate's discovery requests.

RESPONSES TO FIRST SET OF DISCOVERY REQUESTS

1-1. Refer to the Joint Application at page 11. Provide a comprehensive discussion on why the Company proposes to use the tariff rates established for DSH?

RESPONSE: Excepting the escrow fee charged by DSH, Limestone proposes to establish the same rates for Sunset Cove that have been proposed for DSH & Associates, LLC in Docket No. 23-00016 – a fixed monthly sewer rate of \$33.13. The facility for DSH & Associates, LLC is similar to the Sunset Cove facility, providing the same services.

1-2. Refer to the Joint Application at page 10. Provide any documentation concerning the current recorded value of the system in the Company's possession.

RESPONSE: The Company has requested documentation concerning the current recorded value of the system from Sunset Cove but has not yet received such documentation. It is the Company's current understanding that records are not being kept and are unavailable. That said, the Company is only seeking to establish a net book value of \$1.00.

1-3. Refer to Exhibit 30 - Pro forma Accounting Entries. Provide answers to the following:

a) Since there are no account balances shown within the proposed entries, does the Company intend to restate the account balances regarding this system at a later date?

RESPONSE: Exhibit 30 is a pro forma and Limestone does not intend to restate account balances at a later date. Limestone will book the actual closing cost upon closing.

- 1-4.** Refer to Appendix A, part 2, (e)(4). Why does the Company propose to use the depreciation rates of IRM?

RESPONSE: Given that the Sunset Cove facility is unregulated and does not have depreciation rates, Limestone believes that IRM's Commission approved depreciation rates align with Limestone's depreciation rates. Therefore, Limestone is proposing to use the depreciation rates of IRM.

- 1-5.** Refer to Appendix A, part 3, (d). How did the Company determine that none of the assets were contributed?

RESPONSE: The Company has requested documentation concerning the current recorded value of the system from Sunset Cove but has not yet received such documentation. Therefore, the Company has assumed that none of the assets were contributed. The Company is only seeking to establish a net book value of \$1.00.

- 1-6.** Refer the Direct Testimony of Josiah Cox, pages 13-14. How does the Company handle individual customers? How will individual customers be billed if the HOA will be issued a flat rate for service to individual customers?

RESPONSE: Since the sewer service fees are included within the HOA dues, Sunset Cove and the condominium owners have requested, and Limestone has agreed, that a single invoice will be issued by Limestone to Sunset Cove for sewer services provided to the condominiums, as this is the existing and preferred billing arrangement for both Sunset Cove and the condominium owners. Hence, the sole customer for billing purposes will be Sunset Cove. The invoice to Sunset Cove will indicate how the charge is calculated, and

the calculation will be consistent with and derived from the rate structure set forth in Revised Exhibit 21. Attached is Revised Exhibit 21. In Revised Exhibit 21, the monthly rate for residential customers is \$33.13. In Exhibit 21 filed with the Joint Application, the monthly rate for residential customers was mistakenly reflected as \$44.37.

- 1-7.** Refer the Direct Testimony of Josiah Cox, pages 16-17. Provide a detailed cost estimate of the anticipated capital expenditures discussed by Mr. Cox.

RESPONSE: Please see Exhibit 24 ("Exhibit 24 - Anticipated Cap Budget - Sunset Coves.pdf") for the anticipated capital cost per the third-party engineer. This is an estimate provided in January 2023, not a quote or bid. Final design of improvements, and bidding will not occur until after closing. In addition, the third-party engineer's preliminary estimates are subject to change following an operational observation period where items may be added to or eliminated from the recommended improvements based on system performance and condition. All initial capital projects are expected to be completed within 3 years of closing on the system.

- 1-8.** Refer the Direct Testimony of Josiah Cox, pages 18-19 and provide answers to the following:

- a) Is the Company proposing to charge the escrow rate of \$10.24 included within the DSH rate?
- b) If the Company is proposing to charge an escrow rate in this proceeding, explain the intended purpose the fund and the ultimate use of the funds.
- c) Does the Company intend to charge this proposed rate by a multiplier based on the number of condominium units?
- d) Does the Company intend to charge the other fees contained within the DSH tariff?

RESPONSE:

- a) No, Company proposes to charge the existing rate structure that is the subject of the Joint Application in Docket No. 23-00016 (DSH & Associates, LLC.), excepting the existing escrow fee that is reflected in error on Exhibit 21 (Limestone's Proposed Tariff). Limestone's Proposed Tariff, absent the escrow fee currently charged by DSH, is included and submitted as Revised Exhibit 21.
- b) N/A
- c) Yes, the Company intends that the proposed rate will be charged per condominium unit.
- d) No.

1-9. Confirm that Limestone intends to maintain separate accounting records for the Sunset Cove system such that the assets, liabilities, revenues, and expenses incurred in operating the system will be separately identifiable from the financial results of other Limestone operating systems.

RESPONSE: Confirmed.

1-10. Refer to the Joint Application, Direct Testimony of Josiah Cox at 13:12-22. Specifically, refer to his discussion of the use of third-party contractors to provide Operating and Maintenance services on behalf of Limestone and provide the following:

- a) Identify the entity(ies) providing third-party Operating and Maintenance services to Limestone's existing systems;
- b) Provide the annualized cost of such services based upon the current contract in effect; and
- c) Provide the estimated annual incremental Operating and Maintenance cost accruing to Limestone from this acquisition.
- d) Provide copies of all third-party contracts for Operating and Maintenance services.

RESPONSE: The responses in subsections (b) through (d) below contain CONFIDENTIAL INFORMATION and are appropriately marked.

- a) Clearwater Solutions is the only O&M firm currently operating Limestone's systems in Tennessee.
- b) The annualized cost of such services based upon the current contract is ***CONFIDENTIAL*** [REDACTED] ***CONFIDENTIAL***.
- c) The estimated annual incremental O&M cost accruing to Limestone as a result of this acquisition, based on the 2023 budget, is ***CONFIDENTIAL*** [REDACTED] ***CONFIDENTIAL***.
- d) Please see the attached third-party contract for operations and maintenance services between Limestone Water Utility Operating Company, LLC. and Midwest Water Operations, LLC (the predecessor of Clearwater Solutions). See Exhibit 1 to Response to DR 1-10 (Assignment); and **CONFIDENTIAL** Exhibit 2 to Response to DR 1-10 (O&M Agreement). **CONFIDENTIAL** Exhibit 2 is marked **CONFIDENTIAL INFORMATION** and is being filed **UNDER SEAL** as **CONFIDENTIAL AND PROPRIETARY**.

- 1-11.** Explain and describe the extent to which Limestone (including all affiliates) reviewed the accounting practices and records regarding the Sunset Cove system as part of the due diligence performed before entering into the purchase agreement with the Sellers and explain if Limestone agrees with those accounting practices.

RESPONSE: When evaluating the Sunset Cove system, Central States Water Resources requested accounting records from the selling utility prior to entering into the purchase

agreement. It is the Company's current understanding that records are not being kept by any specific principles.

- 1-12.** Confirm that Limestone affiliates support rate consolidation among its individual operating systems when proposing rate changes at state regulatory agencies. If this is not confirmed, identify all requests for changing rates in which a Limestone affiliate has supported maintaining separate rate structures among systems within a given state.

RESPONSE: Confirmed.

- 1-13.** The Application stated several times that the proposed transaction is in the public interest, including Mr. Cox's testimony at 19:19-21. Does the Company believe that the public interest includes the impact of this transaction on existing Limestone customers?
- a) If so, assume the Company seeks a rate increase incorporating a proposal to consolidate rates among its various operating systems and that Capital Expenditures assumed on Exhibit 21 are placed in service. Explain in this scenario how this transaction is in the public interest from the perspective of existing Limestone customers.
 - b) If the Company does not believe the public interest includes consideration of existing Limestone customers, provide a full explanation supporting this conclusion.

RESPONSE:

- a) The Company believes that the acquisition of each system produces economies of scale, other efficiencies, and general positive benefits that would be benefit both current and future customers. For example, this system would be included within an entity consisting of 900+ small water and wastewater systems across 11 states. This creates economies of scale with regard to the provision of operational, legal, accounting, HR, customer experience, and other services that otherwise would not be accessible by the small systems in an independent capacity. The benefit of this expertise encourages

enhanced operational capability, reliability, and a mitigation of the risks posed by historically substandard operational practices of prior operators or significant and unexpected maintenance issues that could easily overwhelm small, independent systems like those the Company has acquired. In addition, Limestone's access to capital would enable it to finance upgrades and improvements to this system that ensures they are able to provide safe and reliable service to existing, and future, customers and comply with all health, safety, and environmental laws.

b) N/A.

- 1-14.** Please refer to Exhibit 12 and, specifically, the resume of Jo Anna McMahon wherein her prior experience with CSWR is discussed, including a reference to her work in maintaining regulatory compliance in the states of Louisiana, Kansas and Arkansas. Please identify the scope of CSWR operations in the state of Kansas.

RESPONSE: The state of Kansas was inadvertently included in Exhibit 12. This error was due to the fact that Ms. McMahon has previous experience working for military privatization contracts in Kansas. CSWR does not own, or operate, any facilities in the state of Kansas. Please see the attached Revised Exhibit 12.

REVISED EXHIBIT 21

Limestone Water UOC – Sunset Cove – Proposed Sewer Tariff

Limestone Water UOC

Wastewater Service Tariff

**TPUC #1
Rate Schedules**

SCHEDULE OF RATES & CHARGES GRASSLAND SERVICE TERRITORY

Residential Monthly Wastewater Service:

1-2 Bedroom	\$42.00
2 Bedroom	\$42.00
3 Bedroom	\$46.50
4 Bedroom	\$52.00
5 Bedroom	\$55.25

Commercial Monthly Wastewater Service:

Rate per 1,000 Gallons per Month (Actual or Estimated Flow)	\$8.75
Minimum Monthly Charge	37.00

Miscellaneous Charges:

Monthly Capital Recovery Surcharge	\$7.50
Returned Check Charge	\$25.00
Disconnection Charge	\$10.00
Reconnection Charge	\$15.00
Late Payment Penalty	5.00%

All customers are also required to provide a refundable security deposit equal to twice the estimated monthly bill prior to obtaining service.

Property Owner/Builder/Developer Fees:

Residential Tap Fee	\$10,000.00
Commercial Tap Fee per Gallon per Day Peak Usage	\$14.29*
Construction Inspection Fee	\$250.00
Construction Reinspection Fee	\$50.00

A property owner, builder or developer may apply to the Company for a Service Connection to an existing wastewater treatment facility owned and operated by the Company. If acceptable to the Company, the applicant shall sign the Contracts for Service and pay the Company the required Tap Fees and other applicable fees pursuant to this Tariff.

**- Commercial Tap Fees are computed by multiplying the peak daily usage (estimated or known)*

** \$14.29 or \$10,000.00, whichever is greater.*

SCHEDULE OF RATES & CHARGES ARRINGTON RETREAT SERVICE TERRITORY

Residential Monthly Wastewater Service:

All Residential Customers	\$55.25
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Commercial Monthly Wastewater Service:

Rate per 1,000 Gallons per Month (Actual or Estimated Flow)	\$8.75
Minimum Monthly Charge	37.00

Miscellaneous Charges:

Monthly Capital Recovery Surcharge	\$7.50
Returned Check Charge	\$25.00
Disconnection Charge	\$10.00
Reconnection Charge	\$15.00
Late Payment Penalty	5.00%

All customers are also required to provide a refundable security deposit equal to twice the estimated monthly bill prior to obtaining service.

Property Owner/Builder/Developer Fees:

Residential Tap Fee	\$10,000.00
Commercial Tap Fee per Gallon per Day Peak Usage	\$14.29*
Construction Inspection Fee	\$250.00
Construction Reinspection Fee	\$50.00

A property owner, builder or developer may apply to the Company for a Service Connection to an existing wastewater treatment facility owned and operated by the Company. If acceptable to the Company, the applicant shall sign the Contracts for Service and pay the Company the required Tap Fees and other applicable fees pursuant to this Tariff.

**- Commercial Tap Fees are computed by multiplying the peak daily usage (estimated or known)*

** \$14.29 or \$10,000.00, whichever is greater.*

SCHEDULE OF RATES & CHARGES HIDEAWAY SERVICE TERRITORY

Residential Monthly Wastewater Service:

All Residential Customers	\$55.25
---------------------------	---------

Commercial Monthly Wastewater Service:

Rate per 1,000 Gallons per Month (Actual or Estimated Flow)	\$8.75
Minimum Monthly Charge	37.00

Miscellaneous Charges:

Monthly Capital Recovery Surcharge	\$7.50
Returned Check Charge	\$25.00
Disconnection Charge	\$10.00
Reconnection Charge	\$15.00
Late Payment Penalty	5.00%

All customers are also required to provide a refundable security deposit equal to twice the estimated monthly bill prior to obtaining service.

Property Owner/Builder/Developer Fees:

Residential Tap Fee	\$10,000.00
Commercial Tap Fee per Gallon per Day Peak Usage	\$14.29*
Construction Inspection Fee	\$250.00
Construction Reinspection Fee	\$50.00

A property owner, builder or developer may apply to the Company for a Service Connection to an existing wastewater treatment facility owned and operated by the Company. If acceptable to the Company, the applicant shall sign the Contracts for Service and pay the Company the required Tap Fees and other applicable fees pursuant to this Tariff.

**- Commercial Tap Fees are computed by multiplying the peak daily usage (estimated or known)*

** \$14.29, or \$10,000.00 whichever is greater.*

SCHEDULE OF RATES & CHARGES HARDEMAN SPRINGS SERVICE TERRITORY

Residential Monthly Wastewater Service:

All Residential Customers	\$55.25
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Commercial Monthly Wastewater Service:

Rate per 1,000 Gallons per Month (Actual or Estimated Flow)	\$8.75
Minimum Monthly Charge	37.00

Miscellaneous Charges:

Monthly Capital Recovery Surcharge	\$7.50
Returned Check Charge	\$25.00
Disconnection Charge	\$10.00
Reconnection Charge	\$15.00
Late Payment Penalty	5.00%

All customers are also required to provide a refundable security deposit equal to twice the estimated monthly bill prior to obtaining service.

Property Owner/Builder/Developer Fees:

Residential Tap Fee	\$10,000.00
Commercial Tap Fee per Gallon per Day Peak Usage	\$14.29*
Construction Inspection Fee	\$250.00
Construction Reinspection Fee	\$50.00

A property owner, builder or developer may apply to the Company for a Service Connection to an existing wastewater treatment facility owned and operated by the Company. If acceptable to the Company, the applicant shall sign the Contracts for Service and pay the Company the required Tap Fees and other applicable fees pursuant to this Tariff.

**- Commercial Tap Fees are computed by multiplying the peak daily usage (estimated or known)*

** \$14.29 or \$10,000.00, whichever is greater.*

Limestone Water Utility
Operating Company, LLC
1630 Des Peres Rd. Suite 140
St. Louis, MO 63131

Original Sheet # 1-5

Schedule of Rates and Charges
Chapel Woods Service Territory

Residential Monthly Wastewater Service:

All Residential Customers:

\$29 per month

* Indicates new rate or text
+ Indicates change

DATE OF ISSUE _____
Month Day Year

DATE EFFECTIVE _____
Month Day Year

ISSUED BY Josiah Cox President
name of officer title

address

Limestone Water Utility
Operating Company, LLC
1630 Des Peres Rd. Suite 140
St. Louis, MO 63131

Proposed Sheet # 1-6

Schedule of Rates and Charges
Sunset Cove Condominiums
Service Territory

Residential Monthly Wastewater Service:

All Residential Customers: \$33.13 per connection/month

* Indicates new rate or text
+ Indicates change

DATE OF ISSUE _____
Month Day Year

DATE EFFECTIVE _____
Month Day Year

ISSUED BY Josiah Cox President
name of officer title

address

Limestone Water Utility
Operating Company, LLC
1630 Des Peres Rd. Suite 140
St. Louis, MO 63131

Proposed Sheet # 1-7

**Schedule of Rates and
Charges Cumberland Basin
Service Territory**

Residential Monthly Wastewater Service:

The Bluffs at Cumberland Cove	\$35.11*
Genesis Village Estates	\$51.50**

Miscellaneous Charges:

Late Fee	5.00%
Reconnect Fee	\$15.00
Disconnect Fee	\$15.00
Return Check	\$20.00
Access Fee - The Bluffs Access	\$84.00/Year
Fee - Genesis Village	\$100.00/Year

*Of this rate, \$7.03 will be placed into an escrow account for non-routine maintenance

**Of this rate, \$14.94 will be placed into an escrow account for non-routine maintenance

* Indicates new rate or text

+ Indicates change

DATE OF ISSUE _____
Month Day Year

DATE EFFECTIVE _____
Month Day Year

ISSUED BY Josiah Cox President
name of officer title

address

Limestone Water UOC

Wastewater Service Tariff

TPUC #2
Rules and Regulations

RULES AND REGULATIONS

Statement of Purpose

The general purposes of these rules and regulations are to establish procedures for furnishing sewerage and sewage treatment services on a uniform basis to customers within the service area boundary of Cartwright Creek, LLC.

Definition of Terms

1. Company - The word Company shall mean the Cartwright Creek, LLC.
2. Engineer - The word Engineer shall mean the consulting engineer of Cartwright Creek, LLC.
3. Customer - The word Customer shall mean any person, firm, corporation, association or government unit furnished sewerage services by the Company.
4. Property - The word Property shall mean all facilities owned and operated by the Company.
5. Commission - The word Commission shall mean the Tennessee Public Utility Commission.
6. Sewer – Piping, both gravity and pressure type, not on the customer's property, that collect and transport wastewater, including valves, manholes, access boxes, valve vaults, cleanouts, and other devices on the sewer.
7. Collection lines – See Sewer.
8. Lateral Sewer – The words Lateral Sewer shall mean the piping extending from the Collection lines to the Customer's property line (for customers with gravity only sewer connections) or to the Service Box (for customers with grinder pumps).
9. Service Box – For Customers with grinder pumps, a below ground valve assembly installed at each individual customer's property that connects to the Company's lateral sewer and where the customer's Service line is connected.
10. Service line – For customers with gravity sewer connections, the piping on the Customer's property extending from the Lateral Sewer to the customer's place of business or residence. For customer's with grinder pumps, the piping on the customer's property that connects the Grinder Pump to the Service Box, including the cleanout and connection to the pump.
11. Grinder Pump – The individual grinder pump installed at each residential or non-residential service location that receives and pumps sewage from the customer to the Company's sewer. This includes the pump, the pump sump, electrical control panel, and interconnecting wiring.
12. Residential Service - The words Residential Service shall mean the provision of wastewater service to a customer whose primary use is for the customer's personal dwelling.
13. Commercial Service – The words Commercial Service shall mean the provision of wastewater service to a customer whose primary use is for other than the customer's personal dwelling.

Authorization of Rules and Regulations

Cartwright Creek, LLC, a corporation organized and engaged in business as a public utility in the State of Tennessee under a transferred Certificate of Convenience and Necessity approved by the Tennessee Regulatory Authority on November 8, 2004, under Docket No. 04-00358, submits the following statement of its rules and regulations.

Effect of Rules and Regulations

All provisions of these rules and regulations shall be incorporated in each contract with each sewerage Customer of the Company.

Utility Items on Private Property

1. For Customers with gravity connections, the Customer shall own and maintain all piping within the residence or commercial building and exterior piping and Service Line.
2. For Customers with grinder pumps, the Customer shall own and maintain all piping within the residence or commercial building and external piping connecting to the grinder pump. The Company shall maintain the grinder pump and service line and the Customer shall be responsible for the cost of repair and maintenance of the grinder pump and service line. The Customer shall be responsible for furnishing and maintaining electrical power to the grinder pump.

Discontinuance of Service

Service under any application may be discontinued for the following reasons:

1. Non-payment of bill as hereinafter set forth.
2. For misrepresentation in the application.
3. For modifying or repairing any Property of the Company.
4. For failure to protect the connections, service lines or fixtures in good order.
5. For damaging any service pipes or any property of the Company in any way whatsoever.
6. Vacancy of premises.
7. For disconnecting or re-connecting service by any party other than a duly authorized agent of the Company without the consent of the Company.

Non-payment Penalties

A penalty of five (5%) percent of the monthly charge will be due after the 15th day of each month for which a bill has been rendered. After twenty (20) days non-payment after the first day of the month in which the bill is payable, the Company may shut-off the customer's service; provided, however, the Company will give the customer an additional fifteen (15) days' notice before discontinuation. A fee of Ten and No/100 (\$10.00) Dollars will be charged for disconnection and a Fifteen and No/100 (\$15.00) Dollars fee will be charged for re-connection of service, plus the actual cost of remedying any damage to the shut-off valve or other facilities. No service shall be turned on again if discontinued for non-payment (or any other valid reason) until all charges have been paid, including disconnection and re-connection fees.

Change in Ownership, Tenancy of Service

A new application and agreement must be made and approved by the Company on any change in ownership of property, or in tenancy, or in the service as described in the application. In the event of failure of a new owner or tenant to make such application, the Company shall have the right to discontinue service until such new application is made and approved.

Security Deposits

Each new Customer, before connection or re-connection, of the service may be required to make a refundable deposit to secure payment of sewerage bills in an amount double the monthly bill for that particular type of customer.

Engineering Materials and Construction Standards

To be provided upon written request.

Special Pretreatment Sewage Requirements

For all sewerage connections, in addition to the customary tap fees, the Company reserves the right to require any non-residential user to provide special treatment for any high strength effluent before discharge into its sewerage system. The Company may, upon the basis of recognized engineering standards and treatment costs, increase the tap fees or flat rate charges to cover the cost of treatment of high strength effluent or industrial waste, and may impose recognized engineering standards as to the maximum size of solids and constituents in such waste discharged into its sewerage system.

Additionally, if excessive volumes or high strength of sewage are received, the Company may require the Customer to monitor flow volume in order to adjust the monthly sewer service rate.

Damages

The Company shall in no event be responsible for maintaining any service line owned by the Customer, nor for damages created by sewage escaping therefrom, nor for defects in lines or fixtures on the property of the Customer. The Customer shall at all times comply with all regulations of the Tennessee Public Utility Commission, and of the Company, relating to the service lines and shall make all changes in his line required on account of grade or otherwise.

All leaks in any pipe or fixture on the premises of the Customer shall be immediately repaired. If the Customer fails to repair any such leak, the service may be discontinued until repairs are made.

Inspection

All pipes, valves and fixtures shall be subject to inspection at all reasonable hours by the Company or its duly authorized agent.

In Event of Emergency

The Company shall not be liable to the Customer for interruption of service, or for damages or inconveniences as a result of any interruption, stoppage, etc., which was beyond the reasonable control of the Company.

Extension Plan

The Company may furnish sewer services to additional property owners. The sewer service charges and tap fees identified in the Company's Tariff do not include costs for constructing new sewers. Any collector and/or lateral sewers required to service such properties shall be constructed at the cost of those parties desiring same, and these sewers shall become the property of the Company, to be credited to the account for contributions in aid of construction.

Contracts for Service

Each Customer before installation of service shall be required to execute on the appropriate forms furnished by the Company:

1. A sewer service contract.
2. The application and contract for sewer tap services (when applicable).

Customer Billing Forms

All customer billings shall be on a standard form whether residential, commercial or industrial.

Public Contact

Billing:
Cartwright Creek, LLC
Bruce Meyer
1551 Thompson's Station Road West
Thompson's Station, TN 37179
615-261-8615

Plant Operations:
Cartwright Creek, LLC
Bruce Meyer
1551 Thompson's Station Road West
Thompson's Station, TN 37179
615-261-8600

Tennessee Public Utility Commission Regulations

The utility in its operation shall conform with all the applicable rules and regulations promulgated from time to time by the Tennessee Public Utility Commission.

Returned Checks

Any Customer whose personal check is returned by the bank shall pay the Company an additional fee of \$25.00, which will be clearly indicated on the bill.

Payment Plans

The Company offers each customer the opportunity to resolve any past due balances to avoid "Non-payment Penalties". Customer may pay a past due bill, including returned check fees and other charges, disconnection and reconnection charges in a payment plan over a three to six-month billing cycle. Customers that desire to take advantage of this plan should submit their written request to the Company's business office.

If service has been disconnected, service will be reconnected within 2 days of receiving the first payment. The Company will offer one such payment plan within a full calendar year.

In the event that a customer on a payment plan fails to pay a monthly installment as per the terms of the plan and is more than fifteen (15) business days late on any payment, then the customer's service is subject to disconnection and all past due charges in addition to disconnect/reconnect fees would become due and payable prior to having service restored.

Alternative Address Notification

Customers can provide an alternative address for notification for potential disconnection that will also receive the required notices of disconnection. Customers shall submit alternative notification requests to the Company in writing.

Limestone Water UOC
1630 Des Peres Road
Des Peres MO 63131

SEWER SERVICE CONTRACT

_____Number of Bedrooms _____Square Feet

Responsible Party for paying the bill:

Customer Name _____

Address of Service _____

CITY

STATE

ZIP

Mailing Address (if different) _____

CITY

STATE

ZIP

Phone: Home # _____ Work # _____

Email address: _____

(Cartwright Creek does not sell or provide customer contact information to third parties.)

Contact Person (if different from Customer) _____

I hereby make application to Cartwright Creek, LLC for connection with the mains of the sewer system and agree to pay for access, tap and service fees according to prevailing rates as identified in the Company's Tariff.

The Customer understands that the Company will provide a monthly bill to the Customer for sewerage services furnished. A penalty provision of five (5%) percent of the monthly charge applies to all bills after the 15th day of each month for which a bill has been rendered and will give the Company the right to collect such penalty. The failure to pay said bill the 20th day of the month following said bill will give the Company the immediate right to discontinue the furnishing of service, or to enforce a lien against the applicant's property. The Customer understands and acknowledges that failure to pay the monthly service or other charges when due may result in a lien against his property. If the Customer elects to terminate service, such termination shall be done by written notice to the Company 30 days prior to the requested termination date.

I understand that all service is subject to the rules and regulations of Cartwright Creek, LLC tariff, which may be amended from time to time and that these rules and regulations are part of this agreement.

Date _____ Signed _____

Contract approved and issued:

Date _____ By _____

Office Use Only:

Account # _____

EXHIBIT 24

Anticipated Cap Budget – Sunset Coves



COST ESTIMATE

SUNSET COVE CONDOMINIUMS WWTP FACILITY REPORT

Central States Water Resources

Maynardville, TN

Date: March 6, 2023

Project No.: CNAS220052

Prepared by: MH/LD/CP

ITEM	DESCRIPTION	Unit	Unit Price	Qty	Total Cost
WASTEWATER TREATMENT FACILITY					
1.00	INITIAL IMPROVEMENTS				
1.01	Install Security Improvements, Locks + Fencing	LS	\$ 20,000.00	1	\$20,000
1.02	Install High Tide Remote Monitoring and Associated Equipment	LS	\$ 25,000.00	1	\$25,000
1.03	Install Activated Carbon Vent Filters on Vents for Odor Control	LS	\$ 2,500.00	1	\$2,500
1.04	Cleanout of the 8,000 Gallon Septic Tank	LS	\$ 40,000.00	1	\$40,000
1.05	Repair Valve Box at Drip Field	LS	\$ 2,500.00	1	\$2,500
1.06	Cleanout of the 10,000 Gallon Recirculation Tank	LS	\$ 30,000.00	1	\$30,000
1.07	Purchase Back Up UV Bulbs	LS	\$ 30,000.00	1	\$30,000
1.08	Clean off Fabric Filter Media	LS	\$ 20,000.00	1	\$20,000
1.09	Install Fencing around the Septic Tank	LS	\$ 35,000.00	1	\$35,000
2.00	SECONDARY IMPROVEMENTS				
2.01	None				\$0
COST ESTIMATE TOTAL					\$205,000
COST ESTIMATE CLASSIFICATION					
Estimate Class: 5	Degree of Project Definition: 0% to 2%	Purpose: Concept	Expected Accuracy: Low: -20% to -50% High: +30% to +100%		

Notes:

1. Cost does not include contractor general requirements or contingency (to be accounted for by CSWR).

EXHIBIT 1 TO RESPONSE TO DR 1-10

Assignment & Assumption on Contract

ASSIGNMENT AND ASSUMPTION OF CONTRACT

THIS ASSIGNMENT AND ASSUMPTION CONTRACT (this "Assignment") is entered into to be effective as of April 1, 2023 ("Effective Date"), by and among Midwest Water Operations, LLC, a Missouri limited liability company ("Assignor"), Clearwater Solutions, LLC ("Assignee") and, solely for purposes of Sections 2 and 3, Limestone Water Utility Operating Company, LLC ("Limestone").

WHEREAS, Assignor has agreed to assign to Assignee all of Assignor's right, title, and interest in and to that certain Agreement Regarding Operation of Utility Treatment Facilities, dated February 15, 2023, by and between Limestone and Assignor (the "OM Contract").

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Assignment and Delegation. As of the Effective Date, Assignor hereby irrevocably (a) assigns, transfers and conveys to Assignee all of Assignor's right, title, and interest in and to the OM Contract, and (b) delegates to Assignee all of its obligations and liabilities under the OM Contract accruing from and after the Effective Date.

2. Assumption. From and after the Effective Date, Assignee hereby accepts the assignment and delegation by Assignor and expressly assumes all obligations and liabilities under the OM Contract accruing from and after the Effective Date.

3. Consent to Assignment. By executing this Agreement, Confluence hereby: (i) consents to the Assignment of the OM Contract from Assignor to Assignee; (ii) agrees that any notice requirement or review or response period contained in the OM Contract that may be triggered by the Assignment is hereby deemed satisfied and that the Assignment shall not be deemed an event of default under the OM Contract or otherwise give Bluegrass the right to terminate the OM Contract; (iii) waives any and all rights, remedies and privileges set forth in the OM Contract that prohibit the Assignment, effective as of the Closing Date; (iv) authorizes Assignor and Assignee to rely on the consent set forth herein and agrees that such consent shall inure to the benefit of and shall be enforceable by Assignor, Assignee and their respective successors and assigns; and (v) agrees that except as set forth in this Agreement, the OM Contract shall otherwise remain unmodified and in full force and effect notwithstanding the Assignment.

4. Miscellaneous. The parties hereto agree to execute such further documents and agreements as may be necessary or appropriate to effectuate the purposes of this Assignment. This Assignment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, assigns, and legal representatives. Each individual executing this Assignment on behalf of his or her respective party represents that he or she is duly authorized to execute and deliver this Assignment on behalf of such party. This Assignment shall be construed in accordance with and governed by the laws of the State of Delaware and exclusive venue for any dispute hereunder shall be the St. Louis County District Court, State of Missouri. The parties may execute this Assignment in counterparts, each of which constitutes an original and all of which, when taken together, constitute one and the same instrument. Further, this Assignment may be

executed by the parties by facsimile signature (or other electronic format), such that execution of this Assignment by facsimile signature (or other electronic format) shall be deemed effective for all purposes as though this Assignment was executed as an original.

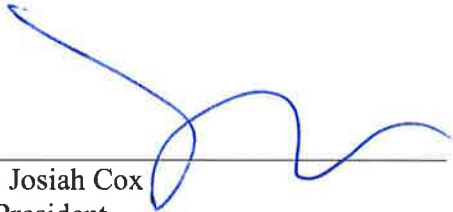
[Signature page follows]


IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the Effective Date.

Confluence:

Assignee:

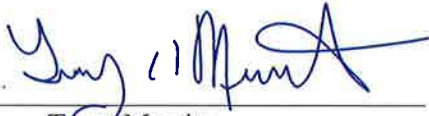
LIMESTONE WATER UTILITY CLEARWATER SOLUTIONS, LLC
OPERATING COMPANY, LLC

By: 
Name: Josiah Cox
Title: President

By: 
Name: Catherine Edwards
Title: Chief Executive Officer

Assignor:

MIDWEST WATER OPERATIONS, LLC

By: 
Name: Terry Merritt
Title:

PUBLIC VERSION

EXHIBIT 2

Midwest Tennessee Contract

REVISED EXHIBIT 12

CSWR Key Personnel – Limestone

Josiah Cox – President

Mr. Cox is President of Red Bird Utility Operating Company, LLC, Red Bird Utility Holding Company, LLC, and also of, Central States Water Resources, LLC, (“CSWR”). Both companies are part of an affiliated group that provides water and/or wastewater utility services to more than 300 customers in 11 states.

Mr. Cox received a Bachelor of Science degree with a major in Environmental Science from the University of Kansas where he was also a student-athlete. 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 aspect of that business from waste-load allocation studies (now known as the anti-degradation processes), to 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 Assessment in the state of Missouri in 2003. He later 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 gained 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 water and wastewater infrastructure systems including wells, water distribution, water treatment, water storage, wastewater conveyance, and wastewater treatment plants and delivered 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, Mr. Cox also began the Master of Business Administration (MBA) program at Washington University in St. Louis, from which he earned his advanced degree and graduated in 2007.

Additionally beginning in 2008, Mr. Cox took over the operations of an existing rural sewer district and to date he still operates a system, managing the functioning, testing, and maintenance of this 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, distressed 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 his plan, and over a period of approximately three years met with more than fifty- two infrastructure investment groups in an attempt 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 is currently operating more than 800 water and/or wastewater systems in Arizona, Arkansas, Florida, Kentucky, Louisiana, Missouri, Mississippi, North Carolina, South Carolina, Tennessee, and Texas.

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 oversight of the finance and accounting teams, managing the process for financial forecasting, budgeting, and reporting in addition to overseeing the human resources and risk management functions.

After receiving a Bachelor of Business Administration in Accounting from Abilene Christian University, Mr. Moore gained a wide range of financial management experience. Moore's extensive senior-level finance and operational expertise 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 works 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. 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 past positions in related industries has provided him with extensive experience in water and sewer utilities. He has in depth, firsthand knowledge about the amount of damage resulting from the lack of maintenance on a well system, and he understands how much money and effort are required to restore a well system after neglect.

In his position as Senior Vice President at CSWR, Mr. Thomas's primary 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, and engineering firms.

Mike Duncan –Vice President

Mike Duncan is the Vice President of CSWR and was promoted to that position in October 2020. As Vice President, he has played an integral role in researching, 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 his 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 Executive Director, Mr. Duncan oversaw accounting, finance, human resources, IT, and communications for the organization. During his employment he earned his Master of Business Administration from the Olin School of Business at Washington University. Prior to joining CSWR, he spent two years as Director of Operations with NAPA Auto Tire & Parts, a partner-owned chain of auto parts stores, overseeing projects related to distribution, logistics, IT, and general management.

Jake Freeman – Director of Engineering

Jake Freeman is the Director of Engineering of CSWR and has held this position since January 2019. As Director of Engineering, he oversees the engineering, surveying, and facility construction upgrades for all newly acquired CSWR water and wastewater utilities including those in Arizona, Arkansas, Florida, Kentucky, Louisiana, Missouri, Mississippi, North Carolina, South Carolina, Tennessee, and Texas. 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, Mr. Freeman spent the first two years of his career working for Corrigan Mechanical, a design-build mechanical contractor in St. Louis, where he designed, estimated, and managed 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 held the position of Vice President of Brotcke Well & Pump and Principal for their engineering services and managed their newly opened office in Kansas City.

Jo Anna McMahon - Vice President of Government Affairs

Jo Anna McMahon is the Vice President of Government Affairs for CSWR. Ms. McMahon holds several top water and wastewater certifications throughout the country. She received her Bachelor of Business Administration degree from the University of Arkansas at Little Rock, and will be graduating in May 2023 with a Master of Business Administration degree from Washington University in St. Louis, Missouri.

Before joining CSWR, Ms. McMahon worked for both public and private utilities, respectively serving both municipality and military installations. Ms. McMahon has extensive experience as both an Operations Coordinator and as a Specification Specialist.

In her previous position as Director for Environmental Health and Safety at CSWR, her responsibilities included managing daily operations of wastewater and water treatment facilities of various sizes ranging from 3,600 gallons per day (gpd) to 64,000,000 gpd. Throughout that time, Ms. McMahon led teams of operators in creating and executing infrastructure improvement plans, managing and developing employees, and providing a standard of excellence in customer service while keeping facilities and operations within regulatory compliance.

Ms. McMahon's previous employment equipped her with invaluable experience in water and sewer utilities. She has a wide range of firsthand experience in managing water and wastewater treatment facilities safely and in a financially and operationally sound manner.

Chelsie Carter - Director of Customer Experience

Chelsie Carter is the Director of Customer Experience at CSWR. Ms. Carter joined CSWR in 2021 as Customer Experience Manager and was promoted to Director level within seven months, leading an overhaul of the CSWR's customer service functions during a period of dramatic growth.

Ms. Carter first earned a Bachelor of Science degree followed by her Master of Business Administration from Lindenwood University. She has a strong background in training and management as well as extensive experience with utility providers. Prior to joining CSWR, she led the Accounts Receivable division at the St. Louis Metropolitan Sewer District, where she also served as the point of contact for dozens of major accounts. Areas of oversight included billing \$34M per month in customer invoices, customer service for 430k customers, processing an average of \$1M in payment remittance per day and collecting more than \$92M in delinquent accounts. Ms. Carter also spent 16 years with American Water, starting as the supervisor for the Customer Call Center and working her way up to Business Services Specialist. In this role she was the point of contact for the Public Service Commission on customer-related issues and resolutions. She has provided direction and support for several rate cases, acquisitions, and software implementations.


Since joining CSWR, Ms. Carter continues to oversee the entire customer life cycle, focusing on improving the customer experience in the areas of self-service, software systems and processes.

STATE OF MISSOURI)

COUNTY OF ST. LOUIS)

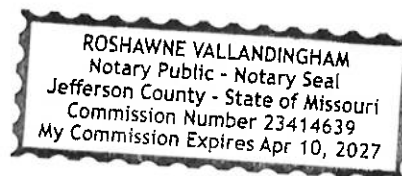
BEFORE ME, the undersigned, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Eric Rocchio, being by me first duly sworn deposed and said that:

He is appearing as a witness on behalf of Limestone Water Utility Operating Company, LLC before the Tennessee Public Utility Commission, and duly sworn, verifies that the data requests and discovery responses are accurate to the best of his knowledge.


Eric Rocchio

Sworn to and subscribed before me
this 21 day of NOV, 2023.


Notary Public



My Commission expires: 04/10/2027


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:

Shilina B. Brown, Esq.
Assistant Attorney General
Office of the Tennessee Attorney General
Consumer Advocate Division
P.O. Box 20207
Nashville, TN 37202-0207
Shilina.Brown@ag.tn.gov

Victoria B. Glover, Esq.
Assistant Attorney General
Office of the Tennessee Attorney General
Consumer Advocate Division
P.O. Box 20207
Nashville, TN 37202-0207
Victoria.Glover@ag.tn.gov

This the 21st day of November 2023.



Melvin J. Malone