

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-933, SUB 12
DOCKET NO. W-1328, SUB 0

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)
Application by Red Bird Utility Operating)
Company, LLC, and Etowah Sewer Company,)
Inc., for Transfer of Public Utility)
Franchise and for Approval of Rates)

**NON-CONFIDENTIAL DIRECT TESTIMONY OF JOSIAH COX
ON BEHALF OF RED BIRD UTILITY OPERATING COMPANY, LLC**

INTRODUCTION

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

2 A. My name is Josiah Cox. My business address is 1630 Des Peres Road, Suite 140, St.
3 Louis, Missouri, 63131.

4 **Q. WHAT IS YOUR POSITION WITH RED BIRD UTILITY OPERATING**
5 **COMPANY, LLC (“RED BIRD” OR “COMPANY”)?**

6 A. I am President of Red Bird Utility Operating Company, LLC. I also am President of
7 Central States Water Resources, Inc. (“Central States”) and CSWR, LLC, (“CSWR”), each
8 a Red Bird affiliate. Later in my testimony I describe CSWR's relationship to Red Bird and
9 discuss the role CSWR would play in Red Bird's future operations if the Commission
10 approves the Joint Application for transfer of the wastewater system owned by Etowah
11 Sewer Company, Inc. ("Etowah") to Red Bird. Later in my testimony I also describe
12 Central States' involvement in the proposed acquisition transaction.

13 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL**
14 **EXPERIENCE.**

1 A. I received a Bachelor of Science with a major in Environmental Science from the
2 University of Kansas. Professionally, I worked at the Kansas state biological survey, where
3 I performed a wildlife habitat study. I then worked at a civil engineering firm where I was
4 involved in various facets of the land development process, including permitting,
5 entitlement, civil design, project management, and construction management. I focused
6 mainly on the water and wastewater side of the civil engineering business and participated
7 in every part of that business from waste-load allocation studies (now known as the anti-
8 degradation processes), design, permitting, project management, and construction
9 management. I also ran the firm's environmental consulting division and was the second
10 private consultant to submit a water quality impact study in the State of Missouri in 2003.
11 I subsequently joined the engineering firm's executive leadership team and helped run all
12 the firm's operations.

13 Beginning in 2005, I raised money from a group of investors and formed a full-
14 service civil engineering, environmental consulting, general contracting, and construction
15 management firm. I served as the Chief Operating Officer, and finally Chief Executive
16 Officer. I obtained extensive experience with rural communities in every facet of the water
17 and wastewater compliance process, including environmental assessment, permitting,
18 design, construction, operation and community administration of the actual water and
19 wastewater (sewerage) systems. That engineering firm performed stream sampling and
20 built waste-load allocation models to determine receiving water-body protective permit-
21 able effluent pollutant loads. We did full engineering design of multiple whole community
22 wastewater and water infrastructure systems including wells, water distribution, water
23 treatment, water storage, wastewater conveyance, and wastewater treatment plants, and

1 then took those designs through federal and state administered permitting processes in
2 Missouri. That engineering firm also administered the construction of these water and
3 wastewater systems from green field site selection all the way through system startup and
4 final engineering sign-off.

5 During this time, I began the Master of Business Administration (“MBA”) program
6 at Washington University in St. Louis, from which I graduated in 2007. In addition, starting
7 in 2008, I took over the operation of an existing rural sewer district where I operated a
8 system managing the functioning, testing, and maintenance of that system. I also acted as
9 the administrator for this municipal system where I oversaw all the billing, emergency
10 response, accounts payable/accounts receivable, collections, budgeting, customer service,
11 and public town meetings required to service the community. I no longer provide those
12 services for the sewer district.

13 In late 2010, after working on several small, failing water and wastewater systems,
14 I created a business plan to acquire and recapitalize failing systems as investor-owned
15 regulated water and wastewater utility companies. In early 2011, I went to the capital
16 markets to raise money to implement my plan. Over a period of approximately three years,
17 I met with over 52 infrastructure investment groups trying to raise the necessary financing.
18 By February 2014, I achieved my goal, and I used the debt and equity capital I was able to
19 raise to start CSWR.

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

1 Since its formation, CSWR has acquired, and currently is operating through various
2 affiliates, more than 800 water or wastewater systems in Missouri, Kentucky, Louisiana,
3 Texas, Tennessee, Mississippi, Arizona, Florida, South Carolina, and Arkansas, and, up to
4 this point, three in North Carolina. In Missouri, those systems are regulated by the Missouri
5 Public Service Commission; in Kentucky they are regulated by the Kentucky Public
6 Service Commission; in Tennessee they are regulated by the Tennessee Public Utility
7 Commission; in Louisiana they are regulated by the Louisiana Public Service Commission;
8 in Texas they are regulated by the Public Utility Commission of Texas; in Mississippi they
9 are regulated by the Mississippi Public Service Commission; in Arizona they are regulated
10 by the Arizona Corporation Commission; in Florida they are regulated by the Florida
11 Public Utilities Commission; in South Carolina they are regulated by the South Carolina
12 Public Service Commission; and in Arkansas, the systems are outside the Arkansas Public
13 Service Commission's jurisdiction due to the fact each system falls below annual revenue
14 thresholds that trigger regulation in that state.

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

16 A. The purpose of my testimony is to support the Joint Application for Transfer of Public
17 Utility Franchise and for Approval of Rates filed in these dockets ("Joint Application"),
18 which seeks Commission authority for Red Bird to acquire all utility assets currently used
19 by Etowah and to provide water and wastewater utility services to customers in Etowah's
20 service area located in Henderson County. My testimony describes the proposed
21 transaction and explains why both Red Bird and Etowah believe authorizing consummation
22 of the transaction is in the public interest. I also describe Red Bird's relationship to CSWR,
23 the role CSWR would play in Red Bird's operation of the system at issue in this case, and

1 the benefits Red Bird's relationship with CSWR would bring to customers served by the
2 Etowah system.

3 My testimony also addresses rate base in the utility assets to be acquired and
4 supports approval of an acquisition adjustment for a portion of the acquisition premium
5 Red Bird would pay for Etowah's utility assets, based on the condition of the Etowah
6 system, their compliance issues and history.

BACKGROUND INFORMATION REGARDING
RED BIRD AND ITS AFFILIATES

7 **Q. PLEASE PROVIDE SOME BACKGROUND INFORMATION ABOUT RED**
8 **BIRD AND CSWR.**

9 A. Red Bird is a North Carolina limited liability company formed to acquire water and
10 wastewater assets in this state and to operate those assets as a regulated public utility. In
11 Docket No. W-1328, Sub 7, the Commission authorized Red Bird to acquire and operate
12 the four wastewater systems previously owned by the Homeowners Associations,
13 respectively, of Ocean Terrace, Pine Knoll Townes I, II and II, all of which are located in
14 Pine Knoll Shores, North Carolina. In February 2023, the Commission authorized Red Bird
15 to acquire facilities previously owned by Bear Den Acres Development in Spruce Pine,
16 North Carolina. Most recently, the Commission approved Red Bird's acquisition of the
17 utility assets and franchise of Crosby Utilities, Inc. in Wake County, North Carolina. In
18 addition to the Joint Application in these dockets, Red Bird currently has Applications for
19 Transfer of Public Utility Franchise and for Approval of Rates pending before the
20 Commission in seven other dockets, as well as two pending applications for Certificates of
21 Public Convenience and Necessity. As is the case with the Etowah system, many of the
22 systems which Red Bird seeks to acquire in North Carolina are either distressed or troubled

1 systems, or they require the infusion of capital investment that the current owners are either
2 unable or unwilling to provide. If the Commission grants the Joint Application in this
3 docket, Red Bird will acquire, own, and operate the wastewater system currently owned by
4 Etowah.

5 Red Bird is an affiliate of CSWR, a Missouri limited liability company formed to
6 provide managerial, technical, and financial support to its utility operating affiliates. An
7 updated corporate organization chart illustrating that relationship was filed with the
8 Commission on December 12, 2022, in support of the Joint Application.

9 To date, CSWR-affiliated utility operating companies have acquired and are
10 operating water and/or wastewater systems in Missouri, Kentucky, Louisiana, Texas,
11 Tennessee, Mississippi, Arizona, Florida, South Carolina, and Arkansas, as well as the
12 previously identified systems in North Carolina. In addition to Red Bird's other
13 applications pending before the Commission, CSWR affiliates have applications pending
14 in Mississippi, Florida, Louisiana, Tennessee, Arizona, Missouri, South Carolina,
15 Mississippi, California, and Texas seeking authority to acquire more such systems.

16 **Q. WHAT IS CSWR'S BUSINESS PLAN WITH REGARD TO THE**
17 **ACQUISITION AND OPERATION OF SMALL AND TROUBLED, DISTRESSED**
18 **OR UNDERCAPITALIZED WATER AND WASTEWATER SYSTEMS?**

19 A. CSWR's business plan is to pursue the purchase and recapitalization of small water and
20 wastewater systems and to operate those systems as investor-owned regulated utilities.
21 Many of the systems CSWR hopes to acquire are not currently regulated. Of those that are
22 regulated, many, if not most, are out of compliance with utility commission rules and/or
23 with federal and/or state pollution, environmental and/or safety laws and regulations.
24 Indeed, many systems we acquire do not even have the federal or state permits required to

1 lawfully operate. We also have found that many regulated systems we acquire have not
2 increased their rates for a decade or more and, as a result, lack the financial resources
3 necessary to cover normal operating costs and/or to maintain and replace assets used to
4 provide service or bring their operations into compliance with rapidly changing
5 environmental and water quality regulations. Some systems we acquire are in receivership
6 and, therefore, lack the ability to raise the capital necessary to improve their systems.
7 Owners of other systems are unable or unwilling to provide the capital necessary to
8 maintain their systems. CSWR's business plan has been and continues to be making
9 investments in and taking the risks necessary to bring small water and wastewater systems
10 into compliance with current statutes, rules, and regulations. Through its affiliates, CSWR
11 has been able to acquire distressed, troubled or undercapitalized systems, invest capital
12 necessary to upgrade or repair physical facilities, and operate those systems in a way that
13 satisfies customers, regulators, and investors alike.

14 CSWR's business plan and the expertise its personnel provide to affiliates have
15 convinced regulators in Missouri, Kentucky, Louisiana, Texas, Tennessee, Mississippi,
16 Florida, South Carolina, and Arizona to allow those affiliates to acquire and operate
17 numerous small water and wastewater systems in those states. In more than 100 separate
18 orders – several involving the acquisition of multiple discrete systems – regulators in each
19 of those states have determined our affiliate group has the technical, managerial, and
20 financial qualifications necessary to acquire, own, and operate water and/or wastewater
21 systems. This Commission made the same determination when it authorized Red Bird, to
22 this point, to acquire and serve several small systems in this state, and we are hopeful we
23 will be authorized to acquire additional systems here in the future. If the Commission

1 authorizes Red Bird to acquire the Etowah wastewater system, it will become part of the
2 portfolio of systems the Company seeks to build in North Carolina. We hope the
3 Commission will give Red Bird the same opportunity it did in the Ocean Terrace/Pine
4 Knoll Townes, Bear Den, and Crosby Utilities dockets so we can continue our efforts to
5 replicate in North Carolina the record of success our affiliate group has achieved elsewhere.

6 **Q. PLEASE DESCRIBE RED BIRD AFFILIATES' EXPERIENCE WITH WATER**
7 **AND WASTEWATER SYSTEMS.**

8 A. Red Bird is part of an affiliate group that currently owns and operates wastewater
9 systems serving approximately 221,000 customers and drinking water systems serving
10 approximately 146,000 customers in Missouri, Arkansas, Kentucky, Louisiana, Texas,
11 Tennessee, Mississippi, Florida, South Carolina, North Carolina, and Arizona. By virtue
12 of that affiliation Red Bird has the financial, technical, and managerial ability to acquire,
13 own, and operate the Etowah wastewater system in a manner that fully complies with
14 applicable health, safety, environmental protection, and regulatory laws and regulations,
15 and to provide reliable, safe, and adequate service to customers.

16 On the wastewater side of the business, the CSWR affiliate group has purchased
17 wastewater treatment plants with associated pressure systems and sewer pumping stations,
18 gravity force mains, and gravity conveyance lines. With the approval of state wastewater
19 regulatory authorities, since March 2015 CSWR-affiliated companies have designed,
20 permitted, and completed construction of numerous sanitary sewer system improvements.
21 These improvements include wastewater line repairs to eliminate infiltration and inflow,
22 building numerous sewer main extensions, building and/or repairing hundreds of lift
23 stations, the closure of a number of existing regulatory impaired wastewater systems,
24 building new or refurbishing over 150 activated sludge plants, constructing dozens of

1 moving bed bio-reactor plants, converting multiple failing wastewater systems into sludge
2 storage/flow equalization and treatment basins, converting failed mechanical systems to I-
3 Fast systems, and constructing various other wastewater treatment supporting
4 improvements.

5 On the water side of the business, since March 2015 the CSWR affiliate group has
6 designed, permitted, and completed construction – with the approval of state regulatory
7 authorities – of upgrades and improvements to numerous drinking water systems. Those
8 upgrades and improvements include construction of a large number of ground water
9 storage tanks and drinking water pressurization pump assemblies, drilling water wells,
10 erecting or rehabilitating well houses, closing failed wells, blasting/coating water storage
11 tanks, replacing meter pits with new meters, replacing or repairing numerous water
12 distribution lines, installing numerous isolation valve systems, installing a large number of
13 flush hydrants, repairing hundreds of leaking lines, and constructing or rehabilitating
14 various other improvements to existing drinking water systems.

15 The CSWR-affiliated group of companies is likely the most qualified utility in the
16 United States to service Etowah’s customers based on the number of systems we own, the
17 number of systems we have purchased and brought into (and kept in) environmental
18 compliance, and our personnel having the most relevant experience running small water
19 and wastewater utilities. Our affiliate group currently owns and operates more than 800
20 water and wastewater plants within our eleven-state operational footprint. On a daily basis
21 we deliver, on average, more than 14.6 million gallons of water to our more than 58,000
22 water connections and treat almost 20 million gallons of wastewater from our more than
23 58,000 water connections. In Louisiana, alone, our affiliate has removed 59 systems from

1 Agreements on Consent with the Louisiana Department of Environmental Quality – the
2 fastest timeframe ever for a large group of systems – and we are 100% compliant with
3 environmental compliance agreements entered into with state regulators. These agreements
4 are necessary because of the extremely distressed nature of many systems our group
5 acquires, and our record of compliance with and removal from these agreements is
6 testament to our ability to own and operate such systems in a manner that complies with
7 applicable laws and provides safe and reliable service to customers.

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

10 A. Yes, it does, as evidenced by the fact CSWR already is providing those and other similar
11 services for water and wastewater systems in Missouri, Arkansas, Kentucky, Louisiana,
12 Texas, Tennessee, Mississippi, Florida, South Carolina, and Arizona as well as for the
13 Ocean Terrace/Pine Knoll Townes, Bear Den, and Crosby systems in North Carolina. I
14 already described my background and experience in the water and wastewater utility
15 industry. The other key members of CSWR's senior team who are involved in Red Bird's
16 operations are equally well-qualified to meet the demands and needs of Red Bird and its
17 customers and of this Commission and other regulators charged with overseeing Red Bird's
18 operations. The members of CSWR's senior team were identified in Attachment D to the
19 Joint Application. Because some of those individuals and their respective responsibilities
20 have changed since the Joint Application was filed on October 8, 2020, I provide an update
21 to that attachment as **Cox Direct Exhibit 1**.

22 CSWR provides Red Bird the same level of experience and expertise CSWR
23 currently provides to its affiliated systems located outside North Carolina. The types and
24 quality of services CSWR provides Red Bird are not usually available to small systems

1 such as the Etowah system involved here. CSWR's business model was developed to
2 provide support, expertise, and experience to affiliates and to do so while achieving
3 economies of scale attributable to CSWR's centralized management structure. Not only
4 would CSWR and Red Bird provide current Etowah customers with expertise not generally
5 available to a small sewer system, but it can realize economies of scale that would not be
6 possible if Red Bird had to acquire or provide such expertise and support on a company or
7 system-specific basis.

8 **Q. PLEASE DESCRIBE THE ECONOMIES OF SCALE YOU JUST MENTIONED**
9 **AND HOW THOSE WOULD BENEFIT ETOWAH'S CUSTOMERS.**

10 A. CSWR's size and its consolidation of many small systems under one financing and
11 managerial entity will result in cost efficiencies in the operation of Etowah's wastewater
12 system, particularly in the areas of:

- 13 • Commission and environmental regulatory reporting;
- 14 • Managerial and operational oversight;
- 15 • Utility asset planning;
- 16 • Engineering planning;
- 17 • Ongoing utility maintenance;
- 18 • Utility record keeping;
- 19 • Customer service responsiveness; and
- 20 • Access to capital required to repair and upgrade the Etowah system as necessary to
21 ensure compliance with all health and environmental requirements and ensure
22 service to customers remains safe and reliable.

23 CSWR/Red Bird believes that Etowah's customers would benefit from economies of scale
24 and other advantages available through CSWR. While these economies would not

1 necessarily result in cost savings compared to Etowah's current operations expenses, the
2 advantages of this acquisition are reflected in CSWR's resources pertaining to customer
3 service, an advanced computerized maintenance management system, and personnel with
4 years of experience across over 800 plants in eleven states, making CSWR the largest
5 operator of small water and sewer systems in the United States. After owning and operating
6 the Etowah system for an initial period, Red Bird will be able to accurately assess needs
7 and costs to more accurately identify the actual operating needs and characteristics of this
8 system and address those needs.

9 **Q. HAVE THE CSWR-AFFILIATED COMPANIES TAKEN STEPS TO**
10 **IMPROVE SERVICES AT THE SYSTEMS THEY NOW OPERATE?**

11 A. Yes. In addition to the capital improvements made on systems our affiliate group has
12 acquired, we have built from scratch and implemented customer service systems that meet
13 or exceed regulatory commission rules and provide numerous benefits to customers.

14 If the Joint Application is approved, Red Bird would implement operational
15 changes to improve and enhance service to Etowah's current customers. For example, those
16 customers would have access to a 24-hour phone line to report any utility service issues.
17 Those calls initially would be answered by emergency service personnel who are required
18 to respond to emergency service calls within prescribed time limits. Those calls would then
19 be transferred into the computerized maintenance management system and converted into
20 work orders, which create a historical record of all reported service issues. The work order
21 also will ensure contracted customer service personnel can commence work required to
22 deal quickly and efficiently with any customer service issues. In addition, Red Bird would
23 ensure customers have access to customer service representatives during normal business
24 hours to discuss any customer concerns and would establish a utility-specific webpage and

1 dedicated email address to keep customers informed about their utility service. These types
2 of customer service and operational resources generally are typically not available to
3 customers served by small utilities like Etowah.

4 Information available on Red Bird’s website, which is updated regularly, includes
5 dissemination of state-mandated information, up-to-date website bulletins about service
6 issues, and procedures for service initiation or discontinuance. Mirroring relevant utility
7 homepage information, Red Bird provides a dedicated social media page to offer another
8 avenue of communication with customers about utility matters. The social media account
9 is manned by customer service representatives that can answer customer questions. These
10 resources also would provide customers with bulletins on current service status and
11 educational information relevant to their utility service. Finally, Red Bird’s platforms offer
12 online bill paying options to customers, including e-checks, debit card, and credit cards.

13 Because of the resources I just described, Red Bird believes the overall quality of
14 customer service will improve if Red Bird is authorized to acquire Etowah’s utility assets.

15 **Q. WHAT OTHER OPERATIONAL BENEFITS WOULD RED BIRD BRING TO**
16 **THE ETOWAH SYSTEM AND CUSTOMERS?**

17 A. CSWR uses the Computerized Maintenance Management System (“CMMS”) program
18 called Utility Cloud to facilitate field work, inspections, maintenance schedules, and
19 reporting for all facilities. This allows CSWR to manage data, work, and compliance across
20 plant and distributed field assets. We have implemented Utility Cloud in other jurisdictions
21 to assist in avoiding compliance and equipment failures with real-time data monitoring
22 across people, machines, and sensors throughout all our service areas.

23 The main benefit Utility Cloud offers is that the system is a highly configurable,
24 easy-to-use asset management tool that helps all parties distribute work, report on

1 maintenance, and streamline compliance reports. With the system being highly
2 configurable, Red Bird can build out systems efficiently and begin tracking maintenance
3 and improvements on day one of ownership. Most operators of this system require only a
4 short training session to be able to navigate, create and assign work, and complete Work
5 Orders. The ability to get Red Bird's contract operators trained on this system so quickly
6 speaks volumes as to how easy the system is to operate.

7 Features of Utility Cloud that CSWR would implement, and that have been
8 beneficial to the operations of its utility affiliates and have streamlined time-consuming
9 processes, include:

- 10 • Automating the completion and submission of compliance reports using the exact
11 field data crews collect;
- 12 • Using custom accounts, security roles, and user rights to maintain the separation
13 between projects and managing multiple contractors while storing all CSWR's data
14 in one database;
- 15 • Managing and tracking maintenance history on all assets to assist in identifying
16 potential capital improvement projects;
- 17 • Creating custom alerts to trigger as issues arise;
- 18 • Leveraging digital standard operating procedures, manuals, and layouts helping to
19 standardize complex work and meet regulatory and OSHA requirements;
- 20 • Creating powerful workflows and reports for our compliance objectives;
- 21 • Integrating with the survey database to create a useable asset for field work
22 tracking; and
- 23 • Using real-time data and leveraging analytical tools to trend plant performance.

1 Utility Cloud is critical to the operation and maintenance of our utility facilities.
2 The ability to create custom workflows gives us the ability to collect asset and task-specific
3 data quickly and efficiently. Using this system allows CSWR’s utility affiliates to quickly
4 implement new processes that apply to all our sites across the country with the click of a
5 button. This is the type of configuration scalability that CSWR requires, and Utility Cloud
6 delivers on behalf of our utility affiliates and their customers.

7 **Q. WHAT EVIDENCE CAN YOU PROVIDE TO SUPPORT YOUR CLAIMS**
8 **ABOUT THE ABILITY OF RED BIRD’S AFFILIATES TO PROVIDE THESE**
9 **SERVICES OUTSIDE NORTH CAROLINA?**

10 A. In Missouri, where CSWR-affiliated companies have operated since 2014, the Missouri
11 Public Service Commission and the Missouri Department of Natural Resources (“MDNR”)
12 have recognized the solid track records of CSWR and its affiliates for acquiring,
13 rehabilitating, maintaining, and operating troubled water and wastewater systems in that
14 state. In its Order approving one of our acquisitions, the Missouri Commission noted
15 CSWR’s Missouri affiliate’s “sound track record in rehabilitating similarly situated [i.e.
16 troubled] systems” and its “ability to acquire, maintain, and operate the systems . . . to
17 ensure safe and adequate service.”¹ And in a letter from MDNR in June 2023, Red Bird’s
18 Missouri affiliate was praised for its

19 willingness to acquire systems with long-standing compliance issues [that]
20 has proven to be beneficial to human health and the environment by
21 bringing many of these systems into compliance with environmental laws.
22 The Department looks forward to continuing to work with [the Missouri
23 affiliate] as it continues to acquire wastewater and public water systems in
24 Missouri, in furtherance of the Department’s initiative to encourage
25 regionalization and consolidation of the many private systems in Missouri
26 that are struggling to achieve compliance with laws for the protection of
27 public health and the environment.

¹ *Order Approving Stipulation and Agreement and Granting Certificates of Convenience and Necessity*, Missouri Public Service Commission File No. WM-2018-0116 (February 4, 2019), at p. 6.

1 A copy of the MDNR’s letter is attached to this testimony as **Cox Direct Exhibit 2**.

2 Similar sentiments were expressed by the Mississippi State Department of Health
3 in a March 14, 2023, letter to Mississippi Public Service Commissioner Brent Bailey. In
4 that letter, the Department of Health stated:

5 As you may be aware, Great River Utility Company [Red Bird’s Mississippi
6 affiliate] has recently acquired several drinking water systems across the
7 state. Great River Utility has worked closely with the [Bureau of Public
8 Water Supply’s] compliance and field staff to maintain compliance with the
9 various rules and regulations of the Safe Drinking Water Act. A viable entity
10 such as Great River Utility desiring to help problematic drinking water
11 systems by investing in them for improved services to citizens is very
12 appreciated and supported by the Bureau.

13 A copy of that letter is attached to my testimony as **Cox Direct Exhibit 3**.

14 As further evidence of our affiliates’ capabilities, regulators in Missouri, Texas,
15 Mississippi, Arizona, Louisiana, and California have asked CSWR and its utility affiliates
16 to assume emergency operational responsibilities for distressed water and wastewater
17 systems in those states. For example, in Texas CSWR-Texas acts as an emergency
18 manager trusted by the Texas Commission to take over some of the state’s most troubled
19 utilities. In Louisiana, CSWR was named as the first emergency manager for a water
20 system by the Louisiana Department of Health, in addition to taking over more than a
21 hundred systems pursuant to a Louisiana Department of Environmental Quality agreed
22 Order addressing ongoing serious environmental compliance issues. In Arkansas and
23 Kentucky CSWR has been specifically requested to take over several distressed utilities by
24 those states’ respective environmental regulators. In December 2021, the Arizona
25 Corporation Commission authorized a CSWR affiliate to acquire distressed utilities and
26 approved incentives (including the opportunity to recover all or a significant portion of the

1 difference between purchase price and net book value of acquired assets) for those
2 acquisitions.

3 **Q. DO RED BIRD AND CSWR HAVE THE FINANCIAL CAPACITY TO**
4 **ACQUIRE, OWN, AND OPERATE THE ETOWAH SYSTEM?**

5 A. Yes, Red Bird and CSWR have the financial capacity to finance, own, and operate the
6 system we propose to acquire from Etowah. The affiliate group of which Red Bird is a
7 member has been able to secure an ongoing commitment from a Wall Street private equity
8 firm to provide capital necessary to purchase small, oftentimes distressed, water and
9 wastewater systems and then make investments necessary to bring those systems into
10 compliance with applicable health, safety, and environmental protection laws and
11 regulations. This investment commitment also includes providing working capital
12 necessary to operate the acquired systems until applications for compensatory rates can be
13 prepared and prosecuted. To date, CSWR, through its affiliates, has invested more than
14 \$450 million to purchase, upgrade, and operate water and wastewater systems. Although
15 those investments have been exclusively in the form of equity, at the appropriate time Red
16 Bird plans to pursue debt financing from non-affiliated commercial sources that would
17 allow the Company to balance its capital structure. Ultimately, Red Bird's objective is to
18 achieve a capital structure consisting of 50%-60% equity and 40%-50% debt.

19 **Q. IF THE AUTHORIZATION REQUESTED IN THE JOINT APPLICATION IS**
20 **GRANTED, WOULD RED BIRD HIRE CURRENT EMPLOYEES TO PROVIDE**
21 **SERVICE IN THE AREA SERVED BY ETOWAH?**

22 A. No, Red Bird does not plan to hire any current employees Etowah may have to perform
23 any services after closing.

24 **Q. AFTER CLOSING, HOW DOES RED BIRD PROPOSE TO PROVIDE**
25 **SERVICE TO CUSTOMERS OF THE ETOWAH SYSTEM?**

1 A. If the Joint Application is approved, Red Bird intends to hire a local, non-affiliated
2 third-party Operations and Maintenance (“O&M”) firm that has knowledgeable and
3 experienced personnel, carries required state licenses, and has the insurance coverage
4 necessary to manage daily operations of the Etowah system. These contracts are
5 competitively bid to ensure that the O&M services Red Bird requires are obtained at a
6 reasonable price. This is what Red Bird has done for the Ocean Terrace/Pine Knoll Townes,
7 Bear Den, and Crosby Utilities systems. It also is the approach that Red Bird’s affiliated
8 utility operating companies have successfully employed in every other state where CSWR
9 affiliates operate water and/or wastewater systems.

10 In addition to its service obligations during normal business hours, the O&M firm
11 would be required to have a 24-hour emergency service line to deal with customers
12 experiencing service disruptions. However, notice of all service disruption calls would be
13 forwarded to me, as CSWR’s manager and the executive ultimately responsible for service
14 in the areas served by each of CSWR’s utility affiliates. CSWR uses the Utility Cloud
15 centralized computerized maintenance management system to monitor the performance of
16 our drinking water and wastewater systems, which also allows us to track ongoing
17 maintenance and testing work performed by the O&M contractors we employ at each of
18 our facilities. In addition, CSWR uses geographic information system (“GIS”) survey
19 information to accurately map all infrastructure assets, which allows the Company to
20 specifically target ongoing infrastructure re-investment as part of the overall managerial
21 and technical support CSWR provides each of its utility operating affiliates.

22 Red Bird also uses a non-affiliated third-party customer service firm to handle
23 service-related billing questions. Customer service representatives employed by that third-

1 party firm would be available during normal business hours, would take messages twenty-
2 four hours a day, and all customer correspondence would be recorded and logged to
3 consumers' accounts to ensure the highest level of service. This arrangement currently is
4 in place for all CSWR-affiliated utilities, including Red Bird's current operations in North
5 Carolina.

6 While day-to-day operational and customer service functions would be provided by
7 non-employee contractors, all management, financial reporting, underground utility safety
8 and location services, Commission regulatory reporting, environmental regulatory
9 reporting and management, operations oversight, utility asset planning, engineering
10 planning, ongoing utility maintenance planning, utility record keeping, billing, and final
11 customer dispute management would be performed by personnel at CSWR's St. Louis
12 office, with a proportional share of the cost for those services passed down to Red Bird.
13 CSWR personnel would also monitor the activities of the non-employee contractors to
14 make sure the Etowah system is being operated and maintained properly and customers'
15 needs are being met. As I previously mentioned, the resumes of senior CSWR personnel
16 who, in addition to me, would be responsible for providing services and/or oversight to
17 Red Bird's operation, are attached to my testimony as **Cox Direct Exhibit 1**.

DESCRIPTION OF THE PROPOSED TRANSACTION

18 **Q. PLEASE DESCRIBE THE SYSTEM RED BIRD PROPOSES TO ACQUIRE**
19 **FROM ETOWAH.**

20 A. Red Bird proposes to acquire the wastewater system owned by Etowah that serves
21 approximately 441 sewer customers in Henderson County.

22 Terms of the proposed asset purchase are governed by the *Agreement for the Sale*
23 *of Utility System* ("Agreement"), between Etowah and Central States. A copy of that

1 Agreement was filed as Confidential Attachment G to the Joint Application. Central States
2 entered into the Agreement with Etowah on August 23, 2019.

3 No closing date for the transaction has been set, but the Agreement identifies
4 various conditions precedent, including obtaining all required regulatory approvals, which
5 must be satisfied before the transaction can close. Section 7.04 of the Agreement also
6 authorizes Central States to assign all its rights to the acquired assets to an affiliated entity.
7 In accordance with that provision, Central States assigned its rights under the Agreement
8 to Red Bird.

9 **Q. PLEASE DESCRIBE THE CONTRACT TO PURCHASE ETOWAH'S**
10 **UTILITY ASSETS.**

11 A. Central States contracted to purchase all utility assets of Etowah for **[BEGIN**
12 **CONFIDENTIAL]** [REDACTED] **[END CONFIDENTIAL]**. As just noted, Central States
13 later assigned the Agreement to Red Bird.

14 **Q. PLEASE DESCRIBE THE ETOWAH SYSTEM?**

15 A. As is our normal practice, following execution of the asset purchase agreement and as
16 part of our due diligence efforts we engage a third-party engineering firm to perform a
17 preliminary survey and analysis of the water and/or wastewater system we propose to
18 acquire. Red Bird engaged McGill Associates, an engineering firm headquartered in
19 Asheville, North Carolina, to inspect and assess the Etowah system.

20 McGill surveyed the Etowah system and its initial Report was prepared in February
21 2020; that Report was filed as Confidential Attachment L to the Joint Application.
22 Etowah's wastewater service area consists of an estimated 3.6 square miles and includes
23 neighborhoods on Meadow Road, Sunset Ridge Road, Brickyard Road, Turnpike Road,
24 Pebble Creek, and Brandymill Loop. The wastewater system serving this area consists of

1 both gravity and force main sewer lines, six lift stations, and a wastewater treatment plant
2 that is authorized by North Carolina National Pollutant Discharge Elimination System
3 (“NPDES”) permit NC0071323 to discharge up to 125,000 gallons per day of treated
4 wastewater to the French Broad River.

5 McGill’s preliminary assessment of the work required to address needs in the
6 Etowah system includes installing and replacing pump guide rails and chains on lift
7 stations, installing transfer switches for connection of lift stations to backup power
8 supplies, replacement of lift station pumps, and various other work as detailed below.
9 McGill’s estimate of the probable cost, as of February 2020, of addressing identified needs
10 in the Etowah system was filed with the Commission as Confidential Attachment L to the
11 Joint Application.

12 **Q. WHAT IS THE RATE BASE IN THE UTILITY ASSETS TO BE ACQUIRED**
13 **FROM ETOWAH?**

14 A. Based on our audit team’s review of Etowah’s supporting documentation as well as the
15 Company’s understanding of Public Staff’s valuation, we believe the rate base value of
16 assets to be acquired from Etowah is \$277,423.

17 **Q. WHAT REMEDIAL WORK ON THE ETOWAH SYSTEM DID MCGILL**
18 **RECOMMEND?**

19 A. McGill preliminarily identified serious deficiencies and needs in the Etowah wastewater
20 system. For example, their inspection revealed that of Etowah’s six lift stations, four do
21 not meet the state minimum design criteria for sewer pump stations outlined in 15A NCAC
22 02T .0305, which requires that pump stations have backup power supply with automatic
23 activation, and public restricted access to the site and pump equipment.

1 In order to address operational and/or compliance issues in Etowah’s wastewater
2 treatment system, in February 2020 McGill's recommendations for work to be done
3 initially on this system were as follows:

- 4 1. Purchase portable davit crane or hoist to lift pumps for maintenance. (1-5 years)
- 5 2. Brandymills Lift Station
 - 6 a. Install transfer switches for connection to portable backup power supply (1-5
 - 7 Years)
 - 8 b. Replace pump guide rail and chains. (1-5 Years)
 - 9 c. Install baseplate for portable mounted pump hoist. (1-5 Years)
 - 10 d. Replace Myers 2 HP pumps (6-10 Years)
- 11 3. Jonathan Creek Lift Station
 - 12 a. Replace pump guide rail and chains. (6-10 Years)
 - 13 b. Install baseplate for portable mounted pump hoist. (6-10 Years)
 - 14 c. Replace Hydromatic 5 HP pumps. (6-10 Years)
- 15 4. Sunset Ridge Lift Station
 - 16 a. Install baseplate for portable mounted pump hoist. (1-5 Years)
 - 17 b. Replace pump guide rail and chains. (6-10 Years)
 - 18 c. Replace 2 HP pumps. (6-10 Years)
- 19 5. Meadows Lift Station
 - 20 a. Dewater and clean wet well. (1-5 Years)
 - 21 b. Install transfer switches for connection to portable backup power supply (1-5
 - 22 Years)
 - 23 c. Replace pump guide rail and chains. (1-5 Years)
 - 24 d. Replace control panel enclosures. (1-5 Years)
 - 25 e. Install baseplate for portable mounted pump hoist. (6-10 Years)
 - 26 f. Replace Myers 3 HP pumps. (6-10 Years)
- 27 6. Homeplace Lift Station
 - 28 a. Install transfer switches for connection to portable backup power supply (1-5
 - 29 Years)
 - 30 b. Replace pump guide rail and chains. (1-5 Years)
 - 31 c. Install baseplate for portable mounted pump hoist. (6-10 Years)
 - 32 d. Replace Myers 3 HP pumps. (6-10 Years)
- 33 7. Etowah Reach Lift Station
 - 34 a. Install transfer switches for connection to portable backup power supply (1-5
 - 35 Years)
 - 36 b. Replace pump guide rail and chains. (1-5 Years)
 - 37 c. Install baseplate for portable mounted pump hoist. (6-10 Years)
 - 38 d. Replace Hydromatic 3 HP pumps. (6-10 Years)

39 **Q. AFTER CLOSING, WHAT INVESTMENTS DOES RED BIRD PLAN TO**
40 **MAKE TO ADDRESS ISSUES IN THE ETOWAH SYSTEM?**

1 A. In February 2021, which is well over two years ago, McGill’s estimate of the cost of
2 the work and capital requirements required to address problems and compliance issues with
3 the Etowah wastewater system was \$470,200, consisting of \$141,400 for work on the
4 collection system and \$328,800 for work on the wastewater treatment plant, as shown on
5 Confidential Attachments L, L.1 and L.2 to the Transfer Application filed in these dockets.

6 McGill’s survey of the Etowah system was based on data provided by the seller,
7 information available from public records, and information gathered during a field survey
8 of visible, above-ground assets. McGill’s field survey did not include detailed investigation
9 of system components, any system testing procedures, or an inspection or assessment of
10 pipelines, valves, or other below-ground facilities. For those reasons the survey and capital
11 estimates are preliminary.

12 Regarding the information just discussed, I want to emphasize – and the
13 Commission should keep clearly in mind – these capital estimates are approaching three
14 years old and are still preliminary. If our affiliate group’s ownership and operation of more
15 than 800 water and wastewater systems in ten other states has taught us anything, it’s that
16 we can never be sure exactly what capital investment will be required for repairs and
17 upgrades until we have a chance to operate the systems we acquire. Only then can we truly
18 determine the nature and full extent of the problems those systems face and the most cost-
19 effective ways to address and remedy those problems. I’m certain we will find that true for
20 the Etowah system as well. Whatever problems ultimately are determined to exist and
21 require remediation – problems that equally confront the current owner selling the Etowah
22 system as well as Red Bird or any other party seeking to acquire the Etowah system – Red
23 Bird will fix those problems in the most cost-effective way possible. Our track record

1 outside North Carolina is clear – CSWR does not invest capital it’s not required to invest,
2 and it doesn’t “gold plate” the systems it owns and operates. We invest the capital needed
3 to provide safe, reliable, and environmentally compliant water and wastewater service.
4 That’s the same attitude and track record we will bring to the Etowah system as well.

5 **Q. WHAT IS THE COMPLIANCE HISTORY OF THE ETOWAH SYSTEM?**

6 A. McGill’s report noted that the Etowah “WWTP has received a number of Notices of
7 Violation (“NOVs”) for either failure to meet effluent limits or failure to monitor effluent
8 parameters at the frequency specified in the NPDES permit.” McGill’s report noted that
9 the Etowah WWTP received NOVs in 2017 for Inflow and Infiltration and Severe Natural
10 Condition of the Influent Pump Station; in 2018 for a pipe break and exceeding effluent
11 limits; and another NOV in 2019 for an exceedance of effluent limits. Additionally,
12 according to the EPA’s ECHO database, the system is currently in a state of Significant
13 Noncompliance and has been out of compliance for 11 of the last 12 quarters. The system
14 has had 5 informal enforcement actions against it in the last five years with the most recent
15 being in June of this year. The ECHO database also indicates that the facility has most
16 recently exceeded its BOD limits in Q2 2023 and its fecal coliform limits in Q1 2023.

17 **Q. DOES RED BIRD REQUEST APPROVAL OF AN ACQUISITION**
18 **ADJUSTMENT IN CONNECTION WITH ITS PROPOSED ACQUISITION OF**
19 **THE ETOWAH SYSTEM?**

20 A. Yes. Under the Agreement with Etowah, CSWR agreed to pay [BEGIN
21 CONFIDENTIAL] [REDACTED]
22 [REDACTED]
23 [REDACTED]. [END CONFIDENTIAL] Given the
24 historic and apparently continuing compliance issues with the Etowah system and the

1 benefits accruing to Etowah’s customers from Red Bird’s anticipated estimated investment
2 likely in excess of \$470,200 in the Etowah system, we believe that it is in the best interest
3 of the Etowah customers that the Commission approve the transfer of this system to Red
4 Bird and approve an acquisition adjustment for a reasonable portion of the amount of the
5 purchase price above net book value of the acquired assets.

6 **Q. WHAT IS YOUR UNDERSTANDING OF THE STANDARD FOR APPROVAL**
7 **OF AN ACQUISITION ADJUSTMENT RELATING TO THE ETOWAH**
8 **SYSTEM?**

9 A. I understand from our counsel that the standard set by the Commission in *In the Matter*
10 *of Utilities, Inc.*, Order Approving Transfer And Denying Acquisition Adjustment, Docket
11 W-1000, Sub 5 (January 6, 2000) (“UI Order”), is that approval of an acquisition
12 adjustment requires the party seeking rate base treatment for an acquisition adjustment to
13 establish that the agreed upon purchase price is prudent and that the benefits of including
14 the acquisition adjustment in rate base outweigh any resulting burden to ratepayers.

15 I further understand that the Order in that docket recognized that “a wide range of factors
16 have been considered relevant in attempting to resolve this question, including the
17 prudence of the purchase price paid by the acquiring utility; the extent to which the size of
18 the acquisition adjustment resulted from an arm’s length transaction; the extent to which
19 the selling utility is financially or operationally ‘troubled;’ the extent to which the purchase
20 will facilitate system improvements; the size of the acquisition adjustment; the impact of
21 including the acquisition adjustment in rate base on the rates paid by customers of the
22 acquired and acquiring utilities; the desirability of transferring small systems to
23 professional operators; and a wide range of other factors, none of which have been deemed
24 universally dispositive.” (UI Order p. 27).

1 Distilled to its essence, I understand that this Commission’s standard is that to
2 secure rate base treatment of an acquisition adjustment the purchasing utility must establish
3 “that the price to be paid for the acquired utility is prudent and that both the existing
4 customers of the acquiring utility and the customers of the acquired utility would be better
5 off [or at least no worse off] with the proposed transfer, including rate base treatment of
6 any acquisition adjustment, than would otherwise be the case. (UI Order p. 27).

7 **Q, DOES THE ACQUISITION ADJUSTMENT YOU PROPOSE HERE SATISFY**
8 **THAT STANDARD?**

9 A. Yes. The price to be paid for the Etowah system was negotiated at arm’s length
10 between totally unrelated parties. Etowah would not sell its system to us for any less. The
11 purchase price we agreed to pay is prudent.

12 We also do not seek an acquisition adjustment for the entire purchase price, but
13 rather only for a reasonable portion of the amount of the purchase price that exceeds
14 Etowah’s rate base in the assets to be acquired – which is an acquisition premium in the
15 amount of [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL].

16 Etowah’s customers will be better off if this transaction closes with approval of an
17 acquisition adjustment, because Red Bird is able to invest the capital necessary to address
18 both near term and long term needs in the Etowah system. Those customers will also get
19 the benefit of ownership and operation of this system by an adequately capitalized and
20 professionally run utility.

21 **Q. IF THE COMMISSION APPROVES THE JOINT APPLICATION, IS RED**
22 **BIRD WILLING AND ABLE TO MAKE ANY IMPROVEMENTS NECESSARY**
23 **TO BRING ETOWAH’S SYSTEM UP TO STANDARD AND INTO**
24 **COMPLIANCE WITH APPLICABLE REGULATIONS?**

1 A. Yes. If the Commission grants Red Bird the approval sought in the Joint Application,
2 Red Bird and CSWR are willing and able to invest capital necessary to bring the Etowah
3 system up to standard and into compliance with applicable regulatory and legal
4 requirements. As I described previously, the affiliate group of which Red Bird and CSWR
5 are part has access to the capital necessary to address needs and deficiencies in the Etowah
6 system and to operate that system in a manner that is in the public interest and complies
7 with applicable statutes, rules, and regulations.

8 **Q. WHAT RATES, RULES, AND REGULATIONS WOULD BE IN EFFECT FOR**
9 **THE ETOWAH SYSTEM THAT ARE THE SUBJECT OF THESE DOCKETS?**

10 A. Initially, Red Bird proposes to adopt the tariffs, rules, and rates currently in effect for
11 the Etowah system. However, if the rates for that system prove to be inadequate to cover
12 reasonable and prudent operating costs and provide the opportunity to earn a fair rate of
13 return on our investment in this system - as will likely be the case given that Etowah's rates
14 were set in April 2002, and then reduced effective January 1, 2017, in Dockets W-938, Sub
15 5 and M-100, Sub 138 due to the reduction in the State corporate income tax rate from 4%
16 to 3% - and given that additional capital investment will be needed to address system needs
17 – then Red Bird will petition the Commission to increase rates. Red Bird may also seek
18 authority to eventually consolidate rates of the system that is the subject of these dockets
19 with those of other water and wastewater systems it hopes to acquire and operate in North
20 Carolina.

21 **Q. WHAT IS YOUR UNDERSTANDING REGARDING DETERMINATIONS**
22 **THE COMMISSION TYPICALLY MAKES IN A TRANSFER DOCKET LIKE**
23 **THIS, BEYOND THE ISSUE OF WHETHER RED BIRD HAS THE FINANCIAL,**
24 **TECHNICAL, AND MANAGERIAL ABILITY NECESSARY TO BE ALLOWED**
25 **TO ACQUIRE, OWN AND OPERATE THE ETOWAH SYSTEM?**

1 A. I was surprised to learn that the practice here, when the purchasing utility will adopt
2 the purchased utility's rates, terms and conditions for service, as Red Bird proposes to do
3 with the Etowah system, is that the Commission typically goes beyond the threshold issue
4 of competence and establishes rate base in the acquired assets, as well as the purchaser's
5 due diligence costs associated with the acquisition. Based on our experience in other
6 jurisdictions, and since the approval of this proposed transfer is not a rate making
7 proceeding, I would have expected those issues to be deferred to the Company's initial
8 post-acquisition rate case. That type of deferral is, in effect, what the Commission did
9 when it deferred issues as to Red Bird's interim operating costs in the Ocean Terrace / Pine
10 Knoll Townes docket and would seem to be an appropriate approach in a transfer
11 proceeding such as this one.

12 I also note the law applicable to water and wastewater acquisitions recently changed
13 since the Commission decided the Ocean Terrace / Pine Knoll Townes and Bear Den cases.
14 Changes to N.C.G.S. § 62-111 enacted by the General Assembly during the current
15 legislative session now provide that the Commission "shall issue an order approving an
16 application" to acquire water and wastewater system assets if the proposed acquisition "is
17 in the public interest, will not adversely affect service to the public under any existing
18 franchise, and the person acquiring said franchise . . . has the technical, managerial, and
19 financial capabilities necessary to provide public utility service to the public." By limiting
20 the focus of the Commission's inquiry in acquisition cases I believe the General Assembly
21 has signaled that extraneous issues – such as whether an acquisition adjustment should be
22 approved – should be deferred to a rate case or other post-acquisition proceedings.

1 **Q. WHAT COSTS HAS RED BIRD INCURRED IN CONDUCTING ITS DUE**
2 **DILIGENCE INQUIRY AND INVESTIGATION RELATING TO THE ETOWAH**
3 **SYSTEM?**

4 A. We won't know the total due diligence and transactional costs associated with this (or
5 any other) acquisition until the purchase actually closes. Our experience is that smaller
6 systems often require more due diligence work than larger, better managed systems,
7 because the document management, record keeping, and regulatory compliance tendencies
8 associated with smaller systems tends to be poor and often incomplete, requiring additional
9 efforts to attempt to accurately determine what exists in the ground and in areas that
10 sometimes have not been maintained for decades.

11 The due diligence activities undertaken by Red Bird in connection with the
12 acquisition of the Etowah system included surveying work, legal title work, preliminary
13 civil engineering work, environmental compliance site surveys, and accounting due
14 diligence. As shown on **Cox Direct Exhibit 4**, as of the date of my testimony Red Bird
15 has incurred costs totaling \$317,269.22 for due diligence, transactional and regulatory
16 work related to acquisition of the Etowah system.

17 **Q. WHAT IS THE ROLE OF DUE DILIGENCE INVESTIGATIONS IN**
18 **CONNECTION WITH EVALUATION OF POTENTIAL ACQUISITIONS?**

19 A. Due diligence efforts provide preliminary insight to a potential purchaser as to the
20 condition of a utility system and the problems and issues that must be addressed. As noted
21 above, the full scope and scale of those problems cannot be truly known until we have
22 acquired and begun to operate a system. Due diligence is not a process that is limited to
23 utility acquisitions. Any business considering a significant acquisition routinely conducts
24 due diligence to determine the condition of the assets it proposes to acquire, to confirm that

1 clear title to those assets can be acquired, and to estimate the nature and extent of required
2 future capital investments.

3 The Commission should encourage due diligence in reviewing possible utility
4 acquisitions with the knowledge that not every system that is reviewed will be acquired.
5 This is especially the case with regard to troubled and distressed systems, where investment
6 is required in order to address problems and bring systems into compliance. Without due
7 diligence it would be impossible for Red Bird to acquire systems with a reasonable
8 understanding of what will be required to operate the system in a manner that ensures
9 customers receive safe and reliable utility service provision. Without the basic knowledge
10 our due diligence activities provide about systems we acquire, achieving the objective I
11 just mentioned would be extremely difficult if not impossible. CSWR prudently
12 investigates acquisition opportunities that present themselves and this analysis necessarily
13 involves the expenditure of time by properly trained employees and the use of consulting
14 engineers, lawyers, accountants, and other experts. There are some potential acquisitions
15 which, after proper due diligence, are shown to be not in the best interests of CSWR or its
16 operating subsidiary's ratepayers. Nonetheless, these are legitimate business expenses and
17 this type "opportunity cost" should be shared with ratepayers, just as the benefits of
18 completed acquisitions are shared. These efforts are necessary in order to make prudent
19 acquisition decisions and are a reasonable and necessary part of this process. They also
20 provide information useful in determining whether an acquisition application should be
21 approved. For these and other reasons, Red Bird believes it is reasonable and appropriate
22 that the Company's due diligence costs associated with investigating the Etowah system

1 and transactional costs incurred to this point, as shown in **Cox Direct Exhibit 4**, be
2 included in rate base, subject to being recovered in the Company's first general rate case.

3 Establishing a regulatory policy that such costs are unrecoverable in rates would
4 create a significant disincentive for future acquisitions in North Carolina, including those
5 of troubled and distressed water and/or wastewater systems whose acquisition by
6 competent and adequately capitalized companies like Red Bird clearly is in the public
7 interest. Finally, as for regulatory costs, those are unavoidable because Commission review
8 and approval of public utility acquisitions is required by law. As further evidence of how
9 "mainstream" due diligence and regulatory costs are to transactions such as the one
10 currently under consideration, I note the Uniform System of Accounts for small water and
11 wastewater companies, which was created by NARUC, expressly provides for the
12 capitalization of those costs.

13 **Q. ARE RED BIRD AND CSWR FAMILIAR WITH THE COMMISSION'S**
14 **RULES AND REGULATIONS GOVERNING WATER AND SEWER UTILITIES**
15 **AND DO THOSE COMPANIES PLEDGE TO OPERATE THE SYSTEM AT ISSUE**
16 **IN THIS DOCKET IN A MANNER THAT COMPLIES WITH THOSE RULES**
17 **AND REGULATIONS?**

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

21 **Q. HOW DOES RED BIRD PROPOSE TO SATISFY THE FINANCIAL**
22 **SECURITY REQUIREMENTS IMPOSED BY COMMISSION RULE R7-37?**

23 A. To provide the financial security required by the Commission's rules, Red Bird will
24 post its own bond, to be secured by a corporate surety bond in a form that complies with
25 Commission Rule R7-37.

1 **Q. DO YOU BELIEVE THE PROPOSED TRANSACTION IS IN THE PUBLIC**
2 **INTEREST?**

3 A. Yes. I believe Red Bird's proposed acquisition of the wastewater system currently
4 owned and operated by Etowah will be consistent with and would promote the public
5 interest. Transfer of this system to a well-capitalized enterprise that is a professional utility,
6 will be in the best interest of the Etowah customers. Red Bird and CSWR are fully
7 qualified, in all respects, to own and operate this system and to otherwise provide safe and
8 adequate service.

9 **Q. DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?**

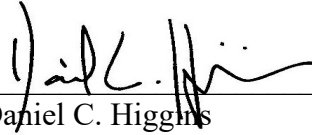
10 A. Yes.

CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the redacted public version of the foregoing document, has been served on all counsel of record for all parties in this docket, if any, and the Public Staff, by either depositing same in a depository of the United States Postal Service, first-class postage prepaid and mailed by the means specified below, or by electronic delivery.

This the 10th day of October, 2023.

BURNS, DAY & PRESNELL, P.A.



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Cox Direct Exhibit 1

Docket Nos.: W-1328, Sub 0 and W-933, Sub 12

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Oct 10 2023

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 at from Washington University in St. Louis, Missouri.

Before joining CSWR, Ms. McMahon worked for both public and private utilities, respectively serving a 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 throughout Louisiana, Kansas, and Arkansas.

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.



MISSOURI
DEPARTMENT OF
NATURAL RESOURCES

Michael L. Parson
Governor

Dru Buntin
Director

June 22, 2023

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Josiah Cox
Confluence Rivers Utility Operating Company, Inc.
1650 Des Peres Road, Suite 303
Des Peres, MO 63131

RE: Confluence Rivers Utility Operating Company

Dear Josiah Cox:

The Missouri Department of Natural Resources regulates approximately 5,000 domestic wastewater treatment systems and approximately 2,700 public water systems in the State that are subject to the Missouri Clean Water Law and the Missouri Safe Drinking Water Law, respectively. The Department's primary goal as the regulatory authority in administering these state laws is to ensure environmental protection and human health and safety against pollution and health risks that may be caused by failing or improperly operating wastewater treatment systems and public water systems. The Department promotes compliance through compliance assistance, education, and, when necessary, enforcement actions. When systems end up in enforcement, it is often a result of limited resources and available solutions, which can sometimes draw cases out over a period of years.

When systems are unable to resolve their technical, managerial, or financial problems, one reliable solution is selling the system to a higher-performing utility operating company. In Missouri, Confluence Rivers Utility Operating Company, Inc. (CRUOC) is one of the few utility operating companies who is willing to acquire some of the most difficult failing systems. CRUOC has consistently taken swift actions after taking control of these systems to bring them into compliance by employing qualified operators, effectively administering and managing the systems, and investing in repairs and upgrades.

CRUOC's willingness to acquire systems with long-standing compliance issues has proven to be beneficial to human health and the environment by bringing many of these systems into compliance with environmental laws. The Department looks forward to continuing to work with CRUOC as it continues to acquire wastewater and public water systems in Missouri, in furtherance of the Department's initiative to encourage regionalization and consolidation of the many private systems in Missouri that are struggling to achieve compliance with laws for the protection of public health and the environment.



If you have any questions regarding this correspondence, you may contact Joe Clayton at Department of Natural Resources, Water Protection Program, Compliance and Enforcement Section, P.O. Box 176, Jefferson City, MO 65102-0176; by phone at 573-522-1120; or by email at cwenf@dnr.mo.gov. Thank you for your cooperation in this matter.

Sincerely,

WATER PROTECTION PROGRAM



Joe Clayton
Compliance and Enforcement Section Chief

JC/ehh

c: Lance Dorsey, Chief, PDWB, Compliance and Enforcement



MISSISSIPPI STATE DEPARTMENT OF HEALTH

March 14, 2023

Commissioner Brent Bailey
MPSC-Central District
Woolfolk Building
501 North West Street
Suite 201A
Jackson, MS 39201

Dear Commissioner Bailey:

The Mississippi State Department of Health's mission is to protect and advance the health, well-being, and safety of everyone in Mississippi. As you are aware, the Bureau of Public Water Supply (Bureau) exists within the Office of Environmental Health to carry out the Department's mission for the safety of the state's drinking water supplies through the implementation and oversight of the federal and state Safe Drinking Water Acts. The Bureau believes, much like the Mississippi Public Service Commission, that citizens of the state should have access to reliable, affordable, and safe drinking water from the state's utilities.

We recognize the PSC's goals in many ways mirror those of the Bureau. We acknowledge the recent coordinated efforts our agencies have taken to improve the service and water quality of a few of the more troubled water systems in the state. We anticipate future opportunities of continued collaboration to assist customers in need with their water systems.

The Bureau sees many emerging opportunities where our agencies could encourage utilities to merge and consolidate management, services and/or physical connection. Through our continued cooperation and funding the Legislature is considering, we hope our partnership can expedite consolidation and regionalization opportunities. These situations would give opportunities for citizens without safe drinking water the ability to get it or may allow citizens with safe drinking water to obtain higher quality drinking water. These consolidation efforts could include utilities/private investors buying poorly performing utilities.

As you may be aware, Great River Utility Company has recently acquired several drinking water systems across the state. Great River Utility has worked closely with the Bureau's compliance and field staff to maintain compliance with the various rules and regulations of the Safe Drinking Water Act. A viable entity such as Great River Utility desiring to help problematic drinking water systems by investing in them for improved services to citizens is very appreciated and supported by the Bureau.

We believe the Bureau's coordination with the PSC to identify problematic drinking water systems and to identify long-term solutions, such as those offered by entities like Great River, is very beneficial to our shared goals and objectives.

The Bureau appreciates Great River Utilities' commitment to improved regulatory compliance, and the Bureau remains committed to our partnership with PSC to find sensible and feasible solutions to shared problems. If we may be of additional service to the PSC, please do not hesitate to contact us.

Sincerely,



William F. Moody, P.E., BCEE
Director, Bureau of Public Water Supply

Cox Direct Exhibit 4 Docket Nos. W-1328, Sub 0 and W-933, Sub 12

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OCT-10-2023

Vendor	Inv #	Date	Amount	PSI Acct	Service Area	Type
McGill Associates, P.A.	19.00346-8890	12/31/2021	24,144.00	183.001	NC-Etowah	W&S
21 Design Group Inc.	14545	7/11/2022	24,120.64	183.001	NC-Etowah	Sewer
21 Design Group Inc.	14092	6/8/2022	22,680.85	183.001	NC-Etowah	W&S
21 Design Group Inc.	15656	9/13/2022	17,066.48	183.001	NC-Etowah	Sewer
McGill Associates, P.A.	21.00317-11740	12/31/2021	16,505.00	183.001	NC-Etowah	W&S
McGill Associates, P.A.	19.00346-9133	12/31/2021	16,259.00	183.001	NC-Etowah	W&S
McGill Associates, P.A.	21.00317- 12021	12/31/2021	14,265.00	183.001	NC-Etowah	W&S
21 Design Group Inc.	15195	8/15/2022	11,869.83	183.001	NC-Etowah	Sewer
21 Design Group Inc.	16186	10/19/2022	11,073.59	183.001	NC-Etowah	Sewer
21 Design Group Inc.	19414	4/5/2023	10,545.73	183.001	NC-Etowah	Sewer
Beckemeier LeMoine Law	75-036	3/1/2022	9,945.60	183.002	NC-Etowah	W&S
21 Design Group Inc.	20012	6/13/2023	9,606.08	183.001	NC-Etowah	Sewer
McGill Associates, P.A.	21.00317-10883	12/31/2021	8,403.00	183.001	NC-Etowah	W&S
McGill Associates, P.A.	21.00317-11437	12/31/2021	8,205.00	183.001	NC-Etowah	W&S
Black, Slaughter & Black, PA	208686	12/31/2021	7,022.50	183.002	NC-Etowah	W&S
McGill Associates, P.A.	21.00317-11148	12/31/2021	5,272.00	183.001	NC-Etowah	W&S
Valbridge Property Advisors	19.06.27-A	12/31/2021	5,000.00	183.001	NC-Etowah & Golf Systems - NC	W&S
The Beckemeier Law Firm LC	75-010	12/31/2021	4,765.00	183.002	NC-Etowah	W&S
McGill Associates, P.A.	19.00346-7051	12/31/2021	4,271.25	183.001	NC-Etowah	W&S
21 Design Group Inc.	5423	12/31/2021	3,922.50	183.001	NC-Etowah	W&S
McGill Associates, P.A.	21.00317-13114	12/31/2021	3,845.00	183.001	NC-Etowah	W&S
Beckemeier LeMoine Law	75-027	12/31/2021	3,752.00	183.002	NC-Etowah	W&S
McGill Associates, P.A.	21.00317-13666	1/15/2022	3,220.00	183.001	NC-Etowah	W&S
McGill Associates, P.A.	21.00317-12883	12/31/2021	2,925.00	183.001	NC-Etowah	W&S
21 Design Group Inc.	5717	12/31/2021	2,806.25	183.001	NC-Etowah	W&S
McGill Associates, P.A.	21.00317-12320	12/31/2021	2,760.00	183.001	NC-Etowah	W&S
Beckemeier LeMoine Law	75-038	6/1/2022	2,496.00	183.002	NC-Etowah	W&S
Law Firm Carolinas	247578	6/1/2022	2,424.11	183.002	NC-Etowah	W&S
McGill Associates, P.A.	19.00346-7310-B	12/31/2021	2,342.25	183.001	NC-Etowah	W&S
McGill Associates, P.A.	19.00346-7310	12/31/2021	2,342.25	183.001	NC-Etowah Sewer	W&S
Black, Slaughter & Black, PA	221657	12/31/2021	2,294.04	183.002	NC-Etowah	W&S
Law Firm Carolinas	258615 NC	7/1/2023	2,000.00	183.002	NC-Etowah	Sewer
Beckemeier LeMoine Law	75-049	4/1/2023	1,952.00	183.002	NC-Etowah	Sewer
21 Design Group Inc.	6015	12/31/2021	1,918.75	183.001	NC-Etowah	W&S
Beckemeier LeMoine Law	75-039	6/8/2022	1,753.60	183.002	NC-Etowah	W&S
Burns, Day & Presnell, P.A.	68417	12/31/2021	1,745.00	183.002	NC-Etowah	W&S
Beckemeier LeMoine Law	75-050	4/3/2023	1,532.50	183.002	NC-Etowah	W&S
McGill Associates, P.A.	19.00346-13386	12/15/2021	1,500.00	183.001	NC-Etowah	Sewer
Burns, Day & Presnell, P.A.	71647	12/31/2021	1,466.67	183.002	NC-Etowah	W&S
Beckemeier LeMoine Law	75-046	1/4/2023	1,428.80	183.002	NC-Etowah	W&S
McGill Associates, P.A.	21.00317-17614	3/1/2023	1,380.00	183.001	NC-Etowah	Sewer
21 Design Group Inc.	18112	2/9/2023	1,348.20	183.001	NC-Etowah	Sewer
McGill Associates, P.A.	19.00346-9408	12/31/2021	1,331.50	183.001	NC-Etowah	W&S
Burns, Day & Presnell, P.A.	69832	12/31/2021	1,303.39	183.002	NC-Etowah	W&S
McGill Associates, P.A.	19.00346-6790	12/31/2021	1,269.30	183.001	NC-Etowah	W&S
Beckemeier LeMoine Law	75-037	5/1/2022	1,196.80	183.002	NC-Etowah	W&S
Beckemeier LeMoine Law	75-040	6/30/2022	1,187.20	183.002	NC-Etowah	W&S
The Beckemeier Law Firm LC	75-017	12/31/2021	1,150.00	183.002	NC-Etowah	W&S
Burns, Day & Presnell, P.A.	69700	12/31/2021	1,080.21	183.002	NC-Etowah	W&S
The Beckemeier Law Firm LC	75-009	12/31/2021	1,070.00	183.002	NC-Etowah	W&S
McGill Associates, P.A.	19-00346-9592	12/31/2021	1,000.00	183.001	NC-Etowah	W&S
McGill Associates, P.A.	19.00346-8664	12/31/2021	915.00	183.002	NC-Etowah	W&S
Burns, Day & Presnell, P.A.	71093	12/31/2021	867.68	183.002	NC-Etowah	W&S
21 Design Group Inc.	11137	12/31/2021	862.50	183.001	NC-Etowah	W&S
21 Design Group Inc.	6856	12/31/2021	846.25	183.001	NC-Etowah	W&S

Beckemeier LeMoine Law	75-023	12/31/2021	840.00	183.002	NC-Etowah	W&S
Burns, Day & Presnell, P.A.	69213	12/31/2021	830.00	183.002	NC-Etowah	W&S
21 Design Group Inc.	13259	4/1/2022	830.00	183.001	NC-Etowah	Sewer
Burns, Day & Presnell, P.A.	73268	8/31/2022	786.25	183.002	NC-Etowah	W&S
Burns, Day & Presnell, P.A.	71248	12/31/2021	744.17	183.002	NC-Etowah	W&S
Burns, Day & Presnell, P.A.	71446	12/31/2021	708.34	183.002	NC-Etowah	W&S
Beckemeier LeMoine Law	75-022	12/31/2021	708.00	183.002	NC-Etowah	W&S
21 Design Group Inc.	19786	4/30/2023	618.50	183.001	NC-Etowah	Sewer
The Beckemeier Law Firm LC	75-007	12/31/2021	612.00	183.002	NC-Etowah	W&S
21 Design Group Inc.	6295	12/31/2021	566.25	183.001	NC-Etowah	W&S
21 Design Group Inc.	6597	12/31/2021	561.25	183.001	NC-Etowah	W&S
21 Design Group Inc.	18599	3/8/2023	560.00	183.001	NC-Etowah	Sewer
21 Design Group Inc.	12747	3/1/2022	540.00	183.001	NC-Etowah	Sewer
The Beckemeier Law Firm LC	75-019	12/31/2021	452.50	183.002	NC-Etowah	W&S
Beckemeier LeMoine Law	75-028	12/31/2021	448.00	183.002	NC-Etowah	W&S
21 Design Group Inc.	4088	12/31/2021	405.00	183.001	NC-Etowah	W&S
Burns, Day & Presnell, P.A.	70885	12/31/2021	391.95	183.002	NC-Etowah	W&S
The Beckemeier Law Firm LC	75-011	12/31/2021	387.00	183.002	NC-Etowah	W&S
21 Design Group Inc.	16717	11/17/2022	381.15	183.001	NC-Etowah	Sewer
Burns, Day & Presnell, P.A.	72562	4/25/2022	361.25	183.002	NC-Etowah	Sewer
Burns, Day & Presnell, P.A.	74261	3/1/2023	361.25	183.002	NC-Etowah	W&S
Burns, Day & Presnell, P.A.	72394	3/25/2022	340.00	183.002	NC-Etowah	W&S
Burns, Day & Presnell, P.A.	74718	6/1/2023	318.75	183.002	NC-Etowah	Sewer
21 Design Group Inc.	4360	12/31/2021	307.50	183.001	NC-Etowah	W&S
Burns, Day & Presnell, P.A.	70066	12/31/2021	277.66	183.002	NC-Etowah	W&S
Burns, Day & Presnell, P.A.	74870	7/20/2023	276.25	183.002	NC-Etowah	Sewer
Beckemeier LeMoine Law	75-035	2/1/2022	274.80	183.002	NC-Etowah	W&S
21 Design Group Inc.	5058	12/31/2021	262.50	183.001	NC-Etowah	W&S
21 Design Group Inc.	7090	12/31/2021	240.00	183.001	NC-Etowah	W&S
The Beckemeier Law Firm LC	75-006	12/31/2021	236.50	183.002	NC-Etowah	W&S
21 Design Group Inc.	8949	12/31/2021	232.50	183.001	NC-Etowah	W&S
Burns, Day & Presnell, P.A.	72177	2/1/2022	212.50	183.002	NC-Etowah	W&S
The Beckemeier Law Firm LC	75-004	12/31/2021	208.50	183.002	NC-Etowah	W&S
Beckemeier LeMoine Law	75-021	12/31/2021	197.50	183.002	NC-Etowah	W&S
McGill Associates, P.A.	19.00346-10894	12/31/2021	183.00	183.001	NC-Etowah	W&S
Beckemeier LeMoine Law	75-041	8/8/2022	182.40	183.002	NC-Etowah	W&S
Beckemeier LeMoine Law	75-054	7/31/2023	160.00	183.002	NC-Etowah	Sewer
The Beckemeier Law Firm LC	75-008	12/31/2021	151.50	183.002	NC-Etowah	W&S
Law Firm Carolinas	262676	5/1/2023	150.00	183.002	NC-Etowah	Sewer
Burns, Day & Presnell, P.A.	73126	8/12/2022	148.75	183.002	NC-Etowah	W&S
Beckemeier LeMoine Law	75-047	2/1/2023	128.00	183.002	NC-Etowah	W&S
The Beckemeier Law Firm LC	75-013	12/31/2021	125.00	183.002	NC-Etowah	W&S
Black, Slaughter & Black, PA	228780	12/31/2021	125.00	183.002	NC-Etowah	W&S
Beckemeier LeMoine Law	75-045	1/1/2023	121.60	183.002	NC-Etowah	W&S
21 Design Group Inc.	7717	12/31/2021	120.00	183.001	NC-Etowah	W&S
21 Design Group Inc.	13667	7/1/2022	120.00	183.001	NC-Etowah	W&S
21 Design Group Inc.	10675	12/31/2021	117.50	183.001	NC-Etowah	W&S
Black, Slaughter & Black, PA	226628	12/31/2021	112.50	183.002	NC-Etowah	W&S
The Beckemeier Law Firm LC	75-016	12/31/2021	112.00	183.002	NC-Etowah	W&S
Burns, Day & Presnell, P.A.	72612	5/13/2022	106.25	183.002	NC-Etowah	Sewer
The Beckemeier Law Firm LC	75-012	12/31/2021	106.00	183.002	NC-Etowah	W&S
Beckemeier LeMoine Law	75-052	6/1/2023	103.00	183.002	NC-Etowah	Sewer
The Beckemeier Law Firm LC	75-018	12/31/2021	91.00	183.002	NC-Etowah	W&S
McGill Associates, P.A.	19.00346-7605	12/31/2021	90.00	183.001	NC-Etowah	W&S
21 Design Group Inc.	11145	12/31/2021	88.75	183.001	NC-Etowah	W&S
21 Design Group Inc.	5239	12/31/2021	86.25	183.001	NC-Etowah	W&S

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The Beckemeier Law Firm LC	75-003	12/31/2021	86.00	183.002	NC-Etowah	W&S
Beckemeier LeMoine Law	75-026	12/31/2021	86.00	183.002	NC-Etowah	W&S
Burns, Day & Presnell, P.A.	72943	6/30/2022	85.00	183.002	NC-Etowah	W&S
21 Design Group Inc.	17322	1/1/2023	69.30	183.001	NC-Etowah	W&S
Beckemeier LeMoine Law	75-043	10/3/2022	60.80	183.002	NC-Etowah	W&S
21 Design Group Inc.	7387	12/31/2021	57.50	183.001	NC-Etowah	W&S
Beckemeier LeMoine Law	75-025	12/31/2021	56.00	183.002	NC-Etowah	W&S
The Beckemeier Law Firm LC	75-014	12/31/2021	50.00	183.002	NC-Etowah	W&S
The Beckemeier Law Firm LC	75-015	12/31/2021	50.00	183.002	NC-Etowah	W&S
Burns, Day & Presnell, P.A.	73979	1/31/2023	42.50	183.002	NC-Etowah	W&S
21 Design Group Inc.	15013	8/2/2022	30.00	183.001	NC-Etowah	Sewer
Beckemeier LeMoine Law	75-020	12/31/2021	29.50	183.002	NC-Etowah	W&S
21 Design Group Inc.	4616	12/31/2021	28.75	183.001	NC-Etowah	W&S
21 Design Group Inc.	4821	12/31/2021	28.75	183.001	NC-Etowah	W&S
21 Design Group Inc.	3616	12/31/2021	28.75	183.001	NC-Etowah	W&S
21 Design Group Inc.	10976	12/31/2021	18.75	183.001	NC-ETOWAH	W&S

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