



## Louisiana Public Service Commission

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December 2, 2025

LA PUBLIC SERVICE COMM  
DEC 05 2025 PM 02:33

### **VIA EMAIL TO:**

Magnolia Water Utility Operating Company, LLC  
Andrew B. Ezell  
Ezell Law Firm, LLC  
10761 Perkins Road, Suite A  
Baton Rouge, LA 70810  
Email: [aezell@zellfirm.com](mailto:aezell@zellfirm.com)  
Phone: (225)763-2272

***Re: Docket No. S-37739, Magnolia Water Utility Operating Company, LLC, ex parte. In re: Request for Letter of Non-Opposition to the transfer of the wastewater system assets of the Timberwood Estates Unit 2 subdivision to Magnolia Water.***

Mr. Ezell,

This letter is in response to the application of Magnolia Water Utility Operating Company, LLC (“Magnolia” or the “Company”) requesting that the Louisiana Public Service Commission (“Commission”) issue a letter of non-opposition with respect to the transfer of the wastewater system assets of the Timberwood Estates Unit 2 subdivision (“Timberwood”), located in Ouachita Parish, from JHC Development, LLC (“JHC” or the “Seller”) to Magnolia.

In considering your application, Staff reviewed the following:

- 1) The application, including all attachments, filed on September 29, 2025;
- 2) Notice of publication in the Commission’s Official Bulletin No. 1360, dated October 10, 2025;

- 3) The Company's responses to each of the 18 factors as set forth in the March 18, 1994 General Order ("18 Factors"); and,
- 4) The Company's responses to Staff's data requests.

As stated above, the request was published in the Commission's Official Bulletin No. 1360, dated October 10, 2025 to provide an opportunity for interested persons opposed to the transaction to file opposition thereto. The intervention period of fifteen days elapsed with no opposition.

After reviewing the responses to each of the 18 Factors, attachments to the Company's application, responses to Staff's data requests, and the fact that no opposition was filed, Staff finds that the transfer is in the public interest.<sup>1</sup> As described in the application, the transfer of the wastewater systems is in the public interest because Magnolia will provide safe, adequate, and reliable water service to its customers post transfer. Further, the transfer will benefit the customers of JHC by improving the quality of the services rendered.

Therefore, based on the information provided by Magnolia, and pursuant to the Commission's constitutional authority,<sup>2</sup> the Commission hereby issues its non-opposition to the transaction, subject to the terms and conditions detailed below. This approval is conditioned upon Magnolia complying with the following conditions, within the timeframes allotted, otherwise the letter of non-opposition will be considered null and void:

1. Should the Utility Services Agreement be modified in any way, prior to closing, the newly revised agreement shall be filed into the record of this proceeding no later than five (5) business days before closing.
2. Magnolia shall file a copy of all signed agreements and accounting journal entries used to record the transfer of the Seller's system assets into the record of this Docket with thirty (30) days of closing.
3. Within sixty (60) days of issuance of this Commission Letter of Non-Opposition, Magnolia shall file into the record of this proceeding proof of change in ownership and operating permit(s) filed with and approved by LDEQ.
  - i. Within 15 days of filing proof with the Commission, Magnolia shall file with Commission's Utilities Division and into this docket an updated tariff which adds the JHC Development, LLC, Timberwood Estates Unit 2 subdivision wastewater system to Magnolia's existing tariff.

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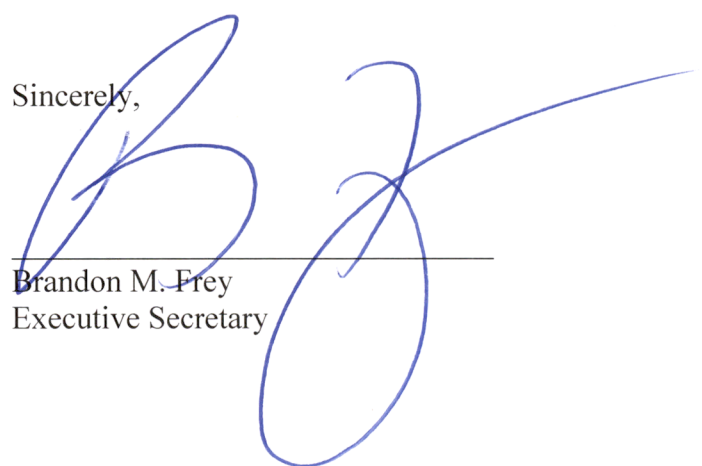
<sup>1</sup> For additional analysis of the information provided, please see Audit Staff's Memorandum attached as Exhibit 1 hereto.

<sup>2</sup> The Commission's authority can be found in Article IV, Section 21(B) of the Louisiana Constitution.

4. Seller shall provide Magnolia with all financial information, customer lists, and any other information pertaining to the wastewater systems at the closing of the transaction.
5. This approval is made without prejudice to the authority of the Commission to make investigations and require any reasonably necessary change that the Commission may legally find to be in the public interest.

The Commission reserves its right to rescind its letter of non-opposition if circumstances substantially changed since the issuance of this letter of non-opposition. If you have any questions or wish to discuss, please contact Paul Rachal at (225) 219-5724.

Sincerely,



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Brandon M. Frey  
Executive Secretary

BMF/PR/DM

Cc: Service List (via email only)  
Records (via hand delivered)

LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET S-37739



MAGNOLIA WATER UTILITY OPERATING COMPANY, LLC, EX PARTE

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*In re: Request for a Letter of Non-Opposition to the transfer of the wastewater system assets of the Timberwood Estates Unit 2 subdivision to Magnolia Water.*

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STAFF MEMORANDUM

*Company's Request*

On September 29, 2025, Magnolia Water Utility Operating Company, LLC (“Magnolia” or the “Company”) filed an application (“Application”) requesting that the Louisiana Public Service Commission (“LPSC” or the “Commission”) issue a letter of non-opposition to the sale and transfer of the JHC Development, LLC (“JHC” or “Seller”) Timberwood Estates Unit 2 subdivision wastewater system assets. Notice was published in the Commission’s Official Bulletin No. 1360, dated October 10, 2025. No interventions were filed.

Magnolia is a Louisiana Limited Liability Company whose principal office is located at 500 Northwest Plaza Drive, Suite 500, St. Ann, Missouri, 63704. Magnolia is a fully-owned subsidiary of Central States Water Resources (“CSWR”), which is a Missouri for-profit Corporation. Magnolia applied for and was granted authority by the LPSC to operate as a utility providing water and wastewater services in Docket Nos. S-35197 and S-35198 on August 5, 2019.

JHC is a Louisiana Limited Liability Company whose principal office is located at 3816 Cypress Street, West Monroe, LA 71291. JHC is a developer who built infrastructure to provide wastewater services to 41 residential connections in the Timberwood Estates Unit 2 Subdivision located in Ouachita Parish. At this point in time there are no customers as of yet as this is a newly built subdivision.

In their Application, Magnolia is proposing to buy and JHC, is proposing 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.

In support of the application, the Company submitted the following documents:

- Responses to the eighteen points in accordance with the March 18, 1994 General Order.
- A copy of the Utility Services Agreement.
- Responses to Staff's Data Requests.
- CSWR Consolidated Financial Statements.

### ***Commission Authority***

The Commission exercises jurisdiction in this proceeding pursuant to Article IV, Sec. 21 of the Louisiana Commission.

**La. Const. Art. IV. Sec. 21** provides in pertinent part:

The commission shall regulate all common carriers and public utilities and have such other regulatory authority as provided by law. It shall adopt and enforce reasonable rules, regulations and procedures necessary for the discharge of its duties, and shall have other powers and perform other duties as provided by law.

Pursuant to this authority, the Commission issued its **March 18, 1994 General Order**, as amended ("1994 General Order"), which requires utilities to respond to the eighteen (18) points. The 1994 General Order provides on pertinent part:

No utility or common carrier subject to the jurisdiction of the Louisiana Public Service Commission shall sell, assign, lease, transfer, mortgage, or otherwise dispose of or encumber the whole or any part of its franchise, works, property, or system, nor by any means direct or indirect, merge or consolidate its utility works, operations, systems, franchises, or any part thereof, nor transfer control or ownership of any assets, common stock or other indicia of control of the utility to any other person, corporation, partnership,

limited liability company, utility, common carrier, subsidiary, affiliated entity or any other entity, nor merge or combine with another person, corporation, partnership, limited liability company, utility, common carrier, subsidiary, affiliated company or any other entity, or divide into two or more utilities or common carriers, where the values involved in such action exceed one percent (1%) of the gross assets of such regulated utility or common carrier, or subsidiary thereof, nor in any way commit itself to take such action or affect any right, interest asset, obligation, stock ownership, or control, involved in such action without prior full disclosure of the prior intent and plan of such utility or common carrier with regard to such action and without prior official action of approval or official action of non-opposition by the Louisiana Public Service Commission. This section is intended to apply to any transfer of the ownership and/or control of the public utilities and common carriers regardless of the means used to accomplish that transfer.

In determining whether to approve any such transfer of ownership or control the Commission shall take into account the following factors[.]

### *Staff Review*

Magnolia provided Staff with its responses to the eighteen (18) points, summarized below:

- Magnolia is committed to operating and upgrading the assets of the utility system in a prudent and fiscally responsible manner to the highest possible level of customer service and satisfaction.
- Magnolia is committed to providing safe, reliable, dependable, and adequate service to its utility customers in Louisiana.
- The transfer of the Timberwood Estates Unit 2 wastewater assets will not have a negative effect on any local competition.
- Magnolia will
- Magnolia has stated the Company has available capital required to make necessary investments and expenditures in the system should they become necessary.
- The system is a newly built wastewater system that will provide service to 41 service connections. The transfer will result in Commission jurisdiction over the System.

Audit Staff reviewed the initial application, responses to Staff's Formal Data Requests, accompanying exhibits including Magnolia's financial statements, Utility Services Agreement, and the Operating Agreement for Magnolia's 3<sup>rd</sup> party contractor. Audit Staff concurs with the Company's assessment of the eighteen (18) points that was submitted to Staff. Audit Staff agrees that the acquisition of the Seller's wastewater assets is in the public interest as the sale will relieve a willing seller of duty to operate the utility assets and provide a significant investment in physical plant should it become necessary. As is customary, Staff contacted the Louisiana Department of Environmental Quality ("LDEQ") for information regarding any non-compliance issues for the existing tie in system that Magnolia intends to connect the system to. As it stands there are no open non-compliance orders regarding the tie in system. There is currently in place an Administrative Order on Consent Agreement for upgrades to improve the plant.

### ***Audit Analysis of the 18 Points***

Staff generally agrees with Magnolia's responses to the 18 points, as summarized below:

- Staff finds that the transfer is in the public interest.
- Staff finds that because Magnolia has the necessary access to capital, the Company will be able to ensure the system's compliance.
- Staff finds that Magnolia has both the experience and expertise in successfully managing a significant number of water and wastewater systems, and that experience will ultimately improve the quality of service of the affected ratepayers.
- Audit Staff finds that the transfer will preserve the jurisdiction of the Commission and its ability to effectively regulate and audit the utility operations in the State of Louisiana.

### ***Staff Recommendation***

Based on Staff's review of the application, the accompanying financials, the responses to the eighteen (18) points in accordance with the Commission General Order dated March 18, 1994, and other Exhibits presented, Staff believes that the transfer of JHC Development, LLC, assets to Magnolia is in the best interest of the ratepayers. Accordingly, Staff issues this Letter of Non-Opposition, granting Magnolia the right to acquire the assets of JHC Development, LLC, wastewater system subject to the following:

1. Should the Utility Services Agreement be modified in any way, prior to closing, the newly revised agreement shall be filed into the record of this proceeding no later than five (5) business days before closing.
2. Magnolia shall file a copy of all signed agreements and accounting journal entries used to record the transfer of the Seller's system assets into the record of this Docket with thirty (30) days of closing.
3. Within sixty (60) days of issuance of this Commission Letter of Non-Opposition, Magnolia shall file into the record of this proceeding proof of change in ownership and operating permit(s) filed with and approved by LDEQ.
  - i. Within 15 days of filing proof with the Commission, Magnolia shall file with Commission's Utilities Division and into this docket an updated tariff which adds the JHC Development, LLC, Timberwood Estates Unit 2 subdivision wastewater system to Magnolia's existing tariff.
4. Seller shall provide Magnolia with all financial information, customer lists, and any other information pertaining to the wastewater systems at the closing of the transaction.
5. This approval is made without prejudice to the authority of the Commission to make investigations and require any reasonably necessary change that the Commission may legally find to be in the public interest.

**Service List for S-37739  
as of 12/2/2025**

**Commissioner(s)**

Jean-Paul P. Coussan

Mike Francis

Davante Lewis

Foster L. Campbell

Eric Skrmetta

**LPSC Staff Counsel**

T. Paul Rachal, LPSC Staff Attorney

**LPSC Staff**

Donnie Marks, LPSC Utilities Division

Dylan McGee, LPSC Auditing Division

**Applicant :**

**Timberwood Estates Unit 2 Subdivision by  
JHC Development LLC.**

Jonathan M. Hill

JHC Development, LLC

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West Monroe, LA 71291

Email: [jonathan@jhillconstruction.com](mailto:jonathan@jhillconstruction.com)

**Applicant :**

**Magnolia Water Utility Operating Company, LLC**

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