

March 26, 2021

**VIA ELECTRONIC MAIL**

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Mr. William Grantmyre

Ms. Megan Jost

NCUC - Public Staff

4326 Mail Service Center

Raleigh, NC 27699-4326

**Re: Transfer of Bear Den Acres Development, Inc. to Red Bird Utility Operating Company, LLC, d/b/a Red Bird Water  
Docket Nos.: W-1040, Sub 10 and W-1328, Sub 4**

Dear Mr. Grantmyre and Ms. Jost:

I write to follow up on our recent conference call with the Public Staff team reviewing the Application for Transfer of the utility system and assets of Bear Den Acres, as well as those of several other utilities, to Red Bird Operating Company, LLC ("Red Bird"). Based on that conversation as to aspects of this Application and supporting materials that you identified as either being inadequate and requiring supplementation, or which the Public Staff believes should have been filed publicly, Red Bird provides the following additional materials and information in an effort to address and resolve the Public Staff's concerns.

1. Enclosed is an Amended Page 4 to the Transfer Application form, which supplements the information previously provided in Attachment C to the Transfer Application as to revenues and expenses for the year ending December 31, 2020. This will be filed publicly with the Commission.
2. Enclosed is an Amended Page 5 to the Transfer Application form which supplements the information previously provided in Attachment C to the Transfer Application as to the Original Cost of the Utility System. Amended Page 5 contains all responsive information that Red Bird has been able to obtain from the seller utility. This will be filed publicly with the Commission.
3. Enclosed is Attachment L.1, which supplements the information previously provided as Attachment L in response to the Transfer Application form's request on Page 7 of the Application form. This provides information as to major improvements/additions/



replacements required in the next five years and the next ten years, and the estimated cost of such. This will be filed publicly with the Commission.

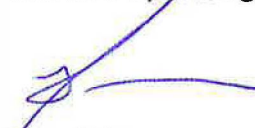
4. Enclosed is Attachment E.1, which supplements the information previously provided as Attachment E. Attachment E.1 consists of a pro forma five-year projection of cash flow; a pro forma five-year income statement specific to the Bear Den system; and a list of the assumptions underlying the income projections. This is provided pursuant to Item 3 on page 7 of the Transfer Application form. This will be filed publicly with the Commission.
5. Attachment E.2 is a pro forma balance sheet for Red Bird Water, which is being filed publicly.
6. Confidential Attachment E.3 is the Consolidated Financial Statement for Red Bird's parent, Central States Water Resources, LLC, and its subsidiaries. This is being filed with the Commission confidentially.
7. Enclosed is Attachment O, which is a list of the utility assets to be acquired from Mountain Air Utilities. This will be filed publicly with the Commission.

Red Bird would very much hope that, with this additional information, the Public Staff will consider the Company's application complete as filed for the reasons set forth above.

If you have any questions, please do not hesitate to contact me at (314) 380-8595 or at [rmitten@cswrgroup.com](mailto:rmitten@cswrgroup.com).

Sincerely yours,

Red Bird Operating Company, LLC



Russ Mitten  
General Counsel

cc: Public Staff - Water, Sewer and Telephone  
Public Staff - Accounting  
Public Staff - Engineering  
Public Staff - Legal