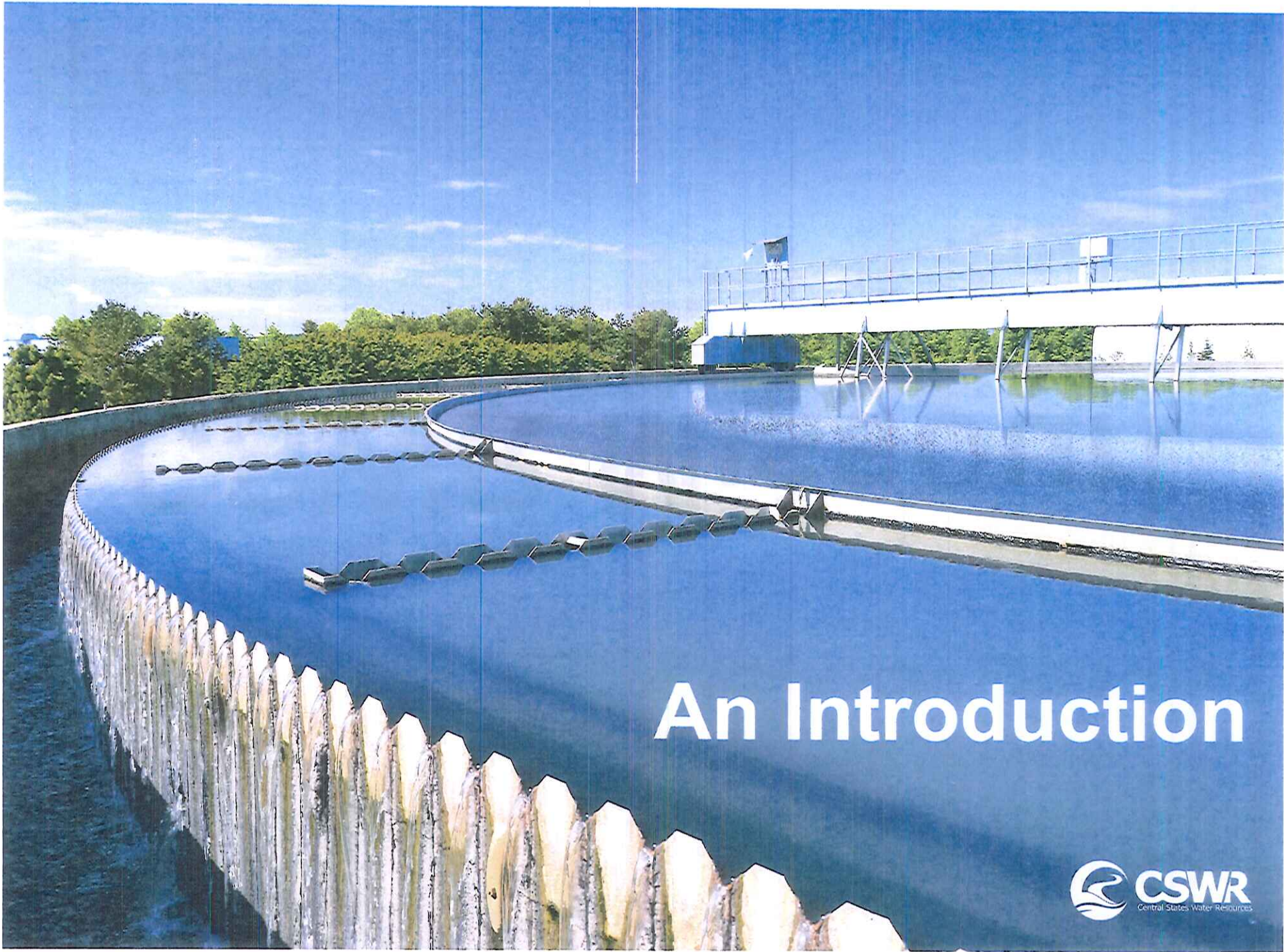


CSWR Missouri

November 2021





An Introduction



America's Water Crisis



One in every four Americans is exposed to potentially unsafe drinking water or wastewater systems.

18% of the U.S. population (60 million people) don't drink or trust their tap water.

"A Crisis of Confidence in America's Tap Water" – WSJ 10/21

America's Water Crisis

- Water systems across the U.S. often lack staff, expertise and funding to address critical water safety, reliability and quality standards.
- Most water systems have been in operation between 50 - 100 years, often leading to unsafe and environmentally damaging conditions including hazardous lead levels and E.coli contamination.



Our Mission



Bring safe, reliable and environmentally responsible water resources to every community in the U.S.



SAFE WATER, HEALTHY COMMUNITIES

-  **CSWR OWNED SYSTEMS**
-  **FILED ACQUISITION CASES**
CURRENTLY NOT OWNED
-  **PURCHASE AGREEMENTS SIGNED**
NO ACQUISITION CASES FILED YET

Executive Leadership



Josiah Cox, President

Experienced and deeply passionate water utility industry executive committed to transforming how water utilities use technology and innovation to ensure every community in the U.S. has access to clean, safe and reliable water resources.



Marty Moore, Chief Financial Officer

Operationally focused, longtime corporate finance executive with deep experience in mergers and acquisitions and leading multi-unit, rapid growth, private equity and venture-backed enterprises.



Jo Anna McMahon, Director, Environment, Health & Safety

Longtime water utility executive leading company-wide standards of excellence across more than 300 CSWR systems.



Todd Thomas, Senior Vice President

Experienced water resource management executive and engineer committed to the development and distribution of safe, clean and reliable water resources.



Chelsie Carter, Manager Customer Experience

Experienced utility customer service manager bringing over 20 years of experience in providing exceptional customer service.



Mike Duncan, Vice President

Business operations and technology innovation and implementation leader.



Russ Mitten, General Counsel

General Counsel with deep experience representing utilities and telecommunications in diverse regulatory environments.

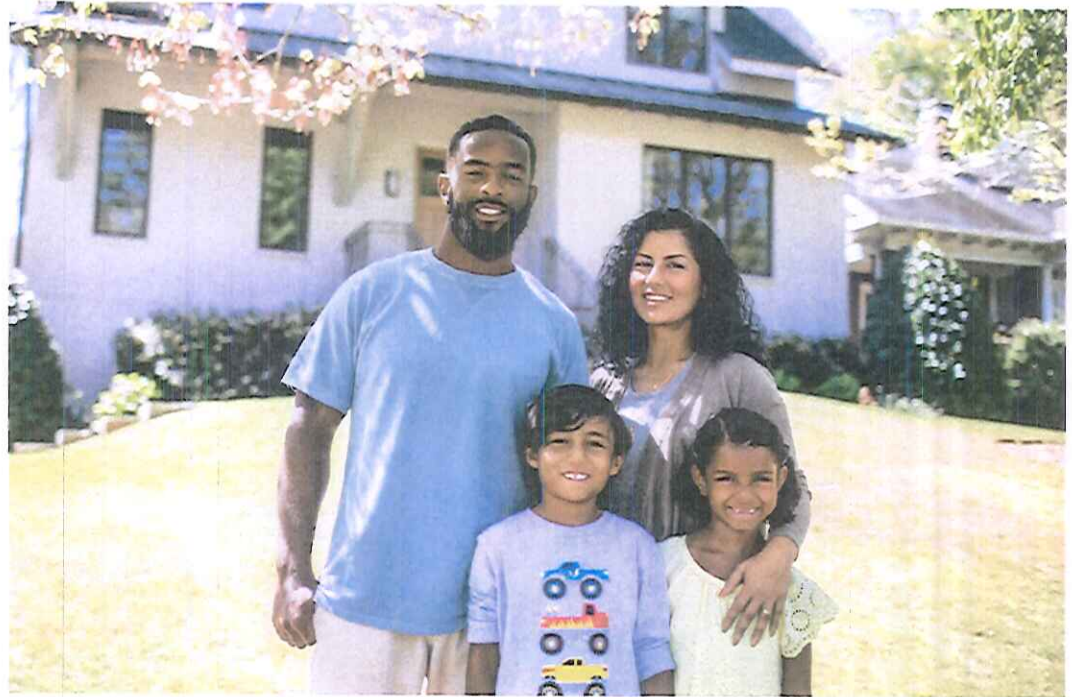


Customers First



Customers First

- We are a dedicated team of 85 full-time personnel serving 91,500 customers.
- Our connection of service isn't just to an account, but to a human being, a family, a home or a business.
- Our promise begins and ends with reliability — safe and reliable water, 365 days a year.



Effective Communication



Central States Water Resources
May 13 at 12:00 PM

#WaterWednesday! That's enough water to fill a ton of cups!
Did you know...

IN THE U.S., 3.9 TRILLION GALLONS OF WATER ARE CONSUMED PER MONTH.

Central States Water Resources
February 8 at 12:00 PM


Access to water is vital for people, plants and the ecosystem. See how solving a water crisis helps communities and its residents.
<https://bit.ly/3a17aak>



Teen Scientist Seeks Solution to Water Crisis
"I was using them as a shampoo, and I was thinking, 'Okay, if the

- Consistent, transparent conversations are essential.
- We go beyond what is required by regulation and focus on supporting our customers' interests and needs.
- We use tools like in-person conversations, direct mail, email, NextDoor, Facebook, Twitter, LinkedIn, 24-hour phone availability, our blog and more.

Magnolia Water
Communications Manager Kaitia W. • 13 Apr



Magnolia Water UOC: Flash Flood Watch. For regional weather service in New Orleans, you receive a Flash Flood Watch starting at noon today (4/12) through Thursday (4/13). High-rain intensity infiltrates into the wastewater system, maintaining water level during these storms lowers the hydraulic load on the system.

Subscribers of Magnolia Water

Like Comment Share 6041 interactions

James K. • 10 Apr
Thank you!
Like Reply Share 1

Communications Manager Kaitia W. • Magnolia Water
You're welcome, J! - Kaitia, Communications Manager
Like Reply Share

James K. • 10 Apr
I don't mind that you're in Louisiana!
Like Reply Share 1

William K. • 10 Apr
Good luck with the company!
Like Reply Share 2





CUSTOMER EXPERIENCE

Services that are available to our customers.



WATER SERVICE



24/7 CUSTOMER SERVICE



SEWER SERVICE



WATER CONSERVATION TIPS

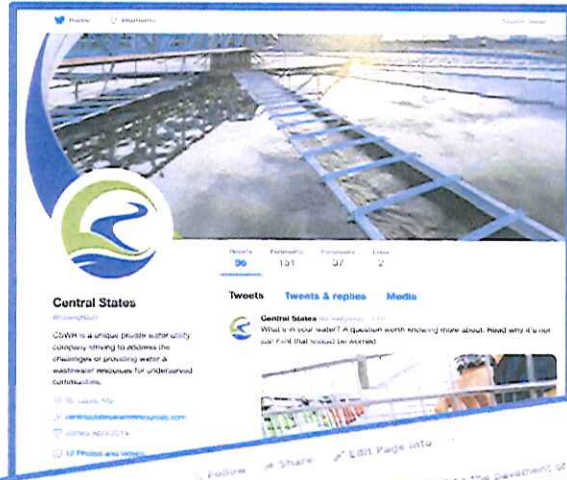


ONLINE BILL PAY

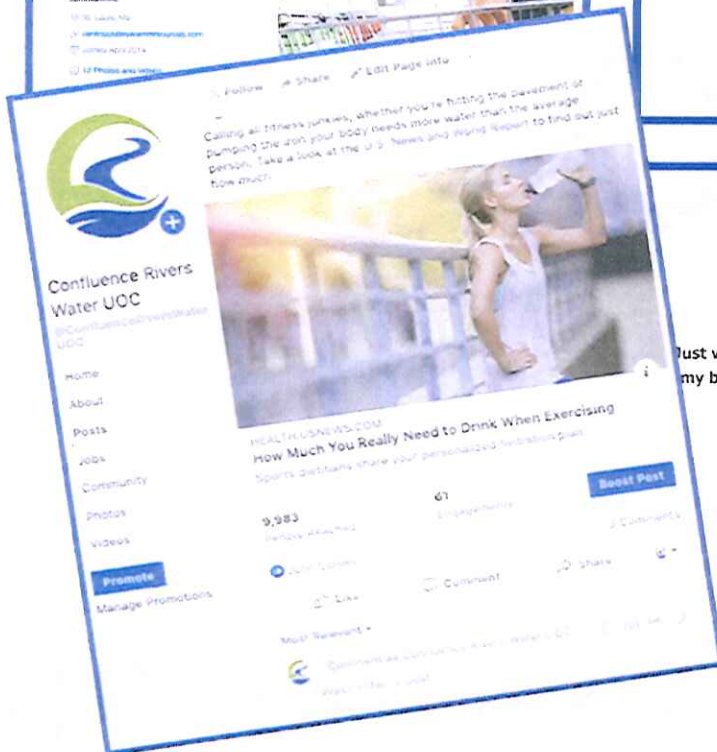


ENVIRONMENTAL STEWARDSHIP

Customer Experience



“
 Our family appreciates what you have taken on and how you folks are trying to repair and upgrade a totally neglected system. I have lived next to this tank for almost 30 years. I contacted DEQ (the Water Quality Department) and voiced our opinion on your company - it may make no difference at all but I have seen the effort you folks have made since day one. Most folks would never have purchased something in such neglect and disrepair. Yes I thought you were crazy to take it on but have been more than impressed with the effort so far.
 ”
 - A Coast Meadows Customer



“
 Just wanted you to know that since the new water pump was installed my bath water is looking so much better. Thank you thank you!!! You deserve to know you did a great job...I appreciate your responsiveness!
 ”
 - H2O Money Hill Customer



“
 Just want to give Magnolia Water a HUGE shout out!!! We were switched from MODAD to Magnolia Water around March/April and so far no complaints. The bill is even cheaper! But today they really outdid themselves! Casually checking my mail and noticed they put this nice privacy fence up around our sewage system. This may not seem like a big deal to most, but as a homeowner who lives directly next door to this sewage system (for almost 5 years)- IT IS A BIG DEAL! And I'm sooo excited about it!!! It's something my husband & I have wished for since moving in, but we eventually put our own fence up. Thank you sooo much Magnolia Water! I'm sure our neighbors will appreciate it as well 😊 I tried to find a picture of the system before we put our fence up and this is the best I could find vs now with the privacy fence!! Have to show the pics so y'all can understand my appreciation post 🙌🙌🙌
 ”
 - Jennie Bowers
 21 Comments
 Like Comment Share
 Aaron Bowers Nice
 Like Reply
 Jeffery Allen Imler Noticed that today also. I'm sure it will help with the noise of the pump near you also. I've got tye schools in our back yard. Would be nice if that was the same. Baby steps. Seems like they are a good company!
 Like Reply



Our Process



Priorities

Services

✓
Safe, clean,
and reliable
drinking water

✓
Reliable
wastewater
conveyance
and treatment

✓
24/7 customer
service and
emergency
response

✓
Best in class
billing and
payment
options

Rate Stability

✓
Rates set and
regulated by state
commissions



Improving Communities

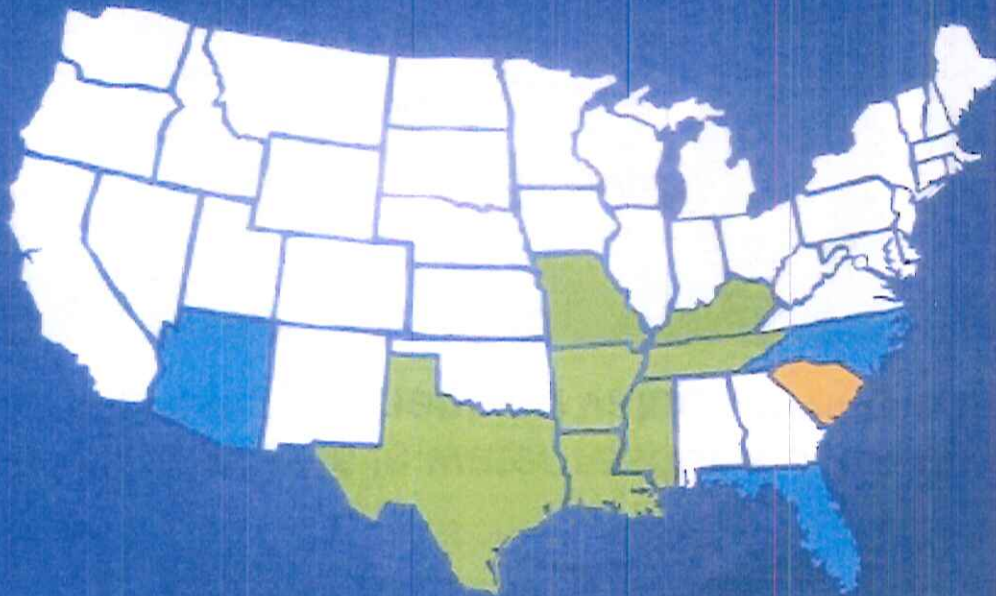


Improving Communities

Our investments in water resources are investments in communities overall, ultimately enhancing value, driving outside investment and growth.



CSWR Delivers



- CSWR has a demonstrated track record of purchasing systems with EPA Consent Decrees and driving immediate improvement.
- CSWR has never missed deadlines nor violated any environmental agreement such as an agreed order or consent decree in any jurisdiction across the U.S.
- We have reduced receivership systems in every state where CSWR operates, lowering the amount of state-appointed trustee-run systems by as much as 77 percent in one jurisdiction.



Rebuilding Infrastructure

- Repairing outdated water and wastewater systems increases the value of each community CSWR serves.
- Water quality has a direct impact on home values, according to the EPA, as the average American uses 176 gallons of water daily.



Wastewater Plants



Water Tanks + Lagoons

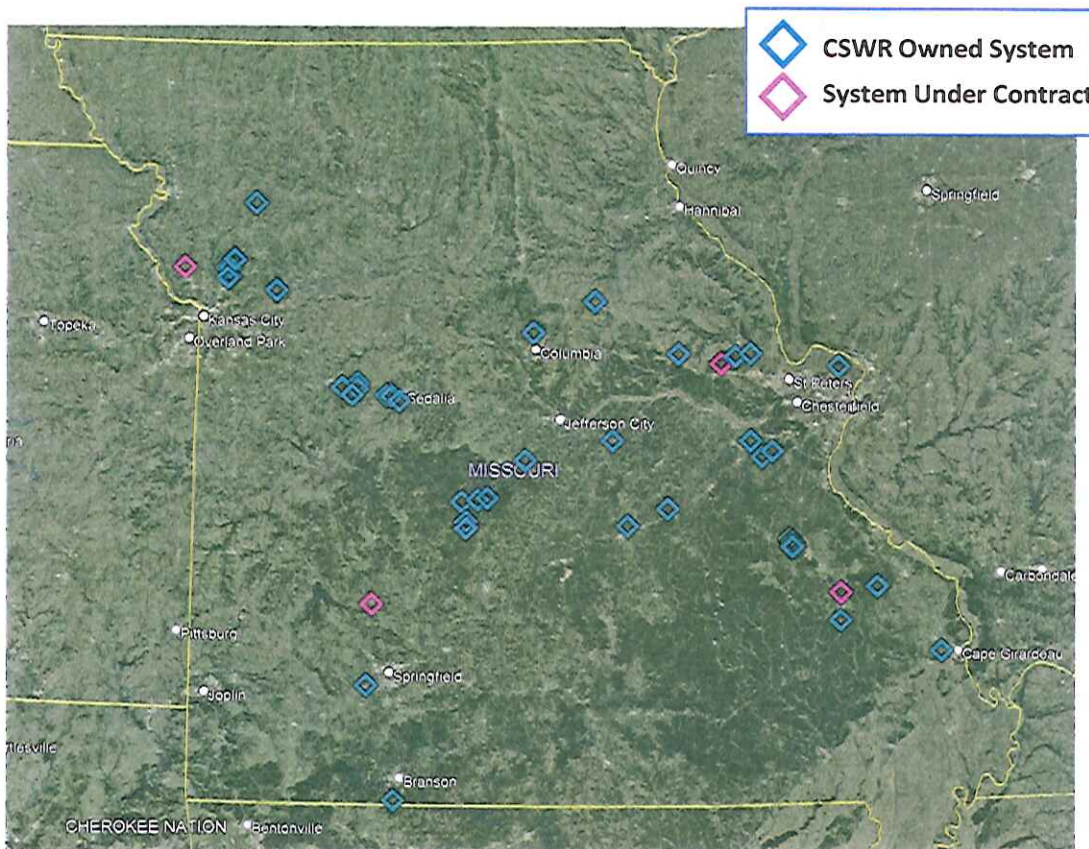




CSWR in Missouri



CSWR in Missouri



- We own or have under contract 8,681 connections.
- We continue to identify communities that may be in need of water and/or wastewater infrastructure investment.
- We actively invest in communities to bring professional, reliable service to consumers and ensure for sustainability in our partner communities.

CSWR in Missouri

Systems under contract

System	County	Total Connections	Water	WW
Cedar Green	Camden	108	54	54
Clemstone Sewer	Platte	80	0	80
Missing Well (Sun Valley)	Benton	118	68	50
Prairie Heights (Sullivan)	Pettis	18	0	18
Shelton Estates	Clay	20	0	20
Spring Branch	Benton	131	131	0

CSWR in Missouri

Making Community Impact

State Park Village (Warrensburg, MO) (Elm Hills UOC)

A sludge blanket of over two-thousand linear feet polluted a tributary feeding a recreational river in Knob Noster Missouri State Park. The cause was found to be an overloaded wastewater plant operating with unpermitted mechanical alterations, including multiple lift stations that were open to the public yet not operationally tied into the plant. This caused frequent surges of wastewater being sent to the facility, beyond its capacity for containment and treatment.

The Missouri Department of Natural Resources issued an emergency order to remediate the pollution, as state park-goers were placed in harm's way. CSWR (Elm Hills UOC) responded by building entirely new wastewater tankage, updated the treatment equipment, enclosing the lift stations, and tying them back to the plant with remote-monitoring equipment ensuring operations remained within control limits. Upon recovering, the receiving waterbody and the river itself became accessible for park-goers once again. The State Park Village's 176 wastewater customers now have safe, reliable, environmentally sustainable service.



CSWR in Missouri

Making Community Impact

Hillcrest (Cape Girardeau, MO) (Hillcrest UOC)

Both the water and wastewater systems of Hillcrest, serving 247 and 252 customers, respectively, were in catastrophic states of disrepair before CSWR (Hillcrest UOC) assumed ownership and operational control. Wastewater lagoons, filled beyond their capacity, spilled over and into a stream system. An attorney general action against the failing lagoon system ensued, resulting in a moratorium on building and mortgages of homes, effectively preventing any home purchases or sales in the community. The water storage system had a rusted vent through which bird feces were introduced into the drinking water of the community, leading to a bacteria-driven boil order that lasted nine weeks.

Each system was completely rehabilitated, providing safe, reliable, and clean water resources for the community. With the moratorium lifted, residents are once again able to buy and sell homes. For the first time in over a decade, the community has grown, expanding by 5% with a new development that is tying into the refurbished water infrastructure.

Upon Acquisition

- Numerous state safety and health violations
- Residents unable to sell homes
- Quarter-century without investment in systems
- Community-wide boil order
- Waste discharging into nearby creek

Achievements

- Boil order lifted
- Brought systems into full MoDNR compliance
- E. coli removed from drinking water
- Homeowners able to sell properties
- New development begun



2021 Operational Performance

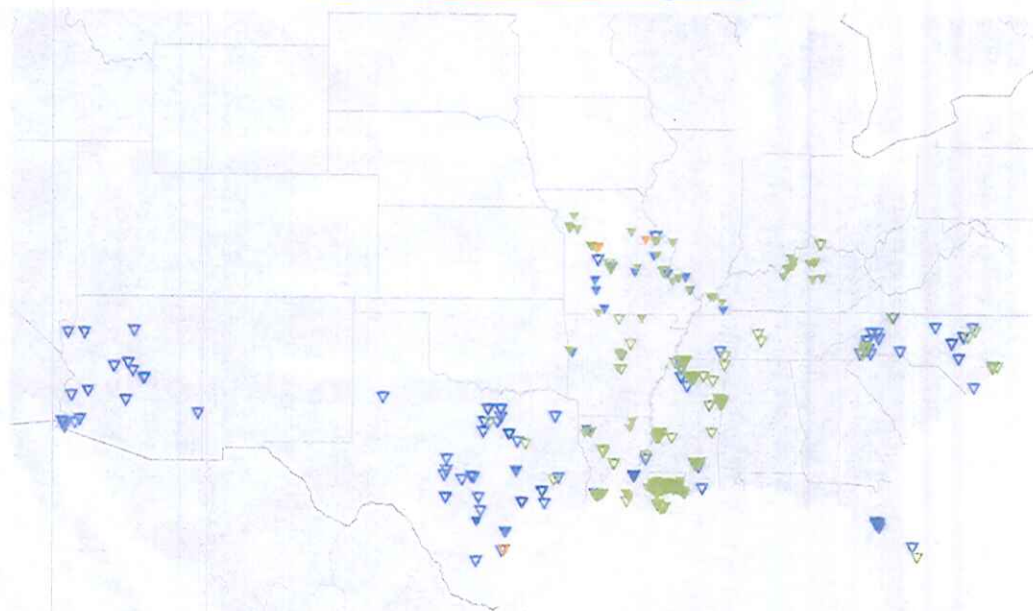




Q3 '21 OPERATIONAL PERFORMANCE

- Operating **345 plants** at the end of Q3 2021
- **100% compliance** with Agreed Orders (environmental compliance agreements) to bring 212 wastewater plants into compliance in 5 states
- Over 16,000 samples taken annually at CSWR owned water & wastewater facilities to monitor system performance.
- No system downtime in Louisiana in 2020 despite record-tying hurricane season with 5 hurricanes impacting statewide operations
- Brought all water systems back online during Winter Storm Uri in Texas within 3 days with one exception of a system closed on one day before storm occurred.
- No Notices of Violations across the country for any systems not under Agreed Orders.

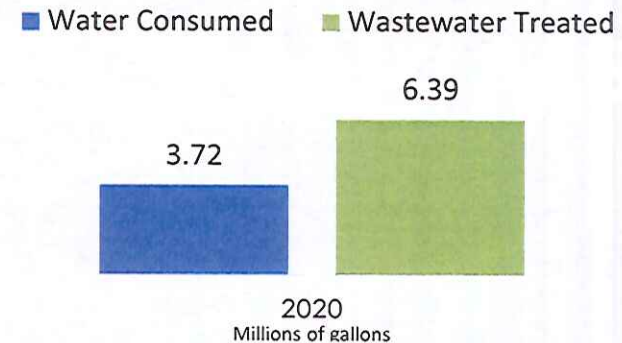
CSWR System Footprint



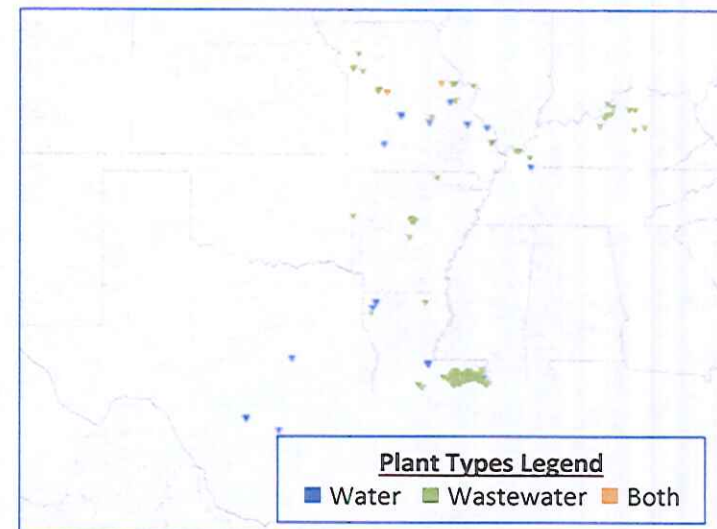
2020 Environmental Performance

- At year-end 2020, CSWR delivered on average 3.72MM gallons of water and treats 6.39MM gallons of wastewater daily.
- CSWR's wastewater treatment removes 12,600 lbs. of pollution from local water bodies daily. This pollution includes BOD, nutrient pollution, and human pathogens.
- The annual impact of CSWR treatment improvement is estimated to be an additional 390,000 lbs. of pollution removed from local water bodies. This is 390,000 lbs. of BOD5, nutrient pollution, and human pathogen contamination.
- CSWR actively engaged with environmental advocacy groups in Louisiana and Arkansas to discuss the impact of improvements on local ecosystems.
- In 2020, CSWR sent internal compliance personnel to conduct site visits on all 254 plants owned.
- CSWR completed voluntary testing of all drinking water sources for PFAS to protect human health and safety in communities served.

CSWR Average Daily Flow



CSWR PLANT LOCATIONS



A close-up photograph of water splashing from a faucet, creating multiple streams of water that fall into a pool of water below. The water is clear and bright, with many small droplets and bubbles visible. The background is a deep blue, and the overall scene is captured in a high-speed, artistic style.

The CSWR Way

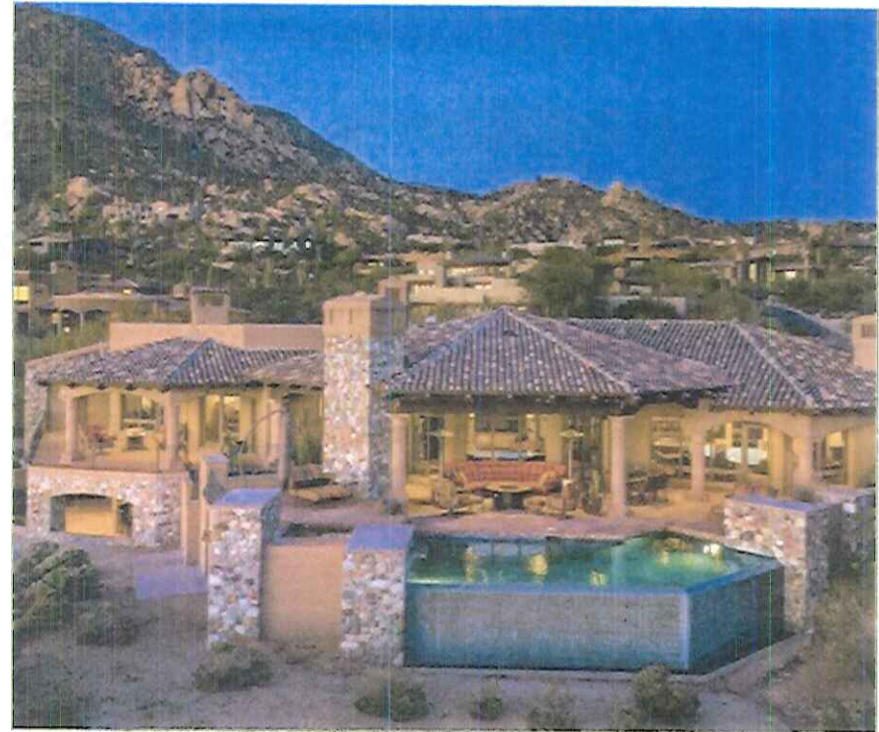


Acquisition Process



Methodology

- 1 Identify small, distressed systems.
- 2 Negotiate and sign purchase agreements.
- 3 Consolidate systems into single, viable utility company.
- 4 Immediately begin title process and assessments on collection systems and engineering needs.
- 5 Work with utility regulators inform them of CSWR's plans.
- 6 Seek the best rate structure for consumers.



Methodology

- 7 Enter consent agreements with environmental regulators to upgrade and bring systems into compliance, focused on ensuring systems are operating compliantly.
- 8 Close acquisitions and commence operational and plant improvement efforts – bringing systems back into compliance quickly.
- 9 Partner with local engineering firms, suppliers, maintenance contractors, and regulatory legal support.
- 10 Connect local firms into our proprietary maintenance management system to track and manage routine preventative maintenance work and geotagging all equipment



Learn More

Watch our video

CentralStatesWaterResources.com/about-us



Thank You

CentralStatesWaterResources.com

