

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-1297, Sub 14

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	)	
MRT-1, LLC,	)	
	)	
Complainant,	)	
	)	PUBLIC STAFF
v.	)	RECOMMENDATIONS
	)	
HARKERS ISLAND SEWER	)	
COMPANY, LLC	)	
	)	
Respondent.	)	

NOW COMES THE PUBLIC STAFF by and through Christopher J. Ayers, Executive Director, and pursuant to the Commission's Order dated October 13, 2021, in this Docket No. W-1297, Sub 14, files these Public Staff Recommendations.

The Public Staff has considered the following facts in making its recommendations. The Public Staff believes these facts are uncontroverted.

1. Harkers Island Sewer Company, LLC (HISC) has two members as listed on the HISC 2020 Annual Report page 3, being Michael W. Laws and Michael T. Price. Michael Laws and Michael Price were the members of HISC listed on the HISC Limited Liability Company Articles of Organization filed with the North Carolina Secretary of State on July 10, 2012.

2. On December 22, 2010, BLE Utility Company, LLC (BLE), filed an application with the Commission seeking to acquire a sewer utility franchise for Westbay Subdivision in Carteret County, North Carolina, and approval of rates. On May 18, 2011, BLE filed an amended application to add James Creek Subdivision to the service area. On August 7, 2012, BLE filed updated information for the application, including a name change to Harkers Island Sewer Company, LLC.
3. The Commission issued a certificate of public convenience and necessity to HISC in Docket No. W-1297 Sub 0, by an Order dated July 30, 2013 (attached as Exhibit 1), to provide wastewater utility service to 80 residential lots in James Creek Subdivision (James Creek) and 28 residential lots in Westbay Subdivision on Harkers Island, Carteret County, North Carolina.
4. The availability of wastewater utility service to James Creek is the subject of this complaint proceeding.
5. The developer of James Creek was BLE Development, LLC, whose member-managers were Sidney Bazemore and Michael Laws.
6. Although the developer of James Creek installed wastewater collection mains within James Creek, there has never been any wastewater customers within James Creek.
7. The lender for the James Creek development foreclosed on the loan to BLE Development, LLC. The Trustee's Deed for Sale of Land was recorded December 9, 2014, in Book 1496, Page 98, Carteret County

Register of Deeds. The grantee in this Trustee's Deed was Bank of North Carolina.

8. By deed recorded on December 30, 2019 in Book 1659 Page 65, Carteret County, Register of Deeds, MRT-1, LLC (MRT), the complainant in this proceeding acquired the James Creek land area. MRT-1 has requested that HISC provide wastewater utility service to James Creek, but HISC has declined to provide the wastewater utility service.
9. The original permit to install a wastewater utility system within James Creek was for a High Rate Infiltration System, Permit No. WQ0034190, dated July 22, 2009, issued by the North Carolina Division of Environmental Quality (DEQ). This permit included the construction of a 38,880 gallon per day (gpd) wastewater treatment plant (WWTP) with the effluent to be deposited in a high rate infiltration pond.
10. HISC constructed a 10,080 gpd membrane bioreactor (MBR) WWTP in Westbay but never placed this Westbay MBR WWTP in service.
11. HISC, by Order dated August 18, 2014 in Docket No. W-1297, Sub 1, was granted a CPCN for Harkers Point Subdivision and Harkers Village Subdivision Phases I and II. HISC purchased the wastewater system from the developer who was providing wastewater service to the 61 existing customers at no charge. The acquisition included the transfer of the 40,000 gpd WWTP and subsurface drainfields serving Harkers Point and Harkers Village Phase I and II.

12. An Engineer's Certification by James W. Forman, Jr, P.E. of Arendell Engineers, working for HISC, dated June 12, 2015, relating to DEQ Permit No. WQ0037151 stated the James Creek Lift Station, low pressure, and collection are system are no longer part of the project. DEQ modified Permit No. WQ0028650, dated June 25, 2015, eliminating all references to the James Creek pressure sewer components.
13. HISC never applied to the Commission to cancel the James Creek CPCN. The James Creek CPCN continues to remain in effect. HISC, since the July 30, 2013 issuance date of its James Creek CPCN, has had the continuing obligation to provide wastewater utility service to James Creek.
14. On May 11, 2018 in Docket No. W-1297 Sub 13, HISC filed a request with the NCUC to have its bond reduced. As justification for the request, HISC stated that "On July 30, 2013 HISCO was granted a franchise by the Commission, after its application to serve Westbay Subdivision on Harkers Island and its 32 lots. In the following four years and 9 months, HISCO has successfully added subdivisions: Harkers Village, Harkers Point, Cape Pointe, Beach Hammock, by The Bay subdivisions to its applied for and approved territories. In addition, HISCO has added commercial services to Fish Hook Grille, Harkers Island RV Park, Sand Bar Club, and most notably Cape Lookout

National Seashore, managed by the United States National Park Service.”

15. All the wastewater from all the HISC service areas is treated at the HISC 40,000 gpd WWTP at Harkers Point with the effluent deposited into the three subsurface drainfields near this Harkers Point WWTP. The regulation of the HISC wastewater utility system due to the subsurface effluent drainfields is by the North Carolina Health and Human Services (DHHS) and the Environmental Health Division of the Carteret County Health Department (Carteret Environmental Health).
16. The current HISC wastewater system permit was issued by Carteret Environmental Health, Permit OP#VI-27-17-1, issued April 9, 2018, a copy of which is attached as Exhibit 2. The service areas are listed on the bottom of the second page. James Creek is not listed on this permit and has never been listed on the DHHS and Carteret Environmental Health HISC permits.
17. HISC does not have capacity in its 40,000 gpd WWTP to serve James Creek. The DHHS calculation dated August 1, 2021 of permitted connections is attached as Exhibit 3. This Exhibit 3 shows total allocated capacity of 80,060 gpd, with Approved Total Capacity of 80,160 gpd, the Existing Constructed Capacity at Harkers Point is 40,000 gpd, and Westbay at 10,080 gpd. However, the Westbay 10,080 gpd WWTP has never been placed in service.

18. Assuming James Creek will have 80 three bedroom residences, the total WWTP capacity needed to serve James Creek would be 28,800 gpd (80 residences X 3 bedrooms X 120 gpd per bedroom = 28,800). This would increase the DHHS and Carteret Environmental Health allocated capacity to 108,860 gpd (28,800 plus 80,060). DHHS has advised the Public Staff that in order to serve James Creek, HISC would need to construct an expansion of the WWTP capacity to at least 80,000 gpd. This would mean a 40,000 gpd WWTP addition.
19. Construction costs are uncertain at this time due to recently increased costs for materials and labor. Reasonable ballpark estimates for the construction of a 40,000 gpd WWTP addition are in the range of \$14 to \$20 per gallon, totaling in the range of \$560,000 to \$800,000. Construction costs will vary based upon the type of WWTP constructed and when the construction occurs.
20. The HISC 2020 Annual Report (attached as Exhibit 4) lists negative \$2,262 cash on page 5, line 12. This Annual Report lists on pages 5 and 6:

21.

Page 5, line 1	Utility Plant	\$845,453
Page 5, line 2	Accumulated depreciation	\$434,426
Page 5, line 3	Net utility plant	\$411,027
Page 6, line 19	Contributions in aid of construction	\$1,221,771
	Original cost net investment	(\$810,744)
		(\$411,027 less \$1,221,771)

Therefore, based upon this unaudited HISC 2020 Annual Report, HISC has a negative rate base. However, an audit would verify the numbers and amortize a portion of the CIAC, thereby reducing the amount the rate base is negative. HISC has never filed a general rate case, and the Public Staff has never audited HISC's utility plant accounts.

22. The Commission approved connection fee for James Creek in Docket No. W-1297 Sub 0, is \$25,000 per residence. Therefore, the total connection fees to be paid for 80 lots would be \$200,000. The Commission approved connection fees are normally paid as connections are made. Therefore, \$200,000 would not be available for the 40,000 gpd WWTP addition construction.

23. DHHS and Carteret Environmental Health will not allow wastewater service to James Creek until the 40,000 gpd WWTP addition is

constructed and James Creek is included in the DHHS and Carteret Environmental Health permit.

24. In order for HISC to construct the 40,000 gpd WWTP addition, it will be necessary for HISC to obtain significant funding.

25. MRT, on page 4 line 22 through page 5 line 1 of its Rebuttal Testimony of Dan Timberlake filed on October 18, 2021, requested the Commission appoint an emergency operator. HISC has a \$130,000 bond posted with the Commission.

26. The HISC wastewater system operations has been in compliance with the DHHS and Carteret Environmental Health requirements, with the exception of nitrates in the effluent. HISC has modified or is in the process of modifying the WWTP, as approved by DHHS, to reduce the nitrates in the effluent.

27. The existing HISC 40,000 gpd WWTP at Harkers Point is a metal WWTP installed in 1997. The Public Staff expects this HISC 40,000 gpd WWTP will need to be replaced within the next 3 to 10 years. This replacement will require significant capital investment.

28. HISC has engaged in discussions for the sale of the HISC wastewater utility system with Aqua North Carolina, Inc., Carolina Water Service, Inc. of North Carolina, and Pluris, Inc. These discussions were not successful.

**WHEREFORE**, the Public Staff recommends:

1. That the Commission provide in its Order that HISC has 180 days from the date of the Commission Order to obtain the necessary funding for the construction of the 40,000 gpd WWTP addition.
2. That the Commission Order state that if at the end of the 180 days, HISC has not provided proof of funding for the 40,000 gpd WWTP addition, and if MRT at its option files a request with the Commission for James Creek to be removed from the HISC CPCN, that the Commission will issue an Order removing James Creek from the HISC CPCN.
3. That the appointment of an emergency operator is not a feasible solution as the emergency operator would not want to invest the necessary \$560,000 to \$800,000 for the 40,000 gpd WWTP expansion, as HISC would still be the owner of the wastewater system. In addition, HISC's operation of the wastewater system has been adequate. The HISC \$130,000 bond posted with the Commission would not be adequate to construct the required 40,000 gpd WWTP expansion.
4. Due to the need for significant capital funding for the 40,000 gpd WWTP expansion and the future replacement of the existing Harkers Point 40,000 gpd WWTP, the Public Staff believes that it would be in the best interest of the present and future wastewater customers served by this wastewater utility system for HISC to sell the

wastewater utility system at a reasonable price to an experienced and well capitalized wastewater utility.

Respectfully submitted this the 29th day of November, 2021.

PUBLIC STAFF  
Christopher J. Ayers  
Executive Director

Dianna W. Downey  
Chief Counsel

Electronically submitted  
/s/ William E. Grantmyre  
Staff Attorney

4326 Mail Service Center  
430 North Salisbury Street  
Raleigh, North Carolina 27699-4300  
Telephone: (919) 733-0977  
Email: [william.grantmyre@psncuc.nc.gov](mailto:william.grantmyre@psncuc.nc.gov)

CERTIFICATE OF SERVICE

I certify that I have this day served a copy of the foregoing Public Staff Recommendations on Clark Wright, Jr., the Attorney for HISC and Andrew D. Irby, the Attorney for MRT, by electronic delivery upon agreement of the receiving party.

This, the 29th day of November, 2021.

Electronically submitted  
/s/ William E. Grantmyre

Public Staff Recommendations

Docket No. W-1297, Sub 14

Index to Exhibits

1. Commission Certificate Order for James Creek dated July 30, 2013
2. Carteret County Environmental Health Permit OP#V1-17-1, 40,000 gpd  
Harkeres Point WWTP
3. DHHS Capacity Allocation dated August 2, 2021
4. HISC 2020 Annual Report



**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-1297, SUB 0

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application by Harkers Island Sewer Company LLC,	)	
Post Office Box 370, Harkers Island, North Carolina	)	ORDER GRANTING
28531, for a Certificate of Public Convenience and	)	FRANCHISE,
Necessity to Provide Wastewater Utility Service in	)	APPROVING RATES,
Westbay Subdivision and James Creek Subdivision	)	AND REQUIRING
on Harkers Island, Carteret County, North Carolina,	)	CUSTOMER NOTICE
and for Approval of Rates	)	

BY THE COMMISSION: On December 22, 2010, BLE Utility Company LLC (BLE), filed an application with the Commission seeking to acquire a sewer utility franchise for Westbay Subdivision in Carteret County, North Carolina, and approval of rates. On May 18, 2011, BLE filed an amended application to add James Creek Subdivision to the service area. On August 7, 2012, BLE filed updated information for the application that included a name change to Harkers Island Sewer Company, LLC (HISC or Applicant). On July 22, 2013, the Public Staff and Applicant filed a Stipulation of Agreement for purposes of amending the application.

On March 26, 2013, the Commission issued its Order Requiring Customer Notice and Requiring Bond.

On the basis of the verified application, updated information, Stipulation of Agreement, and the records of the Commission, the Commission makes the following

**FINDINGS OF FACT**

1. There are presently six residential customers being served in Westbay Subdivision. HISC expects eventually to serve 28 residential customers in the Westbay Subdivision and 80 residential customers in the James Creek Subdivision. The existing customers received notice of the franchise application and proposed rates, and no protests have been received.

2. The service area is shown on the plans attached as Exhibit 9 to the application form.

3. The Public Staff has recommended that HISC be required to post a \$100,000 bond for Westbay Subdivision and James Creek Subdivision. HISC has filed a \$100,000 bond and irrevocable letter of credit surety.

4. HISC has the technical, managerial, and financial capacity to provide sewer utility service in these service areas,

5. HISC has filed all exhibits required with the application.

6. The NNC Division of Water Quality has issued a plan approval letter for the planned sewer system in Westbay and James Creek Subdivisions consisting of a 59,040 gallons per day (GPD) wastewater treatment facility, to be installed in three phases, consisting of flow equalization, dual aeration basins, Zenon Ultrafiltration, disinfection, and disposal by high rate drip irrigation. The plans are approved under Permit No. WQ0024023, dated September 24, 2004, and Permit No. WQ0034190, dated July 22, 2009, and reissued on July 13, 2012.

7. The rates agreed to by the Public Staff and the Applicant are as follows:

<u>Monthly Flat Rate Sewer Service:</u>	\$65.00 per Residential Equivalent Unit (REU)
<u>Connection Charges:</u>	\$2,500 per REU
<u>Reconnection Charge:</u>	\$50.00

The agreed upon rates and the Stipulation of Agreement that supports the rates are reasonable.

Based upon the foregoing, the Commission is of the opinion that an Order should be issued accepting and approving the bond, granting a certificate of public convenience and necessity, approving rates, and requiring customer notice.

IT IS, THEREFORE, ORDERED as follows:

1. That the bond and surety in the amount of \$100,000, filed in this proceeding as required by the Commission, is accepted and approved.

2. That Harkers Island Sewer Company, LLC, is granted a certificate of public convenience and necessity to provide wastewater utility service in Westbay Subdivision and James Creek Subdivision on Harkers Island, Carteret County, North Carolina.

3. That Appendix A constitutes the Certificate of Public Convenience and Necessity.

4. That the Schedule of Rates attached as Appendix B is approved and deemed to be filed with the Commission pursuant to G.S. 62-138. Said Schedule of Rates is authorized to become effective for service rendered on and after the date of this Order.

5. That the Notice to Customers, attached as Appendix C, be mailed with sufficient postage or hand delivered by the Applicant to all customers affected by the new rates no later than 10 days after the date of this Order; and that the Applicant submit to the Commission the attached Certificate of Service, properly signed and notarized not later than 15 days from the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the 30<sup>th</sup> day of July, 2013.

NORTH CAROLINA UTILITIES COMMISSION

*Gail L. Mount*

Gail L. Mount, Chief Clerk

rb072913.06

OFFICIAL COPY

Nov 29 2021

STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

APPENDIX A

DOCKET NO. W-1297, SUB 0

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

HARKERS ISLAND SEWER COMPANY, LLC

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide sewer utility service

in

WESTBAY SUBDIVISION AND JAMES CREEK SUBDIVISION

Carteret County, North Carolina,

subject to any orders, rules, regulations,  
and conditions now or hereafter lawfully made  
by the North Carolina Utilities Commission.

ISSUED BY ORDER OF THE COMMISSION.

This the 30<sup>th</sup> day of July, 2013.

NORTH CAROLINA UTILITIES COMMISSION

*Gail L. Mount*

Gail L. Mount, Chief Clerk

OFFICIAL COPY

Nov 29 2021

## APPENDIX B

SCHEDULE OF RATES

for

HARKERS ISLAND SEWER COMPANY, LLCfor providing sewer utility service inWESTBAY SUBDIVISION AND JAMES CREEK SUBDIVISION

Carteret County, North Carolina

<u>Monthly Flat Rate Sewer Service:</u>	\$65.00 per Residential Equivalent Unit (REU)
<u>Connection Charges:</u>	\$2,500 per REU
<u>Reconnection Charge:</u>	\$50.00
<u>Returned Check Charge:</u>	\$20.00
<u>Bills Due:</u>	On billing date
<u>Bills Past Due:</u>	25 days after billing date
<u>Billing Frequency:</u>	Shall be monthly for service in arrears
<u>Finance Charges for Late Payment:</u>	1% per month will be applied to the unpaid balance of all bills still past due 25 days after billing date.

---

Issued in Accordance with Authority Granted by the North Carolina Utilities Commission in Docket No. W-1297, Sub 0, on this the 30<sup>th</sup> day of July, 2013.

STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

APPENDIX C

NOTICE TO CUSTOMERS  
DOCKET NO. W-1297, SUB 0  
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Notice is given that the North Carolina Utilities Commission has granted Harkers Island Sewer Company, LLC, a Certificate of Public Convenience and Necessity to provide wastewater utility service in Westbay Subdivision and James Creek Subdivision on Harkers Island, Carteret County, North Carolina. The Commission has approved the following rates, effective for service rendered on and after the date of the Commission's Order:

<u>Monthly Flat Rate Sewer Service:</u>	\$65.00 per Residential Equivalent Unit (REU)
<u>Connection Charges:</u>	\$2,500 per REU
<u>Reconnection Charge:</u>	\$50.00
<u>Bills Due:</u>	On billing date
<u>Bills Past Due:</u>	25 days after billing date
<u>Billing Frequency:</u>	Shall be monthly for service in arrears
<u>Returned Check Charge:</u>	\$20.00
<u>Finance Charges for Late Payment:</u>	1% per month will be applied to the unpaid balance of all bills still past due 25 days after billing date.

This the 30<sup>th</sup> day of July, 2013.

NORTH CAROLINA UTILITIES COMMISSION

*Gail L. Mount*

Gail L. Mount, Chief Clerk

OFFICIAL COPY

Nov 29 2021

**CERTIFICATE OF SERVICE**

I, \_\_\_\_\_, mailed with sufficient postage or hand delivered to all affected customers the attached Notice to Customers issued by the North Carolina Utilities Commission in Docket No. W-1297, Sub 0, and the Notice was mailed or hand delivered by the date specified in the Order.

This the \_\_\_\_\_ day of \_\_\_\_\_, 2013.

By:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name of Utility Company

The above named Applicant, \_\_\_\_\_, personally appeared before me this day and, being first duly sworn, says that the required Notice to Customers was mailed or hand delivered to all affected customers, as required by the Commission Order dated \_\_\_\_\_ in Docket No. W-1297, Sub 0.

Witness my hand and notarial seal, this the \_\_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Printed Name

(SEAL)

My Commission Expires:

\_\_\_\_\_  
Date





## Wastewater Collection, Treatment and Subsurface Disposal System Operation Permit

In accordance with the provisions of Article 11 of Chapter 130A, General Statutes of North Carolina as amended, and other applicable Laws, Rules and Regulations.

PERMISSION IS HEREBY GRANTED TO

**Harker's Island Sewer Company LLC**

OP # VI-27-17-1

FOR THE

continued operation of a 60,000 gallons per day sanitary tertiary sewage collection, treatment, disposal system, and operation of a pressure sewer collection system consisting of:

1. System: (61) three-foot diameter, sealed, watertight, fiberglass, grinder pump basins (317 gallon capacity, min.) (61) Myers simplex grinder pump systems; (61) 1 ¼ inch service lines, service boxes and service connections to 2-, 3-, and 4-inch pressure sewer line; 4 inch forcemain feeding to existing tertiary treatment plant in Harker's Village Phase I and II and (28), three foot diameter, sealed, watertight, fiberglass pump basins (317 gallon capacity, min)(28) simplex grinder pump systems; (28) 1 ¼ inch service lines, service boxes and service connections to 2-, 2 ½- and 3 ½ inch pressure sewer lines; 4 inch force main feeding in Harker's point.
2. Tertiary treatment Plant consisting of a 15,600 gallon surge tank/flow equalization basin with dual pumps and aeration system with one blower.
3. Two-way flow splitter/equalization box.
4. Two 20,000 gallon per day secondary treatment units, each consisting of:
  - a. 3,000 gallon sludge holding tank;
  - b. 20,000 gallon aeration basin with two blowers, total.
  - c. 3700 gallon dual-hopper clarifier.
5. One 60,000 gallon per day tertiary treatment system consisting of:
  - a. a denitrification/solids removal filtration system including a glycerin feed system
  - b. Three 14 square foot deep-bed, gravity flow, submerged filter cells,
  - c. 4600 gallon clearwell with dual backwash pumps, air scour/nitrogen release system.
  - d. 4000 gallon mudwell with dual backwash return pumps.
  - e. Stilling well and instantaneous and continuous effluent flow monitoring device.
  - f. 3500 gallon final effluent dosing tank and quadraplex dosing pump system.



Department of Social Services — 210 Craven Street • PO Box 779 • Beaufort, NC 28516  
Tel (252) 728-3181 / Main Fax (252) 648-7462 / Legal Unit Fax (252) 648-7463

Public Health Department — 3820-A Bridges Street • Morehead City, NC 28557  
Main Office — Tel (252) 728-8550 / Fax (252) 222-7739  
Environmental Health — Tel (252) 728-8499 / Fax (252) 222-7753



- g. Three installed and one future low pressure pipe (LPP) drainfields (11,400 linear feet, total).
- h. Three groundwater monitoring wells.
- i. Automatically activated standby power.
- j. Dual Chlorinator and 1350 gallon chlorine contact chamber.
- 6. Lift Station and Phase 1 collection sewer system at NPS : two existing wet wells as permitted by DWQ (permit WQ0037851)
- 7. Lift Station At Cape Point; existing wet well initially permitted by DWQ (permit WQ0031070) with modifications to include 2 new 8.9 Hp pumps, guide rail system, autodialer system, area lighting, new control panel, standby power system, RPZ, 4" force main from and to existing NPS forcemain adjacent to West Bay DWQ WWTP and existing HISCO Phase I/West Bay Collection System Service Areas, permitted by DWQ.
- 8. Interconnection between NPS forcemain and HISCO Phase I/West Bay Collection System to Harker's Point/Harker's Village WWTP: consisting of 4,115 linear feet from the end of Mullins Drive to the Harker's Village/Harker's Point WWTP. Lines east of Mullins Drive were permitted by DWQ (permit #WQ0037151)
- 9. Harker's Island RV Resort Park consisting of 6-inch gravity sewer (3950 feet), 5 duplex grinder pump stations, 1-1/2, 2 and 3-inch pressure sewers (2300 feet) connection to existing 4-inch force main from Cape Point lift station to Harker's Village WWTP

to serve **Harker's Island Sewer Company LLC (HISCO) service areas on Harker's Island** with no discharge of wastes to the ground surface or surface waters pursuant to 15A NCAC 18A .1900 et. seq. and in conformity with the project plans, specifications, and other supporting data subsequently filed and approved by the Department of Health and Human Services or its predecessors and the Carteret County Health Department and considered a part of this permit.

Facilities to be served (currently approved):

Harker's Point/Harker's Village Subdivisions (64 lots)

HISCO Phase I/West Bay service areas (22 lots);

National Park Service Visitor Center

Cape Point Subdivision (25 lots)

Harker's Island RV Resort Park 121 RV lots (at least 60 "standard" and up to 61 "park model" RV's, and the community picnic area

1726 Island Rd ( 2-bedroom, 240 gpd)

212 Island Rd (3 bedroom, 360 gpd)

Fish Hooks Restaurant (40 seats, 1600 gpd)

1672 Island Rd (3 bedroom, 360 gpd)

**This permit shall be effective from the date of issuance until December 18, 2022 and shall be subject to the following specified conditions and limitations:**

## **I. General Performance Standards**

1. The Owner shall be subject to all applicable provisions of Article 11 of Chapter 130A of the General Statutes and 15A NCAC 18A .1900 et. seq. The Owner is especially referred to Rules .1935(29,31), .1937(d,e), .1938(g), .1945(a,b), .1950 (a through I), .1961 (a through d), .1965, .1967 and .1968.
2. The facilities served are prohibited from disposing of any chemical cleaners or any other potentially inhibitory/interfering substance into the wastewater system, including but not limited to quaternary ammonia compounds. Condensate water from refrigeration and air conditioning equipment shall not enter the wastewater system.
3. This wastewater treatment and disposal system shall be effectively maintained and operated at all times so that there is no discharge to the ground surface or to surface waters. In the event that the system or any of its components fail to perform satisfactorily, including the creation of nuisance conditions, the Owner shall take immediate corrective action to correct the problem, including actions as may be required by this Department, such as the construction of additional or replacement wastewater treatment or disposal facilities, upon receipt of a repair permit.
4. This permit may become suspended or revoked if the soils fail to adequately absorb and treat the wastes or if the facilities are not maintained and operated as designed. The system must be operated and maintained in a manner which will not create a public health hazard or nuisance by surfacing of effluent or discharge directly into groundwater or surface water any time during the operation of the system.
5. Residuals generated from these treatment facilities must be transported, treated and disposed in accordance with the 40 CFR 503 and in a manner approved by the Division of Waste Management, in accordance with Article 9 of Chapter 130A of the General Statutes, and Rules 15A NCAC 13B et seq. The Owner shall specify the approved hauler and disposal sites and submits this information in writing to this office within 30 days. The LHD shall be notified of any changes in this information.
6. Diversion or bypassing of the untreated wastewater from the treatment facilities is prohibited.
7. The issuance of this permit shall not relieve the Owner of the responsibility for damages to surface or groundwaters resulting from the operation of this facility.
8. Adequate measures shall be taken to divert stormwater from the disposal area and to prevent wastewater runoff.

## **II. OPERATION AND MAINTENANCE REQUIREMENTS**

1. The system shall be effectively maintained and operated as a sub-surface disposal system to prevent the discharge of any wastewater to the ground surface or surface water resulting from the operation of this facility.

2. This system is classified as a Grade III wastewater treatment plant, and a Type VIa subsurface disposal system. The Permittee shall employ a certified wastewater treatment plant operator to be in responsible charge (ORC) of the wastewater treatment facilities. The operator must hold a subsurface certification and wastewater certificate of the grade at least equivalent to the classification currently assigned to the wastewater treatment facility by the Water Pollution Control System Operators Certification (Grade III currently required). The Permittee must also employ a certified back-up operator of the appropriate type and grade to comply with the conditions of 15A NCAC 8A .0202. The ORC of the facility must visit the facility **at least five days a week** and must manage and document operation and maintenance of the facility and must comply with all other conditions of 15A NCAC 8A .0100 et. seq..In addition, weekly inspections are required at the Cape Point Lift Station; weekly inspections of the 5 RV-Park lift stations; monthly inspections of the Park Service and any commercial lift station.
3. Inspection reports (DMR's and sample analysis reports) shall be submitted to:

**Carteret County Health Department  
Environmental Health Division  
3830 Bridges Street, Suite A  
Morehead City, NC 28557**

The Permittee must submit a letter to Carteret County Health Department with the name of the Operator in responsible charge prior to issuance of the Operation Permit and updated upon any changes (within 30 days).

4. An automatically activated standby power source shall be on-site and operational at all times. Generator shall be tested weekly by interrupting the primary power source. At least twice a year generator shall be tested for a minimum 12 hour run time.
5. The flow measurement device shall be calibrated annually by a representative of a firm which is routinely engaged in the calibration of flow measurement devices. Records of the calibration shall be available during any inspection by the Department staff, and shall be copied and submitted to the Carteret County Health Department annually.
6. The tertiary filters shall be in service at all times: shall have media in accordance with approved design specifications or approved modifications; and shall be capable of being backwashed manually and automatically via float switches or timers.
7. The diffusers shall be removed from the aeration basin for inspection and servicing as needed during the months for March and October. Additional servicing may be required and should be performed on an as needed basis by the operator.

8. The chlorine tablets used in the disinfection facility shall be of the kind and type specified in the plans and specs for wastewater applications and approved by the Carteret County Health Department.

9. The application rate for the LPP disposal system shall not exceed 1.0 gpd/sf

10. The screenings removed from the wastewater treatment plant shall be properly disposed of in a sanitary landfill.

11. The application of chemicals to the distribution fields is expressly prohibited.

12. The facilities shall be effectively maintained and operated as a non-discharge system to prevent the discharge of any wastewater outside the disposal area resulting from the operation of this facility.

13. Maintenance of the Collection System - The following maintenance procedures are required to be performed.

- a. Visual inspections of manholes and connecting sewer lines shall be conducted at least annually.
- b. If visible accumulation of sewage is evident in the manhole(s), it shall be washed thoroughly with fresh water into the sewer line.
- c. The connecting segments of sewer lines shall be flushed annually with sufficient high pressure fresh water (i.e. from fire hydrant) to scour any accumulated deposits from the bottom of the lines.  
Sufficient water shall be introduced into the lines to achieve half-full flow at the outlet of the segment. Flow should be maintained until water at the outlet is relatively clear. Care should be taken to keep water usage to a minimum to avoid excess loading on the system and disposal fields.
- d. Reinspect lines immediately after flushing.
- e. If accumulation of sludge has not been removed by flushing, then the lines shall be rodded with appropriate sewer line cleaning equipment.
- f. A log of inspections shall be kept by the operator which shows date of inspection; condition of segment; and maintenance undertaken.
- g. Any additional clogging of these lines shall be taken care of on as-needed basis.  
Any emergency maintenance shall be noted in the inspector's log.

14. The individual grinder pump and STEP pump tanks shall be inspected as follows:

- a. Cape Point Transfer Lift Station, NPS Lift Station and RV Park Lift Stations: at least weekly;
- b. Other Duplex Lift Stations: at least monthly;
- c. Simplex Lift Stations: at least annually

Check for proper operation, leaks and solids accumulation, with maintenance/cleanout performed as needed. Pumps, controls, floats, alarms and telemetry systems shall be checked for proper operation.

Pump elapsed time and cycle counter readings shall be recorded and evaluated to ascertain proper pump cycling.

15. Pump flow rates for each effluent dosing pump shall be tested annually by the following method:

- a. Determine elevation of water in dosing tank.
- b. Run each pump for five (5) minutes.
- c. Measure difference in water elevations and calculate number of gallons pumped per minute.
- d. Compare design pump dosing rate to measure pumping rate.

This data must be submitted to the Health Department annually.

16. Adequate measures shall be taken to divert stormwater from the disposal field area and to prevent wastewater runoff.

17. A suitable cover shall be maintained on the fields. Grassed areas shall be kept mowed, and wooded areas kept free of undergrowth. Clippings and other landscape debris shall be removed from the disposal area as needed to prevent thatch build-up. No traffic (including parking of RV's, boats trailers, as well as vehicles) or other equipment shall be allowed on the disposal fields, with the exception of mowing equipment, without the permission of the Carteret County Health Center. The application of chemicals to the distribution fields is prohibited.

18. All maintenance and inspection requirements listed in the approved "Operation and Maintenance" manual for the facility must be completed. A record of these activities must be kept at the site for review during site inspections.

### **III. MONITORING AND REPORTING REQUIREMENTS**

1. Any monitoring (including groundwater, surface water, soil or plant tissue analyses) deemed necessary by the Carteret County Health Department to ensure surface and ground water protection will be established and an acceptable sampling reporting schedule shall be followed. The initial monitoring schedule shall be as follows:

The effluent from the subject facilities shall be monitored, by the Permittee, at the point prior to discharge to the drainfield for the following parameters:

Parameter	Sampling Point	Sampling Frequency	Type of Sample
Flow	Effluent	Daily	Continuous Recording
CBOD <sub>5</sub> (5-day, 20°C)	Effluent	2/Month	Composite
TSS	Effluent	2/Month	Composite
NO <sub>3</sub> as N	Effluent	2/Month	Grab
NH <sub>3</sub> as N	Effluent	2/Month	Composite

Settleable matter	Effluent	3/week	Grab
Ph	Effluent	3/week	Grab
Fecal coliform	Effluent	2/month	Grab
Temp	Effluent	daily	Grab
DO	Aeration Basin and Effluent	daily	Grab
CL	Effluent	daily	Grab

**The monitoring data must be analyzed by a certified lab.**

All effluent sampling, preservation and analysis must be completed in accordance with the requirements of 40 CFR 136 and at a wastewater lab certified by the State of North Carolina for the specific analysis.

For composite sampling, the Owner is permitted to use a refrigerated automatic timed deposit sampler with the samples being accumulated in one holding container and preserved during the sampling period to be split after collection for testing as to BOD, NH<sub>3</sub> as N, and TSS.

2. As an indicator of proper operation and maintenance, the facility shall produce an effluent in compliance with the following limitations:

Parameter	Monthly Average <sup>a</sup>	Daily (Instantaneous) Maximum <sup>c</sup>
Flow	80% of Daily Flow	daily maximum design flow
CBOD <sub>5</sub> (5-day, 20°C)	10 mg/l	15 mg/l
NH <sub>3</sub> as N (mg/l)	4 mg/l	6mg/l
TSS (mg/l)	20 mg/l	30 mg/l
NO <sub>2</sub> and NO <sub>3</sub>	6mg/l as N	9 mg/l as N
Fecal coliform	5 per 100 ml	

As an indicator of proper operation and maintenance, the facility shall produce effluent in compliance with the following limitations:

- a. Monthly average shall be the arithmetic mean of all samples collected during the reporting period.
- b. Daily maximum shall be the maximum value of all samples collected during the 24-hour period beginning at 12:01 a.m. For flow, daily maximum shall be considered the average of the top three flow days per month.
- c. An instance of exceeding 80% monthly average design flow criterion shall not be used as a basis for an enforcement action. However, a pattern of exceeding the 80% monthly design flow criterion shall signal the need for further evaluation by the owner of wastewater generation rates and system capacity to

assist the Carteret County Health Department in determining what actions, if any, are necessary to assure adequate system performance

3. Two (2) copies of all effluent monitoring data (as specified in condition III 2) on Form SDMR shall be submitted on or before the last day of following month. All information shall be submitted to the following address:

**Carteret County Health Department  
Environmental Health Division  
3820 Bridges Street, Suite A  
Morehead City, North Carolina 28557**

4. An on-site record shall be maintained of all septage removed from this facility. This record shall include the name of the hauler, permit authorizing the disposal or a letter from a municipality agreeing to accept the residuals, date the residuals were hauled, and volume of residuals removed.
5. A maintenance log shall be maintained at this facility including but not limited to the following items:
- a. Visual observations of the plant and plant site.
  - b. Record of preventative maintenance (changing of filters, adjusting belt tensions, alarm testing, aerator inspections and cleanings, etc.).
  - c. Dates LPP's cleared of solids and pressure head checked/adjusted; results of wastewater, delivery rate and dosing volume measurements.
  - d. Date of calibration of flow measurement device.
  - e. Dates, times, and duration of site visits.
  - f. Preventative and repair maintenance completed.
  - g. Daily sampling and flow results including residual chlorine, settleable matter, and d.o. in the aeration basin and clarifier weir.
  - h. Date and results of power interruption testing on alternate power supply.

6. Noncompliance Notification:

The Permittee shall report by telephone to the Carteret County Health Department, telephone number (252)728-8499, as soon as possible, but in no case more than 24 hours or on the next working day following the occurrence or first knowledge of the occurrence of any of the following:

- a. Any occurrence at the wastewater treatment facility which results in the treatment of significant amounts of wastes which are abnormal in quantity or characteristic, such as the dumping of the contents of a sludge digester; the known passage of a slug of hazardous substance through the facility; or any other unusual circumstances.
- b. Any process unit failure, due to known or unknown reasons, that render the facility incapable of adequate wastewater treatment such as mechanical or electrical failures of pumps, aerators, compressors, etc.
- c. Any failure of a pumping station, sewer line, or treatment facility resulting in a bypass directly to receiving waters without treatment of all or any portion of the influent to such station or facility.
- d. Any time that self-monitoring information indicates that the facility has gone out of compliance with its permit limitations.

Persons reporting such occurrences by telephone shall also file a written report in letter form within five (5) days following first knowledge of the occurrence. This report must outline the actions taken or proposed to be taken to ensure that the problem does not recur. When repairs are needed in accordance with NCGS 130A-334(9)(a) and 15A NCAC 18A .1961(c), the permitted must obtain a repair permit from the Carteret County Health Department prior to making the repair.

#### IV. GROUNDWATER REQUIREMENTS

Any groundwater quality monitoring as deemed necessary by the State of North Carolina, North Carolina Department of Health and Human Services or the Carteret County Health Department shall be provided. Any groundwater samples required shall be analyzed by a state certified lab.

1. The three (3) monitoring wells shall be sampled every March, July, and November for the following parameters:

pH	TKN	Water Level	Nitrate-Nitrogen	
Fecal Coliform	NO3	Chloride	TDS	TOC
Volatile Organic Compounds- In November only (by Method 1 below)				
Method 1: Method 6230D(Capillary-Column) "Standard Methods for the examination of water and wastewater", 17 <sup>th</sup> ed., 1989				

The measurement of water levels must be made prior to sampling for the remaining parameters. The depth to water in each well shall be measured from the surveyed point on top of the well casing.

The results of the sampling and analysis must be received on Form OSWS-GW-59 (Groundwater Quality Monitoring: Compliance Report Form) by the DEH-OSWW, 1642

Mail Service Center, Raleigh NC 27699-1642, on or before the last working day of the month following the sampling month. A copy of the sampling and analysis shall also be included with the SDMR sent to the Carteret County Health Department at a minimum of quarterly.

2. All wells that are constructed for the purposes of ground water monitoring shall be constructed in accordance with 15A NCAC 2C .0108 (Standards of Construction for Wells Other Than Water Supply) and any state and local laws and regulations pertaining to well construction.
3. The COMPLIANCE BOUNDARY for the disposal system is specified by regulations in 15A NCAC 2L, Groundwater Classifications and Standards. For a subsurface system such as this one, the Compliance Boundary is established at the property boundary. An exceedance of Groundwater Quality Standards at or beyond the Compliance Boundary is subject to immediate remediation action in addition to the penalty provisions applicable under General Statute 143-215.6A(a)(1).
4. In accordance with 15A NCAC 2L, a REVIEW BOUNDARY is established around the disposal system midway between the Compliance Boundary and the perimeter of the waste disposal area. Any exceedance of standards at the Review Boundary shall require remediation action on the part of the permittee.
5. If TOC concentrations greater than 10mg/l are detected in any downgradient monitoring well, additional sampling and analysis must be conducted to identify the individual constituents comprising this TOC concentration. If the TOC concentration as measured in the background monitor well exceeds 10mg/l., this concentration will be taken to represent the naturally occurring TOC concentration. Any exceedances of this naturally occurring TOC concentration in the downgradient wells shall be subject to the additional sampling and analysis as described above.
6. If any volatile organic compounds are detected by method 6230D, then the Wilmington Regional Office Groundwater Supervisor (910-395-3900) must be contacted immediately for further instructions regarding any additional follow-up analyses required. The results of all initial and follow-up analyses must be submitted simultaneously.
7. Any additional groundwater quality monitoring, including but not limited to off-site monitoring, as deemed necessary by the Carteret County Health Department or the North Carolina Department of Health and Human Services, shall be provided.

#### V. INSPECTIONS

1. Adequate inspection, maintenance, and cleaning shall be provided by the Owner to insure proper operation of the subject facilities.
2. The Owner will accompany a representative of the Carteret County Health Department and a technician licensed by the State of North Carolina to operate the wastewater treatment and disposal facilities at least annually (or more frequently at the direction of the Health Department) on an inspection of such facilities. The purpose of such inspection will be to identify any maintenance requirements, malfunctions,

deterioration, or operator errors. The Owner shall keep an inspection log or summary of this inspection including at least the date and time of the inspection, observations made, and recommendations made. The Owner will cause any repairs or modifications of the wastewater treatment and disposal facility identified during such inspections, or as otherwise brought to the owners attention by the operator or the Carteret County Health Department, to be promptly completed, and will cause any operator error to be corrected. The Owner will maintain a log of such corrective actions for a period of three years and shall make available upon request to the Carteret County Health Department or the State such log.

3. Any duly authorized officer, employee, or representative of the Carteret County Health Department may, upon presentation of credentials, enter and inspect any property, premises or place on or related to the disposal site and system at any reasonable time for the purpose of determining compliance with this permit; may inspect or copy any records that must be kept under the terms and conditions of this permit; or may obtain samples of groundwater, surface water, or leachate.

#### VI. GENERAL CONDITIONS

1. This permit may be suspended or revoked unless the facilities are operated in accordance with the conditions of this permit, the approved plans, specifications and other supporting data.
2. This permit is effective only with respect to the number and type of proposed facilities and volume of wastes described in the application and other supporting data.
3. An annual administering and compliance fee may be established by the Carteret County Board of Health or the State of North Carolina Department of Health and Human Services.
4. Prior to a transfer of this land to a new owner, a notice shall be given to the new owner that gives full details of the materials applied or incorporated at this site. New owners of dwelling units are considered to be part of Harker's Point Subdivision Homeowner's Association.
5. Failure to abide by the conditions and limitations contained in this permit may subject the Owner to an enforcement action by the Carteret County Health Department in accordance with North Carolina General Statute 130A-18, 130A-22C, 130A-23, and/or 130A-25.

6. The issuance of this permit does not exempt the Owner from complying with any and all statutes, rules, regulations, or ordinances which may be imposed by other government agencies (local, state, and federal) which have jurisdiction.
7. A set of approved plans and specifications for the subject project in the possession of the Owner must be retained by the Owner for the life of this project.
8. No addition, expansion, alteration or other repairs shall be made to the existing sanitary sewage system, including any expansion of the collection system, without first obtaining a new Improvement Permit from the Health Department in accordance with G.S. 130A-336.
9. Facilities are provided in strict accordance with this approval, the approved plans and specifications and facility plumbing is in accordance with the approved plans, including fixtures and extreme water-conservation devices.

## **VII. CONDITIONS AND REQUIREMENTS**


1. All requests for future connections to this system are under the regulatory authority of the Carteret County Health Department, at least until such time as the West Bay Plant (under DEQ jurisdiction) is proposed to be brought on-line. Applications from HISCO to CCHD are required prior to any new hook-ups to the system within all service areas connected to the Harker's Village wastewater system. State approval of plans and specifications is required for any new multi-family or commercial development, or whenever the hook-up requires design/construction of lift stations or collection sewers that differ from pre-approved plans or do not directly connect individually to approved mains that adjoin the lot(s) served.
2. This Operation Permit references just those facilities currently approved to be operational. (see page one of this permit under "facilities to be served". As additionally approved wastewater facilities and service connections are completed, engineer certified, and CCHD approved, this OP shall be modified to incorporate their approved connection to the System.
3. The West Bay DEQ Permit is to remain in effect and the Plant and system remain in place as may be needed in the future to serve projected build-out capacity for facilities on Harker's Island.
4. The assessment by HISCO and its Engineer addressing how well the alternative modifications to the Harker's Village Wastewater Treatment Plant have worked to enable effluent standards to be met, is to be provided to the Carteret County Health Department (CCHD) and the Department of Health and Human Services (DHHS) by January 15, 2018. Until a revised monitoring protocol is agreed upon, The following additional sampling shall be taken:
  - a. Third sample collected each month during the period May to September and tested for nitrate and BOD. The nitrate sample shall be collected at the discharge to the

- tertiary filter from the clarifiers prior to the glycerin injection point. The BOD sample shall be collected from the equalization basin or influent splitter box.
- b. The effluent sampling frequency will be increased to 3 times per month (approximately every 10 days) during the May to September period. At least one of the complete samples per month shall be collected with a 24-hour composite sampler.
  - c. In addition to sampling and lab testing, daily or near daily testing for nitrates in the effluent and influent shall be done using litmus paper methods. There will be an influent test for each effluent test performed. Influent will be sampled at a point before flow into the denitrification filter. Test strip results shall be included in the Operator's log and copies submitted with the monthly DMRs to the Carteret County Health Department.
5. Provision of automatic generator/transfer switch for the Cape Point Lift Station is to be completed and certified by the Engineer by March 1, 2018.
  6. Special pumping equipment and a routine operational protocol are to be followed by the Operator, as needed to achieve scour velocities in specified pressure sewer segments, in accordance with the plans, including for pressure sewer segments serving Oak Hammock and Swing Easy Lane.
  7. Wastewater Treatment System expansion plans and specifications are required to be received when the average flow of the top three days in any month exceeds 80 percent of the currently constructed capacity (80% of 40,000 GPD or 32,000 GPD). This shall include plans needed to construct the 4th LPP drainfield; and plans to either to expand Harker's Village WWTP from 40K to 60K, or for a replacement plant. Installation of approved upgrades is required prior to peak daily flow exceeding constructed capacity (40,000 GPD), or the average flow of the top three days in any month exceeds 90 percent of constructed capacity (36,000 GPD).
  8. When the average flow of the top three days in any month exceeds 48,000 GPD, additional plans and specifications must be received as needed to either expand the permitted capacity of the Harker's Village Wastewater System (plant and drainfield) beyond 60,000 GPD, or to bring the West Bay Wastewater System on-line and as needed to operate and regulate both systems simultaneously. This will also require application to be made and approval given by both the CCHD/DHHS and DEQ.
  9. No Construction Authorizations will be issued that could result in the total allocated flow exceeding the Approved Total Capacity of the Harker's Village and West Bay systems (80,160 GPD) until expansion system plans and specifications are provided and approved, as described in Item No. 8.
  10. Except as expressly provided for in this permit, all terms of the Settlement Agreement between HISCO, DHHS and CCHD executed on December 16, 2016 remain in effect.

This Operation Permit shall **expire 12/22/2022** 60 months after issued as specified in Rule .1961, Table V(a) of Paragraph (b)(9) of 15A NCAC 18A .1900. Carteret County Health Department requires that application for renewal be made six (6) months in advance to allow sufficient time for review of the facility and for the permittee to have required improvements completed prior to re-permitting.

Amended Permit issued this the 9th day of April 2018

CARTERET COUNTY HEALTH DEPARTMENT  
ENVIRONMENTAL HEALTH DIVISION

  
Christine M. Nitt, REHS  
Carteret County Health Department

Permit No. VI-27-17-1



Status, HISCO Harker's Island Wastewater System(s); 8/1/2021					
Source	Initial Permit Authority	Facilities Breakdown (Total)	Constructed/ Operational	Under Construction	Total Flow Allocated or with Application Pending from HISCO
Harkers Point/Harkers Village Subdivisions	CCHD/DHHS	90 Lots (27 3-bed and 63 4-bed units)	64 Operating		21,600
HISCO Phase I/West Bay Service Areas	DEQ	48 Lots (3-bed units)	31 Operating		17,280
Cape Point (AKA Academy Fields) Subdivision	DEQ	25 Lots (12 3-bed and 11 4-bed units)	7 Operating	3	9,600
Cape Point Addition	CCHD	7 Lots (3-bed units)			1,680
NPS Visitors Center	DEQ	Visitors Center	Operational		2,800
RV-Park	CCHD/DEQ	123 Lots (62 Standard; 61 Park Model)	100% Operational		12,320
Fish Hook Restaurant	DEQ	40 Seats	Operational		1,000
212 Island Road	CCHD	3-bed unit	Operational		360
330 Island Rd.	CCHD	3-bed unit	Operational		360
1328 Island Rd.	CCHD	5-bed unit	Pending		600
1350 Island Rd.	CCHD	2-bed unit	Pending		240
1376 Island Road	CCHD	3-bed unit	Pending		360
1568 Island Road (Walker Bros. LLC)	CCHD	4-bed unit	Operational		480
1576 Island Road	CCHD	3-bed unit	Operational		360
1672 Island Road	CCHD	3-bed unit	Operational		360
1726 Island Road	DEQ	2-bed unit	Operational		240
106 Stacy Dr.	CCHD	3-bed unit	Operational		360
110 South Old Ferry Dock Road	CCHD	3-bed unit	Operational		360
130 South Old Ferry Dock Road	CCHD	3-bed unit	Operational		360
120 South Old Ferry Dock Road	CCHD	4-bed unit	Pending		480
122 Old Ferry Dock Road	CCHD	2-bed unit	Operational		240
147 Old Ferry Dock Road	CCHD	3-bed unit	Operational		360
163 Old Ferry Dock Rd.	CCHD	3-bed unit	Operational		360
167 Old Ferry Dock Rd.	CCHD	3-bed unit	Operational		360
140 Yeomans Dr.	CCHD	3-bed unit		1	360
Park Service, Phase 2	CCHD	5 homes; 12 RV Lots; Maintenance Facility, 10 employees	Operational		2410
NPS Shell Point Restroom	CCHD	120 visitors/day	Operational		600
Harkers Island Fishing Center	CCHD	Existing 10-room motel (no Cooking)	Operational		1200
LDS Church, pending application	CCHD	200 Members w/Kitchen	Operational		600
Tollan Wade Bar/Ice Cream Shop	CCHD	45-Seat Bar/no Food Service+Ice Cream	Operational		1025
The Bridges	CCHD	Youth Ministry for up to 269 People	Operational		1345
				Total	80,060
				"Excess" un- allocated Capacity)	100
Approved Total Capacity:	Harkers Village (CCHD/DHHS)	60,000			
	West Bay (DEQ)	20,160			
	Total	80,160			
Existing Constructed Capacity:					
	Harkers Village	40,000 GPD			
	West Bay	10,080 GPD			

Actual Wastewater Flows:

2019: Peak Month (June): 15,745 gpd, mean; 33,400, max

2018: Peak Month (August): 11,055, mean; 28,700 gpd, max (July);

2017: Peak Month (July): 8,835 gpd, mean; 19,000 gpd, max; 16,000 gpd, mean, top 3 days

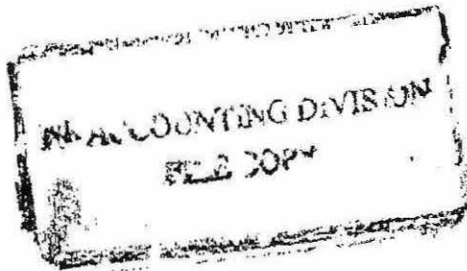
2016: Peak Month (July): 9,877 gpd, mean; 16,000 gpd, max; 15,567 gpd, mean, top 3 days

Notes/Caveats:

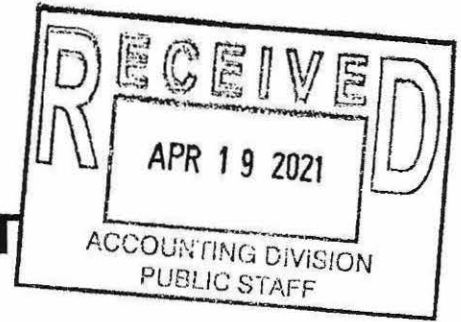
- Approved upgrades to Cape Point lift station (dedicated standby generator and automatic transfer switch) and to WWTP (enhanced denitrification components) remain to be completed (as of August, 2019).
- Applications from HISCO to CCHD are required prior to any new hook-ups to the system within existing service areas connected to the Harkers Village wastewater system. State approval is required for any new multi-family or commercial development.
- Plans and specifications are required to be received when the average flow of the top three days in any month exceeds 80 percent of the constructed capacity (32,000 GPD). This shall include plans needed to construction 4th LPP drainfield; and plans to either expand Harkers Village WWTP from 40K to 60K, or for a replacement plant, whichever HISCO deems preferable. Installation of approved upgrades is required prior to peak daily flow exceeding constructed capacity (40K), or the average flow of the top three days in any month exceeds 90 percent of constructed capacity (36K).
- When the average flow of the top three days in any month exceeds 48,000 GPD, plans and specifications must be received as needed to either expand the permitted capacity of the Harkers Village Wastewater System (plant and drainfield), or to bring the West Bay Wastewater System on-line and as needed to operate and regulate both systems simultaneously. This will also require application to be made and approval given by both the CCHD/DHHS and DEQ.
- No Construction Authorizations will be issued that will result in the total allocated flow exceeding the Approved Total Capacity of the Harkers Village and West Bay systems (80,160 GPD) until expansion system plans and specifications are provided and approved.



WATER / SEWER COMPANY WITH  
REVENUES LESS THAN \$200,000  
(REVISED 1/10)



SCANNED



## ANNUAL REPORT

OF

Harkers Island Sewer Company, LLC / W- 1297  
Company Name (as franchised by NCUC) NCUC Certificate No.

P. O. Box 370  
Mailing Address

Harkers Island NC 28531  
City State Zip

Area Code ( 336 ) 596-9050  
Telephone Number (including area code)

Area Code ( ) n/a  
Fax Number (including area code)

mprice@hisco.online  
Email Address

TO THE

## NORTH CAROLINA UTILITIES COMMISSION

For The Year Ended  
December 31, 2020

RETURN TO: Public Staff - Accounting Division  
North Carolina Utilities Commission  
4326 Mail Service Center  
Raleigh, NC 27699-4326

ANNUAL REPORT	TOTAL
REPORT RECEIVED	4/19/21
ACKNOWLEDGED	
CALCULATED	
LETTER DATED	
CORRECTIONS	

OFFICIAL COPY

Nov 29 2021

## **FILING INSTRUCTIONS**

### **WHEN TO FILE:**

This form, consisting of fourteen pages, must be filed with this Commission no later than **April 30th** following the end of the calendar year covered by this report. Failure to file your Annual Report on or before the due date will result in Commission action, which may result in the assessment of financial penalties (North Carolina General Statute GS 62-310).

### **WHERE TO FILE:**

Send the original and two (2) copies to:

PUBLIC STAFF - ACCOUNTING DIVISION  
NORTH CAROLINA UTILITIES COMMISSION  
4326 MAIL SERVICE CENTER  
RALEIGH, NORTH CAROLINA 27699-4326

### **NUMBER OF COPIES REQUIRED:**

The original and two (2) copies of this report, legibly completed (including NCUC certificate number) and signed and notarized, are required to be filed in order to satisfy the Annual Report filing requirements established by this Commission. One copy of this report should be maintained in your files.

### **VERIFICATION UNDER OATH REGARDING ACCURACY OF REPORT:**

Both the original and the required copies of this report must be verified under oath by the chief executive officer, a senior level financial officer, or the responsible accounting officer of the utility.

### **QUESTIONS:**

If you have any questions or need assistance in completing this report or questions concerning this Commission's Annual Report filing requirements, call or write the Public Staff - Accounting Division, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326, Telephone Number (919) 733-4279. This report is available in Microsoft Excel on the Public Staff's web site at:

<http://www.pubstaff.commerce.state.nc.us/psacctg/report.htm>.

**GENERAL COMPANY DATA****1. FILING STATUS: (check one only)**

☐ Corporation      ☐ Partnership      ☐ Sole Proprietorship  
☐ Subchapter S Corp.      ☒ Limited Liability Company      ☐ Other (Describe: \_\_\_\_\_)

**2. NAME, TITLE, AND COMPENSATION OF OFFICERS, PARTNERS, MEMBER / MANAGERS OR SOLE PROPRIETORS:**

<u>Name</u>	<u>Title</u>	<u>Total Compensation</u> 1/
Michael W. Laws	Member/Manager	0.00
Michael T. Price	Member/Manager	0.00

1/ Include salary, wages, bonuses, partnership/owner drawings, etc.

**3. INDIVIDUAL TO WHOM CORRESPONDENCE OR QUESTIONS CONCERNING THIS REPORT CAN BE SENT:**

Mike Price	Member/Manager	(336) 596-9050
<u>Name</u>	<u>Title</u>	<u>Telephone No.</u>

**4. YEAR COMPANY FIRST BEGAN OPERATIONS: 2012****5. NAMES AND OWNERSHIP INTEREST OF THREE LARGEST STOCKHOLDERS / OWNERS OF UTILITY:**

Michael W. Laws, 49%

Michael T. Price, 51%

**6. ACCOUNTING RECORDS ARE MAINTAINED AT:**

PO Box 1974		
<u>Street Address</u>		
Lexington	NC	27293-1974
<u>City</u>	<u>State</u>	<u>Zip</u>

**7. REPORTING COMPANY'S ACCOUNTING YEAR ENDING DATE (ONLY IF DIFFERENT THAN DECEMBER 31):**

Note: North Carolina Utilities Commission Rule R1-32 requires that Annual Reports be completed based on the calendar year ended December 31.

**8. GENERAL FINANCIAL DATA:**

	<u>WATER</u>	<u>SEWER</u>	<u>COMBINED</u>
Annual operating revenues		123,887	123,887 ✓
Utility plant in service at year end		411,027	411,027
End-of-period customers		127	127

**SERVICE AREAS**

(NOTE: If more columns are needed for additional subdivisions or service areas, use supplementary sheets.)

For each subdivision or service area, list the following in alphabetical order.

Name	#VALUE!	W1297, Sub 0	W1297, Sub 1	W1297-Sub 2
Water: DENR System Identification No.		N/A	N/A	N/A
Sewer: NPDES or Non Discharge Permit No.		WQ0024023	N/A	VI-27-14
County (or counties)				
Type of service (Check one or more)				
<u>Water Service</u>		W(    )	W(    )	W(    )
<u>Sewer Service</u>		S( x    )	S( X    )	S( x    )
Number of wells in service				
Total <u>pumping capacity</u> of pumps in service (gpm)				
Total <u>storage tank capacity</u> (gallons)				
Source of <u>water supply</u> (check one or more)				
Pumped from <u>Wells</u>		W(    )	W(    )	W(    )
<u>Purchased from others</u>		P(    )	P(    )	P(    )
<u>Other</u>		O(    )	O(    )	O(    )
<u>Not applicable</u>		N( x    )	N( X    )	N( x    )
Types of <u>water treatment</u> (check one or more)				
<u>Chlorination</u>		C(    )	C(    )	C(    )
<u>Iron treatment</u>		I(    )	I(    )	I(    )
<u>Other</u>		O(    )	O(    )	O(    )
<u>Not applicable</u>		N( x    )	N( X    )	N( x    )
Are hydrants and storage tanks available for fire protection?				
<u>Fire protection</u>		F(    )	F(    )	F(    )
<u>No fire protection</u>		N( x    )	N( X    )	N( x    )
Is service <u>metered</u> ?				
<u>Meters</u>		M(    )	M(    )	M(    )
<u>No meters</u>		N( x    )	N( X    )	N( x    )
Source of <u>sewage treatment</u> (check one or more)				
<u>Treat own sewage</u>		T( x    )	T( X    )	T( x    )
<u>Purchase treatment from others</u>		P(    )	P(    )	P(    )
<u>Not applicable</u>		N(    )	N(    )	N(    )
Number of customers at year end:				
Water				
Sewer		31	0	65
Number of customers that can be served by mains already installed (include present customers, vacant lots, etc.):				
Water				
Sewer		31	200	92
Number of availability customers at end of year (only applicable to companies charging availability rates separate from water or sewer service):				
Water				
Sewer		0	0	0

**SERVICE AREAS**

TE: If more columns are needed for additional subdivisions or service areas, use supplementary sheets.)  
For each subdivision or service area, list the following in alphabetical order.

Name of subdivision or service area	W1297, Sub 3		
Water: DENR System Identification No.	n/a		
Sewer: NPDES or Non Discharge Permit No.	n/a		
County (or counties)			
Type of service (Check one or more)			
<u>Water Service</u>	W(    )	W(    )	W(    )
<u>Sewer Service</u>	S( x    )	S(    )	S(    )
Number of wells in service			
Total <u>pumping capacity</u> of pumps in service (gpm)			
Total <u>storage tank capacity</u> (gallons)			
Source of <u>water supply</u> (check one or more)			
Pumped from <u>Wells</u>	W(    )	W(    )	W(    )
Purchased from others	P(    )	P(    )	P(    )
<u>Other</u>	O(    )	O(    )	O(    )
Not applicable	N( x    )	N(    )	N(    )
Types of <u>water treatment</u> (check one or more)			
<u>Chlorination</u>	C(    )	C(    )	C(    )
<u>Iron treatment</u>	I(    )	I(    )	I(    )
<u>Other</u>	O(    )	O(    )	O(    )
Not applicable	N( x    )	N(    )	N(    )
Are hydrants and storage tanks available for fire protection?			
<u>Fire protection</u>	F(    )	F(    )	F(    )
No fire protection	N( x    )	N(    )	N(    )
Is service <u>metered</u> ?			
<u>Meters</u>	M(    )	M(    )	M(    )
No meters	N( x    )	N(    )	N(    )
Source of <u>sewage treatment</u> (check one or more)			
<u>Treat own sewage</u>	T( x    )	T(    )	T(    )
Purchase treatment from others	P(    )	P(    )	P(    )
Not applicable	N(    )	N(    )	N(    )
Number of customers at year end:			
Water			
Sewer	31		
Number of customers that can be served by mains			
Water			
Sewer	330		
Number of availability customers at end of year (onl			
Water			
Sewer	0		

**WATER AND SEWER COMBINED BALANCE SHEET**  
**ASSETS AND OTHER DEBITS**

<b>Line No.</b>	<b>Title of Account (a)</b>	<b>Balance at Beginning of Year (b)</b>	<b>Balance at End of Year (c)</b>
	<b><u>Utility Plant</u></b>		
1.	Utility plant (must agree with Page 9, Line 5, Column (d))	845,453	845,453
2.	Accumulated provision for depreciation and amortization of utility plant	374,078	434,426
3.	Net utility plant (Line 1 minus Line 2)	471,375	411,027
4.	Utility plant acquisition adjustment		
5.	Accumulated provision for amortization of acquisition adjustment		
6.	Net utility plant acquisition adjustment (L4 minus L5)	0	0
7.	Total utility plant (L3 plus L6)	471,375	411,027
	<b><u>Other Property and Investments</u></b>		
8.	Nonutility property		
9.	Accumulated provision for depreciation and amortization of nonutility property		
10.	Other investments		
11.	Total other property and investments (L8 - L9 + L10)	0	0
	<b><u>Current Assets and Other Debits</u></b>		
12.	Cash	19,041	(2,262)
13.	Special deposits		
14.	Customer accounts receivable	327	1,026
15.	Materials and supplies		
16.	Other current and accrued assets		
17.	Miscellaneous deferred debits		
18.	Total current assets and other debits (L12 thru L17)	19,368	(1,236)
19.	<b>Total assets and other debits (L7 + L11 + L18)</b>	<b>490,743</b>	<b>409,791</b>

Remarks:

---

---

---

---

---

---

---

---

---

---

**WATER AND SEWER COMBINED BALANCE SHEET  
CAPITAL, LIABILITIES, AND OTHER CREDITS**

Line No.	Title of Account (a)	Balance at Beginning of Year (b)	Balance at End of Year (c)
	<b><u>Stockholders' Equity (if Corporation)</u></b>		
1.	Common stock shares	0	0
2.	Paid-in capital	0	0
3.	Retained earnings		
4.	Other	0	0
5.	Total common equity (Sum of L1 thru L4)	0	0
6.	Preferred stock	0	0
7.	Total stockholders' equity (L5 + L6)	0	0
	<b><u>OR</u></b>		
	<b><u>Proprietary Capital (if Partnership/Proprietorship)</u></b>		
8.	Total proprietary capital	205,035	205,035
	<b><u>Liabilities and Other Credits</u></b>		
9.	Long-term debt	78,816	104,986
10.	Accounts payable	15,306	10,795
11.	Notes payable	26,170	26,170
12.	Customer deposits	0	0
13.	Taxes accrued	0	0
14.	Interest accrued	0	0
15.	Other current and accrued liabilities	0	0
16.	Customer advances for construction	0	0
17.	Other deferred credits	0	0
18.	Miscellaneous operating reserves	0	0
19.	Contributions in aid of construction	1,159,561	1,221,771
20.	Total liabilities and other credits (Sum of L9 thru L19)	1,279,853	1,363,722
21.	<b>Total capital, liabilities, &amp; other credits (L7 + L8 + L20)</b>	<b>1,484,888</b>	<b>1,568,757</b>

**STATEMENT OF RETAINED EARNINGS / PROPRIETARY CAPITAL**

22.	Retained earnings or proprietary capital at beginning of year <sup>1/</sup>	0
23.	Add: Net income (loss) for the year <sup>2/</sup>	31,597
24.	Less: Dividends declared during the year	0
25.	Other (itemize below)	0
26.	<b>Retained earnings or proprietary capital at end of year (Sum of L22 thru L25) <sup>3/</sup></b>	<b>31,597</b>

Line 25 (other retained earnings activity) \_\_\_\_\_

1/ Reference to Page 6, Line 3, Column (b) or Page 6, Line 8, Column (b), whichever is applicable.

2/ Reference to Page 8, Line 33, Column (d).

3/ Must agree with Page 6, Line 3, Column (c), or Page 6, Line 8, Column (c), whichever is applicable.

**SCHEDULE OF DEBT OF UTILITY**  
(Use additional pages if needed to report all loans)

Type of Loan <sup>1/</sup>	Lender	Collateral <sup>2/</sup>	Date of Loan	Maturity Date	Original Loan Amount	Current Amount Outstanding	Interest Rate (%) <sup>3/</sup>	Interest Paid This Year
Note	BLE Development	Sewer Plant	1/30/2013	1/1/2030	115,928	26,170	0.04	0
Loan	BLE Development	None	Various	12/31/2030	11,500	46,417	0	0
Loan	BLE Development	None	8/22/2014	12/31/2030	31,634	31,634	0	0
Loan	Michael Price	None	various	12/21/2030	515	515	0	0
Loan	Mike Laws	None	various	12/21/2030	250	250	0	0
<b>Totals</b>								

1/ Indicate purpose of loan and whether the loan is a first mortgage, notes payable to banks, etc.

2/ Indicate whether loan is personally endorsed, and if so, by whom.

3/ If interest rate is variable, please describe terms of rate changes (example: prime rate + 1.0%).

OFFICIAL COPY  
Nov 29 2021

**WATER AND SEWER COMBINED INCOME STATEMENT**

For the Year Ended December 31, 2020

Line No.	Item (a)	Water (b)	Sewer (c)	Combined (d)
	<b>Operating Revenues</b>			
1.	Metered service revenue			
2.	Flat rate service revenue		123,887	123,887
3.	Reconnection fees		0	0
4.	Returned check charges		0	0
5.	Late payment charges		0	0
6.	Other operating revenue (itemize below)		0	0
7.	TOTAL OPERATING REVENUES (Sum of L1 thru L6)		123,887	123,887
	<b>Operating Expenses</b>			
8.	Total salaries and wages (employees only)		0	0
9.	Outside labor expense (non-employees)		0	0
10.	Administrative and office expense		9,756	9,756
11.	Maintenance and repair expense		224.12	224
12.	Purchased water/sewer expense		0	0
13.	Electric power expense (exclude office)		12,003	12,003
14.	Chemicals expense		1,929	1,929
15.	Testing fees		5703.42	5,703
16.	Transportation expense (cost of operating utility vehicle)		12,467	12,467
17.	Annual depreciation expense		0	0
18.	Property taxes paid on utility property		774	774
19.	Payroll taxes (FICA, FUTA, SUTA)		0	0
20.	Other operating expense (itemize below)		49,619	49,619
21.	TOTAL OPERATING EXPENSES (Sum of L8 thru L20)		92,476	92,476
	<b>Operating Taxes</b>			
22.	Franchise (gross receipts) tax		0	0
23.	Annual NCUC regulatory fee		164	164
24.	State income taxes		0	0
25.	Federal income taxes		0	0
26.	TOTAL OPERATING TAXES (Sum of L22 thru L25)		164	164
27.	NET OPERATING INCOME (LOSS) (L7 - L21 - L26)		31,247	31,247
	<b>Non-operating revenues and expenses</b>			
28.	Interest income		0	0
29.	Other non-operating revenue (itemize below)		350	350
30.	Interest expense		0	0
31.	Other non-operating expense (itemize below)		0	0
32.	TOTAL NON-OPERATING INCOME (L28+L29-L30-L31)		350	350
33.	Net income (loss) (L27 + L32)		31,597	31,597

Line 6 (other operating revenue)

Line 20 (other operating expense)

Line 29 (other non-operating revenue)

Line 31 (other non-operating expense)

Accts 731, 736, 740, 755, 770, 775

Subcontractor work for Fortin Contracting.

MONTHLY BILLING DATA

<u>Line No.</u>	<u>Month</u> (a)	<u>Water Operations</u>			<u>Sewer Operations</u>		
		<u>Flat Rate Customers</u> (b)	<u>Metered Customers</u> (c)	<u>Gallons Sold To Metered Customers</u> (d)	<u>Flat Rate Customers</u> (e)	<u>Metered Customers</u> (f)	<u>Gallons Sold To Metered Customers</u> (g)
1.	January				9963.50		
2.	February				9903.50		
3.	March				8403.40		
4.	April				10233.50		
5.	May				10143.50		
6.	June				10463.50		
7.	July				10473.50		
8.	August				10683.50		
9.	September				11403.50		
10.	October				10683.50		
11.	November				10653.50		
12.	December				10878.50		
13.	Totals for the year				123886.90		

OFFICIAL COPY  
Nov 29 2021

**RATES CHARGED AT YEAR END**

<u>Line No.</u>	<u>Item</u>	<u>Water (a)</u>	<u>Sewer (b)</u>
1.	Rates being charged at year end:		
	Measured (metered) service: Base charge (including _____ gallons)		n/a
	Usage charge (per 1,000 gallons)		
	Flat rate service		**see addendum
	Tap-on fee or connection fee		**see addendum
	Reconnect fee		50.00
	Late payment charge		1% per month

**INVESTMENT IN WATER/SEWER UTILITY SYSTEM**

For the Year Ended December 31, 2020

<u>Line No.</u>	<u>Item (a)</u>	<u>Water (b)</u>	<u>Sewer (c)</u>	<u>Combined (d)</u>
3.	Original cost of system(s)		562,429	562,429
4.	Actual cost of all additions to system(s) since original construction		283,024	283,024
5.	Total cost of system(s) to date (L3 plus L4)		845,453	845,453
6.	Accumulated depreciation		434,426	434,426
7.	Net cost of system(s) (L5 minus L6)		411,027	411,027
8.	Cost of plant additions during this 12-month reporting period		0	0
9.	Contributions in aid of construction (CIAC) received during this 12-month reporting period		62,210	62,210
10.	Cumulative CIAC received (excluding gross up)		1,221,771	1,221,771
11.	Accumulated amortization of CIAC at year end		0	0

**IMPORTANT:** Contributions in aid of construction (CIAC) are generally defined in the National Association of Regulatory Commissioners (NARUC) Uniform System of Accounts as money, services, or property received by the utility company from customers, developers, or any other source at no cost to the utility company which offsets the acquisition, improvement, or construction costs of the utility's property, facilities, or equipment to be used to provide utility service. Tap-on fees and meter installation fees are forms of CIAC.

Page 10 (Continued), Lines 6-7

Flat Rate Service Rates

W1297, Sub 0, James Creek and Westbay Subdivisions:

\$61.10 Per Month

W1297, Sub 2, Harkers Villiage and Harkers Point Subdivisions, every other territory:

\$60 Per Month

Tap On Fee or Connection Fee

W1297, Sub 0, James Creek and Westbay Subdivisions:

\$2500 per account

W1297, Sub 2, Harkers Villiage and Harkers Point Subdivisions:

\$849 per account

W1297, Sub 3, National Park Service/Island Road Territory:

\$3000 per account

**BOND INFORMATION**

(Note: If more lines are needed for additional bonds, attach supplementary sheets.)

For each bond (certificate of deposit, letter of credit, etc.) posted, list the following:

Line No.	Form of Bond (CD, Letter of Credit, or Surety)	Issuer of Surety	Amount of Bond	Is the Bond Still in Effect?	Date of Next Renewal
1.	Surety	Great American Bond Company	30,000	yes	3/12/2021
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					
16.					
17.					
18.					

Signature and Title: [Signature]Date: 4/12/21**NOTARIZATION**

Sworn to and subscribed to me

this the 12<sup>th</sup> day of April 2021[Signature]

Notary Public

My Commission expires: 2-24-2025

**IMPORTANT:** Rule R7-37(g) and Rule R10-24(g) require water and sewer companies to attach a separate notarized statement to its Annual Report stating the amount of each bond, whether the bond is still in effect, and the date of next renewal. Completion of the above meets this requirement.



**REGULATORY ENFORCEMENT REPORT**

List any notice of violation during the reporting year from any regulatory agency (County Health Department, DWQ, DEH, EPA, etc.) Use additional pages, if necessary.

**WATER OPERATIONS**

System ID No.	System Name	Date of Notice	Type of Violation	Resolved? (Y/N)

**SEWER OPERATIONS**

NPDES or Nondischarge Permit No.	System Name	Date of Notice	Type of Violation	Resolved? (Y/N)

**REGULATORY FEE RECONCILIATION**

Line No.	Item	Amount
	<b><u>Regulatory Fee Reports</u></b>	
1.	Regulatory fee report for quarter ended March 31, Line 1	28,270
2.	Regulatory fee report for quarter ended June 30, Line 1	30,841
3.	Regulatory fee report for quarter ended September 30, Line 1	32,561
4.	Regulatory fee report for quarter ended December 31, Line 1	32,216
5.	Total NC jurisdictional revenues for the year reported on regulatory fee reports (Sum of Lines 1 through 4)	123,887
6.	Total operating revenues [Page 8, Line 7, Column (d)]	123,887
7.	Difference between regulatory fee reports and Annual Report (Line 5 minus Line 6)	0
	<b><u>Explanation of Difference(s)</u></b> (Include a brief written description of each difference)	
8.		
9.		
10.		
11.		
12.		
13.	Total difference(s) (Sum of Lines 8 through 12 - Should be equal to Line 7)	0

**VERIFICATION UNDER OATH REGARDING ACCURACY OF REPORT**

(NOTE: THIS VERIFICATION SHALL BE COMPLETED BY EITHER THE CHIEF EXECUTIVE OFFICER, A SENIOR LEVEL FINANCIAL OFFICER, OR THE RESPONSIBLE ACCOUNTING OFFICER.)

I, Michael Price, state and attest that the attached Annual Report to the North Carolina Utilities Commission is filed on behalf of Harkers Island Sewer Company, LLC (Name of Water and/or Sewer Company) as required by the North Carolina Utilities Commission; that I have reviewed said Report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information provided therein; and that, to the best of my knowledge, information, and belief, all of the information contained therein is accurate and true, no material information or fact has been knowingly omitted or misstated therein, and all of the information contained in said Report has been prepared and presented in accordance with all applicable North Carolina General Statutes, Commission Rules, and Commission Orders.

[Signature]  
Signature of Person Making Verification

Managing Member  
Job Title

4/12/21  
Date

**NOTARIZATION**

Sworn to and subscribed to me  
this the 12th day of April 2021

[Signature]  
Notary Public

My Commission expires: 2.24.2025