

SANFORD LAW OFFICE, PLLC

Jo Anne Sanford, Attorney at Law

October 23, 2015

Ms. Gail L. Mount, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4325

Via Electronic Filing

Re: Carolina Water Service, Inc. of North Carolina
Docket No. W-354, Sub 344
Commission-Requested Late-Filed Exhibits

Dear Ms. Mount:

Please accept for electronic filing on behalf of Carolina Water Service, Inc. of North Carolina ("CWSNC" or "Company") the attached late-filed exhibits requested by the Commission at the evidentiary hearing conducted in Docket No. W-354, Sub 344 on Tuesday, October 20, 2015. These late-filed exhibits consist of copies of wastewater treatment contracts signed by CWSNC with Johnston County (White Oak area), City of Gasonia/Two Rivers Utilities (Kings Grant), and the Town of Dallas (College Park).

CWSNC hereby requests that the Commission enter an Order admitting the attached contracts in evidence as late-filed exhibits.

As always, thank you and your staff for your assistance; please feel free to contact me if there are any questions or suggestions.

Sincerely,

Electronically Submitted

/s/ Jo Anne Sanford

State Bar No. 6831

Attorney for CWSNC

c: Parties of Record

NORTH CAROLINA)
)
JOHNSTON COUNTY)

BULK WASTEWATER
SERVICE AGREEMENT
CAROLINA WATER SERVICE, INC. OF NC

THIS AGREEMENT, dated April 30th, 1999, between JOHNSTON COUNTY, hereinafter referred to as "County", and CAROLINA WATER SERVICE, INC. OF NC, hereinafter referred to as "CWS".

W I T N E S S E T H :

WHEREAS, County desires to provide bulk wastewater transmission and treatment service to CWS, and CWS desires to purchase bulk wastewater transmission and treatment service from County; and

WHEREAS, the service to be provided shall be applicable for the potential 826 acre development tract and the existing White Oak Plantation Subdivision, as shown and described in **Attachment A**, and referred to hereafter as the Winston Road tract; and

WHEREAS, CWS desires to abandon its existing 50,000 gpd package wastewater treatment plant serving White Oak Plantation Subdivision and to transfer its existing 0.49 mgd NPDES discharge permit on White Oak Creek to the County.

NOW, THEREFORE, for and in consideration of the premises and rights, powers and duties hereinafter set forth to be performed by each, the sufficiency of which are acknowledged by the parties, County and CWS mutually do agree as follows:

I. County Agrees as Follows:

1. The County agrees to receive untreated domestic and commercial wastewater from existing and future development on the Winston Road tract, transmit the wastewater to an appropriate wastewater treatment plant, treat, or have treated the wastewater and dispose, or have disposed the treated wastewater in an environmentally sound manner in accordance with regulatory requirements. The volume of wastewater shall not exceed 500,000 gpd on an average daily flow basis, and the peak rate of delivery shall not exceed 320 gpm for an average daily flow of up to 300,000 gpd and 400 gpm for an average daily flow of up to 500,000 gpd.

2. Upon written request by CWS, the County agrees to provide additional bulk wastewater service to CWS, subject to availability and further subject to the County's applicable policies, fees, and charges in effect at that time.

3. The County will own, operate, and maintain a wastewater metering, flow equalization, and pumping facility constructed by CWS.

4. The County will acquire, at its own cost, easements as necessary for construction of a wastewater force main from the CWS constructed pumping facility to an existing County wastewater pump station or force main. The County will pay one half the cost of the force main or the amount above the CWS share limit of \$90,000.

II. CWS Agrees as Follows:

1. CWS agrees to transfer NPDES permit no. NC0060330 to Johnston County within 30 days of the date of this Agreement.

2. CWS will continue to own, operate, maintain, and repair the existing package

wastewater treatment plant and will hold the County harmless from any damages, effluent limits contraventions, spills, or other damages or claims resulting from CWS operations.

3. CWS agrees to pay a one time assessment charge in the amount of \$1,400.00 per residential unit served and \$5,900 per platted acre for all commercial development served. The assessment fee shall be due on or before a building permit is issued for any residential unit or commercial development.

4. CWS agrees to install or contract to have installed all required wastewater collection infrastructure to serve the Winston Road tract, a wastewater flow meter, a wastewater flow equalization and pumping station, and standby power generator set, and will provide a suitable site with all weather access road for same, at its own cost, in accordance with the County's specifications and design standards. The wastewater flow equalization, metering, and pumping facilities, required land parcel and access and utility easements shall be deeded to the County at no charge. All construction shall be subject to the County's review and approval. Said approval shall not be unreasonably withheld. CWS also agrees to install or have installed a wastewater force main to connect to a County pumping station or force main in accordance with the County's specifications and design standards. CWS agrees to pay for one-half the total cost of the connection to the force main or pumping station, not to exceed \$90,000.

5. Any adjustments in the commodity charge shall be based directly on the County's actual increase in cost of providing service throughout its service area, including but not limited to power, labor, equipment repair/replacement, administration, and/or changes in state or federal regulations. Any adjustments in the commodity charge to CWS will be in same amount charged throughout the County's sewer system for bulk wastewater service.

6. For any facilities constructed by CWS which are to be deeded to the County which lie outside public rights of way or fee simple land parcels, CWS shall obtain and transfer to the County a permanent utility easement; and the County shall, in writing, approve the form and substance of any and all easements.

7. CWS shall pay a monthly commodity charge to the County within fifteen (15) days from the date of invoice for water. It is understood that the commodity charge is subject to adjustment annually by the County Board of Commissioners with 90 days written notice. As of the date of this Agreement, the commodity charge is \$3.90 per 1,000 gallons.

8. CWS shall pay a fixed monthly charge to County, which is the fixed cost of providing service to bulk users. As of the date of this Agreement, the fixed monthly charge is \$200.00.

9. In the event wastewater collection facilities and the new flow equalization, metering, and pumping facility, including the connecting pipeline to the existing package wastewater treatment plant, are not constructed within three years from the date of this Agreement, CWS shall construct at its own cost, a wastewater flow meter, pump station, and force main to connect to the closest County wastewater facility of sufficient capacity to serve the White Oak Plantation Subdivision, and shall abandon the existing package wastewater treatment plant and cease discharge into White Oak Creek. The wastewater pump station, flow meter, and force main shall be constructed to County standards and shall be deeded to the County. The County will own and operate the wastewater pump station.

10. Within six months from the date of this Agreement, CWS shall connect the White Oak Plantation Subdivision water distribution system to the new 8" water main on Guy Road in the Clayton Water District, and CWS shall install a meter meeting County specifications at its

own cost. CWS shall disconnect its well or wells which currently serve the system.

III. ADDITIONAL COVENANTS AND AGREEMENTS:

1. Emergency Operator. CWS is a utility company regulated by the North Carolina Utilities Commission (hereinafter the "Commission"). For the term of this agreement, if the Commission declares an emergency in the service area provided by CWS, the County shall become the emergency operator, and the County will operate and maintain the system and shall be compensated at its then prevailing retail fees. In the event all fees are not paid, it is agreed that a lien in the amount of the unpaid fees shall be placed against the wastewater system infrastructure. The term of emergency operations shall be one year and shall be renewable in one year periods subject to the written consent of the County. In the event of continued non-payment of all fees for a period of three(3) years, the water lines, services and appurtenant equipment and all easements shall be deeded to the County at no cost.

2. Terms. Terms of this Agreement shall be ten (10) years, with five (5) automatic renewals for ten (10) years each, unless a one (1) year written notification for cause (cause being a material breach of this Agreement which remains uncured after notice by the other party) is provided by either party to the other.

3. Service Area. The area served by CWS, referred to as the Winston Road tract and subject to this Agreement shall be that property shown on **Exhibit "A"** attached hereto and incorporated herein.

4. Inspections. CWS shall permit periodic inspections of the sewer system during construction and operation by County to ensure compliance with State Plumbing Codes and County Utility standards and specifications.

5. Capital Reimbursement. CWS may enter a capital reimbursement agreement with the County to facilitate reimbursement of a portion of its original capital investment for the wastewater flow equalization-pumping station and offsite force main from future third party connections to these facilities. The terms of the agreement shall be in accordance with the County's existing developer reimbursement policy, Attachment B.

6. Notices. Any notices required to be given by this Agreement shall be deemed to have been sufficiently given if mailed by certified mail, postage prepaid, addressed as follows:

Johnston County
Attention: County Manager
Johnston County Courthouse
212 Market Street
P.O. Box 1049
Smithfield, N.C. 27577

Carolina Water Service, Inc. of NC
Attention: President
P.O. Box 240908
Charlotte, N.C. 28224-0908

7. Entire Agreement. This writing embodies the entire agreement and understanding between the County and CWS, and there are no other agreements or understandings, oral or written, with reference to the subject matter hereof that are not merged herein and superseded hereby.

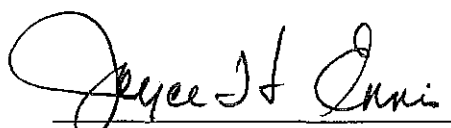
8. Binding Upon Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the County and CWS and the successors and assigns of each.

9. Amendment. This Agreement shall not be modified, amended or changed in any respect in writing, fully signed by the parties hereto, and each party hereby waives any right to amend this Agreement in any other way.

IN WITNESS WHEREOF, Johnston County has caused this Agreement to be executed by its Manager and Clerk, acting under authority of the Commissioners of Johnston County, and Carolina Water Service, Inc. of NC has caused this Agreement to be executed by its President and Secretary.

Attest:


JOHNSTON COUNTY



JOYCE H. ENNIS
Clerk to the Board

By: 
RICK J. HESTER
Interim County Manager

Attest:

CAROLINA WATER SERVICE, INC. OF NC


Secretary

By: 
President

UTILITIES, INC.

2335 Sanders Road
Northbrook, Illinois 60062-6196
Telephone 847 498-6440
Facsimile 847 498-2066

Federal Express

June 3, 1999

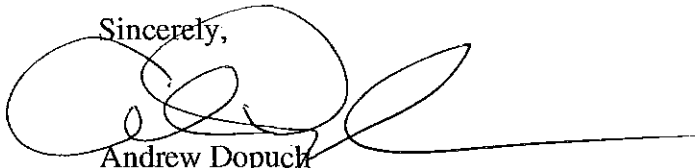
Mr. Timothy G. Broome, P.E.
Johnston County-Department of Public Utilities
c/o Mr. Rick J. Hester
Interim County Manager
Johnston County Courthouse
212 Market Street
Smithfield, NC 27577

Dear Mr. Broome:

Please find enclosed a fully executed original of the agreement for bulk wastewater service for the Winston Road tract.

We apologize for the delay in executing the agreement and look forward to working in a cooperative manner with Johnston County, now and in the future.

Sincerely,



Andrew Dopuch
Vice President

AD:pas

Enc.

cc: J. Camaren
C. Daniel

OFFICIAL COPY

Oct 23 2015

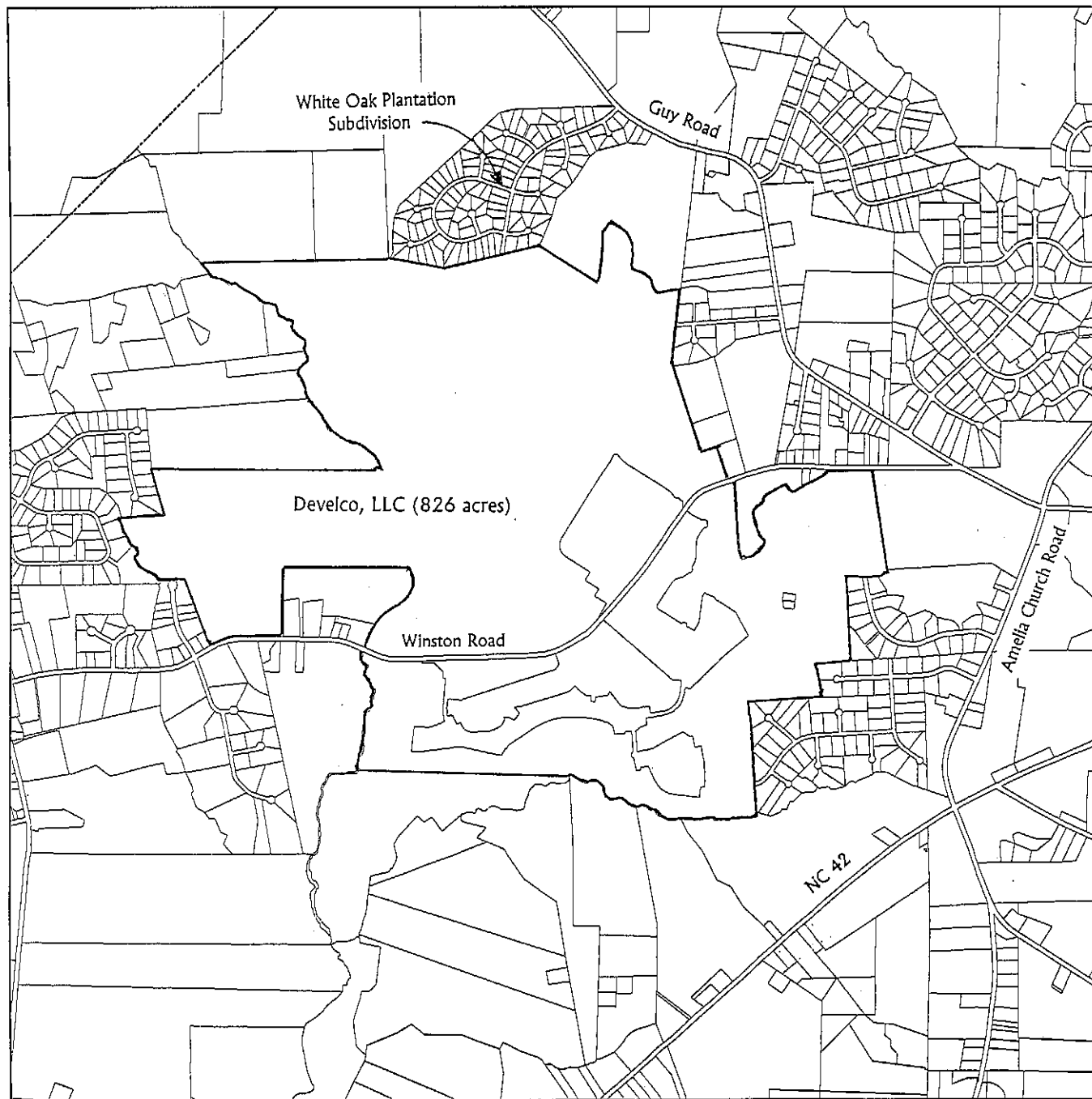


Exhibit A

Vicinity Map Winston Road Development Tract

March 21, 1999
1 inch = 2000 feet



NORTH CAROLINA)
)
)
JOHNSTON COUNTY)

AMENDMENT TO
BULK WASTEWATER
SERVICE AGREEMENT
CAROLINA WATER SERVICE, INC. OF NC

THIS AGREEMENT, dated January 23, 2001, between JOHNSTON COUNTY, hereinafter referred to as "County," and CAROLINA WATER SERVICE, INC. OF NC, hereinafter referred to as "CWS."

W I T N E S S E T H :

WHEREAS, CWS and the County entered into a bulk wastewater service agreement ("Agreement") on April 30, 1999, wherein CWS agreed to purchase bulk wastewater transmission and treatment service from County; and

WHEREAS, the Agreement noted that the Agreement shall not be modified, amended or changed in any respect in writing, fully signed by the parties hereto, and each party hereby waives any right to amend this Agreement in any other way; and

WHEREAS, the parties wish to amend the Agreement as set out herein.

NOW, THEREFORE, for and in consideration of the premises and rights, powers and duties hereinafter set forth to be performed by each, the sufficiency of which are acknowledged by the parties, County and CWS mutually do agree to modify the Agreement of the parties entered into on April 30, 1999 as follows:

1. Service Area: The third paragraph on the first page of the Agreement is modified by deleting the term "826," and replacing the term with "963." It is the express purpose of the parties that the terms of this Agreement do not apply to that certain property known as the Bryan Perry tract and more particularly described as Johnston County tax parcel #05F01008.
2. Capacity allocation: The first paragraph in section I of the Agreement is modified by the deletion of the term "500,000," throughout the paragraph and replacing the term with "460,000."
3. Exhibit A: The Exhibit A attached to the Agreement is replaced by the Exhibit attached to this Amendment.
4. Binding Upon Successors and Assigns. This Amendment shall be binding upon, and shall

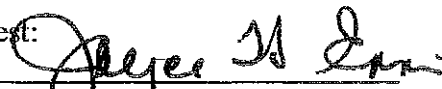
inure to the benefit of, the County and CWS and the successors and assigns of each.

IN WITNESS WHEREOF, Johnston County has caused this Agreement to be executed by its Manager and Clerk, acting under authority of the Commissioners of Johnston County, and Carolina Water Service, Inc. of NC has caused this Agreement to be executed by its President and Secretary.

JOHNSTON COUNTY


By: 

RICK J. HESTER
County Manager


Attest:
By: 

JOYCE H. ENNIS
Clerk to the Board

CAROLINA WATER SERVICE, INC. OF NC

By: 

President Chairman & CEO

Attest:


Secretary

STATE OF NORTH CAROLINA

COUNTY OF JOHNSTON

**SECOND AMENDMENT TO
BULK WASTEWATER SERVICE AGREEMENT AND
FOURTH AMENDMENT TO
BULK WATER PURCHASE AGREEMENT**

THIS SECOND AMENDMENT TO BULK WASTEWATER SERVICE AGREEMENT AND FOURTH AMENDMENT TO BULK WATER SERVICE AGREEMENT (this "Amendment") is made on this 22nd day of December, 2003 by and between JOHNSTON COUNTY, a political subdivision of the State of North Carolina (the "County") and CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA, a North Carolina public service corporation ("CWS").

WITNESSETH:

WHEREAS, the County and CWS entered into that certain Bulk Wastewater Service Agreement dated April ____, 1999, as amended by that certain Amendment to Bulk Wastewater Service Agreement dated January 23, 2001 (collectively, the "Wastewater Agreement"); and

WHEREAS, the County and CWS entered into that certain Water and Sewer System Service Agreement dated April 15, 1996, as amended by that certain (First Amendment to Water and Sewer System Service Agreement dated April 15, 1996), as further amended by that certain Bulk Water Purchase Agreement dated March ____, 1998, and as further amended by that certain Third Amendment to Water and Sewer System Service Agreement dated October ____, 2000 (collectively, the "Water and Sewer Agreement").

WHEREAS, Paragraph 9 of Section III of the Wastewater Agreement and the second recital paragraph of the amendment thereto state that the Wastewater Agreement "shall not be modified, amended or changed in any respect (sic) in writing, fully signed by the parties hereto, and each party hereby waives any right to amend this (Wastewater) Agreement in any other way;"

WHEREAS, the parties desire to acknowledge that said Paragraph 9 of Section III of the Wastewater Agreement and the second recital paragraph of the amendment thereto contain a mutual mistake and that the parties desire to correct such mistake by amending Paragraph 9 of Section III and the second recital paragraph of the amendment thereto in order to express accurately the parties' intent to have the ability to amend the Wastewater Agreement in writing;

WHEREAS, the Wastewater Agreement and the Water and Sewer Agreement (the "Agreements") relate to the purchase, sale, and transmission of potable water to and from and the transmission and disposal of wastewater to and from the same 963 acre tract of real property located in Johnston County, North Carolina alternately in the Agreements referred to as "Sweetwater" and "Winston Road Development" (the "Service Area"); and

WHEREAS, the parties desire to amend the Agreements in order to include an additional 56 acre tract adjoining the Service Area, shown as "Lee Forest" on Exhibit A attached hereto and incorporated herein by this reference (the "Additional Service Area"), within the Service Area for the purpose of having the Agreements govern the manner in which the water and wastewater services will be provided to the Additional Service Area and such that all references in the Agreements to the Service Area shall include the Additional Service Area.

WHEREAS, the water supply and wastewater disposal services to the "Additional Service Area" shall be limited to 81 residential units and an average flow rate of 29,160 gallons per day.

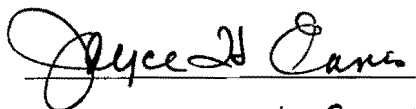
NOW, THEREFORE, in consideration of the premises and purposes set forth herein, the parties agree as follows:

1. Recitals: The foregoing recitals are true and correct and are incorporated herein by this reference.
2. Defined Terms: Any capitalized term appearing in this Amendment not defined herein shall have the meaning ascribed to such term in the Agreements.
3. Amendments.
 - (a) Paragraph 9 of Section III of the Wastewater Agreement shall be deleted in its entirety and replaced with the following:
 9. Amendment. This Agreement shall not be modified, amended or changed in any respect except in writing, duly signed by the parties hereto, and each party hereby waives any right to amend this Agreement in any other way.
 - (b) The second recital paragraph of the amendment to the Wastewater Agreement shall be deleted in its entirety and replaced with the following:

WHEREAS, Paragraph 9 of Section III of the Agreement noted that the Agreement shall not be modified, amended or changed in any respect except in writing, duly signed by the parties hereto, and each party hereby waives any right to amend this Agreement in any other way; and
 - (c) In all cases and in all respects, references to the Service Area contained in the Agreements shall include the Additional Service Area.
4. Ratification. Except as expressly amended by this Amendment, the Original Agreement continues in full force and effect in accordance with its terms and is hereby ratified by the applicable parties hereto.

IN WITNESS HEREOF, the parties hereto have executed this Amendment as of the date first above written.

ATTEST:



Name: Joyce H. Ennis
Clerk to the Board of County
Commissioners

JOHNSTON COUNTY

By: 

Name: Rick J. Hart
Title: County Manager

CAROLINA WATER SERVICE, INC.
OF NORTH CAROLINA

By: 

Name: CAROL DANICE
Title: Vice President

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Assignment") is made and entered into as of June 28 2011 by and between the TOWN OF CRAMERTON, a North Carolina municipal corporation (the "Assignor") and the CITY OF GASTONIA, a municipal corporation organized under the laws of the State of North Carolina (the "Assignee").

WITNESSETH:

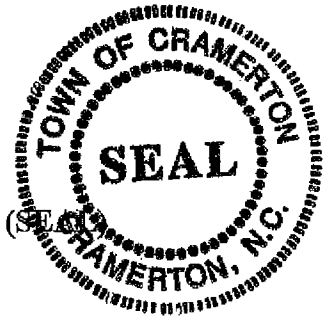
WHEREAS, Assignor entered into a certain utility service agreement (the "Agreement") dated as of June, 28, 2011 with Carolina Water Service, Inc. of North Carolina as attached hereto as Exhibit A and made a part hereof by reference;

WHEREAS, subject to the terms and conditions of this Assignment, Assignor desires to assign to Assignee, and Assignee desires to assume from Assignor, all of Assignor's rights and duties under the Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignment. Assignor hereby assigns and transfers to Assignee all of Assignor's right, title and interest in and to the Agreement.
2. Assumption. Assignee hereby assumes and agrees to discharge all obligations of Assignor accruing under the Agreement from and after the date hereof.
3. No Representation or Warranty. Assignor makes no representation or warranty of any nature or kind in regard to the Agreement.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed by its duly authorized representative as of the 28 day of June, 2011.



TOWN OF CRAMERTON

By: Ronald E. Worley
Ronald E. Worley, Mayor

ATTEST:

Wilene Cunningham
Town Clerk



ATTEST

CITY OF GASTONIA

By: Jennifer T. Stultz
Jennifer T. Stultz, Mayor

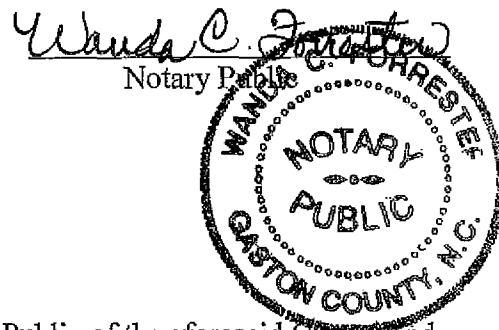
Virginia L. Leighton
City Clerk

STATE OF NORTH CAROLINA
COUNTY OF GASTON

I, Wanda C. Forrester, a Notary Public of the aforesaid County and State, do hereby certify that Wilene Cunningham personally appeared before me this day and acknowledged that she is the Town Clerk of the Town of Cramerton and that by authority duly given and as the act of the municipal corporation, the foregoing instrument was signed in its name by its Mayor, sealed with its corporate seal and attested by her as its Town Clerk.

WITNESS my hand and Notarial Seal, this the 28th day of June, 2011.

My Commission Expires: 2/27/2014

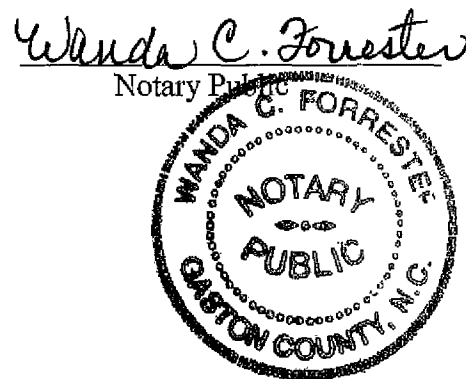


STATE OF NORTH CAROLINA
COUNTY OF GASTON

I, Wanda C. Forrester, a Notary Public of the aforesaid County and State, do hereby certify that Virginia L. Craig personally appeared before me this day and acknowledged that she is the City Clerk of the City of Gastonia and that by authority duly given and as the act of the municipal corporation, the foregoing instrument was signed in its name by its Mayor, sealed with its corporate seal and attested by her as its City Clerk.

WITNESS my hand and Notarial Seal, this the 28th day of June, 2011.

My Commission Expires: 8/27/2014



STATE OF NORTH CAROLINA

COUNTY OF GASTON

UTILITY SERVICE AGREEMENT

THIS AGREEMENT, made and entered into this 28 day of June, 2011, by and between the Town of Cramerton, a North Carolina Municipal Corporation, hereinafter referred to as "Town", and Carolina Water Service, Inc. of North Carolina, a North Carolina Corporation, hereinafter referred to as "Customer";

WITNESSETH:

WHEREAS, Customer is the owner of a private utility system presently providing wastewater collection, and wastewater treatment to customers in its "King's Grant" Subdivision in Gaston County NC; and

WHEREAS, Town and Customer have negotiated this agreement to provide wastewater treatment utility services to Customer with the assistance from the North Carolina Clean Water Management Trust Fund.

Now therefore, in consideration of, and subject to, the terms and conditions hereinafter set forth, the parties covenant and agree as follows:

1. **Purchase and Sale of Wastewater Treatment.** Customer agrees to buy from Town and Town agrees to sell to customer wastewater treatment on the terms and conditions set forth. Town shall continuously provide wastewater treatment in material compliance with the rules and regulations of the North Carolina Department of Environment and Natural Resources, in a quantity sufficient to allow Customer to serve all customers in the Kings Grant subdivision in compliance with the rules and regulations of Customer as approved by the North Carolina Utilities Commission. Town shall remedy with all possible dispatch any temporary or partial failure to accept sewerage from Customer.
2. **Term.** This Agreement shall be effective from and after June 28 2011, and shall continue and remain in full force and effect for a period of twenty (20) years. Town shall, prior to the beginning of the nineteenth year of the term of this Agreement, give notice to the Customer of its desire to renew this Agreement, and upon the giving of such notice, the parties hereto shall negotiate in good faith with reference to a renewal of this Agreement based upon the same rate format contained in this Agreement.
3. **Price of Wastewater Treatment.** The Town will bill and the Customer will pay an amount to the Town for all wastewater treatment furnished by the Town to Customer based on monthly metered usage at the prevailing rate as now or

hereafter adopted by the Town of Cramerton for customers inside the Town of Cramerton. No charges will accrue until such time as there is metered usage. Monthly billing shall be defined as Town's ongoing billing cycle for the same area in which the meter involved is located.

4. **Interconnection and Metering.** Town shall construct, at its cost, the interconnection between the Customer's collection system and Town's wastewater treatment system, the manner and location of which shall be acceptable to both parties, in each party's reasonable discretion. Town shall also purchase and install metering equipment capable of measuring all flows from the Customer's collection system to Town's wastewater treatment system at the interconnection point; said metering equipment will be the only metering equipment used for purposes of billing Customer for wastewater treatment hereunder. The metering equipment will be installed at a location readily accessible to both parties and be of standard type suitable for billing purposes. The metering equipment shall record total flow measurements using an integral non-resettable type register. The metering equipment shall be designed to measure flow with an error rate not to exceed a variance of plus or minus two percent (2%) of full scale reading. The Town will cause the existing wastewater treatment plant to be decommissioned and removed once Town supplies wastewater treatment as provided by this Agreement.
5. **Participation in Capital Investment for Interconnection.** The Town has secured significant grant funding to assist in the elimination of Customer's NPDES permit. The North Carolina Clean Water Management Trust Fund will require \$40,000 match funding to complete the overall interconnection project described in paragraph 4 above. The Customer agrees to pay \$20,000.00 to the Town on or before the award of the construction contract for the interconnection/plant decommission project. Failure to make this payment as required by this paragraph shall be considered a material breach of this agreement and shall subject the Customer to disconnection of service. If, for any reason, the Town does not complete the interconnection project and supply wastewater treatment to Customer as provided in this Agreement by December 31, 2011, Town shall promptly refund Customer's payment.
6. **Delivery of Wastewater Treatment.** All wastewater treatment covered by this Agreement will be delivered by the Town of Cramerton to Customer through the meter referred to in paragraph 4 above.
7. **State and Federal Regulations.** Customer agrees that their current NPDES permit will be eliminated and the existing wastewater treatment plant will be decommissioned as provided for in paragraph 5 above at such time as Town supplies wastewater treatment as provided by this Agreement.
8. **Inspection.** The metering equipment used for billing hereunder shall be calibrated annually at Town's expense. Written reports of any inspection,

calibration and/or repair of the metering equipment shall be provided to Customer. Town shall provide Customer with access to the interconnection point to read and inspect the metering equipment with 48-hour verbal notice to Town. Should the metering point be found to be inaccurate, the amount of wastewater flow received during the period of metering point failure shall be determined by averaging the previous twelve (12) monthly billing periods, and using such portion of that average as corresponds to the length of time during which metering point failure occurred.

9. **Invoicing.** Bills for wastewater treatment supplied hereunder shall be rendered and paid monthly. A "Month" shall mean the period between any two regular consecutive monthly readings of the meter measuring the quantity of wastewater treatment used by Customer.
10. **Force Majeure.** In the event either the Town or the Customer is unable, wholly or in part, by reason of force majeure to carry out its obligations, other than to make payments for wastewater treatment received, it is agreed that on giving notice of such force majeure as soon as possible after the occurrence of the cause relied on, then the obligations of the Town or the Customer, so far as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused, but for no longer period, and such cause shall as far as possible, be remedied with all reasonable dispatch.

The term "force majeure" as employed above, shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, war blockades, insurrections, riots, landslides, droughts, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, unavoidable breakage or accident to machinery, equipment, or lines of pipe, freezing of lines of pipe, inability to obtain rights-of-way or permits or materials, equipment or supplies, and any other causes, whether of the kind herein enumerated or otherwise not within the control of the Town or the Customer, and which by the exercise of the reasonable diligence either the Town or the Customer is unable to prevent or overcome.

11. **Default.** Failure by Customer to pay any invoices within the time limit provided therein shall subject Customer to the same penalties in accordance with the Town's existing utility policies and procedures.
12. **Deeds and Easements.** The Customer agrees to allow the Town utility easements as reasonably necessary that will allow for the provision of wastewater treatment.
13. **Assignment and Assumption of Agreement.** The Customer agrees that the Town can assign this agreement to the City of Gastonia upon consolidation of the Town and the City of Gastonia's utility system, including, but not limited to, the provision of wastewater services at Gastonia in-city rates. Upon assignment, and

the written assumption of Town's obligations hereunder by the City of Gastonia, the Town will be released from all obligations under this Agreement. Should said assignment not occur, and Customer is not eligible for the City of Gastonia's inside city rate structure, then this Agreement is then null and void with no obligations of either party.

14. Miscellaneous. The following additional terms shall apply to this Agreement:

- (a) Waivers. Neither the failure nor delay on the part of either party hereto to exercise any right, power or privilege hereunder, shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other right, power or privilege, and no custom or practice at variance with the terms of the Agreement shall constitute a waiver of the right of either party to demand exact compliance with such terms.
- (b) Invalid Terms. Should any one or more of the provisions contained in this Agreement shall be held invalid, illegal, or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in the Agreement shall not in any way be affected or impaired thereby, and this Agreement shall otherwise remain in full force and effect.
- (c) Controlling Law/Successors Bound. This Agreement and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the State of North Carolina and shall be binding upon and inure to the benefit of the successors and, with consent of the other party, the assigns of either party hereto.
- (d) Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and it shall not be necessary in making proof of this contract to produce or account for more than one such counterpart.
- (e) Notices. Any notices required or permitted in this Agreement, including address changes, shall be made in writing and shall be made either by mailing registered or certified mail, return receipt requested, and postage prepaid, to the other party at the address shown herein for that party or at such different address for that party, notice of which has been properly given hereunder, or by personally delivering such notice to an officer or other party. The notice, if mailed as provided herein, shall be deemed given on the day of receipt or refusal to accept receipt, and if personally delivered on the date of delivery. The addresses are as follows:

TO THE TOWN

Town Manager
Town of Cramerton
155 North Main Street
Cramerton, NC 28032

TO THE CUSTOMER

Regional Director
Carolina Water Service Inc. of NC
P.O. Box 240908
Charlotte, NC 28225-0908

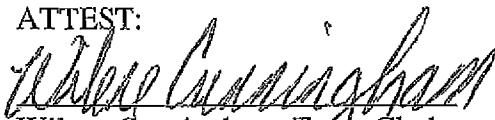
- (f) Headings Not Part Hereof. All paragraph and subparagraph headings in this Agreement where they appear, are for convenience only and shall not affect the construction of any terms.
- (g) Entire Agreement. This Agreement reflects and contains the entire and only agreement between the parties relating to the subject matter herein, and as such supersedes all negotiations, commitments, undertakings and agreement, whether oral or otherwise.
- (h) Amendments. This Agreement may be amended only by an instrument in writing executed by the party against which enforcement of the amendment is sought.

IN WITNESS WHEREOF, the undersigned municipal corporation and Corporation have caused this Agreement to be executed on their behalf by individuals duly authorized, all as of the day and year first above written.

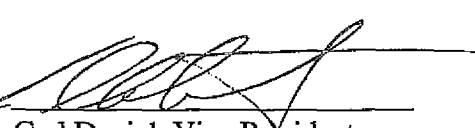
TOWN OF CRAMERTON

By: 
Ronald E. Worley, Mayor

ATTEST:


Wilene Cunningham, Town Clerk

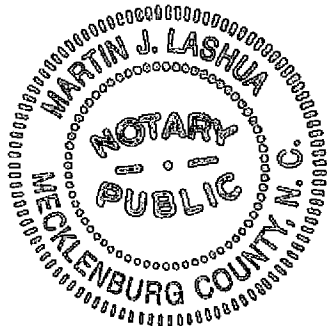
CAROLINA WATER SERVICE
INC. OF NORTH CAROLINA

By: 
Carl Daniel, Vice President

STATE OF NORTH CAROLINA
COUNTY OF GASTON

I, MARTIN J. LASHUA, a Notary Public of the aforesaid County and State, do hereby certify that Wilene Cunningham personally appeared before me this day and acknowledged that she is the (Deputy) Town Clerk of the Town of Cramerton and that by authority duly given and as the act of the municipal corporation, the foregoing instrument was signed in its name by its Mayor, sealed with its corporate seal and attested by her as its (Deputy) Town Clerk.

WITNESS my hand and Notarial Seal, this the 28 day of June, 2011.



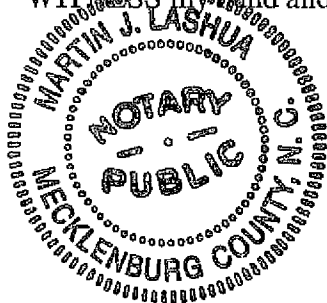
Martin J. Lashua
Notary Public

My Commission Expires: Oct 23, 2015

STATE OF NORTH CAROLINA
COUNTY OF Mecklenburg

I, MARTIN J. LASHUA, a Notary Public, certify that Carl Daniel, personally appeared before me this day and acknowledged that he is Vice President of CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA, a corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by him.

WITNESS my hand and Notarial Seal, this 27 day of June, 2011.



Martin J. Lashua
Notary Public

My Commission Expires: Oct 23, 2015

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Greg Lashua
Finance Director

**AGREEMENT FOR WHOLESALE, BULK WASTEWATER TREATMENT SERVICE TO
"COLLEGE PARK" RESIDENTIAL SUBDIVISION, BETWEEN THE TOWN OF DALLAS AND
CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA**

THIS AGREEMENT, made and entered into and executed in duplicate originals this the 14th day of MAY, 2014, by and between the Town of Dallas and Carolina Water Service, Inc. of North Carolina.

WHEREAS, the Town of Dallas owns and operate a wastewater treatment and disposal facility which is permitted and licensed under the authority of the State of North Carolina; and

WHEREAS, the Town of Dallas intends to continue to operate and maintain its wastewater treatment and disposal facility for the foreseeable future, and that treatment and disposal availability at this facility can accommodate the projected wastewater flow from Carolina Water Service, Inc. of North Carolina; and

WHEREAS, the Town of Dallas and Carolina Water Service, Inc. of North Carolina agree that it is in the best interest of and of mutual benefit to both the Town of Dallas, Carolina Water Service, Inc. of North Carolina and to the "College Park" residential subdivision to enter into this cooperative agreement for wastewater treatment and disposal;

NOW, THEREFORE, the Town of Dallas and Carolina Water Service, Inc. of North Carolina have determined that the public health, safety and welfare will be served and benefited by their cooperation, mutual undertakings and agreement as hereinafter set out, the Town of Dallas and Carolina Water Service, Inc. of North Carolina, for themselves, their successors and assigns, do mutually agree as follows:

Section 1. The Town of Dallas will provide treatment and disposal services to Carolina Water Service, Inc. of North Carolina for wastewater generated from the "College Park" residential subdivision, containing approximately 53 homes, just off of old highway 321 and adjacent to the Town of Dallas. Treatment and disposal of "College Park" waste water streams on behalf of Carolina Water Service, Inc. of North Carolina will occur using the Town of Dallas wastewater system facilities, either owned or contracted by the Town of Dallas. The Town of Dallas will be obligated to accept, properly treat and discharge, in full compliance with State and Federal NPDES permit requirements, all wastewater or effluent flows produced by the collective "College Park" residences, for the duration of the agreement so long as the same shall comply fully with the Town of Dallas' ordinances, and State and Federal law as may be applicable.

Section 2. The Town of Dallas shall bill monthly, in arrears, and Carolina Water Service, Inc. of North Carolina shall promptly remit payment for, a wastewater treatment fee which shall equal the total monthly gallons of wastewater metered at the metering collection manhole multiplied by the then-effective Town of Dallas wastewater rates for users outside the corporate limits of the Town of Dallas. Following installation of the meter located on Carolina Water Service, Inc. of North Carolina property and constructed to the Town of Dallas specifications and with Town of Dallas plan approval, the Town of Dallas shall own, maintain and be responsible for reading the meter. The meter shall be calibrated annually at the Town of Dallas expense by a competent water meter testing party. Written results of any meter inspection, calibration, or repair shall be provided by the Town of Dallas to Carolina Water Service, Inc. of North Carolina within ten (10) days of such activities. The Town of Dallas shall provide Carolina Water Service, Inc. of North Carolina with access to the meter, with twenty-four (24) hours advance written notice to the Town of Dallas, to read and inspect the meter and appurtenances. The meter shall be installed at a readily accessible location and be of standard make and type suitable for billing purposes. The meter shall record flow using an integral non-resettable totalizer. The meter shall be designed to measure flow with an error rate not exceeding plus or minus two percent ($\pm 2\%$) of full scale reading. In calculating any billing adjustment caused by improperly functioning meter equipment, the Town of Dallas and Carolina Water Service, Inc. of North Carolina agree and assume that the metering

equipment inaccuracy existed for one-half (1/2) of the entire time interval between the two (2) most recent meter calibration checks. The volume used in making billing calculations shall be adjusted as described herein.

Section 3. Carolina Water Service, Inc. of North Carolina shall pay all costs associated with the design, engineering, construction and installation of the wastewater metering manhole and tap-in infrastructure required to properly connect the "College Park" residential subdivision to the Town of Dallas collection system.

Section 4. Carolina Water Service, Inc. of North Carolina shall continue to own, operate, and maintain the wastewater collection system serving the homes in "College Park" residential subdivision and shall continue to both bill for and collect payment for the provision of wastewater service to the individual homeowners of the "College Park" residential subdivision, all of whom shall remain customers of Carolina Water Service, Inc. of North Carolina, with no responsibility for, or liability associated with such activities, accruing to the Town of Dallas.

Section 5. This Agreement shall be for a period of ten (10) years from the date first written above, subject to renewal, at Carolina Water Service, Inc. of North Carolina's option for up to three (3) additional renewal periods of ten-year increments. This Agreement will terminate in advance at such time as the Town of Dallas no longer possesses a valid NPDES discharge permit; however, the Town of Dallas would be responsible to provide alternative transition to lawful treatment, agreeable to Carolina Water Service, Inc. of North Carolina without any stoppage of flows or disruption of treatment.

Section 6. The Town of Dallas will not transfer its interest in this Agreement to any third party without the prior written consent of Carolina Water Service, Inc. of North Carolina. Carolina Water Service, Inc. of North Carolina will not transfer its interest in this Agreement to any third party without the prior written consent of the Town of Dallas. Any consent requested from a party to transfer its interest in this Agreement shall not be unreasonably withheld.

Section 7. This Agreement may only be amended by written amendment duly authorized and executed by both the Town of Dallas and Carolina Water Service, Inc. of North Carolina.

Section 8. This Agreement constitutes the entire Agreement between the Town of Dallas and Carolina Water Service, Inc. of North Carolina for wastewater treatment and disposal.

Section 9. Notices, correspondence and invoicing required hereunder shall be in writing and delivered to the Town of Dallas or Carolina Water Service, Inc. of North Carolina in person, by facsimile transmission, by overnight courier or by certified or registered mail, and shall be deemed to have been duly given and to become effective (i) upon receipt if delivered in person or by facsimile transmission, or (ii) one day after having been delivered to an overnight air courier, or (iii) three days after being deposited in the mails if by certified or registered mail, postage prepaid at the following addresses, or at any other addresses designated in writing by either party subsequent to the date hereof:

If to Town of Dallas:

Town Manager, Town of Dallas
210 North Holland St.
Dallas, NC 28034
Fax: 704-922-4701
Attn.: Maria Stroupe, Town Clerk

If to Carolina Water Service, Inc. of North Carolina:

Carolina Water Service Inc. of North Carolina
P.O. Box 240908
Charlotte, NC 28224-0908
Fax: 704-525-8174
Attn.: Carl Daniel, President

With copy to:

Carolina Water Service, Inc. of North Carolina
2335 Sanders Road
Northbrook, Illinois 60062
Attention: John Stover, General Council

Section 10. This Agreement shall be governed by the laws of the State of North Carolina, excluding any choice of law rules, which may direct the application of the laws of any other jurisdiction.

IN WITNESS WHEREOF, the parties have authorized this Agreement to be executed and attested by their undersigned officers, from and after the day and year first above written.

TOWN OF DALLAS

By: *Rick Coleman*
Rick Coleman, Mayor

ATTEST:

Maria Stroupe
Maria Stroupe, Town Clerk



CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA

By: *Carl Daniel*
Carl Daniel, President

WITNESS:

Veronica Panet

OFFICIAL COPY

Oct 23 2015

CERTIFICATE OF SERVICE

I hereby certify that on this the 23rd day of October, 2015, a copy of the foregoing **Commission-Requested Late-Filed Exhibits** has been duly served upon all parties of record by electronic service.

**Electronically Submitted
/s/Jo Anne Sanford**

State Bar No. 6831
SANFORD LAW OFFICE, PLLC
Post Office Box 28085
Raleigh, North Carolina 27611-8085
Tel: (919) 829-0018
sanford@sanfordlawoffice.com
**Attorney for Carolina Water Service, Inc. of
North Carolina**