



**EZELL LAW FIRM, LLC**

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**RECEIVED**

August 27, 2025

**AUG 27 2025**

LA Public Service Commission

Mr. Brandon Frey  
Executive Secretary  
Louisiana Public Service Commission  
602 North Street  
Galvez Building, 12<sup>th</sup> Floor  
Baton Rouge, LA 70802

Re: Magnolia Water Utility Operating Company, LLC  
Request for Letter of Non-Opposition to the Sale or  
Transfer of All or Substantially All of the Wastewater  
System Assets Operated by Bison Water & Wastewater,  
LLC to Magnolia Water Utility Operating Company, LLC.

Dear Mr. Frey:

Please find enclosed an original and three copies of Magnolia Water Utility Operating Company, LLC's Petition for Non-Opposition to the sale of the wastewater system assets operated by Bison Water & Wastewater, LLC. After review, please see that a docket is opened in connection with this filing and that notice is placed in the Official Bulletin on September 12, 2025. Further, we ask that you exercise your discretion pursuant to Rule 19 of the Commission's Rules and shorten the period to protest this application from twenty-five (25) to fifteen (15) days. Upon filing, we request that the Records Division date stamp and return one copy to our courier.

If you have any questions concerning this filing, please so notify me.

Sincerely,

Andrew B. Ezell  
Ezell Law Firm, LLC

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|-------------|--------------------|-------------|
| ROUTE TO    | <i>Bull-15 day</i> | ROUTE FROM  |
| DEPT. _____ | DATE <i>8/28</i>   | DEPT. _____ |
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AUG 27 2025

LA Public Service Commission

BEFORE THE  
LOUISIANA PUBLIC SERVICE COMMISSION

MAGNOLIA WATER UTILITY  
OPERATING COMPANY, LLC, EX PARTE

DOCKET NO.

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In re: Request for Letter of Non-Opposition to the Sale or Transfer of All or Substantially All of the Wastewater System Assets Operated by Bison Water & Wastewater, LLC to Magnolia Water Utility Operating Company, LLC.

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**PETITION FOR NON-OPPOSITION TO THE TRANSFER OF  
ALL OR SUBSTANTIALLY ALL OF THE WASTEWATER SYSTEM ASSETS  
OPERATED BY BISON WATER & WASTEWATER, LLC TO MAGNOLIA WATER  
UTILITY OPERATING COMPANY, LLC**

**SELLER: Bison Water & Wastewater, LLC**  
**BUYER: Magnolia Water Utility Operating Company, LLC**

***Overview***

In accordance with the March 18, 1994, *General Order* regarding approval of sales and other changes in ownership or control of public utilities subject to Louisiana Public Service Commission (“Commission”) jurisdiction, Magnolia Water Utility Operating Company, LLC (“Magnolia”) seeks an order of approval or non-opposition from the Commission to the transfer and assignment by Bison Water & Wastewater, LLC (hereafter “Seller” or “Bison”), of all or substantially all of the assets and property comprising its wastewater utility system currently providing regulated wastewater service to customers in De Soto Parish (the “System”).

***Background***

Magnolia is a Louisiana limited liability company, in good standing, formed to acquire the assets of water and wastewater utilities in Louisiana and to own and operate those assets as a public water and wastewater utility subject to the Commission’s regulatory jurisdiction. Magnolia currently serves approximately 50,530 wastewater connections and approximately 20,517 water connections in regulated systems in parishes throughout Louisiana. Magnolia is part of an affiliate group that includes Central States Water Resources, Inc. (“Central States”), a Missouri corporation in good standing, CSWR, LLC (“CSWR”), a Missouri limited liability company in good standing, and several other companies, some of which currently operate small water or wastewater utilities in Missouri, Kentucky, Louisiana, Texas, Tennessee, Mississippi, North Carolina, South Carolina, Florida, Arizona, and Arkansas. A chart showing the companies in the affiliate group is attached hereto as Exhibit A. The significance of those affiliate relationships to the proposed transaction is discussed in greater detail below. The principal address of Central States and CSWR is 1630 Des Peres Road, Suite 140, Des Peres, MO 63131. The principal address of Magnolia is 10761 Perkins Road, Suite A, Baton Rouge, LA 70810.

Seller is a regulated wastewater provider, currently providing wastewater services to approximately 219 equivalent residential connections in the Griffen Estates (approximately 113 residential and 4 commercial connections, or 129 equivalent residential units) and Plantation Hills (approximately 70 residential and 5 commercial, or 90 equivalent residential units) subdivisions in De Soto Parish. Bison is a Louisiana limited liability company, in good standing, whose principal office address is 1513 Nubin Ridge Rd., Converse, LA 71419.

### ***Contact Information for Service***

All notices and other official documents for Magnolia related to the application should be sent to the attention of:

Andrew B. Ezell,  
c/o Ezell Law Firm, LLC,  
10761 Perkins Road, Suite A,  
Baton Rouge, Louisiana 70810  
aezell@ezellfirm.com

Andrew K. Nicolas,  
c/o Ezell Law Firm, LLC,  
10761 Perkins Road, Suite A,  
Baton Rouge, Louisiana 70810  
anicolas@ezellfirm.com

Russ Mitten, General Counsel  
1630 Des Peres Road, Suite 140,  
Des Peres, MO 63131  
rmitten@cswrgroup.com

Aaron Silas  
1630 Des Peres Road, Suite 140,  
Des Peres, MO 63131  
asilas@cswrgroup.com

All notices and other official documents for Bison related to the application should be sent to the attention of:

Mr. Timothy Bryson, Manager  
P.O. Box 615  
Stonewall, LA 71078  
[tbryson067@gmail.com](mailto:tbryson067@gmail.com)

### ***Request***

The Seller proposes to sell, transfer and assign to Magnolia all of its franchises, works, operations, systems, land and related improvements, easements, rights-of-way, permits, leases, service

facilities, equipment, machinery, lines, plant, pipes, manholes and appurtenances, supplies, and other assets used to provide regulated wastewater services to the System. Magnolia and Seller have entered into a formal Purchase and Sale Agreement (“Sale Agreement”), as well as an two (2) amendments thereto, specifying the terms of the proposed transaction, which are attached hereto as **Exhibit B** and incorporated herein by reference. In accordance with Rule 12.1 of the Commission’s Rules of Practice and Procedure, **Exhibit B** has been designated “Confidential” because it contains information regarding strategies employed in contract negotiations and other competitively sensitive information.

The purchase price of the System as set out in **Exhibit B** is based on the net book value of the assets plus the appraised value of the System’s real property and was agreed upon between Magnolia and Bison through an arms-length negotiation. Magnolia notes that there are no transactional costs in excess of the purchase price associated with the transaction other than usual and customary legal costs and expenses.

The proposed transaction is scheduled to close no later than forty-five ( 45) days after the effective date of any necessary regulatory authority approval, satisfaction of Seller’s Representations and Warranties and Conditions Precedent set forth in **Exhibit B**, and Magnolia having obtained financing under terms acceptable to Magnolia in its sole discretion, or at such other time as the parties may mutually agree. During the period between the date of the Commission’s order and the scheduled closing date, Seller and Magnolia will cooperate to satisfy all remaining closing conditions specified in the Sale Agreement and take other steps necessary to ensure the proposed sale does not adversely affect customers. At closing, Magnolia will adopt and provide service in accordance with tariff rates and fees currently in effect for Seller.

The need to comply with increasingly stringent federal and state health and environmental regulations has imposed cost and compliance burdens small wastewater utilities are finding difficult, if not impossible, to bear. Difficulty in securing capital necessary to make investments or expenditures for improvements required to bring their systems into full regulatory compliance has forced many such utilities to seek buyers for those systems whose technical, managerial, and financial resources make them better able to bear those burdens. This motivation is especially strong for system owners, particularly developers, whose primary business is not the operation of regulated water or wastewater utilities.

Magnolia is the type of qualified buyer that small system operators and developers seek out to assure that customers receive safe, efficient and reliable water and wastewater operations and service. Through its relationship with CSWR (which acts as a service company for the group) and other companies within the affiliate group, Magnolia has access to highly skilled technical, managerial, and financial experts and resources not usually available to small water and wastewater companies. Magnolia’s access to CSWR’s personnel provides extensive experience in the technical, managerial and financial aspects of the utility industry, particularly small systems, and also innovative operational, marketing, and customer service programs that provide high quality advanced services at fair and reasonable rates.

## ***Compliance and Capital Improvements***

Magnolia is a Commission-authorized operator of water and wastewater systems in Louisiana. Magnolia is compliant with regard to the Commission's Annual Reporting and Inspection and Supervision Fee requirements.

Magnolia currently operates numerous small to mid-size water and wastewater systems throughout the state. Thus far, most of the systems Magnolia has acquired, have experienced some degree of operational neglect, with several recording numerous, and oftentimes ongoing violations of applicable health and environmental regulations. Significant capital improvements have been completed in many of the systems currently operated by Magnolia, and most are operating in full compliance with the rules and regulations of all applicable regulatory authorities. Those systems currently not in compliance are being systematically brought into compliance. Magnolia's systems are currently operated pursuant to agreements with the Louisiana Department of Environmental Quality and the Louisiana Department of Health and Hospitals concerning the timing and methodology required to bring troubled systems into post-acquisition compliance.

While Magnolia is still conducting its due diligence, and an Engineering Memorandum has not yet been prepared, Magnolia has determined that the System assets were recently constructed, with the Griffin Estates facility entering service in 2018 and the Plantation Hills facility entering service in 2019. Both facilities are generally known to be in sound condition and compliant with applicable regulations, with each having a fairly minimal violation history. Magnolia is nonetheless prepared to address any and all compliance issues, if any, and complete any capital improvements necessary relating to the System anticipated by this filing.

## ***Analysis of 18 Points***

As previously noted, consummation of the proposed transfer of assets is contingent upon receipt of Commission approval of the transaction. To secure approval of the transaction, Magnolia provides the following information required by the March 18, 1994, *General Order*.

1. The proposed transfer of assets to Magnolia is in the public interest. Magnolia and its affiliates have the technical, managerial, and financial expertise and experience necessary to own and operate the utility assets it proposes to acquire and ready access to sufficient financial resources to make necessary capital investments and expenditures, if necessary, required to comply with current and future health and environmental regulations. Moreover, Magnolia is committed to providing customers safe, efficient and reliable service at fair and reasonable rates.
2. Magnolia is ready, willing, and able to provide safe, reliable, and adequate service to customers of the system it proposes to acquire and to do so at rates that are fair and reasonable.
3. Magnolia's only business is ownership and operation of small water and wastewater systems. Further, because of its ability to readily access any capital necessary to bring the subject systems into compliance with health and environmental regulations and operate the

System in a manner consistent with those regulations, Magnolia's acquisition of the system assets will certainly enhance the financial condition of the System.

4. Magnolia has determined that the System assets were recently constructed, with the Griffin Estates facility entering service in 2018 and the Plantation Hills facility entering service in 2019. Both facilities are generally known to be in sound condition and compliant with applicable regulations, with each having a fairly minimal violation history. While Magnolia is still conducting its due diligence, and an Engineering Memorandum has not yet been prepared, Magnolia will make any necessary improvements and is committed to operate the System in a manner which ensures that customers receive safe, efficient and reliable service at a fair price. The Griffin Estates wastewater system operates under LPDES General Permit number/Agency Interest Number LAG570579/194334 and the Plantation Hills wastewater system operates under LPDES General Permit number/Agency Interest Number LAG570605/200650, both of which were issued by the Louisiana Department of Environmental Quality and will be transferred to Magnolia following the acquisition.
5. Authorizing Magnolia to acquire the System will bring both short and long-term benefits for customers. Technical, managerial, and financial resources available from its affiliates will enable Magnolia to quickly identify and remedy any deficiencies in the operation or management of the System. Also, because of economies of scale available to Magnolia as an affiliate of CSWR, Magnolia can access and utilize those resources at a lower cost than would otherwise be available to a stand-alone company. As explained below, Magnolia's affiliate group also has access to funds required to make capital investments and expenditures necessary to ensure the System provides safe, efficient and reliable service that complies with all applicable health and environmental regulations.
6. The transaction would not adversely affect competition because Seller is the only wastewater utility authorized to serve customers within its service area.
7. As noted elsewhere herein, personnel from CSWR and Magnolia have far greater technical and managerial experience and financial expertise than is available to most small wastewater utilities. This personnel would be actively involved in overseeing Magnolia's day-to-day operations and in planning any system improvements and additions necessary to provide safe, efficient and reliable service. As a result of the involvement of these highly skilled and experienced utility professionals, the quality of service that Magnolia can provide to customers will be greatly enhanced.
8. Magnolia intends to hire a qualified and experienced third-party contractor to manage and operate the System day-to-day. Should Seller have any qualified employees, Magnolia intends to require the third-party contractor to offer employment to any such employees of Seller.
9. The proposed transfer would be fair and reasonable to Bison's members, as evidenced by the fact that its Manager negotiated the financial terms of the transaction and executed the Sale Agreement on behalf of Bison. Further, Magnolia and Seller have no other business

relationship or family affiliations. The terms of the transaction satisfy both Magnolia and Seller and are the result of fair, arms-length negotiation.

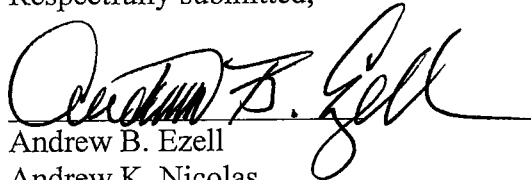
10. The proposed transaction will have an overall positive effect on state and local economies. From a local property tax standpoint, the transfer of assets should have no adverse effect on state or local taxing authorities. If the transaction is approved, only the identity of the taxpayer would change. And overall, the proposed transaction should prove beneficial to the state of Louisiana and the local communities where Seller's customers reside. All of those entities have an interest in ensuring their citizens receive safe, efficient, and reliable wastewater services at fair and reasonable rates. Authorizing Magnolia to acquire Seller's assets would produce that desired result.
11. Magnolia concedes the Commission's authority to regulate its rates and operations in the manner prescribed by Louisiana law. Therefore, the proposed transfer would have no effect on the Commission's jurisdiction over the System.
12. Neither Seller nor Magnolia anticipates any adverse consequences to customers or other interested stakeholders if the Commission approves the transaction proposed in the petition. Both parties are committed to ensuring the sale of assets is concluded and operational authority over those assets is transferred in a manner that is as transparent as possible and causes no adverse effects to customers.
13. Magnolia was formed for the purpose of acquiring and operating water and wastewater utilities in Louisiana. It has a very good track record of regulatory compliance in Louisiana. Further, Central States, through its work with other companies within Magnolia's affiliated group, has compiled an enviable record of acquiring severely distressed systems, bringing them into compliance, and then successfully operating those systems in full compliance with health and environmental regulations. Affiliated companies within the group operating in Missouri, Kentucky, Louisiana, Texas, Tennessee, Mississippi, North Carolina, South Carolina, Florida, and Arizona have a good customer service and operating reputation with utility regulators in each state. Arkansas, the other state where Magnolia's affiliates currently operate, does not regulate rates or operations of small water and wastewater utilities.
14. Through its affiliated group, Magnolia has ready access to capital required to make necessary investments and expenditures in the subject System. CSWR will provide the equity financing necessary to make the proposed asset acquisition. Ongoing capital needs will be financed through debt from providers approved by the Commission on terms and conditions that accurately reflect the current state of this System. Current plans envision a capital structure for Magnolia consisting of fifty percent (50%) equity and fifty percent (50%) debt. Magnolia's consolidated income statement and balance sheet for 2024 is attached to the petition as **Exhibit D** and incorporated by reference. In accordance with Rule 12.1 of the Commission's Rules of Practice and Procedure, **Exhibit D** has been designated "Confidential" because it contains competitively sensitive information.

15. Based on its initial due diligence efforts, Magnolia has determined that the System serves approximately 219 equivalent residential connections and was recently constructed, with the Griffin Estates facility entering service in 2018 and the Plantation Hills facility entering service in 2019. Both facilities are generally known to be in sound condition and compliant with applicable regulations, with each having a fairly minimal violation history. A more detailed description of the System, as well as recommended improvements, if any, will be contained in an Engineering Memorandum that Magnolia will provide to the Commission upon completion.
16. Magnolia's affiliates always hire a qualified and experienced third-party contractor to manage and operate the subject wastewater system day-to-day and will ensure the contractor's personnel have or obtain all required health, safety, and other permits.
17. Magnolia, through CSWR, will purchase Seller's assets and finance ongoing capital needs through a combination of debt and equity. The debt portion of Magnolia's capital investment will be on terms and conditions approved by the Commission, so the asset purchase would not encumber Magnolia's assets in any material way.
18. The acquisition of assets proposed in the petition is fair and reasonable in all respects. Consequently, the Commission should not impose or attach any conditions to the transaction.

### ***Conclusion***

Therefore, based on the information provided herein, including Magnolia's answers to the 18 Points and the assertion that Magnolia is ready, willing, and able to provide the customers of the System with safe, reliable, and adequate service, Magnolia prays that the Commission find the proposed transfer of assets to be in the public interest and issue an order approving or not opposing the transaction.

Respectfully submitted,



Andrew B. Ezell

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***Counsel for Magnolia Water Utility  
Operating Company, LLC***