



March 19, 2026

RECEIVED

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

LA Public Service Commission

Re: Magnolia Water Utility Operating Company, LLC
Request for Letter of Non-Opposition to the Sale and
Transfer of Water and Wastewater System Assets by Booth
Environmental Services, 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 Request for Letter of Non-Opposition to the Sale and Transfer of Water and Wastewater System Assets by Booth Environmental Services, LLC to Magnolia Water Utility Operating Company, 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 March 27, 2026. 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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DEPT. bull DATE 3/19 DEPT. _____
DEPT. _____ DATE _____ DEPT. _____

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

RECEIVED

MAR 19 2026

MAGNOLIA WATER UTILITY
OPERATING COMPANY, LLC, EX PARTE

DOCKET NO. LA Public Service Commission

In re: Request for Letter of Non-Opposition to the Sale and Transfer of Water and Wastewater System Assets by Booth Environmental Services, LLC to Magnolia Water Utility Operating Company, LLC.

**PETITION FOR LETTER OF NON-OPPOSITION TO THE SALE AND TRANSFER OF
THE WATER AND WASTEWATER SYSTEM ASSETS BY BOOTH
ENVIRONMENTAL SERVICES, LLC TO MAGNOLIA WATER UTILITY
OPERATING COMPANY, LLC**

SELLER: Booth Environmental Services, 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 Booth Environmental Services, LLC (hereafter “Seller” or “Booth”), of all or substantially all of the assets and property comprising two (2) regulated water utility systems, one (1) regulated wastewater utility system and one (1) unregulated water utility system, all providing service to customers in Calcasieu Parish, Louisiana (the “Systems”).

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 public utilities subject to the Commission’s regulatory jurisdiction. Magnolia currently serves approximately 59,541 wastewater connections and approximately 28,821 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.

Booth provides regulated water service to approximately two hundred and seventy (270) residential connections in the Oak Meadow and Garden Heights subdivisions and regulated wastewater service to approximately one hundred and fifteen (115) residential connections in the Oak Meadow Subdivision. Booth also provides unregulated water service to approximately thirty-four (34) residential connections in the East Park subdivision. All three of the aforementioned subdivisions are located in Calcasieu Parish, Louisiana. Booth is a Louisiana limited liability company, in good standing, whose principal office address is 1320 E. Gauthier Road, Lake Charles, LA 70607.

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,
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Baton Rouge, Louisiana 70810
aezell@ezellfirm.com

Andrew K. Nicolas,
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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 T&C related to the application should be sent to the attention of:

Ian Booth, Member and Authorized Representative
Booth Environmental Services, LLC
1320 E. Gauthier Road
Lake Charles, LA 70607
partners@boothenvironmental.com

Rick J. Norman, Esq.

Taylor, Porter, Brooks & Phillips LLP
146 East Street
Lake Charles, LA 70608
rick.norman@taylorporter.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 and unregulated water and/or wastewater services to the Systems. Magnolia and Seller have entered into a formal purchase and sale agreement (“Sale Agreement”) specifying the terms of the proposed transaction, which is 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 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 Booth’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 Booth and Magnolia may mutually agree. During the period between the date of the Commission’s order and the scheduled closing date, Booth 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 both the Oak Meadow and Garden Heights subdivisions, as these systems are currently regulated by the Commission. The East Park subdivision is not, however, so Magnolia will provide services to its residents in accordance with Magnolia’s existing statewide tariff.

The need to comply with increasingly stringent federal and state health and environmental regulations has imposed cost and compliance burdens small water and 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 currently operates numerous water and wastewater systems throughout the state. Thus far, most of the systems Magnolia has acquired, if not all, 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.

Analysis of 18 Points

As previously noted, consummation of the proposed transfer of assets is contingent upon receipt of Commission approval to 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 bring the Systems into compliance 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 Systems 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 Systems in a manner consistent with those regulations, Magnolia's acquisition of the system assets will certainly enhance the financial condition of the Systems.
4. The Systems Magnolia proposes to acquire have been operational for some time and have logged several violations of health and environmental regulations in the past. The water systems have issued numerous boil advisories, most of which have been resolved. Although Magnolia is still conducting its due diligence, the Systems appear to be in decent

condition, but reinvestment will be necessary to ensure that the Systems' future operation will be in full compliance with all applicable regulations. These system improvements, coupled with Magnolia's commitment to operate the Systems in a manner which ensures that customers receive safe, efficient and reliable service at a fair price, will combine to provide a high overall quality of service to customers of the Systems. The Oak Meadow wastewater system operates under LPDES General Permit number LAG560066 and AI number 17941 issued by the Louisiana Department of Environmental Quality. The water systems operate under the following Public Water System Identification numbers issued by the Louisiana Department of Health: LA1019079 (East Park), LA1019018 (Garden Heights) and LA1019018 (Oak Meadow). Each of the aforementioned permits will be transferred to Magnolia following the acquisition.

5. Authorizing Magnolia to acquire the Systems 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 subject Systems. 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 investment and expenditures necessary to ensure the Systems provide safe, efficient and reliable service that complies with all applicable health and environmental regulations.
6. The transaction would not adversely affect competition because Booth is the only water and/or wastewater utility authorized to serve customers within its service area.
7. As noted elsewhere herein, personnel from Central States and CSWR have far greater technical, managerial, and financial expertise and experience than is available to most small water and wastewater utilities. These personnel would be actively involved in overseeing Magnolia's day-to-day operations and in assisting the company 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 improved and enhanced.
8. Magnolia's experienced, inhouse personnel will manage and operate the Systems day-to-day. Should Seller have any qualified employees, Magnolia intends to offer employment to any such employees of Seller.
9. The proposed transfer would be fair and reasonable to Booth's members, as evidenced by the fact that one of its Members, who is also the company's Authorized Representative, negotiated the financial terms of the transaction and executed the Sale Agreement. Further, Magnolia and Booth have no other business relationship or family affiliations. The terms of the transaction satisfy both Magnolia and Booth 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 Booth's customers reside, who all have an interest in ensuring their citizens receive safe, adequate, and reliable water and wastewater services at fair and reasonable rates. Authorizing Magnolia to acquire Booth'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 Systems.
12. Neither Booth 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 systems. 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 these Systems. 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 hereto as **Exhibit C** and incorporated by reference. In accordance with Rule 12.1 of the Commission's Rules of Practice and Procedure, Exhibit C has been designated "Confidential" because it contains competitively sensitive information.
15. Based on its initial due diligence efforts, Magnolia has determined that the Systems currently operated by Booth serve approximately 304 water connections and 115 wastewater connections, all of which are residential. Although the Systems appear to be in decent condition, some capital investment and expenditures will be necessary to ensure

that the Systems' future operation will be in full compliance with all applicable regulations. 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 Systems in a manner which ensures that customers receive safe, efficient and reliable service at a fair price.

16. Magnolia's experienced, inhouse personnel will manage and operate the Systems day-to-day and will ensure its 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 Systems 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,


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

Central States Water Resources Corporate Entity Organizational Chart

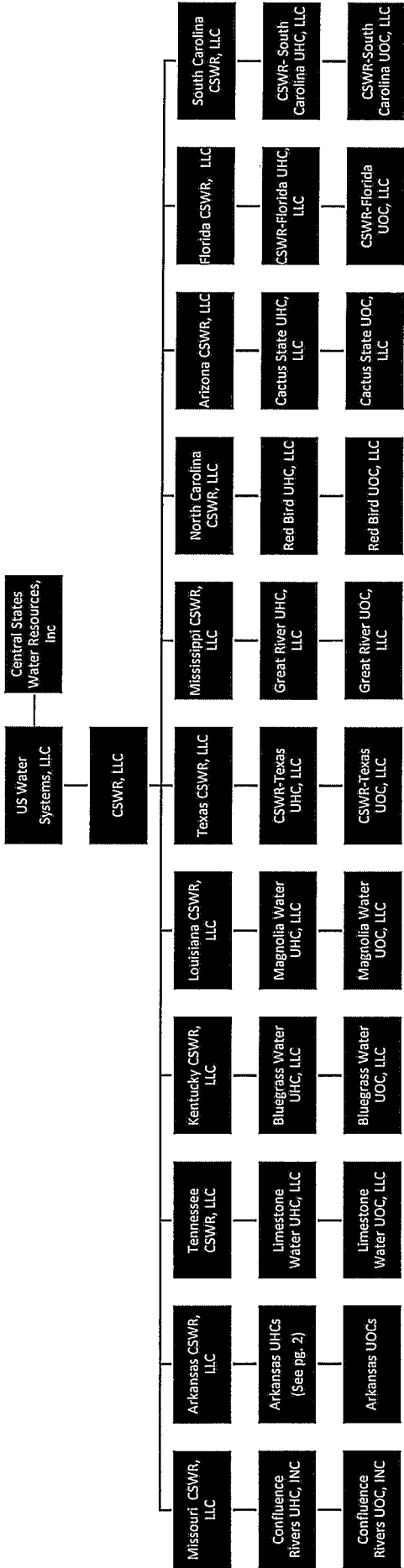


EXHIBIT B - PUBLIC

In accordance with Rule 12.1 of the Louisiana Public Service Commission's Rules of Practice and Procedure, this exhibit has been designated "confidential" and submitted under seal as it contains information regarding strategies employed in contract negotiations and other competitively sensitive information.

EXHIBIT C - PUBLIC

In accordance with Rule 12.1 of the Louisiana Public Service Commission's Rules of Practice and Procedure, this exhibit has been designated "confidential" and submitted under seal as it contains information regarding strategies employed in contract negotiations and other competitively sensitive information.