STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. W-1305, Sub 35
DOCKET NO. W-1300, Sub 77

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of WLI Investments LLC, 60 Gregory Road, Ste 1, Belville, North Carolina 28451 Complainant v. Pluris Hampstead, LLC, Respondent v. Old North State Water Company, LLC	)	ORDER SERVING COMPLAINT AND REQUEST FOR DECLARATORY RULING

BY THE COMMISSION: Notice is hereby given of the filing with this Commission on January 3, 2022, of a complaint by WLI Investments, LLC (Complainant), against Pluris Hampstead, LLC, and Old North State Water Company, LLC (Respondents). In accordance with the Commission's Rules of Practice and Procedure, service of the complaint is hereby made on Respondents by copy thereof attached to this Order Serving Complaint, by electronic mail (e-mail), delivery confirmation requested. Respondents are hereby directed to either satisfy the demands of Complainant or to file an answer with the Commission on or before January 18, 2022. The answer should comply with Rule R1-9 of the Commission's Rules of Practice and Procedure.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 5th day of January, 2022.

NORTH CAROLINA UTILITIES COMMISSION

Joann R. Snyder, Deputy Clerk

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BUFFKIN LAW OFFICE
Patrick Buffkin, President
3520 Apache Dr.
Raleigh, NC 27609

January 3, 2022

Ms. A. Shonta Dunston
Chief Clerk
North Carolina Utilities Commission
4326 Mail Service Center
Raleigh, NC 27699-4300
Via electronic filing only

RE: Verified Complaint and Petition for Declaratory Ruling of WLI Investments, LLC, against Old North State Water Company and Pluris Hampstead, LLC (Docket Nos. W-1305, Sub 35, and W-1300, Sub 77)

Dear Ms. Dunston,

Please find enclosed for filing in the above-captioned dockets the Verified Complaint and Petition for Declaratory Ruling of WLI Investments, LLC. WLI Investments respectfully requests that the Commission promptly issue an order serving the Complaint on the respondent utilities as provided in Commission Rule R1-9(c).

Should you have any questions regarding this filing, please contact me at your earliest convenience.

Sincerely,

/s/ Patrick Buffkin

Patrick Buffkin

Buffkin Law Office

Enclosures

Cc: Mr. Dan Higgins, Counsel for Pluris Hampstead, LLC; Mr. David Drooz, Counsel for Old North State Water Company; and Mr. William Grantmyre, Counsel for the Public Staff

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STATE OF NORTH CAROLINA
UTILITIES COMMISSION
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DOCKET NO. W-1305, SUB 35

DOCKET NO. W-1300, SUB 77

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

WLI Investments, LLC, Complainant v. Pluris Hampstead, LLC, and Old North State Water Company, LLC, Respondents.	)	**VERIFIED COMPLAINT AND PETITION FOR DECLARATORY RULING**

NOW COMES WLI Investments, LLC, ("WLI Investments"), by and through the undersigned counsel and pursuant to N.C. Gen. Stat. §§ 62-73 and 1-253 and Commission Rule R1-5 and R1-9, and files this **Verified Complaint and Petition for Declaratory Ruling** ("Complaint") against Pluris Hampstead, LLC ("Pluris") and Old North State Water Company, LLC "ONSWC") (together with Pluris, "Respondents") as a result of (1) ONSWC's unreasonable and unjust practices in dealing with WLI Investments, including the impairment or breach of WLI Investment's contract rights under a 2018 contract between ONSWC and WLI Investments, (2) Pluris's unlawful conduct in violation of certain provisions of the Public Utilities Act, more particularly identified herein, (3) Pluris's unreasonable and unjust practice of refusing to cooperate with WLI Investments in planning for the provision of water and sewer service to the Lea Tract adjacent to the Salters Haven subdivision, (4) Pluris's other practices that are unjust and unreasonable, (5) Respondents' coordinated actions amounting to practices that are unjust and

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unreasonable, and (6) the need to secure reasonably adequate service or facilities for the provision of water and sewer service in the Lea Tract. In support of its Complaint, WLI Investments respectfully shows unto the Commission as follows:

PARTIES AND JURISDICTION

1. WLI Investments is a Limited Liability Company organized and existing under the laws of the State of North Carolina.

2. WLI Investments is engaged in real estate development activities as its primary business, including the development of the subdivision known as Salters Haven at Lea Marina ("Salters Haven") and the construction of wastewater collection facilities for future development of the "Lea Tract," which is adjacent to Salters Haven.

3. ONSWC is a public utility, as defined in N.C. Gen. Stat. 62-3(23)a., and the present holder of the franchise to provide wastewater service to a portion of Salters Haven.[1]

4. ONSWC is subject to the oversight and jurisdiction of the Commission pursuant to various provisions of the Public Utilities Act, Ch. 62 of the North Carolina General Statutes.

5. Pluris is a public utility, as defined in N.C. Gen. Stat. 62-3(23)a., and the potential holder of the franchise to provide wastewater service to a portion of Salters Haven pursuant to its joint application for transfer of the Certificate of Public Convenience and Necessity ("CPCN")

[1] *See* Order Accepting and Approving Bond, Recognizing Contiguous Extension, and Approving Rates, No. W-1330, Sub 56 (*issued* Sept. 29, 2021). As addressed in greater detail in this Complaint, the record in Docket No. W-1331, Sub 56, is absent of any evidence demonstrating that the Commission was aware of the dispute raised in this Complaint. Accordingly, contemporaneous with the filing of this Complaint, WLI Investments is requesting leave of the Commission to intervene in that proceeding to further request that the Commission reconsider its decision to enlarge ONSWC's service area in Salters Haven without including the adjacent Lea Tract, which, while not part of the Salters Haven subdivision (and not subject to the Declarations applicable to lots within the Salters Haven HOA), is within ONSWC's obligations under the Development Agreement with WLI Investments.

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filed with ONSWC on October 9, 2020, in Docket Nos. W-1300, Sub 69, and W-1305, Sub 29, which remains pending in that docket.[2]

6. Respondents are subject to the jurisdiction of the Commission pursuant to various provisions of the Public Utilities Act, as more particularly identified herein.

7. The Complaint is properly before the Commission pursuant to N.C. Gen. Stat. § 62-73.

8. The Commission has general supervisory authority over the Respondents pursuant to N.C. Gen. Stat. § 62-30.

BACKGROUND AND INTRODUCTION

9. WLI Investments is presently developing and marketing homes in the Salters Haven subdivision.

10. At full build-out, the Salters Haven subdivision will include 308 homes on 308 lots.

11. On December 13, 2018, WLI Investments entered a contract with ONSWC, which sets forth the rights and obligations of WLI Investments and ONSWC related to the installation of a wastewater collection system in Salters Haven that would allow for wastewater utility service to all those persons now or hereafter owning or maintaining lots in the Subdivision and to make water and sewer service available to the 30 lots in the Lea Tract, which is referred to in that contract as the "Extended Service Area" or "ESA" ("Development Agreement"). A true and accurate copy of the Development Agreement is attached hereto as Exhibit A.

[2] On December 9, 2021, in Docket Nos. W-1300, Sub 69, and W-1305, Sub 29, WLI Investments filed a Case Status Report and Motion to Stay Proceedings, updating the Commission on the status of the parties' dispute in that case and requesting that the Commission stay further proceedings on the transfer application pending the outcome of this Complaint proceeding.

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12. Thirty-two (32) of the lots within Salters Haven make use of grinder pumps and low-pressure facilities as part of the wastewater collection system that WLI Investments constructed pursuant to the Development Agreement.

13. The thirty-two (32) lots in Salters Haven that use grinder pumps and low-pressure facilities were accepted by ONSWC as part of the wastewater collection system that WLI Investments constructed, as agreed to in the Development Agreement.

14. WLI Investments' development activities in the vicinity of Salters Haven include an agreement with the current owner of the Lea Tract to make available water and sewer service to the Lea Tract for the development of 30 homes outside the boundaries of Salters Haven, but adjacent thereto, on a parcel known to all parties involved as the Lea Tract. A map depicting the approximate location of the boundaries of Salters Haven and the approximate location of the Lea Tract is attached hereto as Exhibit B.

15. WLI Investments' efforts to make water and sewer service available to the Lea Tract have been frustrated by the Respondents' unreasonable and unlawful conduct in their dealings with WLI Investments, as detailed in this Complaint.

COUNT ONE: ONSWC'S PRACTICES IN ITS DEALINGS WITH WLI INVESTMENTS ARE UNJUST AND UNREASONABLE IN VIOLATION OF THE PUBLIC UTILITIES ACT AND ONSWC'S OBLIGATIONS UNDER THE DEVELOPMENT AGREEMENT.

16. WLI Investments repleads, realleges, and incorporates by reference paragraphs 1-15 of this Complaint as though fully set forth herein.

17. The Development Agreement memorializes the agreement reached between WLI Investments and ONSWC that WLI Investments would construct a wastewater collection system in Salters Haven to allow for wastewater service to owners of lots in Salters Haven and make available wastewater collection service to the Lea Tract, and that ONSWC would purchase the

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wastewater collection system built by WLI Investments, interconnect that system to ONSWC's Majestic Oaks Wastewater Treatment Plant ("WWTP"), and expand the treatment capacity of the Majestic Oaks WWTP to ensure that there would be adequate capacity to serve customers in Salters Haven, plus the 30 lots on the Lea Tract.

18. The Development Agreement does not prohibit the use of grinder pumps or low-pressure facilities, nor does it require the use of a gravity-fed sewer system.[3]

19. Sometime after the Development Agreement was executed, the exact date being unknown to WLI Investments, Respondents began negotiations on the purchase of ONSWC's wastewater system, which negotiations resulted in the formation of an Asset Purchase Agreement and the filing of the application for transfer of the CPCN authorizing service to a portion of Salters Haven.[4]

20. Pursuant to the Respondents' Asset Purchase Agreement, Pluris will become the owner of nearly all of ONSWC's wastewater infrastructure, but not the Majestic Oaks WWTP,

[3] In their filings in Docket Nos. W-1300, Sub 69 and W-1305, Sub 29, the Respondents have represented to the Commission that the Section 5.3 of the Development Agreement requires by its plain language the installation of a gravity-fed sewer system as opposed to a low-pressure system to make available wastewater service to the Lea Tract. As reflected in the Exhibit A hereto, Section 5.3 of the Development Agreement does not clearly indicate what type of system is to be installed, and, in fact, neither the terms "gravity" nor "low pressure" appear in Section 5.3 of the Development Agreement. ONSWC's argument as to the interpretation of Section 5.3 relies on context and inferences, not the plain language of the contract. *See* Response to WLI Investment, LLC's Petition to Intervene, p. 2-3, N.C.U.C. Docket No. W-1300, Sub 69, and W-1305, Sub 29 (*filed* Mar. 23, 2021). Thus, the Development Agreement is at best ambiguous on this point and the Commission would be required to consider extrinsic evidence to interpret the provisions of the Development Agreement. Among the extrinsic evidence that the Commission should consider is the communications between the parties that give meaning to the ambiguous terms of the agreement, including the July 9, 2018 email attached hereto as Exhibit C, in which ONSWC President John McDonald states that "We like Alternative A but are open to Alternative B if that provides advantages to you." Ex. C at p. 7 (highlighting in red added). The same email describes "Alternative B" as "Low Pressure Sewer" including "5,250' of 4" forcemain to WWTP" and "individual grinder pumps at each home (installed by builder) with connection to forcemain in street." Ex. C at p. 6-8.

[4] *See* Docket Nos. W-1300, Sub 69, and W-1305, Sub 29.

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along with customer accounts, the Commission-authorized franchises, and other utility assets of ONSWC.[5]

21. ONSWC has represented to the Commission that it will not expand the Majestic Oaks WWTP, as it promised to do in the Development Agreement.[6]

22. ONSWC's representations to the Commission that it will not expand the Majestic Oaks WWTP constitute a material breach of the Development Agreement.

23. ONSWC's failure to cooperate with WLI Investments in obtaining permits required to make water and sewer service available to the Lea Tract constitutes a material breach of the Development Agreement, Section 5.1, which provides that "Utility [ONSWC] *shall cooperate fully* with Developer [WLI Investments] and Developer's or Developer designee's, engineer to expedite issuance of the Sewer Extension Permit by DWR [NC DEQ's Division of Water Resources]." Ex. A at p. 7 (emphasis added).

24. ONSWC has failed to cure the breach of the Development Agreement or to otherwise provide WLI Investments with assurances that ONSWC will perform on its obligations under the Development Agreement.

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[5] *See* Asset Purchase Agreement, p. 5-6, N.C.U.C. Docket Nos. W-1300, Sub 69, and W-1305, Sub 29 (*filed* Jan. 27, 2021).

[6] *See* Response to WLI Investment, LLC's Petition to Intervene, N.C.U.C. Docket Nos. W-1300, Sub 69 and W-1305, Sub 29 (*filed* Mar. 23, 2021). For the avoidance of doubt or confusion, WLI Investments acknowledges that the Majestic Oaks WWTP is in need of expansion or replacement. In fact, WLI Investments has been informed by local NC DEQ officials that Majestic Oaks WWTP is not sufficient to serve future development and development permitting and approvals would be withheld if the deficiencies at the plant are not addressed soon. In this respect, the benefit of the bargain that WLI Investments seeks through enforcement of the Development Agreement is the availability of wastewater treatment processing capacity, which ONSWC promised to provide through the expansion of the Majestic Oaks WWTP. Thus, WLI Investments' position is that there is an obvious need for expanded wastewater treatment processing capacity in Pender County. That need could be met through enforcement of the Development Agreement (including the promise to expand the Majestic Oaks WWTP) or through an alternative means such as proposed by Pluris in the transfer application. In either case, the provision of this service should be required on rates, terms, and conditions that are just, reasonable, and nondiscriminatory, which is the essence of relief sought in this Complaint.

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25. WLI Investments' project engineer made several attempts to contact ONSWC to obtain signatures required to submit applications to the North Carolina Department of Environmental Quality (NC DEQ), but communications to ONSWC went largely unanswered.

26. When WLI Investments was successful in contacting ONSWC, ONSWC's President John McDonald informed WLI Investments that he would not sign a permit application to be submitted to NC DEQ on behalf of ONSWC because Pluris refuses to accept WLI Investments' wastewater collection system that included grinder pumps and low-pressure facilities.

27. ONSWC has failed to cure its material breach of the Development Agreement and has not otherwise provided WLI Investments with adequate assurances that the wastewater treatment capacity that was intended to be made available through the expansion of the Majestic Oaks WWTP will be available to serve customers in Salters Haven and the Lea Tract.

28. ONSWC's only justification for withholding performance on the Development Agreement is that ONSWC believes that WLI Investments should look to Pluris (as the prospective owner of the wastewater collection system) for performance on the contract or other assurances that the commitments that ONSWC made in the Development Agreement will be fulfilled.

29. As of the filing of this Complaint, ONSWC continues in breach of the Development Agreement and WLI Investments' confidence that it will obtain performance on the Development Agreement, including receiving cooperation from ONSWC related to permitting and payments agreed to in the Development Agreement, is significantly impaired by ONSWC's unreasonable and unjust practices detailed herein.

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30. ONSWC has not communicated to WLI Investments that ONSWC's rights and obligations under the Development Agreement have been assigned to Pluris or any other person, despite being permitted to do so under the Development Agreement.

31. ONSWC's practices in its dealings with WLI Investments, which constitute a breach of the Development Agreement or otherwise harm WLI Investments, are unjust and unreasonable.

32. It is appropriate to penalize ONSWC $1,000 per day running from the date that ONSWC first repudiated its agreement, which date shall be identified with specificity during the course of this proceeding.

COUNT TWO: PLURIS VIOLATED THE PROVISIONS OF N.C. GEN. STAT. §§ 62-110 AND 62-111 BY EXERTING OPERATIONAL CONTROL OVER ONSWC IN ITS DEALINGS WITH WLI INVESTMENTS

33. WLI Investments repleads, realleges, and incorporates by reference paragraphs 1-32 of this Complaint as though fully set forth herein.

34. At no time during WLI Investments' involvement in the negotiation and execution of the Development Agreement with ONSWC, did ONSWC indicate that it would refuse to accept a wastewater collection system that uses grinder pumps and low-pressure facilities. *See, e.g.,* Exhibit C.

35. ONSWC accepted portions of the wastewater collection system serving Salters Haven, as provided in the Development Agreement, inclusive of grinder pumps and low-pressure facilities, establishing a course of performance between WLI Investments and ONSWC that is relevant to the interpretation of the Development Agreement.

36. ONSWC has accepted wastewater collection systems from real estate developers under similar terms as provided in the Development Agreement and interconnected those

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wastewater collection systems to its regulated wastewater utility systems in North Carolina, without objection to the use of grinder pumps and low-pressure facilities, demonstrating a course of dealing and usage of trade that justifies WLI Investments' expectation that ONSWC would accept a wastewater collection system with grinder pumps and low-pressure facilities.

37. ONSWC's President John McDonald communicated to WLI Investments in a telephone conversation that ONSWC would not accept a wastewater collection system that includes grinder pumps and low-pressure facilities because Pluris has a preference against the use of these facilities, that he would not sign any NC DEQ permit applications until Pluris agreed to accept these facilities, and that the resolution of this dispute would have to be taken up with Pluris.

38. Pluris' employee Randy Hoffer communicated to WLI Investments in a telephone conversation that Pluris' refusal to cooperate with the NC DEQ permitting was a consequence of WLI Investments having chosen ONSWC as the utility to serve Salters Haven and having supported ONSWC's effort to obtain a special use permit from Pender County for the expansion of the Majestic Oaks WWTP (including WLI Investments' President D Logan testifying before the Pender County Commission in support of ONSWC's application for a special use permit), and, further, that any resolution of the dispute would have to be taken up with Pluris.

39. Upon information and belief, the only reason that ONSWC is refusing to cooperate with WLI Investments in NC DEQ permitting is because Pluris has instituted a practice of refusing to accept WLI Investments' wastewater collection systems that include grinder pumps and low-pressure facilities as retribution for WLI Investments past efforts in cooperation with ONSWC.

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40. Upon information and belief, Pluris is controlling ONSWC by imposing Pluris's practice of refusing to accept WLI Investments' wastewater collection system through leverage gained by Pluris' position as purchaser of ONSWC's wastewater system and utility franchises.

41. Upon information and belief, Pluris exerted operational control over ONSWC by compelling ONSWC to refuse or withhold cooperation with WLI Investments to obtain required permits for the Salters Haven subdivision and to default on its contract obligations under the Development Agreement or face the prospect of the loss of the sale of ONSWC's assets.

42. By exerting operational control over ONSWC prior to the Commission's approval of the transfer of the CPCN, Pluris has violated the provisions of N.C. Gen. Stat. § 62-110(a) and §62-111(a).

43. It is appropriate to penalize Pluris $1,000 per day running from the date that ONSWC first indicated to WLI Investments that ONSWC would not accept a wastewater collection system that includes grinder pumps and low-pressure facilities, which date will be identified with specificity in the course of this proceeding.

COUNT THREE: PLURIS' POLICY OF REFUSING WASTEWATER COLLECTION SYSTEMS THAT INCLUDE GRINDER PUMPS AND LOW-PRESSURE FACILITIES IS UNREASONABLE AND UNJUST AND AN UNREASONABLE DISADVANTAGE IN VIOLATION OF N.C. GEN. STAT. § 62-140.

44. WLI Investments repleads, realleges, and incorporates by reference paragraphs 1-43 as if fully set forth herein.

45. There is no material impact on the operation of a wastewater treatment plant by the presence of grinder pumps and low-pressure facilities in wastewater collection systems that are interconnected to a utility's wastewater infrastructure.

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46. The presence of grinder pumps and low-pressure facilities in wastewater collection systems is common in coastal areas, including the North Carolina coast and Pender County, where Salters Haven and the Lea Tract are located.

47. The use of grinder pumps and low-pressure facilities is required in the Lea Tract to avoid economic waste, overcome the realities of the topography, and to adequately provide wastewater service to utility customers in the Lea Tract.

48. Upon information and belief, Pluris' only justification for its practice of refusing wastewater collection systems from WLI Investments that include grinder pumps and low-pressure facilities is that Pluris' customers would call upon Pluris to service grinder pumps.

49. Pluris' justification for its practice of refusing wastewater collection systems from WLI Investments is mere pretense for retaliatory action against WLI Investments.

50. WLI Investments has structured the Declarations relevant to Salters Haven HOA, Inc. ("Salters Haven HOA"), to allocate responsibilities for grinder pump maintenance, repair, and replacement of grinder pumps to the homeowners' association and not the utility.

51. WLI Investments intends to have a contract in place between Salters Haven HOA and a qualified grinder pump service provider before control of the homeowners' association is turned over to lot owners.

52. In structuring the Salters Haven HOA Declarations, as related to grinder pumps, WLI Investments has eliminated any material impact to the utility that interconnects with the Salters Haven wastewater collection system.

53. WLI Investments intends to replicate this structure with respect to lots in the Lea Tract.

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54. Pluris' practice of refusing to accept WLI Investments' wastewater collection systems that include grinder pumps and low-pressure facilities is unjust and unreasonable as applied to WLI Investments and the Lea Tract because Pluris has no rational basis for maintaining this practice with respect to WLI Investments when it has accepted other wastewater collection systems that use grinder pumps and low-pressure facilities from other real estate developers.

55. Pluris' policy of refusing to accept wastewater collection systems that include grinder pumps and low-pressure facilities is an unfair disadvantage to WLI Investments and the future lot owners in the Lea Tract, in violation of N.C. Gen. Stat. § 62-140.

56. It is appropriate to order Pluris to change its policy or practice of refusing to accept WLI Investments' wastewater collection systems that include grinder pumps and low-pressure facilities, and to direct Pluris to accept WLI Investments' wastewater collection systems and, thereby require Pluris to treat WLI Investments the same as any other similarly situated real estate development company.

COUNT FOUR: PLURIS ENGAGED IN UNJUST AND UNREASONABLE PRACTICES BY IMPAIRING WLI INVESTMENTS' ABILITY TO OBTAIN PERMITS FOR SALTERS HAVEN

57. WLI Investments repleads, realleges, and incorporates by reference the allegations of paragraphs 1-56 as if fully set forth herein.

58. Through its unlawful control of ONSWC and by its own actions, Pluris has impaired WLI Investments' ability to obtain NC DEQ permits for the Lea Tract.

59. WLI Investments cannot complete the work required to allow for future development of the Lea Tract without the permits that ONSWC and Pluris refuse to sign applications for.

60. Pluris' impairment of WLI Investments' ability to obtain permits has no basis in law or fact and, therefore, is unjust and unreasonable.

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61. WLI Investments will likely be required to interact with Pluris in the future related to the development of other subdivisions in eastern North Carolina.

62. WLI Investments confidence that it will be able to successfully complete Salters Haven and other developments in eastern North Carolina is impaired by Pluris' actions that frustrate WLI Investments' ability to obtain permits.

63. Upon information and belief, Pluris is impairing WLI Investments' ability to obtain permits as a negotiation tactic to obtain WLI Investments' compliance with Pluris' policy to require gravity-fed wastewater collection systems, as opposed to low-pressure systems that use grinder pumps.

64. Pluris' actions to impair WLI Investments' ability to obtain permits is unreasonable and unjust because it is aimed at enforcing an unreasonable and unjust policy and it contravenes WLI Investments' rights under the Development Agreement.

COUNT FIVE: RESPONDENTS' COORDINATED ACTIONS ARE UNJUST AND UNREASONABLE PRACTICES

65. WLI Investments repleads, realleges, and incorporates by reference the allegations of paragraphs 1-64 as if fully set forth herein.

66. To the extent that Respondents coordinated in the actions complained of herein, that coordination is an unjust and unreasonable practice.

COUNT SIX: THERE IS A NEED TO SECURE REASONABLY ADEQUATE SERVICE OR FACILITIES FOR THE LEA TRACT BY COMPELLING THE RESPONDENTS TO AFFECT CHANGES IN POLICIES AND PRACTICES WITHIN A REASONABLE TIME

67. WLI Investments repleads, realleges, and incorporates by reference the allegations of paragraphs 1-66 as if fully set forth herein.

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68. For the reasons detailed in the foregoing, the service of ONSWC and Pluris in its dealings with WLI Investments is inadequate, insufficient, or unreasonably discriminatory.

69. The future lot owners in the Lea Tract currently have no available wastewater service and may be reasonably served by ONSWC as the closest nearby utility holding a CPCN to serve customers in Salters Haven (or by Pluris, if the Commission grants the transfer of the franchise).

70. It is necessary to require Pluris to cease and desist from controlling ONSWC with respect to the installation of grinder pumps and low-pressure facilities in the Lea Tract to secure reasonably adequate service to the Lea Tract.

71. It is necessary to require Pluris to rescind its policy or practice of refusing to accept WLI Investments' wastewater collection systems that use grinder pumps and low-pressure facilities to secure reasonably adequate service to the Lea Tract.

72. The only present impediment to constructing facilities that are needed to furnish adequate wastewater service to the Lea Tract is the lack of NC DEQ permits that would be required to obtain a CPCN.

73. Upon information and belief, the only impediment to obtaining NC DEQ permits is the Respondents' refusal to cooperate with WLI Investments in making applications for those permits.

74. There is a present need to extend service to the Lea Tract by making available wastewater service, as agreed to in the Development Agreement, because the customers to be located in the Lea Tract may be reasonably served by ONSWC, or by Pluris if the Commission approves the requested transfer.

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75. It is appropriate to enforce the terms of the Development Agreement and to require the expansion of the service area encompassed by the CPCN issued to ONSWC to include the Lea Tract and thereby resolve the uncertainty created by Respondents' unjust, unreasonable, and unreasonably discriminatory practices.

RELIEF REQUESTED

WHEREFORE, WLI Investments respectfully requests that the Commission enter an order providing the following relief:

1. Treat this matter as a request for a declaratory judgment ruling pursuant to N.C. Gen. Stat. § 1-253;

2. Issue an order declaring the status of the parties' rights and legal relations pursuant to the provisions of the Public Utilities Act and the Development Agreement as follows:

   a. That the Lea Tract shall be added to ONSWC's service area and the CPCN issued to ONSWC be amended to include the Lea Tract;

   b. That ONSWC shall be directed to cooperate with WLI Investments in obtaining permits required to allow WLI Investments to construct facilities necessary to furnish adequate service to customers to be located within the Lea Tract;

   c. That Pluris violated the provisions of N.C. Gen. Stat. §§ 62-110 and 62-111 by its unlawful control of ONSWC prior to the Commission approving the transfer of ownership sought in Docket Nos. W-1300, Sub 69 and W-1305, Sub 29;

   d. That Pluris' practice of refusing to accept WLI Investments' wastewater collection systems that include grinder pumps and low-pressure facilities is unreasonable and unlawful and, therefore, directing Pluris to change that policy;

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e. That the Development Agreement is valid and enforceable by its terms as interpreted by the Commission, and, alternatively, enforceable against ONSWC based on WLI Investments' reasonable reliance on statements communicated to it by ONSWC's personnel;

f. That the Development Agreement may be enforced against ONSWC until such time as the Commission approves the requested transfer application in Docket Nos. W-1305, Sub 29 and W-1300, Sub 69;

g. That WLI Investments is permitted to install grinder pumps and low-pressure facilities within the Lea Tract pursuant to the Development Agreement, and, therefore, directing Pluris and ONSWC to perform on the contract either as assignee or the primary obligor, respectively;

h. That WLI Investments' rights under the Development Agreement include the right to (i) install grinder pumps and low-pressure facilities within the Lea Tract as part of the wastewater collection system, (ii) receive certain payments from ONSWC as the obligor under the Development Agreement or by Pluris as an assignee obligated to perform on the Development Agreement; and (iii) receive the cooperation of ONSWC or Pluris in obtaining NC DEQ permits required to make water and sewer service available to the Lea Tract;

i. That the Respondents have engaged in unjust and unreasonable conduct in their dealings with WLI Investments in violation of the provisions of the Public Utilities Act;

j. That Pluris' practice of refusing to accept WLI Investments' wastewater collection systems that include grinder pumps and low-pressure facilities is an unreasonable

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prejudice or disadvantage in violation of N.C. Gen. Stat. § 62-140, as applied to WLI Investments and the Lea Tract;

k. That there is a need to make wastewater service available to the Lea Tract and customers to be located within the Lea Tract may be reasonably served by ONSWC; and

l. That it is appropriate to require ONSWC (or Pluris as assignee, should the Commission approve the requested transfer) to perform on the Development Agreement and thereby make wastewater service available to customers to be located in the Lea Tract.

3. Penalize Pluris and ONSWC $1,000 per day pursuant to N.C. Gen. Stat. § 62-310 for their unjust and unreasonable conduct and for Pluris' violation of N.C. Gen. Stat. §§ 62-110, 62-111, and 62-140; and

4. Provide for such other relief as the Commission deems just and appropriate.

Respectfully submitted this 3rd day of January, 2022.

/s/ Patrick Buffkin
NC Bar No. 44264
Buffkin Law Office
3520 Apache Dr.
Raleigh, NC 27609
pbuffkin@gmail.com
COUNSEL FOR WLI INVESTMENTS, LLC

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VERIFICATION

D Logan, Managing Member of WLI Investments, LLC states that he has read the attached Case Status Report and Motion to Stay Proceedings and that the facts stated therein are true of his personal knowledge, except such matters as are stated on information and belief, and as to those matters he believes them to be true.

D. Logan, ~~President~~, WLI Investments, LLC

Brunswick County, State of North Carolina

I certify that D Logan personally appeared before me this day, proved his identity to me by satisfactory evidence, and acknowledged to me that he voluntarily signed the foregoing document for the purpose stated therein.

Date: December 28, 2021

Signature of Notary Public:

Printed Name of Notary Public: Jeanette Phillips

(Official Seal)

My Commission Expires: October 17, 2023

Jeanette Phillips
NOTARY PUBLIC
Brunswick County, NC
My Commission Expires October 17, 2023

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CERTIFICATE OF SERVICE

The undersigned, Patrick Buffkin, certifies that a copy of the foregoing Verified Complaint and Petition for Declaratory Judgment Ruling has been served upon counsel for the Respondents herein, with a courtesy copy to counsel for the Public Staff, by electronic mail this the 3rd day of January, 2022.

/s/ Patrick Buffkin
NC Bar No. 44264
Buffkin Law Office
3520 Apache Dr.
Raleigh, NC 27609
pbuffkin@gmail.com
COUNSEL FOR WLI INVESTMENTS, LLC

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AGREEMENT

This Agreement, made this 13th day of December, 2018, by and between WLI Investments LLC., a Limited Liability Company whose business address is 60 Gregory Road, Ste 1 Belville, NC 28451 ("Developer") and OLD NORTH STATE WATER COMPANY, a North Carolina Limited Liability Corporation whose business address is 4700 Homewood Ct, Suite 108, Raleigh, North Carolina 27609 ("Utility").

W I T N E S S E T H

THAT WHEREAS, Developer intends to develop a residential subdivision comprised of approximately 338 single-family residences to be known as the Salters Haven at Lea Marina ("Subdivision") on certain lands located off Factory Road, in Pender County, North Carolina, as shown on that certain map by Paramounte Engineering entitled "Lot Typology Exhibit, Salters Haven at Lea Marina" attached hereto as **Exhibit 1**; and

WHEREAS, Developer desires to install in the Subdivision the Wastewater Collection System (defined below) to allow for wastewater utility service to all those persons now or hereafter owning or maintaining lots in the Subdivision and requiring wastewater utility service; and

WHEREAS, the Wastewater Collection System to be installed to serve the Subdivision will be interconnected to Utility's existing Majestic Oaks Wastewater Facilities (defined below); and

WHEREAS, Developer has requested Utility to purchase, own and operate said Wastewater Collection System; and

WHEREAS, Utility is agreeable to purchasing, owning and operating the completed Wastewater Collection System;

WHEREAS, the Developer has committed 30 of the 338 REUs to an area outside of the Subdivision and has committed to construction of the Wastewater Collection necessary to serve these 30 REUs;

WHEREAS, Utility agrees to provide Wastewater Service for these 30 REUs in accordance with the terms and conditions set forth herein for the Extended Service Area for the benefit of Salters Haven at Lea Marina and the extended service area ("ESA"), when ONSWC obtains a Certificate Extension from the Commission.

NOW, THEREFORE, for and in consideration of the premises and of the rights, powers, duties hereinafter set forth to be performed by each party, Developer and Utility mutually do agree as follows:

1. Definitions.

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1.1. "*Agreement*" shall mean this Agreement dated December _____2018, for the installation, conveyance, and operation of the Wastewater Collection System Assets (defined below) serving Salters Haven at Lea Marina (including all exhibits and schedules hereto, if any, as amended from time to time).

1.2. "*As-built Drawings*" shall have the meaning set forth in **Section 4.5 and 5.5**.

1.3. "*Certificate*" shall mean the Certificate of Public Convenience and Necessity for providing wastewater utility service in Salters Haven at Lea Marina to be issued by the Commission (defined below).

1.4. "*Certificate Extension*" shall mean an extension to the Certificate.

1.5. "*Closing*" shall mean each instance upon which Wastewater Collection System Assets (defined below), as the context requires, are transferred from Developer to Utility.

1.6. "*Closing Date*" shall mean the date of the applicable initial or subsequent Closing.

1.7. "*Commission*" shall mean the North Carolina Utilities Commission.

1.8. "*County*" shall mean Pender County, North Carolina.

1.9. "*Declaration*" shall have the meaning set forth in **Section 14**.

1.10. "*Developer*" shall have the meaning set forth in the preamble.

1.11. "*DWR*" shall mean the Division of Water Recourses of the North Carolina Department of Environment and Natural Resources.

1.12. "ESA" shall mean an extended service area located outside, but in the general vicinity of Salters Haven at Lea Marina.

1.13. "*GPD*" means gallons per day.

1.14. "*Grinder Pump Station*" shall mean the wastewater grinder pump, tank, and controls that may be located at certain customer's property near the dwelling or commercial building into which the customer's wastewater enters and is then pumped into the Wastewater Collection System.

1.15. "*Grinder Pump Valve Box*" shall mean a box located near the collection main on a residential lot or in a commercial area served by a Grinder Pump Station which contains a valve that can be used to isolate a Grinder Pump Station from the Wastewater Collection System.

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1.16. "*Off-site Pump Station*" shall mean the wastewater pump station to be constructed by Developer that will receive all wastewater produced from homes within the Subdivision and will transfer such wastewater to the Majestic Oaks Wastewater Facilities.

1.17. "*Off-site Pump Station Lot*" shall mean the parcel of land to be conveyed by Developer to Utility on which the Off-Site Pump Station will be constructed. Located at 1188 Factory Road, Hampstead, NC 28443

1.18. "*Off-Site Forcemain*" shall mean the 4" & 6" forcemain to be constructed by the developer that will convey the wastewater produced from the homes within the Subdivision to the Majestic Oaks Wastewater Facilities.

1.19. **"***Majestic Oaks Wastewater Facilities***"** shall mean the Utility's existing wastewater facilities constructed in the Majestic Oaks Subdivision, including the wastewater treatment plant, and all associated equipment, lift stations, and combined gravity and low pressure wastewater collection systems used in the collection, treatment, holding and disposal of the wastewater, and to which the Wastewater Collection System will be connected.

1.20. "*Majestic Oaks Wastewater Facilities Expansion*" shall mean the expansion of the Majestic Oaks Wastewater Subdivision, including construction of additional disposal area sufficient to treat and dispose of up to 200,000 gpd.

1.21. "*REU*" shall mean one Residential Equivalent Unit, as defined as follows:

(a) If there is no water or wastewater meter for such Unit: 210 GPD per residence, or 70 GPD per bedroom.

(b) If there is a water and/or a wastewater meter:

Meter Size	REU
less than 1"	1
1"	2.5
1.5"	5.0
2"	8.0
3"	15.0
4"	25.0
6"	50.0

1.22. "*Sewer Extension Permit*" shall mean the permit issued by DWR to ONSWC for the construction and operation of the Wastewater Collection System Permit, including all modifications thereto.

1.23. *"Single Family Residential Equivalent" or "SFRE" shall mean a single* family residential connection based on 210 gpd per single family resident regardless of the number of bedrooms

1.24. "*Subdivision*" shall have the meaning set forth in the preamble.

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1.25. "*Utility*" shall have the meaning set forth in the preamble.

1.26. "*Off-Site Wastewater Collection System*" shall mean the Off-Site Wastewater Pump Station, Off-Site Wastewater Forcemain, Off-Site Wastewater Pump Station Lot and the Off-Site Wastewater Forcemain Easement (defined below), and all appurtenant equipment that will deliver wastewater conveyed by the On-Site Wastewater Collection System and the ESA to the Majestic Oaks Wastewater Treatment Facility. Off-Site Wastewater Collection System shall not include that portion of the sewer system within the community.

1.27. "*Off-Site Wastewater Collection System Assets*" shall mean the Lea Pump Station, Lea Forcemain, Lea Pump Station lot

1.28. "*On-Site Wastewater Collection System*" shall mean the Wastewater Service Lines (defined below), pressure sewer lines, gravity sewer lines, force mains, lift stations, sewer clean outs, and all appurtenant equipment that will deliver wastewater produced by the houses within the Subdivision. Wastewater Collection System shall not include that portion of sewer line extending from the house to the sewer cleanout.

1.29. "*On-Site Wastewater Collection System Assets*" shall mean the Wastewater Collection System, and the Wastewater Collection System Easements (defined below).

1.30. "*Wastewater Collection System Easement Areas*" shall mean those areas within the Subdivision that are subject to the Wastewater Collection System Easements (defined below).

1.31. "*Wastewater Collection System Easements*" shall mean (i) a perpetual easement within the rights of way of all publicly dedicated streets and roads within each phase of development of the Subdivision for ingress, egress, regress, and access for the installation, operation, maintenance, repair and replacement of the Wastewater Collection System; (ii) to the extent any portion of the Wastewater Collection System is not within publicly dedicated rights of way, a perpetual easement, with a total width of fifteen (15) feet centered on the Wastewater Collection System main, for ingress, egress, regress, and access to install, operate, maintain, repair and replace such portion of the Wastewater Collection System; and (iii) for each Wastewater Service Line a perpetual easement with a total width of ten (10) feet centered on the Wastewater Service Line and a fifteen (15) foot diameter circle centered at the center of the residential lot cleanup or grinder pump station.

1.32. "*Wastewater Collection System Phase*" shall mean any discrete portion of the Wastewater Collection System constructed during a particular phase of development of the Subdivision.

1.33. "*Wastewater Collection System Plans*" are all plans and specifications for the Wastewater Collection System prepared by Developer's engineer.

1.34. "*Wastewater Service Line*" shall mean the portion of individual household wastewater line for which ONSWC shall assume ownership and maintenance responsibilities. The Service Line shall include only that portion of the wastewater line that extends from the

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wastewater clean-out or Grinder Pump Valve Box to ONSWC's wastewater main located at or near the street. The portion of the line extending from the home or commercial building to the wastewater clean-out or Grinder Pump Station and Grinder Pump Valve Box shall not be included in the term "Service Line."

2. Representations And Warranties Of Developer.

Developer hereby represents and warrants as follows:

2.1. Organization; Good Standing; Power. Developer is a limited liability company duly formed, validly existing and in good standing under the laws of the State of North Carolina and has all the requisite power and authority to own, lease and operate its properties, to carry on its business as now being conducted and to enter into this Agreement and perform its obligations hereunder.

2.2. Authority Relative to Agreement. The execution, delivery and performance of this Agreement by Developer have been duly and effectively authorized by all necessary action. This Agreement has been duly executed by Developer and, to Developer's knowledge, and assuming that the representations and warranties in Section 3.2 are accurate, is a valid and legally binding obligation of Developer enforceable in accordance with its terms except (i) as limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors' rights generally, (b) laws relating to the availability of specific performance, injunctive relief, or other equitable remedies, and (ii) to the extent the indemnification provisions may be limited by applicable federal or state securities laws.

2.3. Effect of Agreement. The execution, delivery and performance of this Agreement by Developer and the consummation of the transactions contemplated hereby will not (i) require the consent, approval or authorization of any person, corporation, partnership, joint venture or other business association or public authority other than the Commission or DWR, (ii) to Developer's knowledge, violate, with or without the giving of notice or the passage of time or both, any provisions of law now applicable to Developer or (iii) result in a violation of Developer's articles of formation and operating agreement.

3. Representations and Warranties of Utility.

Utility hereby represents and warrants as follows:

3.1. Organization; Good Standing; Power. Utility is a limited liability company duly formed, validly existing and in good standing under the laws of the State of North Carolina, and has all requisite corporate power and authority to own, lease and operate its properties, to carry on its business as now being conducted and to enter into this Agreement and perform its obligations hereunder.

3.2. Authority Relative to Agreement. The execution, delivery and performance of this Agreement by Utility have been duly and effectively authorized by all necessary corporate action. This Agreement has been duly executed by Utility and is a valid and legally binding obligation of Utility enforceable in accordance with its terms except (i) as limited

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by (a) applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors' rights generally, (b) laws relating to the availability of specific performance, injunctive relief, or other equitable remedies, or (ii) to the extent the indemnification provisions may be limited by applicable federal or state securities laws.

3.3. Effect of Agreement. The execution, delivery and performance of this Agreement by Utility and the consummation of the transactions contemplated hereby will not (i) require the consent, approval or authorization of any person, corporation, partnership, joint venture or other business association or public authority other than the Commission or DWR, (ii) violate, with or without the giving of notice or the passage of time or both, any provisions of law now applicable to Utility, or (iii) result in a violation of Utility's articles of formation or operating agreement.

4. Design, Permitting, and Installation of On-Site Wastewater Collection System.

4.1. Design and Permit Requirements. For each On-Site Wastewater Collection Phase, Developer, at Developer's cost and expense, shall (i) engage a qualified, licensed engineer to prepare the Wastewater Collection System Plans and a Sewer Extension Permit; (ii) obtain Utility's approval of the On-Site Wastewater Collection System Plans, such approval not to be unreasonably withheld, conditioned or delayed; (iii) file a Sewer Extension Permit application with DWR; and (iv) if required, seek the County's approval of the On-Site Wastewater Collection System Plans. Utility shall cooperate fully with Developer and Developer's engineer to expedite issuance of the Sewer Extension Permit by DWR (including by providing Developer with written confirmation that Utility has allocated 64,680 GPD of capacity in the expanded Majestic Oaks Wastewater Facilities to Developer to serve the residential units within the Subdivision and 3204 gpd in the expanded Majestic Oaks Wastewater Facilities to Developer to serve the other amenities within the subdivision) and approval by the County of the On-Site Wastewater Collection System Plans, if required.

4.2. Installation Requirements. Developer, at Developer's cost and expense, shall cause to be installed in the Subdivision, a complete On-Site Wastewater Collection System, which shall include interconnection of such system to the Off-Site Pump Station. Utility reserves the right to make periodic inspections of the On-Site Wastewater Collection System's installation; provided, however, that such inspection should not be considered a substitute for the Developer's engineer's duties and responsibilities to inspect the installation. Developer shall pay for the installation costs of all the necessary components of the On-Site Wastewater Collection System to provide wastewater utility service to all lots in the Subdivision. The On-Site Wastewater Collection System shall be constructed in such a manner as to restrict entry of groundwater and surface waters into the Wastewater Collection System to at least the minimum standards established by the DWR regulations for infiltration/inflow. Developer acknowledges that failure to install a "tight" collection system could result in infiltration/inflow causing the WWTP to exceed its permitted flow limit, which could limit the number of connections that can be served by the Utility.

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4.3. On-Site Wastewater Service Line. Developer shall provide a On-Site Wastewater Service Line to each house within the Subdivision. This On-Site Wastewater Service Line shall consist of a 4" wastewater service tap, a service pipe of adequate size to serve the residence, a clean out at the easement or right of way line, and an elder valve. Developer shall use its best efforts to ensure that its employees, contractors and subcontractors under its control do not break, damage or bury these cleanouts.

4.4. On-Site Wastewater Collection System Contractors and Construction Guarantee. Prior to the commencement of work on the On-Site Wastewater Collection System, Developer shall obtain Utility's approval of all contractors and subcontractors who will perform work on the installation of the On-Site Wastewater Collection System including, but not limited to, On-Site Wastewater Service Lines. Developer or Developer's contractor shall provide to Utility a one-year warranty on all On-site Wastewater Collection System components and workmanship. This warranty shall begin from the date of Closing.

4.5. Engineering Certification of Completion & Record Drawings. Developer, at Developer's cost and expense, shall require its engineer to furnish DWR and Utility with a signed and sealed copy of the DWR-required letter from Developer's engineer certifying that the On-site Wastewater Collection System has been installed in compliance with the Sewer Extension Permit and the approved On-Site Wastewater Collection System Plans. Said letter shall specify if the certification of completion issued by the engineer is a final or partial certification and shall include the number of the Sewer Extension Permit issued by DWR. Developer, at Developer's cost and expense, shall require its engineer to supply Utility with an electronic copy of engineering record drawings of the On-Site Wastewater Collection System ("As-built Drawings"). The electronic version of the As-built Drawings shall be submitted to Utility in '.dwg' format and shall also include, two spatial references. The signed and sealed copy of the As-built Drawings shall be submitted to Utility in '.pdf' format and shall depict the seal of the professional engineer responsible for issuing the As-built Drawings.

5. Design, Permitting, and Installation of ESA Wastewater Collection System.

5.1. Design and Permit Requirements. For each ESA Wastewater Collection Phase, Developer, or Developer's designee, at no cost and expense to Utility, shall (i) engage a qualified, licensed engineer to prepare the Wastewater Collection System Plans and a Sewer Extension Permit; (ii) obtain Utility's approval of the ESA Wastewater Collection System Plans, such approval not to be unreasonably withheld, conditioned or delayed; (iii) file a Sewer Extension Permit application with DWR; and (iv) if required, seek the County's approval of the ESA Wastewater Collection System Plans. Utility shall cooperate fully with Developer and Developer's, or Developer designee's, engineer to expedite issuance of the Sewer Extension Permit by DWR (including by providing Developer, or Developer's designee, with written confirmation that Utility has allocated 6,300 GPD of capacity in the expanded Majestic Oaks Wastewater Facilities to the ESA) and approval by the County of the ESA Wastewater Collection System Plans, if required.

5.2. Installation Requirements. Developer, or Developer's designee, at no cost or expense to Utility, shall cause to be installed in the ESA, a complete ESA Wastewater Collection System, which shall include interconnection of such system to the Off-Site Pump

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Station. Utility reserves the right to make periodic inspections of the ESA Wastewater Collection System's installation; provided, however, that such inspection should not be considered a substitute for the engineer's duties and responsibilities to inspect the installation. Developer, or Developer's designee, shall pay for the installation costs of all the necessary components of the ESA Wastewater Collection System to provide wastewater utility service to all lots in the ESA. The ESA Wastewater Collection System shall be constructed in such a manner as to restrict entry of groundwater and surface waters into the ESA Wastewater Collection System to at least the minimum standards established by the DWR regulations for infiltration/inflow. Developer, or Developer's designee, acknowledges that failure to install a "tight" collection system could result in infiltration/inflow causing the WWTP to exceed its permitted flow limit, which could limit the number of connections that can be served by the Utility.

5.3. ESA Wastewater Service Line. Developer, or Developer's designee shall provide a ESA Wastewater Service Line to each house within the ESA. This ESA Wastewater Service Line shall consist of a 4" wastewater service tap, a service pipe of adequate size to serve the residence, a clean out at the easement or right of way line, and an elder valve. Developer, or Developer's designee, shall use its best efforts to ensure that its employees, contractors and subcontractors under its control do not break, damage or bury these cleanouts.

5.4. ESA Wastewater Collection System Contractors and Construction Guarantee. Prior to the commencement of work on the ESA Wastewater Collection System, Developer, or Developer's designee, shall obtain Utility's approval of all contractors and subcontractors who will perform work on the installation of the ESA Wastewater Collection System including, but not limited to, ESA Wastewater Service Lines. Developer, or Developer designee's, contractor shall provide to Utility a one-year warranty on all ESA Wastewater Collection System components and workmanship. This warranty shall begin from the date of Closing.

5.5. Engineering Certification of Completion & Record Drawings. Developer, or Developer's designee, at no cost or expense to Utility, shall require its engineer to furnish DWR and Utility with a signed and sealed copy of the DWR-required letter from Developer, or Developer's designee's, engineer certifying that the ESA Wastewater Collection System has been installed in compliance with the Sewer Extension Permit and the approved ESA Wastewater Collection System Plans. Said letter shall specify if the certification of completion issued by the engineer is a final or partial certification and shall include the number of the Sewer Extension Permit issued by DWR. Developer, or Developer's designee, at no cost or expense to Utility, shall require its engineer to supply Utility with an electronic copy of engineering record drawings of the ESA Wastewater Collection System ("As-built Drawings"). The electronic version of the As-built Drawings shall be submitted to Utility in '.dwg' format and shall also include, two spatial references. The signed and sealed copy of the As-built Drawings shall be submitted to Utility in '.pdf' format and shall depict the seal of the professional engineer responsible for issuing the As-built Drawings.

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6. Design, Permitting, and Installation of Off-Site Wastewater Collection System.

6.1. Design and Permit Requirements. For the Off-Site Wastewater Collection System, ONSWC, at ONSWC's cost and expense, shall (i) engage a qualified, licensed engineer to prepare the Off-Site Wastewater Collection System Plans and a Sewer Extension Permit; (ii) obtain Developer's approval of the Off-Site Wastewater Collection System Plans, such approval not to be unreasonably withheld, conditioned or delayed; (iii) file a Sewer Extension Permit application with DWR and obtain approval prior to March 31, 2019; and (iv) if required, seek the County's approval of the Off-Site Wastewater Collection System Plans. Developer shall support and cooperate fully with ONSWC and ONSWC's engineer to expedite issuance of the Sewer Extension Permit by DWR and approval by the County of the Off-Site Wastewater Collection System Plans and Majestic Oaks Wastewater Facility Expansion, if required.

6.2. Installation Requirements. Developer, at Developer's cost and expense, shall cause to be installed a complete Off-Site Wastewater Collection System, which shall include interconnection of such system to the Majestic Oaks Wastewater Facility. ONSWC shall pay for the cost of upsizing the portion of the forcemain that will be upsized from 4" to 6"and the cost of installing the 6"x4"x3" tee in or around the intersection of Factory Rd and Second St. Utility reserves the right to make periodic inspections of the Off-Site Wastewater Collection System's installation. Developer shall pay for the installation costs of all the necessary components of the Off-Site Wastewater Collection System to provide wastewater utility service to all lots in the Subdivision. The Off-Site Wastewater Collection System shall be constructed prior to August 30, 2019 and constructed in such a manner as to restrict entry of groundwater and surface waters into the Wastewater Collection System to at least the minimum standards established by the DWR regulations for infiltration/inflow. Developer acknowledges that failure to install a "tight" collection system could result in infiltration/inflow causing the WWTP to exceed its permitted flow limit, which could limit the number of connections that can be served by the Utility.

6.3. Off-Site Wastewater Collection System Contractors and Construction Guarantee. Prior to the commencement of work on the Off-Site Wastewater Collection System, Developer shall obtain Utility's approval of all contractors and subcontractors who will perform work on the installation of the Off-Site Wastewater Collection System including, but not limited to, Off-Site Wastewater Service Lines. Developer or Developer's contractor shall provide to Utility a one-year warranty on all Off-site Wastewater Collection System components and workmanship. This warranty shall begin from the date of Closing.

6.4. Engineering Certification of Completion & Record Drawings. ONSWC, at ONSWC's cost and expense, shall require its engineer to furnish DWR and Developer with a signed and sealed copy of the DWR-required letter from ONSWC's engineer certifying that the Off-site Wastewater Collection System has been installed in compliance with the Sewer Extension Permit and the approved Off-Site Wastewater Collection System Plans. Said letter shall specify if the certification of completion issued by the engineer is a final or partial certification and shall include the number of the Sewer Extension Permit issued by DWR.

7. Design, Permitting, and Installation of Expanded Majestic Oaks Wastewater Treatment Facility.

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7.1. Design and Permit Requirements. For the expansion of the Majestic Oaks Wastewater Treatment Facility, ONSWC, at ONSWC's cost and expense, shall (i) engage a qualified, licensed engineer to design and permit the expansion of the Majestic Oaks Wastewater Facility; (ii) obtain Developer's approval of the expansion Plans, such approval not to be unreasonably withheld, conditioned or delayed; (iii) file a Permit application with DEQ and obtain a permit by February 28, 2019; and (iv) if required, seek the County's approval of the expanded Majestic Oaks Wastewater Facility Plans. Developer shall support and cooperate fully with ONSWC and ONSWC's engineer to expedite issuance of the Permit by DEQ and approval by the County of the Majestic Oaks Wastewater Facility Expansion, if required.

7.2. Installation Requirements. ONSWC, at ONSWC's cost and expense, shall cause to be constructed an expansion of the Majestic Oaks Wastewater Facility sufficient to treat a minimum of 200,000 gpd. Prior to Monthly Average Daily Flows exceeding 70% of capacity on an annual average basis, Utility shall begin construction of the expansion of the Majestic Oaks Wastewater Treatment System. Estimated timeframe for construction of said expansion shall take no more than one hundred twenty (120) days.

8. Certificate of Public Convenience and Necessity. Following issuance of the Sewer Extension Permit by DWR, Utility, at Utility's cost and expense, shall apply to the Commission as soon as may be practicable for a Certificate or for a Certificate Extension to provide wastewater service to the Subdivision.

9. Wastewater Service to Subdivision. Upon Closing of the conveyance by Developer to Utility of the Wastewater Collection System Assets for a Wastewater Collection System Phase, Utility shall supply wastewater utility service to the residents of the applicable phase of the Subdivision under the terms of such Certificate, as the same may be amended from time to time. Utility shall be obligated to reserve sufficient capacity in its expanded Majestic Oaks Wastewater facilities to serve the proposed 308 residential units of wastewater flow from the Salters Haven at Lea Marina Subdivision and the 30 residential units of wastewater flow from the Extended Service Area and shall maintain sufficient capacity in the Majestic Oaks Wastewater Facilities for that purpose.

10. Monthly Wastewater Rates and Fees. Utility shall seek approval from the Commission and diligently pursue for rates and fees for wastewater service to the Subdivision that are the same as its current Commission-approved wastewater rates and fees for Utility's Majestic Oaks Subdivision. Upon the granting of the Certificate or Certificate Extension, Utility shall charge for wastewater service to each resident within the Subdivision.

11. Connection Fee. Developer acknowledges that each residential unit within the subdivision shall pay Utility a one-time connection fee of $4,200/SFRE for each lot to be served by the applicable On-Site Wastewater Collection System Phase and that each unit within the ESA shall pay Utility the one-time connection fee applicable prior to permitting of the ESA Wastewater Collection System. Such fee, applicable to the Subdivision, shall be payable prior to the time that Developer or a third-party obtains a building permit for such lot.

12. Purchase Price. Utility is purchasing from Developer the completed Wastewater Utility System, regardless of the Wastewater Utility System being installed all at one time or in

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phases. The Purchase Price paid by Utility shall be 82% of the actual cost of the Off-Site Wastewater Pump Station and Off-Site Wastewater Forcemain (excluding the cost of upsizing a portion of the forcemain from 4" to 6"). Said Purchase Price payment shall be payable based on 82% of the actual cost of the Off-Site Pump Station and Off-Site Forcemain divided by 150 REUs. ONSWC shall be entitled to collect a Connection Fee in accordance with Paragraph10. ONSWC shall not be required to make any purchase price payments to the developer for the first 150 connections from the Subdivision. Said Purchase Price payment shall be payable only after the first 150 connections and paid quarterly based on the number of connections installed during the previous quarter. Payments shall be made on or about each January 15, April 15, July 15, and October 15

13. Written Certification of Costs. Developer, at each Closing, shall deliver to Utility a written certification of all of the Developer's costs incurred in the design, permitting and construction of the applicable Wastewater Collection System Phase, which shall provide a breakdown of the various components showing the vendors or contractors for each component (where applicable). Said Written Certification of Costs Form shall be provided at Closing utilizing the form attached hereto as **Exhibit 10.**

14. Declaration. Utility acknowledges that the Subdivision will be encumbered by a declaration of covenants, conditions, and restrictions (the "Declaration") before or after Closing. Developer acknowledges that the Wastewater Collection System, and any other property owned by Utility in the Subdivision, will be exempt from all assessments, use restrictions, and architectural requirements under the Declaration. Developer shall insert into the Declaration, easement language in favor of Utility which shall allow Utility ingress, egress, regress, and access to operate, maintain, repair and replace the Wastewater Collection System and all components thereof. In addition, Developer shall include language in the Declaration advising the lot owners of their responsibilities for the sewer collection line for their residence pursuant to **Section 16.6** and that the wastewater utility service provider is Old North State Water Company.

15. Recorded Subdivision Plats. Developer, at Developer's cost and expense, upon recordation of a plat showing each lot being served by the Wastewater Collection System shall provide Utility with a copy of such recorded plat. Said plat shall include utility and access easements in favor of Utility for ingress, egress, regress and access to operate, maintain, repair, and replace the water mains and appurtenant equipment related to the Wastewater Collection System.

16. Conveyance of the Wastewater Collection System Assets.

16.1. Closing Date. Upon receipt of the Certificate or Certificate Extension described in **Section 8** and delivery by Developer to Utility of the last item described in **Section 16.8**, the Parties shall mutually agree upon a date for the transfer of the Wastewater Collection System Assets, which date shall not be more than 30 days from the date of delivery of the last item described below. Upon Closing, Utility shall be deemed to be the beneficial owner of the Wastewater Collection System Assets. Closing shall take place at a mutually agreed upon location or by telecopy or electronic mail exchange of documents with originals to follow by overnight delivery.

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16.2. Conveyance of Wastewater Collection System Assets. At the time and on the terms described in this **Section 16**, Developer shall convey to Utility at no cost to Utility, except as described in **Section 8**, **Section 16.3** and **Section 16.4**, by deed, easement, or bill of sale, as appropriate, the Wastewater Collection System Assets and all rights to operate the Wastewater Collection System; provided, however, that the Wastewater Collection System may be constructed in multiple phases and conveyed by Developer to Buyer at multiple Closings. Any bill of sale shall be substantially similar in form and substance to that attached hereto as **EXHIBIT 16.2**.

16.3. Conveyance of Off-Site Pump Station Lot. The Off-Site Pump Station Lot shall be conveyed by Developer to Utility prior to ONSWC submitting the NC DWR Permit Application by recorded special warranty deed conveying fee simple marketable title. Prior to such conveyance, Developer, at Developer's cost and expense shall have its attorney procure a title insurance commitment in the amount of $25,000 for the Off-Site Pump Station Lot. The title commitment shall ensure that such property is free and clear of all liens and encumbrances that would unreasonably interfere with the operation of the Off-Site Pump Station. At conveyance, Developer shall present a current final owner's title policy and Utility shall reimburse Developer for the cost of the associated title insurance premiums and up to $1,000 dollar in attorney fees. Developer shall complete an IRS W-9 Form and deliver such form to Utility prior to the reimbursement required by the preceding sentence. The Off-Site Pump Station Lot shall front upon a publicly dedicated street to provide access to the Off-Site Pump Station. In the event the Off-Site Pump Station lot does not front upon a publicly dedicated completed street, then Developer shall convey to Utility an all-weather gravel access road with a perpetual 20-foot easement for ingress, regress, and access to the Off-Site Pump Station.

16.4. Title Insurance for the Wastewater Collection System Easement Areas. Prior to the Closing on the conveyance of any Wastewater Collection System Easement, Developer, at Developer's cost and expense, shall have its attorney procure a title insurance commitment for the applicable Wastewater Collection System Easement Area, which may be included in the title insurance commitment and policy procured by Developer pursuant to **Section 16.3** or combined with title insurance commitments and policies for other Wastewater Collection System Easement Areas. Any single title insurance commitment shall be in an amount of at least $25,000. The title commitment shall ensure that such property is free and clear of all liens and encumbrances that would unreasonably interfere with Utility's use and enjoyment of the applicable Wastewater Collection System Easement Area. At Closing, Developer shall present to Utility a current final owner's title policy and Utility shall reimburse Developer the title insurance premiums and up to $1,000 of attorney fees. Developer shall complete an IRS W-9 Form and deliver such form to Utility prior to the reimbursement required by the preceding sentence.

16.5. Surveys for Off-Site Pump Stations Lot and Wastewater Collection System Easement Areas. At the applicable Closing, Developer shall provide a current survey for the Off-Site Pump Station Lot and the Wastewater Collection System Easement Areas. The surveys shall be signed and sealed by a registered surveyor.

16.6. Responsibilities for Grinder Pump Station and Service Lines. If applicable, installation and start up of the Grinder Pump Station shall be conducted in accordance with ONSWC's standard for Grinder Pump Station installation. After the completed initial

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installation of a Grinder Pump Station by the homebuilder or WLI Investments, LLC, the lot owner shall own, operate, maintain, repair and replace the components of its Grinder Pump Station with oversight provided by ONSWC. ONSWC shall own, operate, maintain, repair and replace the Service Lines. The electric service for the Grinder Pump Stations shall be provided by each customer as part of their household electric service. WLI Investments, LLC shall require the home builder for each lot served by a Grinder Pump Station to provide notification that the lot is served by a Grinder Pump Station, along with ONSWC's requirements for the operation, maintenance, inspection, repair and replacement of the Grinder Pump Station. The notification shall inform the lot owner of their responsibilities related to the Grinder Pump Station. NEITHER ONSWC NOR WLI INVESTMENTS, LLC SHALL HAVE ANY RESPONSIBILITY OR LIABILITY WHATSOEVER SHOULD A PORTABLE GENERATOR DURING A POWER OUTAGE NOT BE CONNECTED TO THE GRINDER PUMP STATION TO KEEP IT FROM OVERFLOWING OR BACKING UP.

16.7. Closing Conditions. Utility shall not be obligated to close on the acquisition of any Wastewater Collections System Phase until all of the following events below have occurred:

a. DWR has issued the Sewer Extension Permit for the applicable Wastewater Collection System Phase;

b. Developer has installed the applicable Wastewater Collection System Phase in accordance with the Sewer Extension Permit and the approved Wastewater Collection System Plans; and

c. The Commission has issued the Certificate or Certificate Extension.

16.8. Pre-Closing Deliveries of Developer. Prior to Closing Developer shall deliver to Utility for the applicable Wastewater Collection System Phase:

a. a copy of the DWR required letter from Developer's engineer certifying that the Wastewater Collection System Phase has been installed in compliance with the Sewer Extension Permit and the approved Wastewater Collection System Plans as described in **Section 4.5 and 5.5**;

b. an electronic copy of the As-built Drawings prepared by the engineer of record for the project. The electronic version of the As-built Drawings shall be submitted to Utility in '.dwg' format and the signed and sealed copy shall be submitted to Utility in '.pdf' format as required by **Section 4.5 and 5.5**;

c. a completed written certification of Developer's costs as required by in **Section 13**;

d. a copy of the recorded Declaration as required by **Section 14**;

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e. the title insurance commitments for the Off-Site Pump Station Lot and the Wastewater Collection System Easement Areas, as required by **Section 16.3** and **Section 16.4**, respectively;

f. a current survey for the Off-Site Pump Station Lot and the Wastewater Collection System Easement Areas as required by **Section 16.5**;

g. a list of physical addresses and lot numbers for each lot in the Subdivision that will served by the Wastewater Collection System in a form substantially similar in a substance to that attached hereto as **EXHIBIT 16.8.g**.

16.9. Closing Deliveries of Developer. At Closing for the applicable Wastewater Collection System Phase, Developer shall furnish Utility with:

a. a one-year construction warranty on all Wastewater Collection System components and workmanship as required by **Section 4.4 and 5.4**;

b. the executed bill of sale, recorded deed, and/or easements for the applicable Water Collection System Assets, as set required by **Section 16.2**;

c. a final owner's title insurance policy as required **Section 16.3** and/or **Section 16.4**.

16.10. Closing Requirements of Utility. Upon Closing Utility shall (i) reimburse Developer for the title insurance premiums as required **Section 16.3** and/or **Section 16.4**, and (ii) begin operation of the Wastewater Collection System.

17. Property Taxes. Utility shall not be responsible for payment of property taxes on any property with respect to which title is not conveyed to Utility. Utility shall only be responsible for the payment of property taxes which it owns.

General Provisions.

17.1. Execution of Future Agreements. After the execution of this Agreement, all new development agreements entered into by Developer with respect to development at the Subdivision shall be consistent with the terms of this Agreement with respect to the provision of wastewater utility service to the Subdivision.

17.2. Representations, Warranties, Covenants and Agreements Survive Closing. All representations and warranties of Developer and Utility hereunder shall survive each Closing. Further, any covenant or agreement herein which contemplates performance after the time of any Closing shall not be deemed to be merged into or waived by the instruments delivered in connection with such Closing, but shall expressly survive such Closing and be binding upon the Parties obligated thereby.

17.3. Binding upon Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of Developer and Utility, and the successors and assigns of each.

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17.4. No Third Party Beneficiary Rights. Nothing expressed or referred to in this Agreement will be construed to give any person other than the Parties any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement, except such rights as shall inure to a successor or permitted assignee pursuant to **Section 17.3** above.

17.5. Independent Contractors. The Parties are and shall be independent contractors to one another, and nothing herein shall be deemed to cause this Agreement to create an agency, partnership, or joint venture between the Parties.

17.6. Counterparts. This Agreement may be executed in one or more counterpart signature pages (including facsimile or electronic counterpart signature pages), each of which will be deemed to be an original of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

17.7. Headings. The headings of particular provisions of this Agreement are inserted for convenience only and shall not be construed as a part of this Agreement or serve as a limitation or expansion on the scope of any term or provision of this Agreement.

17.8. Enforcement of Agreement. Each Party acknowledges and agrees that the other Party would be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms and that any breach of this Agreement by a Party could not be adequately compensated in all cases by monetary damages alone. Accordingly, in addition to any other right or remedy to which a Party may be entitled, at law or in equity, it shall be entitled to enforce any provision of this Agreement by a decree of specific performance and to temporary, preliminary and permanent injunctive relief to prevent any breach or threatened breach of any of the provisions of this Agreement, without posting any bond or other undertaking.

17.9. Waiver. No waivers of, or exceptions to, any term, condition or provision of this Agreement, in any instance or instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, condition or provision.

17.10. Entire Agreement. This writing embodies the entire agreement and understanding between the Parties hereto 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.

17.11. Modifications in Writing. 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. By mutual written agreement additional lots may be added to this Agreement.

17.12. Consent to Jurisdiction. The Parties agree that the state and federal courts of North Carolina shall have exclusive jurisdiction over this Agreement and any controversies arising out of, relating to, or referring to this Agreement, the formation of this Agreement, and actions undertaken by the Parties hereto as a result of this Agreement, whether such controversies sound in tort law, contract law or otherwise. Each of the Parties hereto expressly and irrevocably

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consents to the personal jurisdiction of such state and federal courts, agrees to accept service of process by mail, and expressly waives any jurisdictional or venue defenses otherwise available.

17.13. Governing Law. This Agreement shall be governed by the internal substantive laws of the State of North Carolina, without regard to such state's conflict of law or choice of law rules.

17.14. Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be sent either (i) personally by hand delivery, (ii) by registered or certified United States first-class mail, postage prepaid, return receipt requested, (iii) by nationally recognized overnight courier, or (iv) by facsimile addressed to the address or facsimile number indicated below (or at such other address or facsimile number as such Party or permitted assignee shall have furnished to the other Parties hereto in writing). All such notices and other written communications shall be effective on the date of delivery.

If to Developer, such notice shall be addressed to:

WCI Investments, LLC
Address: 600 Gregory Road, Ste1 Belville, NC 28451
Attn: D Logan
Telephone: 910-332-3524
Facsimile: _____

If to Utility, such notice shall be addressed to:

Old North State Water Company, LLC
4700 Homewood Ct., Suite 108
Raleigh, North Carolina 27609
Telephone: (252) 235-4900
Facsimile: (252) _____

With copies to:

John McDonald
Integra Water, LLC
600 University Park Place, Suite 275
101 Birmingham, AL 35209
Telephone: (205) 326-3200

Karen Kemerait, Esq.
Fox Rothschild, LLP
434 Fayetteville St. #1223
Raleigh, NC 27601
Telephone: (919) 819-7952
Facsimile: (919) 755-8800

IN TESTIMONY WHEREOF, Developer has caused this instrument to be executed by its manager authorized to execute contracts on behalf of the Developer and Utility has caused this instrument to be executed by its corporate officer authorized to execute and seal this contract on behalf of the corporation, the day and year first above written.

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WLI Investments, LLC

By: D I Logan, Manager

OLD NORTH STATE WATER COMPANY, LLC.

By: Michael Myers, Manager

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EXHIBIT 1

Conceptual Land Plan -- Lea Property

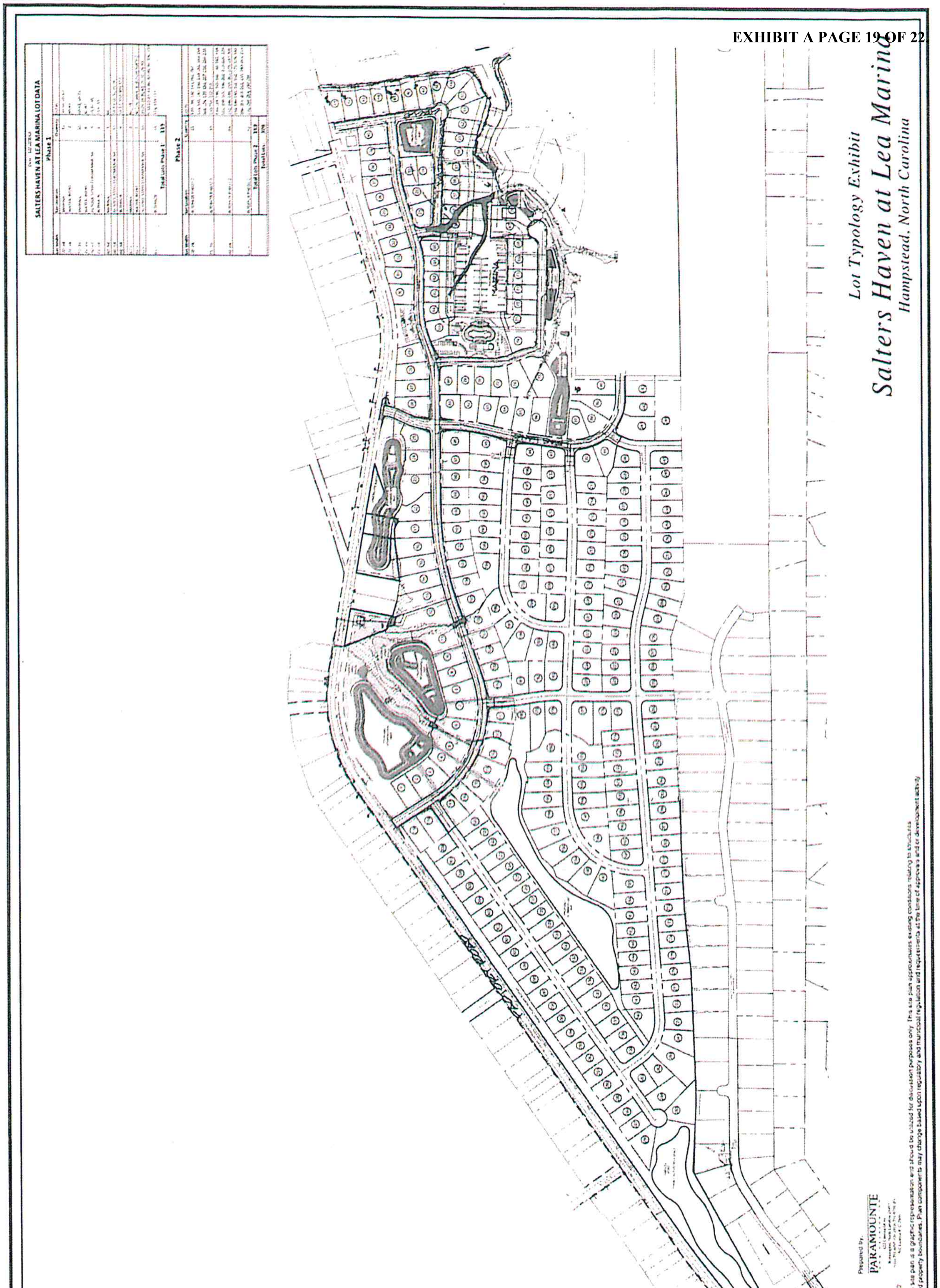

Exhibit 1

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EXHIBIT 10

Written Certification of Costs Form
Wastewater

Date:_____

Following is the information you requested for the Wastewater Collection System serving Salters Haven at Lea Marina Subdivision. This cost certification is for the assets of the Wastewater Collection System serving a total of 308 connections in the Subdivision.

QTY	UOM	DESCRIPTION	Vendor/Contractor	Total Invoiced Cost
	LS	Engineering		
	LF	Sewer Mains – "___" (force, gravity, low pressure)		
	LF	Sewer Mains –"___" (force, gravity, low pressure)		
	LF	Sewer Services		
	EA	Value of Deeded Pump Station Lot @$500/each t		
		TOTALS		

I certify the above represents the actual cost for installation of the Wastewater Collection System serving the Subdivision.

_____ _____

Signature Printed Name

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EXHIBIT 15.2

STATE OF NORTH CAROLINA
COUNTY OF PENDER

WASTEWATER UTILITY SYSTEM BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS that WLI Investments, LLC (Seller), in return or valuable consideration received by the Seller from OLD NORTH STATE WATER COMPANY, LLC (Buyer), the sufficiency of which is hereby acknowledged, has bargained and sold and does by this instrument bargain, sell and convey to the Buyer, its successors and assigns, all right, title and interest of the Seller in and to the Wastewater Collection System for Salters Haven at Lea Marina Subdivision, Pender County, North Carolina, including but not limited to collection mains, manholes, services, controls, force mains, lift station lot, valves, and all equipment appurtenant to the sewer collection system needed to serve approximately ____ single family residential houses, all property conveyed hereby being referred to as the "Property."

This Bill of Sale is without any warranty of any kind and ALL WARRANTIES ARE SPECIFICALLY DISCLAIMED HEREBY, except for that certain one (1) year warranty provided by Seller to Buyer by separate document dated as of the date below. To have and to hold the Property in fee simple.

IN TESTIMONY WHEREOF, the Seller has hereunto set his hand this the _____ day of _____ 2018.

_____

_____
Title

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EXHIBIT 12.8.g

List of Addresses and Lot Numbers

Salters Haven at Lea Marina Subdivision

City/Zip Code:_____

Lot No.	Street Name

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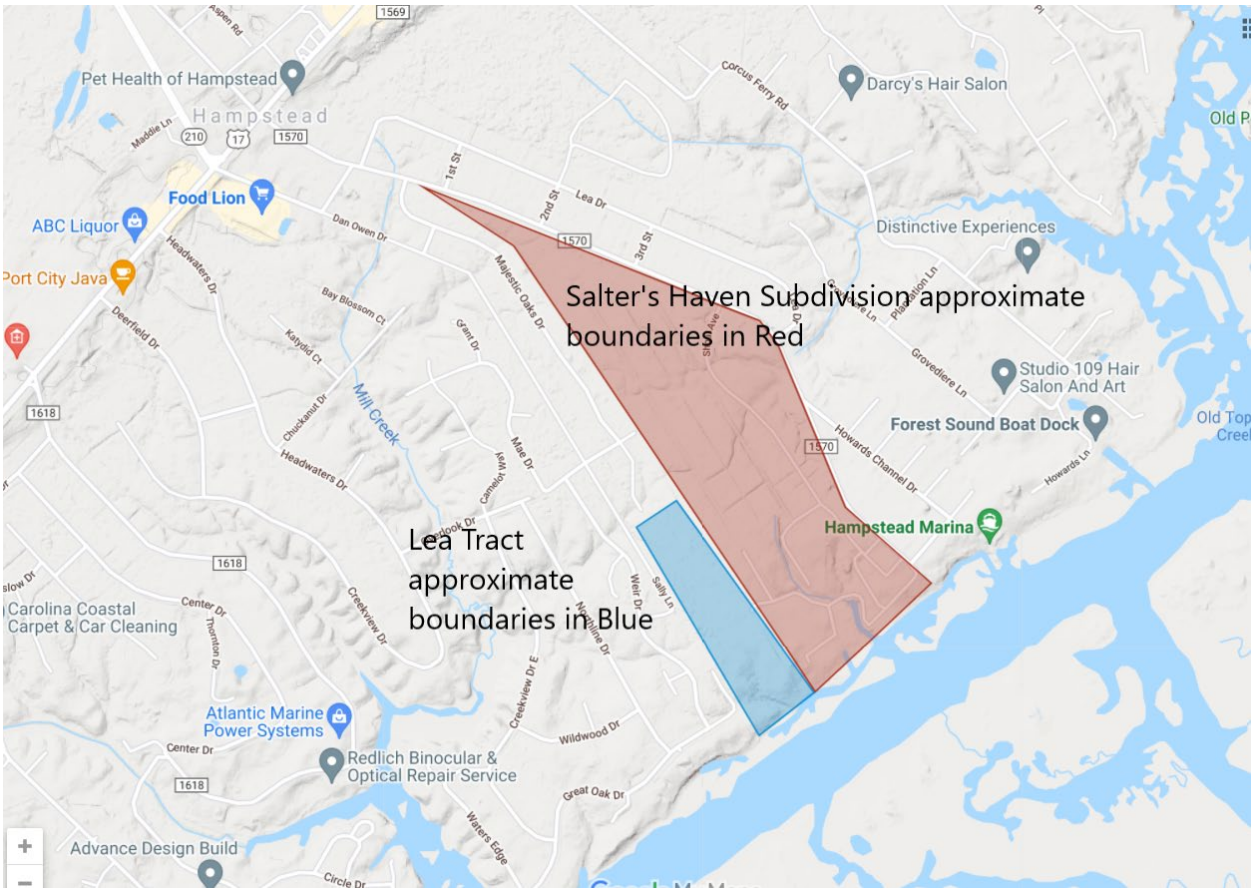

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Jan 03 2022

From: D Logan
To: Mary Catherine Santos
Subject: Fw: Lea Tract Options
Date: Tuesday, December 1, 2020 11:20:07 AM
Attachments: image001.png

From: D Logan <dlogan@loganhomes.com>
Sent: Monday, November 30, 2020 3:00 PM
To: D Logan <dlogan@loganhomes.com>
Subject: FW: Lea Tract Options

Logo

D LOGAN
OWNER AND PRESIDENT
60 GREGORY ROAD, SUITE 1
BELVILLE, NC 28451
O 910-452-1017
C 910-443-2869

LOGANDEVELOPERS.COM

From: D Logan <dlogan@loganhomes.com>
Sent: Monday, November 30, 2020 1:13 PM
To: Mary Catherine Santos <msantos@loganhomes.com>
Cc: D Logan <dlogan@loganhomes.com>
Subject: Fw: Lea Tract Options

From: D Logan
Sent: Monday, July 23, 2018 9:08 AM
To: Patrick Lennon <patrick@loganhomes.com>
Subject: Fwd: Lea Tract Options

Begin forwarded message:

From: D Logan <dlogan@loganhomes.com>
Date: July 21, 2018 at 3:32:42 PM EDT

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Jan 03 2022

To: John McDonald <JMcDonald@integrawater.com>
Cc: Jessica Vamvakias <jv@loganhomes.com>, Michael Myers <mmyers@envirolinkinc.com>, Tim Clinkscales <tclinkscales@paramounte-eng.com>
Subject: Re: Lea Tract Options

I believe this will work, write it up!

D Logan
910-443-2869
dlogan@loganhomes.com

On Jul 20, 2018, at 10:52 AM, John McDonald <JMcDonald@integrawater.com> wrote:

Jessica and D,

Please see below for our thoughts related to the call yesterday afternoon. Our comments are in red.

Apologies for the delay this morning, I had an executive committee meeting that went late.

Best regards and we look forward to hearing from you.

Thanks,

John

John McDonald
President
<image001.jpg>
600 University Park Place
Suite 275
Birmingham, AL 35209
D 205.326.3355
P 205.326.3200
www.integrawater.com

From: Jessica Vamvakias <jv@loganhomes.com>
Sent: Monday, July 16, 2018 3:19 PM
To: Michael Myers <mmyers@envirolinkinc.com>; D Logan <dlogan@loganhomes.com>
Cc: Tim Clinkscales <tclinkscales@paramounte-eng.com>; John McDonald <JMcDonald@integrawater.com>
Subject: RE: Lea Tract Options

Good Afternoon Mike,

Thank you for sending along your proposal. We appreciate the time and attention that you have

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given our project.

We are not interested in Option 2, however, we have a counter proposal to Option 1. Please see below in **blue.**

If you are in agreement to what we are proposing below, we would also like a few obligations from you:

1. **ONSWC to have permitting for up to 130,000gpd capacity by 12/31/18 agreed**
2. **The construction of any and all force main, pump station upgrades, ready to receive flow no later than 7/1/19**
3. **The treatment plant upgrade must commence construction no later than the connection of 75 homes to the collection system, by *any* new development**
4. **Impact/Capacity Fees to be locked in at $4200 per home until 12/31/25**

Can you also please send us a draft of your Developer's Agreement for our review?

Please let us know if you have any questions or comments.

Traditional Option

We think what makes sense is for us to work with Paramount (Tim) as the lead engineer and permit the on-site (within the community) and off-site sewer in ONSWC's name but allow the construction arm of Logan Homes to do the construction. This allows you to control construction and gets us out of the way for the most part.

1. **ONSWC is to pay engineering expenses for all pump station & force main design, permitting, surveying and certification.**

Right now it looks like Greybull is ahead of the Lea Tract so we would anticipate construction of the off-site sewer for Greybull ahead of the off-site sewer for the Lea Tract. Regardless, we recognize that this may cause some concern on your part, so we would again propose that ONSWC contract with the construction arm of Logan Homes to construct the off-site sewer required for Greybull. There would be approximatly 2,150' of the forcemain being shared by Greybull and the Lea tract and this arrangement puts complete control of the schedule under your control.

Hopefully, that all makes sense. The planned route for Greybull intersects with Factory Rd at 2nd St. This is where we would plan on the forcemain for the Lea Tract connecting to forcemain from Greybull.

Our budgetary estimates are (we think there are savings by leveraging our pipe pricing – see below)…

1. Greybull 84 gpm lift station = $75,000 (using a package lift station)
2. 3,265' of 3" forcemain = $114,275
3. 2,150' of 6" forcemain = $63,000 (shared with Lea Tract)
    1. **It appears the Lea flow could go into a 4" main unless your intentions are to bring**

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others into this line as well. We feel this upsized line should be the responsibility of ONSWC.

4. Lea Tract 180 gpm lift station = $100,000 (using package lift station)
5. +/- 3,100 of 4" forcemain = $108,500

Thus, the budget for Greybull is ($75,000 + $114,275 + $17,073) = $206,348 ($1,946 per home) and the budget for the Lea Tract is ($100,000 + $108,500 + $45,927) = $254,427 ($848 per home).

ONSWC would contract directly with you to construct the following infrastructure required to serve Greybull.

2. **B&D Utilities (Logan) shall have 1st option to do the Greybull work at market price, but does not want to necessarily be obligated to the same.**
3. **B&D Utilities (Logan) shall obviously maintain the exclusive rights to do our own onsite work**

6. Greybull 84 gpm lift station
7. 3,265' of 3" forcemain
8. 2,150' of 6" forcemain

This would leave you to construct the estimated 180 gpm lift station and approximately 3,100 of 4" forcemain in order to connect.

For construction of the Lea Tract lift station and 3,100 of 4" forcemain, ONSWC would rebate to Logan Homes $700 per home as they connect to the system.

1. **At this time, we are not certain of exact costs associated with the construction of the pump station due to the depth. We do not believe that it can be constructed for $100,000 based on previous experience.**
    1. **We propose $1,000 per home as they connect to the system – whatever the cost, provided the pump station is sized only to accommodate the Lea Tract.**
    2. **ONSWC will rebate 82% of the pump station and force main cost, through tap fees.**
    3. **In lieu of the guarantee, we will keep 100% of the connection fees for the first 150 homes, and then we will reimburse the cost of the lift station through splitting the connection fees after the first 150 homes sufficient to meet the 82% noted above.**

Conceptually, ONSWC covers the portion of the forcemain that is shared and then reimburses Logan Homes for the lift station and forcemain as customers come on board.

The final issue is the connection guarantee. We would need a guarantee of at least 50 homes per year from the Lea Tract.

To summarize…

1. ONSWC would contract with the construction arm of Logan Homes for the installation of the Greybull lift station and forcemain to the WWTP
2. Logan Homes would construct the Lea Tract lift station and forcemain to the connection point in or around Factory Rd and 2nd St

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3. ONSWC would rebate to Logan Homes $700 per REU (home) as customers are connected
4. Logan Homes would guarantee 50 new homes per year from the Lea Tract
    1. **In light of us paying for all of the upfront expenditures, i.e. force main and pump station, there is not justification for guaranteeing 50 new homes per year agreed**

As an additional benefit, we are not sure what kind of pricing you are able to secure but we are able to get factory direct pricing on PVC we pass that pricing on to development projects where ONSWC is the water and/or sewer utility. Depending on the pricing you are able to get on your own, this can be a significant savings on both the project and the collection system inside the project site. If you are responsible for the water as well inside the community, we can also pass along our pricing for PVC water mains. From what we are seeing, our pricing is better than what developer/contractors can get on their own.

We also are able to secure pricing on the package lift stations in order to cut down on cost. After you have time to digest, feel free to give us a call and we can answer any questions.

~~**Option 2**~~

1. ~~ONSWC contracts with the construction arm of Logan Homes for the construction of the Greybull lift station and forcemain.~~
2. ~~The construction arm of Logan Homes constructs:~~
    1. ~~Lea Tract lift station & forcemain – estimated budget~~
    2. ~~Approximately 18,000' of 6" effluent line~~
    3. ~~Construct the 100,000 gpd infiltration pond~~
    4. ~~ONSWC expands the WWTP to 140,000 gpd~~
3. ~~ONSWC will…~~
    1. ~~Rebate Logan Homes $4,450 for each home within the Lea Tract (estimated $1,335,500) or waive connection fees & rebate $250 per REU within the Lea Tract~~
    2. ~~Rebate Logan Homes $500 for each new homes served in the Greybull and the identified Weir Tracts ($500 x 256 = $128,000)~~
    3. ~~ONSWC estimates $1,200,000 for Lea Tract lift station, Lea Tract forcemain, effluent line, & pond construction – this estimate does not include potential savings on pipe by leveraging ONSWC PVC pipe pricing~~
4. ~~No connection fee guarantee required~~

Jessica Vamvakias | Executive Administrator

p. 910.332.3524 c. 207-653-8387 f. 910.332.3528

<image002.jpg>

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Jan 03 2022

From: Michael Myers <mmyers@envirolinkinc.com>
Sent: Monday, July 09, 2018 4:43 PM
To: D Logan <dlogan@loganhomes.com>; Jessica Vamvakias <jv@loganhomes.com>
Cc: Tim Clinkscales <tclinkscales@paramounte-eng.com>; 'John McDonald' <jmcdonald@integrawater.com>
Subject: Lea Tract Options

Dee/Jessica,
Thanks for the opportunity. We have been working to finalize budget estimates and I think we are there.

Our strategy in putting this together was to give you as much direct control as possible. We heard you loud & clear that you like to move fast, so we thought you would be more comfortable having direct control to the largest extent possible. With that in mind we propose the following options. Option 1 is in line with a typical structure, while we offer an alternative that is in line with what we proposed in our meeting.

General information

1. ONSWC is committed to serve 106 homes on the Greybull Tract.
2. The Lea Tract is planned for 300 homes
3. ONSWC is planning for an additional 150 homes (Others)
4. The total number of Residential Equivalents anticipated is 656.
5. From a flow perspective, this equates to…
    1. Greybull = 106 x 210 gpd = 22,260 gpd
    2. Lea Tract = 300 x 210 gpd = 60,000 gpd
    3. Others = 150 x 210 gpd = 31,500 gpd
    4. Total = 113,760 gpd
6. Current ONSWC WWTP permitted capacity = 59,720 gpd
7. Planned expansion of an additional 80,280 gpd to 140,000 gpd in phase 1.

Project Specific Information (WW related) – This assumes that you decided to go with ONSWC for sewer service.

Greybull
Off site sewer infrastructure requirements (does not include sewer collection system required within the community)

1. 1 – 84 gpm sewer lift station
2. 3,265’ of 3” forcemain
3. 2,150’ of 6” forcemain (shared with Lea tract – prorata 72.9% Lea/27.1% Greybull)

Lea Tract
Off-site sewer infrastructure requirements (does not include sewer collection system required within the community)

Alternative A – Pump Station/Forcemain

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1. Approximate 180 gpm sewer lift station
2. Approximately 3,100' of 4" forcemain
3. 2,150' of 6" forcemain (shared with Greybull)

Alternative B – Low Pressure Sewer (requires hydraulic modelling)

1. **5,250' of 4" forcemain to WWTP**
2. **Individual grinder pumps at each home (installed by builder) with connection to forcemain in street**

We like Alternative A but are open to Alternative B if that provides any advantages to you.

Others – Are not included in this analysis, since the off-site sewer requirements would not impact the Lea Tract.

Traditional Option

We think what makes sense is for us to work with Paramount (Tim) as the lead engineer and permit the on-site (within the community) and off-site sewer in ONSWC's name but allow the construction arm of Logan Homes to do the construction. This allows you to control construction and gets us out of the way for the most part.

Right now it looks like Greybull is ahead of the Lea Tract so we would anticipate construction of the off-site sewer for Greybull ahead of the off-site sewer for the Lea Tract. Regardless, we recognize that this may cause some concern on your part, so we would again propose that ONSWC contract with the construction arm of Logan Homes to construct the off-site sewer required for Greybull. There would be approximatly 2,150' of the forcemain being shared by Greybull and the Lea tract and this arrangement puts complete control of the schedule under your control.

Hopefully, that all makes sense. The planned route for Greybull intersects with Factory Rd at 2nd St. This is where we would plan on the forcemain for the Lea Tract connecting to forcemain from Greybull.

Our budgetary estimates are (we think there are savings by leveraging our pipe pricing – see below)…

9. Greybull 84 gpm lift station = $75,000 (using a package lift station)
10. 3,265' of 3" forcemain = $114,275
11. 2,150' of 6" forcemain = $63,000 (shared with Lea Tract)
12. Lea Tract 180 gpm lift station = $100,000 (using package lift station)
13. +/- 3,100 of 4" forcemain = $108,500

Thus, the budget for Greybull is ($75,000 + $114,275 + $17,073) = $206,348 ($1,946 per home) and the budget for the Lea Tract is ($100,000 + $108,500 + $45,927) = $254,427 ($848 per home).

ONSWC would contract directly with you to construct the following infrastructure required to serve

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Greybull.

14. Greybull 84 gpm lift station
15. 3,265' of 3" forcemain
16. 2,150' of 6" forcemain

This would leave you to construct the estimated 180 gpm lift station and approximately 3,100 of 4" forcemain in order to connect.

For construction of the Lea Tract lift station and 3,100 of 4" forcemain, ONSWC would rebate to Logan Homes $700 per home as they connect to the system.

Conceptually, ONSWC covers the portion of the forcemain that is shared and then reimburses Logan Homes for the lift station and forcemain as customers come on board.

The final issue is the connection guarantee. We would need a guarantee of at least 50 homes per year from the Lea Tract.

To summarize…

1. ONSWC would contract with the construction arm of Logan Homes for the installation of the Greybull lift station and forcemain to the WWTP
2. Logan Homes would construct the Lea Tract lift station and forcemain to the connection point in or around Factory Rd and 2nd St
3. ONSWC would rebate to Logan Homes $700 per REU (home) as customers are connected
4. Logan Homes would guarantee 50 new homes per year from the Lea Tract

As an additional benefit, we are not sure what kind of pricing you are able to secure but we are able to get factory direct pricing on PVC we pass that pricing on to development projects where ONSWC is the water and/or sewer utility. Depending on the pricing you are able to get on your own, this can be a significant savings on both the project and the collection system inside the project site. If you are responsible for the water as well inside the community, we can also pass along our pricing for PVC water mains. From what we are seeing, our pricing is better than what developer/contractors can get on their own.

We also are able to secure pricing on the package lift stations in order to cut down on cost. After you have time to digest, feel free to give us a call and we can answer any questions.

Option 2

5. ONSWC contracts with the construction arm of Logan Homes for the construction of the Greybull lift station and forcemain.
6. The construction arm of Logan Homes constructs:
    1. Lea Tract lift station & forcemain – estimated budget
    2. Approximately 18,000' of 6" effluent line
    3. Construct the 100,000 gpd infiltration pond
    4. ONSWC expands the WWTP to 140,000 gpd
7. ONSWC will…

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Jan 03 2022

1. Rebate Logan Homes $4,450 for each home within the Lea Tract (estimated $1,335,500) or waive connection fees & rebate $250 per REU within the Lea Tract
2. Rebate Logan Homes $500 for each new homes served in the Greybull and the identified Weir Tracts ($500 x 256 = $128,000)
3. ONSWC estimates $1,200,000 for Lea Tract lift station, Lea Tract forcemain, effluent line, & pond construction – this estimate does not include potential savings on pipe by leveraging ONSWC PVC pipe pricing

8. No connection fee guarantee required

Thanks,

<image003.jpg>

Michael Myers
President
Envirolink, Inc.